THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Prospectus, or as to what action you should take, you should immediately consult an appropriately authorized professional advisor.

Offering of between 106,530,612 and 118,636,362 class B shares of PUIG BRANDS, S.A.

(a public limited company -sociedad anónima- incorporated and registered in the Kingdom of Spain)

at an Offering Price Range of between €22.0 and €24.5 per class B share

This is an initial public offering (the "**Offering**") of class B shares (the "**Class B Shares**") of Puig Brands, S.A. ("**Puig**" or the "**Company**"). The Offering is made by us and Puig, S.L. ("**Puig SL**" or the "**Selling Shareholder**") inside and outside of the Kingdom of Spain to qualified investors, including a placement in the United States to persons reasonably believed to be qualified institutional buyers ("**QIBs**") as defined in, and in reliance on, Rule 144A ("**Rule 144A**") under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**").

The Offering outside the United States (the "**U.S.**") will be made in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**") to investors who, if resident in a member state of the European Economic Area (the "**EEA**" and, each, a "**Member State**") or in the United Kingdom (the "**UK**"), are qualified investors as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council, of June 14, 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**") and in the Prospectus Regulation as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018, respectively.

We are offering a number of Class B Shares (the "**New Offer Shares**") to obtain gross proceeds of approximately €1,250 million (the "**New Gross Proceeds**"). Based on the Offering Price Range (as defined below), the number of Class B Shares to be issued by us will be between 51,020,408 and 56,818,181. The actual number of New Offer Shares will be determined as New Gross Proceeds divided by the Offering Price (as defined below). The Selling Shareholder is offering a number of Class B Shares (the "**Secondary Offer Shares**" and, together with the New Offer Shares, the "**Initial Offer Shares**") to provide the Selling Shareholder with gross proceeds of approximately €1,360 million (the "**Secondary Gross Proceeds**"). Based on the Offering Price Range, the number of Class B Shares to be sold by the Selling Shareholder will be between 55,510,204 and 61,818,181. The actual number of Secondary Offer Shares will be determined as Secondary Gross Proceeds divided by the Offering Price.

In addition, the Selling Shareholder will grant an option (the "**Over-allotment Option**") to the Joint Global Coordinators (as defined below), exercisable, in whole or in part, by Goldman Sachs Bank Europe SE ("**Goldman Sachs**"), acting as stabilising manager (the "**Stabilising Manager**"), on behalf of the Joint Global Coordinators, no later than 30 calendar days after the date on which the Class B Shares commence trading on the Spanish Stock Exchanges (as defined below), to purchase additional Class B Shares representing approximately up to 15% of the Initial Offer Shares in an amount up to €390 million at the Offering Price (the "**Over-allotment Shares**" and, together with the Initial Offer Shares, the "**Offer Shares**") solely to cover over-allotments of Class B Shares in the Offering, if any, and short positions resulting from stabilization transactions, if any. Based on the lower end of the Offering Price Range, and assuming the Over-allotment Option is exercised in full, the number of Over-allotment Shares will be 17,727,272.

The non-binding indicative offering price range at which the Offer Shares are being offered in the Offering is between €22.0 and €24.5 per Offer Share (the "**Offering Price Range**"). The Offering Price Range is indicative only, it may change during the course of the Offering, and the Offering Price may be set within, above or below the Offering Price Range. The Offering Price Range has been determined by us and the Selling Shareholder, after consultation with the Joint Global Coordinators without reliance on any third-party expert to assess the value of the Offer Shares or determine the Offering Price Range. The final price of the Offer Shares (the "**Offering Price**") will be determined by us and the Selling Shareholder, in consultation with the Joint Global Coordinators, upon completion of the book-building period (expected to occur on or about April 30, 2024) and will be announced through a communication of inside information (*comunicación de información privilegiada*). No independent experts will be consulted in determining the Offering Price.

Our share capital consists of class A shares (the "**Class A Shares**") and Class B Shares. Each of the Class A Shares confers five (5) votes and each of the Class B Shares confers one (1) vote. Each Class B Share confers the same economic rights as each

Class A Share (including the right to receive, in the same amounts, dividends and other distributions declared, made or paid on the Company's share capital, including in the event of liquidation). Each of our Class A Shares is convertible at the option of the relevant Class A Holder into one Class B Share, but Class B Shares are not convertible into Class A Shares. See "*Description of Share Capital—Rights of Class A Shares and Class B Shares*" for a detailed description of the rights ascribed to the Class A Shares and the Class B Shares.

The conversion of Class A Shares into Class B Shares has been approved in the number necessary for the Selling Shareholder to obtain the Secondary Gross Proceeds through the sale of Secondary Offer Shares and grant the Over-allotment Option. The final number of Class A Shares to be converted into Class B Shares for the purposes of the Offering is subject to the determination of the Offering Price.

Following the Offering and the Minority Shareholders Share Capital Increases (as defined in "*Principal and Selling Shareholder*"), if the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and the Over-allotment Option is exercised in full, (i) our outstanding Class A Shares (all of which are owned by the Selling Shareholder) will represent 68.0% of the total shares and will confer 91.4% of the total voting rights, and (ii) our outstanding Class B Shares will represent 32.0% of the total shares and will confer 8.6% of the total voting rights. See "*Principal and Selling Shareholder*".

Investing in the Offer Shares is subject to risks and uncertainties. Prospective investors should carefully read this Prospectus (as defined below) and, in particular, "*Risk Factors*" beginning on page 8 of this Prospectus prior to making an investment in the Offer Shares.

This document (the "**Prospectus**") relating to the Company and its subsidiaries (the "**Group**") constitutes a prospectus for the purposes of Articles 3 and 4 of the Prospectus Regulation. This Prospectus has been prepared in connection with the Offering and application for the admission to listing (the "**Admission**") of the Class B Shares on the Barcelona, Madrid, Bilbao and Valencia stock exchanges (collectively, the "**Spanish Stock Exchanges**"), which are regulated markets for the purposes of EU Directive 2014/65/EC on markets in financial instruments, as amended ("**MiFID II**"), for trading through the Automated Quotation System or "*Mercado Continuo*" of the Spanish Stock Exchanges (the "**AQS**"). This Prospectus has been approved by and registered with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "**CNMV**"), as competent authority under the Prospectus Regulation, Law 6/2023 on Securities Markets and Investment Services (*Ley de los Mercados de Valores y de los Servicios de Inversión*), as amended (the "**Spanish Securities Market Act**") and the relevant implementing measures in Spain, on April 18, 2024, and includes the information required by Annexes 1 and 11 of Commission Delegated Regulation (EU) 2019/980, of March 14, 2019, supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 ("**Delegated Regulation 2019/980**"). This Prospectus is available on the CNMV's website (www.cnmv.es) and on the Company's website (www.puig.com/en/ipo/). Neither our website nor any of its contents are considered part of or are incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined or approved the Company's website or any of its contents. This Prospectus does not constitute or form part of an offer to sell, or a solicitation of an offer to subscribe for or purchase or otherwise acquire, any security other than the Offer Shares.

Prior to this Offering, there has been no public market for the Class B Shares or for the Class A Shares. We will apply to have the Class B Shares admitted to listing on the Spanish Stock Exchanges for trading through the AQS. We will not apply to have the Class A Shares admitted to listing on the Spanish Stock Exchanges or on any other trading venue. The Class B Shares are expected to be listed on the Spanish Stock Exchanges for trading through the AQS on or about May 3, 2024 under the ticker symbol "PUIG". The Initial Offer Shares are expected to be delivered against payment of the Offering Price, through the book-entry facilities of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Sociedad Unipersonal* ("**Iberclear**") and its participating entities (*entidades participantes*), on or about May 6, 2024.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or other jurisdiction in the United States. See "*Selling and Transfer Restrictions—United States*" for a description of certain restrictions on the ability to offer and sell the Offer Shares and distribute this document. This document is not a "prospectus" for the purposes of Section 10 of the U.S. Securities Act.

You are deemed to have represented to the Company, the Selling Shareholder and the Underwriters (as defined below) that (i) the securities subscribed or acquired by you pursuant to the Offering have not been subscribed or acquired on a non-discretionary basis on behalf of (nor have they been subscribed or acquired with a view to their offer or resale to) any person under circumstances that may give rise to an offer of any securities to the public other than their offer or resale to qualified investors in any Member State and the United Kingdom or under circumstances exempt from the prospectus requirements or in which the prior consent of the Underwriters has been obtained for each such proposed offer or resale; (ii) if you are outside the United States, the United Kingdom and the EEA, you are a person into whose possession the document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located; and (iii) if you are in the United States, you are a QIB and you are subscribing or acquiring the securities for your own account or for the account of a QIB.

This Prospectus has been approved by and registered with the CNMV on April 18, 2024. Investors may contact the CNMV by telephone (+34) 900 535 015. As this Prospectus refers to the Offering and Admission, its validity will end upon the Admission to trading of the Company's Class B Shares provided that Admission takes place prior to the expiration of 12 months following the approval of this Prospectus by the CNMV. Once this Prospectus is no longer valid, the Company will have no obligation to supplement this Prospectus in case of significant new factors, material mistakes or material inaccuracies.

Joint Global Coordinators and Joint Bookrunners

Goldman Sachs Bank Europe SE **J.P. Morgan SE**

Joint Bookrunners

Banco Santander, S.A. **BofA Securities**

BNP PARIBAS **CaixaBank, S.A.**

Co-lead Managers

Banco Bilbao Vizcaya Argentaria, S.A. **Banco de Sabadell, S.A.**

Agent Bank

CaixaBank, S.A.

This Prospectus is dated April 18, 2024.

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

YOU SHOULD READ THE ENTIRE PROSPECTUS AND, IN PARTICULAR, "RISK FACTORS" BEGINNING ON PAGE 8 OF THIS PROSPECTUS WHEN CONSIDERING AN INVESTMENT IN THE OFFER SHARES.

You are deemed to agree to each of the notices set forth below by accepting delivery of this Prospectus.

You should rely only on the information contained in this Prospectus. None of the Company, the Selling Shareholder, Goldman Sachs and J.P. Morgan SE ("JP Morgan" and, together with Goldman Sachs, the "Joint Global Coordinators"), Banco Santander, S.A. ("Banco Santander"), BofA Securities Europe SA ("BofA Securities"), BNP PARIBAS and CaixaBank, S.A. ("CaixaBank") (jointly, together with the Joint Global Coordinators, the "Joint Bookrunners") and Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") and Banco de Sabadell, S.A. ("Banco Sabadell") (jointly, the "Co-lead Managers" and, together with the Joint Bookrunners, the "Underwriters" and each of them, an "Underwriter"), or their respective affiliates, has authorized any person to provide investors with any information that is not contained in this Prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in our affairs, and you should assume that the information appearing in this Prospectus is accurate only as of its date. Our business, results of operations, financial condition, cash flows, prospects and the information set forth in this Prospectus may have changed since the date of this Prospectus.

Notwithstanding the foregoing, we are required to issue a supplement to this Prospectus in respect of any significant new factor, material mistake or material inaccuracy (including by way of omission) relating to the information included in this Prospectus that may affect the assessment of the Offer Shares and that arises or is noted between the date of registration of this Prospectus with the CNMV and the date of Admission, in accordance with Article 23 of the Prospectus Regulation.

In this Prospectus, "we", "us", "our" and "ours" refers to the Group, unless otherwise indicated or the context otherwise requires.

The contents of our website (www.puig.com) do not form part of this Prospectus unless that information is expressly incorporated by reference into this Prospectus.

You should not consider any information in this Prospectus to be investment, legal, tax, financial or any other advice. You should consult your own legal counsel, financial advisor, accountant and other advisors for legal, tax, business, financial and related advice regarding subscribing or purchasing the Offer Shares. None of the Company, the Selling Shareholder or the Underwriters or their respective affiliates makes any representation or warranty, express or implied, to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser nor, to the fullest extent permitted by applicable law, accepts any responsibility whatsoever, other than as set out in "*Responsibility Statement and Competent Authority*" as applicable, with respect to the content of this document, including the accuracy, completeness or verification of any of the information in this Prospectus.

Each Underwriter is acting exclusively for us and the Selling Shareholder and no one else in connection with the Offering and will not regard any other person (whether or not a recipient of this Prospectus) as its respective client in relation to the Offering and will not be responsible to anyone other than us and the Selling Shareholder for providing the protections afforded to their respective clients or for providing advice in relation to the Offering or any transaction or arrangement referred to herein. Save for the responsibilities, if any, which may be imposed under the Securities Markets Act or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Underwriters or any of their respective affiliates accepts

any responsibility whatsoever for the contents of this document including its accuracy, completeness and verification or for any other statement made or purported to be made by it or any of them or on its or their behalf in connection with the Company or the Offer Shares. Each of the Underwriters and their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise be found to have in respect of this document or any such statement.

Each person receiving this Prospectus acknowledges that: (i) it has not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) it has relied only on the information contained in this Prospectus; and (iii) no person has been authorized to give any information or to make any representation concerning us or our subsidiaries or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, the Selling Shareholder, the Underwriters.

In connection with the Offering, each of the Underwriters and any of their respective affiliates, acting as an investor for its or their own account(s), may take up a portion of the Offer Shares in the Offering as a principal and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities and, if applicable, any of our other securities or other related investments and may offer or sell such Offer Shares or, if applicable, other securities or other related investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to the Offer Shares being offered, acquired, placed or otherwise dealt with should be read as including any offer, acquisition, placing or dealing by any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of such securities. None of the Underwriters nor any of their affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This Prospectus does not constitute or form part of an offer to sell, or a solicitation of an offer to subscribe for or purchase or otherwise acquire, any security other than the Offer Shares. The distribution of this Prospectus and the offer and sale of the Offer Shares may be restricted by law in certain jurisdictions. You must inform yourself about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution and any transfer restrictions to which they are subject, see "*Selling and Transfer Restrictions*" elsewhere in this Prospectus. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the Offer Shares or you possess or distribute this Prospectus and must obtain any consent, approval or permission required for your purchase, subscription, offer or sale of the Offer Shares under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such subscription, purchase, offer or sale. None of us, the Selling Shareholder or the Underwriters is making an offer to sell the Offer Shares or a solicitation of an offer to buy any of the Offer Shares to any person in any jurisdiction except where such an offer or solicitation is permitted or accepts any legal responsibility for any violation by any person, whether or not an investor, of applicable restrictions.

Solely for the purposes of the product governance requirements contained within: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**") and in Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**", together with the MiFID II Product Governance Requirements, the "**Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that such Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of qualified investors, as defined in MiFID II; (ii) compatible with an end target

market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and (iii) eligible for distribution through all distribution channels as are permitted by the Product Governance Requirements (the "**Target Market Assessment**").

Any person offering, selling or recommending the Offer Shares (a "distributor" under the Product Governance Requirements) should take into consideration the Target Market Assessment; however, a distributor subject to the Product Governance Requirements is responsible for undertaking its own target market assessment in respect of the Offer Shares (by either adopting or refining the Target Market Assessment) and determining appropriate distribution channels.

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of qualified investors.

FOR THE AVOIDANCE OF DOUBT, THE TARGET MARKET ASSESSMENT DOES NOT CONSTITUTE: (A) AN ASSESSMENT OF SUITABILITY OR APPROPRIATENESS FOR THE PURPOSES OF MIFID II AND CHAPTER 9A OR 10A RESPECTIVELY OF THE COBS; OR (B) A RECOMMENDATION TO ANY INVESTOR OR GROUP OF INVESTORS TO INVEST IN, SUBSCRIBE OR PURCHASE, OR TAKE ANY OTHER ACTION WHATSOEVER WITH RESPECT TO THE OFFER SHARES.

NOTICE TO INVESTORS IN THE UNITED STATES

PROSPECTIVE SUBSCRIBERS AND PURCHASERS OF THE OFFER SHARES ARE HEREBY NOTIFIED THAT SELLERS OF THE OFFER SHARES MAY BE RELYING ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE U.S. SECURITIES ACT PROVIDED BY RULE 144A. THE OFFER SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT SUBSCRIBING OR PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE U.S. SECURITIES ACT FOR RESALES OF THE OFFER SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE OFFER SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE OFFER SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF OFFER SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO

THE FOREGOING RESTRICTIONS. THE OFFER SHARES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. SEE "SELLING AND TRANSFER RESTRICTIONS".

THE OFFER SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES. THIS DOCUMENT DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF SECTION 10 OF THE U.S. SECURITIES ACT.

NOTICE TO INVESTORS IN CERTAIN OTHER COUNTRIES

For information to investors in certain other countries, see "*Selling and Transfer Restrictions*".

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SUMMARY

Offering of between 106,530,612 and 118,636,362 class B shares of
PUIG BRANDS, S.A.
(a public limited company -sociedad anónima- incorporated and registered in the Kingdom of Spain)
at an Offering Price Range of between €22.0 and €24.5 per class B share

*Prepared in compliance with Article 7 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**").*

1. INTRODUCTION AND WARNINGS

THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THE PROSPECTUS. ANY DECISION TO INVEST IN THE OFFER SHARES (AS DEFINED BELOW) OF PUIG BRANDS, S.A. (THE "COMPANY") SHOULD BE BASED ON A CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR. THE INVESTOR COULD LOSE ALL OR PART OF THE INVESTED CAPITAL.

WHERE A CLAIM RELATING TO THE INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THE PROSPECTUS IS BROUGHT BEFORE A COURT THE PLAINTIFF INVESTOR MIGHT, UNDER SPANISH LAW, HAVE TO BEAR THE COSTS OF TRANSLATING THE PROSPECTUS AND ANY OTHER DOCUMENT INCORPORATED BY REFERENCE HEREIN BEFORE THE LEGAL PROCEEDINGS ARE INITIATED.

CIVIL LIABILITY ATTACHES ONLY TO THOSE PERSONS WHO HAVE TABLED THE SUMMARY INCLUDING ANY TRANSLATION THEREOF, BUT ONLY IF THE SUMMARY IS MISLEADING, INACCURATE OR INCONSISTENT WHEN READ TOGETHER WITH THE OTHER PARTS OF THE PROSPECTUS OR IT DOES NOT PROVIDE, WHEN READ TOGETHER WITH OTHER PARTS OF THE PROSPECTUS, KEY INFORMATION IN ORDER TO AID INVESTORS WHEN CONSIDERING WHETHER OR NOT TO INVEST IN THE OFFER SHARES OF THE COMPANY.

The Company is incorporated under the laws of Spain as a public limited liability company (*sociedad anónima*) for an unlimited period of time and registered with the Commercial Registry of Barcelona under volume 48,735, sheet B-482253, page 55. The Company holds Spanish tax identification number (NIF) A-66674904 and LEI code is 549300OVHNSX30L1AQ94. The registered office of the Company is at Plaza Europa, 46-48, 08902, L'Hospitalet de Llobregat, Barcelona, Spain, and its phone number is +34 934 007 000. The share capital of the Company consists of class A shares (the "**Class A Shares**") and class B shares (the "**Class B Shares**").

The principal shareholder of the Company is Puig, S.L. ("**Puig SL**" or the "**Selling Shareholder**"). The Selling Shareholder is a company incorporated under the laws of Spain as a limited liability company (*sociedad limitada*) for an unlimited period of time and registered with the Commercial Registry of Barcelona under volume 49,171, sheet B-207010, page 43. The Selling Shareholder holds Spanish tax identification number (NIF) B-62059498 and LEI Code: 549300C2UL70KS5IC127. The registered office of the Selling Shareholder is at Plaza Europa, 46-48, 08902, L'Hospitalet de Llobregat, Barcelona, Spain and its phone number is +34 937 372 300.

This Summary relates to an initial public offering (the "**Offering**") of Class B Shares of the Company. The Company is offering a number of Class B Shares (the "**New Offer Shares**") to provide the Company with gross proceeds of approximately €1,250 million (the "**New Gross Proceeds**"). Based on the Offering Price Range (as defined below), the number of Class B Shares to be issued by the Company will be between 51,020,408 and 56,818,181. The actual number of New Offer Shares will be determined as New Gross Proceeds divided by the Offering Price (as defined below). The Selling Shareholder is offering a number of Class B Shares (the "**Secondary Offer Shares**" and, together with the New Offer Shares, the "**Initial Offer Shares**") to provide the Selling Shareholder with gross proceeds of approximately €1,360 million (the "**Secondary Gross Proceeds**"). Based on the Offering Price Range, the number of Class B Shares to be sold by the Selling Shareholder will be between 55,510,204 and 61,818,181. The actual number of Secondary Offer Shares will be determined as Secondary Gross Proceeds divided by the Offering Price.

In addition, the Selling Shareholder will grant an option (the "**Over-allotment Option**") to Goldman Sachs Bank Europe SE and J.P. Morgan SE (together, the "**Joint Global Coordinators**"), exercisable, in whole or in part, by Goldman Sachs Bank Europe SE, acting as stabilising manager (the "**Stabilising Manager**"), on behalf of the Joint Global Coordinators, no later than 30 calendar days after the date on which the Class B Shares commence trading on the Barcelona, Madrid, Bilbao and Valencia stock exchanges (collectively, the "**Spanish Stock Exchanges**"), to purchase additional Class B Shares representing approximately up to 15% of the Initial Offer Shares in an amount up to €390 million at the Offering Price (the "**Over-allotment Shares**" and, together with the Initial Offer Shares, the "**Offer Shares**"), solely to cover over-allotments of Class B Shares in the Offering, if any, and short positions resulting from stabilization transactions, if any. Based on the lower end of the Offering Price Range, and assuming the Over-allotment Option is exercised in full, the number of Over-allotment Shares will be 17,727,272.

The non-binding indicative offering price range at which the Offer Shares are being offered in the Offering is between €22.0 and €24.5 per Offer Share (the "**Offering Price Range**"). The final price of the Offer Shares (the "**Offering Price**") will be determined by the Company and the Selling Shareholder, in consultation with the Joint Global Coordinators, upon completion of the book-building

period (expected to occur on or about April 30, 2024) and will be announced through a communication of inside information (*comunicación de información privilegiada*). No independent experts will be consulted in determining the Offering Price.

The ISIN code of the existing Class B Shares of the Company is ES0105777017, while the New Offer Shares have the provisional ISIN code ES0105777025, and will bear the same ISIN code as the existing Class B Shares from Admission.

The prospectus relating to the Company and its subsidiaries (the "**Group**") constitutes a prospectus for the purposes of Articles 3 and 4 of the Prospectus Regulation (the "**Prospectus**"). The Prospectus has been prepared in connection with the Offering and application for the admission to listing (the "**Admission**") of the Class B Shares on the Spanish Stock Exchanges. The Prospectus has been approved and registered by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the "**CNMV**") on April 18, 2024. Investors may contact the CNMV at the following telephone number (+34) 900 535 015. The Prospectus is available on the CNMV's website (www.cnmv.es) and on the Company's website (www.puig.com/en/ipo/). Neither the Company's website nor any of its contents are considered part of or are incorporated into this Summary, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined or approved the Company's website or any of its contents.

2. KEY INFORMATION ON THE COMPANY

2.1. Who is the issuer of the securities?

Domicile and legal form

The legal name of the issuer is Puig Brands, S.A., and depending on the jurisdiction and the brand involved, it operates under the name of "Puig" and under local commercial names such as "Puig UK" or "Charlotte Tilbury US", among others. The Company is incorporated under the laws of Spain as a public limited liability company (*sociedad anónima*) for an unlimited period of time and registered with the Commercial Registry of Barcelona under volume 48,735, sheet B-482253, page 55. The Company holds Spanish tax identification number (NIF) A-66674904, its LEI code is 549300OVHNSX30L1AQ94 and its corporate website is www.puig.com. The principal legislation under which the Company operates is the Spanish Companies Act and the regulations enacted thereunder. The registered office of the Company is at Plaza Europa, 46-48, 08902, L'Hospitalet de Llobregat, Barcelona, Spain, and its phone number is +34 934 007 000.

The Company was incorporated under the laws of The Netherlands on February 25, 1983, with the name of Jorba B.V. as a private limited liability company. On December 18, 2015, the Company redomiciled its corporate seat from The Netherlands to Spain and became Jorba Perfumes, S.L., a company incorporated under the laws of Spain as a private limited liability company (*sociedad limitada*). On November 15, 2022, the Company was transformed into a public limited liability company (*sociedad anónima*) under the laws of Spain and named thereafter as Jorba Perfumes, S.A.U. Subsequently, on March 20, 2023, the Company changed its name to Puig Brands, S.A.

Principal activities

The principal activities of the Company are: (a) activities of a holding company of companies whose corporate purpose consists of the manufacturing and sale of all kinds of perfumery and home goods (soaps, cosmetics, hygiene products, toiletries, perfumes, detergents, etc.); textiles and leather goods; fashion, dressmaking and accessories; furniture, items and objects in general; chemical products and pharmaceutical specialties; packing and its components; and research, development, administration and exploitation in any of their forms of patents, marks, manufacturing processes and other intellectual property rights; and (b) the provision of management, administration, supervision, technical and IT support, legal, promotion, publicity services and advice in general to the Company's subsidiaries and, particularly, the provision of centralized cash management services.

Major shareholders

The share capital of the Company is €144,000,000, consisting of 475,000,000 Class A Shares of €0.30 nominal value each and 25,000,000 Class B Shares of €0.06 nominal value each. On April 16, 2024 the general shareholders' meeting and the board of directors of the Company (the "**Board of Directors**") approved the share capital increase in respect of the New Offer Shares. In addition, on that date, the Board of Directors approved (i) the conversion of Class A Shares into Class B Shares in the number necessary for the Selling Shareholder to obtain the Secondary Gross Proceeds through the sale of Secondary Offer Shares and the corresponding share capital reduction to give effect to such conversion; (ii) the conversion of Class A Shares into Class B Shares in the number necessary for the Selling Shareholder to grant the Over-allotment Option, and the corresponding share capital reduction to give effect to such conversion; and (iii) an additional conversion of Class A Shares into Class B Shares in the number resulting from dividing €250.0 million by the Offering Price (the "**Additional Conversion**"), and the corresponding share capital reduction to give effect to the Additional Conversion. The Company will grant before a Spanish notary a public deed in connection with the share capital increase in respect of the New Offer Shares and the public deeds in connection with the conversions and share capital reductions referred to in (i), (ii) and (iii) above (the "**Public Deeds of Conversion and Share Capital Reduction**").

On March 1, 2024, the Company agreed to acquire (i) from BDT Champion Holdings, L.P. (acting through its general partner BDTCP GP II-A (DEL), LLC) ("**BDT**") their 253,400,000 preference shares corresponding to 26.3% of the total number of shares in Prado Investment Limited ("**Prado**") (which holds 73.1% of the share capital of Charlotte Tilbury Limited); and (ii) from Manzanita US Investments, LLC ("**Manzanita**") and Arctic Sun AB ("**Arctic**") their 4,490 and 673 shares, respectively, corresponding to 23% of the total number of shares in Byredo AB (together, the "**Minority Shareholders Transactions**"). Part of the consideration of the Minority Shareholders Transactions will be paid by the Company by the issue of a number of Class B Shares and its subscription by BDT and Arctic, respectively, through share capital increases by means of a debt set off (*aumento de capital por compensación de créditos*). In addition, Manzanita has irrevocably committed to invest a certain amount in the subscription of new Class B Shares at the

Offering Price that will be issued by the Company through a share capital increase (together with the share capital increases to be subscribed by BDT and Arctic, the "**Minority Shareholders Share Capital Increases**"). The subscription of such new Class B Shares will be made by WFSF LLC and Manzanita US LLC, limited partners in Manzanita (together, the "**Manzanita LPs**" and, together with BDT and Arctic, the "**Minority Shareholders**"). On April 16, 2024 the general shareholders' meeting of the Company approved the Minority Shareholders Share Capital Increases. It is expected that the execution of the Minority Shareholders Share Capital Increases will be carried out on May 2, 2024 after the share capital increase in respect of the New Offer Shares. None of the Minority Shareholder Transactions, the related Minority Shareholders Share Capital Increases or the related new Class B Shares form part of the Offering.

Pursuant to the Offering, the Additional Conversion and the Minority Shareholders Share Capital Increases, assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share), (i) 86,021,504 Class A Shares of €0.30 nominal value each will be converted into 86,021,504 Class B Shares of €0.06 nominal value each and the Company will carry out the corresponding share capital reduction, which will amount to €20,645,160.96; (ii) the Company will issue 53,763,440 New Offer Shares to obtain the New Gross Proceeds; and (iii) the Company will issue 18,079,705 new Class B Shares that will be subscribed by BDT, Arctic and the Manzanita LPs, pursuant to the Minority Shareholders Share Capital Increases (the "**New Minority Shareholders Shares**"). As a result, the share capital of the Company would be €127,665,427.74, consisting of 388,978,496 Class A Shares of €0.30 nominal value each and 182,864,649 Class B Shares of €0.06 nominal value each.

The following table sets forth certain information with respect to the ownership and total voting rights of Class A Shares and Class B Shares prior to and after the Offering and after the Minority Shareholders Share Capital Increases (assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) unless stated otherwise in the table). For the avoidance of doubt, the percentage of total voting rights is calculated taking into account the Class B Shares held by the Company as treasury shares.

	Shares owned prior to the Offering		Shares owned after the Offering and after the Minority Shareholders Share Capital Increases — Assuming no exercise of the Over-allotment Option		Shares owned after the Offering and after the Minority Shareholders Share Capital Increases — Assuming exercise in full of the Over-allotment Option	
	Number	**%**	**Number**	**%**	**Number**	**%**
Class A Shares	**475,000,000**	**95[(1)]**	**388,978,496**	**68.0[(2)]**	**388,978,496**	**68.0[(2)]**
Puig, S.L. as Selling Shareholder (controlled by Exea Empresarial, S.L.)[(3)]	475,000,000	95	388,978,496	68.0	388,978,496	68.0
Class B Shares	**25,000,000**	**5[(4)]**	**182,864,649**	**32.0[(5)]**	**182,864,649**	**32.0[(5)]**
Total	**500,000,000**	**100**	**571,843,145**	**100**	**571,843,145**	**100**
Ownership of Class B Shares	**Number**	**%[(6)]**	**Number**	**%[(6)]**	**Number**	**%[(6)]**
Puig, S.L. as Selling Shareholder (controlled by Exea Empresarial, S.L.)[(3)]	3,536,362	14.1	31,063,243[(7)]	17.0	14,289,050[(7)]	7.8
Company's directors and Senior Officers	10,991,115	44.0	11,108,101[(8)]	6.1	11,108,101[(8)]	6.1
Minority Shareholders[(9)]	–	–	18,079,705	9.9	18,079,705	9.9
Others[(10)]	5,585,856	22.3	5,585,856	3.1	5,585,856	3.1
Treasury shares	4,886,667	19.5	4,886,667	2.7	4,886,667	2.7
Public (other free float)	–	–	112,141,077	61.3	128,915,270	70.5
Total Class B Shares	**25,000,000**	**100**	**182,864,649**	**100**	**182,864,649**	**100**

Notes: —

(1) 98.96% of the total voting rights of the Company; (2) 91.4% of the total voting rights of the Company; (3) as of the date of the Prospectus, the principal shareholder of the Company is the Selling Shareholder, Puig SL. Puig SL is owned by three companies belonging to the Puig family. Puig SL is currently controlled (within the meaning of Article 4 of the Spanish Securities Market Act and Article 42 of the Spanish Commercial Code) by Exea Empresarial, S.L., which holds approximately 51.1% of the share capital of Puig SL (41.2% directly and 9.9% indirectly through Puig Gest, S.A., in which Exea Empresarial, S.L. is a controlling shareholder). Exea Empresarial, S.L. is not controlled (within the meaning of Article 4 of the Spanish Securities Market Act and Article 42 of the Spanish Commercial Code) by any individual or legal entity. On Admission, the Company will remain controlled by Exea Empresarial, S.L. through Puig SL. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. Upon Admission, any notice of voting rights and financial instruments directly owned by Puig SL in the Company that shall be served to the CNMV from time to time pursuant to Royal Decree 1362/2007 (*comunicación de participación significativa*) will be served by Exea Empresarial, S.L.; (4) 1.04% of the total voting rights of the Company; (5) 8.6% of the total voting rights of the Company; (6) corresponds to the percentage of all the Class B Shares; (7) including the Class B Shares resulting from the Additional Conversion

that will be held by the Selling Shareholder after the Offering; (8) including the Initial Offer Shares that will be purchased by some of the Company's directors in the context of the Offering; (9) none of the Minority Shareholder Transactions, the related Minority Shareholders Share Capital Increases or the related New Class B Shares form part of the Offering and none of the Minority Shareholders will hold 3% or more of the share capital of the Company after the Offering; (10) mainly includes other employees, former directors or other minority shareholders of the Company who have acquired and/or received Class B Shares.

Board of directors

The Board of Directors is composed of the following 13 members: Mr. Marc Puig Guasch (executive, chairman), Mr. Manuel Puig Rocha (proprietary, vice-chairman), Mr. Josep Oliu Creus (proprietary), Mr. Jordi Constans Fernández (lead independent director), Mr. Yiannis Petrides (other external), Mr. Daniel Lalonde (independent), Mr. Rafael Cerezo Laporta (other external), Mr. Patrick Chalhoub (other external), Ms. Ángeles García-Poveda Morera (independent), Ms. Christine A. Mei (independent), Mr. Nicolas Mirzayantz (independent), Ms. Tina Müller (independent) and Ms. María Dolores Dancausa Treviño (independent).

Independent auditor

Ernst & Young, S.L. is the independent auditor of the Company.

2.2. What is the key financial information regarding the Company?

The following tables present the selected consolidated financial information of the Company as of and for the years ended December 31, 2023, 2022 and 2021. The selected consolidated financial information as of and for the years ended December 31, 2023, 2022, and 2021 derives from the special purpose consolidated financial statements as of and for each of the years ended December 31, 2023, 2022 and 2021 (the "**Financial Statements**"), which were prepared by the Company, according to applicable Spanish law, in accordance with International Financial Reporting Standards, as adopted by the European Union ("**IFRS-EU**"). The Financial Statements have been audited by Ernst & Young, S.L. as stated in its unqualified audit report. The Financial Statements together with the audit report are included as an annex to the Prospectus. The Financial Statements were originally prepared in English.

Consolidated income statement information

	For the year ended December 31,		
	2023	**2022**	**2021**
	(€ millions, except %)		
Net revenues	**4,304.1**	**3,619.6**	**2,585.0**
Net revenues growth	**18.9%**	**40.0%**	**-**
Operating profit	**693.0**	**536.5**	**351.6**
Operating Margin[APM]	**16.1%**	**14.8%**	**13.6%**
Net profit for the year	**499.9**	**412.5**	**198.9**
Net Profit Margin[APM]	**10.8%**	**11.0%**	**8.5%**

Consolidated balance sheet information

	As of December 31,		
	2023	**2022**	**2021**
	(€ millions)		
Total assets	**7,711.3**	**7,115.1**	**5,090.8**
Total equity	**959.2**	**951.6**	**1,048.5**
Net Debt[APM]	**1,509.7**	**1,272.6**	**399.7**

Consolidated cash flow statement information

	For the year ended December 31,		
	2023	**2022**	**2021**
	(€ millions)		
Net cash from operating activities	**556.5**	**419.7**	**511.0**
Net cash from investing activities	**(286.6)**	**(1,047.6)**	**(145.0)**
Net cash from financing activities	**(98.0)**	**644.5**	**(342.3)**

No pro forma financial information or profit forecast has been included in the Prospectus.

2.3. What are the key risks that are specific to the Company?

The most material risk factors specific to the Company are as follows:

- "*Risks relating to our industry and our business*": (i) "*1.1. Various transactions and undertakings after December 31, 2023 affect our liquidity and financial position"*; (ii) *"1.2 Demand in the markets for our products may fluctuate for a variety of reasons beyond our control*"; (iii) "*1.3 The beauty industry is highly competitive*"; (iv) "*1.4 We must adapt to changing consumer preferences and industry trends*"; and (v) "*1.5 Our brands are critical to our success*"

- “Risks related to our business operations”: (i) “*2.1 Our operations could be disrupted, and our losses may not be covered by insurance*”; (ii) “*2.2 Our business operations rely on certain third parties*”; and (iii) “*2.3 Our business requires us to manage inventory levels effectively*”
- “*Risks related to our business strategy and organization*”: (i) “*3.1 Our success depends in part on our ability to achieve our business strategy*”; and (ii) “*3.2 Our total net intangible assets amounted to €4,114.3 million as of December 31, 2023, representing 53.4% of our total assets and may be subject to impairment in the future*”
- “*Risks related to our indebtedness and other liabilities*”: (i) “*4.1 Payment obligations in respect of minority stakes in certain brands constitute significant liabilities for us and will require us to make significant future cash outlays*”
- “*Legal and regulatory risks*”: (i) “*5.1 We are subject to legal proceedings and legal compliance risks*”; and (ii) “*5.2 Our success depends on the ability to protect our intellectual property rights and respect the intellectual property of others*”

3. KEY INFORMATION ON THE SECURITIES

3.1. What are the main features of the securities?

Type, class and ISIN

The share capital of the Company is €144,000,000, consisting of 475,000,000 Class A Shares of €0.30 nominal value each and 25,000,000 Class B Shares of €0.06 nominal value each. Each of the Class A Shares confers five (5) votes and each of the Class B Shares confers one (1) vote.

The Class A Shares and the Class B Shares are denominated in euro (€). The ISIN code of the existing Class B Shares of the Company is ES0105777017, while the New Offer Shares have the provisional ISIN code ES0105777025, and will bear the same ISIN code as the existing Class B Shares from Admission.

The Class B Shares were created pursuant to the reinstated text of the Spanish Companies Act approved by Royal Decree 1/2010, of July 2 (*Texto Refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*), as amended (the “**Spanish Companies Act**”) and other than the difference in the number of votes between the Class A Shares and the Class B Shares, the lower nominal value of Class B Shares and the right of Class A Shares to be converted into Class B Shares, each Class B Share confers the same rights (including the right to receive, in the same amounts, dividends and other distributions declared, made or paid on the Company’s share capital, including in the event of liquidation) as the Class A Shares.

Holders of the Class B Shares, including the Offer Shares, and holders of the Class A Shares are entitled to the rights and subject to the obligations set forth in the Spanish Companies Act and in the Company’s bylaws (the “**Bylaws**”). In particular, the following rights are inherent to the condition of holder of the Class A Shares and holder of the Class B Shares: (i) right to attend the general meeting of shareholders with voting rights (so long as the relevant shareholder holds a minimum number of 1,000 Class A Shares or Class B Shares); (ii) pre-emptive rights in issues of new shares and bonds or other instruments convertible into or carrying the right to subscribe for new shares in consideration for cash contributions; (iii) right to exercise shareholder actions; (iv) information rights; and (v) dividend and liquidation rights in the same amount for the Class A Shares and the Class B Shares.

The Class B Shares, including the Offer Shares, are not subject to any transfer restrictions other than restrictions applicable under the applicable securities laws and the Bylaws, without prejudice to the lock-up restrictions agreed in connection with the Offering, in connection with the Class B Shares delivered to certain directors and employees of the Company under the incentive plans and the lock-up restrictions in relation the New Minority Shareholders Shares created pursuant to the Minority Shareholders Share Capital Increases.

As of the date of the Prospectus, no dividend policy has been established by the Company. However, the intention of the Company is to distribute cash dividends in the near future in a prudent manner (the Company expects to maintain a pay-out ratio (calculated as dividends/net profit attributable to the Company) of approximately 40%, in line with the Company’s historical dividend track record). The Company expects to make the first dividend distribution after the Offering in 2025 in respect of the year 2024 results.

3.2. Where will the securities be traded?

The Company will apply to have its Class B Shares listed on the Spanish Stock Exchanges, which are regulated markets for the purposes of EU Directive 2014/65/EC on markets in financial instruments, as amended, and admitted to trading through the Automated Quotation System or “*Mercado Continuo*” of the Spanish Stock Exchanges (the “**AQS**”) on or about May 3, 2024 under the ticker symbol “PUIG”. The Company will not apply to have the Class A Shares admitted to listing on the Spanish Stock Exchanges or on any other trading venue.

3.3. Is there a guarantee attached to the securities?

Not applicable.

3.4. What are the key risks that are specific to the securities?

The following is a summary of selected key risks that relate to the securities: (i) “*Our dual-class share structure concentrates voting control in holders of our Class A Shares, which will continue to be the case after Admission, limiting your ability to influence corporate matters.*”; and (ii) “*There can be no guarantee that we will declare dividends in the future.*”

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1. Under which conditions and timetable can I invest in the securities?

Expected timetable for principal events

The Company expects that the Offering will take place according to the tentative calendar set out below:

Event	Estimated Date
Approval and registration of the Prospectus with the CNMV	April 18, 2024
Commencement of the book-building period in which non-binding proposals are made by qualified investors	April 19, 2024
Finalization of the book-building period	April 30, 2024
Setting of the Offering Price	April 30, 2024
Execution of the Underwriting Agreement (as defined below)	April 30, 2024
Publication of the Offering Price and the final size of the Offering through a communication of inside information (*comunicación de información privilegiada*)	April 30, 2024
Allocation of Initial Offer Shares to investors: Transaction Date	April 30, 2024
Prefunding of the New Offer Shares by the Joint Global Coordinators	May 2, 2024
Granting of the public deed of capital increase in respect of the New Offer Shares	May 2, 2024
Granting of the Public Deeds of Conversion and Share Capital Reduction in respect of the Secondary Offer Shares and the Over-allotment Shares	May 2, 2024
Granting of the Public Deed of Conversion and Share Capital Reduction in respect of the Additional Conversion	May 2, 2024
Granting of the public deeds of capital increase in respect of the New Minority Shareholders Shares	May 2, 2024
Filing and registration of the Public Deeds of Conversion and Share Capital Reduction in respect of the Secondary Offer Shares and the Over-allotment Shares and the public deed of share capital increase in respect of the New Offer Shares with the Commercial Registry of Barcelona	May 2, 2024
Filing of the Public Deed of Conversion and Share Capital Reduction in respect of the Additional Conversion with the Commercial Registry of Barcelona	May 2, 2024
Filing of the public deeds of share capital increases in respect of the New Minority Shareholders Shares with the Commercial Registry of Barcelona	May 2, 2024
Operation Date of the Offering and publication of an other relevant information notice (*comunicación de otra información relevante*)	May 2, 2024
Admission, start of trading and commencement of Stabilisation Period (as defined below) and of the Over-allotment Option exercise period (on or about)	May 3, 2024
Settlement date (on or about). Payment by and delivery to investors of the Initial Offer Shares	May 6, 2024
End of Stabilisation Period and of the Over-allotment Option exercise period	June 1, 2024

Assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and that the Over-allotment Option is not exercised, after the Offering and after the Minority Shareholders Share Capital Increases the existing shareholders of the Company as of the date of the Prospectus (i) will hold 77.2% (74.3% if the Over-allotment is exercised in full) of the total number of Class A Shares and Class B Shares of the Company, representing a dilution of approximately 22.8% (25.7% if the Over-allotment is exercised in full) with respect to their shareholding prior to the Offering; and (ii) will hold 93.9% (93.1% if the Over-allotment is exercised in full) of the total voting rights of the Company, representing a dilution of approximately 6.1% (6.9% if the Over-allotment is exercised in full) with respect to the percentage of total voting rights they held prior to the Offering.

Due to the difficulty in determining the expenses incurred as of the date of the Prospectus, the following table is for illustrative purposes only and sets forth the estimated expenses payable by the Company and by the Selling Shareholder, in each case excluding VAT, which shall be added where applicable (assuming that that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and that the Over-allotment Option has been exercised in full and assuming full payment of the incentive fee to the Underwriters):

Expenses	Company	Selling Shareholder
	(€ million)	
Underwriting commissions	27.46	38.44
Iberclear fee, Spanish Stock Exchanges fee and CNMV fee	0.26	0.36

Expenses	Company	Selling Shareholder
Legal, audit expenses and other expenses (notary public, registration with Commercial Registry, legal publishing, legal and other advice, audit services)	0.87	1.21
Total	**28.58**	**40.02**

4.2. Who is the offeror and/or the person asking for admission to trading?

The Company is the offeror of the New Offer Shares and the person asking for admission to trading for all the Class B Shares on the date of Admission. See "*2. Key information on the Company*" of this Summary for more information on the Company.

The Selling Shareholder will be the offeror of the Secondary Offer Shares and the Over-allotment Shares if the Over-allotment Option is exercised, in whole or in part. The Over-allotment Option will be exercisable, in whole or in part, by the Stabilising Manager, on behalf of the Joint Global Coordinators, no later than 30 calendar days after Admission (the "**Stabilisation Period**"). See "*1. Introduction and warnings*" of this Summary for more information on the Selling Shareholder.

4.3. Why is the Prospectus being produced?

The Prospectus constitutes a prospectus for the purposes of Articles 3 and 4 of the Prospectus Regulation. The Prospectus has been prepared in connection with the Offering and application for Admission. This Prospectus has been approved by the CNMV, as competent authority under the Prospectus Regulation, Law 6/2023 on Securities Markets and Investment Services (*Ley del Mercado de Valores y de los Servicios de Inversión*), as amended (the "**Spanish Securities Market Act**") and the relevant implementing measures in Spain.

For the Company, becoming a publicly listed company implies a heightened level of scrutiny from investors, analysts, regulators and the market in general, ensuring that the next generations of the Puig family are held to the highest possible standards as they steer the Company in the correct strategic direction. This will allow the Company to better compete in the international beauty market during the next phase of the Company's development. As a result of the Offering, the corporate and capital structures of the Company will be better aligned with those of best-in-class, family-owned companies in the premium beauty sector globally, which have a strong shareholder core most often linked to their foundational families that fosters a long-term thinking approach. At the same time, the Company believes that the rigor implied in being a publicly listed company should enhance disciplined decision-making and help steer the performance of the Company in the right direction. Additionally, the Company believes that becoming a publicly listed company will entail increased visibility and awareness, which should provide the Company with useful tools for talent attraction and retention, while opening access to public capital as another source of financing to support the growth strategy of the Company's brands and portfolio.

The Company expects to raise the New Gross Proceeds (€1,250 million) from the issue of the New Offer Shares in the Offering. The Offering expenses (excluding VAT and assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and the payment in full of the incentive fee to the Underwriters (as defined below)) that will be payable by the Company in connection with the Offering are expected to be approximately €28.6 million. The Company intends to pay such expenses out of the gross proceeds of the Offering. The Company intends to use the net proceeds from the issue of the New Offer Shares for general corporate purposes such as (i) the payment of put and call options for part of the shares held by the minority shareholders in Charlotte Tilbury which will become exercisable in 2024 (€207.0 million), (ii) refinancing the amounts drawn under our credit facilities in order to finance the cash consideration paid in connection with the Minority Shareholders Transactions (€435.7 million), (iii) refinancing the amounts drawn under our credit facilities in order to finance the dividend distributed against share premium on April 5, 2024 (€186.1 million), (iv) reducing the current portion of its non-current debt (which amounted to €279.4 million as of January 31, 2024 and €283.9 million as of December 31, 2023), subject to any potential refinancing of debt that may be agreed by the Company in 2024, and (v) financing any future strategic investments and capital expenditures.

The Selling Shareholder expects to raise the Secondary Gross Proceeds (€1,360 million) from the sale of the Secondary Offer Shares in the Offering, assuming no exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Selling Shareholder is expected to raise additional gross proceeds of approximately €390 million. Assuming that the Over-allotment Option is exercised in full, the Offering expenses (excluding VAT and assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and the payment in full of the incentive fee to the Underwriters) that will be payable by the Selling Shareholder in connection with the Offering are expected to be approximately €40 million. The Company will not receive any proceeds from the sale by the Selling Shareholder of the Secondary Offer Shares and, if the Over-allotment Option is exercised in full or in part, from any Over-allotment Shares sold in the Offering.

The Company, the Selling Shareholder, the Joint Global Coordinators, Banco Santander, S.A. ("**Banco Santander**"), BofA Securities Europe SA ("**BofA Securities**"), BNP PARIBAS and CaixaBank, S.A. ("**CaixaBank**") (together with the Joint Global Coordinators, the "**Joint Bookrunners**") and Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**") and Banco de Sabadell, S.A. ("**Banco Sabadell**") (the "**Co-lead Managers**" and, together with the Joint Bookrunners, the "**Underwriters**") are expected to enter into an underwriting agreement (the "**Underwriting Agreement**") on or about April 30, 2024 with respect to the Initial Offer Shares and the Over-allotment Shares (if any) being issued by the Company or sold by the Selling Shareholder, as the case may be, upon the finalization of the book-building period (expected to be on or about April 30, 2024). There are no entities that have a firm commitment to act as intermediaries in respect of the Offering or the Offer Shares.

There are no material arrangements or conflicting interests to the Offering and/or Admission.

RISK FACTORS

Any investment in the Offer Shares is subject to risks and uncertainties. You should read and carefully consider the following risks and uncertainties, together with other information provided to you in this Prospectus, before deciding whether to invest in the Offer Shares. Any of the following risks and uncertainties could have a material adverse effect on our business, financial condition, results of operations and prospects. The market price of the Offer Shares could decline due to, among others, any of these risks and uncertainties, and you could lose all or part of your original investment.

The following risk factors address risks we have identified as material to the Group and/or the value of the Offer Shares. However, the risks described below are not the only risks that we face and should be used as by investors as guidance only when considering an investment in the Offer Shares. There may be additional risks and uncertainties that are currently unknown or that our management believes to be immaterial or insufficiently specific to the Offer Shares or our Group for inclusion in this Prospectus but which, if materialized, could harm our business, financial condition, results of operations and prospects and/or cause the market price of the Offer Shares to decline and you to lose all or part of your original investment.

This Prospectus includes forward-looking statements that involve risks and uncertainties, and our actual results may differ substantially from those discussed in these forward-looking statements, including as a result of the risks described below. Except as required by applicable law, we are not obliged to, and make no commitment to, release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Prospectus. See "Cautionary Statement Regarding Forward-looking Statements".

Investors should carefully review the entire Prospectus and should reach their own views and decisions on the merits and risks of investing in the Offer Shares. Furthermore, investors should consult their financial, legal, and tax advisors to carefully review the risks and uncertainties associated with an investment in the Offer Shares.

1. RISKS RELATING TO OUR INDUSTRY AND OUR BUSINESS

1.1 Various transactions we have completed and undertakings we have assumed after December 31, 2023 have affected, and will continue to affect, our liquidity and financial position.

Since December 31, 2023 we have entered into certain transactions and have assumed certain undertakings that have resulted, and will continue to result, in substantial cash outflows in 2024, affecting our liquidity and financial position.

As we have completed these transactions and have assumed these undertakings after December 31, 2023, such transactions and undertakings are not reflected in our balance sheet as of such date.

These transactions and undertakings are:

- In January 2024, we acquired 65% of Dr. Barbara Sturm to complement our portfolio of Niche brands. The total cash consideration was €291.1 million subject to certain adjustments set out in the sale and purchase agreement, which was paid with available cash from bank borrowings entered into in 2023 in anticipation of potential business combinations. We agreed to an earn-out payable to the brand founder in the long term, as well as a put and call option for the remaining minority stake. As of the date of this Prospectus, the valuation of these liabilities from business combinations is ongoing. Based on the acquisition price, these liabilities would amount to €146.5 million, but the final valuation (which we expect to be higher) will depend on the business plan for Dr. Barbara Sturm, which is not yet finalized as of the date of this Prospectus. For further information, see Note 33 to our Financial Statements and "*Business—14 Material Contracts—14.3 Dr. Barbara Sturm Acquisition*".
- On March 1, 2024, we agreed to acquire preference shares from BDT (as defined herein) corresponding to 26.3% of the total number of shares in Prado (as defined herein) (23.6% of the total voting rights taking into consideration the conversion of BDT's preference shares into ordinary

shares pursuant to Prado's articles of association), which holds 73.1% of the share capital of Charlotte Tilbury Limited, for a total consideration consisting of (i) £313.1 million in cash that we paid on March 1, 2024 (equivalent to €366.0 million assuming an £/€ exchange rate of 1.1688 as of that date); and (ii) £208.2 million (or €243.3 million assuming an £/€ exchange rate of 1.1688 as of that date), which we expect to settle through the issuance of new Class B Shares on May 2, 2024 in the Prado Share Capital Increase (as defined herein).

In addition, as part of this transaction, Prado will accrue (from the date following the Prado Completion Date until the date of issuance of the New BDT Shares) a preferential dividend in favor of BDT for an amount of £19,438.90 per day, which will be paid in cash on the date of issuance of the New BDT Shares.

- On March 1, 2024, we acquired 3% of Byredo AB from Arctic (as defined herein), a company owned by brand founder Ben Gorham, for a total consideration consisting of (i) €16.1 million in cash paid on March 1, 2024; and (ii) €16.1 million, which we expect to settle through the issuance of new Class B Shares on May 2, 2024 in the Arctic Share Capital Increase (as defined herein).
- On March 1, 2024, we acquired 20% of Byredo AB from Manzanita (as defined herein) for a total consideration of €214.6 million in cash paid on March 1, 2024. As part of this transaction, Manzanita irrevocably committed to invest €161 million of the cash consideration referred to above in the subscription at the Offering Price of new Class B Shares, which will be issued by us in the Manzanita Share Capital Increase (as defined herein).

In aggregate, these transactions involve our payment of €727 million in cash (excluding the €161 million paid to Manzanita that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares) and the issuance of €420.4 million in new Class B Shares (including shares issued to Manzanita pursuant to their irrevocable commitment to invest €161 million). See "*Business—14. Material Contracts—14.3 Dr. Barbara Sturm Acquisition*", *"Operating and Financial Review—Key Factors Affecting our Results of Operations—Business combinations—Recent Developments"* and *"Principal and Selling Shareholder—Minority Shareholders Transactions"*. Additionally, in aggregate, the Minority Shareholders Transactions (as defined herein), once completed, will reduce our liabilities from business combinations by €1,027 million, which will be partially offset by the recording of additional liabilities related to the earn-out and call and put options agreed in connection with the Dr. Barbara Sturm Acquisition (as defined herein) (€146.5 million, based on the acquisition price, as discussed above, though actual valuation is ongoing). See *"Operating and Financial Review—Liquidity and Capital Resources—Contractual Obligations and Commitments"* for a detailed explanation of the impact of these transactions in our principal contractual obligations and commitments as of December 31, 2023.

On March 19, 2024 our Board of Directors, at the proposal of the Nomination and Remuneration Committee (as defined herein), approved (i) the Offering Extraordinary Award (as defined herein) for all of our employees (including our Chief Executive Officer (as defined herein), our other Senior Officers (as defined herein) and other key employees) of around €80 to €90 million (including social security costs); and, in addition to the Offering Extraordinary Award, (ii) an extraordinary incentive payment for (a) our Chief Executive Officer for a total amount of approximately €9.3 million (including the amount of the Offering Extraordinary Award attributable to him); (b) our other Senior Officers for a total amount of approximately €4.3 million (including the amount of the Offering Extraordinary Award attributable to them); and (c) certain key employees that are not Senior Officers for a total amount of €3.1 million (excluding the Offering Extraordinary Award attributable to them), which will be paid following Admission and during 2024, in recognition of their respective contributions to the Company in the context of the Offering. For more information, see "*Business—12. Employees—Offering Extraordinary Award*", "*Board of Directors and Management—Compensation of directors—Compensation of directors for the performance of executive duties—Extraordinary incentives*" and "*Board of Directors and Management— Compensation of Senior Officers*".

On April 5, 2024, our general shareholders' meeting approved the dividend distribution against share premium of €186.1 million that was paid on that date. This dividend distribution has not been made in respect of our 2024 results.

In aggregate, these transactions have involved our payment of €888 million in cash since December 31, 2023 (including the €161 million paid to Manzanita that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares) and the dividend distribution paid on April 5, 2024 has involved our payment of €186.1 million in cash. We funded the Dr. Barbara Sturm Acquisition (€291.1 million) with available cash from bank borrowings drawn in 2023 in anticipation of potential business combinations. In addition, we financed the cash considerations in connection with the Minority Shareholders Transactions and the dividend distribution with additional amounts drawn under our credit facilities and cash available at the time of their execution and payment, respectively. As a result, as of the date of this Prospectus we have drawn down €596.7 million under our credit facilities in order to finance the cash consideration paid in the Minority Shareholders Transactions (which will be reduced to a net amount of €435.7 million with the €161 million that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares) and €186.1 million in order to finance the dividend distributed against share premium on April 5, 2024. These and future borrowings may adversely affect our ability to meet future payment obligations (see "*—4. Risks related to our Indebtedness and Other Liabilities—4.2 Our indebtedness may make it difficult for us to service our debt*"). We intend to use the net proceeds from the issue of the New Offer Shares for general corporate purposes such as (i) the payment of put and call options for part of the shares held by the minority shareholders in Charlotte Tilbury which will become exercisable in 2024 (€207.0 million), (ii) refinancing the amounts drawn under our credit facilities in order to finance the cash consideration paid in connection with the Minority Shareholders Transactions (€435.7 million), (iii) refinancing the amounts drawn under our credit facilities in order to finance the dividend distributed against share premium on April 5, 2024 (€186.1 million), (iv) reducing the current portion of our non-current debt (which amounted to €279.4 million as of January 31, 2024 and €283.9 million as of December 31, 2023), subject to any potential refinancing of debt that may be agreed by the Company in 2024, and (v) financing any future strategic investments and capital expenditures.

1.2 Demand in the markets for our products may fluctuate for a variety of reasons beyond our control.

Our business is significantly influenced by consumer demand for beauty and fashion products. Such demand can fluctuate based on a variety of factors beyond our control, including the general level of consumer spending, changes in consumer preferences, economic and geopolitical conditions, and cultural and societal trends. For instance, shifts toward more natural or minimalistic beauty routines, or any economic downturn causing consumers to reduce discretionary spending, may adversely affect demand for our products. While we endeavor to actively monitor and adapt to developments, there can be no assurance that we will be successful in predicting or adjusting to changes in consumer demand.

The general level of consumer spending and consumer preferences are affected by a number of factors, including general economic conditions, disposable consumer income and wealth, inflation, interest rates, government policies that affect consumers, health epidemics and pandemics (which may result in quarantines, facility closures, store closures or social distancing, among others), energy costs and consumer confidence, each of which is beyond our control. Consumer spending has been, and may continue to be, impacted by elevated inflation rates in many countries, military conflicts and other geopolitical conditions. For example, in 2020 we experienced a 24.3% decrease in sales with respect to 2019 as a result of the global quarantine due to COVID-19 pandemic.

While consumers' spending in beauty and fashion products has shown to be resilient and stable, it is also strongly discretionary. A decline in consumer spending generally, or in our product segments specifically, could adversely affect our product sales. It could also cause financial difficulties at our retailers, which, in turn, could force us to curtail, to stop doing business with that retailer, or to accept more credit risk relating to the receivables from such retailer, increasing the possibility of late or non-payment of receivables.

Any of the foregoing events could result in a material adverse effect on our business, financial condition, results of operations and prospects.

1.3 The beauty industry is highly competitive.

The beauty industry is highly competitive, with competition based on several factors, including perceived or actual product value and quality, product efficacy, packaging, pricing, speed or quality of innovation and new product introductions, in-store presence and visibility, advertising and promotional activities, brand recognition, distribution channels, and adaptation to evolving technology and device trends, including via e-commerce initiatives.

We compete with large multinational consumer product companies, luxury companies, private label brands and emerging companies, among others. Our competitors include The Estée Lauder Companies Inc., L'Oreal S.A., Coty Inc., Interparfums SA, LVMH Moët Hennessey Louis Vuitton, and Chanel S.A. We also face competition from a number of independent brands, some of which are backed by private equity investors, as well as some retailers that have their own beauty brands. Some of our competitors may have greater resources or diversification than we do or may be able to identify and respond more quickly or effectively to changing business, industry and economic conditions than we can. Some of them may also have larger fulfillment infrastructures, greater technical capabilities, faster shipping times, lower-cost shipping, lower operating costs, greater financial, marketing, institutional and other resources and larger consumer bases than we do. 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.

These competitors may engage in more successful and extensive research and development efforts, undertake more far-reaching and effective marketing campaigns, enter or expand their presence in any or all of the e-commerce or retail channels where we compete and adopt more aggressive pricing policies, which may allow them to expand their consumer base to our detriment. These factors may allow our competitors to derive greater revenue and profits from their existing consumer bases or detect or respond faster than we can to new or emerging technologies and changes in product trends and consumer preferences. As a result, these competitors may be able to offer products that are more appealing to consumers, causing us to lose market share. If we are unable to compete effectively on a global basis or in our key product categories or geographies, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

1.4 We must adapt to changing consumer preferences and industry trends.

The beauty industry can change rapidly due to evolving consumer preferences and industry trends, such as the expansion of digital channels, direct-to-consumer ("**DTC**") channels, new "disruptor" trendy brands and advances in technology, such as artificial intelligence. To address these challenges, we must successfully identify and respond to emerging beauty and fashion trends quickly and effectively. If we fail to anticipate or respond quickly and effectively to these changes, we may lose market share and experience a decrease in revenues and an increase in unsold merchandise.

Our continued success depends on our products' appeal to a broad range of consumers whose preferences cannot be predicted with certainty and may change from time to time. We must anticipate and respond in a timely and cost-effective manner to industry trends through product innovations, product line extensions and advertising and promotional activities, among other things. Any failure to successfully anticipate and respond to challenges that we may face in the marketplace, trends in the market for our products, changing consumer demands and preferences, and new ways of communicating or interacting efficiently with consumers may lead to a decrease in our market share, growth, revenue and profitability.

For example, there has been an increasing consumer trend towards products that meet ethical standards, with greater scrutiny on companies' supply chains and production methods. If we are unable to adapt to these changing consumer behaviors, or if our existing or future products are perceived by consumers as not adhering to such ethical standards, it could adversely affect consumer demand for our products, potentially leading to reduced revenues and negatively impacting our reputation and brand value.

Additionally, although we maintain a diverse brand and product portfolio, there exists a degree of dependence on certain high-performing "blockbuster" products. Consequently, any change in consumer preferences adversely affecting these key products could adversely affect our business, financial condition, results of operations and prospects.

The various market categories within the beauty industry where we operate may follow different trends. For example, the fragrance and fashion market category is influenced by the penetration of niche brands and growing DTC distribution. The make-up market category is influenced by new ways of engaging with consumers through digital platforms and tools, including the use of new or advanced technologies such as artificial intelligence, virtual try-on and innovative in-store activations. The skincare market category is influenced by consumer demand for organic and herbal products, as well as science-based skincare solutions. Changes in consumer preferences could result in reduced demand for our products in certain categories and increased demand in others, which may not necessarily align with our current portfolio mix and which could adversely affect our results of operations.

Consumer shopping preferences have also shifted, 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 own stores sales and e-commerce. In particular, the expansion of our DTC business presents challenges for logistics and fulfillment as well as additional regulatory compliance. In addition, expansion of DTC through digital channels, entails significant investment in technology, while DTC through own stores involves higher fixed costs in the form of leases and personnel costs. 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 and will incur expenses without correspondingly increased revenues. In addition, our entry into new categories and geographies has exposed us, and may continue to expose us, to new distribution channels or risks. Any change in our distribution channels, such as DTC sales through own stores, could also expose us to disputes with distributors and retailers. See "*—2. Risks related to our business operations—2.2 Our business operations rely on certain third parties*." 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 or profits.

If we are unable to compete effectively by identifying and effectively responding to new and changing industry trends and consumer preferences on a global basis or in our key business segments or portfolio categories, our business, financial condition, results of operations and prospects may be materially adversely affected.

1.5 Our brands are critical to our success.

Our success is strongly influenced by the image, perception, reputation and recognition of our brands and our fashion houses and their creative directors and related parties. Among these brands, there are three which deserve special attention: Rabanne, which became a €1 billion revenue brand in 2023 and Carolina Herrera and Charlotte Tilbury, each of which has the ambition to become a €1 billion revenue brand in the future. The reputation of our Group and each of our brands rests on the quality and exclusiveness of our products and the alignment of our products with their respective distribution networks and marketing strategy. Each of our brands has a unique combination of these factors. For example, Rabanne and Carolina Herrera, among other brands in our portfolio, represent luxury, high quality and exclusivity, while L'Artisan Parfumeur and Penhaligon's, among other brands in our portfolio, are valued for their artisanal nature and limited distribution. The goodwill associated with our brands reflects their value beyond their tangible assets and liabilities, capturing aspects of our brands that contribute to their profitability and competitive advantage. The net value of our brands and goodwill as of December 31, 2023 was €2,173.0 and €1,745.7 million, respectively (€2,148.4 million and €1,727.0 million, respectively, as of December 31, 2022, and €1,533.6 million and €1,012.3 million, respectively, as of December 31, 2021).

To maintain and enhance the value and reputation of our brands, we must undertake significant expenditures on advertising and promotion, research and development, product innovation, quality assurance, creative design, maintenance of exclusive distribution networks and customer service. Our robust advertising and promotional expenditures represent an ongoing strategic investment in the reputation of our brands. Such expenditures often precede an expected return from product sales, creating a further risk that such expenditures may not yield the desired return or may even result in a net loss if they do not succeed in maintaining and enhancing the value of our brands. Our growing presence in physical channels (brick and mortar) causes us to incur significant fixed lease and employee expenses as well as expenses to enhance the quality of our stores and thereby boost the appeal of our brands. Apart from continuous investments, our brands' image and

reputation also require close management to remain attractive to our target consumer base, particularly given the trend-sensitive nature of the beauty industry.

Our investment in our brands does not guarantee continued consumer acceptance or loyalty or maintaining our brand recognition and reputation. Changes in consumer preferences, the emergence of new competitors, ineffective marketing strategies, and a potential damage to our brands' reputation due to unforeseen circumstances such as product recalls or negative publicity could diminish our brands' value and appeal. See "*—1.4 We must adapt to changing consumer preferences and industry trends*". Managing the reputation of our brands also extends beyond our products and includes our broader corporate activities. Any negative perceptions related to our environmental, social or governance practices could also impact our brands' image, leading to reduced consumer loyalty and sales. See "*—1.9 Our and our brands' reputation could be harmed in various ways*". Moreover, in the event that we fail to protect our intellectual property rights, our brands could be exposed to counterfeiting or unauthorized use, which may also harm their prestige and our overall business (see "*—5. Legal and Regulatory Risks—5.2 Our success depends on the ability to protect our intellectual property rights and respect the intellectual property of others"*).

Our need for continuous brand investment and the effective management of brand-related risks presents significant operational, financial, and reputational challenges. A failure to maintain and enhance the value of our brands could result in decreased net revenues and in the impairment of the value of our brands or their associated goodwill, which could materially adversely affect our business, financial condition, results of operations and prospects.

1.6 We depend on the effectiveness of our advertising and promotional efforts.

Our ability to attract new consumers, promote new products, and maintain the prominence of our existing brands significantly relies on our advertising and promotional efforts. We expend considerable resources both on generating creative content to promote our products and then on communicating it through various forms of advertising and promotion. These include print media, digital media, social media platforms, influencers and celebrity partnerships, and other promotional activities such as point of sale materials, out of home and digital out of home advertising, "gift with purchase," sponsorships, and paid media campaigns. We have made significant expenditures in advertising and promotion in order to enhance our brands and attract new consumers, and we expect to continue to make significant expenditures to keep promoting our products. For the years ended December 31, 2023, 2022 and 2021, advertising and promotion expenses have been the largest expense item in our income statement, amounting to €1,338.1 million, €1,099.7 million and €839.0 million, respectively, and we expect these expenses to remain high in the future.

Our advertising and/or promotional strategies need to be innovative, appealing, and able to quickly adapt to market changes and consumer preferences. If our advertising efforts fail to resonate with consumers or fall short in capturing emerging trends, or if we do not choose the right media for our efforts, we may fail to attract new consumers or maintain the loyalty of our existing ones, which may materially adversely affect our net revenues and market share.

1.7 We regularly introduce new products, which involves significant time and expense and may not produce the expected returns.

Our business operates within the fast-paced and trend-driven beauty industry. As such, we must continually innovate and introduce new products to adapt and maintain consumer interest, meet changing consumer demands, and maintain our competitive edge. We launch more than 30 product lines and range extensions of product lines per year from our Premium Love Brands (see "*Business—7. Operations and activities—7.3 Business model—7.3.1 Product design and* development" for more information on the products launched in 2023). The development and launch of these new products require substantial expenditure, not only in initial product development but also in advertising and promotion. For the year ended December 31, 2023 our research and development expenses were €33.2 million (€28.6 million and €22.7 million for the years ended December 31, 2022 and 2021, respectively).

The success of new product launches is inherently uncertain. It depends on various factors, including our ability to accurately predict consumer preferences, develop effective and quality products that resonate with these preferences, and effectively market them. Failure to successfully introduce new products that appeal to

consumers can lead to lower-than-expected sales and consumer retention rates, negatively impacting our market share and profitability. Moreover, misjudging consumer preferences can also result in surplus inventories, leading to increased costs associated with inventory write-offs and markdowns.

Research and development expenses for our Fragrance and Fashion and Make-up business segments involve developing products, packaging and services (including technological applications) that engage consumers and stand out from the competition. In Skincare, the focus is on the creation of new, innovative skincare products, such as products that meet the consumer demand for natural and organic products that are free from certain chemicals and synthetic ingredients.

Our continuous product innovation and associated marketing efforts may not translate into the expected return while presenting significant financial, operational, and reputational risks. Any failure to successfully introduce or promote new products may materially adversely affect our business, financial condition, results of operations and prospects.

1.8 Our success depends on the quality, efficacy, and safety of our products.

Product quality, efficacy and safety is key for our business. If our products were found to be unsafe or have quality defects or contain materials which are considered harmful or unhealthy, it could tarnish the image and reputation of our brands and could cause consumers to choose other products. In addition, we could experience a high level of product returns from retailers, who might then have less confidence in our brands and provide less support to our new product launches. We could experience these adverse consequences even if claims of product defects turn out to be unfounded as our reputation may be adversely affected. 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 product was distributed. Such issues or recalls and any related litigation could negatively affect our profitability and our brand image. *See "—1.9 Our and our brands' reputation could be harmed in various ways."* 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.

If our products are perceived to be defective or unsafe, or if they otherwise fail to meet our consumers' expectations on quality or efficacy, our relationships with consumers and retailers could suffer, the appeal of one or more of our brands could be diminished, and we could lose sales and retailer support of our products, or become subject to liability claims, particularly where the impact of media coverage and new technologies such as social media may exert negative influence over perception of our products. Any of the foregoing factors could result in a material adverse effect on our business, financial condition, results of operations and prospects.

1.9 Our and our brands' reputation could be harmed in various ways.

Our reputation and the image of our brands may be adversely affected by many factors, including our failure to convey the brand's values to consumers or for reasons beyond our control such as unauthorized distribution or counterfeiting of our products (see "—5. *Legal and Regulatory Risks—5.2 Our success depends on the ability to protect our intellectual property rights and respect the intellectual property of others*"), the dissemination of partial, untrue or defamatory information or publicity through traditional or social media platforms, including negative publicity about our products, technology, consumer service, personnel, marketing efforts, or suppliers.

In addition, our reputation could be harmed if we fail to maintain high standards of product quality and integrity (including in the event of breach or alleged breach of law) or if we, or the third parties with whom we do business, do not comply with regulations or accepted market practices and are subject to a significant product recall, litigation, or allegations of tampering, animal testing, use of certain ingredients or misconduct by executives, brand founders, brand ambassadors, joint venture partners or licensors. Any negative publicity about any of the foregoing or other similarly adverse 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, governance and environmental standards, or related political considerations, including diversity, equity and inclusion, responsible sourcing or packaging and other environmental sustainability efforts, could also harm our reputation, and potentially lead to various adverse consumer actions, including boycotts. See "*—1.11 Our business could be negatively impacted by environmental, social and governance ("ESG") matters*".

In addition, the behavior of our personnel and certain third parties subjects us to potential negative publicity. We are exposed to the risk of fraud or other misconduct by our personnel or third parties such as independent contractors, agents, our brand founders, joint venture partners or licensors. Misconduct 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. Employee misconduct could also involve improper use of information, including insider information, obtained in the course of the employee's prior or current employment. Our current and former employees, independent contractors, agents, brand founders, joint venture partners or licensors 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 and could result in legal or regulatory action and serious harm to our reputation.

Additionally, our success is also partially dependent on the reputation of our brand founders, brand ambassadors and licensors and the goodwill associated with the associated intellectual property. We often rely on our brand founders or our licensors to manage and maintain their brands, but their reputation or goodwill may be harmed due to factors outside our control, which could adversely affect our other brands and have a material adverse effect on our business, financial condition, results of operations and prospects. Certain products bear the names and likeness of the brand founders or the celebrities that are our licensors (for example Rabanne, Carolina Herrera, Charlotte Tilbury, Jean Paul Gaultier, or Banderas[LIC]), 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. We are subject to the same risks with respect to the celebrities that we engage as brand ambassadors to promote our products.

Damage to our reputation or the reputation of our brands or loss of consumer confidence for any of these or other reasons could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as require additional resources to rebuild our or our brands' reputation.

1.10 Improper use of social media platforms by us or others could harm our reputation.

Our business depends on our ability to maintain a strong community of engaged consumers and ambassadors, including on social media. We use third-party social media platforms as, among other things, advertising and promotion tools. For example, we maintain TikTok, Instagram, Facebook, WeChat, YouTube, Pinterest, and X (formerly Twitter) accounts in relation to our brands. We also maintain business relationships with social media influencers (including talent and celebrity models, brand ambassadors, and artistic directors) and engage in sponsorship initiatives.

As existing social media platforms continue to rapidly evolve and new platforms develop, we must continue to maintain a presence on these platforms and establish presences on new or emerging social media platforms. If we are unable to cost-effectively use social media platforms as marketing tools or if the social media platforms we use change their policies or algorithms, we may not be able to fully optimize those platforms, and our ability to maintain and reach new consumers may be materially adversely affected.

Furthermore, as laws and regulations and public opinion regarding the use of these platforms rapidly evolve, the failure by us, our employees, our network of social media influencers or third parties acting at our direction to abide by applicable laws and regulations or otherwise could subject us to regulatory investigations, class action lawsuits, liability, fines or other penalties and have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, an increase in the use of social media platforms for product advertising and promotion may cause an increase in the burden on us to monitor compliance of the content posted and increase the risk that such content could contain problematic product or marketing claims in violation of applicable laws and regulations. Influencers with whom we maintain relationships could engage in behavior or use their platforms to communicate directly with our consumers in a manner that reflects poorly on our brands and may be attributed to us or otherwise adversely affect us. We do not have the ability to review all of the content that our influencers post, particularly outside of the context of our agreements with them, and if we were held responsible for any false, misleading, or otherwise unlawful content of their posts or their actions, we could be fined or subjected to other monetary liabilities or forced to alter our practices, which could have a material adverse effect on our business.

Furthermore, widespread use of digital and social media by consumers has significantly increased the accessibility of information and the speed of its dissemination. Negative commentary, posts or comments on social media, whether accurate or inaccurate, regarding us, our brands, our products, our brand founders or influencers and other third parties who are affiliated with us may also be posted on social media platforms and may harm our reputation or business. Even isolated incidents could erode the trust and confidence of our consumers and damage the strength of our brands, especially if such incidents result in adverse publicity, governmental investigations, product recalls, or litigation. It is not possible to prevent such behavior, and the precautions we take to detect this activity may not be effective in all cases. Our target consumers often value readily available information and often act on such information without further investigation and without regard to its accuracy. The harm may be immediate, without affording us an opportunity for redress or correction, which may materially adversely affect our business, financial condition, results of operations and prospects, as well as require us to spend additional resources to rebuild our reputation.

1.11 Our business could be negatively impacted by environmental, social and governance ("ESG") matters.

There is an increased focus from investors, retailers, consumers, regulators, employees, and other stakeholders concerning social impact and sustainability and other ESG matters. We regularly announce certain initiatives, including goals and commitments, regarding our focus areas, which include, among others, product stewardship, sustainable sourcing, responsible logistics, responsible manufacturing and facilities, conscious living and natural stewardship. In addition, some of our bank borrowings contain a modest adjustment of 3 to 5 basis points to the applicable interest rate dependent on the achievement of certain targets based principally on our direct and indirect carbon dioxide emissions.

Furthermore, our commitment to ESG principles may require us to change our operations, which may result in disruptions in our supply chain, or to incur in substantial costs, including costs related to upgrading our facilities and processes to more sustainable alternatives, reformulating our products, investing in new technologies, training our employees, and maintaining compliance with evolving regulations and guidelines or other unforeseen expenses. See "*Business—11. Sustainability and Social Impact*". While we anticipate that our commitment to ESG principles will provide long-term benefits for our business, these initial and ongoing costs could have an immediate impact on our financial condition and results of operations. We might not be able to recover these costs or achieve the anticipated benefits within the expected timeframe, thereby adversely affecting our profitability and overall business performance.

Additionally, we could fail, or be perceived to fail, in our achievement of our expected targets and fulfillment of such initiatives, or in accurately reporting our progress on such initiatives. Our reputation or brands image could also be adversely impacted by any failure to achieve and/or make progress toward our publicly stated ESG goals and initiatives. Our ability to achieve such initiatives partly depends on the performance of our suppliers and other parties in the supply chain of our products. Such failures could also be due to changes in our business (e.g., shifts in business among distribution channels or acquisitions). Moreover, the standards by which ESG efforts and related matters are measured are developing and evolving, and certain areas are subject to assumptions that could change over time. In addition, we could be criticized for the scope of our initiatives or goals or perceived as not acting responsibly in connection with these matters, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the third party Corporate ESG Assessment referenced in this Prospectus may not accurately reflect our risks based on environmental, social and governance or sustainability matters. Any actual or perceived lack of transparency or underperformance regarding environmental, social and governance or sustainability matters as a result of increasing scrutiny and changing expectations from regulators, investors, lenders and other market participants may adversely affect the value of the Offer Shares.

1.12 We may not be able to obtain or maintain certain ESG ratings due to a number of factors, including our performance according to certain ESG criteria or changing methodologies of ESG ratings providers.

We may not be able to obtain or maintain certain ESG ratings due to a number of factors, including our performance according to certain ESG criteria or changing methodologies of ESG ratings providers. We have received certain ESG ratings from third parties in the past, and we expect that, following the Offering, providers of ESG ratings to the general public will publish their own ESG ratings of the Group. Such ESG ratings can affect investor and customer perception of us in the market. In addition, the impact of our ESG-related risks and practices, including with respect to various ESG matters in our business, has been and will continue to be independently assessed by non-accredited ratings organizations and stakeholders within the ESG community. Rating organizations and stakeholders may not view our various ESG policies, achievements and ambitions as being sufficiently transparent or consistent with their performance standards or goals. As a consequence, our reputation could be damaged, in particular if such views were shared in the broader ESG or investor communities. This could, in certain cases, effectively limit our access to capital markets and result in elevated scrutiny regarding our commitment to ESG principles and standards. Furthermore, negative customer perception of our ESG efforts might reduce demand or willingness of potential customers to pay commercially acceptable prices for our products and services.

In addition, ESG ratings are subject to differing methodologies, assumptions and priorities and our ratings may vary among the different ESG ratings organizations. There is no guarantee that the methodology used by any particular ESG rating provider will conform with the expectations or requirements of any particular investor or customer, or any present or future applicable standards, recommendations, criteria, laws, regulations, guidelines or listing rules. ESG ratings organizations may revise or replace entirely the methodology they apply to derive ESG ratings or they may employ methodologies which are not transparent, any of which could cause confusion among investors and customers. Such methodologies may have difficulties in comparing information on our ESG performance with other industry participants. As a result, our ESG ratings are not necessarily indicative of our past, current or future commitment to, or performance in respect of, our ESG goals. Further, ESG ratings may have limited, if any, utility for investors in assessing our past, current or future financial performance.

Because ESG ratings are issued by third parties external to us, no assurance can be given that an ESG rating will remain constant for any given period of time or that an ESG rating will not be lowered or withdrawn entirely by the ESG rating provider if, in its judgment, circumstances (either at the Group or otherwise) in the future so warrant. In 2023 we received a Gold Medal assessment from Ecovadis with a score of 70/100[1] and a Sustainalytics score of 20.7, but such ratings could be revised in the future for any number of reasons, some of which could be outside of our influence or control. See "*Business—11. Sustainability and Social Impact*". Any negative change, or an indication of a possible negative change, in any of our ESG ratings, whether solicited or unsolicited, could from time to time impair or preclude us from accessing certain financial markets and products, thereby adversely affecting our liquidity. Furthermore, any negative change, or an indication of a possible negative change, in our ESG ratings may adversely affect our reputation or reflect operational weaknesses at the Group, including those associated with the pursuit of our sustainability ambitions, our financial condition, or prospects. Investors may also be required or choose to sell their Class B Shares in the Company due to their own ESG investment criteria, which could have a negative impact on the Class B Shares price and make it more difficult for us to access capital markets in the future.

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[1] Awarded to Puig SL.

1.13 Our business is subject to seasonality.

Our product sales during the second half of the year are generally higher than in the first half, as a result of increased demand for our products associated with the end-of-year holiday season. Accordingly, our profit, net revenues and cash flow is generally higher during that period of the year. In 2023, we recorded 54% of our net revenues during the second half of the year. As a result, adverse events that occur during the second half of the year could have a greater adverse effect on our results of operations. Our working capital requirements are typically higher during the period before the high-demand holiday season due to inventory build-up and increased accounts receivable. Any substantial decrease in, or inaccurate forecasting with respect to, net revenues during such period of high demand including as a result of decreased consumer 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, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, seasonal fluctuations can make it more difficult to manage our inventory effectively (see "*—2. Risks related to our Business Operations—2.3 Our business requires us to manage inventory levels effectively*").

As a result of seasonal fluctuations caused by these and other factors, adverse developments affecting the second half of the year can have a larger negative impact on us than during the first half of the year.

1.14 Certain industry, market and competitive position data in this Prospectus are our estimates based, in part, on non-public information.

The information contained in this Prospectus related to our industry, the markets in which we operate and our competitive position within those markets that we attribute to "Company Industry Sources" reflects our estimates, based on our assessment and knowledge of the market, and is informed by multiple sources. These sources include both publicly available and official publications, as well as confidential third-party sources such as Euromonitor, NPD Group, Segmenta, Nielsen, Beauté Research and Generation Research ("**Company Industry Sources**"). None of the aforementioned entities assumes any responsibility, in whole or in part, for the information contained in this Prospectus or in any supplements thereto.

Third party industry publications, studies and surveys generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy or completeness of such information is not guaranteed. While we reasonably believe that each of these publications, surveys and studies has been prepared by a reputable source, we have not independently verified the data contained therein. Likewise, while we reasonably believe that our estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change. Our estimates are subject to uncertainties and other factors that could cause such estimates to differ materially from (and potentially be worse than) what we have expressly or implicitly assumed or described. They are based on assumptions and other factors the occurrence or non-occurrence of which could cause such estimates to differ materially from or fail to meet the expectations expressed or implied therein. Additionally, forward-looking statements based on "Company Industry Sources" might not occur and actual results or events may differ materially from those expressed in such statements.

2. RISKS RELATED TO OUR BUSINESS OPERATIONS

2.1 Our operations could be disrupted, and our losses may not be covered by insurance.

As a company engaged in the development, manufacturing, distribution, and sale of beauty products on a global scale, we are subject to the risks inherent in such activities, including industrial accidents, adverse environmental events, fires, strikes and other labor or industrial disputes, disruptions in logistics or information systems, loss or impairment of key manufacturing or distribution sites, damage to our own stores, product quality control issues, safety concerns, licensing requirements and other regulatory or government issues, as well as natural disasters, pandemics, border disputes, acts of terrorism and other external factors over which we have no control. The closure or business interruption of, loss of, or damage to, any of our facilities or centers could have a material adverse effect on our business, financial condition, results of operations and prospects.

Although we carry customary insurance coverage, we are not insured against all risks affecting our activities, and our insurance coverage may not be sufficient to cover all losses and/or liabilities that may be incurred by our operations, in particular loss of profit from business interruption. Our insurance coverage may not be available or sufficient to cover any damages resulting from any kind of claims. In addition, there are certain types of risks that may not be covered by our policies, such as war, *force majeure* or certain business interruptions. Further, when our current insurance policies expire, we may not be able to renew them at sufficient and favorable terms or at all. Claims that are not covered by our policies or the failure to renew our insurance policies could have a material adverse effect on our business, financial condition, results of operations and prospects.

2.2 Our business operations rely on certain third parties.

We rely on certain third-party service providers, particularly for logistical matters such as order fulfilment and delivery of our products, as well as for a portion of our manufacturing and for supplies of raw materials (see "—*2.5 We are dependent on supplies of raw materials for use in our products*"). We also rely in part on retailers for the promotion and sale of our products.

We outsource some of our manufacturing processes, particularly in relation to our Make-up business segment and to a much lesser extent in our other business segments. A disruption of our external manufacturers' activity would have the same impact as a disruption in our internal operations.

We rely on third-party couriers and logistics providers for order fulfilment and delivery services, including, among others, collection of products, warehousing services, shipping products to our consumers and our designated warehouses and handling product returns. While these arrangements allow us to focus on our main business, they reduce our direct control over the logistics services directly provided to our consumers. Logistics in our primary locations or transit to final destinations may be disrupted, or their economic terms may adversely change, for a variety of reasons, including events that are beyond our control or the control of these service providers, such as inclement weather, natural and man-made disasters, health epidemics, information technology system failures, transportation disruptions, labor unrest, commercial disputes, military actions or economic, business, environmental, public health, or political issues. For example, in 2021 and 2022, we experienced greater disruptions and higher costs in global freight flows in general and air freight in particular due to worldwide supply chain constraints. The occurrence of any of the abovementioned events may cause a decrease in our sales due to a disruption in the services that third parties provide us.

We also depend heavily on retailers, who are the main point of contact between us and our consumers. We need to work closely with retailers to ensure our products are properly displayed and marketed. Problems that adversely impact retailers can seriously affect our ability to sell products to consumers.

Retail personnel and delivery personnel of contracted third-party logistics service providers act on our behalf and interact with our consumers personally. Our teams dedicated to these relationships need to effectively manage these third-party retailers and logistics service providers to ensure the quality of consumer service. If our products are not well displayed or delivered in proper condition or in a timely manner or there is any other failure to provide high-quality shopping experience or delivery services to our consumers, our products may be compromised, consumer experience may be impaired and, as a result, our business and reputation could be materially adversely affected.

We depend on all these counterparties to perform their functions promptly and effectively. The failure by one or more such entities to provide the expected services on a timely basis and at the prices we expect, or the failure by one or more of such providers to meet our performance standards and expectations (including with respect to legal compliance, including data security, compliance with data protection and privacy laws), may have a material adverse effect on our business, financial condition, results of operations and prospects.

2.3 Our business requires us to manage inventory levels effectively.

Our business requires us to effectively manage a large volume and wide variety of product inventory. As of December 31, 2023 our inventory net of the provision for obsolete goods amounted to €788.9 million (€626.3 million and €363.1 million as of December 31, 2022 and 2021, respectively). We use forecasts and estimates of future demand for various products to make manufacturing or purchase decisions and to manage

our inventory of stock-keeping units. To ensure adequate inventory supply, we must be able to place orders sufficiently in advance, and negotiate favorable credit terms with third-party suppliers, all based on our estimates of future consumer demand for particular products.

However, anticipating consumer demand is difficult. Such demand may be affected by seasonality, new product launches, pricing, product defects, promotions, changes in consumer spending patterns, changes in consumer tastes with respect to our products and other factors, and our consumers may not purchase products in the quantities that we expect. See "*—1. Risks relating to our Industry and our Business—1.2 Demand in the markets for our products may fluctuate for a variety of reasons beyond our control*". Demand for products can also change significantly between the time inventory is ordered and the date of sale, particularly during peaks of demand in the second half of the year. See "*—1. Risks relating to our Industry and our Business—1.13 Our business is subject to seasonality*."

If we fail to effectively manage our inventory because we overestimate consumer demand, we may be left with excess inventory, which would increase our working capital needs. We may also be subject to a heightened risk of inventory obsolescence (especially for products in our Make-up and Skincare business segments, where shelf life is shorter), a decline in inventory values, and significant inventory write-downs or write-offs, adversely affecting our financial condition and operating results. For example, in 2023 our cost of sales increased in part due to inventory losses, particularly in the Chinese market. In addition, if we are required to lower sale prices in order to reduce inventory levels, to increase the inventory maintenance costs for excess of inventory or to pay higher prices to our suppliers, our profit margins might be negatively affected. As of December 31, 2023 we had provisions of €116.4 million mainly referred to obsolete stock and slow-moving products (€91.1 million and €72.0 million as of December 31, 2022 and 2021, respectively).

Conversely, if we underestimate consumer demand, including as a result of unanticipated growth, our suppliers may not be able to deliver products to meet our requirements, and we may be subject to higher costs in order to secure the necessary production capacity or we may incur increased shipping costs. We may also experience shortages and find ourselves unable to meet consumer demand, thereby reducing potential sales.

Any of the foregoing factors, could materially adversely affect our business, financial condition, results of operations and prospects.

2.4 Our success depends, in part, on our key personnel and qualified employees.

Our success depends, in part, on our ability to retain our key personnel, including our executive directors and senior officers, and the key personnel of our brands. In particular, we rely on the capabilities of our our creative directors, as well as executive directors and other senior officers, who have played a decisive role in our development and who have extensive experience in the sector. From time to time, there may be changes in our senior officers or other key personnel resulting from the hiring or departure of such personnel. Members of our key personnel could terminate their employment with us at any time and could join competitors. Some of our founders and creative directors are well known, and their departure could generate negative publicity or harm our reputation relative to competitors. The loss of one or more of our key personnel, or the failure by our senior officers to effectively work with our employees and lead the Company, may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our success also depends, in part, on our continuing ability to identify, attract, retain and develop talented personnel across all levels of our business, notably within our marketing and creative development departments as well as our perfumers. These individuals are central to the development, branding, and promotion of our products. The market for such talent is highly competitive, especially within evolving fields like digital marketing and brand development where demand is high and the availability of skilled personnel is limited. We may not be able to attract, or retain necessary personnel in the future, and our failure to do so could have a material adverse effect on our business.

In addition, prospective and existing employees often consider the value of the equity-linked awards they receive in connection with their employment. If the amount or value of equity-linked awards offered to employees is perceived to be less favorable than equity-linked awards offered by other companies with whom we compete for talent, or the perceived value of our equity-linked awards declines, experiences significant

volatility, or increases such that prospective employees believe there is limited upside to the value of our equity-linked awards, it may adversely affect our ability to recruit and retain key employees. See "*Board of Directors and Management—Management incentive plans"*. Failure to manage our employee base and hiring needs effectively, including successfully integrating our new hires, may adversely affect our business, financial condition, results of operations and prospects.

2.5 We are dependent on supplies of raw materials for use in our products.

We require high quality raw materials in order to manufacture our products, such as essential oils and alcohols, and also glass containers and packaging components, which we purchase from various third parties. As of December 31, 2023, our stock of raw materials amounted to €191.1 million (€163.9 million and €111.9 million as of December 31, 2022, and 2021, respectively).

The market price of the raw materials that we require for our business depends on a wide array of factors that are outside our control and are very difficult to predict, such as scarcity, competition between suppliers, fluctuations in raw materials indices and inflation. In particular, we experienced considerable price inflation in costs for glass during 2022 due to higher energy costs. Furthermore, any supply-related pressures due to a decrease in the number of producers or suppliers of raw materials, shortages of these materials or increased competition from our competitors for raw materials could create difficulties for us in obtaining supplies of high-quality raw materials at attractive prices. In addition, our suppliers could fail to provide raw materials that meet our high-quality standards. Any of these factors could delay our manufacturing process and/or cause us to incur increased costs, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our procurement and production costs in 2023 were €1,226.6 million (€1,143.6 million and €732.8 million in 2022 and 2021, respectively). We have generally managed to pass-through such additional costs to our consumers by adjusting our prices in accordance with increases or decreases in the price we pay for our raw materials. However, 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, which may result in declines in our margins. Our ability to raise prices to pass through increased costs may also be limited by competitive conditions in the market for our products. Geopolitical conflicts may result in increased price inflation, escalating energy and commodity prices and increasing costs of materials (together with shortages or inconsistent availability of materials), 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, financial condition, results of operations and prospects.

We do not believe that we are significantly dependent on any one supplier. However, any termination of an important supply relationship or any significant delay or breach by a supplier under an existing supply contract could delay our manufacturing process and/or cause us to incur increased costs to replace such supplier or type of raw material. We usually enter into framework engagement contracts with our suppliers and then place orders when manufacturing needs arise. These sometimes include minimum purchase commitments with suppliers, which exposes us to excess inventory that goes unsold if we overestimate demand (see "*—2.3 Our business requires us to manage inventory levels effectively*").

We may experience operational difficulties with our suppliers, including reductions in the availability of their production capacity due to reasons such as competing orders or sudden increases in demand, failure to comply with product specifications, insufficient quality control, unauthorized disclosure of sensitive information such as product formulation, failure to meet quality control standards and production deadlines, delays in delivery of products to our warehouses, increases in manufacturing costs and longer lead time. Furthermore, our suppliers may experience disruptions in their manufacturing operations due to equipment breakdowns, labor strikes or shortages, natural disasters, component, ingredient or raw material shortages, fire, cost increases, violation of environmental, health or safety laws and regulations and national and industrial standards in terms of product safety, health epidemics, or other problems. We may be unable to pass potential cost increases associated with operational difficulties to our consumers.

In the event of interruption from any of our suppliers, we may not be able to increase capacity from other sources or develop alternate or secondary sources without incurring material additional costs and substantial delays. In addition, as we cooperate with these third-party suppliers on a non-exclusive basis, we cannot ensure that such contract manufacturers will not prioritize orders of other principals, including our competitors, in the case of supply shortages.

Failure by our suppliers to perform with regards to quantity, quality, timely supply of products or other obligations under our agreements could have a material adverse effect on our business, financial condition, results of operations and prospects.

2.6 We are subject to risks related to the global scope of our operations, including fluctuations in exchange rates.

We operate on a global basis, with a substantial majority of our net revenues and operating profit generated outside Spain. We maintain offices in over 32 countries and have key operational facilities that manufacture, warehouse or distribute goods for sale throughout the world. See "*Business—1. Overview—1.4 We are a scaled, global business*" and "*Business—8. Geographic segments*".

Our global operations are subject to many risks and uncertainties, including: (i) fluctuations in foreign currency exchange rates and the relative costs of operating in different places; (ii) foreign laws, regulations and policies, including restrictions on trade, immigration and travel, operations, and investments; (iii) currency exchange controls, restrictions on imports and exports, including license requirements, tariffs, sanctions, and taxes; (iv) lack of well-established or reliable legal and administrative systems in certain countries in which we operate; (v) concentration of sales growth or profitability in one or more countries (our largest market is the U.S, followed by the UK); and (vi) social, economic and geopolitical conditions, such as health pandemics, terrorist attacks, wars or other military actions.

As a result of our global operations, our business, financial condition, results of operations and prospects may be adversely affected by fluctuations in exchange rates, as well as by the failure or non-performance of our hedging strategy. The euro is the functional currency used in our Financial Statements. However, we hold assets, incur liabilities, generate revenues and pay expenses in a variety of currencies other than euro, primarily the U.S. dollar, the British pound, and Latin American currencies such as the Brazilian real, the Argentine peso and the Mexican peso, among others. We are therefore exposed to the risk of fluctuating exchange rates, which can affect our results of operations, the value of our foreign assets, the relative prices at which we and our competitors sell products in the same markets, the cost of certain inventory and non-inventory items required in our operations, the repatriation of profits from other countries in which we operate, and the relative prices at which we sell our products in different markets. In 2023, we had exchange rate losses of €45.7 million primarily because of the depreciation of the Argentinian peso and other currencies such as the U.S. dollar, the Chilean peso and the British pound. In addition, the cumulative translation adjustment in our equity amounted to €107.1 million as of December 31, 2023.

For the year ended December 31, 2023, our net revenue realized in currencies other than the euro was €2,616.9 million, or 60.8% of our net revenue, compared to €2,162.5 million, or 59.7% of our net revenue for the year ended December 31, 2022, and €1,514.2 million, or 58.6% of our net revenue for the year ended December 31, 2021. For the year ended December 31, 2023, we estimate that a 10% increase in the value of the U.S. dollar against the euro would have increased our net profit by €8.0 million and our equity by €12.1 million after taking into account hedges (compared to €5.8 million and €4.4 million, respectively, in 2022 and €5.9 million and €4.4 million, respectively in 2021) and a 10% decrease in the value of the U.S. dollar against the euro would have decreased our net profit and our equity by the same amounts. For the year ended December 31, 2023, we estimate that a 10% increase in the value of the British pound against the euro would have decreased our net profit by €5.7 million and our equity by €98.1 million after taking into account hedges (compared to €0.2 million and €102.4 million, respectively, in 2022 and €4.3 million and €59.5 million, respectively in 2021) and a 10% decrease in the value of the British pound against the euro would have increased our net profit and our equity by the same amounts.

Although we arrange exchange rate hedges to cover potential fluctuations in foreign currency, there can be no assurance that these will be effective in limiting our exposure to currency fluctuations. Future exchange

rate fluctuations of the euro against other currencies could therefore have a material adverse effect on our business, financial condition, results of operations and prospects.

2.7 We depend on information technology, which may be subject to service interruptions, corruption of data, privacy breaches, cyber-attacks or network security breaches.

Our business operation depends on our information technology systems. We increasingly rely on information technology networks and systems, including the Internet, to effectively manage, among other things, our business data, communications, supply chain, inventory management, consumer order entry and order fulfilment, processing transactions, summarizing and reporting our results of operations, human resources benefits and payroll, compliance with regulatory, legal and tax requirements and other processes and data necessary to manage our business. Disruptions to our information technology systems, including any disruptions to our current systems and/or as a result of transitioning to additional or replacement information technology systems, as the case may be, could result in, among other things, transaction errors, processing inefficiencies, and loss of data. Additionally, some of our most prominent brands also sell DTC to retail consumers through e-commerce on the brand websites. Any disruption to our brand websites could result in failure to complete sales and loss of consumers, among others. All of the above could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, our information technology systems may be vulnerable to damage or interruption from circumstances beyond our control, including, without limitation, fire, natural disasters, power outages, systems disruptions, system conversions, security breaches, cyberattacks, phishing attacks, viruses and/or human error. In any such event, we could be required to make a significant investment to fix or replace our information technology systems, and we could experience interruptions in our ability to service our consumers.

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 and software, 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. 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 business, financial condition, results of operations and prospects may be adversely affected.

Furthermore, as part of our normal business activities, we collect and store certain confidential information, including personal information with respect to consumers and employees, and as a consequence we are subject to an evolving body of laws, regulations, guidelines, and principles regarding data privacy and security (see "*—5. Legal and Regulatory Risks—5.4 We must comply with laws and regulations related to privacy, information security and data protection*"). 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, consumers or suppliers, including personal employee, consumer information stored in our or third-party systems or as a result of the

dissemination of inaccurate information. In addition, the unauthorized disclosure of non-public 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 rollouts, 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.

2.8 We lease most of our real property and are subject to renewal and other risks as a result.

We distribute a portion of our products through more than 270 own stores around the world, including monobrand stores, and in some cases, multi-brand stores and in some cases monobrand shops within department stores ("shop-in-shop"). We have significantly increased the number of our own stores, from 81 stores as of December 31, 2021, and our strategy includes continuing to expand our own store footprint in the future. Our stores are located in properties owned by third parties and leased by us. In recent years, significant competition has developed among operators in the beauty sector, as they attempt to position their commercial spaces in the most prestigious locations of the world's major cities. When we renew expiring leases for our current stores, we therefore may have to compete with these operators, some of which are considerably larger than us and have greater financial capabilities than we do. We also lease our office spaces, in particular our executive offices in Barcelona, London, Paris and New York and our distribution centers. However, we own our manufacturing facilities. See "*Business—13. Properties*".

As of December 31, 2023, our lease liabilities amounted to €313.6 million (€252.6 million and €204.4 million as of December 31, 2022 and 2021, respectively). Our leases are in line with market terms and conditions, and the average length of the leases for our main stores is up to 12 years in Europe (depending on the country), approximately 10 years in North America, and three years in China. Our business could suffer if we are unable to renew or replace our leases or enter into new leases on terms that are as good as those contained in our current lease agreements, or if any of our current leases are terminated prior to their expiration and we cannot find suitable alternative locations.

Moreover, we are often required, pursuant to applicable law, to obtain and maintain licenses or authorizations to operate our stores. If any such licenses or authorizations were denied, significantly delayed and/or revoked, we could be subject to additional expenses or forced to pause or cease our business in one or more stores. In addition, our costs would remain unchanged in the event of a decrease in revenues or sales volumes of one or more of our stores, or due to fixed thresholds in the lease contracts, which could result in reduced economies of scale. Any of these events could have a material adverse effect on our business, financial condition, results of operations and prospects.

3. RISKS RELATED TO OUR BUSINESS STRATEGY AND ORGANIZATION

3.1 Our success depends in part on our ability to achieve our business strategy.

Our future performance and growth depend on the success of our business strategy, including our management team's ability to successfully implement our business strategy (see "*Business—5. Strategy*"). The implementation of our global business strategy 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 extraordinary costs which may adversely affect our net profit. The implementation of our strategy could also result in lost consumers, reduced sales volume, higher than expected restructuring costs, loss of key personnel, supply chain disruptions, higher costs of supply and other

negative impacts on our business. 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 implementing our strategy on our expected timetable or at all.

Our strategic plan includes, among others, the expansion of our DTC business, which may present challenges with logistics and fulfillment, require additional regulatory compliance and require significant financial investment. In particular, expansion of DTC through digital channels, entails significant investment in technology, while DTC through own stores involves higher fixed costs in the form of leases and personnel costs. In addition, as part of our strategic plan, we intend to expand our brands and products beyond our core markets and categories, focusing on further capturing value market share ("**VMS**") in our core markets (EMEA and the Americas) and our core business segments (Fragrance and Fashion and Make-up) while reinforcing our presence in Asia-Pacific and expanding our Dermo-Cosmetics and Skincare Wellness brands, all of which involves significant risks and uncertainties. Entering new markets requires us to make significant investments or develop the infrastructure to conduct business, as well as to comply with diverse local laws, regulations, and business customs that may be very different from our current operating environment. Furthermore, we may face strong competition from established local players, unforeseen political and economic instabilities, or be unable to respond to the consumer preferences prevailing on those markets. We may not be able to attract or retain key local talent, or manage the increased scale and complexity of our operations effectively. Also, shifting internal resources to support our expansion efforts could adversely affect our existing operations, and result in their underperformance. These factors may affect our ability to achieve the expected growth from such expansion and, consequently, adversely affect our business, financial condition, results of operations and prospects.

Although we believe that our strategy will lead to long-term growth in sales and profitability, we may not realize 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 our business plan, 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, financial condition, results of operations and prospects.

3.2 Our total net intangible assets amounted to €4,114.3 million as of December 31, 2023, representing 53.4% of our total assets, and may be subject to impairment in the future.

Intangible assets make up a large part of our total assets. Our total net intangible assets amounted to €4,114.3 million as of December 31, 2023 (€4,062.3 million and €2,660.8 million as of December 31, 2022 and 2021, respectively), representing 53.4% of our total assets as of such date (57% and 52.1% as of December 31, 2022 and 2021, respectively). As of December 31, 2023, our net intangible assets mainly comprised goodwill amounting to €1,745.7 million (€1,727.0 million and €1,012.3 million as of December 31, 2022 and 2021, respectively), and brands amounting to €2,173.0 million (€2,148.4 million and €1,533.6 million as of December 31, 2022 and 2021, respectively).

We are required, at least annually, to test goodwill and indefinite-lived intangible assets (notably, our brands) to determine whether any impairment has occurred. Impairment may result from various factors, including adverse changes in assumptions used for valuation purposes, such as actual or expected revenue growth rates, profitability, or discount rates, among others. These factors can include a diminution in expected returns from brands due to ineffective advertising and promotion efforts, among others. 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 intangible assets and the fair value of the goodwill or of indefinite-lived intangible assets. Given our considerable amount of intangible assets, any impairment detected by our annual test of goodwill and indefinite-lived intangible assets may have a significant impact on our financial position and results of operations.

We conduct a sensitivity analysis of the impairment calculation by applying reasonable variations to the key assumptions considered in the calculation: (i) a variation of +1.5% in the discount rate would result in an adjustment to the net carrying amounts of our intangible assets as of December 31, 2023 of €7.9 million (€13.3 million and €287.2 million as of December 31, 2022 and 2021, respectively); (ii) a variation of – 1% in the

long-term growth rate would result in an adjustment to the net carrying amounts of our intangible assets as of December 31, 2023 of €3.5 million (would not result in any adjustment as of December 31, 2022 and would result in an adjustment of €35.4 million as of December 31, 2021); and (iii) a variation of – 2% in the revenue growth CAGRs would result in an adjustment to the net carrying amounts of our intangible assets as of December 31, 2023 of €2.2 million (€103.3 million and €114.8 million as of December 31, 2022 and 2021, respectively). For a further discussion of our impairment testing, see Note 11 to our Financial Statements.

We cannot predict the amount and timing of any future impairments, if any. We may experience such charges in connection with past or future acquisitions, particularly if the relevant business' performance declines or its expected growth is not realized or the applicable discount rate changes adversely. Although we have not incurred significant impairment charges in recent years, any future impairment of our goodwill or other intangible assets could have an adverse effect on our business, financial condition, results of operations and prospects.

3.3 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.

We are licensees under certain license agreements to manufacture, distribute and promote certain beauty products on an exclusive basis, including those of Adolfo Domínguez[LIC], Banderas[LIC], and Christian Louboutin Beauté ("**Christian Louboutin**[LIC]"). In addition, we have license and distribution agreements to distribute other beauty and fashion brands in Spain and Latin America (see "*Business—7. Operations and Activities—7.2 Our brand portfolio—7.2.2 Brand portfolio ownership structure—7.2.2.3 Other beauty brands*"). The brands that are licensed have been identified as [LIC] in this Prospectus. For the year ended December 31, 2023, our net revenues derived from our licensed brands in our Premium Love Brands portfolio amounted to €188.3 million and accounted for 4.6% of the net revenue from our Premium Love Brands (€191.3 million and 5.6% in 2022 and €163.8 million and 6.7% in 2021, respectively).

Our brand licenses typically impose various obligations on us, including the payment of 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. Any breach of our obligations under our brand licenses may result in the termination of the relevant license agreement by the licensor, require us to pay damages, and result in our inability to sell products related to that brand, resulting in the loss of any upfront investments made in connection with such license and/or reputational damage.

Our licenses are long term (each with a duration of between five and 15 years) and some of them include renewal options for one or more terms (some renewals are automatic while others are contingent upon agreement with the licensor). Thus, we may not be able to renew our 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, financial condition, results of operations and prospects.

3.4 Acquisitions and strategic transactions expose us to various risks.

During the past several years, we have explored and undertaken acquisitions of other companies and assets in support of our growth strategy. Since 2011, we have invested over €2.5 billion in M&A (no investment in M&A was made in 2023 while €840.2 million and €4.4 million were invested for the years ended December 31, 2022 and 2021, respectively), which we believe has been successful and value accretive. For example, we completed the significant acquisitions of majority stakes in Byredo AB ("**Byredo**"), Cosmetika S.A.S. (Loto del Sur) ("**Loto del Sur**"), and Kama Ayurveda Private Ltd ("**Kama Ayurveda**") between 2021 and 2023. In addition, in January 2024 we completed the acquisition of a majority stake (65%) in Dr. Barbara Sturm for a total cash consideration of €291.1 million (see "*Business—14. Material Contracts—14.3 Dr. Barbara Sturm Acquisition*") and in March 2024 we agreed to purchase the stakes of certain minority partners which in aggregate involved our payment of €596.7 million in cash (including the €161.0 million paid to Manzanita that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares) and the issuance of €420.4 million in new Class B Shares (including shares issued to the Manzanita LPs (as defined herein) pursuant to the irrevocable commitment of Manzanita to invest €161.0 million in the subscription of new Class B Shares), as described in "*Operating and Financial Review—Key Factors Affecting*

our Results of Operations—Business combinations—Recent Developments" and "*Principal and Selling Shareholder—Minority Shareholders Transactions*". As we consider growth opportunities, we may opportunistically pursue 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 within our strategy. However, once we identify a candidate, we may not be able to consummate an acquisition on favorable terms or have, or be able to obtain, the funds necessary to carry out the acquisition.

Even if we execute an acquisition, we may find that the assumptions used to evaluate the acquisition opportunity prove to be inaccurate and we may not be able to realize the full intended benefit of such acquisition. 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, financial condition, results of operations and prospects.

Our acquisitions and other strategic transactions expose us to certain risks related to the integration of new businesses within the Group, including: (i) difficulties in integrating acquired operations or products, including the loss of key employees from, or retailers, consumers or suppliers of, acquired businesses; (ii) diversion of management's attention from our existing businesses; (iii) adverse effects on existing business relationships with suppliers, retailers, and consumers of our products or those of the companies in which we invest; (iv) an adverse impact on margins and product cost structures different from those of our current mix of businesses; (v) reputational risks associated with the activities of the businesses that we acquire or in which we invest; (vi) risks of entering distribution channels, market categories or regions in which we have limited or no prior experience; (vii) potentially increased regulatory and compliance requirements; (viii) liability for activities of the acquired company prior to the acquisition, including violations of law, commercial disputes and tax and other known and unknown liabilities; and (ix) litigation or other claims in connection with the acquired company, including claims brought by terminated employees, consumers, former shareholders or other third parties.

If required, the financing for these transactions could result in an increase in our indebtedness. The purchase price for some acquisitions may include call and put options with respect to the unsold minority stake and earn-out or additional amounts to be paid in cash in the future, a portion of which may be contingent on the achievement of certain future operating results of the relevant acquired business. Certain earn-outs may be in place even after the acquisition of full ownership in the relevant company. See "*4. Risks related to our Indebtedness and Other Liabilities—4.1 Payment obligations in respect of minority stakes in certain brands constitute significant liabilities for us and will require us to make significant future cash outlays*".

Completed acquisitions typically result in additional goodwill and/or an increase in other intangible assets on our balance sheet. We are required at least annually, or as facts and circumstances exist, to test goodwill and other intangible assets with indefinite lives to determine if impairment has occurred. We cannot accurately predict the amount and timing of any impairment of assets. Should the value of goodwill or other intangible assets become impaired, there could be a material adverse effect on our business. See "*—3.2 Our total net intangible assets amounted to €4,114.3 million as of December 31, 2023, representing 53.4% of our total assets and may be subject to impairment in the future*".

Our failure to achieve the long-term plan for acquired businesses, as well as any other adverse consequences associated with our acquisition, divestiture, and investment activities, could have a material adverse effect on our business, financial condition, results of operations and prospects.

3.5 We face risks associated with our joint ventures and strategic partnership investments.

We are party to the joint venture ISDIN, S.A. ("**Isdin**") (where we hold a 50% ownership interest) and hold strategic partnership investments in Pontelant Distribuçao, S.A. (Granado) ("**Granado**") (where we hold a 35% ownership interest), Sociedad Textil Lonia, S.A. ("**STL**") (where we hold a 25% ownership interest), and Beijing Yitian Shidai Trading Co, LLC (Scent Library) ("**Scent Library**") (where we hold a 15% ownership interest). The total book value of our investments in associates and joint ventures was €375.2 million as of December 31, 2023 (€344.8 million and €346.5 million as of December 31, 2022 and 2021, respectively).

In the future, we may acquire interests in other joint ventures or make other strategic partnership investments to execute our business strategy. These joint ventures and strategic partnership investments involve significant risks. In particular, 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 fulfil their obligations under the relevant joint venture agreements;
- have financial or business difficulties;
- take actions that may harm our or our brands' reputation; or
- have disputes with us as to the scope of their rights, responsibilities, and obligations.

Under our joint ventures and strategic partnership investments we do not control the relevant entities' operations, and we may not have full visibility with respect to all operations, consumer relations and compliance practices of the relevant entities, among others, potentially hindering our adequate assessment of matters when adopting relevant decisions concerning such joint ventures and partnerships and their businesses.

In addition, our joint ventures and strategic partnership investments are subject to impairment. The impairment test methodology does not differ significantly from that applied to our intangible assets. In 2022, we recognized an impairment loss of €19.6 million on our interest in Scent Library (China) due to the adverse impact that COVID-19 had in China, which was partially offset by a €9.0 million reversal of impairment loss in STL due to the recovery of retail after the COVID-19 pandemic. See Note 17 to our Financial Statements.

Our present or future joint venture and strategic partnership investment projects may not be successful. We may have disputes or encounter other problems with respect to our present or future joint venture or strategic investment partners or our joint venture and strategic partnership investment agreements may not be effective in resolving these disputes or problems or we may not be able to resolve such disputes or problems in a timely manner or on favorable economic terms, or at all. Our failure to address these potential disputes or problems effectively could have a material adverse effect on our business, financial condition, results of operations and prospects.

4. RISKS RELATED TO OUR INDEBTEDNESS AND OTHER LIABILITIES

4.1 Payment obligations in respect of minority stakes in certain brands constitute significant liabilities for us and will require us to make significant future cash outlays.

When we make acquisitions, we sometimes agree that the previous shareholders will retain a minority stake in the acquired entity. In this way, the sellers (often including the brand founder) remain engaged and committed to the continued success of the acquired brand, and our interests are aligned. At the time of the acquisition, we may also enter into call and put options granting us the right or requiring us to purchase the remaining stake from such minority shareholders at certain specified dates and at prices calculated based on an initially-agreed upon adjusted multiple linked to the performance of the related business. This is the case with our recent acquisitions of Dr. Barbara Sturm, Byredo, Loto del Sur, Kama Ayurveda, and Charlotte Tilbury. In certain acquisitions, we also agree to make a deferred payment or "earn-out" based on the results

of the relevant business after our acquisition and certain earn-outs may be in place even after the acquisition of full ownership in the relevant company.

We record the estimated future payment amounts under these call and put options, discounted using the weighted average cost of capital of each business, as liabilities on our balance sheet. We also record the estimated future payment amounts under the earn-outs as liabilities on our balance sheet which amounted to €185.9 million, €177.0 million and €109.3 million as of December 31, 2023, 2022 and 2021, respectively. As of December 31, 2023, the liabilities from business combinations (including both call and put options and future payments under the earn-outs) amounted to €2,384.7 million (including €207.0 million recorded as current liabilities) (€2,383.0 million as of December 31, 2022 and €1,570.9 million as of December 31, 2021), though these will be reduced by €1,027 million upon completion of the Minority Shareholder Transactions, as described in *"Operating and Financial Review—Key Factors Affecting our Results of Operations—Business combinations—Recent Developments"* and "*Principal and Selling Shareholder—Minority Shareholders Transactions*". This reduction will be partially offset by the additional liabilities resulting from the acquisition of a majority stake (65%) in Dr. Barbara Sturm in January 2024 (see "*Business—14. Material Contracts—14.3 Dr. Barbara Sturm Acquisition*"). As of the date of this Prospectus, the valuation of these liabilities from the acquisition of a majority stake (65%) in Dr. Barbara Sturm is ongoing. Based on the acquisition price, such liabilities would amount to €146.5 million, but the final valuation (which we expect to be higher) will depend on the business plan for Dr. Barbara Sturm, which is not yet finalized as of the date of this Prospectus.

Liabilities from business combinations vary based on the performance of the relevant business, the discount factor and the exchange rate. In particular, as these liabilities are calculated on the basis of an adjusted multiple linked to the performance of the related business, these liabilities increase if the relevant business performance improves and decrease if the relevant business performance expectations decrease (in each case, by a multiple of such increase/decrease). Consequently, our liabilities can increase significantly over time if the overall value of the relevant business increases due to strong performance.

We conduct a sensitivity analysis of these liabilities by applying reasonable variations to the key assumptions considered in the calculation: (i) a variation of +/- 2% in the CAGR of the main business indicator to which the valuation of the liabilities is linked would impact the liability recognized in the balance sheet as of December 31, 2023, resulting in an increase of €164 million or a decrease of €152 million (increase of €204 million or decrease of €188 million as of December 31, 2022 and an increase of €151 million or a decrease of €147 million as of December 31, 2021); and (ii) a variation of +/- 1.5% in the discount rate would impact the liability recognized in the balance sheet as of December 31, 2023, leading to either a €86 million decrease or a €53 million increase (an increase of €84 million or a decrease of €79 million as of December 31, 2022 and an increase of €70 million or a decrease of €65 million as of December 31, 2021).

At the time the options are exercised and the earn-outs become due, we will be required to make payments to the relevant minority shareholders in the amounts due. The annual payment amounts (based on our liabilities recorded as of December 31, 2023 as adjusted by the impact of the Minority Shareholder Transactions and the acquisition of 65% of Dr. Barbara Sturm) that may be payable by us in the future are as follows: (i) €207.0 million in 2024; (ii) €10.0 million in 2025; (iii) €1,058.8 million in 2026; and €228.3 million in 2028 and subsequent years. See "*Operating and Financial Review—Contractual Obligations and Commitments*" and in Note 26 to our Financial Statements for additional detail and explanation. These amounts may be significant and will require us to have access to the necessary liquidity to meet our cash payment obligations. We intend to use part of the net proceeds from the issue of the New Offer Shares for the payment of the call and put options in connection with part of the shares held by the minority shareholders in Charlotte Tilbury which will become exercisable in 2024 (€207.0 million). We expect to incur additional indebtedness, together with cash on hand, in order to fund the required payments. We may not be able to raise the required funding on economically acceptable terms, or at all, and we might find ourselves with insufficient funds to meet our obligations under these business combination liabilities or may be required to sell assets or limit our expenses or take other actions, any of which may materially adversely affect our business, financial condition, results of operations and prospects.

4.2 ***Our indebtedness may make it difficult for us to service our debt.***

We have a large amount of liabilities, including in particular bank borrowings and liabilities from business combinations. See *"—4.1 Payment obligations in respect of minority stakes in certain brands constitute significant liabilities for us and will require us to make significant future cash outlays*". As of December 31, 2023, our bank borrowings amounted to €2,147.2 million (€1,839.3 million and €972.6 million as of December 31, 2022, and 2021, respectively). On February 21, 2024, we entered into three revolving credit facility agreements for a total available amount of €450.0 million. In addition, on March 21, 2024 and in April, 2024 we entered into four revolving credit facilities for a total available amount of €230.0 million. As of the date of this Prospectus, we have drawn down €596.7 million under our credit facilities in order to finance the cash consideration paid in the Minority Shareholders Transactions (which will be reduced to a net amount of €435.7 million with the €161.0 million that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares) and €186.1 million in order to finance the dividend distributed against share premium on April 5, 2024. See "*Operating and Financial Review—Liquidity and Capital Resources—Bank borrowings*". We anticipate that we will continue to have a large amount of indebtedness for the foreseeable future. In addition, we expect to incur additional indebtedness in order to partially finance the required payments to be made from time to time, as applicable in each case, under the call and put options in connection with our business combinations (see *"—4.1 Payment obligations in respect of minority stakes in certain brands constitute significant liabilities for us and will require us to make significant future cash outlays*" and "*Operating and Financial Review—Liquidity and Capital Resources—Liabilities related to business combinations*").

As of December 31, 2023, our debt subject to variable interest rates without interest rate hedging amounted to €294.2 million compared to €273.9 million in 2022 and €359.1 million in 2021. We entered into interest rate swaps covering the entirety of the remaining loans, which amounted to €981.0 million as of December 31, 2023, compared to €723.0 million as of December 31, 2022, and €68.0 million as of December 31, 2021. Our interest rate swaps are in force until the maturity of the relevant loans subject to variable interest rate. In 2023, the debt subject to fixed interest rates amounted to €872.0 million compared to €843.4 million in 2022 and €545.5 million in 2021. In 2023, the effective interest rate of our bank borrowings, after interest rate swaps, was 2.3% (1.5% and 1.0% in 2022 and 2021, respectively).

As of December 31, 2023, the average maturity of our bank borrowings was two years. Our bank borrowings contain customary terms, including requirements applicable to the use of proceeds (which in some cases are limited to acquisitions) and events of default covering cross defaults and material changes to our business, assets or results of operations. Most of our bank borrowings include a financial covenant requiring us not to exceed a ratio of net financial debt to EBITDA (on a pre-IFRS 16 basis) of 3.50 or 4.00 as the case may be, which is tested annually (as of December 31, 2023, our ratio of net financial debt to EBITDA (on a pre-IFRS 16 basis) was 1.5, in compliance with the required covenant). Our agreements also include certain limitations on our ability to pledge assets and on the amount of indebtedness that we may incur at the level of our subsidiaries, as well as restrictions on our ability to carry out certain transactions (including certain mergers, acquisitions and sales of assets). Some agreements also require mandatory prepayments with the proceeds derived from certain sales of assets or insurance payments in respect of such assets. Our bank borrowings also include as an event of default a change of control, meaning that a third party directly or indirectly acquires a majority of our share capital (or otherwise acquires control as defined under the Spanish Commerce Code). Some facilities also require that the Puig Family (as defined below) continue to hold a direct or indirect participation in the Company of at least 30% and be able to appoint or remove a majority of our board of directors. In addition, in some cases, our bank borrowings contain a modest adjustment of 3 to 5 basis points to the applicable interest rate dependent on the achievement of certain targets based principally on our direct and indirect carbon dioxide emissions. These restrictions could have a material adverse effect on our business, financial condition, results of operations and prospects. As of the date of this Prospectus, we are in compliance with the terms of our bank borrowings in all material respects. See "*Operating and Financial Review—Bank borrowings"* for more information on the terms of our bank borrowings.

Our indebtedness may have other important negative consequences, including:

- requiring that a substantial portion of the cash flow from operations be dedicated to debt service obligations, reducing the availability of cash flow to fund organic growth and other general corporate purposes;
- restricting our ability to distribute dividends;
- increasing our vulnerability to economic downturns and downturns in our industry;
- placing us at a competitive disadvantage compared with our competitors who may have less debt in relation to cash flow;
- limiting our flexibility in planning for or reacting to changes in our business and industry;
- directly restricting us from pursuing organic growth, strategic acquisitions or exploiting certain business opportunities; and
- limiting, among other things, our ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

We may require additional capital to finance our operations or the future growth of our business. If we choose to raise additional capital through the incurrence of additional indebtedness, we may not be able to raise the required capital on economically acceptable terms, or at all, and if we fail to accurately anticipate our capital needs, we might have insufficient funds to meet our obligations under our existing indebtedness or may be required to sell assets or limit our expenses or take other actions, any of which may materially adversely affect our business, financial condition, results of operations and prospects.

Our ability to obtain additional financing on commercially acceptable terms depends on several factors, some of which are beyond our control. These factors include but are not limited to, general economic conditions, the availability of credit from financial institutions, market interest rates and global and EU monetary policy and financial markets regulation. In addition, any deterioration in our business results or financial position could lead to higher financing costs, reduced availability of credit, reduced access to capital markets or credit being available to us only on commercially unfavorable terms.

5. LEGAL AND REGULATORY RISKS

5.1 We are subject to legal proceedings and legal compliance risks.

We are, and may in the future become, party to claims, litigation, other disputes, or regulatory proceedings across a wide range of matters in the ordinary course of business, including ones relating to product liability matters, advertising, regulatory, employment, intellectual property, real estate, environmental, trade relations, tax, antitrust and privacy (see "*Business—15. Legal Proceedings"*).

We are subject to 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 that could materially adversely affect our business, financial condition, results of operations, and prospects. In general, claims made by us or against us in litigation, disputes or other proceedings can be expensive and time consuming. It is not possible to predict the final resolution of any such claims, litigation, disputes, or proceedings to which we currently are or may in the future become party to, and the impact of certain of these matters could have a material adverse effect on our business, financial condition, results of operations, and prospects.

In particular, we have been subject to claims related to talc products we produced and sold in the past, and we may be subject to further talc-related claims in the future. See "*Business—15. Legal Proceedings*". The potential impact of any talc-related claims or litigation is highly uncertain. Trial results in cases filed against other manufacturers or retailers of talc products have ranged from outright dismissals to large settlements and jury awards of both compensatory and punitive damages. Additionally, our continued production and sale of cosmetic products containing talc could in the future subject us to legal claims.

Government authorities and self-regulatory bodies regulate advertising and product claims regarding the performance and benefits of our products, particularly in the skincare market category and in Europe, the

United States, Japan and China. 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 or stop selling or even recall certain products, all of which could harm our business, financial condition, results of operations and prospects. Any regulatory action or penalty could lead to private party actions, which could further harm our business, financial condition, results of operations and prospects.

As of December 31, 2023, 2022 and 2021 we had provisions for legal contingencies amounting to €25.5 million, €20.5 million and €15.6 million, respectively. No assurance can be given that any provisions made in relation to any ongoing or future investigations, legal and/or arbitration proceedings will be sufficient should any of the investigations or proceedings have an adverse outcome. An adverse outcome in any investigation or claim could damage our reputation and have a material adverse effect on our business, financial condition, results of operations and prospects.

5.2 Our success depends on the ability to protect our intellectual property rights and respect the intellectual property of others.

Our intellectual property is a valuable asset of our business and is extremely important to our success and competitive position. The protection of our intellectual property rights is therefore crucial to our business. See "*Business—9. Intellectual Property: Trademarks, Patents and Copyrights*". We seek to protect our intellectual property by appropriate and customary means, including registration within a scope and geographical footprint aligned with our current and future business and on the terms provided by the applicable legal system. Because our industry relies so heavily on intellectual property rights, there can be challenges to register, peacefully use or defend key current or future trademarks and other intangible assets. Furthermore, applicable law may provide only limited and uncertain protection, particularly in certain emerging markets where we operate, such as China. Additionally, the protection of our intellectual property rights may require the expenditure of significant financial, managerial and operational resources.

As we continue to operate and expand into international markets, we may experience certain risks associated with protecting our brands and maintaining the ability to use our brands in the countries where we operate. Effective intellectual property protection may not be available in every country in which our products are, or may be made, available. While we generally seek to protect our intellectual property rights in the major markets where we intend to market and sell our products, we may not be able to do so in all jurisdictions.

Third parties may distribute and sell counterfeit or other infringing versions of our products, which may be of inferior quality or pose safety risks and could confuse consumers or retailers and dilute our brands' exclusivity, which could cause consumers to refrain from purchasing our brands in the future or otherwise damage our reputation (see *"—1. Risks relating to our Industry and our Business—1.5 Our brands are critical to our success.*"). 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, impact our compliance with distribution and competition laws in jurisdictions including the EU and China, or otherwise have a negative impact on our reputation and business, financial condition, results of operations and prospects.

To acquire, 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 which could be expensive, take significant time and divert management's attention from other business concerns and may not be successful. Litigation and other proceedings may also put our intellectual property at risk of being invalidated or interpreted narrowly.

Furthermore, we cannot be certain that the conduct of our business does not and will not infringe, misappropriate, or otherwise violate intellectual property rights of third parties. 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 or to obtain a license or co-existence agreement with third parties. 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, financial condition, results of operations and prospects.

5.3 We are subject to changes in the laws, regulations and policies applicable to us.

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 are or will be applicable to our business or products, and any action we may take as a result, as well as the outcome and expense of legal or regulatory proceedings, could adversely affect our financial results. Among others, we are subject to extensive regulation related to intellectual property, marketing, antitrust and competition, product liability, product content or formulation, labeling and packaging (including end-of-product-life responsibility), anticorruption, environmental laws, immigration, privacy, data protection, accounting standards, taxes, tariffs, trade and customs and restrictions on foreign investments. For example, a change in the UK corporate income tax rate in 2021 led us to remeasure our deferred tax balances, with a negative impact in our income statement (the item "deferred taxes impact due to tax rate variations") of €71.2 million resulting principally from our deferred tax liabilities from business combinations.

In addition, increasing governmental and social 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 These factors may have a direct effect on our business or may indirectly affect us through their impact on our suppliers, retailers or business partners. 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 could be materially adversely affected.

5.4 We must comply with laws and regulations related to privacy, information security and data protection.

We collect, store, process and use a variety of personal data and information of different stakeholders (including consumers and employees) and for a wide range of purposes to conduct our business, such as consumer profiling or whistleblowing lines, among others. In addition, some of our suppliers and service providers process personal data on our behalf. Therefore, we are required to comply with increasingly complex and changing data privacy and security laws and regulations in the different countries in which we operate governing the collection, storage, use, transmission and protection of personal information and other data, including the transfer of personal data between countries.

While we strive to comply with such laws and regulations, as well as our privacy policies and other obligations we may have with respect to privacy and data protection, any failure or perceived failure to comply with laws, regulations or policies related to privacy, information security and data protection may result in inquiries and other proceedings or actions against us by government authorities or others, as well as negative publicity and damage to our reputation and brands, each of which could cause a material adverse effect on our business.

We are also subject to certain international privacy laws. The main regulations applicable to us are (i) Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) ("**EU GDPR**"); (ii) Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK GDPR**"); (iii) the evolving body of U.S. federal and state data privacy and security laws, regulations and guidelines; and (iv) the local law implementations of EU GDPR in the EU member states that we operate in (including, in Spain, Organic Law 3/2018, of December 5, on Personal Data Protection and Guarantee of Digital Rights). As a result, we must comply with a proliferating and fast-evolving set of legal requirements in this area, including substantive cybersecurity standards as well as requirements for notifying regulators and affected individuals in the event of a data security incident. Any failure to comply with data protection and data privacy policies, privacy-related obligations to consumers or other third parties, and other privacy-related legal obligations, or any compromise of security that results in an unauthorized release, transfer or use of personally identifiable information or other consumer data, may result in governmental enforcement, actions, litigation or public statements against us. Any such failure could also cause the users of our services to lose trust in us, which may have materially adversely affect our reputation.

In addition, as data protection and privacy issues draw increased attention, we may also become subject to new laws and regulations, or newly adopted interpretations and applications of existing privacy and data protection laws or regulations, which are often uncertain and in flux and could further restrict collection and usage of personal data, or otherwise be inconsistent with our practice. Any additional enactment or promulgation of this type may, among other things, require us to implement new security measures or change how we handle other personal data not currently regulated. Compliance with any additional laws could be expensive, and it may place restrictions on our data collection and processing practice, the conduct of our business and the manner in which we interact with our different stakeholders (consumers and employees).

6. RISKS RELATING TO THE OFFER SHARES AND THE OFFERING

6.1 *Our dual-class share structure concentrates voting control in holders of our Class A Shares, which will continue to be the case after Admission, limiting the ability of holders of Class B Shares to influence corporate matters.*

Our Class B Shares, which are the shares being offered in the Offering, carry one vote per share, whereas our Class A Shares (as defined below) carry five votes per share. All of the Class A Shares are owned by Puig SL, and Puig SL is owned by three companies belonging to the Puig Family. Pursuant to the Offering and the Minority Shareholders Share Capital Increases, (i) if the Offering Price is at the high point of the Offering Price Range and the Over-allotment Option is exercised in full, our outstanding Class A Shares will represent 69.2% of our total shares and will confer 91.8% of the total voting rights; and (ii) if the Offering Price is at the low point of the Offering Price Range and the Over-allotment Option is exercised in full, our outstanding Class A Shares will represent 66.7% of our total shares and will confer 90.9% of the total voting rights. The percentage of total voting rights is calculated taking into account the Class B Shares held by the Company as treasury shares. See "*Principal and Selling Shareholder*" for additional information.

Because of the five-to-one voting ratio between our Class A Shares and Class B Shares, Puig SL (and thus indirectly various members of the Puig Family) will continue to hold the majority of the Company's voting rights. Therefore, holders of Class A Shares will be able to control all matters submitted to the shareholders meeting of the Company for approval, which may be approved with the sole favorable vote of the Class A Shares, even if holders of Class B Shares vote against any of such resolutions. Puig SL's control will preclude, even after Admission, the ability of holders of Class B Shares to influence corporate matters for the foreseeable future, including the appointment of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring shareholders' approval, except in the limited cases described in "*Description of Share Capital—Rights of Class A Shares and Class B Shares—General shareholders' meetings and voting rights—Holding a*

general shareholders' meeting and adopting resolutions—Separate voting in the event of adoption of certain resolutions". For example, if holders of Class B Shares hold less than 3% of our share capital, they will not be able to exercise their rights in relation to calling a general shareholders' meeting, request that new items be added to the agenda or propose reasoned resolutions on matters already included or that should be included in the convened meeting agenda. Additionally, holders of Class A Shares may be motivated by interests that are different from those of the majority of holders of Class B Shares, but Class B Shares shall be subject to the resolutions approved at the general shareholders meeting of the Company even if they vote against them.

In addition to the concentrated voting control outlined above, the dual-class voting structure could lead to situations in which the Puig Family may have business interests that are not aligned with those of the holders of Class B Shares. The controlling influence of the Puig Family could also discourage potential takeover attempts that could benefit the holders of the Class B Shares.

Pursuant to our bylaws (the "**Bylaws**"), each of our Class A Shares is convertible at any time at the option of the relevant Class A holder into one Class B Share, but Class B Shares are not convertible into Class A Shares. See "*Description of Share Capital—Rights of Class A Shares and Class B Shares—Right to convert Class A Shares into Class B Shares*" for additional information on the conversion mechanics set out in the Bylaws. The conversion of Class A Shares into Class B Shares would dilute the voting rights of holders of Class B Shares purchased or subscribed in this Offering, with respect to matters that require the separate approval of the Class B Shares.

6.2 There can be no guarantee that we will declare dividends in the future.

We have not established a specific dividend policy. However, it is our intention to distribute cash dividends in a prudent manner (we expect to maintain a pay-out ratio (calculated as dividends/ net profit attributable to the Company) of approximately 40%, in line with our historical dividend track record) that does not affect our objectives to continue growing our business and executing our business plan. Our general shareholders' meeting on April 5, 2024 approved a dividend distribution against share premium of €186.1 million that was paid on that date. We paid dividends to our shareholders in the amounts of €160.0 million in 2023, and, €110.0 million in 2022, and no dividend was paid out in 2021. For 2022, the amount of dividend distributed refers to the dividend distributed by Puig SL to its shareholders.

Our ability to distribute dividends will depend on a number of circumstances and factors, including (but not limited to) the amount of distributable profits and reserves and our investment plans, revenues, level of profitability, cash flow generation, restrictions on payment of dividends under applicable law (for instance, Spanish corporate law requires companies to contribute at least 10% of their net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of the share capital), the level of dividends paid or shares repurchased by other comparable listed companies doing business in Spain and such other factors as the Board of Directors or the general shareholders' meeting may deem relevant from time to time. Payment of dividends is generally proposed by the Board of Directors and must be approved by the general shareholders' meeting. See "*Dividend Policy*" and "*Description of Share Capital*". As of the date of this Prospectus, the balance of our legal reserve is equivalent to at least 20% of our share capital. After Admission, the Company expects to make the necessary contributions to its legal reserve to reach the corresponding 20% required given that the Company's share capital will be increased by the capital increase in respect of the New Offer Shares and the New Minority Shareholders Shares (as defined herein).

Furthermore, we are a holding company and our only significant asset is our ownership of interests in our operating subsidiaries. Accordingly, we depend on our operating companies being able to make distributions and other payments to us to generate the funds necessary to meet our financial obligations, including our future expenses as a publicly-listed company, and to pay any dividends. The revenues from, or other available assets of, our subsidiaries may not be sufficient to allow us to pay dividends on our ordinary shares, pay expenses or satisfy our other financial obligations. We cannot provide assurance that we will declare dividends or other distributions in any particular amounts or at all.

6.3 Sales or the perception of future sales of Offer Shares after the Offering may cause a decline in the market price of the Offer Shares.

Sales of a substantial number of Class B Shares in the public market following the Offering, or the perception that such sales could occur (including following a conversion of Class A Shares into Class B Shares), could adversely affect the market price for the Class B Shares or our ability to raise capital through future offerings of debt or equity securities.

The expectation of future sales of Class B Shares could place downward pressure on the market price of the Class B Shares. While we, the Selling Shareholder, our Directors, our Senior Officers and those employees of the Company that hold Class B Shares have agreed not to transfer any Class A Shares or Class B Shares from the date of the Underwriting Agreement until 180 (in the case of the Company and the Selling Shareholder) and 365 (in the case of our Directors, Senior Officers and employees subject to certain exceptions) days after Admission, without the prior consent of the Joint Global Coordinators, such lock-up is subject to certain exceptions. BDT, the Manzanita LPs and Arctic will also be subject to lock-up restrictions for a period of 180 days with respect to the New Minority Shareholders Shares that they will receive following the completion of the Minority Shareholders Share Capital Increases. See "*Plan of Distribution—Lock-up*" for further information.

Accordingly, any sales of Class B Shares by new significant shareholders or the Selling Shareholder, or the perception that any such sales may occur, could put downward pressure on the market price of the Offer Shares.

6.4 We may in the future issue new shares or equity-linked securities, which may dilute investors' interests.

In the future, we may seek to raise additional capital through further offerings of equity securities or equity-linked securities (if made on a non-pre-emptive basis or, if made on a pre-emptive basis, where shareholders elect not to take up their preferential subscription rights) that could dilute the interests of our shareholders and could have an adverse effect on the market price of the Offer Shares as a whole.

