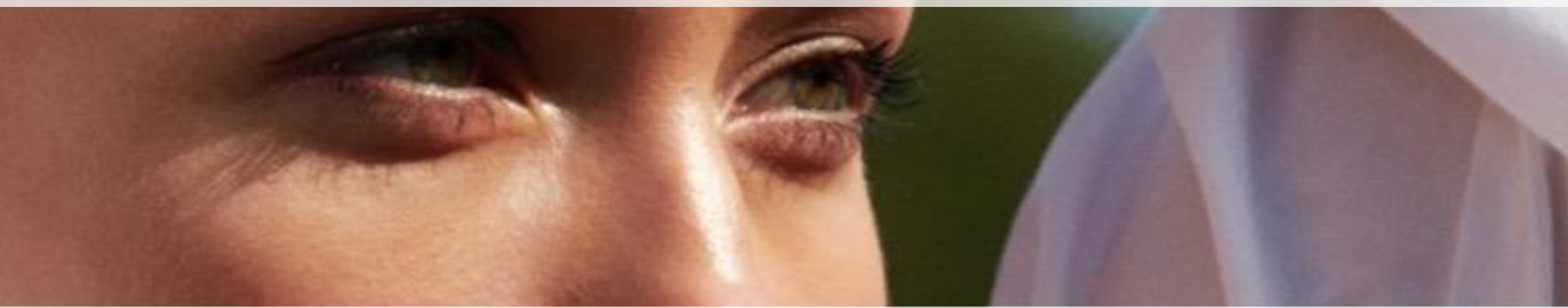
Interim Management Statement 1 January – 31 December 2022

	LC SALES	EURO SALES	ADJUSTED EBITDA
Fourth quarter	-11%	-5%	€37.8m (€42.6m)
Year-to-date	-15%	-9%	€106.5m (€188.9m)



A challenging year with improvements in the second half

We are closing yet another unprecedented year, largely defined by Russia's war in Ukraine directly and indirectly impacting our business.

Even though 2022 was a difficult year, management has taken a number of actions to adapt and strengthen the business for the future. I am pleased to see improvements in top line, bottom line and cash flow generation in the second half of the year. The execution of our pricing strategy started to show positive effects on margins in the fourth quarter which came in higher compared to the same quarter previous year. We do see improvements in Latin America and Europe & CIS and continued strong growth from third party customers in our manufacturing division (Cetes Cosmetics). It is encouraging to see that sales in Ukraine is starting to pick up again, although we are still well below historical levels.

Despite improvements in the second half, we still need to acknowledge that the sales situation during the last quarter of the year was still very challenging, with especially the sales in Asia being a disappointment. The total units sold have declined and it remains a priority to increase activity levels to drive higher unit sales going forward. Due to the lower sales, we did not fully experience the expected working capital improvements.

We are fully committed to turning around the current negative sales trends, by implementing the strategic initiatives around our product assortment and further digitalisation of our business. We will continue to explore new market openings where we see opportunities and encouraged by the successful opening of Germany. China is now starting to open up, which should help us to increase sales in this market going forward. We are pleased to see conferences and other sales events gradually picking up, that are important drivers to increase our activity levels going forward. All in all, we are gradually catching up with inflation via pricing and at the same time continuing the development of the business to reach the full potential of our social selling offering and returning to growth in the foreseeable future.

Gabriel Bennet has, after more than 15 years as Chief Financial Officer, decided to pursue his career in another company later this spring. The transition to a new CFO has been well-planned in advance, and with Gabriel's support we have in place a robust succession plan. On behalf of the Board of Directors, I would like to thank Gabriel for his many years of service to Oriflame, as well as his leadership, vision, undisputable integrity and dedication throughout that time. Gabriel has successfully led the CFO function, Global IT and the last years also Cetes Cosmetics to the highest standards, where Gabriel will remain as a Chairman until mid-next year and in this role report to myself. We are at the same time much delighted to welcome Carl Rogberg as our new CFO, who will be based in our corporate office in the UK. Carl has considerable CFO and sector experience, having worked most recently as Chief Financial Officer of Avon International. Earlier in his career he worked for Tesco both in the UK and internationally and was a co-founder of Easypark AB. His knowledge and broad skillset will be very beneficial for Oriflame's continued success. I take this opportunity to welcome Carl to Oriflame and look forward to an excellent collaboration.

Magnus Brännström, CEO

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

"Adjusted" figures exclude non-recurring and purchase price allocation (PPA) related items. For additional information refer to the alternative performance measures on page 13 and to the condensed consolidated income statements on pages 15 and 16.

Three months ended 31 December 2022

- Euro sales decreased by 5% to €264.4m (€277.3m) and local currency sales decreased by 11%.
- Adjusted EBITDA margin was 14.3% (15.4%) and adjusted EBITDA amounted to €37.8m (€42.6m).
- Adjusted operating margin was 11.5% (12.5%). The currency impact on the operating profit was 210 bps positive. The adjusted operating profit was €30.4m (€34.7m).
- Adjusted net profit was €17.9m (€13.8m).
- Adjusted cash flow from operating activities was €50.9m (€66.7m restated – see page 8) and adjusted cash flow before financing activities was €42.8m (€58.1m restated – see page 8).

Twelve months ended 31 December 2022

- Euro sales decreased by 9% to €925.4m (€1,016.5m) and local currency sales decreased by 15%.
- Adjusted EBITDA margin was 11.5% (18.6%) and adjusted EBITDA amounted to €106.5m (€188.9m).
- Adjusted operating margin was 8.2% (15.4%). The currency impact on the operating margin was 150 bps positive. The adjusted operating profit was €76.3m (€156.4m).
- Adjusted net profit was €49.0m (€71.5m).
- Adjusted cash flow from operating activities was €73.0m (€100.9m restated – see page 8) and adjusted cash flow before financing activities was €43.5m (€71.8m restated – see page 8).

Financial summary

	Three months ended 31 December			*Twelve months ended 31 December*		
(€m)	***2022***	***2021***	***Change %***	***2022***	***2021***	***Change %***
Sales	*264.4*	*277.3*	*-5%*	*925.4*	*1,016.5*	*-9%*
Adj. EBITDA	*37.8*	*42.6*	*-11%*	*106.5*	*188.9*	*-44%*
Adj. Operating profit	*30.4*	*34.7*	*-13%*	*76.3*	*156.4*	*-51%*
Adj. Net profit	*17.9*	*13.8*	*30%*	*49.0*	*71.5*	*-32%*
Adj. Cash flow from operating activities	*50.9*	*66.7**	*-24%*	*73.0*	*100.9**	*-28%*
Adj. Cash flow before financing activities	*42.8*	*58.1**	*-26%*	*43.5*	*71.8**	*-39%*
Cash and cash equivalents	*121.9*	*118.9*	*3%*	*121.9*	*118.9*	*3%*
Total debt	*812.3*	*774.9*	*5%*	*812.3*	*774.9*	*5%*
Secured debt	*765.7*	*735.6*	*4%*	*765.7*	*735.6*	*4%*
Net Secured debt	*643.7*	*616.8*	*4%*	*643.7*	*616.8*	*4%*
Adj. Gross margin	*66.4%*	*63.5%*		*66.3%*	*68.1%*	
Adj. EBITDA margin	*14.3%*	*15.4%*		*11.5%*	*18.6%*	
Adj. Operating margin	*11.5%*	*12.5%*		*8.2%*	*15.4%*	
Net Secured Debt ratio	*6.0*	*3.3*		*6.0*	*3.3*	
Net Secured Debt ratio at hedged value	*5.5*	*3.1*		*5.5*	*3.1*	

Significant events during and after the quarter

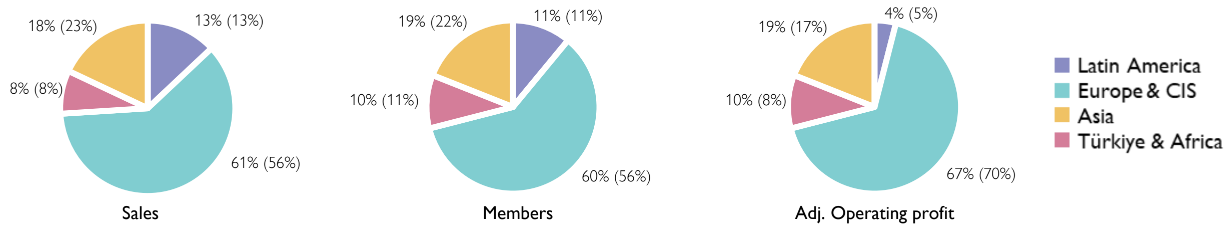
- The dividend of €30.5m reported in the Interim Management Statement 1 January – 30 September 2022 published on 21 October 2022 and expected to be paid in the fourth quarter was finally decided and paid on 17 January 2023. No other dividend decision for 2023 has been made by the Board.
- As announced in the third quarter interim report, the company is undertaking a strategic review of certain assets in Russia. While this is progressing according to plan, it should be noted that due to uncertainty around regulations in Russia the outcome of this initiative remains uncertain.
- A successful opening of the new market Germany was made in the quarter.

