



Interim Management Statement 1 January – 30 June 2024

	LC SALES	EURO SALES	ADJUSTED EBITDA
Second quarter	-15%	-19%	€6.0m (€11.9m PY)
Year-to-date	-17%	-22%	€12.6m (€28.7m PY)

Three months ended 30 June 2024

Strategic progress

- Sales results during the second quarter remained challenging in all regions albeit with some sequential improvements versus the previous quarters. Results are still negatively impacted by macroeconomic and geopolitical challenges including the ongoing Russia/Ukraine war. Adverse exchange rate movements in several key markets are having a further negative impact on sales and profits.
- The Beauty Community Model (BCM) was at the end of the quarter implemented in 28 markets, many of which indicating satisfactory results.
- The incubation market in the UK is showing strong sales growth reinforcing the belief that ongoing actions will support sales going forward.
- The quarter ended with a cash balance of €78.3m compared to €57.3m at the start of the quarter and €80.6m at year-end 2023.

Operational highlights

- Sales in Euro decreased by 19% and by 15% in local currencies showing continued weak trends albeit with some sequential improvements versus previous quarters. The decline was seen in all regions due to less members and activity in most of the markets with partial positive offsetting impact through higher productivity of members. The uncertain macroeconomic and geopolitical situation and adverse exchange rate movements in several markets have a continued negative impact on the performance of the group.
- Gross margin showed a substantial improvement compared to the previous quarters while still being 150 bps below the same quarter in the previous year. The lower gross margin came from negative FX impacts and higher than anticipated discounts to liquidate excess stock, partially offset by price increases.
- Management's cost reduction programme implemented since the third quarter 2023 led to €9.7m reduction in adjusted administrative expenses costs year on year.
- Adjusted EBITDA margin dropped from 6.6% to 4.0% negatively impacted by lower sales and gross margin. Half of the margin drop is related to foreign exchange impact.
- Adjusted cash flow before financing activities was €-2.8m versus €-1.7m in the same quarter last year. The working capital was relatively flat (€-0.9m) which was an improvement versus last year (€-3.9m). The RCF was drawn down €-15.5m at the end of the quarter and the remaining interest rate swaps on the bonds were sold bringing in a total of €24.0m of cash.



Significant events during and after the quarter

- Oriflame ceased operations in Sri Lanka after unsatisfactory development and stopped operations in Belarus due to weaker performance and challenges operating the business. Both entities will undergo formal liquidation process.
- As previously announced, Oriflame launched and started sales in Malta, Luxembourg, Belgium, France, Italy and Austria early July with sales presence now in all EU markets.
- During the quarter the company sold the entity Oriflame Property Investments in Poland for €3.5m and generated a cash inflow of the same amount. This entity was reported as “assets held for sale” in the balance sheet since year end 2023 and the accounting profit of the sale amounted to €2.2m.
- On 16 August 2024, the land and property of Cetes Hungary, reported as “assets held for sale” in the balance sheet since year end 2023, was sold for €3.5m and generated a cash inflow of the same amount. It did not generate a profit as the carrying amount was adjusted to this value as of 30 June 2024.
- After selling the FX elements of the cross-currency interest rate swaps on the USD bond last year, the company closed out the remaining interest swaps connected to the Euro and the USD bond during the second quarter of 2024 capitalising on the positive mark to market value of these swaps. The sale generated a cash inflow of €24.0m of which €21.7m was attributed to incoming cash from the sale of the swaps and €2.4m as a reduction of the interest payments for the quarter in the cash flow statement. The future coupon payments on the bond will therefore be subject to FX and interest rate fluctuations as per the standard terms of the bonds.

Unrestricted Subsidiaries Designation

The Board of Directors of Oriflame Holding Limited resolved on 29th of August, 2024 to designate the following entities as Unrestricted Subsidiaries (collectively, the “URS Subs”), under and in accordance with, the indenture governing the senior secured notes due 2026 and the Oriflame Group’s revolving credit facility agreement:

1. Cetes Cosmetics Poland sp. z o.o;
2. Cetes Cosmetics AG;
3. Oriflame Cosmetics AG; and
4. Oriflame Software S.R.O.

Concurrent with such designation, we are proactively exploring options to address our capital structure and evaluating potential recapitalization opportunities. In connection with such efforts, we are in active discussions to raise financing on the assets of the URS Subs.

As part of such discussions, the Oriflame Group has suggested to the potential investors that its business plan factored in revenue growth of circa 4% per annum, gross margin trajectory of 66%-67%, Adj. EBITDA margin recovering from 6% to 10% while spending on Capex and leases remained flat. Such business plan is forward looking and based on several assumptions; and the Oriflame Group is not providing any assurance that any of these results will be achieved. Further, the Oriflame Group does not intend to update its forecast of these metrics in any future earnings releases or reports.



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 condensed consolidated income statements on pages 16 and 17.

Three months ended 30 June 2024

- Euro sales decreased by 19% to €148.2m (€181.9m) and local currency sales decreased by 15%.
- The adjusted EBITDA amounted to €6.0m (€11.9m) and the adjusted EBITDA margin was 4.0% (6.6%). The currency impact on the adjusted EBITDA was 130 bps negative.
- The adjusted operating profit was €0.4m (€5.9m) and the adjusted operating margin was 0.3% (3.3%).
- The adjusted net profit was €-19.2m (€-1.2m).
- The adjusted cash flow from operating activities was €2.1m (€4.2m) and adjusted cash flow before financing activities was €-2.8m (€-1.7m).
- Additional non-recurring costs amounting to €1.8m (€3.4m) were recorded during the quarter and excluded from the adjusted figures.

Six months ended 30 June 2024

- Euro sales decreased by 22% to €304.7m (€390.2m) and local currency sales decreased by 17%.
- The adjusted EBITDA amounted to €12.6m (€28.7m) and the adjusted EBITDA margin was 4.1% (7.4%). The currency impact on the adjusted EBITDA was 210 bps negative.
- The adjusted operating profit was €1.3m (€16.3m) and the adjusted operating margin was 0.4% (4.2%).
- The adjusted net profit was €-43.5m (€-8.0m).
- The adjusted cash flow from operating activities was €1.1m (€-5.3m) and the adjusted cash flow before financing activities was €-8.7m (€-17.9m).
- Non-recurring costs amounting to €2.5m (€4.9m) were recorded during the year and excluded from the adjusted figures.

Financial summary

(€m)	three months ended 30 June			six months ended 30 June			twelve months ended		
	2024	2023	Change %	2024	2023	Change %	Jun '24	Dec '23	Change %
Sales	148.2	181.9	-19%	304.7	390.2	-22%	665.5	750.9	-11%
Adj. EBITDA	6.0	11.9	-50%	12.6	28.7	-56%	22.9	39.0	-41%
Adj. Operating profit	0.4	5.9	-93%	1.3	16.3	-92%	-0.1	14.8	
Adj. Net profit	-19.2	-1.2	-1478%	-43.5	-8.0	-441%	-117.2	-81.8	-43%
Adj. Cash flow from operating activities	2.1	4.2	-50%	1.1	-5.3		42.1	35.7	18%
Adj. Cash flow before financing activities	-2.8	-1.7	-64%	-8.7	-17.9	-51%	20.7	11.6	79%
Cash and cash equivalents	78.3	76.4	3%	78.3	76.4	3%	78.3	80.6	-3%
Total debt	808.4	792.4	2%	808.4	792.4	2%	808.4	784.1	3%
Secured debt	779.3	756.2	3%	779.3	756.2	3%	779.3	751.7	4%
Net Secured debt	700.9	679.8	3%	700.9	679.8	3%	700.9	671.1	4%
Adj. Gross margin	66.9%	68.4%		65.9%	67.2%		63.6%	64.5%	
Adj. EBITDA margin	4.0%	6.6%		4.1%	7.4%		3.4%	5.2%	
Adj. Operating margin	0.3%	3.3%		0.4%	4.2%		0.0%	2.0%	
Net Secured Debt ratio	30.6	7.4		30.6	7.4		30.6	17.2	

