



HEALTH & BEAUTY

Q2 2022

**UNAUDITED CONSOLIDATED
INTERIM REPORT**

LR HEALTH & BEAUTY GROUP

UNAUDITED INTERIM REPORT

LR GLOBAL HOLDING GMBH



HEALTH & BEAUTY

“

WE ARE THE
MOST ATTRACTIVE
SOCIAL SELLING
PLATFORM.

WE MAKE OUR
CUSTOMERS
FEEL HEALTHY
AND BEAUTIFUL.

WE
BELIEVE
IN
MORE



WE BELIEVE
IN MORE
QUALITY
FOR YOUR
LIFE



FINANCIAL HIGHLIGHTS
LR HEALTH & BEAUTY GROUP

in EUR m	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Sales*	62.9	73.7	131.5	153.2
Normalised EBITDA	6.9	11.5	16.5	22.7
in % of Sales	11.0 %	15.6 %	12.5 %	14.8 %
Free cash flow	0.3	(4.9)	(0.7)	5.0
Cost of materials	(10.2)	(14.0)	(22.7)	(29.5)
Personnel expenses	(13.6)	(13.9)	(26.9)	(27.2)
Other operating expenses	(41.3)	(39.0)	(79.0)	(80.8)

IR.LRworld.com

*Sales as revenue from goods sold

UNAUDITED CONSOLIDATED INTERIM REPORT Q2 2022 CONTENT

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WE BELIEVE IN MORE STABILITY

IN 1985 LR STARTED AS A COMPANY WITH FIVE EMPLOYEES. NOW WE ARE ONE OF THE LEADING EUROPEAN SOCIAL SELLING COMPANIES IN THE FIELD OF HEALTH AND BEAUTY PRODUCTS. AND THE STABLE GROWTH OF MORE INTERNATIONALITY, QUALITY, RESPONSIBILITY AND OPPORTUNITIES STILL CONTINUES.

MORE STABILITY

WE CARE FOR PEOPLE'S LIVES



OUR COMPANY

As a modern social selling partner, the LR Group distributes over 300 different products in the areas of body care, beauty, health and nutrition in 28 countries through the partner community, which comprises about 300,000 active sales partners and customers.

Since its foundation in 1985 in Ahlen / Germany, LR Health & Beauty has established itself as one of the leading European social selling companies in the field of health and beauty products. LR is also a member of the European association Direct Selling Europe (DSE) and has over 1,200 employees across the globe. With quality "Made in Germany" and a unique business model, we have been a successful European business for the past 37 years and are currently expanding worldwide. In March 2021, we successfully entered the Asian market and started with LR South Korea.

Since 2013, LR is part of the portfolio of the investment company Quadriga Capital. As of 27 May 2022, the current CFO and COO of LR Global Holding GmbH, Dr Andreas Laabs, will assume the role of Chief Executive Officer (CEO) from Andreas

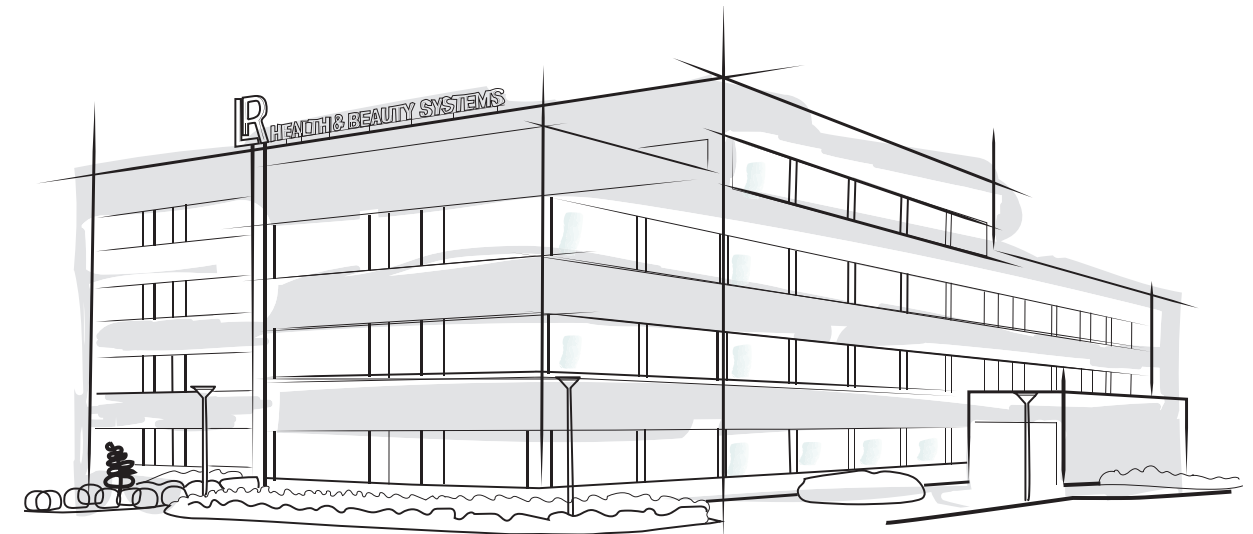
Friesch, who is stepping down from his position as CEO for personal reasons. Together with Andreas Laabs and Thomas Heursen, he navigated LR very successful through challenging times over the last three years. From now on CEO Dr Laabs, who has already been part of the LR Group since 2014, will drive the further development of the LR Group together with Andreas Grootz, General Manager Legal & New Markets and Thomas Heursen, General Manager Global Partner Relations, as well as his entire management team.

2020 – the company's 35th anniversary – was already an outstanding and successful year for LR and 2021 has even surpassed this great success of the past years. Buoyed up by this excellent news, LR Global Holding GmbH successfully entered the international capital market in February 2021.

In the past years, we continued our dynamic growth course in order to further develop LR into the leading digital social selling platform. To this end, LR's structures were further aligned with the digitization trend in the market (e.g. the LR ConnectApp) and new blockbuster products were

SINCE **37**
YEARS SUCCESSFUL
IN EUROPE

OVER **1,200**
EMPLOYEES



launched. With the brand LR SOUL OF NATURE and LR:GO, our company has entered two new market segments. One brand with a large LR product segment that has been highly topical for many years and has consistently been one of our international top sellers is our high-quality aloe vera product range – especially our Aloe Vera Drinking Gels. And this year we celebrate the 20th anniversary of Aloe Vera at LR – an absolute power duo!