Oriflame in brief

Founded in 1967, Oriflame is a social selling beauty company with sales in more than 60 countries. Its portfolio of Swedish, nature-inspired, innovative beauty products is marketed through more than two million members, generating annual sales of almost one billion Euro (2022). 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.

Regional development

Regional split*



** Excluding manufacturing and franchisees*

Q4	Latin America	Europe & CIS	Asia	Türkiye & Africa	Group
EUR growth	-1%	2%	-25%	-13%	-5%
LC growth	-12%	-8%	-26%	-6%**	-11%

2022	Latin America	Europe & CIS	Asia	Türkiye & Africa	Group
EUR growth	-8%	-5%	-22%	-6%	-9%
LC growth	-17%	-12%	-26%	1%**	-15%

Latin America
In Latin America Euro sales decreased by 1% while local currency sales decreased by 12%. The sales drop is coming from less members due to weaker recruitment and activity levels in all markets, primarily in Chile, Mexico and Peru. The decline in members was partially compensated by a higher member productivity during the quarter. Gross margins were slightly lower versus the same quarter prior year, as a result of higher product costs which were partially offset by price increases. The operating margin decreased to 5.0% (5.8%) because of the sales drop and higher selling expenses from increased cost for sales related activities, which were lower in the previous year partly due to Covid restrictions.

Europe & CIS
In Europe & CIS Euro sales increased by 2% as a result of stronger local currencies in several markets, with the largest exchange rate impact from Russia. Sales in local currency decreased by 8% due to lower number of members resulting from weaker activity and recruitment versus prior year. Sales in Ukraine continues to recover although remains below historical levels. Other markets with positive development during the quarter include Uzbekistan, United Kingdom and Slovenia. Operating margin decreased to 17.7% (19.2%) where price increases and positive exchange rate variations compensated for product cost inflation, while selling expenses were significantly higher from increased activities for conferences and other incentives which were mostly on hold in the previous year.

Asia
In Asia Euro sales decreased by 25% as a result of less members and lower activity levels in all major markets. The local currency sales decreased by 26%. The sales results were still challenging in China where various Covid related restrictions were removed towards the end of the quarter and where we can expect an improved situation going forward. Sales in India and Indonesia was also challenging during the quarter, while Vietnam had a sales decline after several quarters of robust growth. Operating margin increased to 17.3% (11.8%) due to releases of VAT related provisions in Indonesia which positively impacted the gross margin during the quarter as a one-off effect, and from lower selling expenses from lower costs for recruitment and incentive programs.

Türkiye & Africa
In Türkiye & Africa Euro sales decreased by 13% as a result of strong devaluations of local currencies in the two main markets Türkiye and Nigeria. Sales in local currencies decreased by 6%**. The sales momentum in Nigeria continued, driven by strong increase of members, while Türkiye saw a slowdown in sales compared to the previous quarter. The slowdown in Türkiye is primarily explained by lower activity of members due to the sharp price increases due to the high inflation in this market. The operating margin for the quarter increased to 21.7% (14.7%) positively impacted by price increases and lower operating costs compared to the same quarter prior year.

*** Sales growth in local currencies calculation has been adjusted for Türkiye hyperinflation by reducing local currency sales growth with the inflation rate for this market*

Three months ended 31 December 2022

Sales
Euro sales decreased by 5%, or €12.8m, to €264.4m for the three months ended 31 December 2022 compared with €277.3m for the same period last year. Local currency sales decreased by 11% mainly due to a decline in the average number of members to 2.0m (2.4m). Unit sales decreased by 25% and the price/mix effect was positive by 14%. Manufacturing sales to third parties increased both in Euro (38%) and in local currency (30%) mainly due to higher sales in Cetes Cosmetics Poland.

Costs and expenses
Cost of sales (33.4% of sales compared to 36.5% prior year)
Cost of sales decreased by 12.7%, or €12.9m, to €88.3m for the three months ended 31 December 2022 from €101.2m for the same period in 2021. The cost of sales in absolute terms and as a percentage of sales decreased mainly due to lower provisions and improved product mix. The positive impact of the selling price increases during the quarter was offset by the product cost inflation and under-recoveries in manufacturing and supply chain.

Selling and marketing expenses (31.9% of sales compared to 30.9% prior year)
Selling and marketing expenses decreased by 1.6%, or €1.4m, to €84.4m for the three months ended 31 December 2022 from €85.8m for the same period in 2021. This decrease in absolute terms is due to lower sales levels. As a percentage of sales, the selling and marketing expenses increased due to lower comparables, where in the same period prior year there were lower cost accruals for Brand Partners' international conferences due to the Covid-19 pandemic related travel restrictions.

Distribution and infrastructure expenses (2.0% of sales compared to 2.4% prior year)
Distribution and infrastructure expenses decreased by 23.6%, or €1.6m, to €5.2m for the three months ended 31 December 2022 from €6.8m for the same period in 2021 due to sales volumes decline.

Administrative expenses (30.4% of sales compared to 18.5% prior year)
Administrative expenses increased by 57.3%, or €29.3m, to €80.5m for the three months ended 31 December 2022 from €51.2m for the same period last year. The administrative expenses included €20.6m related to PPA items (€18.8m of which relates to goodwill impairment following the impairment test on the brand, whereas the previous year figure of €1.8m does not include any impairment) and non-recurring items of €4.1m (€0.5m the same period prior year) covering restructuring costs and employee related costs linked to the long term management incentive program. The administrative expenses in the prior year were positively impacted by reversals of accruals related to management and staff incentives. On a comparable basis, excluding non-recurring, PPA related items and the one-off release of management and staff incentives in prior year, the adjusted administrative expenses declined during the period to €55.8m from €61.3m for the same period in 2021 mainly due to lower staff costs and timing differences in IT related costs, negatively impacted by unfavourable foreign exchange rate impact from weaker Euro.

Net financing costs (6.9% of sales compared to 4.0% prior year)
Net financing costs increased by €7.1m, to €18.2m for the three months ended 31 December 2022 from €11.1m for the same period in 2021. This negative variance was mainly due to higher loss on exchange rates from revaluation of monetary assets and liabilities.

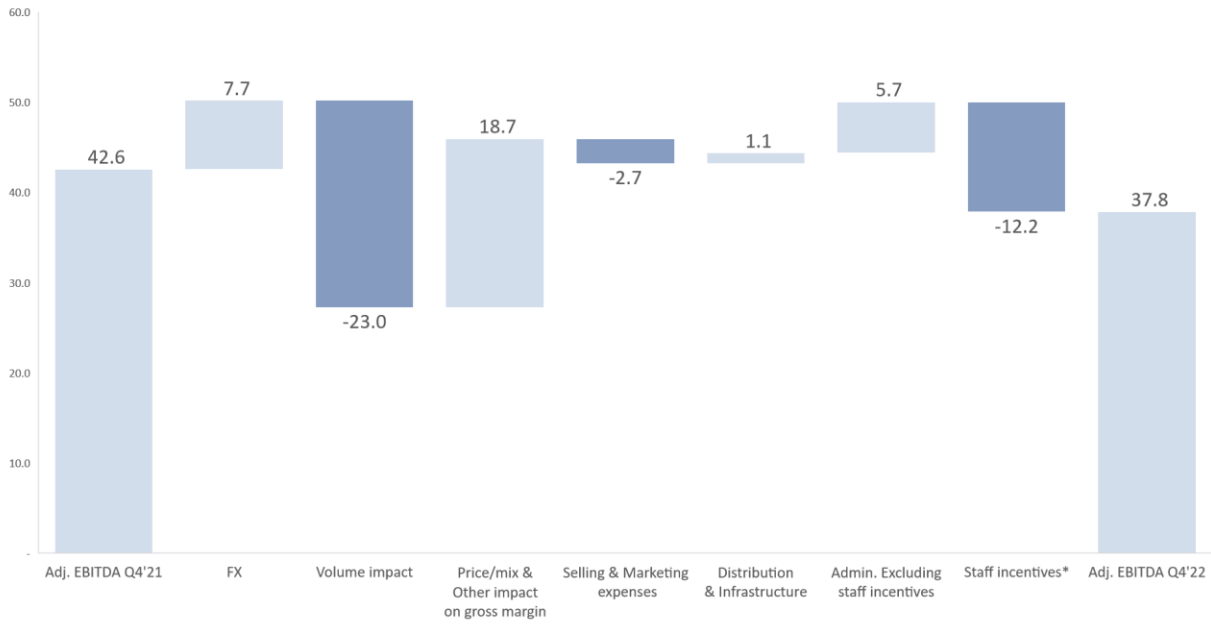
Adjusted income tax expenses (€5.7m tax income compared to €9.9m tax expense prior year)
In the quarter the Group reassessed the recoverability of a deferred tax asset from a 2019 event and recognized €12.7m deferred tax asset accordingly (see note 6 on page 25). On a comparable basis, excluding non-recurring items, the PPA impact and the previously mentioned €12.7m deferred tax asset recognition, the tax expense for the three months ended 31 December 2022 was €7.0m compared to €9.9m prior year, which is due to the lower profit before tax.

Adjusted EBITDA

"Adjusted" figures exclude non-recurring and purchase price allocation (PPA) related items. For additional information refer to the alternative performance measures on page13 and to the condensed consolidated income statements on pages 15 and 16.

