

Interim Management Statement | January – 31 March 2020

(3%)

LC SALES

(2%)

EURO SALES

€41.3m

ADJUSTED EBITDA

Important clarifying information

Following the de-listing of the Oriflame group from the Nasdaq Stockholm stock exchange in July 2019, the group structure was changed. Three companies were founded up to the parent company Oriflame Holding Limited (renamed from Walnut Midco Ltd). Until, and including, Q2'19, the consolidated financial information covers the group before the de-listing with Oriflame Swiss Holding AG as parent company and excludes the three entities from the new group.

From Q3'19 onwards, the consolidated financial information is based on group with Oriflame Holding Limited as parent company.

Consequently, the below table summarizes the scope of consolidation for the different periods covered in this interim management statement.

| Scope of consolidation | | | LTM 2020 | | | | |
|----------------------------------------------|-----------------------|-----------|----------|---------------|--------|--------|--------|
| Entities | Previous name | Prior '19 | Q1 '19 | Year end 2019 | | | Q1 '20 |
| | | | | Q2 '19 | Q3 '19 | Q4 '19 | |
| Oriflame Holding Limited ¹ | Walnut Midco Ltd | ● | ● | ● | ● | ● | ● |
| Oriflame Investment Holding Plc ¹ | Walnut Bidco Plc | ● | ● | ● | ● | ● | ● |
| Oriflame Holding AG ² | Walnut Switzerland AG | ● | ● | ● | ● | ● | ● |
| Oriflame Swiss Holding AG | | ● | ● | ● | ● | ● | ● |
| Oriflame Subsidiaries | | ● | ● | ● | ● | ● | ● |

● Included in the group consolidated reporting figures.

● Not included in the group reporting consolidated figures.

¹ the entity was renamed in April 2020 / ² the entity was renamed in September 2019

Three months ended 31 March 2020

"Adjusted" figures exclude non-recurring and purchase price allocation related items. For additional information refer to the alternative performance measures on page 10, to the condensed consolidated income statements on page 13 and to note 5 Purchase Price Allocation on page 19.

- Local currency sales decreased by 3% and Euro sales decreased by 2% to €302.8m (€309.2m).
- Adjusted EBITDA margin was 13.6% (14.4%) and adjusted EBITDA amounted to €41.3m (€44.5m).
- Adjusted operating margin was 10.5% (10.5%), favourably impacted by 20 bps from currencies, and adjusted operating profit was €31.7m (€32.5m).
- Adjusted net profit was €3.4m (€23.0m).
- Adjusted cash flow from operating activities was €-12.0m (€20.5m) and adjusted cash flow before financing activities was €8.6m (€14.5m).
- Cash and cash equivalents at the end of the period amounted to €209.4m.
- Total debt amounted to €940.1m, secured debt amounted to €880.7m and the Net Secured Debt ratio was 3.8.
- Update on Covid-19 impact: The end of the first quarter was significantly weaker with a sales decline in March of around 20 percent, and the start of the second quarter shows a similar trend due to lockdowns in some of Oriflame's major markets.

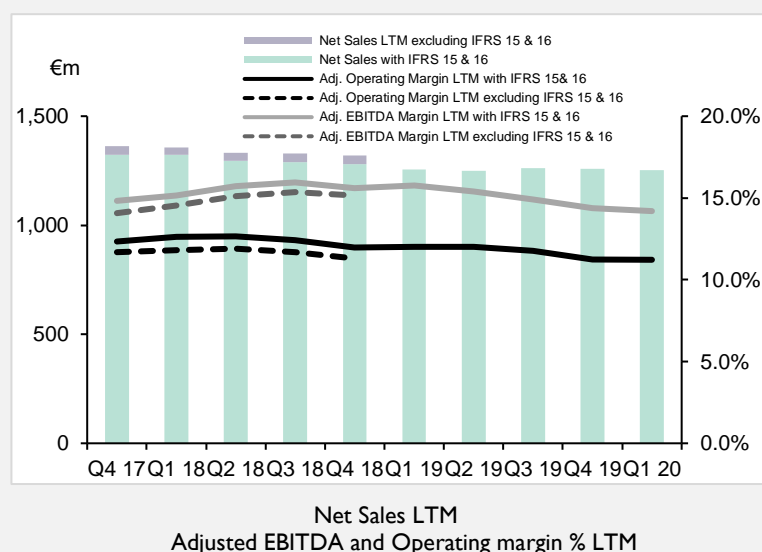
The covid-19 pandemic is impacting people and economies around the globe – including the Oriflame business. During the quarter our ability to conduct physical meetings and conferences was affected and we also faced challenges in parts of the supply chain. Under these circumstances I am of course pleased that we today offer our Independent Beauty Consultants a modern way of social selling, with 96 % of all orders being placed online. In addition, focusing on our strategic product categories has proven successful with Wellness showing the largest sales increase in the quarter. Despite these extraordinary times Oriflame reported a solid performance for the first quarter of the year. However, the end of the first quarter was significantly weaker with a sales decline in March of around 20 percent, and the start of the second quarter shows a similar trend due to lockdowns in some of our major markets. We are working hard on improving from these levels and have executed efficiency measures to adjust our cost base to this new environment. Based on the strengths of our geographical balance, strategic product focus, highly online business and proven ability to adapt to challenges, I remain positive that we will get through these challenging times delivering hope and value to our Independent Beauty Consultants and other stakeholders. The health of our people is our highest priority. We monitor the development closely focusing on maintaining a high supply chain level with reactivation initiatives along the way.

CEO Magnus Brännström



Key financial data

3 months ended 31 March



Simulation of IFRS 15 & 16 for 2016 and 2017 net sales LTM with negative impact of 3% on reported net sales, and 2016 and 2017 operating margin LTM with positive impact of 70 bps on reported operating margin (based on 2018 actual differences).

Financial summary

For comparative purpose, the financial information for the LTM and Year end 2019 periods are based on a different scope of consolidation as stated on the first page on the “important clarifying information”.