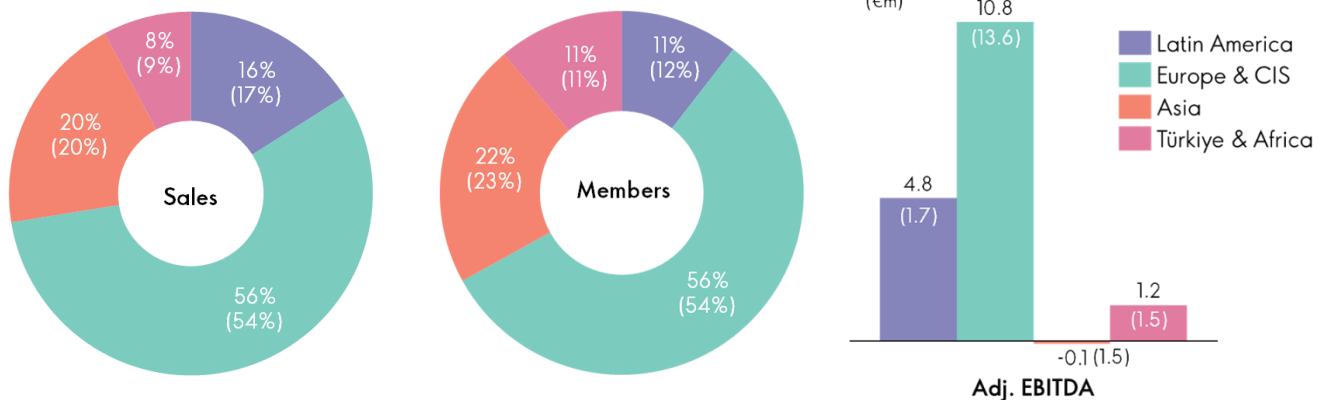
Oriflame in brief

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 1.5 million members, generating annual sales of 750 million Euro. 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

Q2 Regional split*



*Excluding manufacturing and franchisees

Q2 Regional Sales Progression

Q2	Latin America	Europe & CIS	Asia	Türkiye & Africa**	Group
EUR growth	-25%	-15%	-22%	-26%	-19%
LC growth	-26%	-12%	-20%	-1%	-15%
Adj. EBITDA margin	21.1% (5.5%)	13.4% (14.5%)	-0.4% (4.3%)	10.8% (10.3%)	4.0% (6.6%)

Latin America

In Latin America Euro sales decreased by 25% while local currency sales dropped by 26%. The sales drop came from fewer members due to weaker recruitment, which was partially offset by improved productivity levels across the region. Gross margins were significantly higher versus the same quarter prior year, with positive impacts from price increases, positive FX effects and reversal of inventory related provisions. EBITDA improved significantly, both in absolute and relative terms, from further savings and lower sales and marketing expenses.

Europe & CIS

In Europe & CIS Euro sales dropped by 15% while sales in local currencies decreased by 12%. The lower sales is explained mainly by fewer members and was partially offset by a positive productivity development. The incubator market United Kingdom continues to show very positive sales and recruitment results. Sales operations in Belarus was closed during the quarter due to weaker performance combined with challenges operating the business in this market. Higher costs throughout the region in sales and marketing were partially offset by higher gross margin from price increases and savings in administrative costs. EBITDA margin decreased by 90 bps versus the same quarter previous year.

Asia

In Asia Euro sales dropped by 22% while sales in local currency decreased by 20% due to fewer members and lower activity in all main markets. The operations in Sri Lanka ceased during the quarter due to unsatisfactory development and macroeconomic challenges in this market. EBITDA margins were negatively impacted by the sales decline, a weaker gross margin from product cost inflation and one-off clearance activity to correct inventory levels, as well as higher sales and marketing expenses versus the same quarter previous year.

Türkiye & Africa

In Türkiye & Africa Euro sales decreased by 26% due to significantly weaker local currencies in Türkiye and Nigeria. Sales in local currencies dropped by 1%** where negative impact from fewer members was offset by inflationary driven price increases and positive sales momentum with members growth in Nigeria. The EBITDA margin for the quarter improved to 10.8% (10.3%), positively impacted by price increases and significantly lower overhead expenses as a result of restructuring and savings initiatives.

** LC sales growth calculation has been adjusted for Türkiye hyperinflation.



Three months ended 30 June 2024

Items below focus on “Adjusted” figures and exclude non-recurring and purchase price allocation (PPA) related items.

Sales and gross margin

Euro sales decreased by 19%, or €33.7m, to €148.2m for the three months ended 30 June 2024 compared with €181.9m for the same period last year. Local currency sales decreased by 15% mainly due to a decline in the average number of members to 1.4m (1.7m). Unit sales decreased by 23% and the price/mix effect was positive by 8%. Manufacturing sales to third parties decreased by 12%.

Gross margin (66.9% of sales compared to 68.4% prior year)

The gross profit decreased by 20.3%, or €25.3m, to €99.2m for the three months ended 30 June 2024 from €124.5m for the same period in 2023. In relative terms, the gross margin decreased from 68.4% to 66.9% mainly due to 90 bps from negative foreign exchange impact. Excluding FX impact the underlying gross margin declined by 60 bps compared to prior year. Positive effects from price/mix were offset by higher than anticipated discounts to liquidate excess stock, product cost inflation and under-recoveries from lower volumes.

Costs and expenses

Selling and marketing expenses (32.8% of sales compared to 32.3% prior year)

Selling and marketing expenses decreased by 17.1%, or €10.1m, to €48.7m for the three months ended 30 June 2024 from €58.7m for the same period in 2023. As a percentage of sales, the selling and marketing expenses were relatively stable with a slight increase of 50 bps coming from additional marketing initiatives during this quarter compared to prior year.

Distribution and infrastructure expenses (3.5% of sales compared to 2.8% prior year)

Distribution and infrastructure expenses decreased by 0.5% to €5.1m for the three months ended 30 June 2024 from €5.2m for the same period in 2023. As a percentage of sales, the distribution and infrastructure expenses increased from 2.8% to 3.5% due to the fixed costs basis linked to the group’s distribution infrastructure.

Administrative expenses (30.3% of sales compared to 30.1% prior year)

Administrative expenses decreased by 17.7%, or €9.7m, to €45.0m for the three months ended 30 June 2024 from €54.7m for the same period last year. The restructuring measures taken in 2023 and positive exchange rates differences continued to have a positive impact on the administrative expenses. The net decrease of €9.7m came mainly from reduction in staff costs followed by lower IT & communication expenses and travel costs.

Net financing costs (14.2% of sales compared to 6.6% of sales prior year)

Net financing costs increased by €9.0m to €21.1m for the three months ended 30 June 2024 from €12.1m for the same period in 2023. The increase came mainly from unrealised FX loss of €5.0m related to the \$550.0m bond revaluation during the quarter due to the strengthened dollar, and from an increase of €5.1m on interest expenses on the bonds due to higher interest rate on unhedged interest position.

Adjusted income tax expenses (€0.7m compared to €3.1m prior year)

The tax expense for the three months ended 30 June 2024 was lower by €2.4m versus prior year mainly due to lower profit before tax.