Adjusted EBITDA decreased by 11%, or €4.7m, to €37.8m for the three months ended 31 December 2022 from €42.6m for the same period in 2021, negatively impacted mainly by lower unit sales, product cost inflation and higher administrative expenses. The administrative expenses in the prior year were positively impacted by reversals of accruals related to management and staff incentives and explain 440 bps of the drop in operating margin versus prior year. The current period EBITDA is positively impacted by the price/mix and favourable foreign exchange rates developments. The adjusted EBITDA margin was 14.3% compared to 15.4% prior year.

ADJUSTED EBITDA VS. PRIOR YEAR (€m)



** Prior year staff incentives release*

Twelve months ended 31 December 2022

Sales
Sales for the twelve months ended 31 December 2022 decreased by 9%, or €91.1m, to €925.4m compared with €1,016.5m in 2021. Local currency sales decreased by 15% mainly due to a decline in the average number of members to 2.2m (2.5m). Unit sales decreased by 21% and the price/mix effect was positive by 6%.

Costs and expenses
Cost of sales (33.7% of sales compared to 31.9% prior year)
Cost of sales in absolute amount decreased by 3.9%, or €12.7m, to €312.0m for the twelve months ended 31 December 2022 from €324.7m for the same period in 2021 due to lower sales. The increase of the cost of sales percentage in relation to sales was due to increased product costs, under-recoveries in manufacturing and supply chain and delayed selling price increases.

Selling and marketing expenses (30.8% of sales compared to 28.9% prior year)
Selling and marketing expenses in absolute amount decreased by 2.9%, or €8.6m, to €284.9m for the twelve months ended 31 December 2022 from €293.4m in 2021. This decrease was due to lower sales. The selling and marketing expenses percentage of sales increased due to higher meetings, conferences and recruitment costs in the current period. In prior year due to the Covid-19 pandemic the international conferences for Brand Partners were cancelled and the related cost accruals reversed.

Distribution and infrastructure expenses (2.7% of sales compared to 2.6% prior year)
Distribution and infrastructure expenses decreased by 4.9%, or €1.3m, to €25.1m for the twelve months ended 31 December 2022 from €26.3m for the same period last year. Distribution and infrastructure expenses include €1.5m restructuring infrastructure cost as a non-recurring item. On a comparable basis the distribution and infrastructure expenses decreased by 10.5%, or €2.8m, to €23.6m for the twelve months ended 31 December 2022 from €26.3m in 2021. The decrease in absolute terms was due to lower sales in the period.

Administrative expenses (35.5% of sales compared to 22.4% prior year)
Administrative expenses increased by 44.3%, or €100.7m, to €328.1m for the twelve months ended 31 December 2022 from €227.4m for the same period last year. The administrative expenses included €26.3m PPA related items (€18.8m of which relates to goodwill impairment following the impairment test on the brand, whereas the previous year figure of €10.8m does not include any impairment) and €73.1m non-recurring costs in relation to restructuring, the war in Ukraine, the impairment of property, plant and equipment and employee related costs linked to the long term management incentive program, while in 2021 those included €0.9m non-recurring costs in relation to the refinancing of the long-term debt and €10.8m PPA related items. The administrative expenses in the prior year were positively impacted by reversals of accruals related to management and staff incentives. On a comparable basis, excluding non-recurring items, PPA related items and release of staff and management incentives, the adjusted administrative expenses slightly increased during the period to €228.7m from €227.5m for the same period in 2021. The increase was mainly due to adverse exchange rate impact and higher travel and IT and communication costs.

Net financing costs (2.0% of sales compared to 10.7% prior year)
Net financing costs decreased by €90.3m to €18.4m for the twelve months ended 31 December 2022 from €108.7m for the same period in 2021. This significant positive variance was mainly due to extraordinarily higher costs in the same period prior year because of the refinancing in May 2021 and for which non-recurring costs amounting to €60.3m were recognized. These costs covered the make-whole payment of the old Notes (€41.3m) and the one-off amortization of the corresponding capitalized front-end fees (€19.0m). On a comparable basis, compared to prior year, net financing costs decreased by €29.5m due to a positive variance of €10.0m on foreign exchange rates differences and the decrease of the interest borrowing costs after the 2021 refinancing.

Adjusted income tax expenses (€8.9m compared to €36.9m prior year)
In 2022 the Group reassessed the recoverability of a deferred tax asset from a 2019 event and recognized €12.7m deferred tax asset accordingly (see note 6 on page 25). On a comparable basis, excluding non-recurring items, the PPA impact and the above mentioned €12.7m deferred tax asset recognition, the tax expense for 2022 year was €21.6m compared to €36.9m prior year, which is due to the lower profit before tax.

Adjusted EBITDA

"Adjusted" figures exclude non-recurring and purchase price allocation (PPA) related items. For additional information refer to the alternative performance measures on page 13 and to the condensed consolidated income statements on pages 15 and 16.

Adjusted EBITDA decreased by 43.6%, or €82.4m, to €106.5m for the twelve months ended 31 December 2022 from €188.9m for the same period in 2021. The EBITDA decreased due to lower unit sales, product cost inflation and higher administrative expenses, explained primarily by prior year reversals of accruals related to management and staff incentives. It was only partially offset by positive currency impact. The adjusted EBITDA margin was 11.5% compared to 18.6%.

ADJUSTED EBITDA VS. PRIOR YEAR (€m)

** Prior year staff incentives release*

Cash flow and investments

"Adjusted" figures exclude non-recurring and purchase price allocation (PPA) related items. For additional information refer to the alternative performance measures on page 13 and to the condensed consolidated income statements on pages 15 and 16.

Change in presentation / cash flow before financing activities

In the condensed consolidated statements of cash flows, the presentation of the "interest and other financial charges paid" was reclassified from cash flow from operating activities to cash flow from / (used in) financial activities as of the Q3 2022 interim report.

The Alternative Performance Measure (APM) of the "cash flow before financing activities" was modified, whereas the interest paid on bonds and RCF (Revolving Credit Facility) is considered as financing activities and the remaining interests and other financial charges stay as part of the operating activities.

Prior year period figures were restated accordingly for comparative purpose (see "Quarterly figures" on page 14). The below comments are based on the new presentation.

Adjusted cash flow before financing activities

Adjusted cash flow before financing activities was €42.8m in the three months ended 31 December 2022 compared to €58.1m (restated – see above) for the same period in 2021.

The lower adjusted cash flow before financing activities is mainly explained by the movement in the *adjusted cash flow from operating activities* which decreased by €15.8m compared to prior year. This deviation is primarily due to a decrease in adjusted EBITDA of €4.7m and a negative change in working capital of €11.0m where the main negative impacts come from inventories of €5.0m and trade payables of €8.2m.

Payment of lease liabilities and interest on lease liabilities amounted to €5.2m in both periods.

Cash flow used in investing activities of €2.8m had a minor negative impact of €0.5m compared to the same period in 2021 (€2.3m).

For the twelve months ended 31 December 2022 the adjusted cash flow before financing activities amounted to €43.5m compared to €71.8m (restated – see above) for the same period in 2021.

The decrease in adjusted cash flow before financing activities is mainly explained by the movement in the *adjusted cash flow from operating activities* which decreased by €27.9m compared to prior year due to lower adjusted EBITDA of €82.4m, offset by improvement in working capital of €33.2m. The improvement in working capital was mainly due to €47.0m positive impact on inventories and €13.4m negative impact from movements in provisions. Income tax paid was lower by €9.2m versus the previous year.

Payment of lease liabilities and interest on lease liabilities, which amounted to €19.6m during the twelve months ended 31 December 2022 impacted positively the adjusted cash flow before financing activities by €1.1m compared to €20.7m in prior year.

Cash flow used in investing activities of €9.4m had a negative impact of €2.5m compared to the same period in 2021 (€6.9m).