On April 16, 2024, our Board of Directors was authorized by our general shareholders' meeting to (i) issue for a period of five years convertible debt instruments and warrants that grant rights to subscribe or acquire Class A Shares and/or Class B Shares in a maximum amount of (x) 3.5 times the consolidated EBITDA of the Company for the most recent financial year for which our annual accounts have been approved, less (y) the amount of financial indebtedness, net of cash, at the date of the relevant issuance made under this authorization (EBIDTA and financial indebtedness' levels must be certified by the Board of Directors with the prior report of the Audit Committee) and, in connection with such issuances, increase the share capital of the Company by the relevant necessary amount; and (ii) to issue for a period of five years Class A Shares and/or Class B Shares and to increase the share capital up to 12% of the Company's share capital at the time of Admission, provided that, as stated in our Bylaws, any such issuance complies with the Principle of Proportionality for New Shares. In connection with such issuances and share capital increases, our Board of Directors was authorized by our general shareholders' meeting to exclude pre-emptive rights for capital increases up to 6% of the Company's share capital at the time of Admission. Even if pre-emptive rights of Class B Shares are excluded, such issuances must comply with the Principle of Proportionality of New Shares unless the relevant issuance is in the Company's corporate interest and consist in the issuance of convertible debt instruments and warrants that grant rights to subscribe or acquire Class B Shares only or in the issuance of Class B Shares only (see "*Description of Share Capital—Pre-emptive rights and increases of share capital*".

These authorizations will become effective upon Admission and are limited to issuances of Class A Shares and/or Class B Shares (or convertible debt instruments and warrants related to Class A Shares and/or Class B Shares) in order to obtain funds or in the context of share capital increases by means of a debt set-off (*aumentos de capital por compensación de créditos*) in connection with transactions that the Board of Directors considers strategic and in the Company's corporate interest. As of the date of this Prospectus, we have not issued securities convertible or exchangeable into Class A Shares or Class B Shares or with warrants over the Class A Shares or the Class B Shares.

As further described in "*Plan of Distribution*", we have agreed not to issue additional Class B Shares or equity-linked securities over Class B Shares from the date of signing the Underwriting Agreement until the date which is 180 days after Admission. However, such lock-up is subject to certain customary exceptions. See "*—6.3 Sales or the perception of future sales of Offer Shares after the Offering may cause a decline in the market price of the Offer Shares*" and "*Plan of Distribution—Lock-up*".

6.5 There is no established trading market for the Offer Shares, and a liquid market for the Offer Shares may not develop.

This Offering constitutes our initial public offering of the Offer Shares, and so no public trading market for the Offer Shares currently exists. We will apply to list the Offer Shares on the Spanish Stock Exchanges for trading through the AQS and we expect Admission to occur on or about May 3, 2024, subject to completion of customary procedures in Spain. Any delay in the commencement of trading of the Offer Shares on the Spanish Stock Exchanges and quoted on the AQS would impair the liquidity of the market for the Offer Shares and make it more difficult for holders to sell the Offer Shares.

Even if the Offer Shares are listed on the Spanish Stock Exchanges and quoted on the AQS, there can be no assurance that an active and liquid trading market will develop or be sustained after the Offering is completed or that analysts will maintain research coverage of us. The Offering Price is being determined by way of a book-building process. The Offering Price may bear no relationship to the price at which the Offer Shares will trade upon completion of the Offering. The Offering Price Range and the Offering Price may not match the future price of the Offer Shares following the Offering. If an active and liquid trading market does not develop or is not maintained, the liquidity and trading price of the Offer Shares could be seriously harmed. As a result, investors could lose all or part of their investment in the Offer Shares.

6.6 It may be difficult for shareholders outside Spain to exercise certain rights.

The Offering includes a placement in the United States to QIBs in reliance on Rule 144A under the U.S. Securities Act.

We are a public company (*sociedad anónima*) organized and existing under the laws of Spain. The rights of our shareholders are governed by Spanish law and by our Bylaws and our internal rules governing the meetings of the Board of Directors and our general shareholders' meeting. Spanish corporate law provides for pre-emption rights to be granted to shareholders in the event of a share capital increase in the Company under certain circumstances. However, securities laws of certain jurisdictions may restrict our ability to allow participation by shareholders in future equity offerings. In particular, shareholders in the United States may not be entitled to exercise these rights, unless either the shares and any other securities that are offered and sold are registered under the U.S. Securities Act, or the shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. We cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable shareholders in the United States or other jurisdictions to exercise their pre-emption rights or, if available, that we will utilize any such exemption.

Additionally, the ability of shareholders in the United States and other jurisdictions to serve process, bring an action or enforce foreign judgements against us or our directors may be limited. It may not be possible for an overseas shareholder to effect service of process upon us or our directors and executive officers within the overseas shareholder's country of residence or to enforce against us or our directors or executive officers judgments of courts of the overseas shareholder's country of residence based on civil liabilities under that country's securities laws. An overseas shareholder may not be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than Spain against our directors or executive officers who are residents of Spain or countries other than those in which judgment is made. In addition, Spanish or other courts may not impose civil liability on our directors or executive officers in any original action based solely on foreign securities laws brought against us or our directors or executive officers.

RESPONSIBILITY STATEMENT AND COMPETENT AUTHORITY

Responsibility statement

Mr. Marc Puig Guasch, acting in the name of and on behalf of the Company, acting in his capacity as Chief Executive Officer, under a special power of attorney granted by the board of directors of the Company by means of a resolution dated April 16, 2024 accepts responsibility for the information contained in this Prospectus. To the best of his knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

Mr. Marc Puig Guasch, acting in the name of and on behalf of the Selling Shareholder under a special power of attorney granted by the board of directors of the Selling Shareholder by means of a resolution dated April 4, 2024, declares that the Selling Shareholder, accepts responsibility for the information referring to the Selling Shareholder in sections "*Principal and Selling Shareholder*" and "*Plan of Distribution*". To the best of his knowledge, the information contained in sections "*Principal and Selling Shareholder*" and "*Plan of Distribution*" is in accordance with the facts and contains no omissions likely to affect its import.

None of the Underwriters, or their respective affiliates, advisors or selling agents makes any representation or warranty, express or implied, or accepts any responsibility whatsoever, with respect to the content of this Prospectus, including the accuracy or completeness of any of the information in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect whether as to the past or the future. Each of the Underwriters accordingly disclaims, to the fullest extent permitted by applicable law, all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Prospectus or any information contained herein. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of us, the Selling Shareholder, the Underwriters that any recipient of this Prospectus should subscribe or purchase the Offer Shares. Each subscriber or purchaser of Offer Shares should determine for itself the relevance of the information contained in this Prospectus, and its subscription or purchase of Offer Shares should be based upon such investigation, as it deems necessary, including the assessment of risks involved and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors that may be relevant to such investor in connection with the subscription or purchase of the Offer Shares.

Competent authority

This Prospectus has been approved by and registered with the CNMV on April 18, 2024, as competent authority under the Prospectus Regulation, the Spanish Securities Market Act and relevant implementing measures in Spain.

The CNMV only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company and of the quality of the Offer Shares. Investors should make their own assessment as to the suitability of investing in the Offer Shares.

PRESENTATION OF FINANCIAL AND OTHER IMPORTANT INFORMATION

Basis of presentation of financial information

Until December 31, 2022, the parent company of the Group for accounting purposes was Puig SL, whose consolidated annual accounts as of and for the years ended December 31, 2022, and 2021 were audited by Ernst & Young, S.L. Following the transfer by Puig SL to the Company of its ownership interests in the subsidiaries of the Group and various business activities pursuant to a capital increase of the Company made through a non-monetary contribution on June 30, 2022 (the "**Contribution**") (see "*Description of Share Capital—General—Main changes in our share capital and Corporate Reorganization*"), the Company became the parent company of the Group and prepared for the first time its own consolidated annual accounts as of and for the year ended December 31, 2023 (the "**2023 Annual Accounts**").

As result of the above, we have prepared special purpose consolidated financial statements as of and for each of the years ended December 31, 2023, 2022 and 2021 (the "**Financial Statements**") as if the Contribution had occurred on January 1, 2021 and, therefore, as if the Group had been consolidated by the Company as from such date. In addition to our Financial Statements, and pursuant to Spanish regulatory requirements, we have prepared (i) the 2023 Annual Accounts; and (ii) the management report (*informe de gestión*) (the "**Management Report**") that is required to accompany our 2023 Annual Accounts.

Financial Statements

The historical financial information presented in this Prospectus derives from our Financial Statements, which were prepared, according to applicable Spanish law, in accordance with International Financial Reporting Standards, as adopted by the European Union ("**IFRS-EU**"). The Financial Statements have been audited by Ernst & Young, S.L. as stated in its unqualified audit report. The Financial Statements together with the audit report are included as an annex to this Prospectus. The Financial Statements were originally prepared in English.

2023 Annual Accounts and Management Report

The 2023 Annual Accounts have been prepared in accordance with IFRS-EU and have been audited by Ernst & Young, S.L. as stated in its unqualified report. The 2023 Annual Accounts and the Management Report were originally prepared in Spanish. The original version and the English translation of the 2023 Annual Accounts, together with the original version and the English translation of the audit report, and the original version and the English translation of the Management Report accompanying the 2023 Annual Accounts are incorporated by reference in this Prospectus. See "*Information Incorporated by Reference*". In case of any inconsistency between the English translations and the Spanish original versions of the 2023 Annual Accounts together with the audit report from Ernst & Young, S.L. and the Management Report, the Spanish original versions shall prevail.

Investors are strongly cautioned that the Management Report contains information as of various historical dates and does not contain a description of our current business, affairs or results. The Management Report is not part of the Financial Statements or the 2023 Annual Accounts, and the information contained therein has not been specifically prepared for the Offering. Accordingly, the Management Report should be read together with (i) the other portions of this Prospectus (in particular the sections "*Risk Factors,*" "*Operating and Financial Review*" and "*Business*"), (ii) the Financial Statements and (iii) the 2023 Annual Accounts. Furthermore, the Management Report may include certain forward-looking statements that are subject to inherent uncertainty (see "*Cautionary Statements Regarding Forward-Looking Statements*"). Accordingly, investors are cautioned not to rely upon the information contained in such Management Report.

Alternative performance measures

In addition, this Prospectus includes non-IFRS financial measures that we regard as alternative performance measures as defined in Commission Delegated Regulation (EU) 2019/979 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to

regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal and in the guidelines issued by the European Securities and Markets Authority ("**ESMA**") on October 5, 2015 on alternative performance measures (the "**ESMA Guidelines**" and the "**APMs**"). We believe that the presentation of the APMs included herein complies with the ESMA Guidelines and ESMA's "Q&A on Alternative Performance Measures Guidelines" published on April 17, 2020.

Such APMs include: Constant Perimeter and Like-for-Like (LfL) Net Revenue Growth^{APM}, EBITDA^{APM}, EBITDA Margin^{APM}, Adjusted EBITDA^{APM}, Adjusted EBITDA Margin^{APM}, Net Financial Debt^{APM} and Net Debt^{APM}, Gross Margin^{APM}, Operating Margin^{APM}, Operational Margin^{APM}, Net Profit Margin^{APM}, Adjusted Net Profit^{APM}, Adjusted Net Profit Margin^{APM}, Operating Working Capital^{APM} and Working Capital^{APM}.

We use APMs, which are financial measures derived from, or based on, our accounting records, to evaluate period to period changes that are not required by, or presented in accordance with, IFRS-EU. These APMs are not measures of our financial performance under IFRS-EU, are not audited or reviewed by any auditors or independent expert, and should not be considered as an alternative to any balance sheet, income statement or cash flow statement item. See "*Operating and Financial Review—Alternative Performance Measures*".

Many of these measures are based on various sources of information derived from our internal management systems and our reporting systems, as the case may be. These management measures, as defined and calculated by us, have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our operating result as reported under IFRS-EU. In addition, they may not be comparable to other similarly titled measures used by other companies. You should not consider such information in isolation, as alternatives to the information calculated in accordance with IFRS-EU, as indications of operating performance or as measures of our profitability or liquidity. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU.

Operating Business Segment Reporting

Our segment information included in the Financial Statements is presented in accordance with the disclosure requirements set forth in IFRS-EU 8. The Group's operating business segments are: (i) fragrance and fashion ("**Fragrance and Fashion**"); (ii) make-up ("**Make-up**"); and (iii) skincare ("**Skincare**").

Geographical Segment Reporting

Our Financial Statements also present our financial information by geographical area. In the presentation of this information, net revenues are based on the geographical location of our clients, while operational assets are based on the geographical location of our assets. The Group's geographical segments are: (i) Europe, Middle East and Africa ("**EMEA**"); (ii) the Americas; and (iii) Asia-Pacific.

Objectives

We have included certain objectives in this Prospectus (the "**Objectives**"). These Objectives are part of our strategic plan and are not an indication, estimate or forecast whatsoever of our expected or actual results. As such, we cannot guarantee that they can or will be met, and you should not place undue reliance on these Objectives in deciding whether to invest in the Offer Shares. The Objectives do not: (i) constitute a profit forecast as defined in Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, or (ii) reflect any facts. These Objectives are based on assumptions and expectations and are subject to known and unknown risks, uncertainties and other factors that could cause our actual results to materially differ from those expressed in, or suggested by, these Objectives. The ultimate achievability of these Objectives is also subject to numerous risks and uncertainties including, but not limited to, the risks and uncertainties described in this Prospectus.

Neither our independent auditors nor any other independent accountants compiled, examined or performed any procedures with respect to these Objectives, nor have they expressed any opinion or any other

form of assurance on these Objectives or their achievability, and such parties assume no responsibility for, and disclaim any association with, these Objectives.

These Objectives, while presented with numerical specificity, necessarily reflect numerous assumptions made by us with respect to industry performance, general business, economic, regulatory, market and financial conditions, and other future events, as well as matters specific to our businesses, all of which are difficult or impossible to predict, and many of which are beyond our control. These Objectives reflect our subjective judgments in many respects and in connection with numerous assumptions, risks and uncertainties and, thus, are susceptible to multiple interpretations and periodic revisions based on actual experience and business, economic, regulatory, financial and other developments.

Also, the benefits and impact of our strategy and Objectives could fall short of what we envisage, meaning that we are unable to achieve our strategy and Objectives in the medium term as set out in "*Business—5. Strategy*"). We may not succeed in achieving any of our financial Objectives (set out in "*Business—5. Strategy*") because of insufficient management attention, incorrect decisions or choices, inefficiencies, competition or because forecasted events and actions may not take place or may take place at a different time or to a different extent than anticipated or because certain events and actions could not be predicted or quantified at the time these Objectives were established.

These Objectives constitute forward-looking information and are subject to risks and uncertainties that could cause actual results to differ materially from these Objectives, including, but not limited to, our performance, industry performance, general business and economic conditions, competition, adverse changes in applicable laws, regulations or rules, and the various risks and uncertainties set forth in this Prospectus that could materially adversely affect our future results (see "*Cautionary Statements Regarding Forward-Looking Statements*"). We cannot give any assurance that these financial Objectives will be realized or that actual results will not vary significantly from these Objectives.

These Objectives do not take into account any circumstances or events occurring after the date they were prepared. None of us, the Board of Directors, the Underwriters, or our or their respective affiliates, advisors, officers, directors or representatives intends to, and each of them disclaims any obligation to, update, revise or correct these Objectives, except as otherwise required by law, including if these targets are or become inaccurate (even in the short term).

These Objectives should be evaluated, if at all, in conjunction with the Financial Statements and the related notes thereto and the other financial information and other information regarding us contained in this Prospectus. None of us, the Board of Directors, the Underwriters or our or their respective affiliates, advisors, officers, directors or representatives has made or makes any representation to any prospective investor or other person regarding our actual future performance compared to the information contained in these Objectives or that forecasted results will be achieved. In light of the foregoing factors and the uncertainties inherent in the information provided above, investors are cautioned not to place undue reliance on these Objectives and to obtain the relevant independent advice before considering any of the foregoing factors and uncertainties as part of their investment decision.

Currency references

Unless otherwise indicated or otherwise required by the context, all references in this Prospectus to "**euro**," "**€**," or "**EUR**" are to the lawful currency of some of the participating Member States including Spain, in the third stage of European Economic and Monetary Union of the Treaty establishing the European Community, as amended from time to time, all references to "**British pound**", "**GBP**" or "**£**" are to the lawful currency of the United Kingdom, and all references to "**U.S. dollars**", "**dollars**", "**U.S.$**", "**USD**" or "**$**" are to the lawful currency of the United States of America.

Rounding

Certain numerical figures included in this Prospectus, including financial data presented in millions or thousands and certain percentages, may have been subject to rounding adjustments. Accordingly, amounts shown as totals in columns or rows of tables in this Prospectus may not be an arithmetic aggregation of the

related numbers. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform to the percentages that would be derived if the relevant calculation were based upon the rounded numbers. As used in this Prospectus, the term "billion" means one thousand million (1,000,000,000).

Market and industry data

In this Prospectus, statements regarding our industry, the markets in which we operate and our competitive position within those markets are mainly based on industry publications and surveys, industry reports prepared by government or industry bodies, regulators or other third-party sources, internal surveys and consumer feedback, and on our best estimates based upon information obtained from regulators, trade and business organizations and associations, consultants and other contacts within the industry in which we operate as well on our Senior Officers' business experience and experience in the industry.

In particular, the information contained in this Prospectus related to our industry, the markets in which we operate and our competitive position within those markets that we attribute to "Company Industry Sources" reflects our estimates, based on our assessment and knowledge of the market, and is informed by multiple sources. These sources include both publicly available and official publications, as well as confidential third-party sources such as Euromonitor, NPD Group,Segmenta, Nielsen, Beauté Research and Generation Research.

Information in this Prospectus on the Beauty and Personal Care market is from independent market research carried out by Euromonitor International Limited but should not be relied upon in making, or refraining from making, any investment decision. All figures related to the development of the Beauty and Personal Care market are quoted from Euromonitor International, Beauty and Personal Care 2023 edition available as of April 2023 ("**Euromonitor**"). Different datasets concerning the market sizes and shares have been extracted between October 2023 and February 2024. Unless otherwise stated, all value data citations are in Retail RSP (retail selling price) terms, current value, US$.

In addition, certain information in this Prospectus is derived from the McKinsey industry report "The Beauty Market in 2023", published in May 2023.

Third-party industry publications, surveys and studies generally state that the information contained therein has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. To the Company's knowledge, all third-party information, as outlined above, has been accurately reproduced and, as far as we are aware and have been able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading. We believe that this third-party market and industry data, to the extent quoted or referred to herein, is reliable, but we have not independently verified it and cannot guarantee its accuracy or completeness. As we do not have access to all of the facts and assumptions underlying such market and industry data, we are unable to verify such information and cannot guarantee its accuracy or completeness. Some of this information, including market studies, is based on information and assumptions that may not be correct or appropriate, and its methodology is by nature forward-looking and speculative. In addition, we cannot assure you that any of the assumptions that we have made in compiling this data are accurate or correctly reflect our position in our markets or other matters relating to our business. Accordingly, you are cautioned not to place undue reliance on such estimates.

Trademarks and Licenses

We own or have rights to certain trademarks, trade names or service marks that we use in connection with the operation of our business. We assert to the fullest extent under applicable law, our rights to our trademarks, trade names and service marks. Solely for convenience, the trademarks, trade names or service marks appearing in this Prospectus are listed without the applicable ®, © or ™ symbols. In addition, we are the exclusive global licensee for the manufacturing and distribution of certain beauty products, which appear in this Prospectus with the [LIC] symbol.

Corporate ESG Assessment

On November 8, 2023, we engaged Morningstar Sustainalytics ("**Sustainalytics**") to perform a broad-based Corporate ESG Assessment of Puig, covering ten ESG categories, including E&S Impact of Products and Services, Human Rights-Supply Chain, Resource Use, Product Governance, Human Capital, Land Use and Biodiversity-Supply Chain, Business Ethics, Corporate Governance, Data Privacy and Security and Carbon-Own Operations. Sustainalytics assessed us as having an overall indicative Corporate ESG Assessment score of 20.7, which places us in the "medium risk" category as of January 17, 2024. Our indicative score would place us in both the top 6th percentile of Personal Products subindustry (5/79 companies) assessed by Sustainalytics, top 9th percentile in the Household Products industry (9/105 companies) and in the top 32nd percentile of all companies assessed by Sustainalytics (4,922/15,929 companies). This Corporate ESG Assessment has been carried out as of January 17, 2024, and no information made available after this date has been reflected in this assessment. These services and deliverables are provided for information purposes only and are assessing Puig ESG performance as a private company. The score, risk category, industry/subindustry, percentile, and ranking may be subject to change following completion of the Offering.

Sustainalytics is a leading global provider of ESG research, ratings and data, which provides research based on its independent methodology, and publicly available or non-confidential information from issuers. The Corporate ESG Assessment (see "*Business—11. Sustainability and Social Impact—11.2 ESG performance validation and reporting*") is not part of the Offering or any other offering, nor shall it be considered as an offer to buy or sell or invest in the Offer Shares or any securities, investment advice, expert opinion or an assurance letter as defined by the applicable legislation. No information provided by Sustainalytics under the Corporate ESG Assessment shall be considered as being a statement, representation, warranty or argument either in favor or against the truthfulness, reliability or completeness of any facts or statements that the Company has made available to Sustainalytics for the purpose of the Corporate ESG Assessment, in light of the circumstances under which such facts or statements have been presented.

This assessment has not been submitted to, or received approval from, any relevant regulatory authorities or any regulatory body. While Sustainalytics exercised due care in compiling this assessment, it makes no warranty, express or implied, regarding the accuracy, completeness or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes. In no event should this Corporate ESG Assessment or any portion thereof be considered an offer to buy a security, a solicitation of votes or proxies, investment advice, an expert opinion or an assurance letter as defined by the applicable legislation.

Neither the Corporate ESG Assessment, nor any other information or contents on Sustainalytics' website, are considered part of or are incorporated into this Prospectus, whether by reference or otherwise.

Legislation

This Prospectus refers to various statutes, directives and other legislation and regulations. Unless specified to the contrary, all such references are to the laws of Spain, except for directives, where all such references shall be deemed to be made to EU directives.

The financial information included in this Prospectus is not intended to comply with the applicable accounting requirements of the U.S. Securities Act and the related rules and regulations of the SEC.

Investment Considerations

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company and in the Offer Shares, for whom an investment in the Offer Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) that might result from such investment. Typical investors in the Company are expected to be institutional and qualified investors who are looking to allocate part of their

investment portfolio to the Spanish market and the beauty market. You should consult your financial advisor before making an investment in the Company.

The Offer Shares are designed to be held over the long term and may not be suitable as short-term investments. A prospective investor should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no guarantee that any appreciation in the value of the Offer Shares will occur, and you may not recover the full value of your investment. Any operating and/or financial objectives of the Company are targets only and should not be treated as assurances or guarantees of performance.

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, accounting or regulatory matters, investment decisions or any other matter. You must rely upon your own representatives, including your own financial and legal advisors and accountants, as to financial, legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein. An investment in the Company should be regarded as a long-term investment. There can be no guarantee that the Company's investment objectives will be achieved. You should bear in mind that the price of the Offer Shares can go down as well as up.

Conversion of Class A Shares into Class B Shares

Our share capital consists of Class A Shares and Class B Shares. We will apply to have only the Class B Shares admitted to listing on the Spanish Stock Exchanges for trading through the AQS. Pursuant to our Bylaws, each of our Class A Shares is convertible at the option of the relevant Class A holder into one Class B Share, but Class B Shares are not convertible into Class A Shares. See "*Description of Share Capital—Rights of Class A Shares and Class B Shares—Right to convert Class A Shares into Class B Shares*" for additional information on the conversion mechanics set out in the Bylaws. The conversion of Class A Shares into Class B Shares will dilute the voting rights of holders of Class B Shares purchased or subscribed in this Offering, with respect to matters that require the separate approval of the Class B Shares.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFERING STATISTICS

Expected timetable for principal events

The Company expects that the Offering will take place according to the tentative calendar set out below:

Event	Estimated Date [(1)]
Approval and registration of this Prospectus with the CNMV	April 18, 2024
Commencement of the book-building period in which non-binding proposals are made by qualified investors	April 19, 2024
Finalization of the book-building period	April 30, 2024
Setting of the Offering Price	April 30, 2024
Execution of the Underwriting Agreement	April 30, 2024
Publication of the Offering Price and the final size of the Offering through a communication of inside information (*comunicación de información privilegiada*)	April 30, 2024
Allocation of Initial Offer Shares to investors: Transaction Date	April 30, 2024
Prefunding of the New Offer Shares by the Joint Global Coordinators	May 2, 2024
Granting of the public deed of capital increase in respect of the New Offer Shares	May 2, 2024
Granting of the Public Deeds of Conversion and Share Capital Reduction (as defined below) in respect of the Secondary Offer Shares and the Over-allotment Shares	May 2, 2024
Granting of the Public Deed of Conversion and Share Capital Reduction in respect of the Additional Conversion	May 2, 2024
Granting of the public deeds of capital increase in respect of the New Minority Shareholders Shares	May 2, 2024
Filing and registration of the Public Deeds of Conversion and Share Capital Reduction in respect of the Secondary Offer Shares and the Over-allotment Shares and the public deed of share capital increase in respect of the New Offer Shares with the Commercial Registry of Barcelona	May 2, 2024
Filing of the Public Deed of Conversion and Share Capital Reduction in respect of the Additional Conversion with the Commercial Registry of Barcelona	May 2, 2024
Filing of the public deeds of the share capital increases in respect of the New Minority Shareholders with the Commercial Registry of Barcelona	May 2, 2024
Operation Date of the Offering and publication of an other relevant information notice (*comunicación de otra información relevante*)	May 2, 2024
Admission, start of trading and commencement of Stabilisation Period (as defined below) and of the Over-allotment Option exercise period (on or about)	May 3, 2024
Settlement Date (on or about)	May 6, 2024
End of Stabilisation Period and of the Over-allotment Option exercise period [(2)]	June 1, 2024

Notes: —

(1) Each of the dates included in the above tentative calendar is subject to change without prior notice. Any change, including in particular any shortening or lengthening of the book-building period, will be made public by means of publishing the corresponding inside information notice (*comunicación de información privilegiada*) or an other relevant information notice (*comunicación de otra información relevante*) with the CNMV.

(2) The Over-allotment Option will be exercisable, in whole or in part, for a period of 30 calendar days from the date of Admission.

Offering statistics

The table below includes the Offering statistics assuming that (i) the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share), (ii) the Over-allotment Option representing approximately up to 15% of the Initial Offer Shares in an amount up to €390 million at the Offering Price is exercised in full, and (iii) the intention of the Company and the Selling Shareholder is to obtain the New Gross Proceeds and the Secondary Gross Proceeds, respectively:

	Amount
	(€ millions, except %)
Indicative non-binding Offering Price Range (per Offer Share)	€22.0-€24.5
Secondary Offer Shares	58,494,623
New Offer Shares	53,763,440
Prior to the Offering, proportion of (i) Class A Shares and Class B Shares owned by the Selling Shareholder over the total amount of Class A Shares and Class B Shares; and (ii) total voting rights owned by the Selling Shareholder over the total voting rights of the Company[(1)]	(i) 95.7%, and (ii) 99.1%
After the Offering, after the Additional Conversion and after the Minority Shareholders Share Capital Increases, estimated proportion of (i) Class A Shares and Class B Shares owned by the Selling Shareholder over the total amount of Class A Shares and Class B Shares; and (ii) total voting rights owned by the Selling Shareholder over the total voting rights of the Company[(1)]	(i) c. 70.5%, and (ii) c. 92.1%
Over-allotment Shares	16,774,193
Estimated Secondary Gross Proceeds	€1,360
Estimated New Gross Proceeds	€1,250
Estimated gross proceeds of the Over-allotment Shares	€390
Estimated Offering expenses[(2)]	€69
Estimated net proceeds of the Secondary Offer Shares	€1,329
Estimated net proceeds of the New Offer Shares	€1,221
Estimated net proceeds of the Over-allotment Shares	€381
Expected Class B Shares market capitalization following the Offering	€4,252

Note: —

(1) For a full description of the participation in our share capital and in the total voting rights of our existing holders of Class A Shares and Class B Shares prior to and after the Offering and after the Minority Shareholders Share Capital Increases, see "*Principal and Selling Shareholder*". The percentage of total voting rights is calculated taking into account the Class B Shares held by the Company as treasury shares.

(2) Assuming payment of the maximum amount of the incentive fee to the Underwriters (excluding VAT). For additional information, see "*Plan of Distribution—Offering Expenses*".

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements that reflect our intentions, beliefs or current expectations and projections. These forward-looking statements include, but are not limited to, statements regarding our future financial position and results of operations, liquidity, performance, prospects, anticipated growth, our strategy, plans, objectives, goals and targets, opportunities, trends and future developments in the markets in which we operate or intend to operate. In some cases, you can identify forward-looking statements by terminology such as "objective", "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "target", "guidance", "intend", "is likely to", "may", "plan", "potential", "predict", "projected", "seek", "could", "should", "would" or "will" or the negative of such terms or other similar expressions or terminology.

The forward-looking statements are based on numerous assumptions regarding the Group's present and future business and the environment in which the Group expects to operate in the future. By their nature, these forward-looking statements involve known and unknown risks, uncertainties and assumptions because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements speak only as of the date of this Prospectus and are not guarantees of future performance and are based on numerous assumptions. Our actual results of operations, financial condition and the development of events may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements. You should read the section entitled "*Risk Factors*", the description of our business segments in the section entitled "*Business*" and "*Operating and Financial Review—Key Factors Affecting our Results of Operations*" for a more complete discussion of the factors that could affect us.

We caution that the important factors referenced in such sections may not be all the factors that are important to you. In addition, all forward-looking statements speak only as of the date of this Prospectus. Unless required by law, we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or developments or otherwise.

This Prospectus does not contain any profit estimate or profit forecast as defined in Delegated Regulation 2019/980.

INDUSTRY

1. Overview of the global beauty market

We operate in the large and fast-growing global beauty market. The beauty market which comprises skincare (including sun care, bath and shower), make-up, fragrance and hair care, generated approximately $422 billion in retail sales in 2022 and is expected to grow at a 6% Compound Annual Growth Rate ("**CAGR**") between 2022 and 2027, reaching approximately $562 billion in retail sales by 2027 *(source: Euromonitor*).

The beauty market has historically been resilient, including through periods of economic crises and turbulent macroeconomic downturns, growing at a 2% CAGR between 2017 and 2022 (*source: Euromonitor*). In addition, the increasing trend towards self-care has benefitted consumer spend on beauty, personal care and wellness products. The beauty market's size, resilience and growth characteristics make it one of the most attractive markets within the wider consumer spectrum.

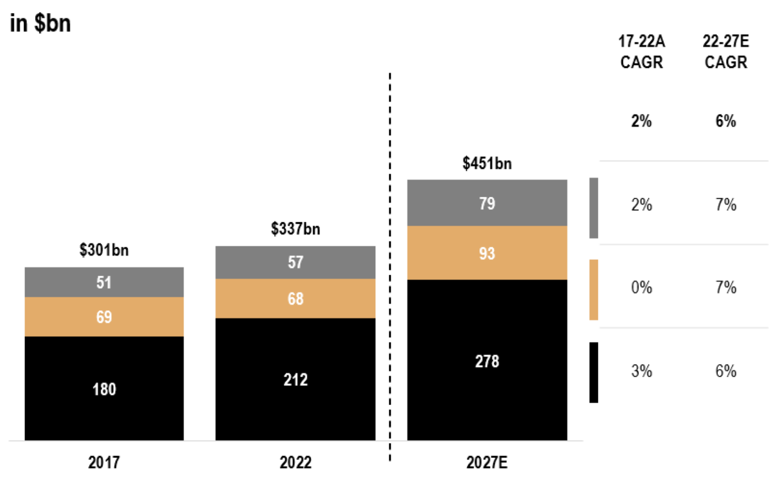
The beauty market is highly fragmented and requires innovation and creativity to consistently drive and keep up with new trends and fast-evolving consumer preferences. In this sense, the structural dynamics of the market, the importance to invest in innovation and your brands, and the consolidation opportunities provide strong competitive advantage to scaled players with well-established platforms and diversified portfolios (such as Puig) and strong potential for market share gains.

With strong fundamental drivers linked to self-indulgence, well-being, self-care and self-confidence, the growth of the beauty market between 2022 and 2027 is expected to be balanced across key market categories and geographies (*source: Euromonitor*) providing a strong runway for players with diversified portfolios.

Overview of the market by market category

The key market categories in the beauty market where we are present (i.e. fragrance and fashion, make-up and skincare) are expected to see strong growth over the coming years. Fragrance and make-up, which generated $57 billion and $68 billion in retail sales in 2022, respectively (fragrance grew at a 2% CAGR between 2017 and 2022, while the make-up market remained flat over that period), are both expected to grow at a 7% CAGR, resulting in approximately $79 billion and $93 billion in sales by 2027, respectively (*Source: Euromonitor*). Skincare, which generated $212 billion in retail sales in 2022, having grown at 3% CAGR between 2017 and 2022, is expected to grow at a 6% CAGR, with total sales expected to reach approximately $278 billion by 2027 (*source: Euromonitor*).

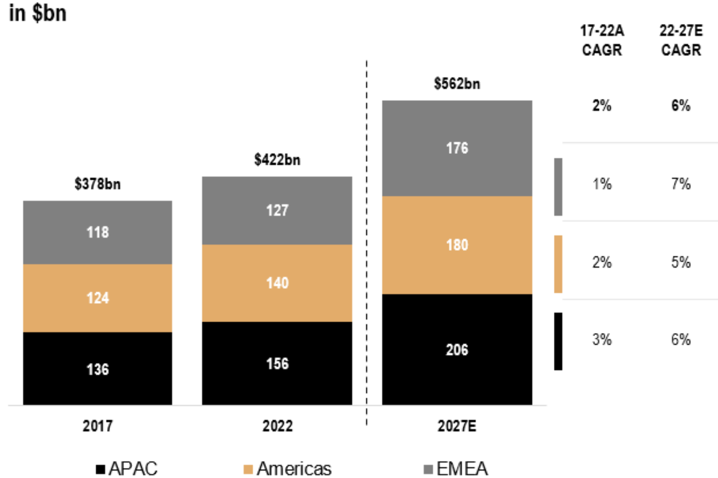
The following chart shows the beauty retail sales across market categories (excluding hair care, where we are not present) within the beauty market between 2017 to 2022 and the expected growth between 2022 and 2027 (*source: Euromonitor*):



Overview of the market by geography

EMEA, which is our largest market, generated $127 billion of beauty retail sales in 2022, having grown at a 1% CAGR since 2017, and is expected to grow at a 7% CAGR resulting in approximately $176 billion in retail sales by 2027. The Americas generated $140 billion of retail sales in 2022, having grown at a 2% CAGR since 2017, and is expected to grow at a 5% CAGR reaching approximately $180 billion in retail sales by 2027. Lastly, Asia-Pacific, which is currently the smallest market for the Group with large potential for greater penetration, generated $156 billion of retail sales in 2022, having grown at a 3% CAGR since 2017, and is expected to grow at a 6% CAGR reaching approximately $206 billion in retail sales by 2027 *(source: Euromonitor*).

The following chart shows the beauty retail sales across regions between 2017 to 2022 and the expected growth between 2022 and 2027 (*source: Euromonitor*):



Understanding the premium and mass product categories within the beauty market

The beauty market can also be classified into premium and mass product categories based primarily on the price points and target consumer groups.

The premium product category, where we operate, is comprised of exclusive products with high price positioning and quality offering. This market category generated approximately $150 billion of retail sales in 2022 accounting for 36% of the beauty market (*source: Euromonitor*). The mass product category comprises products that cater to a broader consumer base than the premium product category, emphasizing accessibility and affordability over exclusivity. This product category generated approximately $272 billion of retail sales in 2022, accounting for 64% of the beauty market (*source: Euromonitor*).

The "premiumization" trend of beauty is expected to remain prominent and be a key driver of future market growth, catering to consumers who continue to trade up and increase their spending. In fact, sales of premium products are expected to grow at a 7% CAGR between 2022 and 2027, compared to sales of mass products, which are expected to grow at a 5% CAGR (*source: Euromonitor*). This highlights significant expansion opportunities in higher-margin product categories.

The role of distribution channels in the beauty market

The beauty market is growing across both physical and digital distribution channels, and key players are investing in multi-channel solutions to improve consumer experience. Growth in traditional channels, including specialty retail, grocery retail, travel retail (experiencing high passenger volumes since COVID-19 recovery and increased dwell time at the airport), and drugstores, is expected to increase by 5% between 2022 and 2027 (*source: McKinsey industry report: The Beauty Market in 2023*), driven by consumers' continued desire for in-store discovery and trial of products. The steadily growing significance of online sales for multi-

channel retailers, the expansion of beauty offerings from online beauty retailers (both generalist and specialist retailers), the increased digital sophistication from DTC players and the rise of social media selling is fueling e-commerce, which is expected to grow by 12% between 2022 and 2027 (*source: McKinsey industry report: The Beauty Market in 2023*).

2. Key themes and secular trends in beauty

The beauty market is very dynamic. We believe that the key trends shaping the future of the industry are the following:

Differentiated brands drive market competitiveness and consumer loyalty

Brand recognition is a key factor in beauty purchases, particularly for premium beauty. Based on McKinsey's 2023 global consumer survey about skincare, haircare and fragrance, majority of respondents said they use only around three or more brands for these kind of products (*source: McKinsey industry report: The Beauty Market in 2023*). Hence, it is key for beauty companies to focus on continuous differentiation of their brand proposition to stay ahead of competition and reinforce consumer loyalty, highlighting the importance of advertising and promotion activities and innovation across the industry. It is essential to create a strong identity for the brands and their values, allowing consumers to identify themselves with such brands and build emotional connections with them.

Increasing demand for premium beauty products

Growing demand for premium beauty products has been driven by greater awareness, brand education and search for exclusivity. Within the wider "premiumization" trend in beauty, luxury beauty remains significantly untapped and it is expected to double by 2027, growing from approximately $20 billion retail sales in 2022 to more than $40 billion by 2027, representing a 20% CAGR (*source: McKinsey industry report: The Beauty Market in 2023*), driven by, among other factors, an increasing customization of products and consumer demand for niche beauty products of a high-quality artisanal nature.

Fast-growing demand for holistic, wellness-inspired products

The wellness market is expected to grow at a 10% CAGR between 2022 and 2027 (*source: McKinsey industry report: The Beauty Market in 2023*), driven by consumers' focus on science-based solutions, better-for-you ingredients and efficacy and an increasingly routine-based and not occasion-led consumption. Consumers' willingness to pay a premium for clean and wellness products has gained momentum, with recent surveys confirming that the majority of respondents from different geographies such as the United States, China or several Western European markets are willing to increase their spending in wellness products in the year ahead (*source: McKinsey industry report: The Beauty Market in 2023*).

Increasing share of the new generation of consumers and relevance of Generation Z demographic

People born between 1996 and 2010 are colloquially referred to as the "**Generation Z**". Generation Z is expected to become a quarter of the world's population by 2030 (*source: McKinsey industry report: The Beauty Market in 2023*), and it is already influencing the industry as important decision makers in the household. This demographic group is focused on being associated with brands and products that provide personalized solutions, differentiated experiences and service offerings, and on prioritizing authenticity, sustainability and inclusivity. As the first digital-native generation, Generation Z is expected to further increase the importance of e-commerce in the beauty market. Aligning to these consumer preferences requires rethinking the traditional ways of doing business, from marketing to product development and unique innovation capabilities.

Sustainability as core to the consumer and across the supply chain

There continues to be greater integration of sustainability across the value chain, with consumers increasingly willing to pay a premium for sustainable products. Sustainability is also increasingly driving innovation, from sourcing of materials to product manufacturing or design and development, in order to

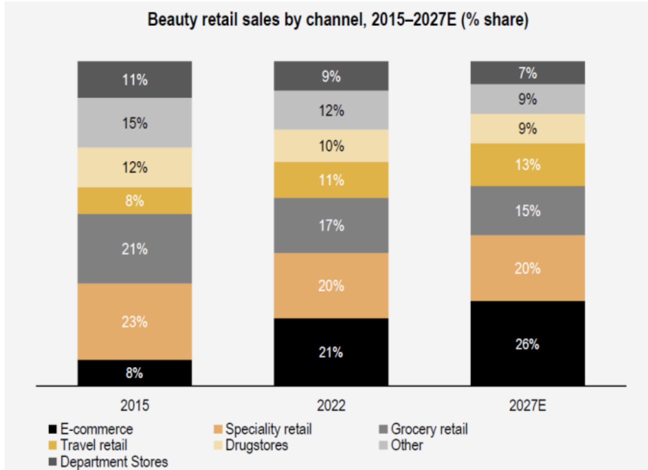
minimize environmental impact. The most important attributes that make beauty products sustainable according to consumers include their natural ingredients and organic nature, cruelty-free testing and re-usable or recyclable packaging (*source: Company Industry Sources*).

Multi-channel capabilities to elevate consumer experience

There is focus on expanding multi-channel capabilities to provide an optimized consumer experience and greater level of engagement with consumers, whose commercial journey continues to move away from being standardized, linear, and tied to a specific channel. Omnichannel customers shop 1.7 times more than shoppers who use a single channel (*source: McKinsey industry report: What is omnichannel marketing?*), further accelerating the transformation by brands and retailers to multi-channel strategies.

Discovery through digital and physical retail channels, including DTC, is a popular source of beauty inspiration across regions and age groups. Due to the impact of COVID-19 there was a pivotal shift towards e-commerce, which continues to be propelled by increasing penetration of mobile devices, convenience, rise of shoppable social channels and the increased share of Generation Z consumers. These growth drivers are expected to increase e-commerce market share to a quarter of the beauty market by 2027 (*source: McKinsey industry report: The Beauty Market in 2023*). In addition, a gradual recovery of the travel retail market is expected with normalization of global passenger traffic since the pandemic. Air travel remains a long-term growth sector and this, together with longer airport dwell time, increasing spend per passenger and demand for new consumer experiences support a healthy recovery of travel retail. Market success is expected to be determined by brands' ability to reach consumers wherever they choose to shop.

The following chart shows the beauty retail sales across channels between 2015 and 2022 and the expected growth between 2022 and 2027 (*source: McKinsey industry report: The Beauty Market in 2023*):



3. Overview of our key market categories

We are one of the key global players in the premium beauty industry, present in the fragrance and fashion, make-up and skincare market categories within the beauty industry (see "*Business 1—Overview—1.3 We benefit from leading positions in the market*"). We use the same classification between fragrance and fashion, make-up and skincare as operating business segments (see "*Presentation of Financial and Other Important Information—Operating Segment Reporting*").

Fragrance and Fashion

Fragrance and Fashion is our largest business segment (representing 72.4% of our net revenues in 2023). Within the beauty market, the fragrance market category generated approximately $57 billion in retail sales in

2022 and is expected to grow at a 7% CAGR through 2027, with total retail sales expected to reach approximately $79 billion (*source: Euromonitor*).

Across regions, EMEA and the Americas represented approximately 44% of the fragrance market each in 2022 and are expected to grow at a CAGR of 7% and 6% through 2027, respectively. Asia Pacific accounted for 12% of the global fragrance market in 2022 and it is expected to grow at an 11% CAGR through 2027 (*source: Euromonitor*).

In the fragrance market category, premium fragrance constitutes approximately two thirds of the total fragrance sales globally, and is expected to be the key growth engine as consumers upgrade to higher-end market categories, niche and fashion-led brands (*source: Euromonitor*). Fashion has been a true enabler of the fragrance industry, especially in the premium market category, with approximately 73% of the top 15 premium fragrance brands being inspired by fashion brands (*source: Euromonitor*). The basis of creativity and innovation that is inherent to the fashion market category has a strong impact on the ability to drive brand loyalty to the fragrance market category as well. Driven by increasing "premiumization" trends, the prestige fragrance market is expected to grow at an 8% CAGR between 2022 and 2027 with luxury fragrance expected to grow at a 13% CAGR between 2022 and 2027 (*source: McKinsey industry report: The Beauty Market in 2023*).

The role of beauty and personal care in providing consumers comfort and indulgence through sensorial experiences has been bolstered in recent years. Fragrance, which in the past has been positioned around social occasions, is now increasingly being used for routine self-indulgence driving further category growth and product innovation.

Across the fragrance market category, women's fragrance accounted for 54% of the global market in 2022, but unisex fragrance is now the fastest-growing market category, having experienced a 12% growth in 2022, driven by a shift away from gender-coded ingredients (*source: Euromonitor*). The fragrance industry, currently representing less than 5% of the total beauty market in Asia-Pacific, is expected to also benefit from increasing penetration in China (*source: Euromonitor*). The Americas represents another potential area for growth, where fragrance accounts for only 18% of the total market, compared to 20% in EMEA (*source: Euromonitor*).

Make-up

The make-up market category is expected to grow approximately at a 7% CAGR between 2022 and 2027, and to reach more than $90 billion in retail sales in 2027 compared to $68 billion sales in 2022 (*source: Euromonitor*).

Within make-up, face make-up represents the largest market category in the make-up market globally, accounting for approximately 36% of the total market value, followed by eye (25%), lip (21%) and nails (7%) (*source: Euromonitor*).

Premium make-up accounts for approximately 42% of the total market, with both mass and premium make-up expected to experience strong growth in the short and medium term, with a 6% and a 7% CAGR between 2022 and 2027, respectively (*source: Euromonitor*). Across regions, the Americas was the largest market with a 39% global share in 2022 and is expected to grow at a 5% CAGR through 2027. EMEA and Asia-Pacific accounted for approximately 30% each in 2022 and are expected to grow at an 8% CAGR through 2027 (*source: Euromonitor*).

The global make-up industry has experienced strong innovation in recent years, fueled by underlying social trends, including consumer preferences gearing towards greater self-expression. Social media has become an important platform for make-up brands, as it allows them to connect directly with consumers and build or strengthen brand awareness.

Within the make-up market category, changing trends require players to use data and technology to have a strong pulse on evolving consumer needs to innovate and maintain their relevance.

Manufacturers are focused on introducing new products, with science-driven formulations and clean, sustainable ingredients in line with consumer preferences. Similarly, along the lines of routine simplification, make-up products with skincare benefits have seen an uptick in consumer adoption. The surge of sustainable beauty, together with the integration of technology including augmented reality for virtual try-on experience and hyper personalized solutions, are expected to drive growth and innovation within this market category.

Skincare

Skincare is the largest market category in the beauty landscape. It primarily includes facial care, body care, hand care, sun care, bath and shower. The global skincare market generated approximately $212 billion in retail sales in 2022 and is expected to grow at a 6% CAGR between 2022 and 2027 with total retail sales expected to grow to approximately $278 billion by 2027 (*source: Euromonitor*).

The key regions for this market category are Asia-Pacific, Europe, and the Americas, representing approximately 47%, 25% and 28% respectively, of the global skincare market in 2022 and are expected to grow at a CAGR of 5%, 6% and 5% through 2027, respectively (*source: Euromonitor*). While mass skin care is expected to remain the largest sub-category, the fastest growth is expected to be derived from the luxury and prestige categories, forecasted to grow at a CAGR of 11% and 7%, respectively, between 2022 and 2027 (*source: McKinsey industry report: The Beauty Market in 2023*).

Increasing attention to self-care and wellness, combined with the democratization of educational content on social media have been instrumental in driving demand for organic and herbal products, functional and hybrid skincare solutions such as dermo cosmetics, clean beauty, and anti-ageing solutions. Trust and transparency, as well as science-backed credentials and clinical efficacy, are expected to resonate strongly with the contemporary skincare consumer, driving overall market category growth and innovation.

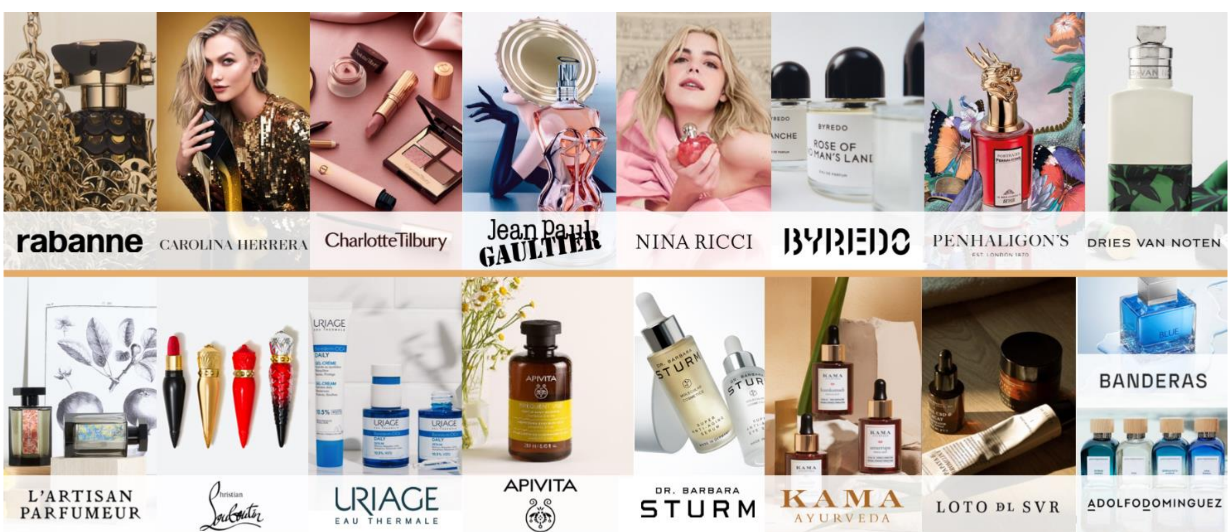
4. Competition

There is significant competition within each market where our fragrance and fashion, make-up and skincare products are sold. Brand recognition, product quality and effectiveness, distribution channels, accessibility, and price point are some of the factors that impact consumers’ choices among competing products and brands. There continues to be increased interest and awareness from our consumers in responsibly sourced ingredients and environmentally sustainable products, and we believe we are well-positioned to benefit from the resulting change in consumer preferences due to our social impact and sustainability efforts. Marketing, merchandising, in-store and online experiences and demonstrations, and new product innovations also have an impact on consumers’ purchasing decisions.

We compete against a number of global and local companies. Some of our competitors are large, well-known, multinational manufacturers and marketers of fragrance and fashion, make-up, and skincare products, most of which market and sell their products under multiple brand names. Our competitors include The Estée Lauder Companies Inc., L’Oreal S.A., Coty Inc., Interparfums SA, LVMH Moët Hennessey Louis Vuitton, and Chanel S.A. We also face competition from a number of independent brands, some of which are backed by private-equity investors, as well as some retailers that have their own beauty brands. Certain of our competitors also have ownership interests in retailers that are consumers of ours.

BUSINESS

1. Overview



1.1 Our purpose

A HOME OF LOVE BRANDS,
WITHIN A FAMILY COMPANY,
THAT FURTHERS WELLNESS,
CONFIDENCE AND SELF-EXPRESSION,
WHILE LEAVING A BETTER WORLD.

We are a home of love brands. Our love brands resonate with and are loved by consumers, creating strong emotional bonds with them.

We are a family business with 110 years of history. The Puig Family is the backbone of the Company's values, which have been passed on for the last three generations, as well as its vision, which has defined the pillars of our strategy. This vision allows us to focus on the long-term perspective for our brands, our Company, and our stakeholders.

We want our brands to foster wellness, make our consumers and followers feel more confident, and empower them to express their true selves better. And all this, with a deep-rooted commitment to leaving behind a better world for future generations.

1.2 Who we are: our Premium Love Brands

We are a global player in the premium beauty industry, present in the Fragrance and Fashion, Make-up, and Skincare business segments. We have a portfolio of premium love brands (our "**Premium Love Brands**"),

consisting of 17 global brands from ten different countries with a strong and authentic identity as well as strategic complementarity.

We have carefully built our brand portfolio over decades by nurturing our own brands and partnering with visionary founders with whom we have established successful and long-lasting relationships through shared values and an aligned brand-building vision to integrate these brands into our portfolio, while maintaining the authenticity of each of these brands. We have curated our portfolio to provide strategic complementarity and diversification, as well as to achieve long-term growth.

We structure our portfolio of Premium Love Brands in the following categories:

Category	Brands	Description
Prestige	rabanne CAROLINA HERRERA CharlotteTilbury Jean Paul GAULTIER NINA RICCI	Prestige brands represent luxury, exclusivity and high-quality beauty products. This portfolio category includes three brands that span our business segments, Rabanne, which has become a €1 billion revenue brand in 2023, and Carolina Herrera and Charlotte Tilbury, each of which has the ambition to become a €1 billion revenue brand in the future. These three brands are complemented by our two other iconic Prestige brands: Jean Paul Gaultier and Nina Ricci. Rabanne, Carolina Herrera, Jean Paul Gaultier and Nina Ricci also offer fashion products. The distribution network of beauty products for our Prestige brands covers around 20,000 points of sale (department and specialty stores and travel retail).
Niche	BYREDO Christian Louboutin DRIES VAN NOTEN L'ARTISAN PARFUMEUR PENHALIGON'S EST. LONDON 1870 DR. BARBARA STURM	Niche brands represent high-quality beauty products of an artisanal nature and limited distribution, with fewer than 2,000 points of sale. As a result of their exclusivity, they have higher price positioning than Prestige brands. This portfolio category includes Byredo, Christian Louboutin[LIC], Dries Van Noten, L'Artisan Parfumeur, Penhaligon's, and Dr. Barbara Sturm. These brands benefit from differentiated marketing and strong control of interaction with consumers, and they operate both DTC and through wholesale distribution. Dr. Barbara Sturm products are also sold in spas where treatments with those products are provided. Dries Van Noten also offers fashion products.
Dermo-Cosmetics	APIVITA URIAGE EAU THERMALE	Dermo-Cosmetics brands are focused on high efficacy, scientifically-based skincare products. This portfolio category includes Apivita and Uriage, which are sold through pharmacies and includes some products recommended by dermatologists.
Skincare Wellness	KAMA AYURVEDA LOTO DL SVR	Skincare Wellness brands approach skincare through a wellness lens and bring local concepts to the global consumer. This portfolio category includes Kama Ayurveda and Loto del Sur. These brands operate DTC, including through branded stores where the products are sold.
Lifestyle	ADOLFODOMINGUEZ PERFUMES BANDERAS	Lifestyle brands aim to build an emotional connection through beauty products positioned towards a broader consumer base. This portfolio category includes Adolfo Domínguez[LIC] and Banderas[LIC].

We are proud of our 17 Premium Love Brands, which allow us to cater to multiple market categories within the premium beauty industry while reaching a wide consumer base. Our Premium Love Brands represented 95.3% of our net revenues in 2023, of which 95.4% came from the 13 Premium Love Brands that we majority owned during such year. Our net revenues for the year ended December 31, 2023 do not include net revenues from Dr. Barbara Sturm as it was acquired in 2024. See *"—7. Operations and Activities—7.2 Our brand portfolio—7.2.2 Brand portfolio ownership structure*".

Within our Premium Love Brands portfolio, we are the exclusive global licensee for the manufacturing and distribution of the beauty products of Christian Louboutin^{LIC}, Banderas^{LIC}, and Adolfo Domínguez^{LIC}.

1.3 We benefit from leading positions in the market

- We estimate that we hold the fourth position in the market of fragrances distributed through selective channels (i.e. department stores, specialty stores and travel retail) (the "**Selective Fragrance Market**") globally with a 10.9% VMS (*source: Company Industry Sources, as of 2023*).
- Within our Prestige brands, Rabanne became a €1 billion revenue brand in 2023 and each of Carolina Herrera and Charlotte Tilbury has the ambition to become a €1 billion revenue brand in the future. Rabanne and Carolina Herrera are both in the top 10 fragrance brands globally (*source: Euromonitor*). In addition, we estimate that Charlotte Tilbury is the number one brand in the make-up market category in the UK, its home market, and top five in the U.S., in terms of VMS (*source: Company Industry Sources, as of 2023*).
- We estimate that we hold the third position in dermo-cosmetics in Europe considering only European countries per our perimeter of analysis (i.e. Portugal, Spain, Greece, France, Belgium and Italy) (the "**European Dermo-Cosmetics Region**") in the pharmacy channel (including Isdin, which is not majority owned by the Group and therefore, is accounted for using the equity method and not consolidated within the Group's results) (*source: Company Industry Sources, as of 2023*). The net revenues from Isdin are not included in our consolidated net revenues. Rather, its net profit or loss is included in our income statement based on our ownership percentage in such company (50%), in the line "Result from associates and joint ventures and impairment of financial assets". The pharmacy channel includes sales through pharmacies as well as through the pharmacies' e-commerce.

1.4 We are a scaled, global business

We manage our worldwide presence from our Barcelona headquarters, supported by three regional hubs located in Paris, London, and New York. We have six manufacturing facilities in Europe and one in India, with brand headquarters and subsidiaries in 32 countries and employ over 11,000 people. We also have robust commercial reach through distributors and retailers, and more than 270 own stores around the world, resulting in our products being sold in more than 150 countries.

We conduct our business in three geographic segments: EMEA, the Americas and Asia-Pacific, which represented 54.0%, 35.8% and 10.2%, respectively, of our net revenues in 2023.

We sell our products through (i) physical channels (brick and mortar), such as department stores, selective retailers, pharmacies, drugstores, travel retail, spas and our own stores (276, 241 and 79 own stores as of December 31, 2023, 2022 and 2021, respectively); and (ii) digital channels, such as e-commerce connected with our physical channels, online only retailers (pure players) and our brands' own e-commerce platforms.

Based on the information provided by our retailers and distributors, together with our own information and data from Company Industry Sources, we estimate that approximately 74% of our net revenues in 2023 came from sales through physical channels (brick and mortar) and approximately 26% from sales through digital channels.

1.5 We have a track record of profitable growth

Our €4,304.1 million in net revenues, €693.0 million in operating profit, €465.2 million in net profit attributable to the Company and €862.7 million in Adjusted EBITDA^{APM} in 2023, which represent 18.9%,

29.2%, 16.5% and 26.6% growth over 2022, respectively, are a testament of the size and relevance of our brand portfolio and our profitability, which provides us with scalability and potential for growth.

In 2023, we achieved a Gross Margin^{APM} of 74.7% (74.4% in 2022) due to the high level of "premiumization" of our portfolio of Premium Love Brands and efficiency of operations. Our continued investment in our brands yielded an attractive Like-for-Like (LfL) Net Revenue Growth^{APM} of 18.7% in 2023 (28.6% in 2022) maintaining our solid track record of organic growth over the years.

1.6 We are committed to sustainability

Leaving a better world behind for the next generations is core to our purpose, and we are committed to maintaining and improving our sustainability performance. We have a clear ESG strategy across material topics, including a Net Zero emissions commitment by 2050. We transparently report on our progress, and have received external validation of our performance (by way of example, Ecovadis: 70/100 Gold Medal[2]; Sustainalytics: 20.7 score).

2. History

Our culture and purpose are the result of 110 years of family heritage, with sound and firm values, which have been passed on for the last three generations. The Puig Family's vision allows us to focus on the long term and consider the best options for our brands, our Company and our stakeholders.

Puig was founded by Antonio Puig in 1914 as a family company focused on the cosmetic and fragrance sectors. In 1950, his sons joined the business, and now the Puig Family's third generation is involved in the Company through their presence on our Board of Directors with Marc Puig acting as our Chief Executive Officer and Chairman. See "*Board of Directors and Management*".

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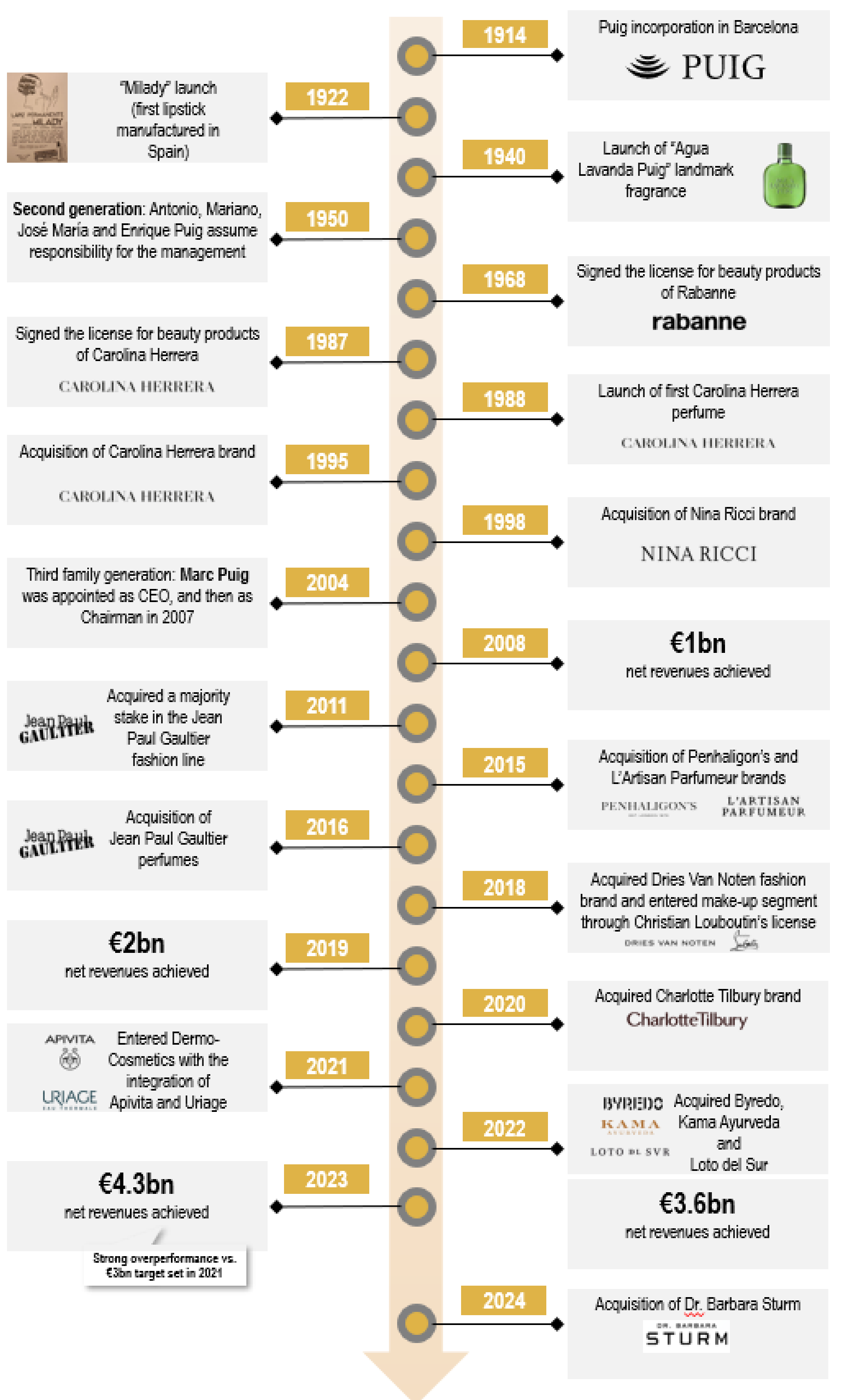
[2] Awarded to Puig SL.


1914
Puig incorporation in Barcelona
PUIG
1922
"Milady" launch (first lipstick manufactured in Spain)
1940
Launch of "Agua Lavanda Puig" landmark fragrance
1950
Second generation: Antonio, Mariano, José María and Enrique Puig assume responsibility for the management
1968
Signed the license for beauty products of Rabanne
rabanne
1987
Signed the license for beauty products of Carolina Herrera
CAROLINA HERRERA
1988
Launch of first Carolina Herrera perfume
CAROLINA HERRERA
1995
Acquisition of Carolina Herrera brand
CAROLINA HERRERA
1998
Acquisition of Nina Ricci brand
NINA RICCI
2004
Third family generation: Marc Puig was appointed as CEO, and then as Chairman in 2007
2008
€1bn
net revenues achieved
2011
Jean Paul GAULTIER
Acquired a majority stake in the Jean Paul Gaultier fashion line
2015
Acquisition of Penhaligon's and L'Artisan Parfumeur brands
PENHALIGON'S
L'ARTISAN PARFUMEUR
2016
Jean Paul GAULTIER
Acquisition of Jean Paul Gaultier perfumes
2018
Acquired Dries Van Noten fashion brand and entered make-up segment through Christian Louboutin's license
DRIES VAN NOTEN
2019
€2bn
net revenues achieved
2020
Acquired Charlotte Tilbury brand
CharlotteTilbury
2021
APIVITA
URIAGE
Entered Dermo-Cosmetics with the integration of Apivita and Uriage
2022
BYREDO
KAMA
LOTO DEL SUR
Acquired Byredo, Kama Ayurveda and Loto del Sur
€3.6bn
net revenues achieved
2023
€4.3bn
net revenues achieved
Strong overperformance vs. €3bn target set in 2021
2024
Acquisition of Dr. Barbara Sturm
DR. BARBARA STURM

The main milestones of our history are described below:

1914: Puig was incorporated in Barcelona.

1922: we launched Milady, the first lipstick manufactured in Spain.

1940: we launched "Agua Lavanda Puig", a landmark fragrance.

1950: (i) Antonio, Mariano, José María and Enrique Puig Planas, the Puig Family's second generation joined the business and eventually assumed responsibility for the management of Puig; and (ii) we began our international expansion by setting up our first subsidiary in the United States.

1968: we signed Rabanne's (formerly, Paco Rabanne, and rebranded as Rabanne in 2023) beauty license and launched its first fragrance "Calandre". We acquired the rest of Rabanne's business in 1987.

1987: we signed the license for the beauty products of Carolina Herrera and in 1988 we launched the first Carolina Herrera perfume. In 1995, we acquired Carolina Herrera, whose founder has remained as brand ambassador even after her retirement in 2018.

1998: we acquired Nina Ricci.

2004: Marc Puig, a member of the Puig Family's third generation, was appointed as our Chief Executive Officer. In 2007, he was named chairman of the Company.

2008: we recorded €1 billion in net revenues.

2011: we acquired a majority stake in the Jean Paul Gaultier fashion line, and in 2016 we brought Jean Paul Gaultier perfumes into our brand portfolio.

2015: we started to build our Niche portfolio through the acquisition of Penhaligon's and L'Artisan Parfumeur.

2018: we acquired a majority stake in the fashion firm Dries Van Noten (of which we acquired full ownership in 2023) and became the global licensee for the beauty products of Christian Louboutin[LIC].

2019: we recorded €2 billion in net revenues.

2020: we acquired a majority stake in Charlotte Tilbury.

2021: we incorporated the Dermo-Cosmetics brands Uriage and Apivita into our brand portfolio (each of which had been acquired by the Puig Family investment companies in 2011 and 2017, respectively).

2022: (i) we acquired a majority stake in the Niche brand Byredo, and in the Skincare Wellness brands Kama Ayurveda and Loto del Sur; and (ii) we recorded €3.6 billion in net revenues.

2023: we recorded €4.3 billion in net revenues, outperforming the target we had set back in 2021 of €3.0 billion net revenues by 2023.

2024: we acquired a majority stake in Dr. Barbara Sturm.

3. Key strategic principles

We are the outcome of five principles that have guided us over the past 20 years and that continue to be the main pillars of our strategy:

(i) **Focus on Prestige:** we identified the trend towards "premiumization" early and decided in 2004 to pivot from the mass market to the prestige market by taking advantage of the creative capabilities at the core of Puig to create differentiated fragrance propositions for our Prestige brands. These capabilities, together with our focus on Prestige, have allowed us to create and launch a large number of blockbusters such as "Nina" by Nina Ricci (2004), "1 Million" by Rabanne (2008), "Invictus" by Rabanne (2013), "Good Girl" by Carolina Herrera (2016), "Scandal" by Jean Paul Gaultier (2016), "Phantom" by Rabanne (2021), and "Fame" by Rabanne (2022).

We estimate that we enjoy a 10.9% VMS in the Selective Fragrance Market globally mainly due to the continuous nurturing of our Prestige brands (*source: Company Industry Sources, as of 2023*).

As a result of our focus on Prestige brands, our brand portfolio has achieved a strong "premiumization", as well as a high level of internationalization, shifting from our presence mainly in Spain towards a scaled, global business.

This has resulted in a double-digit increase in our Gross Margin[APM], which has allowed us to allocate more resources to advertising and promotion activities, which, in turn, has resulted in greater brand recognition and stronger market position. Our high 74.7% Gross Margin[APM] in 2023 shows the high "premiumization" of our portfolio.

We continue to be focused on Prestige brands as an engine of growth and profitability.

(ii) **Prioritising own brands:** there are fundamentally two business models in the prestige beauty industry: businesses that mainly focus on running the beauty businesses of their owned brands (like Puig) and businesses that license the rights to manufacture and distribute the beauty products for brands owned by third parties.

We believe that consistency in maintaining our brands' DNA and the ability to control our brands' creative process are critical to our success. We seek to invest in our brands for the long term, which allows us to foster lasting relationships with our brand founders and support brand growth.

To gain control over our destiny and allow us to focus on investing in our brands for the long term without license renewal risk and unbalanced licensor-licensee dynamics, we have accelerated the build-out of our own brands portfolio and selectively discontinued most licensed businesses. As a result, in 2023, 95.4% of the net revenues from our Premium Love Brands was derived from our majority owned brands. The licenses we have maintained are long-term projects where we believe there is a balanced dynamic with licensors (see "*"—7. Operations and activities—7.2 Our brand portfolio—7.2.2 Brand portfolio ownership structure—7.2.2.1 Premium Love Brands Portfolio—Licenses*").

(iii) **Building our Niche fragrance portfolio:** Niche brands offer beauty products of a high-quality artisanal nature with limited distribution (fewer than 2,000 points of sale). As a result of their exclusivity, they have higher price positioning than Prestige brands. These brands benefit from differentiated marketing and strong control of the interaction with consumers, and they operate through both DTC and wholesale distribution, with focus on DTC.

Demand for upscaled and sophisticated, exclusive products—which are now commonly referred to as "niche"—has seen in the past few years an uptick, due to increased "premiumization" and the potential for product innovation, with strong growth expected to continue in the future in the fragrance market category and the beauty industry as a whole (*source: McKinsey industry report: The Beauty Market in 2023*).

At Puig, we identified this trend in the beauty industry early and focused our efforts on building our Niche portfolio to expand our leadership in the fragrance market category and reach consumers demanding more exclusive, premium products. We acquired Penhaligon's (2015), L'Artisan Parfumeur (2015), a majority stake in Dries Van Noten (2018) and a majority stake in Byredo (2022) and we signed the exclusive license of Christian Louboutin[LIC] (2018). Each of our five Niche brands has a differentiated storytelling: (i) Penhaligon's represents the fragrance heritage linked to British culture and history; (ii) L'Artisan Parfumeur, with its French perfumery tradition roots, represents craftsmanship and elegance; (iii) Dries Van Noten, with its artistic influence, represents the art world through its collections; (iv) Byredo represents a new type of luxury culture, the "quiet" and inclusive modern luxury; and (v) Christian Louboutin[LIC] represents glamourous and luxury beauty.

The expansion of our Niche portfolio has enabled us to capture additional market share within the higher end of the Selective Fragrance Market.

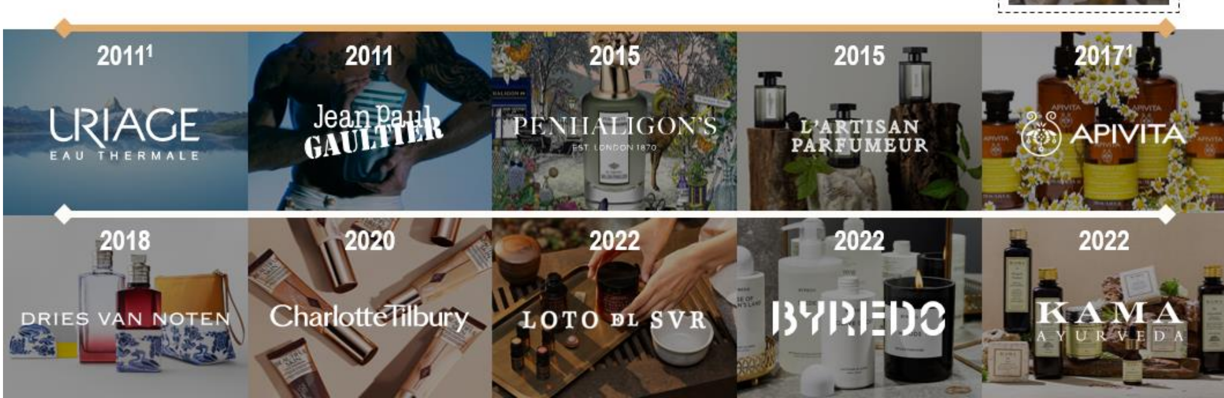
(iv) **Beauty beyond Fragrance and Fashion:** once we established ourselves as one of the key players in the fragrance market category within the beauty industry, we started expanding and diversifying beyond this market category by carrying out curated acquisitions that provided us with know-how and capabilities in our Make-up and Skincare business segments.

In Make-up, in 2018 we signed the exclusive global license for the beauty products of Christian Louboutin[LIC], and in 2020, we acquired a majority stake in Charlotte Tilbury. The Puig Family has been involved in Skincare since they co-founded Isdin in 1974 and have successfully developed it until today (in 2020 the non-majority stake in Isdin (50%) was contributed to the Group and since then we have accounted for the results of Isdin using the equity method), and in 2021 we incorporated into our portfolio the Dermo-Cosmetics brands Uriage and Apivita (each of which had been acquired by the Puig Family investment companies in 2011 and 2017, respectively).

We have been able to apply the know-how brought by these curated acquisitions to our established portfolio of brands, and have integrated such capabilities by expanding some of our brands into new business segments. This focus on diversification has resulted in the unique brand portfolio mix by business segment that we have today (Fragrance and Fashion, Make-Up and Skincare). As a result of this effort towards diversification, Fragrance and Fashion, Make-up and Skincare represented 72%, 18% and 10%, respectively, of our net revenue in 2023.

In addition, as a result of our ability to integrate newly acquired know-how and capabilities into Puig, we are building "multi-axis brands" (brands that are present in more than one business segment). For example, Rabanne and Carolina Herrera are present in both our Fragrance and Fashion and Make-up business segments, and Charlotte Tilbury is present in both our Make-up and Skincare business segments). We thereby expand the addressable market for our brands individually and for Puig as a whole while enhancing our long-term growth potential.

(v) **Curated and selective M&A:** strategic partnerships and acquisitions have been an integral part of our strategy over the years. We have a very disciplined and curated approach to M&A, carefully monitoring the market for attractive brands to complement our portfolio. Since 2011, we have invested over €2.5 billion in successful and value accretive M&A: Uriage (acquired by the Puig Family investment companies in 2011 and then contributed to our portfolio in 2021), Jean Paul Gaultier (2011), Penhaligon's (2015), L'Artisan Parfumeur (2015), Apivita (acquired by the Puig Family investment companies in 2017 and then contributed to our portfolio in 2021), Dries Van Noten (2018), Charlotte Tilbury (2020), Loto del Sur (2022), Byredo (2022), Kama Ayurveda (2022), and Dr. Barbara Sturm (2024). This curated and selective M&A approach has not only supported our growth, but has also brought know-how and experience that we have been able to integrate into our already established brands to expand them, as well as an increased level of diversification of our brand portfolio.



As part of our selective M&A strategy, when we identify potential target brands whose founders aim to protect their brand purpose and distinctiveness, and are aligned with the long-term vision of Puig, we seek to partner with them. We usually offer them the opportunity to remain involved in the brand's operation and under certain circumstances we allow them to retain a minority stake in the brand for a limited period of time. As a result, our brands' vision and uniqueness is preserved through the co-creation and collaboration with founders, and the establishment of sustainable succession plans.

Our ability to partner with brand founders and our flexibility in the integration process has enabled us to shape what Puig is today. In addition, our capabilities to integrate the brands in our curated portfolio and our work to preserve each brand's legacy have allowed us to continue delivering growth even after the retirement of the relevant founder (see "*—4. Key strengths—4.4 Long-term partner of choice for leading founders and brands*"). Going forward, we expect to selectively continue with this approach to curated and value accretive M&A.

4. Key strengths

We believe the following competitive strengths are key to our brands and business model:

4.1 We operate in an attractive and high-growth industry with compelling consumer trends

The global beauty market, comprising skincare (including facial care, body care, sun care, bath and shower), make-up, fragrances and hair care products, is attractive across market categories and regions. The beauty market has historically been resilient, including during periods of economic crisis and turbulent macroeconomic environments, growing at a 2% CAGR between 2017 and 2022, with approximately $422 billion in retail sales generated in 2022 (*source: Euromonitor*). In addition, the increasing trend towards self-care has benefitted consumer spend on beauty, personal care and wellness products.

In terms of market categories within the beauty market, between 2017 and 2022 fragrance grew at a 2% CAGR, make-up remained flat, and skincare grew at a 3% CAGR (*source: Euromonitor*).

By region, between 2017 and 2022 the beauty market grew at a 1% CAGR in EMEA, at a 2% CAGR in the Americas and at a 3% CAGR in Asia-Pacific (*source: Euromonitor*).

The beauty market is expected to grow at a 6% CAGR between 2022 and 2027, reaching approximately $562 billion in retail sales by 2027 (*source: Euromonitor*).

In particular, the premium segment of the beauty market, which is our core market, is expected to grow faster than the rest of the market, at a 7% CAGR between 2022 and 2027 (*source: Euromonitor*), continuing its previous historical trend (with a 4% CAGR between 2017 and 2022) (*source: Euromonitor*), which we believe will contribute to our future growth. See "*Industry—Overview of the global beauty market*" for further information.

We believe that we are well-positioned to take advantage of the consumer trends within the beauty market. This is due in part to our versatile portfolio of Premium Love Brands and in part to our ability to anticipate trends and adapt to them through our relentless focus on creativity and innovation. In particular, these key trends include:

- *Differentiated brands driving market competitiveness and consumer loyalty*: brand recognition is a key factor in beauty purchases, making it critical for beauty companies to focus on the continuous differentiation of their brand proposition to stay ahead of competition. Based on McKinsey's 2023 global consumer survey about skincare, haircare and fragrance, majority of respondents said they use only around three or more brands for these kind of products (*source: McKinsey industry report: The Beauty Market in 2023*).
- *Increasing demand for premium beauty products*: the luxury beauty market is expected to reach $40 billion in retail sales by 2027 compared to $20 billion in retail sales in 2022 (*source: McKinsey industry report: The Beauty Market in 2023*), particularly due to an increasing personalization of products and consumer desire for "niche" products of a high-quality artisanal nature. This trend

particularly poses a great benefit for our Prestige and Niche brands which are well positioned to offer tailored and differentiated products that can connect with consumers' identities.

- *Fast-growing demand for holistic, wellness-inspired products*: the wellness market is expected to grow at a 10% CAGR between 2022 and 2027 (*source: McKinsey industry report: The Beauty Market in 2023*), due to consumers' focus on science-based solutions, better-for-you ingredients, and an increasingly routine-based and not occasion-led consumption, among other factors.
- *Increasing share of new generation of consumers and relevance of Generation Z demographic*: Generation Z is expected to become a quarter of the world's population by 2030 (*source: McKinsey industry report: The Beauty Market in 2023*), and it is already influencing the industry as an important decision maker in the household. This shift requires rethinking the traditional ways of doing business, from marketing to product development, and unique innovation capabilities to align to these rapidly evolving consumer preferences.
- *Sustainability as core to the consumer and across the supply chain*: greater integration of sustainability across the value chain and driving innovation from sourcing of materials to product manufacturing or design and development, in order to minimize environmental impact. Consumers, especially Generation Z consumers, are increasingly focused on this area and willing to pay a premium for sustainable products – in a recent survey done by McKinsey, 84% and 89% of Generation Z respondents positioned sustainable and socially responsible as two key aspects as part of their top 10 purchasing criteria when buying a fragrance (*source: McKinsey industry report: The Beauty Market in 2023*).
- *Multi-channel capabilities to elevate consumer experience*: focus on enhancing the consumer experience and increasing engagement, as consumer choices continue to move away from being standardized, linear, and tied to a specific channel. Market success is expected to be determined by brands' availability to consumers wherever they choose to shop. Indeed, omnichannel consumers shop 1.7 times more than shoppers who use a single channel (*source: McKinsey industry report: What is omnichannel marketing?*).
- *Trends across market categories*:
  - In the fragrance and fashion market category, niche is seeing rapid growth, with significant expansion opportunities and greater penetration opportunities across the U.S. and Europe and more importantly, Asia.
  - In the make-up market category, which tends to be a visual category within beauty, consumers increasingly look for make-up products that allow them to express their identity. Therefore, social media engagement, social media influencers and opinion leaders continue to emerge as a key driver for consumer behavior due to their ability to engage and inspire consumers, creating a sense of connection between them and the brand (*source: McKinsey industry report: The Beauty Market in 2023*).
  - In the skincare market category, there is a continued focus on (i) ageing population, which leads to increased demand for anti-aging products; (ii) urbanization, with increasing use of antipollution products; (iii) global warming, which, together with an increase in outdoor activities, has driven demand for UV protection products; and (iv) greater general desire among consumers for better skin health.

4.2 Unique portfolio of owned Premium Love Brands, carefully curated for strategic complementarity.

Our portfolio is built of category-defining Premium Love Brands, each with a very specific purpose and DNA, and a strategic role to play in our portfolio.

Our Premium Love Brands portfolio is composed of Prestige brands (Rabanne, Carolina Herrera, Charlotte Tilbury, Jean Paul Gaultier, and Nina Ricci), Niche brands (Byredo, Christian Louboutin^{LIC}, Dries Van Noten, L'Artisan Parfumeur, Penhaligon's, and Dr. Barbara Sturm), Dermo-Cosmetics brands (Apivita

and Uriage), Skincare Wellness brands (Kama Ayurveda and Loto del Sur), and Lifestyle brands (Adolfo Domínguez[LIC] and Banderas[LIC]). See "—*7. Operations and Activities—7.2 Our brand portfolio*".

We nurture these brands and their stories with care, passion, restless curiosity, and creativity and we invest in them consistently. We believe that our brands are our most precious competitive asset. Among them, we have three multi-axis Prestige brands (brands that are present in more than one business segment): Rabanne, which became a €1 billion revenue brand in 2023 and Carolina Herrera and Charlotte Tilbury, each of which has the ambition to become a €1 billion revenue brand in the future. Rabanne and Carolina Herrera are both in the top 10 of fragrance brands globally (*source: Euromonitor*), and we estimate that Charlotte Tilbury is the number one brand in the make-up market category in the UK, its home market, and top five in the U.S., in terms of VMS (*source: Company Industry Sources, as of 2023*).

4.3 Disruptive creativity, brand marketing and product and service innovation

Sustainable success in the beauty market, particularly in the fragrance and fashion and make-up market categories, requires a continuous effort to align with evolving consumer preferences. It requires fostering a coherent and distinct brand identity across both beauty and fashion domains, reviewing and renewing the offering, launching new products, improving our storytelling and strengthening our core franchises. This quest for newness, innovation and creativity is deeply embedded into the way we run our businesses and has helped us build long-lasting successes across our different business segments. Our strong relationship with visionary founders and brand innovators is at the core of our ability to innovate and maintain relevance with new and returning consumers.

The success of our Premium Love Brands is based on three pillars: (i) the disruptive creative capabilities at the core of Puig applied in the product development process; (ii) sustained investment in advertising and promotion activities; and (iii) the creation of a community the brand resonates with. Across all these pillars, we have been successful in leveraging fashion which is at the core of our brand-building and developing our full potential in multiple categories both commercially and aesthetically. Capturing the attention and trust of existing consumers with harmonized storytelling, compelling creativity and consistent innovation, offers a key competitive advantage, creating an ecosystem attracting both existing and new consumers.

Building on these three pillars, we have been able to, among others:

- *Launch a large number of blockbusters in Fragrance and Fashion Prestige brands*: we have launched several blockbuster Prestige fragrances, including "Nina" by Nina Ricci (2004), "1 Million" by Rabanne (2008), "Invictus" by Rabanne (2013), "Good Girl" by Carolina Herrera (2016), "Scandal" by Jean Paul Gaultier (2016), "Phantom" by Rabanne (2021), and "Fame" by Rabanne (2022). Furthermore, we have been able to transform some of these blockbusters into industry-leading franchises, such as:
    - "1 Million", launched in 2008 has been constantly expanded and renewed through a range extensions ("1 Million Parfum" (2020), "1 Million Elixir" (2022) and "1 Million Royal" (2023)), product image elevation, investment in retail experience and refreshed advertising. We estimate that these efforts have enabled us to reach the fourth position in the masculine franchise ranking worldwide with a 4% market share in 2023 (*source: Company Industry Sources, as of 2023*); or
    - "Good Girl", which we estimate that reached the second position in the feminine fragrance market globally, with an estimated 3% market share in 2023 (*source: Company Industry Sources, as of 2023*). After its launch in 2016, we launched a range of extensions and collector editions focused on retail and digital excellence. We conducted comprehensive media campaigns and pre-launches to deliver a special consumer experience through both physical and digital distribution channels.
- *Develop collections for our Fragrance and Fashion Niche brands*: in our Fragrance and Fashion Niche brands, our creative capabilities have also been present through our focus on the collection-based concept (a collection of products that are tied together by a common theme, inspiration, or story). While each product has its own unique profile it may share key notes and

packaging characteristics with the other products of the collection, making it cohesive. As a result, we have developed unique collections for each of our brands such as the collections "Portraits" and "Potions & Remedies" focused on Penhaligon's quirkiness, "Impossible Combinations" by Dries Van Noten, and the Byredo Fragrance collection with the worldwide success of "Bal d'Afrique" or "Mojave Ghost". In the case of the collection "Portraits" by Penhaligon's, each perfume represents a member of the Portraits family. They all share the same packaging except for the cap of the different perfumes which each is in the shape of a different animal.

- *Create franchises in Make-up*: in Make-up, Charlotte Tilbury's innovative "Easy-to-Choose Easy-to-Use" strategy, with its famous 10 make-up looks, offers a new consumer experience where consumers are able to easily see the final make-up look they want and which products they need to achieve the desired look, fostering cross-selling opportunities. This form of communication with the consumer and the associated teaching process have resulted in the generation of cross-category franchises such as "Pillow Talk", "Airbrush flawless" and "Hollywood", which includes its iconic "Hollywood Flawless Filter".
- *Create problem-solving solutions in Skincare*: In Skincare, our strong creativity capabilities have resulted in the creation of three leading problem-solving platforms for Uriage to treat specific needs such as rosacea, acne, or eczema prone skin. Within each of these problem-solving categories, we have built a suite of products, among which our "hero" products include: "Tolederm", "Hyséac" and "Xémose per eczema".

To complement our creativity, we have built proprietary technology in-store and online to better understand our consumers' preferences and increase engagement. Consumers are increasingly researching products before they make a purchase irrespective of the distribution channel. To better meet consumer demand, we have developed technology to help consumers through their journey of education and discovery while driving higher conversions in store and online as a result.

We have developed advanced technological solutions in the Fragrance and Fashion business segment (particularly in fragrance products) where it is otherwise challenging to translate product experience and trial in a digital context. One of such solutions is the "Scent Profiler", which combined with ChatGPT, provides unique perfume recommendations based on a particular consumer's scent preferences. Other examples include "Allice", which provides a real-time preview of the scent without actually testing or smelling it, and "Airparfum", which provides an endless scent trial without saturation. In 2022, we launched "Wikiparfum", a digital platform with precise, objective, and independent information on more than 19,500 fragrances on the market. It enables users to discover how a perfume smells before trying it and to understand which notes they usually purchase to help them search for other similar products, providing purchase recommendations based on scientific criteria.

In the Make-up business segment, we have developed tools that enable skin analysis, color matching, virtual consultations and product try-on simulation to offer consumers the most appropriate products for their needs. We also have master classes and artistry tools to ensure "easy beauty" for our consumers. In particular, Charlotte Tilbury is one of the pioneers in the beauty sector as shown in the creation of a space in the metaverse, and the launch of a 3D volumetric avatar, producing a unique immersive experience for consumers.

4.4 Long-term partner of choice for leading founders and brands

Entrepreneurial audacity has been one of our key values, and our legacy as the partner of choice for leading founders is a testament to our success. We have a proven track-record of attracting the right founders, fostering long-term partnerships with them, preserving their legacy while continue to grow their brands (even after they have stepped away), and reinforcing consumer loyalty.

Our ability to partner with brand founders rests on our shared long-term vision of the brand together with our flexibility in the integration process. We may offer brand founders the possibility to maintain a minority ownership interest in the brand for a certain period of time, so that they are able to continue to be involved in

the brand's long-term growth and value creation. In addition, as a family-owned business, we share values and a long-term vision that serves as the nexus with brand founders.

Puig built and maintained strong partnerships with visionaries such as Paco Rabanne, Carolina Herrera, and Jean Paul Gaultier, over more than 50, 30 and 10 years of collaboration, respectively. Our history has been written together with the founders of the businesses we have integrated over time. In particular, Carolina Herrera remained brand ambassador even after her retirement in 2018, and Jean Paul Gaultier actively managed the brand's fashion house until he became brand ambassador after retirement in 2020.

We seek to preserve their brand legacy even after the founders have stepped away, and we have worked to preserve their specific characteristics and continue to deliver growth. By the end of 2023, the net revenue evolution of each of our key brands, including Rabanne, Carolina Herrera, Jean Paul Gaultier, Penhaligon's, L'Artisan Parfumeur or Charlotte Tilbury had shown double digit growth since the date of their acquisition and, in the case of Rabanne, Carolina Herrera and Jean Paul Gaultier, such growth has been maintained also since the date of their founder's retirement, which we believe is testament to our ability to drive the expansion of our brands.

The success of our historical partnerships demonstrates our capabilities to integrate brands within our portfolio and the strength of our platform, which has helped us to attract a new generation of iconic founders like Dries Van Noten, Charlotte Tilbury MBE, Ben Gorham (founder of Byredo), Vivek Sanhi (founder of Kama Ayurveda), Johana Sanint (founder of Loto del Sur), or Dr. Barbara Sturm-Waldman, who have already seen significant growth in their brands in a short period of time. In the future, we intend to continue our history of integrating disruptive and outstanding businesses and growing them together with their founders.

We believe that our ability to attract founders and brands is a strong competitive advantage that forms part of our identity and strategic track-record.

4.5 Leadership in Fragrance and Fashion and Make-up, with strong foundations for growth in Skincare and proven ability to build multi-axis brands.

We have a scaled and diversified portfolio, having outperformed the market in recent years across each business segment in terms of net revenues, with clear strategic levers in place for future growth. Fragrance and Fashion is our core business segment, while we believe we have large scope for growth in Skincare.

- Our Fragrance and Fashion business segment accounted for 72.4% of our net revenues in 2023. Within this business segment, revenue from fashion products represented less than 5%. The basis of creativity and innovation that is inherent to the fashion market category is at the core of our ability to drive brand loyalty to our fragrance offerings. We estimate that we were one of the leaders in fragrance with a 10.9% VMS in the Selective Fragrance Market globally in 2023 (*source: Company Industry Sources, as of 2023*) and own two out of the top 10 fragrance brands globally (Rabanne and Carolina Herrera) (*source: Euromonitor*). Overall, our Fragrance and Fashion business segment has outperformed the market in recent years (40.5% growth in net revenues of our Fragrances and Fashion business segment in 2022 compared to a market growth of 9% in 2022 (*source: Euromonitor*)). We will continue to focus on our brand elevation strategy in our Prestige brands in EMEA and the Americas, expand our store and online footprint in Niche brands and drive a re-acceleration in the travel retail distribution channel (where we have reached an estimated 11.5% VMS, which represents an increase of 2 percentage points since 2021 (*source: Company Industry Sources, as of 2023*)). For example, to manage the travel retail business in the Americas, we opened a new office in Miami, which became operational in January 2023.
- Our Make-up business segment accounted for 18% of our net revenues in 2023. We believe that Charlotte Tilbury's leadership in the make-up market category in the UK, its home market, estimated in terms of VMS (*source: Company Industry Sources, as of 2023*) and our multi-axis approach across other brands, such as Rabanne and Carolina Herrera, has helped us to grow our Make-up business segment by 51.5% in terms of net revenues in 2022, compared to a market growth of 3% in 2022 (*source: Euromonitor*). We believe that there continues to be significant scope for distribution expansion across our Make-up business segment (especially with respect to Charlotte

Tilbury) to capture a greater share of the global market, and within the UK and the United States where we already have a strong presence. We believe that the Rabanne make-up line, which we launched in 2023, and the Christian Louboutin[LIC], Carolina Herrera, Dries Van Noten and Byredo lines, offer further growth potential.

- Our Skincare business segment accounted for 10% of our net revenues in 2023 (our net revenues for the year ended December 31, 2023 do not include net revenues from Dr. Barbara Sturm as it was acquired in 2024). We estimate that Puig is the third largest player in the European Dermo-Cosmetics Region in the pharmacy channel (including Isdin, which is not majority owned by the Group and therefore, is accounted for using the equity method and not consolidated within the Group's results) (*source: Company Industry Sources, as of 2023*). We are focused on expanding our Dermo-Cosmetics brands across Asia-Pacific, leveraging the Group's digital capabilities and using our expanded skincare wellness platform to grow in new channels outside EMEA. We also continue our efforts to grow in EMEA which is our largest geographical segment for our Skincare business segment. In addition, within our Skincare business segment we have two Skincare Wellness brands, Kama Ayurveda and Loto del Sur. These brands are mainly present in India and Colombia, respectively, where they have a local own-retail network. Our intention is to expand these local brands internationally. To this end, we have started the international expansion of Kama Ayurveda with the opening of a flagship store in Notting Hill (UK). We have recently reinforced this business segment with the acquisition of a majority stake in Dr. Barbara Sturm, to grow in the Niche category of this business segment.

We take existing brands with established credibility in one business segment (Fragrance and Fashion, Make-up or Skincare) and combine their proposition with our creativity and know-how as a multi-category platform to expand them into new business segments, building multi-axis brands (brands that are present in more than one business segment). This allows our brands to expand their reach to new consumers and provides existing loyalists with new avenues to engage with them. For example, to complement the long-term association of Rabanne and Carolina Herrera with Fragrance and Fashion, we have created a "One Brand" multi-axis proposition with make-up lines launched in 2023 and 2020, respectively.

On the same note, for Charlotte Tilbury we have been able to combine its best-in-class Make-up offering with Skincare, and we are about to launch its fragrance in 2024, positioning it as a brand with offerings in each of our business segments.

We have also implemented a similar multi-axis approach across Byredo, Dries Van Noten and Christian Louboutin[LIC] to enhance each brands' attractiveness and consumer proposition.

4.6 Solid execution across regions and channels

We have a proven execution strategy across geographical segments and channels. Our core geographical segments are EMEA and the Americas while we believe we have further potential to grow in Asia-Pacific:

- In EMEA, which represented 54.0% of our net revenues in 2023, we have consolidated our position as one of the key players in Europe with an estimated 12.3% VMS in the Selective Fragrance Market (*source: Company Industry Sources, as of 2023*), an estimated leadership position in the make-up market category in the UK in terms of VMS (*source: Company Industry Sources, as of 2023*) and we estimate we hold a third position in the European Dermo-Cosmetics Region in the pharmacy channel (including Isdin, which is not majority owned by the Group and therefore, is accounted through equity method and not consolidated within Group results) (*source: Company Industry Sources, as of 2023*). Our strategy in EMEA is to elevate our core Prestige brands, accelerate our Niche brands penetration, increase our Make-up distribution and expand our Skincare Wellness brands (which we have started with the opening of a Kama Ayurveda flagship store in Notting Hill (UK)).
- In the Americas, which represented 35.8% of our net revenues in 2023, we continue to grow our fragrance VMS in North America where we have now reached critical mass penetration with an estimated fragrance VMS of 7.7% (*source: Company Industry Sources, as of 2023*) while

maintaining our market leadership in Latin America with an estimated 27.6% VMS (with the second player in the market having an estimated 23.2% VMS) (*source: Company Industry Sources, as of 2023*) and where we estimate we have a leadership position in the Selective Fragrance Market in countries like Brazil, Chile or Argentina (*source: Company Industry Sources, as of 2023*). We aim to increase our Fragrance VMS in North America, to increase our VMS in our core Prestige portfolio and, similar to EMEA, we are focused on expanding our Make-up and Skincare presence, including our wellness skincare and dermo-cosmetics offering.

- In Asia-Pacific, which represented 10.2% of our net revenues in 2023, we have continued to perform strongly. In this region, we follow a Niche-led strategy to continue gaining further market share, with a focus on digital penetration across business segments and in Make-up and Skincare in particular.

In order to deliver consistent consumer experience across our geographic segments, we seek to adapt our distribution channels to allow our consumers to reach us from anywhere they would like to shop. Through our selective expansion, we are able to engage consumers in multiple channels and formats:

- Physical retail remains our primary source of revenue. Based on the information provided by our retailers and distributors, together with our own information and data from Company Industry Sources, we estimate that approximately 74% of our net revenues in 2023 came from sales through physical channels (brick and mortar). In the wholesale channel, we are selective with our retailers and distributors. We leverage the strength of our brand portfolio, our long-standing relationship with retailers and in-store experience to drive superior value creation for ourselves and for our physical retail partners. In DTC, our footprint has been established more recently and is growing fast, primarily focused on the Niche Fragrance and Skincare Wellness portfolio categories.
- Based on the information provided by our retailers and distributors, together with our own information and data from Company Industry Sources, we estimate that approximately 26% of our net revenues in 2023 came from sales through digital channels, meaning sales through our own websites or those of our retailers and distributors, in line with how other global beauty major companies operate. This performance is a direct consequence of our close relationship with our retailers and distributors, a unified "One-Brand" experience across our own websites, and differentiated digital capabilities that seek to drive traffic and improve conversion. Our digital proposition also leverages on our technological capabilities in the Make-up and Skincare business segments.

4.7 Strong track record of double digit and profitable growth

Puig has a proven track record of double digit and profitable growth.

The table below shows the evolution of our key financial metrics:

	For the years ended December 31,		
	2023	**2022**	**2021**
	(€ million, except %)		
Net revenues	4,304.1	3,619.6	2,585.0
Gross profit	3,215.2	2,692.6	1,885.1
Advertising and Promotion expenses	(1,338.1)	(1,099.7)	(839.0)
Selling, General and Administrative expenses	(966.4)	(834.8)	(556.3)
Operating profit	693.0	536.5	351.6
Net profit attributable to the Company	465.2	399.5	221.0
Gross Margin[APM]	74.7%	74.4%	72.9%

	For the years ended December 31,		
	2023	2022	2021
	(€ million, except %)		
Like-for-Like (LfL) Net Revenue Growth[APM]	18.7%	28.6%	44.3%
Adjusted EBITDA[APM]	862.7	681.4	458.1
Adjusted EBITDA Margin[APM]	20.0%	18.8%	17.7%
Adjusted Net Profit[APM]	477.5	449.4	268.4
Adjusted Net Profit Margin[APM]	11.1%	12.4%	10.4%

Our strategic focus on the "premiumization" of our portfolio has contributed to a sustainable increase in our margins and profitability which, in turn, has provided us with the ability to further reinvest in our brands to enhance their proposition, creating a virtuous cycle underpinning our profitable growth track record.

4.8 110-year-old family business with strong values, supported by best-in-class management

The Puig Family is the backbone of Puig and has been so for 110 years, spanning three generations. Puig was founded in 1914 under the leadership of Antonio Puig Castelló and transitioned to the second generation in 1950. As of the date of this Prospectus, we have moved to the third generation of the family lineage, with two members of the Puig Family on the Board of Directors taking decisions alongside eleven non-family directors with extensive experience in the beauty, consumer and luxury industries.

We believe this is a competitive advantage that gives us the ability to focus on our long-term strategy.

Our culture and values are the result of 110 years guided by the Puig Family, who has passed them down from generation to generation, and they are embedded in how we do business and operate Puig. These well-defined values are:

- *Restless curiosity*: we never stop looking for opportunities and ideas that we believe will shape tomorrow, balancing boldness and wisdom to deliver superior results.
- *Entrepreneurial audacity*: we are a house of founders that promotes entrepreneurship to disrupt and innovate, in a way that is agile, action-oriented and resilient.
- *Contagious enthusiasm*: we bolster an energetic, creative and a can-do attitude that empowers us to achieve more and express our authentic selves.
- *Fairness and respect*: we promote a culture of fairness, integrity, transparency and genuine respect to our commitments.
- *Shaping tomorrow*: we are committed to long-term value creation and to acting as a force for sustainable change for both people and the planet, building a company that is fit for years to come and leaves a lasting legacy.

Our leadership team includes high-performing leaders and founders, all guided by a long-term vision of innovation, creativity, and sustainability. We are led by Marc Puig, who acts as Chairman and Chief Executive Officer and has been at Puig for more than 30 years. Marc Puig is supported by a leadership team with extensive expertise in the beauty, consumer and luxury industries, part of which has been with us for more than 25 years. We have also recently hired exceptional external talent to run part of our operations. In addition, we have the distinct privilege of having our visionary partners, founders and ambassadors collaborate with us. For more details of our Senior Officers supporting our Chief Executive Officer, see "*Board of Directors and Management*".

4.9 Strong commitment to sustainability

As a family company, we have a strong commitment to future generations, with ESG at the core of what we do at Puig. We have a history of 110 years creating value for all stakeholders and are committed to continue doing so for years to come. The long-term focus of the Puig Family is reflected in our detailed sustainability strategy and alignment with the way we do business.

Our sustainability performance has been recognized externally, for example through a Sustainalytics ESG rating score of 20.7 that puts us in both the top 6th percentile of Personal Products subindustry and the top 9th percentile in the Household Products industry. Similarly, in 2023 we received a Gold Medal assessment from Ecovadis with a score of 70/100[3], positioning us in the top 5% of companies rated globally.

We have a Net Zero commitment with intermediate milestones validated by the Science Based Targets Initiative ("**SBTi**"), and our wider sustainability strategy focuses on six material areas for the business and our stakeholders. Executing on these priorities helps us create value for stakeholders and remain competitive on the longer term:

- *Product stewardship*: innovating in product design and manufacturing based on natural and sustainable inputs and applying eco-design criteria to packaging.
- *Sustainable sourcing*: working together with suppliers to build a strong and sustainable supply chain.
- *Responsible logistics*: transforming logistics to decarbonize the transportation of products.
- *Responsible manufacturing and facilities*: being meticulous and demanding in our manufacturing facilities, focusing on water, energy, and waste management.
- *Conscious living*: promoting best practices through awareness and training for employees and stakeholders.
- *Nature stewardship*: working to preserve the balance of nature and generate a positive impact on biodiversity.

See "*—11. Sustainability and Social impact*" for further information.

5. Strategy

We have a clear strategic roadmap that we believe will enable us to keep delivering on our ambitions and take advantage of the significant market growth opportunity that lies ahead of us. In order to achieve this, we intend to continue to apply the strategic principles that have allowed us to build what Puig is today (see "*—3. Key Strategic Principles*"), leveraging the strengths that differentiate us (see "*—4. Key Strengths*").

In January 2024, we launched our business plan for the period 2024 to 2027. The main objectives of this plan are:

- *Growing our core brands and products*: Part of our strategy is to continue to deliver superior growth within our core markets, which are mainly driven by Fragrance and Fashion and Make-up in EMEA and the Americas, where we have already built a strong brand presence and can continue to increase our leading market shares.

  We will seek to do that by continuing to develop our innovation capabilities to meet demand coming from changing consumer trends, aiming to increase awareness and desirability of our core brands across our existing markets. For this purpose, we will focus on leveraging the strength of our Prestige brands and delivering on our €1 billion revenue ambition for Carolina Herrera and Charlotte Tilbury (with Rabanne having already become a €1 billion revenue brand

[3] Awarded to Puig SL.

in 2023) while also consolidating our position in Niche, where we have recently enriched our portfolio through the acquisition of Byredo and Dr. Barbara Sturm.

- *Continue to grow beyond the core*: We will continue to expand on the strategic choices that have led to Puig's position today. As a consistent mid and long-term strategy, we seek to continue to strengthen our positioning in markets and segments where we already hold leading positions and the ones where we have expanded more recently. Outside of our core markets, we will focus on strengthening our presence in Asia-Pacific, which represented 10.2% of our net revenues in 2023, following a DTC and Niche-led strategy to continue gaining further market share, with a focus on digital penetration across business segments and in Make-up and Skincare in particular. Regarding Skincare, our smallest business segment, which represented 10% of our net revenues in 2023, we aim to focus on expanding our Dermo-Cosmetics and Skincare Wellness brands, as shown by our recent acquisition of a majority stake in Dr. Barbara Sturm. We believe that we have large whitespace in this business segment.

In order to achieve our business plan's objectives, we have identified a tangible roadmap:

- *Continue to* ***innovate and develop new products*** *to capture compelling market growth*: We will seek to continue to grow through the development of new products and the creation of product line extensions within existing brands in our portfolio. We continue to invest in innovation and renew launches frequently to maintain and increase demand for our existing blockbusters. With the creation of new products, we aim for our brands to stay relevant and current as consumer preferences and market trends evolve. A few examples, from among many over the last three years, are Carolina Herrera successfully launching "Very Good Girl" (out of one of its blockbuster products, the "Good Girl" fragrance), Rabanne successfully launched "Phantom" and "Fame" and Jean Paul Gaultier successfully launching "Scandal for Him" and "Gaultier Divine". We will seek to continue to invest in innovation to promote the success of our brands through our passion and in-house creativity.
- *Enhance our* ***creativity and marketing capabilities*** *driving brand desirability*: With creativity at the heart of everything we do, we are focused on capturing the attention of consumers wherever they are: at home or at retail stores, online, on mobile or on social media. We believe that our advanced storytelling and brand building capabilities help make strong personal connections with the brand's essence, which helps to safeguard the integrity, exclusivity and authenticity of each brand. These connections, in addition to using communication strategies such as social media influencers to educate target consumers on product benefits, help accelerate brand desirability, and empower people's self-confidence and self-expression.
- *Continue to build* ***global distribution footprint including DTC***: As a global company, we intend to continue building upon our global distribution footprint, with more than 150 countries where we sell our products, and more than 32 countries in which we operate directly, as of the date of this Prospectus. As the beauty industry evolves and the market trends affect where consumers shop, we seek to develop innovative distribution solutions, leveraging technology, expanding into DTC and expanding our presence in travel retail. In DTC, our footprint has been established more recently and is growing rapidly and profitably, primarily focused on the Niche and Skincare Wellness portfolio categories. Overall, our objective is to adapt our distribution channels to be able to reach each of our consumers anywhere they would like to shop in the changing environment.
- *Continue to* ***invest in technology*** *and data capabilities*: We believe that technology is key to our future success and we continue to invest to improve our capabilities. We have launched our brands' own e-commerce platforms with applications such as "Easy Beauty for you" from Charlotte Tilbury, and pioneered solutions such as "Scent Profiler", combined with Chat GPT, to get unique perfume recommendations. We are also committed to excellence in our operations and to promote an efficient and consistent performance that can be further professionalized with technological development.
- *Continue to* ***integrate our recent acquisitions*** *driving further value creation*: We have a strong track record of successful acquisitions, where we have proven our ability to integrate and grow brands, levered by our in-house capabilities. We have a culture of collaborative partnership with brand

founders and have also demonstrated our ability to succeed and maintain the market-leading positioning of our iconic brands, even after their founders have retired.

- ***Selective incorporation of curated brands***: We carefully evaluate M&A opportunities that fit our business purpose and can create value within our family of brands. Following our curated and selective approach, subject to the opportunities we see, we will consider adding new brands to complement our current portfolio.
- *Continue to make progress towards our **ESG commitment***: We have defined a detailed 2030 ESG agenda program, and embedded ESG oversight at the Board level. Key components of our strategy include a Net Zero commitment with interim targets by 2050, and further targets on environmental and social impact. We report on our ESG performance in line with external frameworks, and seek validation from third parties, such as the SBTi and Sustainalytics. See "*—11. Sustainability and Social impact*".

Medium-term financial and operating objectives

In the context of our new business plan, we have set certain medium-term financial and operating objectives.

We expect our Like-for-like Net Revenue Growth[APM] to grow at a high single digit rate in the medium-term, which we estimate will be well ahead the current expected growth for the premium beauty market.

We expect our Adjusted EBITDA Margin[APM] to remain stable in 2024 with upside potential in the medium-term, which we expect will allow us to continue to invest in our brands.

We expect to maintain a sound and efficient capital structure, targeting our leverage ratio of Net Debt[APM] to Adjusted EBITDA[APM] not to exceed 2x in the medium-term, which we expect will allow us to finance our liabilities from business combinations and retain strategic flexibility.

Additionally, we expect our pay-out ratio (calculated as dividends/net profit attributable to the Company) to be approximately 40%, in line with our historical dividend track record. We expect to make the first dividend distribution after the Offering in 2025 in respect of 2024 results.

We expect to continue with our highly selective and curated approach to M&A in the medium-term, as we keep evaluating opportunities to acquire brands that strategically fit into our portfolio of Love Brands, while maintaining our capital structure target as explained above.

These objectives constitute forward-looking information and are subject to risks and uncertainties that could cause actual results to differ materially from these objectives. We cannot give any assurance that these financial objectives will be realized or that actual results will not vary significantly from these objectives (see "*Presentation of Financial and other Information—Objectives*").

6. Recent Developments and Current Trading

Recent Developments

On January 10, 2024 we acquired 65% of Dr. Barbara Sturm. With this acquisition, we have reinforced our presence in the Skincare business segment, particularly in the Niche category. Dr. Barbara Sturm was founded with the objective to deliver science-based and effective skincare treatments. Dr. Barbara Sturm is a luxury, science-focused skincare brand with seven owned spas and boutiques offering high-performance treatments. See "*—14. Material Contracts—14.3 Dr. Barbara Sturm Acquisition*" for more information on this transaction.

On March 1, 2024, we entered into certain agreements (the Minority Shareholders Transactions) to acquire 26.3% of Prado (which holds 73.1% of the share capital of Charlotte Tilbury Limited) and 23% of Byredo AB. As a result of these agreements, we will hold 100% of the share capital of Prado and we hold 100% of the share capital of Byredo AB. See "*Principal and Selling Shareholder—Minority Shareholders Transactions*" for more information on these transactions.

On February 21, 2024, we entered into three revolving credit facility agreements for a total available amount of €450.0 million. In addition, on March 21, 2024 and in April, 2024 we entered into four revolving credit facilities for a total available amount of €230.0 million.

As of the date of this Prospectus, we have drawn down €596.7 million under our credit facilities in order to finance the cash consideration paid in the Minority Shareholders Transactions (which will be reduced to a net amount of €435.7 million with the €161.0 million that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares) and €186.1 million in order to finance the dividend distributed against share premium on April 5, 2024. See "*Operating and Financial Review—Liquidity and Capital Resources—Bank borrowings*".

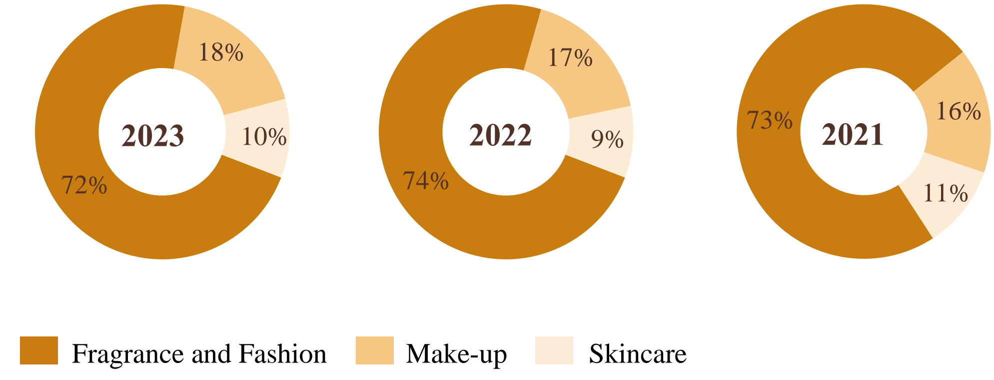
Current Trading

We reached €1,118.4 million of net revenues for the three months ended March 31, 2024, which represents a net revenue growth of 10.1% and a Like-for-like (LfL) Net Revenue Growth[APM] of 9.7% from the same period of 2023, in line with our medium-term guidance (see "*—5. Strategy—Medium-term financial and operating objectives*").

7. Operations and Activities

7.1 Business segments

Our business is structured in the following business segments: Fragrance and Fashion, Make-up, and Skincare. The following graphics show our net revenue contribution by business segment for the years indicated:



7.1.1 Fragrance and Fashion

The Fragrance and Fashion business segment focuses on the creation, manufacturing, marketing and sale of fragrances. In this business segment, we design, develop and market fragrances in various forms, including *eau de parfum* sprays and colognes, as well as lotions, powders, creams, candles, and soaps that are based on a particular fragrance.

In addition, we design, produce, and market fashion products such as clothing, footwear, and accessories. Although net revenues from fashion products represented less than 5% of our Fragrance and Fashion net revenues in 2023, fashion is very important to us because it is the source of our inspiration and the root that defines the codes and the DNA of some of our brands. Fashion has been a key enabler of the fragrance industry, especially in the Premium portfolio, with approximately 73% of the top 15 premium fragrance brands being inspired by a fashion brand (*source: Euromonitor*). We recognize the value of the deep connection that consumers build with fashion brands and how that translates to fragrances.

Our portfolio of Premium Love Brands operating in the Fragrance and Fashion business segment includes Rabanne, Carolina Herrera, Jean Paul Gaultier, Nina Ricci, Byredo, Christian Louboutin[LIC], Dries Van Noten, L'Artisan Parfumeur, Penhaligon's, Adolfo Domínguez[LIC], and Banderas[LIC]. In addition, we have associate

and joint venture investments in other companies that offer products within the Fragrance and Fashion business segment, such as Scent Library, and STL, which are not consolidated in our Financial Statements.

In terms of market positioning, we estimate that we have a 10.9% VMS in the Selective Fragrance Market globally (*source: Company Industry Sources, as of 2023*). This achievement is mainly attributable to the strength of our Premium Love Brands, with two of them (Rabanne and Carolina Herrera) among the top 10 fragrance brands globally (*source: Euromonitor*).

7.1.2 Make-up

The Make-up business segment focuses on the creation, marketing, and sale of a comprehensive range of high-quality cosmetic products including, among others, foundations, concealers, lipsticks, lip glosses, eyeliners, blushes, mascaras and eyeshadows.

Our portfolio of Premium Love Brands operating in the Make-up business segment includes Rabanne, Carolina Herrera, Charlotte Tilbury, Byredo, Christian Louboutin[LIC], and Dries Van Noten.

Charlotte Tilbury is our most important brand in this business segment in terms of know-how and, as such, it drives the expansion of other Premium Love Brands into the Make-up business segment, such as Rabanne or Dries Van Noten. In terms of market positioning in the Make-up business segment, we estimate that Charlotte Tilbury is the number one brand in the make-up market category in the UK, its home market, and top five in the U.S., in terms of VMS (*source: Company Industry Sources, as of 2023*).

7.1.3 Skincare

The Skincare business segment focuses on the creation, marketing, and sale of a variety of science-based products to meet the needs of different skin types and concerns, such as antiaging products, sun care products, cleansers, toners, moisturizers, serums, body care, exfoliators, acne and oil correctors, and facial masks.

Our portfolio of Premium Love Brands operating in the Skincare business segment includes Uriage, Apivita, Charlotte Tilbury, Dr. Barbara Sturm, Loto del Sur, and Kama Ayurveda.

Within this business segment, our portfolio skews heavily towards Dermo-Cosmetics brands (Uriage and Apivita), which are defined by the distribution of their products through pharmacies, drugstores, and specialty retailers. Some of the products sold by our Dermo-Cosmetic brands are recommended by dermatologists. Our Skincare business segment also includes Prestige brands (Charlotte Tilbury), whose products are distributed through department stores and strategic retailers and directed towards antiaging, the Niche brand Dr. Barbara Sturm sold in selective point of sales as well as in its own spas and boutiques, and Skincare Wellness brands (Kama Ayurveda and Loto del Sur), whose products are distributed mostly DTC and which are focused on clean and natural solutions for holistic wellbeing.

Our diversified portfolio within this business segment allows us to address different consumer concerns. When consumers look for (i) efficacy, safety and scientific validation, we can offer them products from our Dermo-Cosmetics brands; (ii) exclusivity, high-quality formulations and luxurious experiences, we can offer them products from our Prestige brands; and (iii) clean and natural ingredients, we can offer them products from our Skincare Wellness brands.

The success of our products in the Skincare business segment is based on our in-house capabilities and expertise in science-based solutions. We have employees specialized in product formulations in our four laboratories and five manufacturing facilities. In addition, we have 32 active patents on divers' skincare mechanisms with an expertise in Skin Barrier Repair (Uriage) and Bee-Derived Products (Apivita).

In terms of market positioning in the Skincare business segment, we estimate that we have the third position in the European Dermo-Cosmetics Region in the pharmacy channel (including Isdin, which is not majority owned by the Group and therefore, is accounted for using the equity method and not consolidated within Group's results) (*source: Company Industry Sources, as of 2023*).

7.2 Our brand portfolio

We have built a premium portfolio of brands, carefully selected to ensure their strategic complementarity. Each brand has a unique purpose and identity, and they all share our core values and vision for brand building. This helps us to create strong, long-lasting relationships with our consumers. Each brand has its own DNA with its unique set of codes. Each brand's single global image is promoted with consistent logos, packaging and advertising designed to enhance its image and differentiate it from other brands in the market.

7.2.1 Premium Love Brands portfolio categories

We structure our Premium Love Brands portfolio in different categories: Prestige, Niche, Skincare Wellness, Dermo-Cosmetics, and Lifestyle, based on a combination of the special characteristics of the beauty and fashion products offered by each brand, the type of distribution employed and the specific target audience.

7.2.1.1 Prestige

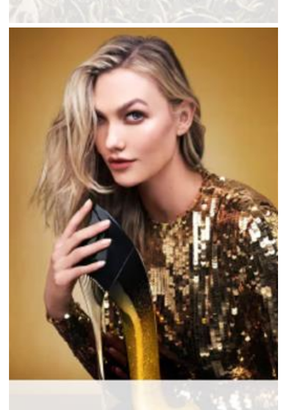
Our Prestige brands are associated with quality, luxury, and exclusive beauty products and, traditionally, use the fashion business for inspiration. The distribution of these products is mainly through department stores, specialty stores and travel retail, covering around 20,000 points of sale. Three of our Prestige brands are multi-axis brands (brands that are present in more than one business segment): Rabanne, which became a €1 billion revenue brand in 2023 and Carolina Herrera and Charlotte Tilbury, each of which has the ambition to become a €1 billion revenue brand in the future. These are complemented by two other iconic Prestige brands, Jean Paul Gaultier and Nina Ricci. Some of our brands within this portfolio category, such as Rabanne, Carolina Herrera, Jean Paul Gaultier and Nina Ricci, also offer fashion products.

A description of our Prestige brands is set forth below:

Rabanne
"We galvanize young generation to forge a more inclusive and creative future"

Founded by Paco Rabanne in 1966 and acquired by Puig in 1987 (although we were previously beauty licensees since 1968), Rabanne operates in the Fragrance and Fashion and Make-up business segments. The fashion business is led by creative director Julien Dossena. Its most iconic product is the famous fragrance "1 Million", which we estimate is the fourth most sold masculine fragrance in the world with a 4% VMS (*source: Company Industry Sources, as of 2023*). Between 2021 and 2023, Rabanne successfully launched its fragrances "Phantom" and "Fame" and its first make-up line.

Carolina Herrera
"Building Confidence with Alegria de Vivir"



Founded in 1981 by Carolina Herrera and acquired by Puig in 1995 (although we were previously beauty licensees since 1987), Carolina Herrera operates in the Fragrance and Fashion and Make-up business segments. The fashion business is led by creative director Wes Gordon. Its most iconic product is the fragrance "Good Girl", which we estimate that reached the second position in the feminine fragrance market globally, with an estimated 3% market share in 2023 (*source: Company Industry Sources, as of 2023*). Between 2021 and 2023, Carolina Herrera successfully launched the fragrances "Very Good Girl" (out of one of its blockbuster products, the "Good Girl" fragrance) and the "Lucky Charms" fragrance collection.

Charlotte Tilbury
“Give everyone, everywhere the right beauty wardrobe and they can conquer their world”

Founded by Charlotte Tilbury MBE in 2013 and acquired by Puig in 2020 (a majority stake), Charlotte Tilbury operates in the Make-up and Skincare business segments. The brand’s signature products include its “Magic Cream” moisturizer, its “Airbrush Flawless Finish – Fair” finishing powder, and its “Pillow Talk” blush product, multi-glow highlighter and eyeshadow palettes. We estimate that Charlotte Tilbury is the number one brand in the make-up market category in the UK, its home market, in terms of VMS (source: Company Industry Sources, as of 2023). Between 2021 and 2023, Charlotte Tilbury launched its digital mobile application “Easy Beauty for You”, the blush “Matte Beauty Blush Wands”, and the liquid lipstick “Airbrush Flawless Lip Blur”.

Jean Paul Gaultier
“Celebrating differences (all cultures, all bodies, all genders) since 1976”

Founded by Jean Paul Gaultier in 1982 and acquired by Puig in 2011 (fashion), subsequently bringing into the portfolio the fragrance business in 2016, Jean Paul Gaultier operates in the Fragrance and Fashion business segment. Since the designer’s retirement, the fashion business has been carried out through a rotating guest designer concept involving collaborations with Julien Dossena (Rabanne’s creative director), Haider Ackermann and Olivier Rousteig, among others. Its most iconic products are the fragrances “Le Male” for men, which has held a strong market position in terms of sales since its launch in 1995 (source: Company Industry Sources, as of 2023) and “Classique”. Between 2021 and 2023, Jean Paul Gaultier successfully launched “Scandal for men” and “Gaultier Divine”.

Nina Ricci
“Magnifying femininity for a more poetic world”

Founded in 1932 and acquired by Puig in 1998, Nina Ricci operates in the Fragrance and Fashion business segment. The fashion business is led by creative director Harris Reed. Its most iconic products are the fragrances, “L’Air du Temps” and the blockbuster “Nina” launched in 2004.

7.2.1.2 Niche

Our Niche brands offer beauty products with limited distribution (fewer than 2,000 points of sale), which are of a high-quality artisanal nature, benefit from differentiated marketing and strong control of interaction with the consumer. As a result of their exclusivity, they have higher price positioning compared to Prestige. Dries Van Noten also offers fashion products.

Some of our Niche brands base their product offering (especially in relation to fragrances) on the collection-based concept: a collection of products that are tied together by a common theme, inspiration or story. While each product has its own unique profile it also shares the same codes with the other products of the collection, making it cohesive.

A description of our Niche brands is set forth below:

Byredo
"Bold explorer of culture & identity through modern culture"

Founded by Ben Gorham in 2006 and acquired by Puig in 2022 (a majority stake), Byredo operates in the Fragrance and Fashion and Make-up business segments. The brand's signature products include the fragrances "Bal d'Afrique", "Gypsy Water" and "Blanche". Byredo represents a new type of luxury culture, the "quiet" and inclusive modern luxury. Between 2021 and 2023, Byredo launched the fragrances "De Los Santos" and "Eyes Closed" and the make-up products "Astronomical Mascara" and "Liquid Lipstick".

Christian Louboutin[LIC]
"Step into the Allure of Confidence"

We are the exclusive global licensee of the beauty line of products of Christian Louboutin[LIC] since 2018. Founded in 1991, Christian Louboutin[LIC] operates in the Fragrance and Fashion and Make-up business segments. Its most iconic product is the "Loubilaque Lip Lacquer". Christian Louboutin[LIC] represents glamourous and luxury beauty. Between 2021 and 2023, Christian Louboutin[LIC] launched "Teint Fétiche Le Cushion", its first facial line product.

Dries Van Noten
"A creative journey which exposes beauty with soul"

Founded in 1986 and acquired by Puig in 2018, Dries Van Noten operates in the Fragrance and Fashion and Make-up business segments. Dries Van Noten himself remains the creative director of the brand (retiring in June 2024). With its artistic influence, Dries Van Noten represents the art world through its collections. Between 2021 and 2023, Dries Van Noten launched its first fragrance collection and its collection of 30 lipsticks in refillable containers, its first products in the Make-up business segment.

L’Artisan Parfumeur
“Celebrating craftmanship À la française”

Founded in 1976 and acquired by Puig in 2015, L’Artisan Parfumeur operates in the Fragrance and Fashion business segment. Its most iconic products are the fragrances “Passage D’Enfer” and “Mure et Musc”. With its French perfumery tradition roots, L’Artisan Parfumeur represents craftsmanship and elegance. Between 2021 and 2023, L’Artisan Parfumeur launched its fragrance “Mémoire de Roses”.

Penhaligon’s
“Celebrating British Eccentric and Creative Heritage”

Founded in 1870 and acquired by Puig in 2015, Penhaligon’s operates in the Fragrance and Fashion business segment. The brand’s signature products include the fragrances “Blenheim Bouquet”, and the “Portraits” collection. Penhaligon’s represents the fragrance heritage linked to British culture and history. Between 2021 and 2023, Penhaligon’s launched its fragrance “The World According To Arthur” and the new collection “Potions & Remedies”.

Dr. Barbara Sturm
“Kind to skin, kind to self, kind to others.”

Founded in 2014 by Dr. Barbara Sturm-Waldman and acquired by Puig in 2024 (a majority stake), Dr. Barbara Sturm was founded with the objective to deliver science-based and effective skincare treatments. Today it is a luxury, science-focused skincare brand with seven owned spas and boutiques offering high-performance treatments. Her Molecular Cosmetics collection is built on 25 years of scientific research with more than 5,000 carefully curated skincare routines with a strong base of cult consumers.

7.2.1.3 Dermo-Cosmetics

Dermo-Cosmetics brands are focused on high-efficacy skincare products. They are mostly distributed through pharmacies, drugstores, and specialty retailers. Some of the products from our Dermo-Cosmetics brands are recommended by dermatologists. Our Dermo-Cosmetics brands are Apivita and Uriage.

A description of our Dermo-Cosmetics brands is set forth below:

Apivita
"Born of bees, raised by science"

Founded in 1979, acquired by the Puig Family in 2017 and contributed to Puig in 2021, Apivita operates in the Skincare business segment, offering science-boosted natural skincare products. The brand's signature product ranges include "Queen Bee" and "Beevine Elixir". Born of bees in Greek nature, Apivita's value proposition is harnessing the power of patented bee products combined with natural dermatological actives, offering the perfect balance between efficacy and naturality. Leading BCorp since 2017, Apivita is committed to generating one billion bees every year, through its protection, education and donation programs. Between 2021 and 2023, Apivita launched the "Mini Bee" and "Queen Bee" product franchises.

Uriage
"Sharing, with care and science, the power of the most unique therapeutical water"

Founded in 1992, acquired by the Puig Family in 2011 and contributed to Puig in 2021, Uriage operates in the Skincare business segment, offering a multi-category and expert product portfolio with prescription products and daily skincare products. The brand's signature products include "Xemose", "Bariederm Cica", "Eau Thermal Water spray" and "Age". Born in the heart of the French Alps, Uriage's value proposition is the combination of its unique and patented skin barrier repair products developed in its 30 years of scientific expertise with 200 years of treatments of skin diseases to their cure. Uriage products are designed to treat minor skin diseases to severe skin conditions, for patients under oncology treatments, as well as for men and women who simply want to maintain and improve their skin health. Between 2021 and 2023, Uriage launched "Age Absolu" and its updated formula of the "Bariésun" solar product franchise.

7.2.1.4 Skincare Wellness

Skincare Wellness brands approach skincare through a wellness lens and bring local concepts to the global consumer. They provide a holistic proposition with the use of natural products with strong local roots and a DTC approach through branded stores. Our Skincare Wellness brands are Kama Ayurveda and Loto del Sur.

A description of our Skincare Wellness brands is set forth below:

Kama Ayurveda
"Bringing Ayurveda to the world"

Founded by Vivek Sanhi in 2002 and acquired by Puig in 2022 (a majority stake), Kama Ayurveda operates in the Skincare business segment. The brand's signature products include "Kama Ayurveda Rose & Jasmine Face Cleanser", "Kumkumadi Brightening Ayurvedic Face Scrub" and "Bringadi Intensive Hair Treatment Oil". Kama Ayurveda's value proposition is based on the principles of ayurveda, a holistic healing system originated in India 3,000 years ago. Kama Ayurveda is focused on the Indian market, and it offers ayurvedic products made from natural ingredients following specific recipes and techniques defined in the ayurvedic texts, aiming to promote overall well-being.

Loto del Sur
"Celebra la Cultura, los rituales y la Biodiversidad Latinoamericana"

Founded by Johana Sanint in 1999 and acquired by Puig in 2022 (a majority stake), Loto del Sur operates in the Skincare business segment. Based in the Colombian market, Loto del Sur's value proposition is the use of natural botanical ingredients sourced from Latin America in its product formulation, embracing the rich cultural and botanical heritage of Latin America to offer products that tell stories and provide experiences deeply rooted in the region's traditions and native flora.

7.2.1.5 Lifestyle

Lifestyle brands aim to build an emotional connection through beauty products positioned towards a broader consumer base.

A description of our Lifestyle brands is set forth below:

Adolfo Domínguez[LIC]
"Nurture a Return to our Senses. Let Nature Be"

Founded in 1973, we are the exclusive global licensee of the fragrance line of products of Adolfo Domínguez[LIC] since 2000. Adolfo Domínguez[LIC] operates in the Fragrance and Fashion business segment. The brand's signature fragrance is "Agua Fresca de Rosas".

Banderas[LIC]
"Celebrate your own Success"

We are the exclusive global licensee of the fragrance line of products of the Hollywood star Antonio Banderas since the foundation of Banderas[LIC] in 1997. Banderas[LIC] operates in the Fragrance and Fashion business segment. The brand's signature fragrances are "Blue Seduction for Men" and "Icon".

7.2.2 Brand portfolio ownership structure

Within our brand portfolio there are three types of brands by ownership structure: (i) owned brands, which compose the vast majority of our net revenues; (ii) licenses; and (iii) associate and joint venture investments.

7.2.2.1. Premium Love Brands Portfolio

Our Premium Love Brands represented 95.3% of our net revenues in 2023 (94.0% and 93.8% in 2022 and 2021, respectively). Our Premium Love Brands portfolio is composed of owned brands and licenses.

- Owned brands

Most of our net revenues from our Premium Love Brands portfolio are generated by our majority owned brands: Rabanne, Carolina Herrera, Charlotte Tilbury, Jean Paul Gaultier, Nina Ricci, Byredo, Penhaligon's, Dries Van Noten, L'Artisan Parfumeur, Uriage, Apivita, Kama Ayurveda, Loto del Sur, and Dr. Barbara Sturm.

For the year ended December 31, 2023, we recorded net revenues amounting to €3,913.0 million from our 13 Premium Love Brands majority owned at such time (€3,210.3 million and

€2,261.7 million for the years ended December 31, 2022 and 2021, respectively), representing 95.4% of the net revenues from our Premium Love Brands (94.4% and 93.2% for the years ended December 31, 2022 and 2021, respectively). Our net revenues for the year ended December 31, 2023 do not include net revenues from Dr. Barbara Sturm as it was acquired in 2024.

For some of our owned brands (Rabanne, Carolina Herrera, Jean Paul Gaultier and Nina Ricci), we have signed licenses granting third parties the right to manufacture and distribute certain limited products (eyewear and fashion (clothes, apparel and accessories)). The royalty income from these licenses amounted to €26.4 for the year ended December 31, 2023 (€23.1 million and €18.9 million for the years ended December 31, 2022 and 2021, respectively).

- Licenses

We are the exclusive global licensee of beauty products from brands such as Christian Louboutin^{LIC}, Adolfo Domínguez^{LIC}, and Banderas^{LIC} within our Premium Love Brands portfolio. In addition to being the global licensee of beauty products from Adolfo Domínguez^{LIC}, we have a 15% ownership interest in the company.

For the year ended December 31, 2023, we recorded net revenues amounting to €188.3 million (€191.3 million and €163.8 million for the years ended December 31, 2022 and 2021, respectively) from our licensed brands in our Premium Love Brands portfolio, representing 4.6% of the net revenue from our Premium Love Brands (5.6% and 6.7% for the years ended December 31, 2022 and 2021, respectively).

Our license agreements impose obligations and restrictions on us that we believe are common to many licensing relationships in the beauty industry, such as paying annual royalties on net sales of the licensed products, maintaining the quality of the licensed products and the image of the applicable trademarks and minimum expenses in advertising and promotion activities for the licensed products. Our license agreements within our Premium Love Brands have a duration of between five to 15 years and some of them include renewal options for one or more terms. Certain brand licenses provide for automatic extensions, so long as minimum annual royalty payments are made, while renewal of others is contingent upon agreement of the licensor. None of our license agreements within our Premium Love Brands portfolio is up for non-automatic renewal before 2027.

7.2.2.2. Associate and Joint Ventures investments

We have associate and joint venture investments in other companies in the beauty sector such as (i) Isdin (50% ownership interest), a Spanish dermo-cosmetics brand that specializes in skincare and sun care products and offers a wide range of facial care, body care, sun protection, and hair care products that are mostly sold through pharmacies and some of which are recommended by dermatologists; (ii) Granado (35% ownership interest), a dermo-cosmetics Brazilian brand that specializes in natural and organic beauty products and offers products such as skincare, body care, hair care, and oral care products as well as fragrances; (iii) STL (25% ownership interest), a Spanish company that specializes in high-quality apparel and accessories and offers a wide range of clothing, shoes, bags, hats, scarves and other accessories; and (iv) Scent Library (15% ownership interest), a Chinese brand that specializes in natural fragrances and offers home fragrances, personal fragrances, candles, diffusers and other related products.

The net revenues from associate and joint venture investments are not consolidated in our Financial Statements. Instead, we account for associate and joint venture investments using the equity method, whereby their net revenues are not included in our consolidated net revenues. Rather, the net profit or loss of each company is included in our income statement based on our ownership percentage in the relevant company, in the line "Result from associates and joint ventures and impairment of financial assets". For the year ended December 31, 2023 we recorded €51.3 million in result from associates and joint ventures and impairment of financial assets (€55.6 million and €28.5 million for the years ended December 31, 2022 and 2021, respectively). See Note 17 to our Financial Statements for more information on our associates and joint venture investments.

A description of our key associate and joint venture investments is set forth below:

Isdin		Founded in 1975 by, among other founders, the Puig Family, we hold a 50% ownership interest in Isdin, a dermo-cosmetics brand that operates in the skincare market category. Isdin is focused on providing solutions to various skin problems with its clinically-proven formulations. The brand's signature products are "Fotoprotector", its sun care product line and "Isdinceutics", its anti-aging product line. In 2023, Isdin recorded net revenues of €568.9 million, operational profit of €83.7 million and net profit of €50.0 million, see Note 17 to our Financial Statements.
Granado		Founded in 1980, we hold a 35% ownership interest in Granado, a brand that operates in the fragrance and skincare market categories. Granado is focused on a natural approach to beauty, using locally sourced Brazilian ingredients in its formulations. The brand's signature products are "Phebo" soaps, which are vegetable-based, biodegradable and known for their exotic fragrances. In 2023 Granado recorded net revenues of €244.3 million, operational profit of €51.2 million and net profit of €38.7 million, see Note 17 to our Financial Statements.
STL		Founded in 1997, we hold a 25% ownership interest in STL, a company that operates in the fragrance and fashion market category, focused on the design, production and sale of ready-to-wear collections and accessories. STL currently develops, on an international level, the designer label of Purificación García and CH Carolina Herrera. In 2023 STL recorded net revenues of €430.4 million, operational profit of €76.7 million and net profit of €53.5 million, see Note 17 to our Financial Statements.

7.2.2.3. Other beauty brands

In addition to our Premium Love Brands, we have other owned and licensed beauty brands present in EMEA and the Americas (particularly in Spain and Latin America) that in aggregate represent less than 5% of our net revenue for the year ended December 31, 2023. Our other beauty brands include, among others, Shakira, United Colors of Benetton, Victorio & Lucchino, Agatha Ruiz de la Prada, Heno de Pravia, Agua Lavanda Puig, Agua Brava, and Quorum.

7.3 Business model

Our main activity is the sale of beauty and fashion products of our brands. To bring our products to market, we operate a fully-integrated value chain ensuring that the quality and identity of each brand is reflected throughout all its stages, and relying, when appropriate, on the knowledge and infrastructure of leading suppliers, distributors and retailers.

We have a fully integrated agile operations platform that manages the entire product lifecycle journey, helping us to meet the evolving needs of our consumers worldwide. Our product design and development teams execute upon our vision from formulation to quality control and packaging to transform our creative ideas into desirable products. They are supported by our product supply teams with capabilities across sales and demand planning, sourcing, manufacturing, distribution, logistics and customer service to deliver our products to consumers while minimizing environmental impact across the supply chain. Our operations strategy is segmented by business segment, and we have leading new product development (NPD) processes

and well-invested scaled manufacturing capabilities globally across business segments, all of which enables us to meet growing demand while maintaining quality standards.

7.3.1 Product design and development

We lead the product design and development activities of all our products internally, working with key selected partners, to ensure coherence and to reinforce the character and identity of our brands.

We have a strong track record of developing disruptive new products. Our new product development (NPD) process starts from an innovative idea from the relevant brand's team, which works closely with the research and development team to bring the idea to market. The development team includes perfumers, scientists, engineers, analysts, and other employees, product design and development teams and third-party suppliers. These ideas can lead us to develop new products and product-line extensions and to improve, redesign or reformulate existing products.

