HEALTH & BEAUTY

2025

ANNUAL REPORT

LR HEALTH & BEAUTY SE

FINANCIAL STATEMENTS

LR HEALTH & BEAUTY SE, AHLEN
STATEMENT OF FINANCIAL POSITIONS AS OF 31 DECEMBER 2025

kEUR	Dec. 31,2025	Dec. 31, 2024
NON-CURRENT ASSETS		
Financial assets	253,278	281,273
thereof shares in affiliates	124,442	152,458
thereof loans to affiliates	128,836	128,815
	253,278	**281,273**
CURRENT ASSETS		
Receivables and other assets	2,431	1,146
thereof receivables from affiliates	1,320	1,067
	2,431	**1,146**
Prepaid Expenses	2,885	4,177
Deficit not covered by equity	91,105	0
TOTAL ASSETS	**349,699**	**286,596**

LR HEALTH & BEAUTY SE, AHLEN
STATEMENT OF FINANCIAL POSITIONS AS OF 31 DECEMBER 2025

kEUR	Dec. 31, 2025	Dec. 31, 2024
EQUITY		
Subscribed capital	10,120	10,120
Capital reserve	142,458	142,458
Accumulated loss	-243,683	-12,252
Deficit not covered by equity	91,105	0
	0	**140,326**
PROVISIONS		
Tax provision	456	1,362
Other provisions	848	919
	1,304	**2,281**
LIABILITIES		
Liabilities from corporate bond	134,307	131,241
Trade payables	881	89
Liabilities to shareholders	4,036	4,016
Liabilities to affiliates	205,078	3,364
Other liabilities	29	55
	344,331	**138,765**
Deferred tax liabilities	4,064	5,224
TOTAL EQUITY AND LIABILITIES	**349,699**	**286,596**

FINANCIAL STATEMENTS

LR HEALTH & BEAUTY SE, AHLEN
STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR 2025

kEUR	FY 2025	FY 2024
Revenue	1,631	1,552
Other operating income	70	46
	1,701	**1,598**
Personnel Expenses	-1,014	-1,537
thereof wages and salaries	-986	-1,500
thereof social security, pension and other benefit costs	-28	-37
Other Operating Expenses	-3,494	-1,563
	-4,508	**-3,100**
Other interest and similar income	12,512	11,507
Depreciation on Financial Assets	-28,015	0
Expenses from profit or loss transfer agreements	-199,890	-1,975
Other interest and similar expenses	-14,298	-13,289
	-229,691	**-3,757**
Income taxes	1,067	-6,612
NET PROFIT/LOSS FOR THE PERIOD	**-231,431**	**-11,871**

LR HEALTH & BEAUTY SE, AHLEN
STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR 2025

kEUR	FY 2025	FY 2024
CASHFLOW FROM OPERATING ACTIVITIES		
Profit or loss for the period	-231,431	-11,871
Depreciation (+) on financial assets	28,015	0
Reduction (-)/Increase (+) in provisions	-72	468
Increase (-)/Reduction (+) of receivables and other assets	783	3,401
Increase (+)/Reduction (-) of trade payables and other liabilities	203,118	-111
Interest expenses (+) / interest income (-)	1,786	3,758
Income tax expenses (+) / income (-)	-1,067	6,612
Income tax paid (-)	-1,677	-26
	-544	**2,231**
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for (-) investments in financial assets	0	-128,800
Expenses (-) from profit or loss transfer agreements	-1,975	-1,975
Received interest (+)	12,394	10,560
	10,419	**-120,215**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from (+) the issue of bonds	0	124,800
Proceeds from (+) shareholder loan	0	4,000
Payments (-) for interest	-9,876	-10,958
	-9,876	**117,842**
CASH AT THE END OF PERIOD		
Net increase in cash (subtotal 1 - 3)	0	-141
Cash at the beginning of period	0	0
CASH AT THE END OF PERIOD	**0**	**141**

MANAGEMENT REPORT

LR HEALTH & BEAUTY SE, AHLEN/GERMANY

COMBINED MANAGEMENT REPORT OF THE COMPANY AND THE GROUP FOR THE FINANCIAL YEAR FROM JANUARY 1 TO DECEMBER 31, 2025

A. FUNDAMENTALS OF THE GROUP

LR Health & Beauty SE, Ahlen, business address: Kruppstrasse 55, 59227 Ahlen, Germany (hereinafter also referred to as "LR SE"), is a European stock corporation incorporated in Germany pursuant to Art. 3 (2) SE Regulation and is registered in the Münster Commercial Register under HRB no. 23158. The share capital of the company amounts to EUR 10,120 thousand and is divided into 120,000 ordinary shares of no-par value and 10,000,000 no-par value bearer shares. It acts as a holding company with management services and a financing function for subsidiaries.

The LR Health & Beauty Group with its parent company LR Health & Beauty SE (hereinafter referred to as the LR Group, LR or the Group) is an internationally operating group that is primarily active in the cosmetics and food supplements industry. The LR Group is represented by 34 companies worldwide. The Group's production facilities are located in Ahlen (Germany), from which all subsidiaries are supplied. Research and development activities are also conducted exclusively in Germany.

The LR Group markets its products as a social commerce company, with marketing plans focused on the European and Asian markets. The product range comprises dietary supplements, perfumes, cosmetics, cosmetic devices, and accessories. The Company's business is primarily determined by private consumption and the pertinent cosmetics and food laws.

On June 30, 2026, the Group's consolidated financial statements were prepared by the management and subsequently submitted to the Supervisory Board for approval.
The ultimate controlling parent company is Aloco Holding S.à r.l., with registered office in Luxembourg, Luxembourg.

B. BUSINESS REPORT

Overall economy and sector development

Global economic development proved robust overall in 2025, although it continued to be shaped by uncertainty. According to the International Monetary Fund (IMF)[1], global economic growth reached 3.1% in 2025 and was therefore slightly below the previous year's 3.3%. Growth thus remained below the historical average of 3.7% (2000–2019). Continuing geopolitical tensions, trade policy uncertainties and weakening momentum in parts of industry had a negative impact, while investments in technology-driven sectors had a stabilizing effect.

In the Eurozone, LR Group's most important market, a moderate recovery continued in 2025. Economic growth stood at 1.1% and was therefore slightly above the previous year's level of 0.9%. After the recession in the previous year (–0.5%), Germany was able to grow slightly again by 0.2%. In France and Italy, economic growth of 0.9% and 0.5%, respectively, was above Germany but below the previous-year levels of 1.1% and 0.7%. Other European countries developed significantly more dynamically: Spain recorded growth of 2.8% and Poland of 3.6%. Overall, however, growth in the Eurozone remained below its long-term potential, influenced by structural challenges, high energy prices and subdued industrial activity.