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

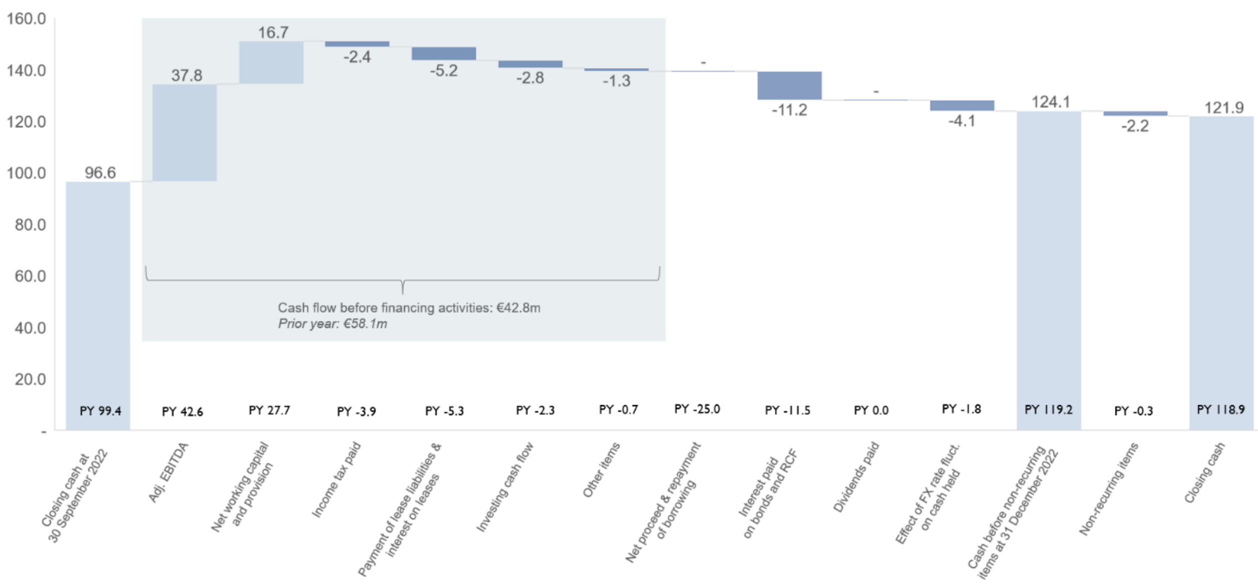
	Three months ended 31 December		**Twelve months ended 31 December**	
€m	**2022**	**2021***	**2022**	**2021***
Cash flow from operating activities	48.8	66.4	66.0	98.0
Cash flow used in investing activities	-2.8	-2.3	-9.4	-6.9
Payment of lease liabilities	-3.8	-4.2	-14.9	-16.8
Interest paid on lease liabilities	-1.4	-1.0	-4.7	-3.9
Other interest and other financial charges paid	-0.1	-1.1	-0.5	-1.5
Non-recurring and PPA items	2.2	0.3	7.0	2.9
Adj. cash flow before financing activities	**42.8**	**58.1**	**43.5**	**71.8**

* Restated – see above "change in presentation / cash flow before financing activities"

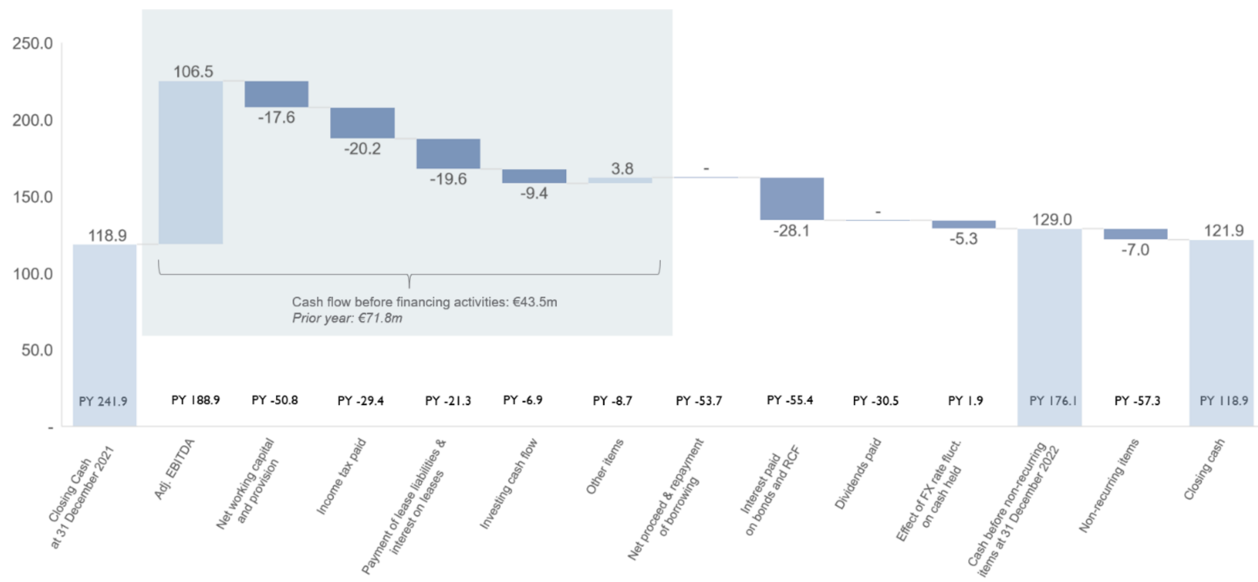
Cash flow used in financing activities
Cash flow used in financing activities for the three months ended 31 December 2022 was €16.5m, compared to €42.8m for the same period in 2021, which is mainly explained by the repayment of €25.0m from the Revolving Credit Facility in the same period prior year.

For the twelve months period ended 31 December 2022 the cash flow used in financing activities was €48.2m compared to €216.1m in the same period in 2021. The main reason for the favourable difference is the refinancing of the long-term debt in May 2021, which led to a cash out flow of €761.3m to repay the old Notes offset by a cash inflow of €707.5m from the issuance of the new Notes. In addition, one-off refinancing costs of make-whole and refinancing related fees of €54.3m, and dividend of €30.5m were paid in the same period prior year. The interest and other financial charges paid in the twelve months period ended 31 December 2022 were €26.8m lower versus the same period prior year mainly due to the more favourable conditions of the new notes.

Cash flow development – Quarter 4, 2022 (€m)



Cash flow development – Year to date 2022 (€m)



Funding and financial position

Oriflame's long-term debt as of 31 December 2022 amounts to €765.7m carrying amount, excluding capitalized front-end fees. It consists of €250m Floating Rate Senior Secured notes due 2026 (the "Euro Notes") and $550m Senior Secured Notes (the "Dollar Notes") due 2026. The Euro Notes bear interest at a rate of the sum of (i) three-month EURIBOR (with 0% floor) reset quarterly, plus (ii) 4.25% fixed per annum. The Dollar Notes bear interest at a rate of 5.125% per annum. After hedging the average interest rate of both Notes is 3.8% excluding the effect from amortization of capitalized front-end fees. As of 31 December 2022, the RCF was not drawn and the cash and cash equivalents were €121.9m. The current corporate and notes ratings are respectively B3/B3 from Moody's, B/B from Fitch and B/B from S&P Global.

The Company was in compliance with all of its covenants related to the outstanding debt as of 31 December 2022.

	€ Note	**$ Note**	**Revolving Credit Facility**
Total amount	€250m	$550m	€100m
Interest rate	3 month Euribor + 4.25%*	5.125%**	Euribor +200-300 bps
Due	2026	2026	2025
Drawing as per 31 December 2022			-

** €200m notional swapped into fixed EUR with margin 0.14%*
*** Swapped € interest rate 3.53%*

As of 31 December 2022, total debt amounted to €812.3m (€774.9m), secured debt amounted to €765.7m (€735.6m), net secured debt amounted to €643.7m (€616.8m), Net Secured Debt ratio was 6.0 (3.3) and Net Secured Debt ratio at hedged value was 5.5 (3.1).

Dividend

The dividend of €30.5m reported in the Interim Management Statement 1 January – 30 September 2022 published on 21 October 2022 and expected to be paid in the fourth quarter was finally decided and paid on 17 January 2023. No other dividend decision for 2023 has been made by the Board.

CFO transition

Oriflame today announces the upcoming departure of Gabriel Bennet after more than 18 years with Oriflame, including more than 15 years as Chief Financial Officer. Gabriel, who is based in Switzerland, has decided to leave Oriflame to pursue his career in another company later this spring. He will be succeeded by Carl Rogberg who has been appointed CFO following a careful selection process that considered both internal and external candidates.

Carl Rogberg starts his induction program on 1 March 2023 and will formally take over as CFO in the second quarter of 2023. Gabriel will support the company to ensure a smooth transition.

Carl Rogberg holds an MBA from the Stockholm School of Economics, and has a vast amount of experience within both retail and FMCG with a number of significant CFO roles in his portfolio, including CFO for Avon International between 2020 and 2022. Whilst at Avon International, he initiated a finance transformation program which subsequently grew into a full transformation program for the company, also under Carl's responsibility, generating significant long-term efficiency benefits. Carl is a Swedish citizen and has had a long international career living in Asia, North America and Europe. He will be based in the UK.

Gabriel will remain as Chairman of Cetes Cosmetics (Cetes) until mid-2024, supporting the continued and next growth phase of this division. Cetes is Oriflame's manufacturing division, producing cosmetics and wellness products for Oriflame and other international brands.

Financial calendar for 2023

The Annual Report 2022 will be published on or about 21 April 2023
The first quarter 2023 report will be published on 21 April 2023
The second quarter 2023 report will be published on 21 July 2023
The third quarter 2023 report will be published on 24 October 2023
The date for the fourth quarter 2023 report will be communicated at a later stage

Operational highlights

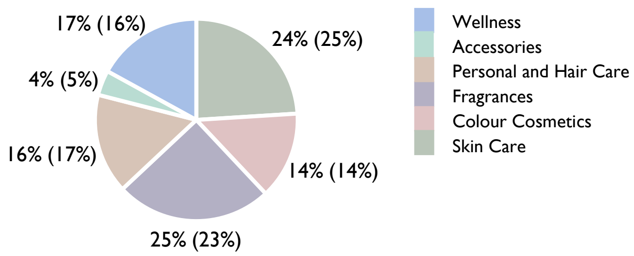
Brand and Innovation
Despite yet another challenging quarter *Fragrances* developed well and took the category to a lead position during the gifting season. Many iconic brands drove the positive result, especially the successful launch of Giordani Gold "Good as Gold" perfume.