The product design and development activities are also crucial in innovating and improving product packaging. Our research and development team conducts significant research to explore durable, cost-effective, and eco-friendly packaging options, and carry out rigorous testing to ensure safety, efficiency, and user-friendliness. Sustainability is a key focus for us, particularly with a view towards developing packaging options that minimize environmental impact, such as using recycled or recyclable materials and creating refillable containers. We also prioritize enhancing the consumer experience by ensuring packaging is practical and aesthetically pleasing. Prototyping and cross-department collaboration are essential processes, allowing for real-world testing and alignment with each brand's image.

In addition, we have an operational team providing know-how to quality assurance and manufacturing personnel, to ensure consistent global quality management standards (such as International Organization for Standardization (ISO) 9001, 22716, 45001 and 14001) for our premium beauty and fashion products that are environmentally responsible, are in compliance with all relevant local regulatory requirements and reach our standards and consumer expectations.

Research and development are particularly relevant for the Skincare business segment where there is an specific research and development group to continuously build on long-standing working relationships with several international dermatological and medical institutions, research universities and educational facilities. These external suppliers with high technical expertise supplement our internal capabilities. Members of the research and development group are also responsible for product safety, registration and regulatory compliance matters.

We do not directly perform any testing of our products or ingredients on animals. Where such testing is required by law, we commission third parties to perform such testing. We only hire reputed third parties for carrying out these tests, and we seek to ensure that they take the necessary measures to avoid or minimize animal suffering.

We maintain research and development programs at certain of our principal facilities and facilities dedicated to performing product design and development, see "—*13. Properties*". For Dermo-Cosmetics products within the Skincare business segment, we have 32 active patents on divers' skincare mechanisms with an expertise in Skin Barrier Repair (Uriage) and Bee Derived Products (Apivita).

Our product design and development teams have a proven track record of bringing innovative products to the market, as shown by our launches in 2023:

- **Rabanne** launched its fragrances "Invictus Victory Elixir", "One Million Royal", "Lady Million Royal", "Phantom Parfum", "Fame Parfum" and "Olympéa Flora", as well as its make-up line including its "Famous" black mascara and the mini-palette "Date Night";
- **Carolina Herrera** launched its fragrances "Good Girl Blush", "Bad Boy Extreme" and the "Lucky Charms" fragrance collection, as well as its "Good Girl Maxi Glaze" and "Good Girl Blusher" make-up products;

- **Charlotte Tilbury** launched its “Matt Beauty Blush” and “Airbrush Flawless Lip Blur”, among other make-up products and its skincare products “Magic Water Cream” and “Magic Body Cream”;
- **Jean Paul Gaultier** launched its fragrances “Gaultier Divine” and “Le Male Elixir”;
- **Nina Ricci** launched its fragrance “Nina Le Parfum”;
- **Byredo** launched its fragrances “Animalique Eau De Parfum” and “Night Veils Rouge Chaotique” as well as its new make-up line with Lucia Pica, including its “Kajal Ambivalence” pencil;
- **Christian Louboutin**[LIC] launched the make-up products “Rouge Louboutin”, its lips portfolio renovation, “Rouge Stiletto”, the new lipstick franchise and “Teint Fetiche Le Baume de Teint”;
- **Penhaligon’s** launched the collection “Potions & Remedies” with five new fragrances (“Balm of Calm”, “Vra Vra Vroom”, “Liquid Love”, “Eau the Audacity” and “A Kiss of Bliss”), its fragrances “Solaris” and “Mr Thompson”, as well as its bath and body line “Posh Wash”;
- **L’Artisan Parfumeur** launched “Soleil de Provence”, “A Fleur de Peche” and “Cuir Grenat”;
- **Kama Ayurveda** launched its skincare products “Eye contour renewal”, “Kumkumadi day cream”, “Kumkumadi oil” and “Anti acne spot corrector”;
- **Apivita** launched its “Beevine Elixir” line;
- **Uriage** launched its “Serum booster H.A”;
- **Banderas**[LIC] launched its fragrances “ICON” and “ICON Woman”; and
- **Adolfo Domínguez**[LIC] launched its new fragrance collection “Orientales”.

7.3.2 Manufacturing

The manufacturing process of our beauty and fashion products is carried out mostly in-house, in the seven manufacturing facilities that we operate as of the date of this Prospectus in:

- Vacarisses (Spain), focused on Skincare;
- Alcalá (Spain) and Chartres (France), both focused on Fragrance;
- Echirolles (France) and Uriage-les-Bains (France), both focused on Uriage products;
- Athens (Greece), focused on Apivita products; and
- Tamil Nadu (India), focused on Kama Ayurveda products (see “*—13. Properties*”).

Our manufacturing facilities give us the flexibility to adapt and manage demand with agility, with a strong focus on efficiency and automation to drive Gross Margin[APM] and enhance our profitability. We take advantage of the synergies between the different brands in our manufacturing facilities (for example, through the standardization of machinery that can be utilized for different products) to support demand and innovation. In addition, we have a unified operating model that enables us to seamlessly integrate and scale our acquired brands. Our seven manufacturing facilities are supported by 28 strategically located warehouses globally to efficiently meet demand and deliver high quality products to our consumers worldwide.

We outsource the manufacturing of products in our Make-up business segment to specialized third-party providers.

The principal raw materials used in the manufacture of our products are primarily essential oils, alcohols and specialty chemicals. We purchase these raw materials from various third parties and assemble the final products in our manufacturing facilities. We also purchase packaging components, mainly glass, that are manufactured to our design specifications.

We rely on core suppliers for our raw materials. We maintain long-term relationships with our suppliers that are beneficial for both parties, with the average term of our relationships being of more than 20 years. As of the date of this Prospectus, none of our suppliers accounts for more than 10% of our beauty inventory purchases (excluding fashion), with our key supplier and our top 10 suppliers accounting for approximately 7% and 45%, respectively, of our beauty inventory purchases (excluding fashion) showcasing our supplier diversification. We believe we have a robust business continuity strategy, sophisticated capacity planning tools and strategic inventory buffer and multi-sourcing solutions. In the past, we have been able to obtain an adequate supply of essential raw materials and packaging components for all materials used in the manufacturing of our products. We have a minimum of five suppliers for each key raw material (i.e. glass, pumps, plastic, cardboard and metal). In addition, more than 85% of our inventory is purchased in Europe.

We have a strategic long-term forward-looking operations planning framework focused on improving the performance of our supply chain, and augmenting our supply base, adjusting our distribution networks and manufacturing footprint, enhancing our forecasting and planning capabilities and adjusting our inventory strategy based upon the changing needs of our business.

In addition, we continue to focus on social impact and sustainability across our operations. Our focus areas include employee health and safety and minimizing our impact on the environment. This is achieved, in part, through investments in equipment and the enhancement of the work environment through safe practices and capabilities. We also engage in initiatives to improve our equipment and buildings to support and deliver our sustainability goals and reduce our impact on the environment. Environmental efforts include waste reduction, zero industrial waste to landfill, investments in renewable energy sources and packaging that incorporates recyclable and recycled content.

7.3.3 Distribution channels

Our "go-to-market" structure is underpinned by extensive local market and channel expertise to maximize our brands' potential. We sell our products in more than 150 countries worldwide leveraging physical and digital channels to provide consumers with a differentiated brand specific multi-channel experience for consumers.

We have a solid presence in wholesale, which is at the core of our go-to-market strategy, and we have very strong relationships with leading wholesale partners globally. In addition, we have established a growing and profitable DTC business through owned stores and e-commerce platforms for our brands. It is integral to our go-to-market strategy to seek to grow profitably and sustainably, and we aim to do so by assessing the competitive landscape and using our proprietary revenue management, market traceability and consumer insight tools and analytics across our various physical and digital channels.

Based on the information provided by our retailers and distributors, together with our own information and data from Company Industry Sources, we estimate that approximately 74% of our net revenues in 2023 came from sales through physical channels (brick and mortar) and 26% from sales through digital channels. Similarly, we estimate that approximately 10% of our net revenues in 2023 were generated through our DTC business and that less than 10% of our net revenues in 2023 were generated through travel retail.

We carefully select the distribution channels that we believe are best suited for the success of each of our brands:

Physical channels (brick and mortar)

We mainly sell our products through:

(i) Wholesale channels:

- department stores, such as Harrods, Le Bon Marché, Saks Fifth Avenue, Macy's, Galeries Lafayette, Selfridges, Nordstrom or El Corte Inglés, which are key to our brands' positioning because they offer a high level of personalization of the point of sale, allowing us to convey the essence of each brand. Some of our brands have monobrand shops within department stores ("shop-in-shop");

- selective retailers, such as Sephora, Douglas, Ulta Beauty, Marionnaud or Nocibé, which are key to the distribution of our Prestige brands;
- pharmacies, which are key to the distribution of products from Dermo-Cosmetics brands within the Skincare business segment;
- drugstores, which are key to the distribution of products from Lifestyle brands; and
- travel retail, which refers to duty-free shops located in airports, cruise ports, border towns, and onboard airplanes and ships. These points of sale are sometimes managed by global international players such as Avolta or DFS Group. Some of them, like Heathrow Terminal 5 and Dubai airport, are valuable showcases for our products.

(ii) DTC channel: our own stores (276, 241 and 79 as of December 2023, 2022, and 2021, respectively);

Digital channels

We mainly sell our products through:

(i) Wholesale channels:

- e-commerce connected with our physical channels (i.e., websites of the department stores, selective retailers, and pharmacies that distribute our products); and
- online only retailers (pure players), such as Notino, Asos, Farfetch, Tmall or Net-a-Porter.

(ii) DTC channel: our brands' own e-commerce platforms. Most of our brands have their own e-commerce platforms where consumers can engage with the brands and make purchases online. Charlotte Tilbury's technology makes this brand particularly relevant to us in terms of product sales through digital channels, in particular through its "Easy Beauty For You" digital mobile application.

We have relationships with leading retailers globally. Based on our own information and analysis, we estimate that no retail partner accounted for more than 7.5% of our net revenue in 2023.

The distribution of our products is carried out mainly through our network of worldwide subsidiaries while the logistics are outsourced to specialized providers.

7.3.4 Advertising and Promotion Activities

Through the advertising and promotion of our products, we intend to elevate the consumer experience and attract new consumers, build loyalty, drive consumer advocacy, and address the transformation of consumer shopping behaviors.

We have a diverse portfolio of brands, and we employ different engagement models suited to each brand's image, distribution, product focus, core consumer and local relevance. Our advertising and promotion planning approach leverages local insights to optimize allocation of resources across different media outlets and retail touch points to resonate with our most discerning consumers more effectively. This includes strategically deploying our brands and tailoring product assortments and communications to fit local tastes and preferences. We approach our advertising and promotion activities in the different geographies through our own subsidiaries, our distributors, or through our retailers.

We use various forms of advertising, including print, digital media, social media, influencer partnerships, and other promotional activities such as point of sale materials, out of home, "gift with purchase", sponsorships and paid media campaigns.

Most of our creative advertising and promotion work is led in-house, and in collaboration with external resources, to design and produce the sales materials, social media strategies, advertisements and packaging for products in each brand. For a number of products, we create and deploy 360° integrated consumer engagement programs. We base our "customer relationship management" (CRM) on first party data gathered in our DTC

business (e-commerce and own stores) enriched with other data from second and third parties. We use that data to improve our media efficiency and to activate our consumers in a segmented manner. We build brand image and drive traffic to retail locations and to our own and our retailers' websites through digital and social media, magazines and newspapers, television, billboards in cities and airports, and direct mail and email. In addition, we seek editorial coverage for our brands and products in digital and social media and print, to drive influencer amplification. In terms of digital advertising and promotion, we continue to innovate in technology to better meet consumer online shopping preferences.

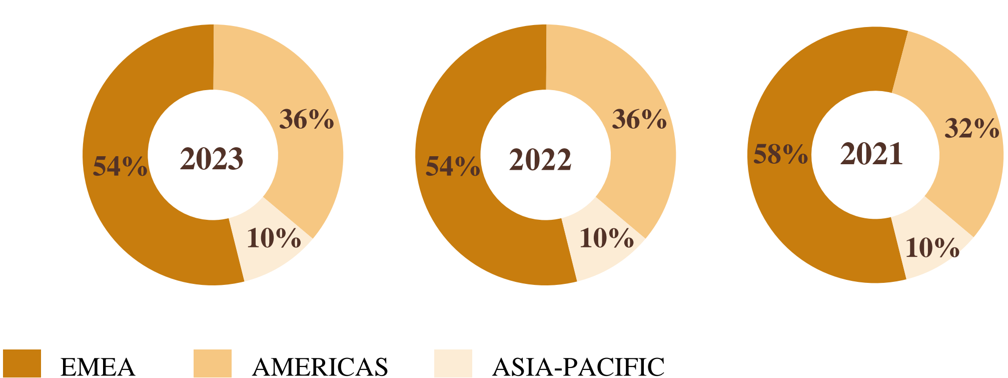
Promotion activities, in-store displays, and online navigation are designed to attract new consumers, build demand and loyalty and introduce existing consumers to other product offerings from the respective brands. Our advertising and promotion efforts also benefit from cooperative advertising programs with some retailers, some of which are supported by coordinated promotions, such as sampling programs, including "gift with purchase". Sampling is a key promotion activity, as the quality and perceived benefits of sample products are very effective inducements to purchases by new and existing consumers. In addition, we have "beauty advisors" and personnel at the points of sale of our retailers that promote and recommend our products. Such activities attract consumers and keep existing consumers engaged. In the Skincare business segment, medical sales representatives also play an important role in the advertising and promotion of our Dermo-Cosmetics products.

Our marketing team spends considerable time in the field meeting with consumers, retailers, beauty advisors and make-up artists at the points of sale which, together with our training efforts, enable us to offer a consistent experience across channels of distribution. As consumer behaviors, digital-first consumer journeys and e-commerce evolve, we adjust our business models and consumer engagement programs.

In 2023 our advertising and promotion expenses amounted to €1,338.1 million (€1,099.7 million and €839.0 million for the years ended December 31, 2022 and 2021, respectively) representing 31.1% of our net revenue (30.4% and 32.5% for the years ended December 31, 2022 and 2021, respectively).

8. Geographic segments

We conduct our business in three geographic segments: EMEA, the Americas and Asia-Pacific. The following graphics show our net revenue contribution by geographic segment:



As of December 31, 2023, our operational assets located in EMEA amounted to €3,303.7 million, compared to €1,600.9 million in the Americas and €1,097.5 million in Asia-Pacific.

In addition, as of December 31, 2023, we had 7,539 employees in EMEA, compared to 2,021 in the Americas and 1,564 in Asia-Pacific.

In terms of market positioning:

- In EMEA, we estimate that we have consolidated our position as one of the key players in Europe with an estimated 12.3% VMS in the Selective Fragrance Market (*source: Company Industry*

Sources, as of 2023), an estimated leadership position in the make-up market category in the UK in terms of VMS (*source: Company Industry Sources, as of 2023*) and we estimate that we hold a third position in the European Dermo-Cosmetics Region in the pharmacy channel (including Isdin, which is not majority owned by the Group and therefore, is accounted for using the equity method and not consolidated within the Group's results) (*source: Company Industry Sources, as of 2023*).

- In the Americas, we continue to grow our estimated 7.7% fragrance VMS in North America (*source: Company Industry Sources, as of 2023*) where we have achieved scale, while maintaining our market leadership in Latin America with an estimated 27.6% VMS (with the second player in the market having an estimated 23.2% VMS) (*source: Company Industry Sources, as of 2023*) and where we estimate that we are the leading player in the Selective Fragrance Market in countries like Brazil, Chile and Argentina (*source: Company Industry Sources, as of 2023*).
- In Asia-Pacific, we follow a Niche-led strategy to continue gaining further market share, with a focus on digital penetration across business segments and in Make-up and Skincare in particular.

9. Intellectual Property: Trademarks, Patents and Copyrights

We protect our intellectual property through a combination of trademarks, domain names, copyrights, trade secrets and patents, as well as contractual provisions and restrictions on access to our proprietary technology.

Our principal trademark assets include the trademarks Paco Rabanne, Rabanne, Carolina Herrera, Charlotte Tilbury, Jean Paul Gaultier, Nina Ricci, Byredo, Dries Van Noten, Penhaligon's, L'Artisan Parfumeur, Loto del Sur, Kama Ayurveda, Apivita and Uriage, our logos and taglines, and multiple product brand names. In addition to owning the trademarks of our owned brands, we are the exclusive worldwide licensee of beauty products for Christian Louboutin[LIC], Banderas[LIC] and Adolfo Domínguez[LIC]. For further discussion on license arrangements, including their duration, see "—*7. Operations and Activities—7.2. Our brand portfolio—7.2.2 Brand portfolio ownership structure—7.2.2.1 Premium Love Brands portfolio*". We protect our trademarks and the trademarks related to our licenses that are registered in Spain, UK, France, the United States and in all the countries where such products are sold, and we will pursue additional trademark registrations to the extent we believe they would be beneficial and cost-effective. We consider the protection of our trademarks to be important to our business.

A number of our products incorporate patented, patent-pending or proprietary technology. For example, we have 32 active patents on divers' skincare mechanisms with an expertise in Skin Barrier Repair (Uriage) and Bee-Derived Products (Apivita). In addition, several products and packaging for such products are covered by design patents or copyrights. While we consider these patents and copyrights and the protection thereof to be important, no single patent or copyright, or group of patents or copyrights, is considered material to the conduct of our business.

We also hold domain registrations (including digital domains) for many of our product names and other related trade names and slogans. In addition to the protection provided by our intellectual property rights, we enter into confidentiality and proprietary rights agreements with our employees, consultants, contractors and business partners. Our employees are also subject to invention assignment agreements. We further control the use of our proprietary technology and intellectual property through provisions in both our consumer terms of use on our website and the terms and conditions governing our agreements with other third parties.

10. Information technology

Information technology, including operational technology and our websites, is a key enabler of all aspects of our business, from research and development, product design and development, manufacturing, distribution, to advertising and promotion, sales and order processing, consumer experiences as well as finance and human resources. We use consumer and market data to optimize our customer relationship management (CRM). We continue to make strategic investments to align with our long-term strategy and to maintain and enhance our information technology and cybersecurity infrastructure. We are focused on optimizing adoption of such

investments to maximize return on investment and realized value. The modernization and simplification of our technology ecosystem remains a key focus, as we increasingly leverage the benefits of the cloud.

We recognize that technology presents opportunities for competitive advantage, and we continue to invest in new capabilities and the use of emerging technologies across various aspects of our business. In 2023, we made investments in research and pilots of technologies that serve and attract new consumers. As the working environment for our team members evolve, including hybrid ways of working for our employees, we continue to invest in hardware, software, education and support structures that drive productive, collaborative facilities and meeting spaces, both virtually and in person.

11. Sustainability and Social impact

Leaving a better world behind for the next generations is core to our purpose, and to achieve these goals, we integrate ESG criteria into our business model, strategy, and day-to-day activities. Creating value for all stakeholders has been the focus of Puig as a family business for the past 110 years. We are committed to operating responsibly and upholding high standards of Environmental, Social and Governance-related performance.

To focus our ESG strategy, we have carried out a complete double materiality analysis to prioritize key aspects from a global external impact and an internal financial perspective, taking into account viewpoints of various stakeholders. Our ESG strategy focuses on the following topics: emissions, materials, ingredients and waste, biodiversity, water and fair sourcing. Throughout our strategy we also aim to contribute to achieving the UN Sustainable Development Goals.

11.1 2030 ESG Agenda

We address the key ESG issues through a detailed action and target program for 2030, structured around six pillars. Our quantitative targets are stated using 2022 as the baseline year. These are forward-looking statements, please see "*Cautionary Statements Regarding Forward-Looking Statements*".

1. Product stewardship: innovating in product design and manufacturing based on natural and sustainable inputs and applying eco-design criteria to packaging. Our main objectives in this area are:
   (i) accelerate transition towards clean and natural formulation (100% of formulas adhering to the Puig Ingredients Policy (as defined below) by 2025);
   (ii) reduce weight and/or volume of packaging (20% packaging volume reduction);
   (iii) boost adoption of sustainable materials in packaging (100% of packaging complies with at least one of the following criteria (a) 30% of eco-components within packaging (i.e., packaging with materials that are recycled, biodegradable, from natural origin, bioplastics and avoiding unsafe materials for consumers such as polyoxymethylene (POM) and acrylonitrile butadiene styrene (ABS); (b) 80% product recyclability; and (c) refillable system); and
   (iv) promote a circular economy and end of life principles (100% products assessed with internal life-cycle assessment).
2. Sustainable sourcing: working together with suppliers to build a strong and sustainable supply chain by:
   (i) expanding mapping, assessing and following-up on ESG impact of suppliers ((a) 90% inventory and 80% non-inventory purchasing volume assessed by EcoVadis or Sedex; and (b) 100% suppliers assessed with EcoVadis score above 50/100 or equivalent and 30% with score above 75/100 or equivalent); and
   (ii) enhancing traceability and increasing amount of certified raw materials (100% key raw materials certified).
3. Responsible logistics: transforming logistics to decarbonize the transportation of products through:
   (i) extending mapping and expanding ESG risk assessment on transportation and warehousing suppliers (100% logistics spend assessed by EcoVadis or Sedex); and

(ii) investing in the decarbonization of logistics and supply chain ((a) >85% occupancy rate of shipments; (b) reduction of emissions generated by air freight by 20% compared to 2022; and (c) 50% of weight transported by road using green fuel).

4. Responsible manufacturing and facilities: being meticulous and demanding in our facilities, focusing on water, energy, and waste management. Our objectives in this area are to:

(i) reduce waste across the value chain and maintain high waste valorization (100% of sites sending zero waste to landfill);

(ii) reduce emissions and improve energy efficiency of all facilities and installations ((a) 100% renewable electricity; and (b) 100% renewable thermal energy (20% self-generated)); and

(iii) invest in water usage reduction and reutilization systems (40% reduction of water consumption in the factories).

5. Conscious living: promoting best practices through awareness and training for employees and stakeholders by:

(i) promoting education and awareness on sustainability along the value chain (one engagement action per year reaching at least 60% participation); and

(ii) minimizing environmental footprint of employees (100% electric/hybrid vehicle fleets).

6. Nature stewardship: working to preserve the balance of nature and generate a positive impact on biodiversity by:

(i) working towards a positive or neutral impact on biodiversity ((a) zero deforestation in the supply chain of key raw materials; and (b) zero use of invasive alien species in Puig's stores, offices, and factories);

(ii) rolling-out carbon in setting programs within the value chain (launch in setting projects linked to nature restoration and regeneration projects); and

(iii) compensating emissions through natural climate solutions and other carbon credits (collaborate with conservation or restoration projects through offsetting).

Beyond the above targets, we have an ambition to become a Net Zero-emissions organization by 2050, as well as help limit global warming by 1.5°C. To guide our emissions trajectory in the near-term, we have set interim emission reduction targets, which were validated and approved by the SBTi. After expanding our business operations following significant acquisitions, we have revised our targets in line with SBTi guidance. As of the date of this Prospectus, we have adopted the following emission reduction targets:

- -42% Scope 1 and 2, and -25% Scope 3 (Purchased Goods and Services) GHG emissions by 2030 compared to 2022 levels.
- -90% Scope 1, 2 and 3 (Purchased Goods and Services, Upstream transportation and distribution, Business travel, End-of-life treatment of sold products), by 2050 compared to 2022 levels, followed by emission neutralization to reach Net-Zero (i.e., measures to remove carbon from the atmosphere and permanently store it to counterbalance the impact of emissions that remain unabated).

As of the date of this Prospectus, we are awaiting SBTi's approval of the above updated targets. Previous targets used internally, and targets currently validated by SBTi are: -50% Scope 1 and 2 and -30% Scope 3 (Purchased Goods and Services) GHG emissions by 2030 compared to 2019 levels.

We are working through multiple action levers to achieve the emission reduction targets. Operationally, we are focused on sourcing renewable energy for manufacturing and office facilities, as well as increasing energy efficiency. We are also optimizing the company car fleet and transitioning to all-electric vehicles. Regarding our Scope 3 reduction levers, our primary focus is on engaging our suppliers, given the majority of emissions are concentrated upstream, which includes environmental screening, mapping key raw materials and emission hotspots, as well as requiring suppliers to report on their decarbonization efforts as part of the

contractual process. We aim to analyze suppliers' decarbonization plans, and their impact on our Scope 3 emissions, by 2025.

11.2 ESG performance validation and reporting

We regularly report our sustainability performance in our annual report and through CDP, which is a not-for-profit charity that runs global disclosure systems for investors, companies, cities, states and regions to manage their environmental impacts. In addition, we use external ESG performance assessments to track our sustainability performance:

- EcoVadis: we are rated annually by EcoVadis, a leading provider of global sustainability ratings and supply chain screening solutions. In September 2023, we received a Gold Medal with a score of 70/100[4], positioning us in the top 5% of companies rated globally (with over 125,000 companies assessed). The assessment takes into account our performance in the fields of Environment, Labor & Human Rights, Ethics, and Sustainable Procurement.
- Sustainalytics: Sustainalytics, which is a leading independent ESG and corporate governance research, ratings and analytics firm, performed a broad-based corporate ESG assessment of the Group dated January 17, 2024 (the "**Corporate ESG Assessment**"). We received a Corporate ESG Assessment score of 20.7, which positioned us in the "medium risk" category. Our indicative score would place us in the top 6th percentile of Personal Products (5/79) subindustry companies assessed by Sustainalytics, in the top 9th percentile of the Household Products industry (9/105) and in the top 32nd percentile of all companies assessed by Sustainalytics.
- CDP: We make annual climate change, water, and forest submissions to CDP. For 2023, our scores were A, A- and B (timber and palm oil), respectively. In 2023, CDP scored over 21,000 companies, with only 346 making the climate A list, placing Puig in the top 2%.
- Basis of reporting and independent verification: we have aligned our Group reporting with the requirements of the Global Reporting Initiative, as well as Sustainability Accounting Standards Board (SASB) in 2024. Our non-financial reporting has been verified, under limited assurance process, by Ernst & Young. We publicly report on our ESG performance annually. We also carry out detailed analysis of climate- and nature-related risks and opportunities in line with the recommendations of the Taskforce for Climate Related Financial Disclosures ("**TCFD**") and the Taskforce for Nature Related Financial Disclosures ("**TNFD**").

11.3 Environment

Energy and emissions

Reducing our total carbon footprint is a key part of our 2030 agenda. In 2023, 99% of our inventory emissions came from Scope 3. To reduce our operational energy use and emissions we focus on renewable energy procurement, as well as self-generation. In 2023, 59% and 82% of the total energy and electricity we consumed, respectively, came from renewable sources through a combination of guarantees of origin and self-generation. Regarding upstream and downstream transportation of our inputs and products, we focus on lower impact transport modes (rail and maritime), consolidating supply chains for our brands, and reducing weight of packaging. Regarding our purchased goods and services, while we do not have direct control over the emission profiles of our suppliers, we are developing a detailed engagement plan to advance emission reduction across the value chain, for which we have already prepared a detailed mapping of emission sources by category and by supplier.

We have assessed climate-related risks and opportunities, including through a quantitative scenario analysis. We incorporate potential transition and physical climate-related risks into our strategy, by increasing resilience of our supply chains and adapting product lines.

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[4] Awarded to Puig SL.

Product sustainability

We aim to increase the use of ingredients of natural origin. We source 100% of the alcohol used in our fragrances from natural origins and have developed the Apivita Queen Bee franchise with 99% natural ingredients. The program governing the formulation of our products is summarized in our Puig Ingredients Policy. The "**Puig Ingredients Policy**" refers to our make-up restrictions policy and our cosmetic restrictions policy which include a list of requirements that our make-up products and cosmetic products, respectively, must meet with the purpose of complying with worldwide regulations, anticipate to future regulations and adapt to potential changes in existing regulations. The Puig Ingredients Policy includes three types of ingredients for our make-up and cosmetic products: (i) forbidden ingredients, such as certain preservatives and antioxidants, which are banned in our make-up products; (ii) ingredients such as specific colorants, which are restricted to specific uses; and (iii) ingredients to avoid, which use will be considered on a case-by-case basis.

We are involved in two industry initiatives: Sustainable Packaging Initiative for Cosmetics (SPICE), and the EcoBeautyScore Consortium (EBS Consortium) focused on developing a methodology to assess the environmental impact of cosmetic products.

Circularity

We work towards reducing the total amount of packaging per product (optimization) and replacing packaging by more sustainable options (replacement). In particular, we have increased the use of recycled materials by replacing plastic with glass, using Forest Stewardship Council ("**FSC**") certified paper, introducing biodegradable plastic and responsibly sourced fabrics. In 2023, 88% of the paper and cardboard used in our Fragrance and Fashion business segment had a FSC certified origin. We are investing in refillable packaging options to achieve our target of 20% packaging volume reduction by 2030, with an interim target of 15% reduction by 2025 compared to 2019.

Biodiversity and nature

We have developed and published a detailed Forest Policy to report our forest and biodiversity-related performance in the CDP Forests disclosures. In our procurement of natural ingredients, we prioritize Roundtable on Sustainable Palm Oil, FSC, and Sustainable Agriculture Initiative certified inputs. We aim for 100% traceability and certification for key raw materials, such as cardboard, palm oil, mica and alcohol.

11.4 Social

Ethical code

Our ethical code establishes the reference framework for the type of conduct that is expected from everyone who works in the Group and also from those with whom we do business. Our ethical code defines our purpose and values, and sets out rules around:

- Recruitment practices follow socially responsible practices.
- Employment under non-abusive conditions.
- Rejection of all forms of child labor.
- Promotion of employees based on their merits and skills.
- Safe working environment and compliance with measures that guarantee safety in all job positions.
- Employees being required to respect safety regulations and not endanger colleagues or facilities.

The main aspects of our ethical code are developed by our Core Corporate Policies (as defined below). The Core Corporate Policies provide guidance on how to follow and implement the ethical code in specific circumstances. Our current core corporate policies are (i) the human rights policy; (ii) the anticorruption policy; (iii) the antitrust policy; (iv) the compliance and crime prevention policy; (v) the tax policy; (vi) the sustainable sourcing policy; and (vii) the policy on policies (the "**Core Corporate Policies**").

We expect all employees and other stakeholders to uphold the high standards of ethics and compliance established in the ethical code and our Core Corporate Policies. To ensure accountability for these high standards, we promote a speak up culture in which any behavior that may be unethical, or any breach of our internal or external regulations and laws can be reported. Our reporting channel supports this culture by providing a formal way to make a report through a clearly defined process with certain principles, rights, and guarantees.

Supplier assessments

In 2023, 88% of purchased input from supplier inventories underwent ESG performance assessments. We use EcoVadis and Sedex to evaluate supplier performance. We are expanding supplier evaluation campaigns to the remainder of our fashions houses, in line with fragrance and accessories businesses.

As an interim step before reaching 2030 targets, we aim to have 90% of our Tier 1 suppliers (by spend), and key Tier 2 suppliers assessed by EcoVadis by 2026.

Training and talent initiatives

We aim to offer the best people experience through a number of programs and initiatives to attract talent. We do so by equipping our leaders to embody our vision and drive transformation (leadership and transformation program); developing our internal talent and recruiting externally to offset talent gaps (talent strategy and talent review); reinforcing openness and trust between managers and employees (culture of feedback and pulse surveys); and developing a diverse talent base that makes the difference (Diversity, Equity and Inclusion (DE&I) Strategy).

We currently structure our training programs as follows:

(i) Janus Program (inspiring leaders): launched in 2011, it is a two-year learning journey run every four years which offers modules across leading business schools, aiming to prepare transition to top manager roles. It is open to candidates from all categories, developing their sense of belonging and engagement with us;

(ii) Talent Program (forging futures): it is a one-year program run biannually, organized by global pools, with the objective of building a diverse pipeline of early career professionals, to prepare transition to management positions; and

(iii) Graduate Program (building foundations): launched in 2019 in Spain and currently present in eight territories including EMEA and Latin America, this program tests candidates for entry level positions and streamlines our employer branding.

We also have training programs for brand ambassadors, manufacturing employees, and sales professionals. Brand ambassadors benefit from the use of the Brand Experience App, which may help to elevate and transform their role. Our Manufacturing 4.0 program aims to maximize factory automation, and has been implemented across four manufacturing facilities as of 2022. In 2022, we launched a company-wide training course entitled “Environmental, Social and Governance (ESG): challenges and opportunities” with the participation of more than 4,600 employees during the year. In addition, we have launched digital programs to enhance digital skills across all the organization.

A further program called Leadership In Transformation (LIT) helps equip our leaders to embody our vision and drive transformation.

In addition, we run annual talent and organizational reviews which allow us to identify any gaps in capability which can be offset through external recruitment. In 2023, 82 leaders participated.

Continuous training and rigorous succession plans allow us to prepare bench-strength in key areas of the organization.

We foster a culture of belonging feedback and openness, reinforcing trust between our managers and employees.

Health and Safety

Provision of a safe environment, compliant with workplace health and safety measures constitutes a part of our ethical code. We monitor health and safety indicators monthly, and proactively implement preventive actions, such as our zero-accident awareness program based on our multi-skilling and flexible working program.

Diversity, Equity and Inclusion

We have a diverse workforce. We provide trainings on diversity, inclusion and non-discrimination and have mechanisms in place to prevent discrimination and we have also implemented non-discrimination policies. We have constituted gender equality committees and we annually monitor and report our gender salary gap. In 2023, our global gender salary gap was at 2.6% for all employees and 1.1% for top executives.

As a part of our Diversity, Equity and Inclusion (DE&I) Strategy we facilitate access to work-life balance through conciliation measures, such as work-from-home.

Maximizing social impact

In 2014, Puig launched the Invisible Beauty Makers program. Each year the program searches for talented people who are willing and are able to transform situations in society that need a solution. The program is open to entrepreneurs and social enterprises, associations, organizations and foundations that are working to build people's self-esteem, to empower women and children and develop circular economy systems.

11.5 Governance

We have a clear structure on ESG oversight. Day-to-day monitoring is carried out by the ESG team (including representatives from operations and human resources, compliance and finance) led by our Chief Sustainability Officer and the CSO Office. At the Board level, ESG is overseen by the ESG Committee (see "*Board of Directors and Management—Board Committees—ESG Committee*").

Part of our ESG governance program is our ESG-linked incentive and remuneration structure to ensure the accountability of our top executives towards our ESG commitments. In 2021, we joined the UN Global Compact, and hence support and respect the protection of human rights. We have a whistleblower channel to report any human rights infringements, bribery and corruption issues, or money laundry concerns.

12. Employees

As of December 31, 2023, we had a total of 11,124 employees in 34 countries. Additionally, in 2023 we had an average of 1,193 temporary employees. For the breakdown of the total number of employees by geographic segment, see "*—8. Geographic segments*".

The table below shows a breakdown of the total number of employees employed by us by gender:

	As of December 31,		
	2023	**2022**	**2021**
Male	2,789	2,384	1,703
Female	8,208	7,092	5,488
Non-binary/undisclosed	127	62	13
Total	**11,124**	**9,538**	**7,204**

In 2023 our average number of employees was 9,612 (8,844 and 7,047 in 2022 and 2021, respectively).

We are committed to the professional development of our employees including through a variety of training programs that are run in each of our internal divisions, ranging from global training programs to programs focused on specific groups of employees such as the brand ambassadors (who are the employees that work at the point of sale advising consumers about the use and characteristics of our products).

We maintain satisfactory relationships with our employees, either through the relevant worker representatives, or, in those places where there are no such representatives, through the workers themselves. Below is the percentage of employees covered by a collective bargaining agreement, by country:

- Spain: 100% of the workforce;
- France: 100% of the workforce;
- Austria: 100% of the workforce;
- Argentina: 100% of the brand ambassadors professional category and salesforce;
- Belgium: 100% of the workforce;
- Brazil: 100% of the workforce;
- Peru: 100% of the workforce;
- Portugal: 100% of the workforce; and
- Japan: 90% of the workforce (executive management positions are excluded).

In all other countries there are no applicable collective bargaining agreements and, therefore, the relationship with our employees is governed by applicable laws.

We have not experienced any significant labor disputes or work stoppages in the past.

Offering Extraordinary Award

On March 19, 2024, the Board of Directors, at the proposal of the Nomination and Remuneration Committee, approved an extraordinary award for all of our employees (including our Chief Executive Officer, our other Senior Officers and other key employees) (the "**Offering Extraordinary Award**"), that will be paid in cash following Admission during 2024 as long as they are active employees of the Group at the time of Admission, in recognition for their contribution during all these years helping us to succeed and position ourselves in the market. The amount of the Offering Extraordinary Award corresponding to each employee will be determined according to such employee's seniority and salary level at the Group. We estimate that the total cost of the Offering Extraordinary Award, including social security costs, would be around €80 to €90 million (subject to its implementation) and it will not be greater than €100 million, including social security costs.

For more information on the Offering Extraordinary Award in connection with our Chief Executive Officer and our other Senior Officers, see "*Board of Directors and Management—Compensation of directors—Compensation of directors for the performance of executive duties—Extraordinary incentives*" and "*Board of Directors and Management— Compensation of Senior Officers*".

Extraordinary incentive for key employees that are not Senior Officers

In addition to the Offering Extraordinary Award, on March 19, 2024 our Board of Directors, at the proposal of the Nomination and Remuneration Committee, also approved an extraordinary incentive payment for certain key employees that are not considered Senior Officers due to their extraordinary contributions in connection with the Offering for a total amount of €3.1 million (excluding the Offering Extraordinary Award attributable to them) (without considering social security costs). This extraordinary incentive will be in addition to the award they are entitled to receive pursuant to the Offering Extraordinary Award.

For more information on the extraordinary incentives in relation to Admission of our Chief Executive Officer and our other Senior Officers, see "*Board of Directors and Management—Compensation of directors—Compensation of directors for the performance of executive duties—Extraordinary incentives*" and "*Board of Directors and Management— Compensation of Senior Officers*".

13. Properties

The following table sets forth our principal owned and leased headquarters, research and development hubs, manufacturing facilities, and regional hubs as of December 31, 2023. The leases expire at various times through 2034 subject to certain renewal options.

Location/facility	Use	Business segment
Barcelona, Spain (leased)	Headquarters	All
Barcelona, Spain (leased)	Research and development hub	All
Vacarisses, Spain (owned)	Manufacturing facility	Skincare
Alcalá, Spain (owned)	Manufacturing facility	Fragrance and Fashion
Chartres, France (owned)	Manufacturing facility	Fragrance and Fashion
Echirolles, France (leased)	Manufacturing facility	Skincare (Uriage)
Uriage-les-Bains, France (owned)	Manufacturing facility	Skincare (Uriage)
Athens, Greece (owned)	Manufacturing facility	Skincare (Apivita)
Tamil Nadu, India (leased)	Manufacturing facility	Skincare (Kama Ayurveda)
Paris, France (leased)	Regional hub	All
London, UK (leased)	Regional hub	All
New York, United States (leased)	Regional hub	All

14. Material Contracts

14.1 Charlotte Tilbury Acquisition

On June 4, 2020, and June 23, 2020 our subsidiary Prado Investments Limited ("**Prado**") (in which we held a 73.7% ownership interest and 76.4% voting rights taking into consideration the conversion of BDT preference shares into ordinary shares pursuant to Prado's articles of association) entered into agreements to acquire 73.1% of the share capital of Charlotte Tilbury Limited, for a total cash consideration of £965.0 million (equivalent to €1,113.1 million assuming an £/€ exchange rate of 1.1535 as of December 31, 2023), subject to certain adjustments set out in the sale and purchase agreement (the "**Charlotte Tilbury Acquisition**"). Charlotte Tilbury Limited operates the Charlotte Tilbury brand, which is present in the Make-up and Skincare business segments, and we estimate is the number one brand in the make-up market category in the UK, its home market and top five in the U.S., in terms of VMS (*source: Company Industry Sources, as of 2023*).

We financed the Charlotte Tilbury Acquisition with available cash and bank borrowings (see "*Operating and Financial Review—Bank borrowings"*).

As part of the Charlotte Tilbury Acquisition, we entered into a shareholders' agreement with the brand's founder, Ms. Charlotte Tilbury MBE, and the other shareholder of Charlotte Tilbury Limited (the "**Charlotte Tilbury SHA**"). The Charlotte Tilbury SHA contains customary minority shareholder protections as long as the brand founder is a shareholder of Charlotte Tilbury Limited and additional operational protections as long as the brand founder provides consultancy services to Charlotte Tilbury Limited.

In connection with the Charlotte Tilbury Acquisition, we agreed to an earn-out payable to the minority shareholders in the long term. The amount of the earn-out is based on an adjusted multiple linked to Charlotte Tilbury's business performance. See Note 26 to our Financial Statements and "*Risk Factors—Payment obligations in respect of minority stakes in certain brands constitute significant liabilities for us and will require us to make significant future cash outlays"* for more information. In addition, call and put options executable in the long term were agreed for the acquisition of the 26.9% of the share capital of Charlotte Tilbury Limited not currently owned by Prado. The valuation of these call and put options is based on an adjusted multiple linked to the business performance of the Charlotte Tilbury brand. At the Charlotte Tilbury

Acquisition date, the value of these options amounted to €558.0 million, which we recorded as a liability on our balance sheet. We recalculate the amount of this liability on each balance sheet date. See Notes 3.1 and 4 to our Financial Statements and "*Operating and Financial Review—Liabilities related to business combinations*" for more information.

As of the date of this Prospectus, the call and put options in Charlotte Tilbury Limited remain in place. However, part of these call options will become exercisable in 2024. In our consolidated balance sheet as of December 31, 2023, we recorded this liability at €207.0 million.

Call and put options executable in the long term were also agreed for the acquisition of the share capital of Prado not owned by us. On March 1, 2024, we entered into an agreement to acquire the remaining 26.3% we did not already own of Prado (23.6% of the total voting rights taking into consideration the conversion of BDT preference shares into ordinary shares pursuant to Prado's articles of association), which holds 73.1% of the share capital of Charlotte Tilbury Limited, for a total consideration consisting of (i) £313.1 million in cash that we paid on the Prado Completion Date (equivalent to €366.0 million assuming an £/€ exchange rate of 1.1688 as of that date); and (ii) £208.2 million (or €243.3 million assuming an £/€ exchange rate of 1.1688 as of the Prado Completion Date), which we expect to settle through the issuance of new Class B Shares on May 2, 2024 in the Prado Share Capital Increase (as defined herein) subject to the determination of the Offering Price expected on April 30, 2024. Following completion of the Prado Transaction, we will hold 100% of the share capital of Prado and our business combination liabilities in respect of the call and put options in Prado will no longer be in place. See *"Operating and Financial Review—Key Factors Affecting our Results of Operations—Business combinations—Recent Developments"* and "*Principal and Selling Shareholder—Minority Shareholders Transactions*" for more information on this transaction.

14.2 Byredo Acquisition

On May 31, 2022, our subsidiary Puig International, S.A. entered into an agreement to acquire 77% of the share capital of Byredo AB, for a total cash consideration of €826.0 million (the "**Byredo Acquisition**"). Byredo AB operates the Niche brand Byredo which is present in the Fragrance and Fashion and Make-up business segments and represents a new type of luxury culture, the "quiet" and inclusive modern luxury. At the Byredo Acquisition date, we recognized goodwill of €711.5 million in connection with Byredo.

We financed the Byredo Acquisition with bank borrowings (see "*Operating and Financial Review—Bank borrowings"*).

As part of the Byredo Acquisition, we entered into a shareholders' agreement with the brand's founder, Mr. Ben Gorham, and the rest of shareholders of Byredo AB.

In connection with the Byredo Acquisition, we agreed to an earn-out payable to a minority shareholder in the long term. The amount of the earn-out is based on an adjusted multiple linked to Byredo's business performance. At the Byredo Acquisition date, the value of this earn-out amounted to €43.3 million, which we recorded as a liability on our balance sheet. See Notes 4 and 26 to our Financial Statements for more information. In addition, call and put options executable in the long term were agreed for the acquisition of the 23% of the share capital of Byredo not currently owned by Puig International, S.A. The valuation of these call and put options is based on an adjusted multiple linked to the business performance. At the Byredo Acquisition date, the value of these options amounted to €394.0 million which we recorded as a liability on our balance sheet. See Notes 3.1 and 4 of our Financial Statements and "*Operating and Financial Review—Liabilities related to business combinations*" for more information.

On March 1, 2024, we entered into certain agreements to acquire the remaining 23% of the share capital of Byredo AB for a total cash consideration of €230.7 million and €16.1 million which we expect to settle through the issuance of new Class B Shares on May 2, 2024 in the Arctic Share Capital Increase. As a consequence, as of the date of this Prospectus, we hold 100% of the share capital of Byredo AB and the call and put options under the Byredo Acquisiton are no longer in place, which has reduced our business liabilities combinations although the earn-out is still in place. See *"Operating and Financial Review—Key Factors Affecting our Results of Operations—Business combinations—Recent Developments"* and "*Principal and Selling Shareholder—Minority Shareholders Transactions*" for more information on this transaction.

14.3 Dr. Barbara Sturm Acquisition

In December 2023, our subsidiary Puig International, S.A. entered into an agreement to acquire 65% of the share capital of Barbara Sturm Molecular Cosmetics GmbH, for a total cash consideration of €291.1 million (€272.1 million paid to the seller and cash and €19 million paid for the repayment of all of Barbara Sturm Molecular Cosmetics GmbH's loans at the time of the acquisition) subject to certain adjustments set out in the sale and purchase agreement (the "**Dr. Barbara Sturm Acquisition**"). The Dr. Barbara Sturm Acquisition was completed on January 10, 2024. Barbara Sturm Molecular Cosmetics GmbH operates the Niche brand Dr. Barbara Sturm, which is present in the Skincare business segment. Dr. Barbara Sturm was conceived to deliver science based, and effective skincare treatments. The philosophy of the brand revolves around the idea that if you protect your skin, it will protect you back.

We financed the Dr. Barbara Sturm Acquisition with available cash from bank borrowings entered into in 2023 in anticipation of potential business combinations.

As part of the Dr. Barbara Sturm Acquisition, we entered into a shareholders' agreement with the brand's founder, Dr. Barbara Sturm-Waldman and the other shareholder of the company, Dr. Barbara Sturm Familienstiftung (a foundation controlled by the brand founder) (the "**Dr. Barbara Sturm SHA**"). The Dr. Barbara Sturm SHA contains customary minority shareholder protections as long as the brand founder or the Dr. Barbara Sturm Familienstiftung are shareholders of Barbara Sturm Molecular Cosmetics GmbH.

In connection with the Dr. Barbara Sturm Acquisition, we agreed to an earn-out payable to the brand founder in the long term. The amount of the earn-out is based on an adjusted multiple linked to Dr. Barbara Sturm's business performance. In addition, call and put options were agreed for the acquisition of the 35% of the share capital of the company not currently owned by Puig International, S.A. The valuation of these call and put options is based on an adjusted multiple linked to the business performance of the Dr. Barbara Sturm brand. As of the date of this Prospectus, the valuation of these liabilities from business combinations is ongoing. Based on the acquisition price, these liabilities would amount to €146.5 million, but the final valuation (which we expect to be higher) will depend on the business plan for Dr. Barbara Sturm, which is not yet finalized as of the date of this Prospectus.

15. Legal proceedings

We are subject to various legal proceedings and claims that arise in the ordinary course of our business, including intellectual property, competition, compliance and advertising claims litigation and disputes, among others. Although the outcome of these and other claims cannot be predicted with certainty, we do not believe the ultimate resolution of any ongoing proceedings will have a material adverse effect on our business, financial condition, results of operations or prospects.

In particular, we, together with other various producers, have been subject to claims in the U.S. related to talc products we produced and sold between 20 and 40 years ago. Our approach is to proactively address such claims either through seeking dismissal or by engaging in settlement negotiations to resolve disputes prior to the commencement of trial proceedings. As a result, as of the date of this Prospectus none of these cases has reached the stage of trial proceedings. Our settlement payments to date have not been in material amounts, either individually or in the aggregate. Trial results in cases filed against other manufacturers or retailers of talc products have ranged from outright dismissals to large settlements and jury awards of both compensatory and punitive damages.

We record provisions for any legal proceedings to cover liabilities whenever we have a present obligation (legal or implicit) as a result of a past event that would probably require an economic outflow to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are quantified on the basis of the information available and legal advice and are used to provide for the specific obligations for which they were originally recognized. As of December 31, 2023 our provisions for legal contingencies amounted to €25.5 million (€20.5 million and €15.6 million as of December 31, 2022 and 2021, respectively).

16. Regulatory framework

We and our products are subject to regulation by various national, state, local and international regulatory authorities in the countries in which our products are produced or sold. Such laws and regulations relate to a wide range of matters including raw materials, manufacturing, labeling, packaging, marketing, advertising, transport and the sale, disposal and safety of our products, as well as environmental matters. In addition, in the different countries in which we operate, we are required to comply with data privacy and security laws and regulations governing the collection, storage, use, transmission and protection of personal information and other data, including the transfer of personal data between countries. Compliance with these laws and regulations has not had and is not expected to have a material adverse effect on the Company’s capital expenditures.

17. Insurance

We maintain the types and amounts of insurance that are customary for businesses in the countries where we operate. We believe that our insurance policies are sufficient to protect us against potential damages and liabilities incurred in the ordinary course of business although we can provide no assurance that our insurance coverage will adequately protect us from all the risks that may arise or in amounts sufficient to prevent material loss.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

Reasons for the Offering

A few years ago, the third generation of the Puig Family—who form the core group of the shareholders of Puig—made it its mission to take the baton from the prior generation and to further develop the success of the Company and its brands while preserving the values that have guided Puig for 110 years so that one day, they can pass the business on to the next generation.

We believe that the most successful companies in the premium beauty sector have a family at the core of the shareholder group, most of the time with effective control of the company's destiny. From our point of view, this is because premium brands require long term thinking, which does not always result from short-term market pressures. Having a family behind a company fosters this long-term approach, because families tend to care in equal measure about the time horizon of the next generation and the next quarter.

At the same time, it is important for any family business to have the right checks and balances in place, particularly during generational transitions. Becoming a publicly listed company implies a heightened level of scrutiny from investors, analysts, regulators and the market in general, ensuring that the next generations of the Puig Family are held to the highest possible standards as they steer the Company in the correct strategic direction.

We believe that the balance of being a family-owned company that is also subject to market scrutiny will allow us to better compete in the international beauty market during the next phase of the Company's development. As a result of the Offering, our corporate and capital structures will be better aligned with those of best-in-class, family-owned companies in the premium beauty sector globally, which have a strong shareholder core most often linked to their foundational families that fosters a long-term thinking approach. At the same time, we believe that the rigor implied in being a publicly listed company should enhance disciplined decision-making and help steer the performance of the Company in the right direction.

Additionally, we believe that becoming a publicly listed company will entail increased visibility and awareness, which should provide us with useful tools for talent attraction and retention, while opening access to public capital as another source of financing to support the growth strategy of our brands and portfolio.

We believe that the Offering will enable the Company to reach a free float of the Class B Shares to satisfy the minimum required threshold of distribution of shares set out under Spanish Royal Decree 814/2023 of November 8, which is 25% of the shares admitted to trading on the Spanish Stock Exchanges through the AQS.

Use of proceeds

We expect to raise the New Gross Proceeds from the issue of the New Offer Shares in the Offering. The Offering expenses (excluding VAT and assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and the payment in full of the incentive fee to the Underwriters) that will be payable by us in connection with the Offering are expected to be approximately €28.6 million. For additional information, see "*Plan of Distribution—Offering Expenses*". We intend to pay such expenses out of the gross proceeds of the Offering. We intend to use the net proceeds from the issue of the New Offer Shares for general corporate purposes such as (i) the payment of put and call options for part of the shares held by the minority shareholders in Charlotte Tilbury which will become exercisable in 2024 (€207.0 million), (ii) refinancing the amounts drawn under our credit facilities in order to finance the cash consideration paid in connection with the Minority Shareholders Transactions (€435.7 million), (iii) refinancing the amounts drawn under our credit facilities in order to finance the dividend distributed against share premium on April 5, 2024 (€186.1 million), (iv) reducing the current portion of our non-current debt (which amounted to €279.4 million as of January 31, 2024 and €283.9 million as of December 31, 2023), subject to any potential refinancing of debt that may be agreed by the Company in 2024, and (v) financing any future strategic investments and capital expenditures.

The Selling Shareholder expects to raise the Secondary Gross Proceeds from the sale of the Secondary Offer Shares in the Offering, assuming no exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Selling Shareholder is expected to raise additional gross proceeds of approximately €390 million.

Assuming that the Over-allotment Option is exercised in full, the Offering expenses (excluding VAT and assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and the payment in full of the incentive fee to the Underwriters) that will be payable by the Selling Shareholder in connection with the Offering are expected to be approximately €40 million. For additional information, see "*Plan of Distribution – Offering Expenses*".

We will not receive any proceeds from the sale by the Selling Shareholder of the Secondary Offer Shares and, if the Over-allotment Option is exercised in full or in part, from any Over-allotment Shares sold in the Offering.

DIVIDENDS AND DIVIDEND POLICY

Dividend payments for the years ended December 31, 2023, 2022 and 2021

The table below sets forth our dividends paid to our shareholders during the years set forth below:

	2023	2022	2021
	(€, except number of shares)		
Dividends [1]	160,000,000[2]	110,000,000	–
Number of shares[3]	500,000,000	254,889	9,340
Dividend per share	0.32	431.56	–
Number of shares (adjusted)[4]	500,000,000	398,264,063	14,593,750
Dividend per share (adjusted)[5]	0.32	0.28	–

Notes: —

(1) The figures for the years ended December 31, 2022 and 2021, correspond to the dividends distributed by Puig SL to its shareholders.

(2) €80,000,000 corresponds to a dividend in respect of the results of the year ended December 31, 2022 and €80,000,000 corresponds to an interim dividend in respect of the results of the year ended December 31, 2023.

(3) Refers to the number of shares of the Company as of December 31, 2023, 2022, 2021.

(4) For the years ended December 31, 2022 and 2021, the number of shares corresponds to the number of shares of the Company as if the share split carried out on March 20, 2023 had occurred on January 1, 2021. For a description of the split and the creation of the Class A Shares and Class B Shares, see "*Description of Share Capital—General—Main changes in our share capital and Corporate Reorganization*". Accordingly, (i) for the year ended December 31, 2022, 254,889 shares with a nominal value of €450 each have been converted into approximately 398,264,063 shares (378,350,859 shares with a nominal value of €0.30 each and 19,913,204 shares with a nominal value of €0.06 each); and (ii) for the year ended December 31, 2021, 9,340 shares with a nominal value of €450 each have been converted into approximately 14,593,750 shares (13,864,063 shares with a nominal value of €0.30 each and 729,687 shares with a nominal value of €0.06 each).

(5) The dividend per share has been adjusted to make it comparable among financial years. The adjustment has been calculated using the number of shares (adjusted).

Our general shareholders' meeting on April 5, 2024 approved a dividend distribution against share premium of €186.1 million that was paid on that date. This dividend distribution has not been made in respect of our 2024 results.

Dividend policy

As of the date of this Prospectus, no dividend policy has been approved by the Company. However, it is our intention to distribute cash dividends in the near future in a prudent manner and expect to make the first dividend distribution after the Offering in 2025 in respect of 2024 results. We expect to maintain a pay-out ratio (calculated as dividends/ net profit attributable to the Company) of approximately 40%, in line with our historical dividend track record) that does not affect our objectives to continue growing our business and executing our business plan. We will assess whether to introduce a dividend policy in the future, depending on our future results and financing needs.

There is no assurance that we will pay dividends in the future or, if so, what would be the level or amount of any such dividends. The amount of future dividends we decide to pay, if any, and our future dividend policy, if any, will depend on a number of factors, including (but not limited to) the amount of distributable profits and reserves and our investment plans, revenues, level of profitability, cash flow generation, restrictions on payment of dividends under applicable law (for instance, Spanish corporate law requires companies to contribute at least 10% of their net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of the share capital), restrictions on payment of dividends under any financing arrangements we may enter into in the future, the level of dividends paid or shares repurchased by other comparable listed companies doing business in Spain and such other factors as the Board of Directors or the

general shareholders' meeting may deem relevant from time to time. See "*Risk Factors—4. Risk Related to our Indebtedness and other Liabilities—4.2 Our indebtedness may make it difficult for us to service our debt,* and *Risk Factors—6. Risks relating to the Offer Shares and the Offering—6.2 There can be no guarantee that we will declare dividends in the future*". As of the date of this Prospectus, the balance of our legal reserve is equivalent to at least 20% of our share capital. After Admission, the Company expects to make the necessary contributions to its legal reserve to reach the corresponding 20% required given that the Company's share capital will be increased by the capital increase in respect of the New Offer Shares and the New Minority Shareholders Shares (as defined herein).

The amount of dividends will be proposed by our Board of Directors and determined by our shareholders at the general shareholders' meeting. See "*Description of Share Capital—Rights of Class A Shares and Class B Shares—Dividend and liquidation rights——Other financial rights*" and "*Description of Share Capital—Rights of Class A Shares and Class B Shares—Dividend and liquidation rights—Dividend distribution*".

Furthermore, we are a holding company, and our only significant asset is our ownership of interests in our operating subsidiaries. Accordingly, we depend on our operating companies being able to make distributions and other payments to us to generate the funds necessary to meet our financial obligations, including our future expenses as a publicly-listed company, and to pay any dividends.

The Offer Shares will be eligible for any dividends paid or declared after the Offering. Holders of Class A Shares and of Class B Shares are equally entitled to receive dividends in the same amount per share and neither class grant their holders the right to receive a minimum dividend.

Any dividends paid in the future will be subject to tax under Spanish law. As an exemption to the above, certain distributions could be exempt under Spanish law if certain conditions are met. See "*Taxation—Material Spanish tax considerations*".

Limitations on dividends

Our capacity to distribute dividends may be restricted under general Spanish corporate law and, in the future, may be subject to other limitations in the agreements governing our indebtedness that could restrict our ability to distribute dividends or make any other payment or distribution to shareholders. As of the date of this Prospectus, there are no limitations in the agreements governing our indebtedness that could restrict our ability to distribute dividends or make any other payment or distribution to shareholders. The conditions under which we may declare dividends based on Spanish law and our Bylaws are described in "*Description of Share Capital—Rights of Class A Shares and Class B Shares—Dividend and liquidation rights——Other financial rights*" and "*Description of Share Capital—Rights of Class A Shares and Class B Shares—Dividend and liquidation rights—Dividend distribution*".

CAPITALIZATION AND INDEBTEDNESS

The tables below set out our capitalization and indebtedness (i) as of January 31, 2024 on a historical basis, and (ii) as adjusted after giving effect to the Offering, the Minority Shareholders Transactions and the dividend distribution against share premium of €186.1 million that was paid on April 5, 2024 (see *"Principal and Selling Shareholder—Minority Shareholders Transactions"*). The tables below have been prepared using the Company's unaudited consolidated balance sheet as of January 31, 2024, and considering guidelines 38 to 39 of the ESMA Guidelines on disclosure requirements under the Prospectus Regulation. For the purposes of the adjustments, we have assumed that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share).

This section should be read together with sections *"Reasons for the Offering and Use of Proceeds"*, "*Presentation of Financial and other Information", "Selected Financial Information*", "*Operating and Financial Review*", and "*Principal and Selling Shareholder—Minority Shareholders Transactions"*.

Capitalization

	As of January 31, 2024 historical	Offering adjustments	Minority Shareholders Transactions adjustments	Dividend distribution	As of January 31, 2024, as adjusted
			(€ millions)		
Total current debt (including current portion of non-current debt)	**348.1**	**(901.2)[(1)]**	**435.7[(2)]**	**186.1[(3)]**	**68.7**
Guaranteed	1.5	—	—	—	1.5
Secured	—	—	—	—	—
Unguaranteed/unsecured	346.6	(901.2)[(1)]	435.7[(2)]	186.1[(3)]	67.2
Total non-current debt (excluding current portion of non-current debt)	**1,783.9**	—	—	—	**1,783.9**
Guaranteed	5.0	—	—	—	5.0
Secured	—	—	—	—	—
Unguaranteed/unsecured	1,778.9	—	—	—	1,778.9
Shareholders' equity	**954.9**	**1,221.4**	**590.4**	**(186.1)**	**2,580.6**
Share capital	144.0	(17.4)[(4)]	1.1[(5)]	—	127.7
Legal reserve(s)	3.8	—	—	—	3.8
Other reserves	807.1	1,238.8[(6)]	589.3[(7)]	(186.1)	2,449.1
Total	**3,086.9**	**320.2**	**1,026.1**	—	**4,433.2**

Notes: —

(1) Calculated under the assumption that we will use part of the New Gross Proceeds to (i) repay the net amount of €435.7 million drawn under our credit facilities in order to finance the cash consideration paid in the Minority Shareholders Transactions (see note (2) below); (ii) repay the current portion of our non-current debt (€279.4 million as of January 31, 2024), subject to any potential refinancing of debt that may be agreed by the Company in 2024; and (iii) repay the amount of €186.1 million drawn under our credit facilities in order to finance the dividend distribution against share premium (€186.1 million) that was paid on April 5, 2024. The remainder of our current debt comprises borrowings under local working capital facilities.

(2) We present our bank borrowings increasing by a net amount of €435.7 million reflecting the additional bank borrowings as a result of €596.7 million drawn under our credit facilities in order to finance the cash consideration paid in the Minority Shareholders Transactions, less the proceeds that we expect to receive from the €161 million that Manzanita has irrevocably committed to invest in the subscription of Class B Shares, which we will use to reduce amounts drawn under the revolving credit facilities.

(3) We present our bank borrowings increasing by an amount of €186.1 million reflecting the additional bank borrowings as a result of €186.1 million drawn under our credit facilities in order to finance the dividend distribution against share premium (€186.1 million) that was paid on April 5, 2024.

(4) Calculated under the following assumptions: (i) the Company issues 53,763,440 New Offer Shares, and the share capital is increased in a total amount of €3,225,806.4; and (ii) 86,021,504 Class A Shares (of €0.30 nominal value each) are converted into 86,021,504 Class B Shares (of €0.06 nominal value each), including as a result of the Additional Conversion (as defined herein), and the subsequent share capital reduction will amount to €20,645,160.96, which is converted into a non-distributable reserve (increasing the "Other reserves" item).

(5) Calculated under the following assumptions: (i) with respect to the Prado Transaction only, the £/€ exchange rate used to calculate the value in euros of the consideration that will be paid in new Class B Shares (€243.3 million) is 1.1688 (the exchange rate as of the Prado Completion Date); and (ii) the Company issues 18,079,705 New Minority Shareholders Shares and the share capital is increased in a total amount of €1,084,782.3 upon the execution of the Minority Shareholders Share Capital Increases.

(6) Calculated under the following assumptions: (i) the share premium of the New Offer Shares has been calculated by deducting from each New Offer Share its nominal value of €0.06 per Class B Share. Accordingly, the total share premium that will result from the share capital increase in respect of the New Offer Shares amounts to €1,247 million; (ii) there is an increase in "Other reserves" equal to the amount of the share capital reduction as a result of the conversion of Class A Shares into Class B Shares (see limb (ii) of Note (4) above); and (iii) the Offering expenses (€28.6 million, excluding VAT and assuming payment of the maximum amount of the incentive fee to the Underwriters) payable by the Company are paid in full (see "*Plan of Distribution—Offering expenses*").

(7) Calculated under the assumption that the total share premium that will result from the Minority Shareholders Share Capital Increases amounts to €419 million (the share premium of the New Minority Shareholders Shares has been calculated by deducting from each New Minority Shareholders Share its nominal value of €0.06 per Class B Share). In addition, our "Other reserves" will increase by €170.0 million as a result of the reduction of our liabilities from business combination by €1,027 million as a result of the Minority Shareholders Transactions.

Indebtedness

The table below sets forth the liquidity and financing sources in our consolidated balance sheet:

	As of January 31, 2024 historical[(1)]	Offering adjustments	Minority Shareholders Transactions adjustments	Dividend distribution	As of January 31, 2024, as adjusted
			(€ millions)		
(A) Cash	398.4	113.2[(2)]	—	—	511.6
(B) Cash equivalents	100.6	—	—	—	100.6
(C) Other current financial assets	98.0	—	—	—	98.0
(D) Liquidity (A)+(B)+(C)	**597.0**	**113.2**	—	—	**710.2**
(E) Current financial debt (including debt instruments but excluding current portion of non-current financial debt)	68.7[(3)]	(621.8)[(4)]	435.7[(5)]	186.1[(6)]	68.7
(F) Current portion of non-current debt	279.4	(279.4)[(7)]	—	—	—
(G) Current financial indebtedness (E)+(F)	**348.1**	**(901.2)**	**435.7**	**186.1**	**68.7**
(H) Net current financial indebtedness (G)-(D)	**(248.9)**	**(1,014.4)**	**435.7**	**186.1**	**(641.5)**
(I) Non-current financial debt (excluding current portion and debt instruments)	1,783.9	—	—	—	1,783.9
(J) Debt instruments	—	—	—	—	—
(K) Non-current trade and other payables	—	—	—	—	—
(L) Non-current financial indebtedness (I)+(J)+(K)	**1,783.9**	**—**	**—**	**—**	**1,783.9**
(M) Total net financial indebtedness (H)+(L)	**1,535.0**	**(1,014.4)**	**435.7**	**186.1**	**1,142.4**

Notes: —

(1) The impact of the total cash consideration paid in connection with the Dr. Barbara Sturm Acquisition (€291.1 million funded with available cash from bank borrowings entered into in 2023) is recorded in this column because this transaction was completed in January 2024.

(2) Calculated under the following assumptions: (i) we raise the New Gross Proceeds; (ii) the Offering expenses (€28.6 million, excluding VAT and assuming payment of the maximum amount of the incentive fee to the Underwriters) payable by us are paid in full (see "*Plan of Distribution—Offering expenses*"); and (iii) we use part of the New Gross proceeds to (a) pay amounts due under the call and put options in connection the shares held by the minority shareholders in Charlotte Tilbury that will become exercisable in the second quarter of 2024 (which we recorded as a liability from business combinations of €207.0 million as of December 31, 2023 and have not revalued as of January 31, 2024); (b) repay €435.7 million of the €596.7 million drawn under our credit facilities in order to finance the cash consideration paid in relation to our Minority Shareholders Transactions (we expect to repay the remainder with the proceeds from the €161 million that Manzanita has irrevocably committed to invest in the subscription of Class B Shares); (c) repay the current portion of our non-current debt (€279.4 million as of January 31, 2024), subject to any potential refinancing of debt that may be agreed by the Company in 2024; and (d) repay the amount of €186.1 million drawn under our credit facilities

in order to finance the dividend distribution against share premium (€186.1 million) that was paid on April 5, 2024.

(3) The current debt (excluding current portion of non-current debt) comprises borrowings under local working capital facilities.

(4) Calculated under the assumption that part of the New Gross proceeds is used to repay: (i) €435.7 million of the €596.7 million drawn under our credit facilities in order to finance the cash consideration paid in relation to our Minority Shareholders Transactions; and (ii) €186.1 million drawn under our credit facilities in order to finance the dividend distribution against share premium (€186.1 million) that was paid on April 5, 2024.

(5) We present our bank borrowings increasing by a net amount of €435.7 million reflecting the additional bank borrowings as a result of €596.7 million drawn under our credit facilities in order to finance the cash consideration paid in connection with the Minority Shareholders Transactions, less the proceeds that we expect to receive from the €161 million that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares, which we will use to reduce amounts drawn under the revolving credit facilities.

(6) We present our bank borrowings increasing by an amount of €186.1 million reflecting the additional bank borrowings as a result of €186.1 million drawn under our credit facilities in order to finance the dividend distribution against share premium (€186.1 million) that was paid on April 5, 2024.

(7) Calculated under the assumption that part of the New Gross proceeds is used to cancel the current portion of our non-current debt (€279.4 million as of January 31, 2024). The remainder of our current debt comprises borrowings under local working capital facilities.

In addition, part of the call and put options in connection with the shares held by the minority shareholders in Charlotte Tilbury will become exercisable in 2024. In our consolidated balance sheet as of December 31, 2023, we recorded this liability at a value of €207.0 million. We intend to fund this payment obligation with the New Gross Proceeds (See "*Reasons for the Offering and Use of Proceeds*"). For a discussion of our business combination liabilities (related to call and put options and earn-outs), see "*Risk Factors—4. Risks related to our indebtedness and other liabilities—4.1 Payment obligations in respect of minority stakes in certain brands constitute significant liabilities for us and will require us to make significant future cash outlays*", "*Operating and Financial Review—Liquidity and Capital Resources—Liabilities related to business combinations*" and Note 4 to our Financial Statements. The annual amounts (based on our liabilities recorded as of December 31, 2023) that may be payable by us in the future under these liabilities are shown in "*Operating and Financial Review—Contractual Obligations and Commitments*" and in Note 26 to our Financial Statements.

In addition, the tables above do not reflect: (i) the Offering Extraordinary Award for all of our employees (including our Chief Executive Officer, our other Senior Officers and other key employees) of around €80 to €90 million (including social security costs); and, in addition to the Offering Extraordinary Award, (ii) an extraordinary incentive payment for (a) our Chief Executive Officer for a total amount of approximately €9.3 million (including the amount of the Offering Extraordinary Award attributable to him); (b) our other Senior Officers for a total amount of approximately €4.3 million (including the amount of the Offering Extraordinary Award attributable to them); and (c) certain key employees that are not Senior Officers for a total amount of €3.1 million (excluding the Offering Extraordinary Award attributable to them), which will be paid following Admission and during 2024, in recognition of their respective contributions to the Company in the context of the Offering. For more information, see "*Business—12. Employees—Offering Extraordinary Award*", "*Board of Directors and Management—Compensation of directors—Compensation of directors for the performance of executive duties—Extraordinary incentives*" and "*Board of Directors and Management— Compensation of Senior Officers*".

In addition, the tables above do not reflect the lease liabilities resulting from the lease agreements of our office and warehouses, stores or vehicles, which as of January 31, 2024 amounted to €334.1 million.

Working Capital^{APM}

As of December 31, 2023 the Group had Working Capital^{APM} amounting to €663.3 million. In our opinion, the Working Capital^{APM} available to the Company is sufficient for our present requirements and, in particular, is sufficient for at least the next 12 months from the date of this Prospectus. In forming this opinion, we have not taken into account the proceeds of the Offering and have considered guidelines 29 to 35 of the ESMA Guidelines on disclosure requirements under the Prospectus Regulation.

SELECTED FINANCIAL INFORMATION

The following tables present our selected consolidated financial information as of and for the years ended December 31, 2023, 2022 and 2021. The selected consolidated financial information as of and for the years ended December 31, 2023, 2022, and 2021 is derived from, and should be reviewed together with, the audited Financial Statements, including the related notes thereto, prepared in accordance with IFRS-EU and which are included as an annex to this Prospectus.

The following tables should be read together with sections "*Presentation of Financial and other Information*" and "*Operating and Financial Review*", and the Financial Statements and the related notes thereto included as an annex in this Prospectus.

Consolidated income statement information

The following table sets out our consolidated income statement:

	For the year ended December 31,		
	2023	**2022**	**2021**
		(€ millions)	
Net revenues	**4,304.1**	**3,619.6**	**2,585.0**
Cost of sales	(1,088.9)	(927.0)	(699.9)
Gross profit	**3,215.2**	**2,692.6**	**1,885.1**
Distribution expenses	(217.7)	(221.7)	(138.2)
Advertising and promotion expenses	(1,338.1)	(1,099.7)	(839.0)
Selling, general and administrative expenses	(966.4)	(834.8)	(556.3)
Operating profit	**693.0**	**536.5**	**351.6**
Other operational income and expenses	(13.8)	(43.5)	35.0
Operational profit	**679.2**	**493.0**	**386.5**
Financial result	(87.4)	(34.9)	(62.4)
Result from associates and joint ventures and impairment of financial assets	51.3	55.6	28.5
Profit before tax	**643.2**	**513.7**	**352.7**
Income tax	(143.3)	(101.2)	(153.7)
Net profit for the year	**499.9**	**412.5**	**198.9**
Non-controlling interests	(34.7)	(13.0)	22.1
Net profit attributable to the Company	**465.2**	**399.5**	**221.0**

Consolidated balance sheet information

The following table sets out our consolidated balance sheet:

	As of December 31,		
	2023	**2022**	**2021**
		(€ millions)	
Assets			
Property, plant and equipment	326.3	271.1	211.0
Intangible assets	4,114.3	4,062.3	2,660.8
Right-of-use assets	287.9	239.9	188.7
Investments in associates and joint ventures	375.2	344.8	346.5
Financial investments	16.4	14.2	9.6
Other non-current assets	131.4	102.6	62.6
Deferred tax assets	146.6	123.9	85.0
Total non-current assets	**5,398.1**	**5,158.7**	**3,564.1**
Inventories	788.9	626.3	363.1
Trade accounts receivable	484.7	387.9	317.3
Other current assets	186.7	232.1	153.7
Cash and cash equivalents	852.9	710.1	692.7
Total current assets	**2,313.2**	**1,956.4**	**1,526.7**
Total assets	**7,711.3**	**7,115.1**	**5,090.8**
Liabilities			
Bank borrowings	1,788.8	1,662.3	826.6
Deferred tax liabilities	553.7	552.6	398.9
Provisions and other liabilities	2,759.6	2,753.9	1,844.2
Total non-current liabilities	**5,102.2**	**4,968.9**	**3,069.6**
Bank borrowings	358.4	177.0	146.0
Trade accounts payable	212.1	238.9	166.5
Other current liabilities	1,024.1	749.7	642.0
Income tax	55.3	29.1	18.2
Total current liabilities	**1,649.9**	**1,194.6**	**972.7**
Equity			
Share capital	144.0	114.7	4.2
Reserves and retained earnings	1,087.9	877.8	1,127.9
Unrealized gains (losses) reserve	10.9	30.3	(8.5)
Treasury shares	(105.9)	-	-
Interim dividend	(80.0)	-	-
Cumulative translation adjustment	(107.1)	(77.9)	(83.2)
Equity attributable to the Company	**949.9**	**944.8**	**1,040.4**
Non-controlling interests	9.3	6.8	8.1
Total equity	**959.2**	**951.6**	**1,048.5**
Total equity and liabilities	**7,711.3**	**7,115.1**	**5,090.8**

Consolidated cash flow statement information

The following table sets out our consolidated cash flow statement:

	For the year ended December 31,		
	2023	**2022**	**2021**
	(€ millions)		
Profit/(loss) attributable to the Company	465.2	399.5	221.0
Profit/(loss) attributable to non-controlling interests	34.7	13.0	(22.1)
Elimination of expenses and income with no impact on cash flows:			
Depreciation and amortization	*169.7*	*145.0*	*106.5*
Deferred tax expense/income	*(19.4)*	*(32.8)*	*67.9*
Other financial income/expenses	*5.1*	*3.0*	*1.3*
Financial expenses	*54.4*	*30.0*	*25.6*
Other adjustments	*26.2*	*17.3*	*16.4*
Capital gains and losses on disposals of assets	*(0.5)*	*0.1*	*0.0*
Other non-current assets and liabilities	66.8	58.7	55.4
Profit/(loss) from associates and joint ventures	(51.3)	(55.6)	(28.5)
Gross cash flow	**750.9**	**578.2**	**443.6**
Changes in working capital (net of changes in scope and non-cash items)	(194.4)	(158.4)	67.4
Net cash from operating activities (I)	**556.5**	**419.8**	**511.0**
Purchases of property, plant and equipment and intangible	(177.9)	(151.6)	(77.2)
Disposals of property, plant and equipment and intangible	1.4	0.5	0.1
Dividends received	25.5	19.9	-
Changes in other financial assets	(4.6)	(9.5)	(30.5)
Business combinations (net of cash)	-	(840.2)	4.4
Acquisition non-controlling interests	(51.9)	(42.2)	(29.8)
Loans issued to related parties (net)	(79.1)	(24.6)	(11.9)
Net cash from investing activities (II)	**(286.6)**	**(1,047.6)**	**(145.0)**
Treasury shares	(108.4)	-	-
Dividends paid	(181.3)	(132.0)	(20.5)
Issuance bank borrowings	429.8	993.1	286.9
Repayment bank borrowings and interests	(175.3)	(164.4)	(577.4)
Repayment of lease debt	(62.8)	(52.1)	(31.3)
Net cash from financing activities (III)	**(98.0)**	**644.5**	**(342.3)**
Net effects of changes in exchange rates (IV)	**(29.0)**	**0.7**	**(0.9)**
Change in cash and cash equivalents (I+II+III+IV)	**142.9**	**17.4**	**22.9**
Cash and cash equivalents at the beginning of the year	**710.1**	**692.7**	**669.8**
Cash and cash equivalents	**852.9**	**710.1**	**692.7**

OPERATING AND FINANCIAL REVIEW

The following discussion of the financial condition and results of operations of the Company and its consolidated subsidiaries, should be read in conjunction with the information contained in the Financial Statements and related notes included elsewhere in this Prospectus. The following discussion contains forward-looking statements. See "*Cautionary Statements Regarding Forward-Looking Statements*" and "*Risk Factors*" for a discussion on the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially and adversely from those contained in any forward-looking statements. The following discussion includes certain APMs. See "*—Alternative Performance Measures*" for a discussion of APMs and how they are calculated.

Overview

We are a global player in the premium beauty industry, present in the Fragrance and Fashion, Make-up, and Skincare business segments. Our success has been the outcome of five strategic principles that have guided us over the past 20 years and that continue to be the main pillars of our strategy. These are (i) a focus on Prestige, (ii) the prioritization of our own brands, (iii) building our Niche fragrance portfolio, (iv) expanding beyond Fragrance and Fashion, and (v) implementing a curated and selective M&A strategy. These strategic principles have allowed us to drive net revenues and net profit attributable to the Company from €0.8 billion and €1.0 million, respectively, in 2004 (consolidated results of Puig, S.L.) to €4.3 billion and €465.2 million, respectively in 2023 (consolidated results of Puig Brands, S.A.). For an overview of our business, including our strategic principles, see "*Business—1. Overview*" and "*Business—3. Key strategic principles*."

Recent financial performance

Our early identification of the trend towards "premiumization" and continuous investment in our brands has allowed us to establish ourselves as one of the key global players in prestige fragrances and contributed to our internationalization, growth and margin improvement. Through both organic growth and business acquisitions, we have a portfolio of strong and cohesive, well-invested, innovative and market-leading brands across the fragrance, skincare and make-up market categories within the beauty industry. Our financial performance reflects the strong demand for our brands as well as our ability to withstand inflationary pressures by increasing prices due to the high margins that characterize the premium segment of the beauty industry. This strategy has yielded profitable and double-digit net revenue growth across all our business segments between 2021 and 2023, providing us with significant flexibility to invest in both growth initiatives and the advertising and promotion of our existing brands.

Specifically, the implementation of our strategy has resulted in:

- Net revenues increasing from €2,585.0 million in 2021 to €4,304.1 million in 2023, a 29.0% two-year CAGR;
- Like-for-like Net Revenue Growth^{APM} of 28.6% in 2022 and 18.7% in 2023;
- Adjusted EBITDA^{APM} increasing from €458.1 million in 2021 to €862.7 million in 2023, a 37.2% two-year CAGR, with Adjusted EBITDA Margin^{APM} growing from 17.7% in 2021 to 20.0% in 2023;
- Gross Margin^{APM} growing from 72.9% in 2021 to 74.7% in 2023;
- Net profit attributable to the Company increasing from €221.0 million in 2021 to €465.2 million in 2023, a 45.1% two-year CAGR, with Net Profit Margin^{APM} growing from 8.6% in 2021 to 10.8% in 2023; and
- Adjusted Net Profit^{APM} increasing from €268.4 million in 2021 to €477.5 million in 2023, a 33.4% two-year CAGR, with Adjusted Net Profit Margin^{APM} growing from 10.4% in 2021 to 11.1% in 2023.

Key Factors Affecting Our Results of Operations

Our results of operations are primarily affected by the factors set out below and in the section headed "*Risk Factors*" in this Prospectus.

Market demand for our products

Our results of operations depend substantially on consumer demand for beauty products. Demand for our products can fluctuate based on a variety of factors, including the general level of consumer spending, changes in consumer preferences, economic and geopolitical conditions, and cultural and social trends.

During the years under review, changes in consumer trends and preferences have enhanced demand for our products, positively affecting our results of operations and financial condition. We have been particularly successful in adapting to and benefiting from the "premiumization" of the beauty market, a long-term trend characterized by greater market demand for higher quality and luxury products. It is around this trend that we have built our iconic range of Premium Love Brands comprising our Prestige, Niche, Dermo-Cosmetics, Skincare Wellness and Lifestyle portfolio categories. This trend had a significant effect on our results of operations during the years under review.

Additionally, during the years under review, there has been an increase in consumer self-care awareness, resulting in greater spending in the beauty, personal care and wellness categories. We also saw demand for beauty and cosmetic products, notably fragrances, increase somewhat as consumers participated increasingly in social activities.

We continue to monitor how these evolving trends and shifts in consumer behavior affect demand and remain committed to innovating and expanding our product range to meet it.

Product innovation and new products launches

We operate within the fast-paced and trend-driven beauty industry. As part of our strategy, we strive to continually innovate and launch new products in the market in order to generate and maintain consumer interest, meet changing consumer demands and enhance our competitive position. Our ability to successfully develop and launch new products when appropriate is therefore critical to our success and, in particular, our ability to attract, engage and retain consumers, which is key to our continued net revenue growth.

We have a strong track record of developing disruptive new products. For example, during the years under review, we have launched a significant number of blockbuster products in Fragrance and Fashion within the Prestige portfolio category such as "Phantom" (2021) and "Fame" (2022), as well as successful extensions of existing products such as "1 Million Elixir" (2022) by Rabanne, "Scandal for Him" (2022) and "Gaultier Divine" (2023) by Jean Paul Gaultier, and "Good Girl Blush" (2023) by Carolina Herrera. We estimate that in Make-up, Charlotte Tilbury has established itself as the number one brand in the make-up market category in the UK, its home market, and top five in the U.S., in terms of VMS (*source: Company Industry Sources, as of 2023*), while in Skincare we have achieved a strong market position through our Apivita and Uriage brands. Between 2021 and 2023, Apivita launched the "Mini Bee" and "Queen Bee" product franchises, while Uriage launched "Age Absolu" and its updated formula of the "Bariésun" solar product franchise. Alongside continued growth in our existing brands and core markets, these new launches have contributed to the increase of our net revenues during the years under review.

Developing and launching new products requires substantial expenditure across all three of our business segments for initial product development and roll-out into the market. These launches require us to incur development costs, advertising and promotion expenses and selling, general and administrative expenses. However, these expenditures in product development enable us to develop an attractive and updated product mix, which helps maintain the desirability of our brands, increase consumer loyalty and encourage purchases.

We believe our robust in-house product design and development capabilities enable us to continue to develop innovative products and anticipate that a meaningful portion of our future growth will come from new product development and innovation. Our attention in this area is a critical component of our growth plan, and our performance will depend, in part, on our ability to continue to innovate and to launch new products.

Advertising and promotion expenses

Our results of operations are linked to our ability to attract and retain consumers for both existing and new products. We are dependent on the effectiveness of our advertising and promotion efforts and the efficiency of our advertising expenditures, which serve to generate consumer awareness of our brands and sales of our products. In particular, advertising expenses help us to create brand awareness and attract new consumers, which can increase our net revenues and potentially lead to more predictable and robust cash flows over time.

Because we operate in the premium segment of the beauty industry, we benefit from healthy margins, which allows us to reinvest cash generated from operations in the advertising and promotion of our products. We believe in using a portion of net revenue growth to expand advertising and promotion efforts, which we view as a valuable investment in our brands and an engine of continued future growth.

The amount we spend on advertising and promotion expenses is directly linked to the level of maturity of the brand and the leadership position the brand holds in specific markets. A less mature brand requires a higher investment in advertising and promotion to obtain visibility and growth. Once we achieve a certain level of scale and leadership position in a specific market (as we have with some of our brands in certain of our core markets), we are able to generate economies of scale in advertising and promotion expenses.

In 2023 our advertising and promotion expenses amounted to €1,338.1 million (€1,099.7 million and €839.0 million for the years ended December 31, 2022 and 2021, respectively) representing 31.1% of our net revenue (30.4% and 32.5% for the years ended December 31, 2022 and 2021, respectively).

We continue to evolve our advertising and promotion strategies focusing on both the amount we spend and where we spend it. Furthermore, the way we advertise and promote our products is directly linked to the way our portfolio of brands is structured: each brand has a unique purpose and identity that we adapt through advertising and promotion to account for the characteristics of local markets. As a result, our future growth and profitability will depend in part on our continued ability to adapt our advertising and promotion strategies to specific markets to generate consumer awareness and sales of our products.

Product mix, "premiumization" and distribution

Our mix of products and the way we distribute them impacts our results of operations. We operate in premium beauty. As the trend towards the "premiumization" of the beauty market continues, we have premiumized our portfolio, which has resulted in an increase in the average price points of the mix of products we sell. This evolution has positively affected our net revenue and gross profit, independent of any price increases due to inflation.

The evolution of premium beauty also affects how we distribute our products. Specifically, consumer shopping preferences have shifted, and may continue to shift in the future, to distribution channels such as DTC sales and e-commerce. For certain brands and markets, particularly in the Niche portfolio category, distribution through DTC channels can lead to higher prices and higher margins, which can further enhance the positive effect of product mix and "premiumization" on our results of operations.

At the same time, the expansion of our DTC business presents challenges for logistics and fulfillment as well as additional regulatory compliance burdens. In addition, expansion of DTC through digital channels, entails significant investment in technology, while DTC through own stores involves higher fixed costs in the form of leases and personnel costs. As of December 31, 2021, 2022 and 2023, we had 79, 241 and 276 own stores, respectively, including monobrand stores, multi-brand stores and in some cases monobrand shops within department stores ("shop-in-shop"). The 162-own store increase during 2022 included 128 own stores attributable to the acquisitions of Byredo, Loto del Sur and Kama Ayurveda.

Business combinations

As part of our growth strategy, we explore and undertake opportunities to acquire other brands and assets and have done so over the past several years. We have a very disciplined and curated strategy towards M&A, in which we have been focused on complementing our portfolio and incorporating scale and capabilities to

better serve our existing consumers and to attract new consumers. If we continue to selectively pursue acquisitions, the implementation of our strategy towards M&A could continue influencing our results of operations and financial condition in future periods. For additional information on our business combinations, see Note 4 to our Financial Statements.

In 2022, we carried out three acquisitions, which have had a significant impact on our results of operations:

- In June 2022, we acquired a majority stake (77%) of the Swedish luxury brand Byredo for €826.2 million in cash and an earn-out to be calculated based on the results of Byredo after our acquisition. Byredo is a Niche brand that represents a new type of luxury culture, the "quiet" and inclusive modern luxury. The amount of net revenues and pre-tax profit attributable to Byredo from the acquisition date until December 31, 2022, was €101.0 million and €9.3 million, respectively. If the business combination had been completed on January 1, 2022, the net revenue and pre-tax profit attributable to Byredo in our results would have amounted to €163.2 million and €15.8 million, respectively. See "*Business—14. Material Contracts—14.2 Byredo Acquisition*".
- In June 2022, we acquired a 31.7% additional ownership interest in Loto del Sur on top of the 35% acquired by the Group in 2019, reaching a 66.7% total ownership interest, for €11.2 million in cash. Loto del Sur is a Skincare Wellness brand, and its value proposition is the use of natural botanical ingredients sourced from Latin America in its product formulation. The amount of net revenues and pre-tax profit attributable to Loto del Sur from the acquisition date until December 31, 2022, was €5.2 million and €0.9 million, respectively. If the business combination had been completed on January 1, 2022, the net revenue and pre-tax profit attributable to Loto del Sur integrated in our results would have amounted to €8.3 million and €1.4 million, respectively.
- In July 2022, we acquired a 36% additional ownership interest in Kama Ayurveda on top of the 49% acquired by the Group in 2019, reaching an 85% total ownership interest, for €26.2 million in cash. Kama Ayurveda is a Skincare Wellness brand based on the principles of ayurveda, a holistic healing system originated in India 3,000 years ago. The amount of net revenues and pre-tax loss attributable to Kama Ayurveda from the acquisition date until December 31, 2022, was €7.2 million and €1.0 million, respectively. If the business combination had been completed on January 1, 2022, net revenue and pre-tax loss attributable to Kama Ayurveda in our results would have amounted to €17.1 million and €1.2 million, respectively.

The results of these acquired companies are fully consolidated in our Financial Statements from the date of acquisition of control. In the case of Loto del Sur and Kama Ayurveda, results were included in our Financial Statements using the equity method until the date we acquired control. Consequently, the financial results of the year when we carry out an acquisition are not comparable to the financial results presented in the prior year or subsequent year. When explaining changes from year to year and to maintain a consistent basis between years, we use Constant Perimeter and Like-for-like (LfL) Net Revenue Growth^{APM} to provide a more homogeneous measure of net revenues and to provide a better understanding of the performance of the business. This APM reflects our organic growth by adjusting net revenues for the impact of increases in scope/perimeter of consolidation and exchange rate fluctuations. See "*—Alternative Performance Measures—Constant Perimeter and Like-for-like (LfL) Net Revenue Growth*^{APM}" for a reconciliation of Constant Perimeter and Like-for-like (LfL) Net Revenue Growth^{APM} to net revenues.

As a result of these business combinations, we recognized goodwill in connection with the acquired businesses' ability to generate future profits, the competitive advantages gained in the market and the synergies from the acquired businesses. At the date of their respective acquisitions, we recognized goodwill for an amount of €711.5 million, €25.7 million and €25.9 million in connection with the acquisition of Byredo, Loto del Sur and Kama Ayurveda, respectively. As of December 31, 2023, our goodwill amounted to €1,745.7 million (€1,727.0 million and €1,012.3 million as of December 31, 2022 and 2021, respectively). We also recorded €10.0 million of transaction costs for the three transactions (mainly arising from the acquisition of Byredo) in our consolidated income statement in 2022. In May 2022 we signed loan agreements for a total of €950.0 million maturing in 2027 primarily to finance the acquisition of Byredo and, to a lesser extent, the

acquisitions of Kama Ayurveda and Loto del Sur, and to refinance a portion of our bank borrowings. Such increased bank borrowings have had, and will continue to have, an effect on our results of operations and financial condition. See Note 24 to our Financial Statements for further information. See "*Risk Factors—4. Risks related to our indebtedness and other liabilities—4.2 Our indebtedness may make it difficult for us to service our debt*" for more information.

When we make acquisitions, we sometimes agree that the previous shareholders will retain a minority stake in the acquired entity. At the time of the acquisition, we may also enter into call and put options granting us the right or requiring us to purchase the remaining stake from the minority shareholder at the time of acquisition at certain specified dates and at prices calculated based on an adjusted multiple linked to the business performance of the related business. This is the case with recent acquisitions of Byredo, Loto del Sur and Kama Ayurveda, as well as our past acquisition of Charlotte Tilbury. We record the estimated future payment amounts under these call and put options, discounted using the weighted average cost of capital of each business, as liabilities on our balance sheet. We also record the earn-outs as liabilities on our balance sheet. At the date of their respective acquisition, we valued these liabilities at €394.0 million (Byredo), €17.8 million (Loto del Sur), €17.0 million (Kama Ayurveda) and €558.0 million (Charlotte Tilbury). The valuation of these liabilities at each balance sheet date varies based on the performance of the relevant business, the discount factor and the exchange rate. At the time that the options are exercised, and the earn-outs become due, we will be required to make payments to the minority shareholders in the amounts due. These amounts may be significant and will require us to have access to the necessary liquidity to meet our cash payment obligations. Our total liabilities from business combinations, including related earn-outs, stood at €2,384.7 million as of December 31, 2023 (including €207.0 million recorded as current liabilities). See "*—Liquidity and Capital Resources—Liabilities from business combinations*", "*—Contractual Obligations and Commitments*" and "*Risk Factors—4. Risks related to our indebtedness and other liabilities—4.1 Payment obligations in respect of minority stakes in certain brands constitute significant liabilities for us and will require us to make significant future cash outlays*" for more information.

Recent Developments

We continuously monitor the market for attractive M&A opportunities. For instance, we recently acquired a majority stake (65%) in a new business (Dr. Barbara Sturm) and entered into certain agreements to purchase the stakes of certain minority partners. The transactions, which took place after December 31, 2023 and are not reflected in our balance sheet on that date, are described below and in the sections *"Business—14. Material Contracts"* and *"Principal and Selling Shareholder—Minority Shareholders Transactions"* elsewhere in this Prospectus. As a result of the transactions with minority partners described below, we now fully own Byredo AB and will fully own Prado after Admission.

In aggregate, the Dr. Barbara Sturm Acquisition and the Minority Shareholders Transactions involve our payment in cash of €727 million (excluding the €161 million paid to Manzanita that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares) and the issuance at the Offering Price of approximately €420.4 million in new Class B Shares (including shares issued to the Manzanita LPs pursuant to the irrevocable commitment of Manzanita to invest €161 million in the subscription of new Class B Shares). Upon completion of the Minority Shareholder Transactions, liabilities from business combination will be reduced by €1,027 million.

- In January 2024, we acquired 65% of Dr. Barbara Sturm to complement our portfolio of Niche brands. The total cash consideration was €291.1 million subject to certain adjustments set out in the sale and purchase agreement, which was paid for with available cash. We agreed to an earn-out payable to the brand founder in the long term, as well as a put and call option for the remaining minority stake. As of the date of this Prospectus, the valuation of these liabilities from business combinations is ongoing. Based on the acquisition price, these liabilities would amount to €146.5 million, but the final valuation (which we expect to be higher) will depend on the business plan for Dr. Barbara Sturm, which is not yet finalized as of the date of this Prospectus. For further information, see Note 33 to our Financial Statements and "*Business—14 Material Contracts—14.3 Dr. Barbara Sturm Acquisition*".

- On March 1, 2024 (the Prado Completion Date), we agreed to acquire preference shares from BDT corresponding to the remaining 26.3% of the total number of shares that we did not already own in Prado (23.6% of the total voting rights taking into consideration the conversion of BDT preference shares into ordinary shares pursuant to Prado's articles of association), which holds 73.1% of the share capital of Charlotte Tilbury Limited, for a total consideration consisting of (i) £313.1 million in cash that we paid on the Prado Completion Date (equivalent to €366.0 million assuming an £/€ exchange rate of 1.1688 as of that date); and (ii) £208.2 million (or €243.3 million assuming an £/€ exchange rate of 1.1688 as of the Prado Completion Date), which we expect to settle through the issuance of new Class B Shares on May 2, 2024 in the Prado Share Capital Increase (as defined herein).

  In addition, as part of this transaction, Prado will accrue (from the date following the Prado Completion Date until the date of issuance of the New BDT Shares) a preferential dividend in favor of BDT for an amount of £19,438.90 per day that will be paid in cash on the date of issuance of the New BDT Shares.

- On March 1, 2024 (the Arctic Completion Date), we acquired 3% of Byredo AB from Arctic (as defined herein), a company owned by brand founder Mr. Ben Gorham, for a total consideration consisting of (i) €16.1 million in cash paid on the Arctic Completion Date; and (ii) €16.1 million, which we expect to settle through the issuance of new Class B Shares on May 2, 2024 in the Arctic Share Capital Increase (as defined herein).

- On March 1, 2024 (the Manzanita Completion Date), we acquired 20% of Byredo AB from Manzanita for a total consideration of €214.6 million in cash paid on the Manzanita Completion Date.

  As part of this transaction, Manzanita irrevocably committed to invest €161 million of the cash consideration referred to above in the subscription at the Offering Price of new Class B Shares, which will be issued by us in the Manzanita Share Capital Increase (as defined herein).

As a consequence of these transactions, we have increased our bank borrowings by €596.7 million drawn under our credit facilities in order to finance the cash consideration paid in the Minority Shareholders Transactions (which will be reduced to a net amount of €435.7 million with the €161 million that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares).

The Minority Shareholders Transactions, once completed, will reduce our business combination liabilities shown as of December 31, 2023 by a total of €1,027 million. The earn-out agreed with the brand founder of Dr. Barbara Sturm (payable in the long term), as well as a put and call option for the founder's remaining minority stake, represent additional liabilities from business combinations that are not reflected on our balance sheet as of December 31, 2023. Based on the acquisition price, these liabilities would amount to €146.5 million, but the final valuation (which we expect to be higher) will depend on the business plan for Dr. Barbara Sturm, which is not yet finalized as of the date of this Prospectus.

We expect that the execution of the Minority Shareholders Share Capital Increases (as defined herein) will be carried out after the share capital increase in respect of the New Offer Shares.

Procurement costs

We require high quality raw materials in order to manufacture our products, such as essential oils and alcohols, and also glass containers and packaging components for packaging, which we purchase from various third parties. The market price for raw materials that we require for our business depends on a wide array of factors that are out of our control and that are very difficult to predict, such as scarcity, competition between suppliers, fluctuations in raw materials indices, and inflation. As a result of the COVID-19 pandemic and the war in Ukraine, the market experienced global supply chain challenges resulting from industry-wide component shortages and transportation delays. In this context, for example, we experienced considerable price inflation for glass during 2022 due to higher energy costs but were still able to obtain an adequate supply for our needs with a robust supply chain featuring long-term relationships with suppliers.

We have usually managed to pass-through such additional costs to our consumers by adjusting our prices in accordance with changes in the price we pay for our raw materials. We have limited exposure to energy and commodity costs, which do not make up a large part of our operating expenses, and strong pricing power among consumers due to the high margins that characterize the premium segment of the beauty industry.

Foreign currency fluctuations

We operate on a global basis, with a substantial portion of our net revenues and operating profit generated outside the Eurozone. Our global operations are subject to exchange rate fluctuations and the relative costs of operating in different locations. These fluctuations have affected and may in the future affect our results of operations, the value of our foreign assets, the relative prices at which we and foreign competitors sell products in the same markets, the cost of certain inventory and non-inventory items required by our operations, the repatriation of profits from other countries in which we operate, and the relative prices at which we sell our products in different markets. In particular, the strength of the U.S. dollar had a significant positive effect of €112.0 million on our net revenues in 2022.

Our functional currency is the euro. The most significant currencies to which we are exposed are the U.S. dollar and the British pound. See "*—Liquidity and Capital Resources—Foreign Currency Exchange Risk Management*" for more information about our sensitivity to these and other currencies. To a lesser extent, we are also exposed to Latin American currencies such as the Brazilian real, the Argentine peso and the Mexican peso, among others. The exchange rates between these currencies and the euro in recent years have fluctuated significantly and may continue to do so in the future. A depreciation of these currencies against the euro decreases the euro equivalent of the amounts derived from foreign operations reported in our Financial Statements and an appreciation of these currencies results in a corresponding increase in such amounts.

Many of our expenses are in the same currency as our net revenues, as a result of which our exposure is limited to the difference between 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 euro would tend to negatively impact our financial condition and results of operations, whereas the depreciation of such currencies against the euro would tend to positively impact them.

To mitigate the effect of foreign currency fluctuations we implement a hedging strategy. See "*Risk Factors—Risks related to our business operations—2.6 We are subject to risks related to the global scope of our operations, including fluctuations in exchange rates*", "*—Liquidity and Capital Resources—Foreign Currency Exchange Risk Management*" and Note 25 to our Financial Statements for further information.

Description of Key Income Statement Items

The following is a brief description of our key income statement line items.

Net Revenues

We recognize revenues at the carrying amount of the consideration received. Sales agreements contain one single performance obligation that is satisfied at a point in time. There are no contracts with customers with significant financing components.

Income from the sale of finished goods is recognized when control over the goods is transferred to the consumer, which occurs when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured. This generally occurs when the goods are delivered. The Group's revenue is presented on the basis of the Group's operating business segments: Fragrance and Fashion, Make-up and Skincare.

Sales rebates include all the discounts given to end consumers, including volume-based incentives. Sales rebates and refunds are part of the sale transaction and deducted from the consideration in revenue recognition.

We receive promotional support services from certain customers, such as placing products in display stands and publishing offers, among others. These services are neither under Puig's control nor fulfill any obligation and are thus considered a rebate. These amounts are deducted from revenues for revenue recognition purposes if net revenue recognition criteria is met under IFRS 15.

In addition, we receive royalty income related to licenses that Puig's brands (Nina Ricci, Rabanne, Jean Paul Gaultier and Carolina Herrera) give to third parties to commercialize certain products such as eyewear and fashion (clothes, apparel) and accessories. We account for this income on an accrual basis based on the percentage established for each of the licenses over the sales carried out by the third parties. In addition, our net revenues include income from the manufacturing of products for third parties such as Isdin.

Cost of Sales

Cost of sales includes (i) procurement and production costs, (ii) inventory losses and (iii) gross inventory variation.

- Procurement and production costs are mainly related to the industrial production cost of products sold. This caption also includes finished goods produced by third parties.
- Inventory losses reflects obsolete stocks and slow-moving products, that, in line with our policies, have been reduced to their estimated realizable value.
- Gross inventory variation shows the difference between gross inventory for a relevant year and gross inventory for the prior year (excluding provisions for obsolete stocks and slow-moving products).

In addition, cost of sales includes the royalties paid in connection with our licensed brands, such as Christian Louboutin^{LIC}, Banderas^{LIC} and Adolfo Domínguez^{LIC}.

Distribution Expenses

Distribution expenses are expenses related to the transportation (by freight, road and rail and air) of our products from our facilities to our consumers. It also includes warehousing expenses for our products. Distribution expenses are mostly variable in nature.

Advertising and Promotion Expenses

Advertising expenses comprise:

- expenses incurred in the production and generation of advertising content that reflects the image of our brands and promotes our products;
- expenses associated with the distribution of advertising content through traditional media (tv outlets, print, and out-of-home advertising) and digital media (including investments in websites, social media platforms and influencer campaigns); and
- expenses related to events to advertise our products.

Promotion expenses comprise:

- expenses related to free of charge trials (mostly samples) to promote our products;
- expenses/amortization of furniture and decoration at the retailers' points of sale to promote and improve the visibility of our products and brands;
- store leases and running expenses for own stand-alone stores;
- expenses for personnel dedicated to the promotion and sale of our products to consumers and intermediaries, mainly located at the retailers' points of sale and own stand-alone stores;
- payments to certain retailers for their support in the form of services for the promotion of our products and brands; and

- expenses/amortization of website costs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses relate to selling, product development, as well as general administration expenses such as marketing, sales, finance, human resources, legal, IT, and other corporate functions. These expenses include personnel costs (salaries, variable compensation and benefits), professional services, office leases, depreciation of fixed assets as well as software. Also included in this line item are other expenses such as bad debt expenses and operating exchange rate differences.

Other Operational Income and Expenses

Other operational income and expenses consists of restructuring costs, transaction costs and other items.

Restructuring costs are recognized in full if they have been communicated to the relevant third parties prior to the end of the reporting period. These costs primarily include expenses such as severance payments, early retirement payments, and other expenses associated with restructuring of acquisitions or change in activity such as site closures.

Transaction costs refer to the expenses incurred for business combinations and other corporate transactions. These costs encompass various fees and expenses necessary for completing the transactions.

In recent years, other items have included sponsorship costs, exceptional legal expenses and income resulting from the termination of license agreements.

Financial Result

Financial result primarily consists of (i) finance income; (ii) finance costs and (iii) exchange gains/losses.

Finance income corresponds to (i) interest generated by investments held in financial institutions, (ii) finance income with related parties, and (iii) other finance income. In 2022, other financial income corresponded to the result from the disposal of shares in an entity in which Puig did not maintain significant influence.

Finance costs primarily consist of (i) finance costs from bank borrowings, commissions and other, (ii) finance lease expenses and (iii) other finance costs.

Finance costs from bank borrowings, commissions and other primarily refer to the interest on financial indebtedness with credit institutions (loans granted and credit lines used), as well as the costs of interest rate swaps and fees, among others.

Finance lease expenses correspond to the financial impact of applying IFRS 16 to our leases.

Other finance costs correspond to the variation of earn-outs in relation to our business combinations (as described in Note 26 to our Financial Statements).

Exchange gains/losses correspond to exchange rate gains or losses between the date of origin and the date of payment of unhedged foreign exchange receivables and liabilities as well as from measurement as of the reporting date.

Result From Associates and Joint Ventures and Impairment of Financial Assets

Associates are those entities in which we do not have control but over which we have significant influence. Joint ventures are those entities over whose activities we have joint control, established by contractual arrangement. We account for both associates and joint ventures using the equity method. Our associates and joint ventures are listed in Annex I (Puig Brands and Subsidiaries) to our Financial Statements.

The value of these investments recorded on our consolidated balance sheet includes, where applicable, the goodwill arising at the time of their respective acquisitions.

The entities that we currently account for in this line are Isdin (in which we hold a 50% stake), Granado (in which we hold a 35% stake), STL (in which we hold a 25% stake), and Scent Library (in which we hold a 15% stake). We also accounted for Loto del Sur and Kama Ayurveda using the equity method in 2021 and 2022 until we acquired control in June and July 2022, respectively, when we began to consolidate their results on our consolidated income statement using the full consolidation method.

At year end we analyze the recoverable amounts of our investments in associates and joint ventures. The recoverable amount associated with them is determined based on a value-in-use calculation using cash flow projections based on our then-in-effect business plan.

- In 2023, no impairments were recognized.
- In 2022, an impairment loss of €19.6 million was recognized on the interest held in Scent Library (China) due to the adverse impact that COVID-19 had in China, which was partially offset by a €9.0 million reversal of impairment loss in STL due to the recovery of retail after the COVID-19 pandemic.
- In 2021, an impairment loss of €6.0 million was recognized on the interest held in Kama Ayurveda Private Ltd (India), which was offset by a €6.0 million reversal of impairment loss in STL due to the recovery of retail after the COVID-19 pandemic.

Income Tax

We are subject to corporate income tax under the consolidated taxation regime in Spain, with Puig SL being responsible for such tax consolidation. In general, the Group companies otherwise pay corporate income tax on an individual basis, except in France, the United Kingdom and the United States, where taxation similarly occurs under a tax consolidation regime.

Profit (Loss) Attributable to Non-Controlling Interests

Profit (loss) attributable to non-controlling interests is the portion of our results attributable to the minority interests held by third parties in companies that are controlled but not wholly owned by us.

Critical Accounting Policies

We prepare our Financial Statements in conformity with IFRS-EU, which requires us to make estimates, assumptions and fair value judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and related disclosures.

These estimates and fair value judgments are based on historical experience and various other factors that we consider reasonable under the circumstances, and their results form the basis for determining opinions on the carrying amounts of assets and liabilities that are not readily available from other sources. These estimates and assumptions can be subjective and complex and, consequently, actual results may differ from those estimates that would result in material changes to our operating results and financial condition.

The macroeconomic assumptions used in these estimates are based on figures provided by reputable entities and are tailored to our specifications, including inflation, interest rates and exchange rates. We incorporate these macroeconomic assumptions into our business plan and strategy. However, actual results may differ from the estimates made in our business plan, both in the forecasts of business developments and in the assumptions applied for the calculations.

The most critical estimates used in applying our accounting policies relate to the following matters, as described in Note 3.17 to our Financial Statements:

- The useful life and fair value of property, plant and equipment, and intangible assets.
- The assumptions used in the purchase price allocation carried out in each business combination. In all cases, the purchase price allocation is prepared by external advisors.

- The assumptions used in determining the fair value/value in use of various Cash Generating Units or groups of them to assess the potential impairment of goodwill or other assets.
- Estimation of expected credit losses on accounts receivable and inventory obsolescence.
- Estimation of deductions from net revenues (returns and rebates).
- The fair value of financial instruments and certain unquoted financial assets.
- Assumptions used in determining the fair values of liabilities related to business combinations.
- Provisions, which are based on an estimate of amounts to be settled in the future, including those related to contractual obligations, pending litigation, and other future costs (these estimates are subject to interpretations of current facts and circumstances, projections of future events, and estimates of the financial effects of these events).
- Evaluation of the recoverability of tax credits, including carryforward tax losses and deduction rights. Deferred tax assets are recognized to the extent that future tax benefits are available against which temporary differences can be offset, based on management's assumptions regarding the amount and timing of future tax benefits.

Historical Results of Operations for the years ended December 31, 2023, 2022 and 2021

The following table presents our income statement for the years indicated, together with the percentage change between years:

	For the years ended December 31,				
	2023	Y23/Y22 % Change	2022	Y22/Y21 % Change	2021
	(€ millions, except %)				
Net revenues	**4,304.1**	**18.9**	**3,619.6**	40.0	**2,585.0**
Cost of sales	(1,088.9)	(17.5)	(927.0)	(32.4)	(699.9)
Gross profit	**3,215.2**	**19.4**	**2,692.6**	**42.8**	**1,885.1**
Distribution expenses	(217.7)	1.8	(221.7)	(60.4)	(138.2)
Advertising and promotion expenses	(1,338.1)	(21.7)	(1,099.7)	(31.1)	(839.0)
Selling, general and administrative expenses	(966.4)	(15.8)	(834.8)	(50.1)	(556.3)
Operating profit	**693.0**	**29.2**	**536.5**	**52.6**	**351.6**
Other operational income and expenses	(13.8)	68.4	(43.5)	(224.5)	35.0
Operational profit	**679.2**	**37.8**	**493.0**	**27.5**	**386.5**
Financial result	(87.4)	150.7	(34.9)	44.1	(62.4)
Result from associates and joint ventures and impairment of financial assets	51.3	(7.7)	55.6	95.2	28.5
Profit before tax	**643.2**	**25.2**	**513.7**	**45.7**	**352.7**
Income tax	(143.3)	(41.6)	(101.2)	34.2	(153.7)
Net profit for the year	**499.9**	**21.2**	**412.5**	**107.4**	**198.9**
Non-controlling interests	(34.7)	(166.9)	(13.0)	(158.9)	22.1
Net profit attributable to the Company	**465.2**	**16.5**	**399.5**	**80.7**	**221.0**

Net Revenues

In 2023, net revenues increased 18.9% to €4,304.1 from €3,619.6 million in 2022, continuing the positive growth trajectory from previous years, reflecting (i) strong organic growth in our core markets across all business segments due to the desirability of our brands and the strong demand of our products; (ii) continued growth within the global beauty industry, which was partially offset by the impact of inflation and higher interest rates on demand; (iii) our success in effecting global price increases to pass through the impact of inflation; (iv) the contribution to our net revenue of Byredo, Kama Ayurveda and Loto del Sur for a full year in 2023 following our acquisition of control during 2022; and (v) the offsetting impact of foreign exchange rates due to the weakening of currencies like the U.S. dollar against the euro during 2023.

In 2022, net revenues increased 40% to €3,619.6 million from €2,585.0 million in 2021, primarily due to (i) strong organic performance in our own brands across all business segments due to the desirability of our brands and the strong demand of our products, (ii) growth within the global beauty industry after the recovery of consumer spending alongside the lifting of COVID-19 restrictions, which was partially offset by the impact on demand of inflation and rising interest rates, (iii) the strength of the U.S. dollar, with the United States being our largest geographical market, (iv) a global price increase policy (adjusted to account for the local markets) to reflect the impact of inflation, and (v) the contribution to our results of Byredo, Kama Ayurveda and Loto del Sur in 2022 following their respective dates of acquisition of control.

Like-for-like (LfL) Net Revenue Growth^{APM} reflects our organic growth by adjusting net revenues for the impact of (i) changes in scope/perimeter, by deducting from net revenues for the relevant year the amount of net revenues generated over the months during which the acquired entities/brands were not consolidated in the prior year and (ii) exchange rates fluctuations, calculated as the difference between net revenues for the relevant year at that year's exchange rates against the euro and net revenues in the that same year at the prior year's exchange rates against the euro, using the annual average exchange rate. See "—*Alternative Performance Measures*" below for additional information.

The strength of our organic performance during the periods under review is shown by a Like-for-like (LfL) Net Revenue Growth^{APM} of 18.7% and 28.6% in 2023 and 2022, respectively. The impact of exchange rate fluctuations accounted for a 2.3% net revenue reduction in 2023 compared to 7.1% net revenue growth in 2022, while changes in scope of consolidation accounted for 2.4% of net revenue growth in 2023 and 4.4% of net revenue growth in 2022. Together they account for the difference between net revenue growth of 18.9% in 2023 and 40% in 2022 and Like-for-like (LfL) Net Revenue Growth^{APM} during those periods.

Net Revenues by Business Segment

The following table presents our net revenues by business segment for the years indicated together with the percentage change between years:

	For the years ended December 31,				
	2023	**Y23/Y22 % Change**	**2022**	**Y22/Y21 % Change**	**2021**
	(€ millions, except %)				
Fragrance and Fashion	3,115.0	16.6	2,671.5	40.5	1,902.0
Make-up	773.1	23.5	626.0	51.5	413.3
Skincare	430.9	30.9	329.1	19.7	274.9
Intersegment eliminations	(14.9)		(7.1)		(5.2)
Total	**4,304.1**	18.9	**3,619.6**	**40.0**	**2,585.0**

Net revenues grew at double digits across all our business segments in 2023, with Fragrance and Fashion being the main contributor in absolute terms (an increase of €443.5 million, or 16.6%, compared to 2022),

followed by Make-up (an increase of €147.1 million, or 23.5%, compared to 2022) and Skincare (an increase of €101.7 million, or 30.9%, compared to 2022) as further described below.

In 2022, all business segments saw double-digit growth in net revenues compared to 2021, with Fragrance and Fashion being the main contributor in absolute terms (an increase of €769.6 million or 40.5% growth compared to 2021), followed by Make-up (an increase of €212.7 million or 51.5% growth compared to 2021) and Skincare (an increase of €54.2 million or 19.7% growth compared to 2021) as further described below.

The growth in our Fragrance and Fashion business segment during the periods under review was primarily due to the growth of our Prestige brands, whereas growth in our Make-up and Skincare business segments was primarily due to the growth of Charlotte Tilbury. Additionally, revenue growth over this period benefited from the impact of the incorporation to our brand portfolio of Byredo on Fragrance and Fashion and the incorporation of Loto del Sur and Kama Ayurveda on Skincare. The overall increase in net revenues reflects the diversification of the portfolio by business segment and the connections between the segments. Many of the brands, while maintaining their core business in one segment, have expanded into other segments over the years.

Fragrance and Fashion

In 2023, net revenues in the Fragrance and Fashion business segment increased by 16.6% to €3,115.0 from €2,671.5 million in 2022 (with a Constant Perimeter Net Revenue Growth[APM] of 13.9%). We estimate this was equivalent to a VMS of 10.9% in the Selective Fragrance Market globally (*source: Company Industry Sources, as of 2023*), thereby achieving an estimated top four position worldwide (*source: Company Industry Sources, as of 2023*). In Fragrance (with Fashion representing less than 5% of our net revenues in 2023), this increase was primarily driven by:

(i) an increase in net revenues from the Prestige portfolio category, particularly in North America and EMEA, driven by the success of existing products in brands such as:

- Rabanne, which surpassed €1 billion in net revenues for the first time in 2023, driven by the success of blockbusters such as "1 Million" and continued positive growth from the launches of "Phantom" and "Fame" in 2021 and 2022, respectively;
- Carolina Herrera with "Good Girl", which continued to perform in line with previous years and reached the top two of women's fragrances globally and the top two in the U.S. in 2023 (*source: Company Industry Sources, as of 2023*); and
- Jean Paul Gaultier, which continues to build momentum with the successful launches of new products in 2023 and the success of existing products (including fragrances such as "Les Males" and "Classiques");

(ii) significant growth in net revenues coming from the Niche portfolio category, primarily from:

- Byredo, which has grown at a double-digit rate, and whose main impact in 2023 came from its consolidation in our annual results for a full year; and
- Dries Van Noten and Penhaligon's, both of which showed strong growth. Dries Van Noten is the fastest growing Niche brand in our portfolio. Following the launch of its first perfume and beauty collection in 2022, Dries Van Noten opened a dedicated perfume, beauty and accessories store in Paris this year. Meanwhile, Penhaligon's finished 2023 by paying tribute to its founder with the launch of its "Potions & Remedies" collection;

(iii) new product launches, including "Good Girl Blush" and "Bad Boy Extreme" by Carolina Herrera, consolidating its position as a top six fragrance brand worldwide (*source: Company Industry Sources, as of 2023*); "1 Million" and "Lady Million Royal", "Invictus Victory Elixir", "Olympéa Flora" and "Fame" and "Phantom" perfumes by Rabanne; "Le Male Elixir" and "Gaultier Divine" by Jean Paul Gaultier, which we estimate is among the top 10 women's

launches of 2023 and number one in Europe (*source: Company Industry Sources, as of 2023*); and "Animalique" by Byredo, which reached the top five of the brand's best-selling fragrances in most markets within the first month of its launch (*source: Company Industry Sources, as of 2023*).

In 2022, net revenues in the Fragrance and Fashion business segment increased 40.5% to €2,671.5 million from €1,902.0 million in 2021 (with a Constant Perimeter Net Revenue Growth^APM of 35.1%). We estimate this was equivalent to a VMS of 10.2% in the Selective Fragrance Market globally (*source: Company Industry Sources, as of 2022*), thereby achieving an estimated top five position worldwide (*source: Company Industry Sources, as of 2022*). In Fragrance (with Fashion representing less than 5% of our net revenues in 2022), this increase was primarily driven by:

(i) an increase in net revenues from the Prestige portfolio category, particularly in North America and Europe, primarily from:

- superior growth in our Prestige brands, driven by the success of existing products within the Prestige portfolio category in brands such as Rabanne, which we estimate were ranked in the world's top five fragrance brands (*source: Company Industry Sources, as of 2022*), Carolina Herrera and Jean Paul Gaultier; and
- new product launches across our brands, including the "Fame" fragrance by Rabanne, "Very Good Girl" by Carolina Herrera (out of one of its blockbuster products, the "Good Girl" fragrance), and the launch of "Scandal for Him" in 2022 within the "Scandal" blockbuster by Jean Paul Gaultier.

(ii) significant growth in net revenues coming from the Niche portfolio category, primarily from:

- the acquisition of Byredo, which has become our reference point for this portfolio category;
- superior growth attributable to the success of existing products in brands such as Penhaligon's and L'Artisan Parfumeur, both of which had strong growth in Asia; and
- new product launches, including "De Los Santos," "Eyes Closed" and "Night Veils Vanille Antique" by Byredo; "The World According to Arthur," which is the latest addition to the "Portraits" collection and "Highgrove Bouquet," designed in collaboration with the British royal family, both by Penhaligon's; "Mémoire de Roses" by L'Artisan Parfumeur; and the first perfume collection of Dries Van Noten.

Additionally, we implemented our growth plan for Niche brands in Asia with the opening of six Penhaligon's and four L'Artisan Parfumeur own stores, all in China.

Make-up

In 2023, net revenues in the Make-up business segment increased 23.5% to €773.1 from €626.0 million in 2022 (with a Constant Perimeter Net Revenue Growth^APM of 23.1%). This reflected an increase in net revenues primarily as a result of:

(i) the success of Charlotte Tilbury, which remained for another year the number one make-up brand in the UK, its home market, in terms of VMS (*source: Company Industry Sources, as of 2023*), with new launches, such as "Matt Beauty Blush Wands" and "Airbrush Flawless Lip Blur", and the continuous success of its existing product lines "Pillow Talk" and "Hollywood Flawless Filter". Charlotte Tilbury experienced significant growth in EMEA and North America where we estimate it became the number five make-up brand in the U.S. in terms of VMS despite limited distribution in the region (*source: Company Industry Sources, as of 2023*); and

(ii) new product launches across Puig's existing brands, including Rabanne's launch of its first make-up collection with "Famous Black Mascara" and "Mini and Handbag Palette", promoting

a strong feminization of the brand in line with the brand's identity as defined by the fashion segment; Carolina Herrera's launches of "Good Girl Blusher" and "Good Girl Maxi Glaze"; and Byredo's launch of its new collection with Lucia Pica.

In 2022, net revenues in the Make-up business segment increased 51.5% to €626.0 million from €413.3 million in 2021 (with a Constant Perimeter Net Revenue Growth[APM] of 51.5%), making it our business segment that grew at the highest rate in 2022. This reflected an increase in net revenues as a result of:

- the success of Charlotte Tilbury, which we estimate became the number one brand in the make-up market category in the UK, its home market, in terms of VMS (*source: Company Industry Sources, as of 2022*), strengthened its performance elsewhere in Europe, enhanced its role in the Americas due to a commercial agreement with Sephora, and reinforced its iconic "Pillow Talk" franchise;
- new product launches across our existing brands, including Christian Louboutin[LIC] launching "Teint Fétiche Le Cushion," its first facial line product, Carolina Herrera launching its first capsule collection of "Fabulous Eyes" mascara and the new refillable lip shades from "Fabulous Kiss" (coupled with its continued expansion in selected points of sale), Byredo launching two iconic new products: "Astronomical Mascara" and "Liquid Lipstick," and Dries Van Noten contributing to this business segment for the first time with the launch of a collection of 30 lipsticks in refillable containers.

Skincare

In 2023, net revenues in Skincare, our fastest growing business segment, increased 30.9% to €430.9 from €329.1 million in 2022 (with a Constant Perimeter Net Revenue Growth[APM] of 26.8%). This increase was primarily driven by:

(i) the continued growth of Charlotte Tilbury, mainly in North America and in EMEA, with "Magic Cream", its star franchise in the Skincare business segment. The Magic Skin range was strengthened in 2023 with the launches of "Magic Water Cream" and "Magic Body Cream";

(ii) Our Dermo-Cosmetics brands Uriage and Apivita growing at double-digit rates, primarily in EMEA;

(iii) the performance of our two Skincare Wellness brands, Kama Ayurveda, which opened a flagship store in Notting Hill in London (its first store outside of India), and Loto del Sur, which we first consolidated for a full year in 2023; and

(iv) new product launches (other than those of Charlotte Tilbury mentioned above) including Apivita's launch of "Beevine Elixir line" an anti-aging range that restores the skin's collagen balance driven by the Propolift complex, a new patented technology developed after seven years of research; Uriage's launch of "Serum booster H.A"; and Kama Ayurveda's launches of "Eye contour renewal" and "Kumkumadi" day cream.

In 2022, net revenues in the Skincare business segment increased 19.7% to €329.1 million from €274.9 million in 2021 (with a Constant Perimeter Net Revenue Growth[APM] of 15.2%). Our Dermo-Cosmetics brands, Uriage and Apivita, and the skincare business of Charlotte Tilbury saw strong results in 2022. Skincare's growth partly relies on the success of products that are dependent on our ongoing investment in innovation and technology to continue developing science-based skincare products that respect the environment, mainly in the solar and anti-aging product ranges.

In 2022, we also acquired a majority stake in Kama Ayurveda and Loto del Sur, so their respective net revenues have been consolidated in our income statement from their respective dates of acquisition. From their respective acquisition dates to December 31, 2022, Kama Ayurveda and Loto del Sur contributed net revenues amounting to €7.2 million and €5.2 million, respectively. See Note 4 to our Financial Statements.

Net Revenues by Geographical Segment

The following table presents our net revenues by geographical segment for the years indicated together with the percentage change between years:

	For the years ended December 31,				
	2023	**Y23/Y22 % Change**	**2022**	**Y22/Y21 % Change**	**2021**
	(€ millions, except %)				
EMEA	2,322.1	18.5	1,959.9	30.8	1,498.0
Americas	1,543.0	17.6	1,311.9	56.4	839.0
Asia-Pacific	439.0	26.2	347.8	40.2	248.1
Total	**4,304.1**	**18.9**	**3,619.6**	**40.0**	**2,585.0**

In 2023, net revenues grew across all of our geographic segments. EMEA was the main contributor in absolute terms (an increase of €362.2 million or 18.5% growth compared to 2022), followed by the Americas (an increase of €231.1 million or 17.6% growth compared to 2022) and Asia-Pacific (an increase of €91.2 million or 26.2% growth compared to 2022), which was our fastest-growing geographic segment.

In 2022, performance was strong across all geographic segments, indicating a good diversification of growth, with all regions showing net revenue growth above 30%. Specifically, the Americas was the fastest growing segment (an increase of €472.9 million or 56.4% growth compared to 2021), followed by EMEA (an increase of €461.9 million or 30.8% growth compared to 2021) and Asia-Pacific (an increase of €99.7 million or 40.2% growth compared to 2021). These results enhanced our geographical diversification, increasing the importance of the Americas and Asia-Pacific to our business.

EMEA

In 2023, net revenues in EMEA increased 18.5% to €2,322.1 from €1,959.9 million in 2022 (with a Constant Perimeter Net Revenue Growth^{APM} of 17.0%), reflecting above-market growth in 2023, as we estimate we gained market share in this region for three consecutive years (source: *Company Industry Sources, as of 2023*). In particular, growth was led by the selective fragrance segment, as a result of which we estimate that in 2023 we achieved a VMS of 12.3% in the Selective Fragrance Market in Europe (*source: Company Industry Sources, as of 2023*).

A key highlight in this region was Charlotte Tilbury's continued leadership position in the UK, and its expansion to Poland and Sweden. Additionally, Kama Ayurveda opened a flagship store in Notting Hill in London, and Dermo-Cosmetics brands Uriage and Apivita grew at double-digit rates in this region in 2023. Europe is the home market for the majority of our brands, which reinforces our positioning on this continent. Our net revenues grew in the main markets of the region, which by decreasing size are the UK, Spain and France, with these three markets being within our top five worldwide.

In the Middle East, there was a notable evolution in fragrances of the Niche category, and we strengthened our structure in the region with the establishment of a subsidiary in the UAE (Puig Emirates) to capitalize on growth opportunities. In our Make-up business segment, Charlotte Tilbury continued showing strong performance in the region, now also including a presence in Saudi Arabia.

In 2022, net revenues in EMEA increased 30.8% to €1,959.9 million from €1,498.0 million in 2021 (with a Constant Perimeter Net Revenue Growth^{APM} of 28.3%). Net revenues grew in Europe's largest markets for us, which by decreasing size were the UK, Spain and France. Consumers increased purchases in physical stores and the use of beauty products, partially offset by the increase in inflation and geopolitical tensions affecting consumer spending.

In our Fragrance and Fashion business segment, we estimate that in 2022 we achieved a VMS of 12.1% in fragrances (*source: Company Industry Sources, as of 2022*), a higher figure than that in the Selective Fragrance Market due to the greater representations of our brands in this region.

Across this geographic segment, our Prestige brands had the strongest contribution to net revenue growth, primarily in the Fragrance and Fashion business segment, mainly from Rabanne, Carolina Herrera and Jean Paul Gaultier. Our Niche brands were an additional driver, particularly due to the incorporation of Byredo. The Make-up business segment was driven by the expansion of Charlotte Tilbury. Furthermore, we also launched the first Dries Van Noten collection of fragrances and make-up line.

In the Middle East, we grew significantly in the Niche portfolio category and in the Make-up business segment.

Americas

In 2023, net revenues in the Americas increased 17.6% to €1,543.0 from €1,311.9 million in 2022 (with a Constant Perimeter Net Revenue Growth[APM] of 16.2%), driven by our three main markets: the U.S., Brazil, and Mexico. All three are among our top ten markets worldwide.

The Americas geographical segment is divided into two areas with distinct characteristics:

(i) in North America (the U.S. and Canada), our top market in terms of net revenues is the U.S. (the largest beauty market in the world), where we are considered the fastest-growing company in the sector, with an estimated value market share in Make-up of approximately 8% in 2023 (*source: Company Industry Sources, as of 2023*). In this region, Fragrance and Fashion remains our main business segment, although in 2023 we expanded our Make-up business segment thanks to the launch of Rabanne's make-up offering as part of our strategy to expand and elevate Prestige brands. The increase in the Make-up business segment was primarily driven by the success of Charlotte Tilbury, which we estimate became the number five prestige make-up brand in the United States, in terms of VMS (*source: Company Industry Sources, as of 2023*) despite limited distribution in the region; and

(ii) in Latin America, the Fragrance and Fashion business segment was the most significant, and the main markets by net revenue ranking were Brazil, Mexico and Chile, countries where we estimate we continued to be the market leader in 2023 (*source: Company Industry Sources; as of 2023*).

Carolina Herrera remained the leading brand of our Prestige portfolio in this region, thanks to "Good Girl," which we estimate achieved the top two position in the U.S. and was the market leader in Latin America (*Company Industry Sources; as of 2023*), followed by Rabanne and Jean Paul Gaultier, all three of which are within the top ten in Latin America (*source: Company Industry Sources, as of 2023*). The consolidation of Loto del Sur strengthened our significant positions within the Skincare Wellness category in the region, primarily in Colombia, where the brand has more than 20 own stores.

In 2022, net revenues in the Americas increased 56.4% (the highest increase among all our geographical segments) to €1,311.9 million from €839.0 million in 2021 (with a Constant Perimeter Net Revenue Growth[APM] of 52.9%), driven by our three largest markets in this segment: the U.S., Brazil and Mexico. We also benefitted from the strength of the U.S. dollar.

In the United States, the Prestige fragrances of Rabanne, Carolina Herrera and Jean Paul Gaultier in our Fragrance and Fashion business segment and Charlotte Tilbury in our Make-up segment experienced the highest growth. In the case of Charlotte Tilbury, this was largely due to a commercial agreement with Sephora. We also implemented an expansion strategy for our Niche brands, which was reinforced by the acquisition of Byredo.

In Latin America, the business segment with a higher net revenues contribution was Fragrance and Fashion, and the main markets in terms of net revenues were Brazil, Mexico and Chile, countries in which we consolidated our position as the leader in the Selective Fragrance Market in 2022 (*source: Company Industry*

Sources, as of 2022). In terms of brands, Carolina Herrera was once again the most important in the portfolio, followed by Rabanne and Jean Paul Gaultier, all three in the top 10 in Latin American rankings (*source: Company Industry Sources, as of 2022*). We reinforced our position in Colombia with the acquisition of Loto del Sur.

Asia-Pacific

In 2023, net revenues in Asia-Pacific increased 26.2% to €439.0 from €347.8 million in 2022 (with a Constant Perimeter Net Revenue Growth[APM] of 14.1%). The presence of our brands in this geographical segment is highly differentiated depending on the characteristics of each market. Charlotte Tilbury continued to remain the largest brand in Asia-Pacific in our portfolio and Byredo was the fastest-growing brand. Furthermore, we continued to increase our presence by opening new stores for Carolina Herrera, Penhaligon's, L'Artisan Parfumeur, Byredo, and Christian Louboutin[LIC].

The consolidation in our annual results of the Indian brand Kama Ayurveda, acquired in 2022, reinforced our presence in the Skincare Wellness category and the brand's position in India and the Asia-Pacific geographic segment, in addition to expanding our DTC presence with more than 60 own stores.

In 2022, net revenues in Asia-Pacific increased 40.2% to €347.8 million from €248.1 million in 2021 (with a Constant Perimeter Net Revenue Growth[APM] of 21.6%). In China, we grew net revenues strongly primarily as a result of superior growth, particularly in our Niche portfolio category, and the expansion of Penhaligon's, L'Artisan Parfumeur and Christian Louboutin[LIC] and the acquisition of Byredo. In our Make-up and Skincare business segments, Charlotte Tilbury saw strong growth. This growth was partially offset by the government's zero-COVID policy measures that adversely impacted domestic consumption. Outside China, the expansion of our Prestige brands drove our net revenues increase in Oceania. We have accelerated our presence in Asia-Pacific by increasing the number of own stores.

In July 2022, we began consolidating the Indian brand Kama Ayurveda.

Cost of Sales

In 2023, cost of sales increased 17.5% to €1,088.9 from €927.0 million in 2022, primarily reflecting increased sales of our products for the reasons set out above. As in prior years, we continued to pass through to consumers the effect of inflation through price increases. Cost of sales also increased in part due to inventory losses caused by the increased level of provisions for inventory obsolescence, particularly in the Chinese market, where demand grew below expectations, but these were partially offset by greater cost control in the acquisition of raw materials and the continued implementation of efficiency initiatives. As a result, cost of sales as a percentage of net revenues decreased slightly from 25.6% to 25.3%.

In 2022, cost of sales increased 32.4% to €927.0 million from €699.9 million in 2021 due to the increase in sales of our products (for the reasons set out above). The effect of inflation, which was reflected in higher prices for components (for example, an increase in the price of glass due to higher energy prices), was generally passed on to our consumers through price increases. As a result, cost of sales as a percentage of net revenues decreased from 27.1% to 25.6%.

Gross Profit

In 2023, gross profit increased 19.4% to €3,215.2 from €2,692.6 million in 2022 and Gross Margin[APM] increased to 74.7% in 2023 from 74.4% in 2022 primarily reflecting the premiumization of the portfolio and manufacturing efficiency initiatives and the health of our brands, partially offset by adverse foreign exchange fluctuations.

In 2022, gross profit increased 42.8% to €2,692.6 million from €1,885.1 million in 2021, and Gross Margin[APM] increased to 74.4% from 72.9% in 2021 largely due to our success in adapting to and benefiting from the "premiumization" of the beauty market, featuring a mix of products across both Prestige and Niche portfolio categories that allowed us to increase the price of our products.

Distribution Expenses

In 2023, distribution expenses decreased 1.8% to €217.7 million from €221.7 million in 2022, primarily reflecting the easing of the logistics and global shipping challenges experienced during 2022.

In 2022, distribution expenses increased 60.4% to €221.7 million from €138.2 million in 2021, reflecting an increase in sales that led to an increased volume of products we distributed to consumers, as well as higher freight costs, particularly due to global shipping challenges that required us to increase our reliance on air freight, which is more expensive than land or sea transport, to ensure an adequate level of service for our consumers and retailers.

As a percentage of net revenues, distribution expenses decreased to 5.1% in 2023 from 6.1% in 2022 after increasing from 5.3% in 2021.

Advertising and Promotion Expenses

In 2023, advertising and promotional expenses increased 21.7% to €1,338.1 million from €1,099.7 million in 2022, primarily due to:

(i) our efforts to support and increase the leadership position of our brands, to which we were able to dedicate a higher level of resources due to the strong growth in net revenues experienced in period years and that we could re-invest; and

(ii) further growth in own stores in the DTC channel (which increased from 241 own stores in 2022 to 276 own stores in 2023).

The amount we spend on advertising and promotion expenses is directly linked to the level of maturity of the brand and the leadership position it holds in specific markets. A less mature brand requires a higher investment in advertising and promotion to obtain visibility and growth. Once we achieve a certain level of scale and leadership position in a specific market (as we have with some of our brands in certain of our core markets), we are able to generate economies of scale in advertising and promotion expenses. In 2023, we significantly increased our investment in advertising and promotional expenses to fuel growth through increased brand awareness.

In 2022, advertising and promotional expenses increased 31.1% to €1,099.7 million from €839.0 million in 2021, primarily due to:

(i) an increase in our net revenues driven by both organic growth and business combinations, which allowed us to spend more resources on the advertising and promotion of our products;

(ii) growth in own stores in the DTC channel (which increased from 79 own stores in 2021 to 241 own stores in 2022), driven both by our organic growth (which accounted for 34 additional own stores in 2022) and from the three business combinations we undertook in 2022 (which accounted for 128 additional own stores), including by the growth of our Niche portfolio category, which is more DTC-focused; and

(iii) the achievement of scale as reflected in higher net revenues in 2022 compared to 2021, when we had a smaller business base, which allowed us to increase our investment in brands through advertising and promotion.

As a percentage of net revenues, advertising and promotional expenses increased to 31.1% in 2023 from 30.4% in 2022 after decreasing from 32.5% in 2021.

Selling, General and Administrative Expenses

In 2023, selling, general and administrative expenses increased 15.8% to €966.4 million from €834.8 million in 2022, primarily reflecting:

(i) further structural growth to support the overall increase in revenues, as well as the building of a broader employee base as a foundation for future growth;

(ii) compound growth in salaries; and

(iii) further integration of our newly acquired brands.

In 2022, selling, general and administrative expenses increased 50.1% to €834.8 million from €556.3 million in, primarily reflecting:

(i) structural growth to support the overall increase in revenues;

(ii) the integration of our newly acquired brands; and

(iii) an increase in foreign exchange losses resulting from hedging transactions.

As a percentage of net revenues, selling, general and administrative expenses decreased to 22.5% in 2023 from 23.1% in 2022 after increasing from 21.5% in 2021.

Operating Profit

As a result of the foregoing, in 2023, operating profit increased 29.2% to €693.0 million from €536.5 million in 2022.

In 2022, operating profit increased 52.6% to €536.5 million from €351.6 million in 2021

Operating Margin[APM] increased to 16.1% in 2023 from 14.8% in 2022 and from 13.6% in 2021.

Operating Profit by Business Segment

The following table presents our operating profit by business segment for the years indicated together with the percentage change between years:

	For the years ended December 31,				
	2023	**Y23/Y22 % Change**	**2022**	**Y22/Y21 % Change**	**2021**
	(€ millions, except %)				
Fragrance and Fashion	587.2	23.9	473.9	60.0	296.2
Make-up	62.2	77.2	35.1	77.5	19.8
Skincare	43.6	58.6	27.5	(22.8)	35.6
Total	**693.0**	**29.2**	**536.5**	**52.6**	**351.6**

Fragrance and Fashion

In 2023, operating profit for Fragrance and Fashion increased 23.9% to €587.2 from €473.9 million in 2022, and Operating Margin[APM] increased to 18.9% in 2023 from 17.7% in 2022. These increases primarily reflect the continued positive performance of our Prestige brands, particularly in our core markets in EMEA and the Americas, where we have a strong presence and leadership positions thereby contributing to greater profitability.