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 programme, targeted training, excellent service and a wide range of training tools, we have been leading our sales partners to business success for over 37 years.

Our customers should feel healthy and beautiful when using our products. Irrespective of place, time, economic crises or pandemics, we are offering an attractive and individual purchasing experience on our digital social selling platforms – 24/7.

OUR VISION

“ We are the most attractive social selling platform. Through our unique business opportunity and innovative as well as competent health and beauty solutions, we improve the quality of life. We help our partners grow through our human-centric incentive system, training and support services. We make our customers feel healthy and beautiful. We provide a unique personal customer experience through our social selling touchpoints.

MORE STABILITY



OVER **300**
HEALTH & BEAUTY
PRODUCTS

28
COUNTRIES
WORLDWIDE

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 cosmetics, perfumes and nutritional supplements as well as essential oils and care products with essential oils. At the company-own development centre, 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

“ With innovative product solutions that cater to people's growing health consciousness, we are fully on-trend.

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

OUR BUSINESS CONCEPT

For over 37 years, we have been giving people the opportunity to shape their lives independently and successfully by becoming sales partners. Thousands of LR sales partners 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 partners in all phases of their careers. Especially in difficult times, like in 2020 and 2021, this concept has proven to work well – an added bonus is the team spirit in the LR community. In 2021, we were able to top our record turnover from 2020, so that we were able to achieve a new record sales growth last year.

The merging of offline and online activities is becoming more and more important for the LR business and has shown us a glimpse of the future. With innovative tools, such as “LR Connect”, our company is state-of-the-art and ideally equipped to meet the requirements of the digital age.

OUR SOCIAL ENGAGEMENT:
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, is based on the collective commitment of the company, its employees, sales partners and customers and supports children's aid projects in countries in which LR is active. In order to raise awareness for this great charity a fundraising campaign was launched in November 2021.

OUR AWARDS

2021
COMPANY AWARD FEDERAL
ASSOCIATION OF DIRECT
SELLING GERMANY

LR has been awarded second place in the category "Large Companies" in 2021, which means that LR achieved the second strongest sales growth in this category in 2020.

2021
TOP 100 AWARD

LR Health & Beauty Germany has received the Top 100 Award for 2021 – an award for the 100 most innovative, medium-sized companies in Germany.

2020
DIGITAL BUSINESS AWARD
NETWORK CAREER

Special award for the great digital support of LR sales partners during the global COVID-19 pandemic.

2019/20
GERMAN BRAND AWARD

In the “Excellent Brands” competition, the LR LIFETAKT 5IN1 BEAUTY ELIXIR convinced the 2019 jury in the “Beauty & Care” category as one of the best product brands in the industry. On top of that, the elixir also received a “Special Mention” in the cross-sector category of “Product of the Year”.



In 2020, LR received its second German Brand Award, this time for the sleep-promoting product LR LIFETAKT NIGHT MASTER.

2018
CHILDREN'S VILLAGE CLUB

In 2018, SOS Children's Villages International awarded the LR Global Kids Fund e.V. the bronze SOS Children's Village Cup for the valuable work they do.

PROVEN
QUALITYLOVE OF
NATURE AND
ANIMALSSUSTAINABLY
PACKAGED

MADE IN GERMANY



CERTIFIED

INSTITUT
FRESENIUS

FSC



dermatest



WE BELIEVE IN MORE INTERNATIONALITY

WITH OUR INTERNATIONAL SALES COMPANIES IN 28 COUNTRIES, OVER 1,200 EMPLOYEES AND THOUSANDS OF INDEPENDENT SALES PARTNERS, WE ARE ONE OF THE LEADING DIRECT SALES ENTERPRISES IN EUROPE. DUE TO THE CONTINUOUS CREATION OF NEW MARKET OPPORTUNITIES, LR HEALTH & BEAUTY ENSURES STEADY GROWTH.

MORE INTERNATIONALITY

OUR SALES COMPANIES IN 28 COUNTRIES



LR GROUP HEADQUARTER IN GERMANY

- LR Global Holding GmbH
- LR Health & Beauty Systems Beteiligungs GmbH
- LR International Beteiligungs GmbH
- LR Partner Benefits GmbH
- LR Health & Beauty Systems GmbH
- Styria Immobilienleasing GmbH & Co. Projekt Ahlen KG
- LR Jersey Holding Limited, Jersey
- Divanno Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG



INTERNATIONAL SALES COMPANIES

REGION 1

- AUSTRIA**
LR Health & Beauty Systems GmbH
- BELGIUM / LUXEMBOURG**
LR Cosmetic Belgium b.v.b.a
- GERMANY**
LR Deutschland GmbH
- NETHERLANDS**
LR Health & Beauty Systems BV
- SWITZERLAND**
LR Health & Beauty Systems AG

REGION 2

- CZECH REPUBLIC**
LR Health & Beauty Systems s.r.o.
- ITALY**
LR Health & Beauty Systems S.R.L.
- POLAND**
LR Health & Beauty Systems Sp. z.o.o
- PORTUGAL**
L. de Racine Cosmetics Lda.
- SLOVAKIA**
LR Health & Beauty Systems s.r.o
- SPAIN**
LR Health & Beauty Systems S.L.
- UKRAINE**
LR Health & Beauty Systems TOV

EXPANSION

- SOUTH KOREA**
LR Health & Beauty LLC, South Korea

REGION 3

- ALBANIA**
LR Health & Beauty Systems Sh.p.k.
- BULGARIA**
LR Health & Beauty Systems EOOD
- DENMARK**
LR Health & Beauty Systems ApS
- FINLAND**
LR Health & Beauty Systems OY
- FRANCE**
LR Health & Beauty Systems SAS
- GREECE / CYPRUS**
LR Health & Beauty Systems EPE
- HUNGARY**
LR Health & Beauty Systems Kft.
- NORWAY**
LR Health & Beauty Systems AS
- ROMANIA**
LR Health & Beauty Systems S.R.L
- RUSSIA / KAZAKHSTAN**
LR Russ O.O.O
- SWEDEN**
LR Health & Beauty Systems AB
- TURKEY**
LR Health & Beauty Systems Ltd.