Skin Care remained a relevant category with a strong performance of the appreciated anti-aging brand Novage. The introduction of all times hero product Tender Care Natural variation was very popular and boosted the category.

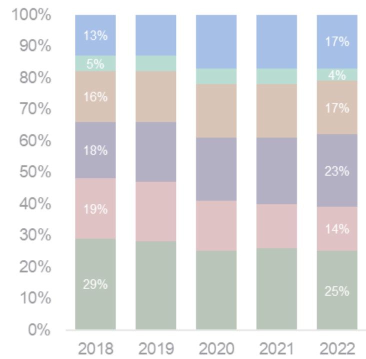
Wellness was the third major category despite the impact from the global supply chain issues. The Wellness packs Women and Men, providing 22 essential vitamins and minerals as well as anti-oxidants, continued to be the top products. During the quarter, the Probiotic Powder Drink was a well-received new addition to the brand portfolio in China.

Cosmetics is still in the recovery path. It was strengthened by the Anniversary festive new launch within the iconic Wonderlash Mascara and the innovative Tattoo Effect Brow Pen, both under our largest make-up brand The One.

Product categories Q4 2022 (Q4 2021)



Product categories 2018-2022



Sustainability
Oriflame continued to deliver on its sustainability objectives in the quarter. In the CDP results for the year 2022, Oriflame maintained its score B for Climate Change and Forest (Timber). Oriflame´s score improved to A- from B in CDP Forest (Palm oil). CDP is a reporting platform which helps companies measure and manage their ESG (Environment, Social and Governance) risks. The data captured and company scores guide investor decision-making on how companies are poised to tackle risks arising out of climate change.

In the fourth quarter, Oriflame issued a major update to its Supplier Code of Conduct. The standards it sets are aligned with the current best industry practices and reflect Oriflame´s commitment to a sustainable supply chain. Compliance with the principles set by the Oriflame Supplier Code of Conduct is a requirement in all Oriflame contracts with suppliers, and compliance is verified by audits.

Digital
In the fourth quarter most orders were processed online or through the Oriflame app, with mobile device users now accounting for 69% (64%) of orders and 85% (83%) of all site visitors.

Roll-out of new digital features in the quarter included improvements in My Office, automated commission disbursements in Europe with Revolut, search engine quality improvements, transactional notifications and improvements of the checkout and registration features.

In terms of new releases, the highlights were the launch of our business in Germany alongside larger releases of the Oriflame app and the Business app to further improve shopping experience and provide tools to stimulate Brand Partner business growth.

The previously released eCatalogue is an important shopping as well as communication tool with an increased share of units sold. Strong efforts were made both in terms of communication and further development of the eCatalogue, to further stimulate the digitalization of Brand Partner behaviours and preferences.

Efforts around livestreaming continues, with Bambuser now launched in a number of pilot markets. A new cyber security vulnerability management solution was launched to improve early detection of cyber security threats.

App users:	
Oriflame app	935,000 Monthly Active Users
Business app	433,000 Monthly Active Users

Other

Conference call for the financial community
The company will host a conference call on Tuesday 21 February 2023 at 10.00 CET.

Participant access numbers:
Sweden: +46 (0)8 5051 0031
United Kingdom: +44 (0) 207 107 06 13
United States: +1 (1) 631 570 56 13
Denmark: +45 3 272 7526
Finland: +358 94 245 0051

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/230221**

Subscription service
You can subscribe or update your subscription to company press releases and different types of financial information through Oriflame's website**:** **www.oriflame.com** or through the following link: **http://investors.oriflame.com/index.php/en/subscribe**

For further information, please contact:

Magnus Brännström, Chief Executive Officer Tel: +44 7778 009 389
Gabriel Bennet, Chief Financial Officer Tel: +41 798 263 769
Vanessa Wendle, IR@oriflame.com 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 analyze trends and performance of the 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 EBITDA

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

Adjusted gross profit

Gross profit excluding purchase price allocation items.

Adjusted net profit

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

Adjusted operating profit

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

Adjusted Cash flow before financing activities (new definition from the third quarter 2022)

Adjusted Cash flow from operating activities less cash flow used in investing activities, payment of lease liabilities, interest paid on leases and other interest and other financial charges paid.

EBITDA

Operating profit before financial items, taxes, depreciation, amortization and equity-settled share-based incentive plan.

Independent Brand Partners

Independent Brand Partners (also referred as Brand Partners) correspond to registered actives who are eligible to benefit and earn from the Oriflame Success Plan (business/commission plan).

Members

Members are all Independent Brand Partners and online customers who have placed at least one order within the last three months.

Net Secured Debt ratio

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

Net Secured Debt ratio at hedged value

Secured Debt at hedged value less cash and cash equivalents divided by Adjusted EBITDA.

Secured Debt

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

Total debt

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

Quarterly Figures

"Adjusted" figures exclude non-recurring and purchase price allocation (PPA) related items. For additional information refer to the alternative performance measures on page 13 and to the condensed consolidated income statements on pages 15 and 16.

As the current geopolitical situation and the war in Ukraine made Oriflame's business in CIS smaller and simplified, the management took the decision during the second quarter of 2022 to reorganize the two regions of Europe and CIS into one under one regional management. Below figures for Europe & CIS were restated accordingly for comparative purpose.

Financial summary	**Q3'21**	**Q4'21**	**Q1'22**	**Q2'22**	**Q3'22**	**Q4'22**
Sales, €m	221.4	277.3	229.9	211.1	220.0	264.4
Adj. Gross margin	68.8%	63.5%	64.3%	67.6%	67.0%	66.4%
Adj. EBITDA, €m	48.3	42.6	22.1	21.8	24.7	37.8
Adj. EBITDA margin	21.8%	15.4%	9.6%	10.3%	11.2%	14.3%
Adj. Operating profit, €m	40.4	34.7	14.4	14.2	17.2	30.4
Adj. Operating margin	18.2%	12.5%	6.3%	6.7%	7.8%	11.5%
Adj. Net profit, €m	22.2	13.8	9.9	16.1	5.2	17.9
Adj. Cash flow from operating activities, €m	10.0*	66.7*	-4.7*	-4.0*	30.8*	50.9*
Adj. Cash flow before financing activities, €m	2.5*	58.1*	-11.5*	-11.1*	23.3*	42.8*
Cash flow used in investing activities, €m	-2.4	-2.3	-1.4	-2.5	-2.6	-2.8
Cash and cash equivalents, €m	99.4	118.9	103.8	106.3	96.6	121.9
Total debt, €m	783.9	774.9	783.1	860.0	868.6	812.3
Secured debt, €m	750.0	735.6	745.5	804.5	814.2	765.7
Net Secured Debt ratio	3.3	3.3	3.9	5.2	6.4	6.0

Sales, €m	**Q3'21**	**Q4'21**	**Q1'22**	**Q2'22**	**Q3'22**	**Q4'22**
Latin America	35.0	34.6	28.8	32.3	33.2	34.3
Europe & CIS	108.2	152.7	116.5	106.4	114.1	156.4
Asia	58.5	62.0	53.8	48.3	48.6	46.2
Türkiye & Africa	16.3	21.7	22.6	17.0	18.0	18.9
Manufacturing	2.3	4.9	7.1	5.9	4.6	6.8
Other	1.2	1.3	1.1	1.3	1.5	1.8
Oriflame	**221.4**	**277.3**	**229.9**	**211.1**	**220.0**	**264.4**

Adjusted operating Profit, €m	**Q3'21**	**Q4'21**	**Q1'22**	**Q2'22**	**Q3'22**	**Q4'22**
Latin America	5.6	2.0	1.1	2.8	2.6	1.7
Europe & CIS	17.2	29.4	18.6	20.0	18.2	27.7
Asia	8.3	7.3	6.9	1.8	7.9	8.0
Türkiye & Africa	2.5	3.2	4.8	2.1	3.5	4.1
Manufacturing	0.9	3.7	1.7	3.0	1.6	2.2
Other	5.9	-10.9	-18.7	-15.4	-16.7	-13.3
Oriflame	**40.4**	**34.7**	**14.4**	**14.2**	**17.2**	**30.4**

Members, '000	**Q3'21**	**Q4'21**	**Q1'22**	**Q2'22**	**Q3'22**	**Q4'22**
Latin America	288	284	229	243	242	235
Europe & CIS	1,169	1,389	1,295	1,044	1,034	1,275
Asia	575	535	498	450	433	409
Türkiye & Africa	217	280	302	273	203	217
Oriflame	**2,248**	**2,489**	**2,325**	**2,009**	**1,912**	**2,135**

Adjusted operating margin	**Q3'21**	**Q4'21**	**Q1'22**	**Q2'22**	**Q3'22**	**Q4'22**
Latin America	15.9%	5.8%	3.9%	8.5%	8.0%	5.0%
Europe & CIS	15.9%	19.2%	15.9%	18.8%	16.0%	17.7%
Asia	14.1%	11.8%	12.8%	3.8%	16.3%	17.3%
Türkiye & Africa	15.3%	14.7%	21.3%	12.4%	19.4%	21.7%
Oriflame	**18.2%**	**12.5%**	**6.3%**	**6.7%**	**7.8%**	**11.5%**