In 2022, operating profit for Fragrance and Fashion increased 60% to €473.9 million from €296.2 million in 2021, and Operating Margin[APM] increased to 17.7% from 15.6% in 2021. These increases primarily reflect the growth of net revenues in the business segment as a result of superior growth in our core portfolio categories, new product launches across our existing brands, and the incorporation of Byredo into our Niche portfolio category. The achievement of a leadership position in certain markets allowed us to achieve greater profitability by spreading our advertising and promotion expenses and selling, general and administrative expenses in this business segment across a larger net revenue base.

Make-up

In 2023, operating profit for Make-up increased 77.2% to €62.2 million from €35.1 million in 2022, and Operating Margin[APM] increased to 8.0% in 2023 from 5.6% in 2022. These increases primarily reflect the continued positive performance of Charlotte Tilbury, partially offset by the fact that several of our other brands within the Make-up business segment are in early stages of development and therefore have not reached the scale necessary to obtain greater profitability. For example, the recent launch of Rabanne's make-up offering requires higher levels of investment as we start to build its presence in this business segment, which limits profitability in the short-term.

In 2022, operating profit for Make-up increased 77.5% to €35.1 million from €19.8 million in 2021, Operating Margin[APM] increased to 5.6% from 4.8% in 2021, primarily reflecting the strong performance of Charlotte Tilbury. This increase was partially offset by higher advertising and promotion expenses and selling, general and administrative expenses incurred in building the scale of some of our brands, such as Carolina Herrera, Dries Van Noten and Christian Louboutin[LIC].

Skincare

In 2023, operating profit for Skincare increased 58.6% to €43.6 million from €27.5 million in 2022, and Operating Margin[APM] increased to 10.1% in 2023 from 8.3% in 2022 These increases primarily reflect the continued positive performance of Charlotte Tilbury and the achievement of economies of scale benefitting our expense levels for both advertising and promotion and selling, general and administrative.

In 2022, operating profit for Skincare decreased 22.8% to €27.5 million from €35.6 million in 2021, and Operating Margin[APM] decreased to 8.4% from 12.9% in 2021. These decreases primarily reflect the organizational changes in China in our dermo-cosmetic brands to move from a distributor model to a subsidiary model of wholesaling, which negatively affected profitability.

Other Operational Income and Expenses

In 2023, other operational income and expenses were an expense of €13.8 million compared to an expense of €43.5 million in 2022, resulting from lower transaction costs (which included expenses related to the Offering amounting to €5.2 million) due to the absence in 2023 of business combinations and the associated expenses and professional fees and lower restructuring costs and other items. In 2023, other items included (i) costs of the sponsorship of the Puig woman's America's cup amounting to €4.4 million, (ii) exceptional legal expenses amounting to €2.5 million and (iii) income of €2.4 million resulting from the termination of a license agreement.

In 2022, other operational income and expenses changed to an expense of €43.5 million in 2022 from an income of €35.0 million in 2021, resulting from transaction costs consisting of €2.2 million expenses related to the Offering, other expenses related to the business combinations amounting to €11.1 million and business combination transaction costs amounting to €10.0 million, restructuring costs, and other items. In 2022, other items amounted to €11.6 million related to exceptional legal expenses. In 2021, other items included an extraordinary income of €35.0 million resulting from the termination of a license agreement.

Operational Profit

As a result of the foregoing, in 2023, operational profit increased 37.8% to €679.2 from €493.0 million in 2022.

In 2022, operational profit increased 27.6% to €493.0 million from €386.5 million in 2021.

Operational Margin[APM] increased to 15.8% 2023 from 13.6% in 2022 after declining from 15.0% in 2021.

Financial Result

Financial result was an expense of €87.4 million in 2023 compared to an expense of €34.9 million in 2022.

Total finance income increased to €43.6 million in 2023 from €39.2 million in 2022, primarily as a result of finance income from investments in financial institutions and others increasing to €22.0 million from €13.7 million in 2022 due to a general increase in interest rates as a result of which available cash (which was higher in 2023 than in 2022 due to increased borrowings) generated higher interest income in 2023 than in 2022.

Other finance income decreased to €19.6 million in 2023 from €23.0 million in 2022, primarily as a result of the change in the valuation of the earn-outs in relation to our business combinations.

Total finance costs increased to €85.3 million in 2023 from €64.2 million in 2022 mainly due to the higher level of bank borrowings, the annualization of loans entered into for the acquisition of Byredo in 2022 and the fact that bank borrowings totaling €400.0 million were drawn in June, 2023, which led to a higher accruing bank borrowings level in 2023 compared to 2022.

Other finance cost decreased to €25.8 million in 2023 from €31.2 million in 2022, primarily as a result of the variation of earn-outs in relation to our business combinations.

We had exchange rate losses of €45.7 million in 2023 compared to losses of €9.9 million in 2022 primarily because of the depreciation of the Argentinian peso amounting to €29.4 million and other currencies such as the U.S. dollar, Chilean peso and British pound.

Financial result was an expense of €34.9 million in 2022 compared to an expense of €62.4 million in 2021.

Total finance income increased to €39.2 million in 2022 from €5.2 million in 2021, primarily as a result of other finance income of €23.0 million in 2022 from the disposal of shares in an entity that we accounted for as a financial investment, and finance income from investments in financial institutions and others increasing to €13.7 million in 2022 from €2.7 million in 2021 due to a general increase in interest rates as a result of which available cash generated higher interest income in 2022 than in 2021.

Total finance costs decreased to €64.2 million in 2022 from €70.5 million in 2021 due to a reduction in other finance costs, which correspond to the decrease in yearly cost of earn-outs in relation to our business combinations, which declined to a cost of €31.2 million in 2022 from a cost of €43.6 million in 2021. Although the valuations of earn-outs increased overall, the largest increase of expectation of growth happened in 2021, followed by incremental increases at a lower rate in 2022 and 2023, which explains the progressively lower growth in provisions.

We had exchange rate losses of €9.9 million in 2022 compared to gains of €2.9 million in 2021 because of volatility in 2022 and depreciation of the value of the US dollar in the last quarter of 2022 (although its overall impact on revenues was positive, its depreciation in the last quarter had a negative impact due to the high amount of receivables denominated in US dollars during this period) compared to the constant depreciation of the euro against other currencies (especially the US dollar) in 2021.

Result From Associates and Joint Ventures and Impairment of Financial Assets

In 2023, result from associates and joint ventures and impairment of financial assets was a profit of €51.3 million compared to a profit of €55.6 million in 2022. The result was largely driven by a decrease in net profit in STL, along with the absence of factors other than net profit from associates that were present in 2022 (income from step acquisition (€17.3 million)), partially offset by an increase in net profit in Granado and the absence of impairment (€10.6 million).

In 2022, result from associates and joint ventures and impairment of financial assets was a profit of €55.6 million compared to a profit of €28.5 million in 2021. The increase was largely driven by (i) an increase in net profit from associates of €20.4 million, including the profit of €17.3 million recognized upon the acquisitions of majority stakes in Kama Ayurveda and Loto del Sur (€9.3 million and €8.0 million, respectively) corresponding to the remeasurement of our original ownership stake in these companies and (ii) a reversal of impairment of STL for €9.0 million due to the recovery of retail after the COVID-19 pandemic, partially offset by a net impairment of €10.6 million resulting from an impairment for Scent library for €(19.6) million due to the adverse impact that COVID-19 had in China.

Profit before Tax

In 2023, profit before tax increased 25.3% to €643.2 million from €513.7 million in 2022 for the reasons set out above.

In 2022, profit before tax increased 45.7% to €513.7 million from €352.7 million in 2021 for the reasons set forth above.

Income Tax

The following table presents our profit, provision for income taxes, and effective tax rates:

	For the years ended December 31,		
	2023	**2022**	**2021**
	(€ millions, except %)		
Profit before tax	**643.2**	**513.7**	**352.7**
Tax rate applicable in Spain (25%)	(160.8)	(128.4)	(88.2)
Net permanent differences and tax incentives and credits	6.3	18.3	(8.4)
Non-capitalized tax losses used for the year impact	(0.2)	0.6	—
Effect of application of different tax rates	10.8	4.1	5.8
Deferred taxes impact due to tax rate variations	0.3	4.4	(71.2)
Deferred tax loss capitalization from prior years	(1.6)	—	8.9
Other adjustments	(1.3)	(0.2)	(0.6)
Income tax / (expense)	**(143.3)**	**(101.2)**	**(153.7)**
Effective tax rate	**22.3%**	**19.7%**	**43.6%**

The effective income tax rate of 22.3% in 2023 was primarily due to the application of the statutory tax rate applicable in Spain.

The effective income tax rate of 19.7% in 2022 was primarily due to the application of the statutory tax rate applicable in Spain, partially offset by net permanent differences and tax incentives.

In 2021, an increase in the main rate of corporate income tax rate in the United Kingdom to 25% from 19% was announced, which led to the remeasurement of our deferred tax balances. This change had a negative impact of €70.8 million in 2021. This impact explains the higher effective tax rate of 43.6% in 2021.

On any given year, the effective rates vary from the Spanish statutory tax rate of 25% due to net permanent differences and tax incentives and credits, the impact of non-capitalized tax losses used for the year, the effect of application of different tax rates, the impact of deferred taxes due to tax rate variations, deferred tax loss capitalization from prior years, and other adjustments. Our effective tax rate could fluctuate significantly depending on whether earnings are lower or higher than anticipated in countries that have lower or higher statutory rates than Spain, as the case may be.

Net Profit for the Year

As a result of the foregoing, in 2023, net profit for the year increased 21.2% to €499.9 million from a net profit of €412.5 million in 2022. Net profit for the year as a percentage of net revenues increased to 11.6% in 2023 as compared to 11.4% in 2022.

In 2022, net profit for the year increased 107.4% to €412.5 million from €198.9 million in 2021 and grew as a percentage of net revenues to 11.4% in 2022 from 7.7% in 2021.

Liquidity and Capital Resources

Overview

Our primary sources of funds are cash from operations and bank borrowings under bank loans and lines of credit, as well as factoring of receivables.

Our principal uses of cash vary from year to year depending on our strategic priorities. In the years under review, we used cash to fund acquisitions, working capital, capital expenditures, dividends and principal and interest payments on debt. In 2024 and subsequent periods, we expect to have these same uses and will also require cash to settle the liabilities in connection with business combinations, as described below.

Year-on-year working capital movements are influenced by growth in our net revenues and the associated financing of clients. Supply chain disruptions in the post-COVID period have also led many businesses in our industry to maintain somewhat higher stocks of raw materials and inventory. Within a given year, working capital levels are also driven by the seasonality of our business, as inventory and accounts receivable increase in the months preceding the high-demand Christmas season. As we approach Christmas, we increase advertising and promotion expenditures, but this is offset by declining inventory and an increase in our accounts payable. The timing of vendor payments and factoring of trade receivables may also affect the timing and amount of our operating cash flows.

Cash Flows

The following table presents our statement of cash flows:

	For the years ended December 31,		
	2023	**2022**	**2021**
		(€ millions)	
Profit/(loss) attributable to the Company	465.2	399.5	221.0
Profit/(loss) attributable to non-controlling interests	34.7	13.0	(22.1)
Elimination of expenses and income with no impact on cash flows:			
Depreciation and amortization	*169.7*	*145.0*	*106.5*
Deferred tax expense/income	*(19.4)*	*(32.8)*	*67.9*
Other financial income/expenses	*5.1*	*3.0*	*1.3*
Financial expenses	*54.4*	*30.0*	*25.6*
Other adjustments	*26.2*	*17.3*	*16.4*
Capital gains and losses on disposals of assets	*(0.5)*	*0.1*	*0.0*
Other non-current assets and liabilities	66.8	58.7	55.4
Profit/(loss) from associates and joint ventures	(51.3)	(55.6)	(28.5)
Gross cash flow	**750.9**	**578.2**	**443.6**
Changes in working capital	(194.4)	(158.4)	67.4
Net cash from operating activities (I)	**556.5**	**419.7**	**511.0**
Purchases of property, plant and equipment and intangible assets	(177.9)	(151.6)	(77.2)
Disposals of property, plant and equipment and intangible assets	1.4	0.5	0.1
Dividends received	25.5	19.9	-
Changes in other financial assets	(4.6)	(9.5)	(30.5)
Business combinations (net of cash)	-	(840.2)	4.4
Acquisition non-controlling interests	(51.9)	(42.2)	(29.8)

	For the years ended December 31,		
	2023	2022	2021
	(€ millions)		
Loan issued to related parties (net)	(79.1)	(24.6)	(11.9)
Net cash from investing activities (II)	**(286.6)**	**(1,047.6)**	**(145.0)**
Treasury shares	(108.4)	-	-
Dividends paid	(181.3)	(132.0)	(20.5)
Issuance bank borrowings	429.8	993.1	286.9
Repayment bank borrowings and interests	(175.3)	(164.4)	(577.4)
Repayment of lease debt	(62.8)	(52.1)	(31.3)
Net cash from financing activities (III)	**(98.0)**	**644.5**	**(342.3)**
Net effects of changes in exchange rates (IV)	**(29.0)**	**0.7**	**(0.9)**
Change in cash and cash equivalents (I+II+III+IV)	**142.9**	**17.4**	**22.9**
Cash and cash equivalents at the beginning of the year	**710.1**	**692.7**	**669.8**
Cash and cash equivalents	**852.9**	**710.1**	**692.7**

Net cash from operating activities

The increase in cash from operating activities to €556.5 million in 2023 from €419.7 million in 2022 was primarily driven by an increase in gross cash flow, which was mainly the result of greater profit attributable to the Company. This change was partially offset by cash used for working capital, which increased to an outflow of €194.4 million in 2023 from an outflow of €158.4 million in 2022, to fund inventories as our business continued to grow.

The decrease in net cash from operating activities to €419.7 million in 2022 from €511.0 million in 2021 was driven by a significant increase in working capital, mainly in inventories. Changes in working capital went from an inflow of €67.4 million in 2021 to an outflow of €158.4 million in 2022 as a result of the growth of our business, both as a result of organic growth and business combinations, the former being driven partly by recovering levels of inventory into 2022 following abnormally low levels in 2021 due to COVID-19. This change was partially offset by an increase in gross cash flow from €443.6 million to €578.2 million primarily driven by larger profit attributable to the Company.

Net cash from investing activities

The decrease in cash flows used in investing activities to €286.6 million in 2023 from €1,047.6 million in 2022 was mainly attributable to the absence of business combinations in 2023. In 2023, we used €79.1 million for loans issued to related parties and €51.9 million to acquire the remaining 30% stake in Dries Van Noten which was not owned by us.

The increase in cash flows used in investing activities to €1,047.6 million in 2022 from €145.0 million in 2021 was primarily driven by our business combinations in 2022, which accounted for €840.2 million of cash used (together with the acquisition of non-controlling interest in Uriage and Apivita, including the

payment of the earn-out associated thereto, for €42.2 million), and, to a lesser extent, higher purchases of property, plant and equipment to continue investing in building our own retail network (mainly for our Niche portfolio category), reinforcing our presence in our retailers' points of sales, improving our software and technology capabilities and maintaining our manufacturing facilities.

Purchases of property, plant and equipment and intangible assets (which we refer to as capital expenditures), increased to €177.9 million in 2023 from €151.6 million in 2022 after having increased from €77.2 million in 2021. As a percentage of net revenues, capital expenditures decreased to 4.1% in 2023 from 4.2% in 2022 after increasing from 3% in 2021.

Net cash from financing activities

Net cash used in financing activities was €98.0 million in 2023 compared to net cash from financing activities of €644.5 million in 2022 and net cash used in financing activities of €342.3 million in 2021.

The decrease in cash from financing activities in 2023 compared to 2022 was primarily driven mainly by a lower issuance of bank borrowings (€429.8 million in 2023 compared to €993.1 million in 2022), the use of cash to acquire treasury shares (€108.4 million in 2023 compare to nil in 2022) and an increase in dividends paid (€181.3 million in 2023 compared to €132.0 million in 2022).

The increase in cash from financing activities to €644.5 in 2022 from €342.3 million used in 2021 was driven by a higher issuance of bank borrowings (€993.1 million in 2022 compared to €286.9 million in 2021) and a lower repayment of bank borrowings (€164.4 million in 2022 compared to €577.4 million in 2021). In May 2022 we signed loan agreements for a total of €950.0 million maturing in 2027 primarily to finance the acquisition of Byredo and, to a lesser extent, the acquisitions of Kama Ayurveda and Loto del Sur, and to refinance a portion of our bank borrowings.

Dividends paid amounted to €181.3 million in 2023, €132.0 million in 2022 and €20.5 million in 2021. We received dividends from associates of €25.5 million and €19.9 million in 2023 and 2022, respectively. We did not receive any dividends from associates in 2021.

Factoring of receivables

We enter into factoring agreements each year with one or two financial institutions. We use factoring of receivables to generate cash, particularly toward the end of the year (in November and December). As of December 31, 2023, we reduced our accounts receivable by €128.3 million through non-recourse factoring agreements, compared to €120.8 million as of December 31, 2022 and €86.9 million as of December 31, 2021. The risks related to trade receivables are transferred to our counterparties under these agreements. The agreements provide for certain termination events, including in the event of a change of control (meaning that the shareholders of the Group entity party to the factoring agreement (either as assignor or guarantor) (i) transfer their shareholdings in whole, (ii) lose control of the management body or (iii) a third party acquires control over such company). The Offering will not trigger a change of control termination event.

Bank borrowings

The following table shows the breakdown of current and non-current bank borrowings:

	As of December 31,		
	2023	**2022**	**2021**
		(€ thousand)	
Current portion of non-current bank borrowings	283.9	128.0	134.8
Bank loans and overdrafts	74.5	49.0	11.1
Non-current bank borrowings	1,788.8	1,662.3	826.6
Total	**2,147.2**	**1,839.3**	**972.6**

The increase in our bank borrowings in 2023 was primarily in anticipation of potential acquisitions, including with respect to the acquisition of Dr. Barbara Sturm, and the acquisition of the remaining stake in Dries Van Noten. In June 2023, Puig entered new bank borrowings amounting to €400 million with various financial entities with maturities between 2026 and 2027.

The increased borrowings in 2022 were principally to finance the acquisition of Byredo and, to a lesser extent, the acquisitions of Kama Ayurveda and Loto del Sur. In May 2022, we signed loan agreements for a total of €950.0 million maturing in 2027 primarily to finance the acquisition of Byredo, Kama Ayurveda and Loto del Sur, and to refinance a portion of our bank borrowings.

Our non-current bank borrowings take the form of bilateral bank borrowings with various financial institutions, most of which have been entered into at the Company level. As of December 31, 2023, our borrowings at the Company level (which constituted the majority of our bank borrowings) amounted to €2,024.5 (compared to €1,738.0 million as of December 31, 2022, and €918.0 million as of December 31, 2021). Our bank borrowings at the subsidiary level amounted to €124.7 as of December 31, 2023 (€105.2 million as of December 31, 2022, and €54.6 million as of December 31, 2021). Subsidiaries in some cases have short-term working capital credit lines, either with local banks (in emerging markets) or with us (in other jurisdictions). As of December 31, 2023, we had granted bank guarantees in favor of our subsidiaries amounting to €181.0 million compared to €124.0 million in 2022 and €114.0 million in 2021 mainly related to these working capital credit lines. As of December 31, 2023, the total unused amount of our credit lines was €230.0 million, compared to €158.0 million as of December 31, 2022, and €157.0 million as of December 31, 2021.

Our bank borrowings are subject to customary terms, including requirements applicable to the use of proceeds (which in some cases were limited to acquisitions) and events of default covering cross defaults and material changes to our business, assets or results of operations. Most of them include a financial covenant requiring us to meet a maximum ratio of net financial debt to EBITDA of 3.50 or 4.00 as the case may be (without applying IFRS 16), tested annually (as of December 31, 2023, our ratio of net financial debt to EBITDA (on a pre-IFRS 16 basis) was 1.5, in compliance with the covenant). Our agreements also include certain limitations on our ability to pledge assets and limitations on the amount of indebtedness that we may incur at the level of our subsidiaries, as well as restrictions on our ability to carry out certain transactions (including certain mergers, acquisitions and sales of assets). Some agreements also require mandatory prepayments with the proceeds derived from certain sales of assets or insurance payments in respect of such assets. Our bank borrowings also include an event of default in the event of a change of control meaning that a third party directly or indirectly acquires a majority of our share capital (or otherwise acquires control as defined under the Spanish Commerce Code). Some facilities also require that the Puig Family continue to hold a direct or indirect participation in the Company of at least 30% and be able to appoint or remove a majority of our board of directors. None of our bank borrowings are secured by collateral or guaranteed by other Group companies. As of the date of this Prospectus, there are no limitations in the agreements governing our indebtedness that could restrict our ability to distribute dividends or make any other payment or distribution to shareholders.

As of December 31, 2023, our debt subject to variable interest rates without interest rate hedging amounted to €294.2 million compared to €273.9 million in 2022 and €359.1 million in 2021. We entered into interest rate swaps covering the entirety of the remaining loans subject to variable interest rates, which amounted to €981.0 million as of December 31, 2023, compared to €723.0 million as of December 31, 2022, and €68.0 million as of December 31, 2021. In 2023, the debt subject to fixed interest rates amounted to €872.0 million compared to €843.4 million in 2022 and €545.5 million in 2021. As a result, the volatility of interest rates in the current macroeconomic environment has not had a significant impact on our finance cost during the years under review. See "*—Financial Risk Management—Interest rate risk*" for more information about our sensitivity to interest rates variations and Note 24 to our Financial Statements for further information.

Some of our bank borrowings contain a modest adjustment (of 3 to 5 basis points) to the applicable interest rate dependent on the achievement of certain targets based principally on our direct and indirect carbon dioxide emissions.

The table below and the description above set out the material terms of our principal bank borrowing facilities as of December 31, 2023 that are relevant for the assessment of our financing risk:

Base Rate	**Total amount committed (€)**	**Financial Covenants**	**Maturity**	**Sustainability-linked(1)**
Fixed	350 million	N/A	2027	Yes
Fixed	200 million	Net financial debt to EBITDA ratio < 4.00x	2027	Yes
EURIBOR	200 million	Net financial debt to EBITDA ratio < 3.50x	2027	Yes
Fixed	200 million	Net financial debt to EBITDA ratio < 3.50x	2026	Yes
EURIBOR	150 million	Net financial debt to EBITDA ratio < 3.50x	2027	Yes
EURIBOR	150 million	Net financial debt to EBITDA ratio < 3.50x	2027	Yes
EURIBOR	150 million	Net financial debt to EBITDA ratio < 3.50x	2025	Yes
Fixed	150 million	Net financial debt to EBITDA ratio < 3.50x	2025	No
Fixed	100 million	Net financial debt to EBITDA ratio < 3.50x	2027	Yes
EURIBOR	100 million	N/A	2027	No
EURIBOR	100 million	Net financial debt to EBITDA ratio < 3.50x	2027	Yes
EURIBOR	100 million	Net financial debt to EBITDA ratio < 3.50x	2026	Yes
EURIBOR	70 million	Net financial debt to EBITDA ratio < 3.50x	2025	Yes
EURIBOR	50 million	Net financial debt to EBITDA ratio < 3.50	2027	No
Fixed	50 million	Net financial debt to EBITDA ratio < 3.50x	2027	Yes
EURIBOR	50 million	N/A	2026	Yes
Fixed	50 million	Net financial debt to EBITDA ratio < 3.50x	2026	Yes
EURIBOR	50 million	Net financial debt to EBITDA ratio < 3.50x	2026	Yes
EURIBOR	50 million	Net financial debt to EBITDA ratio < 3.50x	2026	Yes
EURIBOR	30 million	N/A	2025	No

Note: —

(1) Modest adjustment (of three to five basis points) to the applicable interest rate dependent on the achievement of certain targets based principally on our direct and indirect carbon dioxide emissions.

The following credit facilities were entered into after December 31, 2023 and therefore are not included in the table above.

On February 21, 2024, we entered into: (i) a revolving credit facility agreement for a total available amount of €150.0 million at a variable interest rate (EURIBOR plus a margin of 0.85%) with a maturity date of one year from February 21, 2024 (which may be extended for two additional years if authorised by the lender), which includes a financial covenant requiring us to meet a maximum ratio of net financial debt to EBITDA of 3.50x. The interest rate is subject to an adjustment of five basis points in the event of achievement of certain sustainability objectives to be agreed between us and the bank; (ii) a revolving credit facility agreement for a total available amount of €150.0 million at a fixed interest rate until May 21, 2024 and at variable interest rate (EURIBOR plus a margin of 0.80%) thereafter with a maturity date of one year from February 21, 2024 (automatically extended for two additional years unless 12-month notice is given by any of the parties), which does not include any financial covenant. The interest rate is subject to an adjustment of two basis points dependent on the achievement of certain targets based principally on our direct and indirect carbon dioxide emissions; and (iii) a revolving credit facility agreement for a total available amount of €150.0 million at a variable interest rate (EURIBOR plus a margin of 0.90%) with a maturity date of two years from February 21, 2024 (automatically extended for two additional years unless 15-days' notice is given by any of the parties), which does not include any financial covenant.

On March 21, 2024, we entered into a credit facility agreement for a total amount of €30.0 million at a variable interest rate (EURIBOR plus a margin of 0.49%) with a maturity date of two years from March 21, 2024 (automatically extended for two additional years unless 30-days' notice is given by any of the parties), which does not include any financial covenant. The interest rate may be subject to adjustment in the event of achievement of certain sustainability objectives to be agreed between us and the bank. In April, 2024 we entered into (i) a revolving credit facility agreement for a total available amount of €50.0 million at a variable interest rate (EURIBOR plus a margin of 0.50%) with a maturity date of two years from April 4, 2024 (that may be extended for two additional years if authorised by the lender), which includes a financial covenant requiring us to meet a maximum ratio of net financial debt to EBITDA of 3.50x. The interest rate is subject to an adjustment of 0.5 basis points dependent on the achievement of certain targets based principally on our direct and indirect carbon dioxide emissions; (ii) a revolving credit facility agreement for a total available amount of €75.0 million at a variable interest rate (EURIBOR plus a margin of 0.90%) with a maturity date being April 3, 2026 (that may be extended for two additional years if authorised by the lender), which includes a financial covenant requiring us to meet a maximum ratio of net financial debt to EBITDA of 3.50x; and (iii) a revolving credit facility agreement for a total available amount of €75.0 million at a variable interest rate (EURIBOR plus a margin of 0.90%) with a maturity date of two years from April 11, 2024 (that may be extended for two successive periods of one year if authorised by the lender), which includes a financial covenant requiring us to meet a maximum ratio of net financial debt to EBITDA of 3.50x.

As of the date of this Prospectus, we have drawn down €596.7 million under our credit facilities in order to finance the cash consideration paid in the Minority Shareholders Transactions (which will be reduced to a net amount of €435.7 million with the €161.0 million that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares) and €186.1 million in order to finance the dividend distributed against share premium on April 5, 2024.

Our bank borrowings are primarily denominated in euros. Our non-euro bank borrowings are from credit and overdraft facilities at the level of our subsidiaries. The following table shows the currency breakdown and effective interest rates of our bank borrowings:

		As of December 31,		
	Effective interest rate	**2023**	**2022**	**2021**
	(%)		*(€ millions)*	

	Effective interest rate	As of December 31, 2023	2022	2021
Euros	0.4-6.8	2,048.7	1,770.7	955.6
Other currencies	3.6-17.1[1]	98.5	68.6	17.0
Total		**2,147.2**	**1,839.3**	**972.6**

Note: —

(1) Excluding interest rate of hyperinflationary economies (Argentina). Exchange rates applied at year-end on the Argentinian peso were 894.7 in 2023, 189.8 in 2022 and 116.8 in 2021. As of December 31, 2023, 2022 and 2021 we did not have any bank borrowings denominated in Argentinian peso (we only had bank borrowings denominated in Argentinian peso at certain moments during the years 2022 and 2021).

The average interest rate (after hedging) on the bank borrowings of the Company was 2.3% in 2023, 1.5% in 2022 and 1.0% in 2021.

Liabilities related to business combinations

Our total liabilities from business combinations, including related earn-outs, stood at €2,384.7 million as of December 31, 2023 (including €207.0 million recorded as current liabilities), compared to €2,383.0 million as of December 31, 2022 and €1,570.9 million as of December 31, 2021. We expect to incur additional indebtedness in order to finance part of the required payments.

When making acquisitions, we sometimes agree that the previous shareholders will retain a minority stake in the acquired entity. In this way, the sellers (often including the brand founder) remain engaged and committed to the continued success of the acquired brand, and our interests are aligned.

At the time of the acquisition, we may also enter into call and put options granting us the right or requiring us to purchase, as applicable, the remaining stake from the minority shareholder at certain specified dates and at prices calculated based on an adjusted multiple linked to the business performance of the related business. This is the case with our recent acquisitions of Byredo, Loto del Sur and Kama Ayurveda, as well as previous acquisitions such as Charlotte Tilbury. We also entered into call and put options in the context of the acquisition of Dries Van Noten in 2018 that are no longer in place because we acquired full ownership of this brand on December 28, 2023. When a put and call option has been agreed with a minority interest, a minimum price, equivalent to the consideration paid when control was taken, is guaranteed,

At the time that the options are exercised, we will be required to make payments to the minority shareholder for the amounts due. We record the future payment obligation under these options as liabilities on our consolidated balance sheet, discounted using the weighted average cost of capital of each business.

As a result of the business combinations in 2022, we recorded long-term liabilities corresponding to the fair value of the options over the minority interests in Byredo, Loto del Sur and Kama Ayurveda, corresponding to 23%, 33.3% and 15% of their share capital, respectively. We also continue to record liabilities at fair value of the call and put options for the acquisition of the non-controlling interest in Charlotte Tilbury corresponding to 44.1% of its share capital as of December 31, 2023.

The increase of the liabilities linked to call and put options during the periods under review results from the acquisitions in 2022 and from the evolution in fair value due to changes in management projections for the expected performance of the businesses to which these liabilities are linked, as well as the discount factor and the exchange rate. The options are recorded in our liabilities in accordance with IFRS 10 and, consequently, the changes in value are recorded against equity.

In addition to the call and put options mentioned above, we include in the same line item liabilities for earn-outs arising from several business combinations such as Charlotte Tilbury and Byredo, which amounted to €185.9 million, €177.0 million and €109.3 million as of December 31, 2023, 2022 and 2021, respectively. The increases in these earn-outs during the periods under review was related to the business combinations that

took place in 2022 (for €43.3 million) and changes in management projections for the expected performance of the businesses to which these liabilities are linked, as well as the discount factor and the exchange rate.

At the time that any options are exercised and earn-outs become due, we will be required to make payments to the minority shareholders in the amounts due. These amounts may be significant and will require us to have access to the necessary liquidity to meet our cash payment obligations.

We conduct a sensitivity analysis of these liabilities by applying reasonable variations to the key assumptions considered in the calculation: (i) a variation of +/- 2% in the CAGR of the main business indicator to which the valuation of the liabilities is linked would impact the liability recognized in the balance sheet as of December 31, 2023, resulting an increase of €164 million or a decrease of €152 million (increase of €204 million or decrease of €188 million as of December 31, 2022 and an increase of €151 million or a decrease of €147 million as of December 31, 2021); (ii) a variation of +/- 1.5% in the discount rate would impact the liability recognized in the balance sheet as of December 31, 2023, leading to either a €86 million decrease or a €53 million increase (an increase of €84 million or a decrease of €79 million as of December 31, 2022 and an increase of €70 million or a decrease of €65 million as of December 31, 2021).

The annual payment amounts (based on our liabilities recorded as of December 31, 2023) that may be payable by us are shown in "*—Contractual Obligations and Commitments*" below.

In March 2024, we entered into the Minority Shareholder Transactions, as described above under *"—Key Factors Affecting our Results of Operations—Business combinations—Recent Developments"* and *"Principal and Selling Shareholder—Minority Shareholders Transactions"*. Upon completion of the Minority Shareholder Transactions, our liabilities from business combination will be reduced by €1,027 million. This reduction will be partially offset by the additional liabilities resulting from the acquisition of a majority stake (65%) in Dr. Barbara Sturm in January 2024 (see "*Business—14. Material Contracts—14.3 Dr. Barbara Sturm Acquisition*") by the recording of additional liabilities related to the earn-out and call and put options agreed under the Dr. Barbara Sturm Acquisition (€146.5 million, based on the acquisition price, as discussed below, though actual valuation is ongoing).

See "*Risk Factors—4. Risks related to our Indebtedness and other Liabilities—4.1 Payment obligations in respect of minority stakes in certain brands constitute significant liabilities for us and will require us to make significant future cash outlays*" for more information.

Contractual Obligations and Commitments

Our principal contractual obligations and commitments as of December 31, 2023 are presented below:

	2024	**2025**	**2026**	**2027**	**2028 and subsequent years**	**Total**
			(€ millions)			
Bank Borrowings	358.4	510.1	596.8	682.0	-	2,147.2
Liabilities from business combinations	207.0	10.0	1,115.1	-	1,052.6	2,384.7
Lease Liabilities	58.1	52.0	45.7	35.6	122.3	313.6
Total contractual obligations and commitments	**623.5**	**572.1**	**1,757.5**	**717.6**	**1,174.9**	**4,845.5**

In January 2024, we acquired a majority stake (65%) in Dr. Barbara Sturm, and in March 2024, we entered into certain agreements to purchase the stakes of certain minority partners, as described above under *"—Key Factors Affecting our Results of Operations—Business combinations—Recent Developments"*, "*Business—14. Material Contracts—14.3 Dr. Barbara Sturm Acquisition*" and *"Principal and Selling Shareholder—Minority Shareholders Transactions"*.

In aggregate, the Dr. Barbara Sturm Acquisition and the Minority Shareholders Transactions involve our payment of €727 million in cash (excluding the €161 million paid to Manzanita that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares) and the issuance of €420.4 million in new Class B Shares (including shares issued to the Manzanita LPs pursuant to the irrevocable commitment of Manzanita to invest €161 million in the subscription of new Class B Shares). The Minority Shareholders Transactions, once completed, will reduce our business combination liabilities shown as of December 31, 2023 by a total of €1,027 million. The earn-out agreed with the brand founder of Dr. Barbara Sturm (payable in the long term), as well as a put and call option for the founder's remaining minority stake, represent additional liabilities from business combinations that are not reflected on our balance sheet as of December 31, 2023. Based on the acquisition price, these liabilities would amount to €146.5 million, but the final valuation (which we expect to be higher) will depend on the business plan for Dr. Barbara Sturm, which is not yet finalized as of the date of this Prospectus.

In addition, on April 5, 2024, our general shareholders' meeting approved a dividend distribution against share premium of €186.1 million that was paid on that date. This dividend distribution was financed with cash drawn under our credit facilities.

Our principal contractual obligations and commitments as of December 31, 2023, as adjusted for the impact of the transactions described above, the distribution of the dividend paid on April 5, 2024 and financed with additional amounts drawn under our credit facilities and the proceeds of the issue of the New Offer Shares, is presented below:

	2024	2025	2026	2027	2028 and subsequent years	Total
			(€ millions)			
Bank Borrowings	980.2(1)	510.1	596.8	682.0	-	2,769.1(1)
Liabilities from business combinations	207.0	10.0	1,058.8(2)	-	228.3(2)	1,504.1(2)
Lease Liabilities	58.1	52.0	45.7	35.6	122.3	313.6
(A) Total contractual obligations and commitments	**1,245.3**	**572.1**	**1,701.2**	**717.6**	**350.6**	**4,586.8**
(B) Use of New Gross Proceeds	***(1,112.7)***(3)					***(1,112.7)***(3)
Total (A-B)	**132.6**					**3,474.1**

Note: —

(1) Reflecting (i) a net amount of €435.7 million in additional bank borrowings as a result of €596.7 million drawn under our credit facilities in order to finance the cash consideration paid in connection with the Minority Shareholders Transactions, less the proceeds that we expect to receive from the €161 million that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares, which we will use to reduce amounts drawn under the revolving credit facilities, and (ii) €186.1 million drawn under our credit facilities in order to finance the dividend distributed against share premium on April 5, 2024. The total cash consideration paid in connection with the Dr. Barbara Sturm Acquisition (€291.1 million) was funded with available cash from bank borrowings entered into in 2023 (and as such these bank borrowings were recorded on our balance sheet as of December 31, 2023).

(2) Reflecting (i) reduction of €1,027 million in our liabilities from business combinations as a result of (A) the acceleration of the call and put options under the Byredo Acquisition pursuant to our acquisition of the remaining 23% of the share capital of Byredo AB in March 2024; and (B) the acceleration of the call and put options in Prado pursuant to our acquisition of the remaining 26.3% of the share capital that we did not already own of Prado in March 2024, (ii) partially offset by the recording of additional liabilities related to the earn-out and call and put options agreed under the Dr. Barbara Sturm Acquisition (€146.5 million, based on the acquisition price, as indicated above).

(3) Reflecting our intention to use part of the net proceeds from the issue of New Offer Shares to (i) pay put and call options for part of the shares held by the minority shareholders in Charlotte Tilbury which will become

exercisable in 2024 (€207.0 million), (ii) refinance the amounts drawn under our credit facilities in order to finance the cash consideration paid in connection with the Minority Shareholders Transactions (€435.7 million), (iii) refinance the amounts drawn under our credit facilities in order to finance the dividend distributed against share premium on April 5, 2024 (€186.1 million), and (iv) reduce the current portion of our non-current debt (€283.9 million as of December 31, 2023), subject to any potential refinancing of debt that may be agreed by the Company in 2024. See "*Reasons for the Offering and Use of Proceeds—Use of Proceeds*". This figure is presented for illustrative purposes only, as it has been calculated based on our bank borrowings level as of December 31, 2023 and actual amounts paid will differ.

Derivative Financial Instruments and Hedging Activities

We are exposed to foreign currency exchange fluctuations and interest rate volatility through our global operations. We utilize natural offsets to the fullest extent possible in order to identify net exposures. We use derivative financial instruments such as foreign currency hedges to cover the risks associated with exchange rate fluctuations. Such derivative financial instruments are stated at fair value. From the effectiveness tests run by management, we have concluded that our foreign currency and interest rate hedging transactions are fully effective. We do not enter into derivative financial instruments for trading or speculative purposes. In addition to this section, see Note 25 to our Financial Statements for further information.

Property, Plant and Equipment

The table below shows the composition of our property, plant and equipment:

	As of December 31,		
	2023	**2022**	**2021**
		(€ millions)	
Land and buildings	152.6	122.9	100.2
Machinery and tools	79.7	69.1	66.1
Office furniture and other equipment	89.6	78.4	44.6
Fixed assets under construction and Others	4.4	0.7	0.1
Total	**326.3**	**271.1**	**211.0**

As of December 31, 2023, our property, plant and equipment amounted to €326.3 million compared to €271.1 million as of December 31, 2022, an increase of €55.2 million, primarily due to the opening of new offices in New York, London and Miami, the expansion of our own retail network (mainly for our Niche portfolio category) and continued reinforcement of our presence in our retailers' points of sales.

As of December 31, 2022, our property, plant and equipment amounted to €271.1 million compared to €211.0 million as of December 31, 2021, an increase of €60.1 million, primarily due to capital expenditures to continue building our own retail network (mainly for our Niche portfolio category), reinforcing our presence in our retailers' points of sales and maintaining our manufacturing facilities.

For further information, see "*Business—13. Properties*".

Intangible Assets

The table below shows the composition of our intangible assets:

	As of December 31,		
	2023	**2022**	**2021**
		(€ millions)	
Goodwill	1,745.7	1,727.0	1,012.3
Brands	2,173.0	2,148.4	1,533.6
Software	61.5	49.8	36.6

	As of December 31,		
	2023	2022	2021
Other	134.1	137.1	78.3
Total	**4,114.3**	**4,062.3**	**2,660.8**

As of December 31, 2023, our intangible assets amounted to €4,114.3 million compared to €4,062.3 million as of December 31, 2022, an increase of €52.0 million, primarily due to improving our software and technology capabilities and the positive effect of translation differences in all categories of intangible assets.

As of December 31, 2022, our intangible assets amounted to €4,062.3 million compared to €2,660.8 million as of December 31, 2021, an increase of €1,401.5 million, primarily due to an increase in goodwill and brands in connection with our business combinations.

We internally test annually for impairment the brands with indefinite useful lives and goodwill acquired in business combinations.

Cash Generating Units ("**CGUs**") are the smallest identifiable group of assets that generate cash flows independently of cash flows produced by other assets or group of assets. We conduct a sensitivity analysis of the impairment calculation by applying reasonable variations to the key assumptions considered in the calculation. The following variations have been applied for CGUs and groups of CGUs:

- A variation of +1.5% in the discount rate would entail an adjustment to the net carrying amounts of the intangible assets recorded in 2023 of €7.9 million (€13.3 million and €287.2 million in 2022 and 2021, respectively);
- a variation of – 1.% in the long-term growth rate would entail an adjustment to the net carrying amounts of the intangible assets recorded in 2023 of €3.5 million (would not entail any adjustment in 2022 and would entail an adjustment of €35.4 million in 2021); and
- a variation of – 2.% in the revenue growth CAGRs would entail an adjustment to the net carrying amounts of the intangible assets recorded in 2023 of €2.2 million (€103.3 million and €114.8 million in 2022 and 2021, respectively).

Inventories

The table below shows the composition of our inventories, net of the provision for obsolete goods:

	As of December 31,		
	2023	2022	2021
		(€ millions)	
Raw materials	191.1	163.9	111.9
Work in progress	153.0	168.2	86.5
Finished goods	561.1	385.3	236.8
Inventory gross	**905.2**	**717.4**	**435.1**
Provisions	(116.4)	(91.1)	(72.0)
Total	**788.9**	**626.3**	**363.1**

As of December 31, 2023, inventory gross amounted to €905.2 million compared to €717.4 million as of December 31, 2022, an increase of €187.8 million, primarily to ensure adequate value chain and supply levels as well as to provide for an expected increased business volume in 2024. As of December 31, 2023, provisions amounted to €116.4 million compared to €91.1 million as of December 31, 2022, an increase of €25.3 million primarily due to a charge in the income statement of €50.2 million, partially offset by an inventory write off of €25.2 million.

As of December 31, 2022, inventory gross amounted to €717.4 million compared to €435.1 million as of December 31, 2021, an increase of €282.3 million, primarily due to the growth of our business, both as a result of organic growth and business combinations. As of December 31, 2022, provisions amounted to €91.1 million compared to €72.0 million as of December 31, 2021, an increase of €19.1 million primarily due to a charge in the income statement of €25.1 million and changes in our scope of consolidation due to business combinations, partially offset by an inventory write off of €24.0 million due to slow inventory turnover.

Off-Balance Sheet Arrangements

We do not have significant off-balance sheet arrangements.

Financial Risk Management

Foreign currency exchange risk management

We operate in an international environment and therefore are exposed to exchange rate risk on transactions in currencies, especially with regards to the U.S. dollar and the British pound (being the euro the functional currency of the Group). Currency risk is associated with future commercial transactions, recognized assets and liabilities, and net investment in foreign currencies.

A significant portion of our sales to consumers as well as certain purchases are made in currencies other than our and their respective functional currency. We use hedging instruments to reduce the foreign exchange risks arising from the fluctuations in currencies different from the functional currencies of the Group companies.

Before the end of the year, as part of the budget preparation, our companies are responsible for identifying the exposure to foreign currency cash flows. We centrally analyze the exposure and arrange the appropriate hedges. The identified foreign exchange risks are hedged using forward contracts or options.

We have implemented a strict policy to manage, measure and monitor these risks. The activities are organized based on a clear segregation of duties between the front office, middle office and back office which are responsible for the measurement, hedging and administration and financial control. The hedging strategy must always be presented to the top management at the Company-level for approval.

Our bank borrowings are primarily denominated in euros, representing 95% of total bank borrowings as of December 31, 2023 (96% as of December 31, 2022, and 98% as of December 31, 2021). As a result, our foreign exchange risk related to bank borrowings is limited.

Derivative instruments entered into to hedge against foreign exchange fluctuations are accounted for in accordance with hedge accounting principles.

We have arranged exchange rate hedges to cover potential fluctuations in foreign currency. The tables below set forth the effect on our profit/(loss) and equity resulting from an appreciation or depreciation of the U.S. dollar and the British pound, respectively. Our sensitivity to the British pound is primarily a result of the strength of Charlotte Tilbury in the UK, our largest European market.

	As of December 31,		
	2023	**2022**	**2021**
	(€ thousand, except %)		
Increase/(decrease) in USD	10.0%	10.0%	10.0%
	(10.0%)	(10.0%)	(10.0%)
Effect on profit/(loss)	8,015.0	5,791.0	5,942,0
	(8,015.0)	(5,791.0)	(5,942.0)
Effect on equity	12,131.0	4,405.0	4,392.0
	(12,131.0)	(4,405.0)	(4,329.0)

	As of December 31,		
	2023	2022	2021
	(€ thousand, except %)		
Increase/(decrease) in GBP	10.0%	10.0%	10.0%
	(10.0%)	(10.0%)	(10.0%)
Effect on profit/(loss)	(5,730.0)	(224.0)	(4,320.0)
	5,730.0	224.0	4,320.0
Effect on equity	(98,105.0)	(102,374.0)	(59,470.0)
	98,105.0	102,374.0	59,470.0

Interest rate risk management

Interest rate risk arises from our current and non-current bank borrowings. Our objective is to have a high proportion of bank borrowings at a fixed rate or floating interest rates hedged by interest rates swaps ("**IRSs**"), to minimize potential increases in our finance cost as a result of increases in variable interest rates.

We use IRSs to cover the risk of changes in the interest rates on some of our bank borrowings. IRSs are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. The fair value of our IRSs as of December 31, 2023, amounted to €14.9 million, compared to €42.1 million in 2022 and 0.1 million in 2021.

A 2% increase/decrease in interest rates would result in a finance cost increase/decrease of €5.9 million in 2023, compared to €5.7 million in 2022 and €6.3 million in 2021.

The value of liabilities related to business combinations varies based on the applicable discount rate. We conduct a sensitivity analysis of these liabilities by applying reasonable variations to the key assumptions considered in the calculation.

Credit risk

Credit risk is the risk to which we are exposed in the event that a customer or counterparty fails to pay its obligations to us.

To mitigate this risk, we have a credit policy and manage our exposure to collection risk in the ordinary course of our business. In this context, we assess the level of credit risk involved with respect to our customer base on a regular basis and make adjustments as a function of such an assessment based on factors such as credit quality, the existing credit limit and the level of risk involved. Additionally, we have insurance to cover the credit risk of most of our customers.

We recognize impairment based on our best estimate of the expected losses on trade and other receivables. The main impairment losses recognized are due to specific losses relating to individually identified risks.

The maximum exposure to credit risk in relation to trade receivables was €501.9 million in 2023, compared to €405.9 million in 2022 and €334.3 million in 2021. As of December 31, 2023, €92.6 million was overdue and €409.2 million was not yet due (see Note 18 to our Financial Statements for the breakdown by maturity of our trade accounts receivable). We have a diversified customer base, so individually none of them represents more than 10% of our trade receivables.

We have undrawn amounts from bank borrowings that can be used to cover operating cash deficits.

Also, to mitigate this credit risk, we have transferred this risk to third parties via non-recourse factoring of trade receivables pursuant to which we do not retain any credit risk. As of December 31, 2023, we reduced our accounts receivable by €128.3 million compared to €120.8 million and €86.9 million as of December 31,

2022 and 2021, respectively, through non-recourse factoring agreements that were signed with several financial entities, resulting in the corresponding transfer of the risks related to trade receivables.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. To mitigate this credit risk, we only work with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution's credit ratings, is reviewed periodically in order to perform active counterparty risk management.

Liquidity risk

Liquidity risk is the risk that we cannot meet our financial obligations as they fall due. Our approach to managing liquidity is to aim to have sufficient liquidity to settle our obligations at the maturity date.

We use financial planning techniques to manage liquidity risk, taking into consideration the maturity of our financial assets and liabilities and cash flow projections. Our objective is to balance structural requirements and exceptional needs of cash with bank borrowings.

We have undrawn amounts from bank borrowings that can be used to cover operating cash deficits. As of December 31, 2023, the total unused amount of credit lines was €230.2 million (€158.0 million and €157.0 million as of December 31, 2022 and 2021, respectively).

See "*—Liquidity and Capital Resources—Contractual Obligations and Commitments*" for more information on the maturity of our financial and other obligations.

Capital risk

We aim to safeguard our capacity to continue managing our recurring activities and the capacity to continue to grow, by optimizing our debt-to-equity ratio. The main purpose of our capital management is to maintain a financial structure that optimizes capital cost while maintaining a solid financial position, in order to access the financial markets at a competitive cost to cover financing needs.

We manage our capital to monitor certain financial ratios applicable to us and to maintain a sufficient level of solvency. The volume of capital is determined according to existing risks, making the corresponding adjustments to capital in accordance with changes in the economic environment and managed risks. Net debt ratio is measured as follows:

	As of December 31,		
	2023	**2022**	**2021**
		(€ millions)	
Net Debt[APM]	1,509.7	1,272.6	399.7
Adjusted EBITDA[APM]	862.7	681.5	458.1
Net Debt Ratio (Net Debt[APM] /Adjusted EBITDA[APM])	1.75x	1.87x	0.87x

Alternative Performance Measures

To supplement the financial measures prepared in accordance with IFRS-EU, we use certain APMs as defined in the ESMA Guidelines. These APMs should not be considered in isolation from, or as a substitute for or superior to, financial measures reported in accordance with IFRS-EU. Moreover, these APMs have limitations in that they do not reflect all the items associated with the operations of the business as determined in accordance with IFRS-EU. In particular, although EBITDA[APM] and Adjusted EBITDA[APM] are used to evaluate performance and profitability, their use has limitations since, among others, they do not reflect:

- financial expenses, including interest expense, or the cash requirements necessary, to service interest or principal payments on our debt;
- exchange rate fluctuations; and

- tax payments.

Given the above limitations, EBITDA^APM and Adjusted EBITDA^APM should not be considered as measures of discretionary cash available for us to invest or as measures of cash that will be available for us to meet our obligations. They should not be considered as substitutes for the measures of performance and profitability that we prepare under IFRS.

We believe that the presentation of the APMs included herein complies with ESMA Guidelines. However, other companies, including companies in the beauty industry, may calculate similarly titled APMs differently than we do, limiting the usefulness of those measures for comparative purposes. See "*Presentation of Financial and Other Important Information*".

Despite the limitations of these APMs, our management uses the APMs as key metrics in the evaluation of our performance and annual budgets and to benchmark performance of our business against our competitors. The following are examples of how these APMs are utilized by our management:

- strategic plans and annual budgets are prepared using these APMs;
- senior management receives a monthly analysis comparing budget to actual operating results that is prepared using these APMs; and
- senior management's annual compensation is calculated, in part, by using some of these APMs.

In addition, our financial covenant compliance calculations under our debt agreements are substantially derived from these APMs.

Our management believes that APMs are useful to investors in their assessment of our operating performance and our valuation. In addition, these APMs address questions we expect to receive from analysts and investors and, in order to ensure that all investors have access to the same data, our management has determined that it is appropriate to make this data available to all investors. APMs exclude the impact of certain items (as further described below) and provide supplemental information regarding our operating performance. By disclosing these APMs, our management intends to provide investors with a supplemental comparison of our operating results and trends for the periods presented. Our management believes these measures are also useful to investors as they allow investors to evaluate our performance using the same metrics that our management uses to evaluate past performance and prospects for future performance. A reconciliation to the corresponding measure prepared in conformity with IFRS-EU is presented below.

1. Constant Perimeter and Like-for-like (LfL) Net Revenue Growth^APM

Definition: Constant Perimeter and Like-for-like (LfL) Net Revenue Growth^APM reflects our organic growth by adjusting our net revenues for the impact of:

- Increases in scope/perimeter, by deducting from net revenues for the relevant year the amount of net revenues generated over the months during which the acquired entities/brands were not consolidated in the prior year. For the avoidance of doubt, revenue generated by acquired entities/brands in the current year is included for the months when the acquired entities/brands were also consolidated in the prior year.

  Increase in scope in 2023 corresponds to the deduction of net revenues generated by Byredo, Kama Ayurveda and Loto del Sur during the months that those companies were not consolidated in 2022. Increase in scope in 2022 corresponds to the deduction of net revenues of Uriage, Apivita, Charlotte Tilbury during the months that those companies were not consolidated in 2020.

- Exchange rates fluctuations, calculated as the difference between net revenues for the relevant year at that year's exchange rates against the euro and net revenues in the that same year at the prior year's exchange rates against the euro, using the annual average exchange rate. This normalizes the impact from currency appreciation/depreciation compared to the euro to reflect our actual underlying performance. This excludes the impact of high-inflation currencies (such as the Argentine peso).

Use: We use Constant Perimeter and Like-for-like (LfL) Net Revenue Growth[APM] to provide a more homogeneous measure of our net revenues and to provide a better understanding of our performance.

The following tables provide a reconciliation to the corresponding measure prepared in conformity with IRFS-EU:

	For the years ended December 31,		
	2022	2023	Growth
	(€ millions, except %)		
Net Revenues	3,619.6	4,304.1	18.9%
Net Revenues related to increases in scope/perimeter		(88.6)	(2.4)%
Constant Perimeter Net Revenue Growth[APM]	**3,619.6**	**4,215.5**	**16.5%**
Net Revenues related to exchange rate effect		82.1	2.3%
Like-for-like Net Revenue Growth[APM]	**3,619.6**	**4,297.5**	**18.7%**

	For the years ended December 31,		
	2021	2022	Growth
	(€ millions, except %)		
Net Revenues	2,585.0	3,619.6	40.0%
Net Revenues related to increases in scope/perimeter		(113.4)	(4.4%)
Constant Perimeter Net Revenue Growth[APM]	**2,585.0**	**3,506.2**	**35.6%**
Net Revenues related to exchange rate effect		(183.0)	(7.1%)
Like-for-like Net Revenue Growth[APM]	**2,585.0**	**3,323.2**	**28.6%**

	For the years ended December 31,		
	2020	2021	Growth
	(€ millions, except %)		
Net Revenues	1,537.3	2,585.0	68.2%
Net Revenues related to increases in scope/perimeter		(370.1)	(24.1%)
Constant Perimeter Net Revenue Growth[APM]	**1,537.3**	**2,214.9**	**44.1%**
Net Revenues related to exchange rate effect		3.2	0.2%
Like-for-like Net Revenue Growth[APM]	**1,537.3**	**2,218.2**	**44.3%**

The following tables show a breakdown of Constant Perimeter Net Revenue Growth[APM] by business segment for the years set forth below:

	For the years ended December 31,		
	2022	2023	Growth
	(€ millions, except %)		
Fragrance and Fashion			
Net Revenues	2,671.5	3,115.0	16.6%
Net Revenues related to Increases in scope/perimeter		(72.6)	(2.7)%
Constant Perimeter Net Revenue Growth[APM]	***2,671.5***	***3,042.4***	***13.9%***
Make-up			

	For the years ended December 31,		
	2022	2023	Growth
	(€ millions, except %)		
Net Revenues	626.0	773.1	23.5%
Net Revenues related to Increases in scope/perimeter		(2.2)	(0.4)%
Constant Perimeter Net Revenue Growth *APM*	***626.0***	***770.9***	***23.1%***
Skincare			
Net Revenues	329.1	430.9	30.9%
Net Revenues related to Increases in scope/perimeter		(13.7)	(4.2)%
Constant Perimeter Net Revenue Growth *APM*	***329.1***	***417.2***	***26.8%***

	For the years ended December 31,		
	2021	2022	Growth
	(€ millions, except %)		
Fragrance and Fashion			
Net Revenues	1,902.0	2,671.5	40.5%
Net Revenues related to Increases in scope/perimeter		(101.0)	(5.3)%
Constant Perimeter Net Revenue Growth *APM*	***1,902.0***	***2,570.5***	***35.1%***
Make-up			
Net Revenues	413.3	626.0	51.5%
Net Revenues related to Increases in scope/perimeter		-	-
Constant Perimeter Net Revenue Growth *APM*	***413.3***	***626.0***	***51.5%***
Skincare			
Net Revenues	274.9	329.1	19.7%
Net Revenues related to Increases in scope/perimeter		(12.4)	(4.5)%
Constant Perimeter Net Revenue Growth *APM*	***274.9***	***316.7***	***15.2%***

	For the years ended December 31,		
	2020	2021	Growth
	(€ millions, except %)		
Fragrance and Fashion			
Net Revenues	1,348.6	1,902.0	41.0%
Net Revenues related to Increases in scope/perimeter		(0.5)	0.0%
Constant Perimeter Net Revenue Growth *APM*	***1,348.6***	***1,901.5***	***41.0%***
Make-up			
Net Revenues	162.8	413.3	153.9%
Net Revenues related to Increases in scope/perimeter		(139.1)	(85.5)%
Constant Perimeter Net Revenue Growth *APM*	***162.8***	***274.2***	***68.4%***
Skincare			
Net Revenues	25.9	274.9	961.4%
Net Revenues related to Increases in scope/perimeter		(230.5)	(889.9)%
Constant Perimeter Net Revenue Growth *APM*	***25.9***	***44.4***	***71.5%***

The following tables show a breakdown of Constant Perimeter Net Revenue Growth[APM] by geographic segment for the years set forth below:

	For the years ended December 31,		
	2022	**2023**	**Growth**
	(€ millions, except %)		
EMEA			
Net Revenues	1,959.9	2,322.1	18.5%
Net Revenues related to Increases in scope/perimeter		(28.3)	(1.4)%
Constant Perimeter Net Revenue Growth[APM]	***1,959.9***	***2,293.8***	***17.0%***
Americas			
Net Revenues	1,311.9	1,543.0	17.6%
Net Revenues related to Increases in scope/perimeter		(18.0)	(1.4)%
Constant Perimeter Net Revenue Growth[APM]	***1,311.9***	***1,525.0***	***16.2%***
Asia-Pacific			
Net Revenues	347.8	439.0	26.2%
Net Revenues related to Increases in scope/perimeter		(42.3)	(12.1)%
Constant Perimeter Net Revenue Growth[APM]	***347.8***	***396.7***	***14.1%***

	For the years ended December 31,		
	2021	**2022**	**Growth**
	(€ millions, except %)		
EMEA			
Net Revenues	1,498.0	1,959.9	30.8%
Net Revenues related to Increases in scope/perimeter		(38.3)	(2.6)%
Constant Perimeter Net Revenue Growth[APM]	***1,498.0***	***1,921.6***	***28.3%***
Americas			
Net Revenues	839.0	1,311.9	56.4%
Net Revenues related to Increases in scope/perimeter		(29.9)	(3.5)%
Constant Perimeter Net Revenue Growth[APM]	***839.0***	***1,282.0***	***52.9%***
Asia-Pacific			
Net Revenues	248.1	347.8	40.2%
Net Revenues related to Increases in scope/perimeter		(46.1)	(18.6)%
Constant Perimeter Net Revenue Growth[APM]	***248.1***	***301.7***	***21.6%***

	For the years ended December 31,		
	2021	**2020**	**Growth**
	(€ millions, except %)		
EMEA			
Net Revenues	938.5	1,498.0	59.6%
Net Revenues related to Increases in scope/perimeter		(249.8)	(26.6)%
Constant Perimeter Net Revenue Growth[APM]	***938.5***	***1,248.2***	***33.0%***
Americas			

	For the years ended December 31,		
	2021	2020	Growth
	(€ millions, except %)		
Net Revenues	478.9	839.0	75.2%
Net Revenues related to Increases in scope/perimeter		(68.4)	(14.3)%
Constant Perimeter Net Revenue Growth^{APM}	***478.9***	***770.6***	***60.9%***
Asia-Pacific			
Net Revenues	119.9	248.1	106.9%
Net Revenues related to Increases in scope/perimeter		(51.8)	(43.2)%
Constant Perimeter Net Revenue Growth^{APM}	***119.9***	***196.3***	***63.7%***

2. EBITDA^{APM}

Definition: EBITDA^{APM} is an indicator that measures our operational profit before impairments and depreciation and amortization. It is calculated as the operational profit plus depreciation, amortization and impairment losses of non-current assets.

Use: We use this measure to track the performance and profitability of the Group and to establish operational and strategic objectives. EBITDA^{APM} provides us with a measure of operational performance across time on a consistent basis as it removes the impact of our capital structure (primarily interest charges on our bank borrowings) and asset base (primarily depreciation and amortization) from our operating results.

The following table provides a reconciliation to the corresponding measure prepared in conformity with IRFS-EU:

	For the years ended December 31,		
	2023	2022	2021
	(€ millions)		
Operational profit	679.2	493.0	386.5
Depreciation and impairment losses of non-current assets[1]	169.7	145.0	106.5
EBITDA^{APM}	**848.9**	**637.9**	**493.1**

Note: —

(1) See Note 11 to our Financial Statements.

3. EBITDA Margin^{APM}

Definition: EBITDA Margin^{APM} is calculated by dividing EBITDA^{APM} by net revenues.

Use: EBITDA Margin^{APM} measures the Group's ability to transform net revenues into EBITDA^{APM}.

The following table shows the calculation of EBITDA Margin^{APM}:

	For the years ended December 31,		
	2023	2022	2021
	(€ millions, except %)		
EBITDA^{APM} (I)	848.9	637.9	493.1
Net Revenues (II)	4,304.1	3,619.6	2,585.0
EBITDA Margin^{APM} (I/II)	**19.7%**	**17.6%**	**19.1%**

4. Adjusted EBITDA[APM]

Definition: Adjusted EBITDA[APM] is calculated as EBITDA[APM] adjusted by excluding restructuring expenses, transaction costs and other non-recurring items, such as acquisition-related expenses of material transactions, gains and losses from the sale of businesses or real estate, and certain material non-operating items

Use: We use Adjusted EBITDA[APM] for the same purposes as EBITDA[APM] and find it useful for comparison purposes across time to also eliminate the effects of restructuring costs and other non-recurring items.

The following table provides a reconciliation to the corresponding measure prepared in conformity with IRFS-EU:

	For the years ended December 31,		
	2023	2022	2021
		(€ millions)	
EBITDA[APM]	**848.9**	**637.9**	**493.1**
Restructuring costs(1)	1.3	8.7	—
Transaction costs(2)	8.0	23.2	—
Others(3)	4.5	11.6	(35.0)
Adjusted EBITDA[APM]	**862.7**	**681.4**	**458.1**

Notes: —

(1) This amount includes expenses such as severance payments, early retirement payments and other expenses associated with site closures.

(2) In 2023, transaction costs included €2.8 million due to business combinations undertaken early in 2024 (Byredo and Dr. Barbara Sturm) and €5.2 million related to the Offering. In 2022, transaction costs included an aggregate of other non-recurring expenses consisting of €2.2 million related to expenses related the Offering, other expenses related to the business combinations of €11.1 million, and business combination transaction costs of €10.0 million.

(3) In 2023, other items included (i) costs of the sponsorship of the Puig woman's America's cup amounting to €4.4 million, (ii) exceptional legal expenses amounting to €2.5 million and (iii) income of €2.4 million resulting from the termination of a license agreement. In 2022, other non-recurring items consisted of €11.6 million related to exceptional legal expenses incurred. In 2021, this caption mainly included an extraordinary income of €35.0 million resulting from the termination of a license agreement.

5. Adjusted EBITDA Margin[APM]

Definition: Adjusted EBITDA Margin[APM] is calculated by dividing Adjusted EBITDA[APM] by net revenues.

Use: Adjusted EBITDA Margin[APM] measures the Group's ability to transform net revenues into EBITDA[APM].

The following table shows the calculation of Adjusted EBITDA Margin[APM]:

	For the years ended December 31,		
	2023	2022	2021
		(€ millions)	
Adjusted EBITDA[APM] (I)	862.7	681.4	458.1
Net Revenues (II)	4,304.1	3,619.6	2,585.0
Adjusted EBITDA Margin[APM] (I/II)	**20.0%**	**18.8%**	**17.7%**

6. Adjusted EBITDA Conversion[APM]

Definition: Adjusted EBITDA Conversion[APM] is calculated as net cash from operating activities, minus purchases of property, plant and equipment and intangible (capex) and dividing the result by Adjusted EBITDA[APM].

Use: We use Adjusted EBITDA Conversion[APM] to evaluate our operational efficiency in generating cash flow from earnings.

The following table shows the calculation of Adjusted EBITDA Conversion[APM]:

	For the years ended December 31,		
	2023	**2022**	**2021**
	(€ millions, except %)		
Net cash from operating activities (A)	556.5	419.8	511.0
Purchases of property, plant and equipment and intangible (capex) (B)	(177.9)	(151.6)	(77.2)
Free cash flow from operations ((A)-(B)) (I)	**378.6**	**268.2**	**434**
Adjusted EBITDA[APM](II)	**862.7**	**681.4**	**458.1**
Adjusted EBITDA % Conversion[APM] (I/II)	**43.9%**	**39.3%**	**94.7%**

7. Net Debt[APM]

Definition: Net debt[APM] is calculated by adding current and non-current bank borrowings and other interest-bearing loans drawn and liability resulting from the application of IFRS16 (leases), and deducting cash and cash equivalents, deposits, bonds and other marketable securities and interest-bearing loans.

Use: Net debt[APM] is an indicator used by management to measure the level of our debt.

The following table provides a reconciliation to the corresponding measure prepared in conformity with IRFS-EU:

	As of December 31,		
	2023	**2022**	**2021**
	(€ millions)		
Non-current bank borrowings	1,788.8	1,662.3	826.6
Current bank borrowings	358.4	177.0	146.0
Lease liability	313.6	252.6	204.4
Loans issued to related parties and employees[(1)]	(98.3)	(109.2)	(84.7)
Cash and Cash Equivalents	(852.9)	(710.1)	(692.7)
Net Debt[APM]	**1,509.7**	**1,272.6**	**399.7**

Note: —

(1) Loans provided by us to the beneficiaries under the Former Incentive Plans (as defined herein) in order to pay for the initial acquisition of the shares of Puig Gest or Puig SL and related taxes and/or the tax accrued as a result of the delivery of the Class B Shares in exchange of the shares of Puig Gest or Puig SL. See "*Board of Directors and Management–Management incentive plans*" for further information.

8. Net Financial Debt[APM]

Definition: Net Financial Debt[APM] is calculated by adding current and non-current bank borrowings and other interest-bearing loans drawn, and deducting cash and cash equivalents, deposits, bonds and other marketable securities and interest-bearing loans.

Use: Net Financial Debt[APM] is an indicator used by management to measure the level of our debt.

The following table provides a reconciliation to the corresponding measure prepared in conformity with IRFS-EU:

	As of December 31,		
	2023	**2022**	**2021**
		(€ millions)	
Non-current bank borrowings	1,788.8	1,662.3	826.6
Current bank borrowings	358.4	177.0	146.0
Loans issued to related parties and employees[(1)]	(98.3)	(109.2)	(84.7)
Cash and Cash Equivalents	(852.9)	(710.1)	(692.7)
Net Financial Debt[APM]	**1,196.1**	**1,020.0**	**195.3**

Note: —

(1) Loans provided by us to the beneficiaries under the Former Incentive Plans (as defined herein) in order to pay for the initial acquisition of the shares of Puig Gest or Puig SL and related taxes and/or the tax accrued as a result of the delivery of the Class B Shares in exchange of the shares of Puig Gest or Puig SL. See "*Board of Directors and Management–Management incentive plans*" for further information.

9. Gross Margin[APM]

Definition: Gross Margin[APM] is calculated by dividing gross profit by net revenues.

Use: We use Gross Margin[APM] to understand the profitability of our core products or services, excluding overhead costs.

The following table shows the calculation of Gross Margin[APM]:

	For the years ended December 31,		
	2023	**2022**	**2021**
		(€ millions, except %)	
Gross Profit (I)	3,215.2	2,692.6	1,885.1
Net Revenues (II)	4,304.1	3,619.6	2,585.0
Gross Margin[APM] (I/II)	**74.7%**	**74.4%**	**72.9%**

10. Operating Margin^{APM}

Definition: Operating Margin^{APM} is calculated by dividing operating profit by net revenues.

Use: We use Operating Margin^{APM} to measure the efficiency of our core business operations in generating income from regular business activities.

The following table shows the calculation of Operating Margin^{APM}:

	For the years ended December 31,		
	2023	**2022**	**2021**
	(€ millions, except %)		
Operating profit (I)	693.0	536.5	351.6
Net Revenues (II)	4,304.1	3,619.6	2,585.0
Operating Margin^{APM}(I/II)	**16.1%**	**14.8%**	**13.6%**

The following table shows the calculation of Operating Margin^{APM} by business segment:

	For the years ended December 31,		
	2023	**2022**	**2021**
	(€ millions, except %)		
Fragrance and Fashion			
Operating profit (I)	587.2	473.9	296.2
Net Revenues (II)	3,115.0	2,671.5	1,902.0
Operating Margin^{APM} (I/II)	**18.9%**	**17.7%**	**15.6%**
Make-up			
Operating profit (I)	62.2	35.1	19.8
Net Revenues (II)	773.1	626.0	413.3
Operating Margin^{APM} (I/II)	**8.0%**	**5.6%**	**4.8%**
Skincare			
Operating profit (I)	43.6	27.5	35.6
Net Revenues (II)	430.9	329.1	274.9
Operating Margin^{APM} (I/II)	**10.1%**	**8.4%**	**13.0%**

11. Operational Margin^{APM}

Definition: Operational Margin^{APM} is calculated by dividing operational profit by net revenues.

Use: We use Operational Margin^{APM} to assess the efficiency of our core business operations in generating profit.

The following table shows the calculation of Operational Margin^{APM}:

	For the years ended December 31,		
	2023	**2022**	**2021**
	(€ millions, except %)		
Operational profit (I)	679.2	493.0	386.5
Net Revenues (II)	4,304.1	3,619.6	2,585.0
Operational Margin^{APM} (I/II)	**15.8%**	**13.6%**	**15.0%**

12. Net Profit Margin^{APM}

Definition: Net Profit Margin^{APM} is calculated by dividing net profit by net revenues.

Use: We use Net Profit Margin^{APM} to gauge our overall profitability and efficiency in converting sales into actual profit.

The following table shows the calculation of Net Profit Margin^{APM}:

	For the years ended December 31,		
	2023	2022	2021
	(€ millions, except %)		
Net profit attributable to the Company (I)	465.2	399.5	221.0
Net Revenues (II)	4,304.1	3,619.6	2,585.0
Net Profit Margin^{APM} (I/II)	**10.8%**	**11.0%**	**8.5%**

13. Adjusted Net Profit^{APM}

Definition: Adjusted Net Profit^{APM} is net profit excluding the following non-recurring items: business combinations cost, termination of a license agreement, restructuring cost, other non-recurring items, impairments, tax effect on non-recurring items, change of tax rate related to intangibles from business combinations, and minority interest on non-recurring items.

Use: We use Adjusted Net Profit^{APM} to analyze our ongoing and recurring net profit.

The following table provides a reconciliation to the corresponding measure prepared in conformity with IRFS-EU:

	For the years ended December 31,		
	2023	2022	2021
	(€ millions)		
Net profit attributable to the Company	465.2	399.5	221.0
Other operational income and expenses	13.8	43.5	(35.0)
Transaction costs[(1)]	6.2	13.9	43.6
Impairments[(2)]	—	10.6	—
Tax effect on adjusted items	(1.5)	(9.7)	8.7
Change of tax rate related to intangibles from business combinations[(3)]	—	—	70.8
Minority interest on adjusted items	(6.1)	(8.4)	(40.8)
Adjusted Net Profit^{APM}	**477.5**	**449.4**	**268.4**

Notes: —

(1) Transaction costs for these purposes reflects expenses related to the payment of earn-outs.

(2) Net impairment resulting from an impairment for Scent Library for €(19.6) million due to the adverse impact that COVID-19 had in China and a reversal of impairment of STL for €9.0 million due to the recovery of retail after the COVID-19 pandemic.

(3) In 2021, an increase in the main rate of corporate income tax rate in the United Kingdom to 25% from 19% was announced, which led to the remeasurement of our deferred tax balances. This change had a negative impact of €70.8 million in 2021.

14. Adjusted Net Profit Margin[APM]

Definition: Adjusted Net Profit Margin[APM] is calculated by dividing Adjusted Net Profit[APM] by net revenues.

Use: We use Adjusted Net Profit Margin[APM] to assess core profitability by eliminating the effects of non-recurring items, accounting adjustments and other one-off transactions.

The following table shows the calculation of Adjusted Net Profit Margin[APM]:

	For the years ended December 31,		
	2023	2022	2021
	(€ millions, except %)		
Adjusted Net Profit[APM] (I)	477.5	449.4	268.4
Net Revenues (II)	4,304.1	3,619.6	2,585.0
Adjusted Net Profit Margin[APM] (I/II)	**11.1%**	**12.4%**	**10.4%**

15. Working Capital[APM]

Definition: Working Capital[APM] is calculated by deducting current liabilities from current assets.

Use: We use Working Capital[APM] to assess our short-term financial health and our ability to meet payment obligations with available assets.

The following table shows the calculation of Working Capital[APM]:

	As of December 31,		
	2023	2022	2021
	(€ millions)		
Total current assets	2,313,2	1,956.4	1,526.7
Total current liabilities	(1,649.9)	(1,194.6)	(972.7)
Working Capital[APM]	**663.3**	**761.8**	**554.0**

16. Operating Working Capital[APM]

Definition: Operating Working Capital[APM] is calculated by adding trade accounts receivable and other current assets to inventories and subtracting trade accounts payable and other current liabilities.

Use: We use Operating Working Capital[APM] as a measure of our financial condition, our efficiency in using financial resources to fund our operations and the evolution of our needs for funds for operations over time.

The following table shows the calculation of Operating Working Capital[APM]:

	For the years ended December 31,		
	2023	2022	2021
	(€ millions)		
Inventories	788.9	626.3	363.1
Trade Accounts Receivable	484.7	387.9	317.3
Other Current Assets	186.7	232.1	153.7
Trade Accounts Payable	(212.1)	(238.9)	(166.5)
Other Current Liabilities[(1)]	(817.1)	(749.7)	(642.0)
Operating Working Capital[APM]	**431.1**	**257.7**	**25.6**

Notes: —

(1) Other current liabilities for 2023 excludes a liability for €207.0 million with respect to the call and put options in connection with the shares held by the minority shareholders in Charlotte Tilbury which will become exercisable in part in 2024.

BOARD OF DIRECTORS AND MANAGEMENT

The Spanish Companies Act approved by Royal Legislative Decree 1/2010, of July 2 (*Texto Refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*), as amended (the "**Spanish Companies Act**") is the main legislation under which we operate. We are also subject to corporate governance requirements and recommendations, such as the Spanish Corporate Governance Code for Listed Companies (*Código de Buen Gobierno de las Sociedades Cotizadas*) approved by the CNMV in February 2015, as amended in June 2020 (the "**Corporate Governance Code**"). In order to adapt the Company to (i) the provisions of the Spanish Companies Act applicable to listed companies, (ii) the applicable Corporate Governance Code, and (iii) the best practices for listed companies:

- our board of directors (the "**Board of Directors**"), at its meeting held on April 5, 2024, approved (a) certain amendments to the regulations that govern our Board of Directors and a restated text of our board regulations (the "**Board Regulations**") and (b) the Internal Code of Conduct (as defined below).
- our general shareholders' meeting at its meetings held (a) on February 28, 2024, approved certain amendments to our Bylaws, and (b) on April 5, 2024, approved the rules and regulations that govern our general shareholders' meeting (the "**General Shareholders' Meeting Regulations**") and acknowledged the approval of the Board Regulations and the Internal Code of Conduct.

The restated text of our Board Regulations, the Internal Code of Conduct, the General Shareholders' Meeting Regulations and certain provisions of our Bylaws will become effective upon Admission.

Our Board Regulations and the General Shareholders' Meeting Regulations are pending registration with the Commercial Registry. Our Bylaws were registered on April 4, 2024 with the Commercial Registry of Barcelona under volume 48735, sheet B-482253, page 55, inscription 22. Copies of our Bylaws, the General Shareholders' Meeting Regulations and the Board Regulations are available at our registered office (Plaza Europa, 46-48, 08902, L'Hospitalet de Llobregat, Barcelona, Spain). Furthermore, copies of our Bylaws, the General Shareholders' Meeting Regulations and the Board Regulations will also be available on our website (www.puig.com/en/corporate-governance/regulation/). Neither our website nor any of its contents are considered part of or are incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined or approved the Company's website or any of its contents. See "*Additional Information*".

Board of Directors

The composition, responsibilities and functioning of our Board of Directors are regulated by our Bylaws and the Board Regulations and the relevant provisions of the Spanish Companies Act. The Spanish Companies Act provides that the Board of Directors is responsible for the management, administration and representation of the Company in respect of its business matters, subject to the provisions of our Bylaws and our Board Regulations, and except for those matters expressly reserved to the general shareholders' meetings. Moreover, the Board of Directors is entrusted with calling general shareholders' meetings and implementing shareholders' resolutions.

Pursuant to Articles 249 bis and 529 *ter* of the Spanish Companies Act, our Bylaws and our Board Regulations, the following matters must be approved by the Board of Directors and, subject to certain exceptions, may not be delegated to any Board of Directors committee, director or to any of our attorneys or representatives:

- The supervision of the operation of committees and the actions of delegated bodies and any appointed executives and, when applicable, request an external evaluation of the Board of Directors and its committees.
- The definition of our general policies and strategies, and in particular: (i) the strategic or business plan, management targets and annual budgets; (ii) the investment and financing policy; (iii) the dividend and shareholder return policy; (iv) the definition of the structure of the Group; (v) the

corporate governance policy; (vi) the corporate social responsibility policy; (vii) the remuneration policy for senior officers; (viii) the performance appraisal of senior officers; (ix) the risk control and management policies, and the periodic monitoring of internal information and control systems (including the control and risk management policy); and (x) the policy concerning treasury shares in accordance with the law and our Bylaws.

- The authorization or waiver of the obligations resulting from the duty of loyalty in accordance with Article 230 of the Spanish Companies Act.
- The organization and operation of our Board of Directors itself.
- The drafting of the annual accounts, the management report and the proposed allocation of financial results, both at individual and consolidated level, and their submission to the general shareholders' meeting.
- The drafting of any type of report required by law from the managing body provided that the transaction to which the report relates cannot be delegated.
- (i) the appointment of chief executive officers, unless the chief executive officers had been appointed by our general shareholders' meeting at the time of appointment of our directors; (ii) the proposal to our general shareholders' meeting to remove the chief executive officers; and (iii) the stipulation of the contractual terms of the chief executive officers.
- At the proposal of the chairman of the Board of Directors or of our chief executive officer (if different to the chairman of the Board of Directors), and subject to the opinion of the Nomination and Remuneration Committee, the appointment and removal of senior officers, as well as the stipulation of the basic terms of their contracts, including their remuneration.
- The decisions concerning the directors' (including executive directors') remuneration and other conditions of their contracts, in accordance with our Bylaws, and the remuneration policy approved by our general shareholders' meeting, subject to a report of the Nomination and Remuneration Committee.
- The calling of general shareholders' meetings, preparation of the agenda and proposed resolutions and publication of the relevant announcements.
- Any powers delegated by the general shareholders' meeting to the Board of Directors, save where expressly authorized by shareholders to delegate those powers further.
- The approval of financial information which, due to being listed, the Company must periodically publish.
- The decisions regarding investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the general shareholders' meeting, pursuant to applicable law or our Bylaws.
- The decisions related to the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered non-cooperative jurisdictions, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.
- Unless it is a decision reserved to our general shareholders' meeting or that pursuant to applicable law can be delegated, the decisions related to the Company operations that are considered related-party transactions pursuant to applicable law and the Board Regulations, following a report from the Audit and Compliance Committee.
- The definition of the tax strategy of the Company.
- The supervision of the process of preparing and presenting the financial information and the management report, which includes, when appropriate, the mandatory non-financial information,

and presents the recommendations or proposals to the Board of Directors, aiming to safeguard their integrity.

- Approving the Internal Code of Conduct (as defined below), the annual corporate governance report and the annual report on directors' remuneration.
- Decisions regarding any other matters that according to the law or our Bylaws corresponds to the Board of Directors and cannot be delegated.

Our Board Regulations provide that in cases of urgency, where duly justified and legally permitted, delegated bodies may make decisions on the above matters, which must be ratified at the first meeting of the Board of Directors after such decision was made.

In addition, according to our Bylaws, the Board of Directors has the capacity, in relation to each conversion of Class A Shares into Class B Shares, to execute and establish the term, time and procedure of such conversion. See "*Description of Share Capital—Rights of Class A Shares and Class B Shares—Right to convert Class A Shares into Class B Shares*"

Composition and governance of the Board of Directors

Our Bylaws provide for a Board of Directors consisting of between five and 15 members. As of the date of this Prospectus, the Board of Directors is composed of 13 members, of which two are proprietary directors, seven are independent directors and one is an executive director (our chief executive officer (the "**Chief Executive Officer**")). Three directors are neither executive directors, nor independent or proprietary directors; these directors are considered "other external" directors.

Category

Pursuant to our Board Regulations and in accordance with Article 529 *duodecies* of the Spanish Companies Act, a director is categorized as "independent" if he or she is not a member of the Puig family (the "**Puig Family**") (members of the Puig Family include direct descendants of Antonio Puig Castelló and their respective spouses from whom they are not separated, by law or *de facto*) and has been appointed based on his or her personal and professional conditions and is able to perform his or her duties without being impaired by his or her relationship with us, our significant direct or indirect shareholders or our executive committee, if any. In addition, the Spanish Companies Act and our Board Regulations set out a series of objective criteria which will prevent a director from being categorized as "independent". On March 20, 2023 and April 5, 2024 our general shareholders' meeting appointed our independent directors and, for those appointed on March 20, 2023, on April 24, 2023 our general shareholders' meeting confirmed their condition as independent. On April 5, 2024 our general shareholders' meeting assessed and, as applicable, confirmed the respective category of all the directors that form part of our Board of Directors. In particular, our general shareholders' meeting confirmed that at the time that our independent directors were appointed and on the date of such general shareholders' meeting, the requirements set out under our Board Regulations, which contain the requirements set forth in Article 529 *duodecies* of the Spanish Companies Act to consider directors as independent directors, were met.

Election and removal of directors

According to the Spanish Companies Act, our Bylaws and our Board Regulations, our directors are elected by the general shareholders' meeting to serve for a term of three years and may be re-elected to serve for an unlimited number of terms of the same duration (save that no independent director can serve for more than 12 years in a row and still be considered independent). If a director does not serve a full term, the Board of Directors may fill the vacancy by appointing a new director (co-optation) to serve until the next general shareholders' meeting subject to subsequent ratification at a general shareholders' meeting (*nombramiento por cooptación*). Any natural person may serve on the Board of Directors, except for persons specifically prohibited from doing so by applicable law. A director may be removed from office by the shareholders at a general shareholders' meeting, even if such removal is not included on the agenda for that general shareholders' meeting.

The Spanish Companies Act allows shareholders to voluntarily group their shares so that the share capital in aggregate is equal to or greater than the result of dividing the total share capital by the number of directors on the board (*sistema de representación proporcional*). Such grouped shareholders have the right to appoint a corresponding proportion of the directors (disregarding any fractions) provided that there is a vacancy. Shareholders who exercise this grouping right may not vote on the appointment of the remaining directors.

According to our Board Regulations, our directors must tender their resignation to the Board of Directors, which may accept such resignation, in its discretion, under the following circumstances: (i) when their posts, offices or duties associated to their appointment as executive directors are terminated; (ii) in the case of a proprietary director, when the shareholder whose interests such director represents, fully transfers or reduces in the due proportion, its stake in the Company; (iii) in the case of an independent director, in any circumstances in which they legally cease to be independent; (iv) when they are subject to a legal cause of incompatibility or prohibition; (v) when the Board of Directors requests it by at least a two-thirds majority of its members; (vi) when their continuance as directors could put at risk or jeopardise the interests, credit, or reputation of the Company. Directors must disclose any criminal proceedings in which they are under investigation, as well as any subsequent events in those proceedings. The Board of Directors may propose that independent directors are ceased only if, with the prior report of the Nomination and Remuneration Committee, it considers that there is a justified cause (e.g., when the relevant independent director incurs in new obligations or holds new positions that prevent such independent director from dedicating the necessary time to his or her duties, if there is a breach of such duties or in any circumstances in which he or she legally ceases to be independent).

In addition, according to our Board Regulations, directors adopting decisions on matters that, in accordance with applicable law or our Bylaws, are reserved to our general shareholders' meeting, or directors that otherwise do not follow the instructions that our general shareholders' meeting may provide to the Board of Directors in accordance with applicable law and our Bylaws, must cease their positions immediately by resigning from their offices. If the relevant director does not comply with this obligation, it is the responsibility of the chairman of the Board of Directors to promptly convene a meeting of the Board of Directors in which it will be agreed to call a general shareholders' meeting that includes on the agenda, among other things, the dismissal of the director or directors who have failed to fulfil these obligations and who has not voluntarily resigned from his office. All of the above is without prejudice of any legal actions that may be taken against them in accordance with applicable law. Likewise, any director who does not comply with these provisions will lose all rights to any compensation due to its resignation or dismissal, as well as any amounts or benefits that would have corresponded to such director or otherwise accrued as a result of the termination of such director's relationship with us.

Election of executive directors and the chairman of the Board of Directors

Our Bylaws and our Board Regulations provide that our general shareholders' meeting may appoint our chief executive officers and may decide the formation of executive committees, while the Board of Directors appoints our executive directors (except for the chief executive officer).

In addition, according to our Bylaws, the chairman of the Board of Directors is elected by our general shareholders' meeting, except that if the chairman has not been elected by our general shareholders' meeting at the time of its appointment as director, the chairman of the Board of Directors may be elected by the Board of Directors. One or more vice chairman, who may act as chairman in the event of the chairman's absence, incapacity or vacancy, may be elected by the Board of Directors among the directors. Pursuant to Article 529 *septies* of the Spanish Companies Act, our Bylaws and our Board Regulations, if the chairman holds executive powers (as it is the case for us given that the chairman is also our Chief Executive Officer), the Board of Directors shall appoint a lead independent director (*consejero coordinador*) from among the independent directors, provided that the executive directors shall abstain from voting. This lead independent director will be especially authorized (i) to request that meetings of the Board of Directors be called and that further items of business be included on the agenda for meetings that have already been called; (ii) to coordinate non-executive directors; and (iii) to conduct, if applicable, periodic appraisals of the chairman of the Board of Directors. In addition, the lead independent director will also have the following responsibilities: (i) chairing

the Board of Directors in the absence of the chairman and, where applicable, vice chairmen; (ii) contacting investors and shareholders to get their views to form an opinion on their concerns in relation with the Company's corporate governance; (iii) giving voice to the concerns of non-executive directors; and (iv) coordinating the chairman succession plan. The secretary and, where applicable, the vice-secretary of the Board of Directors, do not need to be directors.

The chairman of the Board of Directors may call a meeting of the Board of Directors whenever he or she considers it necessary or appropriate. The chairman of the Board of Directors is also required to call a meeting of the Board of Directors at the request of one third of the directors. If the chairman does not call such meeting within one month from such request, the requesting directors would be entitled to call the meeting directly. According to our Board Regulations, our Board of Directors shall meet as often as required by the Company's corporate interest and a minimum of eight (8) times per year, taking into account that the Board of Directors shall meet at least once quarterly.

Quorum and majorities

The Spanish Companies Act and our Bylaws provide that the absolute majority (half plus one) of the directors (attending in person or represented by proxy by another director) constitutes a quorum. Except as otherwise provided by applicable law or in our Bylaws, resolutions of the Board of Directors are approved by an absolute majority of the directors attending or represented at a Board of Directors meeting.

Directors

The following table sets out the names and ages of our directors, their first appointment and expiry dates, their positions (title) within the Board of Directors, their category as directors and, where relevant, the shareholder they represent, after Admission.

The category as directors has been determined pursuant to the definitions set forth in our Board Regulations and the Spanish Companies Act. As of the date of this Prospectus, the category assigned to each director has not been confirmed by the Nomination and Remuneration Committee. However, at its first meeting following Admission, the Nomination and Remuneration Committee will ratify the assigned categories. Directors are responsible for all the matters established in the Spanish Companies Act, our Bylaws and the Board Regulations.

Name	Date of first appointment as director of Puig SL	Date of first appointment as director of the Company	Expiry date of appointment as director of the Company	Age	Title	Category[1]
Mr. Marc Puig Guasch	December 21, 1999	March 20, 2023	March 20, 2026	62	Chairman and Chief Executive Officer[2]	Executive
Mr. Manuel Puig Rocha	February 1, 2017[3]	December 18, 2023[4]	December 18, 2026	62	Vice chairman	Proprietary[5]
Mr. Josep Oliu Creus	October 1, 2002[6]	December 18, 2023[7]	December 18, 2026	74	Director	Proprietary[5]
Mr. Jordi Constans Fernández	January 23, 2013	March 20, 2023	March 20, 2026	59	Director[8]	Independent
Mr. Yiannis Petrides	December 13, 2010	March 20, 2023	March 20, 2026	66	Director	Other external[9]
Mr. Daniel Lalonde	March 11, 2019	March 20, 2023	March 20, 2026	60	Director	Independent
Mr. Rafael Cerezo Laporta	March 1, 2011	March 20, 2023	March 20, 2026	73	Director	Other external[9]
Mr. Patrick Chalhoub	5 June, 2020	March 20, 2023	March 20, 2026	66	Director	Other external[10]
Ms. Ángeles García-Poveda Morera	–	March 20, 2023	March 20, 2026	53	Director	Independent

Name	Date of first appointment as director of Puig SL	Date of first appointment as director of the Company	Expiry date of appointment as director of the Company	Age	Title	Category[(1)]
Ms. Christine A. Mei	February 23, 2023	March 20, 2023	March 20, 2026	58	Director	Independent
Mr. Nicolas Mirzayantz	–	April 24, 2023	April 24, 2026	61	Director	Independent
Ms. Tina Müller	–	April 5, 2024	April 5, 2027	56	Director	Independent
Ms. María Dolores Dancausa Treviño	–	April 5, 2024	April 5, 2027	59	Director	Independent

Notes: —

(1) In the context of the suitability review of each director, on April 5, 2024 our general shareholders' meeting has assessed and confirmed the relevant category of all the directors in accordance with the Spanish Companies Act and our Board Regulations.

(2) Appointed as Chief Executive Officer (*Consejero Delegado*) by our general shareholders' meeting on April 5, 2024. Previously he served as Chief Executive Officer by virtue of a comprehensive delegation of powers.

(3) Representing Lyskamm 1861, S.L.

(4) On March 20, 2023, Lyskamm 1861, S.L. was appointed as director represented by Mr. Manuel Puig Rocha. On December 18, 2023, Lyskamm 1861, S.L. ceased to be director and Mr. Manuel Puig Rocha was appointed as director.

(5) Appointed upon Puig SL's proposal.

(6) Representing Exea Empresarial, S.L.

(7) On March 20, 2023, Exea Empresarial, S.L. was appointed as director represented by Mr. Josep Oliu Creus. On December 18, 2023, Exea Empresarial, S.L. ceased to be director and Mr. Josep Oliu Creus was appointed as director.

(8) Lead independent director.

(9) Categorized as "other external" pursuant to article 529 *duodecies* of the Spanish Company Act for being in office for more than 12 years (considering that the first date of appointment is the date of first appointment as director of Puig SL).

(10) Categorized as "other external" pursuant to article 529 *duodecies* of the Spanish Company Act as it is uncertain that he could qualify as "independent" as he maintains a business relationship with the Company, in particular, in the distribution of our products in the Middle East through certain joint ventures with the Company.

The secretary of our Board of Directors (non-director) is Mr. Joan Albiol Ramis. The vice-secretary of our Board of Directors (non-director) is Mr. Francisco Blanco García.

All directors designate our registered address as their professional address for the purposes of this Prospectus.

The below graph shows the percentage of our directors that have the following skills:

The biographies for each of the directors of our Board of Directors, including a brief description of their business experience and education, are set out below. This information is included for the secretary (non-director) and the vice secretary (non-director) of our Board of Directors below (see "*—Senior Officers*").

For the purposes of this section, "**PUIG**" means the Group and, if applicable, the group of companies related to the Puig Family from time to time.

Mr. Marc Puig Guasch

Mr. Marc Puig joined PUIG in 1984, starting at Antonio Puig, S.A. From 1995 to 2001 he worked at Puig North America, Inc and became president of this company. Since then, he has served in various positions within PUIG, holding executive positions at Carolina Herrera Ltd and Puig SL. In 1999, he started his position as member of the board of directors of Puig SL and in 2004 he was appointed chief executive officer of PUIG.

Mr. Marc Puig Guasch holds a bachelor's degree in Industrial Engineering from the Polytechnic University of Catalonia and a master's degree in Business Administration (MBA) from Harvard University.

Mr. Manuel Puig Rocha

Mr. Manuel Puig joined PUIG in 1988, and has been director of PUIG since 1999 and vice-chairman since 2007. From 2002 to 2006 he has been a director of Prada N.V. Since 2021 he also holds the position of chairman of the ESG Committee. He has over 35 years of experience in product development at PUIG and he has also held different positions in marketing. Mr. Manuel Puig has been responsible for the creation of several international subsidiaries, management of several fashion brands and the division related to derma products. During the last ten years, he has had an active participation in relevant acquisitions for PUIG, including, for example, the acquisition of Apivita and Uriage.

He is a member of the board of directors of, amongst others, Fluidra, S.A. and Inmobiliaria Colonial, Socimi, S.A. since 2023 and is also a director of Exea Empresarial, S.L. (which together with other companies directly or indirectly controlled by Exea Empresarial, S.L., form the "**Corporación Exea**"), Flamasats, S.L. and Isdin.

Mr. Manuel Puig Rocha holds a bachelor's degree in Industrial Engineering from the Polytechnic University of Catalonia.

Mr. Josep Oliu Creus

Mr. Josep Oliu joined PUIG in 2002. He began his career in 1978 as Associate Professor in Economics and Econometrics at the Universitat Autònoma of Barcelona. He then held the position of Professor at the Department of Economics at the University of Oviedo between 1981 and 1983, and was an advisor to the World Bank, to the Ministry of Economy of the Government of Spain and to the Government of the Generality of Catalonia between 1982 and 1983. In 1983 he was director for studies and strategy at the National Industry Institute, later occupying the position as general director for planning. He has also been a board member for Aviación y Comercio, S.A., Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. or Inisel, S.A.

He joined Banco Sabadell in 1986 as technical secretary general, and became executive board member in 1991. Since 1999 Mr. Josep Oliu is the chairman of Banco Sabadell's board of directors.

Mr. Josep Oliu holds a bachelor's degree in Economics from the University of Barcelona and PhD in Economics from the University of Minnesota.

Mr. Jordi Constans Fernández

Mr. Jordi Constans Fernández joined PUIG as director in 2013. Before joining PUIG, he developed his professional career at global well-known companies such as Danone, S.A., which he joined in 1990 and where he became the president of the dairy division until 2011, and Louis Vuitton, where he served as president and CEO from 2011 to 2012.

Mr. Jordi Constans Fernández holds a bachelor's degree in Economics from the University of Barcelona and a bachelor's degree in Business Administration from ESADE. Furthermore, he is former student of IESE's General Management Program.

Mr. Yiannis Petrides

Mr. Yiannis Petrides joined PUIG as director in 2010. He began his professional career in 1984 at Procter & Gamble Company. Three years later, he joined PepsiCo, where he held various positions in multiple regions until 2010. He held marketing and franchise management positions in PepsiCo's Middle East and Greece divisions until 1992, when Mr. Petrides became the president and general manager of Frito Lay Greece and Balkans. In 1995, he was appointed president and business unit general at PepsiCo Spain, where he led the restructuring of the Spanish company-owned bottling operation. From 2000 to 2010 he was the president of the European division of The Pepsi Bottling Group.

Mr. Yiannis Petrides became the vice-chairman of Campofrío Food Group in 2005, where he served in that position until 2015. From 2010 to 2016, he was board director at Largo (Wind Hellas) Athens, assuming the position of chairman in 2014. Mr. Petrides served as chairman at Refresco NV from 2013 to 2018, and he currently serves as director in Cypet Ltd. (since 2015) and Mytilineos SA (since 2018), and as senior advisor at Triton Private Equity (since 2019).

Mr. Yiannis Petrides holds a bachelor's degree in Economics and Politics from Cambridge University and a master's degree in Business Administration (MBA) from Harvard Business School, where he graduated in 1982 and 1984 respectively.

Mr. Daniel Lalonde

Mr. Daniel Lalonde joined PUIG in 2019. He began his career at a management consultancy company in Paris. He subsequently joined Nespresso in 1994 and had a fundamental role in transforming the company from a start-up to a successful global brand, serving first as CEO of North America and then, over the next five years, as global COO based at the company's Swiss headquarters. In 2002, he began a 10-year professional path with LVMH Group in New York, initially as president and CEO of LVMH Watches & Jewellery North America, and then as president and CEO of Louis Vuitton North America. In 2010, Mr. Lalonde returned to Paris to serve as global president and CEO of Möet & Chandon and Dom Perignon. Later, in 2012, he served as International President at Ralph Lauren, before joining the SMCP Group in 2014 as CEO and director. In 2021, he began his current role as CEO and director of Design Holding, a global leader in luxury design.

Mr. Daniel Lalonde holds an Honour's bachelor's degree in Mathematics from the University of Waterloo in Ontario, Canada, and a master's degree in Business Administration (MBA) from INSEAD.

Mr. Rafael Cerezo Laporta

Mr. Rafael Cerezo joined PUIG in 2007. He began his professional career at the Commission of the European Communities in Brussels in 1974 and then joined The Boston Consulting Group in 1977 where he served in various positions uninterruptedly until 2008 save for the period between 1980 and 1982, where he was the managing director of Etasa, S.A.'s UK subsidiary. At The Boston Consulting Group, he led the company's landing in Spain in 1985 and ten years later he was elected member of the worldwide executive committee. From 1996 to 2002, he served as European chairman, and after this period he returned to be fully dedicated to clients in the Iberian Peninsula and served as managing director of Central and Eastern Europe.

Mr. Rafael Cerezo joined the advisory committee of Corporación Exea in 2008. Since then, he has served as director of the Company and Isdin.

Mr. Rafael Cerezo holds a bachelor's degree in Economics from London School of Economics and a master's degree in Business Administration (MBA) from Columbia University.

Mr. Patrick Chalhoub

Mr. Patrick Chalhoub joined PUIG as director in 2020. He is also president of Chalhoub Group Limited, where he joined in 1979. In 2021 he was appointed co-chief executive officer the Chalhoub Group Limited. In 2011 he introduced a luxury children's concept store Katakeek, and in 2012 opened Level Shoe District, a 9,000 square metre shoe boutique in Dubai Mall. Chalhoub Group Limited is a company involved in the wholesale and retail distribution through local joint ventures, such as, Estée Lauder, Shiseido, L'Oreal, Chanel, Interparfums, Glams, Isadora, Hourglass, Vilhelm Parfumerie, Clarins, Kendo, Prada, Dolce & Gabbana, and that exploits retail franchises of brands such as L'Occitane, Molton Brown, Roger & Gallet, Nars, Atelier Cologne, La Mer, Pixi, Tory Burch, Estée Lauder (Bobbi Brown, Too Faced, Tom Ford, Kilian Paris), Urban Decay and Ex Nihilo. Chalhoub Group Limited operates mainly in the Middle East and has presence in Europe and the United States through its brand Christofle.

Mr. Patrick Chalhoub holds a bachelor's degree in Economics and Finance, and a bachelor's degree in Political Science.

Ms. Ángeles García-Poveda Morera

Ms. Ángeles García-Poveda Morera joined PUIG as an independent director in 2023. She chairs the board of Legrand SA since 2020, after having served as lead independent director between 2013 and 2020. She also serves as non-executive director at Edenred SA and Bridgepoint plc.

She began her business career as a financial analyst at A.B. Asesores Bursátiles in 1992. She then worked for The Boston Consulting Group in Madrid and Paris between 1993 and 2008, first as a consultant and later in various HR and talent management positions up to managing recruiting globally. She joined Spencer Stuart in 2008, where she became partner in the board and CEO practice, and was successively head of France, head of EMEA, and elected board member, before becoming a senior advisor until 2023.

Ms. Ángeles García-Poveda Morera holds a bachelor's degree in European Business Studies from Universidad Pontificia de Comillas (Madrid) and NEOMA (Reims). Furthermore, she coursed the Business Case Study Program in Harvard University.

Ms. Ángeles García-Poveda Morera is a member of the Medef executive committee and the HCGE (*Haut Comité pour la Gouvernance d'Entreprise*).

Ms. Christine A. Mei

Ms. Christine A. Mei joined PUIG in 2023. She began her professional career at Procter & Gamble Company, where she worked at the China division. Then she joined Nike, Inc. in Hong Kong as regional marketing director. She later worked for Click2Asia.com as senior vice-president of marketing in Los Angeles, and for The Dow Chemical Company in Houston as the global director of the corporate brand management and new business development divisions.

In 2004, Ms. Christine A. Mei joined The Coca-Cola Company, where she became strategic planning director of Coca-Cola North America in 2006, manufacturing director of the U.S. south region division in 2011, and vice-president of the vending sales and operation division from 2013 to 2014. Ms. Christine A. Mei served as senior vice-president and business leader of the global Kitchen Appliances business at Royal Philips in Shanghai, and as corporate senior vice-president of Beiersdorf's Asia-Pacific region from 2014 to 2016 and 2016 to 2019, respectively. She later joined Gathered Foods Corp. as CEO until 2022 and in 2023 was appointed director of Sku, a consumer products accelerator. She is also a professor at the University of Texas, Austin.

Ms. Christine A. Mei holds a bachelor's degree in Chemical Engineering from Texas University and a master's degree in Business Administration (MBA) from Rice University.

Mr. Nicolas Mirzayantz

Mr. Nicolas Mirzayantz joined PUIG as director in 2023. He developed his professional career at International Flavours & Fragrances, Inc., serving in various management positions in multiple business

divisions. In 2023, he was appointed board member of Coca-Cola Europacific Partners plc. He is also a director of the International Fragrance Association.

Mr. Nicolas Mirzayantz holds a master's degree in Economics from University Panthéon-Assas. Furthermore, he coursed the International Executive Program from INSEAD and the Executive Program from Singularity University in Palo Alto (U.S.).

Ms. Tina Müller

Ms. Tina Müller joined PUIG in 2024. She began her professional career at L'Oreal in 1993, where she was trainee in Germany, and she also worked at Wella in brand management positions until 1995. From 1995 until 2013, she held multiple positions at Henkel, including Corporate Senior Vice President roles and the global Chief Marketing Officer role for the international beauty care business. From 2013 to 2017, Ms. Tina Müller was member of the executive management board and Chief Marketing Officer at Adam Opel AG, and in 2017 she joined Douglas GmbH where she served as Chief Executive Officer until 2022 and as non-executive director (member of the Supervisory Board) until 2023.

Since October 2023, Ms. Tina Müller is the Chief Executive Officer of Weleda AG. She is Chalhoub Group Advisory Board member since 2023 and serves as non-executive member of the supervisory board of the retailer Aldi Nord since October 2023. Before April 2024 she served as member of the non-executive board of Autoscout 24 GmbH (2021 until April, 2024). Before this, she served as a member of the Supervisory Board of MLP AG (from 2012 until 2021) and STADA Arzneimittel AG (from 2016 to 2017)..

Ms. Tina Müller holds a master's degree in international Economics from Université Jean Moulin-Lyon III. Furthermore, she holds a master's degree in Business Administration (MBA) from Hochschule Ludwigshafen am Rhein and she coursed the Advanced Management Program at Harvard Business School and the Transformational Leadership program of General Motors at Stanford University.

Ms. María Dolores Dancausa Treviño

Ms. María Dolores Dancausa joined PUIG in 2024. She has spent her professional career in the financial sector, firstly at Banco Exterior and then at Banking, S.A. When Línea Directa Aseguradora, S.A., de Seguros y Reaseguros was created in 1994, she was appointed general secretary of the company and of the board of directors, holding these posts until 2008, when she was appointed Bankinter's chief executive officer. After her appointment in 2010 as Bankinter's chief executive officer, she remained on Línea Directa Aseguradora's board of directors until its IPO in 2021.

From October 2010 until March 2024, she has been the chief executive officer of Bankinter, and on March 2024 she was appointed non-executive chairwoman, a role which she currently holds. During her time as chief executive officer of Bankinter, she also held the position of non-executive chair of several Bankinter group companies (such as EVO Banco, S.A., Bankinter Consumer Finance, EFC, S.A., Bankinter Global Services, S.A. and Avantcard, DAC). Currently, within the Bankinter group, she continues to be a director of Bankinter Investment, S.A. and trustee of the Bankinter Foundation for Innovation. In addition, she is trustee of the Princess of Girona Foundation, where she chairs its audit committee.

Since June 2021, she is a non-executive director at Acciona, S.A. and she is currently the chair of its Appointments and Remuneration Committee. From 2013 until 2018, Ms. María Dolores Dancausa was a non-executive director of Esure Group Plc (UK insurance company).

Ms. María Dolores Dancausa holds a bachelor's degree in Law from Universidad Complutense de Madrid. Furthermore, she complemented her academic background with various Business Management Programs at Harvard Business School, an Advanced Management Programme at the INSEAD Business School in Fontainebleau, and a Master in Human Resources and Business Strategy from the Euroforum-INSEAD University Institute (Madrid).

The following table sets out all entities, except for those entities or associates of the Group, in which the directors have been appointed as members of administrative, management or supervisory bodies at any time during the five-year period preceding the date of this Prospectus, indicating whether or not each person is still

a member of any such bodies. This information is included for the secretary (non-director) of our Board of Directors below (see "—*Senior Officers*").

Director	Entity[(1)]	Sector	Position/ Title	In office
Mr. Marc Puig Guasch	Punto Fa, S.L. (Mango)	Fashion	Director	Yes
	Puig, S.L.	Holding	Director	Yes
	Exea Empresarial, S.L.	Holding	Director	Yes
	Círculo de Economía	Private Organization	Member of the Board of Directors	Yes
Mr. Manuel Puig Rocha.................	Fluidra, S.A.	Wellness	Director	Yes
	Inmobiliaria Colonial, Socimi, S.A.	Real Estate	Director	Yes
	Maveinn Inversiones Inmobiliarias, S.L.	Real Estate	Director	Yes
	Torre Puig LH 4648, S.L.	Real Estate	Director	Yes
	Inmo, S.L.	Real Estate	Director	Yes
	Inmocol Torre Europa, S.A.	Real Estate	Director	Yes
	Exea Capital, S.C.R., S.A.	Finance	Director	Yes
	Whymper 1865, S.C.R., S.A.	Finance	Director	Yes
	Inmo Montaigne S.A.S.	Real Estate	Director	Yes
	Inmo USA Inc.	Real Estate	Director	Yes
	Casa Fiesta Formentera y Asociados, S.L.	Food Services	Director	Yes
	Exea Empresarial, S.L.	Holding	Director	Yes
	Puig, S.L.	Holding	Director	Yes
	Real Automóvil Club de Cataluña	Private Organization	Trustee	Yes
Mr. Josep Oliu Creus.....................	Banco de Sabadell, S.A.	Finance	Chairman	Yes
	Sabadell Consumer Finance, S.A.U.	Finance	Chairman	No
	Exea Empresarial, S.L.	Holding	Chairman	Yes
	Puig, S.L.	Holding	Director (representing Exea Empresarial, S.L.)	Yes
	Barcelona Graduate School of Economics Fundación Privada	Education	Trustee (representing Banco de Sabadell, S.A.)	Yes
	Fundación Bosch i Cardellach	Non-Profit Organization	Vice chairman (representing Banco de Sabadell, S.A.)	Yes
	Fundación de Estudios de Economía Aplicada	Education	Member of the board	Yes

Director	Entity(1)	Sector	Position/ Title	In office
	Fundación Princesa de Asturias	Non-Profit Organization	Trustee (representing Banco de Sabadell, S.A.)	Yes
	Fundación Princesa de Gerona	Non-Profit Organization	Trustee (representing Banco de Sabadell, S.A.)	Yes
Mr. Jordi Constans Fernández	Fluidra, S.A.	Wellness	Director	Yes
	Punto Fa, S.L. (Mango)	Fashion	Director	Yes
	Exea Empresarial, S.L.	Holding	Member of the advisory board	Yes
Mr. Yiannis Petrides	Cypet Ltd	Manufacturing industry	Member of the audit committee	Yes
	Refresco Group N.V.	Manufacturing industry	Chairman of the Supervisory Board	No
	Largo Intermediary Holdings Limited	Holding	Chairman	No
	Mytilineos SA	Energy/Mining	Director	Yes
	Campofrío Food Group, S.A.U.	Food	Vice Chairman	No
Mr. Daniel Lalonde	Design Holding S.p.A	Design	Chief executive officer and director	Yes
	Ralph Lauren Corp.	Fashion	International President	No
	SMCP S.A.	Fashion	Chief executive officer and director	No
	Ferretti S.p.A.	Luxury Yachts	Board member	No
	Altagamma	Luxury Foundation	Board member	Yes
	INSEAD	Education	Board member	No
Mr. Rafael Cerezo Laporta	Sonae Capital	Holding	Director	No
	Agrolimen, S.A.	Fast-moving consumer goods	Director	No
	Exea Empresarial, S.L.	Holding	Director	Yes
	Felden, S.L.	Wealth Management	Administrator	Yes
	FAD Juventud	Non-Profit Organization	Director	Yes
Mr. Patrick Chalhoub	Chalhoub Group Limited	Luxury goods	Chairman	Yes

Director	Entity[1]	Sector	Position/ Title	In office
	Chalhoub Joint Ventures (as defined below)	Luxury goods	Director	Yes
	French Business Council Dubai & Northern Emirates	Supranational	Chairman	No
	Dubai Chamber of Commerce	Organization	Board Member	No
	United Nations Global Compact	Supranational	Board Member	No
	Dubai Institute of Design and Innovation	Education	Board Member	No
	LBD/Christofle	Luxury goods	Chairman	Yes
Ms. Ángeles García-Poveda Morera	Legrand SA	Infrastructures	Chairman	Yes
	Edenred SA	Corporate services	Director	Yes
	Bridgepoint Group plc	Finance	Director	Yes
	Advini SA	Food & beverage	Director	No
	Spencer Stuart	Consulting	Director	No
Ms. Christine A. Mei	Gathered Foods	Food	Director	No
	Sku	Start-up	Director	Yes
	Cozabe Group, LLC	Non-Profit Organization	Founding principal	Yes
	Naturally Austin	Non-Profit Organization	Director	No
Mr. Nicolas Mirzayantz................	Coca-Cola Europacific Partners plc	Manufacturing industry	Director	Yes
	International Fragrance Association (IFRA)	Association	Board Member	No
Ms. Tina Müller............................	Weleda AG	Cosmetics	Chief Executive Officer	Yes
	Aldi Nord	Retail	Member of the Supervisory Board	Yes
	MLP AG	Financial	Member of the Supervisory Board	Yes
	Stada AG	Retail	Member of the Supervisory Board	Yes
Ms. María Dolores Dancausa Treviño	Bankinter, S.A.	Financial	Chairwoman	Yes

Director	Entity[(1)]	Sector	Position/ Title	In office
	Acciona, S.A.	Infrastructure	Director and Chairwoman of the Appointments and Remuneration Committee	Yes
	Bankinter Investment, S.A.	Investment Banking	Director	Yes
	Fundación para la Innovación Bankinter	Foundation	Trustee	Yes
	EVO Banco, S.A.	Financial	Director	No
	Bankinter Consumer Finance EFC, S.A.	Financial	Director	No
	Avantcard, DAC	Financial	Chairwoman	No
	Bankinter Global Services	Financial	Director	No
	Línea Directa Aseguradora, SA, de Seguros y Reaseguros	Insurance	Director	No
	Esure Group Plc	Insurance	Director	No

Notes: —

(1) We consider that the term "entity" includes all corporations that do not have an exclusive property, asset holding or family-related purpose.

Our directors do not hold and have not held at any time during the five-year period preceding the date of this Prospectus any partnership positions in any entity.

Board Committees

In compliance with our Bylaws, our Board Regulations and applicable law, our Board of Directors has established: an audit and compliance committee (the "**Audit and Compliance Committee**"), a nomination and remuneration committee (the "**Nomination and Remuneration Committee**"), and a sustainability and social responsibility committee (the "**ESG Committee**").

Audit and Compliance Committee

The composition, responsibilities and rules of the Audit and Compliance Committee are governed by the Spanish Companies Act, the Act 22/2015 on Accounts Audit (the "**Spanish Auditing Act**"), our Bylaws and our Board Regulations.

The members of the Audit and Compliance Committee are appointed by our Board of Directors among its members for the maximum period they will serve as directors and may be re-elected for an unlimited number of terms. Our Board Regulations require the Audit and Compliance Committee to have between three and five members, all of whom must be non-executive directors and a majority of which must be independent directors. The members of the Audit and Compliance Committee, and in particular the chairman, must be appointed taking into account their knowledge or background in accountancy, auditing and risk management of financial and non-financial matters.

The chairman of the Audit and Compliance Committee is appointed by our Board of Directors among its independent members for the maximum term they will serve as directors and may be re-elected for an unlimited number of terms (except for the chairman, which will be appointed for a maximum term of three years and may only be re-elected as chairman at least one year after his or her removal). Our Board of Directors will also appoint the secretary of the Audit and Compliance Committee.

The members of the Audit and Compliance Committee are:

Name	Position/Title	Category
Mr. Daniel Lalonde..	Chairman	Independent
Mr. Rafael Cerezo Laporta	Member	Other external
Mr. Yiannis Petrides	Member	Other external
Mr. Nicolas Mirzayantz	Member	Independent
Ms. María Dolores Dancausa Teviño	Member	Independent
Mr. Francisco Blanco García	Secretary (non-member)	–

The primary duty of the Audit and Compliance Committee is to support the Board of Directors in its oversight obligations, through regular review of the economic-financial information preparation process, the internal audit function and the independence of our external auditor.

In addition, according to our Board Regulations and in compliance with Article 529 *quaterdecies* of the Spanish Companies Act, the Audit and Compliance Committee is responsible for:

- monitoring the preparation and submission and the integrity of the financial and non-financial information (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption) prepared on the Company and the Group, where appropriate, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles, and submitting recommendations or proposals to the Board of Directors to safeguard the integrity of the financial and non-financial information;
- reviewing internal control and risk management systems on a regular basis, so policies and systems are effectively applied and main risks are properly identified, managed and disclosed;
- monitoring the independence and efficacy of the internal audit function; notifying the Board of Directors of its opinion on the selection, appointment, reappointment and removal of the head of internal audit; proposing the department’s budget; approving or making a proposal for approval to the Board of Directors of the priorities and annual work program of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receiving regular report-backs on its activities; and verifying that management is acting on the findings and recommendations of its reports;
- establishing and supervising a mechanism that allows employees and other persons related to the Company (including our directors, shareholders, suppliers, contractors or subcontractors) to report, confidentially, any potentially important irregularities, particularly financial and accounting irregularities, within the Company;
- making recommendations to the Board of Directors for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement;
- receiving regular information from the external auditor on the progress and findings of the audit program, and monitor that senior officers are acting on its recommendations;
- monitoring the independence of the external auditor, to which end: (i) it will report a change of auditor, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same; (ii) it will ensure that the Company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor’s business and, in general, other requirements designed to safeguard auditors’ independence. To such end, it shall receive annually from the external auditor the declaration of independence in relation to the Company or entities directly or indirectly related thereto, as well as detailed and

individualized information on any additional services of any type rendered and the corresponding fees collected from these entities by the external auditor or by the individuals or entities related to him in accordance with the provisions in legislation regulating the account auditing activity; (iii) it will investigate the issues giving rise to any resignation of any external auditor; and (iv) it will ensure that the external auditor's payment for its work does not compromise its quality or independence;

- annually issue, before the statutory audit report, a report stating a view on the auditor's independence. This report must contain, in any event, an assessment of the additional services referred to above
- promoting that the external auditor assumes the financial auditing of the companies within the Group;
- ensuring that the Company makes an announcement, through the CNMV on the change of auditor together with a statement about any disagreements with the outgoing auditor and, if applicable, the nature of those disagreements;
- ensuring that the external auditor holds an annual meeting with the Board of Directors to inform it of the work done and of the Company's situation in terms of risks and its accounts;
- reporting to the general shareholders' meeting on the issues flagged by shareholders on issues under its remit and, in particular, on the results of the audit explaining how this has contributed to the integrity of the financial information and the Audit and Compliance Committee's role in that process;
- overseeing the development of the financial statements and the management reports, including non-financial reporting where applicable, both individual and consolidated, for their preparation by the Board of Directors in accordance with the Spanish Companies Act;
- informing the Board of Directors, for the drawing up of the financial statements, of the accuracy and reliability of the individual and consolidated financial statements and management reports and the periodic financial information circulated;
- issuing opinions on the amendment proposals of our Board Regulations;
- deciding as appropriate in relation to the information rights of the directors attending this Committee, in accordance with the Board Regulations;
- issuing the reports and proposals requested by the Board of Directors or by its chairman and those it deemed pertinent for optimal fulfillment of its duties;
- reporting on a director's use of business opportunities or the use of the Group's assets that have been previously studied and dismissed by the Group;
- overseeing compliance with rules on the functioning of the Company;
- overseeing compliance with the Group's criminal prevention model and oversee the functions, control protocols and tasks assigned to the Audit and Compliance Committee and to the Group's chief compliance officer;
- informing the Board of Directors of the following matters prior to its adoption of the corresponding decisions: (i) financial information and approval of the management report (including non-financial reporting where applicable) that will be provided to third parties. The Audit and Compliance Committee should ensure that interim statements are drawn up under the same accounting principles as the annual accounts and, to this end, may ask the external auditor to conduct a limited review; and (ii) the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered non-cooperative jurisdictions,

and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.

- informing of the related party transactions to be approved by our general shareholders' meeting or the Board of Directors, as applicable, in the meaning set out in the Board Regulations and in the Spanish Companies Act.
- overseeing compliance with the Company's general communication policy on the communication of economic and financial, non-financial and corporate information.

The Audit and Compliance Committee shall meet at least three times per year and any time its chairman or any of its members considers it appropriate. The Audit and Compliance Committee is subject to the same rules on quorums and majorities for the adoption of resolutions as those applicable to the Board of Directors pursuant to our Bylaws and our Board Regulations, unless otherwise stated in any separate regulation for this committee that we may approve in the future.

Nomination and Remuneration Committee

The composition, responsibilities and rules of the Nomination and Remuneration Committee are governed by the Spanish Companies Act, our Bylaws and our Board Regulations.

The members of the Nomination and Remuneration Committee are appointed by our Board of Directors among its members for the maximum period they will serve as directors and may be re-elected for an unlimited number of terms. Our Board Regulations require the Nomination and Remuneration Committee to have between three and five members, all of whom must be non-executive directors and not members of the Puig Family, and the majority of which must be independent directors.

The chairman of the Nomination and Remuneration Committee is appointed by our Board of Directors among its independent members. Our Board of Directors will also appoint the secretary of the Nomination and Remuneration Committee.

The members of the Nomination and Remuneration Committee are:

Name	Position/Title	Category
Ms. Ángeles García-Poveda Morera	Chairman	Independent
Mr. Jordi Constans Fernández	Member	Independent
Mr. Rafael Cerezo Laporta	Member	Other external
Ms. Christine A. Mei	Member	Independent
Mr. Álvaro Sanz de Oliveda	Secretary (non-member)	–

According to our Board Regulations and in compliance with Article 529 *quindecies* of the Spanish Companies Act, the Nomination and Remuneration Committee is responsible for, among others:

- assessing the responsibilities, knowledge, and experience necessary on the Board of Directors. For these purposes, the Nomination and Remuneration Committee will prepare a skills matrix with the necessary skills of our directors, which will be updated annually on the basis of the challenges and opportunities of the Company in the short, medium and long-term, will determine the necessary skills and duties for candidates for each vacancy and will assess the time and dedication they need to perform their role effectively;
- establishing a target for the less represented gender on the Board of Directors and drawing up guidelines on how to achieve that objective;
- making proposals to the Board for independent directors to be co-opted or appointed by our general shareholders' meeting, as well as proposals for the re-election or removal of those directors by the general shareholders' meeting;

- reporting on proposed appointments of other directors to be co-opted or appointed at the decision of the general shareholders' meeting, as well as proposals for the re-election or removal of those directors by the general shareholders' meeting;
- making proposals on the appointment of the chairman and the Chief Executive Officer as well as examining, organizing and proposing, as deemed appropriate, their succession;
- approving the basic contract conditions of senior officers;
- issuing its opinion on the appointment and potential termination of senior officers proposed by the chairman of the Board of Directors or our Chief Executive Officer (if different to the chairman the Board of Directors) and the basic terms of their contracts;
- proposing the remuneration policy of directors and senior officers to the Board of Directors as well as individual remuneration and other contractual terms with executive directors and senior officers. The Board of Directors will also issue its opinion on the remuneration policy, which, in any case, will be submitted to the approval of the general shareholders' meeting;
- approving the remuneration proposed by the chairman of the Board of Directors or our Chief Executive Officer (if different from the chairman the Board of Directors) for senior officers;
- overseeing compliance with the remuneration policy set by the Company and making proposals to the Board of Directors in accordance with the remuneration policy;
- issuing its opinion on the chief executive officer's performance of his or her duties;
- periodically reviewing the remuneration policy applied to the directors and senior officers, including share-based remuneration systems and their application, as well as ensuring that individual remuneration is proportionate to that paid to the Company's other directors and senior officers;
- ensuring that potential conflicts of interest do not diminish the independence of the external advice provided to the Nomination and Remuneration Committee;
- reviewing the information on directors' and senior officers' remuneration contained in corporate documents, including the annual report on directors' remuneration;
- periodically assessing, at least once a year, the structure, size and composition of the Board of Directors, checking that the director selection policy is working and is followed, including diversity policy and targets, and reporting on this in the annual corporate governance report;
- ensuring that the Board of Directors endeavors to submit accounts to the general shareholders' meeting without limitations or qualification in the audit report and that, in exceptional cases where there are qualifications, the chair of the Audit and Compliance Committee and external auditors clearly explain to the shareholders the nature and scope of such limitations or qualifications.

The Nomination and Remuneration Committee shall meet at least three times per year and any time its chairman or any of its members considers it appropriate. The Nomination and Remuneration Committee is subject to the same rules on quorums and majorities for the adoption of resolutions as those applicable to the Board of Directors pursuant to our Bylaws and our Board Regulations, unless otherwise stated in any separate regulation for this committee that we may approve in the future.

ESG Committee

The composition, responsibilities and rules of the ESG Committee are governed by our Bylaws and our Board Regulations.

The members of the ESG Committee are appointed by our Board of Directors among its members for the maximum period they will serve as directors and may be re-elected for an unlimited number of terms. Our

Board Regulations require the ESG Committee to have between three and six members. In appointing members of the ESG Committee, the Board of Directors will ensure that they have the appropriate knowledge, skills and experience for the functions set out below.

The chairman of the ESG Committee is appointed by our Board of Directors among its members. Our Board of Directors will also appoint the secretary of the ESG Committee, who are not required to be a member of any committee or a director.

The members of the ESG Committee are:

Name	Position/Title	Category
Mr. Manuel Puig Rocha	Chairman	Proprietary
Mr. Marc Puig Guasch	Member	Executive
Mr. Yiannis Petrides	Member	Other external
Mr. Nicolas Mirzayantz	Member	Independent
Ms. Ángeles García-Poveda Morera	Member	Independent
Mr. María Antonia Ruiz Arteta	Secretary (non-member)	–

According to our Board Regulations, the ESG Committee is responsible for, among others:

- overseeing compliance with the Company’s corporate governance rules and the Internal Code of Conduct, ensuring that the corporate culture is aligned with the Company’s purpose and values, without prejudice to the Audit and Compliance Committee’s regulatory oversight functions;
- regularly assessing and reviewing the Company’s corporate governance system and social and environmental policy to ensure they comply with the Company’s purpose of promoting the social interest and take into account, as applicable, the legitimate interests of the other stakeholders;
- analyzing, promoting, overseeing and assessing the Company’s environmental, social, diversity and integration, ethical and conduct practices to ensure they are aligned with the established strategies and policies, without prejudice to the Audit and Compliance Committee’s functions on the Company’s ethical principles and criminal risk prevention policies and its whistleblowing channel;
- supervising that the Company’s social and environmental practices comply with the established strategies and policies;
- overseeing and assessing relationships and communications with the different stakeholders. In particular, relationships and communications with small and medium-sized investors must be monitored;
- assessing compliance with the corporate governance standards and recommendations applicable to the Company, as well as the decisions that may impact their monitoring;
- issuing the reports and taking the actions that correspond to it within its scope of competence based on the corporate governance system or as requested by the Board of Directors or its chairman.

The ESG Committee shall meet at least three times per year and when called by its chairman, on his own initiative or at the request of any of the ESG Committee members. The chairman of the ESG Committee must call a meeting when our Board of Directors or the chairman of the Board of Directors requests a report or proposal and, in any case, when it is convenient to properly develop its functions. The ESG Committee is subject to the same rules on quorums and majorities for the adoption of resolutions as those applicable to the Board of Directors pursuant to our Bylaws and our Board Regulations, unless otherwise stated in any separate regulation for this committee that we may approve in the future.

Senior Officers

Aside from our Board of Directors, we are managed on a day-to-day basis by senior officers (the "**Senior Officers**").

For the purposes of this section, "**PUIG**" means the Group and, if applicable, the group of companies related to the Puig Family from time to time.

The following table sets out the names of our Senior Officers and their respective ages and positions as of the date of this Prospectus and the year they joined PUIG. Our Senior Officers have extensive knowledge and experience in the beauty industry.

Name	Age	Position/Title	Joined PUIG in
Mr. Marc Puig Guasch	62	Chief Executive Officer	1986
Mr. Joan Albiol Ramis	57	Chief Financial Officer	1994
Ms. Eugenia de la Torriente Larrañaga	44	Chief Communications Officer	2022
Ms. Marine de Boucaud[(1)]	56	Chief Human Resources Officer	2023
Mr. José Manuel Albesa Muniesa	57	President of Beauty and Fashion	1998
Mr. Marc Toulemonde[(2)]	51	President of Derma	2023
Mr. François Xavier Billaud	58	General Auditor	1992
Mr. Manuel Duplá Marín	54	Chief Compliance Officer	1999
Ms. Demetra Pinsent	49	Chief Executive Officer of Charlotte Tilbury	2020
Mr. Javier Bach Kutschruetter	54	Chief Operating Officer	1995

Notes: —

(1) Appointed on January 1, 2024.

(2) Appointed on June 1, 2023.

All Senior Officers designate our registered address as their professional address for the purposes of this Prospectus.

Biographical information for each of the Senior Officers, for the secretary (non-director) and the vice secretary (non-director) of our Board of Directors, including a brief description of each person's business experience and education, is presented below:

Mr. Marc Puig Guasch

See "—*Directors*" above.

Mr. Joan Albiol Ramis

Mr. Joan Albiol joined PUIG in 1994 as director of Corporación Puig (the holding company of PUIG), having worked previously in Granville investing in several business as private equity. Subsequently, he held the positions of managing director of certain Spanish subsidiaries within PUIG, president of the beauty brands division and Chief Operating Officer of PUIG until March 2009, when he was appointed Chief Financial Officer with responsibilities in the areas of finance, M&A, legal and tax. In 2017 he was appointed secretary non-director of Puig SL and subsequently of the Company.

From July 2017 he is also member of the Board of Directors and member of the Delegated Executive Committee of Cobega (the holding company managing a group of companies: Coca-Cola Europacific Partners, Equatorial Coca-Cola Bottling, Nespresso in Spain and Domino's Pizza among other business).

Mr. Joan Albiol holds a bachelor's degree in Business Management and Administration, and a master's degree in Business Administration (MBA), both from ESADE. He has also completed the Program for Executive Development at the IMD. He was captain of the indoor soccer F.C. Barcelona team for six years.

Ms. Eugenia de la Torriente Larrañaga

Ms. Eugenia de la Torriente joined the Group in 2022 as Chief Communications Officer, bringing over two decades of experience in media. She has a proven track record in leading editorial strategies at prestigious publications. In her current role, she manages the Group's external and internal communications.

Prior to joining PUIG, she was managing editor at El País, where she directed the arts, culture and lifestyle sections and supplements. Throughout her more than 15 years at the newspaper, she also served as its fashion critic and the editor of El País Semanal, among other roles. Her career in journalism and image creation includes other significant positions as editor-in-chief of Vogue Spain, from 2017 to 2020, and editor-in-chief of Harper's Bazaar Spain, from 2014 to 2017. She's also authored several books, including 'Puig, 100 years of a family business' (Assouline, 2014).

Ms. Eugenia de la Torriente holds a bachelor's degree in Audiovisual Communication from the Pompeu Fabra University in Barcelona.

Ms. Marine de Boucaud

Ms. Marine de Boucaud joined PUIG in 2023 and was appointed Chief Human Resources Officer in 2024. She has more than 25 years of professional experience in Human Resources and Talent Management. She started her professional career in in financial services in Frankfurt before working as an executive search consultant at Korn Ferry International and Spencer Stuart, both in Paris and New York.

Marine worked at Axa for 10 years in various operational roles, including Head of Human Resources of Axa France, and Chief Human Resources Officer of Axa U.S. ahead of, and through the initial public offering of the group's U.S. entity. By the end of 2020, she joined a fast-growing private asset growth investor, Bridgepoint Group plc in London, as Partner, Global Head of Human Resources and member of the Executive Committee. Bridgepoint was listed in London in July 2021.

Ms. Marine de Boucaud holds a dual bachelor's degree in International Relations and German from the Tufts University in Boston, Massachusetts.

Mr. José Manuel Albesa Muniesa

Mr. José Manuel Albesa joined PUIG in 1998. He began his professional career in L'Oréal in 1992 and held various positions in the international marketing area. He joined PUIG as general manager of Carolina Herrera, Prada and Comme des Garçons Parfums. In 2004 became vice-president of the international brands of the prestige division, and in 2008 was appointed chief brand officer responsible for all fragrance brands. He also assumed responsibility for the fashion business at Rabanne and Carolina Herrera in 2011 and 2015, respectively, and assumed the responsibility for PUIG's fashion brands in 2016.

In 2018 Mr. José Manuel Albesa was appointed president of brands, markets and operations. Nowadays, he serves as president of beauty and fashion division.

Mr. José Manuel Albesa holds bachelor's degrees in Economics, and in Business Management and Administration; and a master's degree in Business Administration (MBA) from the University of Houston. He has also completed the Program for Executive Development at the IMD.

Mr. Marc Toulemonde

Mr. Marc Toulemonde joined the Group in 2023 as the president of the derma division and member of the executive committee. He started his career at L'Oréal in 1997 and held various vice-presidencies in marketing in L'Oréal Paris and sales until he was appointed general manager of travel retail for the consumer products division in 2007, and later served as general manager of Maybelline and Garnier Spain from 2008 to 2010. He then became the worldwide brand president of SkinCeuticals DMI until 2014, when he was appointed president of L'Oréal USA's active cosmetics division. From 2020 to 2022, Mr. Marc Toulemonde served as chief digital and marketing officer of L'Oréal USA.

Mr. Marc Toulemonde holds a master's degree in Business Administration (MBA) from the ESCP Business School.

Mr. François Xavier Billaud

Mr. François-Xavier Billaud joined PUIG in 1992. He started his professional career in 1986 in Kraft (General Foods) before joining the French Armed Forces as navy officer in 1987. Later, he was hired by the Andrelux Group to develop leather goods brands and their distribution networks across Asia located then in Hong Kong.

Mr. François Xavier Billaud has been PUIG's general auditor since 2018. He has acquired an extensive 31 years' experience in the sector and has held over time several general management positions in the international markets department. He has been based in Singapore heading the Asia-Pacific region and later in Japan as managing director of PUIG's subsidiary in Tokyo. In 2005 he became the general manager of regional offices and was then appointed general manager of Puig France in 2008. He became vice-president of our European subsidiaries in 2010 and five years later he was promoted to the position of vice-president of regional offices and travel retail based in Paris.

Mr. François Xavier Billaud holds a master's degree in Business Administration (MBA) from INSEEC Business School and a Professional Certification in Risk Management and Internal Control from ESCP Business School. He is a Certified Internal Auditor (CIA), a GRI Sustainability Certified Professional and holds certifications in Risk Management Assurance (CRMA), COSO IC Internal Control and COSO ERM Enterprise Risk Management.

Mr. Manuel Duplá Marín

Mr. Manuel Duplá joined the Group in 1999 as a human resources lawyer after five years as a practising labour lawyer. Later, he was appointed human resources director of Antonio Puig S.A. in 2003. In 2006 he moved to the corporate human resources area of the Company reporting to the chief human resources officer to lead various global people management projects.

In 2010 he was appointed corporate compensation and labour legal human resources director to develop policy and regulatory frameworks in the areas of compensation and labour compliance, and was secretary of a sub-committee of the board of directors of PUIG overseeing nominations and remuneration. He also provided support to the chief executive officer in specific projects relating to labour due diligence in M&A, restructuring activities, and senior management appointments. During this time, he served as spokesperson for the STANPA Labour Commission (the Spanish National Perfumery and Cosmetics Association) for the negotiations of the sector's national collective agreement. Currently, he serves as the Chief Compliance Officer.

Mr Manuel Duplá qualified as a lawyer at the National Distance Education University and at INEDE (currently International University of Catalonia) and completed doctorate courses in labour law and social security at the University of Barcelona.

Ms. Demetra Pinsent

Ms. Demetra Pinsent joined PUIG in 2020. She has been the chief executive officer of Charlotte Tilbury Beauty since its inception in 2012. Prior to this, she was a partner at McKinsey & Company where she co-led the European luxury goods practice and advised leading global retailers and consumer businesses for 13 years. She has also served as a non-executive director for Belmond Ltd and Capital & Counties plc, and as an advisory board member for Walpole, the British Luxury Goods Association, and Aston Martin.

Ms. Demetra Pinsent holds a bachelor's degree in Business Administration from Harvard University and a master's degree in Economic and Social History from Oxford University, where she studied as a Rhodes scholar.

Javier Bach Kutschruetter

Mr. Javier Bach Kutschruetter joined PUIG in 1995 and held different leadership positions in international markets, where he has been instrumental in developing the global network of subsidiaries, regional offices, and travel retail teams. In 2009 he was appointed Chief Operating Officer, heading the global markets organization and the operating areas of supply chain, R&D, technology and digital.

Mr. Bach holds a degree in Business Administration (*Betriebswirtshaftslehre)* from the University of Mannheim (Germany) and an executive master's degree (EMBA) from IESE University of Navarra.

Mr. Francisco Blanco García

Mr. Francisco Blanco joined PUIG as General Counsel in 2021. He began his professional career as Finance & Administration Manager in Maxam Australia Pty Ltd in 1997. He worked in Exea Empresarial S.L. as General Counsel from 2002 until 2021. Mr. Francisco Blanco was secretary of the board of directors of ISDIN S.A. from 2008 until 2015 and from 2018 until 2021. He is vice-secretary of the Board of Directors since January 2022.

Mr. Francisco Blanco holds a bachelor's degree in Law and a bachelor's degree in Business Administration, both from Universidad Pontificia de Comillas (ICADE), and a master's degree in Business Administration (MBA) from INSEAD, where he graduated in 2002

The following table sets out all entities, except for those entities or associates of the Group, in which the Senior Officers have been appointed as members of the administrative, management or supervisory bodies at any time during the five-year period preceding the date of this Prospectus, indicating whether or not each person is still a member of any such bodies:

Senior Officers	Entity[1]	Sector	Position/ Title	In office
Mr. Joan Albiol Ramis	Cobega, S.A.	Foods and Beverage	Director	Yes
	Campus Cerdanya, S.L.	Accommodation Services	Director	Yes
Ms. Eugenia de la Torriente Larrañaga	–	–	–	–
Ms. Marine de Boucaud	Bridgepoint Group plc	Financial	Member of the Executive Committee	No
	Equitable Holdings	Financial	Chief Human Resources Officer	No
Mr. José Manuel Albesa Muniesa	–	–	–	–
Mr. Marc Toulemonde	Aquavit Pharmaceuticals	Pharma	Director	No
	L'Oreal USA	Beauty	Executive	No
Mr. François Xavier Billaud	–	–	–	–
Mr. Manuel Duplá Marín	–	–	–	–
Ms. Demetra Pinsent	The Royal Foundation	Charity	Trustee and member finance committee	Yes
	Beldmon LtD	Travel	Director	No

Senior Officers	Entity[(1)]	Sector	Position/ Title	In office
Javier Bach Kutschruetter.................	Socrates Educa, S.L.	Education	Trustee and Vice chairman	Yes

Notes: —

(1) We consider that the term "entity" includes all corporations that do not have an exclusive property, asset holding or family-related purpose.

Our Senior Officers do not hold and have not held at any time during the five-year period preceding the date of this Prospectus any partnership positions in any entity.

Compensation of directors

Article 21 of our Bylaws and articles 30 and 31 of the Board Regulations set forth the remuneration system of our directors. According to our Bylaws and the Board Regulations, directors shall be remunerated. Additionally, the Spanish Companies Act provides that Spanish listed companies must also approve a directors' remuneration policy (see "*—Remuneration Policy*" below).