“Adjusted” figures exclude non-recurring and purchase price allocation related items. For additional information refer to the alternative performance measures on page 10, to the condensed consolidated income statements on page 13 and to note 5 Purchase Price Allocation on page 19.

| | 3 months ended 31 March | | | LTM | Year end | |
|--------------------------------------------|-------------------------|-------|----------|-----------------------|----------|----------|
| (€m) | 2020 | 2019 | Change % | April '19 – March '20 | 2019 | Change % |
| Sales | 302.8 | 309.2 | (2%) | 1,251.9 | 1,258.3 | (1%) |
| Adj. Gross margin, % | 66.5 | 68.0 | | 67.7 | 68.1 | |
| Adj. EBITDA | 41.3 | 44.5 | (7%) | 177.7 | 180.8 | (2%) |
| Adj. EBITDA margin, % | 13.6 | 14.4 | | 14.2 | 14.4 | |
| Adj. Operating profit | 31.7 | 32.5 | (2%) | 140.6 | 141.4 | (1%) |
| Adj. Operating margin, % | 10.5 | 10.5 | | 11.2 | 11.3 | |
| Adj. Net profit | 3.4 | 23.0 | (85%) | 46.7 | 66.3 | (30%) |
| Adj. Cash flow from operating activities | (12.0) | 20.5 | NA | 80.1 | 112.5 | (29%) |
| Adj. Cash flow before financing activities | 8.6 | 14.5 | (41%) | 103.8 | 109.7 | (6%) |
| Total debt | 940.1 | | | 940.1 | 841.0 | 12% |
| Secured debt | 880.7 | | | 880.7 | 773.2 | 14% |
| Net Secured Debt ratio | 3.8 | | | 3.8 | 3.5 | |

Oriflame in brief

Founded in 1967, Oriflame is a beauty company selling direct in more than 60 countries. Its wide portfolio of Swedish, nature-inspired, innovative beauty products is marketed through approximately 3 million Independent Beauty Consultants, generating annual sales of around €1.3 billion. Respect for people and nature underlies Oriflame's operating principles and is reflected in its social and environmental policies. Oriflame supports numerous charities worldwide and is a Co-founder of the World Childhood Foundation.



Operational and market update for the quarter

Q1 2020 impact from Covid-19

In December 2019 a new coronavirus was reported in China and on 11 March 2020 the Covid-19 outbreak was characterized as a pandemic by the World Health Organisation affecting people, businesses and economics around the globe. In many countries and areas, the authorities have imposed strict measures to reduce the spread of the virus. Some countries have slowly started to ease the restrictions to open up the markets again and at the same time stricter measures from authorities are still being implemented in other countries in other parts of the world.

Over the past ten years the digital transformation of the Oriflame business has resulted in the online social selling model the company has today, with 96% of its orders being placed online. The possibility to order online reduces the negative impact on the company's sales, when people due to the Covid-19 stay at home working, ordering and get deliveries shipped directly to their homes or a chosen location.

Oriflame has a geographically diversified sourcing and production base. The focus is to secure essential operational processes ensuring the supply of products to the Independent Beauty Consultants. The Chinese production facilities were closed down by authorities in February and were opened again shortly after the Chinese New Year holiday. Similar lock-down was implemented in India as well as for some other suppliers in primarily India and Italy in March. Also in India, the production has partly been reopened. In all its production facilities in India, Russia and Poland the company took strict hygienical measures to secure employees' safety as well as assure production continuity. The geographical footprint of the factories allows to mitigate production limitation risks, which are unlikely to happen simultaneously at the same time all over the world.

Oriflame has a solid product portfolio, with each category serving a specific purpose, focused on the fast-growing daily-use product categories, such as personal care and wellness. This allows the company to adapt to shifts in customer trends, regulatory environments and other exceptional challenges. During the first quarter the wellness category showed the largest increase in sales. It is noted that the consumer sentiment is weak in China and likely to impact rest of the world, which could benefit companies with strong offerings within daily-use product categories that are more necessity driven, for example toiletries and Personal Care.

Distribution of products to Independent Beauty Consultants has been disrupted during the quarter in several parts of the world due to implemented measures from authorities. Management is constantly monitoring the development and is planning for reactivation in line with recommendations in the different markets.

Global, regional and local conferences have been impacted by the Covid-19 situation, resulting in short term cost savings, although the company is negatively impacted on sales as these conferences are used to promote new product launches, new applications, new ways of working as well as an opportunity to motivate and engage the Independent Beauty Consultants.

During the quarter cost efficiency measures have been taken, including temporary leaves in some markets, to adapt to the lower sales levels and secure a solid financial position.

Key focus going forward is to continue to monitor the development and secure long term financial stability and

- Prioritize health and security among Oriflame personnel, Independent Beauty Consultants and other stakeholders
- Securing the operational and essential processes and thereby securing the supply of essential products to the Independent Beauty Consultants
- Continue to evaluate and implement cost efficiency measures
- Plan for sales reactivation in line with authorities' recommendations



CHALLENGES IN
SOME MAIN
MARKETS
CONTINUE,
FUELLED BY THE
SPREAD OF COVID-
19

Geographical mix

Oriflame reported decreased sales in the first quarter of 2020 primarily due to decrease of sales in Asia and Europe offset by positive results in the rest of the regions. The decline in EBITDA was driven by higher administrative expenses and a negative price/mix offset by lower expenses related to sales and marketing activities. The decline in operating cash flow was due to lower EBITDA and negative working capital impact. Around €13.4m working capital impact relates to non-recurring payment of costs related to the acquisition of the group in 2019. In addition, the company had non-recurring costs aimed to enhance efficiency and the financial performance of the group going forward. As a result of management resources optimization, Oriflame has made changes in its operational segmentation. Africa was separated from Europe and Turkey moved from Asia to Turkey & Africa region. As of the first quarter of 2020 Oriflame is reporting its geographical split as follows: Latin America, CIS, Europe, Turkey & Africa and Asia.

Latin America continued to grow well in the quarter driven by solid growth in the sales force. Peru was again the best performing market in the region. Activity was severely impacted by the Covid-19 measures in all markets towards the end of March.

CIS had another quarter with sales growth and strong margin expansion. The new market Uzbekistan continues to develop well supported by growth in the sales force. Azerbaijan, the best performing market in the region, continued to show very strong growth. As of end of March a sharp decline in orders was seen as the Covid-19 pandemic started to spread also in the main CIS markets.

After a good start of the quarter, sales in *Europe* declined following a sharp drop in activity and sales force towards the end of the quarter due to the Covid-19 impact.

For *Turkey & Africa* sales growth rates dropped in March after a strong start in the first two months of the quarter. Turkey was negatively impacted by both Covid-19 and the weakening Turkish Lira in March, but still closed the quarter with strong local currency sales growth.

In *Asia* challenging conditions persisted during the period with lower reported sales in all major markets as a result of lower sales force and activity levels. The results were negatively impacted by the Covid-19 pandemic throughout the quarter in China and towards the end of the quarter also in other major Asian markets.

Sustainability

The Oriflame Sustainability Report for 2019 was officially published on April 17. Last year was a successful one for Oriflame in terms of fulfilling commitments in the three strategic areas; Respecting the Environment, Creating Opportunities for Our Consultants and Showing Passion for Our People.

One of the greatest accomplishments in 2019 was reducing Oriflame's operations' climate impact by 48% in absolute terms since 2010. The company's sites were operated using 100% renewable electricity and climate-compensated for all the company's remaining emissions by contributing to the protection of six million trees and reforestation of half a million trees in India, Indonesia, China and Mexico. This means that Oriflame's own operations are 100% climate neutral.