€ Sales growth	**Q3'21**	**Q4'21**	**Q1'22**	**Q2'22**	**Q3'22**	**Q4'22**
Latin America	-9%	-16%	-15%	-10%	-5%	-1%
Europe & CIS	-19%	-1%	-12%	-16%	5%	2%
Asia	-23%	-23%	-26%	-16%	-17%	-25%
Türkiye & Africa	-41%	-17%	-6%	-13%	10%	-13%
Oriflame	**-21%**	**-10%**	**-16%**	**-14%**	**-1%**	**-5%**

* restated – see page 8

Condensed consolidated income statements
Three months ended 31 December

€'000	2022	Non-recurring items*	PPA items**	Adjusted 2022	2021	Non-recurring items*	PPA items**	Adjusted 2021
Sales	264,429			264,429	277,259			277,259
Cost of sales	-88,279	-447		-88,726	-101,169			-101,169
Gross profit	**176,150**	**-447**	**-**	**175,703**	**176,091**	**-**	**-**	**176,091**
Selling and marketing expenses	-84,366			-84,366	-85,778			-85,778
Distribution and infrastructure	-5,173	10		-5,163	-6,773			-6,773
Administrative expenses	-80,504	4,064	20,639	-55,801	-51,174	521	1,837	-48,816
Operating profit	**6,107**	**3,627**	**20,639**	**30,373**	**32,366**	**521**	**1,837**	**34,724**
Financial income	17,548			17,548	11,522			11,522
Financial expenses	-35,757			-35,757	-22,583		127	-22,456
Net financing costs	**-18,209**	**-**	**-**	**-18,209**	**-11,061**	**-**	**127**	**-10,934**
Gain / loss (-) from associates	8			8	-101			-101
Net profit before tax	**-12,094**	**3,627**	**20,639**	**12,172**	**21,204**	**521**	**1,964**	**23,689**
Income tax expense / credit (+)	9,160	-3,271	-181	5,708	-9,627	-107	-200	-9,935
Profit for the period	**-2,934**	**357**	**20,457**	**17,880**	**11,576**	**414**	**1,764**	**13,754**

* Non-recurring items cover:
  2022: Restructuring costs and employee related costs linked to the long term management incentive program
  2021: Restructuring costs

** Purchase Price Allocation (PPA) items cover the income statement impact from the purchase price allocation on the business combination.

These elements, mainly amortization of newly identified intangible assets during the PPA, are excluded to normalize the performance of the Group. It includes also an impairment of €18.8m on the goodwill which was recognized during the fourth quarter of 2022 following the brand impairment test.

For additional information refer to the document "Purchase Price Allocation – summary" available on the investors page or through the following link: **https://vp233.alertir.com/sites/default/files/report/oriflame_purchase_price_allocation_summary.pdf?v2assets**).

Condensed consolidated income statements
Twelve months ended 31 December

€'000	2022	Non-recurring items*	PPA items**	Adjusted 2022	2021	Non-recurring items*	PPA items**	Adjusted 2021
Sales	925,414			925,414	1,016,488			1,016,488
Cost of sales	-312,029			-312,029	-324,692			-324,692
Gross profit	**613,385**	**-**	**-**	**613,385**	**691,796**	**-**	**-**	**691,796**
Selling and marketing expenses	-284,851			-284,851	-293,434			-293,434
Distribution and infrastructure	-25,058	1,484		-23,574	-26,337			-26,337
Administrative expenses	-328,067	73,092	26,268	-228,707	-227,375	895	10,818	-215,662
Operating profit	**-24,591**	**74,575**	**26,268**	**76,252**	**144,650**	**895**	**10,818**	**156,363**
Financial income	46,967			46,967	24,604			24,604
Financial expenses	-65,349			-65,349	-133,281	60,272	593	-72,415
Net financing costs	**-18,382**	**-**	**-**	**-18,382**	**-108,676**	**60,272**	**593**	**-47,811**
Loss from associates, net of tax	-13			-13	-101			-101
Net profit	**-42,986**	**74,575**	**26,268**	**57,857**	**35,872**	**61,167**	**11,412**	**108,451**
Income tax expense	-5,384	-2,773	-726	-8,883	-35,160	-107	-1,673	-36,940
Profit for the period	**-48,370**	**71,802**	**25,542**	**48,974**	**712**	**61,060**	**9,739**	**71,511**

* Non-recurring items cover:
2022: Impairment of property, plant and equipment, restructuring costs, costs related to the impact of the war in Ukraine and employee related costs linked to the long term management incentive program
2021: Restructuring costs and costs related to the refinancing of the Group

** Purchase Price Allocation (PPA) items cover the income statement impact from the purchase price allocation on the business combination.

These elements, mainly amortization of newly identified intangible assets during the PPA, are excluded to normalize the performance of the Group. It includes also an impairment of €18.8m on the goodwill which was recognized during the fourth quarter of 2022 following the brand impairment test.

For additional information refer to the document "Purchase Price Allocation – summary" available on the investors page or through the following link:
https://vp233.alertir.com/sites/default/files/report/oriflame_purchase_price_allocation_summary.pdf?v2assets).

Condensed consolidated statements of comprehensive income

€'000	Note	three months ended 31 December 2022	three months ended 31 December 2021	twelve months ended 31 December 2022	twelve months ended 31 December 2021
Profit for the period		**-2,934**	**11,576**	**-48,370**	**712**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of net defined liability, net of tax	9	-357	1,735	5,310	3,081
Total items that will not be reclassified subsequently to profit or loss		***-357***	***1,735***	***5,310***	***3,081***
Items that are or may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		-46,940	5,349	14,827	21,969
Cash flow hedges – effective portion of changes in fair value, net of tax		4,915	-1,013	2,468	-10,426
Total items that are or may be reclassified subsequently to profit or loss		***-42,025***	***4,336***	***17,295***	***11,543***
Other comprehensive income for the period, net of tax		**-42,382**	**6,071**	**22,605**	**14,624**
Total comprehensive income / loss for the period		**-45,316**	**17,647**	**-25,765**	**15,336**

Condensed consolidated statements of financial position

€'000		31 December, 2022	31 December, 2021
Assets			
Property, plant and equipment	4	72,252	109,739
Right-of-use assets		43,481	37,034
Intangible assets		563,636	572,255
Goodwill	5	242,494	262,137
Investment in associates		88	94
Investment property		542	542
Deferred tax assets	6	33,245	24,660
Other long-term receivables		133	1,999
Derivative financial assets	7	64,406	21,314
Total non-current assets		**1,020,276**	**1,029,775**
Inventories		132,338	155,482
Trade and other receivables		51,040	47,354
Tax receivables		14,998	16,181
Prepaid expenses		22,067	20,792
Derivative financial assets		176	610
Cash and cash equivalents		121,936	118,853
Total current assets		**342,554**	**359,274**
Total assets		**1,362,831**	**1,389,049**
Equity			
Share capital		653,081	653,081
Reserves		-12,398	-29,694
Retained earnings		-356,133	-313,769
Total equity		**284,549**	**309,618**
Liabilities			
Interest-bearing loans	8	754,938	721,837
Employee benefits	9	3,195	10,677
Lease liabilities		33,512	26,149
Other long-term liabilities		1,922	2,006
Deferred income		118	144
Provisions	10	5,298	12,678
Deferred tax liabilities		53,935	55,627
Total non-current liabilities		**852,916**	**829,117**
Lease liabilities		13,117	13,102
Trade and other payables		98,242	115,474
Contract liabilities		8,713	10,393
Tax payables		13,378	17,766
Accrued expenses		81,482	84,314
Derivative financial liabilities		634	1,454
Employee benefits	9	-	4,383
Provisions	10	9,799	3,430
Total current liabilities		**225,365**	**250,314**
Total liabilities		**1,078,281**	**1,079,431**
Total equity and liabilities		**1,362,831**	**1,389,049**

Condensed consolidated statements of changes in equity

€'000	Share capital	Reserves	Retained earnings	Total Equity
At 1 January 2021	**653,081**	**-41,237**	**-287,042**	**324,802**
Net profit	-	-	712	712
Other comprehensive income, net of tax	-	11,543	3,081	14,624
Total comprehensive income for the period	**-**	**11,543**	**3,793**	**15,336**
Dividends	-	-	-30,520	-30,520
Total contributions and distributions	**-**	**-**	**-30,520**	**-30,520**
At 31 December 2021	**653,081**	**-29,694**	**-313,769**	**309,618**

€'000	Note	Share capital	Reserves	Retained earnings	Total Equity
At 31 December 2021		**653,081**	**-29,694**	**-313,769**	**309,618**
IAS 29 Hyperinflation adjustment	3	-	-	696	696
At 1 January 2022		**653,081**	**-29,694**	**-313,073**	**310,314**
Net loss		-	-	-48,370	-48,370
Other comprehensive income, net of tax		-	17,295	5,310	22,605
Total comprehensive income for the period		**-**	**17,295**	**-43,060**	**-25,765**
At 31 December 2022		**653,081**	**-12,398**	**-356,133**	**284,549**