Bylaws

According to our Bylaws, the compensation of our directors by reason of their office must consist of a fixed amount to be paid in cash or in shares of the Company (including Class B Shares) or shares of our affiliates or a combination thereof and, where appropriate, allowances (*dietas*) related to their participation in the Board of Directors and its committees.

The maximum annual compensation that our directors, in aggregate, may receive as remuneration by reason of their office will be determined by our general shareholders' meeting or in the directors' remuneration policy approved by our general shareholders' meeting. This maximum annual amount will remain effective unless it is modified by our general shareholders' meeting.

Unless otherwise agreed by our general shareholders' meeting, the Board of Directors shall determine, in accordance with our Remuneration Policy and subject to a report of the Nomination and Remuneration Committee, the distribution and exact amount to be paid to each director by reason of their office within the maximum amount set forth by our general shareholders' meeting or in the directors' remuneration policy approved by our general shareholders' meeting. The Board of Directors will consider, when deciding such distribution, the functions and responsibilities of each director.

Our Bylaws also provide that directors are entitled to receive, as part of their compensation, shares of the Company (including Class B Shares), shares of our affiliates, a compensation based on the performance of such shares, or instruments linked to such affiliates or Company's shares. The payment of the compensation of directors in shares requires a prior resolution of the general shareholders' meeting establishing the maximum number of shares to be delivered for each financial year. In addition to the compensation described above, executive directors who have entered into a contract with the Company, may receive additional remuneration for the performance of their executive duties. See "*—Compensation of directors for the performance of executive duties*" below.

Remuneration Policy

The directors' remuneration policy shall be aligned with the compensation system provided for in our Bylaws and must be approved by the general shareholders' meeting at least every three years as a separate item in the agenda.

In accordance with the above, our general shareholders' meeting, upon the proposal of our chairman and the Board of Directors and with the prior report of the Nomination and Remuneration Committee (in accordance with the Board Regulations in force as of the date of this Prospectus), approved on April 5, 2024, the remuneration policy for our directors for a three-year period, in accordance with the Spanish Companies

Act (the "**Remuneration Policy**"). Our Remuneration Policy will become effective upon Admission and will be applicable during the remaining year 2024, 2025 and 2026. It is expected that the Remuneration Policy will be expressly ratified by the Nomination and Remuneration Committee at its first meeting following Admission. Our general shareholders' meeting and the Remuneration Policy set at €3.5 million the maximum annual compensation amount payable to our directors in aggregate by reason of their office, including all remuneration concepts to be received in aggregate by all our directors (excluding our executive directors).

As provided in the Spanish Companies Act and in the Remuneration Policy, the remuneration of directors must always be reasonably proportional to the relevance of the Company, our economic situation and market standards. The remuneration system will be aimed to enhance long-term profitability and sustainability and will include the necessary precautions to avoid assumptions of excessive risk or rewarding unfavorable results.

Our Bylaws and the Remuneration Policy differentiates between the remuneration of our directors (i) by reason of their office, and (ii) for the performance of executive duties by executive directors.

Compensation of directors by reason of their office

As stated above, according to our Bylaws, the compensation of directors by reason of their office must consist of a fixed amount to be paid in cash or in shares of the Company (including Class B Shares) or shares of our affiliates, or a combination thereof and, where appropriate, allowances (*dietas*) related to their participation in the Board of Directors and its committees. Their aggregate annual compensation must be within the €3.5 million maximum annual compensation amount established by our general shareholders' meeting and set out in our Remuneration Policy.

According to our Remuneration Policy, directors may also be reimbursed for all costs incurred for their participation and attendance to the meetings of the Board of Directors and its respective committees. Such amounts will be paid on top of the €3.5 million maximum annual compensation amount.

The total amount paid by us to our directors for reason of their office (excluding our Chief Executive Officer and our Chief Sustainability Officer and including the fixed amount and allowances, if any) corresponding to the year ended December 31, 2023 amounted to €1.1 million and was paid in cash. The breakdown of the remuneration paid by us to each of our directors for the year ended December 31, 2023 is as follows:

Director	Remuneration by reason of their office for the year ended December 31, 2023
	(€ thousand)
Mr. Marian Puig Guasch[(1)]	10.0
Mr. Jordi Puig Alsina[(1)]	10.0
Mr. Xavier Puig Alsina[(1)]	10.0
Exea Empresarial, S.L. (Represented by Mr. Josep Oliu Creus)[(2)]	85.0
Mr. Jordi Constans Fernández	110.0
Mr. Yiannis Petrides	150.0
Mr. Daniel Lalonde	123.33
Mr. Rafael Cerezo Laporta	150.0
Mr. Patrick Chalhoub	110.0
Ms. Ángeles García-Poveda Morera	110.0
Ms. Christine A. Mei	110.0
Mr. Nicolas Mirzayantz	110.0

Notes: —

(1) On April 5, 2024, Mr. Marian Puig Guasch, Mr. Jordi Puig Alsina and Mr. Xavier Puig Alsina ceased to be directors.

(2) On December 18, 2023, Exea Empresarial, S.L. ceased to be director and Mr. Josep Oliu Creus was appointed as director.

On December 18, 2023, our general shareholders' meeting, pursuant to the proposal of the Board of Directors (after the deliberations of the Nomination and Remuneration Committee), agreed that the compensation to be paid to our directors by reason of their office corresponding to the year 2024 must be subject to a maximum amount of €1.86 million and must be paid in cash and in Class B Shares (an aggregate maximum amount of 114,441 Class B Shares). This maximum amount was increased to €3.5 million pursuant to the resolutions of our general shareholders' meeting approving the Remuneration Policy on April 5, 2024.

As further described below, on January 30, 2024, the Board of Directors, pursuant to the resolutions of our general shareholders' meeting of December 18, 2023, established the number of Class B Shares to be delivered to our directors as compensation by reason of their office corresponding to the year 2024. This resolution was ratified by our Board of Directors pursuant to the resolutions dated April 5, 2024, which determined, at the proposal of the Nomination and Remuneration Committee, (i) the general parameters and compensation amounts to be paid to our directors (excluding our executive directors) by reason of their office in accordance with the terms of the Remuneration Policy, and (ii) the compensation corresponding to the year ended December 31, 2024 that they were entitled to receive within the maximum annual compensation amount payable to directors in aggregate by reason of their office established by our general shareholders' meeting on April 5, 2024 and in the Remuneration Policy (i.e., €3.5 million).

The Nomination and Remuneration Committee is expected to ratify the resolutions of the Board of Directors during its first meeting following Admission.

General parameters and compensation amounts of directors by reason of their office

According to the resolutions of the Board of Directors of April 5, 2024 and our Remuneration Policy, the general parameters, and the compensation amounts to be paid to our directors (excluding executive directors) by reason of their office are the following:

- For their participation in the Board of Directors: (i) no additional assignment for the chairman of the Board of Directors; (ii) €130.0 thousand for the vice chairman of the Board of Directors; (iii) €40.0 thousand for the lead independent director (if appointed); and (iv) €85.0 thousand for each of our directors (including the vice chairman of the Board of Directors and the lead independent director).
- For their participation in the Board of Directors' committees (in addition to their participation in the Board of Directors): (i) €40.0 thousand for the chairman of the Audit and Compliance Committee and €30.0 thousand for each of the other members of the Audit and Compliance Committee; (ii) €35.0 thousand for the chairman of the Nomination and Remuneration Committee and €25.0 thousand for each of the other members of the Nomination and Remuneration Committee; and (iii) €35.0 thousand for the chairman of the ESG Committee and €25.0 thousand for each of the other members of the ESG Committee.

For the year ending December 31, 2024 only, the general parameters and compensation amounts set out above would be increased (excluding directors that are members of the Puig Family): (i) by 100% for those directors that as of December 31, 2024 have been directors for more than three years (including, for these purposes, their term as directors of Puig SL); and (ii) by 50% for those directors that as of December 31, 2024 have been directors for more than one year but less than three years (including, for these purposes, their term as directors of Puig SL).

In addition, according to the Remuneration Policy these amounts may be amended by the Board of Directors in any applicable financial year if it deems it appropriate, with a prior report from the Nomination and Remuneration Committee and in accordance with the maximum annual compensation amount payable to all directors by reason of their office.

Compensation for the year ending December 31, 2024

According to the resolutions of our Board of Directors dated January 30, 2024 and April 5, 2024, the compensation of directors (excluding executive directors) by reason of their office corresponding to the year

ending December 31, 2024, will consist of (i) 45,813 Class B Shares, and (ii) a total amount to be paid in cash amounting to approximately €1.5 million. This compensation has been calculated (including the number of Class B Shares that have already been delivered to our directors) on the basis of the general parameters and compensation amounts corresponding to each director described above for the year ending December 31, 2024, pro rated, if applicable, to the number of days for the period between the date of their appointment as directors or members of our committees, as applicable, and December 31, 2024 (see "*—General parameters and compensation amounts of directors by reason of their office*").

As of the date of this Prospectus, and pursuant to the resolutions of our Board of Directors dated January 30, 2024, all the Class B Shares have been delivered to our directors (excluding our Chief Executive Officer), and the payment of the compensation in cash is expected to occur at the end of the year ending December 31, 2024, once the precise amount corresponding to each director is determined.

None of the directors has entered into service contracts with us or any of our subsidiaries providing for benefits upon termination of such director's services, other than the Chief Executive Officer, as described in "*—Compensation of directors for the performance of executive duties—Indemnification*" below.

Compensation of directors for the performance of executive duties

As of the date of this Prospectus, our only executive director is the Chief Executive Officer.

On April 5, 2024, we entered into a mercantile services contract with our Chief Executive Officer governing the terms of his duties as executive director and providing for the different components of his compensation, including in the event of termination of his services and the amounts to be paid by us as contribution to insurance or saving schemes and pension plans. The terms of the contract were approved by the Board of Directors, at the proposal of the Nomination and Remuneration Committee, on April 5, 2024 and are consistent with the provisions contained in our Remuneration Policy. The Nomination and Remuneration Committee is expected to ratify the resolutions of the Board of Directors during its first meeting following Admission.

According to our Remuneration Policy, the remuneration of our Chief Executive Director and other executive directors that may be appointed from time to time may consist of: (i) a fixed annual remuneration; (ii) annual variable remuneration; (iii) long-term variable remuneration; (iv) other items such as in-kind and social benefits; and (v) extraordinary incentives. Each of these items is further explained below:

Fixed annual remuneration

The fixed remuneration of our executive directors is determined based on the executive duties assigned to them, their level of responsibility, their performance and the remuneration paid by comparable companies. The fixed remuneration of our Chief Executive Officer set in our Remuneration Policy for each of the years 2024, 2025 and 2026 is €1.8 million. The fixed annual remuneration is expected to be paid in cash.

The fixed annual remuneration may be updated by the Board of Directors, subject to a proposal by the Nomination and Remuneration Committee, according to the level of increase of the remuneration for the rest of our employees. An increase of the fixed remuneration of our executive directors substantially above the average increase for the rest of our employees may be carried out in certain circumstances, such as (but not limited to) in the event of a substantial modification on our business, on the responsibilities of the relevant executive directors or due to their exceptional performance.

Annual variable remuneration

The annual variable remuneration of our executive directors complements, and is in addition to, the fixed remuneration and according to our Remuneration Policy may be paid in cash (that is our expectation) or in shares, including Class B Shares. The payment in shares requires a prior resolution of our general shareholders' meeting establishing the maximum number of shares that may be paid to our executive directors as annual variable remuneration. This variable remuneration is established as a percentage of the fixed remuneration. Generally, in a scenario where 100% of the objectives are achieved, this percentage will range between 100% and 120% of the annual fixed remuneration. This percentage may be increased by up to 200% (i.e., the above

percentage will range between 200% and 240%) in a scenario of maximum achievement (over 100%) of the objectives established for the year.

According to our Remuneration Policy, the potential annual variable remuneration to be received by our executive directors may be revised based on the performance of the executive directors, the results of the Company and any other factors that the Nomination and Remuneration Committee may consider appropriate. Any adjustment to the annual variable remuneration must be made by the Board of Directors at the proposal of the Nomination and Remuneration Committee.

The annual variable remuneration is calculated on the basis of different objectives, which are annually set by the Board of Directors, at the proposal of the Nomination and Remuneration Committee, in line with our strategic plan and which include, amongst others: (i) economic and financial objectives; (ii) operational and/or profitability objectives; (iii) non-financial objectives (such as environmental, social, and corporate governance); and (iv) other quantitative and qualitative objectives connected to our strategic plans.

The final amount of the annual variable remuneration corresponding to each executive director will be determined by our Board of Directors, with the prior favorable report of the Nomination and Remuneration Committee. To calculate such final amount, the Nomination and Remuneration Committee will consider the level of achievement of the objectives on an individual and global basis. In certain exceptional circumstances, the Nomination and Remuneration Committee may use judgement criteria.

Long-term variable remuneration

Executive directors may participate in the long-term remuneration plans that we may approve for executive directors and/or for other members of the management teams and employees. According to the Remuneration Policy, the remuneration under these plans may be in cash and/or through the delivery of shares, options, rights or instruments linked to the shares of the Company (including Class B Shares) or other companies within the Group.

The long-term variable remuneration for executive directors is established as a percentage of their fixed remuneration. In a scenario where 100% of the objectives set in the corresponding long-term remuneration plan are achieved, this percentage will range between 200% and 240% of the annual fixed remuneration. This percentage may be increased by up to 200% (i.e., the above percentage will range between 400% and 480%) in a scenario of maximum achievement (over 100%) of the objectives established in the relevant long-term remuneration plan.

According to our Remuneration Policy, the potential amount to be received by our executive directors as long-term variable remuneration under our long-term remuneration plans may be revised based on the performance of the executive directors, the results of the Company and any other factors that the Nomination and Remuneration Committee may consider appropriate. Any such adjustment must be made by the Board of Directors at the proposal of the Nomination and Remuneration Committee.

Our Remuneration Policy also establishes that long-term remuneration plans for executive directors will have a minimum period of three years for consolidating the right to receive the total amount of the long-term variable remuneration. The consolidation conditions of our long-term remuneration plans will be subject to certain objectives that may be linked to, amongst others, the following metrics: income (e.g., revenue); results (e.g., EBITDA); cash generation (e.g., Free Cash Flow); profitability/profit for the shareholder (e.g., Total Return for the shareholder); return (e.g., Return on Equity); or non-financial metrics (environmental, social, and corporate governance).

The consolidation and the final amount of the long-term variable remuneration corresponding to each executive director will be determined by our Board of Directors, with the prior favorable report of the Nomination and Remuneration Committee. To determine the consolidation and to calculate such final amount, the Nomination and Remuneration Committee will consider the level of achievement of the objectives set out in the corresponding long-term remuneration plan. In certain exceptional circumstances, the Nomination and Remuneration Committee may use judgement criteria.

The total number of Class B Shares acquired and/or received on or before the year ended December 31, 2023 by our Chief Executive Officer as beneficiary of our Former Incentive Plans (as defined below) is 3,000,000 (1,735,159 were acquired and/or received in the year ended December 31, 2023 and 1,264,841 were acquired and/or received before year ended December 31, 2023). Additionally, as part of his long-term variable remuneration for the year ending December 31, 2024, our Chief Executive Officer was granted 401,845 Class B Shares as beneficiary under our 2024 Incentive Plan (as defined below), which was within the maximum number of Class B Shares established by our general shareholders' meeting and our Board of Directors on December 18, 2023, and which grant was ratified by our Board of Directors on April 5, 2024, at the proposal of the Nomination and Remuneration Committee. The Class B Shares acquired and/or received by our Chief Executive Officer under the Former Incentive Plans and the 2024 Incentive Plan are subject to the conditions set forth therein. See "*—Management incentive plans*" below.

Other items

Our executive officers may receive in-kind benefits including the use of a company vehicle and health and life insurance policies for him and his close family, as well as other benefits in accordance with the Remuneration Policy in force from time to time.

We may contribute annually up to 30% of the annual fixed remuneration of our executive officers to savings or insurance schemes, such as unit-linked programs.

As of the date of this Prospectus, the pension, retirement and similar benefits of our Chief Executive Officer consist of:

(i) a payment in cash for a total amount equal to the amount that our Chief Executive Officer would have the right to receive as annual contribution to pension plans. For the year ended December 31, 2023, our Chief Executive Officer received a payment amounting to €12.5 thousand; and

(ii) a contribution to a unit-linked program, quantified at 25% of his annual fixed remuneration. The aggregate contribution to this program for the year ended December 31, 2023 amounted to €0.25 million (15% of his annual fixed remuneration).

As of December 31, 2023, the total non-consolidated amount accrued under the unit-linked program in favor of our Chief Executive Officer amounted to €2.7 million.

Extraordinary incentives and awards

Executive directors may receive extraordinary incentives for services provided that are different from those inherent to their position, such as participation in relevant or fundamental corporate transactions for the Company. Executive directors may also participate in extraordinary awards that we may provide to our employees. The amount of such awards corresponding to our executive directors shall be determined on the basis of objective criteria. Our Remuneration Policy provides that extraordinary incentives and awards will be approved by the Board of Directors, at the proposal of the Nomination and Remuneration Committee.

On March 19, 2024, our Board of Directors, at the proposal of the Nomination and Remuneration Committee, approved an extraordinary incentive for our Chief Executive Officer due to his extraordinary contribution in connection with the Offering. In addition, our Chief Executive Officer will also be a beneficiary of the Offering Extraordinary Award. For more information on the Offering Extraordinary Award, see "*Business—12. Employees—Offering Extraordinary Award*". The amount of the extraordinary incentive (without considering social security costs) and the Offering Extraordinary Award that we expect to pay following Admission and during the year ending December 31, 2024 to our Chief Executive Officer would amount to approximately €9.3 million.

The Nomination and Remuneration Committee is expected to ratify the resolutions of the Board of Directors during its first meeting following Admission.

Indemnification provisions

In addition to the above, according to the Remuneration Policy and to the terms of his contract, our Chief Executive Officer is entitled to receive a compensation for termination of his mercantile services contract equal to two times his annual fixed remuneration if the termination is due to any of the following causes: (i) unilateral termination by the Chief Executive Officer due to a serious and willful breach by the Company of the obligations provided for in his mercantile services contract, including due to the adoption by the Company of any agreement or the absence thereto that prevents the Chief Executive Officer from receiving all or part of his remuneration, the failure to pay the agreed remuneration or continuous delays in the payment of such remuneration, (ii) unilateral termination by the Chief Executive Officer due to a substantial modification of his functions, powers or conditions of service not caused by the Chief Executive Officer, (iii) a change of control of the Company within the meaning of article 42 of the Spanish Commercial Code or transfer or assignment of all or a relevant part of his activity or assets and liabilities to a third party or integration into another business group, or (iv) unilateral termination by the Company, at any time, which is not due to a serious and willful breach by the Chief Executive Officer of his duties of loyalty, diligence or good faith nor any other serious and willful breach of the obligations of the Chief Executive Officer provided in the contract. The Chief Executive Officer must exercise his right to terminate his mercantile services contract within a maximum period of six months from the date on which he becomes aware of the cause of termination. After this period has expired without exercising the right to termination, the Chief Executive Officer will not be entitled to receive any compensation for such cause.

On the contrary, the Chief Executive Officer will not be entitled to the compensation provided for in the previous paragraph in the event of termination of the contract due to any of the following causes: (i) if termination occurs due to the voluntary resignation of the Chief Executive Officer for reasons other than those provided in the previous paragraph, including retirement, (ii) if termination occurs due to the death or disability of the Chief Executive Officer, or (iii) in the event of breach of his duties of loyalty, diligence and good faith by the Chief Executive Officer, as well as any other serious and willful breach of his obligations under the contract, or the Chief Executive Officer's involvement in any of the legal prohibitions to be a director of certain companies.

Upon termination of his contract in case of death, retirement, situation comparable to retirement or severe disability or total and permanent disability for his own or any occupation, the Chief Executive Officer or his successors will be entitled to the benefits derived from our savings and insurance schemes and, if any to our contributions to the pension plan.

Compensation for the year ended December 31, 2023 and for the year ending December 31, 2024

On December 18, 2023, Lyskamm 1861, S.L., represented by Mr. Manuel Puig Rocha, ceased to be our director and our chief sustainability officer (the "**Chief Sustainability Officer**"). The compensation paid to our Chief Executive Officer and the Chief Sustainability Officer for the year ended December 31, 2023, is shown in the following table:

	Position	Fixed remuneration[(1)]	Variable remuneration[(2)]	Long term variable remuneration[(3)]	Other long term variable remuneration[(4)]	Other items[(5)]	Extraordinary incentives[(6)]	Total
					(€ million)			
Mr. Marc Puig Guasch	Chief Executive Officer	1.7	3.4	5.6	14.7	0.3	–	25.7
Lyskamm 1861, S.L., represented by Mr. Manuel Puig Rocha..........	Chief Sustainability Officer	1.4	1.6	–	–	–	17.3	20.2

Source: Company's internal accounting records.

Notes: —

(1) Total fixed remuneration as directors for the performance of executive duties. Includes the remuneration paid by Puig SL to our Chief Executive Officer and Chief Sustainability Officer until their date of appointment as directors of the Company (i.e., March 20, 2023) amounting to €0.4 million and €0.4 million, respectively.

(2) Corresponds to the annual variable remuneration accrued during the year ended December 31, 2022 and paid by Puig SL during the year ended December 31, 2023.

(3) Corresponds to the remuneration in Class B Shares (220,505 Class B Shares received (but not acquired) in the year 2023 by our Chief Executive Officer) they were entitled to receive as long-term variable remuneration for the year 2023 under one of our Former Incentive Plans (as defined below). See "*—Management incentive plans—Former Incentive Plans*" below.

(4) Corresponds to the remuneration in Class B Shares (1,514,654 Class B Shares corresponding to the Class B Shares acquired in the year 2023 by the Chief Executive Officer upon exercise of his SARs (as defined below)) for their participation in the rest of the Former Incentive Plans due to the early acceleration of these plans on May 10, 2023. The €14.7 million of remuneration corresponds to approximately the difference between the price at which the 1,514,654 Class B Shares were acquired upon exercise of his SARs under the relevant plan (the strike price) and the value of such Class B Shares at the time they were acquired. See "*—Management incentive plans—Former Incentive Plans*" below.

(5) Comprises in-kind benefits including the use of a company vehicle, health and life insurance policies, as well as other benefits such as the contribution to pensions plans (€12.5 thousand) and to the unit-linked program (€0.25 million).

(6) In the case of the Chief Sustainability Officer, on December 18, 2023 our general shareholders' meeting approved an extraordinary incentive amounting to €17.3 million due to (i) the results obtained by the Company during the year ended December 31, 2023, (ii) its contribution to the direction, development and implementation of our ESG policies, (iii) his direct involvement in the development, design and launch of new products, and (iv) his contribution to the identification and closing of mergers and acquisitions transactions carried out by the Group.

For the year ending December 31, 2024 the compensation that we expect to pay to our Chief Executive Officer would mainly include: (i) the fixed remuneration (see "*—Fixed annual remuneration*" above); (ii) €3.7 million corresponding to the variable annual remuneration accrued during the year ended December 31, 2023 that will be paid during the year ending December 31, 2024; and (iii) 401,845 Class B Shares as long term variable remuneration under the 2024 Incentive Plan that have already been delivered (See "*—Management incentive plans—Year 2024 (Pre-Admission) – 2024 Incentive Plan*" below). In addition, during the year ending December 31, 2024 we also expect to pay to our Chief Executive Officer approximately €9.3 million corresponding to the extraordinary incentive (without considering social security costs) and the Offering Extraordinary Award (see "*—Extraordinary Incentives*" above).

Compensation of Senior Officers

The compensation of our Senior Officers is mainly composed of a fixed remuneration, an annual variable remuneration (or short-term incentive) and other in-kind benefits (including the participation in retirements or saving schemes, such as insurance programs). Our Senior Officers may also participate in our long-term incentive plans.

The compensation paid to our Senior Officers (9 Senior Officers, excluding the Chief Executive Officer and the Chief Sustainability Officer, whose compensation is detailed above) in the year ended December 31, 2023 amounted to €44.7 million. This amount primarily includes the fixed remuneration, the annual variable remuneration accrued during the year ended December 31, 2022 and paid during the year ended December 31, 2023 and the Class B Shares acquired and/or received in 2023 under the Former Incentive Plans (see "*—Management incentive plans—Former Incentive Plans*" below).

As of December 31, 2023 we had accrued and set aside an estimated total amount of €0.9 million to provide for pension benefits derived from our pension plans in favor of our Senior Officers (excluding the Chief Executive Officer and the Chief Sustainability Officer).

For the year ending December 31, 2024, the compensation that we expect to pay to our Senior Officers (excluding our Chief Executive Officer, whose compensation is detailed above) would amount to

approximately €26.4 million. This estimated amount would mainly include their respective fixed remuneration, the annual variable remuneration accrued during the year ended December 31, 2023 that will be paid during the year ending December 31, 2024 and 594,425 Class B Shares received in 2024 as long-term variable remuneration under the 2024 Incentive Plan (see "*—Management incentive plans—Year 2024 (Pre-Admission) – 2024 Incentive Plan*" below).

In addition, (i) on March 19, 2024, our Board of Directors, at the proposal of the Nomination and Remuneration Committee, approved an extraordinary incentive for our Senior Officers due to their extraordinary contributions in connection with the Offering; and (ii) our Senior Officers will also be beneficiaries of the Offering Extraordinary Award (for more information on the Offering Extraordinary Award, see "*Business—12. Employees— Offering Extraordinary Award*"). The amount of the extraordinary incentive (without considering social security costs) and the Offering Extraordinary Award that we expect to pay following Admission and during the year ending December 31, 2024 to our Senior Officers (excluding the Chief Executive Officer, whose details regarding the extraordinary incentive and the Offering Extraordinary Award are detailed above) would amount to approximately €4.3 million.

None of the Senior Officers has entered into specific service contracts with us or any of our subsidiaries providing for benefits upon termination of their respective employment other than those provided by applicable law. However, some of our Senior Officers would be entitled to receive a compensation in consideration of their non-compete obligations which will be equivalent to an amount between 66% and 90% of their respective average monthly remuneration paid during the 12 months preceding the termination of their employment relationship to be paid during the term of the non-compete obligation.

D&O insurance policy

We maintain various insurance policies that protect our directors and Senior Officers from liabilities incurred as a result of actions taken in their capacity as directors or Senior Officers. Our primary insurance policy provides coverage for up to an aggregate maximum amount of €15 million and our "in excess" insurance policies provide coverage for up to an aggregate maximum amount of €135 million for any amounts in excess of the aggregate maximum amount covered by our primary policy. The aggregate annual net premium that we expect to pay for our D&O insurance policies amounts to €229.9 thousand and provides coverage for the period between January 1, 2024 and December 31, 2024.

Equity interests

Some of our directors and our Senior Officers hold Class B Shares. Such directors (excluding our Chief Executive Officer) have acquired a number of Class B Shares through our Share Acquisition Program (as defined below) and have received Class B Shares as payment of part of their fixed annual remuneration by reason of their office as directors for the year 2024. See "*—Compensation of directors—Compensation by reason of their office as directors—Compensation corresponding to 2024*" above and "*—Share Acquisition Program*" below. Moreover, Mr. Jordi Constans and Mr. Josep Oliu have acquired 1,459 and 26,061 Class B Shares from Puig SL, respectively.

In addition, a number of Class B Shares were delivered to our Chief Executive Officer and our Senior Officers pursuant to the long-term incentive plans approved from time to time by Puig SL, Puig Gest, S.A. (Puig SL's shareholder, "**Puig Gest**") and the Company. See below "*—Management incentive plans*"

As of the date of this Prospectus, our directors own a total number of 4,275,310 Class B Shares. The number of Class B Shares owned by each director is as follows:

- Mr. Marc Puig Guasch, the Chief Executive Officer, directly holds 3,401,845 Class B Shares;
- Mr. Manuel Puig Rocha, indirectly holds, through Lyskamm 1861, S.L., 609,092 Class B Shares;
- Mr. Josep Oliu Creus directly holds 92,518 Class B Shares;
- Mr. Jordi Constans Fernández directly holds 25,502 Class B Shares;

- Mr. Yiannis Petrides directly holds 23,856 Class B Shares;
- Mr. Daniel Lalonde directly holds 22,733 Class B Shares;
- Mr. Rafael Cerezo Laporta directly holds 48,789 Class B Shares;
- Mr. Patrick Chalhoub directly holds 17,051 Class B Shares;
- Ms. Ángeles García-Poveda Morera directly holds 11,450 Class B Shares;
- Ms. Christine A. Mei directly holds 10,041 Class B Shares; and
- Mr. Nicolas Mirzayantz directly holds 12,433 Class B Shares.

Certain of our directors have irrevocably committed to purchase Initial Offer Shares in the Offering. For more information see "*Plan of Distribution—The Offering— Irrevocable commitment of directors to purchase Initial Offer Shares*".

In addition, our Senior Officers directly hold an aggregate amount of 6,715,805 Class B Shares.

According to the Remuneration Policy, directors are obliged to retain the Class B Shares that have received as part of their remuneration until the end of their mandate. The Chief Executive Officer and our other Senior Officers are also subject to certain lock-up restrictions applicable to the Class B Shares received under our long-term incentive plans. See "*—Management incentive plans*" below for further detail on the applicable lock-up restrictions. In addition, our directors, the Chief Executive Officer and our other Senior Officers are also subject to the lock-up restrictions agreed with the Underwriters. See "*Plan of Distribution—Lock-up—Other lock-up restrictions*".

Share Acquisition Program for directors

On November 21, 2022, Puig SL's general shareholders' meeting and its board of directors and our general shareholders' meeting and our Board of Directors approved a share acquisition program for the year 2022 expressly renewable by us for each fiscal year (the "**Share Acquisition Program**"). On May 10, 2023, the Share Acquisition Program was amended and renewed for the year 2023. This program was originally approved for the purposes of allowing their beneficiaries to acquire shares of the Company.

Accordingly, the beneficiaries under the Share Acquisition Program, which included only directors of Puig SL (before it was amended on May 10, 2023) and our directors (excluding directors that are members of the Puig Family), that accepted to participate in the Share Acquisition Program had the right to acquire Class B Shares subject to certain provisions. Following Admission, the provisions under the Share Acquisition Program will cease to be effective and the plan will not be renewed.

In addition to the Class B Shares received by our directors as payment of part of their fixed annual remuneration by reason of their office as directors for the year 2024, as of the date of this Prospectus, our current directors have acquired an aggregate amount of 800,132 Class B Shares under the Share Acquisition Program. See "*—Equity Interests*" above for the details of the Class B Shares held by each director, including the 800,132 Class B Shares acquired under the Share Acquisition Program. The Class B Shares acquired under the Share Acquisition Program are subject to the lock-up restrictions agreed with the Underwriters. See "*—Equity Interests*" above.

Management incentive plans

Until the year 2023 – Former Incentive Plans

During recent years Puig SL and Puig Gest have approved various long-term incentive plans called "share appreciation rights" and other distributions in respect to shares in Puig SL and Puig Gest, as the case may be. Under these plans, their beneficiaries were granted acquisition rights over shares (the "**SARs**") of Puig SL and/or Puig Gest that they could exercise at a strike price at the end of the relevant vesting period (i.e., the beneficiary would benefit from any increase in the share price during the vesting period over the strike price)

and, depending on the plan, receive in exchange a cash settlement (corresponding to the difference between the strike price and the share price at the time the SAR is exercised), receive free shares net of tax (instead of and for the same value of the cash settlement) or acquire the shares at the strike price.

The implementation of the Corporate Reorganization (as defined below), together with the early achievement of the objectives considered under these plans, resulted in the acceleration of the vesting periods of each plan and in their amendment and restatement on May 10, 2023 (together, the "**Former Incentive Plans**"). Such acceleration of the relevant vesting periods and the amendment and restatement of the Former Incentive Plans resulted in: (i) the exchange of (a) shares in Puig SL and Puig Gest already acquired and/or received by the beneficiaries upon exercise of their respective SARs; for (b) Class B Shares in the Company; (ii) a change of the underlying shares of the SARs (Class B Shares in the Company instead of shares in Puig SL and Puig Gest); and (iii) the delivery of Class B Shares.

As a result of the acceleration and the delivery of free shares under the Former Incentive Plans, the number of Class B Shares acquired and/or received on or before 2023 by the Chief Executive Officer, our other Senior Officers and other key employees, as beneficiaries under the Former Incentive Plans, is 13,496,227 (13,514,815 Class B Shares as of December 31, 2023 – the difference in the number of Class B Shares is due to the exercise by us of a call option over such Class B Shares in 2024 upon termination of the employment relationship of the relevant beneficiary in accordance with the provisions of the relevant plan).

The beneficiaries who acquired and/or received shares under the Former Incentive Plans granted to us a call option and, simultaneously, a put option was granted by us to the relevant beneficiaries. The call and put options can be exercised at any time upon the occurrence of certain events in accordance with the terms of the relevant plan. For the year ended December 31, 2023, a liability has been accounted for in connection with such put options for a total amount of €238.9 million. After Admission, a limited number of call options and all the put options under the Former Incentive Plans will cease to be effective and such liability will be entirely cancelled. The call options that following Admission will remain effective may be exercised by us over the Class B Shares that are subject to a lock-up restriction at any time during the lock-up period. See *"—Management incentive plans after Admission*" below.

Year 2024 (Pre-Admission) – 2024 Incentive Plan

In addition, on December 18, 2023, our general shareholders' meeting, as part of the remuneration corresponding to the year 2024, approved an extraordinary long-term incentive free shares plan for our Chief Executive Officer, our other Senior Officers and certain key employees (the "**2024 Incentive Plan**") as well as the maximum number of Class B Shares to be delivered under this plan. The exact amount of Class B Shares to be delivered to the beneficiaries under the 2024 Incentive Plan was determined in accordance with and within the maximum amounts established by our general shareholders meeting and the Board of Directors on December 18, 2023, pursuant to which all of the beneficiaries have received the Class B Shares they were entitled to.

As a result of the delivery of the Class B Shares under the 2024 Incentive Plan, the number of Class B Shares received in 2024 by the Chief Executive Officer, our other Senior Officers and other key employees, as beneficiaries under this plan is 1,498,216. The beneficiaries who received Class B shares under the 2024 Incentive Plan, granted to us a call option and, simultaneously, a put option was granted by us to the relevant beneficiaries. The call and put options can be exercised at any time upon the occurrence of certain events in accordance with the terms of the relevant plan. After Admission, all the put options under the 2024 Incentive Plan will cease to be effective. The call options that following Admission will remain effective may be exercised by us over the Class B Shares that are subject to a lock-up restriction at any time during the lock-up period. See *"—Management incentive plans after Admission*" below.

As of the date of this Prospectus, the number of Class B Shares acquired and/or received by the beneficiaries under the Former Incentive Plans and the 2024 Incentive Plan is 14,994,443. Given that the vesting periods under the Former Incentive Plans were accelerated (with the corresponding exercise of the SARs by the beneficiaries to acquire and/or receive Class B Shares) and that the Class B Shares corresponding the 2024 Incentive Plan have been delivered, the beneficiaries of the Former Incentive Plans and the 2024

Incentive Plan will not be entitled under these plans to acquire any further Class B Shares, receive any further remuneration in the form of Class B Shares or otherwise.

Management incentive plans after Admission

According to the provisions of the Former Incentive Plans and the 2024 Incentive Plan, after Admission:

(i) all the put options granted by us to the beneficiaries under the Former Incentive Plans and the 2024 Incentive Plan will cease to be effective. Accordingly, the Admission will result in the entire cancellation of our €238.9 million liability related to the Former Incentive Plans and our equity will increase in the same amount;

(ii) a limited number of call options granted by us to some of the beneficiaries under the Former Incentive Plans will cease to be effective. The call options that following Admission will remain effective may be exercised by us over the Class B Shares that are subject to a lock-up restriction and during the period that such lock-up restriction applies; and

(iii) as a result, the Former Incentive Plans and the 2024 Incentive Plan will be effective only in respect of certain lock-up restrictions and the right of the Company to exercise the call options granted by the beneficiaries over certain Class B Shares (the call options may be exercised during the same period that the lock-up restriction applies), as described in the table below.

The table below summarises the lock-up restrictions applicable to and our call option over certain Class B Shares acquired and/or delivered to the beneficiaries under the Former Incentive Plans and the 2024 Incentive Plan, which will continue to be effective following Admission, and the financing arrangements entered into between the Company and the beneficiaries of the Former Incentive Plans in connection with the acquisition or delivery of the Class B Shares and the tax accrued thereunder (as of December 31, 2023, the total amount of indebtedness incurred by the beneficiaries of the Former Incentive Plans (i.e., the amount drawn-down under these financings) was €98.0 million, as further described in note 3 to the table below).

	Number of Class B Shares under the Former Incentive Plans	**Number of Class B Shares under the 2024 Incentive Plan**	**Class B Shares subject to lock-up**[(1)]	**Class B Shares subject to call option**[(2)]	**Financing Arrangements**[(3)]
					(€ million)
Chief Executive Officer	3,000,000[(4)]	401,845	2,137,004	2,137,004	–
Senior Officers	6,121,380	594,425	4,818,500	4,818,500	61.7
Other employees	4,374,847	501,946	4,045,497	4,045,497	42.7

Notes: —

(1) (i) 6,201,339 Class B Shares are subject to a lock-up restriction until June 1, 2024; (ii) 1,980,751 Class B Shares are subject to a lock-up restriction until June 1, 2025; (iii) 1,328,651 Class B Shares are subject to a lock-up restriction until June 1, 2026; and (iv) 1,498,216 Class B Shares are subject to a lock-up restriction until January 31, 2027.

(2) (i) 6,201,339 Class B Shares are subject to a call option to be exercised by the Company if a bad leaver event occurs before June 1, 2024; (ii) 1,980,751 Class B Shares are subject to a call option to be exercised by the Company if a bad leaver event occurs before June 1, 2025; (iii) 1,328,651 Class B Shares are subject to a call option to be exercised by the Company if a bad leaver event occurs before June 1, 2026; and (iv) 1,498,216 Class B Shares are subject to a call option to be exercised by the Company (A) if a bad leaver event occurs on or before December 31, 2026; or (B) after December 31, 2026 but prior to February 1, 2027, over 1/3 of the Class B Shares of the relevant beneficiary if the employment relationship is terminated (other than due to a bad leaver event) on or before December 31, 2026, over 1/3 of the Class B Shares if the annual compounded increase ("**ACI**") in the Class B Shares value on December 31, 2026 is lower than or equal to 7%, and 1/3 of the Class B Shares if the ACI in the Class B Shares value on December 31, 2026 is lower than or equal to 10%. With respect to the call option over Class B Shares described under limb (iv), our Board of Directors may accelerate

its exercise in the event of a change of control of the Company ("control" is defined as an interest in shares or voting rights of the Company giving the holder or holders a controlling interest of the Company within the meaning of Article 42 of the Spanish Commercial Code).

Exercise price of the call options

- For the Class B Shares under limb (i) above, the maximum price payable by the Company upon exercise of the call option would be:
  - In respect of 849,570 Class B Shares, the lower of (x) the fair market value of such Class B Shares at the time those Class B Shares were transferred to the beneficiary as determined by an independent expert; or (y) the fair market value of such Class B Shares as determined by agreement between the parties or, if such agreement is not reached within two weeks from the exercise of the call option, as determined by an independent expert appointed from time to time by the Company.
  - In respect of 5,351,769 Class B Shares, the lower of (x) the price per Class B Share at which those Class B Shares were initially acquired; or (y) the fair market value of such Class B Shares as determined by agreement between the parties or, if such agreement is not reached within two weeks from the exercise of the call option, as determined by an independent expert appointed from time to time by the Company.
- For Class B Shares under limb (ii) above, the maximum price payable by the Company upon exercise of the call option would be the lower of (x) the price per Class B Share at which those Class B Shares were initially acquired; or (z) the fair market value of such Class B Shares as determined by agreement between the parties or, if such agreement is not reached within two weeks from the exercise of the call option, as determined by an independent expert appointed from time to time by the Company.
- For Class B Shares under limb (iii) above, the maximum price payable by the Company upon exercise of the call option would be the lower of (x) a certain value per Class B Share; or (y) the fair market value of such Class B Shares as determined by agreement between the parties or, if such agreement is not reached, the fair market value determined by the latest consolidated annual valuation of the Company at the time of the exercise of the call option.
- For Class B Shares under limb (iv) above, the maximum price payable by the Company upon exercise of the call option would be the lower of (x) the value of each Class B Share as of December 31, 2023 resulting from the latest consolidated annual valuation of the Company; or (y) the Class B Shares weighted average value of the 20 trading days prior to December 31, 2026 (or prior to the exit of the beneficiary in the event of a bad leaver occurring before December 31, 2026), except upon exercise of the call option over 1/3 of the Class B Shares in case of termination of the employment relationship (other than due to a bad leaver event), in which case the price will be the one set out in (y) above.

(3) Indicates the amount of financing provided by the Company to the beneficiaries under the Former Incentive Plans to pay for the initial acquisition of the Class B Shares and/or the shares of Puig Gest or Puig SL and related taxes. The total amount drawn-down under these financings amounts to €98.0 million, while €6.5 million (€3.6 million corresponds to our Senior Officers and €2.9 million corresponds to other employees) has not yet been drawn down and will be drawn down once payment of any remaining taxes accrued becomes due. These financings are secured by a pledge over 5,081,738 Class B Shares (2,089,800 Class B Shares correspond to our Senior Officers and 2,991,938 Class B Shares correspond to other key employees).

(4) 1,735,159 were acquired and/or received in the year ended December 31, 2023 and 1,264,841 were acquired and/or received before year ended December 31, 2023.

Upon Admission, our Former Incentive Plans, the 2024 Incentive Plan and the Share Acquisition Program will be effective only in respect of the lock-up restrictions and the right of the Company to exercise a call option over certain Class B Shares (as described above) and, as of the date of this Prospectus, we do not have any management incentive plan in place that would entitled our executive directors, Senior Officers and other key employees to acquire any Class B Shares, receive any remuneration in the form of Class B Shares or otherwise.

Following Admission, we anticipate start developing, along with the assistance of independent experts, a new management incentive plan for our executive directors, Senior Officers and other key employees. This plan will reflect best market practices for publicly-listed entities and its design will be based on prevailing market standards. We intend to present the proposed incentive plan to our shareholders for approval in our ordinary general shareholders' meeting in 2025. For executive directors, including our Chief Executive Officer, the remuneration under the new management incentive plan will be subject to the provisions and

parameters set out in the Remuneration Policy. See *"Compensation of directors—Compensation of directors for the performance of executive duties—Long-term variable remuneration*" above.

Internal Code of Conduct

The Company has implemented and defined a transparent set of rules and regulations for compliance with market abuse regulations which is compliant with Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse ("**Market Abuse Regulation**").

On April 5, 2024, the Board of Directors approved the internal code of conduct (the "**Internal Code of Conduct**"), which will become effective upon Admission. The Internal Code of Conduct applies to, among others, our directors, Senior Officers and employees who have regular access to inside information, as defined under the Market Abuse Regulation.

The Internal Code of Conduct, among other things:

- Regulates the conduct of our directors and Senior Officers and other relevant employees with regard to the treatment, use and disclosure of the Company's inside information.
- Establishes the restrictions on, and conditions for, the dealing with Company's securities or other financial instruments referencing them by persons subject to the Internal Code of Conduct and by those who possess inside information.
- Provides that persons subject to the Internal Code of Conduct must not engage in market manipulation with respect to the securities or other financial instruments of the Company.
- Regulates dealings with our own shares.

Corporate governance legal provisions and recommendations

The Spanish Companies Act sets out certain legal provisions related to corporate governance mandatorily applicable to Spanish listed companies on the Spanish Stock Exchanges. We believe that we comply with the requirements of the Spanish Companies Act.

Additionally, the Corporate Governance Code sets out certain non-binding recommendations on corporate governance to be considered on a "comply or explain" basis by the companies listed on the Spanish Stock Exchanges. We believe that we comply with substantially all the recommendations of the Corporate Governance Code. In particular, as of the date of this Prospectus, we comply with the following recommendations: 5, 8, 12, 13, 16, 17, 18, 23, 26, 28, 29, 30, 35, 39, 40, 41, 43, 45, 46, 47, 55, 56, 58, 60, 61, 62, 64. On Admission, we will also comply with the following recommendations (once the amendments to our regulations or approval of internal regulations, rules and policies regarding the different aspects of these recommendations become effective upon Admission): 4, 6, 7, 9, 10, 14, 22, 27, 31, 32, 33, 34, 36, 42, 44, 49, 50, 51, 54, 57, 59, 63.

However, as of the date of Admission our corporate governance practices will still depart from the recommendations described below:

- Recommendation 1: According to our Bylaws, each of the Class A Shares confers five (5) votes and each of the Class B Shares confers one (1) vote. See "*Description of Share Capital—Rights of Class A Shares and Class B Shares—General shareholders' meeting and voting rights—Attendance and voting rights*".

  Following the Offering and the Minority Shareholders Share Capital Increases, if the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and the Over-allotment Option is exercised in full, (i) our outstanding Class A Shares (owned by the Selling Shareholder) will represent 68.0% of the total number of Class A Shares and Class B Shares and will confer 91.4% of the total voting rights, and (ii) our outstanding Class B Shares will represent 32.0% of the total number of Class A Shares and Class B Shares and will confer 8.6% of the total voting rights. For the avoidance of doubt, the percentage of total voting rights is calculated

taking into account the Class B Shares held by the Company as treasury shares. Given that only the Class B Shares will be admitted to trading and be available for purchase on the Spanish Stock Exchanges, we are not compliant with this recommendation which provides that bylaws should not impose obstacles to obtain control of the Company by means of share purchases on the market. In the future we will only comply with this recommendation if the total amount of votes of Class B Shares exceeds the total amount of votes of Class A Shares (for example, as a result of one or several conversions of Class A Shares into Class B Shares or due to an amendment of our Bylaws regarding the number of voting rights that confer each class of shares) or if the Class A Shares are admitted to trading.

- Recommendation 15: female directors represent 30.7% of the members of the Board of Directors (with 40% being the target minimum number of female directors recommended by the Corporate Governance Code by the end of 2022 and thereafter). However, our Board of Directors will consider the necessary amendments to the Board of Directors' composition in the future and will inform about compliance of this recommendation in our first annual corporate governance report as a listed company.

- Recommendation 25: our Board Regulations provide that directors must use the necessary time and efforts to render their functions effectively and the Nomination and Remuneration Committee has, amongst its functions, the responsibility to assess that directors have sufficient time available to discharge their responsibilities effectively. However, our Board Regulations do not establish the maximum number of boards on which directors can serve. Therefore, we comply with this recommendation partially, as we do not comply with paragraph two that provides that board of directors' regulations should set forth the maximum number of boards of directors on which directors can serve.

- Recommendation 52: a member of our ESG Committee will be Mr. Marc Puig Guasch, our Chief Executive Officer, we will not have a majority of independent directors forming part of the ESG Committee and the chairman of our ESG Committee will be Mr. Manuel Puig Rocha, a proprietary director. Therefore, we are not compliant (i) with paragraph (a) of this recommendation, which provides that committees of the Board of Directors should be formed exclusively by non-executive directors with a majority of independent directors, nor (ii) with paragraph (b) of this recommendation, which provides that chairmen of these committees should be independent directors. Mr. Manuel Puig Rocha was the director that initiated the creation of this committee, reflecting a deep and personal commitment to environmental, social, and governance matters within the Puig Family. We consider that the expertise and leadership of both Mr. Manuel Puig Rocha and Mr. Marc Puig Guasch in this area are pivotal for driving our ESG strategy and objectives; and

- Recommendation 53: a member of our ESG Committee will be Mr. Marc Puig Guasch, our Chief Executive Officer. Therefore, we comply with this recommendation partially, which provides that the committee assigned with the task of supervising compliance with the policies and rules of the Company in the environmental, social and corporate governance areas, and internal rules of conduct (i.e., our ESG Committee) should be comprised solely of non-executive directors. As stated above, we consider that the expertise and leadership of Mr. Marc Puig Guasch in this area is pivotal for driving our ESG strategy and objectives.

In addition, the following recommendations do not apply to us as of the date of this Prospectus and are not expected to apply to us on Admission: 2, 3, 11, 19, 20, 21, 23, 24, 37, 38, 48.

Conflicts of Interest

The mechanisms to detect, determine and resolve potential conflicts of interest between us and our directors or Senior Officers are regulated in the Spanish Companies Act and our Board Regulations.

Pursuant to the Spanish Companies Act and our Board Regulations, directors have, among others, the obligation to perform their office with the loyalty of a true representative, acting in good faith and in the Company's best interests, not to exercise their powers for different purposes others than those for which they have been empowered, to perform their duties under the principle of personal responsibility with freedom of judgment or criteria and independence from instructions and relationships from third parties and not to participate in the deliberations and votes of agreements or resolutions in which they or a person related to them have a conflict of interest.

The Spanish Companies Act and article 23 of our Board Regulations establish the duty of the directors not to (i) carry out personal transactions with the Company or other Group companies, save for ordinary transactions to be made under standard conditions or those of little relevance and (ii) develop activities, either personally or for another person, which imply an effective competition with the Company. Likewise, the Spanish Companies Act and article 25 of our Board Regulations establish that the directors cannot take advantage, for their own benefit, of any business opportunities available to the Company, make use of our assets for private purposes, take advantage of their positions in the Company to obtain economic advantages, and obtain advantages or remuneration from third parties other than the Company and the Group associated with the performance of their duties. These obligations also apply to the directors' related parties, as defined in article 23.2 of our Board Regulations and in the Spanish Companies Act. Directors must inform the Board of Directors of any conflict that they or their related parties could have with the interests of the Company or any Group company, as well as of all of their positions and activities in other companies and, in general, of every situation that could be of relevance for their role as director of the Company.

Amongst our directors and Senior Officers, only Mr. Patrick Chalhoub has a conflict of interest in the terms describe below.

Mr. Patrick Chalhoub is (i) an executive director, shareholder and manager of Chalhoub Group Limited (together with its subsidiaries, the "**Chalhoub Group**"), a company that carries out, among others, the following business: (a) participation in the Chalhoub Joint Ventures (as defined below) with some of our competitors, operating in the Middle East, Africa, India and Latin America, (b) wholesale and retail distribution, directly or indirectly, through local joint ventures of competing brands, such as, Estée Lauder, Shiseido, L'Oreal, Chanel, Interparfums, Glams, Isadora, Hourglass, Vilhelm Parfumerie, Clarins, Kendo, Prada, Dolce & Gabbana, and (c) exploiting retail franchises of brands such as L'Occitane, Molton Brown, Roger & Gallet, Nars, Atelier Cologne, La Mer, Pixi, Tory Burch, Estée Lauder (Bobbi Brown, Too Faced, Tom Ford, Kilian Paris), Urban Decay and Ex Nihilo; and (ii) a member of the board of the companies that form the Chalhoub Joint Ventures.

On April 24, 2023, our general shareholders' meeting, pursuant to our Board Regulations and Article 230 of the Spanish Companies Act, agreed to partially exempt Mr. Patrick Chalhoub from his obligation not to hold positions or provide services in entities competing with the Company, on the basis that his presence at our Board of Directors will render important advantages and benefits to us. This exemption was provided under the following terms: (1) with respect to its participation as member of the boards of the Chalhoub Joint Ventures described in (ii) above, Mr. Patrick Chalhoub is obliged to abstain in the debate and voting of resolutions or decisions adopted in such boards in connection with matters that may entail a conflict of interest with us; and (2) with respect to the activities carried out by Mr. Patrick Chalhoub described in (i) and (ii) above, all his other obligations and duties as director remain applicable and Mr. Patrick Chalhoub undertook to communicate to us any situation in which he may have a conflict of interest. In addition, our general shareholders' meeting confirmed that should Mr. Patrick Chalhoub hold a new executive or consultive position in any competing brand or company, he should request from our general shareholders' meeting a new exemption.

The Chalhoub Joint Ventures include (i) "**Parfums Christian Dior JV**" formed by Parfums Christian Dior Orient FZCO, Parfums Christian Dior Emirates LLC, PCD Doha Perfumes & Cosmetics WLL, PCD Saudi Arabia Limited and PCD Dubai General Trading LLC; (ii) "**Christian Louboutin JV**" formed by Christian Louboutin FZCO, CLAD Trading LLC and Christian Louboutin Lebanon SAL; (iii) "**Revlon JV**" formed by Elizabeth Arden Middle East FZCO; (iv) "**Chaumet JV**" formed by Chaumet Middle East FZCO and Chaumet EAU Trading LLC; (v) "**Christian Dior Couture JV**" formed by CDCG FZCO, CDC Abu

Dhabi LLC Couture, CDC Kuwait Fashion Accessories Kuwait WLL, Christian Dior Couture Bahrain WLL and Christian Dior Couture Qatar WLL; (vi) "**Fendi JV**" formed by Fun Fashion FZCO, Fun Fashion Emirates LLC, Fendi Doha LLC and Fun Fashion Bahrain WLL; (vii) "**Coty JV**" formed by Coty Distribution Emirates LLC; (viii) "**Sephora JV**" formed by Sephora Moyen Orient SA, Sephora Middle East FZE, Sephora Emirates LLC, Sephora Bahrain WLL, Sephora Arabia Limited LLC, Sephora Kuwait for Perfumes and Cosmetics and Beauty Products WLL; (ix) "**Valentino JV**" formed by Valentino Orient Middle East FZCO, Valentino Orient Holdco FZCO and Valentino UAE LLC (which as of the date of this Prospectus does not form part of the Chalhoub Joint Ventures); (x) "**Louis Vuitton JV**" formed by LV Orient FZ-LLC, Louis Vuitton Middle East FZCO, Louis Vuitton EAU LLC, Louis Vuitton Bahrain WLL, Louis Vuitton Qatar WLL, Louis Vuitton Kuwait WLL and Louis Vuitton Saudi Arabia LLC; (xi) "**Berluti**" formed by Berluti Orient FZ-LLC and Berluti EAU LLC; (xii) "**Givenchy JV**" formed by Givenchy Middle East FZ-LLC, George V EAU LLC and Givenchy Trading WLL; (xiii) "**Celine JV**" formed by Celine Middle East FZ-LLC and C EAU LLC; (xiv) "**Farfetch JV**" formed by Farfetch International Limited; (xv) "**L'Occitane JV**" formed by L'Occitane Middle East FZCO; and (xvi) Portfolio Zona Libre, SA (Panama)

We are not aware of any agreement or arrangement between Puig SL (as principal shareholder of the Company), clients, suppliers or any others by virtue of which any director or senior officer have been so appointed, without prejudice to the appointment of proprietary directors proposed by Puig SL.

Family relationships

Mr. Marc Puig Guasch, Chief Executive Officer and Mr. Manuel Puig Rocha, director, are among them fourth-degree relatives by consanguinity.

There are no other family relationships nor "close relatives" (as this term is defined in applicable regulations for related party transactions and, in particular, in Order EHA/3050/2004 of September 15, 2004, on information to be disclosed by listed companies regarding related party transactions) among our directors, our directors and the Senior Officers or among the Senior Officers themselves.

As of the date of this Prospectus, except as provided under this section and under "*—Conflicts of Interest*" above, to our knowledge, there are no other actual or potential conflicts of interest between the private interests or other duties of any of the directors or Senior Officers and their duties towards the Company, including any family relationships between such persons.

No convictions and other negative statements

To the best of our knowledge, none of our directors or Senior Officers has, in the five years preceding the date of this Prospectus: (i) been convicted in relation to fraudulent offences; (ii) acted as director or Senior Officer of entities affected by bankruptcy or receivership; (iii) been publicly incriminated and/or sanctioned by statutory or regulatory authorities (including designated professional bodies); or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer of securities, or from acting in the management or conduct of the affairs of any issuer.

PRINCIPAL AND SELLING SHAREHOLDER

Our current share capital

Our share capital is €144,000,000, consisting of 475,000,000 Class A Shares of €0.30 nominal value each and 25,000,000 Class B Shares of €0.06 nominal value each. Each of the Class A Shares confers five (5) votes and each of the Class B Shares confers one (1) vote. Other than the difference in the number of votes, the lower nominal value of Class B Shares and the right of Class A Shares to be converted into Class B Shares, each Class B Share confers the same rights (including the right to receive, in the same amounts, dividends and other distributions declared, made or paid on the Company's share capital, including in the event of liquidation) as the Class A Shares. Further details relating to the Class A Shares and the Class B Shares are set out in "*Description of Share Capital*".

Minority Shareholders Transactions

Prado Transaction

On March 1, 2024 (the "**Prado Completion Date**"), we agreed to acquire from BDT Champion Holdings, L.P. (acting through its general partner BDTCP GP II-A (DEL), LLC) ("**BDT**") their 253,400,000 preference shares corresponding to 26.3% of the total number of shares (23.6% of the total voting rights taking into consideration the conversion of BDT preference shares into ordinary shares pursuant to Prado's articles of association) in Prado, which holds 73.1% of the share capital of Charlotte Tilbury Limited (the "**Prado Transaction**") pursuant to the following:

(i) we have acquired 152,040,000 preference shares for a total amount of £313,129,035 in cash paid on the Prado Completion Date (equivalent to €365,985,216.1 assuming an £/€ exchange rate of 1.1688 (as of the Prado Completion Date)); and

(ii) we will acquire 101,360,000 preference shares for a total amount of £208,189,582 (or €243,331,983.4, assuming an £/€ exchange rate of 1.1688 (as of the Prado Completion Date))[5], that will be paid by us, subject to the determination of the Offering Price (expected on April 30, 2024), through the issuance of new Class B Shares at the Offering Price (the "**New BDT Shares**") in a share capital increase by means of a debt set-off (*aumento de capital por compensación de créditos*) (the "**Prado Share Capital Increase**"). Assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share), the number of New BDT Shares that will be subscribed by BDT pursuant to the Prado Share Capital Increase is 10,465,891.

In addition, as part of the Prado Transaction, (i) Prado paid to BDT a dividend in the amount of £2,964,433 (or €3,464,829.3, assuming an £/€ exchange rate of 1.1688 (as of the Prado Completion Date)) corresponding to the amount of preference dividend accrued but unpaid on the 152,040,000 preference shares up to and including the Prado Completion Date; and (ii) Prado will accrue a preference dividend in favor of BDT for an amount of £19,438.9 per day. This dividend will be accrued as from the date immediately following the Prado Completion Date until the date of the issuance of the New BDT Shares. On that date, Prado will pay in cash to BDT the full amount of the accrued preference dividend.

Arctic Transaction

On March 1, 2024 (the "**Arctic Completion Date**"), we acquired from Arctic Sun AB, a company owned by Mr. Ben Gorham, the founder of Byredo AB, ("**Arctic**") their 673 ordinary shares corresponding to 3% of the total number of shares in Byredo AB (the "**Arctic Transaction**") for a total amount corresponding to the sum of:

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[5] The £/€ exchange rate for the purposes of calculating the amount in euros of this consideration will be the exchange rate as of the Pricing Date.

(i) €16,108,043.95 in cash paid on the Arctic Completion Date; and

(ii) €16,060,245.60 that will be paid, subject to the determination of the Offering Price (expected on April 30, 2024), through the issuance of new Class B Shares at the Offering Price (the "**New Arctic Shares**") in a share capital increase by means of a debt set-off (*aumento de capital por compensación de créditos*) (the "**Arctic Share Capital Increase**"). Assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share), the number of New Arctic Shares that will be subscribed by Arctic pursuant to the Arctic Share Capital Increase is 690,763.

Manzanita Transaction

On March 1, 2024 (the "**Manzanita Completion Date**"), we acquired from Manzanita US Investments, LLC ("**Manzanita**") their 4,490 ordinary shares corresponding to 20% of the total number of shares in Byredo AB (the "**Manzanita Transaction**", together with the Prado Transaction and the Arctic Transaction, the "**Minority Shareholders Transactions**") for a total amount of €214,614,591.50 in cash paid on the Manzanita Completion Date.

Pursuant to the Manzanita Transaction, Manzanita irrevocably committed to invest €160,960,943.63 of the amount in cash received and referred to above in the subscription of new Class B Shares at the Offering Price (the "**New Manzanita Shares**", together with the New Prado Shares and the New Arctic Shares, the "**New Minority Shareholders Shares**") that will be issued by us through a share capital increase (the "**Manzanita Share Capital Increase**", together with the Prado Share Capital Increase and the Arctic Share Capital Increase, the "**Minority Shareholders Share Capital Increases**"). The subscription of such New Manzanita Shares will be made by WFSF LLC and Manzanita US LLC, limited partners in Manzanita (together, the "**Manzanita LPs**" and, together with BDT and Arctic, the "**Minority Shareholders**").

Assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share), the number of New Manzanita Shares that will be subscribed by the Manzanita LPs pursuant to the Manzanita Share Capital Increase is 6,923,051.

As a result of the Minority Shareholders Transactions, our ownership interest in Prado will be 100% and our ownership interest in Byredo AB is 100% (See "*Additional Information—Information on the Group*").

We financed the Minority Shareholders Transactions with additional amounts drawn under our credit facilities and cash available at the time of their execution. As a result, as of the date of this Prospectus we have drawn down €596.7 million under our credit facilities in order to finance the cash consideration paid in the Minority Shareholders Transactions (which will be reduced to a net amount of €435.7 million with the €161 million that Manzanita has irrevocably committed to invest in the subscription of new Class B Shares). These and future borrowings may adversely affect our ability to meet future payment obligations (see "*—4. Risks related to our Indebtedness and Other Liabilities—4.2 Our indebtedness may make it difficult for us to service our debt*").

Neither the Minority Shareholder Transactions, the related Minority Shareholders Share Capital Increases nor the related new Class B Shares form part of the Offering.

Offering, Admission and Minority Shareholders Transactions

On April 16, 2024 our general shareholders' meeting approved the Minority Shareholders Share Capital Increases. It is expected that the execution of the Minority Shareholders Share Capital Increases will be carried out on May 2, 2024 after the execution of the share capital increase in respect of the New Offer Shares and the conversion of Class A Shares into Class B Shares in the number necessary for the Selling Shareholder to obtain the Secondary Gross Proceeds through the sale of Secondary Offer Shares and the corresponding share capital reduction to give effect to such conversion. We will apply to have the New Minority Shareholders Shares admitted to listing on the Spanish Stock Exchanges for trading through the AQS once the public deeds of capital increase in respect of the New Minority Shareholders Shares are registered with the Commercial Registry of Barcelona (the exact date will depend on the relevant deed being registered with the Commercial Registry of Barcelona in the ordinary course of business). The Minority Shareholders Share Capital Increases

are not part of the Offering, they are not subject to any underwriting commitment by the Managers or otherwise and neither the Offering nor the Admission will be conditional upon the execution of the Minority Shareholders Share Capital Increases or the admission to listing of the New Minority Shareholders Shares. Accordingly, any breach of the terms of the Minority Shareholders Transactions will not result in the termination of the Underwriting Agreement (as defined herein) or the revocation of the Offering.

Changes in our share capital as a result of the Offering, the Additional Conversion and the Minority Shareholders Share Capital Increases

On April 16, 2024 our general shareholders' meeting and our Board of Directors approved the share capital increase in respect of the New Offer Shares and the Minority Shareholders Share Capital Increases. In addition, on that date, our Board of Directors approved (i) the conversion of Class A Shares into Class B Shares in the number necessary for the Selling Shareholder to obtain the Secondary Gross Proceeds through the sale of Secondary Offer Shares and the corresponding share capital reduction to give effect to such conversion; (ii) the conversion of Class A Shares into Class B Shares in the number necessary for the Selling Shareholder to grant the Over-allotment Option, and the corresponding share capital reduction to give effect to such conversion; and (iii) the conversion of Class A Shares into Class B Shares in the number resulting from dividing €250.0 million by the Offering Price, which will be held by Puig SL to have additional Class B Shares converted and available to fulfil future strategic and financial decisions (the "**Additional Conversion**"). For more information see "*Description of Share Capital—Rights of Class A Shares and Class B Shares—Right to convert Class A Shares into Class B Shares*" and "*Plan of Distribution—The Offering—Conversion of Class A Shares into Class B Shares for the purposes of the Offering and Share Capital Reduction*".

Following the Offering, the Additional Conversion and the Minority Shareholders Share Capital Increases, assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share), (i) 86,021,504 Class A Shares of €0.30 nominal value each will be converted into 86,021,504 Class B Shares of €0.06 nominal value each and we will carry out the corresponding share capital reduction, which will amount to €20,645,160.96; (ii) we will issue 53,763,440 New Offer Shares to obtain the New Gross Proceeds; and (iii) we will issue 18,079,705 New Minority Shareholders Shares. As a result, our share capital would be €127,665,427.74, consisting of 388,978,496 of Class A Shares of €0.30 nominal value each and 182,864,649 of Class B Shares of €0.06 nominal value each.

Ownership of Class A Shares and Class B Shares by our shareholders

The following table sets forth certain information with respect to the ownership and voting rights of Class A Shares and Class B Shares prior to and after the Offering and after the Minority Shareholders Share Capital Increases (assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) unless stated otherwise in the table). For the avoidance of doubt, the percentage of total voting rights is calculated taking into account the Class B Shares held by the Company as treasury shares.

	Shares owned prior to the Offering		Shares owned after the Offering and after the Minority Shareholders Share Capital Increases			
			Assuming no exercise of the Over-allotment Option		Assuming exercise in full of the Over-allotment Option	
	Number	%	Number	%	Number	%
Class A Shares	**475,000,000**	**95**[(1)]	**388,978,496**	**68.0**[(2)]	**388,978,496**	**68.0**[(2)]
Puig, S.L. as Selling Shareholder (controlled by Exea Empresarial, S.L.)[(3)]	475,000,000	95	388,978,496	68.0	388,978,496	68.0
Class B Shares	**25,000,000**	**5**[(4)]	**182,864,649**	**32.0**[(5)]	**182,864,649**	**32.0**[5)]
Total	**500,000,000**	**100**	**571,843,145**	**100**	**571,843,145**	**100**

	Shares owned prior to the Offering		Shares owned after the Offering and after the Minority Shareholders Share Capital Increases			
			Assuming no exercise of the Over-allotment Option		Assuming exercise in full of the Over-allotment Option	
	Number	**%**	**Number**	**%**	**Number**	**%**
Ownership of Class B Shares	**Number**	**%[6]**	**Number**	**%[6]**	**Number**	**%[6]**
Puig, S.L. as Selling Shareholder (controlled by Exea Empresarial, S.L.)[3]	3,536,362	14.1	31,063,243[7]	17.0	14,289,050[7]	7.8
Company's directors and Senior Officers	10,991,115	44.0	11,108,101[8]	6.1	11,108,101[8]	6.1
Minority Shareholders[9].	–	–	18,079,705	9.9	18,079,705	9.9
Others[10]	5,585,856	22.3	5,585,856	3.1	5,585,856	3.1
Treasury shares	4,886,667	19.5	4,886,667	2.7	4,886,667	2.7
Public (other free float)	–	–	112,141,077	61.3	128,915,270	70.5
Total Class B Shares	**25,000,000**	**100**	**182,864,649**	**100**	**182,864,649**	**100**

Notes: —

(1) 98.96% of the total voting rights of the Company.

(2) 91.4% of the total voting rights of the Company. In addition, (i) if the Offering Price is at the low point of the Offering Price Range, Class A Shares will represent 66.7% of the total shares and 90.9 % of the total voting rights of the Company; and (ii) if the Offering Price is at the high point of the Offering Price Range, Class A Shares will represent 69.2% of the total shares and 91.8% of the total voting rights of the Company.

(3) Puig SL is owned by three companies belonging to the Puig Family. Puig SL is currently controlled (within the meaning of Article 4 of the Spanish Securities Market Act and Article 42 of the Spanish Commercial Code) by Exea Empresarial, S.L., which holds approximately 51.1% of the share capital of Puig SL (41.2% directly and 9.9% indirectly through Puig Gest, S.A., in which Exea Empresarial, S.L. is a controlling shareholder). Exea Empresarial, S.L. is not controlled (within the meaning of Article 4 of the Spanish Securities Market Act and Article 42 of the Spanish Commercial Code) by any individual or legal entity. Upon Admission, any notice of voting rights and financial instruments directly owned by Puig SL in the Company that shall be served to the CNMV from time to time pursuant to Royal Decree 1362/2007 (*comunicación de participación significativa*) will be served by Exea Empresarial, S.L.

(4) 1.04% of the total voting rights of the Company.

(5) 8.6% of the total voting rights of the Company. In addition, (i) if the Offering Price is at the low point of the Offering Price Range, Class B Shares will represent 33.3% of the total shares and 9.1 % of the total voting rights of the Company; and (ii) if the Offering Price is at the high point of the Offering Price Range, Class B Shares will represent 30.8% of the total shares and 8.2% of the total voting rights of the Company.

(6) Corresponds to the percentage of all the Class B Shares.

(7) Including the Class B Shares resulting from the Additional Conversion that will be held by the Selling Shareholder after the Offering.

(8) Including the Initial Offer Shares that would be purchased in the context of the Offering by the following directors if the Offering Price is at the mid-point of the Offering Price Range: (i) Mr. Jordi Constans Fernández, 43,010 Class B Shares; (ii) Mr. Yiannis Petrides, 21,505 Class B Shares; (iii) Mr. Daniel Lalonde, 12,903 Class B Shares; (iv) Mr. Patrick Chalhoub, 12,903 Class B Shares; (v) Ms. Ángeles García-Poveda Morera, 5,161 Class B Shares; (vi) Ms. Christine A. Mei, 10,752 Class B Shares; and (vii) Mr. Nicolas Mirzayantz, 10,752 Class B Shares.). For more information see "*Plan of Distribution—The Offering—Irrevocable commitment of directors to purchase Initial Offer Shares*".

(9) None of the Minority Shareholder Transactions, the related Minority Shareholders Share Capital Increases or the related new Class B Shares form part of the Offering and none of the Minority Shareholders will hold 3% or more of the share capital of the Company after the Offering.

(10) Mainly includes other employees, former directors or other minority shareholders of the Company who have acquired and/or received Class B Shares.

As of the date of this Prospectus our principal shareholder is Puig SL, which is controlled by Exea Empresarial, S.L. (see below).

Puig SL is a company incorporated under the laws of Spain as a limited liability company (*sociedad limitada*) for an unlimited period of time and registered with the Commercial Registry of Barcelona under volume 49,171, sheet B-207010, page 43. Puig SL holds Spanish tax identification number (NIF) B-62059498 and LEI Code: 549300C2UL70KS5IC127. Its current registered office is located at Plaza Europa, 46-48, 08902, L'Hospitalet de Llobregat, Barcelona, Spain and its phone number is +34 937 372 300.

Puig SL was originally named Puig Beauty & Fashion Group, S.L and was incorporated under the laws of Spain on September 14, 1999. On May 25, 2009, Puig Beauty & Fashion Group, S.L changed its corporate name to Puig, S.L. Puig SL was the parent company of the Group until the Corporate Reorganization on June 30, 2022 (see "*Description of Share Capital—General—Main changes in our share capital and Corporate Reorganization*").

Puig SL is owned by three companies belonging to the Puig Family. Puig SL is currently controlled (within the meaning of Article 4 of the Spanish Securities Market Act and Article 42 of the Spanish Commercial Code) by Exea Empresarial, S.L., which holds approximately 51.1% of the share capital of Puig SL (41.2% directly and 9.9% indirectly through Puig Gest, S.A., in which Exea Empresarial, S.L. is a controlling shareholder). Exea Empresarial, S.L. is not controlled (within the meaning of Article 4 of the Spanish Securities Market Act and Article 42 of the Spanish Commercial Code) by any individual or legal entity.

Shareholders' Agreements

As of the date of this Prospectus there are no shareholders' agreements in force among our shareholders or among the shareholders of Puig S.L.

Change of control

After the Offering, the Company will remain controlled by Exea Empresarial, S.L. through the Selling Shareholder (Puig, S.L.). We are not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

Lock-up Arrangements

For a discussion of certain lock-up arrangements to be assumed by the Selling Shareholder, see *"Plan of Distribution—Lock-up"*.

Dilution

Assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and that the Over-allotment Option is not exercised, after the Offering and after the Minority Shareholders Share Capital Increases our existing shareholders as of the date of this Prospectus (i) will hold 77.2% of the total number of Class A Shares and Class B Shares of the Company, representing a dilution of approximately 22.8% with respect to their shareholding prior to the Offering; and (ii) will hold 93.9% of the total voting rights of the Company, representing a dilution of approximately 6.1% with respect to the percentage of total voting rights they held prior to the Offering.

Assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and that the Over-allotment Option is exercised in full, after the Offering and after the Minority Shareholders Share Capital Increases our existing shareholders as of the date of this Prospectus (i) will hold 74.3% of the total number of Class A Shares and Class B Shares of the Company, representing a dilution of approximately 25.7% with respect to their shareholding prior to the Offering; and (ii) will hold 93.1% of the total voting rights of the Company, representing a dilution of approximately 6.9% with respect to the percentage of total voting rights they held prior to the Offering.

The table below sets forth the shareholding and the percentage of total voting rights owned by our existing shareholders by class of shares (considering the New Offer Shares, the New Minority Shareholders Shares and the conversion of Class A Shares into Class B Shares) prior to and after the Offering and after the Minority

Shareholders Share Capital Increases (assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) unless stated otherwise in the table). For the avoidance of doubt, the number of shares and percentage of total voting rights is calculated taking into account the Class B Shares held by the Company as treasury shares (4,886,667).

	Shareholding of our existing shareholders prior to the Offering		Shareholding of our existing shareholders after the Offering and after the Minority Shareholders Share Capital Increases			
			Assuming no exercise of the Over-allotment Option		Assuming exercise in full of the Over-allotment Option	
	Number	**%(1)**	**Number**	**%(1)**	**Number**	**%(1)**
Class A Shares and Class B Shares	**500,000,000**	**100(2)**	**441,622,363**	**77.2(3)**	424,848,170	**74.3(4)**
Class A Shares	475,000,000	95	388,978,496	68.0	388,978,496	68.0
Class B Shares	25,000,000	5	52,643,867	9.2	35,869,674	6.3

Notes: —

(1) Percentage calculated over the total number of Class A Shares and Class B Shares.

(2) 100% of the total voting rights of the Company prior to the Offering.

(3) 93.9% of the total voting rights of the Company.

(4) 93.1% of the total voting rights of the Company

As of December 31, 2023, the net asset value (calculated as the sum of total assets less total liabilities divided by the total number of Class A Shares and Class B Shares) per Class B Share of the Company amounted approximately to €1.9, while the indicative non-binding Offering Price Range at which the Offer Shares will be sold in the Offering is between €22.0 and €24.5 per Class B Share.

RELATED PARTY TRANSACTIONS

We enter into transactions with certain related parties or our affiliates from time to time in the ordinary course of our business. We believe that all transactions are conducted on an arm's length basis and that the terms of these agreements are comparable to those currently contracted with unrelated third parties. Certain related party transactions entered into during the period covered by the Financial Statements and up to the date of this Prospectus are set out below. Moreover, we believe that we have complied and are in compliance in all material respects with the requirements of the relevant provisions of the Spanish laws governing related party transactions (as described below).

We also enter into intragroup related party transactions with certain of our subsidiaries in the ordinary course of business.

For IFRS-EU purposes, a "related party" is a person or entity that is related to the entity that is preparing its financial statements. Prior to the Offering and in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council dated July 19, 2002 on the application of international accounting standards, we considered related parties: (i) our affiliates and companies within the Group; (ii) our existing shareholders; (iii) our directors; (iv) our senior officers and the senior officers of our existing shareholders; (v) persons or entities related to our shareholders; and (vi) directors and senior officers of the companies within the Group.

We are required to report all related party transactions, as defined in IAS 24 "Related Party Transactions", in accordance with IFRS-EU, and under the Spanish Companies Act. For IFRS-EU purposes, a "related party transaction" is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. For additional information on our related party transactions, see Note 32 to our Financial Statements.

Related party transactions are also defined under Articles 231, 231 bis and 529 *vicies* of the Spanish Companies Act and in our Board Regulations. As provided for in the Spanish Companies Act and in our Board Regulations, the approval of related party transactions that are equal to or higher than 10% of the total assets as per the latest annual balance sheet approved by the Company corresponds to our general shareholders' meeting. In that event, the affected shareholder shall be deprived from voting on the approval of such transaction except where such transaction was previously approved by the Board of Directors (without the majority of independent directors having voted against it) but, in that case, if such shareholder's vote is decisive to approve the resolution and such resolution is challenged, the Company or, as the case may be, the conflicted shareholders, will have the burden to prove that such resolution was in the Company's interest.

The approval of the rest of related party transactions (i.e., those falling outside the authority of our general shareholders' meeting) corresponds to the Board of Directors, which authority cannot be delegated, and any directors under a conflict of interest must refrain from voting on the approval of such transaction. As an exception, directors under a conflict of interest will not be required to refrain from voting where they represent or are related to the principal shareholder or entities related to the principal shareholder; but, in that case, if their vote is decisive to approve the resolution and such resolution is challenged, the Company or, as the case may be, the conflicted director or directors, will have the burden to prove that such resolution was in the Company's interest.

The approval of related party transactions by our general shareholders' meeting or the Board of Directors requires a prior report of the Audit and Compliance Committee, which shall assess whether the transaction is fair and reasonable from the perspective of the Company, and shall be evaluated in the light of the principle of equal treatment among all shareholders and the prevailing market conditions.

As an exception to the above, the Board of Directors may delegate the approval of related party transactions under its authority for transactions:

- carried out between Group entities in the ordinary course of business and under arm's length conditions; or

- (i) performed under contracts whose conditions are standardized and applied *en masse* to a large number of clients, (ii) performed at prices or rates generally established by the supplier of the relevant goods or services in question, and (iii) the amount of which does not exceed 0.5% of the Company's net revenues according to the consolidated annual accounts latest approved by the general shareholders meeting of the Company.

The approval of these transactions does not require a prior report issued by the Audit and Compliance Committee. However, the Board of Directors will establish a reporting and controlling process in order to, along with the Audit and Compliance Committee, periodically assess the fairness and transparency of such transactions and, where appropriate, compliance with the legal criteria applicable to the abovementioned exemptions.

Related party transactions entered into with the same counterparty within a 12-month period shall be aggregated to determine their total value and shall be disclosed no later than at the time of execution when they reach or exceed (i) 5% of the overall total assets; or (ii) 2.5% of the annual net revenues, together with the report issued by the Audit and Compliance Committee, on the Company's website www.puig.com/en/corporate-governance/) and on the CNMV's website (www.cnmv.es).

The tables below set out the detail included in our Financial Statements as of and for the years ended December 31, 2023, 2022 and 2021 arising from transactions with related parties. The breakdown from related party transactions described in the tables below has been derived from our Financial Statements and as stated therein it does not include balances and transactions with minority shareholders of our subsidiaries (see Note 32 to our Financial Statements). The breakdown from related party transactions since January 1, 2024, until the date of this Prospectus does not differ from that already disclosed in the below periods:

	As of and for the year ended December 31, 2023		
	Entities with significant influence	**Associates**	**Other related parties**
		(€ millions)	
Sales to/Income from related parties	0.0	44.0	0.0
Purchases from/Expenses with related parties	0.3	2.2	11.2
Finance income	0.7	-	1.3
Dividends	-	25.5	-
Accounts receivable from related parties/Current financial investments	8.5	15.8	40.0
Accounts payable to related parties	(4.1)	(1.4)	(0.2)

	As of and for the year ended December 31, 2022		
	Entities with significant influence	**Associates**	**Other related parties**
		(€ millions)	
Sales to/Income from related parties	-	33.7	–
Purchases from/Expenses with related parties	0.8	0.3	9.6
Finance income	0.8	–	1.2
Dividends	–	19.9	0.6
Accounts receivable from related parties/Current financial investments	50.3	7.5	57.0
Accounts payable to related parties	(9.7)	(0.1)	(0.3)

	As of and for the year ended December 31, 2021		
	Entities with significant influence	**Associates**	**Other related parties**
		(€ millions)	
Sales to/Income from related parties	0.0	29.0	0.0
Purchases from/Expenses with related parties	0.3	0.3	8.9
Finance income	0.2	1.4	0.9
Dividends	–	–	–
Accounts receivable from related parties/Current financial investments	14.0	5.7	56.2
Accounts payable to related parties	(0.1)	(0.1)	(0.1)

The transactions with entities with significant influence set forth in the tables above for the years ended December 31, 2023, 2022 and 2021, primarily correspond to payments for services rendered to the Company by Puig SL and the shareholders of Puig SL (including Exea Empresarial, S.L.), the loans granted in favour of these entities (which as of the date of this Prospectus have been repaid in full), and intercompany transactions with Puig SL as parent company of the tax group.

The transactions with associates set forth in the tables above for the years ended December 31, 2023, 2022 and 2021, primarily correspond to payments received for the manufacturing services that we provided for Isdin, royalties that we received from STL in connection with the license of CH Carolina Herrera, and the dividend distributions from our associate and joint venture investments.

The transactions with other related parties set forth in the tables above for the years ended December 31, 2023, 2022 and 2021, primarily correspond to (i) payments to Inmo, S.L. (an entity in which one of the directors is one of our directors (Mr. Manuel Puig Rocha)) and its subsidiaries in connection with the lease of our headquarters in Barcelona, the lease of our manufacturing facility in Barcelona (which we closed in 2023), and the lease of our Carolina Herrera and Rabanne stores in New York and Paris, respectively (€9.4 million in 2023), (ii) financings provided to our Senior Officers and certain employees in connection with the acquisition and/or delivery of Class B Shares under the Former Incentive Plans (€40 million in 2023) (See "*Board of Directors and Management—Management incentive plans*") and (iii) donations to Fundación Puig (to support culture, education and entrepreneurship) (€0.6 million in 2023).

Additionally, in 2023, the Company sold to Puig SL shares of both Puig Gest and Puig SL for a total amount of €148.7 million, of which €143.5 million were settled in the acquisition by the Company to Puig SL of treasury shares (21,000,000 Class B Shares) in 2023 and €5.2 million have been paid in cash. The Company owned shares of Puig Gest and Puig SL as a result of the amendment and restatement of the Former Incentive Plans. See "*Board of Directors and Management—Management incentive plans*".

The Audit Committee, at its first meeting following Admission, will review these related party transactions and submit them for approval by the Board of Directors.

Related party transactions with directors and Senior Officers

During 2023, 2022 and 2021 and the period between January 1, 2024 and the date of this Prospectus, we have not entered into any transactions with our directors or Senior Officers other than in the ordinary course of business and on an arm's length basis, or in accordance with the terms generally available to our employees, and none of those transactions could be considered as significant, except for the remuneration paid to our directors and Senior Officers, the Class B Shares acquired and/or received by our directors and Senior Officers under the Share Acquisition Program, the Former Incentives Plans and the 2024 Incentive Plan and the loans granted by the Company to some of our Senior Officer under the Former Incentives Plans (as mentioned above). See "*Board of Directors and Management—Compensation of Directors*", "*Board of Directors and Management—Compensation of Senior Officers*", "*Board of Directors and Management—Share Acquisition Program*" and "*Board of Directors and Management—Management incentive plans*".

DESCRIPTION OF SHARE CAPITAL

The following summary provides information regarding our share capital and certain applicable provisions in connection therewith set out in our Bylaws, the General Shareholders' Meeting Regulations and Spanish law, including, in particular, the Spanish Companies Act and the Spanish Securities Market Act.

This summary does not purport to be complete or to describe all the applicable provisions and regulations in connection with the matters described herein and is qualified in its entirety by reference to our Bylaws, the General Shareholders' Meeting Regulations, the Board Regulations and the Spanish Companies Act (or any other applicable regulations from time to time). Refer to our Bylaws, the General Shareholders' Meeting Regulations, the Board Regulations and the Spanish Companies Act (or any other regulation referred to herein) for further details.

General

We are a company incorporated under the laws of Spain as a public limited liability company (*sociedad anónima*) for an unlimited period of time and registered with the Commercial Registry of Barcelona under volume 48,735, sheet B-482253, page 55. We hold Spanish tax identification number (NIF) A-66674904 and our LEI code is 549300OVHNSX30L1AQ94.

We were incorporated under the laws of The Netherlands on February 25, 1983 with the name Jorba B.V. as a private limited liability company pursuant to a notarized public deed of incorporation granted before the civil law public notary of Leida (The Netherlands) Mr. J. Karstens and were registered with the Commercial Registry of The Netherlands under number 27105563. On December 18, 2015 we re-domiciled our corporate seat from The Netherlands to Spain and became Jorba Perfumes, S.L., a company incorporated under the laws of Spain as a private limited liability company (*sociedad limitada*) pursuant to a notarized public deed granted before the public notary of L'Hospitalet de Llobregat (Barcelona) Mr. Santiago Gotor Sánchez under number 3,534 of his records and registered with the Commercial Registry of Barcelona (the "**Deed of Incorporation in Spain**").

On November 15, 2022, the Company was transformed into a public limited liability company (*sociedad anónima*) under the laws of Spain and renamed as Jorba Perfumes, S.A.U. pursuant to a notarized public deed of transformation granted before the public notary of L'Hospitalet de Llobregat (Barcelona) Mr. Santiago Gotor Sánchez under number 4,950 of his records. Subsequently, on March 20, 2023, the Company changed its name to Puig Brands, S.A. pursuant to the relevant corporate resolutions adopted by Puig SL as the sole shareholder of the Company.

Our corporate purpose consists of (a) activities of a holding company, including the purchase, subscription, holding, exchange, sale of national and foreign securities, shares, quota shares, in our own name and without intermediation, of companies whose corporate purpose consists of the manufacturing and sale of all kinds of perfumery and home goods (soaps, cosmetics, hygiene products, toiletries, perfumes, detergents, etc.); textiles and leather goods; fashion, dressmaking and accessories; furniture, items and objects in general (jewellery, costume jewellery, watches, optical products, travel, desk, school and sports items, gifts etc.); chemical products and pharmaceutical specialties; packing and its components; and research, development, administration and exploitation in any of their forms of patents, marks, manufacturing processes and other intellectual property rights; and (b) the provision of management, administration, supervision, technical and IT support, legal, promotion, publicity services and advice in general to our subsidiaries and, particularly, the provision of centralized cash management services.

As of the date of this Prospectus, our share capital is €144,000,000 and it is divided into two classes of shares: Class A Shares and Class B Shares. We have issued 475,000,000 Class A Shares of €0.30 nominal value each and 25,000,000 Class B Shares of €0.06 nominal value each.

The ISIN code of the existing Class B Shares is ES0105777017, while the New Offer Shares have the provisional ISIN code ES0105777025, and will bear the same ISIN code as the existing Class B Shares from Admission. The ISIN codes have been allocated by the Spanish National Agency for the Codification of Securities (*Agencia Nacional de Codificación de Valores Mobiliarios*), an entity dependent upon the CNMV.

Our entire share capital is fully subscribed and paid-up.

There will be no offering of, or application for listing of, Class A Shares of the Company.

Main changes in our share capital and Corporate Reorganization

The Company was originally incorporated on February 25, 1983 in The Netherlands. On March 14, 2016, the Company re-domiciled its corporate seat from The Netherlands to Spain and became a Spanish company with an initial share capital of €4,203,000, divided into 9,340 shares, numbered from 1 to 9,340, both inclusive, with a nominal value of €450 each, all of the same class and series, fully subscribed and paid-up.

On June 30, 2022, we carried out an internal corporate reorganization (the "**Corporate Reorganization**") through an in-kind share capital increase of the Company amounting to €2,321,369,160.22 (nominal plus premium) by means of the issuance of 245,549 new ordinary shares each with a par value of €450 and a premium per share of approximately €9,003.8. The shares issued were of the same class as the outstanding shares of the Company on such date and were subscribed and paid in full by Puig SL, as the sole shareholder of the Company, by means of the contribution by Puig SL to the Company of (A) the following ownership interests: (i) 100% of Antonio Puig, S.A.U.; (ii) 100% of Puig North America, Inc; (iii) 100% of División Puig España, S.L.U.; (iv) 1.948% of Puig Mexico S.A. de C.V.; (v) 25% of STL; (vi) 46.24% of Puig France, S.A.S.; (vii) 0.0005389% of Perfumes e Cosméticos Puig Portugal Distribuidora S.A.; (viii) 73.74% of Prado; (ix) 33.33% of Apivita Cosmetics, Diet – Pharmaceuticals Commercial and Industrial Société Anonyme; (x) 100% of Apivita Ventures, S.L.U.; (xi) 50% of Isdin, S.A.; (xii) 100% of Aubelia S.A.S.; (xiii) 6.33% of Seedtag Advertising, S.L.; and (B) the following economic units: (i) an economic unit for the management of the portfolio of our subsidiaries; and (ii) an economic unit for the provision of centralized cash management services to the Group carried out until then by Puig SL. As a result of this capital increase, the Company's share capital was raised to €114,700,050, divided into 254,889 ordinary shares each with a nominal value of €450.

Therefore, upon completion of the Corporate Reorganization, Puig SL became the indirect shareholder of our subsidiaries and also ceased to provide services related to the management of the portfolio of our subsidiaries and centralized cash management for the Group.

On March 20, 2023, we carried out a share capital increase against our issue premium (*prima de emisión*) and our share capital was raised to €144,000,000, divided into 320,000 ordinary shares each with a nominal of €450. On the same date, following the share capital increase, we reduced the nominal value of our ordinary shares (split) and created 475,000,000 Class A Shares with a nominal value of €0.30 each and 25,000,000 Class B Shares with a nominal value of €0.06 each.

The table below outlines the main changes in our share capital, including as a result of the Corporate Reorganization, from the date of the Deed of Incorporation in Spain until the date of this Prospectus:

Date	Corporate action	Nominal value	Number of issued/redeemed shares	Total nominal amount	Number of resulting shares	Resulting share capital
December 18, 2015................	Cross-border transfer of registered office to Spain (Re-domiciliation)	€450	–	–	9,340	€4,203,000
June 30, 2022...	Share capital increase	€450	245,549	€110,497,050	254,889	€114,700,050
March 20, 2023	Share capital increase	€450	65,111	€29,299,950	320,000	€144,000,000

Date	Corporate action	Nominal value	Number of issued/redeemed shares	Total nominal amount	Number of resulting shares	Resulting share capital
March 20, 2023	Creation of Class A Shares and Class B Shares and split	€0.30 per Class A Share €0.06 per Class B Share	–	–	475,000,000 Class A Shares 25,000,000 Class B Shares	€144,000,000

See "*Plan of Distribution—Authorizations of the Offering*" for information on our general shareholders' meeting and Board of Directors' resolutions in connection with the Offering.

Rights of Class A Shares and Class B Shares

Each of the Class A Shares confers five (5) votes, and each of the Class B Shares confers one (1) vote. Other than the difference in the number of votes, the lower nominal value of Class B Shares and the right of Class A Shares to be converted into Class B Shares, each Class B Share confers the same rights (including the right to receive, in the same amounts, dividends and other distributions declared, made or paid on the Company's share capital, including in the event of liquidation) as the Class A Shares.

Right to convert Class A Shares into Class B Shares

Each Class A Share confers on its holder the right to its conversion into a Class B Share. The right of voluntary conversion of Class A Shares into Class B Shares is set forth in article 5bis of our Bylaws, and it is exercisable by holders of Class A Shares at any time subject to and in accordance with the procedures that may be determined from time to time by the Board of Directors.

The conversion right may be exercised by the relevant holder of Class A Shares by delivering to us a binding, irrevocable and unconditional conversion notice. The holder will state in the notification the total number of Class A Shares it holds and the exact number of Class A Shares for which it wishes to exercise its conversion right.

Upon receipt of the notification, the shareholder's request to exercise the right of conversion will be announced through a communication of inside information (*comunicación de información privilegiada*), which will include the number of Class A Shares subject to conversion and the estimated period until the admission to trading of the new Class B Shares on the Spanish Stock Exchanges.

As a result of the conversion, our share capital will be reduced by the difference between the nominal value of Class A Shares (€0.30 per Class A Share) being converted and the nominal value of the same number of Class B Shares (€0.06 per Class B Share) being issued (i.e., a share capital reduction of €0.24 per Class A Share being converted to Class B Share). The reduction of our share capital will not require the adoption of any resolution by our general shareholders' meeting. The Board of Directors will be responsible for adopting the relevant resolutions to (i) give effect to the conversion right exercised and pass the relevant resolutions for such conversion and the corresponding reduction of our share capital, and (ii) modify our Bylaws to reflect the new share capital and the new total number of Class A Shares and Class B Shares, respectively. Due to the share capital reduction, our non-distributable voluntary reserves will be increased by the amount of the share capital reduced, which we will have previously set aside for these purposes in accordance with the Spanish Companies Act. As a result, in accordance with the Spanish Companies Act, creditors will not have any opposition right.

Upon approval by the Board of Directors of the resolutions to give effect to the conversion, the holder of the Class A Shares will be rendered as shareholder of the new Class B Shares. From that moment, such shareholder will forfeit the rights associated with such Class A Shares and will instead be entitled to the rights associated with the new Class B Shares created pursuant to the conversion.

The resolutions adopted by our Board of Directors regarding the reduction of the share capital will be published in the Commercial Registry's Official Gazette (*Boletín Oficial del Registro Mercantil*), and we will grant the deed of modification of our Bylaws and of the share capital reduction, which will be registered in the Commercial Registry of Barcelona.

Once the relevant deed registration is completed, we will announce such circumstance through an other relevant information notice (*comunicación de otra información relevante*) and request: (i) in relation to the Class A Shares converted, their cancellation in the registry maintained by the entity responsible for keeping the accounting records (i.e., Iberclear); and (ii) in relation to the Class B Shares created pursuant to the conversion, their registration in the central book entry register kept by Iberclear, and their admission to trading. We will be responsible for taking all the necessary steps for the admission to trading of the new Class B Shares on the Spanish Stock Exchanges through the AQS.

A prospectus or securities note will not be prepared for the admission to trading of any Class B Shares resulting from the conversion provided that they represent, over a period of 12 months, less than 20% of the number of Class B Shares already admitted to trading. The admission to trading of the new Class B Shares will be announced through a communication of inside information (*comunicación de información privilegiada*).

On April 16, 2024 our Board of Directors approved (i) the conversion of Class A Shares into Class B Shares in the number necessary for the Selling Shareholder to obtain the Secondary Gross Proceeds through the sale of Secondary Offer Shares and the corresponding share capital reduction to give effect to such conversion; (ii) the conversion of Class A Shares into Class B Shares in the number necessary for the Selling Shareholder to grant the Over-allotment Option, and the corresponding share capital reduction to give effect to such conversion; and (iii) the Additional Conversion, and the corresponding share capital reduction to give effect to such conversion. For more information see "*Plan of Distribution—The Offering—Conversion of Class A Shares into Class B Shares for the purposes of the Offering and Share Capital Reduction*".

Following the Offering and the Additional Conversion, assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share), 86,021,504 Class A Shares of €0.30 nominal value each will be converted into 86,021,504 Class B Shares of €0.06 nominal value each and our Board of Directors will carry out the corresponding share capital reduction, which will amount to €20,645,160.96.

Dividend and liquidation rights

Dividend distribution

Holders of Class A Shares and Class B Shares are equally entitled to receive dividends in the same amount per share. Accordingly, the amount of dividends received per share would be the same for holders of Class A Shares and Class B Shares. Neither the Class A Shares nor the Class B Shares grant their holders the right to receive a minimum dividend.

Payment of dividends is proposed by the board of directors and authorized by the general shareholders' meeting. Unless our general shareholders' meeting decides otherwise, dividends become payable from the day after the distribution agreement is adopted by our general shareholders' meeting. Additionally, our general shareholders' meeting or our Board of Directors may also approve the distribution of interim dividends (*dividendos a cuenta*) provided that: (i) we have sufficient liquidity to pay the interim dividends according to a financial statement prepared by our Board of Directors; and (ii) the amount to be distributed does not exceed the profits obtained since the end of the previous financial year, after deducting the sum of accumulated losses from previous years, the amounts to be allocated to mandatory reserves or any other reserves provided for in our Bylaws and the estimated tax due on the mentioned profits.

According to the Spanish Companies Act, we may only pay dividends to our shareholders (once the mandatory reserve requirements and any requirements set out in our Bylaws have been met, if applicable) from our annual profits or distributable reserves (such as issuance premium), provided in both cases that (i) the value of our net equity (*patrimonio neto*) does not, and as a result of the payment of dividends would not,

amount to less than our share capital; and (ii) the distributable reserves are equal or greater than the research and development expenses recorded as an asset in our statement of financial position.

Prior to any dividend distribution from their annual profits, the Spanish Companies Act requires companies to allocate at least 10% of their annual profits to a legal reserve (*reserva legal*) until such reserve amounts to, at least, 20% of the share capital. According to the Spanish Companies Act, legal reserves are only available for distribution to shareholders upon liquidation. As of December 31, 2023, our legal reserve amounted to €2.1 million. As of the date of this Prospectus, the balance of our legal reserve is equivalent to at least 20% of our share capital. After Admission, the Company expects to make the necessary contributions to its legal reserve to reach the corresponding 20% required given that the Company's share capital will be increased by the capital increase in respect of the New Offer Shares and the New Minority Shareholders Shares (as defined herein).

Our ability to distribute dividends in the near future, if any, and the amounts thereof will depend upon a number of factors, including, but not limited to, our earnings, financial condition, cash requirements (including capital expenditure and investment plans), market conditions and such other factors as may be deemed relevant at the time. In addition, our ability to pay dividends in the future will depend on the continued satisfaction of our capital requirements.

In accordance with Article 947 of the Spanish Commercial Code (*Real Decreto de 22 de agosto de 1885, Código de Comercio*), a shareholder's right to any given dividend expires if unclaimed within five years after the date it becomes payable.

We are not aware of any restriction on the collection of dividends by non-resident shareholders. All holders will receive dividends through Iberclear and its member entities, without prejudice to potential withholdings on account of the NRIT that may apply. See "*Taxation*". Any dividends paid in the future will be subject to taxation under Spanish law. See "*Taxation—Material Spanish Tax Considerations*".

See "*Dividends and Dividends Policy*" for details of our dividend distributions in the last three years.

Shareholder liquidation rights

Upon liquidation of the Company, holders of Class A Shares and Class B Shares would be equally entitled to any remaining assets in the same amount per share, once the Company's debts, taxes and any expenses related to the liquidation have been paid.

Other financial rights

Our Bylaws provide that each Class B Share grants its holder the right to receive from us the same returns of contributions in the event of a share capital reduction to return contributions, the same distribution of any type of reserves (including, if applicable, payment for attending the general shareholders' meeting) or share premium, and any other distribution or allocation attributable to Class A Shares, all under the same terms that correspond to each Class A Share.

In the case of a reduction of share capital to compensate losses by reducing the nominal value of Class A Shares and the Class B Shares, such reduction will affect each class of shares in proportion to their respective nominal value so that after the reduction of share capital, the proportion of nominal amount of Class A Shares and Class B Shares remains the same as the proportion that existed prior to the reduction.

General shareholders' meetings and voting rights

Calling a general shareholders' meeting

Pursuant to our Bylaws, our General Shareholders' Meeting Regulations and the Spanish Companies Act, ordinary general shareholders' meetings are to be held annually during the first six months of each fiscal year on a date fixed by our Board of Directors. Following Admission, extraordinary general shareholders' meetings may be called by our Board of Directors whenever it deems appropriate or at the request of shareholders representing at least 3% of our share capital. Following Admission, notices of all general shareholders'

meetings will be published (i) in the Commercial Registry's Official Gazette or in one of the main newspapers in Spain; (ii) on our website; and (iii) on the CNMV's website (www.cnmv.es). Our General Shareholders' Meeting Regulations provide that, upon the call of our general shareholders' meeting, we will make available on our corporate website an electronic shareholders' forum (*foro electrónico de accionistas*) in order to facilitate the communication between us and our shareholders prior to the general shareholders' meeting and will grant access to individual shareholders and voluntary associations.

In addition, following Admission, if we offer our shareholders the ability to vote on the matters considered at the meeting by electronic means accessible to all such shareholders, an extraordinary general shareholders' meetings may be called by our Board of Directors on 15 days' notice (as opposed to the ordinary one-month period). The decision to shorten the notice period before an extraordinary general shareholders' meeting must be adopted by our ordinary general shareholders' meeting by a majority of at least two thirds of our voting share capital. Such decision will remain in force, at most until the following ordinary general shareholders' meeting.

Additional rights of shareholders in relation to the general shareholders' meeting

Once the annual general shareholders' meeting has been convened, shareholders representing at least 3% of our share capital may request that items be added to the agenda. Such requests must be received by reliable means at the Company's registered office within five days after the notice of such meeting is published. One or more agenda items may be added, provided that requests contain reasons for these or, where applicable, reasoned proposals for resolutions. Amended meeting notices must be published at least 15 days before the originally scheduled general meeting date. This right cannot be exercised in relation to extraordinary general shareholders' meetings.

In addition, with regard to any general shareholders' meeting, whether the annual general shareholders' meeting or an extraordinary general shareholders' meeting, shareholders representing at least 3% of our share capital may, within the same time stated in the preceding paragraph, propose reasoned resolutions on matters already included or that should be included in the convened meeting agenda.

Authority of the general shareholders' meeting

Action is taken at our general shareholders' meetings on the following matters: (i) approval of the management carried out by our Board of Directors during the previous fiscal year; (ii) approval of our annual accounts for the previous year; (iii) allocation of the previous fiscal year results; (iv) the appointment and removal of our directors, liquidators and, if applicable, auditors, and exercise of the Company's action to enforce liability against any of them; (v) amendment of our Bylaws; (vi) share capital increase and decrease; (vii) exclusion or limitation of the pre-emptive subscription rights; (viii) approval of the acquisition, disposal or contribution to another company of (A) essential assets (pursuant to the Spanish Companies Act and our Bylaws, the essential character of the asset is presumed when the amount of the transaction exceeds 25% of the value of assets stated in the last approved statement of financial position) and/or (B) Relevant Brands (as defined below) owned directly or indirectly by us; (ix) transformation, merger, spin off or global transfer of assets and liabilities and transfer of our registered office abroad; (x) winding up of the Company; (xi) approval of the final liquidation statement of financial position; (xii) the transfer of essential activities previously undertaken by the Company itself to our subsidiaries, even if the Company maintains full ownership of such entities; (xiii) transactions the effect of which is equivalent to the Company's liquidation; (xiv) the remuneration policy for our directors; (xv) approval to acquire Company's shares; (xvi) approval of transactions subject to a conflict of interest when such approval falls within the authority of the general shareholders' meeting and the authorization of the exemption of members of the Board of Directors from the duty to avoid situations of conflict of interest, in accordance with applicable law; (xvii) approval of the General Shareholders' Meeting Regulations and any of its future amendments; and (xviii) any other matters specified by law or our Bylaws.

"**Relevant Brands**" means (i) a brand that represents more than 5% of the consolidated net revenues of the Company for the most recent financial year for which our annual accounts have been approved; or (ii) any brand that has been owned by Puig SL, the Company or any company of the Group for more than 10 years.

In addition, any resolution adopted by our Board of Directors to incur indebtedness that, net of cash, exceeds 3.5 times the consolidated EBITDA (the "**Limit of Indebtedness**") of the Company for the most recent financial year for which our annual accounts have been approved, will require the prior authorization of our general shareholders' meeting. Notwithstanding the above, our general shareholders' meeting may (i) authorize our Board of Directors to incur indebtedness in an amount in excess of the Limit of Indebtedness; and (ii) delegate to our Board of Directors the authorization to incur indebtedness in an amount in excess of the Limit of Indebtedness. Such authorizations and/or delegations will remain valid until their modification by our general shareholders' meeting and, in any case, for a maximum period of one year from the date our general shareholders' meeting approving the relevant authorization and/or delegation.

All the foregoing matters can be dealt with at ordinary or extraordinary general shareholders' meetings, provided that they are included in the agenda, with the exception of the approval of our annual accounts, the allocation of our results and the approval of the management carried out by our Board of Directors, which may only be decided at an ordinary general shareholders' meeting.

Moreover, as required by the Spanish Companies Act, the general shareholders' meeting shall vote separately on substantially independent matters. Even if included in the same item on the agenda, the following shall be voted separately: (i) the appointment, re-election, ratification (in the case of co-optation) or removal of directors, which must be voted on an individual basis; (ii) the advisory vote on the annual report on directors' remuneration; and (iii) in resolutions to amend the Bylaws, each substantially independent article or group of articles.

Attendance and voting rights

According to our Bylaws, to attend the general shareholders' meeting or vote remotely on any shareholders' resolutions, a shareholder is required to hold a minimum number of 1,000 Class A Shares or Class B Shares.

According to our Bylaws, persons attending the general shareholders' meeting that hold or represent Class A Shares are entitled to five (5) votes per Class A Share and persons attending the general shareholders' meeting that hold or represent Class B Shares are entitled to one (1) vote per Class B Share. There is no limit as to the maximum number of votes that may be cast by individual shareholders or by companies of the same group.

Holders of Class A Shares and Class B Shares that are duly registered in the book-entry records (*anotaciones en cuenta*) managed by Iberclear and its participating entities at least five days before the date of the general shareholders' meeting shall be entitled to attend and vote at such meeting.

Provided that it is technically feasible and the Board of Directors so resolves at the time of the notice, shareholders eligible to attend the general shareholders' meeting, or their designated proxy holder (as explained herein), may do so via any electronic means that allow them to be connected in real time with the site or sites where the meeting is being held. Remote attendance by shareholders or their proxy holders will be considered for all purposes to be the same as attending the general shareholders' meeting in person. In addition, the Board of Directors may convene a general shareholders' meeting enabling shareholders to attend exclusively by electronic means, without physical presence of the shareholders or of their representatives provided that the Bylaws allow it. The general shareholders' meeting to be held exclusively by electronic means shall be deemed to be held at the Company's registered office, regardless of where the chairman of the meeting is located.

Proxies

Pursuant to the Spanish Companies Act and our Bylaws, our shareholders may vote by proxy. Proxies must be given for each general shareholders' meeting in writing or by electronic means acceptable under our Bylaws. Proxies may be given to any person, whether or not a shareholder. Proxies may be revoked by the shareholder personally attending the meeting in person or by voting remotely. Proxies are revoked by the shareholder by transferring its Class B Shares, if the Company is aware of such transfer.

Proxy holders are required to disclose any conflict of interest to the shareholder prior to their appointment. In the event that a conflict of interest arises after the proxy holder's appointment, it must immediately be disclosed to the shareholder. In both cases, the proxy holder must refrain from exercising the shareholder's voting rights after disclosure of the conflict of interest unless the shareholder has provided new specific voting instructions for each matter in respect of which the proxy holder is to vote on its behalf. In addition, unless specifically stated otherwise by the shareholder, if the proxy has a conflict of interest and does not have specific voting instructions or, having such instructions, they consider it preferable not to vote on items of business the conflict relates to, the shareholder will be understood to have appointed as proxies for those items, on a joint and several and successive basis in case any of them are also conflicted, first the chairman of the Board of Directors, second the secretary of the Board of Directors and finally, the vice-secretary of the Board of Directors if appointed.

A conflict of interest may (among other things) be deemed to arise when the proxy holder: (i) is one of our controlling shareholders or an entity controlled by such shareholder; (ii) is a member of our administrative, management or supervisory body, or that of one of the controlling shareholders or of another entity controlled by such shareholders; (iii) is our employee or auditor, or that of a controlling shareholder or another entity controlled by any such shareholder; or (iv) is a natural person related to those mentioned in (i) to (iii) above (*persona física vinculada*), as this concept is defined under the Spanish Companies Act (such as the spouse or similar, at that time or within the two preceding years, as well as ascendants, descendants, siblings, and their respective spouses) and under the Spanish Ministry of Economy and Finance Order EHA/3050/2004, of September 15 (*Orden EHA/3050/2004 de 15 de septiembre sobre la información de las operaciones vinculadas que deben suministrar las sociedades emisoras de valores admitidos a negociación en mercados secundarios oficiales*).

A proxy holder may act on behalf of more than one shareholder without limitation as to the maximum number of represented shareholders. Where a proxy holder holds proxies from several shareholders with diverging voting instructions, it shall be entitled to cast votes differently as appropriate on behalf of each shareholder.

Pursuant to the Spanish Companies Act, entities rendering investment services, acting in their capacity as professional financial intermediaries, can also be appointed as proxy holders. Financial intermediaries shall also be entitled to cast different votes for each shareholder in observance of diverging voting instructions from their clients.

Entities appearing as holders of Class A Shares and/or Class B Shares in the book-entry records but acting on behalf of different ultimate beneficial owners shall always be entitled to exercise voting rights in a divergent manner in order to comply with conflicting voting instructions received from their clients. These entities may also delegate voting rights to each of the ultimate beneficial owners or their nominees, without limits on the number of delegations.

Holding a general shareholders' meeting and adopting resolutions

The requirements under the Spanish Companies Act vary according to whether the ordinary or extraordinary general shareholders' meeting is held on first call or second call (meeting notices may include, and usually do, a second call for the meeting to be held at least 24 hours after the first date included in the meeting notice that would be held in accordance with the first call):

- *Quorum*: on first call the presence in person or by proxy of shareholders representing at least 25% of the Company's voting capital will constitute a quorum. If on first call a quorum is not present, the meeting can be reconvened on second call, which requires no quorum.
- *General rule for the adoption of resolutions*: resolutions are passed by a majority of the votes corresponding to the share capital present or represented at such meeting, subject to the exceptions set forth in the following paragraph.
- *Adoption of resolutions for reserved matters*: a resolution in a general shareholders' meeting to: modify our Bylaws (including, without limitation, increases and decreases of share capital); issue

bonds (when this authority is reserved to the general shareholder's meeting); exclude or limit pre-emptive rights over new shares; or transform, merge, spin off and globally assign assets and liabilities, requires the presence in person or by proxy of shareholders representing at least 50% of our voting capital on first call, and the presence in person or by proxy of shareholders representing at least 25% of our voting capital on second call. On second call, and in the event that less than 50% of our voting capital is represented in person or by proxy, such resolutions may only be passed upon the vote of shareholders representing two thirds of our capital present or represented at such meeting. Pursuant to Article 201 of the Spanish Companies Act, the adoption of any agreement referred to in Article 194 of the Spanish Companies Act (which are those summarized above in this paragraph) will require an absolute majority of the votes issued by the attending shareholders (both personally and by proxy) if the attending shareholders (whether in person or by proxy) represent more than 50% of the total share capital.

- *Separate voting in the event of adoption of certain resolutions:* Pursuant to the Spanish Companies Act, resolutions amending our Bylaws and any other resolutions that may directly or indirectly prejudice or adversely affect the Class B Shares relative to the Class A Shares or that may benefit or favorably affect Class A Shares relative to the Class B Shares shall require, in addition to their approval in accordance with the majorities set forth in our Bylaws, the approval of a majority of Class B Shares voting as a separate class.

- *Rules on presumptions or deductions about the direction of votes*: for the items included in the agenda, the votes corresponding to all the shares attending the meeting, present or represented, shall be considered as votes in favor of the proposal except the votes corresponding to (i) the shares whose holders or representatives state that they are voting against, in blank or abstain, by means of written communication or expression of their vote or abstention to the Secretary or, as the case may be, to the notary or assisting personnel, for recording in the minutes, or by means of the vote against, in blank or abstention through remote means of communication, in accordance with the provisions of the General Shareholders' Meeting Regulations; and (ii) the shares whose holders or representatives have left the meeting prior to the vote on the proposed resolution and have recorded such abandonment before the Secretary or, as the case may be, the notary or personnel attending.

  For items that are not included in the agenda, the votes corresponding to all the shares attending the meeting, whether present or represented, shall be considered votes against the proposal except the votes corresponding to (i) the shares whose holders or representatives state that they vote in favor, in blank or abstain, by means of written communication or expression of their vote or abstention to the Secretary or, as the case may be, to the notary or personnel attending for recording in the minutes, or, as the case may be, by voting in favor, in blank or abstaining through remote means of communication, in accordance with the provisions of the General Shareholders' Meeting Regulations; and (ii) the shares whose holders or representatives have left the meeting prior to the vote on the proposed resolution and have recorded such abandonment before the Secretary or, as the case may be, the notary or personnel attending.

Special considerations in respect of Class B Shares

If the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and the Over-allotment Option is not exercised, (i) our outstanding Class A Shares (owned by the Selling Shareholder) will represent 91.4% of our share capital, (ii) our outstanding Class B Shares will represent 8.6% of our share capital, and (iii) Puig SL, after the Offering and after the Minority Shareholders Share Capital Increases, will hold 92.9% of our share capital. See "*Principal and Selling Shareholders*". If holders of Class B Shares hold less than 3% of our share capital, they will not be able to exercise their rights in relation to calling a general shareholders' meeting, request that new items be added to the agenda or propose reasoned resolutions on matters already included or that should be included in the convened meeting agenda.

On the contrary, holders of at least 0.1% of our share capital will be able to contest the resolutions adopted by our general shareholders' meeting in the manner described below. In addition, any shareholder will have

the right to request (i) the removal of any director, or (ii) the Company to take legal actions against a director in a general shareholders' meeting, even if such item is not included on the agenda.

Legal effects of resolutions passed by the general shareholders' meeting and opposition to the resolutions of the general shareholders' meeting

A resolution passed by our general shareholders' meeting is binding on all shareholders.

However, resolutions that are either (i) contrary to Spanish law, our Bylaws or our General Shareholders' Meeting Regulations or Board Regulations or any other internal regulations or (ii) detrimental to our corporate interests for the benefit of one or more shareholders or third parties, may be contested. Damage to the Company's interest is also caused when the resolution, without causing damage to corporate assets, is imposed in an abusive manner by the majority. An agreement is understood to have been imposed in an abusive manner when rather than responding reasonably to a corporate need, the majority adopts the resolution in their own interests and to the unjustifiable detriment of the other shareholders.

For listed companies, the Spanish Companies Act requires a shareholder or shareholder group to hold at least 0.1% of the company's share capital in order to contest a resolution. The Spanish Companies Act acknowledges a legal right of action in favor of (i) individual shareholders who held shares (provided they hold at least 0.1% of the share capital) prior to the adoption of such resolutions, (ii) our directors, and (iii) interested third parties. If the resolution is contrary to public order, any shareholder (whether or not he or she was a shareholder at the time when the resolution was adopted), director or third party is entitled to contest the resolution. In certain circumstances (such as a significant amendment of our corporate purpose, certain cases of conversion of our corporate form or the change of our registered office abroad), the Spanish Companies Act entitles dissenting or absent shareholders to withdraw from the Company. If this right were to be exercised, we would be obliged to repurchase the relevant shareholding(s) from the withdrawing shareholder in accordance with the procedures established under the Spanish Companies Act.

Loyalty Shares

The Spanish Companies Act provides that shareholders of listed companies may have double voting rights associated to their shares ("**Loyalty Shares**"), provided that they are envisaged and regulated in the bylaws of the relevant listed company. As of the date of this Prospectus, our Bylaws do not provide for Loyalty Shares.

The following conditions would need to be met to implement Loyalty Shares:

- General shareholders' meeting approval: a general shareholders' meeting resolution passed by a qualified majority of at least 60% of the votes cast (if the quorum at the meeting is at or above 50%) or 75% of the votes cast (if the quorum at the meeting is between 25% and 49.99%) in order to include the concept of Loyalty Shares (opt-in) in our Bylaws.
- Shareholder's decision: that the shareholder concerned holds the shares uninterruptedly for a minimum of two years (the Bylaws may require a longer holding period).
- Shareholder's prerogative: the double vote would be limited to those shares that the shareholder expressly indicates and the minimum holding period will only start at the moment the shareholder requests their registration in the special share register for shares with double voting rights. The shareholder may waive the double voting rights at any time. The aforementioned special register would be available to all shareholders.

Listed companies that adopt the Loyalty Shares regime must include updated information on their website on the number of shares with double voting rights existing from time to time, as well as those registered shares whose loyalty period provided for in the bylaws is pending completion. Double voting rights will generally terminate when the Loyalty Shares are transferred, except in the case of intra-group transfers or, under certain conditions, transfers between family members or transfers through structural modifications (*modificaciones estructurales*).

Loyalty Shares must be taken into account for the purposes of, among others: (i) calculating the quorum of the general shareholders' meeting and the relevant majorities for the approval of resolutions; (ii) complying with the obligation to notify significant holdings; and (iii) determining the existence of a controlling interest that triggers the obligation to launch a takeover bid.

The provision in the bylaws regarding Loyalty Shares must be renewed after five years from the date of its original approval by the general shareholders' meeting, subject to the same quorum and qualified majority requirements set out above, provided that holders of Loyalty Shares will be allowed to cast two votes per Loyalty Share held. Moreover, after 10 years from the inclusion of the Loyalty Shares regime in the bylaws, such bylaws may be amended to eliminate such Loyalty Shares (subject to the quorum and qualified majority requirements for any amendment of the bylaws) and holders of Loyalty Shares will only be able to cast one vote per Loyalty Share held for such purposes.

Pre-emptive rights and increases of share capital

Pursuant to the provisions of the Spanish Companies Act applicable to listed companies, shareholders have pre-emptive rights to subscribe for newly issued shares or newly issued bonds that are convertible into shares in consideration for cash contributions. Such pre-emptive rights may be excluded under special circumstances by a resolution passed by the general shareholders' meeting or the board of directors (if the general shareholders' meeting delegates to the board of directors the decision to increase the Company's share capital or issue convertible bonds waiving pre-emptive rights), in accordance with the provisions of the Spanish Companies Act. In the event of a capital increase, the resolution authorizing the exclusion of pre-emptive rights will only be valid if, among other requirements: (i) the non-pre-emptive share capital increase exceeds 20% of the Company's share capital and a report is issued by an independent auditor appointed by the Commercial Registry stating, among other elements, the market value of the shares, the theoretical value of the pre-emptive rights and the net book value of the shares or, if below such 20% threshold, the issue price of the new shares is lower than 90% of their fair market value; and (ii) the nominal value and issue premium of the newly issued shares is equal to or higher than their fair value (*valor razonable*) which will be deemed to be the case if the issue price is determined by reference to the market price of the shares with a discount not over 10% over such price. Where the issuance of the new shares is approved by the general shareholders' meeting, the shares may be issued at an issue price below the fair value, in which case the Board of Directors must justify the reasons why it is in the corporate interest of the Company to issue such shares at a discount to their fair value, and the independent expert report will be obligatory and will include information on the dilution of existing shareholders.

Furthermore, pre-emptive rights will not be exercisable by shareholders for a share capital increase that is required for the purposes of issuing bonds convertible into shares, completing a merger, acquiring all or part of another company's assets, by means of capitalization of credit rights or against non-cash contributions. Pre-emptive rights are transferable, may be traded on the AQS and may be of value to existing shareholders since new shares may be offered for subscription at prices lower than prevailing market prices.

In addition, our Bylaws provide that, with the exception of the non-existence or exclusion of pre-emptive rights or free allocation rights or similar pre-emptive rights, the issue, grant or delivery of (x) any of our shares, or (y) any convertible or exchangeable debentures, warrants or other securities and instruments that grant rights to subscribe or acquire our shares or which are exchangeable for or convertible into our shares, will be agreed by us:

- either by the simultaneous issue, grant or delivery of Class A Shares and Class B Shares in the same proportion as the number of shares of each class bears to the total number of shares into which our share capital is divided at the time the resolution to increase or issue is adopted; or
- by the issue, grant or delivery of convertible or exchangeable debentures, warrants or other securities and instruments that grant rights to subscribe or acquire Class A Shares and Class B Shares or which are exchangeable for or convertible into Class A Shares and Class B Shares in the proportion referred to above or which are exchangeable for or convertible into shares of the Company in such proportion of Class A Shares and Class B Shares;

(the “**Principle of Proportionality for New Shares**”).

Accordingly, if pre-emptive rights exist or have not been excluded, after the issue, the grant or delivery of (x) any of our shares, or (y) any convertible or exchangeable debentures, warrants or other securities and instruments that grant rights to subscribe or acquire our shares or which are exchangeable for or convertible into our shares, the proportion of the number of Class A Shares and Class B Shares will remain the same as the proportion that existed prior to adopting such decisions.

In accordance with the Principle of Proportionality for New Shares, pre-emptive rights, free allocation rights and any other similar pre-emptive rights belonging to (i) Class A Shares can only be exercised over Class A Shares (or convertible or exchangeable debentures, warrants or other securities and instruments that grant rights to subscribe or acquire Class A Shares or which are exchangeable for or convertible into Class A Shares); and (ii) Class B Shares can only be exercised over Class B Shares (or any rights or other securities or financial instruments giving the right, directly or indirectly, to acquire, subscribe or otherwise receive Class B Shares or which are exchangeable for or convertible into Class B Shares).

In the case of capital increases against the reserves or share premium that are made by increasing the nominal value of the issued shares, Class A Shares and Class B Shares as a whole will be entitled to increase their nominal value in the same proportion as the total nominal value of Class A Shares and Class B Shares in issue at the time the resolution is adopted bears to the total share capital of the Company represented by the Class A Shares and the Class B Shares in issue at that time (the “**Principle of Proportionality for Increase in Nominal Amount**” and, together with the Principle of Proportionality for New Shares, the “**Principle of Proportionality**”).

On April 16, 2024, our Board of Directors was authorized by our general shareholders’ meeting to (i) issue for a period of five years convertible debt instruments and warrants that grant rights to subscribe or acquire Class A Shares and/or Class B Shares in a maximum amount of (x) 3.5 times the consolidated EBITDA of the Company for the most recent financial year for which our annual accounts have been approved, less (y) the amount of financial indebtedness, net of cash, at the date of the relevant issuance made under this authorization (EBIDTA and financial indebtedness’ levels must be certified by the Board of Directors with the prior report of the Audit Committee) and, in connection with such issuances increase the share capital of the Company by the relevant necessary amount; and (ii) to issue for a period of five years Class A Shares and/or Class B Shares and to increase the share capital up to 12% of the Company’s share capital at the time of Admission, provided that, as stated in our Bylaws, any such issuance complies with the Principle of Proportionality for New Shares. In connection with such issuances and share capital increases, our Board of Directors was authorized by our general shareholders’ meeting to exclude pre-emptive rights for capital increases up to 6% of the Company’s share capital at the time of Admission. Even if pre-emptive rights of Class B Shares are excluded, such issuances must comply with the Principle of Proportionality of New Shares unless the relevant issuance is in the Company’s corporate interest and consist in the issuance of convertible debt instruments and warrants that grant rights to subscribe or acquire Class B Shares only or in the issuance of Class B Shares only.

These authorizations will become effective upon Admission and are limited issuances of Class A Shares and/or Class B Shares (or convertible debt instruments and warrants related to Class A Shares and/or Class B Shares) in order to obtain funds or in the context of share capital increases by means of a debt set-off (*aumentos de capital por compensación de créditos*) in connection with transactions that the Board of Directors considers strategic and in the Company’s corporate interest. As of the date of this Prospectus, we have not issued securities convertible or exchangeable into Class A Shares or Class B Shares or with warrants over the Class A Shares or the Class B Shares.

Shareholder claims

Pursuant to the Spanish Companies Act, directors are liable towards us, the shareholders and the creditors for any actions or omissions that are illegal or contravene the bylaws and for failure to perform their legal and fiduciary duties diligently.

Subsequent ratification or approval of any such act or omission by the general shareholders' meeting does not forego directors' liability. The liability of the directors is joint and several (*solidaria*), except to the extent any director can demonstrate that he or she did not participate in the decision-making process related to the relevant act or omission, was unaware of its existence or if aware of it, he or she used his or her best efforts to mitigate any damages to the Company or if he or she expressly disagreed with the decision-making relating to such act or omission.

Under Spanish law, shareholders must bring any actions against our directors as well as any other actions against us or challenging corporate resolutions before the competent courts in the province where our registered office is located (currently Barcelona, Spain).

Information to shareholders

Under Spanish Companies Act and pursuant to the General Shareholders' Meeting Regulations, our shareholders are entitled to receive certain Company information, including information regarding any amendment to our Bylaws, any increase or reduction in our share capital, the approval of our annual accounts, a merger or spin off, our winding up or liquidation, or any other major corporate events or actions.

Furthermore, our shareholders may request any reports or explanations that they consider necessary in respect of the matters included in the agenda of a general shareholders' meeting or regarding any public information we have provided to the CNMV since the last general shareholders' meeting or the report from our statutory auditor, either (i) in writing beforehand until the fifth day prior to the date scheduled for our general shareholders' meeting in which case, the Board of Directors is obliged to provide these reports and explanations until the day before the general shareholders' meeting, or (ii) orally at the meeting, in which case and if the right of our shareholder could not be satisfied at the time, the Board of Directors is obliged to provide these reports and explanations within the seven days following the conclusion of our general shareholders' meeting, except in the case where the requested information is not necessary to protect the rights of the shareholder, or there are objective reasons to consider that it could be used for purposes outside the Company or the public exposure of the information requested may be detrimental to our interests. However, this exception does not apply should the request be backed by shareholders that together hold 25% or more of the share capital.

Representation of Class A Shares and Class B Shares

Our Class A Shares and our Class B Shares are represented by book entries, and Iberclear together with its participating entities, is the entity responsible for maintaining the corresponding accounting records. The registered office of Iberclear is at Plaza de la Lealtad 1, 28014 Madrid, Spain.

Iberclear manages the central registry, which reflects the number of shares held by each of its participating entities from time to time as well as the number of shares held by beneficial owners. Each participating entity, in turn, keeps a record of the owners of such shares. Since our Class A Shares and Class B Shares are represented by book-entry records, we have the right to request from Iberclear the details of holders of Class A Shares and Class B Shares, including, without limitation their names, addresses and contact details. We also have the right, with respect to the Class A Shares and Class B Shares, to request from the intermediary entity the details of the ultimate beneficial owner of its shareholding (that is, the person on whose behalf the intermediary institution acts as a shareholder by virtue of the accounting record).

In addition, since our Class A Shares are registered shares (due to the existence of limitations on their disposal) represented by book-entry records, we will keep an electronic shareholder registry of Class A Shares for which Iberclear will report to us all transactions entered into by our shareholders in respect of Class A Shares.

The shareholders or persons holding limited in rem rights or encumbrances on the Class A Shares and Class B Shares may obtain legitimation certificates as provided for under the laws governing shares represented by book entries.

In the event of co-ownership of one or more Class A Shares or Class B Shares, co-holders must appoint a single representative to exercise their rights jointly on their behalf. However, they shall all be jointly and severally (*solidariamente*) liable to us for any obligations in their capacity as shareholders.

Transfer of Class A Shares and Class B Shares

Our Class B Shares are freely transferable in accordance with the Spanish Companies Act, the Spanish Securities Market Act and any implementing regulations, while our Bylaws provide for certain limitations on the transferability of our Class A Shares.

Holders of Class A Shares may freely transfer their Class A Shares to (i) other holders of Class A Shares; (ii) companies of the same group of such holders of Class A Shares; and (iii) to ascendants or descendants by direct line of the relevant holder and/or such holder's siblings. In the event of any *inter vivos* transfer of Class A Shares other than a transfer described in (i) to (iii) above, holders of Class A Shares will have a right of first refusal in proportion to their number of Class A Shares. If such right of first refusal is not exercised by holders of Class A Shares for the full amount of Class A Shares to be transferred, the Company will have a subsidiary right of first refusal to purchase the Class A Shares over which holders of Class A Shares did not exercise their right of first refusal. Our right of first refusal may be exercised at our sole discretion in accordance with the provisions of our Bylaws and the Spanish Companies Act. Substantially similar rights apply in the event of *mortis causa* transfers.

Transfers of shares quoted on the Spanish Stock Exchanges must be made through or with the participation of a member of a Spanish Stock Exchange. For more information, see "*Market Information*". Accordingly, the transfer of Class B Shares may be subject to certain fees and expenses.

Restrictions on Foreign Investment

Foreign direct investments ("**FDI**") were generally liberalized under Law 19/2003, of July 4, on the establishment of a regulatory regime relating to capital and foreign economic transactions (*Ley 19/2003, de 4 de julio, sobre régimen jurídico de los movimientos de capitales y de las transacciones económicas con el exterior y sobre determinadas medidas de prevención del blanqueo de capitales*, "**Law 19/2003**"). Royal Decree-law 8/2020, of March 17, and Royal Decree-law 11/2020, of March 31, enacted Article 7 bis of Law 19/2003 imposing certain restrictions on FDI. Implementing regulations were enacted through Royal Decree 571/2023, of 4 July, on foreign investment ("**Royal Decree 571/2023**").

Article 7 bis of Law 19/2003 sets forth a screening mechanism for certain investments made by non-EU and non-EFTA residents, based on public order, public health and public security reasons (the "**Screening Mechanism**"). The Screening Mechanism aligns part of the Spanish foreign investment legal framework with Regulation (EU) 2019/452, of March 19, 2019, establishing a framework for the screening of foreign direct investments into the European Union. Certain provisions of Regulation (EU) 2019/452 ─ such as the list of sectors affecting public order and public security or the definition of state-owned enterprises and other similar investors, are mirrored in the regulations establishing the Screening Mechanism.

In accordance with the Screening Mechanism, FDIs are:

- investments that result in a foreign investor reaching a stake of at least 10% of the share capital of a Spanish company; and
- any corporate transaction, business action or legal transaction which enables the possibility of exercising control (i.e., decisive influence, according to merger control criteria) over a Spanish company.

The Screening Mechanism provides that the following persons are deemed to be a "foreign investor" under applicable regulation:

- non-EU and non-European Free Trade Association ("**EFTA**") residents; and

- EU or EFTA residents beneficially owned by non-EU and non-EFTA residents. This occurs when non-EU and non-EFTA residents ultimately own or control, directly or indirectly, more than 25% of the share capital or voting rights of the investor, or otherwise exercise control (i.e., have decisive influence, according to merger control criteria), directly or indirectly, over the investor.

In order to determine the FDIs which are subject to the Screening Mechanism, Law 19/2003 establishes two sets of requirements:

- the sector in which the target carries out its business:
  - Critical infrastructure, whether physical or virtual, including energy, transport, water, health, communications, media, data processing or storage, aerospace, defense, electoral or financial infrastructure, and sensitive facilities, as well as land and real estate crucial for the use of such infrastructure.
  - Critical technologies and dual-use products, key technologies for leadership and industrial qualification, and technologies developed under programs and projects of particular interest to Spain: telecommunications, artificial intelligence, robotics, semiconductors, cyber security, aerospace, defense, energy storage, quantum and nuclear technologies, as well as nanotechnologies and biotechnologies.
  - Supply of critical inputs, in particular electricity and gas activities, raw materials and food security.
  - Sectors with access to sensitive information, including personal data, or the ability to control such information.
  - Media (specifically, investments in audiovisual communication services will be governed by Act 7/2010, the General Act on Audiovisual Communication).
  - Other sectors designated by the Spanish government from time to time that may affect public security, order or health (currently none).
- the personal circumstances of the foreign investor, regardless of the business of the target;
  - Investors directly or indirectly controlled by the government, including state bodies or armed forces, of a non-EU/EFTA country.
  - Investors that have already made an investment affecting national security, public order or public health in another EU Member State, including an investment in any of the above-mentioned sectors.
  - Investors who are at serious risk of engaging in criminal or illegal activities affecting public security, public order or public health in Spain.

In addition, on a temporary basis until December 31, 2024, acquisitions by EU/EFTA residents (other than Spain) in listed companies in Spain are subject to the Screening Mechanism to the extent that they meet both of the following criteria:

- EU or EFTA resident acquires a stake of 10% or more in the Spanish company or, as a result of the transaction, acquires control of that company (i.e., possibility of exercising a decisive influence over a company);
- the sector of the investment affects "public order, public security and public health" (as described above).

The Screening Mechanism procedure requires the following:

- Under the ordinary procedure, prior authorization from the Spanish Council of Ministers (*Consejo de Ministros*) is required to close the FDI subject to it. The legal term to issue a decision is three months.

- However, if the investment is between €1 million and €5 million, the authorization is to be issued by a lower-tier authority (the General Directorate for International Trade and Investments *Dirección General de Comercio Internacional e Inversiones*). The legal term to issue a decision is also three months.
- On a transitional basis, a fast-track 30-day procedure, whose resolution is also to be issued by the General Directorate for International Trade and Investments (*Dirección General de Comercio Internacional e Inversiones*), applies to investments agreed but not closed prior to March 18, 2020.
- Investments below €1 million are not subject to the Screening Mechanism.
- Under all procedures, the investment will be deemed unauthorized if the relevant authority does not respond to the authorization request within the corresponding legal term.

In this regard, Royal Decree 571/2023 has introduced the following exceptions to the prior authorization regime:

(i) Foreign investments in strategic sectors where the turnover of the acquired companies does not exceed €5 million in the last closed accounting year, provided their technologies have not been developed under programs and projects of particular interest for Spain.

Nevertheless, foreign direct investments will always be subject to authorization where they target electronic communications operators that meet any of the following conditions: (i) they are holders of concessions for the use of the radioelectric public domain, in frequency bands harmonized in accordance with EU legislation; (ii) they are holders of enabling instruments for the use of orbit-spectrum resources within the scope of Spanish sovereignty; or (iii) they have been classified as operators with significant power in a pertinent market in the electronic communications sector. All transactions related to research activities or exploitation of mineral deposits of strategic raw materials are also subject to authorization. The €5 million turnover threshold does not apply to energy-sector transactions (which have a separate set of sector-specific thresholds - see (iv) below) nor to transactions affecting critical infrastructure (which are not subject to any turnover threshold).

(ii) Time-limited investments; that is, investments of short duration (hours or days), without the capacity to influence the management of the acquired company, being placement agents or underwriters of share issues and public offerings. The end investors will require authorization, as applicable.

(iii) Investments entailing the acquisition of real estate not assigned to a critical infrastructure, or not indispensable and not substitutable for providing essential services.

(iv) Certain transactions in the energy sector that, due to their characteristics, are not considered a risk to national security.

In compliance with Royal Decree 571/2023 and developing regulations, foreign investors not resident in a non-cooperative jurisdiction are only required to file a standardized notice with the Spanish Registry of Foreign Investments (*Registro de Inversiones Exteriores*) kept by the General Bureau of International Commerce and Investments (*Dirección General de Comercio Internacional e Inversiones*) within the Ministry of Industry, Commerce and Tourism (*Ministerio de Industria, Comercio y Turismo*) following the investment in or divestment of a Spanish company. Such filing is to be made solely for statistical, economic and administrative purposes.

Finally, if the foreign investor is a resident of a non-cooperative jurisdiction, as defined under Order HFP/115/2023, of February 9, identifying countries and territories, and prejudicial tax regimes, that are considered as non-cooperative jurisdictions (*Orden HFP/115/2023, de 9 de febrero, por la que se determinan los países y territorios, así como los regímenes fiscales perjudiciales, que tienen la consideración de jurisdicciones no cooperativas)*, notice must be provided to the Registry of Foreign Investments both before and after execution of the investment. However, prior notice from residents in non-cooperative jurisdictions is excluded in the following cases:

- investments in connection with shareholdings that do not exceed 50% of the share capital of the Spanish company;
- investments in Spanish real estate.

Exchange control regulations

Pursuant to Royal Decree 1816/1991, of December 20 (*Real Decreto 1816/1991, de 20 de diciembre, de transacciones económicas con el exterior*), as amended by Royal Decree 1360/2011, of October 7 (*Real Decreto 1360/2011, de 7 de octubre, que modifica el Real Decreto 1816/1991, de 20 de diciembre, sobre transacciones económicas con el exterior*) and EC Directive 88/361/EEC, any charges, payments or transfers between non-residents and residents of the Kingdom of Spain must be effected through an official payment services supplier registered with the Bank of Spain and/or the CNMV (*entidades registradas*) through bank accounts opened abroad with a foreign bank or a foreign branch of a registered entity in cash or by check payable to the bearer, in cash or by check payable to bearer. All charges, payments or transfers which exceed €6,010.12 (or its equivalent in another currency) must be notified through the payment services supplier to the relevant Spanish exchange control authorities if made in cash or by check payable to the bearer.

Reporting requirements

Transactions affecting voting rights

Pursuant to Royal Decree 1362/2007 of October 19, 2007 (*Real Decreto 1362/2007, de 19 de octubre, que desarrolla la Ley del Mercado de Valores en relación con los requisitos de transparencia relativos a la información sobre los emisores cuyos valores estén admitidos a negociación en un mercado secundario official o en otro mercado regulado de la Unión Europea*) ("**Royal Decree 1362/2007**"), any individual or legal entity who, by whatever means, purchases or transfers shares granting voting rights in a company listed in a secondary official market or other regulated market in the EU for which Spain is the country of origin (if the registered office of the listed company is located in Spain), must notify the Company and the CNMV, if, as a result of such transaction, the proportion of voting rights held by that individual or legal entity reaches, exceeds or falls below a threshold of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 75%, 80% and 90% of the company's total voting rights.

The notice shall be served by means of the standard form approved by the CNMV from time to time for such purpose, within four trading days from the date on which the transaction is acknowledged (Royal Decree 1362/2007 deems a transaction to be acknowledged within two trading days from the date on which it is entered into, regardless on the date on which the transaction takes effect). Where the individual or legal entity effecting the transaction is a non-resident of the Kingdom of Spain, notice must also be served to the Spanish Registry of Foreign Investments within the General Bureau of International Commerce and Investments (a department of the Ministry of Economy and Competitiveness), as explained above in section "*Restrictions on Foreign Investment*".