According to the World Federation of Direct Selling Associations (WFDSA), direct selling worldwide continues to operate in a challenging market environment. After sales decline in 2022 and 2023 of –1.1% and –2.5%, respectively, sales levels stabilized in 2024 (–0.05%). At the time of preparing this management report, no fully validated market data is available for 2025. However, development in 2025 continued to be characterized by subdued consumer demand, persistent inflation and geopolitical uncertainties.

Production

A substantial amount of the LR Group's dietary supplements is produced and bottled at the production facility for liquid dietary supplements in Ahlen. The LR Group is thus consistently implementing its strategic commitment to the quality promise "Made in Germany." In addition, the Company is strengthening the profitability of this important product range. Most of the cosmetics and care products are also produced at the Ahlen site. In addition, contracts have been concluded with several suppliers. Cosmetic devices are purchased as merchandise in Europe, and accessories in Southeast Asia. The production and the dispatch line in Ahlen are designed for multi-shift operation. Staff shortages are covered by temporary workers. Together with the Theodor F. Leifeld Foundation, a logistics hall was built, for which a new warehouse management system was also set up.

Research and development

In its laboratories, the LR Group develops products for safeguarding and further expanding its market position, mainly in the field of cosmetics and dietary supplements. In addition to the application-oriented research and product developments, the focus is on contacting and negotiating with approval and monitoring authorities that have a significant influence on the launch of new products. In 2025, the focus was also on the enhancement of digital solutions to support the distributors.

Research and development expenditure in the financial year amounted to kEUR 2,566 (PY: kEUR 2,601).

Headcount

During the 2025 financial year, the Group employed an average headcount of 1,166 (PY: 1,218), including the Executive Board. Of which, 686 (PY: 723) can be allocated to the German subsidiaries. At LR Health & Beauty SE, one Executive Board member (PY: 2) was employed as of December 31, 2025.

[1] https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026

In 2025, an average of 15 apprentices were employed in the vocational fields of industrial clerk, digital & print media designer, image & sound media designer, e-commerce clerk, IT specialist for system integration, and IT specialist for application development. In general, permanent employment after successful completion of the apprenticeship is envisaged.

Within the trainee program, one trainee was employed in the area of sales management in 2025, who was taken on in a permanent position in this segment in August 2025.
The LR Group has a dual study program. In 2025, seven dual students were employed in business administration at LR.

C. IMPORTANT FINANCIAL PERFORMANCE INDICATORS

In order to analyse the course of business and the Group's position, sales (revenue from sold goods) and EBITDA are used as financial performance indicators for management purposes and are compared with the previous year's forecasts for the reporting period.

D. NON-FINANCIAL PERFORMANCE INDICATORS

Apart from financial indicators, the LR Group's business value is also determined by non-financial indicators concerning the relationships of the Company with its partners and employees as well as the product strategy. The LR Group is aware that this goal can only be achieved if it is able to retain competent and committed employees in the long term as an attractive and responsible employer, and if it develops products and solutions that meet the customers' requirements in the future. The Company attaches major importance to sustainably increasing the benefit for partners through its product and service offers. LR does not use any quantifiable key figures for the non-financial performance indicators, which is why these key figures are not material for the management of the LR Group.

E. POSITION OF THE GROUP

The assets, liabilities, financial position, and financial performance of the LR Group are explained on the basis of the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

Financial performance of the LR Group

The positive growth trend of the last two financial years could not be continued in the 2025 financial year. After sales (revenue from goods sold) had increased by 2.6% in the 2023 financial year and by 4.6% in the 2024 financial year, a decline of –4.2% was recorded in the 2025 financial year. In total, sales amounted to kEUR 277,065 in the financial year 2025 (PY: kEUR 289,221). Of this amount, kEUR 150,855 (PY: kEUR 174,635) is attributable to Region Western Europe[2] , which corresponds to a decline of –13.6%, and kEUR 125,461 (PY: kEUR 113,903) to Region Central Eastern Europe[3] , which grew by +10.1%. In addition, there are other sales of kEUR 10,469 (PY: kEUR 11,455), which mainly result from the on-charging of other services to our distributors. This results in revenues before sales deductions of kEUR 287,534 (PY: kEUR 300,676) and after sales deductions of kEUR 277,312 (PY: kEUR 286,025).

Compared to the previous year, other operating income decreased to kEUR 5,837 in the 2025 financial year compared to kEUR 6,732 in the previous year.

[2] Region Western Europe consisting of Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, and United Kingdom.
[3] Region Central Eastern Europe consisting of Albania, Bulgaria, Czech Republic, Cyprus, Greece, Hungary, Kazakhstan, Poland, Romania, Russia, Slovakia, and Ukraine.

The cost of materials increased slightly to kEUR 50,930 in the 2025 financial year (PY: kEUR 50,587), while at the same time the changes in finished goods and work in progress were significantly lower at kEUR –436 (PY: kEUR –2,287). The total of cost of materials and changes in finished goods and work in progress thus decreased from kEUR –52,874 in the 2024 financial year to kEUR –51,366 in the 2025 financial year. In relation to sales (revenue from goods sold), this results in a ratio[4] of 18.5%, which corresponds to a slight increase compared with the previous year's 18.3%.

Personnel expenses decreased from kEUR 57,008 to kEUR 56,114. The average number of headcounts in the 2025 financial year was 1,166 and therefore significantly below the previous year average of 1,218. The related cost savings were partly offset by salary and wage adjustments. Overall, personnel costs in relation to overall performance[5] therefore increased slightly to 20.3% (PY: 20.1%).

The Group's other operating expenses are mainly composed of bonuses granted to distributors, distribution costs, as well as selling, consulting, and administrative expenses, and losses from currency translation. The bonus granted to distributors increased slightly compared to the previous year despite the lower sales volume. This is due to a higher bonus ratio (ratio between bonuses granted to distributors and sales), which is attributable to the change to the career plan in October 2024. In addition, there was also a significant increase in legal and consulting costs, which is attributable to one-off expenses in connection with the financial restructuring of the Company. Overall, other operating expenses have thus increased from kEUR 155,546 in the 2024 financial year to kEUR 159,153 in the 2025 financial year.