Oriflame's international conferences are now also climate neutral. This was first achieved during the Gold Conference 2019 in Stockholm, where only certified venues and low-carbon transportation were used to provide the best experience for the consultants (Independent Beauty Consultants) – and compensated for the greenhouse gas emissions that could not be reduced.

When it comes to Oriflame's products, only sustainable certified palm oil is used for the production and all of the paper and packaging come from credible certified paper mills or recycled materials – a huge effort to fight deforestation. The company's factories also operate with zero waste being sent to landfill.

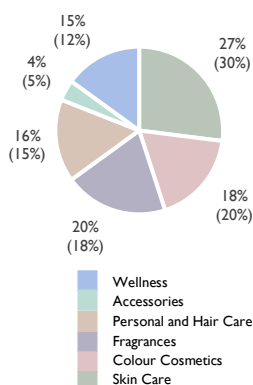
Oriflame continued to create opportunities for the Independent Beauty Consultants. During 2019, more than €350 million was distributed to the consultants in bonuses and other forms of recognition. In addition, 50 markets have implemented an e-learning platform and more than 167,000 courses were completed by the consultants during the year.

Overall, 76 nationalities are represented in Oriflame's globally with a good gender balance throughout the whole workforce including the Global Management Team and Board of Directors.

More information about the sustainability initiatives and KPI's, please see recently published sustainability report.



Product categories
Q1 2020 (Q1 2019)



Brand and Innovation

Despite the challenging environment a good flow of product launches continued in the first quarter, with Wellness showing the largest growth.

The main initiatives within *Skin Care* were *Optimals+ Hydra Comforting* and *Clear Brightening*, clean and safe formulas to keep skin looking healthy and hydrated. The *Essentials* brand was relaunched bringing basic skin care solutions to the masses.

In *Wellness* the *Wellness Prebiotic Fibre Drink* was launched which supports the daily fibre intake. *Prebiotic Fibre Drink* comes from six natural vegetable sources and provides two types of prebiotic fibres – inulin from chicory and FOS from sugar beet.

In *Colour Cosmetics* *The ONE Everlasting Sync*, the first-ever smart foundation with unique skin response technology, was launched. Within the *Giordani Gold* range the lipstick *Iconic Matte* was relaunched.

Within *Fragrances* a new brand, *Infinita Eau de Parfum*, to celebrate women's true beauty was launched developed by two of the best French perfumers from Grasse. In addition, *Joyce Eau de Toilette* was launched delivering a quality feel at good value.

In *Personal and Hair Care*, *North For Men SUBZERO*, a new collection of men's grooming products was launched as well as the styling range *Hair X StyleSmart*.

Within *Accessories* the *Fashion Accessories Spring Collection* and *Spring Gifts Collection* were introduced. In beauty tools the *Hybrid Foundation Applicator* was launched to be featured with *The ONE Everlasting Sync* foundation.

Online

During the first quarter mobile use was 79% (73%) of total sessions on Oriflame's websites and orders placed using mobile devices were 56% (47%). 96% of the company's global orders were placed online. The total share of orders processed through the Oriflame app was 33%.

A major highlight for the first quarter was the launch of the Mobile Office in three markets, and completed preparations for further rollout in key markets. The Mobile Office is a set of module-based features supporting consultants through step-by-step instructions. After the on-boarding period consultants are enabled to monitor and grow their business through a set of purpose-driven modules.

Key activities also included implementation of a website module identifying relevant offers featured in the catalogue and featuring those prominently in the checkout process. With results above expectations the rollout was prioritized to cover major markets. An ingredient library was released and rolled out, extending product information on Oriflame's websites in an integrated and consistent way. Work also continued with the Oriflame app, and also to release several features in the Business app, mainly supporting top leaders globally.

App users:

| | |
|--------------|--------------------------------|
| Oriflame app | 1,050,000 Monthly Active Users |
| Business app | 468,000 Monthly Active Users |

Service, Manufacturing and Other

Overall units produced dropped during the first quarter versus prior year leading to an unfavourable impact on the capacity utilization in manufacturing. The biggest decrease was seen in February in the Chinese factories, partially related to Covid-19. At the same time external clients brought 30% more units than prior year. A restructuring process has started with the aim of adjusting the organization to a potential decrease of production orders due to the Covid-19 situation. During the quarter the Cetes' digital transformation implementation phase started with very promising efficiency opportunities.



Three months ended 31 March 2020

For comparative purpose, the financial information for the period Q1'19 is based on a different scope of consolidation as stated on the first page on the "important clarifying information".

"Adjusted" figures exclude non-recurring and purchase price allocation related items. For additional information refer to the alternative performance measures on page 10, to the condensed consolidated income statements on page 13 and to note 5 Purchase Price Allocation on page 19.



DECLINE IN ASIA
AND EUROPE WHILE
INCREASE IN OTHER
REGIONS

Sales

Sales for the three months ended March 31, 2020 decreased by 2%, or €6.4 million, to €302.8 million compared with €309.2 million for the same period in 2019. The decrease in sales was mainly due to Asia and Europe offset by positive development in Latin America, Turkey & Africa and CIS.

Local currency sales decreased by almost 3%, with slightly positive productivity development and the number of Independent Beauty Consultants in the quarter remained stable at 2.8m (2.9m). Unit sales decreased by 9% and the price/mix effect was positive 6%.

Local currency sales increased by 6% in both Latin America and Turkey & Africa and by 8% in CIS, while Europe decreased by 7 % and Asia by 14%.

Costs and expenses

Adjusted cost of sales (33.5% of sales compared to 32.0% last year)

Adjusted cost of sales increased slightly by €2.6m to €101.5m for the three months ended March 31, 2020 from €98.9m for the same period 2019, impacted in relative terms by the price mix as well as driven partly by the geographical mix and deleverage of fixed costs related to global inventory management. Including the purchase price allocation related item of €13.5m, the cost of sales increased by €16.1m to €114.9m representing 38% of sales.

Selling and marketing expenses (31.4% of sales compared to 33.4% last year)

Selling and marketing expenses decreased by 8%, or €8.3m, to €95.0m for the three months ended March 31, 2020 from €103.2m for the same period 2019. This decrease was primarily due to the change in geographical mix, lower plan recognition, cash awards, conference and marketing costs.

Distribution and infrastructure expenses (2.6% of sales compared to 2.5% last year)

Distribution and infrastructure expenses slightly increased by 1%, or €0.1m, to €7.8m for the three months ended March 31, 2020 from €7.7m for the same period 2019. The minor increase in percentage of sales is mainly due to the fixed costs in the large distribution centers which have a larger contribution compared to the decreased sales.

