HEALTH & BEAUTY

2025

ANNUAL REPORT

LR HEALTH & BEAUTY GROUP

"

OUR VISION IS TO BE THE WORLD'S MOST ATTRACTIVE COMPANY IN SOCIAL COMMERCE.

OUR MISSION IS TO OFFER PEOPLE THE CHOICE TO LIVE A SELF-DETERMINED LIFE. WE SUCCEED BECAUSE OF OUR BUSINESS OPPORTUNITY AND HIGH-QUALITY HEALTH AND BEAUTY SOLUTIONS.

HEALTH & BEAUTY

WE BELIEVE IN MORE

LETTER OF CEO

DEAR ALL,

FOR ME, DIRECT SALES IS ONE OF THE MOST PERSONAL WAYS TO REACH PEOPLE AND INSPIRE THEM FOR A CAUSE. THAT IS PRECISELY WHY I MADE A CONSCIOUS DECISION TO ASSUME THE MANAGEMENT OF THE LR HEALTH & BEAUTY GROUP IN AUGUST 2025.

Over the past year, as I became more familiar with the company and the people who work at and with LR, many aspects stood out to me in a positive way. I was particularly impressed by the high level of product expertise. Equally noteworthy is the well-designed business model, which offers our distributors a wide range of opportunities for success while showing them genuine appreciation – guided by a strong philosophy: "More quality for your life." It combines outstanding health and beauty products with a unique business model that provides our distributors with greater financial independence, autonomy, and flexibility.

FINANCIAL RESTRUCTURING OPENS UP OPPORTUNITIES FOR INVESTMENT AND GROWTH

During the financial year, a special focus was placed on preparing a comprehensive restructuring of our balance sheet. In collaboration with key bondholders and shareholders, we were able to reach an agreement on a restructuring plan and implement it by June 2026. This agreement includes a total capital injection of EUR 20 million. At the same time, the company's debt structure was significantly reduced and reorganized. With this fresh capital, we are consistently advancing our strategic realignment. We are particularly pleased to have strong, long-term partners at our side who will sustainably secure and strengthen the financial stability and investment capacity of the LR Group. This creates the foundation for implementing further targeted strategic initiatives in the near future.

Δ Designed with AI support

JÖRG KÖRFER
CEO

FINANCIAL RESTRUCTURING AFFECTS THE DEVELOPMENT OF THE LR GROUP IN THE NEW FINANCIAL YEAR

The overall economic environment remains challenging and difficult to predict. The past financial year 2025 – especially the fourth quarter – was also affected by media coverage that was at time negative in connection with the restructuring. We expect that the financial year 2026 will continue to be shaped by the ongoing restructuring. At the same time, we see this year as an important transition phase: our goal is to further stabilize the Group both financially and strategically and to position it more efficiently – thereby laying the foundation for a sustainably profitable growth path.

On this path, we aim to leverage our existing potential in a targeted manner and to enter new markets. An important basis for this is the already established networks of our distributors in the respective expansion countries. They enable us to position our products quickly and to build sustainable new market shares.

LR HEALTH & BEAUTY: A STRONG PARTNER FOR QUALITY OF LIFE AND WELL-BEING FOR 40 YEARS

LR has stood for reliability and quality in the health and beauty segment for 40 years. With our product solutions, which support the body holistically, we have consistently set standards in product quality. Our products carry the "Made in Germany" quality promise – a large proportion of them is produced directly at our company headquarters in Ahlen (Westphalia), Germany.

We are particularly proud of our unique selling point: the processing of high-quality aloe vera into care products and dietary supplements. Since its introduction in 2002, LR has sold, for example, 86 million liters of aloe vera drinking gel. Since 2018, we have also operated our own aloe vera drinking gel production facility. This success fills us with pride and encourages us to continue expanding this business segment in the future.

In addition, we will further advance the insourcing of additional products: in the future, the LR 5in1 Beauty Elixir and the LR 5in1 Men's Shot will also be manufactured in Ahlen. We are currently initiating all the necessary steps to achieve this. In doing so, we once again reaffirm our "Made in Germany" quality promise.

LR HEALTH & BEAUTY: A COMPANY DEDICATED TO SUCCESS, RECOGNITION, AND EXPERIENCE

Our business model is built on a culture of appreciation. As recognition for the commitment and success of our distributors, we have developed and established a holistic recognition concept. A key component of this is our unique car program, which provides our distributors with greater mobility and flexibility.

In the summer of 2026, we will reach another milestone: together with Senger car dealership from Ahlen, we will realize the new "Senger / LR Experience Center." This central point of contact, built specifically for LR, will in the future bundle all services – from the delivery of new LR vehicles and the return of vehicles to the presentation of current models.

In a market environment in which a healthy and long life is becoming increasingly important for many people, our products, in combination with our business model, are perfectly in tune with the times. We see this development as a great opportunity – and we are firmly determined to seize it.

At the same time, we are aware of our challenges and are addressing them consistently – with the clear objective of continuing to help more people achieve a better quality of life.

For us, the people who support us and our long-term vision are of the utmost importance. I would like to take this opportunity to thank all our distributors, employees, suppliers, investors, and everyone who feels connected to LR.

BRIEF OVERVIEW

OUR YEAR 2025

SALES[1] (in EUR million)

277.1

EBITDA REPORTED / NORMALIZED
(in EUR million)

16.5 / 22.5

[1] Sales as revenue from goods sold

LAUNCH NEW PRODUCTS

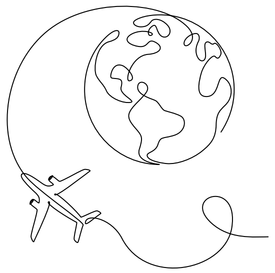
LR FIGUACTIVE BERRY DREAM BOWL
So tasty – so smart: our new fruity bowl!

LR FERMENTED ALOE VERA
The next generation of high-performance skincare!

LR EMPLOYEES
around

1,150

40 YEARS COMPANY ANNIVERSARY
Two spectacular international events in Berlin: The Global Leader Convention during the day & the 40 Years LR Gala in the evening.



LR COUNTRIES
in total

32

LAUNCH NEW FRAGRANCES

LR MOOD INFUSION:
18 innovative creations arouse special emotions.

LR ICONIC ELIXIRS:
4 exquisite fragrances embody pure luxury.

LR ANNUAL REPORT 2025 CONTENT

WE BELIEVE IN MORE QUALITY FOR YOUR LIFE

IN 1985, LR STARTED AS A COMPANY WITH FIVE EMPLOYEES AND DEVELOPED INTO A SUCCESSFUL GLOBAL PLAYER. THE STABLE GROWTH OF MORE INTERNATIONALITY, QUALITY, RESPONSIBILITY AND OPPORTUNITIES STILL CONTINUES.

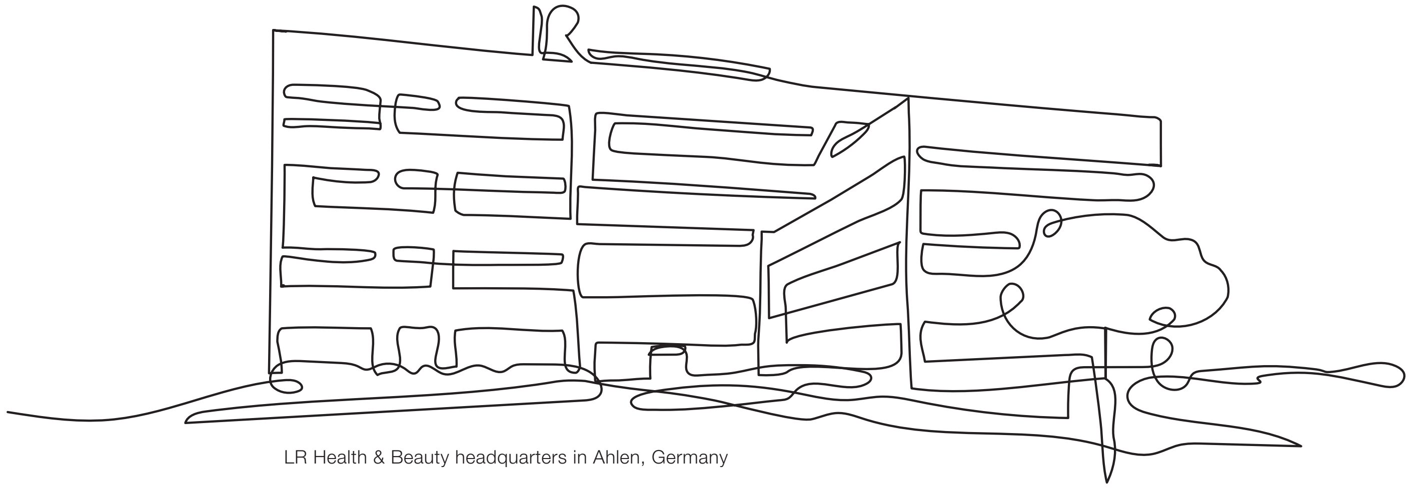
01

MORE QUALITY FOR YOUR LIFE

WE CARE FOR PEOPLE'S LIVES

SINCE **40** YEARS SUCCESSFUL IN EUROPE

AROUND **1,150** EMPLOYEES



LR Health & Beauty headquarters in Ahlen, Germany

OUR COMPANY

The LR Group is one of the leading social commerce companies that distributes approx. 200 different products from the areas of nutritional supplements and cosmetic products in 32 countries through its hundreds of thousands registered distributors.

LR is a member of the European association Direct Selling Europe (DSE) and has around 1,150 employees across the globe. With quality "Made in Germany" and a unique business model, we have been a successful European business for 40 years.

On August 1, 2025, Jörg Körfer took over the position of Chief Executive Officer (CEO) of LR Health & Beauty SE. In this position, he is responsible for the management of the entire LR Group. Jörg Körfer has extensive expertise in global direct sales thanks to his many years of management experience with international companies and will now continue to exploit the full potential of Europe's leading social commerce company.

In February 2021, LR Global Holding GmbH successfully entered the capital market by issuing a bond. This bond was redeemed in 2024 and a new one was issued by the LR Health & Beauty SE.

In the past years, LR continued on its path to develop into a leading social commerce company. To this end, LR`s structures were further aligned with the digitization trend in the market (e.g. LRneo with all its digital tools) and new blockbuster products were continuously launched. Thanks to our unique business opportunity and our innovative and competent health and beauty solutions, we sustainably improve the quality of life for many people. With an individual career program, targeted training, excellent service and a wide range of training tools, we have been leading our distributors to business success for 40 years. Our customers should feel healthy and beautiful when using our products. Irrespective of place, time, economic crises or other external challenges, we are offering an attractive and individual purchasing experience on our digital social commerce platforms – 24/7.

OUR SOCIAL COMMITMENT: LR GLOBAL KIDS FUND E.V.

"More quality for your life" not only applies to the products and the business model, but also to the social commitment of LR Health & Beauty. The charity, founded in 2009 and under the leadership of Almut Kellermeyer as Chairwomen, is based on the collective commitment of the company, its employees, distributors and customers and supports children's aid projects in many LR countries.

OUR VISION & MISSION

"Our VISION is to be the world's most attractive company in social commerce. Our MISSION is to offer people the best choice to live a self-determined life. We succeed because of our business opportunity and high-quality health and beauty solutions.

MORE QUALITY FOR YOUR LIFE

APPROX. **200**

HEALTH & BEAUTY PRODUCTS

APPROX. **90 %**

OF OUR PRODUCTS ARE MADE IN GERMANY

OUR INNOVATIVE PRODUCTS

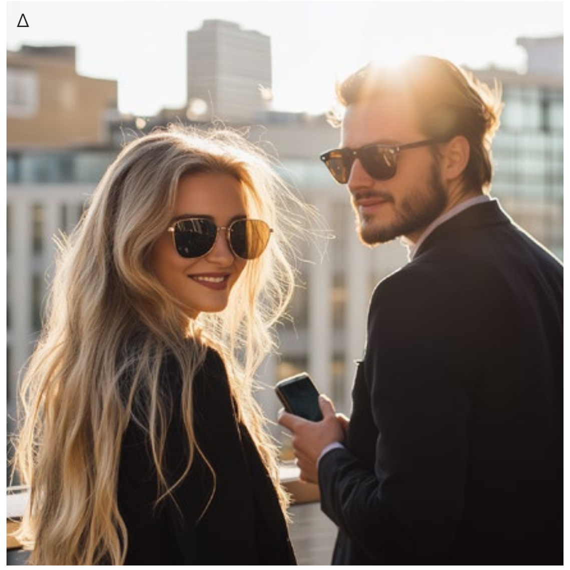
Our product portfolio comprises cutting-edge health and beauty solutions that combine natural ingredients with scientific innovation. This includes care products and decorative cosmetics, perfumes and nutritional supplements. In our modern aloe vera production facility with innovative high-tech machinery, we produce high-quality aloe vera drinking gels with up to 98 % aloe vera leaf fillet content, setting standards throughout Europe. At the company's own development center, experts from the fields of cosmetics and health constantly research and work on new solutions and products. Numerous marketing awards and certificates by renowned German institutes such as SGS INSTITUT FRESENIUS or Dermatest, confirm the high quality and innovative strength of our products. The secret to our success? We have always banked on the quality principle "Made in Germany" and manufacture over 90 % of our products in Germany.

The high product quality is ensured by strict internal controls and double-checked by renowned and independent laboratories. We do not use animal testing and set great store by using reusable raw materials. We also promote environmentally friendly production processes and energy-saving logistics solutions.

In the recent years, we had important big product launches: With the LR ZEITGARD Pro Cosmetic Device LR achieved a quantum leap in apparative cosmetics. It is an innovative 4-in-1 device and a perfect recruiting tool for our distributors worldwide. The high quality of our LR FIGUACTIVE products within the brand LR BODY MISSION offer everyone the simple way to a good body feeling. Our MIND MASTER FORMULA GOLD is a daily drink containing a unique formula of vitamins, energy nutrients and antioxidants for mental well-being.

A very successful product concept is the LR HEALTH MISSION – a well thought-out 3 to 6-months support for intestinal, liver and cell metabolism. The premium make-up brand LR ZEITGARD Signature a high-end cosmetic line with state-of-the-art make-up essentials for all skin tones, created by make-up artists. With the recent launch of the LR ALOE FERMENTED POWER skin care products LR is on the pulse of time, as fermentation is an increasing trend in the cosmetics industry.

In September 2025 we launched our new LR Fragrances concept with two different collections: The LR MOOD INFUSION creates a completely new fragrance experience – because it has been scientifically proven that our fragrances can influence our mood through the sophisticated composition of the perfume oils. The LR ICONIC ELIXIRS embody pure luxury with the unique intensity of fine Absolu de Parfum, the highest quality in the world of luxury perfumes. The exclusive creations are made from precious, rare ingredients.



OUR BUSINESS CONCEPT

For over 40 years, we have been giving people the opportunity to shape their lives independently and successfully by becoming LR distributors. Thousands of LR distributors have achieved financial freedom and a better quality of life thanks to LR. They are all part of an international team that has established LR's success with a modern sales system, digital possibilities, enthusiasm for fantastic products and plenty of passion.

The LR business model offers independence coupled with the security of a large company that supports its distributors in all phases of their careers. Also in difficult times, this concept has proven to work well – an added bonus is the team spirit in the LR community.

The merging of offline and online activities has become daily business for the distributors. Working with social media platforms in particular has proven to be very efficient. It gives every distributor the opportunity to quickly and easily get in touch with other people who have the same interests. Therefore, social media is a success factor and unlocks unlimited potential for direct sales to promote their business.

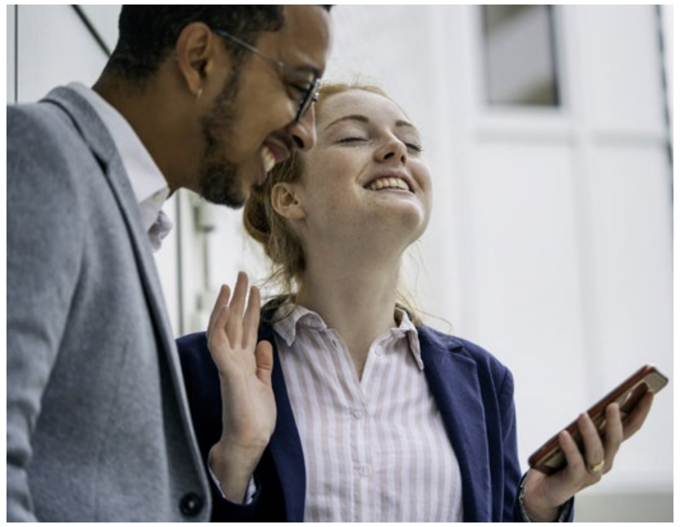
WE BELIEVE IN MORE INDEPENDENCE & FLEXIBILITY

LR GIVES PEOPLE THE OPPORTUNITY TO WRITE THEIR OWN SUCCESSFUL STORY. THEY CAN MAKE THEIR DREAMS COME TRUE BY ACHIEVING FINANCIAL STABILITY AS A PART OF THE LR TEAM, WHEREVER THEY ARE.

02

OUR UNIQUE BUSINESS MODEL

LR OFFERS A FAIR WAY TO ACHIEVE MORE FINANCIAL STABILITY, MORE FREEDOM AND MORE QUALITY OF LIFE. WE APPRECIATE EVERY DISTRIBUTOR'S INDIVIDUAL COMMITMENT AND OFFER ATTRACTIVE INCOME OPPORTUNITIES. OUR PROVEN CAREER PLAN TAKES NEW DISTRIBUTORS BY THE HAND AND GUIDES THEM STEP-BY-STEP THROUGH OUR TRANSPARENT REMUNERATION SYSTEM.



> **"Equal opportunities for all people with different backgrounds and starting points. Fair business opportunities without risks to write personal success stories.**

THIS IS HOW THE LR BUSINESS WORKS

The LR journey usually starts with passion for our great products. People fall in love with LR product solutions that add more quality for their lives and share their experiences with other people. After the start as an independent LR distributor, people enjoy the opportunity to buy our products at great discounts and to build their own LR community. In today's digital world most teams are formed via various social media channels. With every LR product sold, our distributors collect so-called "PVs" (Points Values). The Points Values are worldwide the same, facilitating a fair assessment. As the number of PVs increases, so does the Bonus Level and thus the earnings that each distributor receives. This means that the size of the team and the corresponding sales volume determines the remuneration possibilities. The more successful a team is, the higher the individual bonuses[1] will be at the end of each month.

DIVERSE CAREER OPPORTUNITIES

Our philosophy "More Quality for your Life" applies to both our products and our sales model. We offer best-in-class health and beauty solutions and great business opportunities, wich are appealing to the next generation. We help people to kick-start their career and to write their own success story. The key to the LR business model for the next generation is: from product love to business opportunity. Firstly, our distributors get to know and love the products. Secondly, they share their personal experience on digital channels and thirdly, build their own LR community and choose their individual career path.

At LR, everyone gets the chance to successfully and autonomously shape their life – regardless of gender, skin color, religion or background. Depending on their respective living situation, our distributors decide themselves how deeply they want to get involved in the business.

Many of our distributors ran their LR business on a part-time basis to earn some extra income. Today, many of them and also newcomers conduct full-time LR business. Thanks to our high-quality products within the starter packages (e.g., LR HEALTH MISSION, LR BODY MISSION, LR ZEITGARD), which enable high entry levels and thus a fast and successful career.