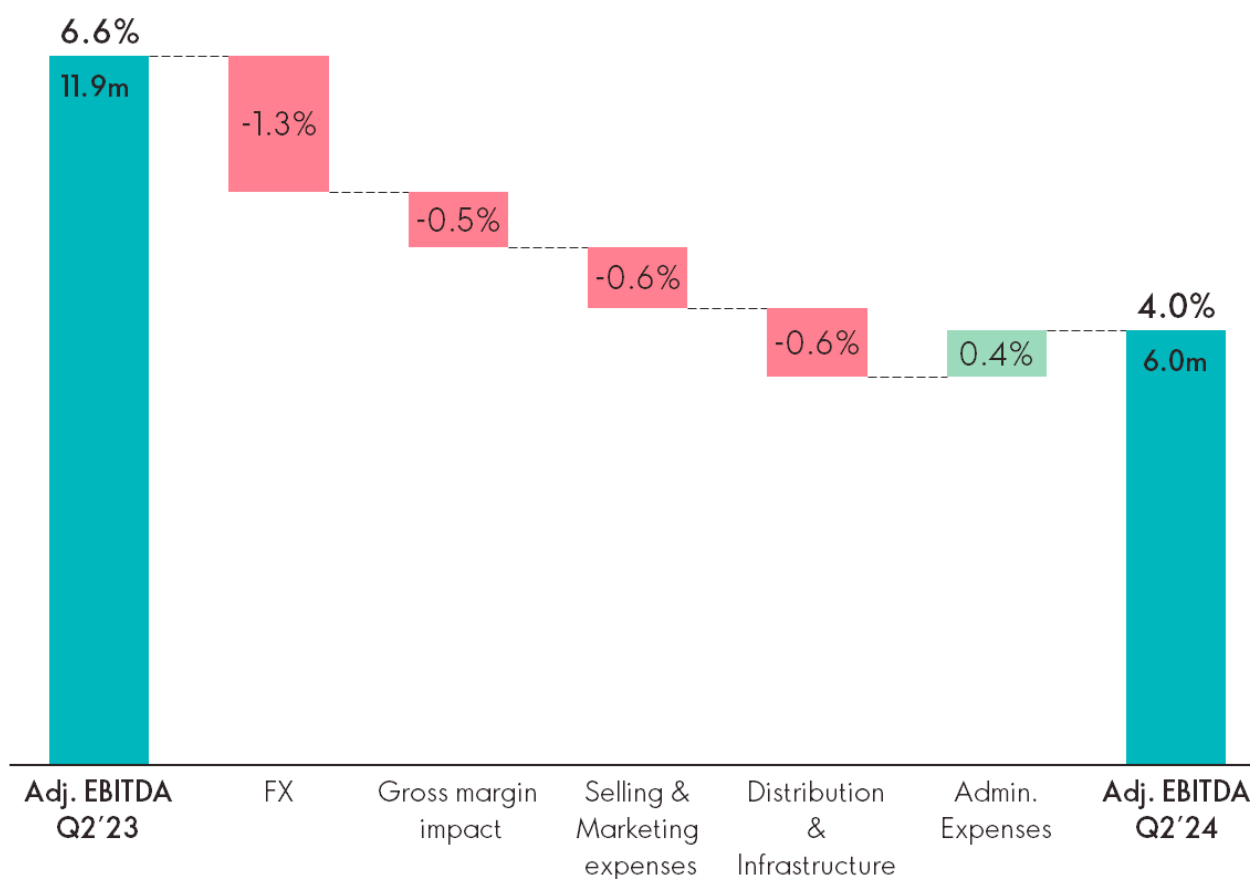


Adjusted EBITDA

“Adjusted” figures exclude non-recurring and purchase price allocation (PPA) related items. For additional information refer to the condensed consolidated income statements on pages 16 and 17.

Adjusted EBITDA decreased by 50.1%, or €6.0m, to €6.0m for the three months ended 30 June 2024 from €11.9m for the same period in 2023. The EBITDA decline was due to lower sales, negative exchange rate movements and negative impact on selling & marketing expenses and distribution & infrastructure. A positive movement in administrative expenses, which resulted from the restructuring programme initiated in 2023, slightly offset the negative trend. Excluding foreign exchange impact, administrative expenses within EBITDA decreased by €8.1m during the quarter compared to prior year. The adjusted EBITDA margin was 4.0% compared to 6.6% prior year where half of the decrease was related to foreign exchange movements.

ADJUSTED EBITDA MARGIN VS. PRIOR YEAR





Six months ended 30 June 2024

Items below focus on “Adjusted” figures and exclude non-recurring and purchase price allocation (PPA) related items.

Sales and gross margin

Sales for the six months ended 30 June 2024 decreased by 22%, or €85.5m, to €304.7m compared with €390.2m in 2023. Local currency sales decreased by 17% mainly due to a decline in the average number of members to 1.5m (1.8m). Unit sales decreased by 25% and the price/mix effect was positive by 8%. External sales from Cetes Manufacturing decreased by 18%.

Gross margin (65.9% of sales compared to 67.2% prior year)

The gross profit dropped by 23.4%, or €61.3m, to €200.7m for the six months ended 30 June 2024 from €262.1m for the same period in 2023 due to lower sales. In relative terms, the gross margin decreased from 67.2% prior year to 65.9% mainly due to 160 bps from negative FX impact. Positive effects from price/mix were offset by product cost inflation compared to prior year and under-recoveries from lower volumes.

Costs and expenses

Selling and marketing expenses (32.4% of sales compared to 32.2% prior year)

Selling and marketing expenses decreased by 21.5%, or €26.9m, to €98.6m for the six months ended 30 June 2024 from €125.6m in 2023. As a percentage of sales, the selling and marketing expenses remained stable with a slight increase of 20 bps. Increase in marketing expenses were offset by lower costs in sales support thanks to more digital communication and lower print cost.

Distribution and infrastructure expenses (3.3% of sales compared to 2.8% prior year)

Distribution and infrastructure expenses decreased by 9.6%, or €1.1m, to €10.0m for the six months ended 30 June 2024 from €11.1m for the same period last year. The increase in relative terms is related to fixed cost element of distribution hubs increasing as percent of lower sales.

Administrative expenses (29.8% of sales compared to 28.0% prior year)

Administrative expenses decreased by 16.9%, or €18.4m, to €90.8m for the six months ended 30 June 2024 from €109.2m for the six months previous year. The decrease was mainly due to savings from restructuring programmes in staff and office expenses and FX effects. As a percentage of sales, the adjusted administrative expenses were higher by 180 bps since the decrease in sales was higher than the drop in administrative expenses.

Net financing costs (14.1% of sales compared to 6.9% prior year)

Net financing costs increased by €15.9m to €42.9m for the six months ended 30 June 2024 from €27.0m for the same period in 2023. The increase came mainly from unrealised FX loss of €16.0m related to the \$550.0m bond revaluation during the period due to the strengthened dollar, and from an increase of €5.3m on interest expenses on the bonds due to higher interest rate on unhedged interest position.

Adjusted income tax expenses (€4.2m compared to €5.3m prior year)

The tax expense for the six months ended 30 June 2024 was lower by €1.2m mainly due to lower profit before tax.

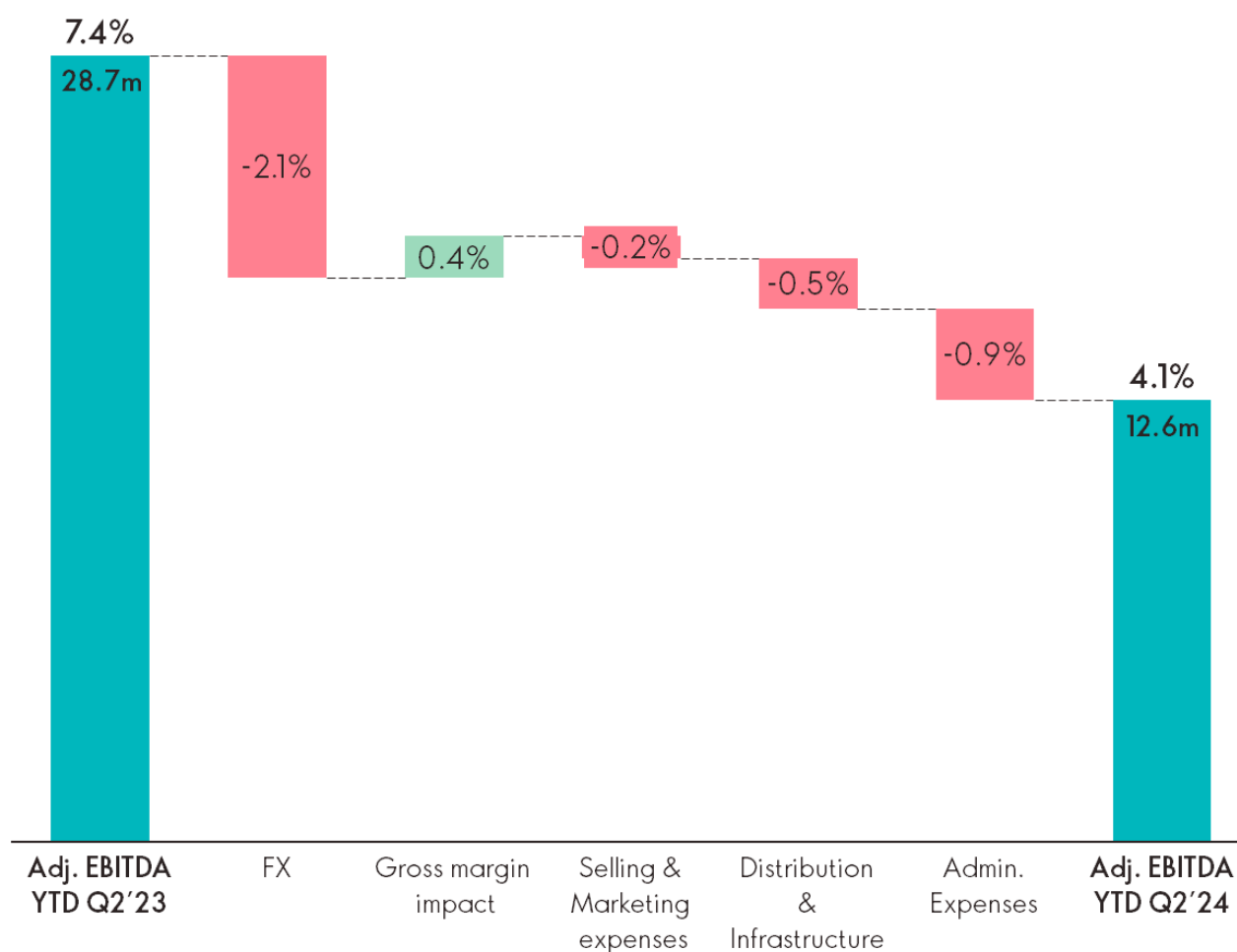


Adjusted EBITDA

“Adjusted” figures exclude non-recurring and purchase price allocation (PPA) related items. For additional information refer to the condensed consolidated income statements on pages 16 and 17.