Adjusted Administrative expenses (22.1% of sales compared to 21.6% last year)

Administrative expenses increased by 17%, or €11.7m, to €78.5m for the three months ended March 31, 2020 from €66.8m for the same period 2019 due to the restructuring costs of €8.2m and purchase price allocation (PPA) related items of €3.5m.

On a comparable basis, excluding restructuring costs and PPA related items totalling €11.7m, the adjusted administrative expenses were stable at €66.8m compared to prior year representing a slight increase of 50 bps from 21.6% to 22.1% of sales.

Net financing costs (7.5% of sales compared to 0.3% last year)

Net financing costs increased by €21.6m, to €22.6m for the three months ended March 31, 2020 from €1.0m for the same period 2019. Compared to prior year, this movement is explained by the increase in the net interest expense of €15.7m coming from both the increase of the debt and of the interest rate and a negative impact on foreign exchange of €6.9m.

Adjusted Income tax expenses (€6.1m compared to €8.5m last year)

On a comparable basis, excluding non-recurring and PPA impact the tax expenses are lower than the same quarter a year ago due to decreased profitability and lower withholding tax on intragroup dividends. The effective tax rate of the group increased significantly due to the new financing set up, however the underlying tax rate is decreasing.





Adjusted EBITDA

For comparative purpose, the financial information for the period Q1' 19 is based on a different scope of consolidation as stated on the first page on the "important clarifying information".

"Adjusted" figures exclude non-recurring and purchase price allocation related items. For additional information refer to the alternative performance measures on page 10, to the condensed consolidated income statements on page 13 and to note 5 Purchase Price Allocation on page 19.

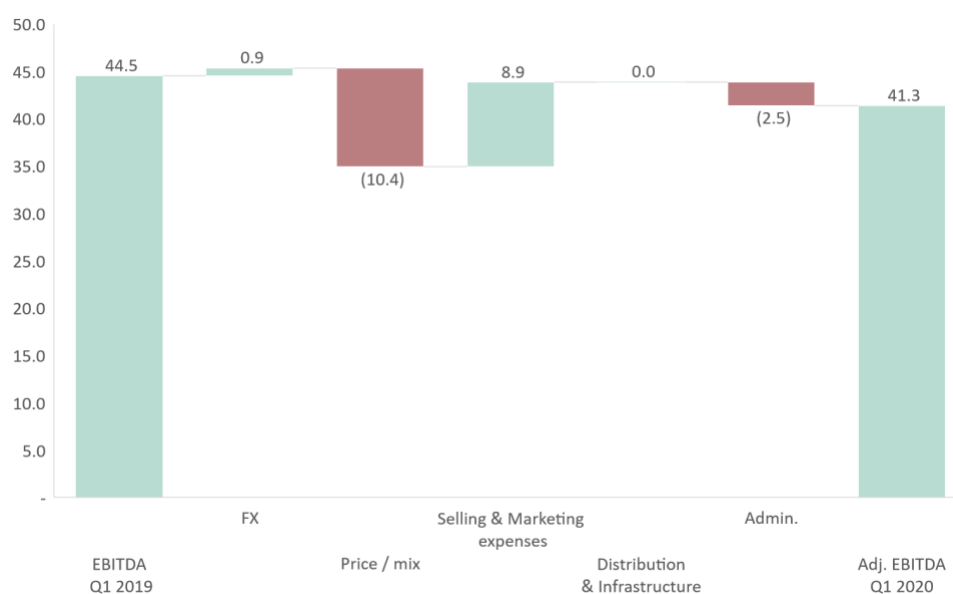
Adjusted EBITDA decreased by 7%, or €3.2m, to €41.3m for the three months ended March 31, 2020 from €44.5m for the same period 2019, negatively impacted by price/mix impact and higher administrative costs, partly offset by favourable FX and lower selling and marketing expenses. The adjusted EBITDA margin was 13.6% compared to 14.4%.



€41.3m

ADJUSTED EBITDA

ADJUSTED EBITDA VS. PRIOR YEAR (€m)





Cash flow and investments

For comparative purpose, the financial information for the “3 months ended 31 March 2019”, “LTM” and “Year end 2019” periods are based on a different scope of consolidation as stated on the first page on the “important clarifying information”.

“Adjusted” figures exclude non-recurring and purchase price allocation related items. For additional information refer to the alternative performance measures on page 10, to the condensed consolidated income statements on page 13 and to note 5 Purchase Price Allocation on page 19.

Cash flow from/used in operating activities

Adjusted cash flow used in operating activities was €-12.0m in the three months period ended March 31, 2020 compared to €20.5m in the same period 2019. The decrease was primarily due to higher interest paid and negative timing of working capital, especially in decrease of trade and other payables partially offset by a positive seasonal impact on inventories decrease.

Cash flow used in investing activities

Cash flow used in investing activities for the three months ended March 31, 2020 was €1.9m, compared to €3.0m in the same period 2019. The decrease from previously low levels was due to lower purchases of fixed assets.

Cash flow from/used in financing activities

Cash flow from financing activities for the three months ended March 31, 2020 was €95.9m, compared to €-28.2m for the same period 2019. The positive impact during the first quarter 2020 was due to the revolving credit facility draw down by €100m and no dividend payment compared to a dividend payment of €22.6m during the same period in 2019.

Cash flow before financing activities

Adjusted cash flow before financing activities for the three months ended March 31, 2020 was €8.6m, compared to €14.5m for the same period 2019. The decrease was primarily due to negative impact from net working capital on decrease of trade and other payables offset by a positive seasonal impact on inventories decrease.

The following table illustrates the company's cash flow before financing activities for the period.

| | 3 months ended 31 March | | LTM April '19 – March '20 | Year end 2019 |
|---------------------------------------------------|----------------------------|-------------|---------------------------------|------------------|
| €m | 2020 | 2019 | | |
| Adj. Cash flow from operating activities | (12.0) | 20.5 | 80.1 | 112.5 |
| Excluding Interest received | (0.4) | (2.6) | (8.0) | (10.2) |
| Excluding Interest and bank charges paid | 27.3 | 4.6 | 67.4 | 44.8 |
| Cash flow used in investing activities | (1.9) | (3.0) | (14.7) | (15.8) |
| Payment of lease liabilities | (4.4) | (5.1) | (21.0) | (21.6) |
| Adj. Cash flow before financing activities | 8.6 | 14.5 | 103.8 | 109.7 |



€8.6m

ADJ. CASH FLOW
BEFORE FINANCING
ACTIVITIES



Funding and financial position

Oriflame's long-term debt as of March 31, 2020 consists of Senior Secured Notes of €780.7m due 2024 with an average interest rate of around 6.6%. The company also has a Revolving Credit Facility (RCF) of €100m with interest in EURIBOR +200 bps to 300 bps depending on leverage. In March the company drew down the full amount of the RCF as a risk mitigation step, which explains the higher than usual cash equivalents amount at the end of the period of €209.4m. The current corporate credit rating is BI from Moody's, B from Fitch and S&P. The company was in compliance with all of its covenants related to the outstanding debt as of March 31, 2020.