CAREER BOOSTER BUSINESS PROGRAMS

Our Fast Track Program offers our distributors a safe and fast income without any risks. Recognition, motivation and support are just some of the many factors that make the Fast Track Program so attractive to LR distributors. This program is unique on the market, provides financial security, especially for newcomers, and encourages existing LR distributors to climb the career ladder.
An outstanding program, especially for business introductions and extremely helpful in attracting new distributors and future leaders.

LR distributors decide for themselves how much time they want to invest in the business – in product sales and in building a team and achieving success together with other distributors. In our unique LR Career Plan, various bonus levels are set as economic incentives. Dedicated distributors can try to reach these and thus to boost their individual income.

Our unique LR BUSINESS TRACK for more advanced career levels enables our distributors the opportunity to concentrate fully on their LR business – for a speedy and successful career at LR.

NO RISK – MORE FUN

As an LR distributor, you do not have to worry about storage, logistics and shipping – LR takes care of everything. In addition, you are not obliged to buy fixed amounts or to generate a certain turnover, and there are no contractual periods. In most cases new distributors buy a starter package with a selection of products so they can get to know them. They also get access to the personal partner website – as well as a whole range of print and online media. Thanks to our great business model and our digital platform LRneo with all its digital tools (e.g. LR MyOffice), everyone can work completely independently anytime and anywhere.

SPECIAL SUPPORT

Seminars, coaching and an online platform with tutorials, presentations and webinars are available for individual further training. In addition, LR offers various of videos to present e.g. its products. Exciting live and digital events allow LR distributors to exchange ideas on a regular basis.

[1] Distributors might also resell products to their customers to benefit from the difference between the purchase and the sales price (trade margin).

MOBILITY COMES FIRST

In day-to-day business, LR distributors not only communicate with customers and within the team, they also need a high degree of mobility. As part of the LR Car Concept, our distributors are offered attractive cars at exclusive leasing rates. To this end, LR is collaborating with several prestigious car manufacturers: VW/AUDI, BMW, Mercedes and Porsche. These traditional German companies perfectly match our own company philosophy: modern, innovative and manufactured in accordance with German quality standards. We also support electromobility and offer our distributors various attractive electric cars which has been very well received by our distributors.

LR supports its distributors' mobility, provided they regularly generate a certain turnover with their teams. The extent of the subsidisation depends on the turnover generated and can amount to the entire leasing rate.

"SOCIAL COMMERCE" IS OUR GUIDING PRINCIPLE AND THE POWER BEHIND OUR BUSINESS

LR impresses internationally with an extremely strong community and thriving spirit. LR distributors love our company and are proud brand ambassadors. Millions of customers and thousands of LR distributors are enthusiastic about our products and use them themselves on a daily basis. They are families, couples, single parents or singles of all nationalities, skin colors and religions.

For us, social commerce means: Helping people achieve a better quality of life through our products and the opportunities our business offers. We focus on people in addition to products. Which is why our selling expenses do not flow into advertising measures, but directly into the career plan and thus benefit the extended international LR family.

> **SOCIAL COMMERCE MEANS: TRUST! LR IS A COMPANY "FROM PEOPLE TO PEOPLE FOR PEOPLE".**

Social commerce means: trust! It is not a new invention. We are just taking what we have been doing for years to another level. The next level. We are a company "From people to people for people". With exclusive events, parties, trips around the world and an extraordinary car concept, we reward the performance of our distributors and, at the same time, motivate them to do their best to achieve their personal goals. This creates trust and a close link with our company. The high number of distributors who stay with LR for many years speaks for itself.

Social commerce means: LR is always there where people can and want to meet and share their experiences with our products. We close the gap between retail and online trade. Unlike retail, we are always open and, unlike online retail, we always have people who stand for the product and share their experiences.

DIGITIZATION – FOR TURBO-CHARGED SOCIAL COMMERCE

Markets and companies are fundamentally changing due to increased digitization. Workflow, structures and processes are becoming more dynamic and more complex. As a successful company, we have quickly embraced the new technology and, above all, seen the many new possibilities it opens up for sales like our distributor front-end LRneo.

Innovative tools, such as the LR Connect app, offer simple and intuitive support for productive and efficient work, easy selling, quick communication and sophisticated training by our distributors. These tools also provide us with individual communication options thanks to streamlined net-working opportunities and straightforward access. The direct and quick exchange of information and data ensures maximum flexibility – irrespective of where and when.

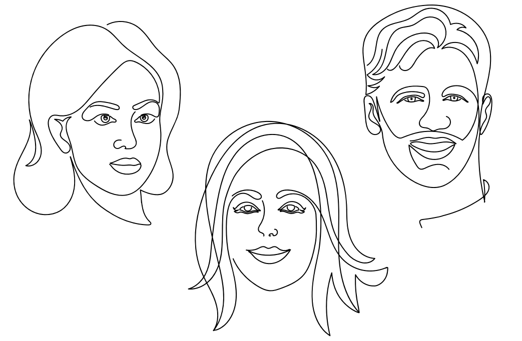
DREAM TEAM: SOCIAL COMMERCE & DIGITAL NATIVES

For the generation of "digital natives", the use of modern communication technologies and the advantages of the internet community are a matter of course. They are well-connected and navigate the virtual world extensively, both professionally and in private. Social media (e.g., Instagram, Facebook) are a fixed part of their day-to-day lives, and they know exactly how to exploit these channels for their business. It has been shown that this working method is efficient and successful.

And we see that more and more LR distributors have recognized the advantages of digital media and have successfully integrated them into their way of working.

SPOTLIGHT ON: LR IS YOUNG* & DIGITAL**

*38 % of German recruits in 2025 were between 18 and 39 years while the share of this age group in the total population is only approx. 26 %.
**87 % of total orders at LR in 2025 were placed via online shop and subscription.
(as of December 2025)



> **Every distributor is a potential influencer.**

The term "social" in social media shows how well the digital channels fit our business model: the aim is to find interested parties and to stay in contact with them. This is also true of LR. These days, significant relationships with potential customers or team partners can be established using modern social media. We speak with hundreds of thousands of voices. The distributors are our influencers and ambassadors.

IN CONCLUSION: The special challenge for LR is to reconcile proven traditional ways of working with the digital possibilities. The fact that our newcomers are getting younger and therefore more digitally savvy shows us how well LR is positioned for the future. And the last few years have shown that digital media is making a fundamental contribution to our strong growth.

WE BELIEVE IN MORE INTERNATIONALITY

WITH OUR INTERNATIONAL SUBSIDIARIES IN 32 COUNTRIES, AROUND 1,200 EMPLOYEES AND THOUSANDS OF INDEPENDENT DISTRIBUTORS, WE ARE ONE OF THE LEADING SOCIAL COMMERCE COMPANIES IN EUROPE.

03

MORE INTERNATIONALITY

MULTICULTURAL AND OPEN-MINDED

LR HEALTH & BEAUTY IS AN INTERNATIONALLY OPERATING ENTERPRISE WITH A PRIMARY FOCUS ON DIETARY SUPPLEMENTS AND COSMETICS. THE LR GROUP IS REPRESENTED BY 34 COMPANIES IN 32 COUNTRIES WORLDWIDE AND MARKETS ITS PRODUCTS ON THE EUROPEAN AND ASIAN SOCIAL COMMERCE MARKETS. THE GROUP'S PRODUCTION SITES ARE LOCATED IN AHLEN, GERMANY, AND ALL SUBSIDIARIES ARE SUPPLIED FROM AHLEN.

LR IS INTERNATIONAL

LR is an international company. The first foreign subsidiary was opened in Denmark in 1991. In the following years subsidiaries in numerous European countries were founded. 20 years later, in 2011, we count subsidiaries in 25 countries. Our recent market entries were in South Korea in 2021 and in the United Kingdom in 2024. The internationality is demonstrated not only by the number of LR subsidiaries in which we operate worldwide, but also by the number of nationalities. At the headquarters in Germany and in a total of 32 countries, about 45 different nationalities are represented.

THERE ARE NO BORDERS AT LR

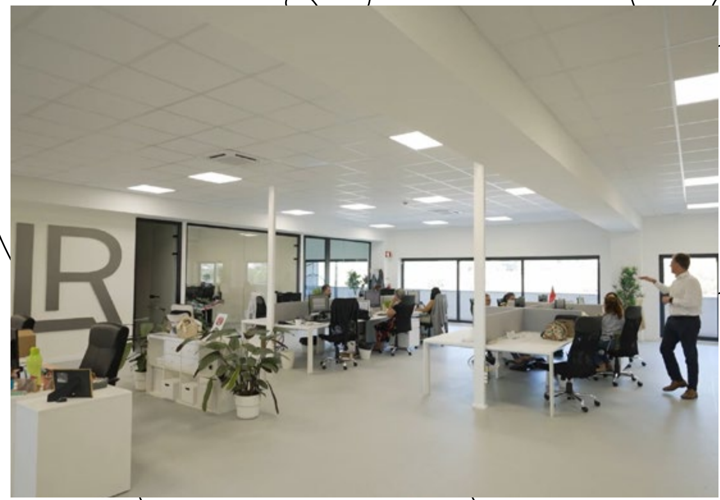
The exchange with distributors and colleagues from all over the world provides the necessary change of perspective to successfully implement global measures and projects. We can learn a lot from each other every day and create great things together.

HOW DOES THE COOPERATION BETWEEN HEADQUARTERS & THE SUBSIDIARIES WORK?

It's a well-organized communication system between the regions and the headquarters. Our secret of success is the daily dialogue between all teams and all countries. For this we have set up a special department at headquarters, the "International Sales Service", to support the subsidiaries in the best possible way.

47
DIFFERENT NATIONALITIES

32
COUNTRIES WORLDWIDE



PORTUGAL

ITALY

ALBANIA

POLAND

MORE INTERNATIONALITY

MEETINGS & SUPPORT ARE THE CENTERPIECE OF OUR BUSINESS

The monthly sales update from our rom our CEO Jörg Körfer - live via Teams – provides all countries with important business news and KPI’s.

Our business strategies are regularly exchanged at international meetings and events with our top managers. Several times a year, a “Sales Strategy Meeting” is held with the Regional Vice Presidents, Regional Managing Directors and Head Office executives.

The Vice Presidents then carry the information from the Sales Strategy Meetings directly to the distributors at meetings such as the “Power Days” and “Business Days” in their countries – according to the motto “Think global – act local”!

> **“Once a year the highlight of all internal LR meetings takes place – the Management Conference” – with all Country and Sales Managers and Head Office executives.**

And once a year the highlight of all internal LR meetings takes place – the “Management Conference” – with all Country and Sales Managers and Head Office executives.

The biggest international business event is the “Global Leader Convention”, with thousands of LR distributors, which takes place every few years, usually combined with a festive evening gala such as in 2025 to celebrate the company’s 40th anniversary.

We celebrated our 40 Years Success Story with two spectacular international events on the 6th of September at the famous Estrel Hotel in Berlin. At the large Global Leader Convention during the day, our distributors from all over the world received brand new and exclusive news about the LR business and our products – taking advantage

GLC 2025 – LR PERFUME LAUNCH

GLC VIP DINNER

BUSINESS DAY 2025

of the opportunity to exchange ideas and network with each other. In the evening, we all enjoyed the festive 40 Years of LR Gala, a magnificent anniversary event that highlighted and strengthened the team spirit among employees at LR headquarters, subsidiaries, and international sales distributors.

> **“For the launch of our new LR FRAGRANCES concept the stages at the “Business Days” looked the same in all LR countries – a good example for a very well prepared and successful launch.**

CONSISTENT APPEARANCE WORLDWIDE

The headquarters in Germany manages the worldwide communication (images, presentations and wording) with the aim of creating a uniform appearance, both visually and in terms of content. For new product solutions the headquarters provides all the necessary information in so-called “tool kits”, where the countries find the storylines, video material, and all the images and texts. Good example: For the launch of our new LR FRAGRANCES, the stages at the “Business Days” looked the same in all LR countries – this was a very well prepared and successful launch.

INTENSIVE COLLABORATION

New product launches, business concepts, sales campaigns or events are developed at LR together with our most important distributors from the very beginning – therefore they help to shape the future of LR.

MORE INTERNATIONALITY

OUR SALES COMPANIES IN 32 COUNTRIES

LR GROUP HEADQUARTER IN GERMANY

LR Health & Beauty SE
LR Global Holding GmbH
LR Health & Beauty Systems Beteiligungs GmbH
LR International Beteiligungs GmbH
LR Partner Benefits GmbH
LR Health & Beauty Systems GmbH
Divanno Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG
LR Jersey Holding Limited, Jersey

INTERNATIONAL SALES COMPANIES

WESTERN EUROPE

AUSTRIA
LR Health & Beauty Systems GmbH

BELGIUM / LUXEMBOURG
LR Cosmetic Belgium b.v.b.a

DENMARK
LR Health & Beauty Systems ApS

ENGLAND / NORTHERN IRELAND / SCOTLAND / WALES
LR Health & Beauty Limited

FINLAND
LR Health & Beauty Systems OY

FRANCE
LR Health & Beauty Systems SAS

GERMANY
LR Deutschland GmbH

ITALY
LR Health & Beauty Systems S.R.L.

NETHERLANDS
LR Health & Beauty Systems BV

NORWAY
LR Health & Beauty Systems AS

PORTUGAL
L. de Racine Cosmeticos Lda.

SPAIN
LR Health & Beauty Systems S.L.

SWEDEN
LR Health & Beauty Systems AB

SWITZERLAND
LR Health & Beauty Systems AG

TURKEY
LR Health & Beauty Systems Ltd.

CENTRAL EASTERN EUROPE

ALBANIA
LR Health & Beauty Systems Sh.p.k.

BULGARIA
LR Health & Beauty Systems EOOD

CZECH REPUBLIC
LR Health & Beauty Systems s.r.o.

GREECE / CYPRUS
LR Health & Beauty Systems EPE

HUNGARY
LR Health & Beauty Systems Kft.

POLAND
LR Health & Beauty Systems Sp. z.o.o

ROMANIA
LR Health & Beauty Systems S.R.L

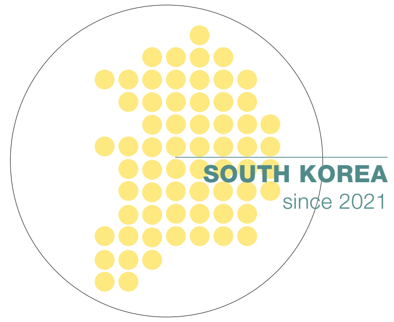
RUSSIA / KAZAKHSTAN
LR Russ O.O.O

SLOVAKIA
LR Health & Beauty Systems s.r.o

UKRAINE
LR Health & Beauty Systems TOV

EXPANSION

SOUTH KOREA
LR Health & Beauty LLC, South Korea



WE BELIEVE IN MORE PRODUCT QUALITY

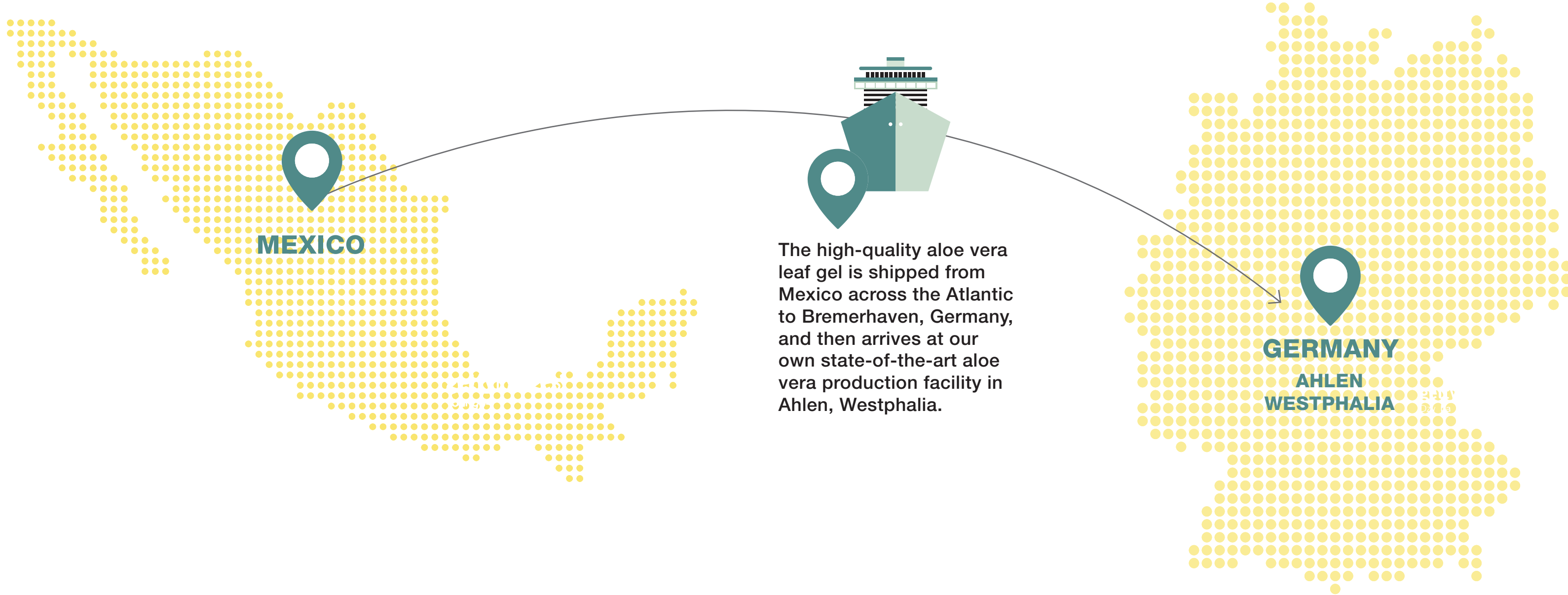
LR HAS INNOVATIVE, HIGHLY EFFECTIVE PRODUCT SOLUTIONS “MADE IN GERMANY”, THEY ARE PRODUCED ACCORDING TO THE LATEST SCIENTIFIC FINDINGS AND FROM THE BEST INGREDIENTS. LR IS CONSTANTLY WORKING ON NEW INNOVATIVE AND HIGH-QUALITY PRODUCT IDEAS.

04

MORE PRODUCT QUALITY

OUTSTANDING PRODUCT QUALITY

FOR OVER 40 YEARS, WE HAVE BEEN DEVELOPING INNOVATIVE PRODUCT SOLUTIONS WITH THE AIM OF IMPROVING QUALITY OF LIFE AND WELL-BEING. AT THE COMPANY'S OWN RESEARCH & DEVELOPMENT CENTER AT THE HEAD-QUARTERS IN AHLEN, EXPERTS FROM THE FIELDS OF COSMETICS AND HEALTH CONSTANTLY RESEARCH AND WORK ON NEW SOLUTIONS AND PRODUCTS. ALSO, OUR DISTRIBUTORS ARE INVOLVED IN THIS PRODUCT DEVELOPMENT PROCESS RIGHT FROM THE START. THIS ENABLES US TO TAILOR OUR PRODUCT SOLUTIONS CLOSELY TO THE NEEDS OF THE MARKET AS WELL AS OUR DISTRIBUTORS.



Our product portfolio comprises cutting-edge health and beauty solutions that combine natural ingredients with scientific innovation. It is this special mix that convinces so many people around the world of the outstanding quality of our product solutions. This includes care products and decorative cosmetics, perfumes and nutritional supplements.