Condensed consolidated statements of cash flows – three months ended 31 December

€'000	2022	Non-recurring items	Purchase Price allocation items	2022 Adjusted	2021	Non-recurring items	Purchase Price allocation items	2021 Adjusted
Operating activities								
Profit before income tax	**-12,094**	**3,627**	**20,639**	**12,172**	**21,204**	**521**	**1,964**	**23,689**
Adjustments for:								
Depreciation of property, plant and equipment and right-of-use assets	7,252			7,252	7,589		67	7,656
Amortisation of intangible assets	2,083		-1,876	207	2,090		-1,897	193
Change in fair value of borrowings and derivatives financial instruments	2,367			2,367	-2,180			-2,180
Deferred income	1,242			1,242	296			296
Impairment	18,762		-18,762	-	-			-
Unrealised exchange rate differences	2,238			2,238	3,252			3,252
Profit on disposal of property, plant and equipment, intangible assets, leased assets	627			627	-230		-7	-236
Loss from associates, net of tax	-8			-8	101			101
Interest and other financial income	-6,410			-6,410	-6,529			-6,529
Interest and other financial expense	16,588			16,588	16,547		-127	16,420
	32,648	**3,627**	**-**	**36,275**	**42,140**	**521**	**-**	**42,661**
Increase(-)/Decrease in trade and other receivables, prepaid expenses	951			951	-3,786			-3,786
Decrease in inventories	3,276	447		3,723	8,734			8,734
Increase in trade and other payables, accrued expenses	17,354	-2,989		14,365	22,573			22,573
Increase/Decrease(-) in provisions	-3,415	1,075		-2,340	378	-216		162
Cash generated from operations	**50,815**	**2,160**		**52,974**	**70,039**	**305**		**70,344**
Interest received	311			311	222			222
Income taxes paid	-2,361			-2,361	-3,881			-3,881
Cash flow from operating activities	**48,765**	**2,160**	**-**	**50,924**	**66,380**	**305**	**-**	**66,685**

Condensed consolidated statements of cash flows – three months ended 31 December (continued)

€'000	Note	2022	Non-recurring items	Purchase Price allocation items	2022 Adjusted	2021	Non-recurring items	Purchase Price allocation items	2021 Adjusted
Cash flow from operating activities		**48,765**	**2,160**	**-**	**50,924**	**66,380**	**305**	**-**	**66,685**
Investing activities									
Proceeds on sale of property, plant and equipment, intangible assets		-198			-198	603			603
Purchases of property, plant, equipment		-2,581			-2,581	-2,380			-2,380
Purchases of intangible assets		-25			-25	-494			-494
Cash flow used in investing activities		**-2,803**	**-**	**-**	**-2,803**	**-2,271**	**-**	**-**	**-2,271**
Financing activities									
Repayment of borrowings		-			-	-25,000			-25,000
Interest and other financial charges paid	2	-12,711			-12,711	-13,543		127	-13,415
Payment of lease liabilities		-3,799			-3,799	-4,244		-127	-4,371
Cash flow used in financing activities		**-16,510**	**-**	**-**	**-16,510**	**-42,787**	**-**	**-**	**-42,787**
Change in cash and cash equivalents		**29,452**	**2,160**	**-**	**31,612**	**21,322**	**305**	**-**	**21,627**
Cash and cash equivalents at the beginning of the period net of bank overdrafts		96,618	4,859	-	**101,477**	**99,359**	**56,951**	-	**156,310**
Effect of exchange rate fluctuations on cash held		-4,134			-4,134	-1,828			-1,828
Cash and cash equivalents at the end of the period, net of bank overdrafts		**121,936**	**7,019**	**-**	**128,955***	**118,853**	**57,256**	**-**	**176,109***

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

Condensed consolidated statements of cash flows – twelve months ended 31 December

€'000	2022	Non-recurring items	Purchase Price allocation items	2022 Adjusted	2021	Non-recurring items	Purchase Price allocation items	2021 Adjusted
Operating activities								
Profit before income tax	**-42,986**	**74,575**	**26,268**	**57,857**	**35,872**	**61,167**	**11,412**	**108,451**
Adjustments for:								
Depreciation of property, plant and equipment and right-of-use assets	29,428			29,428	31,413		141	31,554
Amortisation of intangible assets	8,370		-7,505	864	11,894		-10,867	1,026
Change in fair value of borrowings and derivatives financial instruments	-10,922			-10,922	-615			-615
Deferred income	-1,456			-1,456	-2,390			-2,390
Impairment	74,076	-55,314	-18,762	-	-			-
Unrealised exchange rate differences	-2,331			-2,331	-2,143			-2,143
Profit on disposal of property, plant and equipment, intangible assets, leased assets	574	-278		296	-1,192		-92	-1,284
Loss from associates, net of tax	13			13	101			101
Interest and other financial income	-28,633			-28,633	-23,503			-23,503
Interest and other financial expense	64,447			64,447	129,298	-60,272	-593	68,433
	90,581	**18,983**	**-**	**109,564**	**178,734**	**895**	**-**	**179,629**
Increase in trade and other receivables, prepaid expenses	-2,889			-2,889	-3,350			-3,350
Increase(-)/Decrease in inventories	22,175			22,175	-24,853			-24,853
Decrease in trade and other payables, accrued expenses	-23,741	-2,989		-26,730	-25,862			-25,862
Increase/Decrease(-) in provisions	-1,177	-8,975		-10,152	1,223	2,020		3,243
Cash generated from operations	**84,949**	**7,019**		**91,968**	**125,892**	**2,915**		**128,807**
Interest received	1,271			1,271	1,459			1,459
Income taxes paid	-20,220			-20,220	-29,377			-29,377
Cash flow from operating activities	**66,001**	**7,019**	**-**	**73,020**	**97,974**	**2,915**	**-**	**100,888**

Condensed consolidated statements of cash flows – twelve months ended 31 December (continued)

€'000	Note	2022	Non-recurring items	Purchase Price allocation items	2022 Adjusted	2021	Non-recurring items	Purchase Price allocation items	2021 Adjusted
Cash flow from operating activities		**66,001**	**7,019**	**-**	**73,020**	**97,974**	**2,915**	**-**	**100,888**
Investing activities									
Proceeds on sale of property, plant and equipment, intangible assets		378			378	2,116			2,116
Purchases of property, plant, equipment		-9,612			-9,612	-8,134			-8,134
Purchases of intangible assets		-163			-163	-859			-859
Cash flow used in investing activities		**-9,398**	**-**	**-**	**-9,398**	**-6,877**	**-**	**-**	**-6,877**
Financing activities									
Proceeds from borrowings		25,000			25,000	732,533			732,533
Repayment of borrowings		-25,000			-25,000	-786,252			-786,252
Interest and other financial charges paid	2	-33,315			-33,315	-115,014	54,342	593	-60,079
Payment of lease liabilities		-14,922			-14,922	-16,808		-593	-17,401
Dividends paid		-			-	-30,520			-30,520
Cash flow used in financing activities		**-48,236**	**-**	**-**	**-48,236**	**-216,060**	**54,342**	**-**	**-161,719**
Change in cash and cash equivalents		**8,367**	**7,019**	**-**	**15,385**	**-124,963**	**57,256**		**-67,707**
Cash and cash equivalents at the beginning of the period net of bank overdrafts		**118,853**		**-**	**118,853**	241,947			241,947
Effect of exchange rate fluctuations on cash held		-5,284	-	-	-5,284	1,870			1,870
Cash and cash equivalents at the end of the period, net of bank overdrafts		**121,936**	**7,019**	**-**	**128,955***	**118,853**	**57,256**	**-**	**176,109***

* 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

1. Status and principal activity

Oriflame Holding Limited (the "Company") 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 JEI OBD. The principal activity of the Company's subsidiaries is the sale of cosmetics. The condensed consolidated financial statements of the Company as at and for the twelve months ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group").

2. Basis of preparation and summary of significant accounting policies

Statement of compliance

The condensed consolidated financial statements for the twelve months period ended 31 December 2022 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 Group as at and for the year ended 31 December 2021.

The condensed consolidated financial statements were authorized for issue by the Directors on 20 February 2023.

Change in significant accounting policies, use of judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

The accounting policies applied in these condensed consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2021. Other new or amended IFRS standards which became effective January 2022 have had no material effect on the group's financial statements.

Change in presentation

The presentation of the consolidated statements of cash flows was adjusted to achieve a more appropriate presentation of the group cash flows:

- Interest and other financial charges paid, which covers mainly financing interest from the interest-bearing loans, were reclassified from cash flow from operating activities to cash flow from/(used in) financing activities.

This change facilitates the reading of the different cash flows so that the readers of the financial statements do not need to reclassify the interest paid out of the cash generated from operating activities to get a clearer view on the operating and financing cash flows.

The Company restated the consolidated statements of cash flows for the prior periods in 2021 to have proper comparative figures.

3. Hyperinflation

Türkiye, a country in which the Group operates, has become a hyperinflationary economy since the second quarter of 2022. The TLR has experienced a cumulative inflation rate of more than 100% over the past three years, which requires the application of IAS 29 "Financial Reporting in Hyperinflationary Economies". Hence, the Group implemented IAS 29 retroactively as of 1 January 2022. The impact of applying this standard amounted to €696k in the opening retained earnings. Prior year figures were not restated.