3.8

NET SECURED
DEBT RATIO

| | € Note | \$ Note | Revolving Facility |
|-------------------------------|--------|---------|----------------------|
| Total amount | €475m | \$335m | €100m |
| Interest rate | 6.750% | 9.125%* | EURIBOR +200-300 bps |
| Due | 2024 | 2024 | 2024 |
| Drawing as per 31 March, 2020 | | | €100m |

* Swapped € interest rate 6.450%

As of March 31, 2020, total debt amounted to €940.1m, secured debt amounted to €880.7m, net secured debt amounted to €671.3m and the Net Secured Debt ratio was 3.8.

Dividend

The company will not pay any dividend in 2020.

Financial calendar for 2020

The second quarter 2020 report will be published on 13 August 2020

The third quarter 2020 report will be published on 6 November 2020

Other

Conference call for the financial community

The company will host a conference call on Wednesday, 13 May 2020 at 15.00 CEST.

Participant access numbers:

Denmark: +45 781 501 08

Finland: +358 981 710 521

Sweden: +46 8 505 583 73

UK: +44 333 300 9260

US: 1 844 625 1570

The conference call will also be audio web cast in "listen-only" mode through Oriflame's website: www.oriflame.com or through the following link <https://oriflame-ir.creo.se/200513>

This report has not been audited by the company's auditors.

For further information, please contact:

Magnus Brännström, Chief Executive Officer

Gabriel Bennet, Chief Financial Officer

Vanessa Wendle, IR@oriflame.com

Tel: +41 798 263 754

Tel: +41 798 263 769

Tel: +41 799 220 173



Alternative Performance Measures (APMs)

Alternative Performance Measures represent key metrics to provide supplemental information which are used to help both investors and management to analyse trends and performance of Group's operations. Since not all companies calculate the same financial performance indicators, these are not always comparable to the APMs of other companies. Therefore, these financial performance measures should not be considered as a substitute for ratios defined in IFRS, but rather as an addition.

For calculations of the APMs used by Oriflame, please visit:

<https://investors.oriflame.com/en/alternative-performance-measures>

Definitions

Adjusted gross profit

Gross profit excluding purchase price allocation items.

Adjusted operating profit

Operating profit excluding non-recurring items and purchase price allocation items.

Adjusted net profit

Net profit excluding non-recurring items and purchase price allocation items.

EBITDA

Operating profit before financial items, taxes, depreciation, amortisation and share incentive plan.

Adjusted EBITDA

Operating profit before financial items, taxes, depreciation and amortisation and equity-settled share-based incentive plan, excluding non-recurring items and purchase price allocation items.

Total debt

Non-current and current interest-bearings loans excluding front end fees, bank overdraft and lease liabilities.

Secured Debt

Non-current and current interest-bearings loans secured by a Lien, excluding front end fees (Senior Secured Notes and Revolving Credit facility).

Net Secured Debt ratio

Secured Debt less cash and cash equivalents divided by Adjusted EBITDA.

Cash flow before financing activities

Cash flow from operating activities excluding interest received and interest and bank charges paid less cash flow used in investing activities and payment of lease liabilities.



Quarterly Figures

For comparative purpose, the financial information prior to the Q3'19 report are based on a different scope of consolidation as stated on the first page of the interim management statement on the "important clarifying information".

"Adjusted" figures exclude non-recurring and purchase price allocation related items. For additional information refer to the alternative performance measures on page 10, to the condensed consolidated income statements on page 13 and to note 5 Purchase Price Allocation on page 19.

The reportable segments have changed from 1st January 2020 to reflect the new Global Business Area structure. From this date, the new reportable segments consist of the five following Global Business Areas: Latin America, Europe, CIS, Turkey & Africa and Asia.

Below figures for Europe, Turkey & Africa and Asia were restated accordingly for comparative purpose.

| Financial summary | Q4'18 | Q1'19 | Q2'19 | Q3'19 | Q4'19 | Q1'20 |
|---------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales, €m | 359.3 | 309.2 | 303.0 | 288.9 | 357.2 | 302.8 |
| Adj. Gross margin, % | 66.6 | 68.0 | 69.6 | 68.9 | 66.3 | 66.5 |
| Adj. EBITDA | 59.0 | 44.5 | 46.5 | 37.9 | 52.0 | 41.3 |
| Adj. EBITDA margin, % | 16.4 | 14.4 | 15.3 | 13.1 | 14.6 | 13.6 |
| Adj. Operating profit | 50.8 | 32.5 | 37.7 | 27.4 | 43.7 | 31.7 |
| Adj. Operating margin, % | 14.1 | 10.5 | 12.4 | 9.5 | 12.2 | 10.5 |
| Adj. Net profit, €m | 32.4 | 23.0 | 24.8 | 3.1 | 15.4 | 3.4 |
| Adj. Cash flow from op. activities, €m | 60.6 | 20.5 | 17.6 | 0.8 | 73.6 | (12.0) |
| Adj. Cash flow before financing activities | | | 21.3 | 7.7 | 66.2 | 8.6 |
| Cash and cash equivalents | | | | 149.5 | 143.5 | 209.4 |
| Total debt | | | | 899.9 | 844.4 | 940.1 |
| Secured debt | | | | 822.6 | 773.2 | 880.7 |
| Net Secured Debt ratio | | | | 3.6 | 3.5 | 3.8 |
| Sales, €m | Q4'18 | Q1'19 | Q2'19 | Q3'19 | Q4'19 | Q1'20 |
| Latin America | 44.4 | 37.3 | 41.6 | 46.0 | 48.0 | 38.8 |
| Europe | 76.9 | 61.7 | 56.9 | 55.0 | 74.8 | 57.2 |
| CIS | 87.7 | 79.0 | 77.0 | 68.9 | 96.6 | 87.7 |
| Asia | 118.0 | 97.5 | 95.5 | 90.9 | 98.8 | 84.5 |
| Turkey & Africa | 27.6 | 27.7 | 28.2 | 25.3 | 32.1 | 28.8 |
| Manufacturing | 2.7 | 4.6 | 1.9 | 0.8 | 5.3 | 3.9 |
| Other | 2.0 | 1.4 | 1.9 | 2.0 | 1.6 | 1.9 |
| Oriflame | 359.3 | 309.2 | 303.0 | 288.9 | 357.2 | 302.8 |
| Adjusted operating Profit, €m | Q4'18 | Q1'19 | Q2'19 | Q3'19 | Q4'19 | Q1'20 |
| Latin America | 5.4 | 3.2 | 3.1 | 5.7 | 5.3 | 2.1 |
| Europe | 12.4 | 8.2 | 5.9 | 5.6 | 11.7 | 7.6 |
| CIS | 10.9 | 8.9 | 13.2 | 9.6 | 16.5 | 16.9 |
| Asia | 30.2 | 21.9 | 14.8 | 13.1 | 23.6 | 15.1 |
| Turkey & Africa | 6.5 | 4.6 | 5.1 | 4.6 | 5.4 | 5.5 |
| Manufacturing | (0.7) | 1.6 | 2.3 | 3.0 | 2.7 | 1.3 |
| Other | (14.0) | (15.9) | (6.7) | (14.2) | (21.4) | (16.8) |
| Oriflame | 50.8 | 32.5 | 37.7 | 27.5 | 43.7 | 31.7 |
| Independent Beauty Consultants, '000 | Q4'18 | Q1'19 | Q2'19 | Q3'19 | Q4'19 | Q1'20 |
| Latin America | 306 | 286 | 297 | 357 | 341 | 299 |
| Europe | 565 | 525 | 495 | 478 | 550 | 494 |
| CIS | 966 | 912 | 782 | 766 | 972 | 936 |
| Asia | 890 | 790 | 728 | 775 | 744 | 702 |
| Turkey & Africa | 379 | 373 | 339 | 300 | 365 | 333 |
| Oriflame | 3,105 | 2,886 | 2,640 | 2,677 | 2,971 | 2,764 |