In our modern aloe vera production facility with innovative high-tech machinery, we produce our high-quality aloe vera drinking gels with up to 98 % aloe vera leaf fillet content, setting standards throughout Europe. Environmentally friendly methods are very important to us. The aloe vera for our drinking gels is grown specifically for LR on plantations in Mexico, without any artificial fertilizers or pesticides.

The 40-meter-long glassy skywalk offers transparent insights into our health production facility in Ahlen.

The seal of the International Aloe Science Council (IASC) certifies that our aloe vera gel is of the highest quality and purity, from cultivation to processing, and the SGS INSTITUT FRESENIUS regularly confirms the consistently high quality of the aloe vera drinking gel.

The centerpiece is the mixing plant. 30,000 litres of aloe vera gel are produced per day and stored in our 6.50-meter-high containers.

MORE PRODUCT QUALITY

OUR TOP-SELLERS

LR HEALTH MISSION

is the well-thought-out intestinal metabolism cure for intestinal, liver and cell metabolism. Optimally harmonized products with established and innovative active ingredients from nature and science support the body in maintaining its natural health.

LR ALOE VIA

stands for care for naturally beautiful skin with a particularly high aloe vera content. Fermented aloe vera gel complements selected products to utilize the full spectrum of effects of aloe vera. Enriched with nourishing organic extracts – specially tailored to the respective skin care needs.

LR BODY MISSION

is the smart solution for achieving and maintaining a feel-good weight. The LR FIGUACTIVE shakes, soups, flakes and bowl impress with selected, natural ingredients and an attractive variety of flavors. Developed by experts based on scientific findings.

LR ZEITGARD

offers state-of-the-art technologies and highly effective formulas for the daily skincare routine. The centerpiece is the LR ZEITGARD Pro Cosmetic Device, a patent-pending device that intelligently combines modern technologies and four beauty tools. Whether face or body, cleansing or care – a true all-rounder at the highest technological level. LR ZEITGARD Signature offers selected make-up essentials in high-end quality, developed in co-operation with first-class make-up artists and leading global suppliers.

[1]The choline contained in Liver Support contributes to the maintenance of normal liver function. The aloe vera contained in our Aloe Vera Drinking Gels contributes to the maintenance of normal intestinal function. The vitamin C contained in our Aloe Vera Drinking Gels contributes to normal energy metabolism.

APPROX.
90 %
OF LR PRODUCTS ARE "MADE IN GERMANY"

EXCELLENT PRODUCT QUALITY

SELECTED INGREDIENTS

We always select the ingredients of our products based on the latest research findings and only of the best quality. At the same time, we set high standards in the production of our products: In the beauty and care sector, for example, we do not use microplastics, parabens or mineral oils.

TESTED QUALITY

We set very high quality standards for our products. In addition to our continuous internal testing at the company's own product quality control department in Ahlen, we have compliance with these standards strictly monitored and certified by independent, recognized institutes. Numerous marketing awards and certificates by renowned German institutes such as SGS INSTITUT FRESENIUS or Dermatest GmbH, confirm the high quality and innovative strength of our products.

> WE SET VERY HIGH QUALITY STANDARDS FOR OUR PRODUCTS.

THE SECRET TO OUR SUCCESS?

We have always banked on the quality principle "Made in Germany" and manufacture about 90% of our products in Germany. "Made in Germany" stands for the proven quality – and therefore for the high standards we set for our products. In order to offer more transparency, we have labelled all our products that are manufactured in Germany with the "Made in Germany" logo. The high product quality is ensured by strict internal controls and double-checked by renowned and independent laboratories. We do not use animal testing and set great store by using reusable raw materials. We also promote environmentally friendly production processes and energy-saving logistics solutions.

"More Quality for Your Life" – our company claim fulfills its promise: LR's distributors and customers benefit from the first-class quality of our product range.

In addition to our outstanding LR LIFETAKT health products, we also produce the complete LR ALOE VIA care range in our modern production facility in Ahlen. Their skin compatibility is verified by the renowned, independent institutes Dermatest and Derma Consult. 28 products are patent-pending thanks to their unique combination of active ingredients.

MADE IN GERMANY · WWW.IASC.ORG · FSC www.fsc.org FSC® N003255 · dermatest · PROVEN QUALITY · LOVE OF NATURE AND ANIMALS · SUSTAINABLY PACKAGED

05

PLEASE FIND OUR SUSTAINABILITY REPORT 2025 HERE:
ir.lrworld.com

WE BELIEVE IN MORE RESPONSIBILITIES

FOR US IT IS A MATTER OF COURSE THAT WE TAKE SOCIAL RESPONSIBILITY IN THE HERE AND NOW TO SUPPORT SUSTAINABLE DEVELOPMENT. IT IS TIME TO ACT, TO BECOME SUSTAINABLE – ENVIRONMENTALLY, SOCIALLY AND ECONOMICALLY.

MORE RESPONSIBILITIES

ACTING IN AN ECOLOGICALLY SUSTAINABLE WAY

FOR US, ACTING IN AN ECOLOGICALLY SUSTAINABLE WAY MEANS TO WORK IN "UNISON" WITH NATURE. THIS MEANS: WE OFFER NATURE TIME TO REGENERATE AND PRESERVE IT FOR FUTURE GENERATIONS.

14 %

REDUCTION IN CORPORATE CARBON FOOTPRINT COMPARED TO PREVIOUS YEAR

CORPORATE CARBON FOOTPRINT

Already for the reporting year 2024, we were able to calculate our CO2 footprint in accordance with the requirements of the Greenhouse Gas Protocol (GHG Protocol). The GHG Protocol is an international standard to account for greenhouse gas emissions. This divides emissions into three areas– known as scopes. Scope 1 includes all direct emissions, i.e., those generated within the LR Group. Scope 2 includes indirect emissions from purchased energy, such as electricity. Scope 3 includes all other indirect emissions along the value chain, including the manufacture and transport of purchased goods and raw materials, the shipment of our own products, the disposal of waste, and emissions from business travel.

The emissions summarized in Scope 1 have been reduced by around 19 % compared to the previous year to 1,299 tCO2e. Supported by the increased use of electric vehicles, the consumption of gasoline and diesel has been significantly reduced. In addition, heating gas consumption has been significantly reduced, also supported by the increased use of electric heating systems. Scope 2 emissions consist exclusively of the use of purchased electricity. Although electricity consumption itself has increased due to the shifts described in Scope 1, emissions have nevertheless been reduced due to the further increase in the proportion of green electricity used. This reduced Scope 2 emissions from 298 tCO2e* in 2024 to 254 tCO2e in 2025. Scope 3 emissions also saw a significant reduction of 13 % compared to the previous year, to 19,773 tCO2. Savings were achieved across the board in the categories of business travel, employee commuting, end-of-life treatment of sold products, fuel- and energy-related activities (not included in scope 1 or scope 2), purchased goods and services, upstream transportation and distribution, and waste generated. This results in a reduction of 13.6 % in the total carbon footprint to 21,326 tCO2e in 2025 compared to the previous year's figure of 24,679 tCO2e.

4,965

SQUARE METER PHOTOVOLTAIC SYSTEM

OVER 900

MWH ELECTRICITY GENERATED BY PHOTOVOLTAIC SYSTEM IN 2025

100 %

GREEN ELECTRICITY AT THE HEADQUARTERS IN GERMANY

SUSTAINABLE ENERGY PRODUCTION

In order to meet the requirements for ecologically sustainable development in future and to reduce dependency on external electricity suppliers, LR has focused on generating renewable energies. A 4,965 square meter solar power generator with a capacity of around 1,000 kWp was already put into operation in 2023. The green electricity is generated on the roofs of the aloe vera production facility, the service center and the two logistics halls at our Porschestrasse site in Ahlen. To ensure efficient energy generation, LR opted for high-quality photovoltaic modules that were installed using state-of-the-art technology. In 2025, the system with around 2,500 modules was able to produce around 904 MWh. The electricity generated is used both for the company's own requirements, thus reducing the need for purchased electricity, and for feeding surplus energy into the power grid. A further photovoltaic system is also being planned at the headquarters site in Ahlen. In addition, the electricity requirements at the headquarters in Ahlen, Germany, which exceed the capacity of the photovoltaic systems, are also covered by 100 % green electricity.

MORE RESPONSIBILITIES

"Organic" certificates for the aloe vera plantations on the Mexican Plateau.

From the processing of the raw material to the end product – at LR, every step is strictly monitored. This is confirmed by the IASC certificates.

Special protection zones ensure that fertilisers and pesticides from neighboring plantations do not contaminate the LR plantations.

Beneficial ingredients:
- Vitalising
- Cooling
- Detoxifying
- Calming

No pesticides or chemical fertilisers are used.

The harvest of the leaves is carried out by hand and in a sustainable way.

ORGANIC ALOE VERA CULTIVATION

The aloe vera plants used in LR products are grown on plantations on the Mexican Plateau and are specially cultivated for LR. They are also certified organic. No pesticides or chemical fertilisers are used in the cultivation of the plants. Merely the aloe mulch that accumulates during processing serves as a natural fertiliser. This mulch forms when the inner leaf fillet is separated from the outer leaf. The harvest of the leaves is carried out by hand and in a sustainable way. Only the outermost leaves, which are at least three years old, are harvested. This protects the plant and ensures the best possible concentration of beneficial ingredients.

87% OF PRINTED MATERIALS MADE FROM FSC®-CERTIFIED OR RECYCLABLE PAPER

65% ELECTRICALLY POWERED CARS IN THE LR FLEET

32 LR CHARGING STATIONS FOR E-MOBILITY

A DIFFERENT KIND OF PAPER: RECYCLED AND FSC®-CERTIFIED

FSC
www.fsc.org
FSC® N003255

Magazines and printed media? Product packaging? Paper for everyday use? LR is increasingly focusing on resource conservation and sustainability in these areas. Here, we rely particularly on global market leader, the FSC®, or Forest Stewardship Council®.

The FSC has set itself the goal of promoting ecologically appropriate, socially beneficial and commercially profitable forest management. It therefore monitors and certifies the cultivation of forests and the processing and production of the finished products.

In 2025, the majority of our paper consumption already came from FSC®-certified or recycled material: around 83% in product packaging, around 87 % in catalogs and magazines, and 91 % in other areas, resulting in a total rate of over 84 % across all areas.

TRAVELING THE FUTURE IS ELECTRIC

In 2025, the share of electric vehicles in Germany had already reached 65 %, of which 33 % were purely electric cars and 32 % were hybrid cars. By increasingly electrifying our company car fleet, we can reduce our fuel consumption – with a resulting reduction in CO2 emissions.

SUSTAINABLE FISHING QUALITY SEAL "FRIEND OF THE SEA"

Much of the world's fish population is in danger due to overfishing. It is therefore all the more important to LR that any maritime raw materials in our products are obtained in a sustainable way. We ensure this by only using certified ingredients. For the fish oil used in the LR LIFETAKT Super Omega capsules, LR has chosen to use products with the "Friend of the Sea" quality seal, which is issued by the World Sustainability Organization. The organisation "Friend of the Sea" is a world leader in maritime affairs related to sustainability.

MORE RESPONSIBILITIES

ACTING IN A SOCIALLY SUSTAINABLE WAY

FOR US, SOCIAL SUSTAINABILITY MEANS ENCOURAGING A RESPECTFUL, FAIR AND OUTSTANDING WORKING ENVIRONMENT IN WHICH EVERY ONE HAS THE CHANCE TO GROW AND THRIVE AS INDIVIDUALS. AT LR, EACH INDIVIDUAL'S WELL-BEING IS OUR NUMBER ONE CONCERN.

LR GLOBAL KIDS FUND
MAKING A DIFFERENCE TOGETHER

More than 15 years ago, dedicated employees and management of LR Health & Beauty founded the LR Global Kids Fund e. V. (LRGKF) with the obvious purpose of aiding socially disadvantaged children and giving them a better chance of a self-determined existence. The organization's work, notably its support for global cooperation projects, is more important today than ever, since children's future are jeopardized by escalating violence, poverty and flight experiences. The association's most notable accomplishments include the cooperation with the Ahlen children's facility "Lunch Club", the introduction of sponsored membership, and the start of cooperation with the "SOS Children's Villages Worldwide Foundation". Since 2009, the association has raised around six million euros in donations. The development in recent years has been particularly pleasing.

In 2025, LR Global Kids Fund e.V. reached a significant milestone in its development. Since its inception, the independent association has raised a total of €6.45 million in donations. This sum reflects the impressive power of the community and underscores the continued support from numerous sponsors and partners. These funds are channelled into selected projects: the association aims to support socially disadvantaged children and young people who have a lower chance of a hopeful future due to lack of access to quality education, food, participation, and healthcare.
In 2025, the association supported 12 projects (one in Germany and 11 international projects).

IN **2009**

FOUNDED BY LR EMPLOYEES

12

CHILDREN'S AID PROJECTS IN

12

COUNTRIES

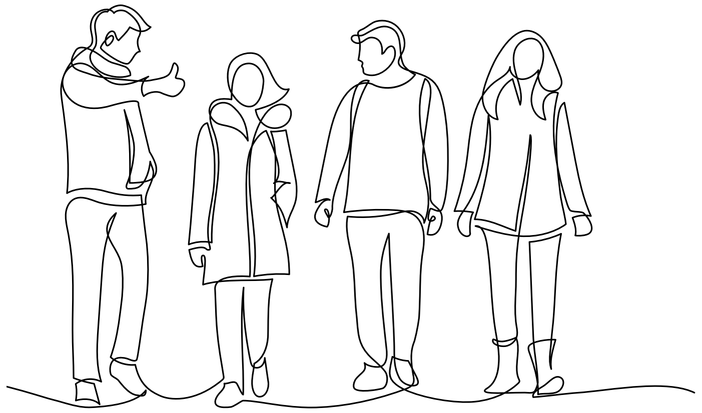
“Thanks to the tireless efforts of our sponsors and partners, we were able to support children and young people in our projects again in 2025. Your donations and trust are the driving force that enables us to give hope and strengthen community – for which we thank you from the bottom of our hearts.

Almut Kellermeyer, Chairwoman of the board LR Global Kids Fund e. V.

MORE RESPONSIBILITIES

WE CARE FOR OUR EMPLOYEES

"More quality for your Life" applies not only to LR's business and products, but also to our employees at the company's headquarters at Ahlen, Germany, and those worldwide. For us, "More Quality" means taking sustainable responsibility – for our community members, our suppliers, our region, for nature and also for our employees.



HEALTH OF OUR EMPLOYEES
FIT FOR THE FUTURE

Health and beauty are not only found in LR's products but in our corporate philosophy, too. Since 2017, LR has offered its employees various services as part of its company health management program, in order to make a sustainable contribution to maintaining the health of all employees. In addition to regular medical consultations on site, LR offers comprehensive check-ups for all employees at regular intervals.

The occupational health management (OHM) plan also includes a free annual flu jab. Free fruit and water dispensers complete the health management at LR. Employees can also boost their health while helping the climate: with the bike leasing scheme! The company bikes can be used to ride to and from work but also for private trips.

TRAINEE CONCEPT
PROMOTING YOUNG PEOPLE HOLISTICALLY

Promoting and developing young talents and offering them a promising future is something LR strives for. In this context, LR is offering a comprehensive training program, which covers different professional fields. The training is not just about professional qualifications, but also boosts social and personal skills such as confidence, creativity and openness. Close collaboration with the respective manager and the HR department is a fundamental pillar of the training.

Our trainee program for junior managers "of tomorrow" links theory and practice in a meaningful way, thereby enabling young people to successfully start their professional lives. Over the course of 18 months, the trainees receive comprehensive insights into the various areas of the company and are tasked with responsible jobs right from the start. Thus, they are well prepared for whichever area they decide to later work in. They are truly immersed into the various fields of work. As a global company, work at one of our many international locations is, of course, part of the trainee program. This way, our trainees can experience the international nature of LR at first hand and help to shape it – it also allows them to further expand their social network.

ONBOARDING
EASY INTRODUCTION TO THE COMPANY

Taking new employees "on board" is important to us. To facilitate getting started at LR, LR has established a comprehensive onboarding program in addition to an orientation plan. An essential part is the mentoring program. In the first few months at LR, every new employee is accompanied by a personal mentor – a contact person who is ready to assist and guide the newcomer in all professional, personal and organisational matters. The mentoring program helps to quickly integrate new employees at LR, both on a professional and social level. At the same time, they learn to network within the company right from the start. In addition, the employees take part in a starter seminar and a tour of the company.

FAMILY AND CAREER
YOU CAN HAVE BOTH

At LR, every single employee counts. Therefore, we are always thrilled when mothers – or fathers – return to the company after their baby break, and we support this with various models. Different working models are also available to all other employees and can be arranged in consultation with their manager. For instance, we offer flexible working hours based on a flexitime corridor. In addition, employees may also choose to return as part-time workers. LR also offers mobile work up to a maximum of 3 days per week, depending on the area of responsibility.

LR IS MORE
MORE FOR EVERYONE

LR is a company for everyone who wants more. Under the hashtag #WEAREMORE, LR has an employer branding campaign in place to boost its reputation and build a better perception of LR as both a company and as an employer. LR is the employer for everyone who wants "more". Greater opportunities, more openness and creativity in a culture that embeds mutual appreciation in its values.

ALL FOR ONE, ONE FOR ALL!

Doing more, creating great things. This is what LR wants to accomplish together with its employees – as a team and always hand in hand. Gender, age, religion, nationality and sexual orientation are irrelevant. "All for one, one for all" is what counts at LR – with respect and tolerance. And the common goal of acting sustainably and continuing to grow always remains in focus.

ACTING IN AN ECONOMICALLY SUSTAINABLE WAY

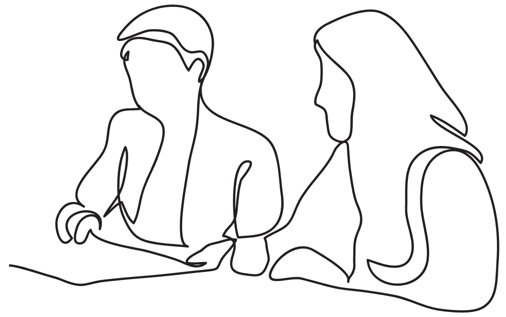
FOR US, ACTING IN AN ECONOMICALLY SUSTAINABLE WAY MEANS FINDING AN ECONOMIC APPROACH THAT IS BASED ON FAIR DEALINGS WITH ALL PARTIES INVOLVED. IN ADDITION, WE ARE LOOKING TO BE ECONOMICALLY SUSTAINABLE IN THE LONG TERM TO ENSURE A BRIGHT FUTURE.

COMPLIANCE EFFECTIVE RISK MANAGEMENT

Our company is committed to conducting its business with integrity and in full compliance with applicable laws, regulations, and internal standards. To support this, we have established a comprehensive Compliance Management System overseen by a Chief Compliance Officer (CCO) and implemented across our regions by designated Compliance Delegates. Managers act as "Compliance Ambassadors" and receive regular training to promote ethical conduct within their teams. Cross-functional Compliance Committee meetings are held twice a year to address current compliance topics. The system is based on ISO 37301 and certified by TÜV Rheinland, while regular internal audits help ensure the effectiveness and continuous improvement of our compliance processes.