Compared to the previous year, EBITDA[6] was significantly lower at kEUR 16,516 (PY: kEUR 27,329), in particular due to the lower sales and the increase in other operating expenses. Taking into account normalizations of one-time, non-recurring and extraordinary operating expenses, such as expenses in connection with the financial restructuring in this financial year, totaling kEUR 6,003 (PY: kEUR 5,243), normalized EBITDA amounts to kEUR 22,519 (PY: kEUR 32,572).

Depreciation and amortization increased significantly from kEUR 12,818 to kEUR 30,597 in the financial year 2025. This increase is due in particular to an impairment loss on the goodwill of Region Western Europe in the amount of kEUR 17,807, which results from the annual impairment test. This results in EBIT[7] of kEUR –14,081 (PY: kEUR +14,511).
The financial result of kEUR –17,671 improved compared to the previous year of kEUR –21,219, which was influenced by the one-off expense from the early redemption of the corporate bond of LR Global Holding GmbH.

This results in earnings before taxes for the Group in the amount of kEUR –31,752 (PY: kEUR –6,708) for the 2025 financial year. Income taxes amount to kEUR –977 (PY: kEUR –5,115). In the previous year in particular, income taxes despite negative earnings before taxes were due to the limited tax deductibility of interest expenses caused by the interest barrier[8] . The after-tax result thus amounts to kEUR –32,729 (PY: kEUR –11,823). After offsetting the other comprehensive income consisting of currency translation differences of kEUR –134 (PY: kEUR –1,522), the overall result is kEUR –32,863 (PY: kEUR –13,345).
The forecast most recently adjusted by the LR Group in October 2025 for sales (revenue from goods sold) in the range of kEUR 276,000 to kEUR 281,000 was achieved at kEUR 277,065. The forecast for reported EBITDA, which was also adjusted in October 2025 to a range of kEUR 17,000 to kEUR 20,000, was narrowly missed at kEUR 16,516.

[4] For internal management purposes, LR uses a ratio consisting of the total of cost of materials and changes in finished goods in relation to sales (revenue from goods sold).
[5] Overall performance comprises revenues and changes in finished goods and work in progress.
[6] Earnings before interest, taxes, depreciation and amortization.
[7] Earnings before interest and taxes.
[8] The interest barrier describes a specific element of German tax law that limits the deduction of interest expenses for tax purposes.

Assets, liabilities, and financial position of the LR Group

As of December 31, 2025, total assets amounted to kEUR 194,116 (PY: kEUR 225,571). Non-current assets decreased to kEUR 136,844 compared to kEUR 152,218 at the end of the previous year, mainly due to the decrease in intangible assets as a result of the impairment of goodwill in the amount of kEUR 17,807. Property, plant and equipment decreased slightly to kEUR 11,982 compared to kEUR 12,820 in the previous year. Rights of use increased from kEUR 16,941 to kEUR 18,423.

Current assets totaled kEUR 57,272 and were therefore also significantly lower compared to the previous year with kEUR 73,353. Inventories were slightly reduced in the 2025 financial year from kEUR 26,724 to kEUR 26,117. Trade receivables are significantly below the previous year's level at kEUR 11,406 (PY: kEUR 14,591). Other assets (incl. income tax receivables) mainly consist of receivables from income and other taxes, deposits, periodic accrued expenses, as well as other receivables and decreased from kEUR 12,397 to kEUR 11,716 in 2025. At the same time cash decreased in the 2025 financial year to kEUR 8,033 (PY: kEUR 19,641). The Group is largely a single financial entity.

Equity was reduced by the negative total comprehensive income of kEUR –32,863, resulting in negative equity of kEUR –17,466 as of December 31, 2025. This includes an amount of kEUR 1,376 from a shareholder loan with a nominal amount of kEUR 4,000, which is allocated to the capital reserve. Adding the remaining amount of the shareholder loan of kEUR 3,200 results in economic equity[9] totaling kEUR –14,403 (PY: kEUR 18,132).

As of December 31, 2025, the liabilities are mainly characterized by the corporate bond 2024/2028. On February 19, 2024, LR SE placed a senior secured corporate bond (ISIN: NO0013149658) with a nominal issue volume of EUR 130 million and issue proceeds of around EUR 125 million. The carrying amount of the corporate bond in the consolidated financial statements[10] of kEUR 129,823 corresponds to the issue amount less the acquisition commission recognized, which is added back pro rata over the term of the bond, plus accrued interest. The proceeds from the placement were used to refinance the previously existing 2021/2025 bond of LR Global Holding GmbH (ISIN: NO0010894850). In this context, a loan agreement was concluded between LR Global Holding GmbH and LR Health & Beauty SE on March 1, 2024. The bond was issued in the so–called "Nordic Bond Format" under Swedish law and with the involvement of Nordic Trustee & Agency AB as trustee. The bond has an interest rate of 7.5% + 3M EURIBOR (with a floor of zero) and matures on March 6, 2028. It is traded on the Open Market of the Frankfurt Stock Exchange and was admitted to trading on the regulated market of Nasdaq Stockholm on February 28, 2025.

For the bond, the Group companies have provided collateral and undertaken, among other things, to comply with certain leverage covenants, which are reviewed quarterly. In the third quarter of 2025, the maximum leverage ratio under the Terms and Conditions of the bond 2024/2028 was exceeded and announced in an ad hoc announcement on October 20, 2025. The Group entered into standstill negotiations with an ad hoc group of bondholders and, in an ad hoc announcement dated November 25, 2025, announced a corresponding agreement including the deferral of interest payments. The agreement, which was valid until February 28, 2026, provided that the bondholders would not exercise any rights arising from the covenant breach or the interest deferral.

[9] Economic equity defined as reported equity plus long-term shareholder loans with subordination.
[10] Capitalized value of the bond in the Group according to IFRS different from the capitalized value in LR Health & Beauty SE accounted according to German accounting standard (Handelsgesetzbuch).

At the same time, negotiations were held with the shareholders and bondholders on a financial restructuring, for which a restructuring opinion (IDW S6 opinion) was also prepared. The result of the negotiations on the financial restructuring was announced on February 11, 2026, and was fully implemented by the end of June 2026.