The breakdown by regions has changed in 2022.



LR HEALTH & BEAUTY GROUP

MANAGEMENT REPORT & FINANCIAL STATEMENTS



MANAGEMENT REPORT

The LR Health & Beauty Group and its parent company LR Global Holding GmbH (hereinafter referred to as LR Group, LR or the Group) is an internationally operating enterprise with a primary focus on cosmetics and dietary supplements. The LR Group is represented with 33 companies worldwide in 28 countries and markets its products through direct sales with marketing plans focused on the European and Asian markets.

SALES AND OTHER INCOME

In the second quarter 2022 (Q2 2022), LR Group has achieved a sales¹ volume of kEUR 62,966 (PY: kEUR 73,722). This corresponds to a decrease of –14.6% compared to the second quarter of the previous year (Q2 2021). In the first half-year 2022 (H1 2022), sales amounted to kEUR 131,527, which corresponds to a decrease compared to the previous year of –14.1%. This comparison is strongly affected by the different macroeconomic framework conditions in the respective periods. Driven by exceptionally strong growth in the financial year 2020 and the last large lockdowns in several countries, six consecutive monthly sales records were achieved in the first half-year 2021. As a result, the second quarter of 2021 (Q2 2021) as well as the first half-year 2021 (H1 2021) marked the highest sales values in LR history. Without these strong supporting conditions, the sales development in January and February this year was below 2021 values but still above the values of 2020, which was in line with LR Groups expectations. With the outbreak of war in Ukraine, sales dropped by –23.7% in March 2022 compared to the previous year. The Ukraine subsidiary located in Kiev had to temporarily be closed, and further negative effects due to the uncertain situation were also recorded in other markets, especially in the

neighboring countries, but also in Central and Western Europe. In addition, the high inflation and the resulting change in consumer behavior contributed to the decline in sales in the first half of the year.

Since the unexpected sales drop in March, LR Group has been working on stabilizing the sales development. In 2021, the usual seasonal development caused a significant sales drop from March as the highest month in terms of sales (kEUR 29,129) to August as the month with lowest sales (kEUR 20,456). On the contrary, based on successful sales activation measures, LR managed to prevent this regular seasonal dip in 2022. While in April, May, and June 2021 the delta to March 2021 sales was around EUR 4.6 million on average, in April, May, and June 2022 the delta to March 2022 sales was maintained at around EUR 1.2 million on average.

In Region 1², the largest region within LR Group in terms of sales, a decline in sales was registered from kEUR 29,794 in Q2 2021 to kEUR 25,730 in Q2 2022. This corresponds to a decrease of –13.6%. In H1 2022, the sales decreased by –13.2% from kEUR 62,030 to kEUR 53,862.

Region 2², including Ukraine and neighboring markets, suffered the largest percentage decline, at –25.0% in Q2 2022 and at –21.5% in H1 2022. The total sales in Region 2 amounted to kEUR 14,946 in Q2 2022 (PY: kEUR 19,936) and to kEUR 33,066 in H1 2022 (PY: kEUR 42,116)

In Region 3², the sales decreased from kEUR 23,755 in Q2 2021 to kEUR 21,655 in Q2 2022, which corresponds to a decrease of –8.8%. In H1 2022 compared to H1 2021 the sales decreased by –10.0% from kEUR 48,660 to kEUR 43,781.

¹ Sales as revenue from goods sold.

² The breakdown by regions has changed in 2022. For comparison purposes, the sales of the previous year are calculated with the current breakdown.

LR HEALTH & BEAUTY GROUP

Adding up other revenue in the amount of kEUR 5,410 for the first half-year 2022 to the total sales of kEUR 131,527 sums up to kEUR 136,937 as revenue before sales reductions. After sales reductions of kEUR –6,735, the revenue amounts to kEUR 130,202.

The high increase in other operating income from kEUR 2,287 in Q1 2021 to kEUR 10,742 in Q2 2022 and from kEUR 3,652 in H1 2021 to kEUR 14,129 in H1 2022 respectively, is primarily due to exchange rate valuations, a compensation payment from a supplier, and costs on-charged to the shareholders.

COST STRUCTURE

The cost of materials for LR Group decreased in the second quarter 2022 by kEUR 3,880 to kEUR 10,163 (PY: kEUR 14,043) and in the first half-year 2022 by kEUR 6,808 to kEUR 22,653 (PY: kEUR 29,461). In addition, the changes in finished goods and work in progress in Q2 2022 amounted to kEUR –2,359 (PY: kEUR 2,484) and in H1 2022 to kEUR –1,946 (PY: kEUR 3,756). The sum of cost of materials and changes in finished goods and work in progress amounted to kEUR 12,522 in Q2 2022 (PY: kEUR 11,559) and to kEUR 24,599 (PY: kEUR 25,705) in H1 2022. In relation to revenue, this corresponds to an increased ratio of 20.1% in Q2 2022 (PY: 16.0%) and 18.9% in H1 2022 (PY: 17.1%).

The personnel expenses slightly decreased by –2.2% to kEUR 13,578 in Q2 2022 (PY: kEUR 13,879) and by –0.9% to kEUR 26,924 in H1 2022 (PY: kEUR 27,167). The number of employees amounted to 1,281 as of June 30, 2022; this corresponds to a slight decrease compared to the previous year (1,290 as of June 30, 2021) as well as compared to the end of the previous quarter (1,305 as of March 31, 2022).

The other operating expenses add up to kEUR 41,333 in the second quarter 2022 (PY: kEUR 38,951) and to kEUR 79,019 in the first half-year 2022 (PY: kEUR 80,806). This includes unexpected losses from currency exchange rates. However, it must be noted that likewise unexpected gains from currency exchange rates have occurred (shown within the other operating income). Offset against each other, this would result in gains from currency exchange of approximately EUR 0.5 million. Compared to the previous year, the bonus payments have a decreasing effect on the other operating expenses caused by the lower sales volume. In addition, the other operating expenses in the second quarter 2022 are burdened by phasing effects from the first quarter of 2022. As a result, the operating expenses in Q2 2022 increased by kEUR 2,382 or 6.1% compared to the previous year. In the first half-year 2022, the other operating expenses slightly decreased by kEUR –1,787 or –2.2% compared to H1 2021.