DIVERSITY EQUAL TREATMENT, TOLERANCE & EQUAL OPPORTUNITIES

As a social organisation, LR – like society as a whole – is a cooperation of independently acting individuals with different needs. But everyone also contributes knowledge, creativity and their own view of things. We see this diversity as an asset for our company. For us, appreciating our employees is a matter of course. We accept the uniqueness of each individual. We appreciate one another to learn from one another and to respect the other's personality. Different ways of thinking enable new perspectives. This way, new and creative ideas emerge that lead us on new paths for a better tomorrow. Variety and diversity foster huge innovative potential, both in our employees and in our partners, for an open, tolerant, creative and productive way of working and thinking.



CODE OF CONDUCT RESPECT & FAIRNESS THROUGHOUT THE COMPANY

LR is a company with integrity and stands for fair, respectful behavior towards employees and business partners as well as a high level of reliability in all business dealings. Our code of conduct is a key factor for our long-term success: every manager and every employee is obliged to treat one another, the company and business partners with respect, openness and honesty.

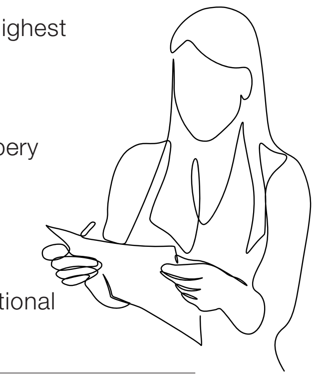
Important pillars of this mutually accepted code are ...

... towards our employees:

- Fair and respectful conduct
- Fair payment and promotion of skills
- Equal treatment on all levels, irrespective of sex, religion, age, sexual orientation or skin color
- Mutual openness and confidentiality with regard to all information

... towards our business partners:

- Customer orientation and highest product quality
- Integrity and loyalty
- Rejection of all kinds of bribery and corruption
- Protection of personal and business data
- Compliance with all international requirements and laws



WE BELIEVE IN A BRIGHT FUTURE

A GREAT FUTURE LIES AHEAD OF US. FOR OVER 40 YEARS, LR HAS SHOWN HOW SUCCESSFUL, STABLE AND FUTURE-ORIENTED THIS GLOBAL COMPANY IS. AND WE STILL BELIEVE IN MORE!

06

A BRIGHT FUTURE

RELAUNCH: LR 5IN1

THE BEST LR 5IN1 SHOTS EVER

EVEN MORE POWERFUL, EVEN MORE SUSTAINABLE, EVEN TASTIER!

LR 5in1 Shots have been a classic for years when it comes to real "beauty from within" – for women and men equally. But beauty evolves – and the latest scientific findings allow for significantly higher efficacy. The optimized formulas have been developed for greater efficiency. They specifically support the five essential beauty dimensions for women and men and support the body's own processes in line with the latest scientific findings.

With every LR 5in1 Shot, you provide your body with high-quality nutrients – in scientifically based formulas, including aloe vera, hyaluronic acid, collagen, and essential vitamins and minerals. Perfectly balanced and effective thanks to exclusive double complexes.

The new shots are products of the highest standard: Maximized effectiveness, a full-bodied, sweet and tangy fruit flavor, sustainable ampoules made from rPET[1], and FSC®-certified packaging. The formulation remains consistently pure: lactose-free, gluten-free, free from artificial colors, and free from artificial sweeteners. Produced and bottled exclusively in our LR production facility in Ahlen, Germany.

LR 5IN1 BEAUTY ELIXIR

LR 5in1 Beauty Elixir is a special, scientifically developed all-in-one solution that specifically targets the five essential beauty goals of women:

1. **A youthful appearance with fewer wrinkles**
2. **Beautiful, healthy skin**
3. **Healthy and strong connective tissue**
4. **Powerful, shiny hair**
5. **Strong and healthy nails**

LR 5IN1 MEN'S SHOT

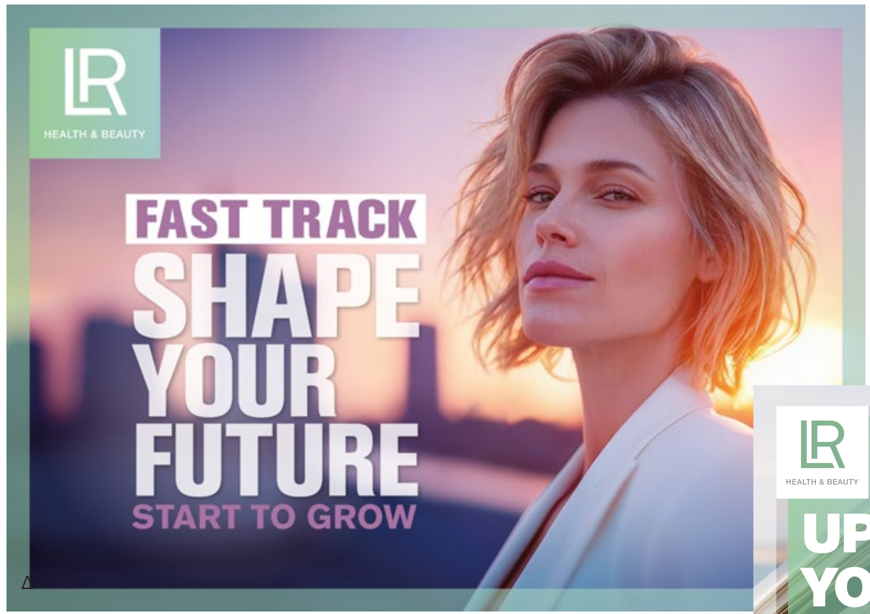
LR 5in1 Men's Shot is a special, scientifically developed all-in-one solution that specifically targets the five essential needs of men:

1. **Stable testosterone**
2. **Well-groomed skin**
3. **Strong hair and beard**
4. **More energy**
5. **Defined muscles**

[1]Bottle body made from at least 95 % rPET and FSC-certified packaging.

A BRIGHT FUTURE

CHANGES TO OUR CAREER PLAN



FAST TRACK – SHAPE YOUR FUTURE

With the new FAST TRACK, we have specifically developed the program to make it clearer, more structured, and accessible to even more distributors. The aim was to create more orientation, more security, and better transparency on the career path. The FAST TRACK has been expanded to include the levels of Manager and Team Leader. This will allow significantly more distributors to benefit from the program in the future.

> **The current FAST TRACK is the largest development program in the history of LR and offers attractive benefits at every career level up to the position of Orga Leader.**

In order to show our distributors step by step, how they can climb the career ladder level by level, the criteria and bonus amounts for the Manager, Junior Team Leader, and Team Leader levels have been adjusted. The updated criteria also apply to the bonus titles, the car bonus and the leader bonus. These adjustments enable us to create a clear structure that is easier to communicate, support, and manage – for both our distributors and for us internally.

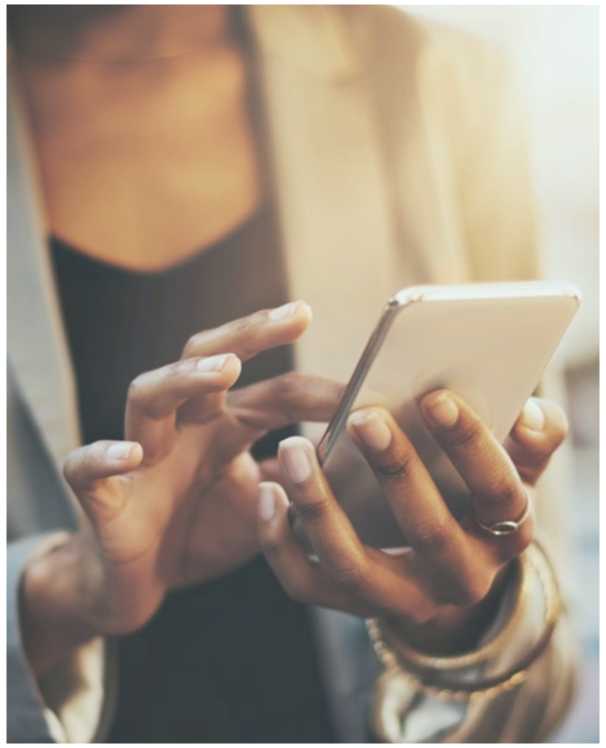
The current FAST TRACK is the largest development program in the history of LR and offers attractive benefits at every career level up to the position of Orga Leader.

PILOT PROJECT: NEW E-SHOP

DIGITIZATION PROJECTS

We are currently working on our new e-commerce platform. With a newly designed, modern e-shop based on Spryker technology, we will take our business to the next level. The new platform will be mobile-first, with a state-of-the-art design, and completely updated from a technical viewpoint. It lays the foundation for a high-performance, scalable, and internationally deployable e-commerce architecture. With its clear focus on speed, stability, and an improved user experience, it sets new standards for future digital products by LR.

> **This is the starting point for the next generation of the LR e-commerce landscape.**



INNOVATIVE E-COMMERCE CONCEPT

- New global LR e-commerce platform
- Foundation for all international rollouts
- First go-live of the new global LR e-commerce platform
- Foundation for all further international rollouts (Germany as of 2027)
- Strengthens LR's digital competitiveness and supports growth strategy
- Future-proof architecture for new business models and digital services
- Spryker as a modern, scalable enterprise commerce platform
- "Mobile first": optimization for mobile devices and larger screens
- Consistent user experience across all devices
- Optimized navigation, simplified customer journeys
- Completely redesigned interface

MANAGEMENT REPORT

07

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

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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.

[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 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.

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

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 –

Jörg Körfer
(CEO)

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2025

kEUR	Note	Dec. 31, 2025	Dec. 31, 2024
ASSETS			
Non-current assets			
Intangible assets	13.	104,585	120,705
Property, plant and equipment	12.	11,982	12,820
Right-of-use assets	24.	18,423	16,941
Deferred taxes	11.	1,854	1,752
		136,844	**152,218**
Current assets			
Inventories	16.	26,117	26,724
Trade receivables	17.	11,406	14,591
Income tax receivables	18.	1,097	1,196
Other assets	18.	10,619	11,201
Cash	19.	8,033	19,641
		57,272	**73,353**
TOTAL ASSETS		**194,116**	**225,571**

kEUR	Note	Dec. 31, 2025	Dec. 31, 2024
EQUITY AND LIABILITIES			
Equity			
Subscribed capital		10,120	10,120
Capital reserve		151,506	151,506
Currency translation reserve		-8,865	-8,731
Accumulated loss		-170,364	-137,635
TOTAL EQUITY	**20.**	**-17,603**	**15,260**
Non-current liabilities			
Provisions	22.	448	447
Deferred taxes	11.	5,168	5,945
Liabilities from bonds	15.2	0	124,974
Liabilities from loans	15.2	7,347	7,730
Liabilities from shareholder loans	15.2	3,200	2,872
Lease liabilities	24.	13,066	12,119
Other liabilities	23.	0	286
		29,229	**154,373**
Current liabilities			
Trade payables	23.	28,501	34,215
Other liabilities	23.	10,344	9,463
Lease liabilities	24.	6,771	5,842
Liabilities from bonds	15.2	129,823	0
Liabilities from loans	15.2	1,106	374
Income tax liabilities	23.	1,522	2,820
Provisions	22.	4,423	3,224
		182,490	**55,938**
TOTAL EQUITY AND LIABILITIES		**194,116**	**225,571**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR 2025

kEUR	Note	2025	2024
Revenue	4.	277,312	286,025
Changes in finished goods and work in progress		-436	-2,287
Other operating income	6.	5,837	6,732
Cost of materials		-50,930	-50,587
a) Raw materials and supplies		-44,610	-43,322
b) Cost of purchased services		-6,320	-7,265
Personnel expenses		-56,114	-57,008
a) Wages and salaries		-46,945	-48,194
b) Expenditures for social security and pension schemes		-9,169	-8,814
Other operating expenses	9.	-159,153	-155,546
EBITDA		**16,516**	**27,329**
Amortization and depreciation		-30,597	-12,818
Finance result	10.	-17,671	-21,219
Profit or loss before tax		**-31,752**	**-6,708**
Income taxes	11.	-977	-5,115
PROFIT OR LOSS FOR THE PERIOD		**-32,729**	**-11,823**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR 2025

kEUR	2025	2024
Profit or loss for the period	**-32,729**	**-11,823**
Components of other comprehensive income which will be reclassified to profit or loss after tax in subsequent periods	-134	-1,522
Currency translation differences	-134	-1,522
TOTAL COMPREHENSIVE INCOME	**-32,863**	**-13,345**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR 2025

kEUR		Subscribed capital	Capital reserve	Accumulated loss	Currency translation reserve	Total equity
Jan. 1, 2024	**Note**	**10,120**	**150,130**	**-125,812**	**-7,209**	**27,229**
Currency translation differences	20.	0	0	0	-1,522	-1,522
Contribution of the shareholder loan at nominal value	20.	0	1,376	0	0	1,376
Profit or loss for the period		0	0	-11,823	0	-11,823
Dec. 31, 2024		**10,120**	**151,506**	**-137,635**	**-8,731**	**15,260**
Jan. 1, 2025		**10,120**	**151,506**	**-137,635**	**-8,731**	**15,260**
Currency translation differences	20.	0	0	0	-134	-134
Profit or loss for the period		0	0	-32,729	0	-32,729
Dec. 31, 2025		**10,120**	**151,506**	**-170,364**	**-8,865**	**-17,603**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR 2025

kEUR	Note	2025	2024
1. Cash flow from operating activities	**Note**		
Profit or loss for the period (including results of minorities)		-32,729	-11,823
Amortization and depreciation (+) of fixed assets	12.	30,597	12,818
Increase (+) / reduction (-) in provisions	22.	1,201	-657
Other non-cash expenses (+) / income (-)		1,983	-1,525
Losses (+) on the disposal of fixed assets		98	0
Increase (-) / reduction (+) of inventories, trade receivables and other assets	16. to 18.	2,047	6,562
Increase (+) / reduction (-) of trade payables and other liabilities	23.	-7,589	-2,226
Interest expenses (+) / interest income (-)	10.	17,671	21,219
Income tax expenses (+) / income (-)	11.	977	5,115
Income taxes paid (-)		-2,883	-2,521
CASH FLOW FROM OPERATING ACTIVITIES		**11,373**	**26,962**
2. Cash flow from investing activities			
Payments from (+) the disposal of property, plant and equipment		12	2
Payments for (-) investments in property, plant and equipment		-742	-1,599
Payments for (-) investments in intangible assets		-2,781	-4,004
CASH FLOW FROM INVESTING ACTIVITIES		**-3,511**	**-5,601**
3. Cash flow from financing activities			
Proceeds (+) from the issue of bonds	15.2	0	122,135
Proceeds (+) from shareholder loan	15.2	0	4,000
Proceeds (+) from loan		722	0
Proceeds (+) from interest		196	229
Repayment (-) of bonds	15.2	0	-126,813
Repayment (-) of loan	15.2	-374	-365
Payments for (-) interest		-10,087	-15,183
Repayment (-) of lease liabilities	24.	-10,243	-9,928
CASH FLOW FROM FINANCING ACTIVITIES		**-19,786**	**-25,925**
4. Cash at the end of period			
Net decrease (-) or increase (+) in cash (subtotal 1 to 3)		-11,924	-4,564
Changes in cash due to exchange rates		316	250
Cash at the beginning of period		19,641	23,955
CASH AT THE END OF PERIOD		**8,033**	**19,641**

LR HEALTH & BEAUTY SE, AHLEN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2025

1. INFORMATION ON THE GROUP

LR Health & Beauty SE (hereinafter referred to as “LR SE”) is a European stock corporation incorporated in Germany pursuant to Art. 3 (2) SE Regulation and has its registered office in Ahlen, Germany, and is registered in the commercial register of Münster under HRB No. 23158. The business address of the company is Kruppstraße 55, 59227 Ahlen, Germany.

LR SE and its subsidiaries (hereinafter jointly referred to as “the Group”) are an internationally operating enterprise with a primary focus on cosmetics and dietary supplements. LR SE is represented with 34 subsidiaries worldwide. The Group’s production sites are located in Ahlen (Germany). All subsidiaries are supplied from Ahlen. Research and development is also implemented exclusively in Germany.

The Group markets its products focused on the European and Asian social commerce markets. The product range comprises dietary supplements, perfumes, cosmetics and accessories. The Group’s business is primarily determined by private consumption and the pertinent cosmetics and food laws.

The Group’s financial year starts on 1 January and ends on 31 December.

The ultimate controlling parent company is Aloco Holding S.à r.l., with registered office in Luxembourg, Luxembourg.

On 30 June 2026, the consolidated financial statements were prepared by management and subsequently submitted to the supervisory board for approval.

The consolidated statement of profit or loss was prepared using the nature of expense method.

As at 31 December 2025, negative equity amounted to kEUR 17,603.

The consolidated financial statements were assessed according to the going-concern principle, i.e. with the assumption of continuation of the Company. With regard to risks that could affect our continued existence, we refer to the comments in sections ‘G. Report on risks and opportunities’ and ‘H. Outlook’ of the combined management report.

2. ACCOUNTING POLICIES

2.1 Basis for preparing the financial statements

The consolidated financial statements of LR SE as of December 31, 2025 were prepared in line with the International Financial Reporting Standards (IFRS), as adopted by the EU and by taking into account the applicable regulations under commercial law according to Sec. 315e (1) of the German Commercial Code (HGB). The term IFRS also includes the applicable International Accounting Standards and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for the financial year.

The consolidated financial statements have been prepared using the historical cost principle unless a standard provides for a different method.

Unless specified otherwise, all values are rounded up or rounded off to full thousand euros (kEUR). This can result in rounding differences.

2.2 Consolidation principles

The consolidated financial statements comprise the financial statements of LR SE and its subsidiaries for the year ending December 31, 2025. Control within the meaning of IFRS 10 shall be said to exist if the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In particular, the Group controls an investee if and only if it has:

- power over the investee (i.e. due to the current existing rights, the Group has the opportunity to control such activities of the investee which have a significant impact on its returns);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor’s returns.

In general, it is assumed that the majority of voting rights results in control. To support this assumption and if the Group has no majority of voting rights or comparable rights in an investee, it considers all relevant facts and circumstances in assessing whether it has control over the investee. These include:

- contractual agreements with other vote holders,
- rights that result from other contractual agreements,
- voting rights and potential voting rights of the Group.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. The consolidation of a subsidiary commences on the day on which the Group has attained control over the subsidiary. It ends when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or sold during the reporting period are reported in the consolidated financial statements from the date the Group has obtained control of the subsidiary until the date the control ends.

Profit or loss and each component of other comprehensive income are allocated to non-controlling interests even if this results in the non-controlling interests having a negative balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change of the investment amount in a subsidiary without loss of control is recognized as an equity transaction.

In the event that the Group loses control over the subsidiary, the associated assets are derecognized (including goodwill) as well as liabilities, non-controlling interests and other equity components. Any gain or loss as a result thereof is reported in profit or loss. Any retained investment is measured at fair value. Furthermore, the components of other comprehensive income attributable to the parent company are transferred to profit or loss or retained earnings, as required, and the cumulative currency translation differences are derecognized from equity.