In the course of the financial restructuring, the Company was provided with new capital in the amount of EUR 20 million (EUR 10 million equity and EUR 10 million bonds) and a significant reduction and restructuring of the existing bond liabilities was implemented. The future debt structure consists of a senior secured bond in the amount of EUR 62.5 million (including the newly issued EUR 10 million and parts of the existing bond) with a fixed interest rate of 6.75%. In addition, the parent company of LR Health & Beauty SE issues an unsecured junior bond in the amount of EUR 27.5 million with interest to be capitalized ("PIK" interest rate), increasing from 6% to 10% and maturing in 2031. This is reflected at LR Health & Beauty SE by way of a shareholder loan with corresponding terms. All remaining nominal amounts (including accrued interest) were fully waived.

Compared to the previous year, provisions increased from kEUR 3,671 to kEUR 4,871. Of this amount, kEUR 448 (PY: kEUR 447) relates to non-current provisions and kEUR 4,423 (PY: kEUR 3,224) to current provisions.

Lease liabilities totaled kEUR 19,837 and were thus above the previous year's level of kEUR 17,961. Of this amount, kEUR 13,066 (PY: kEUR 12,119) relates to non-current and kEUR 6,771 (PY: kEUR 5,842) to current lease liabilities.

A sale and leaseback agreement for the headquarters building in Ahlen, Germany, was already concluded in the 2022 financial year. For settlement purposes, a special purpose vehicle (Divanno Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG) acting as buyer and lessor was used and is fully consolidated. The corresponding liabilities from loans in the amount of kEUR 7,731 (PY: kEUR 8,104) are divided into non-current liabilities in the amount of kEUR 7,347 and current liabilities in the amount of kEUR 384. Furthermore, current liabilities from loans include financing of advance payments for the purchase of a production machine in the amount of kEUR 722.

Other liabilities of kEUR 10,344 are above the previous year's level of kEUR 9,749. At kEUR 28,501, trade payables decreased significantly compared to the previous year's figure of kEUR 34,215.

In the 2025 financial year, the operating cash flow decreased significantly to kEUR 11,373 compared to kEUR 26,962 in the previous year. All relevant factors affecting operating cash flow, such as profit, changes in inventories or trade receivables and trade payables, are described in Financial performance of the LR Group and Assets, liabilities, and financial position of the LR Group. The cash flow from investing activities amounted to kEUR –3,511 (PY: kEUR –5,601) and thus decreased compared to the previous year. The main drivers of the higher expenditure in the previous year were projects in the areas of digitalization and IT infrastructure as well as the modernization of logistics. Overall, this results in a free cash flow[11] of kEUR 7,862 (PY: kEUR 21,361). The cash flow from financing activities amounted to kEUR –19,786 and was thus significantly lower than in the previous year at kEUR –25,925. The reason for the reduction is, on the one hand, the early redemption of the old 2021/2025 bond through the issue of the new 2024/2028 bond and related costs in 2024 and, on the other hand, the deferral of the interest payment on the 2024/2028 bond in November 2025.

[11] Free cash flow as the sum of cash flow from operating activities and cash flow from investing activities.

F. POSITION OF THE LR HEALTH & BEAUTY SE

The assets, liabilities, financial position, and financial performance of LR SE are outlined in the financial statements prepared in accordance with German accounting standards (Handelsgesetzbuch).

Financial performance of LR Health & Beauty SE
Revenue stood at kEUR 1,631 in the 2025 financial year (PY: kEUR 1,552) and mainly derived from cost allocations to LR Health & Beauty Systems GmbH, Ahlen, for services rendered, which were slightly above the previous year's level. The other operating income amounted to kEUR 71 (PY: kEUR 46).

At kEUR 1,014, personnel expenses in the reporting year were below the previous year's level (kEUR 1,537), which is due in particular to the reduced number of Management Board members. Other operating expenses at LR SE include, among other things, legal and consulting fees, which increased significantly in this financial year in connection with the financial restructuring. They also include allowances for the Supervisory Board and travel expenses. In total, they amounted to kEUR 3,494 and thus increased significantly compared to the previous year (kEUR 1,564).

In the 2025 financial year, the financial result is characterized by special effects and totals kEUR –229,691 (PY: kEUR –3,757). In particular, expenses in the amount of kEUR –199,890 (PY: kEUR –1,975) from the profit and loss transfer agreement with LR Global Holding GmbH characterize the financial result. The high losses from the subsidiaries are due in particular to special write-downs on shares in affiliates. In this context, LR Health & Beauty SE also recognized a write-down in shares in affiliates in the amount of kEUR 28,015. In addition, the financial result includes interest income from a shareholder loan to LR Global Holding GmbH in the amount of kEUR 12,512 (PY: kEUR 11,507) and interest payments for the corporate bond 2024/2028 in the amount of kEUR –14,298 (PY: kEUR –13,289).

After calculation of income taxes in the amount of kEUR +1,067 in the 2025 financial year (PY: kEUR –6,612), the net loss for the year 2025 amounts to kEUR –231,431 (PY: kEUR –11,871).

Assets and liabilities of LR Health & Beauty SE
The total assets of LR Health & Beauty SE increased to kEUR 349,699 as of December 31, 2025, compared to the previous year (kEUR 286,596). Non-current assets amounted to kEUR 253,278, significantly below the previous year's figure (kEUR 281,273), which is attributable in particular to the impairment of shares in affiliates, which still amounted to kEUR 124,442 as of December 31, 2025 (PY: kEUR 152,458). Receivables from affiliates remained constant at kEUR 128,836 (PY: kEUR 128,815).

Current assets increased to kEUR 2,431 as of December 31, 2025, compared to kEUR 1,146 as of December 31, 2024. They include receivables from affiliates in the amount of kEUR 1,320 (PY: kEUR 1,067). LR SE is included in a cash pooling agreement with LR Health & Beauty Systems GmbH (cash pool leader), so that cash at the end of the 2025 financial year, as in the previous year, amounted to kEUR 0.

LR SE's equity was reported at kEUR 140,326 in the previous year. As of December 31, 2025, there was a deficit not covered by equity in the amount of kEUR –91,105, which is reported on the assets side of the balance sheet. This significant decrease results from the net loss for the year of kEUR 231,431, which is characterized by the special write-downs and expenses from the profit and loss transfer agreement.

The provisions totaling kEUR 1,303 (PY: kEUR 2,281) consist of tax provisions of kEUR 456 (PY: kEUR 1,362) and other provisions of kEUR 847 (PY: kEUR 919). The latter include, in particular, provisions for personnel costs, audit costs, and outstanding supplier invoices.