ECONOMIC RESULTS

Q2 2022 closed with a reported EBITDA of kEUR 5,663 (PY: kEUR 10,182) and the first half-year 2022 closed with a reported EBITDA of kEUR 13,789 (PY: kEUR 20,240). Compared to the previous year, this corresponds to a decrease of –44.4% in the second quarter 2022 and –31.9% in the first half-year 2022. This reduction is mainly driven by the decreased sales. Taking exceptional items of kEUR 1,268 in Q2 2022 and of kEUR 2,707



OVER **73,000,000**
SOLD BOTTLES OF
ALOE VERA DRINKING GEL⁴

in H1 2022 into account, the normalized EBITDA amounts to kEUR 6,931 in Q2 2022 (PY: kEUR 11,485) and to kEUR 16,496 in H1 2022 (PY: kEUR 22,739). This corresponds to a decrease of –39.7% in Q2 2022 and –27.5% in H1 2022. Deducting amortization and depreciation of kEUR 3,785 (PY: 3,377) in Q2 2022 from the reported EBITDA results in an EBIT of kEUR 1,878 (PY: 6,805). In the first half-year 2022, the amortization and depreciation amount to kEUR 7,642 (PY: kEUR 6,789) and thus the EBIT results to kEUR 6,147 (PY: kEUR 13,451).

The interest result amounts to kEUR –2,892 in Q2 2022 (PY: kEUR –3,525) and to kEUR –5,751 in the H1 2022 (PY: kEUR –5,960). After deduction of income taxes in the amount of kEUR 462 for Q2 2022 (PY: kEUR 1,435) and kEUR 1,131 for H1 2022 (PY: kEUR 3,322), the loss for the second quarter 2022 amounts to kEUR –1,476 (PY: profit of kEUR 1,845) and for the first half-year 2022 to kEUR –735 (PY: profit of kEUR 4,169).

FINANCIAL STATUS

The asset side of the balance sheet shows no material changes. The total assets marginally decreased from kEUR 231,018 as of December 31, 2021, to kEUR 230,180 as of June 31, 2022. Therein the non-current assets slightly decreased by kEUR 2,545 to kEUR 146,759, mainly due to

a reduction in intangible assets and right-of-use assets. The sum of current assets increased by kEUR 1,707 to kEUR 83,421 compared to December 31, 2021. This is mainly due to the build-up of inventories, in particular an increase in raw materials to safeguard the production processes against the backdrop of a disruption of global supply chains. The cash-level is almost stable at kEUR 29,016 as of June 30, 2022, compared to kEUR 30,033 at the end of the previous year.

The equity endowment has already been improved substantially in the financial year 2021 due to the contribution of the shareholder loans at the end of November 2021. Accordingly, the capital reserve increased significantly and the total equity including non-controlling interests added up to kEUR 29,537 as of December 31, 2021. Only changed by the total comprehensive income of the first half-year 2022, the equity amounted to kEUR 29,358 as of June 30, 2022.

The structure of the liabilities has also changed fundamentally in the financial year 2021. The shareholder loans and liabilities to financial institutions have been eliminated from the accounts, while a corporate bond has been issued. On January 27, 2021, LR Global Holding GmbH, the former parent company of the LR Group, placed a senior secured corporate bond (WKN: A3HFM, ISIN: NO0010894850) with a volume of kEUR 125,000.

OVER **86,600**
LITERS OF
EMERGENCY SPRAY SOLD³



³ Liters in the first half-year

⁴ Since the Aloe Vera start 20 years ago

LR HEALTH & BEAUTY GROUP

It was mainly issued to institutional investors by way of a private placement. 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. Trading in the Open Market of the Frankfurt Stock Exchange started at February 3, 2021, and as of January 26, 2022, the bonds are also listed on the regulated market of NASDAQ Stockholm. The net issue proceeds were used for the repayment of the Senior Facility Agreement (liabilities to financial institutions), which was terminated on February 4, 2021, and for a partial repayment of the shareholder loans.

Due to these changes, the non-current liabilities added up to kEUR 139,060 as of December 31, 2021. In the first half-year 2022, the non-current liabilities increased to kEUR 147,391, mainly due to the completion of a new Sale-And-Lease-Back agreement for the headquarters in Ahlen, Germany. For settlement purposes, a special purpose vehicle (Divanno Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG), which is fully consolidated as of June 30, 2022, was installed as purchaser and lessor. The purchase price amounted to kEUR 9,000 and the lease contract was concluded for 20 years with an option for further 10 years. As a result of the corresponding bank loan agreement entered into by the SPV on very favorable terms (interest rate of only 2.5% p.a.), kEUR 8,641 are shown in the position borrowings within the non-current liabilities, and the remaining kEUR 359 are shown under borrowings in the current liabilities.

In total the current liabilities added up to kEUR 62,421 as of December 31, 2021, and decreased to kEUR 53,431 as of June 30, 2022. The biggest change can be noticed in the reduction of trade payables by kEUR –8,684 to kEUR 24,726 as of June 30, 2022, which was mainly caused by the payout of the annual bonus in April 2021.

The free cash flow including the cash flow from operating activities as well as the cash flow from investing activities amounted to kEUR 276 in Q2 2022 (PY: kEUR –4,904) and to kEUR –670 in H1 2022 (PY: kEUR 4,968).

The cash flow from operating activities in Q2 2022 increased to kEUR 795 from kEUR –2,982 in the previous year but decreased in H1 2022 to kEUR 449 from kEUR 8,074 in the previous year. The cash flow from investing activities amounts to kEUR –519 in Q2 2022 (PY: kEUR –1,922) and to kEUR –1,119 in H1 2022 (PY: kEUR –3,106).

The cash flow from financing activities shows a surplus of kEUR 4,012 for Q2 2022 (PY: kEUR –4,522) caused by the cash-in from the Sales-And-Lease-Back agreement. For the first half-year 2022, the cash flow from financing activities amounted to kEUR –652 (PY: kEUR –7,834).