The foregoing disclosure requirements also apply to those transactions (other than sales and purchases of shares) by which the proportion of voting rights of an individual or legal entity reaches, exceeds or falls below the aforementioned thresholds that trigger the obligation to report, as a consequence of a change in the total number of voting rights of a company on the basis of the information reported to and disclosed by the CNMV. In such case, the transaction is deemed to be acknowledged or known by the reporting shareholder within two trading days from the date of the communication of inside information (*comunicación de información privilegiada*) or the communication of other relevant information (*comunicación de otra información relevante*), as applicable.

Regardless of the actual ownership of the shares, any individual or legal entity with a right to acquire, transfer or exercise voting rights granted by the shares or who owns, acquires or transfers, whether directly or indirectly, other securities or financial instruments which grant a right to acquire shares with voting rights, shall also notify us and the CNMV if the aggregate voting rights held by that individual or legal entity reach, exceed or fall below the aforementioned thresholds.

The obligation to report will be applicable also if the thresholds mentioned above are crossed as a result of holding financial instruments which:

(A) On maturity, give the holder under a formal agreement either the unconditional right to acquire or discretion to decide to acquire voting shares already issued; or

(B) Otherwise, are referenced to voting shares already issued and have a similar economic effect to that of the financial instruments referred to in (a) above, whether or not they confer a right to a physical settlement.

This means that, for instance, any derivative which grants its holder a long position over the voting shares of a Spanish listed company (such as the Class B Shares upon Admission) (options, futures, swaps, forwards and other derivative agreements) is also disclosable (irrespective of whether it is cash or physically settled).

It should be noted that voting rights related to financial instruments are calculated differently depending on how instruments are settled:

- Where financial instruments provide for physical settlement, the number of related voting rights is calculated by reference to the full notional number of underlying shares.
- Where financial instruments provide for cash settlement only, the number of voting rights is calculated by multiplying the notional number of underlying shares by the delta of the instrument (which indicates how much a financial instrument's theoretical value would vary in the event of variation in price of the underlying shares).

In case the person, legal entity or group effecting the transaction is a resident in a non-cooperative jurisdiction (as defined by applicable Spanish regulations) or in a country or territory levying no taxes or with which Spain has no effective exchange of tax information, the threshold that triggers the obligation to disclose the acquisition or transfer of shares in a Spanish company is reduced to 1% (and successive multiples thereof).

Moreover, pursuant to Article 30.6 of Royal Decree 1362/2007, in the context of a takeover bid, the following transactions should be notified to the CNMV: (i) any acquisition reaching or exceeding 1% of the voting rights of the Company, and (ii) any increase or decrease in the percentage of voting rights held by holders of 3% or more of the voting rights in the Company. The CNMV will immediately make this information public.

Our Bylaws and internal regulations do not provide for any significant shareholdings disclosure requirements more stringent than those established under Royal Decree 1362/2007 (as mentioned in this sub section) and the Market Abuse Regulation.

Disclosure requirements applicable to directors and Senior Officers

In accordance with the Market Abuse Regulation, persons discharging managerial responsibilities (including, but not limited to, our directors and Senior Officers), as well as persons closely associated with them, must report both to the Company and the CNMV every transaction conducted on their own account relating to the Class B Shares, or debt instruments of the Company, or to derivatives or other financial instruments linked thereto, no later than three business days after the date of the transaction. This reporting obligation shall apply to any subsequent transaction once a total amount of €20,000 has been reached within a calendar year.

Market Abuse Regulation defines persons discharging managerial responsibilities as a person within an issuer who is either (a) a member of the administrative, management or supervisory body of the issuer, or (b) a senior executive who is not a member of the bodies referred to in (a), who has regular access to inside information relating directly or indirectly to the issuer and power to take managerial decisions affecting the future developments and business prospects of the issuer.

The transactions that must be notified according to the foregoing also include (i) the pledging (other than pledges, or similar security interests, of financial instruments in connection with the depositing of the financial instruments in a custody account, unless and until such time that such pledge or other security interest is

designated to secure a specific credit facility) or lending of financial instruments by or on behalf of a person discharging managerial responsibilities or a person closely associated with such a person; (ii) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a person discharging managerial responsibilities or a person closely associated with such a person; and (iii) transactions made under a life insurance policy where (a) the policyholder is a person discharging managerial responsibilities or a person closely associated with such a person; (b) the investment risk is borne by the policyholder; and (c) the policyholder has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy.

We maintain a list of all persons discharging managerial responsibilities and persons closely associated with them. In addition, a person discharging managerial responsibilities within the Company and persons closely associated with them shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the Class B Shares or debt instruments of the Company or to derivatives or other financial instruments linked to them, during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the Company is obliged to make public, unless so permitted by the Company (i) on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of Class B Shares; or (ii) due to the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change. Persons discharging managerial responsibilities shall notify the persons closely associated with them of the reporting obligation and the prohibition to conduct transactions described above in writing and shall keep a copy of this notification.

Disclosure of shareholder agreements

The Spanish Companies Act and the Spanish Securities Market Act require the parties to disclose shareholder agreements that affect the exercise of voting rights at a general shareholders' meeting of a listed company (such as the Company upon Admission) or contain restrictions or conditions in connection with the transfer of shares or exchangeable or convertible bonds. The execution, amendment or extension of such shareholders agreements shall be immediately disclosed by the relevant parties to us and to the CNMV and a copy of the relevant provisions of the agreement which affect the exercise of the voting rights and/or restrict or place conditions upon the transfer of shares shall be filed with the relevant Commercial Registry. The shareholder agreements will be disclosed as communications of inside information (*comunicación de información privilegiada*) or communications of other relevant information (*comunicación de otra información relevante*), as applicable, on the CNMV's website. If these requirements are not fulfilled, any provisions contained in such shareholder agreements which affect the exercise of voting rights and/or restrict or place conditions upon the transfer of shares, will not be effective.

Upon request by the interested parties, the CNMV may waive such requirement to report and publish the agreement when publishing the shareholders' agreement could cause harm to the affected company.

As of the date of this Prospectus, there are no such shareholders' agreements affecting the Company.

Disclosure of net short positions

In accordance with EU Regulation No 236/2012 of the European Parliament and of the Council, of March 14, 2012, on short selling and credit default swaps (the "**Short Selling Regulation**") (as further supplemented by several delegated regulations), as amended by Commission Delegated Regulation (EU) 2022/27, any person or legal entity holding net short positions on shares admitted to trading in the Spanish Stock Exchanges (such as the Company upon Admission) must report them to the CNMV if they reach or fall below 0.1% of the relevant issuer's share capital and each 0.1% above that.

Positions reaching or falling below 0.5% (and each 0.1% above that) shall be publicly disclosed by the CNMV. The Short Selling Regulation restricts uncovered short sales in shares, providing that a natural or legal person may enter into a short sale of a share admitted to trading on a trading venue only where one of the conditions established in Article 12 of the Short Selling Regulation is fulfilled.

The notification or disclosure mentioned above shall be made no later than 3:30 p.m. (CET) on the following trading day.

The disclosure is mandatory even if the same position has been already notified to the CNMV in compliance with transparency obligations previously in force in that jurisdiction.

The information to be disclosed is set out in Table 1 of Annex I of Delegated Regulation 826/2012 of the European Parliament and of the Council of June 29, according to the format approved as Annex II of this Delegated Regulation. The information will be published, where appropriate, on a web page operated or supervised by the CNMV.

Moreover, pursuant to the Short Selling Regulation, when the CNMV considers that (i) there are adverse events or developments that constitute a serious threat to financial stability or to market confidence (serious financial, monetary or budgetary problems, which may lead to financial instability, unusual volatility causing significant downward spirals in any financial instrument, etc.); and (ii) the measure is necessary and will not be disproportionately detrimental to the efficiency of financial markets in view of the advantages sought, it may, following consultation with the ESMA, take any one or more of the following measures:

- impose additional notification obligations by either (a) reducing the thresholds for the notification of net short positions in relation to one or several specific financial instruments; and/or (b) requesting the parties involved in the lending of a specific financial instrument to notify any change in the applicable premiums; and
- restrict short selling activities by either prohibiting or imposing conditions on short selling.

In addition, according to the Short Selling Regulation, where the price of a financial instrument has fallen significantly during a single day in relation to the closing price on the previous trading day (10% or more in the case of a liquid share), the CNMV may prohibit or restrict short selling of financial instruments for a period not exceeding the end of the trading day following the trading day on which the fall in price occurs.

Finally, the Short Selling Regulation also vests powers to ESMA in order to take similar measures to those described above in exceptional circumstances, when the purpose of these measures is to deal with a threat affecting several Member States and the competent authorities of these Member States have not taken adequate measures to address it.

Share repurchases

Pursuant to the Spanish Companies Act, we may only repurchase our own shares derivatively within certain limits and in compliance with the following requirements:

- such repurchase must be previously authorized by the general shareholders' meeting in a resolution establishing the maximum number of Class A Shares and/or Class B Shares to be acquired, the means by which they will be acquired, the minimum and maximum acquisition price (if any) and the duration of the authorization, which may not exceed five years from the date of the resolution; and
- such repurchase, including the Class A Shares and/or Class B Shares already acquired and currently held by us or any person or company on our behalf, does not reduce our net equity below the aggregate amount of our share capital and non-distributable reserves.

For these purposes, net equity means the amount resulting from the application of the criteria used to draw up our financial statements, minus the amount of profits directly allocated to such net equity, plus the amount of uncalled subscribed share capital and the total amounts of nominal value and issue premium for the subscribed share capital registered as a liability in our accounting.

In addition:

- the aggregate nominal value of Class A Shares and Class B Shares directly or indirectly repurchased by us, together with the aggregate nominal value of the treasury shares already held by us and our subsidiaries, shall not exceed 10% of our total share capital; and
- the repurchased Class A Shares and Class B Shares shall always be fully paid-up. The repurchase shall be deemed null and void if: (i) the Class A Shares and Class B Shares are partially paid-up (except in the case of a free repurchase); or (ii) the Class A Shares and Class B Shares have associated ancillary obligations (*prestaciones accesorias*).

Treasury shares lack voting and economic rights. Economic rights bound to treasury shares (which are dividend distributions and liquidation rights) shall, except for the right to bonus shares, be distributed among our shareholders in accordance with our Bylaws and the Spanish Companies Act.

Furthermore, pursuant to the Spanish Companies Act, the audited financial statements of the Company must include a reference to any treasury shares.

The Market Abuse Regulation establishes rules in order to ensure the integrity of European Community financial markets and to enhance investor confidence. The Market Abuse Regulation provides an exemption from the market manipulation rules regarding share buy-back programs by companies listed on a stock exchange in an EU Member State. Commission Delegated Regulation (EU) 2016/1052 of March 8, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures ("**Regulation 2016/1052**") implements the Market Abuse Regulation with regard to the regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures. According to the provisions included in the Regulation 2016/1052, in order to benefit from the exemption, an issuer implementing a buy-back program must comply with the following requirements:

(A) Prior to the start of trading in a buy-back program, the issuer must ensure the adequate disclosure of the following information:

- The purpose of the program. According to Article 5.2 of the Market Abuse Regulation, the buy-back program must have as its sole purpose (a) reduce the capital of the issuer; (b) meet obligations arising from debt financial instruments convertible into equity instruments; or (c) meet obligations arising from share option programs, or other allocations of shares, to employees or to members of the administrative, management or supervisory bodies of the issuer or of an associate company;
- The maximum pecuniary amount allocated to the program;
- The maximum number of shares to be acquired; and
- The period for which authorization for the program has been granted.

(B) The issuer must ensure that the transactions relating to the buy-back program meet the conditions included in Article 3 of the Regulation 2016/1052. Specifically, that the purchase price is not higher than the higher purchase price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out. Furthermore, issuers must not purchase on any trading day more than 25% of the average daily volume of shares on the corresponding trading venue.

(C) Issuers shall not, for the duration of the buy-back program, engage on (a) selling their own shares; (b) trading during the closed periods referred to in Article 19.11 of the Market Abuse Regulation; and (c) trading where the issuer has decided to delay the public disclosure of inside information in accordance with the Market Abuse Regulation unless any share buy-back program has been delegated on a discretionary basis to an independent financial institution.

Furthermore, according to Royal Decree 1362/2007, if an acquisition or series of acquisitions of the Company's shares reaches or exceeds or causes our and our subsidiaries' holdings to reach or exceed 1% of the voting shares, the Company must notify its final holding of treasury shares to the CNMV. If such threshold

is reached as a result of a series of acquisitions, such reporting obligation will only arise after the closing of the acquisition which, taken together with all acquisitions made since the last of any such notifications, causes our and our affiliates' holdings to exceed 1% of the voting shares. Sales and other transfers of treasury shares will not be deducted in the calculation of such threshold. This requirement would also apply if the shares were acquired by one of our majority-owned subsidiaries.

Moreover, pursuant to Spanish Companies Act, the audited financial statements of the Company must include a reference to any treasury shares.

On November 27, 2019, the CNMV approved Circular 2/2019 on liquidity contracts entered into by issuers with financial institutions for the management of treasury shares. This regulation entered into force on March 10, 2020, and repealed and replaced the CNMV's Circular 1/2017, introducing new limitations on the daily volume that financial intermediaries can trade under the liquidity agreement and new rules which must be complied with by financial intermediaries in their operations in auction periods.

As of the date of this Prospectus, the Company holds 4,886,667 Class B Shares, representing 0.2% of the Company's share capital. The Company does not hold any Class A Share as of the date of this Prospectus. Our subsidiaries do not hold any Class A Shares or Class B Shares. On April 16, 2024, our general shareholders' meeting authorized the acquisition of treasury stock for a period of five years from such date, up to a maximum of 10% of our share capital (Class A Shares and/or Class B Shares) at the time of Admission subject to and in accordance with the principles of our treasury shares policy approved by the Board of Directors on April 16, 2024. The minimum and maximum acquisition price of the Class B Shares will be the nominal value and the stock market price or the latest stock market price available at the time the transaction is executed or agreed to be executed, increased by up to 10%. The authorization to the Board of Directors to acquire Class A Shares may only be used to exercise the subsidiary right of first refusal of the Company (see "*—Transfer of Class A Shares and Class B Shares*") and the maximum acquisition price of the Class A Shares will be the acquisition price that will result from the exercise of such right of first refusal according to our Bylaws, while the minimum price will be the nominal value of the Class A Shares.

MARKET INFORMATION

Prior to the Offering, there has been no public market for the Offer Shares. We will apply to list the Class B Shares on the Spanish Stock Exchanges and to have them quoted on the AQS or "Mercado Continuo" of the Spanish Stock Exchanges. The Spanish securities market for equity securities comprises four stock exchanges located in Barcelona, Madrid, Bilbao and Valencia. We expect that our Class B Shares (including the Offer Shares) will be listed on the Spanish Stock Exchanges and quoted on the AQS on or about May 3, 2024 under the ticker symbol "PUIG". No application has been made or is currently intended to be made for the Class B Shares of the Company to be admitted to trading on any other stock exchange.

Automated Quotation System

The AQS links the Spanish Stock Exchanges, providing any equity securities listed on it with a uniform continuous market in order to eliminate certain differences arising among the various local exchanges. The principal feature of the system is the computerized matching of bid and offer orders at the time of entry of the relevant order. Each order is executed as soon as a matching order is entered but can be modified or cancelled until completion. The activity of the market can be continuously monitored by investors and brokers. The AQS is operated and regulated by Sociedad de Bolsas, S.A. ("**Sociedad de Bolsas**"), a company owned by Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. ("**BME**"). All trades on the AQS must be placed through a brokerage firm, a dealer firm or a credit entity that is a member of one of the Spanish Stock Exchanges.

In a pre-opening session held each trading day from 8:30 a.m. to 9:00 a.m. (CET), an opening price is established for each equity security traded on the AQS based on a real-time auction in which orders can be entered, modified or cancelled, but not executed. During this pre-opening session, the system continuously displays the price at which orders would be executed if trading were to begin at that moment. Market participants only receive information relating to the auction price (if applicable) and trading volume permitted at the current bid and offer price. If an auction price cannot be determined, the best bid and offer price and their respective associated trading volumes are disclosed instead. The auction terminates with a random 30-second period in which the shares are allocated. Until the allocation process has finished, orders cannot be entered, modified or cancelled. In exceptional circumstances (including the admission of new securities to trade in the AQS) and subject to prior notice to the CNMV, Sociedad de Bolsas may establish an opening price disregarding the reference price (which is the previous trading day's closing price), alter the price range for permitted orders with respect to the reference price or modify the reference price.

The computerized trading hours, known as the open session, range from 9:00 a.m. to 5:30 p.m. (CET). During the open session, the trading price of a security is permitted to fluctuate up to a maximum so-called "static" range of reference price (which is the price resulting from the closing auction of the immediately preceding trading day or the immediately preceding volatility auction in the current trading session), provided that the trading price for each trade of such security is not permitted to vary in excess of a maximum so-called "dynamic" range with respect to the trading price of the immediately preceding trade of the same security. If, during the trading session, there are matching bid and offer orders for a security within the computerized system which exceed any of the above "static" and/or "dynamic" ranges, trading on the security is automatically suspended and a new auction, or volatility auction, is held where a new reference price is set, and the "static" and "dynamic" ranges will apply over such new reference price. The "static" and "dynamic" ranges applicable to each specific security are set up and reviewed periodically by Sociedad de Bolsas. The session finishes with a real-time closing auction held between 5:30 p.m. and 5:35 p.m. (CET) subject to similar rules to those applicable to the pre-opening auction, where the closing price of every security is set.

Between 5:40 p.m. and 8:00 p.m. (CET), trades may occur outside the computerized matching system without prior authorization of Sociedad de Bolsas, provided that they meet the minimum effective amount for high volume orders in respect of the relevant security.

Information with respect to computerized trades, which take place between 9:00 a.m. and 5:30 p.m., is made public by the trading venue as close to real-time as is technically possible. On the other hand, information with respect to off-system trades is reported to Sociedad de Bolsas by the end of the trading day and is also

published in the Stock Exchange Official Gazette (*Boletín de Cotización*) and on the computer system by the beginning of the next trading day.

Moreover, bilateral over-the-counter trades may occur at any time between 5:00 am and 4:00 pm (CET) for delivery versus payment trades or until 6:00 pm (CET) for free of payment trades through the facilities of Iberclear by way of submission of matching OTC instructions by the participants acting as custodians for the seller and the purchaser outside the AQS and without the involvement of any market member as broker or dealer whatsoever.

Clearance, settlement and recording system

The Spanish clearing, settlement and book entry system was adapted by Act 11/2015 of June 18, on the recovery and resolution of credit institutions and investment firms, and Royal Decree 814/2023, of November 8, (*Real Decreto 814/2023, de 8 de noviembre, sobre instrumentos financieros, admisión a negociación, registro de valores negociables e infraestructuras de mercado*) to the provisions set forth in Regulation (EU) No 909/2014 of the European Parliament and of the Council of July 23, 2014, on improving securities settlement in the European Union and on central securities depositories, amending Directives 98/26/EC and 2014/65/EU (as amended by Directive 2021/338) and Regulation (EU) No 236/2012. Following the implementation of this reform, transactions carried out on the AQS continue to be settled by Iberclear, as central securities depository, and are cleared by BME Clearing, S.A. ("**BME Clearing**"), as central counterparty ("**CCP**"). Investors are urged to contact their agent or custodian in Spain as soon as possible to make the arrangements necessary for registering the shares in their name on the subscription date.

Iberclear and BME Clearing are owned by BME, a holding company which also holds a 100% interest in each of the Spanish regulated markets.

Shares of listed Spanish companies are represented in book-entry form. The recording system is a two-tier level registry: the keeping of the central book entry register corresponds to Iberclear and the keeping of the detailed records corresponds to the participating entities in Iberclear.

Access to become a participating entity is restricted to (i) credit institutions, (ii) investment services companies which are authorized to provide custody and administration of financial instruments, (iii) the Bank of Spain, (iv) the General Administration and the General Social Security Treasury, (v) other duly authorized central securities depositories and central clearing counterparties, and (vi) other public institutions and private entities when expressly authorized to become a participating entity in central securities depositories.

The central registry managed by Iberclear reflects: (i) one or several proprietary accounts which will show the balances of the participating entities' proprietary accounts; (ii) one or several general third-party accounts that will show the overall balances that the participating entities hold for third parties; and (iii) individual accounts opened in the name of the owner, either individual or legal person. Each participating entity, in turn, maintains the detailed records of the owners of such shares.

According to the above, Spanish law considers the owner of the shares to be:

- The participating entity appearing in the records of Iberclear as holding the relevant shares in its own name.
- The investor appearing in the records of the participating entity as holding the shares; or
- The investor appearing in the records of Iberclear as holding shares in a segregated individual account.

BME Clearing is the CCP in charge of the clearing of transactions closed on the Spanish Stock Exchanges. BME Clearing interposes itself on its own account as seller in every purchase and as buyer in every sale. It calculates the buy and sell positions vis-à-vis the participants designated in such buy or sell instructions. The CCP then generates and sends to Iberclear the relevant settlement instructions.

The settlement and book-entry registration platform managed by Iberclear, which operates under the trade name of ARCO, receives the settlement instructions from BME Clearing and forwards them to the relevant

participating entities involved in each transaction. ARCO operates under a T+2 settlement standard, by which any transactions must be settled within two business days following the date on which the transaction was completed.

Obtaining legal title to shares of a company listed on the Spanish Stock Exchanges requires the participation of a Spanish official stockbroker, broker-dealer or other entity authorized under Spanish law to record the transfer of shares. To evidence title to shares, at the owner's request the relevant participating entity must issue a legitimation certificate (*certificado de legitimación*). If the owner is a participating entity or a person holding shares in a segregated individual account, Iberclear is in charge of the issuance of the certificate regarding the shares held in their name.

Euroclear and Clearstream, Luxembourg

Shares deposited with depositories for Euroclear Bank, S.A./N.V., as operator of the Euroclear System ("**Euroclear**"), and Clearstream Banking, Société Anonyme ("**Clearstream**"), and credited to the respective securities clearance account of purchasers in Euroclear or Clearstream against payment to Euroclear or Clearstream, will be held in accordance with the Terms and Conditions Governing Use of Euroclear and Clearstream, the operating procedures of the Euroclear System (as amended from time to time), the Management Regulations of Clearstream and the instructions to Participants of Clearstream (as amended from time to time), as applicable. Subject to compliance with such regulations and procedures, those persons on whose behalf accounts are kept at Euroclear or Clearstream and to whom shares have been credited ("**investors**"), shall have the right to receive a number of shares equal to that amount credited in their accounts.

With respect to shares deposited with depositaries for Euroclear or Clearstream, such shares will be initially recorded in the name of Euroclear or one of its nominees or in the name of Clearstream or one of its nominees, as the case may be. Thereafter, investors may withdraw shares credited to their respective accounts if they wish to do so, upon payment of the applicable fees (as described below), if any, and once the relevant recording in the book-entry records kept by the members of Iberclear has occurred.

Under Spanish law, only the holder of record in Iberclear's registry is entitled to receive dividends and other distributions and to exercise voting, pre-emptive and other rights in respect of such shares. Euroclear (or its nominees) or Clearstream (or its nominees) will, respectively, be the sole record holder of the shares that are deposited with any depositories for Euroclear and Clearstream until investors exercise their rights to withdraw such shares and record their ownership rights over them in the book-entry registries kept by the members of Iberclear.

Cash dividends or cash distributions, as well as stock dividends or other distributions of securities, received in respect of the shares that are deposited with the depositories for Euroclear and Clearstream will be credited to the cash accounts maintained on behalf of the investors at Euroclear and Clearstream, as the case may be, after deduction of any applicable withholding taxes, in accordance with the applicable regulations and procedures for Euroclear and Clearstream. See "*Taxation*".

Euroclear and Clearstream will endeavor to inform investors of any significant events of which they become aware affecting the shares recorded in the name of Euroclear (or its nominees) and Clearstream (or its nominees) and requiring action to be taken by investors. Each of Euroclear and Clearstream may, at its discretion, take such action as they deem appropriate in order to assist investors in exercising their voting rights in respect of the shares. Such actions may include: (i) acceptance of instructions from investors to grant or to arrange for the granting of proxies, powers of attorney or other similar certificates; or (ii) exercise by Euroclear or its nominees and Clearstream or its nominees of voting rights in accordance with the instructions provided by investors.

In case we offer or cause to be offered to Euroclear or its nominees and Clearstream or its nominees, acting in their capacity as record holders of Class B Shares deposited with the depositories for Euroclear and Clearstream, any rights to subscribe for additional shares or rights of any other nature, each of Euroclear and Clearstream will, respectively, endeavor to inform investors of the terms of any such rights of which they become aware in accordance with the applicable provisions in the aforementioned regulations and procedures. Such rights will be exercised, insofar as practicable and permitted by applicable law, according to written

instructions received from investors, or, alternatively, such rights may be sold and, in such event, the net proceeds will be credited to the cash account kept on behalf of the investor with Euroclear or Clearstream.

Tender offers

Tender offers are governed in Spain by Articles 108 et seq. of the Spanish Securities Market Act and Royal Decree 1066/2007, of July 27 (*Real Decreto 1066/2007, de 27 de julio, de régimen de las ofertas públicas de adquisición de valores*) which implement Directive 2004/25/EC of the European Parliament and of the Council of April 21. Other than the referred tender offer regulation, there is no other special regulation in Spain governing mandatory tender offers over the shares of the Company.

Tender offers in Spain may qualify as either mandatory or voluntary.

Mandatory tender offers must be launched for all the shares of the target company and all other securities that might directly or indirectly entitle a holder to acquire or subscribe such shares (including, without limitation, convertible and exchangeable notes) at an equitable price, and not subject to any conditions, when any person or entity acquires control of a Spanish listed company, whether such control is obtained:

- by means of the acquisition of shares or other securities that directly or indirectly entitle a holder to subscribe or acquire voting shares in such company;
- through shareholder agreements or other types of agreements with shareholders or other holders of said securities; or
- as a result of other situations of equivalent effect as provided in the applicable Spanish regulation on tender offers (which constitute indirect control acquired through mergers, share capital decreases, changes in the target's treasury stock). In these cases, the obligation to launch a tender offer does not apply if, within three months from the date such control was obtained or the holder is notified by the company of changes in the treasury stock, such holder (or the company regarding changes in treasury stocks) disposes of a number of shares necessary to reduce the voting rights in excess of 30% and in the meantime does not exercise its voting rights exceeding such percentage, or obtains a waiver from the CNMV.

In addition, if, exclusively as a consequence of the variation in the total number of voting rights of a company resulting from the existence of Loyalty Shares (as defined below) with double voting rights, any shareholder reaches, directly or indirectly, a number of voting rights equal to or greater than 30%, such shareholder may not exercise the voting rights exceeding such percentage without launching a mandatory public tender offer aimed at the entire share capital. In this case, the tender offer must be made within three months from the date on which the 30% threshold was exceeded and the rules relating to the determination of the equitable price will apply. However, the obligation to launch a tender offer will not apply if, within three months from the date on which the threshold of 30% of the voting rights was exceeded, such shareholder disposes of such number of shares as necessary to reduce the voting rights in excess of 30% or waives the voting rights attached to its Loyalty Shares in excess of 30% of the voting rights.

A person or entity is deemed to have control over a target company, either individually or jointly with other parties acting in concert, whenever:

- it acquires, directly or indirectly, a percentage of the company's voting rights equal to or greater than 30%; or
- it has acquired a percentage that is less than 30% of the company's voting rights and appoints, during the 24-month period following the date of acquisition of said percentage, a number of directors that, together with those already appointed by it (if any), represents more than half of the members of the target company's board of directors. The Spanish regulation on tender offers also sets forth certain situations where directors are deemed to have been appointed by the bidder or persons acting in concert therewith unless evidence to the contrary is provided.

For the purposes of calculating the percentages of voting rights acquired, the Spanish regulation establishes the following rules:

- percentages of voting rights corresponding to: (i) companies belonging to the same group as the bidder; (ii) directors of the bidder or of companies of its group (unless evidence to the contrary is provided); (iii) persons acting in concert with or on behalf of the bidder; (iv) voting rights that may be exercised freely and over an extended period by the bidder under proxy granted by the actual holders or owners of such rights, in the absence of their specific instructions with respect thereto; and (v) shares held by a nominee (such nominee being a third-party whom the bidder totally or partially covers against the risks related to acquisitions or transfers of the shares or the possession thereof), will be deemed to be held by the bidder;
- both the voting rights arising from the ownership of shares and those held under an usufruct or pledge or under any other contractual title, will also be deemed to be held by the bidder;
- the percentage of voting rights shall be calculated based on the entire number of the company's shares with voting rights, even if the exercise of such rights has been suspended. Treasury stock held directly or indirectly by the target company (according to the information available on the date of calculation of the percentage of voting rights held by the bidder) shall be excluded from the calculation. Non-voting shares shall be taken into consideration only when they carry voting rights pursuant to applicable law; and
- acquisitions of securities or other financial instruments that entitle the holder to the subscription, conversion, exchange or acquisition of shares that carry voting rights will not result in the obligation to launch a tender offer until such subscription, conversion, exchange or acquisition occurs.

Notwithstanding the foregoing, upon the terms established in the applicable Spanish regulation on tender offers, the CNMV will conditionally exempt a person or entity from the obligation to launch a mandatory bid when another person or entity not acting in concert with the potential bidder, directly or indirectly holds an equal or greater voting percentage in the target company.

Spanish regulations establish certain exceptions where control is obtained but no mandatory tender offer is required, including, among others:

- Subject to the CNMV's approval, acquisitions or other transactions resulting from the conversion or capitalization of claims/debts into shares of listed companies if their financial survival is subject to serious and imminent danger provided that such transactions are intended to ensure the company's financial recovery in the long-term. The approval of the CNMV will not be required if the acquisition takes place in the context of a refinancing agreement under the Spanish Insolvency Act approved by Royal Legislative Decree 1/2020, of May 5 (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*), as amended (the "**Spanish Insolvency Act**").
- In the event of a merger, provided that those acquiring control did not vote in favor of the merger at the relevant general shareholders' meeting of the offeree company and provided also that it can be shown that the primary purpose of the transaction is not the takeover but an industrial or corporate purpose.
- When control has been obtained after a voluntary bid for all of the securities, if either the bid has been made at an equitable price or has been accepted by holders of securities representing at least 50% of the voting rights to which the bid was directed (excluding voting rights already held by the bidder and those belonging to shareholders who entered into an agreement with the bidder regarding the tender offer).

The price of the mandatory tender offer is deemed to be equitable when it is at least equal to the highest price paid or agreed by the bidder or any person acting in concert therewith for the same securities during the 12 months preceding the announcement of the tender offer. Other rules used to calculate such equitable price are set forth in the applicable Spanish regulation. However, the CNMV may change the price determined

pursuant to said rules in certain circumstances (extraordinary events affecting the price, evidence of market manipulation, deterioration of the target company's financial position etc.).

Mandatory offers must be launched as soon as possible and in any event within one month from the acquisition of control of the target company.

Voluntary tender offers may be launched in those cases in which a mandatory offer is not legally required. Voluntary offers are subject to the same rules established for mandatory offers except for the following:

- they may be subject to certain conditions (such as amendments to the bylaws or adoption of certain resolutions by the general shareholders' meeting of the target company, acceptance of the offer by a minimum number of shares of the target company, approval of the offer by the general shareholders' meeting of the bidder; and any other condition deemed by the CNMV to be in accordance with law), provided that the fulfilment of such conditions may be verified by the end of the offer acceptance period; and
- they may be launched at a price other than an equitable price.

Notwithstanding the foregoing, if certain circumstances have occurred during the two years prior to the announcement of the offer (basically, the trading price for the shares being affected by price manipulation practices, market or share prices being affected by natural disasters, force majeure, or other exceptional events, or the target company being subject to expropriation or confiscation resulting in significant impairment of the company's real value), the price in any voluntary tender offer must be approved by the CNMV and be the higher of (i) the equitable price, and (ii) the price resulting from an independent valuation report; and, if other securities have been offered as payment, an alternative of payment in cash must also be presented.

The Spanish regulation on tender offers sets forth further relevant provisions, including, among others:

- the board of directors of the target company will be exempt from the prohibition to carry out frustrating or defensive actions against a foreign bidder provided the latter's board of directors is not subject to equivalent passivity rules and subject to prior approval by the company's general shareholders' meeting within the 18-month period before the date of the public announcement of the tender offer;
- defensive measures included in a listed company's bylaws and transfer and voting restrictions included in agreements among a listed company's shareholders will remain in place whenever the company is the target of a tender offer, unless the shareholders decide otherwise (in which case any shareholders whose rights are diluted or otherwise adversely affected shall be entitled to compensation at the target company's expense); and
- squeeze-out and sell-out rights will apply provided that following a mandatory tender offer (or as a result of a voluntary offer for all the of the target's share capital) the bidder holds shares representing at least 90% of the target company's voting share capital and the tender offer has been accepted by the holders of securities representing at least 90% of the voting rights over which the offer was launched.

PLAN OF DISTRIBUTION

General Offering Overview

We are offering a number of New Offer Shares at the Offering Price with the aim of obtaining the New Gross Proceeds (€1,250 million), and the Selling Shareholder is offering a number of Secondary Offer Shares with the aim of obtaining the Secondary Gross Proceeds (€1,360 million). However, prior to executing the Underwriting Agreement, we and the Selling Shareholder may elect to amend the New Gross Proceeds and/or the Secondary Gross Proceeds intended to be obtained through the Offering in which case we will report such amendment to the CNMV through the publication of an inside information notice (*comunicación de información priviligiada*).

In addition, the Selling Shareholder will grant an Over-allotment Option to the Joint Global Coordinators, exercisable by the Stabilising Manager, acting on behalf of the Joint Global Coordinators, no later than 30 calendar days after the date on which the Class B Shares commence trading on the Spanish Stock Exchanges, to purchase Over-allotment Shares at the Offering Price, representing approximately up to 15% of the Initial Offer Shares, which may result in the Selling Shareholder obtaining additional gross proceeds up to approximately €390 million (the "**Over-allotment Gross Proceeds**" and, together with the New Gross Proceeds and Secondary Gross Proceeds, the "**Gross Proceeds**"), solely to cover over allotments of Class B Shares in the Offering, if any, and short positions resulting from stabilisation transactions, if any. Based on the lower end of the Offering Price Range, and assuming the Over-allotment Option is exercised in full, the number of Over-allotment Shares will be 17,727,272.

The Underwriting Agreement and the Underwriters

We, the Selling Shareholder and the Underwriters are expected to enter into an underwriting agreement (the "**Underwriting Agreement**") on or about April 30, 2024 with respect to the Initial Offer Shares and the Over-allotment Shares (if any) being issued by us or sold by the Selling Shareholder, as the case may be, upon the finalization of the book-building period (expected to be on or about April 30, 2024). Subject to the satisfaction of certain conditions and on the terms set out in the Underwriting Agreement, each Underwriter will agree, severally but not jointly, nor jointly and severally, to subscribe for or to procure purchasers for, or, failing which, to subscribe or purchase such percentage of the total number of Offer Shares as is set forth opposite its name in the following table:

Underwriters	**% of Offer Shares**
Goldman Sachs Bank Europe SE	32.5
J.P. Morgan SE	32.5
Banco Santander, S.A.	7.5
BofA Securities Europe SA	7.5
BNP PARIBAS	7.5
CaixaBank, S.A.	7.5
Banco Bilbao Vizcaya Argentaria, S.A.	2.5
Banco de Sabadell, S.A.	2.5
Total	**100**

To the extent that any of the Underwriters does not ultimately enter into the Underwriting Agreement, the underwriting quota of such Underwriter will be reallocated, at our sole and absolute discretion, to any of the other Underwriters. Accordingly, the actual underwriting quotas to be allocated to each Underwriter under the Underwriting Agreement may differ from those included above.

In consideration of the agreements set out in the Underwriting Agreement, we and the Selling Shareholder will pay to the Underwriters a base fee to be agreed in the Underwriting Agreement which will be a percentage of the Gross Proceeds.

In addition, we and the Selling Shareholder, at our sole discretion, may elect to pay to one or more of the Underwriters an additional incentive fee to be agreed in the Underwriting Agreement which will be a percentage of the Gross Proceeds which may be distributed amongst the Underwriters in the proportions determined at our sole and absolute discretion and the Selling Shareholder's discretion (for the avoidance of doubt, any such proportions may differ from the Underwriters' underwriting quotas). Furthermore, we will agree to reimburse the Underwriters for certain expenses in connection with the Offering.

The identity of the Underwriters and the exact number of Offer Shares to be underwritten by each Underwriter shall be determined if and when the Underwriting Agreement is entered into. We will inform the market of any amendment in the identity of the Underwriters, or in the percentage of Offer Shares to be finally underwritten by the Underwriters, through the publication of an inside information notice (*comunicación de información privilegiada*) or an other relevant information notice (*comunicación de otra información relevante*), as applicable.

The Underwriting Agreement will contain certain customary representations and warranties given by us and the Selling Shareholder to the Underwriters and will provide that the obligations of the Underwriters are subject to satisfaction of certain customary conditions precedent. The Underwriting Agreement will also provide that we will, subject to certain exceptions, indemnify the Underwriters against certain liabilities, including liabilities arising from any failure to comply with the rules and regulations of the Spanish Stock Exchanges and the CNMV, or any other requirement or statute, or regulation in any applicable jurisdiction that may be affected or related with the Offering. Also, the Underwriting Agreement may be terminated in certain circumstances (see "*—Withdrawal and Revocation of the Offering—Revocation of the Offering*" below).

Defaulted Shares

If one or more Underwriters fail to subscribe for or purchase the Offer Shares which it or they are obliged to subscribe for or purchase under the Underwriting Agreement (the "**Defaulted Shares**"), the Joint Global Coordinators will have the right, prior to the granting of the public deed of capital increase in respect of the Offering, to make arrangements for one or more of the non-defaulting Underwriters, to purchase all, but not less than all, of the Defaulted Shares in such amounts as may be agreed and upon the terms set forth in the Underwriting Agreement. If, however, the Joint Global Coordinators shall not have completed such arrangements within such period, then:

(i) if the number of Defaulted Shares does not exceed 10% of the number of Offer Shares to be subscribed for or purchased on such date, the underwriting quota of any such defaulting Underwriters will be reallocated at our sole and absolute discretion and the Selling Shareholder's discretion to the non-defaulting Underwriters or any other bank that we and the Selling Shareholder might appoint in our sole and absolute discretion after consultation with the Joint Global Coordinators; and

(ii) if the number of Defaulted Shares exceeds 10% of the number of Offer Shares to be subscribed for or purchased on such date, the respective obligations of the Underwriters to subscribe for or purchase and of the Company and the Selling Shareholder to issue and sell the Offer Shares, shall terminate without liability on the part of any non-defaulting Underwriter, and the Offering will be revoked.

The Offering

The exact number of New Offer Shares, Secondary Offer Shares and Over-allotment Shares offered in the Offering will be determined on the date of pricing (the "**Pricing Date**") in the following manner: (i) the New Offer Shares by dividing the New Gross Proceeds by the Offering Price; (ii) the Secondary Offer Shares by dividing the Secondary Gross Proceeds by the Offering Price; and (iii) the Over-allotment Shares by

dividing the Over-allotment Gross Proceeds by the Offering Price: in all three cases, rounded down to the nearest whole number of Class B Shares of the Company.

The Offering consists of a placement exclusively addressed to qualified investors in a single tranche. The Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States, except in certain transactions exempt from the registration requirements of the U.S. Securities Act. The Underwriters have advised us and the Selling Shareholder that they propose to resell the Offer Shares initially at the Offering Price (i) in the United States, through their respective selling agents, to persons reasonably believed to be QIBs (as defined in Rule 144A) in reliance on Rule 144A, and (ii) outside the United States in compliance with Regulation S. Any offer or sale of Offer Shares in reliance on Rule 144A will be made by broker-dealers who are registered as such under the Exchange Act. Until 40 days after the later of the commencement of the Offering and the last transaction date of the Offering, any offer or sale of Offer Shares that is made in the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if made otherwise than in accordance with Rule 144A or another available exemption from registration under the Securities Act. See "*Selling and Transfer Restrictions*".

Other than the Offer Shares, no other Class A Shares or Class B Shares will be simultaneously offered for purchase or subscription by investors or created for admission to trading in the context of the Offering.

Conversion of Class A Shares into Class B Shares for the purposes of the sale of the Offer Shares in the Offering and the Additional Conversion and Share Capital Reduction

On April 16, 2024 our Board of Directors approved the relevant resolutions to implement (i) the conversion of Class A Shares into Class B Shares in the necessary number for the Selling Shareholder to obtain the Secondary Gross Proceeds through the sale of Secondary Offer Shares and the corresponding share capital reduction to give effect to such conversion; (ii) the conversion of Class A Shares into Class B Shares in the necessary number for the Selling Shareholder to grant the Over-allotment Option, and the corresponding share capital reduction to give effect to such conversion; and (iii) the Additional Conversion, and the corresponding share capital reduction to give effect to the Additional Conversion.

We expect to publish the resolutions of the Board of Directors referred to in our previous paragraph in the Commercial Registry Official Gazette on or around April 22, 2024.

On the Operation Date, we will grant before a Spanish notary public deeds (A) of share capital reduction for a total amount equal to the amount resulting from multiplying (i) the aggregate number of Secondary Offer Shares, Over-allotment Shares and Class B Shares resulting from the Additional Conversion by (ii) the difference between the nominal value of Class A Shares and Class B Shares (€0.24) (the "**Share Capital Reduction**"), and (B) giving effect to the corresponding conversion of such aggregate number of Class A shares in Class B shares, in accordance with the conversion mechanics set out in the Company's Bylaws (the "**Public Deeds of Conversion and Share Capital Reduction**"). The Share Capital Reduction shall be made against voluntary reserves, by means of the creation of a non-distributable voluntary reserve to avoid any creditor opposition rights pursuant to section 335 c) of the Spanish Companies Act. For more detail on the conversion mechanics, please see "*Description of Share Capital—Rights of Class A Shares and Class B Shares—Right to convert Class A Shares into Class B Shares*".

The Public Deeds of Conversion and Share Capital Reduction in respect of the Secondary Offer Shares and the Over-allotment Shares will be registered with the Barcelona Commercial Registry on the Operation Date. On the same date, following registration, a certificate including the details of the Public Deeds of Conversion and Share Capital Reduction in respect of the Secondary Offer Shares and the Over-allotment Shares duly signed by an authorized signatory, will be delivered to the CNMV, and a notarial testimony of the Public Deeds of Conversion and Share Capital Reduction in respect of the Secondary Offer Shares and the Over-allotment Shares duly registered, will be delivered to Iberclear and the Spanish Stock Exchanges.

Tentative calendar of the Offering

We expect that the Offering will take place according to the tentative calendar set out below:

Event	Estimated Date [(1)]
Approval and registration of this Prospectus with the CNMV	April 18, 2024
Commencement of the book-building period in which non-binding proposals are made by qualified investors	April 19, 2024
Finalization of the book-building period	April 30, 2024
Setting of the Offering Price	April 30, 2024
Execution of the Underwriting Agreement	April 30, 2024
Publication of the Offering Price and the final size of the Offering through a communication of inside information (*comunicación de información privilegiada*)	April 30, 2024
Allocation of Initial Offer Shares to investors: Transaction Date	April 30, 2024
Prefunding of the New Offer Shares by the Joint Global Coordinators	May 2, 2024
Granting of the public deed of capital increase in respect of the New Offer Shares	May 2, 2024
Granting of the Public Deeds of Conversion and Share Capital Reduction (as defined below) in respect of the Secondary Offer Shares and the Over-allotment Shares	May 2, 2024
Granting of the Public Deed of Conversion and Share Capital Reduction in respect of the Additional Conversion	May 2, 2024
Granting of the public deeds of capital increase in respect of the New Minority Shareholders Shares	May 2, 2024
Filing and registration of the Public Deeds of Conversion and Share Capital Reduction in respect of the Secondary Offer Shares and the Over-allotment Shares and the public deed of share capital increase in respect of the New Offer Shares with the Commercial Registry of Barcelona	May 2, 2024
Filing of the Public Deed of Conversion and Share Capital Reduction in respect of the Additional Conversion with the Commercial Registry of Barcelona	May 2, 2024
Filing of the public deeds of the share capital increases in respect of the New Minority Shareholders Shares with the Commercial Registry of Barcelona	May 2, 2024
Operation Date of the Offering and publication of an other relevant information notice (*comunicación de otra información relevante*)	May 2, 2024
Admission, start of trading and commencement of Stabilisation Period (as defined below) and of the Over-allotment Option exercise period (on or about)	May 3, 2024
Settlement Date (on or about)	May 6, 2024
End of Stabilisation Period and of the Over-allotment Option exercise period [(2)]	June 1, 2024

Notes: —

(1) Each of the dates included in the above tentative calendar is subject to change without prior notice. Any change, including in particular any shortening or lengthening of the book-building period, will be made public by means of publishing the corresponding inside information notice (*comunicación de información privilegiada*) or an other relevant information notice (*comunicación de otra información relevante*) with the CNMV.

(2) The Over-allotment Option will be exercisable, in whole or in part, for a period of 30 calendar days from the date of the Admission.

Investors will be contractually bound to purchase or subscribe for the Initial Offer Shares upon allocation, which is expected to take place on April 30, 2024 (the "**Transaction Date**").

Notwithstanding the above, on the operation date (*fecha de operación bursátil*) (the "**Operation Date**"), expected to be on or about May 2, 2024, investors' purchase orders will be processed via the Spanish Stock Exchanges and Iberclear. Assuming the Underwriters have not exercised the termination rights contained in the Underwriting Agreement, investors shall be entitled to receive the Initial Offer Shares purchased or subscribed for in the Offering. We will make public the result of the Offering through an inside information

notice (*comunicación de información privilegiada*) reported to the CNMV on the Transaction Date or the following business day.

In order to expedite the listing of the Class B Shares, it is expected that the Joint Global Coordinators, in their capacity as prefunding banks, will subscribe and pay for the New Offer Shares on the Operation Date, each acting in the name and on behalf of the Underwriters, and each Underwriter acting on behalf of the final investors. Payment for the New Offer Shares by the prefunding banks is expected to be made to the Company by 9:00 a.m. CET on the Operation Date in its account maintained with CaixaBank, S.A., acting as agent bank (the "**Agent Bank**"). The registered address of the Agent Bank is calle Pintor Sorolla, 2-4 46002 Valencia (Spain).

Following receipt of the subscription funds due, we shall set and close the share capital increase corresponding to the relevant number of New Offer Shares newly issued and grant the corresponding share capital increase public deed before a Spanish Notary Public, for its subsequent registration with the Barcelona Commercial Registry on the Operation Date. Following registration on such same date, a certificate including the details of the share capital increase public deed duly signed by an authorized signatory, will be delivered to the CNMV, and a notarial testimony of the public deed of the share capital increase in respect of the New Offer Shares duly registered, will be delivered to Iberclear and the Spanish Stock Exchanges.

Following such delivery, the Agent Bank through Iberclear will inform the Joint Global Coordinators through the corresponding Iberclear participants of the relevant registration details relating to the relevant New Offer Shares issued as a result of the share capital increase and temporarily allocated to them in accordance with their pre-funding obligations.

Payment by the investors for the Initial Offer Shares, including the New Offer Shares subscribed and paid for on the Operation Date by the Joint Global Coordinators as prefunding banks, will be made no later than the second business day following the Operation Date against delivery through the facilities of Iberclear of the Initial Offer Shares to final investors, which is expected to take place on or about May 6, 2024 (the "**Settlement Date**").

We will request admission to listing and trading of the Class B Shares on the Spanish Stock Exchanges through the AQS as soon as possible following the occurrence of the milestones set out in this section. The Class B Shares are expected to be listed on the Spanish Stock Exchanges and quoted on the AQS on or about May 3, 2024, under the symbol "PUIG". If there is any delay in the Admission to listing and trading of the Class B Shares on the Spanish Stock Exchanges, we will publicly announce, via an other relevant information notice (*comunicación de otra información relevante*), such delay and expressly communicate a revised expected date of Admission.

The Offering will be conducted through a book-building process. During the book-building period, which is expected to start on or about April 19, 2024 and end on or about April 30, 2024 (both inclusive), the Underwriters will market the Initial Offer Shares among qualified investors in accordance with, and subject to, the selling and transfer restrictions set forth in this Prospectus. Investors may place their subscription and purchase proposals during this period, indicating the number of Initial Offer Shares they would be interested to acquire and the price at which they would be interested in acquiring them.

The book-building period may be reduced or extended by agreement among us, the Selling Shareholder and the Joint Global Coordinators if, in the first case, the book of demand is sufficiently covered in their view before the end of the book-building period or, in the second case, if they believe that an extension of the book-building period for up to one additional week is desirable to ensure the success of the Offering. In the event there is such a reduction or extension of the book building period, we will inform the market through the corresponding communication of inside information (*comunicación de información privilegiada*) or other relevant information notice (*comunicación de otra información relevante*) with the CNMV.

The subscription and purchase proposals of Initial Offer Shares will constitute only an indication of the interest of the investors in the Initial Offer Shares, which shall be binding neither for the investors, nor for us or the Selling Shareholder. However, the confirmation of the subscription and purchase proposals shall be irrevocable.

The Agent Bank will be responsible for, among other things: issuing a certificate confirming payment for the New Offer Shares by the prefunding banks for the purposes of notarizing the corresponding share capital increase; maintaining the Initial Offer Shares deposited in the securities accounts held with it by the Selling Shareholder until settlement of the Offering; instructing the entities participating in the Offering on the procedures applicable to its execution; receiving and processing information on the selection and confirmation of subscription and/or purchase proposals and on the allocation of the Initial Offer Shares to the final investors; arranging the allocation of the corresponding book-entry records by Iberclear, through the Spanish Stock Exchanges, and cooperating with us in the Admission process.

Irrevocable commitment of directors to purchase Initial Offer Shares

In the context of the Offering, certain of our directors have irrevocably committed to purchase Initial Offer Shares at the Offering Price in the following amounts: (i) Mr. Jordi Constans Fernández, €1.0 million; (ii) Mr. Yiannis Petrides, €0.5 million; (iii) Mr. Daniel Lalonde, €0.3 million; (iv) Mr. Patrick Chalhoub, €0.30 million; (v) Ms. Ángeles García-Poveda Morera, €0.12 million; (vi) Ms. Christine A. Mei, €0.25 million; and (vii) Mr. Nicolas Mirzayantz, €0.25 million.

The Selling Shareholder has committed to deliver Initial Offer Shares to such directors in the number resulting from dividing each of the above amounts by the Offering Price, rounded down to the nearest whole number of Class B Shares of the Company. The Initial Offer Shares to be allocated to such directors will be processed via an over-the-counter (OTC) transaction to be settled on the Settlement Date.

Additional Conversion

It is expected that the Additional Conversion will be carried out on May 2, 2024 after the execution of the share capital increase in respect of the New Offer Shares, the conversion of Class A Shares into Class B Shares in the number necessary for the Selling Shareholder to (i) obtain the Secondary Gross Proceeds through the sale of Secondary Offer Shares and (ii) grant the Over-allotment Option and the corresponding share capital reduction to give effect to such conversion and the execution of the Minority Shareholders Share Capital Increases.

We will apply to have the Class B Shares resulting from the Additional Conversion admitted to listing on the Spanish Stock Exchanges for trading through the AQS (on the same date or in the dates immediately following the application to listing of the Offer Shares), once the Public Deed of Conversion and Share Capital Reduction in respect of the Additional Conversion is registered with the Commercial Registry of Barcelona (the exact date will depend on the relevant deed being registered with the Commercial Registry of Barcelona in the ordinary course of business).

Minority Shareholders Share Capital Increases

On April 16, 2024 our general shareholders' meeting approved the Minority Shareholders Share Capital Increases. It is expected that the execution of the Minority Shareholders Share Capital Increases will be carried out on May 2, 2024 after the execution of the share capital increase in respect of the New Offer Shares and the conversion of Class A Shares into Class B Shares in the number necessary for the Selling Shareholder to (i) obtain the Secondary Gross Proceeds through the sale of Secondary Offer Shares and (ii) grant the Over-allotment Option and the corresponding share capital reduction to give effect to such conversion. We will apply to have the New Minority Shareholders Shares admitted to listing on the Spanish Stock Exchanges for trading through the AQS (on the same date or in the dates immediately following the application to listing of the Offer Shares), once the public deeds of capital increase in respect of the New Minority Shareholders Shares are registered with the Commercial Registry of Barcelona (the exact date will depend on the relevant deed being registered with the Commercial Registry of Barcelona in the ordinary course of business). The Minority Shareholders Share Capital Increases are not part of the Offering, they are not subject to any underwriting commitment by the Managers or otherwise and neither the Offering nor the Admission will be conditional upon the execution of the Minority Shareholders Share Capital Increases or the admission to listing of the New Minority Shareholders Shares. Accordingly, any breach of the terms of the Minority Shareholders Transactions will not result in the termination of the Underwriting Agreement or the revocation of the Offering. For more

detail on these share capital increases, please see "*Principal and Selling Shareholder—Minority Shareholders Transactions*".

Pricing of the Offering

Prior to the Offering, there has been no public market for the Class B Shares or the Class A Shares.

Offering Price Range

The indicative and non-binding Offering Price Range is €22.0 to €24.5 per Offer Share. The Offering Price Range has been determined by us and the Selling Shareholder in consultation with the Joint Global Coordinators, and no independent experts were consulted in determining the Offering Price Range.

The Offering Price Range is indicative only and may change during the course of the Offering. Therefore, the Offering Price may be higher or lower than the Offering Price Range. There can be no assurance that the prices at which the Offer Shares will sell in the public market after the Offering will not be lower than the Offering Price Range or that an active trading market in the Offer Shares will develop and continue after the Offering. See "*Risk Factors—6. Risks relating to the Offer Shares and the Offering*".

We may, by agreement with the Joint Global Coordinators, modify the Offering Price Range at any time prior to the Pricing Date, which will be reported to the CNMV through an inside information notice (*comunicación de información privilegiada*) no later than one business day following the date on which the decision is taken.

Offering Price, the New Gross Proceeds, the Secondary Gross Proceeds and the number of Offer Shares

The Offering Price will be determined by us and the Selling Shareholder in consultation with the Joint Global Coordinators upon the finalization of the book-building period (expected to be on or about April 30, 2024). The abovementioned date is indicative and may be advanced or delayed by the Company and the Selling Shareholder, in agreement with the Joint Global Coordinators, following the extension or shortening of the book-building period. No independent experts will be consulted in determining the Offering Price.

The Offering Price, the New Gross Proceeds, the Secondary Gross Proceeds and the number of New Offer Shares, Secondary Offer Shares and Over-allotment Shares will be announced through an inside information notice (*comunicación de información privilegiada*) reported to the CNMV as soon as practicable after the execution of the Underwriting Agreement (expected to be on or about April 30, 2024).

Expenses and taxes charged to the investor

Investors in the Offer Shares (i) may be required to pay stamp taxes and other charges in compliance with the laws and practices of their country of residency in addition to the Offering Price, and (ii) will have to bear the commissions payable to the financial intermediaries through which they will hold the Offer Shares, including those commissions related to the administration and security custody which are freely set by the relevant financial intermediaries and notified to the CNMV or the Bank of Spain, as the case may be.

We and the Selling Shareholder will not charge investors any expenses in addition to the Offering Price.

Withdrawal and Revocation of the Offering

Withdrawal of the Offering

We and the Selling Shareholder expressly reserve the right to withdraw the Offering, postpone it, defer it or suspend it temporarily or indefinitely for any reason at any time before the setting of the Offering Price. We will notify the CNMV, the Agent Bank and the Joint Global Coordinators of the withdrawal of the Offering on the date that the withdrawal takes place or as soon as practicable thereafter, which will be announced through an other relevant information notice (*comunicación de otra información relevante*).

Revocation of the Offering

The Offering will be revoked:

(A) if the Underwriting Agreement is not executed on or before 3:00 a.m. CET on the date after the date the Offering Price is set (such date of setting the Offering Price expected to be on April 30, 2024) or any other date as may have been duly notified to the CNMV if the book-building period is shortened or extended;

(B) if the Underwriting Agreement is terminated by the Joint Global Coordinators on behalf of the Underwriters, prior to the time of registration of the notarial deed of the capital increase relating to the issue of the New Offer Shares with the Commercial Registry of Barcelona upon the occurrence of any of the following events set forth in the Underwriting Agreement, provided always that the effect of any of the below events, individually or taken together with any other such events, is so material and adverse as to make it impracticable or inadvisable to proceed with the Offering:

(i) there has been, in the good faith judgment of the Joint Global Coordinators, a breach by us or the Selling Shareholder of any of the representations and warranties contained in the Underwriting Agreement or any of the representations and warranties of us or the Selling Shareholder contained in the Underwriting Agreement is not, or has ceased to be, true and accurate, or there has been a material breach by us or the Selling Shareholder of any of the undertakings given in the Underwriting Agreement;

(ii) since the time of execution of the Underwriting Agreement, there has been, in the good faith judgment of the Joint Global Coordinators, a material adverse change, or any development reasonably likely to result, individually or in the aggregate, in a material adverse change, in the business, financial condition, results of operations, prospects or assets of us or the Group (a "**Material Adverse Change**");

(iii) the application for admission to listing of the Class B Shares is rejected or withdrawn by the CNMV or any other authority suspends or revokes any necessary approval for the Offering;

(iv) there has occurred (i) any material adverse change in the financial markets in Spain, the United States, the United Kingdom or in any member state of the EEA, or the international financial markets, (ii) any outbreak of hostilities or escalation thereof and/or act of terrorism or other calamity or crisis (including material escalation of any pandemic or similar global health crisis) or (iii) any change or development involving a prospective change in national or international political, financial or economic conditions, or currency exchange rates;

(v) if trading generally on the Spanish Stock Exchanges, the London Stock Exchange, the New York Stock Exchange or in the NASDAQ System has been suspended or limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the regulatory authorities of Spain, the United States, the United Kingdom or any other governmental or self-regulatory authority, or a material disruption has occurred in commercial banking or securities settlement, payment or clearance services in Spain, the United States or the United Kingdom;

(vi) a moratorium on banking activities has been declared by the competent authorities of any of the European Union, Spain, the United States, the State of New York, the United Kingdom or any member state of the EEA;

(vii) any new law or regulation or any change in existing law or regulation, or any change in the interpretation or application thereof by any court or other competent authority in or affecting Spain, the United Kingdom and/or the United States, which, in the good faith judgment of the Joint Global Coordinators acting unanimously, (i) is materially adverse to, or is likely to materially and prejudicially affect, our business or our financial or trading position or our prospects, (ii) makes, or is likely to make, it impracticable or impossible to market the Initial

Offer Shares or enforce contracts for the issue or sale of the Initial Offer Shares, or (iii) is likely to result in the successful completion of the Offering being prejudiced;

(viii) if a prospectus supplement is published that seeks to correct any untrue statement of a material fact or omission, to state a material fact necessary so the Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(ix) there has been, in the good faith judgment of the Joint Global Coordinators, a breach by us or the Selling Shareholder of any of the conditions precedent to the Underwriters' obligations under the Underwriting Agreement (as these conditions are provided for in the Underwriting Agreement);

(C) if the Offering is suspended or withdrawn by any judicial or administrative authority; or

(D) if the Class B Shares are not admitted to listing on the Spanish Stock Exchanges before 11:59 p.m. CET of May 31, 2024.

The termination rights set forth in (B) above are subject to the Joint Global Coordinators (acting on behalf of the Underwriters) acting unanimously and in good faith, after consultation with us and the Selling Shareholder to the extent practicable in the specific circumstances.

The fact that the Offering has been revoked will be announced through an inside information notice (*comunicación de información privilegiada*) reported to the CNMV.

In the event of withdrawal or revocation of the Offering, all offers to subscribe or purchase shall be cancelled and all subscription or purchase orders related to the Offering shall be terminated. We will have no obligation to issue and deliver the New Offer Shares, the Selling Shareholder will have no obligation to deliver the Secondary Offer Shares and the investors (including for the purposes of this section, the Joint Global Coordinators in the name and on behalf of the Underwriters, and each Underwriter in the name and on behalf of the final investors) will have no obligation to subscribe for or purchase, as the case may be, the Initial Offer Shares.

If the New Offer Shares have already been issued and paid for by investors before termination of the Offering, then (i) investors would be required to return title to the New Offer Shares to us, (ii) we will repurchase from the holders of the New Offer Shares such New Offer Shares that have been issued and paid, and (iii) we will reduce our share capital and cancel the New Offer Shares. We will repurchase the New Offer Shares at the Offering Price, together with interest calculated at the statutory rate (*interés legal*, currently set at 3.25%) from the date on which the investors paid for the New Offer Shares until the date on which we repay the subscription price.

If the Secondary Offer Shares have already been delivered by the Selling Shareholder and paid by the investors before termination of the Offering, then (i) the investors would be required to return title to the Secondary Offer Shares to the Selling Shareholder, and (ii) the Selling Shareholder will repurchase from the holders of the Secondary Offer Shares such Secondary Offer Shares that have been delivered and paid. The Selling Shareholder will repurchase the Secondary Offer Shares at the Offering Price, together with interest calculated at the statutory rate (*interés legal*, currently set at 3.25%) from the date on which the investors paid for the Secondary Offer Shares until the date on which the Selling Shareholder repay the purchase price.

Simultaneously to the issuance of the subscription or purchase proposals, the investors subscribing or purchasing Initial Offer Shares shall be deemed to have consented to the repurchase of the Initial Offer Shares. The Underwriters will expressly consent to such repurchase under the Underwriting Agreement.

Publication of a supplement

Pursuant to Article 23 (1) and (2) of the Prospectus Regulation, a supplement to this Prospectus will be published if a significant new factor, material mistake or material inaccuracy relating to the information contained in the Prospectus which may affect the assessment of the Offer Shares, arises or is noted between

the date of approval of the Prospectus and the closing of the offer period (expected to occur on the Operation Date) or the Admission, whichever occurs later. Investors who have already subscribed for or purchased Offer Shares before such supplement is published, shall have the right, exercisable within two business days after the publication of such supplement, to withdraw their orders by written notice to the Underwriters, *provided that* the significant new factor, material mistake or material inaccuracy referred to above arose or was noted before the closing of the offer period (expected to occur on the Operation Date).

Authorizations of the Offering

On April 5, 2024, our general shareholders' meeting resolved to apply for Admission.

On April 16, 2024, our general shareholders' meeting resolved to carry out the Offering and granted the Board of Directors the necessary authority to (i) execute the issuance of the New Offer Shares pursuant to a share capital increase and delegate this authority to our chairman and vice chairman, and (ii) offer for sale the Secondary Offer Shares, on behalf of the Selling Shareholder (pursuant to the resolutions of the general shareholders' meeting and the board of directors of the Selling Shareholder dated April 16, 2024), as contemplated in the Offering.

On April 16, 2024 our Board of Directors approved the relevant resolutions to (i) issue the New Offer Shares and grant our chairman and vice chairman the necessary authority to execute the issuance of the New Offer Shares pursuant to a share capital increase; (ii) implement (a) the conversion of Class A Shares into Class B Shares in the necessary number for the Selling Shareholder to obtain the Secondary Gross Proceeds through the sale of Class B Shares in the Offering, and the corresponding share capital reduction to give effect to such conversion; and (b) the conversion of Class A Shares into Class B Shares in the necessary number for the Selling Shareholder to grant the Over-allotment Option, and the corresponding share capital reduction to give effect to such conversion; and (iii) offer for sale the Secondary Offer Shares, on behalf of the Selling Shareholder.

In addition, pursuant to the authority granted by our general shareholders' meeting, on April 16, 2024, our Board of Directors established the Offering Price Range and the range of the Offer Shares to be offered in the context of the Offering.

For the avoidance of doubt, no application has been made or is currently intended to be made for the Class B Shares to be admitted to listing or trading on any exchange other than the Spanish Stock Exchanges and the AQS.

No pre-emptive subscription and/or acquisition rights are applicable in relation to the Offering, taking into account that all of our current shareholders have irrevocably waived their pre-emptive subscription rights over the New Offer Shares, and that no pre-emptive acquisition rights apply to the transfer of the Secondary Offer Shares and Over-allotment Shares.

The Offering shall not be subject to any administrative approval or authorization besides the regime applicable to the approval by the CNMV of this document as a "prospectus" for the purposes of the Offering and the Admission in accordance with the Prospectus Regulation.

We will publish any change in the expected date for Admission through an other relevant information notice (*comunicación de otra información relevante*) reported to the CNMV.

Stabilisation

In connection with the Offering, Goldman Sachs Bank Europe SE, or any of its agents, as stabilising manager (the "**Stabilising Manager**"), acting on behalf of the Underwriters, may (but will be under no obligation to) to the extent permitted by applicable law, engage in transactions that stabilise, support, maintain or otherwise affect the price, as well as over-allot Class B Shares or effect other transactions, all with a view to supporting the market price of the Class B Shares at a level higher than that which might otherwise prevail in the open market. Any stabilisation transactions shall be undertaken in accordance with applicable laws and regulations, in particular, MAR and Regulation 2016/1052.

The stabilisation transactions shall be carried out in the Spanish Stock Exchanges through the AQS for a maximum period of 30 calendar days from Admission (the "**Stabilisation Period**"), provided that trading is carried out in compliance with the applicable rules, including any rules concerning public disclosure and trade reporting. The Stabilisation Period is expected to commence on May 3, 2024 and end no later than June 1, 2024.

For this purpose, the Stabilising Manager may carry out an over-allotment of Class B Shares in the Offering, which may be covered by the Underwriters pursuant to one or several securities loans granted by the Selling Shareholder. The Stabilising Manager is (i) not required to enter into such transactions; and (ii) such transactions may be effected on a regulated market and may be taken at any time during the Stabilisation Period. However, neither the Stabilising Manager nor any of its agents are under any obligation to effect stabilising transactions and there is no assurance that the stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice, without prejudice to the duty to give notice to the CNMV of the details of the transactions carried out under Regulation 2016/1052. In no event will measures be taken to stabilise the market price of the Class B Shares above the Offering Price. In accordance with Article 5.5 of MAR and Article 6.2 of Regulation 2016/1052, the details of any stabilisation transaction will be notified by the Stabilising Manager to the CNMV no later than closing of the seventh daily market session following the date of execution of such a stabilisation transaction.

The maximum number of Over-allotment Shares over which the Over-allotment Option may be exercised by the Stabilising Manager shall be reduced by the number of Class B Shares that have been acquired in the market by the Stabilising Manager in the context of the stabilisation transaction by the end of the Stabilisation Period.

Additionally, in accordance with Articles 5.4 and 5.5 of MAR and Article 6.3 of Regulation 2016/1052, the following information will be disclosed to the CNMV by the Stabilising Manager within one week of the end of the Stabilisation Period: (i) whether or not stabilisation transactions were undertaken; (ii) the date on which stabilisation transactions started; (iii) the last date on which stabilisation transactions occurred; and (iv) the price range within which any stabilisation transactions were carried out, for each of the dates during which stabilisation transactions were carried out.

Liquidity Providers

There are no entities which have a firm commitment to act as intermediaries in secondary trading providing liquidity through bid and offer rates.

Over-allotment Option

The Selling Shareholder will grant to the Joint Global Coordinators, acting on behalf of the Underwriters, acting severally but not jointly, an option to purchase the Over-allotment Shares at the Offering Price. The Over-allotment Option is exercisable by the Joint Global Coordinators, on behalf of the Underwriters, upon notice to the Selling Shareholder, on one occasion, in whole or in part, only for the purpose of covering over-allotments (if any) and to cover any short positions resulting from stabilisation transactions, no later than 30 calendar days after the date on which the Class B Shares commence trading on the Spanish Stock Exchanges. This Stabilisation Period is expected to commence on May, 3 2024 and end on June 1, 2024. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Initial Offer Shares, including for all dividends and other distributions declared, made or paid on the Initial Offer Shares, if any, will be purchased on the same terms and conditions as the Initial Offer Shares being issued or sold in the Offering and will form a single class for all purposes with the other Class B Shares.

The exercise of the Over-allotment Option is not subject to any conditions and will be notified by means of the corresponding other relevant information notice (*comunicación de otra información relevante*) including the date in which the Over-allotment Option will be exercised together with the number of Over-allotment Shares.

Lock-up

Company lock-up

We will agree that during a period from the date on which the Underwriting Agreement is executed to and including 180 calendar days from Admission, neither us nor any of our subsidiaries nor any person acting on our or their behalf (other than the Underwriters and the Selling Shareholder and its affiliates, as to whom we will give no undertaking) will, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed:

(i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Class A Shares, Class B Shares or any other shares or equity security of the Company, or any securities convertible into or exercisable or exchangeable for Class A Shares, Class B Shares or any other shares or equity security of the Company or file any prospectus under the Prospectus Regulation or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing;

(ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Class A Shares or Class B Shares or any other shares or equity security of the Company; or

(iii) enter into any other transaction with the same economic effects as (i) and (ii) above, or agree to do or announce or otherwise publicize the intention to do any of the foregoing,

whether any such transaction or swap described in (i), (ii) or (iii) above are to be settled by delivery of Class A Shares or Class B Shares or any securities convertible into or exercisable or exchangeable for Class A Shares or Class B Shares or any other shares or equity security of the Company, in cash or otherwise.

The foregoing obligations shall not apply to (a) the sale of the New Offer Shares to be sold in the Offering; (b) transfers of Class A Shares or Class B Shares or any other shares or equity security of the Company in favor of our subsidiaries; (c) issuances and transfers of Class A Shares or Class B Shares or any other shares or equity security of the Company as consideration in an existing or future merger or acquisition transaction undertaken by us; (d) transfers of Class B Shares as a result of the operation of a liquidity agreement entered into by us with an authorized dealer or broker pursuant to CNMV Circular 1/2017, of April 26; (e) issuances, offers or transfers of shares or the grant or exercise of options or other rights related to Class A Shares or Class B Shares or any other shares or equity security of the Company under our management and employees' share and incentive schemes as disclosed in this Prospectus; or (f) transfer of Class A Shares or Class B Shares or any other shares held as treasury stock in the context of a tender offer for the acquisition of the Company; or (g) transfers of Class A Shares or Class B Shares required by law. It is agreed that the carve-out set in limbs (b) and (c) above is subject to the following conditions: (x) that such transferees shall, prior to the relevant transfer, agree to be bound by the lock-up obligations of us as set forth in the Underwriting Agreement for the remainder of such 180-day period, and (y) that any such inter-company transfers of Class A Shares or Class B Shares shall be performed on terms and conditions that do not conflict with the Offering.

Selling Shareholder lock-up

The Selling Shareholder will agree that during a period from the date on which the Underwriting Agreement is signed to and including 180 calendar days from Admission, neither the Selling Shareholder nor any of its subsidiaries nor any person acting on its behalf (other than us and our subsidiaries, as to whom the Selling Shareholder will give no undertaking) will, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed,

(i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Class A Shares or Class B Shares of the Company, or any securities convertible into or exercisable or exchangeable for Class A Shares or Class B Shares of the Company or file any prospectus under the Prospectus Regulation or any similar document with

any other securities regulator, stock exchange or listing authority with respect to any of the foregoing;

(ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Class A Shares or Class B Shares of the Company; or

(iii) enter into any other transaction with the same economic effects as (i) and (ii) above, or agree to do or announce or otherwise publicize the intention to do any of the foregoing,

whether any such transaction or swap described in (i), (ii) or (iii) above is to be settled by delivery of Class A Shares or Class B Shares or any securities convertible into or exercisable or exchangeable for Class A Shares or Class B Shares, in cash or otherwise.

The foregoing obligations shall not apply to (a) the sale of the Secondary Offer Shares to be sold in the Offering; (b) any Class B Shares held by the Selling Shareholder as may be lent by it to the Stabilising Manager pursuant to the stock lending agreement to be entered between the Selling Shareholder and the Stabilising Manager; (c) transfers of Class A Shares or Class B Shares or any other shares or equity security of the Company by the Selling Shareholder in favor of its subsidiaries or an affiliate or shareholder; (d) transfer of Class A Shares or Class B Shares or any other shares or equity security of the Company in the context of a tender offer for the acquisition of the Company and/or the delivery of an irrevocable undertaking to tender Class A Shares or Class B Shares or any other shares or equity security of the Company in such a tender offer; (e) the sale of the Over-allotment Shares in the event the Over-allotment Option is exercised; and (f) any disposal of Class B Shares pursuant to any offer by the Company to purchase its own securities which is made on identical terms to all holders of Class B Shares. It is agreed that the carve-out set in limb (c) above is subject to the following conditions: (x) that such transferees shall, prior to the relevant transfer, agree to be bound by the lock-up obligations of the Selling Shareholder as set forth in the Underwriting Agreement for the remainder of such 180-day period, and (y) that any such inter-company transfers of Class A Shares or Class B Shares or any other shares or equity security of the Company shall be performed on terms and conditions that do not conflict with the Offering.

The lock-up restrictions of the Selling Shareholder will not apply to transactions relating to Class B Shares acquired by the Selling Shareholder, any of its respective affiliates (other than the Company and its subsidiaries) or any person acting on its behalf in open market purchases following the consummation of the Offering.

Other lock-up restrictions

Our directors, Senior Officers and those employees of the Company that hold Class B Shares (see "*Principal and Selling Shareholder*") will be subject to lock-up restrictions vis-à-vis the Underwriters (except in the case of other employees' lock-up restrictions which will be vis-à-vis the Company) for a period of 365 days after Admission, with respect to the Class B Shares or any other shares or equity security of the Company held as of the date of this Prospectus and the Class B Shares that would be held by some of our directors as a result of their irrevocable commitment to purchase Initial Offer Shares at the Offering Price described above (see "*—The Offering—Irrevocable commitment of directors to purchase Initial Offer Shares*").

For those Senior Officers and employees that have incurred in indebtedness to acquire and/or receive the Class B Shares under the Former Incentive Plans (See "*Board of Directors and Management—Management incentive plans*"), the period of the lock-up restrictions mentioned above will be 180 days only with respect to the number of Class B Shares necessary to (i) reduce their level of indebtedness incurred in relation to the acquisition of Class B Shares under the Former Incentive Plans to five times its 2023 annual base salary; and (ii) cover any tax accrued as a result of the sale of such Class B Shares. Accordingly, after the date of expiration of the 180 days period and assuming that on such date the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Shares) the lock-up restriction will not apply with respect to 2,218,915 Class B Shares and the Class B Shares necessary to cover any tax accrued as a result of the sale of such Class B Shares.

The lock-up restrictions to our directors, Senior Officers and other employees will not apply to transactions relating to Class B Shares acquired by any Director, Senior Officer or other employee or any person acting on their behalf in open market purchases following the consummation of the Offering.

In addition to the above, BDT, Arctic and the Manzanita LPs will be subject to lock-up restrictions vis-à-vis the Company for a period of 180 days after Admission (for Arctic, not earlier than December 31, 2025) with respect to the New Minority Shareholders Shares that they will receive following the completion of the Minority Shareholders Share Capital Increases. See "*Principal and Selling Shareholder—Minority Shareholders Transactions*".

Other Relationships

In connection with the Offering, each of the Underwriters and any of their respective affiliates acting as an investor for its or their own account(s) may subscribe for or purchase Offer Shares as a principal position and, in that capacity, may retain, subscribe for, purchase, sell, offer to sell, contract to sell, transfer, dispose or otherwise deal for its or their own account(s) in such securities, any other of our securities or other related investments in connection with the Offering or otherwise. Accordingly, references in this Prospectus to the Offer Shares being issued, offered, subscribed, sold or otherwise dealt with should be read as including any issue or offer to, or subscription or purchase or dealing by, the Underwriters or any one of them and any of their affiliates acting as an investor for its or their own account(s). In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Class B Shares. The Underwriters do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Underwriters and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory, risk management, hedging and other services for us and/or the Selling Shareholder, for which they would have received customary fees. The Underwriters and any of their respective affiliates may provide such services to us and/or the Selling Shareholder and any of our respective affiliates in the future. In addition, the Underwriters and any of their respective affiliates may also provide risk management products to us and/or the Selling Shareholder or any parties related to us in connection with the Offering for which they could receive payment(s), earn a profit and/or suffer or avoid a loss contingent on the closing of the Offering (and the quantum of such amounts may potentially be significantly in excess of the fees earned by the relevant Underwriter for its services acting as Joint Global Coordinator, Joint Bookrunner or Co-lead Manager in connection with the Offering). In particular, before entering into the Joint Global Coordinator role, Goldman Sachs Bank Europe SE acted as sole financial adviser to the Company to assist it in the review of potential alternatives to open its capital to new investors, including by way of an initial public offering.

The Underwriters and their respective affiliates are full-service financial institutions and may have engaged in transactions with and may have performed various investment banking, commercial banking, financial advisory and other services for us and the Selling Shareholder and their respective affiliates for which they received customary fees and reimbursement of expenses, and they and their respective affiliates may provide such services for us, the Selling Shareholder and their respective affiliates in the future.

In the ordinary course of their business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) in the Company, the Selling Shareholder and their respective affiliates for their own account and/or for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. In particular, some of the Underwriters or their affiliates are lenders and/or agents under our bank borrowing facilities. A portion of the proceeds from this Offering may be used to repay indebtedness owed to the Underwriters or their affiliates under these bank borrowing facilities.

In their capacity as lenders, such Underwriters may, in the future, seek a reduction of a loan commitment to us, the Selling Shareholder or our respective affiliates, or impose incremental pricing or collateral

requirements with respect to such facilities or credit arrangements, in the ordinary course of business. In addition, certain of the Underwriters or their affiliates that have a lending relationship with us and/or the Selling Shareholder routinely hedge their credit exposure to us and/or the Selling Shareholder consistent with their customary risk management policies. A typical such hedging strategy would include these Underwriters or their affiliates hedging such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities and/or in the Selling Shareholder's securities. The Underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Certain underwriters are not registered as broker-dealer with the U.S. Securities and Exchange Commission or any other U.S. regulatory authority and will only offer or sell the Offer Shares either (i) outside the United States, or (ii) in the United States to the extent permitted by Rule 15a-6 under the U.S. Securities Exchange Act of 1934 and other applicable U.S. securities laws.

Offering Expenses

Due to the difficulty in determining the expenses incurred as of the date of this Prospectus, the following table is for illustrative purposes only and sets forth the estimated expenses payable by us and by the Selling Shareholder, in each case excluding VAT, which shall be added where applicable:

Expenses	**Company**	**Selling Shareholder**
	(€ million)	
Underwriting commissions[(1)(2)]	27.46	38.44
Iberclear fee, Spanish Stock Exchanges fee and CNMV fee [(1)]	0.26	0.36
Legal, audit expenses and other expenses (notary public, registration with Commercial Registry, legal publishing, legal and other advice, audit services)...	0.87	1.21
Total	28.58	40.02

Notes: —

(1) Assuming that the Offering Price is at the mid-point of the Offering Price Range (€23.25 per Offer Share) and the that the Over-allotment Option has been exercised in full.

(2) Assuming payment of the maximum amount of the incentive fee to the Underwriters (excluding VAT) payable by the Company and the Selling Shareholder, as applicable.

TAXATION

The tax legislation of the investor's Member State (if applicable), as well as the Spanish tax legislation may have an impact on the income received from the Class B Shares.

Material Spanish tax considerations

General

The following is a summary of certain Spanish tax implications of the acquisition, ownership and disposition of Class B Shares by Spanish and non-Spanish tax resident investors. This summary is not a complete analysis or description of all the possible Spanish tax implications of such transactions and does not purport to address all tax considerations that may be relevant to all categories of potential investors, some of whom may be subject to special rules (for instance, EU pension funds and EU harmonized mutual funds). In particular, this tax section does not address the Spanish tax consequences applicable to certain "look through" entities (such as trusts, estates or partnerships) that may be subject to a specific tax regime applicable under the Spanish Non-Residents Income Tax Act, approved by Royal Legislative Decree 5/2004 of March 5 (*Real Decreto Legislativo 5/2004, de 5 de marzo, por el que se aprueba el texto refundido de la Ley del Impuesto sobre la Renta de no Residentes*), as amended (the "**NRIT Act**") or under the Spanish Personal Income Tax Act, approved by Act 35/2006, of November 28 (*Ley 35/2006, de 28 de noviembre, del Impuesto sobre la Renta de las Personas Físicas y de modificación parcial de las leyes de los Impuestos sobre Sociedades, sobre la Renta de no Residentes y sobre el Patrimonio*), as amended (the "**PIT Act**"), or similar legislation applicable, as the case may be.

Furthermore, this summary does not take into account the regional tax regimes in force applicable in the Historical Territories of the Basque Country and the Historical Autonomous Region of Navarre or the regulations adopted by the Spanish autonomous regions.

Accordingly, prospective investors in the Class B Shares should consult their own tax advisors as to the applicable tax consequences of their purchase, ownership and disposition of Class B Shares, including the implications arising under the tax laws of any other jurisdiction, based on their particular circumstances. The description of Spanish tax laws set forth below is based on the laws currently in effect in Spain as of the date of this Prospectus, and on administrative interpretations of Spanish law made public to date. As a result, this summary is subject to any changes in such laws or interpretations occurring after the date hereof, including changes having retrospective effect.

As used in this section, the term "Holder" means an owner of Class B Shares:

- who is an individual or corporation resident for tax purposes in Spain;
- who is an individual or corporation resident for tax purposes in any country other than Spain, and whose ownership of shares is deemed to be effectively connected with a permanent establishment in Spain; or
- who is an individual or corporation resident for tax purposes in any country other than Spain, and whose ownership of shares is not deemed to be effectively connected with a permanent establishment in Spain.

Spanish Resident Individuals – Personal Income Tax ("PIT")

Taxation of dividends

Article 25.1 of the PIT Act provides for a definition of "investment income" that includes dividends and other revenue items derived from the ownership of an equity interest in an entity (such as, for instance, attendance fees at general shareholders meetings, income derived from any arrangement aimed at allowing another person to use or enjoy the shares and, generally, any other revenues obtained as a result of being a shareholder).

Investment income earned by Spanish-resident individual Holders as a result of their ownership of Class B Shares is calculated as the gross income less certain tax-deductible expenses, such as general securities administration and custody fees. Discretionary fees relating to an individualized management of a portfolio of securities are not treated as tax deductible. The resulting net investment income will be considered as "savings income" (along with any other revenues item obtained by a Spanish-resident individual Holder that is not related to the ownership of Class B Shares and that is treated as "**savings income**"), and subject to PIT at the following progressive rates:

Taxable income	Rate
Up to €6,000	19%
Between €6,000.01 and €50,000	21%
Between €50,000.01 and €200,000	23%
Between €200,000.01 and €300,000	27%
€300,000.01 and above	28%

Dividends paid to Spanish-resident individual Holders will usually be subject to a PIT withholding on investment income at a rate of 19%, on the whole amount of the income obtained. This PIT withholding will be credited against the taxpayer's annual PIT due, and if the amount of tax withheld is greater than the amount of the annual PIT due, the taxpayer will be entitled to a refund of the excess withheld in accordance with PIT Act.

Taxation of gains and losses

If the Class B Shares are sold or otherwise transferred, such transaction may give rise to the recognition of a capital gain or loss. Such capital gain or loss will be measured by the difference between the Spanish-resident individual Holders' tax basis in the Class B Shares (acquisition value) and their transfer price. Such transfer price will be based on either (i) the trading price of Class B Shares at the transfer date or (ii) the agreed transfer price, whichever is higher. Both the acquisition price and the transfer price will be increased or decreased to reflect the taxes and expenses borne by the transferor related to the acquisition and sale of Class B Shares, respectively.

Where the taxpayer owns other equivalent securities, the acquisition price of the transferred shares is based on the principle that those acquired first are sold first (FIFO).

Capital gains or losses that arise as a result of the transfer of Class B Shares should be taxed at the progressive "savings income" PIT rates mentioned under "—*Taxation of dividends*" above.

Additionally, capital gains derived from the transfer of Class B Shares are not subject to withholding tax.

Finally, losses derived from the transfer of Class B Shares cannot be considered as capital losses when equivalent shares have been acquired within the two months preceding or following the transfer that has triggered the loss. In these cases, the capital losses arising in connection with such transferred shares may only be claimed when the equivalent shares acquired by the taxpayer are subsequently transferred.

Taxation of pre-emptive rights

Distributions of pre-emptive rights to subscribe for new shares made with respect to the Class B Shares are not treated as income under Spanish law. The exercise of such pre-emptive rights is not considered a taxable event under Spanish tax.

Proceeds derived from the sale of pre-emptive rights in respect of Class B Shares will be treated as capital gains and subject to withholding tax at the current rate of 19% (withheld by the depositary entity or, otherwise, the financial entity or the public notary).

In both cases, capital gains will be subject to PIT in the manner described under "—*Taxation of gains and losses*" above.

Taxation of share premium distributions

Distributions of share premium will not in itself constitute a taxable income but will instead reduce the acquisition value of Class B Shares to the extent that they are admitted to trading on certain official stock exchanges (including the Spanish Stock Exchanges). If the amount of the share premium received exceeds the acquisition value of Class B Shares, such excess would constitute a taxable income at the progressive "savings income" PIT rates mentioned under "—*Taxation of dividends*" above. However, such distributions will not be subject to withholding tax.

Net Wealth Tax ("NWT") and Solidarity Wealth Tax for High-net-worth Individuals (the "Solidarity Tax")

Under Act 19/1991, of June 6, as amended ("**NWT Act**"), all Spanish resident individual Holders are liable for NWT on all net assets and rights deemed to be owned as of December 31 (such as the Class B Shares), irrespective of where these assets are located or where the rights may be exercised, and amounting to more than €700,000 (such amount may be lower depending on the Spanish autonomous region of domicile of the taxpayer). A Spanish resident individual Holder who is required to file a NWT return should value the Class B Shares at their average trading price in the last quarter of the year. Such average trading price is published on an annual basis by the Spanish Ministry of Finance and Public Administration.

NWT is levied at rates ranging from 0.2% to 3.5% depending on the Spanish autonomous region of domicile of the taxpayer, certain tax allowances may be available.

Spanish resident individual Holders shall also be subject to Solidarity Tax, approved by Act 38/2022, of December 27 (*Ley 38/2022, de 27 de diciembre, para el establecimiento de gravámenes temporales energético y de entidades de crédito y establecimientos financieros de crédito y por la que se crea el impuesto temporal de solidaridad de las grandes fortunas, y se modifican determinadas normas tributarias*) (the "**ST Act**"). The Solidarity Tax is a direct and personal tax that complements the NWT, in which the taxable event is a natural person's ownership of at least €3,000,000 in net assets on 31 December of each year, plus a €700,000 minimum tax-free allowance, and certain exemptions which shall be assessed on a case-by-case basis. Broadly, the same valuation rules will apply for NWT and Solidarity Tax for the purposes of assessing an individual's net wealth. Furthermore, the amount paid for Wealth Tax will be deductible from the Solidarity Tax in order to avoid double taxation.

The rates of the Solidarity Tax are (i) 1.7% on a net worth between €3,000,000 and €5,000,000, (ii) 2.1% on a net worth between €5,000,000 and €10,000,000 and (iii) 3.5% on a net worth of more than €10,000,000.

The Solidarity Tax is designed to be temporary and will remain in force for two fiscal years, although the Solidarity Tax Law includes a review clause allowing the legislator to assess whether to extend it at the end of the initial period. Prospective investors are advised to seek their own professional advice in this regard.

Inheritance and Gift Tax ("IGT")

The transfer of Class B Shares by inheritance, gift or legacy (on death or as a gift) to individuals resident in Spain is subject to IGT as set out in Act 29/1987, of December 18 (*Ley 29/1987, de 18 de diciembre, del Impuesto sobre Sucesiones y Donaciones*) (the "**IGT Act**"), being payable by the person who acquires the securities, subject to any specific laws and regulations adopted by the Spanish autonomous regions. The taxable base is taxed by application of a progressive scale. The applicable tax rate ranges from 7.65% to 34%. The resulting gross tax should be further increased by application of certain additional coefficients, which take into account the taxpayer's pre-existing net wealth, as well as his or her degree of kinship with the deceased or donor and, as the case may be, reduced by application of certain exemptions or tax allowances. The effective tax rate finally calculated can range from 0.00% to 81.6%.

Spanish Transfer Tax and Value Added Tax

The purchase of Class B Shares and any subsequent transfer thereof will be exempt from Transfer Tax and Value Added Tax, subject to the conditions set forth in Article 338 of the Spanish Securities Market Act.

Additionally, no Stamp Duty will be levied on such purchases and transfers.

The subsequent transfer of Class B Shares may be subject to Spanish FTT as detailed under "*Spanish FTT*".

Spanish corporate resident shareholders – Corporate Income Tax ("CIT")

Taxation of dividends

Spanish corporate shareholders will include dividends received in connection with shares in their taxable base, subject to a general 25% tax rate, according to Act 27/2017, of November 27 (*Ley 27/2014, de 27 de noviembre, del Impuesto sobre Sociedades*) (the "**CIT Act**"). However, this general rate will not be applicable to all corporate income taxpayers and, for instance, it will not apply to banking institutions (which will be taxed at the rate of 30%).

Dividends or profit distributions in respect of Class B Shares obtained by the Spanish corporate Holders that (i) hold, directly or indirectly, at least 5% in the Company; and (ii) hold such participation for at least one year prior to the relevant distribution date or it commits to hold the participation for the time needed to complete such one-year holding period, provided that other requirements that need to be analyzed on a case by case basis are fulfilled, will be entitled to a 95% exemption as a general rule. In practice, this means that dividends and interests in profits of a company obtained by CIT taxpayers will be taxed at an effective 1.25% rate (general 25% CIT rate on the 5% of the registered dividends and interests in profits of a company).

In case the Company obtains dividends, profit distributions or income derived from transfer of shares in entities in an amount higher than 70% of the Company's income, this exemption shall only be applicable provided that certain complex requirements are fulfilled. Mainly, Spanish corporate Holders must have an indirect stake in those entities that complies with the requirements described in the previous paragraph, unless these subsidiaries meet the conditions referred to in Article 42 of the Spanish Commercial Code to form part of the same group of companies of the direct subsidiary and they prepare consolidated annual accounts. Prospective investors should consult their own tax advisors in order to determine whether those requirements are complied with by the relevant Holders.

As a general rule, dividends will be subject to withholding tax on account of the Spanish corporate Holder's final CIT at a current rate of 19%. However, no withholding tax will apply on dividends payable to a Spanish corporate Holder who is entitled to apply the participation exemption regime mentioned above and is able to provide the necessary documentation to this respect. This CIT withholding will be credited against the taxpayer's annual CIT due, and if the amount of tax withheld is greater than the amount of the annual CIT due, the taxpayer will be entitled to a refund of the excess withheld.

Taxation of gains and losses

Gains or losses arising from the sale of Class B Shares by a Spanish corporate Holder will be included in its CIT taxable base, and shall generally be subject to CIT at a 25% rate (and 30% in case of banking institutions). Gains arising from the sale of Class B Shares will not be subject to withholding tax.

For CIT payers that (i) hold, directly or indirectly, at least 5% in the Company; and (ii) hold such participation for at least one year prior to the relevant transfer date, provided that other requirements that need to be analyzed on a case by case basis are fulfilled, capital gains will be entitled to a 95% exemption as a general rule. In practice, this means that capital gains arising on transfer of shares obtained by CIT taxpayers will be taxed at an effective 1.25% rate (general 25% CIT rate on the 5% of the registered dividends and interest in profits of a company).

Otherwise, capital gains will be taxed at the applicable tax rate of the taxpayer (as a general rule, 25%). As to losses resulting from the transfer of shares, the CIT deductibility of the losses may be subject to temporary or permanent restrictions (for instance, such tax losses would not be deductible if the capital gains obtained on such transfer would have been entitled to benefit from the Spanish participation exemption regime, indicated above).

In case the Company obtains dividends, profit distributions or income derived from transfer of shares in entities in an amount higher than 70% of the company's income, this exemption shall only be applicable provided that certain complex requirements are fulfilled. Mainly, Spanish corporate Holders must have an indirect stake in those entities that complies with the requirements described above, unless these subsidiaries meet the conditions referred to in Article 42 of the Spanish Commercial Code to form part of the same group of companies of the direct subsidiary and they prepare consolidated annual accounts. Prospective investors should consult their own tax advisors in order to determine whether those requirements are complied with by the relevant Holders.

Taxation of pre-emptive rights

Distributions to CIT taxpayer of pre-emptive rights to subscribe for new shares made with respect to the Class B Shares are not treated as income under Spanish law, provided that such pre-emptive rights are not associated to a shareholders' remuneration program. The exercise of such pre-emptive rights is not considered a taxable event under Spanish law. However, if these pre-emptive rights are transferred by a CIT taxpayer, any accounting income that may arise from the transfer will be subject to the general tax rate of, as a general rule, 25%, unless the 95% participation exemption applies with the limitations described in the previous sections.

Taxation of share premium distributions

Distributions of share premium will not in itself constitute a taxable income but will instead reduce the acquisition value of Class B Shares. If the amount of the share premium received exceeds the acquisition value of Class B Shares held by the CIT taxpayer, such excess would constitute a taxable income, generally subject to the general tax rate of 25%, unless the 95% participation exemption applies with the limitations described in the previous sections. However, such distributions will not be subject to withholding tax.

Net Wealth Tax and Solidarity Tax

Spanish resident legal entities are not subject to NWT nor to Solidarity Tax.

Inheritance and Gift tax

Lastly, in the event of an acquisition of Class B Shares by a CIT taxpayer for no consideration, an amount equivalent to the fair market value of such shares will be taxed according to the CIT rules, the IGT not being applicable.

Spanish Transfer Tax and Value Added Tax

The purchase of Class B Shares and any subsequent transfer thereof will be exempt from Transfer Tax and Value Added Tax, subject to the conditions set forth in Article 338 of the Spanish Securities Market Act.

Additionally, no Stamp Duty will be levied on such purchases and transfers.

The subsequent transfer of Class B Shares may be subject to Spanish FTT as discussed under "*Spanish FTT*".

Non-Resident shareholders which do not operate with respect to the Class B Shares through a permanent establishment in Spain – Non-residents Income Tax ("NRIT")

Taxation of dividends

According to the NRIT Act, dividends paid by a Spanish resident company to a non-Spanish tax resident Holder not holding the Class B Shares through a permanent establishment located in Spain are subject to NRIT, withheld at the source on the gross amount of dividends, currently at a tax rate of 19%.

Certain non-Spanish corporate Holders resident in a EU Member State will be entitled to an exemption from NRIT dividend withholding tax to the extent that they are entitled to the benefits of the Spanish NRIT Act provisions that implement the regime of the Directive 2011/96/EU of the Council of November 30, 2011

(the "**EU Parent-Subsidiary Directive**". Such exemption may be available to the extent that the EU parent company, which is the recipient of the dividends (i) holds, directly or indirectly, at least 5% of the shares of the Spanish subsidiary entity; (ii) necessarily holds such participation for at least one year or it holds the participation for the time needed to complete such one-year holding period (for the calculation of this term the time that the shares have been uninterruptedly possessed by other entities of the same group will be taken into account); (iii) the EU parent company is incorporated under the laws of a EU Member State, under one of the corporate forms listed in Annex I, Part A, of the EU Parent-Subsidiary Directive, and is subject to a Member State Corporate Income Tax (as listed in Annex I, Part B, of the EU Parent-Subsidiary Directive); and (iv) the dividends distributed do not derive from the Spanish subsidiary's liquidation.

This exemption contains specific anti-abuse rules (whereby this exemption might not be applicable if the Holder is located in a non-cooperative jurisdiction or when the majority of the voting rights of the EU parent company are held, directly or indirectly, by an individual or legal entity not resident in the EU or in a member country of the EEA with which there is an effective exchange of information in the terms described in the Spanish Act 36/2006, to prevent tax fraud, except if such Holder resident for tax purposes in EU or in a member country of the EEA has been incorporated for valid economic reasons and substantive business reasons) that need to be analyzed on a case-by-case basis. Meeting certain procedural formalities, such as the supply of a tax authorities-issued tax residence certificate are also required for the non-Spanish tax resident Holder to access this exemption.

The aforesaid exemption will also be applicable, subject to the compliance of similar requirements, to dividends distributed to certain corporate Holders resident in a member country of the EEA with which Spain has ratified an effective exchange of information under the terms described in Spanish Act 36/2006.

Non-Spanish corporate Holders claiming the applicability of such exemption that have not met a minimum one year holding period as of a given dividend distribution date (but who could meet such requirement afterwards) should be aware that the NRIT Act requires the Company to withhold the applicable NRIT on such dividends, and that such Holders will need to request a direct refund of such withholding tax from the Spanish tax authorities pursuant to the Spanish refund procedure described below under "—*Spanish refund procedure*".

In addition, Holders resident in certain countries may be entitled to the benefits of a double taxation convention ("**DTCo**"), in effect between Spain and their country of tax residence providing from a reduced tax rate or an exemption on dividends, subject to the satisfaction of any conditions specified in the relevant DTCo, including providing evidence of the tax residence of the Holder by means of a certificate of tax residence duly issued by the tax authorities of its country of tax residence making express reference to the Holders' entitlement to the benefits of such DTCo (or equivalent specific form required under an applicable DTCo) (in the case of U.S. persons, IRS Form 6166 will satisfy this certificate requirement). From a Spanish tax perspective, tax residence certificates issued by a foreign tax authority (or equivalent DTCo forms) are deemed to be valid only for one year as from their date of issuance or if they refer to a specific period, they are only valid for that period. In general, the U.S. – Spain DTCo provides for a tax rate of 15% on dividends. However, for qualifying U.S. Holders having, at least, 10% stake in the Company and being beneficially entitled to dividends payable to that U.S. Holders, the U.S. – Spain DTCo provides for a reduced tax rate of 5%. In any case, the application of the U.S. – Spain DTCo will require the U.S. Holders to meet the limitation of benefits clause contained on Article 17 of the said DTCo.

In accordance with the Order of the Ministry of Finance and Taxation of April 13, 2000, upon distribution of a dividend, the Company or the Company's paying agent will withhold an amount equal to the NRIT amount required to be withheld according to the general rules set forth above, transferring the resulting net amount to the financial institution acting as a depositary of Class B Shares held by such Holder. If the applicable depositary is resident, domiciled or represented in Spain and it provides timely evidence of the Holder's right to obtain the DTCo-reduced rate or the NRIT Act or DTCo exemption in the manner set out in the Order of the Ministry of Finance and Taxation of April 13, 2000, it will immediately transfer the amount withheld to the paying agent, which will be credited to the relevant Holder.

For these purposes, the Holder shall provide the relevant depositary with the relevant certificate of residence (or equivalent DTCo form) stating that the Holder is a resident of such country (within the meaning of the DTCo, when applicable) before the tenth day following the end of the month in which the dividends were paid. The tax certificate is generally valid only for a period of one year from the date of issuance and if it refers to a specific period is only valid for such period. If such certificate of tax residence or, as the case may be, the equivalent DTCo form referred to above, is not provided in a timely manner or if the depositary of the Holder is not resident, domiciled or represented in Spain, the relevant NRIT withheld will be paid to the Spanish tax authorities, and a Holder entitled to an exemption or reduction of NRIT pursuant to the NRIT Act or pursuant to an applicable DTCo may subsequently request a refund of the amounts withheld in excess from the Spanish tax authorities, following the standard refund procedure described below under "*—Spanish refund procedure*".

Investors are advised to consult their tax advisors or lawyers about their entitlement to any NRIT reduced rate or exemption as well as the procedure to request any refund from the Spanish tax authorities, as the case may be.

Spanish refund procedure

According to Royal Decree 1776/2004, dated July 30 (*Real Decreto 1776/2004, de 30 de julio, por el que se aprueba el Reglamento del Impuesto sobre la Renta de no Residentes*) ("**NRIT Regulations**") and the Order of the Ministry of Finance and Taxation EHA/3316/2010, of December 17 (*Orden EHA/3316/2010, de 17 de diciembre, por la que se aprueban los modelos de autoliquidación 210, 211 y 213 del Impuesto sobre la Renta de no Residentes, que deben utilizarse para declarar las rentas obtenidas sin mediación de establecimiento permanente, la retención practicada en la adquisición de bienes inmuebles a no residentes sin establecimiento permanente y el gravamen especial sobre bienes inmuebles de entidades no residentes, y se establecen las condiciones generales y el procedimiento para su presentación y otras normas referentes a la tributación de no residentes*), a refund of an amount withheld in excess of any applicable NRIT (taking into account an available exemption or reduction under the NRIT Act or applicable DTCo) can be requested and obtained directly from the relevant Spanish tax authorities.

To pursue the refund claim, the Holder is required to file:

- the corresponding Spanish tax refund form (currently, Form 210);
- a valid certificate of tax residence issued by the relevant tax authorities of the Holder's country of residence stating that the Holder is a resident of such country (and, in case an exemption or reduction of NRIT is claimed pursuant to a DTCo, such certificate must indicate that the relevant Holder is a resident therein within the meaning of the relevant DTCo) or, as the case may be, the equivalent DTCo form, as referred to above under "*—Taxation of dividends*";
- a certificate from the Company stating that Spanish NRIT was withheld on the dividend paid;
- proof of the ownership of Class B Shares; and
- documentary evidence of the bank account to which the excess amount withheld should be paid.

For further details, prospective Holders should consult their own tax advisors.

Taxation of capital gains

Capital gains derived from the transfer or sale of Class B Shares will be deemed to be income arising in Spain, and, therefore, subject to NRIT, currently, at a 19% rate (unless a domestic exemption or a DTCo applies, in which case the provisions of the DTCo shall prevail), although no withholding taxes will be imposed on the capital gain in Spain.

Capital gains and losses will be calculated separately for each transaction. It is not possible to offset losses derived from a given transfer of shares against capital gains obtained upon another transfer of shares.

However, capital gains derived from the transfer or sale of Class B Shares will be exempt from taxation in Spain in any of the three following cases:

- Capital gains derived from a transfer of Class B Shares carried out on an official Spanish secondary stock market (such as the Spanish Stock Exchanges), by any Holder who is tax resident of a country that has entered into a DTCo with Spain containing an "exchange of tax information" clause (such as the U.S.-Spain DTCo). This exemption is not applicable to capital gains obtained by a Holder through a country or territory that is classified as a non-cooperative jurisdiction under the Spanish tax regulations, nor by a Holder holding the Class B Shares through a permanent establishment located in Spain.
- Capital gains obtained (i) directly by any Holder resident of another EU Member State or another Member State which has entered into an effective exchange of tax information agreement with Spain (other than Spain), or (ii) indirectly through a permanent establishment of such Holder in another Member State (other than Spain), provided that the gain is not obtained through a country or territory defined as a non-cooperative jurisdiction under the applicable Spanish tax regulations, shall be exempt from taxation in Spain if:
  - the Company's assets do not mainly consist of, directly or indirectly, real estate property located in Spain;
  - during the preceding twelve months the Holder, in the case of a non-resident individual, has not held a direct or indirect interest of at least 25% in the Company's capital or net equity; and
  - in the case of non-resident entities, the transfer fulfils the requirement of Article 21 of CIT Act for the application of the participation exemption as described in the previous sections.
- Capital gains realized by Holders who benefit from a DTCo entered into between their country of tax residence and Spain that provides for taxation of capital gains derived from the transfer of Class B Shares only in such Holder's country of tax residence.

According to the Order dated December 17, 2010, Holders will be obliged to submit a Spanish tax form (currently Form 210) within the time periods set out in the applicable Spanish regulations, currently:

- the first 20 calendar days of April, July, October and January, if there is a tax payment to be made; or
- the first 20 calendar days of January of the year following that in which the relevant capital gain is accrued, if no tax is due (i.e., if qualifying for a tax exemption).

In order for the exemptions mentioned above to apply, a Holder must timely file the applicable NRIT tax return before the Spanish tax authorities, and attach to it a certificate of tax residence issued by the tax authority of its country of residence (which, if applicable, must state that the Holder is a resident of such country within the meaning of the relevant DTCo) or, as the case may be, equivalent DTCo form. As mentioned above, certificates of tax residence (or equivalent DTCo forms) are generally valid only for a period of one year from the date of issuance and if they refer to a specific period are only valid for such period.

Prospective Holders should consult their own tax advisors to obtain detailed information regarding NRIT filings they may be required to make before the Spanish Tax Authorities.

Taxation of pre-emptive rights

Distributions to Holders of pre-emptive rights to subscribe for new shares made with respect to the Class B Shares are not treated as income under Spanish law and, therefore, are not subject to Spanish NRIT. The exercise of such pre-emptive rights is not considered a taxable event under Spanish law and thus is not subject to Spanish NRIT.

Proceeds derived from the sale of pre-emptive rights in respect of the shares will be treated as capital gains that will be subject to Spanish NRIT in the manner described under "—*Taxation of capital gains*" above.

Taxation of share premium distributions

Distributions of share premium will not in itself constitute a taxable income but will instead reduce the acquisition value of Class B Shares to the extent that they are admitted to trading on certain official stock exchanges (including the Spanish Stock Exchanges). Such distributions will not be subject to withholding tax in Spain.

If the amount of the share premium received exceeds the acquisition value of Class B Shares held by the NRIT taxpayer, such excess would constitute a taxable income, subject to the general tax rate of 19%, unless otherwise provided by a DTCo or the domestic legislation, as described above.

Net Wealth Tax and Solidarity Tax

Non-Spanish tax resident individual Holders holding the Class B Shares will be subject to NWT to the extent that such Holders own shares (along with other property located in Spain and rights which could be exercised in Spain) as of December 31, valued for a combined net amount in excess of €700,000, NWT rates vary between 0.2% and 3.5%. For NWT valuation purposes, the Shares should be valued at their average trading price during the last quarter of such year (according to information published on an annual basis by the Spanish Ministry of Finance and Public Administration). Holders who benefit from a DTCo that provides for net wealth taxation only in the Holder's country of residence will not be subject to NWT. In addition, the NWT Act provides for an exemption of securities whose income are exempt from taxation under NRIT rules.

Non-Spanish tax resident individuals are entitled to apply the legislation of the region where the assets and rights of the relevant individual of the highest value are located. Prospective investors should consult their tax advisors.

Non-Spanish tax resident individual Holders shall also be subject to Solidarity Tax on the value of the assets and rights that are deemed as located, can be exercised or have to be met in Spain, unless they can benefit from a DTCo that provides an exemption from Wealth Tax. The Solidarity Tax is a direct and personal tax that complements the NWT, in which the taxable event is a natural person's ownership of at least €3,000,000 in net assets (including only assets and rights that can be exercised or have to be met in Spain, as defined for NWT purposes) on 31 December of each year (the €700,000 minimum tax-free allowance not being applicable pursuant to the literary wording of the ST Law), and certain exemptions which shall be assessed on a case-by-case basis. Furthermore, the amount paid for Wealth Tax will be deductible from the Solidarity Tax in order to avoid double taxation.

The rates of the Solidarity Tax are (i) 1.7% on a net worth between €3,000,000 and €5,000,000, (ii) 2.1% on a net worth between €5,000,000 and €10,000,000 and (iii) 3.5% on a net worth of more than €10,000,000.

The Solidarity Tax is designed to be temporary and will remain in force for two fiscal years, although the Solidarity Tax Law includes a review clause allowing the legislator to assess whether to extend it at the end of the initial period. Prospective investors are advised to seek their own professional advice in this regard.

Non-Spanish tax resident entities are not subject to NWT nor to Solidarity Tax.

Spanish Inheritance and Gift Tax

Unless otherwise provided under an applicable DTCo, transfers of Class B Shares upon death and by gift to individuals not resident in Spain for tax purposes are subject to Spanish IGT (pursuant to IGT Act), regardless of the residence of the heir or the beneficiary, and subject to any specific laws and regulations adopted by the Spanish autonomous regions. The taxable base is taxed by application of a progressive scale. The applicable tax rate ranges from 7.65% to 34%. The resulting gross tax should be further increased by application of certain additional coefficients, which take into account the taxpayer's pre-existing net wealth, as well as his or her degree of kinship with the deceased or donor and, as the case may be, reduced by application of certain exemptions or tax allowances. The effective tax rate finally calculated can range from 0.00% to 81.6%. Prospective investors should consult their tax advisors.

Generally, non-Spanish tax resident individual Holders are subject to Spanish IGT in accordance with the rules set forth in the state IGT law. However, non-resident taxpayers may be able to claim the applicability

of those rules corresponding to the relevant Autonomous Regions in accordance with the law. As such, prospective investors should consult their tax advisors.

Gifts granted to non-Spanish tax resident corporations will be generally subject to Spanish NRIT as capital gains (but not IGT), without prejudice to the exemptions referred to above under "—*Taxation of capital gains*".

Spanish Transfer Tax and Value Added Tax

The acquisition or subscription of Class B Shares and any subsequent transfer thereof will be exempt from Transfer Tax and Value Added Tax, under the terms and with the exemptions set out in Article 338 of the Spanish Securities Market Act.

Additionally, no stamp duty will be levied on such acquisition, subscription and transfers.

The subsequent transfer of Class B Shares may be subject to Spanish FTT as detailed under "*Spanish FTT*".

Non-Resident shareholders which operate with respect to the Class B Shares through a permanent establishment in Spain – NRIT)

Taxation of dividends

Ownership of Class B Shares by Holders who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Class B Shares form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Class B Shares are the same as those set out for legal entities with tax residence in Spain described in the "—*Spanish Corporate Resident Shareholders – Corporate Income Tax ("CIT")*".

Taxation of gains and losses

For the gains or losses arising from the sale of Class B Shares that form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable are the same as those set out for legal entities with tax residence in Spain described in "—*Spanish Corporate Resident Shareholders – Corporate Income Tax ("CIT")*".

Taxation of pre-emptive rights

Distributions to taxpayer of pre-emptive rights to subscribe for new shares made with respect to the Class B Shares apply the same the tax rules as those set out for legal entities with tax residence in Spain described in the "—*Spanish Corporate Resident Shareholders – Corporate Income Tax ("CIT")*".

Taxation of share premium distributions

See the "—*Spanish Corporate Resident Shareholders – Corporate Income Tax ("CIT")*" section for further detail.

Net Wealth Tax

See the "—*Non-Resident Shareholders which do not operate with respect to the Class B Shares through a permanent establishment in Spain*" section for further detail.

Inheritance and Gift tax

See the "—*Non-Resident Shareholders which do not operate with respect to the Class B Shares through a permanent establishment in Spain*" section for further detail.

Spanish Transfer Tax and Value Added Tax

The acquisition or subscription of Class B Shares and any subsequent transfer thereof will be exempt from Transfer Tax and Value Added Tax, subject to the conditions set forth in Article 338 of the Spanish Securities Market Act.

Additionally, no Stamp Duty will be levied on such acquisition, subscription and transfers.

The subsequent transfer of Class B Shares may be subject to Spanish FTT as detailed under "*Spanish FTT*".

The Proposed Financial Transactions Tax ("FTT")

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). The FTT proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear.

It should be noted that the European FTT could have an impact on the Spanish FTT and thus, the abovementioned treatment. Prospective holders of the Preferred Securities are advised to seek their own professional advice in relation to the FTT.

Spanish FTT

The Spanish law which implements the Spanish tax on financial transactions (the "**Spanish FTT**") was approved on October 7, 2020 (the "**FTT Law**") and the FTT Law was published in the Spanish Official Gazette (*Boletín Oficial del Estado*) on October 16, 2020. The Spanish FTT came into force three months after the publication of the FTT Law in the Spanish Official Gazette (that is, on January 16, 2021).

Spanish FTT will charge a 0.2% rate on specific acquisitions of listed shares issued by Spanish companies whose market capitalization exceeds €1 billion on December 1 of the year prior to the acquisition, regardless of the jurisdiction of residence of the parties involved in the transaction.

The Spanish FTT would not apply in relation to the present Offering since (i) the Company is not a listed entity at the time of the transfer of Class B Shares under the execution of the Offering and is not included in the list issued by the Spanish tax authorities including the entities whose market capitalization exceeded €1 billion as of December 16, 2021; and (ii) transactions in the primary market and initial public offerings are exempt from the Spanish FTT. However, it may subject other transactions involving the acquisition of Class B Shares in the future depending on the market capitalization of the Company and other factors. Prospective Holders are advised to seek their own professional advice in relation to the Spanish FTT.

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Class B Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Class B Shares that are U.S. Holders that will hold the Class B Shares as capital assets for U.S. federal income tax purposes. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Class B Shares by particular investors (including consequences under the alternative minimum tax or the Medicare tax on net investment income), and does not address state, local, non-U.S. or other tax laws (such as estate or gift tax laws). This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 10% or more of the equity interests of the Company by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as certain financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Class B Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income

tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Class B Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar). This summary also does not consider any U.S. tax implications of the Spanish Net Wealth and Solidarity Tax that may be imposed on certain individuals and other potential Spanish taxes that are not income taxes.

As used herein, the term "**U.S. Holder**" means an owner of Class B Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Class B Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisors concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Class B Shares by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and Spain (the "**Treaty**"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect. No rulings have been requested from the U.S. Internal Revenue Service (the "**IRS**") and there can be no guarantee that the IRS would not challenge, possibly successfully, the treatment described below.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF CLASS B SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Distributions

This section is subject to further discussion under *"—Passive Foreign Investment Company Considerations*" below.

General

Distributions paid by the Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Spanish tax withheld by the Company with respect thereto, generally will be taxable to a U.S. Holder as dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Class B Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Company with respect to Class B Shares will be treated as ordinary dividend income. U.S. Holders should consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Company.

Dividends paid by the Company generally may be taxable to certain non-corporate U.S. Holders at the reduced rates normally applicable to long-term capital gains, provided the Company qualifies for the benefits of the Treaty and certain holding period and other requirements are met. A U.S. Holder will not be able to

claim the reduced rate on dividends received from the Company if the Company is treated as a passive foreign investment company in the taxable year of the Company in which the dividends are received or in the preceding taxable year. See "—*Passive Foreign Investment Company Considerations*" below. Prospective non-corporate purchasers should consult their tax advisers regarding the application of the qualified dividend income rules and the potential application of reduced rates in their particular circumstances.

A U.S. Holder generally may be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability for non-refundable Spanish income taxes withheld by the Company (but not in excess of any applicable treaty rate). Dividends generally will constitute foreign source "passive category income" for purposes of the foreign tax credit. The rules governing foreign tax credits are complex and recently issued final U.S. Treasury regulations ("**Final FTC Regulations**") have imposed additional requirements that must be met for a foreign tax to be creditable, and we do not intend to determine whether such requirements are met. Recent notices from the IRS indicate that the Treasury and the IRS are considering proposing amendments to such regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of such regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). In lieu of claiming a credit, subject to applicable limitations, a U.S. Holder may be able to take a deduction for such taxes. An election to deduct creditable foreign taxes instead of claiming foreign tax credits must be applied to all creditable foreign taxes paid or accrued in the U.S. Holder's taxable year. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of Spanish withholding taxes.

Foreign currency dividends

Dividends paid in euros will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the euros are converted into U.S. dollars at that time. If dividends received in euros are converted into U.S. dollars at the spot rate on the day they are received, the U.S. Holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Sale or other taxable disposition (capital gain or loss)

This section is subject to further discussion under *"—Passive Foreign Investment Company Considerations*" below.

Upon a sale or other taxable disposition of Class B Shares, a U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realized on the sale or other taxable disposition and the U.S. Holder's adjusted tax basis in the Class B Shares (in each case as determined in U.S. dollars). This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Class B Shares exceeds one year. Non-corporate U.S. Holders are subject to tax on long-term capital gains at reduced rates. The deductibility of capital losses is subject to significant limitations. U.S. Holders should consult their own tax advisors about how to account for proceeds received on the sale or other taxable disposition of Class B Shares that are not paid in U.S. dollars.

Any gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of Class B Shares generally will be U.S. source for U.S. foreign tax credit limitation purposes. As a result, the use of U.S. foreign tax credits relating to any Spanish income tax imposed upon gains in respect of Class B Shares may be limited even if such taxes are otherwise creditable. Moreover, Spanish income taxes on gains in respect of Class B Shares of U.S. Holders will likely not be creditable in most circumstances. Spanish income taxes on disposition gains that are not creditable may reduce the amount realized on the disposition of Class B Shares or alternatively may be deductible. Prospective purchasers should consult their tax advisors regarding the U.S. federal income tax consequences of any Spanish taxes imposed on disposition gains.

Passive Foreign Investment Company Considerations

A non-U.S. corporation will be a passive foreign investment company ("**PFIC**") in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to

applicable “look-through rules”, either (i) at least 75% of its gross income is “passive income”, or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, “passive income” generally includes interest, dividends, rents, royalties and gains from non-dealer securities transactions. In general, cash is a passive asset for these purposes.

Based on the current and projected composition of the Company’s income and assets, and the expected value of its assets, the Company does not expect to be a PFIC for the current taxable year. However, the Company’s possible status as a PFIC must be determined annually after the close of each taxable year, and therefore may be subject to change. This determination will depend on, among other things, the composition of the income and assets, as well as the value of the assets, of the Company and its subsidiaries from time to time, and on how, and how quickly it utilizes the cash raised in this offering. The value of the Company’s assets for purposes of the PFIC determination may be determined, in part, by reference to the market price of the Class B Shares, which could fluctuate significantly. In addition, the Company’s possible status as a PFIC will also depend on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that the Company will not be a PFIC for any taxable year.

If the Company is a PFIC in any year during which a U.S. Holder holds the Class B Shares, and such holder has not made any of the elections described below, the U.S. Holder will generally be subject to special rules with respect to (i) any “excess distribution” (generally, any distribution during a taxable year in which distributions received by the U.S. Holder on the Class B Shares are greater than 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder’s holding period for the Class B Shares), and (ii) any gain realized on the sale or other disposition of Class B Shares. Under these rules (a) the excess distribution or gain will be allocated ratably over the U.S. Holder’s holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. Additionally, dividends paid by the Company will not be eligible for the special reduced rate of tax described above under “*Distributions*” if the Company is treated as a PFIC for a taxable year of the dividends or the prior taxable year. If the Company is a PFIC for any taxable year during which a U.S. Holder holds the Class B Shares, the Company would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such holder owns the Class B Shares, even if the Company ceases to meet the threshold requirements for PFIC status (unless the U.S. Holder makes a deemed sale election with respect to the Class B Shares once the Company is no longer a PFIC). If the Company is a PFIC for any taxable year, U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to their ownership of the Shares.

If the Company is a PFIC for any taxable year, to the extent any of its subsidiaries (or other entities in which it holds equity interests) are also PFICs, a U.S. Holder will generally be deemed to own equity interests in such lower-tier PFICs that are directly or indirectly owned by the Company in the proportion which the value of Class B Shares owned by such U.S. Holder bears to the value of all of the Company’s equity interests, and such U.S. Holder will generally be subject to the tax consequences described above (and the IRS Form 8621 reporting requirement described below) with respect to the equity interests of such lower-tier PFIC the U.S. Holder is deemed to own. As a result, if the Company receives a distribution from any lower-tier PFIC or sells equity interests in a lower-tier PFIC, a U.S. Holder will generally be subject to tax under the excess distribution rules described above in the same manner as if such U.S. Holder had held a proportionate share of the lower-tier PFIC equity interests directly, even if such amounts are not distributed to the U.S. Holder. The application of the PFIC rules to indirect ownership of any lower-tier PFIC held by the Company is complex and uncertain, and U.S. Holders should therefore consult their own tax advisors regarding the application of such rules to their ownership of Class B Shares.

If the Company is a PFIC in a taxable year and the Class B Shares are treated as “marketable stock” in such year, a U.S. Holder may make a mark-to-market election with respect to its Class B Shares. A U.S. Holder

that makes such election for the first taxable year in which the Company is a PFIC generally will not be subject to the PFIC rules described above. Instead, in general, such U.S. Holder will include as ordinary income each year the excess, if any, of the fair market value of Class B Shares at the end of the taxable year over the U.S. Holder's adjusted basis in the Class B Shares. Such U.S. Holder will also be allowed to take an ordinary loss in respect of the excess, if any, of such holder's adjusted basis in the Class B Shares over the fair market value of such Class B Shares at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's basis in the Class B Shares will be adjusted to reflect any such income or loss amounts. Any gain that is recognized on the sale or other taxable disposition of Class B Shares would be ordinary income and any loss would be an ordinary loss to the extent of the net amount of previously included income as a result of the mark-to-market election and, thereafter, a capital loss. However, because a mark-to-market election cannot technically be made for equity interests in any lower-tier PFICs of the Company that are not treated as "marketable stock" themselves, a U.S. Holder would continue to be subject to the excess distribution rules with respect to any lower-tier PFICs, any distributions received by the Company from a lower-tier PFIC, and any gain recognized by the Company upon a sale of equity interests of a lower-tier PFIC, even if a mark-to-market election has been made by the U.S. Holder with respect to its Class B Shares. The interaction of the mark-to-market rules and the rules governing lower-tier PFICs is complex and uncertain, and U.S. Holders should therefore consult their own tax advisors regarding the availability and advisability of the mark-to-market election as well as the application of the PFIC rules to their ownership of Class B Shares.

In some cases, a shareholder of a PFIC may be subject to alternative treatment by making a qualified electing fund ("**QEF**") election to be taxed currently on its share of the PFIC's undistributed income. To make a QEF election, the Company must provide U.S. Holders with certain information compiled according to U.S. federal income tax principles. The Company currently does not intend to provide such information for U.S. Holders, and therefore it is expected that this election will be unavailable.

A U.S. Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which the Company is classified as a PFIC may be required to file IRS Form 8621. Prospective purchasers should consult their tax advisors regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime to their investment in the Company.

Backup withholding and information reporting

Payments of the proceeds from the sale or other taxable disposition (including exchange) of Class B Shares, as well as dividends and other proceeds with respect to Class B Shares, by a U.S. or U.S.-connected paying agent or other U.S. or U.S.-connected intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisors about these rules and any other reporting obligations that may apply to the ownership or disposition of Class B Shares, including reporting obligations related to the holding of "specified certain foreign financial assets".

SELLING AND TRANSFER RESTRICTIONS

General

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation would be unlawful.

The distribution of this Prospectus and the offering of the Offer Shares to persons resident in, or who are citizens of, a particular jurisdiction may be affected and/or restricted by the laws of that jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions and, in particular, consult their professional adviser as to whether they require any governmental or other consent or need to observe any other formalities to enable the investor to accept, sell or purchase Offer Shares.

No action has been or will be taken to permit a public offering of the Offer Shares or possession or distribution of this Prospectus (or any other Offering or publicity material relating to the Offer Shares), in any country or jurisdiction where action for that purpose is required or doing so may be restricted by law. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other Offering material or advertisement in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Receipt of this document will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document will be sent for informational purposes only and should not be copied or redistributed. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. There will be no public offering in the United States.

If an investor receives a copy of this document, the investor may not treat this document as constituting an invitation or offer to the investor of the Offer Shares unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this document or any other Offering materials or advertisements, the investor should not distribute the same in or into, or send the same to any person in, or any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an investor forwards this document or any other Offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, investors (including, without limitation, any investor's nominees and trustees) wishing to accept, sell or purchase Offer Shares must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Investors that are in any doubt as to whether they are eligible to purchase Offer Shares should consult their professional adviser without delay.

United States

This document is not a public offering (within the meaning of the U.S. Securities Act) of securities in the United States. The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Underwriters may offer the Offer Shares only (i) in

the United States through their U.S. registered broker affiliates to persons reasonably believed to be QIBs, as defined in Rule 144A, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided in Rule 144A, or (ii) outside the United States in compliance with Regulation S.

In addition, until 40 days after the later of the commencement of the Offering and the last transaction date of the Offering, any offer or sale of Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another available exemption from registration under the U.S. Securities Act.

Each subscriber and purchaser of Offer Shares within the United States (other than each of the Underwriters), by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged on its behalf and on behalf of any investor accounts for which it is subscribing or purchasing the Offer Shares that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

(A) The subscriber or purchaser is, and at the time of its subscription or purchase of any Offer Shares will be, a QIB within the meaning of Rule 144A and is aware the sale to it is being made in reliance on Rule 144A.

(B) The subscriber or purchaser understands and acknowledges that the Offer Shares have not been, nor will they be, registered under the U.S. Securities Act, that sellers of the Offer Shares may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder, and that the Offer Shares may not be offered or sold, directly or indirectly, in the United States, other than in accordance with paragraph (d) below.

(C) The subscriber or purchaser is subscribing or purchasing the Offer Shares (i) for its own account, or (ii) for the account of one or more other QIBs for which it is acting as duly authorized fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgements, representations and agreements herein with respect to each such account (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such QIBs as well), in each case for investment and not with a view to any resale or distribution of any such Offer Shares.

(D) The subscriber or purchaser understands and agrees that offers and sales of the Offer Shares are being made in the United States only to QIBs in transactions not involving a public offering or which are exempt from the registration requirements of the U.S. Securities Act, and that if in the future it or any such other QIB for which it is acting, as described in paragraph (c) above, or any other fiduciary or agent representing such investor decides to offer, sell, deliver, hypothecate or otherwise transfer any Offer Shares, it or any such other QIB and any such fiduciary or agent will do so only (i) pursuant to an effective registration statement under the U.S. Securities Act, (ii) to a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in an "offshore transaction" pursuant to Rule 903 or Rule 904 of Regulation S (and not in a pre-arranged transaction resulting in the resale of such Offer Shares into the United States) or (iv) in accordance with Rule 144 under the U.S. Securities Act and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction. The subscriber or purchaser understands that no representation can be made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for the resale of the Offer Shares.

(E) The subscriber or purchaser acknowledges that the Offer Shares have not been offered to it by means of any general solicitation or general advertising.

(F) The subscriber or purchaser understands that for so long as the Offer Shares are "restricted securities" within the meaning of the U.S. federal securities laws, no such Offer Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such Offer Shares will not settle or

trade through the facilities of the Depositary Trust & Clearing Corporation or any other U.S. clearing system.

(G) The subscriber or purchaser has received a copy of this document and has had access to such financial and other information concerning the Company as it deems necessary in connection with making its own investment decision to subscribe or purchase Offer Shares. The subscriber or purchaser acknowledges that none of the Company and the Underwriters or any of their respective representatives has made any representations to it with respect to the Company or the allocation, offering or sale of any shares other than as set forth in this Prospectus, which has been delivered to it and upon which it is solely relying in making its investment decision with respect to the Offer Shares. The subscriber or purchaser also acknowledges that it has made its own assessment regarding the U.S. federal tax consequences of an investment in the Offer Shares. The subscriber or purchaser has held and will hold any offering materials, including this document, it receives directly or indirectly from the Company in confidence, and it understands that any such information received by it is solely for it and not to be redistributed or duplicated by it.

(H) The subscriber or purchaser understands that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Underwriters and their affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. The subscriber or purchaser irrevocably authorises the Company and the Underwriters to produce this document to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered herein.

(I) The subscriber or purchaser undertakes promptly to notify the Company and the Underwriters if, at any time prior to the subscription or purchase of the Offer Shares any of the foregoing ceases to be true.

(J) The subscriber or purchaser agrees that it will give to each person to whom it transfers the Offer Shares notice of any restrictions on the transfer of the Offer Shares.

(K) If the subscriber or purchaser is subscribing or acquiring Offer Shares on behalf of one or more accounts, it is acting as a duly authorized fiduciary or agent with investment discretion with respect to each such account and with full authority to make the acknowledgements, representations and agreements herein with respect to each such account (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such accounts as well).

Each subscriber or purchaser of the Offer Shares outside the United States (other than each of the Underwriters) will, pursuant to Regulation S, be deemed to have represented and agreed that it has received a copy of the document and such other information as it deems necessary to make an informed investment decision and that:

(A) The subscriber or purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to significant restrictions on transfer and may not be offered, sold or otherwise transferred except pursuant from an exception from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law.

(B) The subscriber or purchaser and the person, if any, for whose account or benefit the subscriber or purchaser is subscribing or acquiring the Offer Shares, were located outside the United States at the time the buy order for such Offer Shares was originated and continue to be located outside the United States and has not subscribed or purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.

(C) The subscriber or purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S and it will not offer, sell, pledge or transfer any Offer Shares, except in accordance with the U.S. Securities Act and any applicable laws of any state of the United States and any other jurisdiction.

(D) The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

(E) The Company, the Underwriters and their affiliates and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements and the subscriber or purchaser agrees that, if any of its acknowledgements, representations or agreements herein cease to be accurate and complete, they will notify the Company and the Underwriters promptly in writing.

(F) If the subscriber or purchaser is subscribing or acquiring Offer Shares on behalf of one or more accounts, it is acting as duly authorized fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgements, representations and agreements herein with respect to each such account (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such accounts as well).

In addition, each subscriber or purchaser (and, if applicable, any person for whose account or benefit such subscriber or purchaser is subscribing or purchasing the Offer Shares) acknowledges that it understands that the Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE OFFER SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT SUBSCRIBING OR PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE U.S. SECURITIES ACT FOR RESALES OF THE OFFER SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE OFFER SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE OFFER SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF OFFER SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

THE OFFER SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES. THIS DOCUMENT DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF SECTION 10 OF THE U.S. SECURITIES ACT.

None of the Company, the Selling Shareholder or the Underwriters makes any representation as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resale of the Offer Shares.

European Economic Area

In relation to each Member State, no Offer Shares have been offered or will be offered pursuant to the Offering to the public in that Member State prior to the publication of a prospectus in relation to the Offer

Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in any other Relevant State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that the Offer Shares may be offered to the public in that Member State at any time:

(A) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(B) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Underwriters; or

(C) in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of the Offer Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in any Member State means the communication in any form and by any means of sufficient information on (i) the terms of the Offering and/or (ii) any Offer Shares to be offered, so as to enable an investor to decide to subscribe or purchase for any Offer Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Information to Distributors in the European Economic Area

Solely for the purposes of the product governance requirements contained within the MiFID II Product Governance Requirements, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that such Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of qualified investors, as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**").

Each distributor under the MiFID II Product Governance Requirements should take into consideration the EU Target Market Assessment; however, a distributor subject to the Product Governance Requirements is responsible for undertaking its own target market assessment in respect of the Offer Shares (by either adopting or refining the EU Target Market Assessment) and determining appropriate distribution channels.

Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, notwithstanding the EU Target Market Assessment, the Underwriters will only procure investors who meet the criteria of qualified investors.

For the avoidance of doubt, the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, subscribe or purchase, or take any other action whatsoever with respect to the Offer Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares (by either adopting the EU Target Market Assessment or redefining it under the MiFID II Product Governance Requirements) and determining appropriate distribution channels.

United Kingdom

No Offer Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Offer Shares which is to be treated as if it had been approved by the Financial Conduct Authority, except that the Offer Shares may be offered to the public in the United Kingdom at any time:

(A) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(B) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Underwriters; or

(C) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of the Offer Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Offer Shares to be offered so as to enable an investor to decide to subscribe or purchase for the Offer Shares, the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended), and the expression "FSMA" means the Financial Services and Markets Act 2000 (as amended).

In the United Kingdom, this Prospectus is being distributed to and is directed only at persons (i) having professional experience in matters relating to investments who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) persons who are high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts, as described in Article 49(2) of the Order; or (iii) persons to whom it may otherwise be lawfully distributed (all such persons together being "relevant persons"). In the United Kingdom, any investment or investment activity to which this Prospectus relates is only available to and will only be engaged in with relevant persons. Persons who are not relevant persons should not act or rely on this Prospectus or any of its contents.

Information to distributors in the United Kingdom

Solely for the purposes of the UK Product Governance Requirements, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in Chapter 3 of the COBS); and (ii) eligible for distribution through all permitted distribution channels (the "**UK Target Market Assessment**").

Each distributor under the UK Product Governance Requirements) should take into consideration the UK Target Market Assessment; however, a distributor subject to the UK Product Governance Requirements is responsible for undertaking its own target market assessment in respect of the Offer Shares (by either adopting or refining the UK Target Market Assessment) and determining appropriate distribution channels.

Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation

to the Offering. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the COBS; or (b) a recommendation to any investor or group of investors to invest in, subscribe, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Canada

The Offer Shares may be sold only to subscribers or purchasers subscribing or purchasing, or deemed to be subscribing or purchasing, as principals that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a subscriber or purchaser with remedies for rescission or damages if this document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the subscriber purchaser within the time limit prescribed by the securities legislation of the subscriber or purchaser's province or territory. The subscriber or purchaser should refer to any applicable provisions of the securities legislation of the subscriber or purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offering.

Switzerland

This document is not intended to constitute, and does not constitute, an offer to the public or solicitation to subscribe, purchase or invest in the Offer Shares. The Offer Shares have not been and will not be publicly offered, directly or indirectly, in or into Switzerland within the meaning of the Swiss Financial Services Act (the "**FinSA**"), except under the following exemptions under the FinSA:

(A) to any investor that qualifies as a professional client within the meaning of the FinSA; or

(B) in any other circumstances falling within Article 36 of the FinSA;

provided, in each case, that no such offer of Offer Shares referred to in (a) and (b) above shall require the publication of a prospectus pursuant to the FinSA. The Offer Shares have not been and will not be listed or admitted to trading on any trading venue in Switzerland. Neither this document nor any other Offering or marketing material relating to the Offer Shares constitutes a prospectus within the meaning of the FinSA. This document has not been and will not be reviewed or approved by a Swiss review authority, and does not comply with the disclosure requirements applicable to a prospectus within the meaning of the FinSA. Neither this document nor any other Offering or marketing material relating to the Offer Shares may be distributed or otherwise made available in Switzerland in a manner that would require the publication of a prospectus in Switzerland pursuant to the FinSA.

Dubai International Financial Centre (not applicable for the United Arab Emirates and Abu Dhabi Global Markets)

This document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority (the "**DFSA**") Rulebook.

This document is intended for distribution only to Professional Clients (as defined by the DFSA) who are not natural persons. It must not be delivered to, or relied on by, any other person.

The DFSA has no responsibility for reviewing or verifying any prospectus or other documents in connection with this Offering. Accordingly, the DFSA has not approved this document or any other associated documents nor taken any steps to verify the information set forth herein and has no responsibility for it.

The Offer Shares to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective subscribers or purchasers of the Offer Shares should conduct their own due diligence.

If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the Dubai International Financial Centre, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose.

The Offer Shares to which this document relates may not be offered or sold to any person in the Dubai International Financial Centre unless such offer is (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook; and (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business (COB) Module of the DFSA Rulebook.

United Arab Emirates (not applicable for the Dubai International Financial Centre and Abu Dhabi Global Market)

This document has not been approved or licensed by the UAE Securities and Commodities Authority ("**SCA**") or any other relevant licensing authorities in the United Arab Emirates ("**UAE**") and accordingly does not constitute a public offer of securities in the UAE in accordance with Federal Law No. 32 of 2021 Concerning Commercial Companies (as amended), SCA Board of Directors Resolution No. 13 B.C of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms (as amended) (the "**SCA Rulebook**") or otherwise. Accordingly, the Offer Shares may not be offered to the public in the UAE.

This document is strictly private and confidential and is being issued to a limited number of investors:

(A) who fall within the exemptions set out in the SCA Rulebook (i.e., Professional Investors) and have confirmed the same;

(B) upon their request and confirmation that they understand that the Offer Shares have not been approved or licensed by or registered with the SCA or any other relevant licensing authorities or governmental agencies in the UAE; and

(C) must not be disclosed to any person other than the original recipient, and may not be reproduced or used for any other purpose.

Australia

This document is not a prospectus, product disclosure statement or other disclosure document under Chapter 6D or Part 7.9 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been and will not be lodged with the Australian Securities and Investments Commission ("**ASIC**"). This document does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under Chapter 6D or Part 7.9 of the Corporations Act. The Offering is made only to persons to whom it is lawful to offer shares in Australia without disclosure to investors under Chapter 6D of the Corporations Act.

As no prospectus, product disclosure statement or other disclosure document will be lodged with ASIC, any offer in Australia of the Offer Shares may only be made to persons who are 'sophisticated investors' within the meaning of section 708(8) of the Corporations Act) or 'professional investors' (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the Offer Shares without disclosure to investors under

Chapter 6D of the Corporations Act. If any recipient of the document is not a 'sophisticated investor' or a 'professional investor' and does not otherwise fall within one or more of the exemptions contained in section 708 of the Corporations Act, no offer of, or invitation to apply for, the Offer Shares shall be deemed to be made to such recipient and no applications for the Offer Shares will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient.

No offer of the Offer Shares has been made or will be made to any person with the purpose of such person selling or transferring the Offer Shares, or transferring the Offer Shares, or granting, issuing or transferring interests in, or options over, the Offer Shares. In addition, the Offer Shares must not be offered for sale or transfer, nor any interest in or option over them be granted, issued or transferred in Australia in the period of 12 months after the date of allotment under the Offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. An Investor (as defined below) subscribing or acquiring Offer Shares must observe such Australian on-sale restrictions.

This Prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this document is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

By applying for Offer Shares under this document, each person to whom Offer Shares are issued (an "**Investor**"):

- confirms that they are (a) a 'sophisticated investor' (within the meaning of section 708(8) of the Corporations Act), a 'professional investor' (within the meaning of section 708(11) of the Corporations Act) or otherwise permitted to invest in the Offer Shares pursuant to one or more exemptions contained in section 708 of the Corporations Act, and (b) a 'wholesale client' (within the meaning of section 761G of the Corporations Act;
- acknowledges that if any Investor on-sells Offer Shares within 12 months from the date of their issue, the Investor will be required to lodge a prospectus, product disclosure statement or other a disclosure document with ASIC unless either:
  - (i) that sale is to another 'sophisticated investor' or 'professional investor' or is otherwise permitted pursuant to one or more exemptions contained in section 708 of the Corporations Act; or
  - (ii) the sale offer is received outside Australia; and
- undertakes not to sell the Offer Shares in any circumstances other than those described in paragraphs (i) and (ii) above for 12 months after the date of issue of such Offer Shares, unless the Investor lodges a prospectus, product disclosure document or other disclosure document with ASIC.