The liabilities are mainly characterized by liabilities to affiliates and the corporate bond. On February 19, 2024, LR SE placed a senior secured corporate bond (ISIN: NO0013149658) with a nominal issue volume of EUR 130 million and issue proceeds of around EUR 125 million. The carrying amount of the corporate bond 2024/2028 at LR Health & Beauty SE[12] in the amount of kEUR 134,307 corresponds to the issue amount less the acquisition commission recognized, which is added back pro rata over the term of the bond, plus accrued interest. The proceeds from the placement were used to refinance the previously existing 2021/2025 bond of LR Global Holding GmbH (ISIN: NO0010894850). In this context, a loan agreement was concluded between LR Global Holding GmbH and LR Health & Beauty SE on March 1, 2024. The bond was issued in the so-called "Nordic Bond Format" under Swedish law and with the involvement of Nordic Trustee & Agency AB as trustee. The bond has an interest rate of 7.5% + 3M EURIBOR (with a floor of zero) and matures on March 6, 2028. It is traded on the Open Market of the Frankfurt Stock Exchange and was admitted to trading on the regulated market of Nasdaq Stockholm on February 28, 2025.

For the bond, the Group companies have provided collateral and undertaken, among other things, to comply with certain leverage covenants, which are reviewed quarterly. In the third quarter of 2025, the maximum leverage ratio under the Terms and Conditions of the bond 2024/2028 was exceeded and announced in an ad hoc announcement on October 20, 2025. The Group entered into standstill negotiations with an ad hoc group of bondholders and, in an ad hoc announcement dated November 25, 2025, announced a corresponding agreement including the deferral of interest payments. The agreement concluded until February 28, 2026 provided that the bondholders would not exercise any rights arising from the covenant breach or the interest deferral.

At the same time, negotiations were held with the shareholders and bondholders on a financial restructuring, for which a restructuring opinion (IDW S6 opinion) was also prepared. The result of the negotiations on the financial restructuring was announced on February 11, 2026, and was fully implemented by the end of June 2026.

In the course of the financial restructuring, the Company was provided with new capital in the amount of EUR 20 million (EUR 10 million equity and EUR 10 million bonds) and a significant reduction and restructuring of the existing bond liabilities was implemented. The future debt structure consists of a senior secured bond in the amount of EUR 62.5 million (including the newly issued EUR 10 million and parts of the existing bond) with a fixed interest rate of 6.75%. In addition, the parent company of LR Health & Beauty SE issues an unsecured junior bond in the amount of EUR 27.5 million with interest to be capitalized ("PIK" interest rate), increasing from 6% to 10% and maturing in 2031. This is reflected at LR Health & Beauty SE by way of a shareholder loan with corresponding terms. All remaining nominal amounts (including accrued interest) were fully waived.

Liabilities to affiliates amount to kEUR 205,078 as of December 31, 2025 (PY: kEUR 3,364). This increase results in particular from the assumption of losses from LR Global Holding

[12] Carrying amount of the bond at LR Health & Beauty SE in accordance with German accounting standards (Handelsgesetzbuch) deviating from the carrying amount in the Group, which is reported in accordance with International Financial Reporting Standards (IFRS).

GmbH required by the profit and loss transfer agreement. In addition, there are liabilities from the cash pooling agreement with LR Health & Beauty Systems GmbH.

The liabilities also include liabilities to shareholders with a carrying amount[13] of kEUR 4,036 (PY: kEUR 4,016). On March 7, 2024, LR SE and Aloco Holding S.à r.l concluded an agreement for a fixed-interest shareholder loan in the amount of kEUR 4,000. The loan bears interest at an annual rate of 0.5%. The loan and the associated interest are due on March 30, 2028.

Together with trade payables of kEUR 881 (PY: kEUR 89) and other liabilities of kEUR 29 (PY: kEUR 55), total liabilities amount to kEUR 344,331 (PY: kEUR 138,765).

As of December 31, 2025, deferred taxes are measured at kEUR 4,064 and are therefore below the previous year's figure of kEUR 5,224.

For the 2025 financial year, the cash flow from operating activities amounts to kEUR –544 (PY: kEUR +2,231). All major factors affecting operating cash flow, such as profit, changes in receivables, or changes in liabilities, are described in the sections Financial performance of LR Health & Beauty SE and Assets and liabilities of LR Health & Beauty SE. Cash flow from investing activities amounted to kEUR +10,419 (PY: kEUR –120,215) and includes the transfer of losses from the profit and loss transfer agreement with LR Global Holding as well as the interest payments received for the shareholder loan to LR Global Holding GmbH. Cash flow from financing activities in the amount of kEUR –9,876 consists of the interest paid for the bond 2024/2028 (PY: kEUR 117,842; this includes the inflows from the shareholder loan from the parent company Aloco Holding S.à r.l, the issue of the corporate bond, and the interest paid on the corporate bond).

G. REPORT ON RISKS AND OPPORTUNITIES

Risk management

The internal control system for the accounting process consists of the following subareas. The Group's internal rules on the preparation of financial statements and accounting (e.g. guidelines, circulars) are made available on time to all employees involved.
The company's financial statements are prepared using a uniform reporting system for the entire Group. Reconciliation processes for Group-internal business transactions serve to prepare the corresponding consolidation steps. Central contact persons of the LR Group are also in continuous contact with the local subsidiaries in order to ensure compliance with the relevant accounting standards (IFRS and German GAAP/HGB) and compliance with reporting deadlines and obligations.

Corporate controlling/Group controlling systematically and regularly analyses data from the Group using systems of key figures and reports this to the management. Sales are reported per country and region on a daily basis. Sales and earnings forecasts are prepared regularly. Information on partner productivity (assessed by the number of orders and order value per partner), number of active partners as well as on product quality (assessed by the number of returns, value, article, and reason for return) are analysed on an ongoing basis.
A comprehensive reporting package, including a statement of profit or loss, balance sheet, cash flow, revenue development by countries and product groups with analyses of deviations against the plan and previous year at Group level, is also prepared on a monthly basis for the management and the supervisory board of LR SE.

In addition, the LR Group records risks through the Risk Management department with the support of the Compliance department and with significant involvement of the operational managers within the context of the risk management system. The "TÜV Rheinland"-certified Compliance Management System serves, among other things, to identify, assess, and control internal and external risks at an early stage. The focus of risk identification is the risk inventory, which determines the main risks on an annual basis. The course of business and the opportunities and risks arising from current business are discussed in the meetings of the company management and the supervisory board. In principle, uniform guidelines apply to all business divisions, which are defined by the management of the LR Group and monitored by a central compliance system with the involvement of regional compliance delegates.