Overall, the total cash flow of the second quarter 2022 amounts to kEUR 4,288 and of the first half-year 2022 to kEUR –1,322. Including changes in cash due to exchange rates, the cash as of June 30, 2022, amounted to kEUR 29,016.

OUTLOOK

The usual seasonal development shows a significant drop from March as the month with the highest sales in the first half-year to August as the month with lowest sales in the full year. To counteract this development in 2022, LR Group implemented several activation measures for sales partners as well as for customers and could successfully reduce the sales drop compared to the previous year step by step.

Preliminary figures for July show sales of EUR 21.7 million, thus reducing the PY month gap of –24% for March 2022 (compared to March 2021) to only –8% for July 2022 (compared to July 2021). For August 2022, LR aims to further close the sales gap to the previous year and to close the month with sales roughly at the previous year’s level. In addition to the short-term measures, several important local projects are already in progress in various countries, and a major product launch is planned for September 2022. These measures are intended to further strengthen the sales development in the long term.

Besides the sales measures, the LR Group also implemented cost and liquidity measures at an early stage. Various planned but non-essential operating expenses were reduced or eliminated. Capital expenditures were also reduced through cancellations, reductions, and rescheduling. In terms of personnel costs, a temporary hiring freeze has been imposed on new positions and vacancies are currently no longer automatically filled.

In order to strengthen the liquidity situation, a sale-and-lease-back agreement has already been implemented for the headquarters building (see above under “non-current liabilities”). Furthermore, working capital is closely monitored.

Against the background of the current difficult situation due to the war in Ukraine, the resulting negative effects on neighboring countries, as well as the current high inflation and the associated general consumer restraint on the one hand, and the various measures of the LR Group described above on the other hand, LR Group expects to be able to close the financial year 2022 with sales between EUR 260 million and EUR 270 million. Furthermore, the EBITDA reported is expected in a range of EUR 20 million to EUR 30 million for the financial year 2022.

This forecast is based on the assumption that the effects of the war in Ukraine and inflation in the second half of the year will not lead to significant unexpected impacts on LR Group’s business.

Ahlen, August 25, 2022

LR Global Holding GmbH
– Company management –


Dr. Andreas Laabs
(CEO)


Andreas Grootz
(General Manager)



DR. ANDREAS LAABS
CEO



ANDREAS GROOTZ
GENERAL MANAGER

LR HEALTH & BEAUTY GROUP

UNAUDITED CONSOLIDATED INTERIM STATEMENT
OF FINANCIAL POSITIONS AS OF JUNE 30, 2022

kEUR	Note	Jun. 30, 2022	Dec. 31, 2021
ASSETS			
Non-current assets			
Intangible assets		114,525	115,859
Property, plant and equipment	8.	13,102	13,620
Right-of-use assets		17,508	18,214
Deferred taxes		1,624	1,611
		146,759	149,304
Current assets			
Inventories	9.	31,164	29,599
Trade receivables	10.	11,298	10,209
Income tax receivables		891	252
Other assets		11,052	11,621
Cash	11.	29,016	30,033
		83,421	81,714
TOTAL ASSETS		230,180	231,018

UNAUDITED CONSOLIDATED INTERIM STATEMENT
OF FINANCIAL POSITIONS AS OF JUNE 30, 2022

kEUR	Note	Jun. 30, 2022	Dec. 31, 2021
EQUITY AND LIABILITIES			
Equity			
Subscribed capital		25	25
Capital reserve		160,102	160,102
Currency translation reserve		-4,589	-5,145
Accumulated loss		-126,175	-125,440
Total equity before non-controlling interests		29,363	29,542
Non-controlling interests		-5	-5
TOTAL EQUITY		29,358	29,537
Non-current liabilities			
Provisions		386	391
Deferred taxes		2,747	2,972
Liabilities from bonds	10.	123,980	123,657
Borrowings		8,641	0
Lease liabilities		11,617	12,022
Other liabilities		20	18
		147,391	139,060
Current liabilities			
Trade payables	10.	24,726	33,410
Other liabilities		9,075	9,640
Lease liabilities		6,576	6,602
Borrowings		359	0
Income tax liabilities		6,915	6,687
Provisions		5,780	6,082
		53,431	62,421
TOTAL EQUITY AND LIABILITIES		230,180	231,018

LR HEALTH & BEAUTY GROUP

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE PERIOD JAN. 1, 2022 TO JUN. 30, 2022

kEUR	Note	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Revenue	4.to 5.	62,354	72,284	130,202	150,266
Changes in finished goods and work in progress		-2,359	2,484	-1,946	3,756
Other operating income		10,742	2,287	14,129	3,652
Cost of material		-10,163	-14,043	-22,653	-29,461
a) Raw materials and supplies		-8,433	-11,315	-18,753	-24,281
b) Cost of purchased services		-1,730	-2,728	-3,900	-5,180
Personnel expenses		-13,578	-13,879	-26,924	-27,167
a) Wages and salaries		-11,443	-11,841	-22,733	-23,163
b) Expenses for social security and pension schemes		-2,135	-2,038	-4,191	-4,004
Other operating expenses		-41,333	-38,951	-79,019	-80,806
EBITDA	5.	5,663	10,182	13,789	20,240
Amortization and depreciation		-3,785	-3,377	-7,642	-6,789
Interest income		10	10	18	28
Interest expenses		-2,902	-3,535	-5,769	-5,988
Profit or loss before tax		-1,014	3,280	396	7,491
Income taxes	7.	-462	-1,435	-1,131	-3,322
PROFIT OR LOSS FOR THE PERIOD		-1,476	1,845	-735	4,169
thereof attributable to:					
Non-controlling interests		0	0	0	0
Shareholders		-1,476	1,845	-735	4,169

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD JAN. 1, 2022 TO JUN. 30, 2022

kEUR	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Profit or loss for the period	-1,476	1,845	-735	4,169
Components of other comprehensive income which will be reclassified to profit or loss after tax in subsequent periods	611	11	556	191
Currency translation differences	611	11	556	191
TOTAL COMPREHENSIVE INCOME	-865	1,856	-179	4,360
thereof attributable to				
Non-Controlling interests	0	0	0	0
Shareholders	-865	1,856	-179	4,360

**UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CHANGES
IN EQUITY FOR THE PERIOD JAN. 1, 2022 TO JUN. 30, 2022**

kEUR	Sub- scribed capital	Capital reserve	Accumu- lated loss	Currency translation reserve	Equity before non-controlling interests	Non- controlling interests	Total equity
Jan. 1, 2022	25	160,102	-125,440	-5,145	29,542	-5	29,537
Currency trans- lation differences	0	0	0	556	556	0	556
Profit or loss for the period	0	0	-735	0	-735	0	-735
Jun. 30, 2022	25	160,102	-126,175	-4,589	29,363	-5	29,358
Jan. 1, 2021	25	1,790	-116,730	-5,575	-120,490	-11	-120,501
Currency trans- lation differences	0	0	0	191	191	0	191
Profit or loss for the period	0	0	4,169	0	4,169	0	4,169
Jun. 1, 2021	25	1,790	-112,561	-5,384	-116,130	-11	-116,141

**UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CASH
FLOWS FOR THE PERIOD JAN. 1, 2022 TO JUN. 30, 2022**

kEUR		Q2 2022	Q2 2021	YTD 2022	YTD 2021
1. Cash flow from operating activities	Note				
Profit or loss for the period		-1,476	1,845	-735	4,169
Amortization and depreciations (+) of fixed assets		3,785	3,377	7,642	6,789
Increase (+) / reduction (-) in provisions		202	-86	-305	108
Other non-cash expenses(+) / income (-)		-20	-574	36	-2,704
Income (-)/losses (+) on the disposal of fixed assets		0	0	-1	0
Increase (-)/reduction (+) of inventories, trade receivables and other assets		726	-2,454	-2,121	-6,692
Increase (+)/reduction (-) of trade payables and other liabilities		-4,815	-8,085	-9,250	-565
Interest expenses (+)/interest income (-)		2,893	3,525	5,752	5,960
Income tax expenses (+) / income (-)	7.	462	1,435	1,131	3,322
Income taxes paid (-)		-962	-1,965	-1,700	-2,313
CASH FLOW FROM OPERATING ACTIVITIES		795	-2,982	449	8,074
2. Cash flow from investing activities					
Payments from (+) the disposal of property, plant and equipment		1	6	6	6
Payments for (-) investments in property, plant and equipment		-110	-637	-241	-901
Payments for (-) investments in intangible assets		-410	-1,291	-884	-2,211
CASH FLOW FROM INVESTING ACTIVITIES		-519	-1,922	-1,119	-3,106
3. Cash flow from financing activities					
Payments for (-) interest		-2,312	-2,295	-4,621	-3,344
Payments for (-) repayment of (finance) loans		0	0	0	-84,800
Payments from (+) the issue of bonds		0	0	0	125,000
Payments (+) from borrowings		9,000	0	9,000	0
Repayment (-) of shareholder loan		0	0	0	-40,400
Repayment (-) of lease liabilities		-2,676	-2,227	-5,031	-4,290
CASH FLOW FROM FINANCING ACTIVITIES		4,012	-4,522	-652	-7,834
4. Cash at the end of period					
Net decrease (-) or increase (+) in cash (subtotal 1 to 3)		4,288	-9,426	-1,322	-2,866
Changes in cash due to exchange rates		348	19	305	199
Cash at the beginning of period		24,380	38,919	30,033	32,179
CASH AT THE END OF PERIOD		29,016	29,512	29,016	29,512

LR GLOBAL HOLDING GMBH AHLEN / GERMANY

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1, 2022 TO JUNE 30, 2022.

1. INFORMATION ON THE GROUP

LR Global Holding GmbH (hereinafter referred to as “LR Global”) is a company with limited liability incorporated in Germany, domiciled in Ahlen, Germany, and registered in the Münster Commercial Register under HRB 14367. The Company has its registered office in Kruppstraße 55, 59227 Ahlen, Germany.

The direct parent company of LR Global is LR Health & Beauty SE, Munich. The ultimate controlling parent company is Alocos Holding S.à r.l., with registered office in Luxembourg, Luxembourg.

The Group is an internationally operating enterprise with a primary focus on cosmetics and dietary supplements. LR Global is represented with 33 subsidiaries worldwide. The Group’s production site is located in Ahlen (Germany). All subsidiaries are supplied from Ahlen. Research and development is also implemented exclusively in Germany.

The Group markets its products through direct sales, with marketing plans focused on the European and Asian 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.

2. BASIS FOR PREPARING THE FINANCIAL STATEMENTS AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

a. Basis for preparing the financial statements

The interim condensed consolidated financial statements for the six months ended June 30, 2022, have been prepared in accordance with IAS 34 Interim Financial Reporting. They are in line with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information, effective within the European Union. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes and should be read in conjunction with the Group’s annual consolidated financial statements as of December 31, 2021.

The Group assets were assessed according to the going-concern principle, i.e. with the assumption of continuation of the Company.

The functional currency and reporting currency of the Group is euro (EUR). The consolidated financial statements are prepared in euro, as the majority of transactions within the Group is implemented in said currency. Unless specified otherwise, all values are rounded up or rounded off to full thousand euro (kEUR).

b. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of new standards effective as of January 1, 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

3. NEW GROUP COMPANIES

With effect as of April 4, 2022, LR acquired all shares in Divanno Grundstücksverwaltungs-gesellschaft mbh & Co Vermietungs KG, Mainz. The purchase price amounts to kEUR 5. The solely asset of the acquired company is a bank account of the same amount. The acquisition relates to the sale-and-lease-back agreement closed with DAL Deutsche Anlagen-Leasing GmbH & Co. KG.

4. REVENUE FROM CONTRACT WITH CUSTOMERS

See Note 4, Operating segments, for the breakdown of revenue by geographical region.

Revenues in the regions essentially comprise revenues from products of the Group. Other revenues comprise revenues from services rendered such as cost allocations, seminars, and events as well as revenue of kEUR 2,351 (PY: kEUR 2,032) recognized over time from subleasing vehicles to partners. The sales deductions mainly comprise revenue-based discounts to partners.