Adjusted EBITDA decreased by 56.1%, or €16.1m, to €12.6m for the six months ended 30 June 2024 from €28.7m for the same period in 2023. The EBITDA decreased primarily due to lower sales, product cost inflation, negative FX impacts and on administrative expenses, where the positive price/mix was not enough to compensate for the lower sales. Excluding FX impact, administrative expenses within EBITDA decreased by €14.3m. The adjusted EBITDA margin was 4.1% compared to 7.4% the same period last year.

ADJUSTED EBITDA MARGIN VS. PRIOR YEAR





Cash flow three months ended 30 June 2024

“Adjusted” figures exclude non-recurring and purchase price allocation (PPA) related items. For additional information refer to the condensed consolidated income statements on pages 16 and 17.

Cash position

The quarter ended with a cash balance of €78.3m compared to €57.3m at the start of the quarter.

Adjusted cash flow before financing activities

Adjusted cash flow before financing activities was €-2.8m in the three months ended 30 June 2024 compared to €-1.7m for the same period in 2023.

The €1.1m decline compared to prior year was primarily due to a lower adjusted EBITDA of €6.0m versus €11.9m last year, partially offset by an improvement in net working capital, lower income tax paid and lease payments compared to prior year.

Net working capital during the quarter amounted to €-0.9m. Positive impacts from inventories movement of €1.7m and decrease in receivables by €3.6m were offset by a negative movement on payables (€-6.3m).

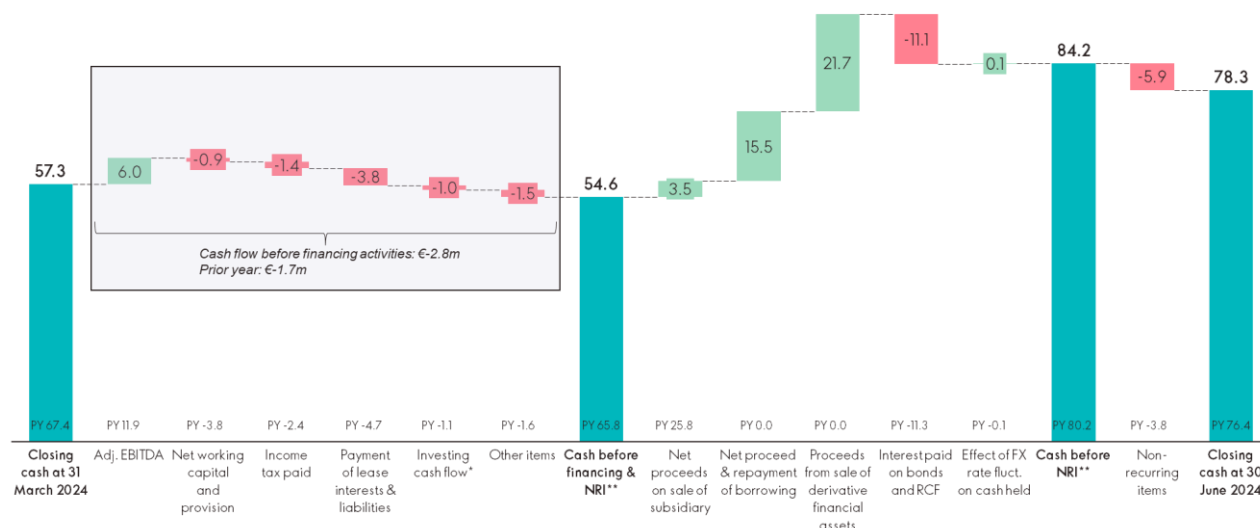
Net proceeds from sale of a subsidiary

Net proceeds on sale of a subsidiary contributed to a positive cash balance of €3.5m (€25.8m during the second quarter 2023 from the sale of Cetes Cosmetics Russia). This cash inflow came from the successful completion of the sale of Oriflame Property Investments in Poland during the second quarter 2024.

Cash flow from financing activities excluding leasing and other interest paid

Cash flow from financing activities excluding leasing (payment of lease liabilities and interest paid on lease liabilities) and other interest paid for the three months ended 30 June 2024 was €26.1m, compared to cash flow used in financing activities excluding leasing and other interest paid of €11.3m for the same period in 2023. The positive impact during the second quarter of 2024 is explained by the disposal of interest rate swaps generating a total cash inflow of €24.0m (€21.7m recognised as “proceeds from sale of derivative financial assets and €2.4m within “interest paid on bonds and RCF”) and an RCF draw down of €15.5m.

Cash flow development – Quarter 2, 2024 (€m)



* Excluding “net proceeds on sale of a subsidiary” / ** NRI = Non-recurring items



Cash Flow six months ended 30 June 2024

“Adjusted” figures exclude non-recurring and purchase price allocation (PPA) related items. For additional information refer to the condensed consolidated income statements on pages 16 and 17.

Cash position

The quarter ended with a cash balance of €78.3m compared to €80.6m at year-end 2023.

Adjusted cash flow before financing activities

For the six months ended 30 June 2024 the adjusted cash flow before financing activities amounted to €-8.7m compared to €-17.9m for the same period in 2023.

The €9.2m improvement in adjusted cash flow before financing activities is mainly explained by net working capital close to 0 at €-0.1m during this period versus €-22.2m in the same period last year, offset by a lower adjusted EBITDA which decreased by €16.1m compared to last year.

The progress in net working capital was primarily due to a significant reduction in inventories thanks to more efficient inventory management (€10.1m change in inventories during the six months ended 30 June 2024 versus €-9.1 during the same period last year) and an improvement in change in payables of €5.9m (€-9.9m in 2024 and €-15.9m in 2023). The movement in receivables slightly offset the positive trend in net working capital by €2.6m.

Net proceeds from sale of a subsidiary

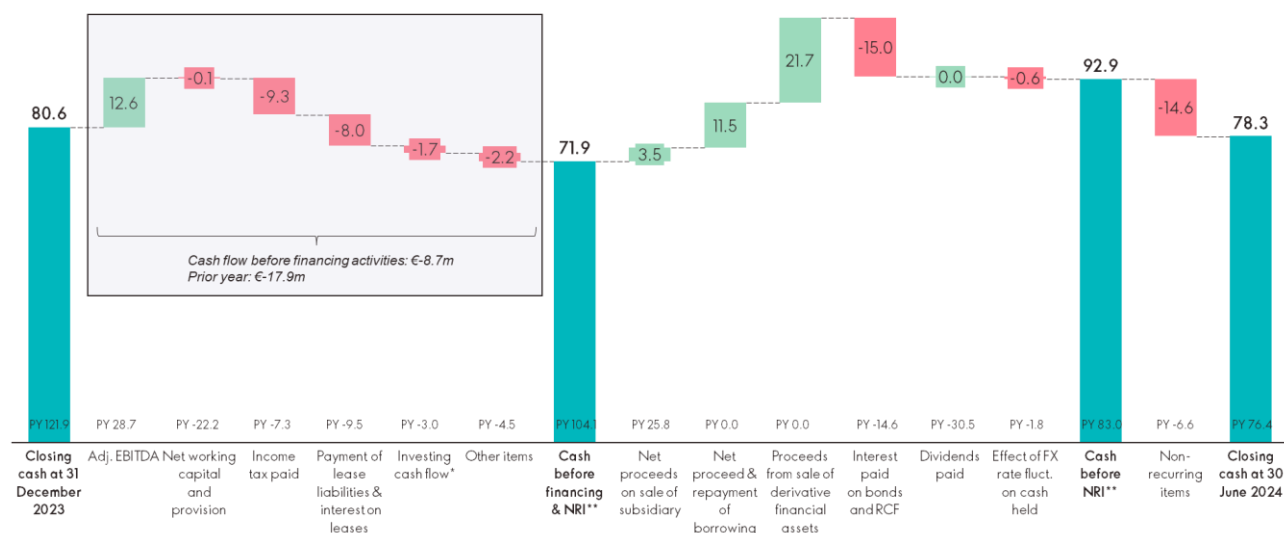
Net proceeds on sale of a subsidiary contributed to a positive cash balance of €3.5m (€25.4m during the second quarter 2023 from the sale of Cetes Cosmetics Russia). This cash inflow came from the successful completion of the sale of Oriflame Property Investments in Poland during the second quarter 2024.