This document is not, and under no circumstances is to be construed as, an advertisement or public offering of the Offer Shares in Australia.

No action has been taken to authorize or cause the issue or distribution in the Commonwealth of Australia, any of its states, territories or possessions or any political subdivision thereof, or to any resident of Australia, of this document or any other document inviting applications or offers to subscribe for or buy the Offer Shares. This document may only be distributed in Australia or to any resident of Australia to persons who are Investors as described above and any offer of Offer Shares may only be made to such Investors in Australia, in each case subject to the conditions set out above, on behalf of each Underwriter by its affiliate holding an Australian Financial Services License permitting such license holder to distribute the document and to offer the Offer Shares to such Investors in Australia.

Hong Kong

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. Any subscriber or purchaser of the Offer Shares is advised to exercise caution in relation to the Offering. Any subscriber or purchaser having any doubt about any of the contents of this document should obtain independent professional advice. The Offer Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) (the "**C(WUMP)O**") or which do not otherwise constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Offer Shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**"). Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

(A) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (the "**SFA**")) pursuant to Section 274 of the SFA; or

(B) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

State of Qatar (including Qatar Financial Centre)

The Offer Shares have not been, and will not be, offered, sold or delivered, at any time, directly or indirectly in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering.

This document and the Offer Shares have not been, and will not be registered with or reviewed or approved or licensed by the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, the Qatar Stock Exchange or Qatar Central Bank or any other regulator in the State of Qatar (including the Qatar Financial Centre) and may not be publicly distributed. The Offer Shares are not, and will not be, traded on the Qatar Stock Exchange.

This document: (i) is intended for the original recipient only and must not be provided to any other person; and (ii) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

Nothing in this document constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar (including the Qatar Financial Centre) or the inward marketing of securities or an attempt to do business, as a bank, an insurer, a reinsurer, an investment company or otherwise in the State of Qatar (including the Qatar Financial Centre) other than in compliance with any laws applicable in the State of Qatar (including the Qatar Financial Centre) governing the issue, offering, marketing and sale of securities.

Brazil

Neither the information in this document nor any other document relating to the offer and sale of the Offer Shares has been submitted to registration with the *Comissão de Valores Mobiliários* ("CVM") in Brazil. No documents relating to the offer and sale of the Offer Shares, as well as no information contained therein, may be supplied to the public in Brazil, nor may they be used in connection with any offer for sale of the Offer Shares to the public in Brazil.

This Prospectus is only distributed to *investidores profissionais* (within the meaning of CVM Resolution (*Resolução*) No. 30, dated May 11, 2020, as amended), in Brazil, and the Offer Shares may not be offered or sold in Brazil by means of this document, except in circumstances which do not constitute a registered public offering in Brazil under Law 6,385, dated December 7, 1976, as amended, and under CVM Resolution (*Resolução*) no. 160, dated July 13, 2022, as amended, such as those that exempt the offer and sale of the Offer Shares to *investidores profissionais* that hold securities accounts outside Brazil and are able to purchase and settle the Offer Shares abroad.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Spanish company and most of our assets are located in Spain, and in other jurisdictions outside of the United States. In addition, most of our current directors and Senior Officers, as well as the Selling Shareholder, reside or are located outside the United States, mainly in Spain. As a result, investors may not be able to effect service of process outside Spain upon the Company or these persons or to enforce judgments obtained against the Company or these persons in foreign courts predicated solely upon the civil liability provisions of U.S. securities laws. Furthermore, there is doubt that a lawsuit based upon U.S. federal or state securities laws, or the laws of any non-Spanish jurisdiction, could be brought in an original action in Spain and that a foreign judgment based upon such laws would be enforceable in Spain.

VALIDITY OF THE SHARES AND LEGAL MATTERS

The validity of the Offer Shares and certain other legal matters governed by Spanish law will be passed upon for us by Linklaters, S.L.P., our Spanish counsel, and for the Underwriters by Cuatrecasas, Gonçalves Pereira, S.L.P., Spanish counsel to the Underwriters.

Certain other legal matters governed by U.S. federal law will be passed upon for us by Linklaters, S.L.P., our U.S. counsel, and for the Underwriters by Davis Polk & Wardwell LLP, U.S. counsel to the Underwriters.

INFORMATION INCORPORATED BY REFERENCE

The 2023 Annual Accounts together with the audit report and the Management Report (available at www.puig.com/es/oferta-publica and, in respect of the statement of non-financial information, at www.puig.com/es/oferta-publica), and their English translations (available at www.puig.com/en/ipo/ and, in respect of the English translation of the statement of non-financial information, at www.puig.com/en/ipo/) are incorporated by reference into this Prospectus.

Hyperlinks used for the information incorporated by reference into this Prospectus shall remain functional for at least 10 years after the publication of this Prospectus.

Neither our website nor any of its contents are considered part of or are incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined or approved the Company's website or any of its contents.

ADDITIONAL INFORMATION

Documents on display

Copies of the following documents will be available for inspection in physical form for the term of this Prospectus, during business hours on weekdays at the Company's offices at Plaza Europa, 46-48, 08902, L'Hospitalet de Llobregat, Barcelona, Spain:

(i) the Deed of Incorporation in Spain;

(ii) the Financial Statements together with the audit report (which are included as an annex to this Prospectus, and following the approval of the Prospectus by the CNMV, will also be available on the Company's website at www.puig.com/en/ipo/);

(iii) the 2023 Annual Accounts together with the Management Report (which, following the approval of the Prospectus by the CNMV, will also be available on the Company's website at www.puig.com/en/ipo/)

(iv) the Bylaws (which, following Admission, will also be available on the Company's website at www.puig.com/en/corporate-governance/regulation/);

(v) the Board Regulations and General Shareholders' Meeting Regulations (which, following Admission, will also be available on the Company's website at www.puig.com/en/corporate-governance/regulation/);

(vi) this Prospectus (which, following its approval by the CNMV, will also be available on the Company's website at www.puig.com/en/ipo/ and on the CNMV's website (www.cnmv.es) and will be available for at least 10 years after its publication on these websites);

(vii) the Remuneration Policy (which, following Admission, will also be available on the Company's website at www.puig.com/en/corporate-governance/regulation/);

(viii) the Internal Code of Conduct (which, following Admission, will also be available on the Company's website at www.puig.com/en/corporate-governance/regulation/); and

(ix) the certificate of the resolutions approved by us and the Selling Shareholder in connection with the Offering and the Admission.

The Financial Statements together with the audit report, and such documents which have access to the Commercial Registry will also be available for inspection in physical form at the CNMV's premises in Madrid (Calle Edison, 4, 28006 Madrid) and Barcelona (Calle de Bolivia, 56, 08018 Barcelona).

Neither our website nor any of its contents are considered part of or are incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined or approved the Company's website or any of its contents.

Information on the Company

The Company's legal name is Puig Brands, S.A., and depending on the jurisdiction and the brand involved, it operates under the name of "Puig" and under local commercial names such as "Puig UK" or "Charlotte Tilbury US", among others.

The Company is incorporated under the laws of Spain as a public limited liability company (*sociedad anónima*) for an unlimited period of time and registered with the Commercial Registry of Barcelona under volume 48,735, sheet B-482253, page 55. The Company holds Spanish tax identification number (NIF) A-66674904 and our LEI code is 549300OVHNSX30L1AQ94 and our corporate website is www.puig.com

The Company was incorporated under the laws of The Netherlands on February 25, 1983, with the name of Jorba B.V. as a private limited liability company. On December 18, 2015, the Company redomiciled its corporate seat from The Netherlands to Spain and became a company named Jorba Perfumes, S.L. incorporated under the laws of Spain as a private limited liability company (*sociedad limitada*). On November 15, 2022,

the Company was transformed into a public limited liability company (*sociedad anónima*) under the laws of Spain and named thereafter as Jorba Perfumes, S.A.U. Subsequently, on March 20, 2023, the Company changed its name to Puig Brands, S.A.

The principal legislation under which the Company operates is the Spanish Companies Act and the regulations enacted thereunder. The registered office of the Company is at Plaza Europa, 46-48, 08902, L'Hospitalet de Llobregat, Barcelona, Spain, and its phone number is +34 934 007 000.

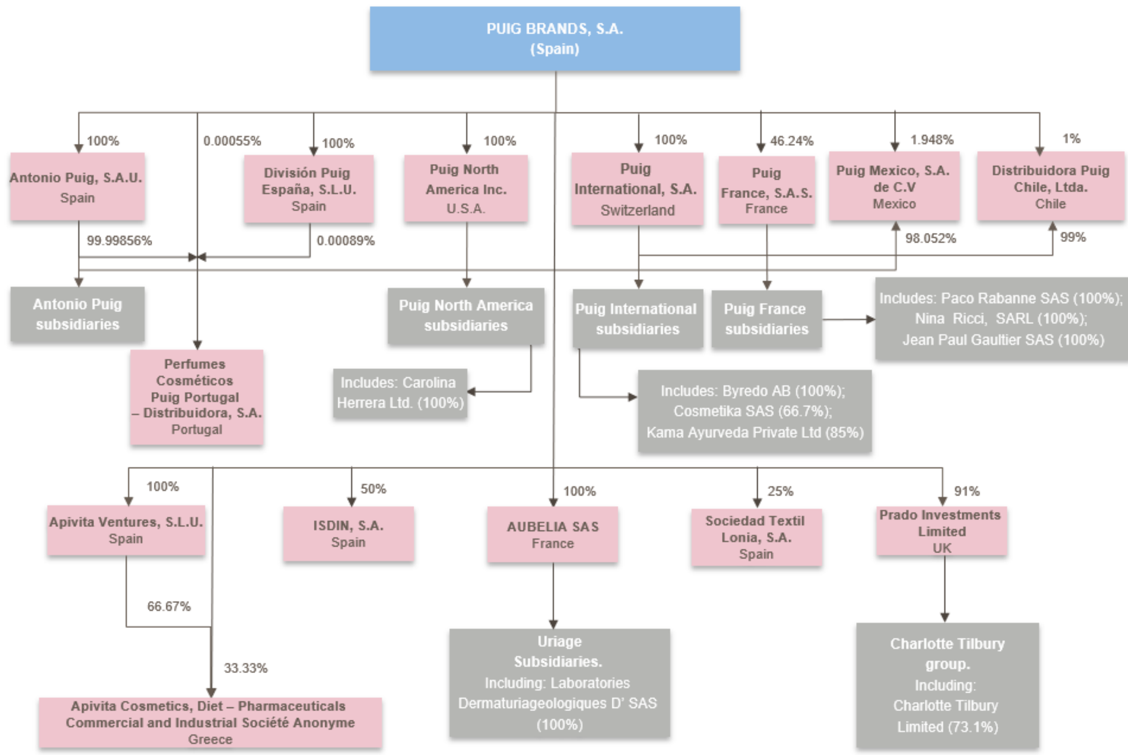
The financial year end of the Company is December 31.

The Company is domiciled in Barcelona, Spain, and resident in Spain for tax purposes.

Information on the Group

The Company is the parent company of the Group.

The following chart shows the structure of the Group as of the date of this Prospectus:



The Company is the holding company of the Group. As of December 31, 2023, the Group had 101 fully consolidated subsidiaries (entities over which we have control, due to direct or indirect ownership of more than 50% of the relevant entity's voting rights or, if the percentage of ownership is lower than 50%, because we are party to agreements with other shareholders of the relevant entity that give us the majority of voting power), and four associates (entities over which we exercise significant influence (i.e., entities over which we have direct or indirect ownership higher than 20% and/or entities where it can be verified that such significant influence exists) but which are not fully consolidated subsidiaries).

The full list of fully consolidated subsidiaries as of December 31, 2023 and certain basic information related thereto (including corporate name, country of incorporation or residence and the percentage of ownership interest held in each) is available in Annex I to the Financial Statements. For clarification purposes, the percentage of ownership interest held by the Company in the subsidiaries listed therein coincides with the proportion of voting power held by the Company in each such subsidiaries. As of the date of this Prospectus, our ownership interest in Prado is 89.5% (91% of the total voting rights taking into consideration the

conversion of BDT preference shares into ordinary shares pursuant to Prado's articles of association). As a result of the Minority Shareholders Transactions (expected to be executed on May 2, 2024), our ownership interest in Prado will be 100% and our ownership interest in Byredo AB is 100%. See "*Principal and Selling Shareholder—Minority Shareholders Transactions*".

Significant changes

Save as described in "*Business—6. Recent Developments and Current Trading—Recent Developments*", since December 31, 2023 there has been no significant change in the financial position or financial performance of the Group.

INDEPENDENT AUDITORS

Ernst & Young, S.L., whose address for these purposes is Calle Raimundo Fernández Villaverde 65, 28003 Madrid (Spain), registered with the Commercial Registry of Madrid under volume 9364, section 3, page 68 and sheet M-87690-1 holder of tax identification number (NIF) B-78970506 and registered with the Official Registry of Accounting Auditors (ROAC) under number S0530, has audited (i) the Financial Statements included as an annex in this Prospectus, as stated in its report included as an annex in this Prospectus; and (ii) the 2023 Annual Accounts included by reference in this Prospectus, as stated in its report included by reference in this Prospectus.

On March 20, 2023, our general shareholders' meeting approved the designation of Ernst & Young, S.L. as auditors of the Company for the year 2023. On June 20, 2022 and on June 30, 2021, Puig SL's general shareholders' meeting approved the designation of Ernst & Young, S.L. as auditors of Puig SL for the years 2022 and 2021, respectively. Ernst & Young, S.L. has not resigned and has not been removed as the independent auditor of the Company or Puig SL during the period covered by the historical financial information, and prior to the date of this Prospectus.

On April 5, 2024, our general shareholders' meeting approved the designation of Ernst & Young, S.L. as auditors of the Company for the year 2024.

SPANISH TRANSLATION OF THE SUMMARY

RESUMEN

Oferta de entre 106.530.612 y 118.636.362 acciones de la Clase B de
PUIG BRANDS, S.A.
(sociedad anónima constituida e inscrita en el Reino de España)
a un Rango del Precio de la Oferta de entre 22,0 y 24,5 euros por acción de la Clase B

*Este resumen se ha preparado en cumplimiento del artículo 7 del Reglamento (UE) 2017/1129 del Parlamento Europeo y del Consejo, de 14 de junio de 2017, sobre el folleto que debe publicarse en caso de oferta pública o admisión a cotización de valores en un mercado regulado y por el que se deroga la Directiva 2003/71/CE, tal y como haya sido modificado (el "**Reglamento de Folletos**")*

1. INTRODUCCIÓN Y ADVERTENCIAS

ESTE RESUMEN DEBE LEERSE COMO UNA INTRODUCCIÓN AL FOLLETO. CUALQUIER DECISIÓN DE INVERTIR EN LAS ACCIONES DE LA OFERTA (TAL Y COMO SE DEFINE MÁS ADELANTE) DE PUIG BRANDS, S.A. (LA "SOCIEDAD") DEBE BASARSE EN LA CONSIDERACIÓN DEL FOLLETO EN SU CONJUNTO POR PARTE DEL INVERSOR. EL INVERSOR PODRÍA PERDER TODO O PARTE DEL CAPITAL INVERTIDO.

CUANDO SE PRESENTE UNA RECLAMACIÓN ANTE UN TRIBUNAL EN RELACIÓN CON LA INFORMACIÓN CONTENIDA EN EL FOLLETO O INCORPORADA POR REFERENCIA AL MISMO, EL INVERSOR DEMANDANTE, CONFORME A LA LEGISLACIÓN ESPAÑOLA, PODRÍA TENER QUE ASUMIR LOS COSTES DE TRADUCCIÓN DEL FOLLETO O CUALQUIER OTRO DOCUMENTO INCORPORADO AQUÍ POR REFERENCIA ANTES DE QUE DÉ COMIENZO EL PROCEDIMIENTO JUDICIAL.

LA RESPONSABILIDAD CIVIL RECAE ÚNICAMENTE SOBRE LAS PERSONAS QUE HAYAN PRESENTADO EL RESUMEN, INCLUYENDO CUALQUIER TRADUCCIÓN DEL MISMO, PERO SOLO SI, AL SER LEÍDO JUNTO CON OTRAS PARTES DEL FOLLETO, EL RESUMEN RESULTA ENGAÑOSO, INEXACTO O INCOHERENTE O NO PROPORCIONA INFORMACIÓN RELEVANTE PARA AYUDAR A LOS INVERSORES A LA HORA DE CONSIDERAR SI INVIERTEN O NO EN LAS ACCIONES DE LA OFERTA DE LA SOCIEDAD.

La Sociedad está constituida bajo las leyes de España como una sociedad anónima por tiempo indefinido y está inscrita en el Registro Mercantil de Barcelona bajo el tomo 48735, hoja B-482253, folio 55. La Sociedad es titular del número de identificación fiscal español (CIF) A-66674904 y su código LEI es 549300OVHNSX30L1AQ94. El domicilio social de la Sociedad se encuentra en Plaza Europa, 46-48, 08902, L'Hospitalet de Llobregat, Barcelona, España, y su número de teléfono es el +34 934 007 000. El capital social de la Sociedad está compuesto por acciones de la clase A (las "**Acciones Clase A**") y por acciones de la clase B (las "**Acciones Clase B**").

El principal accionista de la Sociedad es Puig, S.L. ("**Puig SL**" o el "**Accionista Vendedor**"). El Accionista Vendedor es una sociedad constituida bajo las leyes de España como una sociedad limitada por tiempo indefinido y está inscrita en el Registro Mercantil de Barcelona bajo el tomo 49171, hoja B-207010, folio 43. El Accionista Vendedor es titular del número de identificación fiscal español (CIF) B-62059498 y el Código LEI: 549300C2UL70KS5IC127. El domicilio social del Accionista Vendedor se encuentra en Plaza Europa, 46-48, 08902, L'Hospitalet de Llobregat, Barcelona, España y su número de teléfono es el +34 937 372 300.

Este Resumen se refiere a una oferta pública inicial (la "**Oferta**") de Acciones Clase B de la Sociedad. La Sociedad está ofertando un número de Acciones Clase B (las "**Acciones Nuevas de la Oferta**") para obtener unos fondos brutos de aproximadamente 1.250 millones de euros (los "**Fondos Nuevos Brutos**"). En base al Rango del Precio de la Oferta (tal y como se define más adelante), el número de Acciones Clase B a emitir por la Sociedad será de entre 51.020.408 y 56.818.181. El número definitivo de Acciones Nuevas de la Oferta será el resultado de dividir los Fondos Nuevos Brutos entre el Precio de la Oferta (tal y como se define más adelante). El Accionista Vendedor está ofertando un número de Acciones Clase B (las "**Acciones Secundarias de la Oferta**" y, junto con las Acciones Nuevas de la Oferta, las "**Acciones Iniciales de la Oferta**") para obtener unos fondos brutos de aproximadamente 1.360 millones de euros (los "**Fondos Secundarios Brutos**"). En base al Rango del Precio de la Oferta (tal y como se define más adelante), el número de Acciones Clase B a vender por el Accionista Vendedor será de entre 55.510.204 y 61.818.181. El número definitivo de Acciones Nuevas de la Oferta será el resultado de dividir los Fondos Secundarios Brutos entre el Precio de la Oferta.

Además, el Accionista Vendedor otorgará una opción (la "**Opción de Sobreadjudicación**") a Goldman Sachs Bank Europe SE y J.P. Morgan SE (conjuntamente, las "**Entidades Coordinadoras Globales**") ejercitable, en todo o en parte, por Goldman Sachs Bank Europe SE, actuando como agente de estabilización (el "**Agente de Estabilización**"), por cuenta de las Entidades Coordinadoras Globales, no más tarde de los 30 días naturales siguientes a la fecha en que las Acciones Clase B comiencen a cotizar en las bolsas de valores de Barcelona, Madrid, Bilbao y Valencia (conjuntamente, las "**Bolsas de Valores Españolas**"), para comprar Acciones Clase B adicionales que representan aproximadamente hasta el 15% de las Acciones Iniciales de la Oferta en un importe de hasta 390 millones de euros al Precio de la Oferta (las "**Acciones de la Sobreadjudicación**" y, junto con las Acciones Iniciales de la Oferta, las "**Acciones**

de la Oferta"), únicamente para cubrir las sobreadjudicaciones de Acciones en la Oferta, en caso de haberlas, y las posiciones cortas resultantes de las operaciones de estabilización, en caso de haberlas. Teniendo en cuenta el punto más bajo del Rango del Precio de la Oferta, y asumiendo que la Opción de Sobreadjudicación se ejercita en su totalidad, el número de Acciones de la Sobreadjudicación será de 17.727.272.

El rango del precio de la oferta indicativo y no vinculante al que las Acciones de la Oferta se ofrecen en la Oferta se sitúa entre 22,0 euros y 24,5 euros por Acción de la Oferta (el "**Rango del Precio de la Oferta**"). El precio final de las Acciones de la Oferta (el "**Precio de la Oferta**") será determinado por la Sociedad y el Accionista Vendedor, tras consultar con las Entidades Coordinadoras Globales, una vez finalizado el periodo de prospección (*book building*) (lo que se espera que ocurra el o alrededor del 30 de abril de 2024) y se anunciará mediante una comunicación de información privilegiada. No se consultará a expertos independientes para determinar el Precio de la Oferta.

El código ISIN de las Acciones Clase B existentes de la Sociedad es ES0105777017, mientras que el código ISIN provisional de las Acciones Nuevas de la Oferta es ES0105777025, y tendrán el mismo código ISIN que el de las Acciones Clase B existentes desde la Admisión.

El folleto relativo a la Sociedad y sus filiales (el "**Grupo**") constituye un folleto a los efectos de los artículos 3 y 4 del Reglamento de Folletos (el "**Folleto**"). El Folleto se ha elaborado en relación con la Oferta y la solicitud de admisión a cotización (la "**Admisión**") de las Acciones Clase B en las Bolsas de Valores Españolas. El Folleto ha sido aprobado y registrado en la Comisión Nacional del Mercado de Valores (la "**CNMV**") el 18 de abril de 2024. Los inversores pueden ponerse en contacto con la CNMV en el siguiente número de teléfono +34 915851500. El Folleto está disponible en la página web de la CNMV (www.cnmv.es) y en la página web de la Sociedad (www.puig.com/es/oferta-publica). Ni la página web de la Sociedad ni su contenido se considera que forman parte de este Resumen, bien por referencia o de cualquier otro modo, excepto que aquí se indique lo contrario. La CNMV no ha examinado ni aprobado la página web de la Sociedad ni ninguno de sus contenidos.

2. INFORMACIÓN RELEVANTE SOBRE LA SOCIEDAD

2.1. ¿Quién es el emisor de los valores?

Domicilio y forma jurídica

La denominación social del emisor es Puig Brands, S.A., y dependiendo de la jurisdicción y la marca involucrada, opera con el nombre comercial de "Puig" o bajo nombres comerciales locales como "Puig UK" o "Charlotte Tilbury US", entre otros. La Sociedad está constituida bajo las leyes de España como una sociedad anónima por tiempo indefinido y está inscrita en el Registro Mercantil de Barcelona bajo el tomo 48735, hoja B-482253, folio 55. La Sociedad es titular del número de identificación fiscal español (CIF) A-66674904, su código LEI es 549300OVHNSX30L1AQ94 y su página web corporativa es www.puig.com. La principal legislación bajo la que opera la sociedad es la Ley de Sociedades de Capital Española y las normas aprobadas bajo la misma. El domicilio social de la Sociedad se encuentra en Plaza Europa, 46-48, 08902, L'Hospitalet de Llobregat, Barcelona, España, y su número de teléfono es el +34 934 007 000.

La Sociedad fue constituida el 25 de febrero de 1983 bajo las leyes de Países Bajos con la denominación de Jorba B.V. como sociedad privada con responsabilidad social limitada. El 18 de diciembre de 2015, la Sociedad trasladó su domicilio social desde Países Bajos a España y pasó a denominarse Jorba Perfumes, S.L., una sociedad constituida bajo las leyes de España como sociedad limitada. El 15 de noviembre de 2022, la Sociedad se transformó en una sociedad anónima bajo las leyes de España y pasó a denominarse Jorba Perfumes, S.A.U. Posteriormente, el 20 de marzo de 2023, la Sociedad cambió su denominación social a Puig Brands, S.A.

Actividades principales

Las principales actividades de la Sociedad son: (a) las actividades propias de una sociedad holding de sociedades dedicadas a la fabricación y comercialización de toda clase de productos de perfumería y menaje (jabonería, cosmética, higiene, tocador, esencias, detergentes, etc.); textiles o de marroquinería; moda, confección y accesorios; muebles, artículos y objetos en general; de productos químicos y especialidades farmacéuticas; envases y sus componentes; y la investigación, desarrollo, administración y explotación en cualquiera de sus formas de patentes, marcas, procedimientos de fabricación y otros derechos de propiedad industrial; y (b) la prestación de servicios de dirección, gestión, control, administración, asistencia técnica e informática, jurídica, financiera, de promoción, de publicidad y asesoramiento en general a las filiales de la Sociedad y, en particular, la prestación de servicios de gestión centralizada de tesorería.

Accionistas mayoritarios

El capital social de la Sociedad es de 144.000.000 euros, y está compuesto por 475.000.000 Acciones Clase A de 0,30 euros de valor nominal cada una y 25.000.000 Acciones Clase B de 0,06 euros de valor nominal cada una. El 16 de abril de 2024, la junta general de accionistas y el consejo de administración de la Sociedad (el "**Consejo de Administración**") acordaron el aumento de capital relativo a las Acciones Nuevas de la Oferta. Adicionalmente, en esa misma fecha, el Consejo de Administración acordó: (i) la conversión de Acciones Clase A en Acciones Clase B en el número necesario para que el Accionista Vendedor obtenga los Fondos Secundarios Brutos a través de la venta de Acciones Secundarias de la Oferta, junto con la correspondiente reducción de capital para llevar a cabo dicha conversión; (ii) la conversión de Acciones Clase A en Acciones Clase B en el número necesario para que el Accionista Vendedor otorgue la Opción de Sobreadjudicación, junto con la correspondiente reducción de capital para llevar a cabo dicha conversión; y (iii) una conversión adicional de Acciones Clase A en Acciones Clase B en el número que resulte de dividir 250 millones de euros entre el Precio de la Oferta (la "**Conversión Adicional**"), junto con la correspondiente reducción de capital para llevar a cabo la Conversión Adicional;. La Sociedad otorgará ante un notario español una escritura pública de aumento de capital social relativa a las Acciones Nuevas de la

Oferta y las escrituras públicas relativas a las conversiones y las reducciones de capital mencionadas en (i), (ii) y (iii) anteriormente (la "**Escrituras Públicas de Conversión y Reducción de Capital**").

El 1 de marzo de 2024, la Sociedad acordó adquirir: (i) de BDT Champions Holding, L.P. (actuando a través de su socio BDTCP GP II-A (DEL), LLC) ("**BDT**") sus 253.400.000 acciones preferentes que se corresponden con el 26,3% del número total de acciones de Prado Investment Limited ("**Prado**") (quien es titular del 73,1% del capital social de Charlotte Tilbury Limited); y (ii) de US Investments, LLC ("**Manzanita**") y Arctic Sun AB ("**Arctic**"), sus 4.490 y 673 acciones, respectivamente, que se corresponden con el 23% del número total de acciones de Byredo AB (conjuntamente, las "**Operaciones de Accionistas Minoritarios**"). Parte de la contraprestación de las Operaciones de Accionistas Minoritarios la pagará la Sociedad mediante la emisión de un número de Acciones Clase B y su suscripción por BDT y Artic, respectivamente, a través de aumentos de capital por compensación de créditos. Adicionalmente, Manzanita se ha comprometido irrevocablemente a invertir al Precio de la Oferta una cierta cantidad en la suscripción de Acciones Clase B que serán emitidas por la Sociedad a través de un aumento de capital (junto con los aumentos de capital a suscribir por BDT y Artic, los "**Aumentos de Capital de los Accionistas Minoritarios**"). La suscripción de dichas Acciones Clase B la llevarán a cabo WFSF LLC y Manzanita US LLC, socios (*limited partners*) de Manzanita (conjuntamente, los "**Socios de Manzanita**" y, junto con BDT y Arctic, los "**Accionistas Minoritarios**"). El 16 de abril de 2024, la junta general de accionistas de la Sociedad aprobó los Aumentos de Capital de los Accionistas Minoritarios. Se espera que la ejecución de los Aumentos de Capital de los Accionistas Minoritarios se lleve a cabo el 2 de mayo de 2024, tras el aumento de capital relativo a las Acciones Nuevas de la Oferta. Ni las Operaciones de Accionistas Minoritarios ni los Aumentos de Capital de los Accionistas Minoritarios ni las Acciones Clase B en relación con ellos forman parte de la Oferta.

Como resultado de la Oferta, de la Conversión Adicional y de los Aumentos de Capital de los Accionistas Minoritarios, y asumiendo que el Precio de la Oferta se sitúa en el punto medio del Rango del Precio de la Oferta (23,25 euros por Acción de la Oferta), (i) 86.021.504 Acciones Clase A de 0,30 euros de valor nominal cada una se convertirán en 86.021.504 Acciones Clase B de 0,06 euros de valor nominal cada una, y la Sociedad llevará a cabo la reducción de capital correspondiente, que ascenderá a 20.645.160,96 euros, (ii) la Sociedad emitirá 53.763.440 Acciones Nuevas de la Oferta para obtener los Fondos Nuevos Brutos; y (iii) la Sociedad emitirá 18.079.705 Acciones Clase B nuevas que serán suscritas por BDT, Arctic y los Socios de Manzanita de acuerdo con los Aumentos de Capital de los Accionistas Minoritarios (las "**Acciones Nuevas de los Accionistas Minoritarios**"). Como resultado, el capital social de la Sociedad sería de 127.665.427,74 euros, y comprendería 388.978.496 Acciones Clase A de 0,30 euros de valor nominal cada una y 182.864.649 Acciones Clase B de 0,06 euros de valor nominal cada una.

La tabla siguiente muestra cierta información respecto a la propiedad y derechos de voto totales de las Acciones Clase A y Acciones Clase B antes y después de la Oferta y de los Aumentos de Capital de los Accionistas Minoritarios (asumiendo que el Precio de la Oferta se sitúa en el punto medio del Rango del Precio de la Oferta (23,25 euros por Acción de la Oferta), salvo que en la tabla se establezca lo contrario). Para evitar cualquier duda, el porcentaje de derechos de voto totales se ha calculado teniendo en cuenta las Acciones Clase B propiedad de la Sociedad como acciones de autocartera.

			Propiedad de las acciones tras la Oferta y los Aumentos de Capital de los Accionistas Minoritarios			
	Propiedad de las acciones con anterioridad a la Oferta		**Asumiendo que no se ejercita la Opción de Sobreadjudicación**		**Asumiendo que la Opción de Sobreadjudicación se ejercita completamente**	
	Número	**%**	**Número**	**%**	**Número**	**%**
Acciones Clase A	**475.000.000**	**95[(1)]**	**388.978.496**	**68,0[(2)]**	**388.978.496**	**68,0[(2)]**
Puig, S.L. como Accionista Vendedor (controlado por Exea Empresarial, S.L.)[(3)]	475.000.000	95	388.978.496	68,0	388.978.496	68,0
Acciones Clase B	**25.000.000**	**5[(4)]**	**182.864.649**	**32,0[(5)]**	**182.864.649**	**32,0[(5)]**
Total	**500.000.000**	**100**	**571,843,145**	**100**	**571.843.145**	**100**
Titularidad de las Acciones Clase B	**Número**	**%[(6)]**	**Número**	**%[(6)]**	**Número**	**%[(6)]**
Puig, S.L. como Accionista Vendedor (controlado por Exea Empresarial, S.L.)[(3)]	3.536.362	14,1	31.063.243[(7)]	17,0	14.289.050[(7)]	7,8
Consejeros y directivos de la Sociedad	10.991.115	44,0	11.108.101[(8)]	6,1	11.108.101[(8)]	6,1
Accionistas Minoritarios[(9)]	–	–	18.079.705	9,9	18.079.705	9,9
Otros[(10)]	5.585.856	22,3	5.585.856	3.1	5.585.856	3.1
Acciones de autocartera	4.886.667	19,5	4.886.667	2.7	4.886.667	2.7

	Propiedad de las acciones con anterioridad a la Oferta		Propiedad de las acciones tras la Oferta y los Aumentos de Capital de los Accionistas Minoritarios — Asumiendo que no se ejercita la Opción de Sobreadjudicación		Propiedad de las acciones tras la Oferta y los Aumentos de Capital de los Accionistas Minoritarios — Asumiendo que la Opción de Sobreadjudicación se ejercita completamente	
	Número	**%**	**Número**	**%**	**Número**	**%**
Público (otro capital flotante)	–	–	112.141.077	61,3	128.915.270	70,5
Total de Acciones Clase B.............................	**25.000.000**	**100**	**182.864.649**	**100**	**182.864.649**	**100**

Notas: —

(1) 98,96% de los derechos de voto totales de la Sociedad; (2) 91,4% de los derechos de voto totales de la Sociedad; (3) A fecha del Folleto, el accionista principal de la Sociedad es el Accionista Vendedor, Puig SL. Puig SL es propiedad de tres sociedades que pertenecen a la familia Puig. Puig SL está controlada (en el sentido del Artículo 4 de la Ley del Mercado de Valores Española y del Artículo 42 del Código de Comercio Español) por Exea Empresarial, S.L., que es propietaria de aproximadamente el 51,1% del capital social de Puig SL (41,2% de manera directa y 9,9% de manera indirecta a través de Puig Gest, S.A., en la que Exea Empresarial, S.L. es el accionista con una participación de control). Exea Empresarial, S.L. no está controlada (en el sentido del Artículo 4 de la Ley del Mercado de Valores Española y del Artículo 42 del Código de Comercio Español) por ninguna persona física o jurídica. En el momento de Admisión, la Sociedad seguirá estando controlada por Exea Empresarial, S.L., a través de Puig SL. La Sociedad no tiene conocimiento de ningún pacto que pueda resultar en una fecha futura en un cambio de control de la Sociedad. Tras la Admisión, cualquier notificación relativa a los derechos de voto e instrumentos financieros que sean propiedad directa de Puig SL que deba remitirse a la CNMV en cada momento de acuerdo con los dispuesto en el Real Decreto 1362/2007 (comunicación de participación significativa) será remitida por Exea Empresarial, S.L.; (4) 1,04% de los derechos de voto totales de la Sociedad; (5) 8,6% de los derechos de voto totales de la Sociedad; (6) corresponde al porcentaje del total de Acciones Clase B; (7) incluyendo las Acciones Clase B resultantes de la Conversión Adicional que serán del Accionista Vendedor tras la Oferta; (8) incluyendo las Acciones Iniciales de la Oferta que serán compradas por algunos de los consejeros de la Sociedad en el contexto de la Oferta; (9) las Operaciones de Accionistas Minoritarios, los Aumentos de Capital de los Accionistas Minoritarios y las nuevas Acciones Clase B relacionadas con ellos no forman parte de la Oferta y ninguno de los Accionistas Minoritarios tendrá una participación en el capital social de la Sociedad igual o superior al 3% tras la Oferta; y (10) principalmente incluye a otros trabajadores, antiguos consejeros u otros accionistas minoritarios de la Sociedad que han adquirido y/o recibido Acciones Clase B.

Consejo de Administración

El Consejo de Administración está compuesto por 13 miembros: D. Marc Puig Guasch (ejecutivo, presidente), D. Manuel Puig Rocha (dominical, vicepresidente), D. Josep Oliu Creus (dominical), D. Jordi Constans Fernández (consejero independiente coordinador), D. Yiannis Petrides (otro externo), D. Daniel Lalonde (independiente), D. Rafael Cerezo Laporta (otro externo), D. Patrick Chalhoub (otro externo), Dña. Ángeles García-Poveda Morera (independiente), Dña. Christine A. Mei (independiente), D. Nicolas Mirzayantz (independiente), Dña. Tina Müller (independiente) y Dña. María Dolores Dancausa Treviño (independiente).

Audtor independiente

Ernst & Young, S.L. es el auditor independiente de la Sociedad.

2.2. ¿Cuál es la información financiera más relevante de la Sociedad?

Las siguientes tablas presentan información financiera consolidada seleccionada de la Sociedad para los ejercicios cerrados a y finalizados el 31 de diciembre de 2023, 2022 y 2021. La información financiera consolidada seleccionada para los ejercicios cerrados a y finalizados el 31 de diciembre de 2023, 2022 y 2021 deriva de los estados financieros de propósito especial para los ejercicios cerrados a y finalizados el 31 de diciembre de 2023, 2022 y 2021 (los "**Estados Financieros**"), que han sido formulados por la Sociedad de acuerdo con la legislación española y con las Normas Internacionales de Información Financiera, adoptadas por la Unión Europea ("**NIIF-UE**"). Los Estados Financieros han sido auditados por Ernst & Young, S.L. según consta en su informe de auditoría sin salvedades. Los Estados Financieros, junto con el informe de auditoría, se han incluido como anexo al Folleto. Los Estados Financieros fueron originalmente formulados en inglés.

Información de la cuenta de resultados consolidada

	Para el año finalizado el 31 de diciembre de		
	2023	**2022**	**2021**
	(millones de euros, excepto %)		
Ingresos netos	**4.304,1**	**3.619,6**	**2.585,0**

	Para el año finalizado el 31 de diciembre de		
	2023	**2022**	**2021**
	(millones de euros, excepto %)		
Crecimiento de Ingresos netos	**18,9%**	**40,0%**	**-**
Beneficio opertivo^MAR	**693,.0**	**536,5**	**351,6**
Margen Operativo	**16,1%**	**14,8%**	**13,6%**
Beneficio neto del año	**499,9**	**412,5**	**198,9**
Margen de Beneficio Neto^MAR	**10,8%**	**11,0%**	**8,5%**

Información del balance de situación consolidado

	A 31 de diciembre de		
	2023	**2022**	**2021**
	(millones de euros)		
Activos totales	**7.711,3**	**7.115,1**	**5.090,8**
Patrimonio neto	**959,2**	**951,6**	**1.048,5**
Deuda Neta^MAR	**1.509,7**	**1.272,6**	**399,7**

Información del estado de flujos de caja consolidado

	Para el año finalizado el 31 de diciembre de		
	2023	**2022**	**2021**
	(millones de euros)		
Flujo de caja neto procedente de actividades operativas	**556,5**	**419,7**	**511,0**
Flujo de caja neto procedente de actividades de inversión	**(286,6)**	**(1.047,6)**	**(145,0)**
Flujo de caja neto procedente de actividades de financiación	**(98,0)**	**644,5**	**(342,3)**

No se ha incluido en el Folleto ninguna información financiera pro forma ni previsión de beneficios.

2.3. ¿Cuáles son los riesgos más relevantes específicos de la Sociedad?

Los factores de riesgo más relevantes específicos del emisor son los siguientes:

- "*Riesgos relacionados con nuestra industria y nuestro negocio*": (i) "*1.1. Varias operaciones y compromisos adoptados después del 31 de diciembre de 2023 afectan nuestra liquidez y posición financiera"*; (ii) *"1.2 La demanda en los mercados de nuestros productos puede fluctuar por una variedad de razones fuera de nuestro control*"; (iii) "*1.3 La industria de la belleza es altamente competitiva*"; (iv) "*1.4 Debemos adaptarnos a los cambios en las preferencias de los consumidores y las tendencias de la industria*"; y (v) "*1.5 Nuestras marcas son críticas para nuestro éxito*"
- "*Riesgos relacionados con nuestras operaciones comerciales*": (i) "*2.1 Nuestras operaciones podrían verse interrumpidas, y nuestras pérdidas pueden no estar aseguradas*"; (ii) "*2.2 Nuestras operaciones comerciales dependen de ciertos terceros*"; y (iii) "*2.3 Nuestro negocio requiere que gestionemos los niveles de inventario de manera efectiva*"
- "*Riesgos relacionados con nuestra estrategia y organización empresarial*": (i) "*3.1 Nuestro éxito depende en parte de nuestra capacidad para lograr nuestra estrategia empresarial*"; y (ii) "*3.2 Nuestros activos intangibles netos totales ascendieron a 4.114,3 millones de euros a 31 de diciembre de 2023, representando el 53,4% de nuestros activos totales y pueden estar sujetos a deterioro en el futuro*"
- "*Riesgos relacionados con nuestra deuda y otros pasivos*": (i) "*4.1 Las obligaciones de pago en relación con participaciones minoritarias en ciertas marcas constituyen pasivos significativos para nosotros y requerirán que realicemos desembolsos de efectivo significativos en el futuro*"
- "*Riesgos legales y regulatorios*": (i) "*5.1 Estamos sujetos a procedimientos legales y riesgos de cumplimiento normativo*"; y (ii) "*5.2 Nuestro éxito depende de la capacidad para proteger nuestros derechos de propiedad intelectual y respetar la propiedad intelectual de otros*"

3. INFORMACIÓN RELEVANTE SOBRE LOS VALORES

3.1. ¿Cuáles son las principales características de los valores?

Tipo, clase e ISIN

El capital social de la Sociedad es de 144.000.000 euros, y está compuesto por 475.000.000 Acciones Clase A de 0,30 euros de valor nominal cada una y 25.000.000 Acciones Clase B de 0,06 euros de valor nominal cada una. Cada Acción Clase A confiere cinco (5) votos y cada Acción Clase B confiere un (1) voto.

Las Acciones Clase A y las Acciones Clase B están denominadas en euros (€). El código ISIN de las Acciones Clase B existentes de la Sociedad es ES0105777017, mientras que el código ISIN provisional de las Acciones Nuevas de la Oferta es ES0105777025, y tendrán el mismo código ISIN que el de las Acciones Clase B existentes desde la Admisión.

Las Acciones Clase B fueron emitidas conforme al Texto Refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, tal y como haya sido modificado (la "**Ley de Sociedades de Capital Española**") y, salvo por la diferencia en el número de votos entre las Acciones Clase A y las Acciones Clase B, el menor valor nominal de las Acciones Clase B y el derecho de las Acciones Clase A de convertirse en Acciones Clase B, cada Acción Clase B confiere los mismos derechos (incluyendo el derecho a recibir, en idénticas cantidades, dividendos y otras distribuciones declaradas, hechas o pagadas con cargo al capital social de la Sociedad, también en caso de liquidación) que las Acciones Clase A.

Los titulares de las Acciones Clase B, incluidas las Acciones de la Oferta, y los titulares de las Acciones Clase A tienen los derechos y están sujetos a las obligaciones establecidas en la Ley de Sociedades de Capital Española y en los estatutos de la Sociedad (los "**Estatutos**"). En particular, los derechos inherentes a la condición de titular de las Acciones Clase A y titular de las Acciones Clase B son los siguientes: (i) derecho de asistencia y voto en la junta general de accionistas (siempre que el accionista sea titular de un número mínimo de 1.000 Acciones Clase A o Acciones Clase B); (ii) derecho de suscripción preferente en las emisiones de nuevas acciones y de obligaciones u otros instrumentos convertibles o que conlleven el derecho a suscribir nuevas acciones como contraprestación a las aportaciones dinerarias; (iii) derecho a ejercitar acciones que son propias de los accionistas; (iv) derechos de información; y (v) derecho al dividendo y a la cuota de liquidación en idénticas cantidades para las Acciones Clase A y Acciones Clase B.

Las Acciones Clase B, incluidas las Acciones de la Oferta, no están sujetas a ninguna restricción en cuanto a la transmisión, salvo las restricciones aplicables en virtud de la normativa de valores que sea de aplicación y los Estatutos, y sin perjuicio de los acuerdos de restricción a la transmisión acordados en relación con la Oferta y aquellas restricciones en relación con las Acciones Clase B entregadas a ciertos consejeros y empleados de la Sociedad bajo los planes de incentivos y las restricciones a la transmisión de las Acciones Nuevas de los Accionistas Minoritarios emitidas de acuerdo con las Ampliaciones de Capital de los Accionistas Minoritarios.

A fecha del Folleto, la Sociedad no ha aprobado ninguna política de dividendos. Sin embargo, la intención de la Sociedad es distribuir dividendos en efectivo en un futuro próximo de manera prudente (la Sociedad pretende mantener una ratio de pago (calculada como dividendo/beneficio neto atribuible a la Sociedad) de aproximadamente el 40%, en línea con el historial de reparto de dividendos de la Sociedad). Tras la Oferta, la Sociedad espera realizar su primera distribución de dividendo en 2025 respecto a los resultados del año 2024.

3.2. ¿Dónde se negociarán los valores?

La Sociedad solicitará que las Acciones Clase B coticen en las Bolsas de Valores Españolas, que son mercados regulados a efectos de la Directiva 2014/65/CE de la UE relativa a los mercados de instrumentos financieros, en su versión vigente, y que sean admitidas a cotización a través del Sistema de Interconexión Bursátil o Mercado Continuo de las Bolsas de Valores Españolas (el "**SIBE**") en o alrededor del 3 de mayo de 2024 con el símbolo de cotización "PUIG". La Sociedad no va a solicitar la admisión a cotización de las Acciones Clase A en las Bolsas de Valores Españolas ni en ningún otro mercado bursátil.

3.3. ¿Existe una garantía vinculada a los valores?

No procede.

3.4. ¿Cuáles son los riesgos más relevantes específicos de los valores?

A continuación, se presenta un resumen de los riesgos relevantes seleccionados que se relacionan con los valores: (i) "*Nuestra estructura de doble clase de acciones concentra el control del voto en los titulares de las Acciones Clase A, y esto va a seguir sucediendo tras la Admisión, limitando tu capacidad para ejercer influencia en cuestiones societarias*"; y (ii) "*No hay garantía de que vayamos a repartir dividendos en el futuro*."

4. INFORMACIÓN RELEVANTE SOBRE LA OFERTA DE VALORES AL PÚBLICO Y/O LA ADMISIÓN A COTIZACIÓN EN UN MERCADO REGULADO

4.1. ¿En qué condiciones y plazos puedo invertir en los valores?

Calendario previsto para los principales eventos

La Sociedad espera que la Oferta tenga lugar de acuerdo con el siguiente calendario tentativo:

Evento	Fecha Estimada
Aprobación y registro del Folleto en la CNMV	18 de abril de 2024
Inicio del periodo de prospección "*book building*" en el que se presentan propuestas no vinculantes por parte de inversores cualificados	19 de abril de 2024
Finalización del período de prospección "*book building*"	30 de abril de 2024
Fijación del Precio de la Oferta	30 de abril de 2024
Firma del Contrato de Aseguramiento (tal y como se define más adelante)	30 de abril de 2024

Evento	Fecha Estimada
Publicación del Precio de la Oferta y del volumen final de la Oferta mediante una comunicación de información privilegiada	30 de abril de 2024
Asignación de Acciones Iniciales de la Oferta a los inversores: Fecha de Transacción	30 de abril de 2024
Adelanto de fondos de las Acciones Nuevas de la Oferta por las Entidades Coordinadoras Globales	2 de mayo de 2024
Otorgamiento de la escritura pública de aumento de capital relativa a las Acciones Nuevas de la Oferta	2 de mayo de 2024
Otorgamiento de las Escrituras Públicas de Conversión y Reducción de Capital relativa a las Acciones Secundarias de la Oferta y las Acciones de la Sobreadjudicación	2 de mayo de 2024
Otorgamiento de la Escritura Pública de Conversión y Reducción de Capital relativa a la Conversión Adicional	2 de mayo de 2024
Otorgamiento de las escrituras públicas de aumento de capital relativas a las Acciones Nuevas de los Accionistas Minoritarios	2 de mayo de 2024
Presentación y registro de las Escrituras Públicas de Conversión y Reducción de Capital relativa a las Acciones Secundarias de la Oferta y las Acciones de la Sobreadjudicación y de la escritura pública de aumento de capital relativa a las Acciones Nuevas de la Oferta en el Registro Mercantil de Barcelona	2 de mayo de 2024
Presentación de la Escritura Pública de Conversión y Reducción de Capital relativa a la Conversión Adicional en el Registro Mercantil de Barcelona	2 de mayo de 2024
Presentación de las escrituras públicas de aumento de capital relativas a las Acciones Nuevas de los Accionistas Minoritarios en el Registro Mercantil de Barcelona	2 de mayo de 2024
Fecha de la operación bursátil de la Oferta y publicación de una comunicación de otra información relevante	2 de mayo de 2024
Admisión, inicio de negociación y comienzo del Periodo de Estabilización (tal y como se define más adelante) y del periodo de ejercicio de la Opción de Sobreadjudicación (en o alrededor del)	3 de mayo de 2024
Fecha de liquidación (en o alrededor del). Pago y entrega a los inversores de las Acciones Iniciales de la Oferta	6 de mayo de 2024
Finalización del Período de Estabilización y del período de ejercicio de la Opción de Sobreadjudicación	1 de junio de 2024

Asumiendo que el Precio de la Oferta se sitúa en el punto medio del Rango del Precio de la Oferta (23,25 euros por Acción de la Oferta) y que la Opción de Sobreadjudicación no se ejercita, tras la Oferta y las Ampliaciones de Capital de los Accionistas Minoritarios, los accionistas de la Sociedad a fecha del Folleto: (i) serán titulares del 77,2% (74,3% si la Opción de Sobreadjudicación se ejercita completamente) del número total de Acciones Clase A y Acciones Clase B de la Sociedad, representado una dilución de aproximadamente el 22,8% (25,7% si la Opción de Sobreadjudicación se ejercita completamente) respecto a su participación con anterioridad a la Oferta; y (ii) serán titulares del 93,9% (93,1% si la Opción de Sobreadjudicación se ejercita completamente) del número total de derechos de votos de la Sociedad, representando una dilución de aproximadamente el 6,1% (6,9% si la Opción de Sobreadjudicación se ejercita completamente) respecto al porcentaje de derechos de voto de los que eran titulares con anterioridad a la Oferta

Dada la dificultad en determinar los gastos incurridos a fecha del Folleto, la tabla que se muestra a continuación es a efectos ilustrativos únicamente y establece los gastos estimados que pagará la Sociedad y el Accionista Vendedor, en ambos casos excluyendo cualquier IVA aplicable, que deberá ser añadido cuando proceda (asumiendo que el Precio de la Oferta se sitúa en el punto medio del Rango del Precio de la Oferta (23,25 euros por Acción de la Oferta), la Opción de Sobreadjudicación ha sido ejercitada completamente y asumiendo que se ha pagado la totalidad de la comisión de incentivo a las Entidades Aseguradoras).

Gastos	Company	Selling Shareholder
	(millones de euros)	
Comisiones de aseguramiento	27,46	38,44
Tarifas de Iberclear, Bolsas de Valores Españolas y CNMV	0,26	0,36
Gastos legales, gastos de auditoría y otros gastos (notario, registro con el Registro Mercantil, publicaciones legales, asesoramiento legal y de otro tipo, servicios de auditoría)	0,87	1,21
Total	28,58	40,02

4.2. ¿Quién es el oferente y/o la persona que solicita la admisión a cotización?

La Sociedad es la oferente de las Acciones Nuevas de la Oferta y la persona que solicita la admisión a cotización de todas las Acciones Clase B en la fecha de Admisión. Véase "*2. Información relevante sobre la Sociedad*" de este Resumen para obtener más información sobre la Sociedad.

El Accionista Vendedor será el oferente de las Acciones Secundarias de la Oferta, así como de las Acciones de la Sobreadjudicación si se ejercita la Opción de Sobreadjudicación, total o parcialmente. La Opción de Sobreadjudicación será ejercitable, total o parcialmente, por el Agente de Estabilización, por cuenta de las Entidades Coordinadoras Globales, no más tarde de los 30 días naturales siguientes a la Admisión (el "**Periodo de Estabilización**"). Véase "*1. Introducción y advertencias*" de este Resumen para obtener más información sobre el Accionista Vendedor.

4.3. ¿Por qué se elabora el Folleto?

El Folleto constituye un folleto a los efectos de los artículos 3 y 4 del Reglamento de Folletos. El Folleto se ha elaborado en relación con la Oferta y la solicitud de Admisión. El Folleto ha sido aprobado por la CNMV, como autoridad competente conforme al Reglamento de Folletos, la Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión (la "**Ley del Mercado de Valores Española**") y las correspondientes normas de aplicación en España.

Para la Sociedad, convertirse en una empresa cotizada implica un nivel de escrutinio más elevado por parte de inversores, analistas, reguladores y el mercado en general, asegurando que las próximas generaciones de la familia Puig se mantengan en los más altos estándares posibles mientras guían a la Sociedad en la dirección estratégica correcta. Esto permitirá a la Sociedad competir mejor en el mercado internacional de la belleza durante su próxima fase de desarrollo. Como resultado de la Oferta, la estructura societaria y de capital de la Sociedad estará mejor alineada con la estructura de empresas familiares de primer nivel en el sector de la belleza *premium* a nivel mundial, las cuales están compuestas por un núcleo accionarial fuerte vinculado, a menudo, a sus familias fundadoras, fomentando un enfoque de pensamiento en el largo plazo. Al mismo tiempo, la Sociedad cree que el rigor asociado a ser una empresa cotizada debería mejorar la toma disciplinada de decisiones y ayudar a dirigir el rendimiento de la Sociedad en la dirección correcta. Además, la Sociedad cree que convertirse en una empresa cotizada conllevará una mayor visibilidad y reconocimiento, lo que debería proporcionarle herramientas útiles para la atracción y retención de talento, al mismo tiempo que le permite el acceso a capital público como fuente alternativa de financiación al objeto de apoyar la estrategia de crecimiento de las marcas y el porfolio de la Sociedad.

La Sociedad espera obtener los Fondos Nuevos Brutos (1.250 millones de euros) mediante la emisión de las Acciones Nuevas de Oferta en la Oferta. Se espera que los gastos de la Oferta (excluyendo el IVA y asumiendo que el Precio de la Oferta se sitúa en el punto medio del Rango del Precio de la Oferta (23,25 euros por Acción de la Oferta) y el pago completo de la comisión de incentivo a las Entidades Aseguradoras (tal y como se define más adelante)) que pagará la Sociedad en relación con la Oferta serán aproximadamente de 28,6 millones de euros. La Sociedad tiene la intención de pagar dichos gastos con los fondos brutos de la Oferta. La Sociedad tiene la intención de utilizar los fondos netos de la emisión de las Acciones Nuevas de Oferta para fines dentro del uso ordinario de su negocio tales como (i) el pago de las opciones de venta y compra de una parte de las acciones en poder de los accionistas minoritarios de Charlotte Tilbury que serán ejercibles en 2024 (207 millones de euros), (ii) refinanciar los importes dispuestos bajo sus líneas de crédito para financiar la contraprestación en efectivo pagada en relación con las Operaciones de Accionistas Minoritarios (435,7 millones de euros), (iii) refinanciar los importes dispuestos bajo sus líneas de crédito para financiar el dividendo con cargo a prima de emisión distribuido el 5 de abril de 2024 (186,1 millones de euros), (iv) reducir la parte corriente de la deuda no corriente de la Sociedad (que ascendía a 297,4 millones de euros a 31 de enero de 2024 y a 283 millones de euros a 31 de diciembre de 2023), y (v) financiar cualquier inversión estratégica futura y gastos de capital.

El Accionista Vendedor espera obtener los Fondos Secundarios Brutos (1.360 millones de euros) mediante la venta de las Acciones Secundarias de Oferta en la Oferta, asumiendo que no se ejercita la Opción de Sobreadjudicación. Si la Opción de Sobreadjudicación se ejercita completamente, el Accionista Vendedor espera obtener unos fondos brutos adicionales de 390 millones de euros. Asumiendo que la Opción de Sobreadjudicación se ejercita completamente, los gastos de la Oferta (excluyendo el IVA y asumiendo que el Precio de la Oferta se sitúa en el punto medio del Rango del Precio de la Oferta (23,25 euros por Acción de la Oferta) y el pago completo de la comisión de incentivo a las Entidades Aseguradoras (tal y como se define más adelante)) que pagará el Accionista Vendedor en relación con la Oferta serán aproximadamente de 40 millones de euros. La Sociedad no va a recibir ningún fondo de la venta por el Accionista Vendedor de las Acciones Secundarias de la Oferta ni, si la Opción de Sobreadjudicación es ejercitada en todo o en parte, de las Acciones de Sobreadjudicación que se vendan en la Oferta

La Sociedad, el Accionista Vendedor, las Entidades Coordinadoras Globales, Banco Santander, S.A. ("**Banco Santander**"), BofA Securities Europe SA ("**BofA Securities**"), BNP PARIBAS y CaixaBank, S.A. ("**CaixaBank**") (junto con las Entidades Coordinadoras Globales, las "**Entidades Coordinadoras de la Colocación**") y Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**") y Banco de Sabadell, S.A. ("**Banco Sabadell**") (las "**Entidades Codirectoras**" y, junto con las Entidades Coordinadoras de la Colocación, las "**Entidades Aseguradoras**") tienen previsto suscribir un contrato de aseguramiento (el "**Contrato de Aseguramiento**") en o alrededor del 30 de abril de 2024 respecto a las Acciones Iniciales de la Oferta y las Acciones de Sobreadjudicación (si las hubiera) que emitirá la Sociedad y venderá el Accionista Vendedor, según sea el caso, tras la finalización del periodo de prospección (*book building*) (que se espera que sea el o alrededor del 30 de abril de 2024). No hay entidades que tengan un compromiso firme de actuar como intermediarios respecto a la Oferta o a las Acciones de la Oferta.

No hay acuerdos importantes ni conflictos de interés en relación con la Oferta y/o la Admisión.

FINANCIAL STATEMENTS

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Independent Auditor's Report in accordance with
International Standards on Auditing

PUIG BRANDS, S.A. and Subsidiaries
Special Purpose Consolidated Financial Statements
for the years ended December 31, 2023, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH INTERNATIONAL STANDARDS ON AUDITING

To the Shareholders of PUIG BRANDS, S.A.

Opinion

We have audited the Special Purpose Consolidated Financial Statements (the "consolidated financial statements") of Puig Brands, S.A. (the "Company") and Subsidiaries (together, "the Group"), which comprise the consolidated balance sheet as at December 31, 2023, 2022 and 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the years then ended, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2023, 2022 and 2021 and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (IFRS-EU).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Responsibilities of the Company's directors for the consolidated financial statements

The directors of the Company are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (IFRS-EU) (see Note 2), and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Company's directors are 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 unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 the Company's directors.

- Conclude on the appropriateness of the Company's directors use of the going concern basis of accounting 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 consolidated 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 content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

ERNST & YOUNG, S.L.

Francesc Maynou Fernández

5 de abril de 2024

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PUIG BRANDS, S.A. AND SUBSIDIARIES

Special purpose consolidated financial statements for the years 2023, 2022 and 2021

Consolidated balance sheet

(Thousand euros)	Notes	2023	2022	2021
ASSETS				
Property, plant, and equipment	14	326,341	271,094	210,971
Intangible assets	15	4,114,267	4,062,277	2,660,758
Right-of-use assets	16	287,922	239,873	188,653
Investments in associates and joint ventures	17	375,212	344,824	346,456
Financial investments	18	16,359	14,154	9,595
Other non-current assets	18	131,444	102,615	62,637
Deferred tax assets	13	146,562	123,897	85,066
Total non-current assets		**5,398,107**	**5,158,734**	**3,564,136**
Inventories	19	788,866	626,333	363,134
Trade accounts receivable	18	484,705	387,936	317,254
Other current assets	20	186,709	232,059	153,664
Cash and cash equivalents	21	852,901	710,050	692,659
Total current assets		**2,313,181**	**1,956,378**	**1,526,711**
TOTAL ASSETS		**7,711,288**	**7,115,112**	**5,090,847**
LIABILITIES				
Share capital	22	144,000	114,700	4,203
Reserves and retained earnings		1,087,933	877,796	1,127,890
Unrealized gains (losses) reserve		10,935	30,255	(8,458)
Treasury shares		(105,907)	-	-
Interim dividend		(80,000)	-	-
Cumulative translation adjustment		(107,055)	(77,902)	(83,220)
Equity attributable to the Parent Company		**949,906**	**944,849**	**1,040,415**
Non-controlling interests	22	9,303	6,748	8,068
Total equity		**959,209**	**951,597**	**1,048,483**
Bank borrowings	24	1,788,846	1,662,311	826,606
Deferred tax liabilities	13	553,741	552,629	398,852
Provisions and other liabilities	26	2,759,606	2,753,941	1,844,186
Total non-current liabilities		**5,102,193**	**4,968,881**	**3,069,644**
Bank borrowings	24	358,371	177,001	145,987
Trade accounts payable		212,072	238,887	166,542
Other current liabilities	28	1,024,124	749,650	641,993
Income tax	13	55,319	29,096	18,198
Total current liabilities		**1,649,886**	**1,194,634**	**972,720**

TOTAL LIABILITIES AND EQUITY	7,711,288	7,115,112	5,090,847

Consolidated income statement

(Thousand euros)	Notes	2023	2022	2021
Net revenues	**5, 6, 7**	**4,304,067**	**3,619,603**	**2,585,012**
Cost of sales	8	(1,088,904)	(926,969)	(699,906)
Gross profit		**3,215,163**	**2,692,634**	**1,885,106**
Distribution expenses		(217,685)	(221,663)	(138,235)
Advertising and promotion expenses		(1,338,144)	(1,099,676)	(838,962)
Selling, general and administrative expenses		(966,364)	(834,800)	(556,331)
Operating profit		**692,970**	**536,495**	**351,578**
Other operational income and expenses	9	(13,764)	(43,528)	34,951
Operational profit		**679,206**	**492,967**	**386,529**
Financial result	12	(87,403)	(34,864)	(62,362)
Result from associates and joint ventures and impairment of financial assets	17	51,347	55,621	28,494
Profit before tax		**643,150**	**513,724**	**352,661**
Income tax	13	(143,262)	(101,201)	(153,745)
Net profit for the year		**499,888**	**412,523**	**198,916**
Non-controlling interests		(34,679)	(13,033)	22,123
Net profit attributable to the Parent Company		**465,209**	**399,490**	**221,039**

Consolidated statement of comprehensive income

(Thousand euros)	2023	2022	2021
Profit/(loss) for the year	**499,888**	**412,523**	**198,916**
Comprehensive income in equity			
Net gains (losses) from cash flow hedges	(23,541)	50,644	(18,582)
Income tax on items that may be reclassified to the income statement	6,618	(11,931)	2,691
Translation difference gain /(losses)	(28,491)	(4,355)	(21,876)
Items that may be reclassified to the income statement	**(45,414)**	**43,068**	**(37,767)**
Financial instruments at fair value through equity	(2,397)	-	-
Items that may not be reclassified to the income statement	**(2,397)**	-	-
Total consolidated comprehensive income for the year	**452,077**	**455,591**	**161,149**
Attributed to:			
The Parent Company	417,610	442,558	183,272
Non-controlling interests	34,467	13,033	(22,123)

Consolidated statement of changes in equity

(Thousand euros)	Equity attributable to the Parent Company							
	Capital (Note 22)	Reserves (Note 22)	Interim Dividend	Treasury shares	Unrealized gains (losses) reserve	Cumulative translation adjustment	Non-controlling interests	Total
Balance at December 31, 2020	**4,203**	**1,313,676**	**-**	**-**	**7,433**	**(61,344)**	**5,826**	**1,269,794**
Balance at January 1, 2021	**4,203**	**1,313,676**	**-**	**-**	**7,433**	**(61,344)**	**5,826**	**1,269,794**
Total consolidated comprehensive profit for the year		221,039			(15,891)	(21,876)	(22,123)	**161,149**
Transactions with shareholders								
Shareholders contributions	-	190.089	-	-	-	-	-	190.089
Dividends paid	-	-	-	-	-	-	(20,482)	(20,482)
Acquisition of non-controlling interests	-	(53.408)	-	-	-	-	-	(53.408)
Other changes in equity								
Put-Call options	-	(515,409)	-	-	-	-	-	(515,409)
Reclassification of non-controlling interests	-	(44,847)	-	-	-	-	44,847	-
Other changes in equity	-	16,750	-	-	-	-	-	16,750
Balance at December 31, 2021	**4,203**	**1,127,890**	**-**	**-**	**(8,458)**	**(83,220)**	**8,068**	**1,048,483**
Balance at January 1, 2022	**4,203**	**1,127,890**	**-**	**-**	**(8,458)**	**(83,220)**	**8,068**	**1,048,483**
Total consolidated comprehensive profit for the year		399,490			38,713	4,355	13,033	455,591
Transactions with shareholders								
Capital increase	110,497	(110,497)	-	-	-	-	-	-
Dividends paid	-	(110,000)	-	-	-	-	(22,005)	(132,005)
Acquisition of non-controlling interests	-	(7,989)	-	-	-	-	(2,292)	(10,281)
Business combinations	-	-	-	-	-	-	428,915	428,915
Other changes in equity								
Put-Call options	-	(410,085)	-	-	-	-	-	(410,085)
Reclassification of non-controlling interests	-	(9,944)	-	-	-	-	9,944	-
Other changes in equity	-	(1,069)	-	-	-	963	(428,915)	(429,021)
Balance at December 31, 2022	**114,700**	**877,796**	**-**	**-**	**30,255**	**(77,902)**	**6,748**	**951,597**

Consolidated statement of changes in equity (continued)

(Thousand euros)	Equity attributable to the Parent Company							
	Capital (Note 22)	Reserves (Note 22)	Interim Dividend	Treasury shares	Unrealized gains (losses) reserve	Cumulative translation adjustment	Non-controlling interests	Total
Balance at December 31, 2022	**114,700**	**877,796**	**-**	**-**	**30,255**	**(77,902)**	**6,748**	**951,597**
Balance at January 1, 2023	**114,700**	**877,796**	**-**	**-**	**30,255**	**(77,902)**	**6,748**	**951,597**
Total consolidated comprehensive profit for the year	-	465,209	-	-	(19,320)	(28,279)	34,467	452,077
Transactions with shareholders								
Capital increase	29,300	(29,300)	-	-	-	-	-	-
Shareholders contributions		80,601	-	-	-	-	-	80,601
Dividends paid	-	(80,000)	(80,000)	-	-	-	(21,323)	(181,323)
Equity shares	-	(238,868)	-	(105,907)	-	-		(344,775)
Acquisition of non-controlling interests	-	(4,840)	-	-	-	-	(198)	(5,038)
Other changes in equity								
Put-Call Options	-	1,542	-	-	-	-	-	1.542
Reclassification of non-controlling interests	-	11,265	-	-	-	(874)	(10,391)	-
Other changes in equity	-	4,528	-	-	-	-	-	4.528
Balance at December 31, 2023	**144,000**	**1,087,933**	**(80,000)**	**(105,907)**	**10,935**	**(107,055)**	**9,303**	**959,209**

Consolidated cash flow statement

(Thousand euros)	Note	2023	2022	2021
Cash flows from operating activities				
Profit / (loss) attributable to the Parent Company		465,209	399,490	221,039
Profit / (loss) attributable to non-controlling interests		34,679	13,033	(22,123)
Elimination of expenses and income with no impact on cash flows:				
Depreciation and Amortization	11	169,704	144,953	106,524
Deferred tax expense / income	13	(19,370)	(32,774)	67,892
Other financial income / expenses		5,098	3,024	1,300
Financial expenses	12	54,364	29,968	25,570
Other adjustments		26,223	17,340	16,435
Capital gains and losses on disposals of assets		(457)	69	32
Other non-current assets and liabilities		66,787	58,676	55,407
Profit / (Loss) from associates and joint ventures	17	(51,347)	(55,621)	(28,494)
Gross cash flow		**750,890**	**578,158**	**443,582**
Changes in working capital	29	(194,416)	(158,424)	67,442
Net cash from operating activities (I)		**556,474**	**419,734**	**511,024**
Cash flows from investing activities				
Purchases of property, plant and equipment and intangible	14 - 15	(177,919)	(151,587)	(77,218)
Disposals of property, plant and equipment and intangible		1,391	538	137
Dividends received	17	25,464	19,934	-
Changes in other financial assets	18	(4,602)	(9,454)	(30,504)
Business Combinations (net of cash)	4	-	(840,189)	4,368
Acquisition non-controlling interests		(51,900)	(42,208)	(29,840)
Loans issued to related parties (net)		(79,082)	(24,597)	(11,933)
Net cash from investing activities (II)		**(286,648)**	**(1,047,563)**	**(144,990)**
Cash flows from financing activities				
Treasury shares	22	(108,392)	-	-
Dividends paid	22	(181,323)	(132,005)	(20,482)
Issuance bank borrowings	24	429,780	993,102	286,908
Repayment bank borrowings and interests	24	(175,307)	(164,421)	(577,357)
Repayment of lease debt	16	(62,767)	(52,140)	(31,319)
Net cash from financing activities (III)		**(98,009)**	**644,536**	**(342,250)**
Net effect of changes in exchange rates (IV)		**(28,966)**	**684**	**(888)**
Change in cash and cash equivalents (I+II+III+IV)		**142,851**	**17,391**	**22,896**
Cash and cash equivalents at beginning of the year		**710,050**	**692,659**	**669,763**
CASH AND CASH EQUIVALENTS AT DECEMBER 31		**852,901**	**710,050**	**692,659**

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1. CORPORATE INFORMATION

1.1. Preparation of the Special Purpose Financial statements

Puig Brands, S.A. ("Parent Company", the "Company" or "Puig Brands"), formerly known as Jorba B.V., was established on February 25, 1983. On November 20, 2015, it changed its corporate name to Jorba Perfumes, S.L. Sociedad Unipersonal. The Company changed its registered office on December 18, 2015, and is currently located at Plaza Europa 46-48 in L'Hospitalet de Llobregat, Barcelona, Spain. On November 8, 2022, Puig, S.L., the sole shareholder of Puig Brands ("Sole Shareholder" or Puig, S.L.) approved the transformation of the Company into a public limited company, and, on March 20, 2023, decided to change the corporate name to Puig Brands S.A. Sociedad Unipersonal.

These special purpose consolidated financial statements of Puig Brands and its subsidiaries ("Puig" or the "Group") for the years 2023, 2022 and 2021 have been approved by the directors of Puig Brands on March 19, 2024, in Barcelona, Spain.

These special purpose financial statements have been prepared solely in connection with the proposed initial public offering to be carried out by the Parent on the Spanish Stock Exchanges ("Offering"), and then, separate consolidated annual accounts of Puig Brands and its subsidiaries will be prepared for the year ended December 31, 2023, in a separate document, and filed at the Spanish Mercantile Registry to fulfil the legal statutory requirements.

Until December 31, 2022, the ultimate parent company for accounting purposes was Puig S.L., whose consolidated annual accounts as of and for the years ended December 31, 2022, and 2021 were audited at that level by Ernst & Young, S.L. On June 30 2022, Puig, S.L. contributed its businesses to Puig Brands, S.A. (see further explanations about this contribution (note 2.1 below). Since 2023, being the first full year after the contribution was consummated, the Company has been the parent company of the Group, and has prepared for the first time its own consolidated annual accounts as of and for the year ended December 31, 2023.

1.2. Internal reorganization

In connection with the proposed Offering, certain transactions were carried out by Puig within the perimeter under their control (thereafter "Internal reorganization"), in order to set the desired legal perimeter, which are summarized as follows:

Transfer of Apivita and Uriage to Puig, S.L.

As part of the Internal reorganization the following transactions took place:

1.a) Apivita

- Puig, S.L. acquired 33.33% of Apivita, S.A. in December 2020, from a third party in exchange for cash consideration of 40,000 thousand euros, and then accounted for this investment using the equity method as of December 31, 2020.

- In January 2021, Puig, S.L. took control of the remaining 66.66%, by:

  - A non-monetary contribution from Exea Ventures, S.L. of 90% of the shares of Apivita Ventures, S.L. (of which the only asset was a 66.66% stake in Apivita, S.A).

  - The acquisition by Puig, S.L. of the remaining 10% of the shares.

1.b) Uriage

In January 2021, Puig, S.L. took control of a 100% stake of Aubelia, S.A.S., parent company of Uriage business, through the following transactions:

- A non-monetary contribution from Exea Ventures, S.L. of 90% of the shares.

- Acquisition of the remaining 10% of the shares, in exchange for a cash consideration of 50,540 thousand euros plus an earn-out to be paid before the end of 2022.

Exea Ventures, S.L. is a company controlled by the Puig Family, and consequently, the contributions made by Exea Ventures, S.L. to Puig, S.L. of the Apivita and Uriage businesses were accounted for as business combinations under common control, applying the pooling of interest method (see further explanation about this treatment in Note 2.1.).

Contribution of Puig, S.L. to Puig Brands, S.A.:

On June 30, 2022, Puig, S.L. transferred to Puig Brands substantially all its business activities, pursuant to a capital increase of the Company made through a non-monetary contribution (the "Contribution"), amounting to 2,321,369 thousand euros (110,497 thousand euros in share capital and 2,210,872 thousand euros in share premium). Such capital increase was executed through a deed issued by a notary and then registered with the Commercial Registry of Barcelona on July 6, 2022.

The business activities transferred in the Contribution included:

- Investments in subsidiaries and affiliates (including assets and liabilities, as well as personnel required to perform such functions).

- Centralized financing activities (including assets and liabilities, as well as personnel required to perform such functions).

As indicated in Note 2, the Company has prepared these special purpose consolidated financial statements under International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and for presentation purposes, as indicated in Note 2, it has been considered that the Group is the result of a reorganization of the pre-existing Puig, S.L. Group ("pre-existing Group") in which the Contribution has not resulted in a change of the controlling shareholder, and therefore, these consolidated financial statements are, in essence, a continuation of the operations of the aforementioned pre-existing Group.

Therefore, for the purposes of the consolidated financial statements of Puig Brands, the transactions within the scope of the Contribution have been accounted for from January 1, 2021, and for the two full years ended December 31, 2022 and 2021, based on the values of those transactions in the historical consolidated financial statements of Puig, S.L. (as the Contribution took place as of June 30, 2022).

1.3. History

Puig is a global player in the Premium Beauty industry, home of iconic brands across Fragrance and Fashion, Make-up and Skincare business categories.

Since 1914, the Puig Family has run the family business. The Puig Family is the backbone of the Company's values, which have been passed on for the last three generations. Their entrepreneurial spirit, creativity and passion for innovation have made Puig a reference in the field of beauty and fashion. Present in the fragrance and fashion, make-up, and skincare business categories, its brands are re-inforced by a powerful ecosystem of founders and generate engagement through storytelling that connects with people's emotions.

At Puig we honour the values and principles put in place by three generations of family leadership. Today we continue to build on that legacy, through conscious commitments in our ESG (Environmen-tal, Social and Governance) agenda, aligned with the Union Nations Sustainable Development Goals.

Puig operates across three segments: Fragrance & Fashion, Make-up and Skincare through owned and licensed brands. Puig is based on a unique system of brands, led by unique personalities, with whom it establishes lasting and productive relationships, through shared values and the same brand building vision. Most of the business generated by Puig is built on its owned brands, highlighting Carolina Herrera, Jean Paul Gaultier, Rabanne, Charlotte Tilbury, Nina Ricci, Dries Van Noten, Penhaligon's, L'Artisan Parfumeur, Kama Ayurveda, Loto del Sur, Byredo, Apivita and Uriage. Additionally, Puig markets licensed brands products, mainly Christian Louboutin, Adolfo Dominguez, Antonio Banderas.

In addition, Puig owns minority interests in other entities, with the most relevant ones being ISDIN, S.A., Ponteland Distribuçao, S.A. (Granado) and Sociedad Textil Lonia, S.A.

As a home of highly desirable premium brands, and to en-sure that the identity of each brand is reflected at all stages, Puig is present in every stage of the value chain, relying on the knowledge and infrastruc-ture of leading suppliers and partners.

The company's ambition and determination have underpinned its international expansion since 1962, when it founded its first subsidiary outside Spain, and has helped it spread its activity across all continents. This extensive global presence is managed from the Barcelona headquarters. Puig has production plants in Europe (6) and In-dia (1), with brand headquarters and subsidiaries in 30 countries.

2. BASIS OF PRESENTATION

2.1. Basis of presentation

These special purpose consolidated financial statements as of and for the years ended December 31, 2023, 2022 and 2021 of Puig Brands, S.A.U. and subsidiaries (hereinafter referred to as the "consolidated financial statements") have been prepared by the Company's Directors, in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union (IFRS-EU).

The consolidated financial statements, have neither been previously approved nor audited, since the Company has never prepared consolidated financial statements before. Until the year ended December 31, 2022, consolidated annual accounts were approved and audited at the level of Puig, S.L., the Company's Sole Shareholder. Consequently, Puig Brands, S.A. was exempted from preparing consolidated annual accounts, since consolidated annual accounts for the larger group were prepared to an equivalent set of accounting standards and were publicly available.

The figures in these consolidated financial statements are presented in thousands of euros unless otherwise indicated.

These consolidated financial statements have been prepared on a going concern basis, in the absence of doubts as to the Company's ability to continue its operations.

As indicated in Note 1, Puig Brands became the parent of the Group, after the Contribution was executed as of June 30, 2022, with no change in economic substance or real alteration of the composition of the Group's property.

In this sense, the Sole Shareholder considered that Puig Brands' Group is the result of a reorganization of the pre-existing Group, in which the Contribution did not produced a change in control, so these consolidated financial statements are, in essence, a continuation of the operations of the pre-existing Group. As a consequence, and pursuant to paragraph 10 of IAS 8 on the definition of an accounting policy for transactions not regulated by the IFRS-EU, the Sole Shareholder considered for the purposes of the consolidated financial statements of the Puig Brands Group, that although the Contribution took place on June 30 2022, the transactions carried out by the businesses contributed to Puig Brands have been accounted for from December 31 2020, and for the two full years ended December 31, 2022 and 2021, based on the values of the transactions that these companies had in the consolidated financial statements of Puig, S.L.

In relation to the changes in the pre-existing Group's perimeter that occurred during the two years historical period presented in these special purpose financial statements, the Company followed the criteria previously used by its Sole Shareholder, in accordance with IFRS-EU, for the purposes of the preparation of the consolidated annual accounts for the years ended December 31, 2022, and 2021.

As stated in Note 1, the Group gained control of the Apivita and Uriage businesses, formerly controlled by the Puig Family, in January 2021.

As set forth in paragraph 2 of IFRS 3, "Business combinations" in operations under common control, acquisitions or transfers of assets will not be within the scope of that standard. Paragraph 10 of IAS 8, "Accounting policies, changes in accounting estimates and errors" states that "in the absence of an IFRS-EU

that is applicable to a transaction or other facts or conditions, the Sole Shareholder use professional judgment in the development and application of an accounting policy".

Regarding the consideration of business, the conclusion was based on the content of paragraphs 17 and 18 of the "Basis for conclusions" of IFRS 3. In relation to whether the transaction is considered a transaction under common control, this was based on the content of the application guide of IFRS 3 on "Business combinations under common control", specifically on the paragraphs B1, B3 and B4 of the standard.

In accordance with the above, the Sole Shareholder of the Company carried out an analysis for the purposes of the consolidated annual accounts of Puig, S.L. for the year ended December 31, 2021, and concluded that the Apivita and Uriage contributions were constitutive of a business, and the transaction would meet the definition of a transaction under common control. Consequently, in the absence of IFRS-EU regulation, and pursuant to paragraph 10 of IAS 8, the Sole Shareholder considered that these contributions should be accounted for in accordance with the Pooling of interest criteria described in US GAAP, specifically, ASC 805 standard, which is considered the most appropriate framework for these purposes, and the guidance used in practice in similar reorganizations reporting under IFRS.

Consequently, the Sole Shareholder of the Company accounted for the Apivita and Uriage contributions at the carrying amounts that those businesses had in the companies under common control at the date of the transfer. For the purposes of presenting these transactions in the consolidated annual accounts of Puig, S.L., the Sole Shareholder adopted the prospective approach, which is permitted as a policy choice, and consequently, presented these transactions prospectively, from January 2021, which was the date when the pre-existing Group took control of these businesses, after the contribution made by its ultimate common-controlled shareholders.

In the case of Apivita, the initial acquisition of a 33.33% interest acquired from a third party in December 2020, which was recorded as an investment under equity method at that date, and the subsequent control obtained in January 2021, through the contribution made by companies under common control (60%), and the acquisition of the remaining minority interest from a related party (6.67%), is considered as a step acquisition in accordance with IFRS 3. Nevertheless, considering the short period of time occurred between the transactions, and the fact that the initial transaction was executed with a third party and then considered to be done at fair value, no remeasurement of the equity method investment would apply, and the difference between net assets consolidated using the pooling of interest method and the elimination of the equity method investment has been recorded within equity.

For the purposes of the presentation of these special purpose financial statements, the Contribution of Puig, S.L. to Puig Brands, S.A. has been accounted retrospectively, as if it would have happened since December 31, 2020, as in essence, such Contribution is a continuation of the pre-existing Group, with no change in economic substance or real alteration of the composition of the Group's property.

The following sections describe the accounting implications of the Contribution described in Note 1, for the purposes of these consolidated financial statements:

2.1.1. Consolidated balance sheet and statement of changes in equity

The only equity difference between the consolidated balance sheets of Puig Brands, S.A. and Puig, S.L. were certain financial assets linked to equity instruments and related liabilities not contributed to Puig Brands, S.A. whose net impact as of December 31, 2020 amounted to 20.7 million euros (2021: 4.8 million euros; 2022: (9,3) million euros) and the Puig, S.L. result between July 1, 2022 and December 31, 2022 (0.1 million euros) not contributed to Puig Brands, S.A.

Regarding the consolidated statement of changes in equity for the year ended December 31, 2022, based on the aforementioned description of the Contribution, as described in Note 1, is presented as of June 30, 2022, as an increase in share capital and share premium against a deduction of accumulated reserves.

The distribution of dividends amounting to 110 million euros carried out in 2022 paid to Puig, S.L.'s shareholders before the Contribution is treated, for accounting purposes, as a dividend paid by Puig Brands, S.A. in these special purpose financial statements.

The consolidated balance sheet as of December 31, 2023, and the statement of changes in equity for the year then ended of Puig Brands and subsidiaries have been prepared based on the legal consolidated perimeter, as the internal reorganization described in Note 1 occurred in prior years.

2.1.2. Consolidated Income Statement, Consolidated Statement of Comprehensive Income, and Consolidated Statement of Cash Flows

The consolidated income statements, consolidated statements of comprehensive income and consolidated cash flow statement for the years ended December 31, 2021 and 2022 of Puig Brands and subsidiaries correspond to the consolidated income statements, consolidated statements of comprehensive income and consolidated cash flows statement of Puig, S.L. for the corresponding years[1], as if the Contribution described in Note 1 would have occurred at the beginning of those periods (based on accounting treatment explained in Note 2.1 above).

In this regard, the equity of Puig Brands after the Contribution was executed as of June 30, 2022, incorporates (in other reserves through the non-monetary contributions) the accumulated reserves and full results of Puig, S.L. Group, as substantially all its business activities of the pre-existing Group were contributed to Puig Brands as per the Contribution (see Note 1).

The consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended December 31, 2023, of Puig Brands and subsidiaries have been prepared based on the legal consolidated perimeter, as the internal reorganization described in Note 1 occurred in prior years.

[1] Except for the results generated after the contribution amounting to 0.1 million euros (July-December 2022 period) and certain reclassifications made in the statements of cash flows to align the presentation in accordance with IFRS 7.

2.2. Basis of consolidation

The consolidated financial statements as of and for the years ended December 31, 2023, 2022 and 2021 of Puig Brands, S.A. and subsidiaries have been prepared in accordance with IFRS-EU, based on the accounting records maintained by the Sole Shareholder and the other subsidiaries included in Puig S.L.'s consolidated annual accounts over the historical period prior to the Contribution described in Note 1.

As per described in Note 2.1. above, the Contribution has been treated as a "Business combination under common control" (see Note 3.2), and consequently, the transactions carried out by the subsidiaries of Puig Brands have been accounted for from December 31, 2020, and for the three full years ended December 31, 2023, 2022 and 2021, based on the values of the transactions that these companies had in the pre-existing Group.

Subsidiaries are entities over which the Company has control and, therefore, the power to govern their financial and operating policies. The results of subsidiaries acquired during the year are included in the consolidated annual accounts from the effective acquisition date.

Control is defined over three elements that must be complied with: having power on the relevant activity of the subsidiary, exposure, or the right to variable returns from its investment, and the ability to use such power to influence on those returns.

The share of non-controlling interests of the equity and income of the subsidiaries is presented under "non-controlling interests" and "Profit attributable to non-controlling interests", respectively.

All the intercompany balances and transactions have been eliminated, including unrealized profits arising from intragroup transactions.

Each of the companies included in the scope of consolidation prepares its annual accounts and other accounting records in accordance with the corresponding reporting standards, based on the legislation in force in the country of origin. Where these recognition and measurement criteria differ from those adopted by the Company in preparing its consolidated financial statements, they are adjusted to present the consolidated financial statements using uniform accounting policies.

The financial statements of companies with a functional currency other than the euro, have been translated as follows:

- Assets and liabilities are translated into euros at the exchange rates prevailing at year-end.
- Items composing the equity of these companies are translated to euros at the historical exchange rates used by Puig, S.L., as the pre-existing Group, in the preparation of their historical consolidated annual accounts.
- Income and expenses are translated into euros using the average exchange rate for the year.

The differences arising from the application of these exchange rates are included in consolidated equity under "Translation differences".

Associates, in which Puig does not have control but has significant influence, have been accounted for using the equity method. For consolidation accounting purposes, it has been estimated that Puig has significant influence when holding more than 20% of companies' share capital and/or it can be verified that such significant influence exists.

Subsidiaries are consolidated from the date on which control is transferred and cease to be consolidated when such control disappears (before the date of the Contribution, assessment of control was performed at the Puig, S.L. level, as the pre-existing Group). In the event of a loss of control over a subsidiary, the consolidated financial statements incorporate the results of said subsidiary for the portion of the reporting year in which Puig still held the control.

Almost all the entities included in the scope of consolidation have December 31st financial year ends. The financial statements of the entities whose yearly closing does not coincide with that of the Company have been duly adapted. The accounting principles used by subsidiaries and associates have been adapted in the consolidation process to make them coincide with those applied by the Company.

All the companies included in the scope of consolidation have been consolidated using the full consolidation method, except for the groups Ponteland Distribuçao, S.A. (Granado), Sociedad Textil Lonia, S.A., Isdin, S.A. and Beijing Yitian Shidai Trading, Co, LLC, which have been consolidated using the equity method.

Apivita was consolidated under the equity method as of December 31, 2020 (Note 2.1, 2.4 and 4). From January 2021, control was taken by the pre-existing Group and consequently, it was consolidated using the full consolidation method.

Since June and July 2022, Cosmetika S.A.S. and Kama Ayurveda Private Ltd have been consolidated using the full consolidation method once the Company took control of both companies (Note 4). Until June and July 2022, both companies were consolidated using the equity method, as the Group had a significant influence over those entities, in which it held a minority interest.

2.3. Changes in Accounting Policies and Disclosure Information

The consolidated financial statements of the Company as of and for the years ended December 31, 2023, 2022 and 2021 have been prepared in accordance with the IFRS-EU.

The accounting policies used in the preparation of these consolidated financial statements are the same as those applied in the consolidated annual accounts of Puig, S.L., and its subsidiaries as of and for the years ended December 31, 2022, and 2021, except for the following standards, interpretations, and amendments that have been applied for the first time in 2023 which have been fully implemented as of January 1, 2021.

Standards and interpretations approved by the European Union applied for the first time in 2023

Puig has not experienced significant impacts on these consolidated financial statements.

Amendments to IAS 12 - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

This amendment narrows the scope of the initial recognition exemption so that it does not apply to transactions giving rise to deductible and taxable temporary differences. Therefore, deferred tax assets and deferred tax liabilities associated with i) right-of-use assets and lease liabilities, and ii) decommissioning, restoration, and similar liabilities, and the amounts recognized as part of the cost of related assets must be recognized.

The recognition of these deferred taxes also applies to 2022 and 2021. The impact on these consolidated financial statements, as a whole, is not material (4 million euros of increase in reserves).

Amendments to IAS 1 and IFRIC Practice Statement 2 - Disclosure of Accounting Policies

In these amendments, the IASB has included guidance and examples for exercising judgment in identifying which accounting policies are material. The amendments replace the criterion of disclosing significant accounting policies with material accounting policies. They also provide guidance on how to apply the concept of materiality to determine which accounting policies qualify as such.

Standards and interpretations issued by the IASB but not applicable in this 2023

Puig intends to adopt the standards, interpretations, and amendments to standards issued by the IASB that are not mandatorily applicable in the European Union when they become effective if they are applicable. Although Puig is currently analysing their impact, based on the analyses conducted to date, it estimates that their initial application will not have a significant impact on its consolidated financial statements.

2.4. Scope of consolidation

For the purposes of these consolidated financial statements, the changes in the perimeter have been considered as follows:

- For the years ended December 31, 2022, and 2021, changes in the perimeter are considered the changes that occurred at Puig, S.L. and subsidiaries, as the parent of the pre-existing Group, based on the accounting treatment for the Contribution described in paragraph 2.1. above.
- For the year ended December 31, 2023, changes in the perimeter are considered the changes occurred at the Puig Brands level.

The main changes that occurred during the years ended December 31, 2022, and 2021, are summarized as follows, as stated in Note 4:

a. Byredo:

Acquisition of a 77% interest in Byredo AB, thereby obtaining control of the group of which this company is the parent.

b. Loto del Sur and Kama:

- Acquisition of an additional 31.7% stake in Cosmetika S.A.S. (Loto del Sur), on top of the 35% acquired by the Group in 2019.
- Acquisition of an additional 36% stake in Kama Ayurveda Private Ltd, on top of the 49% acquired by the Group in 2019.

Based on the above, the Group obtained control of both companies, Loto del Sur and Kama, in 2022, and since then, integrated those businesses, using the full consolidation method (formerly they were accounted as equity method investments).

c. Uriage:

As explained in Note 1, during January 2021, Puig acquired a 100% stake in the Uriage business, by acquiring 10% from a third-party and 90% through a non-monetary contribution made by an entity under common control of the Puig Family. Both transactions occurred in January 2021 and have been considered simultaneous, so for accounting purposes, they have not been accounted for as an acquisition in steps (see further details about these transactions in Note 1).

Since January 2021, Uriage has been accounted for using the full consolidation method. The non-monetary contribution has been accounted for using the pooling of interest method, as explained in Note 2.1. above.

d. Apivita:

As explained in Note 1, the Company owned 33.33% of Apivita, S.A. since December 2020, after acquiring it from a third party, and then accounted for this investment using the equity method as of December 31, 2020.

In January 2021, Puig, S.L. took control of the remaining 66.66%, by acquiring 6,66% from a third-party and 60% through a non-monetary contribution made by an entity under common control of Puig Family. Both transactions occurred in January 2021 and have been considered simultaneous, so for accounting purposes, they have been not accounted for as an acquisition in steps (see further details about these transactions in Note 1).

Since January 2021, the Apivita business has been accounted for using the full consolidation method. The non-monetary contribution has been accounted for using the pooling of interest method, as explained in Note 2.1. above.

e. Scent Library:

In June 2021, Puig acquired 15% of the shares of the company Beijing Yitian Shidai Trading Co, LLC. (Scent Library) from a third party, a fragrance company located in China. Puig is considered to exercise significant influence over the company by having a presence on its board of directors, and therefore, the company is consolidated under the equity method (Note 17).

Annex I provide additional information on the companies included in the scope of these consolidated financial statements.

3. ACCOUNTING POLICIES

The consolidated financial statements as of and for the years ended December 31, 2023, 2022 and 2021 have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS-EU) as of December 31, 2023.

In accordance with the amendments to IAS 1, effective from January 1, 2023, the material accounting policies, and the estimates used in the consolidated financial statements are identified below.

3.1. Business combinations – Put and call options concerning minority shareholder interests

When a business is purchased, its assets, liabilities and contingent liabilities are measured at fair value at their acquisition date, as provided on IFRS 3, Business Combinations. When performing the purchase price allocation for the business combination, Puig records the identified intangible assets like brands or customer relationships. Any excess in the cost of acquisition over the fair values of the identified net assets is recognised as goodwill. If the cost of acquisition is lower than the fair value of the identifiable net assets, the difference is credited to profit or loss on the acquisition date.

At the business combination date, variable contingent consideration is estimated. Subsequently, differences are recorded in profit and loss.

The interest of non-controlling shareholders is stated at their proportion of the fair value of the assets and liabilities recognised. After initial recognition, non-controlling interests are adjusted by the profit / loss obtained.

On business combinations executed in stages, previous investments are valued at fair value with differences recorded in profit and loss.

In recent years, Puig has carried out business combinations in which it obtained the majority of voting (and economic) rights in entities like Charlotte Tilbury or Byredo AB, among others, thereby gaining control over these businesses (Note 4). In these transactions, specific purchase put-call options were agreed for the acquisition of the remaining stake.

When Puig acquires a business without obtaining all its voting shares, but agrees a put and call option to acquire the minority stake in the future, and if the terms and conditions of the contract permit it, Puig follows IFRS 10 as outlined below:

- It calculates the value at which the non-controlling interests (minorities) should have been recorded according to IFRS 10.
- Subsequently, at the year-end closing, minority interests are accounted for as if they were acquired on that date.
- A financial liability is recognized for the current value of the amount payable as consideration for the exercise of the minority's put option, as an acquisition of minorities. The revaluation of the financial liability is reflected in consolidated equity.

In subsequent years to the acquisition, Puig recognizes the amount of profit attributable to minority interests in the consolidated income statement and subsequently reclassifies the minority interest as reserves.

3.2. Business combination under common control (CCC)

Paragraph 2 of IFRS 3 excludes business combinations under common control from the scope of business combinations.

Paragraph 10 of IAS 8 states that in the absence of an IFRS that is specifically applicable to a transaction or other events or conditions, the Directors of the Parent Company must use their judgment in the development and application of an accounting policy, in order to provide information that is relevant and reliable.

Following practices generally used in the market, and which result in compliance with the requirements described above, the Company accounts for the CCCs using the pooling of interest method, based on the following criteria:

Assets and liabilities are recorded at the amounts that reflect their book values in accordance with the IFRS-EU on the date of the business combinations under common control, at the level of the consolidated accounts of the previous group owner. This implies that no fair value adjustments are made, and that no assets or liabilities are recognized, other than those that would have been recognized in the financial statements of the previous group owner, on the date of the business combination at the previous group owner. The only adjustments made are those necessary to standardize the accounting policies used at the level of the consolidated accounts of the previous group owner.

3.3. Investments in associates and joint ventures

Puig's investments in associates and joint ventures are accounted for using the equity method.

Associates, in which Puig does not have control but has significant influence, have been accounted for using the equity method. For consolidation accounting purposes, it has been estimated that Puig has significant influence when holding more than 20% of companies' share capital and/or it can be verified that such significant influence exists. Associates are defined in note 2 and Annex I.

Joint ventures are those entities over whose activities Puig has joint control, established by contractual arrangement. According to IFRS 11, Joint Arrangements, these entities are accounted for using the equity method in the consolidated financial statements.

The value of these investments on the consolidated balance sheet implicitly includes, where applicable, the goodwill arising on their acquisition.

Puig evaluates annually the impairment of the investments in associates and joint ventures.

3.4. Foreign currency translation

The financial statements of the standalone subsidiaries and associates are expressed in their functional currency. Note 2.2 provides a detailed explanation of how Puig has translated local currency into euros.

The main functional currencies other than the euro are the US dollar (USD) and the pound sterling (GBP). A detail of all the companies in the scope of consolidation and their corresponding functional currencies is included in Annex I.

The financial statements of Puig companies whose functional currency is the currency of a hyperinflationary economy (Argentina) are adjusted for inflation in accordance with the procedure described in the following paragraph prior to their translation to euros. Once restated, all the items of the financial statements are converted to euros using the closing exchange rate. Amounts shown for prior years for comparative purposes are not modified. All impacts are accounted for within currency translation differences in equity.

To determine the existence of hyperinflation, Puig assesses the qualitative characteristics of the economic environment of the country, such as the trends in inflation rates over the previous three years. The financial statements of companies whose functional currency is the currency of a hyperinflationary economy are adjusted to reflect the changes in purchasing power of the local currency, so that all items in the balance sheet not expressed in current terms (non-monetary items) are restated by applying a general price index at the financial statement closing date, and all income and expense, profit and loss are restated monthly by applying appropriate adjustment factors.

Exchange rate applied at year end were as follows:

Argentinian Peso	2023	2022	2021
Year-end exchange rate	894,7	189,8	116,8

3.5. Property, plant, and equipment

Property, plant and equipment are recorded at the lower of acquisition cost, net of its accumulated depreciation, and recoverable value.

Tangible fixed asset category	Depreciation Method	Useful life
Buildings	Straight-line	33 years
Machinery and tool	Straight-line	4 to 10 years
Office Furniture and other equipment	Straight-line	3 to 10 years

Expenditure relating to repairs or maintenance is included in the consolidated income statement. The costs of improvements or enhancements which extend the useful lives of the assets are capitalized.

The net carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the net carrying value may not be recoverable. If any such indication exists, and where the net carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts.

The recoverable amount of plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks inherent to the asset. Impairment losses are recognized as an expense in the income statement.

3.6. Intangible assets other than goodwill

Brands acquired as a result of business combination are stated at their fair value at the acquisition date. Intangible assets are valued regularly to make sure that their net book value is not higher than their recoverable value, in which case a loss would be recorded.

The recoverable amount of intangible assets is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks inherent to the asset. Impairment losses are recognized as an expense in the income statement.

Depreciation of intangible assets is calculated on a straight-line basis over the estimated useful lives of the assets, which are as follows:

Intangible assets	Useful life
Brands	Indefinite
Software and ERP	3 to 5 years

Puig considers that its brands have an indefinite useful life since there is no foreseeable limit for the period over which the brands are expected to generate net cash inflows based on legal and competitive factors, since Puig's brands have a consolidated position in the market.

Where the recoverable amount of an asset is below its carrying amount, the carrying amount is written down to its recoverable amount. An impairment loss is immediately recognized in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. However, the increased carrying amount will not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the cash-generating unit) in prior years. The reversal of an impairment loss is recognized immediately in profit or loss.

3.7. Goodwill

Goodwill is initially accounted for as the difference between the value of the contribution made for the acquisition of business and the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is no longer amortized on application of IFRS 3. Instead, goodwill is internally tested annually unless impairment indicators are detected. Impairment indicators are for example significant differences between the business performance versus business plans and macroeconomic factors.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of cash flows have not been adjusted.

The composition of the Group's Cash Generating Units (CGUs) and the methodology for the impairment tests are explained in Note 15.

3.8. Inventory

Inventory is valued at the lower of cost and net realizable value.

The cost of inventory comprises all costs related to purchase and conversion and design, logistic and transportation costs and the necessary costs directly attributable to bring the inventory to its present location and condition.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw material:	Purchase cost on a first-in, first-out basis
Finished goods and work in progress:	Direct costs and a portion of indirect costs based on a normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs necessary to complete or perform the sale.

Obsolete and slow-moving products have been reduced to their estimated realizable value. This provision is based on product type, inventory turnover and expiry date.

3.9. Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are stated at their amortized value applying the effective interest rate method and bearing in mind emission expenses.

Derecognition of interest yield loans and credits

Puig derecognizes a previously recognized loan from the balance sheet when the obligation under the liability is extinguished because payment to the creditor for cancelling the debt has been made (through payments in cash or other goods or services) or because the debtor is legally released from any responsibility for the liability.

A loan is derecognized as follows: the difference between the carrying amount of the financial liability (or the part of it that has been derecognized) and the consideration paid, including any attributable transaction costs, which also has to include any new asset transferred other than cash or liability assumed, is recognized in the income statement in the year to which it relates.

Debt restructuring

In certain cases, Puig restructures its debt commitments to its creditors. For example: extending the maturity date of the principal in exchange for a higher interest rate, not paying and grouping interest in a single bullet payment of the principal and interest at the end of the life of the debt, etc.

There are several ways in which the terms on a debt may be changed:

- Immediate payment of the nominal amount (before maturity) followed by the refinancing of all or a portion of the nominal amount through a new debt ("exchange of debt").

- Modifying the terms of the debt agreement before maturity ("modification of debt").

In an exchange or modification of debt with the same creditor, Puig analyzes whether a substantial change in the terms on the original debt has occurred. If so, the accounting treatment is as follows

- the book value of the original financial liability (or of its corresponding portion) is derecognized from the balance sheet;

- the new financial liability is initially recognized at fair value;

- transaction costs are recognized in the income statement;

- the difference between the book value of the original financial liability (or the portion thereof that has been derecognized) and the fair value of the new liability is also recognized in the income statement.

On the contrary, if after the analysis, Puig concludes that both debts are not substantially different (they are essentially the same debt), the accounting treatment is as follows:

- the original financial liability is not derecognized (that is, it is kept on the balance sheet);

- the fees paid in the restructuring transaction are recorded as an adjustment to the debt's carrying amount;

- the difference between the present value of cash flows excluding refinancing fees discounted at the effective interest rate prior to the refinancing and the previous amortized cost shall be presented as finance profit/(cost);

- a new effective interest rate is calculated as from the restructuring date. The amortized cost of a financial liability is determined by applying the effective interest rate, which equates the carrying amount of the financial liability on the modification date to the cash flows to be paid as per the new terms.

The contractual terms are considered to be substantially different, among others, when the present value of the cash flows from the new contract, including any commission paid, net of any commission received, differs by at least 10% of the present value of the cash flows yet to be paid on the original contract, when the effective interest rate of the original contract has been applied to both amounts.

Certain modifications to the determination of cash flows may not pass this quantitative analysis, but may also give rise to a substantial modification of the liability, such as: change from a fixed to a floating interest rate on the payment on the liability, restatement of the liability in a different currency, conversion of a loan at a fixed interest rate into a participation loan, among others.

3.10. Provisions

Provisions are recognized when:

- Puig has a present obligation (legal or implicit) as a result of a past event;
- It is probable that an economic outflow will be required to settle the obligation; and,
- A reliable estimate can be made of the amount of the obligation.

Provisions for restructuring costs are recognized when Puig has a formal plan for restructuring that has been notified to the affected parties.

If the effect of the cash temporary value is significant, the amount of the provision is discounted. Any increase in the provision value derived from the passing of time is recorded as “Financial expenses” in the consolidated income statement.

There are no risks giving rise to future significant contingencies that affect Puig and have not been considered in these financial statements.

Additionally, contingent liabilities are possible obligations arising as a consequence of past events, which may or may not occur depending on one or more future events beyond the Group's control. Unlike provisions, contingent liabilities are not recognized in the consolidated balance sheet but disclosed in the notes thereto unless they are not considered remote.

3.11. Post-employment benefits and share-based payments

Puig has entered into post-employment pension plans with some of its employees.

Under defined contribution retirement plans, Puig pays fixed contributions on a current basis into a separate (third party) recognized pension fund and will have no obligation to pay further contributions. Such fixed contributions are recognized in the income statement on the due date.

Under defined benefit retirement plans, Puig is obliged to pay certain benefits upon retirement. The liabilities of Puig concerning defined benefit retirement plans, and the related service cost, are determined using the projected unit credit method. The following concepts are recognized in the income statement for the year: the service costs for the current year, costs due to interest, expected yield of any plan asset, cost of previous services, and the effect of any type of curtailments and settlements of the plan. Any actuarial gains and losses are recognized outside the income statement and presented in the statement of changes in equity according to IAS 19. The amount recognized in the balance sheet represents the present value of the defined benefit obligation, net of related assets.

Share appreciation rights

Puig has several "share appreciation rights" (SARs) for executives and employees. The related employee benefits expense is determined based on the fair value of the liability at the vesting date and it is recognized based on the best estimate made by Management. This expense is recognized over the stipulated period during which the services are rendered and adjusted based on actual employee rotation.

Most of the SARs plans grant the beneficiaries the right to choose whether the share-based payment transaction is settled in cash or by delivering equity instruments, and consequently, it meets the definition of a compound financial instrument, which includes a debt component and an equity component. In order to measure each component, the Company has concluded that there is always a cash event enforceable for the Company in relation to all shares granted, and consequently, the accounting for these plans has been treated as a cash settlement, being the equity component measured at nil.

In the case that the shares are finally acquired by the employees, crossed put and call options are put in place. For some plans, in the case of a public offering, the put and call options would no longer have any effect, except when lock up periods apply, in which case Puig retains a call option.

Some specific plans have been defined as cash-settled plans, as they are always settled in cash.

3.12. Leases

Puig leases are in line with market terms and conditions. The main types of lease agreements, as well as their main characteristics are described below:

- Offices and warehouses: contract terms include an average lease length between 10 and 15 years and fixed rent updated based on inflation rates. In some of these contracts Puig has unilateral option to extend from 5 to 10 years.

- Stores: contract terms include an average lease length between 3 and 12 years. Rent payments always include a fixed component and some of them also include a variable component linked to the sales of the respective store which is added to the fixed component.

- Cars: contract terms include an average lease length between 3 and 4 years and fixed rent updated based on inflation rates.

Variable lease payments, which do not depend on an index or rate, are not included in the measurement of the lease liability and the right-of-use asset, and are recorded as an operating expense as they are incurred.

At the commencement date of the lease, a right-of-use asset and a lease liability shall be recorded.

Initial measurement of the right-of-use asset

At the commencement date of the lease, the right-of-use asset is measured at cost, which shall comprise:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred by the lessee.
- An estimate of costs to be incurred by the company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.
- In the cases in which there are variable amounts, the minimum lease payment shall be considered in the price.

Initial measurement of the lease liability

At the commencement date, the lease liability shall be measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, Puig's incremental borrowing rate shall be used. The lease payments included in the initial measurement of the lease liability comprise the following payments:

- Fixed payments less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date of the lease.
- Amounts expected to be payable by the lessee under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Puig has included in the measurement of the lease liability the future cash flows for the periods it estimates that it will keep the contracts. For some of the lease contracts, the Group has extension options for additional periods, which can be freely exercised by the Group only. These extension options have been considered in the value of the lease liability when Puig has reasonable certainty to exercise these options, due to significant investments performed, and the complexity to find similar leases in the market.

Subsequent measurement of the right-of-use asset

The right-of-use asset shall be measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Subsequent measurement of the lease liability

The lease liability shall be measured by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications.

The lease payments associated with short-term leases or leases for which the underlying asset is of low value are recognized in the consolidated income statement as an expense on a straight-line basis over the lease term. A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less.

Modifications to lease payments linked to an index, such as the consumer price index, are treated as modifications to lease liabilities at the date the index is revised and based on remaining cash flows.

The balancing entry of a modification to the lease liability is an adjustment to the right-of-use asset.

3.13. Revenue

Revenue is recognized at the carrying amount of the consideration received. Sales agreements contain one single performance obligation that is satisfied at a point in time.

There are no contracts with customers with significant financing components.

Gross goods

Income from the sale of finished goods is recognized when control over the goods is transferred to the customer, which occurs when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured, which is, in general terms, when the goods are delivered.

The Group's revenue comes from the following business segments: fragrances and fashion, makeup, skincare.

Sales rebates and refunds

Sales rebates include all the discounts given to end customers, volume-based incentives, etc.

Sales rebates and refunds are part of the sale transaction and deducted from the consideration in revenue recognition.

Puig receives promotional support services from certain customers, such as placing products in display stands and publishing offers, among others. These services are not under Puig’s control neither fulfill any obligation and thus considered as a rebate. These amounts are deducted from the consideration for revenue recognition purposes if net revenue recognition criteria is met under IFRS 15.

Royalty income

Royalty income is related to licenses that Puig's brands (Nina Ricci, Rabanne, Jean Paul Gaultier and Carolina Herrera) give to third parties to commercialize certain products such as eyewear and fashion and accessories. Royalty income is accounted for on an accrual basis, based on the percentage established for each of the licenses over the sales carried out by the third parties.

3.14. Income tax

The Parent Company and most of the Spanish companies of Puig pay corporate income tax under a consolidated tax regime, with the top entity responsible before tax authorities is Puig, S.L. The income tax expense is recognized in the income statement except when it refers to items recorded directly under equity.

Deferred income tax is recorded applying the liability method, on all temporary differences existing at the balance sheet date between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred income tax liability arises from an acquired goodwill, whose amortization is not tax deductible, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss. Likewise, deferred tax liabilities are also recognized for all taxable temporary differences arising from the carrying amount of investments in subsidiaries or associates, except when the following two conditions are jointly met: the timing of the reversal of the temporary differences can be controlled by the Parent Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized except, when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

3.15. Financial instruments

Puig determines the most appropriate classification for each financial instrument based on its business model and the characteristics of contractual cash flows and reviews it only in the event of a change in the business model for managing said assets. Current and non-current financial instruments are classified into the following categories:

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired. Puig's financial assets at amortized cost includes trade receivables, deposits, loans and other current assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. This category includes derivative instruments to cover loans taken out in foreign currencies and some non-listed equity investments (note 18).

Financial assets designated at fair value through Other Comprehensive Income (OCI)

Upon initial recognition, Puig can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its listed and some other non-listed equity investments under this category (financial investments – note 18).

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans, trade payables, other current liabilities and lease liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes earn-outs and share based payments designated upon initial recognition as at fair value through profit or loss.

Puig determines the fair value of financial instruments in accordance with the following hierarchy:

- Level 1: Observable prices for identical finance assets/liabilities in active markets.

- Level 2: Other measurement techniques in which the parameters with a significant impact on the determination of fair value are obtained directly or indirectly from the market.

- Level 3: Other measurement techniques in which the parameters with a significant impact on the determination of fair value are not obtained from the market. Fair value is mainly determined based on future economic projections for the underlying asset (or business).

3.16. Derivative financial instruments

Derivative instruments are initially recorded in the consolidated balance sheet at their cost of acquisition and are subsequently adjusted in order to always be recorded at their fair value. These adjustments are recorded as assets in case they are positive or as liabilities if they are negative.

For accounting purposes, and once the financial instrument has been designated as being a hedging instrument, the following classifications have been used:

- Fair value hedges: when hedging against the exposure to changes in the fair value of a recognized asset or liability. Any gain or loss from re-measuring the hedging instrument at fair value is recognized immediately in the income statement, netting its effect in the same caption of the income statement.

- Cash flow hedges: changes in fair value of hedging instruments are recorded for their effective proportion in the "Unrealized gains (losses) reserve" (Shareholders' equity). The portion of the gain or loss of the hedging instrument that is determined to be an effective hedge is recognized directly in equity and the ineffective portion is recognized in net profit or loss.

The fair value of the different derivative financial instruments is calculated applying the following methods:

- At year-end exchange rate.

- Applying the discount of expected cash flows with regard to the market conditions, both for cash and futures at year end closing.

3.17. Use of estimates and judgements

The preparation of the financial statements in accordance with IFRS-EU requires Puig to make estimates and fair value judgments that affect the application of accounting policies and the balances of assets, liabilities, revenues, and expenses.

These estimates and fair value judgments are based on historical experience and various other factors that are considered reasonable under the circumstances, and their results form the basis for determining opinions on the carrying amounts of assets and liabilities that are not readily available from other sources.

The macroeconomic assumptions used in the estimates are based on figures provided by reputable entities and are tailored to Puig's specifications, including inflation, interest rates, exchange rates, etc. Puig incorporates these macroeconomic assumptions into its business planning and strategy.

The business plans prepared by management are used in the estimates made by Puig for the preparation of the annual accounts (e.g., impairment testing, recognition of deferred taxes or valuation of liabilities, etc.). However, actual results may differ from the estimates made in the business plans, both in the forecasts of business developments and in the assumptions applied for the calculations.

Puig's main estimates are as follows:

- The useful life and fair value of property, plant and equipment, and intangibles assets (note 14 and 15).
- The assumptions used in the Purchase Price Allocation (PPA) (note 4) carried out in each business combination. In all cases, the PPA is prepared by external advisors.
- The assumptions used in determining the fair value/value in use of various Cash Generating Units (CGUs) or groups of them to assess the potential impairment of goodwill or other assets (Note 15 and 17).
- Estimation of expected credit losses on accounts receivable and inventory obsolescence (notes 3.8, 18, and 19).
- Estimation of deductions from net sales (returns and rebates) (notes 7 and 28).
- The fair value of financial instruments and certain unquoted financial assets (notes 18 and 25).
- Assumptions used in determining the fair values of liabilities related to business combinations (notes 3.1 and 26). Contingent consideration liabilities fall under level 3 of the fair value hierarchy in accordance with IFRS 13.
- Provisions: An estimate is made of amounts to be settled in the future, including those related to contractual obligations, pending litigation, and other future costs. These estimates are subject to interpretations of current facts and circumstances, projections of future events, and estimates of the financial effects of these events.

- Evaluation of the recoverability of tax credits, including carryforward tax losses and deduction rights. Deferred tax assets are recognized to the extent that future tax benefits are available against which temporary differences can be offset, based on management's assumptions regarding the amount and timing of future tax benefits.

4. BUSINESS COMBINATIONS

Puig carried out several acquisitions during 2021 and 2022. During 2022, Puig acquired a majority stake in the Swedish niche fragrance and beauty brand Byredo A.B. ("Byredo") and increased its ownership to a majority stake in the Indian company Kama Ayurveda Private Ltd and the Colombian company Cosmetika, S.A.S. ("Loto del Sur") acquiring the control over these businesses (Note 3.1). During 2021, took control of Apivita and Uriage through non-monetary contributions from entities under common control.

All these companies have a strong character and history and share a strong commitment to sustainability and a direct-to-consumer model. With these acquisitions Puig has increased its own selling points, adding more than 1,000 new employees, and expanding the founder ecosystem.

Transaction costs for the three transactions carried out in 2022 amounting to 10 million euros (mainly arising from the Byredo acquisition) were recorded in the income statement for the year ended December 31, 2022 (Note 9).

When a put and call option has been agreed with a minority interest, a minimum price, equivalent to the consideration paid when control was taken, is guaranteed.

4.1. Byredo

In June 2022, Puig acquired 77% of Byredo (economic and voting rights). Byredo is a niche fragrance and beauty brand founded in Stockholm, Sweden, in 2006, offering a complete range of beauty products and accessories.

The acquisition of Byredo, a company that has redefined luxury and has a direct-to-consumer approach, aims to strengthen Puig's high-end positioning.

The respective carrying amounts and fair values of Byredo's identified assets and liabilities at the acquisition date were as follows:

(Thousand euros)	Net Carrying Amount	Fair Value
Long term assets	38,514	711,514
Cash and cash equivalents	19,218	19,218
Current assets	45,135	50,676
Non-current liabilities	(53,607)	(193,386)
Current liabilities	(36,205)	(36,205)
Total Net Assets	**13,055**	**551,817**
Cash paid		826,242
Put-call option		393,793
Variable contingent consideration (Earn-out)		43,306
Goodwill (Note 15)		**711,524**

Byredo's assets and liabilities are denominated in euros.

The most important differences between the net carrying amount and their corresponding fair values correspond to the brand and customer relationships, with net fair values of 492 million euros and 43 million euros respectively.

The respective fair values of Byredo's brand and customer relationships were determined through valuations conducted by an independent expert using the royalty savings method and the MEEM (Multi-period Excess Earning Method) methodology. The key assumptions for the estimation of fair values at the acquisition date refer to net revenue growth and royalty rate aligned with the expected market evolution and considering the specifications of the brand. Additionally, a post-tax discount rate of 8% and a long-term growth rate of 3% are considered. The assumptions used in terms of business evolution were based on strategic plans approved by Puig.

Puig has recognized a goodwill in connection with Byredo's ability to generate profits, the growth and reinforcement of the niche and wellness brands portfolio and the synergies that Puig obtains from Byredo improving other Puig cash-generating units (Note 15).

As part of the acquisition, an earn-out payable in the long term has been agreed. The amount of the earn-out is based on an adjusted multiple linked to the business performance (Note 26).

In addition, as part of the acquisition Puig has agreed put and call options for the acquisition of the 23% of Byredo's shares not currently owned (Note 26).

The valuation of the earn-out and put call options are based on a net revenues multiple (adjusted by the profitability of the business) which is adjusted according to expected performance at each year end, compared to the initial plan, until expiration of the put and call options. These liabilities were discounted at an 8% post-tax rate at the time of the business combination.

At the acquisition date, the amount of these put call options amounted to 394 million euros, which were initially recognized as non-controlling interest, and subsequently reclassified as a liability at the reporting date (Note 3.1).

The results of Byredo's operations have been included in the special purpose consolidated financial statements starting from the acquisition date. The amount of net revenue and pre-tax profit attributable from the acquisition date until December 31, 2022, amounted to 101.0 million euros and 9.3 million euros, respectively.

If the business combination had been completed on January 1, 2022, the net revenues and pre-tax profit attributable to Byredo into Puig's results would have amounted to 163.2 million euros and 15.8 million euros, respectively.

4.2. Loto del Sur

In June 2022, Puig increased its investment in Cosmetika S.A.S. (Loto del Sur), a leading natural cosmetics brand in Colombia, founded in 1999, and became its majority shareholder. After acquiring an additional 31.7% stake, Puig obtained control over Loto del Sur, reaching a total holding of 66.7% (economic and voting rights) and has therefore accounted for such company using the full consolidation method since the date it obtained majority control.

Until June 2022, this company was accounted for using the equity method (Note 17).

The respective carrying amounts and fair values of Loto del Sur's identified assets and liabilities at the acquisition date were as follows:

(Thousand euros)	Net Carrying Amount	Fair Value
Long term assets	344	20,755
Cash and cash equivalents	741	741
Other current assets	1,760	2,321
Non-current liabilities	-	(7,340)
Current liabilities	(808)	(808)
Total Net Assets	**2,037**	**15,669**
Cash paid		11,238
Put-call option		17,755
Fair value of the prior equity method investment (35%)		12,407
Goodwill (Note 15)		**25,731**

Cosmetika's assets and liabilities are denominated in Colombian pesos.

The most important differences between the net carrying amount of assets and their fair values correspond to the brand and customer relationships, with net fair values of 12 million euros and 1 million euros respectively.

The respective fair values of Loto del Sur's brand and customer relationships were determined through valuations conducted by an independent expert using the royalty savings method and the MEEM (Multi-period Excess Earning Method) methodology. The key assumptions for the estimation of fair values at the acquisition date refer to net revenue growth and royalty rate aligned with the expected market evolution and considering the specifications of the brand. Additionally, a post-tax discount rate of 14.9% and a long-term growth rate of 3.15% are considered. The assumptions used in terms of business evolution were based on strategic plans approved by Puig.

Puig has recognized a goodwill linked to Loto del Sur's ability to generate profits, the competitive advantages gained in the Latin-American market and the growth and reinforcement of the niche and wellness brands portfolio.

In addition, put and call options have been agreed for the acquisition of the 33.3% of the shares executable in the long term. The valuation is based on an adjusted multiple linked to the business performance. At the acquisition date the valuation of this option amounted to 17,755 thousand euros which have been registered as a liability (Note 3.1).

The fair value of the prior minority investment at the acquisition date (12,407 thousand euros) produced a financial gain due to the business combination achieved in stages amounting to 7,984 thousand euros (note 17).

As part of the acquisition, put and call options for the acquisition of the 33.3% of Loto del Sur's shares not currently owned by Puig executable in the long term have been agreed.

The valuation of the put call options are based on a net revenue multiple (adjusted by the profitability of the business) which is adjusted according to expected performance at each year end, compared to the initial plan, until expiration of the put and call options. These liabilities were discounted at an 14.9% post-tax rate at the date of the business combination.

At the acquisition date, the amount of these put and call options amounted to 18 million euros, which were initially recognized as a non-controlling interest, and subsequently reclassified as a liability at the reporting date (Note 3.1).

The results of the Loto del Sur's operations have been included in these special purpose consolidated financial statements starting from the acquisition date. The amount of net revenue and pre-tax profit attributable from the acquisition date until December 31, 2022, amounted to 5.2 million euros and 0.9 million euros, respectively.

If the business combination had been completed on January 1, 2022, the net revenues and pre-tax profit attributable to Loto del Sur integrated into Puig's results would have amounted to 8.3 million euros and 1.4 million euros, respectively.

4.3. Kama Ayurveda

In July 2022, Puig increased its investment in Kama Ayurveda Private. Ltd., a leading authentic Ayurvedic beauty and wellness brand and became its majority shareholder. After acquiring an additional 36% stake, Puig obtained control over Kama Ayurveda Private Ltd, reaching a total holding of 85% (economic and voting rights) and has therefore accounted for the company using the full consolidation method since the date it obtained the majority control.

Until July 2022, this company was accounted for using the equity method (note 17).

The respective net carrying amounts and fair values of Kama Ayurveda's identified assets and liabilities at the acquisition date were as follows:

(Thousand euros)	Net Carrying Amount	Fair Value
Long term assets	5,558	60,075
Cash and cash equivalents	3,526	3,526
Other current assets	5,566	6,205
Non-current liabilities	(490)	(14,279)
Current liabilities	(2,174)	(2,174)
Total Net Assets	**11,986**	**53,353**
Cash paid		26,194
Put-call option		17,367
Fair value of the prior equity method investment (49%)		35,653
Goodwill (Note 15)		**25,861**

Kama Ayurveda's assets and liabilities are denominated in Indian rupees.

The most important differences between the net carrying amount and their fair values correspond to the brand and customer relationships, with net fair values of 37 million euros and 4 million euros respectively.

The respective fair values of Kama Ayurveda's brand and customer relationships were determined through valuations conducted by an independent expert using the royalty savings method and the MEEM (Multi-period Excess Earning Method) methodology. The key assumptions for the estimation of fair values at the acquisition date refer to net revenue growth and royalty rate aligned with the expected market evolution and considering the specifications of the brand. Additionally, a post-tax discount rate of 14.3% and a long-term growth rate of 5.1% are considered. The assumptions used in terms of business evolution were based on strategic plans approved by Puig.

As a result of the business combinations described above, Puig has recognized a goodwill related to the acquisition of Kama Ayurveda due to its business ability to generate profits, the competitive advantages gained in the Indian market and the growth and reinforcement of the niche and wellness brands portfolio.

As part of the acquisition, put and call options for the acquisition of the 15% of Kama Ayurveda's shares not currently owned by Puig executable in long term have been agreed.

The valuation of the put call options are based on net a revenues multiple (adjusted by the profitability of the business) which is adjusted according to expected performance at each year end, compared to the initial plan, until expiration of the put and call options. These liabilities were discounted at an 14.3% post-tax rate at the date of the business combination.

At the acquisition date, the amount of these put and call options amounted to 17 million euros, which were initially recognized as a non-controlling interest, and subsequently reclassified as a liability at the reporting date (Note 3.1).

The fair value of the prior minority investment at the acquisition date (35,653 thousand euros) produced a financial gain due to the business combination achieved in stages amounting to 9,347 thousand euros (note 17).

The results of Kama Ayurveda's operations have been included in these special purpose financial statements starting from the acquisition date. The amount of net revenue and pre-tax loss attributable from the acquisition date until December 31, 2022, amounted to 7.2 million euros and 1 million euros, respectively.

If the business combination had been completed on January 1, 2022, net revenues and pre-tax loss attributable to Kama Ayurveda's into Puig's results would have amounted to 17.1 million euros and 1.2 million euros, respectively.

4.4. Aubelia, S.A.S (Uriage)

As described in Note 1, in January 2021, Puig received a non-monetary contribution from Exea Ventures, S.L. of the 90% of shares of Aubelia, S.A.S. (Uriage). Uriage is a French entity engaged in the production and sales of dermo-cosmetic products.

This non-monetary contribution has been identified as a business combination under common control (Note 3.2), where the assets and liabilities are recorded in the consolidated financial statements at the carrying values that those assets and liabilities had on the consolidated financial statements of the previous group owner entity at the date of the non-monetary contribution.

The net carrying amounts of assets and liabilities of Uriage at the non-monetary contribution date, were as follows:

(Thousand euros)	Net Carrying Amount
Long term assets	186,545
Cash and equivalents	1,328
Other current assets	72,056
Non-current liabilities	(69,878)
Current liabilities	(32,863)
Total Net Assets	**157,188**

Uriage assets and liabilities are denominated in euros.

Simultaneously with the contribution received, in January 2021, Puig purchased the remaining 10% of the shares of Aubelia, S.A.S. for 50.5 million euros plus a variable payment of 5 million euros. As of December 31, 2021, a 28 million euros liability remained, due to the outstanding payment (note 28), which was paid in 2022.

The impact in Puig's reserves arising from the business combination under common control amounted to 101,7 million euros (being 141,4 million euros of shareholders contribution deducted by 39,7 million euros impact of the acquisition of the minority which had been performed in the same period).

After the abovementioned transactions, Puig holds 100% of Aubelia, S.A.S.

4.5. Apivita Ventures, S.L. (Apivita)

In January 2021, Puig received a non-monetary contribution from Exea Ventures, S.L. 90% of shares of Apivita Ventures, S.L. (Apivita) which owned 66.7% of Apivita, S.A., a Greek entity engaged in the production and sales of dermo-cosmetic products. In December 2020, Puig, S.L. acquired the 33.3% of the stake of Apivita, S.A. from a third party.

After the non-monetary contribution, Puig obtained control over Apivita and it has been identified as a business combination under common control (Note 3.2), where the assets and liabilities are recorded in the consolidated financial statements at the carrying values that those assets and liabilities had on the consolidated financial statements of the previous group owner entity at the date of the non-monetary contribution. Until December 31, 2020, Apivita, S.A. was consolidated using the equity method as Puig held a 33.3% stake (Note 17).

The net carrying amounts of assets and liabilities at the non-monetary contribution date were as follows:

(Thousand euros)	Net Carrying Amount
Long term assets	84,151
Cash and equivalents	3,040
Other current assets	29,067
Non-current liabilities	(16,238)
Current liabilities	(18,987)
Total Net Assets	**81,033**

Apivita's assets and liabilities are denominated in euros.

In addition, in January 2021, Puig purchased the remaining 10% of the shares of Apivita Ventures, S.L. for 5 million euros plus a variable payment of 1 million euros. As of December 31, 2021, a 3 million euros liability remained due to the outstanding payment (Note 28), which was paid in 2022. The positive impact in other reserves due to the acquisition of the minority interest in Apivita amounted to 2,103 thousand euros in 2021.

The impact in Puig's reserves arising from the business combination under common control amounted to 35 million euros (being 48,6 million euros of shareholders contribution deducted by 13,8 million euros impact of the acquisition of the minority and the elimination of the equity method investment held).

After the abovementioned transactions, Puig holds 100% of Apivita Ventures, S.L. and Apivita, S.A.

5. SEGMENT REPORTING

The information presented below regarding segments has been prepared in accordance with IFRS 8, identifying the corresponding operating segments based on the type of products offered in each of them.

Puig's business activities are organized into three segments: Fragrance and Fashion, Make-up, and Skincare.

The segment reporting is presented with this breakdown as it is used by the senior management and board of directors of Puig to monitor the business. For the purposes of IFRS 8, the board of directors should be understood as the highest authority for operational decision-making at Puig.

Fragrance and Fashion: The Fragrance and Fashion business segment focuses on the creation, marketing and sale of fragrances, and to a much lesser extent, clothing, accessories, and other fashion-related items. Although fashion is a small portion of our revenues, it has been a key enabler of the fragrance industry, especially in the premium segment, where a major part of the top premium fragrance brands are inspired by a fashion brand. Puig recognizes the value of the deep connection that consumers build with fashion brands and how that translates to fragrances.

Under this business category, Puig designs, develops and markets fragrances in various forms, including eau de parfum sprays and colognes, as well as lotions, powders, creams, candles, and soaps, that are based on a particular fragrance. In addition, Puig designs, produces, and markets clothing, footwear, and accessories.

The Puig portfolio of brands operating in the Fragrance and Fashion business category includes Carolina Herrera, Jean Paul Gaultier, Nina Ricci, Rabanne, Byredo, Christian Louboutin, Comme des Garçons, Dries Van Noten, L'Artisan Parfumeur, Penhaligon's, Adolfo Domínguez and Banderas among others.

Make-up: The Make-up business segment focuses on the creation, marketing, and sale of a comprehensive range of high-quality cosmetic products including, among others, foundations, concealers, lipsticks, lip glosses, eyeliners, blushes, mascaras and eyeshadows.

The Puig portfolio of brands operating in the Make-up business category includes Carolina Herrera, Charlotte Tilbury, Rabanne, Byredo, Christian Louboutin and Dries Van Noten.

Charlotte Tilbury and Christian Louboutin are the brands with the largest revenue contribution to our Make-up business segment. Charlotte Tilbury is the leader in this segment in terms of know-how and acts as the driver for the expansion of make-up products to brands that are already established in other segments.

Skincare: The Skincare business segment focuses on the creation, marketing, and sale of a variety of products to meet the needs of different skin types and concerns, such as cleansers, toners, moisturizers, serums, body care, exfoliators, acne, and oil correctors, facial masks, and sun care products.

The Puig portfolio of brands under this segment skews heavily towards dermo-cosmetics but also includes prestige skincare. Puig's brands operating in the Skincare business segment include Uriage, Apivita, Kama Ayurveda, Loto del Sur and Charlotte Tilbury.

The distribution of net revenues, operating profit, depreciations and amortizations and operating assets among segments is as follows:

2023

(Thousand euros)	Net Revenues	Operating profit	Depreciation ** and Impairment	Operational assets
Fragrance & Fashion	3,115,001	587,191	124,084	3,169,954
Make-up	773,086	62,219	29,047	2,031,933
Skincare	430,854	43,561	16,573	800,214
Intersegment eliminations	(14,874)	(*)	-	-
	4,304,067	**692,970**	**169,704**	**6,002,101**

2022

(Thousand euros)	Net Revenues	Operating profit	Depreciation ** and Impairment	Operational assets
Fragrance & Fashion	2,671,524	473,913	107,516	2,830,768
Make-up	626,027	35,110	24,439	1,975,059
Skincare	329,132	27,472	12,998	781,686
Intersegment eliminations	(7,080)	(*)	-	-
	3,619,603	**536,495**	**144,953**	**5,587,513**

2021

(Thousand euros)	Net Revenues	Operating profit	Depreciation ** and Impairment	Operational assets
Fragrance & Fashion	1,901,952	296,227	81,850	1,193,385
Make-up	413,298	19,778	14,393	1,854,454
Skincare	274,939	35,573	10,281	692,931
Intersegment eliminations	(5,177)	(*)	-	-
	2,585,012	**351,578**	**106,524**	**3,740,770**

* Operating profit linked to intersegment eliminations, considering the figures involved, was not relevant.

** Depreciation and impairment are presented jointly in 2023, 2022 and 2021, as the impairment was not significant (note 14) and was fully allocated to Fragrance & Fashion.

The other operational income and expenses, financial results, taxes and liabilities are not disclosed as they do not form part of the key business indicators defined above or of the segment information reported periodically to the senior management and board of directors of Puig.

For the purpose of the reconciliation with the total assets of Puig consolidated financial statements, assets are split as follows:

(Thousand euros)	2023	2022	2021
Fixed assets	326,341	271,094	210,971

Intangible assets	4,114,267	4,062,277	2,660,758
Right-of-use assets	287,922	239,873	188,653
Inventories	788,866	626,333	363,134
Trade accounts receivable	484,705	387,936	317,254
Total operational assets	**6,002,101**	**5,587,513**	**3,740,770**
Corporate assets	**1,709,187**	**1,527,599**	**1,350,077**
Total assets	**7,711,288**	**7,115,112**	**5,090,847**

Operational assets are those assets managed in the business segments. Corporate assets are those assets centrally managed by the Parent Company.

6. GEOGRAPHICAL REPORTING

In the presentation of information by geographical areas, net revenues are based on the geographical location of clients, while operational assets are based on the geographical location of assets.

Puig reports using three geographical areas: EMEA (Europe, Middle East and Africa), Americas and Asia-Pacific.

The distribution of net revenues and operational assets by geographical areas is as follows:

2023

(Thousand euros)	Net Revenues	Operational assets
EMEA	2,322,116	3,303,691
Americas	1,542,978	1,600,909
Asia-Pacific	438,973	1,097,501
	4,304,067	**6,002,101**

2022

(Thousand euros)	Net Revenues	Operational assets
EMEA	1,959,898	3,015,464
Americas	1,311,885	1,577,252
Asia-Pacific	347,821	994,796
	3,619,603	**5,587,513**

2021

(Thousand euros)	Net Revenues	Operational assets
EMEA	1,497,972	2,443,200
Americas	838,954	891,884
Asia-Pacific	248,086	405,686
	2,585,012	**3,740,770**

The net carrying amount of property, plant and equipment, intangible assets, and right of use assets located in Spain amounted to 316,716 thousand euros as of December 31, 2023 (2022: 263,435 thousand euros, 2021: 258,832 thousand euros).

7. NET REVENUES

In notes 5 and 6 above, net revenues by operating segment and by geographical area are presented.

A reconciliation between gross sales and net revenues is detailed as follows:

(Thousand euros)	2023	2022	2021
Gross sales	4,793,239	4,048,775	2,902,369
Royalty income	26,440	23,121	18,886
Sales rebates	(448,213)	(383,095)	(289,255)
Sales returns	(67,399)	(69,198)	(46,988)
Net revenues	**4,304,067**	**3,619,603**	**2,585,012**

Puig has deducted from its Gross sales an amount of 515,612 thousand euros corresponding to discounts, returns, and promotional support services from certain customers when these support services are not under Puig control neither fulfil any obligation (2022: 452,293 thousand euros; 2021: 336,243 thousand euros in 2021).

Puig does not have any customer with sales volume exceeding 10% of Puig's net revenues.

8. COST OF SALES

The breakdown of this line item is as follows:

(Thousand euros)	2023	2022	2021
Procurement and production costs	1,226,551	1,143,584	732,812
Inventory losses	50,170	25,079	22,419
Gross inventory variation	(187,817)	(241,694)	(55,325)
	1,088,904	**926,969**	**699,906**

Procurement and production costs are mainly related to the industrial production cost of products sold. This caption also includes finished goods produced by third parties.

Inventory impairment reflects the obsolete stocks and slow-moving products, that, in line with Puig policies have been reduced to their estimated realizable value.

Gross inventory variation shows the difference between prior year and current year gross inventory (excluding provisions for obsolete stocks and slow-moving products).

9. OTHER OPERATIONAL INCOME AND EXPENSES

(Thousand euros)	2023	2022	2021
Restructuring costs	(1,342)	(8,720)	-
Transaction costs	(7,965)	(23,224)	
Other	(4,457)	(11,584)	34,951
	(13,764)	**(43,528)**	**34,951**

Restructuring costs are recognized in full if they have been communicated to the relevant third parties prior to the end of the reporting period. These costs primarily include expenses such as severance payments, early retirement payments, and other expenses associated with restructuring of acquisitions or change in activity such as site closures.

Transaction costs refer to the expenses incurred for business combinations (note 4) and other corporate transactions. These costs encompass various fees and expenses necessary for completing the transactions.

In 2023, “Other” are costs of the sponsorship of the Puig Women’s America’s Cup amounting to 4,4 million euros, exceptional legal costs amounting to 2,5 million euros and income of 2,4 million euros resulting from the termination of a license agreement.

In 2022, “Other” was exceptional legal cost incurred amounting to 11.6 million euros. In 2021, this caption mainly included an extraordinary income resulting from the termination of a license agreement.

10. OPERATING EXPENSES

The following items are classified as expenses in the income statement based on their function:

(Thousand euros)	2023	2022	2021
Employee benefits expense	761,103	638,558	470,627
Lease expenses (Note 16)	16,014	14,050	10,116
Research and development expenses	33,208	28,592	22,677
	810,325	**681,200**	**503,420**

In 2023 Puig’s average headcount was 9,612 employees, of whom 7,017 were female, 2,522 were male and 73 were non-binary/undisclosed (2022: 8,844 employees, of whom 6,542 were female, 2,265 were male and 37 were non-binary/undisclosed; 2021: 7,047 employees, of whom 5,372 were female, 1,662 were male 13 were non-binary/undisclosed).

The headcount by professional category is as follows:

	HeadCount at year-end				
	Male	Female	Non-binary / Undisclosed	Total	Average headcount
2023					
Senior executives	111	107	2	220	218
Sales and Marketing	652	2,316	61	3,029	2,832
Point of sale personnel	813	3,617	19	4,449	3,357
Technicians	893	1,667	43	2,603	2,423
Administrative	22	113	2	137	129
Production staff	298	388	-	686	653
	2,789	**8,208**	**127**	**11,124**	**9,612**
2022					
Senior executives	107	81	1	189	191
Sales and Marketing	539	1,981	16	2,536	2,473
Point of sale personnel	647	3,092	33	3,772	3,361
Technicians	744	1,406	12	2,162	1,969
Administrative	7	103	-	110	105
Production staff	340	429	-	769	745
	2,384	**7,092**	**62**	**9,538**	**8,844**
2021					
Senior executives	96	87	-	183	185
Sales and Marketing	478	1,760	2	2,240	2,215
Point of sale personnel	237	2,086	7	2,330	2,280
Technicians	584	1,032	4	1,620	1,510
Administrative	13	106	-	119	173
Production staff	295	417	-	712	684
	1,703	**5,488**	**13**	**7,204**	**7,047**

The average number of people employed during the year with a disability equal to or greater than 33%, by category, in Puig companies domiciled in Spain to which Royal Decree 1/2021 of January 12, 2021 is applicable, is as follows:

	2023	2022	2021
Senior executives	-	-	-
Sales and Marketing	1	-	1
Point of sale personnel	1	1	1
Technicians and Administrative	14	13	8
Production staff	10	15	13
	26	**29**	**23**

As of December 31, 2023, the Board of Directors consisted of 14 members, 12 men and 2 women (2022: 12 members, 11 men and 1 woman; 2021: 12 members, 11 men and 1 woman).