The financial statements of the sales entity in Türkiye are based on the historical cost approach. The non-monetary items in the balance sheet were restated by applying the corresponding Consumer Price Index (CPI) at the end of the reporting period. Income statement items were indexed up from the period initially recorded to reflect the purchasing power at the reporting date. The gain or loss on the net monetary position is included in the income statement either in financial income or in financial expense.

The restatement was calculated using the conversion factors derived from the CPI, published by the Turkish Statistical Institute. The CPI increased from 686.95 in December 2021 to 1,128.45 in December 2022 representing an increase of 64% during the period. In 2021, the inflation amounted to 36%.

During the twelve months period until 31 December 2022, the impact on the net monetary position amounted to a loss of €470k which was recognized within financial expense.

4. Property, plant & Equipment (PP&E)

The significant decrease in the property, plant & equipment of €37.5m as of 31 December 2022 compared to 31 December 2021 is mainly explained by an impairment of €55.3m in the property, plant & equipment and recognized in the administrative expenses section in June 2022, which was partially offset by the currency translation impact of the Russian Ruble's strengthening. The reason for the impairment is the war in Ukraine and the reduced Oriflame's activities in Russia. The impairment expense was recognized using the closing rate on 30 June 2022, based on the information available and the market conditions at that date. The fair value less costs of disposal was then used as a basis for impairment and was assessed with external input.

5. Goodwill

During the fourth quarter of 2022, the annual impairment test was performed on the Brand. It resulted in an impairment loss of €18.8 million (nil) which is mainly due to the increase in the interest rate (Discount rate) during the year from 11.7% to 17.4%. This impairment loss was recognized firstly as a reduction of the goodwill carrying amount and was booked within administrative expenses. The rest of the movement on the goodwill is due to foreign exchange impact.

Assumptions used	**31 December 2022**	**31 December 2021**
Discount rate	17.4%	11.7%
Terminal value growth rate	4.0%	3.8%

6. Deferred Tax Assets

€'000	**31 December 2022**	**31 December 2021**
Deferred Tax Assets	33,245	24,660

The difference between the deferred tax assets mainly refers to an amortizable tax asset in Switzerland (€12.7m) arising from the Swiss Tax Reform in 2019 and for which management assessed starting its utilization in 2024 but no later than 2025. There was also a reassessment of the recoverability of the DTA (negative impact) in some markets due to profitability forecast.

7. Non-current derivative financial assets

€'000	**31 December 2022**	**31 December 2021**
Non-current derivative financial assets	64,406	21,314

The non-current derivative financial assets are composed of the mark to market value of cross currency interest rate swaps and interest rate swaps which are used to hedge the external debt.

The movement of €43.1m compared to 31 December 2021 is mainly due to the change in the foreign exchange rate of the US dollar from 1.1326 in December 2021 to 1.0666 in December 2022 (-6%).

8. Interest-bearing loans

The terms and conditions of outstanding loans were as follows as at 31 December 2022.

€'000	**Interest rate**	**Year of maturity**	**Book value**	**Non-current**	**Current**
Revolving credit facility	Euribor + margin	2025	-	-	-
Senior Secured Notes - €250.0m	3 month Euribor + 4.25%*	2026	250,000	250,000	-
Senior Secured Notes - $550.0m	5.125%**	2026	515,657	515,657	-
Front end fees deducted from proceeds	-	2025- 2026	-10,720	-10,720	-
Total interest-bearing liabilities			**754,938**	**754,938**	**-**

* €200m notional swapped into fixed EUR with margin 0.14%

** Swapped € interest rate 3.53%

9. Employee benefits

€'000	31 December 2022	31 December 2021
Non-current	3,195	10,677
Current	-	4,383
Total employee benefits liability	**3,195**	**15,060**

The decrease in the non-current employee benefits liabilities is mainly explained by the reduction in the net defined benefit liability in relation to the Swiss defined benefit plans. The discount rate used in the actuarial valuation increased from 0.35% on 31 December 2021 to 2.40% on 31 December 2022. It resulted in the reduction of the Swiss net defined benefit liability from €6.8m to nil impacting the Other Comprehensive Income by €5.7m (€2.9m).

The current employee benefits liability of €4.4m as at 31 December 2021, which was related to the Share Incentive and retention Plan (SIP), was settled during the second quarter of 2022.

10. Provisions

€'000	31 December 2022	31 December 2021
Non-current	5,298	12,678
Current	9,799	3,430
Total provisions	**15,097**	**16,108**

In 2022, the Group reorganized its regional structure to simplify it and to reduce complexity. It resulted in restructuring costs of €15.8m (€2.4m during the first quarter, €9.4m during the second quarter, €2.5m during the third quarter and €1.5m during the fourth quarter) recognized mainly in the administrative expenses. Consequently, the restructuring provision moved by €8.6m from €0.6m as at 31 December 2021 to €9.2m as at 31 December 2022 and should be settled mainly within the next twelve months.

The increase in the restructuring provision was offset through the settlement of other provisions in relation to various litigations, restoration costs on leased office termination and release of provision for a case won on the court with total net effect of €-9.6m.

11. Additional information

Consolidated financial statements – Restricted and unrestricted subsidiaries

The following consolidated financial statements present, on a supplemental basis, the results of operations and the financial position for those subsidiaries of Oriflame which have been designated unrestricted subsidiaries for purposes of the Indenture and the Revolving Facility Agreement.

Cetes Cosmetics LLC and Oriflame Cosmetics LLC were designated as unrestricted subsidiaries on March 21, 2022 (the "Unrestricted Subsidiaries"). In this section, the Unrestricted Subsidiaries are excluded from the Oriflame's financial results as if they were unrestricted subsidiaries as of and for the period ended 31 December 2022. Accordingly, management believes that the following presentation is helpful to current and potential investors in the Senior Secured Notes as well as others.

Consolidated income statement

PERIOD ENDED 31 December 2022

€'000	Oriflame Group Consolidated	"Restricted" subsidiaries	"Unrestricted" subsidiaries
Sales	925,414	747,231	178,183
Cost of sales	-312,029	-230,487	-81,543
Gross profit	**613,385**	**516,745**	**96,640**
Selling and marketing expenses	-284,851	-237,414	-47,437
Distribution and infrastructure	-25,058	-20,820	-4,238
Administrative expenses	-328,067	-248,337	-79,729
Operating profit / (loss)	**-24,591**	**10,174**	**-34,765**
Financial income	46,967	43,304	3,663
Financial expenses	-65,349	-63,389	-1,960
Net financial (expense) / income	**-18,382**	**-20,085**	**1,703**
Loss from associates, net of tax	-13	-13	-
Profit / (loss) before income tax	**-42,986**	**-9,924**	**-33,062**
Income tax expense	-5,384	-3,644	-1,740
Loss for the period	**-48,370**	**-19,709**	**-28,661**

Consolidated statement of financial position

31 December 2022 **€'000**	**Oriflame Group Consolidated**	**"Restricted" subsidiaries**	**"Unrestricted" subsidiaries**
Assets			
Property, plant and equipment	72,252	44,264	27,989
Right-of-use-Assets	43,481	34,743	8,738
Intangible assets & Goodwill	806,130	766,803	39,326
Investment in associates	88	88	-
Investment property	542	542	-
Deferred tax assets	33,245	28,072	5,172
Other long-term receivables and prepaid expenses	133	133	-
Derivative financial assets	64,406	64,406	-
Total non-current assets	**1,020,276**	**939,051**	**81,225**
Inventories	132,338	112,118	20,220
Trade and other receivables	51,040	48,622	2,418
Intercompany receivables	-	-3,462	3,462
Tax receivables	14,998	14,800	198
Prepaid expenses	22,067	20,921	1,146
Derivative financial assets	176	176	-
Cash and cash equivalents	121,936	113,205	8,731
Total current assets	**342,554**	**306,380**	**36,174**
Total assets	**1,362,831**	**1,245,431**	**117,400**
Total Equity	**284,549**	**211,557**	**72,992**
Liabilities			
Interest-bearing notes	754,938	754,938	-
Intercompany loans	-	-11,673	11,673
Employee benefits	3,195	3,195	-
Lease liabilities	33,512	25,231	8,281
Other long-term liabilities	1,922	1,922	-
Deferred income	118	118	-
Provisions	5,298	5,298	-
Deferred tax liabilities	53,935	52,013	1,922
Total non-current liabilities	**852,916**	**831,040**	**21,876**
Lease liabilities	13,117	11,723	1,394
Trade and other payables	98,242	87,449	10,794
Intercompany payables	-	-1,596	1,596
Contract liabilities	8,713	7,265	1,447
Tax payables	13,378	13,239	139
Accrued expenses	81,482	74,542	6,940
Derivative financial liabilities	634	634	-
Provisions	9,799	9,579	221
Total current liabilities	**225,365**	**202,834**	**22,531**
Total liabilities	**1,078,281**	**1,033,874**	**44,407**
Total equity and liabilities	**1,362,831**	**1,245,431**	**117,400**