2.3 Basis of consolidation

The composition of the number of fully consolidated companies is as follows:

	Germany	International	TOTAL
December 31, 2025	8	26	34
December 31, 2024	8	26	34

In addition to the parent company, the following subsidiaries are incorporated in the consolidated financial statements:

	Share-holding (in %)	Cur-rency	Equity holding	Net income*
NAME AND REGISTERED OFFICE			Dec. 31, 2025	2025
ACTIVE DOMESTIC COMPANIES				
LR Global Holding GmbH, Ahlen**	100	kEUR	124,442	-199,890
LR Health & Beauty Systems GmbH, Ahlen**	100	kEUR	62,974	4,563
LR Health & Beauty Systems Beteiligungs GmbH, Ahlen**	100	kEUR	51,980	-48,022
LR-International Beteiligungs GmbH, Ahlen**	100	kEUR	40,122	2,568
LR Partner Benefits GmbH, Ahlen	100	kEUR	-480	-85
LR Deutschland GmbH, Ahlen**	100	kEUR	25	133
Divanno Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz	100	kEUR	5	0
ACTIVE FOREIGN COMPANIES				
LR Health & Beauty Systems B.V., Oisterwijk, The Netherlands	100	kEUR	-949	20
LR Health & Beauty Systems GmbH, Innsbruck, Austria	100	kEUR	283	243
LR Health & Beauty Systems AG, Steinhausen ZG, Switzerland	100	kCHF	160	10
LR Health & Beauty Systems Kft., Budapest, Hungary	100	kHUF	18,086	-10,352
LR Health & Beauty Systems ApS, Copenhagen, Denmark	100	kDKK	-22,964	180
LR Health & Beauty Systems EPE, Athens, Greece	100	kEUR	49	356
LR Cosmetic Belgium b.v.b.a, Herentals, Belgium	100	kEUR	1,469	3
LR Health & Beauty Systems AS, HØnefoss, Norway	100	kNOK	-15,793	-554
L. de Racine Cosmeticos Lda., Loures, Portugal	100	kEUR	-6,147	-268
LR Health & Beauty Systems Sp. z.o.o., Katowice, Poland	100	kPLN	2,201	2,151
LR Health & Beauty Systems Ltd., Istanbul, Turkey	100	kTRY	-217,758	-47,433
LR Health & Beauty Systems AB, Klippan, Sweden	100	kSEK	-14,952	432
LR Health & Beauty Systems OY, Turku, Finland	100	kEUR	-568	4
LR Health & Beauty Systems S.R.L., Milan, Italy	100	kEUR	-599	-693
LR Health & Beauty Systems EOOD, Sofia, Bulgaria	100	kBGN	433	437
LR Health & Beauty Systems SRL, Bucharest, Romania	100	kRON	-13,263	-748
LR Russ O.O.O, Moscow, Russia	100	kRUB	-251,034	234,897
LR Health & Beauty Systems s.r.o., Malenovice, Czech Republic	100	kCZK	418,552	5,202
LR Health & Beauty Systems SAS, Caluire-et-Cuire, France	100	kEUR	821	262
LR Health & Beauty Systems Sh.p.k., Tirana, Albania	100	kALL	-204,491	-7,881
LR Health & Beauty Systems SL, Barcelona, Spain	100	kEUR	-3,134	-500
LR Health & Beauty Systems s.r.o., Turzovka, Slovakia	100	kEUR	250	232
LR Health & Beauty Systems TOV, Kiev, Ukraine	100	kUAH	-7,400	-1,262
LR Jersey Holding Limited, Jersey***	100	kGBP	-63	-16
LR Health & Beauty LLC, Seoul, South Korea	100	kKRW	-3,699,914	156,560
LR Health & Beauty Limited, London, United Kingdom	100	kGBP	-1,645	-631

*before profit transfer
** The Company makes use of the exemption pursuant to Section 264 (3) of the German Commercial Code (HGB)
*** amounts according the financial statements as of Dec 31, 2024

2.4 Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realized within 12 months after the reporting date, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle,
- held primarily for the purpose of trading,
- due to be settled within 12 months after the reporting date, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Fair value measurement

The Group initially measures financial instruments at fair value (adjusted for transaction costs). Trade receivables are measured at the transaction price stated in section 2.4.c) Revenue from contracts with customers.

Fair value is the price that would be received in case of the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability,
- or, in case of absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which the fair value is measured or disclosed in the financial statements are categorized within the measurement hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There is no subsequent measurement of assets or liabilities at fair value as of the balance sheet date. For the disclosure requirements under IFRS 7.25 to disclose the fair value of each class of financial assets and liabilities in such a way that a comparison with the carrying amount is possible, please refer to Note 15.

c) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer. Revenue is recognized in the amount of the consideration expected to be received by the Group in exchange for these goods or services. The Group has generally concluded that it acts as principal in its revenue transactions because it usually has control over the goods or services before they are transferred to the customer. Customers are supplied directly from the LR Group's warehouses.

As a social commerce company, the LR Group distributes various personal care, beauty, health and nutrition products using its sales partner structures. Customers are able to register as partners and receive revenue-based discounts on their own transactions. If these partners build up their own sales structures, they also receive bonuses on the revenue generated by their structures based on the LR career plan with its staggered bonus system. The higher the partner's own revenue and the revenue generated by their own structure, the higher the bonus they can earn. Besides monetary rewards, bonuses include the opportunity to participate in a car program established by the LR Group under which they can lease cars at cheaper rates or the possibility to qualify for certain LR events.

Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer. The main payment methods are credit card, debit order, cash on delivery and PayPal. The usual payment period is up to seven days. However, incoming payments may vary due to the payment methods offered to customers.

Other revenue

Other revenue comprises revenue from services to the partners such as seminars, events and other fees. This revenue is recognized at the point in time at which the services were rendered in full. Other revenue also includes rental income for vehicle subleased to partners, which is recognized over time. The payment period is one to seven days.

Sales deductions
As part of the sale of its products, the Group grants its partners revenue-based discounts. The amount of revenue-based discounts varies by customer category in the Group's career plan. The discounts are treated as sales deductions and deducted from the revenue from the sale of goods. The discounts are recognized as trade payables, since they are only paid out in the month after the order.

Rights of return
The Group grants its partners the right to return unopened, undamaged and unused goods within 14 days. The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics.

The expected value is determined by applying the average return rate for the last 12 months to the revenue of the last month of the reporting period. The return rate itself is calculated using the value of the returns in a given month in relation to the incoming orders for that month. As in the previous year, the amount as of the reporting date is immaterial and will therefore not be discussed any further.

Warranty obligations
The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. For this purpose, the Group recognizes warranty provisions. Details on the accounting method for warranty provisions are contained in section o) Provisions. As in the previous year, the amount as of the reporting date is immaterial and will therefore not be discussed any further.

For the geographical indication of sales, the Company aggregates individual countries into groups (see Note 4). The classification into groups is based on the geographical proximity of the individual countries to each other.

d) Taxes

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax assets relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. The recoverability of deferred tax assets is assessed on the basis of the budget and forecast which are also used to test for impairment of assets elsewhere in the financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax relating to items recorded outside profit or loss are also recorded outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend in any future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be recovered or settled, either to settle the current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

Value added tax
Expenses and assets are recognized after deduction of VAT. The following cases are an exception:

- If the VAT incurred on the purchase of assets or the use of services cannot be reclaimed from the tax authority, it is recognized as part of the cost of the asset or as part of the expenses.

- Receivables and liabilities are recognized together with the amount of VAT included therein.

The amount of VAT which is to be refunded by or paid to the tax authority is included in the balance sheet under receivables or payables.

e) Foreign currency translation

The Group's consolidated financial statements are presented in euros, which is the parent company's functional currency. The Group determines the functional currency for each company. The items included in the financial statements of each company are translated using the functional currency.

Transactions and balances denominated in foreign currencies

Transactions in foreign currencies are recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The accounting treatment of the gain or loss from the translation of non-monetary items measured at fair value is based on the recognition of the gain or loss from the change in the fair value of the item. (Translation differences from items for which the gain or loss from the measurement at fair value is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

For the purpose of determining the exchange rate to be used when initially recognizing the related asset, expense or income (or part thereof) on the derecognition of a non-monetary asset or non-monetary liability arising from advance consideration, the date of the transaction shall be the date when the non-monetary asset or non-monetary liability arising from the advance consideration is initially recognized. If there are several payments or receipts in advance, the Group determines the transaction date for each payment or receipt from advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign companies are translated into euros at the exchange rate applicable at the reporting date. Income and expenses are translated at the exchange rate on the day of the transaction. The resulting differences are reported under other comprehensive income.

Hyperinflation

Due to the development in the current and in the previous financial years, the currency of Turkey is classified as the currency of a hyperinflation economy in the reporting period in accordance with the criteria of IAS 29. Therefore, the business activities there are presented restated for inflation and not on the basis of historical acquisition or production costs. For the restatement to the inflation the consumer price index TÜFE (Tüketici Fiyat Endeksi) is used. As of 31 December 2025 the value of the index was 3,513.87 (31 December 2024: 2,684.55) After the restatement, the single balance sheet items as well as expenses and income are translated into the reporting currency of the Group as stated before. Prior-year comparatives have not been restated. The effects resulting from the first-time application of IAS 29 and the differences arising from currency translation are recognized in retained earnings in the currency translation adjustment. The effect of the net position (debtors's gain/creditor's loss) from the hyperinflation adjustment is recognized in other income or expense from currency translation.

The foreign exchange rates of the main currencies relevant to the Group are as follows:

	ISO code	Average exchange rates		Exchange rates at the reporting date	
EUR 1 =		2025	2024	Dec. 31, 2025	Dec. 31, 2024
Albanian lek	ALL	97.8507	100.7171	96.8000	98.3000
British Pound	GBP	0.8567	0.8467	0.8732	0.8303
Bulgarian lev	BGN	1.9558	1.9558	1.9558	1.9558
Danish krone	DKK	7.4634	7.4589	7.4690	7.4579
Norwegian krone	NOK	11.7183	11.6285	11.8140	11.7850
Polish zloty	PLN	4.2397	4.3066	4.2200	4.2710
Romanian leu	RON	5.0416	4.9747	5.0970	4.9744
Russian ruble	RUB	94.2992	100.4487	95.6000	113.1500
Swedish krona	SEK	11.0642	11.4338	10.8010	11.4490
Swiss francs	CHF	0.9372	0.9527	0.9310	0.9421
South Korean won	KRW	1,605.3751	1,474.7837	1,695.2900	1,531.9500
Czech koruna	CZK	24.6951	25.1229	24.2020	25.1530
Turkish lira	TRY	44.7743	35.5707	50.4630	36.8086
Ukrainian hryvnia	UAH	47.0987	43.4807	49.7000	43.7850
Hungarian forint	HUF	397.8747	395.5502	384.7500	411.0500

f) Property, plant and equipment

Assets under construction are recognized at cost less accumulated impairment losses. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. If significant parts of property, plant and equipment must regularly be replaced, the Group depreciates them separately based on their corresponding useful lives.

Depreciable items of property, plant and equipment are depreciated using the straight-line method.

Straight-line depreciation of property, plant and equipment is based on the following estimated useful lives:

- Buildings: up to 40 years maximum
- Technical equipment machines; 3 to 15 years
- Office and operating equipment: 3 to 23 years

Property, plant or equipment is derecognized either when it is disposed of (i.e., at the date the recipient obtains control) or when no further economic benefit is to be expected from either the use or disposal of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at the end of each financial year.

g) Leases

With the commencement date, the Group assesses whether the contract constitutes or includes a lease. This is the case if the contract includes the right to control the use of an identified asset for a specific period in exchange for consideration.

Group as a lessee

The Group recognizes and measures all leases according to a single model. The Group does not make use of any of the exemptions granted under IFRS 16 for small-ticket assets and for short-term contracts. It recognizes liabilities for lease payments and right-of-use assets for the right to use the underlying assets.

Right-of-use assets

The Group records right-of-use assets at the commencement date (i.e. when the underlying leased asset is ready for use). Right-of-use assets are measured at acquisition cost less any accumulated depreciation and any accumulated impairment losses and are adjusted for any remeasurement of the lease liabilities. The cost of right-of-use assets comprises the recognized lease liabilities, the initial direct costs incurred and the lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis using the shorter of the lease term and the estimated useful life of the leases. Broken down by asset class, the leases have the following terms:

- Buildings: up to 15 years
- Equipment and machinery: up to 20 years
- Vehicles: up to 5 years
- IT hardware and other equipment: up to 5 years

The right-of-use assets are also tested for impairment. Details on the accounting policies are provided in section m) Impairment of non-financial assets.

Lease liabilities

On the commencement date, the Group recognizes the lease liabilities at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives to be received, variable lease payments linked to an index or (interest) rate, and amounts expected to be paid due to residual value guarantees. Lease payments also include penalty payments for termination of the lease if the term considers that the Group may exercise the right of termination.

In calculating the present value of the lease payments, the Group uses its incremental borrowing rate at the commencement date of the lease as the interest rate underlying the lease cannot be easily determined. After the commencement date, the amount of lease liabilities is increased in order to reflect the increase in interest expense and decreased to reflect the lease payments made. In addition, the carrying amount of lease liabilities is reassessed if there is a change in the lease, in the term of the lease, in lease payments (for example in future lease payments resulting from a change in the index or interest rate used to determine those payments) or if there is a change in the assessment of an option to purchase the underlying asset.

Group as a lessor

Leases in which the Group does not transfer substantially all risks and benefits of ownership of an asset to the lessee are classified as operating leases. This mainly relates to the transfer to partners of cars leased by the Group.

Rental income is recognized on a straight-line basis over the term of the leases and is reported under other revenue due to its operating nature. Contingent rents that are depending on certain events are recognized in the period in which the conditions are met and the revenue is earned.

h) Intangible assets

Beside the goodwill, intangible assets include acquired software and internally generated intangible assets. Internally generated intangible assets exclusively comprise capitalized development costs. Other internally generated assets such as patents or trademarks are not capitalized. Instead, the corresponding expenses for these assets are recognized in profit or loss in the period in which they are incurred.

Initial recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent measurement

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The assets recognized in the balance sheet have defined useful lives with the exception of goodwill.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year.

For software, a useful life of 3 to 7 years has been assumed. Capitalized development costs are based on useful lives of 4 to 10 years.

Goodwill is tested for impairment at least once a year or whenever there are any indications of impairment. Impairment testing is performed at the level of the cash-generating unit.

An intangible asset is derecognized either when it is disposed of or when no further economic benefit is to be expected from either the use or disposal of the asset. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Research and development costs
Research costs are recognized as expenses in the period in which they are incurred. Development costs for self-developed software projects are recognized as an intangible asset if the Group can demonstrate:

- the technical feasibility of completing the software so that the software will be available for use or sale
- its intention to complete the software and its ability to use or sell the software
- the way the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to reliably identify the expenses attributable to the software during its development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization begins when development has been completed and the software is available for use. It is amortized over the period of expected future benefit. Amortization is recognized under amortization, depreciation and impairment.

i) Financial instruments – initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

j) Financial assets
Initial recognition and measurement
On initial recognition, financial assets are generally measured at fair value plus transaction costs and classified as at amortized cost for subsequent measurement.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the Group's business model for managing its financial assets. With the exception of trade receivables, the Group measures financial assets at amortized cost plus transaction costs incurred. Trade receivables are measured at the transaction price disclosed in section c) Revenue from contracts with customers.

For a financial asset to be classified and measured as at amortized cost, cash flows must consist solely of payments of principal and interest (SPPI) on the outstanding principal amount. This assessment is called the SPPI test and is carried out at the level of the individual financial instrument. Financial assets with cash flows that do not exclusively represent payments of principal and interest must be classified as at fair value through profit or loss irrespective of the business model and measured accordingly. There were no applicable financial assets either in the reporting period or in the comparative period.

The LR Group holds financial assets exclusively to collect contractual cash flows.

Subsequent measurement
Financial assets measured at amortized cost are measured in subsequent periods using the effective interest method and are tested for impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets measured at amortized cost include trade receivables, security deposits for rent, other financial assets as well as cash.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when one of the following conditions is met:

- The rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

Impairment
The Group recognizes an allowance for expected credit losses (ECL) on trade receivables. Expected credit losses are based on the difference between the contractual cash flows payable under the contract and the total cash flows expected to be received by the Group, discounted using an approximation of the original effective interest rate. The expected cash flows include the cash flows from the sale of collateral held or other credit enhancements that are an integral part of the terms of the contract.

For trade receivables, the Group uses a simplified method to calculate expected credit losses. using allowance rates that are based on days past due.

k) Financial liabilities
Initial recognition and measurement
Financial liabilities are initially measured at fair value or fair value less transaction costs. The Group's financial liabilities include trade payables, lease liabilities, other financial liabilities, bonds, and loans and borrowings including bank overdrafts.

Subsequent measurement
For subsequent measurement, financial liabilities are classified into one category. In the periods to be reported, there were only financial liabilities measured at amortized costs.

After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest method depreciation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate depreciation is included as finance costs in the statement of profit or loss.

Derecognition
A financial liability is derecognized when the obligation underlying the liability is discharged or canceled, or expires. If an existing financial liability is exchanged for another financial liability with substantially different contractual terms, or if the terms of an existing liability have changed substantially, such an exchange or change is treated as derecognition of the original liability and the addition of a new liability. The difference between the respective carrying amounts is reported in the statement of profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

l) Inventories
Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing the inventories to their present location and condition are recognized as follows:

Raw materials and supplies: First in – first out method (Fifo)

Finished goods and work in progress: Cost of direct materials and labor and an appropriate proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

The net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

m) Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that non-financial assets may be impaired, especially goodwill, other intangible assets or property, plant and equipment and right-of-use assets. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In such cases, recoverability is tested at the level of the CGU. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in previous years. Such reversal is recognized in the statement of profit or loss.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired or if segments are changed.

Impairment is determined for goodwill by assessing the recoverable amount of each group of CGUs to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

n) Cash
Cash in the balance sheet comprises cash at banks and on hand and is measured at amortized cost.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are as defined above.

o) Provisions
General
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects a part or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Group recognizes provisions for qualifications achieved by its partners under the marketing plan or other rewards. Participants qualify for certain benefits, such as trips, based on the achievement of predefined targets in a specified period; these benefits are only granted after the reporting date. The total provisions are based on the expected cost and the number of qualifying participants as of the reporting date (see Note 24).

The Group recognizes provisions for warranties required by law for the remediation of defects in its technical products that existed at the time of sale. The provisions are based on the historical replacement rate, which is applied to the number of appliances sold and the production cost applicable as of the reporting date.

2.5 Changes in accounting standards
The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2025. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The following amendments were effective for annual periods beginning on or after January 1, 2025:

- Amendments to IAS 21: Lack of Exchangeability

None of these amendments had a material impact on the consolidated financial statements of the Group.

2.6. Published standards not yet requiring mandatory application
New and amended standards and interpretations published but not yet mandatory at the time of publication of the consolidated financial statements are shown in the table below. The Group intends to adopt these new and amended standards and interpretations as of the effective date.

Standard / Interpretation		Mandatoty application in reporting period	Endorsement by the EU Commission	Expected impact
IFRS 7/ IFRS 9	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	2026	yes	not significant
IFRS 18	Presentation and Disclosure in Financial Statements	2027	yes	under review
IFRS 19	Subsidiaries without Public Accountability: Disclosures	2027	no	not significant
IAS 21	Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency	2027	no	not significant

3. ESSENTIAL JUDGMENTS, ESTIMATIONS AND ASSUMPTIONS

The management makes judgments, estimations and assumptions for preparing the consolidated financial statements that affect the reported amounts of revenue, expenses, assets and liabilities as well as disclosure of contingent liabilities reported at the end of the reporting period. The uncertainties arising from these assumptions and estimations might lead to significant future adjustments of the carrying amount of the affected assets or liabilities.