| Adjusted operating margin, % | Q4'18 | Q1'19 | Q2'19 | Q3'19 | Q4'19 | Q1'20 |
|----------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Latin America | 12.2 | 8.5 | 7.7 | 12.4 | 11.1 | 5.5 |
| Europe | 16.2 | 13.2 | 10.3 | 10.2 | 15.6 | 13.2 |
| CIS | 12.4 | 11.3 | 17.2 | 13.9 | 17.0 | 19.3 |
| Asia | 25.6 | 22.5 | 15.5 | 14.4 | 23.9 | 17.9 |
| Turkey & Africa | 23.5 | 16.5 | 18.0 | 18.1 | 16.7 | 19.1 |
| Oriflame | 14.1 | 10.5 | 12.4 | 9.5 | 11.9 | 10.5 |
| € Sales growth in % | Q4'18 | Q1'19 | Q2'19 | Q3'19 | Q4'19 | Q1'20 |
| Latin America | 8 | 10 | 17 | 23 | 8 | 4 |
| Europe | 3 | (1) | (3) | (3) | (3) | (7) |
| CIS | (7) | (4) | 8 | 11 | 10 | 11 |
| Asia | (12) | (14) | (14) | (7) | (16) | (13) |
| Turkey & Africa | (17) | (12) | (6) | 13 | 17 | 4 |
| Oriflame | (5) | (7) | (2) | 3 | (1) | (2) |
| Cash flow, €m | Q4'18 | Q1'19 | Q2'19 | Q3'19 | Q4'19 | Q1'20 |
| Adj. cash flow from/(used in) operating activities | 60.6 | 20.5 | 17.6 | 13.2 | 73.6 | (12.0) |
| Cash flow used in investing activities | (3.4) | (3.0) | (5.7) | (4.1) | (3.0) | (1.9) |



Condensed consolidated income statements

For comparative purpose, the financial information for the “3 months ended 31 March 2019” period is based on a different scope of consolidation as stated on the first page on the “important clarifying information”.

| €'000 | 3 months ended 31 March | | | | 2019 |
|----------------------------------------------------------------------|----------------------------|-------------------------|--------------------------------------|------------------|----------------|
| | 2020 | Non-recurring items* | Purchase Price Allocation items** | Adjusted 2020 | |
| Sales | 302,816 | | | 302,816 | 309,179 |
| Cost of Sales | (114,940) | | 13,474 | (101,466) | (98,853) |
| Gross profit | 187,876 | | 13,474 | 201,350 | 210,326 |
| Selling and marketing expenses | (94,977) | | | (94,977) | (103,248) |
| Distribution and Infrastructure | (7,780) | | | (7,780) | (7,727) |
| Administrative expenses | (78,499) | 8,157 | 3,498 | (66,844) | (68,812) |
| Operating profit | 6,620 | 8,157 | 16,972 | 31,749 | 32,539 |
| Financial income | 16,743 | | | 16,743 | 7,674 |
| Financial expenses | (39,360) | | 340 | (39,020) | (8,645) |
| Net financing costs | (22,616) | | 340 | (22,276) | (971) |
| Net profit / (loss) before tax | (15,996) | 8,157 | 17,311 | 9,472 | 31,568 |
| Total income tax expense | (421) | (1,634) | (4,037) | (6,092) | (8,530) |
| Net profit / (loss) attributable to owners of the Company | (16,417) | 6,523 | 13,274 | 3,381 | 23,038 |

* Non-recurring items cover restructuring costs (refer to note 3 for additional information).

** Purchase Price Allocation items cover the income statement impact from the purchase price allocation on the business combination. These elements are excluded to normalise the performance of the group (refer to note 5 for additional information).



Condensed consolidated statements of comprehensive income

For comparative purpose, the financial information for the “3 months ended 31 March 2019” period is based on a different scope of consolidation as stated on the first page on the “important clarifying information”.

| €'000 | 3 months ended 31 March | |
|----------------------------------------------------------------------------------------|----------------------------|---------------|
| | 2020 | 2019 |
| Net profit / (loss) attributable to owners of the Company | (16,417) | 23,038 |
| Other comprehensive income | | |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | |
| Remeasurements of net defined liability, net of tax | - | - |
| Total items that will not be reclassified subsequently to profit or loss | - | - |
| <i>Items that are or may be reclassified subsequently to profit or loss:</i> | | |
| Foreign currency translation differences for foreign operations | (25,028) | 11,731 |
| Effective portion of changes in fair value of cash flow hedges, net of tax | 26,849 | (1,025) |
| Total items that are or may be reclassified subsequently to profit or loss | 1,821 | 10,706 |
| Other comprehensive income for the period, net of tax | 1,821 | 10,706 |
| Total comprehensive income for the period attributable to owners of the Company | (14,596) | 33,744 |