Cash flow used in financing activities excluding leasing and other interest paid

For the six months period ended 30 June 2024 the cash flow from financing activities excluding leasing (payment of lease liabilities and interest paid on lease liabilities) and other interest paid was €18.1m compared to a cash flow of €-45.1m in the same period in 2023.

This positive variance is primarily explained by proceeds from disposal of derivative financial assets generating a total cash inflow of €24.0m (€21.7m recognised as “proceeds from sale of derivative financial assets and €2.4m within “interest paid on bonds and RCF”) and the net drawdown on the RCF of €11.5m while during the same period in 2023 a dividend of €30.5m was paid.

Cash flow development – Year to date 2024 (€m)



* Excluding “net proceeds on sale of a subsidiary” / ** NRI = Non-recurring items



Funding and financial position

As of 30 June 2024, total debt amounted to €808.4m (€792.4m as of 30 June 2023), secured debt amounted to €779.3m (€756.2m), net secured debt amounted to €700.9m (€679.8m), Net Secured Debt ratio was 30.6 (7.4) where the increase is mainly driven by the lower rolling 12 months EBITDA (€22.9m) versus the previous period (€91.3m).

Oriflame's long-term debt as of 30 June 2024 amounts to €779.3m carrying amount, excluding capitalised 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. During the second quarter, the interest rate swaps have been terminated, effectively leaving the debt unhedged going forward. The unwinding of the interest rate swaps generated a cash inflow of €24.0m, of which €21.7, corresponding to the mark to market value of the interest rate swaps, were booked in other comprehensive income. This amount is going to be released gradually into the profit and loss account and will mitigate the interest expenses on the Notes until the maturity of the debt or until it is repaid.

As of 30 June 2024, €15.5m from the RCF was drawn down and the cash and cash equivalents amounted to €78.3m. The current corporate and notes ratings are respectively CCC/CCC- from Fitch and CCC/CCC from S&P Global. The company complied with all its covenants related to the outstanding debt as of 30 June 2024.

30 June 2024	€ Note	\$ Note	Revolving Credit Facility
Total amount	€250m	\$550m	€100m
Interest rate	3 months Euribor + 4.25%	5.125%	Euribor +200-300 bps
Maturity	May 2026	May 2026	October 2025
RCF draw down			€15.5m

Brand and Innovation

Skin Care reported a strong quarter driven by Novage+ and with Royal Velvet and Diamond Cellular growing in Europe and CIS. Novage+ Routine Trial sets were successfully introduced in printed catalogues in Poland leading to strong performance in that market. Waunt started to turn around its performance globally in the second quarter, especially with the contribution from UK.

Wellness Pack continued to be the best seller in the category, followed by Astaxanthin and Omega 3, and with China still as the biggest market.

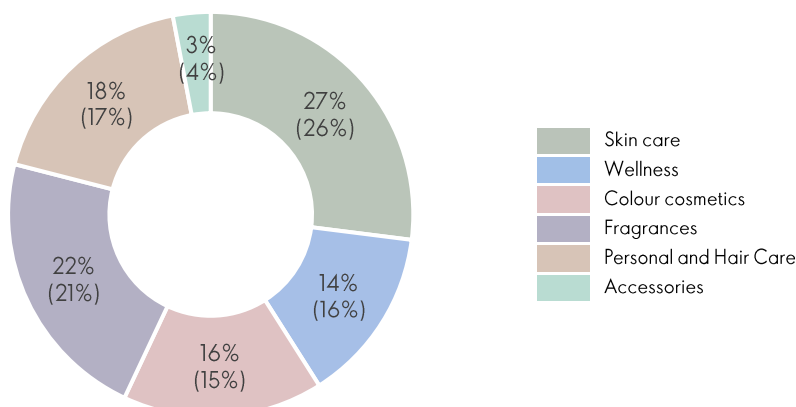
Fragrances showed the most stable development across all categories. Launches of Nordic Waters Infinite Blue, Oh Sweet! Mango, Whispers of Me and Volare, as well as the ongoing brands Divine and Love Potion, contributed positively to the results.

Colour cosmetics continued to show a solid performance in the second quarter. It is the third largest category and also the category with the least decline during the first half year.

Hair Care could not meet the strong comparables from the big launch of Duologi last year.

Personal Care saw continuous growth in Seasonal products' performance.

Product categories Q2 2024 (Q2 2023)





Digital – H1 2024

During the first half of 2024, more than 99% of all orders were placed through the website or mobile app. Focus was on implementation and promotion of social selling features on global scale. With more than 80% of visitor sessions and nearly two thirds of orders placed on smartphones, the Oriflame App Suite as well as the mobile web play an increasingly important role in sales as well as Brand Partner and Member recruitment. The stable share of payments online of close to 50% of total order value drives convenience for shoppers and at the same time reduces the credit risk significantly.

Throughout the first half of the year key activities included continued development and rollout of the Beauty Community Model along with preparations for digital tools and services to support the new European markets. As part of the social selling focus, a gamification initiative was launched as a pilot in two markets, enabling a soft entry into Oriflame through incentivising key activities. In addition, several global social selling initiatives were prioritised, such as the Oriflame Sharing App, which was further rolled out and now covers 46 countries, aiming to further boost the Oriflame brand presence in social channels.

To further strengthen the business potential for Brand Partners, the possibility to expand sales and recruitment activities beyond the home country was added, and implementation was initiated in European markets.

In terms of eCommerce features, significant upgrades were made within account registration and order checkout. The rollout of the Oriflame App was completed, now with full global coverage.

During recent periods Oriflame has implemented the Salesforce Marketing Cloud to facilitate personalised and targeted communication with Members and Brand Partners, mainly in Europe. During the first half of 2024 the system was also introduced in Turkey and Indonesia.

After an extensive implementation phase of the company's CRM system, activities were concentrated to increasing the value generation of marketing automation initiatives through building new journeys.

Focus continued on finding opportunities to simplify and automate processes using AI tools and capabilities.

App users:

Q1

Oriflame App 836,000 monthly active users

Business App: 225,000 monthly active users

Q2

Oriflame App 777,000 monthly active users

Business App: 220,000 monthly active users

Sustainability – H1 2024

In April Oriflame published its 2023 Sustainability Report and worked with business functions to ensure ambitious targets and commitments. Among other things, the use of conflict and child labour materials in line with the Swiss Responsible Business Initiative was disclosed in the report (based on Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO)).

Oriflame actioned external reporting including RSPO ACOP, UN Global Compact, and are preparing CDP data. In Q2 Oriflame was acknowledged as Climate leader in Europe for the 4th year in a row (Financial Times and Statista).

The European Green Deal is a group of initiatives aimed at achieving climate neutrality across the EU by 2050, with a resource-efficient, competitive circular economy that is fair and inclusive. As part of Empowering consumers for the green transition there are upcoming Directives focused on ensuring credible green claims and removing greenwashing.

During the start of the year product sustainability trainings were held with the chemists and claims scientists to ensure full and aligned understanding of formulation approach and credible claims around topics including naturalness, biodegradability, Vegan, mica. Additionally, packaging claims process was agreed. A double materiality assessment in line with CSRD is under way.

In the first half of 2024 a number of products with sustainability profile were launched: most notably face and lip products in the Giordani Gold range that are certified with The Vegan Society™ and Novage+ Intense Nourishment Facial Oil Capsules with plant-based biodegradable capsules. Love Nature Up-loved hair and body range was launched, with upcycled ingredients, minimum 95% natural origin formulation, all formulated without parabens and silicones. Furthermore, the iconic Tendercare with Multi-purpose Balm Watermelon 99% natural origin ingredients was introduced in the market.

At the beginning of 2024, Oriflame took the decision to ensure that after 2023, no Oriflame cosmetic products, have been, or will be, subject to animal testing by local authorities before launch.



Other

The report in full together with a presentation of the half-year results by Anna Malmhake, CEO and President, and Carl Rogberg, CFO, are available on Oriflame's investor website: <https://investors.oriflame.com/en/interim-reports>.

Financial calendar for 2024

The date for the third quarter 2024 report will be communicated at a later stage.

For further information, please contact: **Janice Wood**, IR@oriflame.com



Definitions

Adjusted EBITDA

Operating profit before financial items, taxes, depreciation and amortisation, 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

Adjusted Cash flow from operating activities less cash flow used in investing activities (excluding net proceeds on sale of a subsidiary), payment of lease liabilities, interest paid on leases and other interest and other financial charges paid.

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.

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 condensed consolidated income statements on pages 16 and 17.