The presentation of opportunities and risks is in descending order. The order refers to the assets, liabilities, financial position, and financial performance of the LR Group, taking into account the respective probability of risks occurring and the potential damage.

Financial risks

As of the reporting date, the LR Group was in negotiations with the shareholders and bondholders on a financial restructuring. The background was the non-compliance, announced in August 2025 and confirmed in October 2025, with the leverage covenant agreed in the bond terms and conditions of the bond 2024/2028 as of September 30, 2025. The Group then entered into standstill negotiations with an ad hoc group of bondholders and announced a corresponding agreement including the deferral of interest payments in an ad hoc announcement dated November 25, 2025. The agreement, which was valid until February 28, 2026, provided that the bondholders would not exercise any rights arising from the covenant breach or the interest deferral. At the same time, negotiations were held with the shareholders and bondholders on a financial restructuring, for which a restructuring opinion (IDW S6 opinion) was also prepared.

On February 11, 2026, the result of the negotiations on the financial restructuring was announced, which was fully implemented by the end of June 2026. In the course of the financial restructuring, the Company was provided with new capital in the amount of EUR 20 million (EUR 10 million equity and EUR 10 million bonds) and a significant reduction and restructuring of the existing bond liabilities was implemented. The future financing structure consists of a senior secured bond in the amount of EUR 62.5 million (including the newly issued EUR 10 million and parts of the existing bond) with a fixed interest rate of 6.75%. In addition, the parent company of LR Health & Beauty SE issues an unsecured junior bond in the amount of EUR 27.5 million with interest to be capitalized ("PIK" interest rate), increasing from 6% to 10% and maturing in 2031. This is reflected at LR Health & Beauty SE by way of a shareholder loan with corresponding terms. All remaining nominal amounts (including accrued interest) were fully waived. The risks existing as of the balance sheet date with respect to the corporate bond 2024/2028 were thus eliminated by the time the financial statements were prepared and the financial restructuring was completed.
The prepared restructuring opinion (IDW S6 opinion) sets out that, in addition to financial restructuring, the implementation of various operational measures is a key prerequisite for the successful restructuring of the LR Group.

[13] Carrying amount of the shareholder loan in LR Health & Beauty SE in accordance with German accounting standards (Handelsgesetzbuch) deviating from the carrying amount in the Group, which is reported in accordance with International Financial Reporting Standards (IFRS).

In the area of the compensation system, adjustments to distributor compensation and a realignment of qualification and event concepts are planned. The objective is to improve the profitability of the business model while strengthening performance orientation. Risks arise in particular from the fact that changes to established compensation structures could impair the motivation, commitment and recruitment and activation capability of distributors. In addition, there is a risk that the expected savings may not be partially realized due to necessary compensating measures or changed sales behavior.

In the area of personnel, measures are being implemented to adjust personnel capacities in individual areas of the Company. The planned headcount reductions are intended to sustainably improve the cost base. However, implementation is associated with risks, particularly with regard to possible productivity losses during the transformation phase and potential effects on employee satisfaction. In addition, one-off restructuring expenses, in particular for severance payments and other personnel adjustment costs, may be higher than planned.

Measures in the area of products and product packaging include the revision of existing products, the introduction of new product concepts and the optimization of the product portfolio. These include, among other things, product relaunches, the substitution of individual products or materials by higher-margin alternatives and the streamlining of less attractive product areas. The targeted earnings improvements require distributors and customers to accept the changed products and the expected sales volumes to be achieved. Risks exist in particular in lower market acceptance, delays in implementation, unexpected quality or development expenses and possible write-downs on inventories in the course of portfolio streamlining.

In the area of markets, both the discontinuation of loss-making activities and the development of new growth markets are planned. The expected positive effects depend largely on successful implementation and on the respective economic and regulatory framework conditions. In particular, when developing new markets, there are risks with regard to actual market penetration, the establishment of suitable distribution structures and the achievement of the planned revenue and earnings contributions.

The measures in the areas of logistics and production are aimed at increasing efficiency, reducing material and process costs and improving utilization of existing capacities. These include, among other things, the transfer of production steps to in-house production, process optimizations in production and logistics, and technical improvements to reduce scrap and losses. The expected savings may be impaired if technical, organizational or quality-related challenges arise or if the necessary investments are higher than planned. In addition, delays in implementation or temporary impairments in operations may lead to lower or later effects.

In addition to the aforementioned measures, the restructuring program comprises a large number of further initiatives to optimize the sales organization and the cost structure. These measures also involve risks with regard to timely implementation, the actual amount of achievable earnings improvements and possible one-off expenses.

Overall, there is a risk that the economic effects of the measures assumed in the restructuring opinion may not be realized or may not be fully realized due to delays in implementation, higher costs, lower savings or lower market and customer acceptance. This could delay the planned improvement in the Group's financial performance, financial position, and assets and liabilities or cause it to occur to a lesser extent than expected.

At the time of preparing this management report, some of the performance-related measures were already being successfully implemented, whilst the implementation of others had begun.

Foreign currency risks exist with suppliers who deliver on a USD basis. Currency hedging takes place if necessary, but was not carried out in the reporting period. Significant risks of price changes or default are not known. Foreign currency risks for deliveries to non-European countries or to non-euro countries are not minimized through financial measures but through shaping the economic conditions (i.e., “natural hedging”). In addition, there are exchange rate risks for the LR Group due to business activities and net investments in subsidiaries from non-euro countries. The Group's top five non-euro markets in 2025 by sales (revenue from goods sold) were Russia/Kazakhstan (Russian roubles/Kazakh tenge), Poland (Polish złoty), the Czech Republic (Czech koruna), Ukraine (Ukrainian hryvnia), and Bulgaria (Bulgarian lev until December 31, 2025).

The liquidity risk is regularly monitored based on budgetary planning.

Business and market risks

The LR Group operates in a market characterized by a constant change in customer needs and the opportunities of potential competitors. In order to meet the needs of customers and to distinguish ourselves from potential competitors, new products and services are continually developed and existing products and services improved. Further business development and the success of the business model are based on private demand and the competitiveness of the overall offer (product and business opportunities) on the market. The drivers for future growth and thus business success are, among other things, the number of new partners, improvement of reselling rates, consistently good product quality, attractive business opportunities, and compensation arrangements for distributors, as well as country and language-oriented and differentiated optimization of offers. The proactive steering of the outlined success factors is intended to ensure a positive development of the distributors, thus reducing the main risks for our business model.