Condensed consolidated statements of financial position

| €'000 | | 31 March, 2020 | 31 December, 2019 |
|---------------------------------------------------------------|---|-------------------|----------------------|
| Assets | | | |
| Property, plant and equipment | | 121,971 | 143,385 |
| Right-of-use assets | 5 | 57,938 | 66,781 |
| Intangible assets | 5 | 594,704 | 598,570 |
| Goodwill | 5 | 279,158 | 279,158 |
| Investment property | | 542 | 542 |
| Deferred tax assets | 5 | 34,030 | 34,224 |
| Other long-term receivables | | 134 | 134 |
| Total non-current assets | | 1,088,475 | 1,122,793 |
| Inventories | | 147,440 | 191,165 |
| Trade and other receivables | | 58,338 | 75,524 |
| Tax receivables | | 18,462 | 18,280 |
| Prepaid expenses | | 18,450 | 14,965 |
| Derivative financial assets | | 41,813 | 10,404 |
| Cash and cash equivalents | | 209,447 | 143,474 |
| Total current assets | | 493,950 | 453,811 |
| Total assets | | 1,582,425 | 1,576,604 |
| Equity | | | |
| Share capital | | 653,081 | 653,081 |
| Reserves | | 9,120 | 7,300 |
| Retained earnings | | (301,789) | (285,372) |
| Total equity attributable to the owners of the company | | 360,412 | 375,008 |
| Liabilities | | | |
| Interest-bearing loans | 4 | 753,597 | 744,686 |
| Employee Benefits | | 15,919 | 16,141 |
| Lease liabilities | 5 | 41,299 | 48,156 |
| Other long-term liabilities | | 1,030 | 1,064 |
| Deferred income | | 217 | 222 |
| Deferred tax liabilities | 5 | 62,711 | 64,284 |
| Total non-current liabilities | | 874,772 | 874,553 |
| Current portion of interest-bearing loans | 4 | 100,000 | - |
| Lease liabilities | | 18,113 | 19,614 |
| Trade and other payables | | 86,015 | 129,938 |
| Contract liabilities | | 11,226 | 14,242 |
| Tax payables | | 14,718 | 18,361 |
| Accrued expenses | | 99,976 | 122,403 |
| Derivative financial liabilities | | 4,667 | 11,241 |
| Employee benefits | | - | 2,920 |
| Provisions | 3 | 12,525 | 8,322 |
| Total current liabilities | | 347,241 | 327,042 |
| Total liabilities | | 1,222,013 | 1,201,596 |
| Total equity and liabilities | | 1,582,425 | 1,576,604 |



Condensed consolidated statements of changes in equity

| €'000 | Share capital | Reserves | Retained earnings | Total Equity |
|--------------------------------------------------|----------------|--------------|-------------------|-----------------|
| At 1 January 2020 | 653,081 | 7,300 | (285,372) | 375,008 |
| Net loss | - | - | (16,417) | (16,417) |
| Other comprehensive income, net of tax | - | 1,821 | - | 1,821 |
| Total comprehensive income for the period | - | 1,821 | - | (14,596) |
| At 31 March 2020 | 653,081 | 9,120 | (301,789) | 360,412 |



Condensed consolidated statements of cash flows

For comparative purpose, the financial information for the “3 months ended 31 March 2019” period is based on a different scope of consolidation as stated on the first page on the “important clarifying information”.

| €'000 | 3 months ended 31 March | | | | 2019 |
|---------------------------------------------------------------------------------------------------------|-------------------------|---------------------|---------------------------------|-----------------|-----------------|
| | | Non-recurring items | Purchase Price allocation items | Adjusted | |
| Operating activities | | | | | |
| Net profit / (loss) before income tax | (15,996) | 8,157 | 17,311 | 9,472 | 31,568 |
| Adjustments for: | | | | | |
| Depreciation of property, plant and equipment and right-of-use assets | 9,431 | | (43) | 9,388 | 9,902 |
| Amortisation of intangible assets | 3,754 | | (3,455) | 299 | 400 |
| Change in fair value of borrowings and derivatives financial instruments | (4,138) | | | (4,138) | 838 |
| Deferred income | (2,661) | | | (2,661) | (1,264) |
| Impairment | 112 | (112) | | - | - |
| Share incentive plan | - | | | - | 1,622 |
| Unrealised exchange rate differences | 10,401 | | | 10,401 | (4,613) |
| Profit on disposal of property, plant and equipment, intangible assets, leased assets | (185) | | | (185) | (1,189) |
| Financial income | (7,519) | | | (7,519) | (2,712) |
| Financial expenses | 23,231 | | (340) | 22,891 | 5,406 |
| | 16,429 | 8,045 | 13,474 | 37,948 | 39,958 |
| Increase in trade and other receivables, prepaid expenses and derivative financial assets | (4,139) | | | (4,139) | (11,839) |
| Decrease in inventories | 29,869 | | (13,474) | 16,395 | 3,575 |
| Increase/(decrease) in trade and other payables, accrued expenses and derivatives financial liabilities | (39,505) | 13,395 | | (26,111) | 2,217 |
| Increase in provisions | 4,463 | (3,847) | | 616 | 570 |
| Cash generated from operations | 7,117 | 17,593 | - | 24,710 | 34,481 |
| Interest received | 397 | | | 397 | 2,571 |
| Interest and bank charges paid | (27,250) | | 340 | (26,910) | (4,601) |
| Income taxes paid | (10,150) | | | (10,150) | (11,954) |
| Cash flow from / (used in) operating activities | (29,886) | 17,593 | 340 | (11,953) | 20,497 |
| Investing activities | | | | | |
| Proceeds on sale of property, plant and equipment, intangible assets | 17 | | | 17 | 400 |
| Purchases of property, plant, equipment | (1,945) | | | (1,945) | (3,397) |
| Purchases of intangible assets | (20) | | | (20) | (8) |
| Cash flow used in investing activities | (1,948) | - | - | (1,948) | (3,005) |
| Financing activities | | | | | |
| Proceeds from borrowings | 100,000 | | | 100,000 | - |
| Acquisition of own shares | - | | | - | (1,583) |
| Decrease of finance lease liabilities | (4,040) | | (340) | (4,380) | (5,062) |
| Dividends paid | (52) | | | (52) | (22,553) |
| Cash flow from / (used in) financing activities | 95,908 | - | (340) | 95,568 | (29,198) |
| Change in cash and cash equivalents | 64,075 | 17,593 | - | 81,668 | (11,706) |
| Cash and cash equivalents at the beginning of the period net of bank overdrafts | 143,474 | - | - | 143,474 | 178,075 |
| Effect of exchange rate fluctuations on cash held | 1,898 | - | - | 1,898 | 5,160 |
| Cash and cash equivalents at the end of the period, net of bank overdrafts | 209,447 | 17,593 | - | 227,039* | 171,529 |

* Represents the cash that Oriflame would have had without the non-recurring items at the end of the period.



Notes to the condensed consolidated financial statements of Oriflame Holding Limited

Note 1 • Status and principal activity

Oriflame Holding Limited (the “Company”) – renamed from Walnut Midco Ltd in April 2020 – is a holding company incorporated under the laws of Jersey on 20 May 2019 with a registration number 129092 and registered office address of 47 Esplanade, St Helier, Jersey JE1 OBD. The principal activity of the Company’s subsidiaries is the direct sale of cosmetics. The condensed consolidated financial statements of the Company as at and for the three months ended 31 March 2020 comprise the Company and its subsidiaries (together referred to as the “Group”).