Financial summary, €m	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Sales	208.3	181.9	161.7	199.1	156.5	148.2
Adj. Gross margin	66.1%	68.4%	65.7%	58.4%	64.9%	66.9%
Adj. EBITDA	16.8	11.9	4.1	6.2	6.7	6.0
Adj. EBITDA margin	8.1%	6.6%	2.5%	3.1%	4.3%	4.0%
Adj. Operating profit	10.3	5.9	-1.7	0.3	0.9	0.4
Adj. Operating margin	5.0%	3.3%	-1.1%	0.1%	0.6%	0.3%
Adj. Net profit	-6.8	-1.2	-54.2	-19.6	-24.3	-19.2
Adj. Cash flow from op. activities	-9.5	4.2	-6.9	47.9	-1.0	2.1
Adj. Cash flow before financing activities	-16.2	-1.7	-13.9	43.3	-6.0	-2.8
Cash flow used in investing activities	-2.0	24.7	-2.4	-0.7	-0.7	2.5
Cash and cash equivalents	67.4	76.4	63.7	80.6	57.3	78.3
Total debt	795.0	792.4	803.6	784.1	789.0	808.4
Secured debt	755.7	756.2	769.2	751.7	758.7	779.3
Net Secured Debt ratio	6.8	7.4	10.0	17.2	24.3	30.6

Sales, €m	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Latin America	30.9	30.3	30.3	27.7	24.7	22.8
Europe & CIS	110.8	94.3	81.8	111.0	81.0	80.4
Asia	39.7	35.7	30.9	36.2	30.2	28.0
Türkiye & Africa	15.5	15.0	13.1	13.7	11.1	11.2
Manufacturing	10.1	5.2	4.2	9.0	8.1	4.5
Other	1.3	1.5	1.4	1.5	1.4	1.4
Oriflame	208.3	181.9	161.7	199.1	156.5	148.2

€ Sales growth in %	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Latin America	7%	-6%	-9%	-19%	-20%	-25%
Europe & CIS	-5%	-11%	-28%	-29%	-27%	-15%
Asia	-26%	-26%	-36%	-22%	-24%	-22%
Türkiye & Africa	-32%	-12%	-27%	-28%	-28%	-26%
Oriflame	-9%	-14%	-26%	-25%	-25%	-19%

Adjusted EBITDA, €m	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Latin America	1.8	1.7	2.1	1.8	4.1	4.8
Europe & CIS	13.9	13.6	9.2	14.8	13.1	10.8
Asia	3.3	1.5	0.6	1.4	-0.6	-0.1
Türkiye & Africa	1.3	1.5	1.6	2.0	1.6	1.2
Manufacturing	5.8	3.0	2.0	1.0	2.7	3.0
Other	-9.3	-9.5	-11.5	-14.9	-14.3	-13.8
Oriflame	16.8	11.9	4.1	6.2	6.7	6.0

Adjusted EBITDA margin, %	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Latin America	5.8%	5.5%	6.9%	6.5%	16.8%	21.1%
Europe & CIS	12.6%	14.5%	11.3%	13.3%	16.2%	13.4%
Asia	8.2%	4.3%	1.9%	3.9%	-1.9%	-0.4%
Türkiye & Africa	8.3%	10.3%	12.4%	14.9%	14.5%	10.8%
Oriflame	8.1%	6.6%	2.5%	3.1%	4.3%	4.0%

Registered Active Members, '000 (as of end of quarter)	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
Latin America	198	194	182	171	149	143
Europe & CIS	1,021	878	834	956	872	766
Asia	390	363	356	371	331	296
Türkiye & Africa	180	179	167	169	156	152
Oriflame	1,790	1,614	1,538	1,668	1,507	1,356



Condensed consolidated income statements

Three months ended 30 June

€'000	2024	Non-recurring items*	PPA items**	Adjusted 2024	2023	Non-recurring items*	PPA items**	Adjusted 2023
Sales	148,243			148,243	181,905			181,905
Cost of sales	-49,060	11		-49,049	-57,434			-57,434
Gross profit	99,183	11	-	99,194	124,471	-	-	124,471
Selling and marketing expenses	-48,703	41		-48,662	-58,723			-58,723
Distribution and infrastructure	-5,137			-5,137	-5,164			-5,164
Administrative expenses	-48,642	1,777	1,876	-44,989	-59,975	3,431	1,876	-54,668
Operating profit / loss (-)	-3,299	1,829	1,876	406	608	3,431	1,876	5,916
Financial income	6,913			6,913	8,948			8,948
Financial expenses	-27,980			-27,980	-21,032			-21,032
Net financing costs	-21,067	-	-	-21,067	-12,084	-	-	-12,084
Net gain on disposal of a subsidiary	2,217			2,217	8,074			8,074
Loss from associates	-4			-4	-5			-5
Loss before tax	-22,153	1,829	1,876	-18,448	-3,407	3,431	1,876	1,901
Income tax expense	-431	-25	-281	-737	-2,351	-584	-181	-3,116
Net loss	-22,585	1,805	1,595	-19,185	-5,758	2,847	1,695	-1,216

* Non-recurring items cover:

2024: Restructuring costs (€0.4m) and impairment of property, plant and equipment (€1.4m)

2023: Restructuring costs and employee related costs

** Purchase Price Allocation (PPA) items cover the income statement impact from the purchase price allocation on the 2019 business combination. These elements, mainly amortisation of newly identified intangible assets during the PPA, are excluded to normalise the performance of the Group. 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

Six months ended 30 June

€'000	2024	Non-recurring items*	PPA items**	Adjusted 2024	2023	Non-recurring items*	PPA items**	Adjusted 2023
Sales	304,706			304,706	390,167			390,167
Cost of sales	-103,975	11		-103,964	-128,080			-128,080
Gross profit	200,731	11	-	200,742	262,088	-	-	262,088
Selling and marketing expenses	-98,665	41		-98,624	-125,558			-125,558
Distribution and infrastructure	-9,984			-9,984	-11,050			-11,050
Administrative expenses	-96,942	2,401	3,753	-90,788	-117,897	4,917	3,753	-109,227
Operating profit / loss (-)	-4,860	2,453	3,753	1,346	7,583	4,917	3,753	16,252
Financial income	15,256			15,256	16,548			16,548
Financial expenses	-58,126			-58,126	-43,534			-43,534
Net financing costs	-42,870	-	-	-42,870	-26,986	-	-	-26,986
Net gain on disposal of a subsidiary	2,217			2,217	8,074			8,074
Loss from associates	-1			-1	-40			-40
Loss before tax	-45,515	2,453	3,753	-39,309	-11,369	4,917	3,753	-2,699
Income tax expense	-3,531	-79	-563	-4,173	-4,107	-871	-363	-5,341
Net loss	-49,046	2,375	3,190	-43,482	-15,476	4,046	3,390	-8,040

* Non-recurring items cover:

2024: Restructuring costs (€1.0m) and impairment of property, plant and equipment (€1.4m)

2023: Restructuring costs and employee related costs

** Purchase Price Allocation (PPA) items cover the income statement impact from the purchase price allocation on the 2019 business combination. These elements, mainly amortisation of newly identified intangible assets during the PPA, are excluded to normalise the performance of the Group. 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	three months ended 30 June		six months ended 30 June	
	2024	2023	2024	2023
Net loss	-22,585	-5,758	-49,046	-15,476
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Remeasurements of net defined liability, net of tax	-	-60	-	-60
Total items that will not be reclassified subsequently to profit or loss	-	-60	-	-60
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences for foreign operations	1,134	-13,777*	2,687	-20,441*
Cash flow hedges – effective portion of changes in fair value, net of tax	2,412	-5,723	1,520	-2,931
Total items that are or may be reclassified subsequently to profit or loss	3,546	-19,500	4,207	-23,372
Other comprehensive income, net of tax	3,546	-19,560	4,207	-23,432
Total comprehensive income	-19,039	-25,318	-44,840	-38,908

* An amount of €7.8m currency translation differences was recycled to the income statement following the sale of Cetes Cosmetics LLC, Russia, in April 2023.