The Group's ability to acquire partners and to maintain and increase sales through its partners can be impacted by negative publicity or a negative public perception of the Group, the Group's competitors, or the industry in general. The upswing in the use of social and digital media increases the speed and scale at which information, including misinformation, and opinions can be spread. Negative public perception can also include negative publicity regarding the sales structure of major social commerce companies and a negative perception of the business model or products of competitors. A large share of the LR Group's income from the sale of goods is generated with products containing aloe vera. Negative publicity about products containing aloe vera in general could lead to a decline in consumer interest and weaken LR's success factor as a result.

The outbreak of war in Ukraine has impaired the previously very stable situation in Europe, LR Group's most important sales market. The LR Group has one sales company in Ukraine and one in Russia, with the Russian company additionally serving the market in Kazakhstan. Business operations in Ukraine have been ensured throughout the last three years, but the risk of a partial or complete closure of the subsidiary in Ukraine cannot be completely ruled out for security reasons. The Russian market faces considerable risks in the current situation with extensive financial and economic sanctions. Maintaining payment transactions to and from Russia could be made difficult by further sanctions. In addition, the availability of products for the subsidiary in Russia also represents a risk due to the sanctions and difficult logistics.

Moreover, the political and economic developments in the LR countries are constantly monitored by the management in order to be able to actively respond to any deterioration in framework conditions.

Operative risks
Continuous controls in line with the latest quality and safety regulations ensure top-quality and premium products. In addition to quality assurance of the existing product range, new and refined products are developed here as well. Considerable emphasis is placed on compliance with quality standards of the cosmetics and food regulations to reduce the product risk.

Most orders from partners and customers are placed online through the Group's IT platform. In addition, the LR Group is greatly dependent on IT systems to maintain its revenue streams, communicate efficiently with partners, and to receive information on customer behavior and the sales patterns on various markets. This is especially important against the backdrop of the current IT projects to enhance the mobile apps available to the partners, the Group webshop, ERP (enterprise resource planning) system, and other administrative systems. Unplanned downtime of the Group's IT systems, including the ERP system, due to system failure, computer viruses, denial of service attacks, or other reasons therefore poses a considerable risk.

Payment default risks are reduced by the type of payment methods offered as well as by using credit ratings from external service providers. In addition, accounts receivable are continuously monitored in the operational business.

A significant share of the Group's revenue relates to products manufactured and/or packaged at the LR Group's production facilities in Ahlen, Germany. Unplanned downtime at the Group's production facilities due to plant outages, power cuts, natural disasters, or other causes could impair the Group's ability to meet delivery requirements in part or in full. In addition, supplier failure or disruptions to supply chains could have negative effects on the manufacture and packaging of the Group's products.

Further operative risks that might significantly influence the Company are currently not known.

Legal risks
In the course of our business activities, risks to our financial performance and financial position may arise from legal disputes, mainly with respect to competition, trademark, tax or contract law, or product liability. These risks are actively addressed through internal guidelines and professional legal advice, and attempts are made to mitigate them in advance.

The Group currently operates in 32 countries, in which very different rules and regulations, e.g., concerning marketing and quality standards for cosmetics and food safety, may apply.

Non-adherence to such rules and regulations as well as regulatory or statutory changes can result, among other things, in existing or future licenses and approvals being revoked or not issued or in penalties being imposed or claims being asserted against the Group.

Other relevant regulatory factors that could have a negative impact on the Group include:

- The imposition of legal, tax, or financial constraints on the Group or its partners that exert financial and/or structural pressure on the Group and its sales model.
- Contesting the status of the partners as independent contractors rather than employees or a change in employment laws or regulations or the social security regulations relating to independent contractors, which could result in additional financial obligations, investigations, and fines.
- Trade defense actions and import or export licenses, restricting LR's options for selling its products.
- Changes in trade or antitrust law or changes in the interpretation of trade or antitrust law.
- The data protection regulations and their individual interpretation by the data protection authorities in the different countries.
- The regulation of advertising claims, such as the European EmpCo Directive.

Strict compliance with the statutory stipulations in the dietary supplements field, especially after the Health Claims Regulation came into force on July 1, 2007, is crucial for reducing risks. In connection with the general regulations applying to health and beauty products, the regulation of hydroxy anthracene derivatives (HAD), chemical substances that can occur naturally in certain parts of aloe vera, is of great importance to the LR Group as a processor of this raw material. The key regulation in this context is Regulation (EC) No 1925/2006 of the European Parliament and of the Council of December 20, 2006 on the addition of vitamins and minerals and of certain other substances to foods. In March 2021, this was amended by Commission Regulation (EU) 2021/468 and now contains a ban on the addition of HAD (or preparations of leaves of aloe vera species containing HAD) to food, which, according to the wording of the regulation, would have been tantamount to an effective ban on the substance. After the amendment became effective, the Standing Committee on Plants, Animals, Food and Feed (SCoPAFF) concluded that a certain number of parts per million (ppm), i.e., less than 1 ppm, can apply as a limit of quantification (LOQ) for deeming a substance to substantially contain no HAD. This interpretation was confirmed by the European Commission. The LR Group examines on a regular basis whether its products adhere to the limits specified in the Regulation and has not identified any concentrations of HAD above 1 ppm to date.

The majority of the risks described are inherent in the business model, our products, our markets, and our own production activities and are closely monitored accordingly. In addition, newly emerging risks, such as those arising from changes in the geopolitical situation or legislative changes, are identified and assessed as quickly as possible and analysed for possible safeguards.

Summary risk assessment
Based on the restructuring opinion, the Company has initiated a comprehensive package of measures to stabilize the economic situation. In addition to the measures to adjust the financing structure, this includes in particular significant performance-related measures, including the adjustment of the sales and compensation model, the reduction of the cost base through organizational and personnel measures and efficiency improvements, the optimization of production and logistics, the streamlining of the product portfolio and a stronger focus on high-margin business areas.

Now that the financial restructuring has already been successfully implemented by the end of June 2026, the successful implementation of the operational measures set out in the restructuring report is also a key prerequisite for realising the expected improvements in the earning and liquidity situation. If the operational measures are not implemented, or are not implemented to the extent planned, or are delayed, there is significant uncertainty regarding the company's going concern within the meaning of section 322 (2), third sentence, of the German Commercial Code (HGB) (risk threatening the company's continued existence).