Judgments
The management made the following judgments, which have a significant impact on the amounts recognized in the consolidated financial statements:

Determining the term of leases with renewal and termination options – LR Group as lessee
The Group determines the term of the lease on the basis of the non-terminable basic term of the lease as well as the periods resulting from an option to extend the lease if it is sufficiently certain that it will exercise this option (see Note 24).

Evaluating debtors' future solvency
The assessment of the recoverability of trade receivables and other financial assets is subject to judgment when evaluating debtors' future solvency.

Estimations and assumptions
The most important assumptions with respect to the future as well as other key sources of estimation uncertainties existing on the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below. The assumptions and estimations of the Group are based on parameters available at the time of preparing the consolidated financial statements. The circumstances and assumptions on future developments might, however, be subject to changes due to market fluctuations and market circumstances beyond the control of the Group. Such changes will only be reflected in the assumptions when they occur.

Impairment of non-financial assets
An asset or a cash-generating unit is impaired if its carrying amount exceeds the recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on the discounted cash flow method. Cash flows are derived from the business plan for the next four years and do not include restructuring measures the Group is not yet committed to and substantial future investments that will enhance the asset's performance of the cash-generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow method as well as the expected future cash inflows and the growth rate used for extrapolation. The basic assumptions for determining the recoverable amount for the different cash-generating units including a sensitivity analysis are outlined in detail in Note 14.

4. REVENUE

As explained under 2.4.c) the revenue reported by the Group includes revenue from goods, other revenues and revenue reductions, which breaks down as follows:

	2025	2024
Revenue from goods	277,065	289,221
Other revenues	10,469	11,455
Revenue reductions	-10,222	-14,651
TOTAL	**277,312**	**286,025**

In addition to revenue from services rendered, other revenue also includes revenue of kEUR 3,979 (PY: kEUR 4,266) recognized over time from subleasing vehicles to partners. The Group has concluded contracts for commercial leases of various vehicles. The average term of the leases is two to three years. The leases do not provide for extension options.

The vehicles are leased from automotive leasing companies and are therefore subject to IFRS 16 (see Note 24). As of 31 December, the Group is entitled to future lease payments from these contracts with the partners, which are divided as follows:

kEUR	Dec. 31, 2025	Dec. 31, 2024
Up to 1 year	585	739
Between 1 and 2 years	251	479
Between 2 and 3 years	40	222
More than 3 years	1	39
TOTAL	**877**	**1,479**

The revenue breaks down by geographical region as follows:

kEUR	2025	2024
D-A-CH	105,291	121,242
Eastern Europe and Asia	114,745	102,175
Western and Northern Europe	33,746	34,712
Southern Europe	23,530	27,896
TOTAL REVENUE FROM EXTERNAL CUSTOMERS	**277,312**	**286,025**

The breakdown is based on the location of the national companies, which corresponds to the location of the customer.

5. OPERATING SEGMENTS

For management purposes, the Group is organized into business units and its respective local companies and establishments are combined into two regions. In some cases, the local companies are assigned to a region geographically, in other cases they are assigned individually.

The two reported regions break down in detail as follows:

Region Western Europe comprises Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Norway, Portugal, Spain, Sweden, Switzerland, the Netherlands, Turkey and United Kingdom.

Region Central Eastern Europe comprises Albania, Bulgaria, Cyprus, Czech Republic, Greece, Kazakhstan, Hungary, Poland, Romania, Russia, Slovakia and Ukraine.

The regions are managed by the respective vice presidents of the region. The management board of LR Global is the chief operating decision maker, who separately monitors the region's operating results to make decisions about resources to be allocated and assess its performance. For the analysis of business performance and the Group's situation, the management board uses earnings before interest, taxes, depreciation and amortization (EBITDA) as well as revenue without other revenue and before sales deductions as financial ratios which are compared with the latest forecast for the reporting period. Group financing (including finance costs, finance income and other income) and income tax expenses are managed on a group basis and are not allocated to operating regions.

Regarding the content of the revenue please refer to 2.4.c).Transfer prices between the German production company and the local sales companies are based on the transactional net margin method in accordance with the OECD Guidelines. Transfer prices between regions are on an arm's length basis in a manner similar to transactions with third parties.

The table below shows the revenue, EBITDA and goodwill of the LR Group's regions in the new structure for the 2025 financial year:

kEUR	Region Western Europe	Region Central Eastern Europe	Total Segments	Adjust-ments	Total
Revenue external customers	150,855	125,461	276,316	749	277,065
Revenue other segment	47,239	2,549	49,788	-49,788	0
Revenue other	6,266	2,543	8,809	1,660	10,469
Sales reduction	-4,660	-5,562	-10,222	0	-10,222
TOTAL REVENUE	**199,700**	**124,991**	**324,691**	**-47,379**	**277,312**
Segment EBITDA	8,700	10,679	19,379	-2,863	16,516
Goodwill	59,615	24,097	83,712	3	83,715

The table below shows the revenue, EBITDA and goodwill of the LR Group's regions for the 2024 financial year:

kEUR	Region Western Europe	Region Central Eastern Europe	Total Segments	Adjust-ments	Total
Revenue external customers	174,635	113,903	288,538	683	289,221
Revenue other segment	43,599	1,926	45,525	-45,525	0
Revenue other	6,991	2,895	9,886	1,569	11,455
Sales reduction	-8,590	-6,061	-14,651	0	-14,651
TOTAL REVENUE	**216,635**	**112,663**	**329,298**	**-43,273**	**286,025**
Segment EBITDA	17,845	8,841	26,686	643	27,329
Goodwill	77,422	24,097	101,519	3	101,522

The "Adjustments" column largely contains the Group's holding and management companies as well as eliminations. For a reconciliation of earnings before taxes please refer to the income statement.

6. OTHER OPERATING INCOME

The main items of other operating income are outlined in the table below:

kEUR	2025	2024
Currency translation gains	2,897	3,693
Own work capitalised	566	957
Sundry other operating income	2,374	2,082
TOTAL OTHER OPERATING INCOME	**5,837**	**6,732**

Currency translation gains also include the debtor's gain of kEUR 816 (PY: kEUR 1,249) on the monetary items from hyperinflationary valuation in accordance with IAS 29 (refer to explanations under Note 2.4e).

Sundry other operating income includes income from reversal of impairment losses on receivables written off, income from the transfer of partner structures, compensation from suppliers and items of income from individual countries which are all insignificant on their own and are therefore grouped under this item.

7. PERSONNEL EXPENSES

During the 2025 financial year, the Group employed an average headcount of 1,166 (PY: 1,218), of which 686 (PY: 723) can be allocated to the German subsidiaries and 479 (PY: 495) to the subsidiaries outside Germany. The total number of employees includes 15 (PY: 18) apprentices and by calculation 1 (PY: 1) trainee, who was taken on as a permanent employee in the reporting year. Of the 15 apprentices, 7 are completing a dual study program.

8. RESEARCH AND DEVELOPMENT COSTS

Research and development costs reported in the statement of profit or loss for the 2025 financial year amount to kEUR 2,566 (PY: kEUR 2,601).

9. OTHER OPERATING EXPENSES

The main items of other operating expenses are outlined in the table below:

kEUR	2025	2024
Bonuses granted	-103,506	-101,963
Distribution costs	-25,235	-24,824
Administration costs	-15,708	-15,814
Expenses from currency translation	-3,432	-2,469
Legal and consulting fees	-7,296	-6,977
Royalties	-348	-813
Sundry other operating expenses	-3,628	-2,686
TOTAL OTHER OPERATING EXPENSES	**-159,153**	**-155,546**

The increase in bonuses granted to partners in 2025 is due to the adjustment of the marketing plan of the Group as of 1. October 2024. The increase of expenses from currency translation results from the different development of the exchange rates of the main Group currencies in the financial year. The higher sundry other operating expenses are mainly related to the increase of allowance for bad debts (see Note 17).

10. FINANCE RESULT

The main items of finance result are outlined in the table below:

kEUR	2025	2024
Interest income from bank balances	145	180
Other interest income	51	49
TOTAL INTEREST INCOME	**196**	**229**
Interest expenses bonds	-14,685	-19,088
Interest expenses bank overdraft/loans	-200	-208
Interest expenses shareholder loan	-328	-248
Interest expenses lease liabilities	-2,402	-1,896
Other interest expenses	-252	-8
TOTAL INTEREST EXPENSES	**-17,867**	**-21,448**
TOTAL FINANCE RESULT	**-17,671**	**-21,219**

The decrease in the interest expenses of the bonds results from the prematurity fee for the premature redemption of the bond 2021/2025 included in the previous year and to the decline interest rate level of the bond 2024/2028 in the reporting year. (further explanations under Note 15.2).

11. INCOME TAXES

The major items of income tax expenses for the for the financial year ended December 31, 2025 and for the financial year ended December 31, 2024 are as follows:

kEUR	2025	2024
Current income tax	**-1,661**	**-3,371**
Current tax expenses for the financial year	-1,852	-3,415
Current tax expenses for prior years	191	44
Deferred tax income	**684**	**-1,744**
Origination and reversal of temporary differences		
from deferred tax assets	352	523
from deferred tax liabilities	585	-2,071
Impairment of deferred tax asset for loss carryforwards	-253	-196
TOTAL	**-977**	**-5,115**

The reconciliation between income tax expenses and the product of profit or loss for the period multiplied by the tax rate applicable for the Group (2025: 31.4%, 2024: 31.4%) for the 2025 financial year can be broken down as follows:

kEUR	2025		2024	
Profit or loss for the period before taxes	-31,752		-6,709	
Anticipated income tax (2025: 31.4%, 2024: 31.4%)	9,970		2,107	
Change in recoverability of deferred tax assets	-5,093		-6,664	
Use of previously unrecognized tax losses	264		392	
Depreciation of goodwill	-5,591		0	
Income tax expenses/income for previous years	21		-755	
Non-deductible tax expenses	-1,119		-1,134	
Non-deductible business expenses		-996		-1,036
Trade tax additions		-79		-50
Non-deductible expenses Sec. 8b of the German Corporation Tax Law		-44		-48
Permanent difference	-225		789	
Tax rate difference	799		249	
Other	-2		-99	
INCOME TAX EXPENSES	**-977**		**-5,115**	

Deferred taxes

Deferred taxes can be broken down as follows:

kEUR	Dec. 31, 2025	Dec. 31, 2024
Capitalization of internally generated intangible assets	-5,158	-4,900
Revaluation of fixed-assets in Turkey	-551	-718
Valuation of financial assets	-19	-19
Depreciation of buildings	314	377
Depreciation of property, plant and equipment	-3	-3
Valuation of trade receivables	36	54
Valuation of inventories	735	383
Accrued costs	35	79
Valuation of non-current provisions	53	57
Capitalization of transaction costs for bonds	-519	-671
Valuation of trade payables	230	214
Valuation of current provisions	109	-58
Valuation of other liabilities	994	455
Right-of-use assets and lease liabilities	430	304
Loss carryforwards available for offsetting against future profits	0	253
DEFERRED TAX ASSETS/LIABILITIES, NET	**-3,314**	**-4,193**

kEUR	Dec. 31, 2025	Dec. 31, 2024
Reported in the balance sheet as follows:		
Deferred tax assets	1,854	1,752
Deferred tax liabilities	-5,168	-5,945
DEFERRED TAX ASSETS/LIABILITIES, NET	**-3,314**	**-4,193**

No deferred taxes were recognized in other comprehensive income.

As of December 31, 2025, no deferred tax assets were recognized for interest carryforwards of kEUR 25,419 (PY: kEUR 11,762). If the interest carryforwards could be utilized, profit would increase by kEUR 6,990 (PY: kEUR 3,235). Due to an indirect change of shareholder in the fiscal year 2024, the loss deduction pursuant to Section 8c KStG has been included in this analysis. The question of whether a limitation pursuant to Section 8c of the German Corporation Tax Act (KStG) may be imposed is currently pending before the German Federal Constitutional Court (BVerfG, 2 BvL 19/17).

Furthermore, the Group did not recognize any deferred tax assets for loss carryforwards of kEUR18,373 (PY: kEUR 15,598) or for temporary differences at the subsidiaries of kEUR 3,828 (PY: kEUR 3,530), since they were not expected to be usable. Deferred tax assets recognized in connection with the Portuguese subsidiary's loss carryforward were reassessed and written down by kEUR 253 (PY: kEUR 196) in the financial year. If losses and temporary differences for which no deferred tax assets were recognized could be used, profit would increase by kEUR 4,549 (PY: kEUR 3,721).

In the prior year, no deferred tax liability of kEUR 819 was recognized for taxable deferred tax liabilities of kEUR 52,160 in connection with shares in LR Health & Beauty Systems GmbH, as there was no intention to dispose of the shares. An impairment loss of kEUR 52,219 on these shares during the fiscal year resulted in the elimination of taxable deferred tax liabilities, and a deductible temporary difference has since arisen. This difference is not tax-deductible, so no deferred tax assets were recognized.

No distributions are planned for the parent company and for the individual subsidiaries.

12. PROPERTY, PLANT AND EQUIPMENT

The development of property, plant and equipment can be found in the statement of changes in fixed assets (Appendix to the Notes to the Consolidated Financial Statements).

Impairment of property, plant and equipment

There was no evidence for the necessity to carry out an impairment test for property, plant and equipment.

13. INTANGIBLE ASSETS

The reported intangible assets can be essentially broken down as follows:

- Goodwill (see Note 14)
- Acquired Software
- Internally generated intangible assets
- Internally generated intangible assets in development
- Other intangibles assets

The development of intangible assets can be found in the statement of changes in fixed assets (Appendix to the Notes to the Consolidated Financial Statement).

14. GOODWILL

Acquired goodwill of kEUR 135,055 arose for the Group from the business combination in 2013. As part of an impairment test, an impairment loss of kEUR 33,536 was recognized on this amount in the 2018 financial year.

As of December 31, 2025, the goodwill allocated to the two regions totaled kEUR 83,715 (PY: kEUR 101,519). See Note 5 for details of the allocation of goodwill to both regions.

Impairment tests for the assets to be tested in accordance with IAS36, in particular the allocated goodwill, were carried out at the level of the newly defined regions as at December 31, 2025. The impairment test regarding the goodwill of Region Western Europe shows a required impairment of kEUR 17,807. Consequently, this amount is recognized as a write-off against the goodwill of the Region, previously amounted to kEUR 77,422. The current book value carries an amount of kEUR 59,615 as of December 31, 2025. The main reason for the write-off is the expected further decline in sales for the year 2026 and the only slight recovery rates in the following year, as explained below. The impairment test performed regarding the goodwill of Region Central Eastern Europe concluded that no impairment is required.

For the calculation of the impairment test, the cash flow forecast is based on the financial figures approved by the management. The discount rate applied for the cash flow forecast amounts to 9.21% (PY: 9.44%) after tax for both regions respectively the discount rate before tax to 11.77% (PY: 13.27%) for region Western Europe and 12.18% (PY: 13,70%) for region Central Eastern Europe. The same rate was applied to all regions due to the cross-border partner structures. From the point of view of the LR Group, it can be assumed that a potential purchaser would also use this approach for the same reason. The forecast cash flows for the individual segments are based on planning accounts for the years 2026 to 2030. The planning year 2026 is based on the planning accounts of the individual subsidiaries. The midterm planning years 2027-2030 are based on this. Following an expected decline in revenue of -13,5% in the planning year 2026, the management of LR Group anticipates a recovery in the planning year 2027 with a revenue growth rate of 6% and in the further planning years 2028-2030 with revenue growth rates of between 2.5% and 3.0% in each year. For the individual countries the transfer prices, valid at the time the budget was prepared, were used. Furthermore, an improvement in operating profitability from the implementation of a catalogue of measures is considered in the planning years. The implementation of the first measures was already initiated in the 2025 financial year. The growth rate used to calculate the perpetual annuity was 1% (PY: 1%).

Basic assumptions for value in use calculation
The following assumptions for the calculation of value in use are subject to estimation uncertainties:

- Gross margins
- Discount rates
- Price development
- Revenue growth rate

Gross profit margins – The gross profit margins for the subsequent financial year are calculated using an integrated planning process. The national companies' individual plans are aggregated and grouped into cash-generating units. The management estimates subsequent years in the medium-term plan beyond the budget period at Group level using assumptions based on historical data. The outcome is then broken down to country level.

Discount rates – Discount rates represent the current market assessment of the risks specific to each cash-generating unit. The discount rate was estimated based on the weighted average cost of capital customary within the industry using a peer group of companies with similar product portfolios, i.e., who sell either health or beauty products and whose business activities are also conducted in Europe. The peer group was adjusted in the current financial year to shift the focus to companies selling health products.

Price development – Estimations are based on previous actual price developments, and known future price changes from price increases announced by suppliers are used as an indicator for future price developments.

Revenue growth rate – The growth rates are based on estimates by the management using historical data and the current revenue momentum in the individual markets. The growth rates play an important role in the calculation of future income and consequently also in the calculation of cash flow forecasts beyond the budget period.

Sensitivity of the assumptions made – The restructuring report prepared as part of the agreements with bondholders (see 15.2) includes a sensitivity calculation in which half a percentage point less revenue growth rate is assumed for each planning year and which includes significant risk discounts on the improvement in operating profitability. According to this calculation, the goodwill for the region Western Europe would require a total impairment of kEUR 39,134 and would have a carrying amount of kEUR 38,288. There would still be no impairment requirement for the goodwill of the region Central Eastern Europe.

A change in the interest rate of +5% also indicates a higher impairment requirement for the goodwill of the region Western Europe. This increases the impairment by kEUR 6,607. For the region Central Eastern Europe there is no impairment requirement.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

15.1 Financial assets

kEUR	Dec. 31, 2025	Dec. 31, 2024
MEASURED AT AMORTIZED COSTS		
Cash	8,033	19,641
Trade receivables	11,406	14,591
Security deposits and other deposits	2,109	2,215
Other financial assets	3,756	5,013
TOTAL FINANCIAL ASSETS	**25,304**	**41,460**
thereof current	25,304	41,460

Other financial assets include commission receivables of kEUR 3,471 (PY: kEUR 3,783).

See Note 17 for details of allowances on trade receivables. Interest income from cash is outlined in Note 10.

15.2 Financial liabilities

Interest-bearing loans

kEUR	Interest rate %	Majurity	Dec. 31, 2025	Dec. 31, 2024
Non-current interest-bearing loans				
Liabilities from bonds 2024/2028	Euribor + 7.5	2028	0	124,974
Liabilities from loans	2.5	2027-2042	7,347	7,730
Liabilities from shareholder loans	0.5	2027-2028	3,200	2,872
Lease liabilities	1.81 - 66.25	2027-2043	13,066	12,119
Current interest-bearing loans				
Liabilities from bonds 2024/2028	Euribor + 7.5	2026	129,823	0
Liabilities from loans	2.5	2026	1,106	374
Lease liabilities	1.81 - 66.25	2026	6,771	5,842
TOTAL INTEREST-BEARING LOANS			**161,313**	**153,911**

The interest-bearing loans are measured at amortized costs.

Liabilities from bonds

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 approximately EUR 125 million. These proceeds were used to refinance the 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 SE on March 1, 2024. Like the 2021/2025 bond, the newly placed bond is issued in the so-called "Nordic bond format" under Swedish law and with the involvement of Nordic Trustee & Agency AB as trustee. The admission of the bond to the open market of the Frankfurt Stock Exchange had been completed by the issue date on March 4, 2024. On February 28, 2025, the Nasdaq Stockholm admitted the listing of the senior secured corporate bond on the regulated market.