Condensed consolidated statements of financial position

€'000		30 June 2024	31 December 2023	30 June 2023
Assets				
Property, plant and equipment		39,897	42,121	44,290
Right-of-use assets		27,533	30,675	34,192
Intangible assets	6	534,042	538,016	559,527
Goodwill	6	-	-	233,745
Investment in associates		-	1	48
Investment property		-	-	5,530
Deferred tax assets		19,287	17,320	28,806
Other long-term receivables		4,526	4,599	4,678
Derivative financial assets	3	-	26,521	51,625
Total non-current assets		625,284	659,253	962,441
Inventories		81,125	90,449	133,287
Trade and other receivables		35,698	39,400	45,726
Tax receivables		12,538	13,645	16,114
Prepaid expenses		15,574	13,528	21,941
Derivative financial assets		149	30	178
Cash and cash equivalents*		78,335	80,166	76,401
Assets held for sale	4	3,876	8,619	-
Total current assets		227,295	245,837	293,646
Total assets		852,580	905,090	1,256,087
Equity				
Share capital		653,081	653,081	653,081
Reserves		-2,079	-6,286	-35,771
Retained earnings		-836,208	-787,161	-401,678
Total equity		-185,206	-140,366	215,632
Liabilities				
Interest-bearing loans	5	757,891	740,206	747,029
Employee benefits		4,403	4,344	3,296
Lease liabilities		18,526	21,034	24,253
Other long-term liabilities		1,904	1,924	1,872
Deferred income		-	-	118
Provisions		2,402	2,582	4,114
Deferred tax liabilities		77,374	76,128	49,456
Total non-current liabilities		862,500	846,219	830,138
Current portion of interest-bearing loans	5	15,500	4,000	-
Lease liabilities		10,622	11,357	12,019
Trade and other payables		69,861	76,242	94,575
Contract liabilities		5,955	6,980	5,835
Tax payables		5,447	10,672	12,890
Accrued expenses		62,484	72,109	77,576
Derivative financial liabilities		35	302	1,456
Provisions		5,381	15,073	5,966
Liabilities directly associated with assets held for sale	4	-	2,502	-
Total current liabilities		175,285	199,237	210,317
Total liabilities		1,037,786	1,045,456	1,040,455
Total equity and liabilities		852,580	905,090	1,256,087
* Cash & cash equivalents including cash in assets held for sale				
		78,335	80,645	76,401



Condensed consolidated statements of changes in equity

€'000	Share capital	Reserves	Retained earnings	Total Equity
At 31 December 2022	653,081	-12,398	-356,133	284,549
IAS 29 Hyperinflation adjustment			491	491
At 1 January 2023	653,081	-12,398	-355,642	285,040
Net loss			-15,476	-15,476
Other comprehensive income, net of tax		-23,372	-60	-23,432
Total comprehensive income for the period	-	-23,372	-15,536	-38,908
Dividends			-30,500	-30,500
Total contributions and distributions			-30,500	-30,500
At 30 June 2023	653,081	-35,771	-401,678	215,632

€'000	Share capital	Reserves	Retained earnings	Total Equity
At 1 January 2024	653,081	-6,286	-787,161	-140,366
Net loss			-49,046	-49,046
Other comprehensive income, net of tax		4,207		4,207
Total comprehensive income	-	4,207	-49,046	-44,840
At 30 June 2024	653,081	-2,079	-836,208	-185,206



Condensed consolidated statements of cash flows – three months ended 30 June

€'000	2024			2024	2023			2023
		Non-recurring items	Purchase Price allocation items	Adjusted		Non-recurring items	Purchase Price allocation items	Adjusted
Operating activities								
Profit / loss (-) before tax	-22,153	1,829	1,876	-18,448	-3,407	3,431	1,876	1,901
Adjustments for:								
Depreciation of property, plant and equipment and right-of-use assets	5,392			5,392	6,024	-200		5,824
Amortisation of intangible assets	2,030		-1,876	154	2,055		-1,876	179
Impairment 4	1,416	-1,416		-	-			-
Change in fair value of borrowings and derivatives financial instruments	4,776			4,776	682			682
Deferred income	105			105	200			200
Unrealised exchange rate differences	4,562			4,562	1,533			1,533
Profit on disposal of property, plant and equipment, intangible assets, leased assets	32			32	-714			-714
Net gain on sale of subsidiary 4	-2,217			-2,217	-8,074			-8,074
Loss from associates, net of tax	4			4	5			5
Interest and other financial income	-6,727			-6,727	-8,856			-8,856
Interest and other financial expense	16,507			16,507	17,410			17,410
	3,726	414	-	4,140	6,858	3,232	-	10,089
Increase in trade and other receivables, prepaid expenses	3,612			3,612	10,309			10,309
Increase (-) / Decrease in inventories	1,696			1,696	-7,502			-7,502
Decrease in trade and other payables, accrued expenses	-9,731	3,472		-6,259	-3,962	-1,969		-5,932
Increase / Decrease (-) in provisions	-1,973	2,003		30	-3,243	2,543		-700
Cash generated from operations	-2,670	5,889	-	3,218	2,459	3,805	-	6,264
Interest received	284			284	297			297
Income taxes paid	-1,397			-1,397	-2,368			-2,368
Cash flow from / used in (-) operating activities	-3,784	5,889	-	2,105	388	3,805	-	4,193



Condensed consolidated statements of cash flows – three months ended 30 June (continued)

€'000	2024	Non-recurring items	Purchase Price allocation items	2024 Adjusted	2023	Non-recurring items	Purchase Price allocation items	2023 Adjusted
Cash flow from / used in (-) operating activities	-3,784	5,889	-	2,105	388	3,805	-	4,193
Investing activities								
Proceeds on sale of property, plant and equipment, intangible assets	73			73	1,229			1,229
Purchases of property, plant, equipment	-999			-999	-2,276			-2,276
Purchases of intangible assets	-113			-113	-43			-43
Net proceeds on sale of a subsidiary	3,494			3,494	25,835			25,835
Cash flow from investing activities	2,455	-	-	2,455	24,745	-	-	24,745
Financing activities								
Proceeds from borrowings 5	15,500			15,500	-			-
Interest and other financial charges paid	-11,707			-11,707	-12,213			-12,213
Proceeds from disposal of derivative financial assets 3	21,668			21,668	-			-
Payment of lease liabilities	-3,184			-3,184	-3,834			-3,834
Cash flow from / used in (-) financing activities	22,277	-	-	22,277	-16,048	-	-	-16,048
Change in cash and cash equivalents	20,949	5,889	-	26,837	9,085	3,805	-	12,890
Cash and cash equivalents at the beginning of the period net of bank overdrafts	57,304			57,304	67,408			67,408
Effect of exchange rate fluctuations on cash held	83			83	-92			-92
Cash and cash equivalents at the end of the period, net of bank overdrafts	78,335	5,889	-	84,224*	76,401	3,805	-	80,206*

* Represents the cash that Oriflame would have had without the non-recurring items at the end of the period (without considering impacts in previous periods).



Condensed consolidated statements of cash flows – six months ended 30 June

€'000	2024			2024	2023			2023
		Non-recurring items	Purchase Price allocation items	Adjusted		Non-recurring items	Purchase Price allocation items	Adjusted
Operating activities								
Loss before tax	-45,515	2,453	3,753	-39,309	-11,369	4,917	3,753	-2,699
Adjustments for:								
Depreciation of property, plant and equipment and right-of-use assets	10,951			10,951	12,537	-440		12,097
Amortisation of intangible assets	4,065		-3,753	312	4,127		-3,753	374
Impairment 4	1,416	-1,416		-	-			-
Change in fair value of borrowings and derivatives financial instruments	5,027			5,027	1,896			1,896
Deferred income	-1,209			-1,209	-1,932			-1,932
Unrealised exchange rate differences	17,591			17,591	5,345			5,345
Profit on disposal of property, plant and equipment, intangible assets, leased assets	-144			-144	-1,488	641		-848
Net gain on sale of subsidiary 4	-2,217			-2,217	-8,074			-8,074
Loss from associates, net of tax	1			1	40			40
Interest and other financial income	-15,146			-15,146	-16,438			-16,438
Interest and other financial expense	34,100			34,100	33,919			33,919
	8,918	1,038	-	9,956	18,562	5,118	-	23,679
Decrease in trade and other receivables, prepaid expenses	1,412			1,412	3,960			3,960
Increase (-) / Decrease in inventories	10,107			10,107	-9,142			-9,142
Decrease in trade and other payables, accrued expenses	-15,241	5,339		-9,902	-13,681	-2,171		-15,852
Decrease in provisions	-9,898	8,213		-1,685	-4,856	3,648		-1,208
Cash generated from operations	-4,703	14,590	-	9,887	-5,156	6,594	-	1,438
Interest received	599			599	632			632
Income taxes paid	-9,340			-9,340	-7,332			-7,332
Cash flow from / used in (-) operating activities	-13,443	14,590	-	1,146	-11,856	6,594	-	-5,262



Condensed consolidated statements of cash flows – six months ended 30 June (continued)