Opportunities
The business and market risks described are offset by corresponding opportunities in the event of positive developments. There are also potential opportunities arising from the long-term trends in the markets for health and beauty products as well as in digitalization and social media use.

The LR Group is sharpening its positioning as a successful social commerce company, particularly in the areas of digitalization and social media. Social commerce is an attractive business model that combines the advantages of two worlds. Digital efficiency, customer experience, and consumer knowledge from the e-commerce sector with the advantages of personal relationships, individual sales experience, and the ability to develop new products from direct sales in a targeted and needs-oriented manner. The result is a digital model with the potential to drive consumer engagement with the brand and products, drive targeted product innovation, and create strong customer retention through a loyal customer and distributor community. Supported by low customer acquisition costs, the potential for rapid and profitable growth is evident.

The sales model is of particular interest to younger target groups, which also opens up attractive growth opportunities. The groups of 18–29-year-olds and 30–39-year-olds together account for around 38% of new LR distributors in Germany, while the German average for this age group is well below 30%. LR supports this trend in particular through the digital solutions and apps developed specifically for LR, such as LR Connect and LR NEO – tools that help LR distributors build their own successful careers in the digital world. Another important component of the sales model is the retention of distributors through attractive bonuses as part of the LR Career Plan and additional incentives. The career plan is constantly being developed and offers distributors structured income and development opportunities within the direct selling model. Programs for new distributors (“Fast Track Program”) and experienced distributors (“Business Track”) can support the recruitment, activation and retention of the distribution organization. Defined bonus and career levels provide additional incentives to expand sales activities. This may create opportunities to expand the distribution organization and for further revenue growth.

The potential of the sales model can be particularly exploited in combination with high-quality and target group-oriented products. LR involves its distributors in the product development process at a very early stage. This ensures that the needs of distributors and consumers are at the center of the process. The result can be seen in the major product launches of recent years, which are among the best in the entire history of LR.
These include both new product launches and product relaunches. If LR can maintain this trend in the coming years, it can achieve high growth potential.
In addition to the individual and needs-oriented development of products, the fundamental market trends are also a positive factor for LR. The core areas of LR products are health and beauty solutions, both markets with a long-term positive growth trend. In the health sector in particular, we see an increasing focus on high-quality health products for habitual and therefore regular use. This trend fits with the LR Group's market positioning, with holistic product solutions in the medium to higher price segment. Product solutions such as the metabolic support concept “LR Health Mission” or the long-standing top sellers in the nutritional supplements segment – the Aloe Vera Drinking Gels – promote long-term customer loyalty with high repurchase rates, including subscriptions. Today, around 85% of sales are generated by repeat customers.

H. OUTLOOK

Economic development in 2026 will continue to be affected by a number of factors that are difficult to predict. Geopolitical tensions, particularly in connection with the ongoing war in Ukraine and the conflict in Iran, continue to have an impact on energy prices, international trade relations, and geopolitical stability. In addition, possible disruptions in global supply chains and trade policy tensions between major economies remain potential risks for economic development. The development of inflation also remains an important influencing factor, particularly in Europe, one of the LR Group's core markets. The development of inflation rates influences both private household consumer behavior and central banks’ monetary policy decisions regarding the future direction of interest rate policy.

The International Monetary Fund (IMF) expects global economic growth of 2.7% in 2026 and thus a slight increase in the growth rate compared to the previous year of 2.5%. Economic development is shaped by a mix of supporting factors – such as investments in technology-driven sectors – as well as structural challenges, geopolitical uncertainties, and continued elevated political and trade policy risks.

For the Eurozone, the IMF forecasts economic growth of 1.1% in 2026, after growth amounted to around 1.4% in 2025. Economic momentum thus remains moderate and continues to be influenced by structural challenges, comparatively weak industrial activity and the development of energy prices.

In Germany, the LR Group's most important market, following slight growth of 0.2% in 2025, a moderate recovery with growth of around 0.8% is expected for 2026. This development reflects in particular the continuing challenges in the industrial sector as well as overall subdued investment and export momentum.

The IMF's forecasts show overall that economic development is likely to remain characterized by uncertainty in the coming years. At the same time, regional differences in growth dynamics continue to offer opportunities for economic stabilization and growth.
The development of economic performance in the LR markets has different effects on the LR Group's business model. On the one hand, weak or negative economic growth can have an impact on consumer sentiment. On the other hand, in addition to pure product consumption, LR also offers an attractive and flexible opportunity to generate additional income or main income as a distributor. Depending on the economic framework conditions, the LR Group's business model therefore enables either the consumer business or

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distributor activities to be placed more strongly at the center of marketing.

In addition to the continued challenging and difficult-to-calculate macroeconomic conditions, the further course of the financial restructuring of the LR Group and the implementation of the restructuring measures initiated will have a significant influence on development in the 2026 financial year. The 2025 financial year, in particular the last quarter, was influenced by the partly negative news situation in relation to the restructuring. This effect was still noticeable at the beginning of the new financial year.

Overall, the Executive Board assumes that the 2026 financial year will continue to be characterized by the effects of the restructuring. The Executive Board therefore regards the year as a transition phase in which the Group is to be financially and strategically stabilized and positioned more efficiently in order to return the LR Group to a sustainable positive growth path.

Against this backdrop, the Executive Board expects a significant decline in sales (revenue from goods sold) in the 2026 financial year. Taking into account the expected sales development and the charges from one-off expenses for restructuring measures, the Executive Board expects a significant decline in reported EBITDA in the transition year 2026. Should sales recover more quickly and the planned measures be implemented in full, a correspondingly more positive development could result in the 2026 financial year.

As a holding company, the development of the individual company LR Health & Beauty SE depends on the development of the entire LR Group and is therefore not controlled individually. Apart from the planned changes to the financing structure and the related interest expenses, the cost structure is expected to remain largely unchanged compared to the previous year.

I. FINAL DECLARATION ON THE DEPENDENCY REPORT

The Management Board of LR Health & Beauty SE has prepared a report on relationships with affiliated companies for the 2025 financial year in accordance with the German Stock Corporation Act (Section 312 AktG), which contains the following concluding declaration: “We declare that LR Health & Beauty SE has received appropriate consideration for the legal transactions and measures listed in the report on relationships with affiliated companies in accordance with the circumstances known to us at the time the legal transactions were carried out or the measures were taken or omitted and has not been disadvantaged by the fact that measures were taken or omitted.”

Ahlen, July 24, 2026

LR Health & Beauty SE
– Executive Board –

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