On March 11, 2024, the senior secured bond 2021/2025 of LR Global Holding GmbH was fully repaid. The delisting of the bond 2021/2025 from the Nasdaq Stockholm took place on March 7, 2024.

The bond bears interest at 3 Months EURIBOR +7.5 % p.a. (with a floor of zero). Interest is payable on a quarterly basis. The bond matures on March 4, 2028. The interest rate of the bond at the balance sheet date is 9.569 %.

The Group companies have deposited collateral in this context (see Note 25). In addition, covenants in the form of a leverage ratio and a pre-IFRS 16 leverage ratio were agreed. The Group performs a quarterly maintenance test to verify if these covenants are met. The calculation of the covenants for the third quarter 2025, as agreed in the Terms & Conditions of the bond 2024/2028, indicates that the agreed maximum threshold for the leverage ratio covenant has been exceeded. The detected breach was publicly announced with an ad-hoc release on October 20, 2025. In course of that, the Group started negotiations with an ad-hoc group of bondholders regarding a standstill. Furthermore, the Group announced to defer interest payments related to the bond 2024/2028. Therefore, the standstill undertaking shall comprise, inter alia, that bondholders shall not derive any rights from the breach of the leverage covenant and from a non-payment of interest. In course of the negotiations, a standstill until February 28, 2026, is agreed. It is also agreed that an independent expert will prepare a report on the restructuring. For further information please refer to Note 30 Events after the reporting period.

As of December 31, 2025, the carrying amount of the liabilities from the bond was kEUR 129,823 and included capitalized transaction costs and accrued interest.

Liabilities from loans

In spring 2022, the Group entered into a sale and leaseback agreement with DAL Deutsche Anlagen Leasing GmbH & Co. KG. Under this agreement, the Group has taken out a fixed-interest loan in the amount of kEUR 9,000. The loan has a 20-year term and will be serviced quarterly over this period with a constant annuity. As of December 31, 2025, the carrying amount of the liabilities from loans was kEUR 7,730.

Explanations on lease liabilities can be found under Note 24.

Liabilities from shareholder loan

On March 7, 2024, LR SE and Aloco Holding S.à r. l. closed an agreement about a fixed-interest shareholder loan in an amount of kEUR 4,000. The loan bears an interest rate in amount of 0.5% p.a. The loan and the related interests are due on March 30, 2028. Partial or full redemption of the loan is allowed at any time. Upon initial recognition, the loan is measured at a fair market interest rate, as the interest rate does not comply to the “at arm’s length” principle compared to the interest rate of the simultaneously issued bonds in the amount of 3-Months-EURIBOR +7.5%. The difference resulting from the valuation amounts to kEUR 1,376. As the loan is a transaction with the shareholders, the difference resulting from the valuation is recognized as a contribution to capital reserve. As a result of the valuation, the loan is subject to interest at the fair market interest rate (refer to Notes 20 and 26).

As of December 31, 2025, the carrying amount of the shareholder loan amounts to kEUR 3,200.

See Note 10 for details of the interest expenses for the individual interest-bearing debt instruments.

Other financial liabilities

kEUR	Dec. 31, 2025	Dec. 31, 2024
Other financial liabilities measured at amortized costs		
Trade payables	28,501	34,215
Other financial liabilities measured at amortized cost	1,175	1,134
TOTAL FINANCIAL LIABILITIES	**29,676**	**35,349**
thereof non-current	0	286
thereof current	29,676	35,063

15.3 Fair value

The methods used and assumptions made for determination of fair values can be broken down as follows:

- The fair value of the corporate bond is derived from the bond's current market price.

The fair values of cash, trade receivables, other financial assets, trade payables and other current financial liabilities approximate their carrying amounts due to the short-term maturities of these instruments. Consequently, no fair values are reported for these financial instruments.

Quantitative disclosures for fair value measurement of liabilities according to hierarchy as of December 31, 2025:

kEUR		Fair value measurement using			
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Carrying amount	Level 1	Level 2	Level 3	Total
Liabilities for which a fair value is reported					
Interest bearing loans					
Liabilities from corporate bond 2024/2028	129,823	46,800	0	0	46,800
Liabilities from fixed-rate loan	7,730	0	6,414	0	6,414
Liabilities from fixed-rate shareholder loan	3,200	0	3,324	0	3,324

The levels are described in Note 2.4b).

The fair value of the corporate bond 2024/2028 is based on the observable market price of EUR 360,00 per bond as of December 31, 2025.

Quantitative disclosures for fair value measurement of liabilities according to hierarchy as of December 31, 2024:

kEUR		Fair value measurement using			
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Carrying amount	Level 1	Level 2	Level 3	Total
Liabilities for which a fair value is reported					
Interest bearing loans					
Liabilities from corproate bond 2021/2025	124,974	118,625	0	0	118,625
	8,104	0	7,273	0	7,273
Liabilities from fixed-rate loan	2,872	0	2,959	0	2,959

The fair value of the corporate bond 2024/2024 is based on the observable market price of EUR 912,5 per bond as of December 31, 2024.

15.4. Objectives and policies of the risk management for financial instruments

The Group's principal financial liabilities comprise corporate bonds, interest-bearing loans and borrowings, trade and other payables, other financial liabilities and bank guarantees. The main purpose of these financial liabilities is to finance business activities of the Group. The Group's principal financial assets include trade receivables and other financial receivables as well as cash which directly result from its business activity.

The Group's financial assets and liabilities are exposed to the following risks.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two main types of risk to which the Group is exposed, namely interest rate risk and currency risk. Financial instruments exposed to market risk mainly include the Group's corporate bond.

The sensitivity analyses in the following sections relate to the position as at December 31, 2025.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates as of the reporting date relates primarily to the corporate bond 2024/2028, which bears interest at a rate of 3 months EURIBOR + 7.5% p.a. (with a floor of zero).

If the interest level in the course of the 2025 financial year had been 100 basis points higher than the yield curve, the result would have been kEUR 1,318 lower. If the interest level in the course of the 2025 financial year had been 100 basis points lower than the yield curve, the result would have been kEUR 1,318 higher.

If the interest level in the course of the previous financial year had been 100 basis points higher than the yield curve, the result would have been kEUR 1,337 lower. If the interest level in the course of the previous financial year had been 100 basis points lower than the yield curve, the result would have been kEUR 1,337 higher.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates in the course of its operating activities relates primarily to the trade receivables and payables of its national companies denominated in currencies other than EUR.

Foreign currency sensitivity

The following table demonstrates the sensitivity of the consolidated earnings before tax (due to the change in fair values of monetary assets and liabilities) to a reasonably possible change in the EUR exchange rate vs. the Swiss franc, the British Pound, the Polish zloty, the Czech koruna, the Turkish lira, the Ukrainian hryvnia, the Russian ruble and the South Korean Won. All other variables remain constant. The sensitivity of the individual currencies is grouped in the table, since from the Group's perspective, the sensitivity of the individual currencies is not material as such.

The Group's exposure to foreign currency changes for all other currencies is not material.

	Appreciation	Devaluation
Exchange rate of these currencies against the Euro:	+10%	-10%
EFFECT ON PROFIT OR LOSS BEFORE TAX:	**TEUR -424**	**TEUR 347**

The table below shows the sensitivity of consolidated profit or loss before tax for the 2024 financial year:

	Appreciation	Devaluation
Exchange rate of these currencies against the Euro:	+10%	-10%
EFFECT ON PROFIT OR LOSS BEFORE TAX:	**TEUR -836**	**TEUR 684**

Default risk

The Group is exposed to default risks in the operative area. This means that the Group does not receive the agreed payment from the contractual partner on the due date. To largely reduce these risks, outstanding receivables relating to operating activities are continuously monitored. Potential defaults are accounted for using specific loss allowances and group-related loss allowances. Since the first-time recognition of expected credit losses in accordance with IFRS 9 the risk has not changed significantly.

The Group also engages debt collection agencies to collect past due receivables. As of December 31, 2025, this affected receivables of kEUR 3,559 (PY: kEUR 3,427). The maximum default risk is the carrying amount of financial assets (see Note 15.1). The default risk of trade receivables as of December 31, 2025 breaks down as follows:

		Past due					
	not past due	< 30 days	30-60 days	61-90 days	91-120 days	over 120 days	TOTAL
Gross receivables	7,321	1,784	300	249	277	6,892	**16,823**
Loss allowance	35	5	1	2	2	5,372	**5,417**
Expected credit loss rate	0.48%	0.28%	0.33%	0.80%	0.72%	77.95%	

The default risk of trade receivables as of December 31, 2024 breaks down as follows:

		Past due					
	not past due	< 30 days	30-60 days	61-90 days	91-120 days	over 120 days	TOTAL
Gross receivables	8,736	2,708	611	405	343	6,404	**19,207**
Loss allowance	33	52	4	4	3	4,520	**4,616**
Expected credit loss rate	0.38%	1.92%	0.65%	0.99%	0.87%	70.58%	

Liquidity risks

The liquidity risk is defined as the risk of a company having difficulties satisfying its obligations from financial liabilities. To ensure the Group's solvency at all times, cash forecasts are regularly prepared in which the expected cash inflows for the next 13 weeks are compared to the cash outflows for the same period. With reference to the circumstances explained in notes 15.2 and 30, there is a significant liquidity risk as at the reporting date management expects to minimize in the course of negotiations with the bondholders.

The maturities of the undiscounted payments for the Group's financial liabilities including interests are as follows:

kEUR	On demand	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	TOTAL
Financial year as of December 31, 2025						
Liabilities from bonds 2024/2028	0	0	138,464	0	0	138,464
Liabilities from loans	0	143	430	2,293	6,592	9,458
Liabilities from shareholder loans	0	0	0	4,082	0	4,082
Other financial liabilities	1,175	0	0	0	0	1,175
Trade payables	10,375	12,998	4,309	780	39	28,501
Lease liabilities	0	2,172	6,517	12,813	3,563	25,065
TOTAL	**11,550**	**15,313**	**149,720**	**19,968**	**10,194**	**206,745**

For the maturity classification of the bond, we refer to Note 15.2 and Note 30.

kEUR	On demand	Up to 3 months	3 to 12 months	1 to 5 years	More than 5 years	TOTAL
Financial year as of December 31, 2024						
Liabilities from bonds 2024/2028	0	3,369	10,108	160,324	0	173,801
Liabilities from loans	0	143	430	2,293	7,165	10,031
Liabilities from shareholder loans	0	0	0	4,082	0	4,082
Other financial liabilities	1,134	0	0	0	0	1,134
Trade payables	10,656	17,824	4,888	762	85	34,215
Lease liabilities	0	1,850	5,551	10,995	4,779	23,175
TOTAL	**11,790**	**23,186**	**20,977**	**178,456**	**12,029**	**246,438**

15.5 Changes in liabilities arising from financing

kEUR	Jan, 1, 2025	Cash flows	Other	Dec. 31, 2025
Liabilities from bonds 2024/2028	124,974	-9,836	14,685	129,823
Liabilities from loans	8,104	149	200	8,453
Liabilities from shareholder loan	2,872	0	328	3,200
Lease liabilities	17,961	-10,243	12,119	19,837
TOTAL LIABILITIES FROM FINANCING	**153,911**	**-19,930**	**27,332**	**161,313**

kEUR	Jan. 1, 2024	Cash flows	Other	Dec. 31, 2024
Liabilities from bonds 2024/2028	0	111,177	13,797	124,974
Liabilities from bonds 2021/2025	125,490	-130,781	5,291	0
Liabilities from loans	8,470	-573	207	8,104
Liabilities from shareholder loan	0	4,000	-1,128	2,872
Lease liabilities	18,067	-9,928	9,822	17,961
TOTAL LIABILITIES FROM FINANCING	**152,027**	**-26,105**	**27,989**	**153,911**

The item "Other" includes the effects of the reclassification of the long-term portion of interest-bearing loans to current liabilities and the effects of accrued but not yet paid interest on interest-bearing loans. Under lease liabilities, the Group also recognizes additions from the measurement of new leases as well as foreign currency changes under "Other."

16. INVENTORIES

Inventories are measured at the lower of cost and net realizable value.

kEUR	Dec. 31, 2025	Dec. 31, 2024
Raw materials and supplies	5,625	6,247
Work in progress	527	394
Finished products	14,871	15,095
Goods for sale	4,681	4,573
Goods in transit	413	415
TOTAL INVENTORIES	**26,117**	**26,724**

The amount of impairment losses on inventories recognized as an expense within cost of materials amounts to kEUR 2,788 (PY: kEUR 1,084). The impairment is largely the result of age-related allowances, depending on the best-before date of the products.

The Group has pledged a part of its inventories to fulfill collateral requirements. For further details, please refer to Note 25.

17. TRADE RECEIVABLES

kEUR	Dec. 31, 2025	Dec. 31, 2024
Trade receivables	11,406	14,591
TOTAL TRADE RECEIVABLES	**11,406**	**14,591**

Trade receivables do not bear interest. Their maturity varies depending on the payment method chosen by the customer.

As of December 31, 2025, trade receivables were impaired at a nominal value of kEUR 5,417 (PY: kEUR 4,616). The development of the allowance account can be broken down as follows (for details, please refer to Note 15.4 Default risk):

kEUR	2025	2024
As of January 1	-4,616	-4,196
Additions	-2,092	-1,130
Release	61	18
Utilisation	1,230	692
AS OF DECEMBER 31	**-5,417**	**-4,616**

For the recognition of loss allowances, the Group divides the receivables into four categories: receivables not past due, receivables up to 6 months past due, receivables between 6 and 12 months past due and receivables more than 12 months past due. The loss allowances account for the future expected credit losses on the receivables.

All loss allowances are recognized in the allowance account under distribution expenses (see Note 9). Reversals of loss allowances are recognized under other operating income (see Note 6).

18. OTHER ASSETS

Other Assets break down as follows as of December 31:

kEUR	Dec. 31, 2025	Dec. 31, 2024
OTHER CURRENT ASSETS		
Receivables from VAT	1,623	1,435
Income tax receivables	1,097	1,196
Security deposits and other deposits	2,109	2,215
Prepaid expenses	814	1,128
Payments on account	1,804	877
Other receivables	3,610	4,253
Sundry other assets	659	1,293
TOTAL OTHER ASSETS	**11,716**	**12,397**
thereof financial assets	5,865	7,228

19. CASH

The Group has pledged a part of its cash at banks to fulfill collateral requirements. For further details, please refer to Note 25.

Cash comprised the following as of December 31:

kEUR	Dec. 31, 2025	Dec. 31, 2024
Cash at hand	65	90
Cash at banks	7,968	19,551
CASH	**8,033**	**19,641**

Due to the good creditworthiness of the banks, no loss allowances were necessary.

20. SUBSCRIBED CAPITAL AND CAPITAL RESERVE

The development of equity is shown in the statement of changes in equity.

Subscribed capital
The company has issued a total of 10,120,000 shares with a par value of EUR 1 each, which were fully subscribed by the sole shareholder, Aloco Holding S.à.r.l. Luxembourg, Luxembourg. The capital is fully paid in.

Capital reserve
The capital reserve amounts to kEUR 151,506 at December 31, 2025, and mainly results from contributions of the shareholders in the financial year 2021.

Retained earnings
The retained earnings contain differences from currency translations. The reserve for currency translation differences serves to record the differences from the conversion of financial statements of foreign subsidiaries and for foreign currency differences on all monetary items that are designated as part of the Group's net investment in a foreign operation.

In the financial year 2025, the effects resulting from the differences resulting from the currency translation were recognized in amount of kEUR –134 (PY: kEUR -1,522).

21. CAPITAL MANAGEMENT

The equity attributable to the shareholders of the parent company is subject to the Group's capital management. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business, maximize shareholder value and ensure compliance with the covenants for the bonds issued. Capital management is achieved through regular planning, control and review of EBITDA, cash flow, equity, net indebtedness and paid interest. The Company prepares annual planning which is updated via two forecasts and reviewed by monthly reporting. The Company performs direct rolling cash flow planning for short-term capital management purposes and to ensure compliance with covenants. Non-compliance with these covenants can be remedied by injecting further equity capital. The calculation of the covenants for the third quarter 2025, as agreed in the Terms & Conditions of the bond 2024/2028, indicates that the agreed maximum threshold for the leverage ratio covenant has been exceeded. Please refer to note 15.2 and note 30 fur further explanations.

22. PROVISIONS

The Group's provision developed as follows in the 2025 financial year:

kEUR	Personnel cost	Year-end and consultancy costs	Other provisions	TOTAL
As of January 1, 2025	1,680	592	1,399	3,671
Addition	864	629	1,896	3,389
Utilization	-819	-545	-710	-2,074
Release	-16	-45	-53	-114
Currency effects	-5	1	3	-1
AS OF DECEMBER 31, 2025	**1,704**	**632**	**2,535**	**4,871**
Thereof				
short-term	1,256	632	2,535	4,423
long-term	448	0	0	448
	1,704	632	2,535	4,871

The Group's provision developed as follows in the 2024 financial year:

kEUR	Personnel cost	Year-end and consultancy costs	Other provisions	TOTAL
As of January 1, 2024	1,302	602	2,424	4,328
Addition	879	570	1,149	2,598
Utilization	-412	-547	-1,710	-2,669
Release	-68	-33	-454	-555
Currency effects	-21	0	-10	-31
AS OF DECEMBER 31, 2024	**1,680**	**592**	**1,399**	**3,671**
Thereof				
short-term	1,233	592	1,399	3,224
long-term	447	0	0	447
	1,680	592	1,399	3,671

Personnel provisions mainly include expenses for jubilee payments to employees of kEUR 399 (PY: kEUR 440) and one-time payments in the amount of kEUR 275 (PY: kEUR 120) which are likely to be used within the next few years.

23. TRADE PAYABLES, OTHER LIABILITIES AND INCOME TAX LIABILITIES

Trade payables, lease liabilities, other liabilities and income tax liabilities can be broken down as follows:

kEUR	Dec. 31, 2025	Dec. 31, 2024
NON-CURRENT NON-FINANCIAL LIABILITIES		
Other liabilities	0	286
CURRENT NON-FINANCIAL LIABILITIES		
Income tax liabilities	1,522	2,820
Liabilities from VAT and other taxes	2,273	2,697
Other liabilities	6,895	5,633
TOTAL NON-FINANCIAL LIABILITIES	**10,690**	**11,436**
CURRENT FINANCIAL LIABILITIES		
Trade payables	28,501	34,215
Other liabilities	1,176	1,134
TOTAL FINANCIAL LIABILITIES	**29,677**	**35,349**
TOTAL TRADE PAYABLES, INCOME TAX LIABILITIES AND OTHER LIABILITIES	**40,367**	**46,785**

Trade payables and other financial obligations do not bear interest, have different maturities (see Note 15.4) and are measured at amortized cost.

Other liabilities chiefly comprise personnel liabilities, generally bear no interest and have a maturity of six months on average.

24. LEASE LIABILITIES AND RIGHT-OF-USE ASSETS

The Group has concluded leases for buildings, technical equipment and machinery, vehicles and office and operating equipment. The leases for buildings have a contract term of 1 to 10 years. The leases for technical equipment and machinery have a contract term of 1 to 6 years. The leases of the vehicles and of the office and operating equipment have a contract term of 1 to 5 years.