Note 2 • Basis of preparation and summary of significant accounting policies

Statement of compliance

The condensed consolidated financial statements for the three months period ended 31 March 2020 have been prepared by management in accordance with the measurement and recognition principles of IFRS and should be read in conjunction with the published consolidated financial statements of the Oriflame Swiss Holding AG as at and for the year ended 31 December 2019.

The condensed consolidated financial statements were authorised for issue by the Directors on 12 May 2020.

Change in significant accounting policies, use of judgements and estimates

The accounting policies, significant judgements and key sources of estimation uncertainty applied by the Group in these financial statements are the same as those applied by the Oriflame Swiss Holding AG in its consolidated financial statements as at and for the year ended 31 December 2019.

Other new or amended IFRS standards which became effective January 2020 have had no material effect on the Group’s financial statements.

Note 3 • Provisions

| €'000 | Restructuring | Claims & Other | Total |
|---------------------------------------|---------------|----------------|---------------|
| Balance at 1 January 2020 | 6,091 | 2,231 | 8,322 |
| Provisions made during the period | 5,897 | 1,042 | 6,939 |
| Provisions used during the period | (2,050) | (269) | (2,319) |
| Provisions reversed during the period | (62) | (78) | (140) |
| Translations | (270) | (6) | (276) |
| Balance at 31 March 2020 | 9,606 | 2,919 | 12,525 |

The increase during the period in the provisions is mainly coming from restructuring costs due to operational efficiency initiatives within all the regions as well as in the global functions. A total restructuring cost of €8.2m was recognised during the period, from which €2.3m was already settled at 31 March 2020. The remaining amount of €5.9m was reported as restructuring provision and is expected to be used during 2020.

Note 4 • Interest bearing loans

The terms and conditions of outstanding loans were as follows as at 31 March 2020.

| €'000 | Interest rate | Year of maturity | Carrying amount | Non-current | Current |
|-------------------------------------------|------------------|------------------|-----------------|----------------|----------------|
| Revolving credit facility | Euribor + margin | 2024 | 100,000 | - | 100,000 |
| Senior Secured Notes - € 475.0 million | 6.750% | 2024 | 475,000 | 475,000 | - |
| Senior Secured Notes - \$335.0 million | 9.125%* | 2024 | 305,769 | 305,769 | - |
| Capitalized front end fees | - | 2024 | (27,172) | (27,172) | - |
| Total interest bearing liabilities | | | 853,597 | 753,597 | 100,000 |

* Swapped € interest rate 6.450%



Note 5 • Purchase Price Allocation

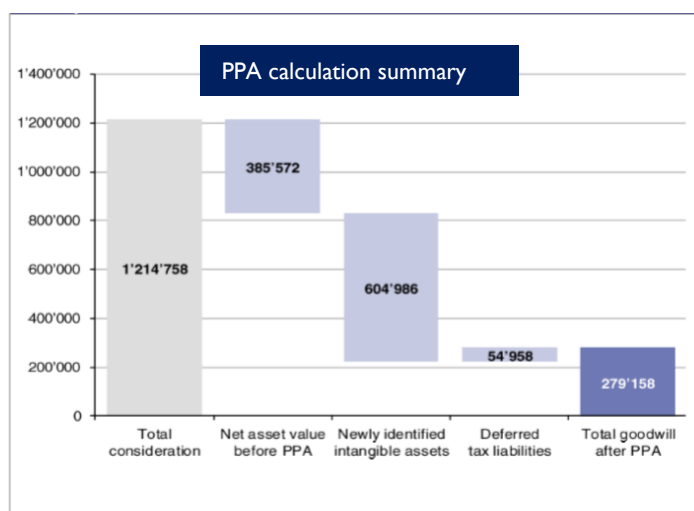
The condensed financial statements of the Company reflects the position of the Group after the Purchase Price Allocation (PPA) resulting from the acquisition of Oriflame Holding AG in July 2019 and applying IFRS 3 “Business Combinations”.

According to IFRS 3 the acquirer measures the cost of the acquisition at the fair value of the consideration paid and allocates that cost to the acquired identifiable assets and liabilities on the basis of their fair values. The remaining part of the acquisition is goodwill.

The table below illustrates a summary of the calculation of the PPA from the acquisition of the Oriflame Group:

In 2019 Oriflame Holding Ltd (former Walnut Midco Ltd) paid a total consideration of €1,214.7m for the acquisition of the Oriflame group.

The assets of the acquired group were revalued as at 01.07.2019, where the major impact of €321.9m was the fair value step-up of the inventory.



The main newly identified intangible assets were €546.2m brand, €37.5m manufacturing recipes and formulas, €14.1m customer list (consultants).

The step-up of the inventory and the recognition of the newly identified intangible assets resulted in recognition of €134.5m deferred tax liabilities.

The PPA had small and immaterial impacts on right-of-use assets and software intangibles.

The remaining part of the acquisition of €279.2m is recorded as goodwill.

€308.4m from the inventory step-up was expensed in the second half of 2019 and the remaining €13.5m impacted Q1 2020. The manufacturing recipes and formulas will be amortised on a linear basis over 5 years and the customers list over 2 years.

The goodwill and the brand will be tested for impairment on an annual basis. No impairment was recognised as at 31.12.2019.

The table below details the reconciling items between the Consolidated Statement of Financial Position of the Oriflame Holding Ltd as at 31.12.2019 before and after the PPA

| PPA impact on the Statement of Financial position in 2019 € million | Statement of Financial position excluding PPA 31.12.2019 A | PPA Balance sheet impact on 1 July 2019 B | PPA movements 2019 second half year C | PPA Balance sheet impact on 31 December 2019 D = B + C | Statement of Financial position including PPA 31.12.2019 E = A + D |
|------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------|------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------|
| Total Non Current Assets | 1'317.6 | (187.4) | (7.4) | (194.9) | 1'122.8 |
| Total Current Assets | 440.3 | 321.9 | (308.4) | 13.5 | 453.8 |
| Total Assets | 1'758.0 | 134.5 | (315.9) | (181.4) | 1'576.6 |
| Total Equity | 614.6 | 4.2 | (243.8) | (239.6) | 375.0 |
| Total Non-current Liabilities | 815.0 | 131.8 | (72.2) | 59.6 | 874.6 |
| Total Current Liabilities | 328.4 | (1.5) | 0.2 | (1.3) | 327.0 |
| Total Equity and Liabilities | 1'758.0 | 134.5 | (315.9) | (181.4) | 1'576.6 |

Additional information is available on <https://investors.oriflame.com/en/interim-reports> under the section “Interim Management Statement I January - 31 March 2020”.