5. OPERATING SEGMENTS

For management purposes, the Group is organized into business units and its respective local companies and establishments are combined into three regions. Local companies are not grouped by geographical location but grouped individually. The three reported regions break down in detail as follows:

- Region 1** comprises Austria, Belgium, Germany, Luxembourg, Switzerland, and the Netherlands.
- Region 2** comprises the Czech Republic, Italy, Poland, Portugal, Slovakia, Spain and Ukraine.
- Region 3** comprises Albania, Bulgaria, Cyprus, Denmark, Finland, France, Greece, Kazakhstan, Hungary, Norway, Romania, Russia, Sweden, and Turkey.

Until December 31, 2021, the local companies in Denmark, Finland, France, Norway and Sweden were allocated to Region 1.

The “Adjustments” column largely contains the Group’s holding and management companies as well as eliminations.

The Company’s management board is the chief operating decision maker, who separately monitors the business units’ 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 gross revenue 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 business units.

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 operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

The table below shows revenue, EBITDA, and goodwill of the LR Group’s business units for the first six months ended June 30, 2022:

kEUR	Region 1	Region 2	Region 3	Total segments	Adjustments	Total
Revenue from external customers	53,862	33,066	43,781	130,709	818	131,527
Revenue from other segments	29,052	1,049	481	30,582	-30,582	0
Revenue other	2,283	1,221	1,404	4,908	502	5,410
Sales reduction	-2,203	-1,745	-2,787	-6,735	0	-6,735
TOTAL REVENUE	82,994	33,591	42,879	159,464	-29,262	130,202
Segment EBITDA	10,121	1,737	4,733	16,591	-8,465	8,126
Goodwill	76,547	14,325	10,647	101,519	0	101,519

The table below shows revenue, EBITDA, and goodwill of the LR Group’s business units (in the regional breakdown from January 1, 2022) for the first six months ended June 30, 2021:

kEUR	Region 1	Region 2	Region 3	Total segments	Adjustments	Total
Revenue from external customers	62,030	42,116	48,660	152,806	384	153,190
Revenue from other segments	39,525	840	481	40,846	-40,846	0
Revenue other	2,228	1,125	1,416	4,769	461	5,230
Sales reduction	-2,785	-2,205	-3,164	-8,154	0	-8,154
TOTAL REVENUE	100,998	41,876	47,393	190,267	-40,001	150,266
Segment EBITDA	18,190	3,433	2,196	23,819	-3,579	20,240
Goodwill	76,547	14,325	10,647	101,519	0	101,519

6. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIVES

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The Group’s impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount units were disclosed in the annual consolidated financial statements for the year ended December 31, 2021.

For the allocation of goodwill to segments, we refer to note 4.

As of June 30, 2022, due to the conflict between the Russian Federation and Ukraine the Group performed an impairment test for the goodwill allocated to Region 2. The test concluded that no impairment is currently required.

7. INCOME TAX

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major items of income tax expenses for the six months ended June 30, 2022, and June 30, 2021:

kEUR	2022	2021
Current income tax		
Current tax expenses	-888	-3,588
Deferred tax income		
Origination and reversal of temporary differences	-243	394
from deferred tax assets	-18	473
from deferred tax liabilities	-225	-79
TOTAL	-1,131	-3,194

8. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months until June 30, 2022, the Group acquired assets with total acquisition costs of kEUR 241 (June 30, 2022: kEUR 901). The major part of the acquisition belongs to other technical and office equipment.

No major disposal took place in the first six months ended June 30, 2022.

9. INVENTORIES

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

kEUR	Jun. 30, 2022	Dec. 31, 2021
Raw materials and supplies	9,444	7,885
Work in progress	231	187
Finished products	16,532	17,039
Goods for sale	4,101	4,066
Goods in transit	856	422
TOTAL INVENTORIES	31,164	29,599

Impairment of inventories recognized as expenditures amounts to kEUR 1,157 (June 30, 2021: kEUR 1,059)

10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

All assets and liabilities, for which the fair value is 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

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.

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.

Due to the maturity, the fair value of the financial assets including trade receivables and cash corresponds to the reported carrying amount. Also, the fair value of the trade payables and the lease liabilities corresponds to the reported carrying amount due to the maturity.

For the interest bearing financial liabilities, the quantitative disclosures for fair value measurement of liabilities according to hierarchy as of June 30, 2022, as follows:

kEUR		Fair value measurement using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Carrying amount	Level 1	Level 2	Level 3	
Liabilities for which a fair value is reported					
Interest bearing loans					
Corporate bond	123,980	108,750	0	0	108,750
Fixed-rate loan	9,000	0	9,000	0	9,000

The fair value of the corporate bonds is based on the observed market price of EUR 87 per bond as of June 30, 2022.

For the interest bearing financial liabilities the quantitative disclosures for fair value measurement of liabilities according to hierarchy as of December 31, 2021, as follows:

kEUR		Fair value measurement using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Carrying amount	Level 1	Level 2	Level 3	
Liabilities for which a fair value is reported					
Interest bearing loans					
Corporate bond	123,657	128,125	0	0	128,125

Financial liabilities

On January 27, 2021, LR Global Holding GmbH, the parent company of the Group, placed a senior secured corporate bond (WKN: A3HFM, ISIN: NO0010894850) with a volume of EUR 125 million. It was issued to institutional investors mainly in Germany and other European countries as part of a private placement. The bond was issued in the "Nordic bond format" under Swedish law and with the involvement of Nordic Trustee & Agency AB, Stockholm, Sweden, as trustee. Trading in the Open Market of the Frankfurt Stock Exchange started on February 3, 2021. On January 26, 2022, the Nasdaq Stockholm admitted the senior secured corporate bond of LR Global for trading.

The bonds bear interest at EURIBOR +7.25% (with a floor of zero). Interest is payable on a quarterly basis. The bonds mature on February 3, 2025. The effective interest rate of the bond is 7.82%.

The Group companies have deposited collateral in this context. In addition, covenants in the form of an interest coverage ratio and leverage ratio were agreed. The Group performs quarterly a maintenance test if these covenants are met. For the second quarter ended June 30, 2022, the covenants are met.