The development of right-of-use assets according to asset classes at the reporting date is as follows:

kEUR	Buildings	Technical equipment and machinery	Vehicles	Office and operating equipment	TOTAL
AS OF JAN. 1, 2024	**9,765**	**2,483**	**4,776**	**415**	**17,439**
Additions	2,906	0	5,638	446	8,990
Disposals	-413	0	-354	-6	-773
Depreciation expense	-2,822	-624	-4,706	-298	-8,450
Currency effect	-181	0	-84	0	-265
AS OF DEC. 31, 2024	**9,255**	**1,859**	**5,270**	**557**	**16,941**
Additions	3,931	0	5,956	573	10,460
Disposals	-470	0	-345	-93	-908
Depreciation expense	-3,076	-320	-4,470	-358	-8,224
Currency effect	86	0	69	0	155
AS OF DEC. 31, 2025	**9,726**	**1,539**	**6,480**	**679**	**18,424**

The development of lease liabilities as of December 31, 2025 is as follows:

kEUR	2025	2024
AS OF JAN. 1,	**17,961**	**18,067**
Additions	10,459	8,991
Interest expense	2,398	1,896
Disposals	-909	-773
Repayments	-10,243	-9,928
Currency effect	172	-292
AS OF DEC. 31,	**19,838**	**17,961**
Current	6,771	5,842
Non-Current	13,067	12,119

For further details regarding lease liabilities, see Note 15.

25. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Guarantees
Collateral was deposited with the trustee Nordic Trustee & Agency AB, Stockholm, Sweden, as part of the issue of the senior secured corporate bond on February 19, 2024.

The following serve as collateral in this respect:

- the shares in some of the companies within the Group (kEUR 125,161),
- cash at banks of some of the companies within the Group (kEUR 2,573),
- the IP rights (trademarks) within the Group,
- the stocks of some of the companies within the Group (kEUR 18,220),
- the intercompany receivables of some of the companies within the Group (kEUR 6,122).

The trustee may use the collateral if the terms and conditions of the bond are breached.

Contingent liabilities
ODDO BHF Aktiengesellschaft, Frankfurt am Main, has issued a bank guarantee in the amount of kEUR 100 in favor of Global Collect BV, Hoofddorp, The Netherlands, with LR Health & Beauty Systems GmbH, Ahlen, as principal debtor. The same bank has issued a bank guarantuee of kEUR 500 in favor of the Theodor F. Leifeld Foundation, a bank guarantuee of kEUR471 in favor of the Beckum Finance Office and a bank guarantee of kEUR 292.5 in favor of Divanno Grundstücksverwaltungsgesellschaft mbH.

As of December 31, 2025, the undrawn committed borrowing facilities of the Group for which all necessary conditions for use were already satisfied amounted to kEUR 636 (PY: kEUR 636).

Payment obligations vis-à-vis the various lessors in different countries have been assumed by the Group for non-payment under a set of lease contracts. As of December 31, 2025, these guarantees amounted to kEUR 1,484 (PY: kEUR 1,451).

26. RELATED PARTY DISCLOSURES

For the Group, related companies and parties pursuant to IAS 24 are companies or parties which directly or indirectly control or are controlled by the Group or are under the joint control of and/or significantly influence the Group or are significantly influenced by the latter as well as members of the management in key positions.

Accordingly, the direct and ultimate parent company of LR SE, Aloco Holding S.à r.l., Luxembourg, Luxembourg, members of the management board as well as their relatives, members of the LR Health & Beauty SE supervisory board and subsidiaries of the Group are defined as related companies or parties.

On March 7, 2024, LR SE and Aloco Holding S.à r. l. closed an agreement about a fixed-interest shareholder loan in an amount of kEUR 4,000. The loan bears an interest rate in amount of 0.5% p.a. The loan and the related interests are due on March 30, 2028. Partial or full redemption of the loan is allowed at any time. Upon initial recognition, the loan is measured at a fair market interest rate, as the interest rate does not comply to the “at arm’s length” principle compared to the interest rate of the simultaneously issued bonds in the amount of 3-Months-EURIBOR +7.5%. The difference resulting from the valuation amounts to kEUR 1,376. As the loan is a transaction with the shareholders, the difference resulting from the valuation is recognized as a contribution to capital reserve. As a result of the valuation, the loan is subject to interest at the fair market interest rate (refer to Notes 15.2 and 20).

In the financial year 2024, interest expenses from the loan results in amount of kEUR 328. As of December 31, 2025, the carrying amount of the shareholder loan amounts to kEUR 3,200.

Remuneration to individuals in key positions of the Group

kEUR	2025	2024
Short-term employee benefits	6,277	7,144
TOTAL REMUNERATION TO INDIVIDUALS IN KEY POSITIONS OF THE GROUP	**6,277**	**7,144**

The amounts shown in the table were recognized as expenditure in the reporting period in connection with individuals in key positions. The key positions include the Group and the national management boards as well as the Vice Presidents of the individual regions, as they have a significant influence on the realisation of the Group’s objectives, particular revenue. Please refer to Note 28 for information on the remuneration of the supervisory board.

27. MEMBERS OF THE MANAGEMENT

The management of LR SE is constituted as follows:

- Jörg Körfer, CEO, Düsseldorf (since August 1, 2025)
- Dr. Andreas Laabs, CEO, Hamburg (until July 31, 2025)
- Andreas Grootz, Vorstand Legal & New Markets, Kaarst (until July 31, 2025)

28. MEMBERS OF THE SUPERVISORY BOARD AND SUPERVISORY BOARD COMPENSATION

The supervisory board of the Group parent company consists of the following:

- Walter Muyres, entrepreneur, Mönchengladbach, Germany – Executive Chairman
- Philipp Jacobi, Managing Partner, QUADRIGA CAPITAL Eigenkapitalberatung GmbH, Frankfurt am Main, Germany – Deputy Chairman
- Michel Galeazzi, Founding partner Evoco AG, Zurich, Switzerland – Member
- Ingeborg Heinsius-Dageförde, entrepreneur, Düsseldorf, Germany – Member (until May 28, 2025)
- Sophia Korth, Associate Director Evoco AG, Zurich, Switzerland – Member (since May 28, 2025)

In the 2025 financial year, the compensation received by the supervisory board amounted to kEUR 240 (PY: kEUR 231).

29. AUDITOR'S FEE

In the 2025 financial year, the total fee paid to the Group's auditor amounted to kEUR 351 (PY: 312) and exclusively comprised services relating to the audit of the financial statements.

30. EVENTS AFTER THE REPORTING PERIOD

On February 11, 2026, LR SE reached an agreement with bondholders representing more than two thirds of the outstanding 2024/2028 Bonds (ISIN: NO0013149658) and the Company's shareholder on a comprehensive restructuring of the Bonds and the capital structure. In course of the financial restructuring, LR SE received EUR 20 million in new capital (EUR 10 million equity and EUR 10 million New Senior Bonds) and a significant reduction and restructuring of the existing liabilities from bonds. The new debt structure consists of EUR 62.5 million senior secured debt (including new senior bonds and shares of the existing bond) bearing 6.75% fixed cash interest, and EUR 27.5 million unsecured senior bonds with PIK interest stepping up from 6% to 10% and maturing in 2031. The unsecured senior bonds are issued by the new parent company, LR TopCo S.à r.l. which is registered in Luxembourg, Luxembourg. Related to this, a shareholder loan between LR TopCo S. à r.l. and LR SE is agreed, which reflects the corresponding conditions. Any remaining nominal amounts (including accrued interest) not reinstated are fully written off. All measures agreed in relation to the senior secured bond were implemented following the approval granted on 5 June 2026 as part of a written procedure. The unsecured senior bonds were issued on June 15, 2026.

With effect from June 11, 2026, LR TopcCo S.à r.l., Luxembourg, acquired all shares in LR SE.

On April 24, 2026, Philipp Jacobi, Michel Galeazzi and Sophia Korth resigned as members of the supervisory board. On the same day, Prof. Dr. Florian Krause, university professor, Amöneburg, Germany, and Nora Ferber-Waidhaas, self-employed management consultant, Bad Soden am Taunus, Germany, were appointed as members of the supervisory board.

On July 1, 2026, the shareholder's meeting of LR SE resolved to change the legal form of LR SE to a GmbH.

Ahlen, July 14, 2026

LR Health & Beauty SE
- Company management -

Jörg Körfer
(CEO)

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS FOR THE FINANCIAL YEAR 2025

		Acquisition and production costs						Accumulated amortization, depreciation and impairment						Carrying values	
kEUR	Note	As of Jan. 1, 2025	Addition	Disposal (-)	Reclassification	Currency effects	As of Dec. 31, 2025	As of Jan. 1, 2025	Addition	Disposal (+)	Reclassification	Currency effects	As of Dec. 31, 2025	As of Dec. 31, 2025	As of Dec. 31, 2024
Intangible assets															
Goodwill	14.	**135,062**	0	0	0	0	**135,062**	**-33,540**	-17,807	0	0	0	**-51,347**	**83,715**	**101,522**
Software	13.	**21,805**	399	-122	508	-52	**22,538**	**-16,256**	-1,557	123	0	39	**-17,651**	**4,887**	**5,549**
Internally generated intangible assets	13.	**11,328**	99	0	248	0	**11,675**	**-8,370**	-1,346	0	0	0	**-9,716**	**1,959**	**2,958**
Internally generated intangible assets in development	13.	**10,516**	4,210	-97	-776	0	**13,853**	**0**	0	0	0	0	**0**	**13,853**	**10,516**
Other intangible assets	13.	**101,419**	71	-43	20	43	**101,510**	**-101,259**	-111	43		-12	**-101,339**	**171**	**160**
		280,130	**4,779**	**-262**	**0**	**-9**	**284,638**	**-159,425**	**-20,821**	**166**	**0**	**27**	**-180,053**	**104,585**	**120,705**
Property, plant and equipment	12.														
Buildings		**13,121**	100	-1061	183	-37	**12,306**	**-5,351**	-345	1,055	0	30	**-4,611**	**7,695**	**7,770**
Technical equipment and machinery		**4,493**	123	-46	873	1	**5,444**	**-2,852**	-412	39	0	-1	**-3,226**	**2,218**	**1,641**
Other equipment, office and operating equipment		**10,295**	434	-948	81	11	**9,873**	**-7,993**	-795	928	0	-12	**-7,872**	**2,001**	**2,302**
Assets under construction		**1,106**	62	0	-1,136	13	**45**	**0**	0	0	0	0	**0**	**45**	**1,106**
Payments on account		**1**	23	-1	0	0	**23**	**0**	0	0	0	0	**0**	**23**	**1**
		29,016	**742**	**-2,056**	**1**	**-12**	**27,691**	**-16,196**	**-1,552**	**2,022**	**0**	**17**	**-15,709**	**11,982**	**12,820**
TOTAL		**309,146**	**5,521**	**-2,318**	**1**	**-21**	**312,329**	**-175,621**	**-22,373**	**2,188**	**0**	**44**	**-195,762**	**116,657**	**133,525**

INDEPENDENT AUDITOR'S REPORT

TO LR HEALTH AND BEAUTY SE

Audit opinions

We have audited the consolidated financial statements of LR Health & Beauty SE and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1, 2025 to December 31, 2025 and notes to the consolidated financial statements, including material accounting accounting policy information. In addition, we have audited the combined management report of LR Health & Beauty SE for the financial year from January 1, 2025 to December 31, 2025.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereafter "IFRS Accounting Standards"), as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e para. 1 German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2025 and of its financial performance for the financial year from January 1, 2025 to December 31, 2025 and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the parts of the combined management report listed in the appendix.

Pursuant to Section 322 para. 3 sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis of our audit opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer "IDW"). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 para. 2 lit. (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 para. 1 of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Significant uncertainty related to going concern (also key audit matter)

Facts and problem

We refer to the information provided in Section "1. Information on the Group" of theconsolidated notes, as well as in Sections "G. Report on Risks and Opportunities" and "H. Outlook" of the combined management report, in which the legal representatives describe that LR Health & Beauty SE was financially insolvent as of the balance sheet date and was in negotiations with shareholders and bondholders regarding a financial restructuring. In addition, in consultation with the company's shareholders and bondholders, an expert opinion was prepared in accordance with IDW S6, which also provides for performance-based measures.

In addition to financial restructuring, the restructuring report that has been prepared identifies the implementation of various operational efficiency measures as an essential prerequisite for the successful restructuring of the company and the LR Group.

On February 11, 2026, the outcome of the negotiations on financial restructuring was announced. Full implementation of the measures was completed by the end of June 2026.

As described in Section "1. Information on the Group" in the Notes to the Consolidated Financial Statements and in Sections "G. Report on Risks and Opportunities" and "H. Outlook" in the Combined Management Report, these events and circumstances, particularly in the financial area, indicate that, overall, there is a risk that if the operational measures are not implemented, are not implemented to the planned extent, or are delayed there will be significant uncertainty regarding the continuation of the company's operations within the meaning of Section 322 para. 2 sentence 3 German Commercial Code (HGB) (significant uncertainty that may raise significant doubts about the company's ability to continue as going concern).

In accordance with Article 10 para. 2 lit. c (ii) of the EU Audit Regulation, we summarize our audit procedures regarding this risk as follows:

As part of our audit, we identified the appropriateness of the going-concern assumption and the adequate disclosure of the significant uncertainty related to the going concern as a significant risk, and performed the following audit procedures, among others:

We first analyzed the liquidity situation of the parent company and the Group. Based on the findings from this analysis, we then examined the integrated asset, income, and liquidity planning for the forecast period from 2026 to 2030, taking into account the measures that are planned or have already been implemented. This planning is based on the Group's current three-year plan, which we used to assess whether the Executive Board's assessment of the ability of LR Health & Beauty SE and the LR Health & Beauty Group to continue as a going concern is appropriate. To this end, we first gained an understanding of the planning process and discussed the key assumptions underlying the plan with the responsible parties. In this context, we evaluated the design and implementation of controls integrated into the planning process and reviewed the planning for formal consistency (mathematical accuracy, correct application of the underlying assumptions). Building on this, we assessed the plausibility of the revenue forecasts (in particular, the reasonableness of the sales forecast) as well as the planning for the major cost categories. Furthermore, we reviewed the degree to which the actual results matched the plan as of May 31, 2026.

We then verified the implementation of the measures already carried out during the reporting period to realign the financing structure of LR Health & Beauty SE. Specifically:

- Provision of new capital in the amount of EUR 20 million, of which EUR 10 million is new equity and an additional EUR 10 million is in the form of a bond
- Reduction of the existing bond from EUR 130 million to EUR 62.5 million (including the additional EUR 10 million bond) and adjustment of the fixed interest rate to 6.75%
- Issuance of a new unsecured bond (a so-called "junior bond") in the amount of EUR 27.5 million with an interest rate that increases from 6% to 10%

Furthermore, we have satisfied ourselves that there is a serious intention to implement the planned cost-efficiency measures and that initial steps have already been taken.

We do not issue a separate audit opinion on these matters. Based on the results of our audit, we consider the goingconcern assumption applied by the legal representatives to be appropriate.

Our audit opinions on the consolidated financial statements and the combined management report are not modified with respect to this matter.

Reference to further information

The Company's disclosures regarding the appropriateness of the going-concern assumption are included in Section "1. Information on the Group" in the Consolidated Notes, as well as in Sections "G. Report on Risks and Opportunities" and "H. Outlook" of the Combined Manage-ment Report.

Other Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most signifi-cance in our audit of the consolidated financial statements for the financial year from January 1, 2025 to December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters. In addition to the matter described in the section "Significant uncertainty related to going concern," we have identified the matter described below as a particularly significant audit matter that must be disclosed in our auditor's report.

Valuation of Goodwill

Facts and problems

As of December 31, 2025, the LR Group reports goodwill in the amount of TEUR 83,715, which is allocated to two cash-generating units (Western Europe Region and Central and Eastern Europe Region). Goodwill is tested for impairment at the cash-generating unit (CGU) level at least once a year or whenever there are indications that an impairment may exist. If such indications exist or if an annual impairment test of a CGU is required, the Group estimates the recoverable amount of the respective CGU. The recoverable amount of a CGU is the higher of the fair value of the CGU less costs to sell and its value in use. If the carrying amount of a CGU exceeds its recoverable amount, the CGU is impaired and is written down to its recoverable amount. The impairment test for the goodwill of the Western Europe region resulted in an impairment loss of TEUR 17,807. This amount was recognized as an impairment loss on the goodwill of the region, which previously amounted to TEUR 77,422.

The fair value of the CGU is determined using future earnings-based valuation methods.

The parameters used in the valuation model are derived, to the extent possible, from publicly available sources (e.g., capital market data, interest rates). The cash flows used are based on projections for the next five years, which are extrapolated into a perpetual annuity using as-sumptions about long-term growth rates.

The results of these valuations depend, in particular, on the legal representatives' estimates of future cash flows and earnings, as well as on the discount rates used in each case. The valuations are therefore subject to uncertainty. Against this background and given their signif-icant impact on the LR Group's financial position and results of operations, this matter was of particular importance in the context of our audit.

Audit procedure and findings

In our audit of the valuation of goodwill, we, among other things, reviewed the valuation methodology, assessed the key assumptions underlying the valuation and evaluated the determination of the capitalization rate.

We have satisfied ourselves that the derived fair values reasonably comply with the requirements of IAS 36. We have satisfied ourselves as to the appropriateness of the future plan results used in the valuation by reconciling them with the plan prepared by the legal representatives and noted by the Supervisory Board, and we have reviewed the key assumptions underlying the plan. In doing so, we also critically evaluated the findings from the submitted restructuring report for the LR Group. In this context, we also assessed whether the planning process ensures a sufficiently accurate estimate of future cash flows. Aware that even relatively small changes in the capitalization rate can have a significant impact on the amount of goodwill determined in this manner, we reviewed the parameters and calculation methodology used to determine the discount rate. Furthermore, we also reviewed the derivation of the growth discount applied in the perpetual annuity based on market expectations. In our view, taking into account the available information, the valuation parameters and assumptions applied by the legal representatives are, on the whole, appropriate for the valuation of goodwill.

Reference to further information

The Company's disclosures regarding the measurement of goodwill are included in the sections "h) Intangible Assets," "m) Impairment of non-financial assets," "5. Operating Segments," "14. Goodwill" in the Notes to the Consolidated Financial Statements, as well as in section "E. Position of the Group" of the Combined Management Report.

Responsibilities of the Executive Directors and the Supervisory Board for the Consoli-dated Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e para. 1 German Commercial Code (HGB) and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are re-sponsible for such internal control as they have determined necessary to enable the prepara-tion of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined man-agement report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial state-ments and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit con-ducted in accordance with Section 317 German Commercial Code (HGB) and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this com-bined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial state-ments, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial per-formance of the Group in compliance with IFRS Accounting Standards, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e para. 1 German Commercial Code (HGB).
- Obtain sufficient appropriate audit evidence regarding the financial information of the enti-ties or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive direc-tors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on May 28, 2025. We were engaged by the supervisory board on September 8, 2025. We have been the group auditor of the LR Health & Beauty SE without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Thomas Gloth.

Düsseldorf, July 24, 2026

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Thomas Gloth	**Marcus Carius**
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

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IMPRINT
Publisher:
LR Health & Beauty SE
Kruppstr. 55
D-59227 Ahlen

Executive Board:
Jörg Körfer (CEO)

CONTACT
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instagram.com/LRworldofficiallrgkf.com
tel. +49 2382 7813-0
fax +49 2382 7658-287
info@lrworld.com
InvestorRelations@LRworld.com

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