Employee expenses

(Thousand euros)	2023	2022	2021
Wages and salaries	554,812	441,328	335,360
Social security costs	110,562	87,924	71,212
Pension costs	11,713	12,928	8,364
Additional employee expenses	84,016	96,378	55,691
	761,103	**638,558**	**470,627**

The increase in wages and salaries for 2023 and 2022 mainly corresponds to the increase in the average headcount of the year as well as inflation.

The “Additional employee expenses” caption includes multiannual employee remuneration amounting to 46,143 thousand euros in 2023 (59,415 thousand euros in 2022 and 36,876 thousand euros in 2021), restructuring costs in 2023 amounting 1,342 thousand euros (2022: 8,720 thousand euros; 2021: nil), indemnities amounting to 8,584 thousand euros (2022: 8,386 thousand euros; 2021: 5,892 thousand euros) and other additional fringe benefits such as employee insurances, meal & food allowances, employee cars and other employee benefits.

11. DEPRECIATION AND IMPAIRMENT

The breakdown of depreciation and amortization expenses and impairment is as follows:

(Thousand euros)	2023	2022	2021
Depreciation charge, intangible assets (Note 15)	32,903	26,966	19,567
Depreciation and impairment charge, PP&E (Note 14)	70,975	64,248	49,886
Depreciation charge, right-of-use assets (Note 16)	65,826	53,739	37,071
	169,704	**144,953**	**106,524**

Overall expenses shown above relate to property, plant, and equipment, intangible assets, and right-of-use assets.

12. FINANCIAL RESULT

(Thousand euros)	2023	2022	2021
Finance income from investments in financial institutions and others	21,978	13,667	2,682
Finance income with related parties (Note 32)	2,009	2,600	2,532
Other finance income	19,609	22,976	-
Total Finance income	**43,596**	**39,243**	**5,214**
Finance costs from bank borrowings, commissions and other	(54,364)	(29,968)	(25,571)
Finance lease expenses (Note 16)	(5,098)	(3,024)	(1,300)
Other finance costs (Note 26)	(25,810)	(31,227)	(43,609)
Total Finance costs	**(85,272)**	**(64,219)**	**(70,480)**
Exchange gains (losses) (net)	(45,727)	(9,888)	2,904
Total Exchange result	**(45,727)**	**(9,888)**	**2,904**
Financial Result	**(87,403)**	**(34,864)**	**(62,362)**

Finance income

Financial income primarily corresponds to interest generated by investments held in financial institutions.

In 2023, finance income with related parties corresponds to interest amounting to 2,009 thousand euros of loans issued to related parties (2022: 2,018 thousand euros; 2021: 1,159 thousand euros).

Other financial income in 2023 corresponds to the change in the valuation of the earn outs (Note 26).

In 2022, other financial income corresponds to the proceeds from the sale of shares to a third party in an entity in which Puig did not maintain significant influence (note 18).

Finance costs

Financial expenses from financial debts with credit institutions, including loans, interest rate swaps, fees, and others, primarily refer to the interest on loans granted and credit lines used during the current year.

The financial expense for the year 2023 has increased compared to 2022 due to the higher level of bank borrowings and because most of the bank borrowings granted in the year 2022 were taken in May (see Note 24). Therefore, the average bank borrowings level for the year 2023 is higher than that of the year 2022.

Finance lease expenses exclusively concern to the financial impact of applying IFRS 16.

Other finance costs correspond to the variation of earn-outs in relation to the business combinations (Note 26).

Exchange results

In 2023 the negative impact of exchange gains mainly corresponds with the depreciation of the Argentinian, the US Dollar and the GB pound.

As detailed in note 3.4, Puig applies records adjustments in hyperinflationary economies.

13. TAXES

Puig Brands is subject to corporate income tax under the consolidated taxation regime in Spain, with Puig, S.L. being responsible for such tax consolidation. Annex II provides details of the companies that are part of the tax consolidation group led by Puig, S.L.

The remaining companies generally pay corporate income tax on an individual basis, except in some jurisdictions where taxation occurs under a tax consolidation regime (Annex II).

On June 2, 2020, inspection proceedings commenced in the Spanish tax consolidation group, for the corporate income tax for the periods 2015-2018 and the value added tax for the periods 2016 -2018. As a result of these inspection proceedings, in May and June 2022 Puig received assessments amounting to an aggregate of 9,131 thousand euros. These were paid in 2022. An economic and administrative claim was lodged against the assessments with which Puig disagreed and in November 2022 the defence allegations were submitted.

On December 31, 2023, Puig has ongoing tax inspections (started in 2022 and 2023) for companies within the group located in the United States, France, and Canada. As of the date of preparation of these Special Purpose Financial statements, no significant tax contingencies are expected from the outcomes of these inspections.

Under tax regulations prevailing in countries where Puig companies are domiciled, tax returns may not be considered final until they have either been inspected by tax authorities or until the corresponding inspection period has expired. The years open to inspection in relation to the main taxes vary according to the tax legislation of each country in which the Group operates. Puig considers that, in the event of a tax inspection, no significant tax contingencies would arise in the consolidated financial statements.

The legislation of Pillar 2 has been approved in certain jurisdictions where Puig operates. The legislation will be effective for Puig's annual exercises beginning on January 1, 2024. Puig has conducted an assessment to determine if it is potentially exposed to Pillar 2 taxes. The assessment of potential exposure to Pillar 2 taxes is based on the most recent tax returns, country-by-country reports, and financial statements of the entities forming the Group. According to this assessment, the effective tax rates of Pillar 2 in most jurisdictions where the Group operates are above 15%. The Group does not expect material exposure to Pillar 2 taxes in those jurisdictions.

The breakdown of the Group's tax balances is as follows:

(Thousand euros)	**2023**	**2022**	**2021**
Assets			
Non-current deferred tax assets	146,562	123,897	85,066
Short-term assets for tax refunds (Note 20)	85,623	51,500	41,530
Liabilities			
Non-current deferred tax liabilities	(553,741)	(552,629)	(398,852)
Short-term liabilities for tax payment (Note 28)	(71,177)	(59,156)	(46,215)
Short-term income tax liabilities	(55,319)	(29,096)	(18,198)
	(448,052)	**(465,484)**	**(336,669)**

Short-term income tax liabilities in the consolidated balance sheet correspond to the provision for income tax for the year, net of withholdings and prepayments made during the year.

The deferred tax reflects the income tax amounts to be paid or recovered in future years and arises from the recognition of deferred tax assets or liabilities.

The reconciliation between the expense for tax on profits before tax and the tax rate applicable to Puig is as follows:

(Thousand euros)	2023	2022	2021
Profit/(loss) before tax	**643,150**	**513,724**	**352,661**
Tax rate applicable in Spain (25%)	(160,787)	(128,431)	(88,165)
Net permanent differences and tax incentives and credits	6,312	18,337	(8,407)
Non-capitalized tax losses used for the year impact	(208)	614	-
Effect of application of different tax rates	10,761	4,081	5,783
Deferred taxes impact due to tax rate variations	342	4,429	(71,204)
Deferred tax loss capitalization from prior years	1,577	-	8,874
Other adjustments	(1,259)	(231)	(626)
Income tax / (expense)	**(143,262)**	**(101,201)**	**(153,745)**
Effective tax rate	**22.3%**	**19.7%**	**43.6%**

Income tax includes expense from both current and deferred tax.

Current tax is the income tax amount payable related to tax on profit for the period and other tax charges derived from compliance with income tax regulations.

In 2021, a change in the tax rate was announced and the law was considered substantively enacted in the United Kingdom to set the main rate of corporate income tax up to 25%, which led to the remeasurement of the deferred tax balances. This change had an impact of 70,654 thousand euros mainly related to the deferred tax liabilities arising from business combinations. This impact explains the higher effective tax rate in 2021.

Additionally, most of the companies of the group have accumulated positive results in their net equity. If these reserves were distributed, they could be subject to taxation. These consolidated special purpose financial statements do not include the impact of the distribution when it is not probable to happen under the exemption of IAS 12.

On the other hand, the subsidiaries of the group do not include deferred tax liabilities in relation with future shareholders distributions because there is not expected any dividend distribution at the date of preparation of the consolidated financial statements, therefore there is no impact on the parent company.

The breakdown of income tax income / (expense) by current and deferred income tax is as follows:

(Thousand euros)	2023	2022	2021
Current income tax	(162,632)	(133,975)	(85,853)
Deferred income tax	19,370	32,774	(67,892)
	(143,262)	**(101,201)**	**(153,745)**

Deferred taxes

(Thousand euros)	2023	2022	2021
Deferred tax liabilities			
Intangible assets from business combinations	521,216	518,358	383,614
Derivatives	4,013	10,519	-
Other	28,512	23,752	15,238
	553,741	**552,629**	**398,852**
Deferred tax assets			
Intra-group transactions	30,133	24,205	13,303
Capitalized tax loss carryforwards	23,242	21,217	20,648
Provisions	14,007	23,114	19,322
Others	79,180	55,361	31,793
	146,562	**123,897**	**85,066**

The increase in deferred tax liabilities in 2022 corresponded to the business combination indicated in Note 4.

Deferred tax assets and liabilities movements are as follows:

(Thousand euros)	2023	2022	2021
Deferred tax assets at begining of the year	123,897	*85,066*	80,857
Deferred tax liabilities at begining of the year	(552,629)	*(398,852)*	(283,799)
Charged/(credited) to the income statement	19,370	32,774	(67,892)
Charged/(credited) to equity	6,618	(11,931)	2,691
Business combinations	-	(152,880)	(29,766)
Translation and others	(4,435)	17,092	(15,877)
Deferred tax assets at the end of the year	146,562	*123,897*	85,066
Deferred tax liabilities at the end of the year	(553,741)	*(552,629)*	(398,852)

At December 31, 2023 Puig had non-capitalized unused tax loss carry forwards amounting to 32 million euros (2022: 32.5 million euros; 2021: 15.9 million euros). Additionally, at the same date Puig had no unused tax credits.

The non-capitalized tax loss carryforward maturities are as follows:

(Thousand euros)	2023	2022	2021
Less than 5 years	24,923	18,981	9,059
More than 5 years and indefinitely	6,983	13,548	6,834
	31,906	**32,529**	**15,893**

14. PROPERTY, PLANT AND EQUIPMENT

The breakdown of property, plant and equipment is as follows:

(Thousand euros)	Land and buildings	Machinery and tools	Office furniture and other equipment	Fixed assets under construction and Others	Total
Cost					
At January 1, 2021	222,934	208,895	135,634	3,464	570,927
Additions	8,131	14,277	28,589	148	51,145
Disposals	(7,385)	(3,546)	(4,653)	(449)	(16,033)
Transfers and others	3,546	(4,018)	921	(17)	432
Business combination (Note 4)	24,400	42,852	11,246	140	78,638
Translation differences	2,963	198	4,274	(498)	6,937
At December 31, 2021	254,589	258,658	176,011	2,788	692,046
Accumulated depreciation					
At January 1, 2021	(130,440)	(157,747)	(99,228)	(2,935)	(390,350)
Depreciation (note 11)	(11,183)	(15,818)	(22,396)	(128)	(49,525)
Disposals	6,147	3,130	3,532	424	13,233
Transfers and others	(3,426)	3,441	(416)	(50)	(451)
Business combination (note 4)	(13,619)	24,085)	(9,561)	(23)	(47,288)
Translation differences	(1,466)	(65)	(2,944)	(30)	(4,505)
At December 31, 2021	(153,987)	(191,144)	(131,013)	(2,742)	(478,886)
Accumulated impairment					
At January 1, 2021	-	(1,412)	(416)	-	(1,828)
Impairment (note 11)	(383)	22	-	-	361)
At December 31, 2021	(383)	(1,390)	416)	-	(2,189)
Net at January 1, 2021	**92,494**	**49,736**	**35,990**	**529**	**178,749**
Net at December 31, 2021	**100,219**	**66,124**	**44,582**	**46**	**210,971**

(Thousand euros)	Land and buildings	Machinery and tools	Office furniture and other equipment	Fixed assets under construction and Others	Total
Cost					
At January 1, 2022	254,589	258,658	176,011	2,788	692,046
Additions	34,427	23,936	54,061	820	113,244
Disposals	(2,208)	(4,967)	(1,976)	(221)	(9,372)
Transfers and others	481	(398)	(459)	-	(376)
Business combinations (note 4)	2,558	1,638	24,803	-	28,999
Translation differences	(134)	(316)	(2,860)	(5)	(3,315)
At December 31, 2022	289,713	278,551	249,580	3,382	821,226
Accumulated depreciation					
At January 1, 2022	(153,987)	(191,144)	(131,013)	(2,742)	(478,886)
Depreciation (note 11)	(13,063)	(15,913)	(30,996)	(208)	(60,180)
Disposals	2,102	4,058	1,498	221	7,879
Transfers and others	(52)	(6)	(1,202)	40	(1,220)
Business combinations (note 4)	(1,415)	(797)	(9,217)	-	11,429)
Translation differences	13	99	(162)	12	(38)
At December 31, 2022	(166,402)	(203,703)	(171,092)	(2,677)	(543,874)
Accumulated impairment					
At January 1, 2022	(383)	(1,390)	(416)	-	(2,189)
Impairment (note 11)	(14)	(4,370)	315	-	(4,069)
At December 31, 2022	(397)	(5,760)	(101)	-	(6,258)
Net at January 1, 2022	**100,219**	**66,124**	**44,582**	**46**	**210,971**
Net at December 31, 2022	**122,914**	**69,088**	**78,387**	**705**	**271,094**

(Thousand euros)	Land and buildings	Machinery and tools	Office furniture and other equipment	Fixed assets under construction and Others	Total
Cost					
At January 1, 2023	289,713	278,551	249,580	3,382	821,226
Additions	50,000	39,932	42,528	277	132,737
Disposals	(10,899)	(9,075)	(7,787)	(106)	(27,867)
Transfers and others	16,940	371	(15,579)	532	2,264
Business combinations (note 4)	-	-	-	-	-
Translation differences	(10,619)	(2,292)	806	4,555	(7,550)
At December 31, 2023	335,135	307,487	269,548	8,640	920,810
Accumulated depreciation					
At January 1, 2023	(166,402)	(203,703)	(171,092)	(2,677)	(543,874)
Depreciation (note 11)	(21,772)	(32,751)	(20,710)	(117)	(75,350)
Disposals	10,682	8,133	6,241	128	25,184
Transfers and others	(5,437)	294	6,699	(1,815)	(259)
Business combinations (note 4)	-	-	-	-	-
Translation differences	822	1,604	(942)	229	1,713
At December 31, 2023	(182,107)	(226,423)	(179,804)	(4,252)	(592,586)
Accumulated impairment					
At January 1, 2023	(397)	(5,760)	(101)	-	(6.258)
Impairment (note 11)	14	4,361	-	-	4.375
At December 31, 2023	(383)	(1,399)	(101)	-	(1.883)
Net at January 1, 2023	**122,914**	**69,088**	**78,387**	**705**	**271,094**
Net at December 31, 2023	**152,645**	**79,665**	**89,643**	**4,388**	**326,341**

The “Land and buildings” caption mainly includes production premises and points of sale and offices owned by Puig.

The “Machinery and tools” caption mainly includes the items of the main product equipment.

The additions in 2023, 2022 and 2021 mainly correspond to investments in the production centers of Puig related to its activity, as well as leasehold improvements.

As of December 31, 2023, fully depreciated property, plant and equipment in use amount to 341,001 thousand euros (2022: 338,350 thousand euros (2021: 286,310 thousand euros).

As of December 31, 2023, 2022 and 2021 the main property, plant and equipment items were covered by insurance policies taken out by Puig.

Additionally, none of the property, plant and equipment items has been pledged as collateral to third parties.

None of the property, plant and equipment items contain impairment on their net book value.

15. INTANGIBLE ASSETS

The breakdown of intangible assets is as follows:

(Thousand euros)	Goodwill	Brands	Software	Other	Total
Cost					
At January 1, 2021	872,870	1,389,960	111,456	102,065	2,476,351
Additions	-	-	19,533	6,540	26,073
Disposals and write-off	-	(22)	(17,152)	(317)	(17,491)
Business combination (note 4)	108,199	112,463	7,117	4,370	232,149
Reclassification and others	9,932	-	(5)	(44)	9,883
Translation differences	46,344	71,586	1,301	1,502	120,733
At December 31, 2021	1,037,345	1,573,987	122,250	114,116	2,847,698
Accumulated depreciation					
At January 1, 2021	-	(39,448)	(83,096)	(31,107)	(153,651)
Depreciation (note 11)	-	(4)	(14,445)	(5,118)	(19,567)
Disposals and write-off	-	-	17,142	138	17,280
Business combination (note 4)	-	(763)	(4,698)	229	(5,232)
Reclassification and others	-	-	-	15	15
Translation differences	-	(136)	(541)	(13)	(690)
At December 31, 2021	-	(40,351)	(85,638)	(35,856)	(161,845)
Accumulated impairment					
At January 1, 2021	(25,095)	-	-	-	(25,095)
Impairment (note 11)	-	-	-	-	-
At December 31, 2021	(25,095)	-	-	-	(25,095)
Net at January 1, 2021	**847,775**	**1,350,512**	**28,360**	**70,958**	**2,297,605**
Net at December 31, 2021	**1,012,250**	**1,533,636**	**36,612**	**78,260**	**2,660,758**

(Thousand euros)	Goodwill	Brands	Software	Other	Total
Cost					
At January 1, 2022	1,037,345	1,573,987	122,250	114,116	2,847,698
Additions	-	-	32,061	6,282	38,343
Disposals and write-off	-	-	(2,353)	(1,158)	(3,511)
Business combination (note 4)	763,116	686,537	560	67,004	1,517,217
Reclassification and others	-	(12)	33	370	391
Translation differences	(48,402)	(71,421)	(1,237)	(1,621)	(122,681)
At December 31, 2022	1,752,059	2,189,091	151,314	184,993	4,277,457
Accumulated depreciation					
At January 1, 2022	-	(40,351)	(85,638)	(35,856)	(161,845)
Depreciation (note 11)	-	-	(17,903)	(9,063)	(26,966)
Disposals and write-off	-	-	2,005	517	2,522
Business combination (note 4)	-	-	(381)	(4,986)	(5,367)
Reclassification and others	-	9	(8)	1,462	1,463
Translation differences	-	(311)	411	8	108
At December 31, 2022	-	(40,653)	(101,514)	(47,918)	(190,085)
Accumulated impairment					
At January 1, 2022	(25,095)	-	-	-	(25,095)
Impairment (note 11)	-	-	-	-	-
At December 31, 2022	(25,095)	-	-	-	(25,095)
Net at January 1, 2022	**1,012,250**	**1,533,636**	**36,612**	**78,260**	**2,660,758**
Net at December 31, 2022	**1,726,964**	**2,148,438**	**49,800**	**137,075**	**4,062,277**

(Thousand euros)	Goodwill	Brands	Software	Other	Total
Cost					
At January 1, 2023	1,752,059	2,189,091	151,314	184,993	4,277,457
Additions	-	-	35,434	9,748	45,182
Disposals and write-off	(4,584)	(2,475)	(469)	(1,372)	(8,900)
Business combination (note 4)	-	-	-	-	-
Reclassification and others	-	-	374	(4,039)	(3,665)
Translation differences	18,728	24,511	677	358	44,274
At December 31, 2023	1,766,203	2,211,127	187,330	189,688	4,354,348
Accumulated depreciation					
At January 1, 2023	-	(40,653)	(101,514)	(47,918)	(190,085)
Depreciation (note 11)	-	-	(21,633)	(11,270)	(32,903)
Disposals and write-off	-	2,475	209	65	2,749
Business combination (note 4)	-	-	-	-	-
Reclassification and others	-	-	(2,722)	3,449	727
Translation differences	-	86	(186)	42	(58)
At December 31, 2023	-	(38,092)	(125,846)	(55,632)	(219,570)
Accumulated impairment					
At January 1, 2023	(25,095)	-	-	-	(25,095)
Impairment (note 11)	-	-	-	-	-
Disposals and write-off	4,584	-	-	-	4,584
At December 31, 2023	(20,511)	-	-	-	(20,511)
Net at January 1, 2023	**1,726,964**	**2,148,438**	**49,800**	**137,075**	**4,062,277**
Net at December 31, 2023	**1,745,692**	**2,173,035**	**61,484**	**134,056**	**4,114,267**

In 2023, 2022 and 2021 the increase of software was due to the implementation of new IT systems and new ecommerce platforms for the different businesses.

The net value of brands and trademarks at year-end, were as follows:

(Thousand euros)	2023	2022	2021
Charlotte Tilbury	1,119,669	1,097,095	1,158,007
Byredo	619,000	619,000	-
Jean Paul Gaultier	111,770	111,770	111,770
Dries Van Noten	76,302	76,302	76,302
Uriage	76,137	76,137	76,137
Kama Ayurveda	42,372	44,160	-
Nina Ricci	37,031	37,031	37,031
Penhaligon’s	34,654	33,955	35,840
Apivita	35,559	35,559	35,559
Loto del Sur	17,551	14,439	-
L’Artisan Parfumeur	2,990	2,990	2,990
Total	**2,173,035**	**2,148,438**	**1,533,636**

These brands are considered to have indefinite useful lives. There have not been any impairments with respect to these brands.

As a result of the business combinations described in Note 4, in 2022 Puig consolidated the brands Byredo, Kama Ayurveda and Loto del Sur. In 2021 Puig consolidated Uriage and Apivita brands.

During 2023, there is a positive impact of 25 million euros in the carrying amounts of brands as a result of changes in the exchange rates between several functional currencies of the brands and the presentation currency (euro) (2022: (71) million euros; 2021: 71 million euros).

Brand and goodwill impairment test

Puig, internally, tests annually for impairment the brands with indefinite useful lives and goodwill acquired in business combinations.

Cash Generating Units (CGUs) are the smallest identifiable group of assets that generate cash flows independently of cash flows produced by other assets or group of assets. Puig defines these CGUs by associating them with different brands or businesses. Brands may belong to different operating segments (note 5).

In 2022, CGUs have been reviewed, identifying Niche and Wellness as a new CGU, in accordance with the provisions of IAS 36 p72, based on the following:

- One of Puig's strategic decisions in the last years was to position itself in the Niche and Wellness products due to its high growth potential, beginning with the acquisition of L'Artisan Parfumeur and Penhaligon's in 2015, and subsequently the acquisition of Dries Van Noten in 2018.

- However, it is not until 2022, with the acquisition of Byredo and the takeover of Loto del Sur and Kama Ayurveda (note 17), when Puig obtains a portfolio of brands that allows synergies within Niche and Wellness.

As a consequence, Niche & Wellness CGU is composed by L'Artisan Parfumeur, Penhaligon's, Dries Van Noten, Byredo, Kama and Loto del Sur (which were separate CGUs before the acquisitions of Byredo, Kama and Loto del Sur in 2022).

The breakdown of the main intangible assets with indefinite useful lives (brands and goodwill) by cash-generating unit, operating segment, discount rate (Weighted average cost of capital, hereinafter WACC) before tax and long-term growth rate for 2023, 2022 and 2021 are as follows:

2023

Cash-generating unit	Operating Segment	Gross Value (*)	Net Value	WACC Pre-tax	WACC Post-tax	Long-term growth rate
Charlotte Tilbury	Skincare & make-up	1,858,087	1,858,087	13.0%	10.5%	3.0%
Niche & Wellness	Fragrance & fashion, skincare	976,202	961,202	12.1%	10.0%	3.0%
Uriage	Skincare	152,095	152,095	13.6%	11.0%	3.0%
Jean Paul Gaultier	Fragrance & fashion	117,359	117,359	11.7%	9.5%	3.0%
Apivita	Skincare	67,667	67,667	13.4%	11.0%	3.0%
Nina Ricci	Fragrance & fashion	37,031	37,031	12.1%	9.5%	2.5%

(*) Gross value net of depreciation and impairment.

2022

Cash-generating unit	Operating Segment	Gross Value (*)	Net Value	WACC Pre-tax	WACC Post-tax	Long-term growth rate
Charlotte Tilbury	Skincare & make-up	1,820,827	1,820,827	12.0%	9.5%	2.5%
Niche & Wellness	Fragrance & fashion, skincare	970,238	955,238	11.7%	9.5%	2.5%
Uriage	Skincare	152,092	152,092	12.2%	9.5%	2.5%
Jean Paul Gaultier	Fragrance & fashion	117,359	117,359	11.9%	9.5%	2.5%
Apivita	Skincare	67,667	67,667	13.1%	10.5%	2.5%
Nina Ricci	Fragrance & fashion	37,031	37,031	12.0%	9.5%	2.5%

(*) Gross value net of depreciation and impairment.

2021

Cash-generating unit	Operating Segment	Gross Value (*)	Net Value	WACC Pre-tax	WACC Post-tax	Long-term growth rate
Charlotte Tilbury	Skincare & make-up	1,921,364	1,921,364	9.4%	7.7%	2.50%
Dries Van Noten	Fragrance & fashion	181,399	166,399	10.0%	8.0%	2.00%
Uriage	Skincare	152,092	152,092	11.2%	8.5%	2.00%
Jean Paul Gaultier	Fragrance & fashion	117,359	117,359	10.3%	8.0%	2.00%
Apivita	Skincare	67,667	67,667	12.5%	10.0%	5.00%
Penhaligon's	Fragrance & fashion	64,047	64,047	10.0%	8.5%	2.00%
Nina Ricci	Fragrance & fashion	37,031	37,031	10.6%	8.6%	2.00%
L'Artisan Parfumeur	Fragrance & fashion	7,176	7,176	10.6%	8.5%	2.00%

(*) Gross value net of depreciation and impairment.

In addition to the abovementioned CGUs, Puig also operates other CGUs, with the most relevant ones being Rabanne and Carolina Herrera, that do not have significant intangible assets.

Accumulated impairment of 15,000 thousand euros in Dries Van Noten (since 2022 in the Niche & wellness CGU) refers to the goodwill impairment recorded in 2020.

Regarding the goodwill arising from the acquisition of Byredo business, Puig's strategy encompassed not only the generation of cash flows within the acquired business, but also generating synergies across other CGUs distinct from Niche and Wellness. Consequently, since the allocation of the generated goodwill, for the purpose of measuring its potential impairment, could not be assigned to a specific CGU (Niche and Wellness) unless in an arbitrary manner. The assessment of the recoverability of such goodwill is conducted at the level of the group of CGUs for which it will generate cash flows (Niche, Carolina Herrera, Rabanne and Jean Paul Gaultier).

As of December 31, 2023, the gross and net values of the intangible assets with indefinite useful lives (brands and goodwill) of the mentioned CGUs were 1,809 million euros and 1,794 million euros (2022: 1,788 million euros), the discounted pre-tax rate was 12,1% (2022: 11,7%), the post-tax rate was 10% (2022: 9.5%) and the long-term growth rate was 3% (2022: 2.50%).

Methodology of impairment test

The procedures for carrying out the impairment test, performed by the Company at least once a year, are as follows:

- The recoverable amount associated with different CGUs has been determined based on a value-in-use calculation using cash flow projections based on the business plans prepared by Puig for the next five years. The cash flows used for the impairment test include income tax payments.

- Puig uses the budgets and business plans of each CGU, which are prepared for a period of four or five years (approved by the Board of Directors), plus an additional year based on the strategy of the Group and previous experience.

- The key assumptions used to prepare budgets and business plans are estimated growth in sales, evolution of operating expenses and gross margin of each cash-generating unit, based on experience and knowledge of each brand's performance, as well as macroeconomic indicators that reflect the current and foreseeable economic situation of each market.

- Sales growth assumptions are based on past performance, the growth potential of the industry itself, and Puig's ability to gain market share. Neither the Ukraine-Russia war, the Palestine-Israel conflict, nor climate change have a significant impact in the current and future strategic plans, due to sales in the impacted countries being not significant for Puig.

- A valuation analysis is carried out internally by Puig, which consists of applying the discounted free cash flow method, carrying out all the procedures necessary to determine the recoverable value of the assets in each CGU.

- The discount rates applied to future cash flow projections have been calculated specifically for each cash-generating unit, considering in some cases a specific risk premium in accordance with the specific characteristics of each CGU and the inherent risk profile in the projected cash flows of each cash-generating unit.

- Cash flows used for terminal value are extrapolated using a prudential growth rate compared to the expected long-term growth for the businesses involved.

- Carrying amounts of the CGUs include Brands and goodwill, other intangible assets, property plan and equipment allocated, right of use and other net assets assigned to the CGUs (including inventory and working capital amounts). Deferred tax liabilities are not included in the carrying amount of the CGUs.

Sensitivity analysis in key assumptions

Puig conducts a sensitivity analysis of the impairment calculation by applying reasonable variations to the key assumptions considered in the calculation. The following variations have been applied for CGUs and groups of CGUs:

- A variation of +1.5% in the discount rate would entail an adjustment to the net carrying amounts of the intangible assets recorded in 2023 amounting to 7,882 thousand euros (13,328 and 287,231 thousand euros in 2022 and 2021, respectively).

- A variation of -1% in the long-term growth rate would entail an adjustment to the net carrying amounts of the intangible assets recorded in 2023 amounting to 3,522 thousand euros (would not entail any adjustment in 2022 and 35,383 thousand euros in 2021, respectively).

- A variation of -2% in the revenue growth compound annual growth rates (CAGR) would entail an adjustment to the net carrying amounts of the intangible assets recorded in 2023 amounting to 2,186 thousand euros (103,311 and 114,789 thousand euros in 2022 and 2021, respectively).

16. LEASES

16.1. Right-of-use assets

The breakdown of Puig's leases by nature of the underlying asset as of December 31, were as follows:

(Thousand euros)	2023	2022	2021
Land and buildings	278,632	234,874	184,237
Machinery and tools	3,657	1,544	1,790
Office furniture and other equipment	5,633	3,455	2,626
Total Right-of-use assets	**287,922**	**239,873**	**188,653**

The movements in right-of-use assets were as follows:

(Thousand euros)	Cost	Depreciation	Net carrying amount
At January 1, 2021	253,661	(60,228)	193,433
Additions	19,376	(37,071)	(17,695)
Early terminations	(3,808)	1,045	(2,763)
Business combinations (note 4)	16,881	(6,186)	10,695
Translation differences	6,860	(1,877)	4,983
At December 31, 2021	**292,970**	**(104,317)**	**188,653**
At January 1, 2022	292,970	(104,317)	188,653
Additions	82,699	(53,739)	28,960
Early terminations	(2,053)	872	(1,181)
Business combinations (note 4)	42,590	(16,913)	25,677
Translation differences	(3,202)	966	(2,236)
At December 31, 2022	**413,004**	**(173,131)**	**239,873**
At January 1, 2023	413,004	(173,131)	239,873
Additions	124,096	(65,826)	58,270
Early terminations	(26,857)	17,523	(9,334)
Business combinations	-	-	
Translation differences	(2,651)	1,764	(887)
At December 31, 2023	**507,592**	**(219,670)**	**287,922**

The additions in 2023, 2022 and 2021 mainly correspond to new shops and office buildings in all regions. There are no impairments over Right-of-use assets.

Business combinations in 2022 were related to Byredo, Loto del Sur and Kama Ayurveda, where retail have a significant component in the acquired business.

16.2. Lease liabilities

The amounts recognized in the consolidated balance sheet as of December 31, were as follows:

(Thousand euros)	2023	2022	2021
Non-current liabilities (Note 26)	255,561	208,698	167,160
Current liabilities (Note 28)	58,074	43,916	37,286
	313,635	**252,614**	**204,446**

The movements in lease liabilities as of December 31, were as follows:

(Thousand euros)	2023	2022	2021
Balance at January 1	252,614	204,446	208,022
Additions	124,096	82,699	19,376
Early terminations	(4,775)	(1,714)	(2,878)
Translation differences	(631)	(1,992)	4,606
Business combinations (note 4)	-	25,413	10,712
Lease payments	(62,767)	(52,140)	(31,319)
Interests	5,098	3,024	1,300
Reclassifications and other	-	(7,122)	(5,373)
	313,635	**252,614**	**204,446**

16.3. Other lease-related matters

The amounts recognized in the consolidated income statements for the three years ended as of December 31, were as follows:

(Thousand euros)	2023	2022	2021
Depreciation of right-of-use assets (Note 16.1)	(65,826)	(53,739)	(37,071)
Finance costs (Note 16.2)	(5,098)	(3,024)	(1,300)
Expenses relating to leases of low-value assets, short-term and variable payments	(16,014)	(14,050)	(10,116)
	(86,938)	**(70,813)**	**(48,487)**

The breakdown of the debt by maturity as of December 31, is as follows:

(Thousand euros)	2023	2022	2021
Debt maturing in more than 4 years	122,322	85,701	87,004
Debt maturing between 2 and 4 years	81,264	79,483	51,416
Debt maturing between 1 and 2 years	51,975	43,514	28,740
Debt maturing in less than 1 year	58,074	43,916	37,286
Total Lease liabilities	**313,635**	**252,614**	**204,446**

17. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Puig investments in associates and joint ventures have been accounted for using the equity method. The breakdown in this caption was as follows:

(Thousand euros)	% ownership	Total assets (*)	Total liabilities (*)	Net revenues (*)	Operational profit (*)	Net profit (*)	Book Value
Sociedad Textil Lonia, S.A. (Spain)	25%	492,816	149,744	430,406	76,699	53,516	147,112
Ponteland Distribuição, S.A. (Granado) (Brazil) (***)	35%	211,881	76.288	244,337	51,159	38,709	114,187
Isdin, S.A. (**) (***) (Spain)	50%	399,500	179,990	568,945	83,702	50,032	104,508
Beijing Yitian Shidai Trading Co, LLC (China) (***)	15%	16,745	4,972	20,070	(3,971)	(3,967)	9,405
Total at December 31, 2023							**375,212**

(Thousand euros)	% ownership	Total assets (*)	Total liabilities (*)	Net revenues (*)	Operational profit (*)	Net profit (*)	Book value
Sociedad Textil Lonia, S.A. (Spain)	25%	524,196	194,491	423,077	90,567	69,834	145,733
Ponteland Distribuição, S.A. (Granado) (Brazil) (***)	35%	174,753	75,891	175,627	23,208	15,991	98,748
Isdin, S.A. (**) (***) (Spain)	50%	320,315	140,725	435,334	73,329	53,496	89,691
Beijing Yitian Shidai Trading Co, LLC (China) (***)	15%	21,821	5,165	15,548	(5,802)	(5,873)	10,652
Total at December 31, 2022							**344,824**

(Thousand euros)	% ownership	Total assets (*)	Total liabilities (*)	Net revenues (*)	Operational profit (*)	Net profit (*)	Book value
Sociedad Textil Lonia, S.A. (Spain)	25%	466,159	188,162	328,176	49,901	36,951	125,275
Ponteland Distribuição, S.A. (Granado) (Brazil) (***)	35%	131,285	50,954	125,868	15,052	10,255	85,598
Isdin, S.A. (**) (***) (Spain)	50%	238,551	89,755	341,762	47,873	36,551	74,443
Beijing Yitian Shidai Trading Co, LLC (China) (***)	15%	32,214	2,270	20,131	(3,877)	(4,667)	31,831
Kama Ayurveda Private Ltd (India)	49%	19,772	8,034	14,777	(1,146)	(1,830)	24,501
Cosmetika, S.A.S (Colombia)	35%	1,802	468	5,738	1,606	1,033	4,808
Total at December 31, 2021							**346,456**

(*) Refers to the 100% of the companies

(**) Joint Venture.

(***) Amounts in local GAAP

The book values of ownership interests accounted for using the equity method includes implicit goodwill and other assets.

As explained in note 2.4 and note 4, Puig increased its ownership in Cosmetika, S.A.S. and Kama Ayurveda Private Ltd in 2022. As a result of these business combinations, Puig recorded income of 7,984 thousand euros and 9,347 thousand euros respectively, corresponding to the remeasurement of its original ownership stake in these companies.

The reclassification of Apivita, S.A. in 2021 was due to the business combination of Apivita business (note 4).

In June 2021 Puig acquired shares in the company Beijing Yitian Shidai Trading Co, LLC. (Scent Library).

The movements in "Investments in associates" during the three years ended December 31, 2023, 2022, and 2021 were as follows:

(Thousand euros)	Sociedad Textil Lonia, S.A.	Ponteland Distribuçao, S.A. (Granado)	Isdin, S.A.	Beijing Yitian Shidai Trading Co, LLC	Total 2023
Opening balance 2023	**145,733**	**98,748**	**89,691**	**10,652**	**344,824**
Profit/(loss)	13,379	13,547	25,016	(595)	51,347
Net impairment	-	-	-	-	-
Dividends received	(12,000)	(3,265)	(10,199)	-	(25,464)
Translation differences	-	5,157	-	(652)	4,505
Closing Balance 2023	**147,112**	**114,187**	**104,508**	**9,405**	**375,212**

(Thousand euros)	Sociedad Textil Lonia, S.A.	Ponteland Distribuçao, S.A. (Granado)	Isdin, S.A.	Beijing Yitian Shidai Trading Co, LLC (Scent Library)	Kama Ayurveda Private Ltd (India)	Cosmetika S.A.S.	Total 2022
Opening balance 2022	**125,275**	**85,598**	**74,443**	**31,831**	**24,501**	**4,808**	**346,456**
Profit/(loss)	17,458	5,449	26,748	(881)	1	106	48,881
Net impairment	9,000	-	-	(19,591)	-	-	(10,591)
Dividends received	(6,000)	(2,268)	(11,500)	-	-	(166)	(19,934)
Translation differences	-	9,969	-	(707)	1,805	(325)	10,742
Income from step acquisition	-	-	-	-	9,347	7,984	17,331
Reclassifications and disposals	-	-	-	-	(35,654)	(12,407)	(48,061)
Closing Balance 2022	**145,733**	**98,748**	**89,691**	**10,652**	**-**	**-**	**344,824**

(Thousands euros)	Sociedad Textil Lonia, S.A.	Ponteland Distribuçao, S.A. (Granado)	Isdin, S.A.	Beijing Yitian Shidai Trading Co, LLC (Scent Library)	Kama Ayurveda Private Ltd (India)	Cosmetika S.A.S.	Apivita, S.A.	Total 2021
Opening balance 2021	**110,037**	**142,032**	**56,167**	**-**	**36,253**	**5,870**	**40,000**	**390,359**
New investments	-	-	-	30,504	-	-	-	30,504
Profit/(loss)	9,238	2,216	18,276	(700)	(897)	361	-	28,494
Net impairment	6,000	-	-	-	(6,000)	-	-	-
Dividends received	-	-	-	-	-	-	-	-
Translation differences	-	(58,650)	-	2,027	(4,855)	(1,423)	-	(62,901)
Reclassifications and disposals	-	-	-	-	-	-	(40,000)	(40,000)
Closing Balance 2021	**125,275**	**85,598**	**74,443**	**31,831**	**24,501**	**4,808**	**-**	**346,456**

As of December 2023, and 2022, Beijing Yitian Shidai Trading Co, LLC (Scent Library) had an impairment provision booked in its book value amounting to 19,591 thousand euros.

In 2022, an impairment loss of 19,591 thousand euros was recognized on the interest held in Beijing Yitian Shidai Trading Co, LLC (China) due to the impact that Covid had in China. Additionally, a 9,000 thousand euros reversal of impairment loss in Sociedad Textil Lonia, S.A. was recorded due to the recovery of retail after the pandemic.

In 2021, an impairment loss of 6,000 thousand euros was recognized on the interest held in Kama Ayurveda Private Ltd (India). Additionally, a 6,000 thousand euros reversal of impairment loss in Sociedad Textil Lonia, S.A. was recorded due to the recovery of retail after the pandemic.

As of December 2021, Sociedad Textil Lonia, S.A. and Kama Ayurveda Private Ltd had an impairment provision booked in its book value amounting to 9,000 thousand euros (reversed in 2022) and 36,000 thousand euros respectively.

Impairment test on investments in associates and joint ventures

The impairment test methodology does not differ significantly from that applied to intangible assets (see Note 15).

At year end Puig analyzes the recoverable amounts of investments in associates and joint ventures. The recoverable amount associated with them has been determined based on a value-in-use calculation using cash flow projections based on the business plans prepared by Puig for the next five years.

The breakdown discount rate (WACC) before tax and long-term growth rate for years 2023, 2022 and 2021 are as follows:

	2023			2022			2021		
Investment in associate	**WACC Pre-tax**	**WACC Post-tax**	**Long-term growth rate**	**WACC Pre-tax**	**WACC Post-tax**	**Long-term growth rate**	**WACC Pre-tax**	**WACC Post-tax**	**Long-term growth rate**
Sociedad Textil Lonia, S.A.	12.7%	10.0%	2.0%	12.1%	9,5%	2.0%	11.2%	8,5%	1.5%
Ponteland Distribuçao, S.A. (Granado)	19.9%	14,8%	5.2%	19.9%	14,8%	5.2%	16.9%	13,5%	5.0%
Isdin, S.A.	12.0%	9,5%	3.0%	11.4%	8,5%	2.5%	10.3%	8,0%	2.0%
Beijing Yitian Shidai Trading Co, LLC	17.3%	15,0%	5.0%	17.3%	15,0%	5.0%	-	-	-
Kama Ayurveda Private Ltd (India)	-	-	-	-	-	-	17.8%	14,0%	5.0%
Cosmetika S.A.S. (Colombia)	-	-	-	-	-	-	22.1%	16.0%	2.0%

Sensitivity analysis in key assumptions

Puig conducts a sensitivity analysis of the impairment calculation by applying reasonable variations to the key assumptions considered in the calculation. The following variations have been assumed:

- A variation of +/-1.50% in the discount rate in the main investments would entail a negative change in the net carrying amount recorded of 1,493 thousand euros (2022: 1,991 thousand euros; 2021: 25,836 thousand euros) and a positive impact of 2,095 thousand euros (2022: 2,174 thousand euros; 2021: 14,041 thousand euros), respectively.

- A variation of +/- 1.00% in the long-term growth rate in the main investments would entail a positive change in the net carrying amount recorded of 1,003 thousand euros (2022: 1,284 thousand euros; 2021: 10,372 thousand euros) and a negative impact of 778 thousand euros (2022: 1,050 thousand euros; 2021: 14,826 thousand euros), respectively.

- A variation of +/- 2.00% in the revenue growth compound annual growth rates (CAGR) would entail a positive change in the net carrying amount recorded of 4,872 thousand euros (2022: 3,737 thousand euros; 2021: 16,804 thousand euros) and a negative impact of 3,227 thousand euros (2022: 22,261 thousand euros; 2021: 86,606 thousand euros in 2021), respectively.

18. FINANCIAL ASSETS

The financial assets as of December 31, were classified as follows:

(Thousand euros)	2023	2022	2021
Non-current financial assets			
- Financial investments	16,359	14,154	9,595
- Other non-current assets	131,444	102,615	62,637
Current financial assets			
- Trade accounts receivable	484,705	387,936	317,254
- Other current assets (Note 20)	186,709	232,059	153,664
Total	**819,217**	**736,764**	**543,150**

Financial investments include investments in which Puig does not have significant influence, therefore cannot be consolidated using the equity method. Financial investments are as follows:

	Ownership			Changes in Fair Value
	2023	2022	2021	
Wemedia Shopping Network Holdings CO, Limited	6%	6%	7%	OCI
Adolfo Dominguez, S.A.	14%	14%	14%	OCI
Lanzatech Global, Inc	0.25%	-	-	OCI
La Bouche Rouge, S.A.S.	9%	9%	9%	P&L
Seedtag Advertising, S.L.	-	-	7%	P&L

At December 2023, the main investments relate to shares in Adolfo Dominguez, S.A. (listed in Spain), LanzaTech Global, Inc (listed in the USA) and Wemedia Shopping Network Holdings CO, Limited.

Total cost of these investments amounts to 35,635 thousand euros (2022: 31,033 thousand euros; 2021: 24,451 thousand euros). Total amount of impairments at December 2023 amounts to 19,276 thousand euros (2022: 16,879 thousand euros; 2021: 14,856 thousand euros).

Additions in 2023 relates to LanzaTech Global, Inc amounting to 4,602 thousand euros.

In 2022, shares of Seedtag Advertising, S.L. were sold to a third party, total gain amounted to 22,976 thousand euros, the book value of the investment was 1,330 thousand euros (Note 12).

The breakdown of “Other non-current assets” as of December 31, was as follows:

(Thousand euros)	2023	2022	2021
Loans (Note 32)	98,048	18,966	19,667
Other assets at fair value	14,891	42,078	-
Deposits and other	18,505	41,571	42,970
Total Other non-current assets	**131,444**	**102,615**	**62,637**

There was no impairment recorded related to other non-current assets.

Loans correspond to loans granted to employees. There are no significant differences between the market value of the loans and their respective nominal amount as they accrue interest at a market rate. The increase in 2023 is attributed to the issuance of new loans granted to employees for the purchase of Puig shares (note 22 and 26).

Deposits include amounts given to the owners of leased commercial premises to guarantee the fulfillment of the conditions set forth in the rental agreements (Note 16).

The “Other assets at fair value” caption mainly corresponds to interest rate hedging derivatives (Note 25).

Total other-non current assets are accounted for at amortized cost except hedging derivatives, which are accounted for at their fair value through other comprehensive income.

The breakdown of “Trade accounts receivable” in the consolidated balance sheet as of December 31, were as follows:

(Thousand euros)	2023	2022	2021
Accounts receivable	491,584	402,814	333,299
Accounts receivable related parties (Note 32)	10,278	3,132	982
Provision for impairment	(17,157)	(18,010)	(17,027)
Total	**484,705**	**387,936**	**317,254**

Accounts receivable include the balances that were expected to be collected within one year.

As of December 31, 2023, Puig reduced its accounts receivable by 128 million euros (2022: 121 million euros; 2021: 87 million euros), through non-recourse factoring agreements. Consequently, the risks related to trade receivables were transferred to the corresponding financial entities.

As of December 31, the breakdown by maturity of the “Trade accounts receivable” caption included in the table above were as follows:

			Past due balances			
(Thousand euros)	**Total**	**Not due balances**	**30-90 days**	**90-180 days**	**180-365 days**	**>365 days**
2023	501,862	409,222	65,494	6,840	6,683	13,623
2022	405,946	289,395	85,243	14,189	5,658	11,461
2021	334,281	266,831	43,908	9,091	1,259	13,192

The balance of the “Trade accounts receivable” caption is shown net of the provision for impairment.

Movements recorded in relation to this provision for the years ended December 31, were as follows:

(Thousand euros)	2023	2022	2021
Provision at January 1	18,010	17,027	15,843
Charge for the year	5,414	5,898	2,589
Utilized and cancelled during the year	(6,382)	(6,217)	(4,801)
Translation differences	115	(26)	218
Business combinations	-	1,328	3,178
Provision at December 31	**17,157**	**18,010**	**17,027**

At December 31, 2023 the balance accounts receivable includes items in foreign currency amounting to 377 million euros (2022: 291 million euros; 2021: 220 million euros).

19. INVENTORY

The breakdown of Inventories by category, net of the provision for obsolete goods, as of December 31, were as follows:

(Thousand euros)	2023	2022	2021
Raw materials	191,066	163,925	111,852
Work in progress	153,010	168,218	86,470
Finished goods	561,148	385,264	236,823
Inventory Gross	**905,224**	**717,407**	**435,145**
Provisions	(116,358)	(91,074)	(72,011)
Total	**788,866**	**626,333**	**363,134**

Provisions mainly refer to obsolete stocks and slow-moving products. The changes in 2022 were due to slow inventory turnover and scope changes due to the business combinations detailed in note 4. The movement of the provision over the three years ended December 31, were as follows:

(Thousand euros)	2023	2022	2021
Provisions at January 1	91,074	72,011	68,889
Charge in the income statement	50,170	25,079	22,419
Inventory write off	(25,227)	(24,049)	(21,665)
Translation differences	341	3,528	756
Business combinations	-	14,505	1,612
Provisions at December 31	**116,358**	**91,074**	**72,011**

Puig has insurance policies to cover potential risks of damage.

20. OTHER CURRENT ASSETS

The breakdown of “Other current assets” as of December 31, were as follows:

(Thousand euros)	2023	2022	2021
Prepaid expenses	48,010	52,670	31,827
Tax receivable from tax authorities (Note 13)	85,623	51,500	41,530
Loans to related entities (Note 32)	203	90,281	64,983
Financial assets at fair value (Note 25)	3,095	-	-
Receivable related parties (Note 32)	13,884	16,545	5,022
Other accounts receivable	35,894	21,063	10,302
Total	**186,709**	**232,059**	**153,664**

The “Prepaid expenses” caption corresponds to balances generated by Puig’s ordinary activity, mainly advertisement costs.

The “Loans to related parties” caption includes the loans granted to related parties that accrue interest at a market rate. During 2023, related party loans have been settled (Note 22).

Other accounts receivable includes cost related rebates, royalties receivables and others.

The “Other assets at fair value” caption mainly includes foreign currency fair value hedging derivatives (Note 25). The breakdown as of December 31 thereof is as follows:

(Thousand euros)	2023	2022	2021
Foreign currency hedging (transactions)	2,305	-	-
Foreign currency hedging (loans)	790	-	-
Total	**3,095**	**-**	**-**

21. CASH AND CASH EQUIVALENTS

“Cash and cash equivalents” include the cash and short-term deposits of less than 3 months. Breakdown of this heading as of December 31, were as follows:

(Thousand euros)	2023	2022	2021
Cash at banks	563,770	368,637	492,708
Cash equivalents	289,131	341,413	199,951
Total	**852,901**	**710,050**	**692,659**

Cash at banks include the amounts related to unrestricted current accounts at banks and are not pledged as collateral.

Cash equivalents include the amount of deposits placed at several financial institutions that mature in less than 3 months since its inception.

22. EQUITY

Share capital

At December 31, 2023, Puig Brands' share capital amounted to 144,000 thousand euros and consisted of 475,000,000 Class A Shares of 0.30 euros nominal value each and 25,000,000 Class B Shares of 0.06 euros nominal value each.

Each of the Class A Shares confers five (5) votes and each of the Class B Shares confers one (1) vote.

Other than the difference in the number of votes, the lower nominal value of Class B Shares and the right of Class A Shares to be converted into Class B Shares, each Class B Share confers the same rights (including the right to receive, in the same amounts, dividends and other distributions declared, made or paid on the Puig's share capital) as the Class A Shares.

On March 20, 2023, Puig Brands carried out a share capital increase of 29,300 thousand euros by share premium. Share capital was raised to 144,000,000 euros, divided into 320,000 ordinary shares each with a nominal of 450 euros. On the same date, following the share capital increase, Puig Brands reduced the nominal value of ordinary shares (split) and created 475,000,000 Class A Shares with a nominal value of 0.30 euros each and 25,000,000 Class B Shares with a nominal value of 0.06 euros each.

At December 31, 2022, Puig Brands' share capital amounted to 114,700 thousand euros and consisted of 254,889 shares with a par value of 450 euros each.

As described in note 1, in 2022, Puig Brands increased its capital, through a non-monetary contribution subscribed by the Sole Shareholder (Puig, S.L.) amounting to 2,321,369 thousand euros (110,497 thousand euros in share capital and 2,210,872 thousand euros in share premium). The capital increases consisted of 245,549 new shares with a par value of 450 euros each.

At December 31, 2021, Puig Brands' share capital amounted to 4,203 thousand euros and consisted of 9,340 shares with a par value of 450 euros each.

At December 31, Puig Brands' Shareholders were as follows:

	2023	2022	2021
Puig, S.L.	95,8%	100%	100%
Treasury shares	1,3%	-	-
Other	2,9%	-	-
Total	**100%**	**100%**	**100%**

Treasury Shares

In May 2023, Puig Brands acquired 21,000,000 of its shares from its sole shareholder, Puig, S.L., for a total amount of 344,775 thousand euros.

During 2023, Puig Brands delivered 4,131,338 treasury shares to employees in exchange of 44,112 shares of Puig Gest, S.A. and 950,406 shares of Puig, S.L. (refer to Note 22 "reserves note") held by employees as part of the share appreciation rights plan (SAR's) as described in note 26 (thereafter, the "Shares Exchange").

Additionally, in 2023, Puig delivered 10,418,035 of shares to employees (SARs plan 2015-2018 and 2021-2023, note 26) and Board members.

The abovementioned acquisition of 21,000,000 treasury shares (344,775 thousand euros) has been paid in the following manner: cash for an amount of 108,392 thousand euros, cancelling loans with related parties for 92,863 thousand euros and the compensation of receivables linked to the sale of Puig, S.L. and Puig, Gest, S.A. shares (refer to Note 22 "reserves note", 26 and 32) amounting to 143,520 thousand euros.

Treasury shares of Puig Brands, S.A. delivered in 2023 have crossed call and put options for its repurchase, being Puig the obligor of these contracts. Commitments for this repurchase have been accounted for at fair value under the heading "Provisions and other liabilities" in the long-term liabilities amounting to 238,868 thousand euros (Note 26).

As of December 2023, Puig Brands holds 6,450,627 of treasury shares amounting to 105,907 thousand euros.

Restricted reserves

As of December 31, 2023, restricted reserves amounted to 29,839 thousand euros (2022: 25,945 thousand euros; 2021: 39,475 thousand euros).

Unrealized gains (losses) reserve

This reserve mainly includes the fair value at year end of hedging derivatives to cover future transactions in foreign currency (Note 25).

Dividends paid

In 2023, Puig Brands paid dividends to its shareholders totaling 160 million euros. These dividends comprised 80,000 thousand euros from prior year's results and 80,000 thousand euros from an interim dividend based on the fiscal year 2023 results. In 2022, dividends amounted to 110 million euros (no dividends were paid out in 2021). Dividends in 2022 were paid to Puig, S.L. shareholders.

The interim dividend was approved by the Board of Directors, considering the forecasted results for the fiscal year 2023. The dividend amount was below the maximum limit established by current legislation, referring to distributable results of Puig Brands, S.A. (standalone) since the close of the last fiscal year.

(Thousand euros)	**2023**
Profit and loss for the period ended in April 25th 2023	89,100
Legal Reserve application	(8,910)
	80,190

The provisional liquidity statement prepared by the Directors, which demonstrates the existence of sufficient liquidity for the distribution of said dividend, is as follows:

(Thousand euros)	**2023**
Cash and equivalents available at 31st March 2023	45,754
Expected cash payments from 1st April to 31st May 2023	(2,966)
Expected cash collections from 1st April to 31st May 2023	85,000
Forecasted cash and equivalents before interim dividend	127,788
Interim dividend payment	(80,000)
Forecasted cash and equivalents after interim dividend	**47,788**

Cumulative translation adjustment

The most significant currencies of the cumulative translation adjustment come from:

	2023	**2022**	**2021**
Brazilian real	(60,284)	(67,636)	(81,156)
Great British Pound	24,709	26,442	30,486
Argentian peso	(40,822)	(24,055)	(18,532)
United States Dollar	(5,389)	3,141	238
Indian rupee	(10,712)	(8,536)	(4,865)
Others	(14,557)	(7,258)	(9,391)
Total	**(107,055)**	**(77,902)**	**(83,220)**

Reserves

As detailed in the "Treasury shares" section, in 2023, the Shares Exchange implied the acquisition of Puig, S.L. and Puig Gest, S.A. shares (held by Puig employees with put and call options) by Puig Brands, S.A. in exchange for treasury shares. Additionally, in 2023, Puig Brands, S.A. sold the acquired shares (Puig, S.L. and Puig Gest, S.A.) to Puig, S.L.

The put and call options agreements for Puig S.L. and Puig Gest, S.A. shares were signed, at the time of the acquisition of the shares, by the shareholders of Puig Brands, S.A. and the beneficiaries agreeing a formula linked to the performance of Puig to determine the price of the shares. The agreed price of the shares (as per the put and call option agreements) at the time of the Shares Exchange performed by Puig Brands, S.A. was 68,134 thousand euros.

After the acquisition of Puig, S.L. and Puig Gest. S.A. shares, Puig Brands, S.A. has sold to Puig, S.L. the acquired shares at their fair value, amounting to 148,734 thousand euros.

As previously mentioned, the put and call options were agreements signed by the beneficiaries with the shareholders, but in 2023, in the context of the internal reorganization (Note 1), the shareholders have agreed to transfer the rights of these agreements to Puig Brands, S.A.. Consequently, the valuation difference between the acquisition (linked to a formula as per the put and call agreements) and its fair value, has been accounted for as a shareholder contribution amounting to 80,601 thousand euros.

The impact of commitments for the repurchase of Treasury shares amounting to 238,868 thousand euros has been accounted for in reserves (“Treasury shares” section).

In 2023, 2022 and 2021, reserves impact due to the call and put options in accordance with IFRS 10 amounted to 1,542 thousand euros, (410,085) thousand euros, and (515,409) thousand euros respectively (note 26). Additionally, the result of the above companies with minority interest was reclassified from non-controlling interests to reserves with an additional positive impact amounting to 11,265 in 2023 (2022: (9,944) thousand euros; 2021: (44,847) thousand euros in 2021).

Also in 2023, Puig acquired a minority interest in Dries Van Noten minority, having a negative impact in the reserves of 4,840 thousand euros.

In 2022, Puig acquired a minority interest in Puig Arabia Limited (previously formed Al Farida International Beauty Ltd CO.) having a negative impact in the reserves of 7,989 thousand euros.

The impact in Puig’s reserves arising from the business combination under common control of Uriage and Apivita amounted to 101,7 and 35 million euros respectively (Note 4), 190 million euros as shareholders contribution and (53) million euros as “Acquisition of non-controlling interests”.

Non-controlling interests

The breakdown of non-controlling interests at December 31 was as follows:

(Thousand euros)	2023	2022	2021
Balance at January 1	**6,748**	**8,068**	**5,826**
Comprehensive income for the year to non-controlling interests	34,467	13,033	(22,123)
Dividends paid	(21,323)	(22,005)	(20,482)
Additions to and exclusions from the scope	(198)	(2,292)	-
Business combinations	-	428,915	-
Reclassification of put-call to long term liabilities (Note 26)	-	(428,915)	-
Reclassifications of minority interest with put and call options	(10,391)	9,944	44,847
Balance at December 31	**9,303**	**6,748**	**8,068**

Business combinations in 2022, refer to the minority interests recorded as of the business combination date (note 4).

For the percentage of shares in respect of which Puig has a put and call option, no minority interests are recorded at the end of the period. Instead, a liability at fair value is recognized at each December 31 (Note 26). Minority interest is reclassified from “non-controlling interest” to “reserves”.

Additions to and exclusions from the scope in 2023 relate to the reclassification of the profit and loss attributable to Dries Van Noten. Puig had crossed put-call option that has been executed in 2023 (note 26).

In 2022 additions to and exclusions from the scope related to the acquisition of the shares of the minority interest on Puig Arabia Limited (previously formed Al Farida International Beauty Ltd CO.)

The companies in which Puig holds non-controlling interests are included in Annex I.

23. EARNINGS PER SHARE

Basic earnings per share are calculated as follows:

	2023	2022	2021
Net profit attributable to the Parent Company (thousand euros)	465,209	399,490	221,039
Average of shares	379,513,507	133,124	9,340
Treasury shares	6,450,627	-	-
Average of shares to determine earnings per share	373,062,872	133,124	9,340
Earnings per share (euros)	1.25	3,001.89	23,665.86

The 2023 decrease in earnings per share is linked to the capital increase through a share premium capital conversion in March 2023 (note 22).

The 2022 decrease in earnings per share is linked to the capital increase through a non-monetary contribution (note 1) executed on June 30, 2022, which resulted in the issuance of 245,549 shares.

As of December 31, 2023, 2022, and 2021, there were no differences between diluted earnings per share and basic earnings per share.

24. BANK BORROWINGS

The breakdown of current and non-current borrowings at December 31, 2023, 2022 and 2021 were as follows:

(Thousand euros)	2023	2022	2021
Current			
Current portion of non-current borrowings	283,861	128,046	134,844
Bank loans and overdraft	74,510	48,955	11,143
Total	**358,371**	**177,001**	**145,987**
Non-current			
Non-current borrowings	1,788,846	1,662,311	826,606
Total	**1,788,846**	**1,662,311**	**826,606**

The movements in borrowings were as follows:

(Thousand euros)	2023	2022	2021
Balance at January 1	1,839,312	972,593	1,191,247
Additions to the scope of consolidation	-	7,310	46,204
Net Finance Cost	54,364	29,968	25,570
Proceeds from bank borrowings	429,780	993,102	286,908
Repayment of bank borrowings including finance cost	(175,307)	(164,421)	(577,357)
Translation differences	(932)	760	21
Total	**2,147,217**	**1,839,312**	**972,593**

As of December 31, 2023, the debt subject to variable interest rates without interest rate hedging amounted to 294 million euros (2022: 274 million euros; 2021: 359 million euros). Puig entered into interest rate swaps covering the entirety of the remaining loans subject to variable interest rates, which amounted to 981 million euros at December 31, 2023 (2022: 723 million euros; 2021: 68 million euros). The debt subject to fixed interest rates amounted to 872 million euros (2022: 842 million euros; 2021: 546 million euros).

In June 2023, Puig Brands took new financing loans amounting to 400 million euros with different financial entities with maturities between 2026 and 2027. Out of the new loans, 100 million euros are subject to a fixed market interest rate, and 300 million euros are subject to a variable interest rate, which are fully hedged through interest rate swaps.

In May 2022, Puig Brands took out additional financing loans amounting to 950 million euros. All these loans mature in 2027 and accrue interest at a market rate. In 2021, Puig cancelled several financing agreements amounting to 342 million euros and signed new long-term financing agreements for an overall amount of 280 million euros (corresponding to three financing agreements with several financial institutions). These loans accrue interest at a market rate.

Additionally, in 2021 Puig Brands successfully renegotiated several financing facilities with credit institutions, amounting to 320 million euros. This restructuring did not substantially modify the original agreements.
The breakdown of maturities was as follows at December 31:

(Thousand euros)	2023	2022	2021
2022	-	-	145,987
2023	-	177,001	138,607
2024	358,371	283,291	160,221
2025	510,068	492,719	256,002
2026	596,772	503,525	261,513
2027 and subsequent years	682,006	382,776	10,263
Total	**2,147,217**	**1,839,312**	**972,593**

The breakdown of gross amounts and forecasted interests' maturities was as follows at December 31:

(Thousand euros)	2023	2022	2021
2022	-	-	156,627
2023	-	215,706	146,755
2024	412,653	316,395	167,208
2025	552,677	519,542	261,267
2026	627,627	520,780	264,201
2027 and subsequent years	698,461	390,274	10,341
Total	**2,291,418**	**1,962,697**	**1,006,399**

As of December 31, 2023, 2022 and 2021 the Company had no bank loans secured by collaterals or guarantees.

As of December 31, 2023 the total unused amount of credit lines was 230 million euros (2022: 158 million euros; 2021: 157 million euros).

Borrowings were denominated in the following currencies at December 31:

(Thousand euros)	Effective interest rate %	2023	2022	2021
Euros	0.4%-6.8%	2,048,673	1,770,744	955,551
Other currencies	3.6%-17.1% (*)	98,544	68,568	17,042
		2,147,217	**1,839,312**	**972,593**

(*) Excluding interest rate of hyperinflationary economies (Argentina)

The effective interest rate incorporates both, the interest rates on bank borrowings and credit lines.

It is important to note that the majority of these funds in euros are granted to Puig Brands, S.A. (the holding company), totaling 2,024,461 thousand euros (2022: 1,738,000 thousand euros; 2021: 918,000 thousand euros in 2021). The effective interest rates, considering interest rate swaps, on the amounts granted were 2,3% (2022: 1,5%; 2021: 1,0%).

Most financial debt is annually subject to compliance with a financial ratio based on EBITDA and net financial debt (pre IFRS 16). As of December 2023, 2022 and 2021, Puig complied with the financial ratio requirement.

25. DERIVATIVE FINANCIAL INSTRUMENTS

During 2023 Puig continued using derivatives to limit both interest and foreign currency risks on otherwise unhedged positions and to adapt its debt structure to market conditions. These financial instruments have been classified into the Level 2 measurement category.

At December 31, 2023 the following foreign currency hedges entered into by group companies were in place:

Description	Notional 0.00	Maturity	Recognized in equity	Recognized in the income statement	Total
AUD/EUR	(42.100)	January 2024 - February 2025	(531)	80	(451)
BRL/EUR	(179.200)	March 2024 - February 2025	91	-	91
CAD/EUR	(17.900)	January 2024 - February 2025	(169)	13	(156)
CLP/EUR	(22.280.100)	March 2024 - February 2025	254	-	254
GBP/EUR	(92.600)	January 2024 - January 2025	(664)	(165)	(829)
MXN/EUR	(873.000)	January 2024 - February 2025	(449)	(1,473)	(1,922)
PEN/EUR	(33.777)	January 2024 - February 2025	26	(23)	3
RUB/EUR	(485.000)	January 2024 - April 2024	(154)	252	98
USD/EUR	(335.100)	January 2024 - February 2025	3,875	1,342	5,217
Total at December 31, 2023			**2,279**	**26**	**2,305**

At December 31, 2022 the following foreign currency hedges entered into by group companies were in place:

Description	Notional 0.00	Maturity	Recognized in equity	Recognized in the income statement	Total
AUD/EUR	(17,850)	January 2023 - February 2024	52	-	52
BRL/EUR	(198,600)	March 2023 - September 2023	341	-	341
CAD/EUR	(10,800)	March 2023 - February 2024	196	-	196
CLP/EUR	(21,433,700)	March 2023 - November 2023	(1,109)	-	(1,109)
GBP/EUR	(76,179)	January 2023 - January 2024	1,374	25	1,399
MXN/EUR	(629,400)	March 2023 - February 2024	375	-	375
PEN/EUR	(27,200)	March 2023 - February 2024	80	-	80
RUB/EUR	(929,700)	March 2023 - February 2024	1,267	-	1,267
SGD/EUR	750	January 2023	1	-	1
USD/EUR	(372,021)	January 2023 - July 2024	(3,944)	(924)	(4,867)
Total at December 31, 2022			**(1,367)**	**(899)**	**(2,265)**

At December 31, 2021 the following foreign currency hedges entered into by group companies were in place:

Description	Notional (0.00)	Maturity	Recognized in equity	Recognized in the income statement	Total
BRL/EUR	(128,375)	March 2022 - August 2022	(104)	-	(104)
CLP/EUR	(15,705,053)	March 2022 - October 2022	975	-	975
GBP/EUR	(46,188)	February 2022 - January 2023	(699)	-	(699)
MXN/EUR	(474,745)	March 2022 - September 2022	(552)	-	(552)
PEN/EUR	(17,176)	March 2022 - August 2022	2	-	2
RUB/EUR	(1,301,114)	March 2022 - November 2022	246	-	246
USD/EUR	(333,072)	January 2022 - July 2023	(9,952)	(339)	(10,291)
Total at December 31, 2021			**(10,084)**	**(339)**	**(10,423)**

Interest rate hedging transactions have been entered into through swaps to exchange floating interest rates for fixed interest rates.

At December 31, 2023, 2022 and 2021 Puig had entered into the following interest rate hedging arrangements:

2023

Description	Notional (0.00)	Maturity	Recognized in equity	Recognized in the income statement	Total
EUR	123,000	May 2025	4,191	-	4,191
EUR	58,000	May 2025	2,209	-	2,209
EUR	30,000	December 2025	1,169	-	1,169
EUR	70,000	June 2026	2,656	-	2,656
EUR	50,000	June 2026	2,279	-	2,279
EUR	50,000	June 2026	(1,105)	-	(1,105)
EUR	50,000	June 2026	(1,067)	-	(1,067)
EUR	150,000	May 2027	4,480	-	4,480
EUR	200,000	May 2027	5,973	-	5,973
EUR	150,000	June 2027	(4,435)	-	(4,435)
EUR	50,000	June 2027	(1,459)	-	(1,459)
EUR	**981,000**		**14,891**	**-**	**14,891**

2022

Description	Notional (0.00)	Maturity	Recognized in equity	Recognized in the income statement	Total
EUR	138,000	May 2025	7,229	-	7,229
EUR	65,000	May 2025	3,985	-	3,985
EUR	30,000	December 2025	2,080	-	2,080
EUR	90,000	June 2026	4,876	-	4,876
EUR	50,000	June 2026	3,921	-	3,921
EUR	150,000	May 2027	8,566	-	8,566
EUR	200,000	May 2027	11,421	-	11,421
EUR	**723,000**		**42,078**	**-**	**42,078**

2021

Description	Notional (0.00)	Maturity	Recognized in equity	Recognized in the income statement	Total
EUR	68,000	May 2025	57	-	57
EUR	**68,000**		**57**	**-**	**57**

From the effectiveness tests run by Management, Puig has concluded that foreign currency and interest rate hedging transactions are fully effective.

Additionally, at December 31, 2023, 2022 and 2021 Puig entered into the following foreign currency hedging arrangements to cover loans taken out in foreign currencies:

Description	Notional 0.00	Maturity	Recognized in equity	Recognized in the income statement	Total
USD	(62.646)	January 2024	-	271	271
CAD	(5.800)	January 2024	-	32	32
GBP	32.745	January 2024 - December 2024	-	236	236
TWD	62.457	January 2024	-	(13)	(13)
SGD	8.000	January 2024	-	19	19
JPY	72.000	January 2024	-	1	1
CHF	(5.000)	January 2024	-	145	145
MXN	(200.000)	January 2024	-	99	99
Total at December 31, 2023			**-**	**790**	**790**

Description	Notional 0.00	Maturity	Recognized in equity	Recognized in the income statement	Total
USD	24,193	January 2023	-	(657)	(657)
CAD	(6,816)	January 2023	-	9	9
GBP	29,262	January - September 2023	-	(970)	(970)
TWD	50,765	January 2023	-	31	31
CHF	(4,600)	January 2023	-	(12)	(12)
Total at December 31, 2022			**-**	**(1,599)**	**(1,599)**

Description	Notional 0.00	Maturity	Recognized in equity	Recognized in the income statement	Total
USD	(33,456)	January 2022	-	(52)	(52)
CAD	(4,859)	January 2022	-	15	15
MXN	(270,000)	January 2022	-	269	269
GBP	40,515	January - September 2022	-	(886)	(886)
TWD	30,847	January 2022	-	(5)	(5)
CHF	(6,199)	January 2022	-	37	37
Total at December 31, 2021			**-**	**(622)**	**(622)**

26. PROVISIONS, CONTINGENCIES AND OTHER LIABILITIES

The breakdown and annual movement of "Provisions and other liabilities", except for long-term lease liabilities amounting to 255,561 thousand euros (2022: 208,698; 2021: 167,160) (Note 16), is as follows:

(Thousand euros)	Liabilities from business combinations	Other Employee Benefits	Treasury shares commitments	Employee pension plans	Other	Total
January 1, 2021	938,943	6,388	-	6,438	73,460	1,025,229
Arising during the year recognized in profit and losses	43.609	36.876		1.060	(31.245)	50.300
Arising during the year recognized in retained earnings	515,409	-	-	-	-	515,409
Utilized	-	-	-	(1,116)	(915)	(2,031)
Translation differences	72,974	197	-	22	412	73,605
Business combinations		1,684	-	2,900	783	5,367
Reclassifications and others	-	-	-	-	9,147	9,147
At December 31, 2021	**1,570,935**	**45,145**	**-**	**9,304**	**51,642**	**1,677,026**
January 1, 2022	1,570,935	45,145	-	9,304	51,642	1,677,026
Arising during the year recognized in profit and losses	31,227	62,915	-	708	1,071	95,921
Arising during the year recognized in retained earnings	410,085	-	-	-	-	410,085
Utilized	-	(1,390)	-	(1,664)	(20,706)	(23,760)
Translation differences	(101,460)	1,484	-	17	4,904	(95,055)
Business combinations	472,221	21	-	118	615	472,975
Reclassifications and others	-	-	-	-	8,051	8,051
At December 31, 2022	**2,383,008**	**108,175**	**-**	**8,483**	**45,577**	**2,545,243**
January 1, 2023	2,383,008	108,175	-	8,483	45,577	2,545,243
Arising during the year recognized in profit and losses	6,201	46,143	-	713	16,388	69,445
Arising during the year recognized in retained earnings	1,542	-	238,868	-	-	240,410
Utilized	(47,060)	(92,268)	-	(446)	(10,891)	(150,665)
Translation differences	40,980	(764)	-	(1)	442	40,657
Reclassifications and others	(207,006)	(7,263)	-	(421)	(26,355)	(241,045)
At December 31, 2023	**2,177,665**	**54,023**	**238,868**	**8,328**	**25,161**	**2,504,045**

Liabilities from business combinations

When Puig Brands acquires a company, it often prefers that the previous shareholders remain in the company with a minority stake. In this way, the seller / founder remains engaged and committed to the continued success of the brand.

At the time of the acquisition, the Company may enter into call and put option agreements granting the right or obligation to purchase the minority stake from the seller / founder at certain specified dates and at prices calculated based on an initially agreed adjusted multiple linked to the business performance of the related business. This is the case with recent acquisitions of Byredo, Loto del Sur and Kama Ayurveda, as well as prior years' acquisitions such as Charlotte Tilbury and Dries Van Noten.

These options have been recorded as liabilities in accordance with IFRS 10, and valued at fair value at each reporting period, with the changes in fair value recorded against equity.

At the time that the options are exercised, the Company will be required to make payments to the sellers / brand founders in the amounts due.

Put and call options that are included in the balance sheet are related to the following agreements:

In 2018, 70% of Dries Van Noten was acquired. The purchase agreement included call and put options corresponding to the percentage of shares held by minority shareholders. Such options were valued according to a multiple on expected profitability parameter. This call and put option has been executed and paid in December 2023.

In 2020, the Company acquired 73.11% of Charlotte Tilbury through Prado Investments, Ltd., in which Puig Brands holds a 76.40% stake. The purchase agreement includes call and put options corresponding to the percentage of shares held by minority shareholders. Such options are valued based on a multiple of net revenues (adjusted by the profitability of the business) which is adjusted according to the expected performance at each year end, compared to the initial plan, until expiration of the put and call options, guaranteeing a minimum price. These options have different exercise windows between the periods 2024 and 2030. As of December 31, 2023, the reclassification in this caption, amounting to 207 million euros, relates to the put-call option of Charlotte Tilbury exercisable in 2024 (Note 28).

In 2022, as part of the business combinations, Puig agreed put and call options related to Byredo, Kama Ayurveda and Loto del Sur acquisitions (Note 4).

In 2023, 2022 and 2021, the increase of the liabilities linked to the call and put options agreements (put in place at that time) resulted from the change of the management projections in the expected business performance to which these liabilities are linked to. The discount factor and the exchange rate also affected the variations. The increase during 2022 was also affected by the initial recognition of the business combinations completed in the period (Note 4).

In addition to the call and put options mentioned above, in this caption Puig includes liabilities for earn-outs arising from certain business combinations. At December 31, 2023, the balance regarding these liabilities amounted to 186 million euros (2022: 177 million euros; 2021: 109 million euros).

The increase of these earn-outs in 2023, 2022 and 2021 were mainly driven by the change in management's projections with respect to the expected business performance to which these liabilities are linked, and the effect of the discount factor and the exchange rate. In addition, the increase during 2022 was also affected by the initial recognition of the business combinations completed in the period that amounted to 43 million euros (Note 4).

The amounts recognized as liabilities in the consolidated balance sheet have been discounted using the weighted average cost of capital ("WACC") of each business (Note 15).

These liabilities have been classified in the Level 3 measurement category. Puig conducts a sensitivity analysis of these liabilities by applying reasonable variations to the key assumptions considered in the calculation.

- A variation of +/- 2% in the CAGR of the main business indicator to which the valuation of the liabilities is linked would impact the liability recognized in the balance sheet as of December 31, 2023, resulting an increase of 164 million euros or a decrease of 152 million euros (2022: increase of 204 million euros or decrease of 188 million euros; 2021: increase of 151 million euros or decrease of 147 million euros).

- A variation of +/- 1.5% in the discount rate would impact the liability recognized in the balance sheet as of December 31, 2023, leading to either a 86 million euros decrease or a 53 million euros increase (2022: increase of 84 million euros or decrease of 79 million euros; 2021: increase of 70 million euros or decrease of 65 million euros).

The above mentioned put call options are exercisable during a certain period of time. At December 31, the maturity of these liabilities was as follows:

(Thousands euros)	**2023**	**2022**	**2021**
Liability maturing more than 1 and less 3 years	1,125,074	259,000	19,909
Liability maturing between 3 and 5 years	325,296	1,169,978	1,111,426
Liability maturing in more than 5 years	727,295	954,030	439,600
	2,177,665	**2,383,008**	**1,570,935**

Employee benefits and other

Some employees are granted with plans called "share appreciation rights" (SARs). The SARs are vested based on services and specific performance conditions.

The main characteristics of the share-based payments plans are:

- *Plan 2021 – 2023*

The 2021-2023 plan is composed of three different yearly grants with a vesting period of 3-5 years between 2021 and 2025. The shares are vested by the employee based on time-based vesting conditions and business performance conditions. Initially the underlying shares of the SARs were based on shares of Puig, S.L. and Puig Gest, S.A. As part of the Shares Exchange described below, the beneficiaries have agreed in 2023 to exchange the underlying shares of the plan for Puig Brands, S.A. shares.

The valuation of the incentive plan is calculated based on the value of the share appreciation rights, which is calculated based on an independent valuation (level 3 fair value measurement). The valuation of the plan is the difference between the value of the shares at the grant date and the expected valuation of the shares at the end of the vesting period.

Once the shares are vested, the beneficiary has the option to receive a cash settlement, acquire the shares, or receive free shares net of tax.

If the beneficiaries elect to acquire the shares or receive free shares (acquisition price fixed based on the value of the share appreciation rights on the granted date), a call option is granted to Puig to re-acquire the shares at any time from 2030 at the fair value of the shares at the date the call option will be executed. Simultaneously to the call option grant, a put option is granted to the beneficiary once the shares are acquired enabling the beneficiaries to exercise them at any time from the acquisition until 2030 except in the lock up period. Such obligation is held by the company which granted the shares.

- *Plan 2021*

Puig granted some employees with a management incentive plan which vests over five years (2021-2025). Vesting conditions are based on time-based and business performance conditions.

The value of the plan is based on the appreciation of the shares of a Puig subsidiary, being the difference between the value of the shares granted at the beginning of the plan and the value of the shares expected at the end of the vesting period above a certain threshold. The valuation of the vested shares is calculated based on a formula linked to the business performance (level 3 fair value measurement).

At grant date, the beneficiaries choose between two types of settlement:

- Cash settlement
- Acquisition of the shares based on a nominal value. Once acquired, a call option is granted to Puig to re-acquire the shares between 2026 and 2029 at a price calculated based on the value creation above a certain threshold. In addition, a put option is granted once the shares are acquired enabling the beneficiaries to execute them between 2026 and 2029.

- *Plan 2015-2018*

Between 2015 and 2018, Puig granted some employees of Puig with shares appreciation rights over Puig, S.L. and Puig Gest, S.A. shares (both companies are directly/indirectly shareholders of Puig, Brands, S.A.).

Most of the shares were already vested at January 1, 2021, except for one grant which started vesting at that date. Once the shares were vested, the beneficiaries had the option to acquire the shares or to request the settlement in cash. Initially the underlying shares of the SAR was based on shares of Puig Gest, S.A. As part of the Shares Exchange described below, the beneficiaries have agreed in 2023 to exchange the underlying shares of the plan for Puig Brands, S.A. shares.

For the beneficiaries who elected to acquire the shares (at a fixed price), a call option was granted to re-acquire the shares between 2025 and 2040 at a value based on a formula linked to performance indicators at the date the call option will be executed. In addition, a put option was granted to be executed between 2024-2028 with the same valuation method. These agreements were signed with the companies that delivered the shares to the beneficiaries (Note 22 “Reserves”).

Number of SARs	Outstanding at January 1, 2023	Granted number	Forfeited number	Vested number	Outstanding at December 31, 2023	Exercisable at December 31, 2023	Delivered at December 31, 2023	Exchanged in 2023 (*)	Delivered December 31, 2023 Exchanged (*)
2015 – 2018 (*)	40,494	-	-	40,494	-	-	40,494	(1,026,351)	4,853,644
2021 (**)	20,013,200	1,564,200	(338,800)	(734,324)	20,504,365	601,224	1,483,460	-	-
2021-2023 (*)	1,901,548	-	-	1,901,548	-	-	1,901,548	(1,901,548)	8,661,171

Number of SARs	Outstanding at January 1, 2022	Granted number	Forfeited number	Vested number	Outstanding at December 31, 2022	Exercisable at December 31, 2022	Delivered at December 31, 2022
2015 – 2018 (*)	40,494	-	-	-	40,494	-	-
2021 (**)	20,255,400	3,484,800	(2,376,000)	(1,350,360)	20,013,200	348,480	1,001,880
2021-2023 (*)	1,901,548	-	-	-	1,901,548		-

Number of SARs	Outstanding at January 1, 2021	Granted number	Forfeited number	Vested number	Outstanding at December 31, 2021	Exercisable at December 31, 2021	Delivered at December 31, 2021
2015 – 2018 (*)	23,497	16,997	-	-	40,494	-	-
2021 (**)	-	20,651,400	(396,000)	-	20,255,400	-	-
2021-2023 (*)	-	1,901,548	-	-	1,901,548	-	-

(*) For 2015-2018 plan, in 2023, Puig Brands, S.A. shares have been exchanged for Puig, S.L. and Puig, Gest, S.A. shares held by the beneficiaries of Puig refer to Note 22 “reserves”. For 2021-2023 plan, the underlying shares of the SAR was based on shares of Puig Gest, S.A.. As part of the Shares Exchange described, the beneficiaries have agreed in 2023 to exchange the underlying shares of the plan for Puig Brands, S.A. shares.

(**) SARs related to the plan are for a Puig subsidiary.

Exercisable SARs includes shares already vested by the employees but not executed.

Delivered SARs includes shares acquired by the employees where put and call options between the employee and Puig exist.

In 2023, both the 2015-2018 and the 2021-2023 plans have been fully vested, prior to the expected vesting dates of the plans which were end of 2023, 2024 and 2025 depending on the grant, because the objectives set were achieved in advance. These plans were subject to the appreciation of the shares of Puig, S.L. and Puig Gest, S.A. In 2023, it has been agreed to exchange the underlying shares (108,144 of Puig Gest, S.A. and 1,833,898 of Puig, S.L. shares) to 9,696,505 Puig Brands, S.A. shares (valued as at 16,42 euros per share) maintaining the same value of the plan for each of the beneficiaries.

The shares of Puig, S.L. and Puig Gest, S.A. (950,406 and 38,046 respectively) related to 2015-2018 plan were acquired by the employees from direct or indirect shareholders of Puig. Put and call options over these shares were agreed. In 2023 the shareholders have transferred the right to acquire the shares to Puig (Note 22 “Reserves”). In 2023, Puig has exchanged these shares (“Shares Exchange”) for 4,004,074 shares of Puig Brands, S.A. (valued as at 16,42 euros per share) maintaining the same value of the plan for each of the beneficiaries.

As a consequence, as at December 31, 2023, the beneficiaries of the 2015-2018 and 2021-2023 plan own 13,514,815 shares of Puig Brands, S.A. Put and call options have been agreed between Puig and its beneficiaries to be exercised between 2024 and 2030. In the case of a public offering, the put and call options would no longer have any effect, except when lock up periods apply, in which case Puig retains a call option.

For the 40,494 shares of Puig Gest,S.A. for the 2015-2018 plan that were still in the vesting period in 2022 and 2021, the value was based on a formula linked to the business performance. The strike price of the shares was 202,82 and the exercisable price was 376.08 in 2022 and 370.17 in 2021.

For Plan 2021 the strike price of the shares of the subsidiary which granted the plan was 1.28 in 2023 (1.20 euros in 2022; 1.13 euros in 2021) and exercisable prices were 3.57 in 2023 (3.85 euros in 2022 and 3.32 euros in 2021).

For Plan 2021-2023 the strike prices of the shares of Puig, S.L. and Puig Gest, S.A. in 2022 were 91.43 euros and 568.61 euros respectively and in 2021, 91.43 euros and 568.61 euros respectively, being their respectively exercisable prices 148.49 euros and 934.63 euros in 2022 respectively, and 142.27 euros and 895.5 euros in 2021 respectively.

The carrying amount of the liability relating to the SARs as of December 31, 2023, was 33,986 thousand euros (2022: 84,880 thousand euros and 2021 32,923 thousand euros).

In addition, other employee benefits, includes long term cash bonuses when certain business performance conditions are met. As at December 31, 2023, the liability amounted to 10,989 thousand euros (2022 10,725 thousand euros and 2021 4,625 thousand euros).

This caption also includes other employee benefits amounting to 9,048 thousand euros in 2023 (12,570 thousand euros in 2022 and 7,597 thousand euros in 2021).

Treasury shares commitments

In 2023, a liability has been accounted for the put and call options of Puig Brands, S.A. shares already delivered to employees and sold to Board Members amounting to 238,868 thousand euros. In the case of a public offering, the put and call options would no longer have any effect, except when lock up periods apply, in which case Puig retains a call option.

Employee pension plans

A portion of Puig's employees are covered by defined contribution or benefit retirement plans paid for by Puig companies. The type of plan varies according to the legal requirements of the country in which beneficiaries are employed.

a) Defined contribution plans

For defined contribution plans, Puig undertakes to pay a defined contribution (e.g., a fixed amount or percentage of salaries).

Defined contribution plans cover employees in Spain and United Kingdom, among other countries.

The defined contribution plan of Spanish companies is funded by means of an independent pension fund named Diagonal Fondo de Pensiones. In this case, Puig does not assume any obligations or commitments other than the annual contribution.

b) Defined benefit plans

For defined benefit plans, Puig undertakes to pay the employee a defined benefit (e.g. a retirement pension at a fixed amount or percentage of the employee's final salary). For the defined benefit plan, the present value of future benefits (which the company is liable to pay under the plan) is computed using actuarial principles and the projected unit credit method. The computation of present value is based on assumptions of interest rates, increases in salaries and pensions, investment yield, mortality and disability. The present value is computed exclusively for the benefits to which the employees have earned entitlement through their employment with the company. The Group's defined benefit plans cover employees in France.

The defined benefit plan of French companies is not outsourced. The liability under the plan calculated on an actuarial basis is stated in the consolidated balance sheet at December 31, 2023 at an amount of 8.3 million euros (2022: 8.5 million euros; 2021: 9.3 million euros).

The amounts recognized in equity are as follows:

(Thousand euros)	2023	2022	2021
Current service cost	713	708	1,060
Total (benefit)/expenses recognized in the income statement	**713**	**708**	**1,060**
Net actuarial (loss) / gains recognized	-	-	-
Actual return on plan assets	**-**	**-**	**-**

The present value of the obligations and fair value of plan assets are as follows:

(Thousands of euros)	2023	2022	2021
Present value of related obligations	8,328	8,483	9,304
Net liabilities	**8,328**	**8,483**	**9,304**

Movements of net liabilities for the years ended December 31 are as follows:

(Thousand euros)	2023	2022	2021
At January 1	8,483	9,304	6,438
Net cost of the plan	712	725	1,082
Contributions / Benefits	(446)	(1,664)	(1,116)
Business combinations	-	118	2,900
Reclassifications	(421)	-	-
Net liabilities	**8,328**	**8,483**	**9,304**

The main actuarial assumptions used at December 31 are as follows:

	2023	2022	2021
Discount rates	3.6% - 4.2%	1%-2%	0.65%-2%
Expected wage increase	2.5%	2.5%-5%	2.5%-5%
Expected rate of return on plan assets	-	-	-
Average retirement age	62-65	62-65	62-65

Defined benefit plans have been classified into the Level 3 measurement category.

27. OFF-BALANCE SHEET COMMITMENTS

At December 31, 2023, the Parent Company has granted bank guarantees amounting to 181 million euros (2022: 124 million euros; 2021: 114 million euros) in favor of Puig subsidiaries, mainly related to their normal business activity.

Specifically, bank guarantees represent the parent company's commitment to third parties to assume the losses of its subsidiaries and other operating matters. Bank guarantees have no predetermined maturity.

Additionally, it should be noted that Puig has no significant legal or tax contingencies.

The Group is not aware of any significant off-balance sheet commitments other than those described above.

28. OTHER CURRENT LIABILITIES

The breakdown of this caption as of December 31 was as follows:

(Thousand euros)	2023	2022	2021
Tax and social security debt (Note 13)	71,177	59,156	46,215
Accrued payroll	104,102	101,902	70,219
Operating provisions	201,949	197,195	137,842
Payables for other services	352,889	296,146	291,182
Financial liabilities at fair value (Note 25)	-	3,864	10,988
Other liabilities	24,634	37,410	47,909
Liabilities due to business combinations (Note 26)	207,006	-	-
Other liabilities related parties (Note 32)	4,293	10,061	352
Lease liabilities (Note 16)	58,074	43,916	37,286
Total	**1,024,124**	**749,650**	**641,993**

The increase in the caption accrued payroll was explained by the increase of the average headcount of Puig in 2022 (Note 10).

Operating provisions include accruals of commissions, returns and provisions for other services.

In 2021, other liabilities included the outstanding payment of the minority interest of Aubelia, S.A.S. (Note 4) amounting to 27,975 thousand euros and 3,275 thousand euros related to the acquisition of the minority interest of Apivita Ventures, S.L. (Note 4).

The “Other liabilities at fair value” caption mainly includes foreign currency fair value hedging derivatives and interest rate hedging derivatives (Note 25). The breakdown as of December 31 is as follows:

(Thousand euros)	2023	2022	2021
Foreign currency hedging (transactions)	-	2,265	10,423
Foreign currency hedging (loans)	-	1,599	622
Interest rate hedging	-	-	(57)
Total	**-**	**3,864**	**10,988**

29. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

In its normal course of business Puig is exposed to various financial risks: market risk (including foreign exchange risks and interest rate risks) and other risks such as credit risk, liquidity risk and capital risk management. Puig’s management focuses on minimizing these risks implementing risk management policies to identify and analyze the risks faced by the Group and define appropriate risk limits and controls. Group’s management procedures are designed to have a control environment.

This note provides information on the Group’s exposure to risks, the Group’s objectives, policies and processes for managing risks, the methods used to measure these risks and the financial instruments used to mitigate the corresponding risks.

The Group’s Audit Committee supervises how management controls comply with the Group’s risk management procedures and policies and review whether the risk management policy is suitable considering the risks that the Group is exposed to.

a) Market risk

Foreign exchange risk

The Group operates in an international environment and therefore is exposed to exchange rate risk on transactions in currencies, especially with regards to the USD and the GBP (being the euro the functional currency of the Group and the currency of the parent company). Currency risk is associated with future commercial transactions, recognized assets and liabilities, and net investment in foreign currencies.

Puig has a significant portion of sales to customers and to their own subsidiaries as well as certain purchases in currencies other than their functional currency (euro). Hedging instruments are used to reduce the foreign exchange risks arising from the fluctuations of currencies different from the companies' functional currencies.

Before the end of the year, as part of the budget preparation, Puig companies are responsible for identifying the exposure to foreign currency cash flows. The Group centrally analyzes the exposure and arranges the appropriate hedges. The identified foreign exchange risks are hedged using forward contracts or options.

Puig has implemented a strict policy to manage, measure and monitor these risks. The activities are organized based on a clear segregation of duties between the front office, middle office and back office which are responsible for the measurement, hedging and administration and financial control. The hedging strategy must always be presented to the top management for approval.

Derivative instruments entered into hedge for foreign exchange are accounted for in accordance with hedge accounting principles.

The financing obtained by Puig is mainly in Euros representing 95% of the total debt (2022: 96%; 2021: 98%).

The following table shows a sensitivity analysis to possible reasonable changes in the exchange rate of the main foreign currencies with which Puig operates, keeping all other variables constant:

(Thousand euros)	Increase/ (decrease) in USD	Effect on profit/(loss)	Effect on equity
2023	**10%**	**8,015**	**12,131**
	(10%)	(8,015)	(12,131)
2022	**10%**	**5,791**	**4,405**
	(10%)	(5,791)	(4,405)
2021	**10%**	**5,942**	**4,392**
	(10%)	(5,942)	(4,392)

(Thousand euros)	Increase/ (decrease) in GBP	Effect on profit/(loss)	Effect on equity
2023	**10%**	**(5,730)**	**(98,105)**
	(10%)	5,730	98,105
2022	**10%**	**(224)**	**(102,374)**
	(10%)	224	102,374
2021	**10%**	**(4,320)**	**(59,470)**
	(10%)	4,320	59,470

Puig has arranged exchange rate hedges to cover potential fluctuations in foreign currency.

Interest rate risk

Puig's interest rate risk arises from current and non-current borrowings with banks. The objective of Puig is to have a high proportion of borrowings at fixed rate or floating interest rates hedged by interest rates swaps (IRS). The main objective of the management is to protect net profit from the impact of significant changes in interest rates.

Puig uses derivative financial instruments (interest rate swaps) to cover the risk of changes in the interest rates on some loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The fair value at December 31, 2023 amounts to 14,891 thousand euros (2022: 42,078 thousand euros; 2021: 57 thousand euros).

As of December 31, 2023, the amount of debt subject to variable interest rates, without interest rate hedging, totaled 294 million euros (2022: 273 million euros; 2021: 359 million euros), representative of 14% of the total bank debt (2022: 15%; 2021: 37%).

An increase of 2% in the market interest rate could result in a financial interest expense increase of 5.9 million euros (2022: 5.7 million euros; 2021: 6.3 million euros).

b) Credit risk

Credit risk is the risk to which Puig is exposed in the event that a customer or counterparty fails to pay its obligation.

To mitigate this risk Puig has a credit policy and manages its exposure to collection risk in the normal course of its operations. Puig evaluates the credit given to all its customers above a certain amount. Likewise, Puig has a credit insurance for most of its accounts receivable.

The Group recognizes impairment based on its best estimate of the expected losses on trade and other receivables. The main impairment losses recognized are due to specific losses relating to individually identified risks. At year end, these impairment losses are immaterial.

The maximum exposure to credit risk in relation to trade receivables is the amount shown in Note 18 above amounting to 501,861 (2022: 405,946 thousand euros and 2021: 334,281 thousand euros). Puig customers are reasonably fragmented, so individually none of them represents more than 10% in the overall amount of trade receivables.

Puig has undrawn amounts from credit facilities that can be used to cover operating cash deficits.

Also, to mitigate this credit risk, the Group has transferred this risk to third parties via non-recourse factoring of trade receivables in which case the Group would not retain any credit risk.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. To mitigate this credit risk, the Group only works with banks with strong credit ratings as qualified by international rating agencies. The solvency of these institutions, as indicated in each institution's credit ratings, is reviewed periodically in order to perform active counterparty risk management.

The assets subject to the credit risk exposure recognized in the balance sheet were as follow:

	2023	2022	2021
Financial investments	16,359	14,154	9,595
Other non-current assets	370,315	111,591	71,613
Trade and other receivables	484,705	387,936	317,254
Other current assets	186,709	232,059	153,664
Cash and cash equivalents	852,901	710,050	692,659
	1,910,989	**1,455,790**	**1,244,785**

c) Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure where possible, that it always has sufficient liquidity to settle its obligations at the maturity date.

Puig uses financial planning techniques to manage liquidity risk, taking into consideration the maturity of financial assets and liabilities and cash flow projections. Puig objective is to balance structural requirements and exceptional needs of cash with the loans and overdrafts taken out, to ensure that it will be able to use them depending on its liquidity situation.

As a consequence of the aforementioned the Group considers that it has liquidity and access to medium and long-term financing that allows the Group to ensure the necessary resources to meet the potential commitments for future investments.

Puig has undrawn amounts from credit facilities that can be used to cover operating cash deficits.

The maturities of the main financial liabilities, which include Leases (Note 16), Bank Borrowings (Note 24) and Liabilities due to business combinations (Note 26) as of December 31 are as follows:

2023

(Thousand euros)	2024	2025	2026	2027	2028 and subsequent years	Total
Bank Borrowings	358,371	510,068	596,772	682,006	-	2,147,217
Liabilities from business combinations	207,006	10,022	1,115,052	-	1,052,591	2,384,671
Lease Liabilities	58,074	51,975	45,674	35,590	122,322	313,635
	623,451	**572,065**	**1,757,498**	**717,596**	**1,174,913**	**4,845,523**

2022

(Thousand euros)	2023	2024	2025	2026	2027 and subsequent years	Total
Bank Borrowings	177,001	283,291	492,719	503,525	382,776	1,839,312
Liabilities from business combinations	-	246,263	12,736	1,166,186	957,823	2,383,008
Lease Liabilities	43,916	43,514	32,528	46,955	85,701	252,614
	220,917	**573,068**	**537,983**	**1,716,666**	**1,426,300**	**4,474,934**

2021

(Thousand euros)	2022	2023	2024	2025	2026 and subsequent years	Total
Bank Borrowings	145,987	138,607	160,221	256,002	271,776	972,593
Liabilities due to business combinations	-	-	19,909	-	1,551,026	1,570,935
Lease Liabilities	37,286	28,740	29,575	21,841	87,004	204,446
	183,273	**167,347**	**209,705**	**277,843**	**1,909,806**	**2,747,974**

d) Capital risk management

Puig’s objective is to safeguard its capacity to continue managing its recurring activities and the capacity to continue to grow, by optimizing the debt-to-equity ratio and to create value for the shareholder.

The main purpose of Puig capital management is to ensure a financial structure that can optimize capital cost and maintain a solid financial position, in order to access to the financial markets at a competitive cost to cover financing needs.

Puig manages its capital to ensure that certain financial ratios are appropriate to develop its business, maintaining a high level of solvency so that it can provide appropriate returns to its shareholders. Net debt ratio is measured as follows:

(Thousand euros)	2023	2022	2021
Net Debt (*)	**1,509,700**	**1,272,629**	**399,730**
Adjusted Ebitda (*)	**862,674**	**681,448**	**458,102**
Net Debt Ratio (Net Debt/Adjusted ebitda)	**1.75x**	**1.87x**	**0.87x**

(*) Alternative Performance Measure (Annex III)

The volume of capital is determined according to existing risks, making the corresponding adjustments to capital in accordance with changes in the economic environment and managed risks.

Changes in working capital

Breakdown of changes in working capital (net of changes in scope and non-cash items) is presented as follows:

(Thousand euros)	2023	2022	2021
Inventory	(162,533)	(237,136)	(53,815)
Trade accounts receivable	(96,769)	(51,433)	(8,277)
Other Current Assets	42,255	(47,494)	(32,859)
Trade accounts payable	(26,815)	45,472	42,955
Other current Liabilities	49,446	132,167	119,438
Changes in working capital	**(194,416)**	**(158,424)**	**67,442**

30. OTHER DISCLOSURES

Auditors' and related Group companies' fees

Net fees accrued to Ernst & Young, S.L. as the auditor of the Group's consolidated annual accounts, or by any firms related to this auditor as a result of a relationship of control, common ownership or common management are as follows:

(Thousand euros)	2023	2022	2021
Audit services	2,021	1,514	1,175
Other assurance services	852	376	134
Total audit and similar services	**2,873**	**1,890**	**1,309**
Tax services	60	54	40
Other services	87	46	17
Total professional services	**3,020**	**1,990**	**1,366**

Additionally, net audit fees for services provided by auditors other than the main auditor amounts to 358 thousand euros in 2023 (316 thousand euros in 2022 and 131 thousand euros in 2021).

Information on the Parent Company's Directors and Key Management

During the year ended December 31, 2023 the Company's directors have not been party to any direct or indirect conflict of interest with Puig, except for the approval of the following agreements in which one or several directors, as appropriate, refrained from deliberating and voting thereon as they could result in a conflict of interest situation:

(i) the subscription of a new contract with the CEO as well as the novation thereof.
(ii) the subscription of a new contract with the Executive Vice President as well as the novation thereof.
(iii) the designation of the beneficiaries of the renewal of a program for the acquisition of Class B shares of Puig.
(iv) the subscription of credit lines with different financial entities.
(v) the approval of two lease contracts in France and the United States, respectively.
(vi) the proposal General Shareholders' Meeting for the approval of an extraordinary cash bonus.

The remunerations for the year 2023 of the Key Management amounted to 51,047 thousand euros, respectively (2022 12,945 thousand euros; 2021: 12,192 thousand euros), for fixed and variable salaries, long terms incentive plans, fringe benefits, pension commitments, and life insurance premium payments.

The President and the VicePresident of the Board of Directors are also members of the key management of the Group and consequently, their remuneration has been accrued based on their executive services and their remuneration has been included in the Board of Directors remuneration section.

The remuneration accrued by the Board of Directors for the services provided as a members of the Board of Puig Brands and the executive services of the President and VicePresident of Puig Brands, S.A. amounted to 45,660 thousand euros in 2023 (9,055 thousand euros and 11,136 thousand euros in 2022 and 2021 respectively).

Puig has paid Directors and Key Management liability insurance premiums in the amount of 175 thousand euros (2022: 130 thousand euros; 2021: 88 thousand euros).

As of December 31, 2023, there were loans granted to the Key Management amounting to 58.146 thousand euros (2022: 14.113 thousand euros; 2021: 14.673 thousand euros). The interest accrued related to the loans granted to the Key Management amounted to 1,577 thousand euros (2022: 219 thousand euros; 2021: 142 thousand euros). The loans accrue interest at a rate between 1.5% and 3.25%.

Puig also has given long term incentive plans to its Key Management (which includes one member of the Board of Directors with executive service) amounting to 53,049 thousand euros. This remuneration has been included in the total remunerations (Key Management and Board of Directors) indicated above and are disclosed in the period when the plans are fully vested (which is different from period of the accrual of the related expense).

As detailed in note 26, during 2023, as part of the accelerated vesting of the long term incentive plan, Puig has delivered 6.101.430 treasury shares to the Key Management and to one member of the Board of Directors with executive services. Additionally, during 2023, the shares held by the beneficiaries of Puig, S.L. and Puig Gest, S.A. (950.406 and 8.030) have been exchanged for 3.374.335 shares of Puig Brands, S.A.

Put and call options have been agreed between the parties and therefore, as at December 2023 a total amount of 155,573 thousand euros is included as a liability in the consolidated balance sheet.

In addition of the abovementioned, members of the Board of Directors own a total amount of 800,132 shares of Puig Brands, S.A. For some of the abovementioned shares held by the members of the Board of Directors, put and call options have been agreed between the parties and Puig Brands, S.A. therefore, as at December 2023 a total amount of 11,664 thousand euros is included as a liability in the consolidated balance sheet.

31. ENVIRONMENTAL INFORMATION

Puig works towards contributing to two global commitments; helping limit global warming to 1.5°C by 2030 and becoming a net zero organization by 2050.

To achieve these goals, Puig integrates environmental, social and governance (ESG) criteria into its culture, business model, strategy, and day-to-day activities.

The main highlights on sustainable commitments are as follows:

- Approval of the Puig biodiversity strategy.
- Development of a new carbon footprint calculation tool.
- First overall group evaluation in the three CDP questionnaires (Climate, Water and Forest).
- Approval of the Climate Policy, updating of the Sustainable Sourcing Policy, and development of new policies related to nature.

Expenses incurred during these years to eliminate, limit or control the possible impact that the normal course of business of Puig Spanish production subsidiaries could have on the environment have amounted to 750 thousand euros (2022: 277 thousand euros; 2021: 174 thousand euros). Likewise, at 2023 year end the net book value of property, plant and equipment relating to the environment was 2,381 thousand euros (2022: 2,651 thousand euros; 2021: 1,869 thousand euros).

At 2023, 2022 and 2021 year end, Puig has no environmental provisions or contingencies recorded in its financial statements that could have a significant effect on its equity, financial situation, or results.

Climate change-related impacts have been assessed by the directors, who have concluded that no significant effects are expected.

The Non-Financial Statement includes information on Puig’s commitment to the environment through its Sustainability Policy.

32. RELATED PARTIES

The main balances and transactions with Puig related parties are summarized as follows:

(Thousand euros)	Year	Sales to/Income from related parties	Purchases from / Expenses with related parties	Finance income	Dividends	Accounts receivable from related parties / Current financial investments	Accounts payable to related parties
Entities with	2021	-	460	210	-	14,019	(143)
significant influence	2022	-	829	793	-	50,326	(9,679)
over Puig	2023	4	280	687	-	8,512	(4,049)
	2021	30,005	245	1,373	-	5,740	(108)
Associates	2022	33,973	324	-	19,934	7,483	(140)
	2023	44,022	2,226	-	25,464	15,761	(1,361)
	2021	31	9,470	949	-	56,221	(113)
Other related parties	2022	-	9,957	1,225	582	56,994	(286)
	2023	2	11,186	1,322	-	39,991	(177)

The transaction with entities with significant influence for the years ended December 31, 2023, 2022 and 2021, primarily correspond to payments for services rendered to Puig Brands by Puig SL and the shareholders of Puig SL (including Exea Empresarial, S.L.). Puig Brands also granted loans in favor of some of these entities (which have been repaid in full by December 31, 2023). In 2023 and from 2024 onwards, no transactions are expected except for the ones related to Puig, S.L. as the head of the Spanish tax group.

The transactions with associates for the years ended December 31, 2023, 2022 and 2021, primarily correspond to payments received for the manufacturing services that Puig Brands provides for Isdin, S.A. royalties that Puig receives from Sociedad Textil Lonia, S.A. in connection with the license of CH Carolina Herrera, and the dividend distributions from our associate and joint venture investments.

The transactions with other related parties for the years ended December 31, 2023, 2022 and 2021, primarily correspond to payments to Inmo, S.L. and its subsidiaries in connection with the lease of our headquarters in Barcelona, the lease of our manufacturing facility in Barcelona (which was closed in 2023), and the lease of our Carolina Herrera and Rabanne stores in New York and Paris, respectively. Puig Brands also granted loans to our Senior Officers and employees in connection with the acquisition and/or delivery of Class B Shares.

In 2021, Puig paid to entities with significant influence 6,996 thousand euros in order to liquidate the liability related to SARs (2015-2018 plan) which were vested during 2020.

Additionally, in 2023, Puig Brands, S.A. has sold to its shareholder Puig, S.L. the shares of Puig Gest and Puig, S.L. for a total amount of 148,734 thousand euros (Note 22). 143,520 have been settle in the treasury share acquisition (note 22) and 5,214 have been paid in cash.

Balances and transactions with minority shareholders are not considered in the above table (Note 26).

33. SUBSEQUENT EVENTS

On January 2024, Puig acquired a majority stake in Dr. Barbara Sturm (65%), for a total cash consideration of 291,1 million euros subject to certain adjustment set out in the purchase agreement. In connection with the acquisition Puig agreed an earn-out payable to the brand founder in the long term, the amount of the earn-out is linked to the brand's business performance. Additionally, a cross put and call option has been agreed for the remaining minority stake. As of the date of preparation of these special purpose financial statements, the valuation of fair values acquired, including put and call options and earn-outs is ongoing.

The premium skincare brand founded in 2014 by Dr. Barbara Sturm, a world-renowned doctor and pioneer in the field of anti-inflammatory treatments, offers an exclusive portfolio of products spanning skincare, body & haircare and supplements.

The acquisition of Dr. Barbara Sturm reinforces Puig's competitive position by welcoming a globally recognized luxury cult brand developed through its digital channels and worldwide spa and boutiques network, offering high-performance treatments with deep expertise in skincare.

On March 1 2024 Puig negotiated and entered into certain agreements to purchase the stakes of certain minority interests. As a result of the transactions with the minority shareholders of Prado Investments ltd and Byredo AB, Puig now fully owns Byredo AB and also now owns 91% of Prado Investments ltd. In aggregate, these transactions involved a payment of 597 million euros in cash and an additional 16 million euros to be paid with Puig Brands shares at the time of the offering. Furthermore, one of the parties that received cash in the transaction described previously has an irrevocable commitment to invest 161 million euros in the subscription of Puig Brands shares at the time of the offering. These transactions decrease our liabilities for the amount of 757 million euros, having a positive impact of 144 million euros in equity. Additionally, at the beginning of May 2024 Puig will acquire the remaining 9% participation in Prado Investments.

Puig signed three revolving credit facilities, in February 2024, for a total of 450 million euros to finance these transactions.

Between January and March 2024 an extraordinary long-term incentive free shares plan was executed for the Chief Executive Officer, our Senior Officers and other key employees. As a result, a total of 1.498.213 shares were delivered to the employees.

On February 2024, Puig, S.L. (the Parent Company for tax consolidation purposes) has received a notification for inspection for the corporate income tax. At the same time, Antonio Puig, S.A.U. has received a notification for inspection for the value added tax and other indirect taxes. As of the date of preparation of these Special Purpose Financial statements, no significant tax contingencies are expected from the outcomes of these inspections.

ANNEX I - PUIG BRANDS and SUBSIDIARIES

The companies included in the scope of consolidation at December 31, 2023, 2022 and 2021 are as follows:

Full consolidation method

Name of the consolidated subsidiary	Address (Country)	Functional currency	Activity	Percentage of ownership		
				2023	2022	2021
Airparfum Timeless, S.L.U.	Plaza Europa 46-48, Hospitalet de Llobregat, Barcelona, Spain	EUR	Commercial	100	100	70
Antonio Puig, S.A.U.	Plaza Europa 46-48, Hospitalet de Llobregat, Barcelona, Spain	EUR	Holding, Manufacturing, Commercial	100	100	100
Apivita Cosmetics, Diet Pharmaceuticals – Commercial and Industrial Société Anonyme (Apivita, S.A)	Industrial Park of Markopoulo Mesogaias, Attica, 19003, Greece	EUR	Manufacturing, Commercial	100	100	100
Apivita Ventures, S.L.U.	Plaza Europa 46-48, Hospitalet de Llobregat, Barcelona, Spain	EUR	Holding	100	100	100
Aubelia S.A.S.	40-52, boulevard du Pars 92200 Neuilly-sur-Seine, France	EUR	Holding	100	100	100
Byredo (Hong Kong) Limited	20/F, West Exchange Tower, 322 Des Vœux Road Central, Sheung Wan, Hong Kong	CNY	Commercial	77	77	-
Byredo (Hong Kong) Limited – Macau Branch	Avenida de Praia Grande No. 409, China Law Building, 16/Fl. – B47 em, Macao	MOP	Commercial	77	77	-
Byredo (Shanghai) Limited	Unit 1201-1202, Taikoo Hui Tower 1, No. 288 Shimen No.1 Road, Jing'an District, Shanghai, China	CNY	Commercial	77	77	-
Byredo AB (Sweden)	Box 3065, 103 61, Stockholm, Sweden	SEK	Holding, Commercial	77	77	-
Byredo Aventura LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo Bal Harbour LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo Brentwood LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo Fillmore LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo France SAS	35 Rue des Renaudes, 75017 , Paris, France	EUR	Commercial	77	77	-
Byredo GmbH	Sophienstraße 16, 10178 Berlin, Germany	EUR	Commercial	77	77	-
Byredo Grove LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo Japan KK	WeWork Iceberg, 6-12-18 Jingumae, Shibuya-Ku, Tokyo, Japan	JPY	Commercial	77	77	-
Byredo Melrose LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo Newbury Street LLC	252 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-

Byredo Northpark LLC	253 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo Oakbrook LLC	254 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo Palisades LLC	255 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo Phipps Plaza LLC	256 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo Retail USA, LLC	630 5th Ave, 32nd Floor, New York, NY 10111, United Estates	USD	Commercial	77	-	-
Byredo Silver Lake LLC	257 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	77	77	-
Byredo UK Ltd.	40-42 Lexington Street, London, W1F 0LN, United Kingdom	GBP	Commercial	77	77	-
Byredo USA Inc.	630 5th Ave, 32nd Floor, New York, NY 10111, USA	USD	Commercial	77	77	-
Byredo Valley Fair LLC	257 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo Williamsburg LLC	257 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Byredo Wooster LLC	257 Little Falls Drive, Wilmington, Delaware 19808, United States	USD	Commercial	Liquidated	77	-
Carolina Herrera Ltd.	501 7th Ave, New York, United States	USD	Commercial	100	100	100
Carolina Herrera UK Ltd.	5th Floor, Russell Square House, 10-12 Russell Square, London WC1B 5EH, United Kingdom	GBP	Commercial	Liquidated	Liquidated	100
Charlotte Tilbury Beauty (Macau) Limited	Avenida da Praia Grande, no. 409 China Law Building, 21st/F., Macau	MOP	Commercial	56	56	56
Charlotte Tilbury Beauty (Shanghai) Limited	15/F, No. 68, Yuyuan Road, Jing'an District, Shanghai, China	CNY	Commercial	56	56	56
Charlotte Tilbury Beauty Asia Pacific Limited	10th Floor, Lee Garden Five, 18 Hysan Avenue, Causeway Bay, Hong Kong	HKD	Commercial	56	56	56
Charlotte Tilbury Beauty Canada Inc	C/O Gowling WLG, 160 Elgin Street Suite 2600 Ottawa, Ontario, K1P 1C3, Canada	CAD	Commercial	56	56	56
Charlotte Tilbury Beauty France SAS	9 Rue du Quatre Septembre, 75002 Paris, France	EUR	Commercial	56	56	56
Charlotte Tilbury Beauty Germany GmbH	Am Sandtorkai 68, c/o Fieldfisher, LLP, 20457 Hamburg, Germany	EUR	Commercial	56	56	56
Charlotte Tilbury Beauty Hong Kong Limited	10th Floor, Lee Garden Five, 18 Hysan Avenue, Causeway Bay, Hong Kong	KHD	Commercial	56	56	56
Charlotte Tilbury Beauty Inc	National Registered Agents Inc., 160 Greentree Drive, Suite 101, Dover, DE 19904. Business Address: 148 Lafayette Street, 2nd Floor, New York, New York, 10013, United States	USD	Commercial	56	56	56
Charlotte Tilbury Beauty Ireland Limited	6th Floor 2 Grand Canal Square, Dublin 2 D02 A342 Ireland	EUR	Commercial	56	-	-
Charlotte Tilbury Beauty Limited	8 Surrey Street, London, WC2R 2ND, United Kingdom	GBP	Commercial	56	56	56

Charlotte Tilbury Beauty Limited España	Calle Claudio Coello 124 6-D, 28006 Madrid, Spain	EUR	Commercial	56	56	56
Charlotte Tilbury Beauty Limtied – Filiale a Italia	Piazza San Fedele 2, Milan, CAP 20121	EUR	Commercial	56	56	56
Charlotte Tilbury Beauty Netherlands BV	Regus, Amsterdam Sloterdijk, Kingsfordweg 151, Amsterdam, 1043 GR, Netherlands	GBP	Commercial	56	56	56
Charlotte Tilbury Beauty Poland spzoo	61-730 Poznan, Mlynska, 16 Piertro 8, Poland	PLN	Commercial	56	-	-
Charlotte Tilbury Beauty Propco US LLC	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States	USD	Commercial	56	56	56
Charlotte Tilbury Beauty Switzerland AG	c/o Format A AG, Wiesenstrasse 9 8008 Zurich	CHF	Commercial	56	-	-
Charlotte Tilbury Limited	280 Bishopsgate, London EC2M 4RB, London, England, UK	GBP	Holding	56	56	56
Charlotte Tilbury TM Limited	8 Surrey Street, London, WC2R 2ND, United Kingdom	GBP	Commercial	56	56	56
Cosmetika S.A.S.	Cra 7 # 180 - 75 Módulo 4 -14, Bogota, Colombia	COP	Commercial	67	67	35
Creano NV	Godefriduskaai, 36, 2000 Antwerp, Belgium	EUR	Commercial	100	70	70
Distribuidora Puig Chile Limitada	Avenida del Valle, 869, Piso 6, Comuna de Huechuraba, Chile	CLP	Commercial	100	100	100
División Puig España, S.L.U.	Plaza Europa 46-48, Hospitalet de Llobregat, Barcelona, Spain	EUR	Commercial	Merged	100	100
DNV S.A.R.L.	3 Rue du Plâtre, 75004 Paris, France	EUR	Commercial	100	70	70
Dreamlike Ltd.	1 Cathedral Piazza, 123 Victoria Street, London SW1E 5BP, United Kingdom	-	Commercial	Liquidated	Liquidated	100
Dries Van Noten (Shanghai) Commercial Trading Co., Ltd.	Room 302, No. 9 building, No 696 Wei Hai Road, Jing An , district, Shanghai, China	CNY	Commercial	100	70	70
Dries Van Noten Group NV	Godefriduskaai, 36, 2000 Antwerp, Belgium	EUR	Holding	100	70	70
DVN USA CORP	90, State Street, Suite 700, Office 40, 12207, Albany, New York, United States	USD	Commercial	100	70	70
Eric Buterbaugh Florals LLC	Corporation Trust Center, 1209 Orange Street, Willmington, Delaware 19801, United States	-	Commercial	Liquidated	71	71
Etablissement Thermales d'Uriage S.A.S.	40-52, boulevard du Pars 92200 Neuilly-sur-Seine / Establishment: 60 Place Déesse Hygie 38410 Saint-Martin-d'Uriage, France	EUR	Commercial	100	100	100
Het Modepaleis NV	Godefriduskaai, 36, 2000 Antwerp, Belgium	EUR	Commercial	100	70	70
Hôtel Restaurant les terrasses d'Uriage S.A.S.	Registered: 40-52, boulevard du Pars 92200 Neuilly-sur-Seine / Establishment: 60 Place Déesse Hygie 38410 Saint-Martin-d'Uriage, France	EUR	Commercial	100	100	100
Islestarr Holdings Limited	8 Surrey Street, London, WC2R 2ND, United Kingdom	GBP	Holding, Commercial	56	56	56

Jean Paul Gaultier, S.A.S.	325 Rue Saint Martin, 75003 Paris, France	EUR	Commercial	100	100	100
Kama Ayurveda Private Ltd	K3, Jungpura Extension, New Delhi – 110014, India	INR	Manufacturing, Commercial	85	85	49
L'Artisan Parfumeur S.A.R.L.	1 Rue Charles Tellier zone industrielle de Beaulieu 28000 Chartres, France	EUR	Commercial	100	100	100
Laboratoires Dermatologiques D'Uriage Belux S.P.R.L.	Boulevard International 55 boite D – 1070 Anderlecht, Belgium	EUR	Commercial	100	100	100
Laboratoires Dermatologiques D'Uriage Deutschland GmbH	Änderung zur Geschäftsanschrift Zirkusweg 2, 20359 Hamburg (Germany)	EUR	Commercial	100	100	100
Laboratoires Dermatologiques D'Uriage Espagne S.L.U.	Calle Cardenal Marcelo Spinola 4, 1º, 28016, Madrid, Spain	EUR	Commercial	100	100	100
Laboratoires Dermatologiques D'Uriage France S.A.S.	40-52, boulevard du Pars 92200 Neuilly-sur-Seine, France	EUR	Commercial	100	100	100
Laboratoires Dermatologiques D'Uriage Italie S.R.L	Via Maurizio Gonzaga n° 7 CAP 20123 Milano (Italia)	EUR	Commercial	100	100	100
Laboratoires Dermatologiques D'Uriage Portugal S.A.	Alameda dos Oceanos, Edifício Espace, Lote 1.06.1.4, Piso 3, Bloco A 1990-207 Lisbon, Portugal	EUR	Commercial	100	100	100
Laboratoires Dermatologiques D'Uriage Russie LLC	4, Yakimanskaya Naberezhnava, Building 1, 119180 Moscow, Russia	RUB	Commercial	100	100	100
Lendemain Distribution Inc.	630 5th Ave, 32nd Floor, New York, NY 10111, United Estates	USD	Commercial	100	100	100
Nina Ricci S.A.R.L.	39 Ave. Montaigne, 75008, Paris, France	EUR	Commercial	100	100	100
Nina Ricci USA, Inc	183 Madison Avenue, 19th Floor, New York 10016, United States	-	Commercial	Merged	Merged	100
Paco Rabanne, S.A.S.	17 Rue François 1er, 75008 Paris, France	EUR	Commercial	100	100	100
Penhaligon's Inc.	630 5th Ave, 32nd Floor, New York, NY 10111, United Estates	USD	Commercial	100	100	100
Penhaligon's Ltd.	1 Cathedral Piazza, 123 Victoria Street, London SW1E 5BP, United Kingdom	GBP	Commercial	100	100	100
Penhaligon's Taiwan Ltd.	11F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City 110, 3162027, Taiwan	TWD	Commercial	100	100	100
Penhaligon's (Singapore) Pte. Ltd.	80 Raffles Place, #25-01 UOB Plaza 1, 048624, Singapore	SGD	Commercial	100	100	100
Perfumes e Cosméticos Puig Portugal Distribuidora S.A.	Rua Castilho 71, 4º direito, 1250-068, Lisbon, Portugal	EUR	Commercial	100	100	100
Prado Investments Limited	280 Bishopsgate, London EC2M 4RB, London, England, UK	GBP	Holding	76	76	76
Puig (Hong Kong) Ltd (Penhaligon's Pacific Ltd.)	10/F, West Exchange Tower, 322 Des Voeux Road Central, Sheung Wan, Hong Kong	HKD	Commercial	100	100	100

Puig (Macau) Limited (Penhaligon's (Macau) Limited)	Av. de Praia Grande 371, Edificio Keng Ou, 22 andar A, Macau	MOP	Commercial	100	100	100
Puig (Shanghai) Business Trading Co., Ltd.	Room 4, 5 of 28/F (with physical floor at 24/F on property certificate), No. 1717, West Nanjing Road, Jing'an Dist, Shanghai, China	CNY	Commercial	100	100	100

Puig Arabia Limited (Al Farida International Beauty Ltd Co.) (*)	Real Building Sari Street, Al Zahra'a District P.O Box 2489, Jeddah 21451, Saudi Arabia	USD	Commercial	65	65	33
Puig Argentina S.A.	Calle Suipacha 1.111, 18º, C1008AAW, Buenos Aires, Argentina	ARS	Commercial	100	100	100
Puig Asia Pacific Pte Ltd.	80 Raffles Place, 17-20 UOB Plaza 2, 048624, Singapore	SGD	Commercial	100	100	100
Puig Belux, S.A.	Boulevard International 55D, 1070 Bruxelles, Belgium	EUR	Commercial	100	100	100
Puig Brands, S.A.	Plaza Europa 46-48, Hospitalet de Llobregat, Barcelona, Spain	EUR	Parent Company	100	100	100
Puig Brasil Comercializadora de Perfumes, S.A.	Avenida das Americas nº 3301,Bloque 03, Salas 202 E301 Barra da Tijuca, Rio de Janeiro, Brazil	BRL	Commercial	100	100	100
Puig Canada Inc.	2360 Bristol Circle, Suite 300, Oakville, Ontario L6H 6M5, Canada	CAD	Commercial	100	100	100
Puig Colombia S.A.S.	CR 7 NO. 97ª -13, Bogota D.C., Colombia	COP	Commercial	100	100	100
Puig Derma Trading (Shanghai) Co. Ltd.	2525 Wheelock Square, 25F Unit, 1717 West Nanjing Road, Jingan 200040, Shanghai, China	CNY	Commercial	100	100	100
Puig Deutschland, GmbH	Astraturm Zirkusweg 2 D-20359, Hamburg, Germany	EUR	Commercial	100	100	100
Puig Emirates LLC (*)	Dubai Design District FZ LLC, D3, Building 07, 2nd Floor, Dubai, UAE	USD	Commercial	65	65	-
Puig France S.A.S.	65-67 Av. des Champs Elysées 75008 Paris, France	EUR	Manufacturing, Commercial	100	100	100
Puig India Private Limited	3 Jangpura Extension, Commercial Complex, New Delhi, 110014, India	INR	Commercial	100	-	-
Puig International, S.A. (formerly Lesim)	Business Park Terre-Bonne, Bâtiment A4, Route de Crassier 17, 1262 Eysins, Switzerland	EUR	Holding, Commercial	100	100	100
Puig Italia, S.r.l.	Via San Prospero 1, 20123 Milan, Italy	EUR	Commercial	100	100	100
Puig Japan, K.K	6-12-18 Jingumae, Shibuya-Ku, Tokyo, 150-0001, Japan	JPY	Commercial	100	-	-
Puig Korea LLC	Unit 803, 191, Itaewon-ro, Yongsan-gu, Seoul, Korea	KRW	Commercial	100	-	-
Puig Malaysia Sdn. Bhd. (*)	Unit 30-01, level 30-01, tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	MYR	Commercial	51	51	51
Puig Mexico, S.A. de C.V.	Jaime Balmes 11, Torre C, Piso 3, Plaza Polanco, Los Morales, México Distrito General, Mexico	MXN	Commercial	100	100	100

Puig Middle East FZCO (*)	Registered office: Jebel Ali Free Zone and is P.O.Box 17640, Jebel Ali Free Zone, Dubai, UAE Branch office for correspondence purposes: Dubai Design District FZ LLC, D3-Building 07, 2nd Floor (Offices A202, A203, A204) , UAE	USD	Commercial	65	65	65
Puig Nederland B.V.	Polarisavenue 1-101. 2132 JH Hoofddorp, The Netherlands	EUR	Commercial	100	100	100
Puig North America, Inc.	630 5th Ave, 32nd Floor, New York, NY 10111, United Estates	USD	Commercial	100	100	100
Puig Oceania Pty. Ltd.	Suite 502, Level 5, 388 George Street, Sydney NSW 2000, Australia	AUD	Commercial	100	100	100
Puig Östrerreich, GmbH	Leopold Ungar Platz 2, Stiege 2/ 1. Stock, 1190, Viena, Austria	EUR	Commercial	100	100	100
Puig Panamá, S.A.	Edificio Scotia Plaza nº 18, Av. Federico Boyd y C/ 51, pisos 9, 10 y 11, Panama City, Panama	USD	Commercial	100	100	100
Puig Perú, S.A.	Avenida José Larco 1232 piso 9, Oficinas 9-101, 9-102, 9-103 y 9-105, 15074, Miraflores, Lima, Peru	PEN	Commercial	100	100	100
Puig Retail US, LLC	630 5th Ave, 32nd Floor, New York, NY 10111, USA	USD	Commercial	100	-	-
Puig Rus, LLC.	Russian Federation, 119180, Moscow Yakimanskaya naberezhnaya, 4, bld.1, Russia	RUB	Commercial	100	100	100
Puig South East Asia Pte. Ltd. (*)	12 Tai Seng Street, #05-01 Luxasia Building Singapore 534118, Singapore	SDG	Commercial	51	51	51
Puig Suisse, S.A.	Business Park Terre-Bonne, Bâtiment A4, Route de Crassier 17, 1262 Eysins, Switzerland	CHF	Commercial	100	100	100
Puig UK Ltd.	5th Floor, Russell Square House, 10-12 Russell Square London WC1B 5EH, United Kingdom	GBP	Commercial	100	100	100
Puig USA Inc.	630 5th Ave, 32nd Floor, New York, NY 10111, United Estates	USD	Commercial	100	100	100
Sodifer S.A.R.L.	3 Rue du Plâtre, 75004 Paris, France	EUR	Commercial	100	70	70
Van Noten Andries NV	Godefriduskaai, 36, 2000 Antwerp, Belgium	EUR	Holding, Commercial	100	70	70

(*) Subsidiaries with non-controlling interests recognized in the Consolidated balance sheet.

Equity method

Name of the consolidated subsidiary	Address (Country)	Functional currency	Activity	Percentage of ownership		
				2023	2022	2021
Beijing Yitian Shidai Trading Co, LLC	B111 Unit, 10-2 buildings first floor, N.94 Dongsi shitiao, Beijing, China	CNY	Commercial	15	15	15
Isdin, S.A.	Provençals 33, 08019 Barcelona, Spain	EUR	Commercial	50	50	50

Ponteland Distribuçao, S.A.	Rua Barao de Tefé, 34, 14º andar, Saúde, Rio de Janeiro, Brazil	BRL	Manufacturing Commercial	35	35	35
Sociedad Textil Lonia, S.A.	Parque Empresarial Pereiro de Aguiar, Ourense, Spain	EUR	Manufacturing Commercial	25	25	25

In 2023, 2022 and 2021 there are no non-consolidated companies.

ANNEX II –ENTITIES UNDER TAX CONSOLIDATION REGIME

The companies included under tax consolidation regime at December 31, 2023 are as follows:

Tax Parent Company	Name of the consolidated tax subsidiary	Country
Puig, S.L.	Puig Brands, S.A.	Spain
	Antonio Puig, S.A.U.	Spain
	Airparfum Timeless, S.L.U.	Spain
	Apivita Ventures, S.L.U.	Spain
	Laboratoires Dermatologiques D'Uriage Espagne S.L.U.	Spain
Puig France S.A.S.	Puig France S.A.S.	France
	Paco Rabanne, S.A.S.	France
	Nina Ricci S.A.R.L.	France
	Jean Paul Gaultier, S.A.S.	France
	L'Artisan Parfumeur S.A.R.L.	France
Aubelia S.A.S.	Aubelia S.A.S.	France
	Laboratoires Dermatologiques D'Uriage France S.A.S.	France
	Hôtel Restaurant les terrasses d'Uriage S.A.S.	France
	Etablissement Thermales d'Uriage S.A.S.	France
Puig UK Ltd.	Puig UK Ltd.	United Kingdom
	Prado Investments Limited	United Kingdom
	Penhaligon's Ltd.	United Kingdom
	Byredo UK Ltd.	United Kingdom
Charlotte Tilbury Limited	Charlotte Tilbury Limited	United Kingdom
	Islestarr Holdings Limited	United Kingdom
	Charlotte Tilbury TM Limited	United Kingdom
	Charlotte Tilbury Beauty Limited	United Kingdom
Puig North America, Inc.	Puig North America, Inc.	United States
	Puig USA Inc.	United States
	Carolina Herrera Ltd.	United States
	Penhaligon's Inc.	United States
	Lendemain Distribution Inc.	United States

ANNEX III – ALTERNATIVE PERFORMANCE MEASURES

Like-for-like Net revenues growth

Like-for-like Net revenues evolution reflects Puig's organic growth by adjusting net revenues for the impact of:

- Increases in scope/perimeter, by deducting from net revenues for the current year the amount of revenue generated over the months during which the acquired entities/brands were not consolidated in the prior year. For the avoidance of doubt, revenue generated by acquired entities/brands in the current year is included for the months when the acquired entities/brands were also consolidated in the prior year.

- Exchange rates fluctuations, calculated as the difference between current sales at current FX and current sales at previous year FX. This normalizes the impact from currency appreciation/depreciation compared to Euro to reflect the actual underlying performance of the company. This excludes the impact of high-inflation currencies (such as Argentine peso).

Like for Like growth is used to provide a more homogeneous measure of Net Revenues and to provide a better understanding of the performance of the business.

	2022	2023	Growth
Net revenues	3,619,603	4,304,067	18.9%
Net revenues related to Increases in scope/perimeter (*)		(88,605)	(2.4%)
Net revenues related exchange rate effect		82,070	2.3%
Like-for-like net revenues growth	**3,619,603**	**4,297,532**	**18.7%**

	2021	2022	Growth
Net revenues	2,585,012	3,619,603	40.0%
Net revenues related to Increases in scope/perimeter (*)		(113,402)	(4.4%)
Net revenues related exchange rate effect		(182,955)	(7.1%)
Like-for-like net revenues growth	**2,585,012**	**3,323,246**	**28.6%**

	2020	2021	Growth
Net revenues	1,537,283	2,585,012	68.2%
Net revenues related to Increases in scope/perimeter (*)		(370,064)	(24.1%)
Net revenues related exchange rate effect		3,227	0.2%
Like-for-like net revenues growth	**1,537,283**	**2,218,175**	**44.3%**

(*) Increase in scope in 2023 corresponds to the deduction of Net Revenues generated by Byredo, Kama and Loto during the months were those companies were not consolidated in 2022. Increase in scope in 2022 corresponds to the deduction of Net Revenues generated by Byredo, Kama and Loto since acquisition until year end 2022. Increase in scope in 2021 corresponds to the deduction of Net Revenues of Uriage, Apivita and Charlotte Tilbury during the months were those companies were not consolidated in 2020.

EBITDA

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization)) is an indicator that measures the group's operational profit before financial results, profit/(loss)) from associates and joint ventures, taxes, impairments and depreciation and amortization. It is calculated as the operational profit plus depreciation, amortization and impairment losses (only those impairments included in the operational profit).

This measure, although not specifically defined under IFRS, is often referred to and published by companies and is intended to facilitate analysis and comparability.

EBITDA reconciliation based on the Operational profit shown in the Consolidated Financial Statements for the years ended December 31, 2023, 2022 and 2021 is shown below:

(Thousand euros)	**2023**	**2022**	**2021**
Operational profit	679,206	492,967	386,529
Depreciation and impairment (Note 11)	169,704	144,953	106,524
EBITDA	**848,910**	**637,920**	**493,053**

EBITDA Margin

The EBITDA margin is calculated by dividing EBITDA by net revenues. The EBITDA margin measures how the group turns revenue into EBITDA.

(Thousand euros)	**2023**	**2022**	**2021**
EBITDA	848,910	637,920	493,053
Net revenues	4,304,067	3,619,603	2,585,012
EBITDA Margin	**19.72%**	**17.62%**	**19.07%**

Adjusted EBITDA

Adjusted EBITDA is the EBITDA adjusted by excluding restructuring expenses, acquisition-related expenses of material transactions, gains and losses from the sale of businesses or real estate, and certain non-operating items that are material to the consolidated financial statements.

Adjusted EBITDA provides the reader a view of the ongoing and recurrent EBITDA of the company.

Adjusted EBITDA reconciliation for the years ended December 31, 2023, 2022 and December 2021 is shown below:

(Thousand euros)	2023	2022	2021
EBITDA	**848,910**	**637,920**	**493,053**
Restructuring costs (Note 9)	1,342	8,720	-
Transaction costs (Note 9)	7,965	23,224	-
Others (Note 9)	4,457	11,584	(34,951)
Adjusted EBITDA	**862,674**	**681,448**	**458,102**

Adjusted EBITDA Margin

The EBITDA adjusted margin is calculated by dividing Adjusted EBITDA by Net revenues. The Adjusted EBITDA margin measures how the group turns revenue into EBITDA.

(Thousand euros)	2023	2022	2021
Adjusted EBITDA	862,674	681,448	458,102
Net revenues	4,304,067	3,619,603	2,585,012
EBITDA Margin	**20.04%**	**18.83%**	**17.72%**

Net Debt

Net debt is one of the indicators used by Management to measure the level of the Group's debt.

It includes current and non-current bank borrowings and other interest-bearing loans received, lease liability minus cash and cash equivalents, deposits, bonds and other marketable securities and, loans issued that are interest-bearing.

The reconciliation between the APM and the figures corresponding to the consolidated statement of financial position of December 31, 2023, 2022 and 2021 are shown below:

(Thousand euros)	2023	2022	2021
Non-current bank borrowings (Note 24)	1,788,846	1,662,311	826,606
Current bank borrowings (Note 24)	358,371	177,001	145,987
Lease liability (Note 16.2)	313,635	252,614	204,446
Loans issued to related parties and employees (Note 18 – 20)	(98,251)	(109,247)	(84,650)
Cash and cash equivalents (Note 21)	(852,901)	(710,050)	(692,659)
Net debt	**1,509,700**	**1,272,629**	**399,730**

Net financial Debt

Net financial debt is one of the indicators used by Management to measure the level of the Group's debt.

It includes current and non-current bank borrowings and other interest-bearing loans received minus cash and cash equivalents, deposits, bonds and other marketable securities and, loans issued that are interest-bearing.

The reconciliation between the APM and the figures corresponding to the consolidated statement of financial position of December 31, 2023, 2022 and 2021 are shown below:

(Thousand euros)	2023	2022	2021
Non-current bank borrowings (Note 24)	1,788,846	1,662,311	826,606
Current bank borrowings (Note 24)	358,371	177,001	145,987
Loans issued to related parties and employees (Note 18 – 20)	(98,251)	(109,247)	(84,650)
Cash and cash equivalents (Note 21)	(852,901)	(710,050)	(692,659)
Net financial debt	**1,196,065**	**1,020,015**	**195,284**

Adjusted Net Profit

Means our IFRS Net profit excluding non-recurring items.

Adjusted Net profit provides to the reader a view of the ongoing and recurring results of the company.

The reconciliation between the APM and the figures corresponding to the consolidated statement of financial position for the years ended December 31, 2023, 2022 and 2021 are shown below:

(Thousand euros)	2023	2022	2021
Net profit attributable to the Parent Company	**465,209**	**399,490**	**221,039**
Other operational income and expenses (Note 9)	13,764	43,528	(34,951)
Transaction costs (Note 12 and 17)	6,201	13,895	43,609
Impairments (Note 17)	-	10,591	-
Tax effect on adjusted items	(1,546)	(9,704)	8,738
Change of tax rate related to intangibles from business combinations	-	-	70,765
Minority interest on adjusted items	(6,091)	(8,379)	(40,809)
Adjusted Net profit attributable to the Parent Company	**477,537**	**449,421**	**268,391**

Adjusted Net Profit Margin

The Adjusted net profit margin is calculated by dividing Adjusted net profit by Net revenues.

(Thousand euros)	2023	2022	2021
Adjusted net profit attributable to the Parent Company	477,537	449,421	268,391
Net revenues	4,304,067	3,619,603	2,585,012
Adjusted net profit margin	**11.10%**	**12.42%**	**10.38%**

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