€'000	2024	Non-recurring items	Purchase Price allocation items	2024 Adjusted	2023	Non-recurring items	Purchase Price allocation items	2023 Adjusted
Cash flow from / used in (-) operating activities	-13,443	14,590	-	1,146	-11,856	6,594	-	-5,262
Investing activities								
Proceeds on sale of property, plant and equipment, intangible assets	155			155	1,391			1,391
Purchases of property, plant, equipment	-1,770			-1,770	-4,389			-4,389
Purchases of intangible assets	-113			-113	-48			-48
Net proceeds on sale of a subsidiary 4	3,494			3,494	25,835			25,835
Cash flow from investing activities	1,766	-	-	1,766	22,790	-	-	22,790
Financing activities								
Proceeds from borrowings 5	15,500			15,500	-			-
Repayment of borrowings	-4,000			-4,000	-			-
Interest and other financial charges paid	-16,557			-16,557	-16,514			-16,514
Proceeds from disposal of derivative financial assets 3	21,668			21,668	-			-
Payment of lease liabilities	-6,611			-6,611	-7,607			-7,607
Dividends paid	-			-	-30,500			-30,500
Cash flow from / used in (-) financing activities	10,000	-	-	10,000	-54,621	-	-	-54,621
Change in cash and cash equivalents	-1,677	14,590	-	12,912	-43,687	6,594	-	-37,093
Cash and cash equivalents at the beginning of the period net of bank overdrafts	80,645			80,645	121,936			121,936
Effect of exchange rate fluctuations on cash held	-633			-633	-1,848			-1,848
Cash and cash equivalents at the end of the period, net of bank overdrafts	78,335	14,590	-	92,925*	76,401	6,594	-	82,995*

* Represents the cash that Oriflame would have had without the non-recurring items at the end of the period (without considering impacts in previous periods).



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 JE1 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 six months ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the "Group").

2 Basis of preparation and summary of material accounting policies

Statement of compliance

The condensed consolidated financial statements for the six months period ended 30 June 2024 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 2023.

The condensed consolidated financial statements were authorised for issue by the Directors on 28 August 2024.

Change in material accounting policies, use of judgements and estimates

In preparing these condensed consolidated 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 2023. Other new or amended IFRS standards which became effective January 2024 have had no material effect on the Group's financial statements.

3 Derivative financial assets

All derivative financial assets, made of interest rate swaps, were closed out during the second quarter of 2024.

In May, certain interest rate swaps were terminated following an embedded mandatory break that has not been extended by the banks. In June, the Oriflame Board decided to sell the remaining interest rate swaps. These two transactions generated a total cash inflow of €24.0m and made both Senior Secured Notes of €250.0m and \$550.0m fully unhedged going forward.

Out of the €24.0m received, €21.7m corresponded to the mark to market value of the swaps at the time of the termination and were recognised in Other Comprehensive Income. This amount will be amortised periodically until the maturity of the debt, or until the debt is repaid. The remaining €2.4 covered interests which were recognised against financial expenses.

4 Assets held for sale and liabilities directly associated with assets held for sale

As of 31 December 2023, these positions covered two investment properties and certain fixed assets.

During the quarter, one of the two investment properties, Oriflame Property Investments SP z.o.o. in Poland, was sold. The consideration received amounted to €3.6m, less €0.1m transaction costs recognised and paid during the period.

A gain on disposal of a subsidiary, net of disposal costs, of €2.2m was recognised from the sale of this entity.

Negotiations on the sale of the second investment property, Cetes Hungary kft, were not finalised at the end of the second quarter of 2024. However, the scope of the sale slightly changed. Potential buyers were not interested in buying the entire entity but only the main asset, land and property. Hence, as of 30 June 2024, only the land of property was classified as held for sale.

The remaining assets of the entity, consisting of cash (€0.1m) and receivables (€0.015m) and liabilities amounting to €0.1m, were removed from the "assets held for sale" and "liabilities directly associated with the held for sale".

Finally, during the quarter, the carrying amount of the land and property was also impaired by €1.4m to be measured at its current fair value of €3.5m.



5 Interest-bearing loans

As of 30 June 2024, an amount of €15.5m was drawn down from the Revolving Credit Facility (RCF). At the same period last year, nothing was drawn down from the RCF.

The terms and conditions of outstanding loans were as follows as at 30 June 2024.

€'000	Interest rate	Year of maturity	Book value	Non-current	Current
Revolving credit facility	Euribor + margin	2025	15,500	-	15,500
Senior Secured Notes - €250.0m	3 month Euribor + 4.25%	2026	250,000	250,000	-
Senior Secured Notes - \$550.0m	5.125%	2026	513,779	513,779	-
Front end fees deducted from proceeds	-	2025- 2026	-5,887	-5,887	-
Total interest-bearing liabilities			773,391	757,891	15,500

6. Intangible assets and goodwill

An impairment test on the goodwill and on the Brand was performed at year-end 2023, which resulted in an impairment expense of €230.7m on the goodwill (fully impaired) and on the Brand of €17.5m. While the results for the first half of 2024 are lower than the existing five-year business plan, an impairment test was not considered necessary only six months into the plan. Impairment will be reassessed at the forthcoming year-end after a full year of actual performance and the preparation of an updated five-year forecast.

7. Events subsequent to the reporting date

On 16 August 2024, the land and property of Cetes Hungary, reported as “assets held for sale” in the balance sheet since the year end 2023, was sold for €3.5m and generated a cash inflow of the same amount. It did not generate a profit as the carrying amount was adjusted to this value as of 30 June 2024.



6 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 30 June 2024. Cetes Cosmetics LLC was sold in April 2023. Therefore, the 2024 income statement and the balance sheet as of 30 June 2024 of the “Unrestricted subsidiaries” only include Oriflame Cosmetics LLC (sales entity). Accordingly, management believes that the following presentation is helpful to current and potential investors in the Senior Secured Notes as well as others.

The Group is in full compliance with current sanctions relating to Russia, and continues to closely monitor the evolving situation.

Consolidated income statement

PERIOD ENDED 30 June 2024

€'000	Oriflame Group Consolidated	“Restricted” subsidiaries	“Unrestricted” subsidiaries
Sales	304,706	261,248	43,458
Cost of sales	-103,975	-80,299	-23,676
Gross profit	200,731	180,949	19,782
Selling and marketing expenses	-98,665	-85,390	-13,275
Distribution and infrastructure	-9,984	-8,733	-1,251
Administrative expenses	-96,942	-89,819	-7,123
Operating loss	-4,860	-2,992	-1,868
Financial income	15,256	14,914	342
Financial expenses	-58,126	-58,081	-45
Net financing costs	-42,870	-43,168	297
Net gain from disposal of a subsidiary	2,217	2,217	-
Loss from associates, net of tax	-1	-1	-
Loss before tax	-45,515	-43,944	-1,571
Income tax expense	-3,531	-3,377	-154
Net Loss	-49,046	-45,225	-3,821



Consolidated statement of financial position

30 June 2024			
€'000	Oriflame Group Consolidated	"Restricted" subsidiaries	"Unrestricted" subsidiaries
Assets			
Property, plant and equipment	40,272	39,951	321
Right-of-use assets	27,533	26,987	547
Intangible assets	534,042	533,916	125
Investment property	3,500	3,500	-
Deferred tax assets	19,287	19,177	109
Other long-term receivables	4,526	4,526	-
Total non-current assets	629,160	628,058	1,102
Inventories	81,125	70,261	10,864
Trade and other receivables	35,698	33,894	1,804
Intercompany receivables	-	-599	599
Tax receivables	12,538	12,525	13
Prepaid expenses	15,574	15,109	465
Derivative financial assets	149	149	-
Cash and cash equivalents	78,335	77,703	632
Total current assets	223,420	209,042	14,378
Total assets	852,580	837,099	15,480
Total Equity	-185,206	-183,037	-2,169
Liabilities			
Interest-bearing notes	757,891	757,891	-
Employee benefits	4,403	4,403	-
Lease liabilities	18,526	18,302	224
Other long-term liabilities	1,904	1,904	-
Provisions	2,402	2,402	-
Deferred tax liabilities	77,374	77,264	109
Total non-current liabilities	862,500	862,167	334
Current portion of interest-bearing loans	15,500	15,500	-
Lease liabilities	10,622	10,220	402
Trade and other payables	69,861	64,234	5,627
Intercompany payables	-	-7,608	7,608
Contract liabilities	5,955	5,203	752
Tax payables	5,447	5,447	-
Accrued expenses	62,484	59,704	2,780
Derivative financial liabilities	35	35	-
Provisions	5,381	5,236	145
Total current liabilities	175,285	157,970	17,315
Total liabilities	1,037,786	1,020,137	17,649
Total equity and liabilities	852,580	837,099	15,480