As of June 30, 2022, the carrying amount of the liabilities from the bond was kEUR 123,980 and included capitalized transaction costs.

11. CASH

Cash in the balance sheet comprises cash at banks and on hand and is measured at amortized cost. Due to the good creditworthiness of the relevant banks, no loss allowances were required.

The Group has pledged a part of its cash at banks to fulfill collateral requirements.

Cash comprised the following as of June 30, 2022, and December 31, 2021:

kEUR	kEUR	
	Jun. 30, 2022	Dec. 31, 2021
Cash at hand	50	43
Cash at banks	28,966	29,990
CASH	29,016	30,033

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

The total amount of transactions with related companies and parties in the respective financial year is outlined in the following table:

kEUR	Receivables from parent companies		Liabilities to parent companies	
	Jun. 30, 2022	Dec. 31, 2021	Jun. 30, 2022	Dec. 31, 2021
Aloco Holding S.à r.l.	2,327	1,012	0	0
LR Health & Beauty SE	24	78	84	122

kEUR	Income from parent company		Expenses to parent companies	
	Jan. 1 to Jun. 30, 2022	Jan. 1 to Jun. 30, 2021	Jan. 1 to Jun. 30, 2022	Jan. 1 to Jun. 30, 2021
Aloco Holding S.à r.l.	1,315	0	0	270
LR Health & Beauty SE	11	0	767	0

Remuneration to individuals in key positions of the Group

kEUR	Jan. 1 to Jun. 30, 2022	Jan. 1 to Jun. 30, 2021
Short-term employee benefits	2,424	2,635
TOTAL REMUNERATION TO INDIVIDUALS IN KEY POSITIONS	2,424	2,635

The amounts shown in the table were recognized as expenditure in the reporting period in connection with individuals in key positions.

Ahlen, August 30, 2022

LR Global Holding GmbH
- Company management -


Dr. Andreas Laabs
(CEO)


Andreas Grootz
(General Manager)



LR GLOBAL HOLDING GMBH

MANAGEMENT REPORT & FINANCIAL STATEMENTS

MANAGEMENT REPORT

LR Global Holding GmbH, with its registered office at Kruppstraße 55, 59227 Ahlen, Germany, (hereinafter referred to as LR Global) is an intermediate holding company carrying out central group functions, including the determination and further development of group strategy, capital allocation, financing, and management development. LR Global has direct and indirect shareholdings in 32 active subsidiaries via its equity investment.

The revenue in the second quarter of 2022 (Q2 2022) amounted to kEUR 4,075 (PY: kEUR 2,017) and in the first half-year of 2022 (H1 2022) to kEUR 6,723 (PY: kEUR 3,394). Such revenue resulted primarily from the internal on-charging of services to the LR Health & Beauty Systems GmbH, Ahlen. This corresponds to an increase in revenue of about 100% in Q2 2022 and H1 2022. The other operating income increased to kEUR 1,389 in Q2 2022 (PY: kEUR 60) and to kEUR 1,517 in H1 2022 (PY: kEUR 105) with cost on-charged to the shareholders as the main factor for such increase.

The personnel expenses amounted to kEUR 4,175 in Q2 2022 (PY: kEUR 1,853) and to kEUR 8,101 in H1 2022 (PY: kEUR 3,741). This apparently large increase compared to the previous year is in fact the result of an internal reorganization completed in the fourth quarter of 2021. As part of the reorganization, a significant number of employees were assigned to LR Global while the number of employees of LR Health & Beauty Systems GmbH decreased accordingly. Compared to the end of the second quarter of the previous year, the number of employees of LR Global increased from 72 to 217 at the end of the reporting period. The other operating expenses increased to kEUR 1,893 in Q2 2022 (PY: kEUR 1,222). In the first half-year of 2021 (H1 2021), the other operating expenses were mainly driven by one-time costs related to the issuance of a kEUR 125,000 senior secured

corporate bond (WKN: A3HFM, ISIN: NO0010894850). As a result, the other operating expenses decreased from kEUR 4,715 in H1 2021 to kEUR 2,457 in H1 2022. The interest result amounts to kEUR –1,340 in Q2 2022 (PY: kEUR –1,574) and to kEUR –2,658 in H1 2022 (PY: kEUR –2,573) mainly driven by the interest payments for the corporate bond. After income taxes of kEUR 731 in Q2 2022 (PY: kEUR 964), the net profit amounts to kEUR –2,676 (PY: kEUR –3,540). For H1 2022, the net profit after income taxes of kEUR 1,463 (PY: kEUR 1,928) amounts to kEUR –6,441 (PY: kEUR –9,465).

The total assets as of June 30, 2022, are almost stable at kEUR 345,491 compared to December 31, 2021 (kEUR 345,098). Non-current assets also remained virtually stable as of June 30, 2022, at kEUR 192,130 compared to the previous year-end (kEUR 192,132). Consequently, there are also no significant changes in the current assets which amount to kEUR 153,298 as of June 30, 2022 (kEUR 152,924 as of December 31, 2021).

The equity endowment already changed fundamentally in the fourth quarter of the previous year. The contribution of shareholder loans and an extraordinarily high net profit caused by the reversal of an impairment had covered the former equity loss. In total, the equity increased to kEUR 132,601 as of December 31, 2021. Including the net loss for H1 2022, the equity decreased to kEUR 126,160 as of June 30, 2022. The liabilities also changed significantly in the previous year. Shareholder loans and bank liabilities have been eliminated from the accounts, while the main items as of June 30, 2022, are the liabilities from the corporate bond in the amount of kEUR 125,780 (valuation according to German GAAP / Handelsgesetzbuch differing from IFRS valuation in the Group reporting) and liabilities to affiliates in the amount of kEUR 81,084.

In total the liabilities increased from kEUR 202,106 as of December 31, 2021, to kEUR 207,403 as of June 30, 2022.

The cash flow from operating activities amounts to kEUR 2,316 in Q2 2022 (H1 2022: kEUR 4,581). The cash flow from investing activities amounts to kEUR 0 in Q2 2022 and in H1 2022. The cash flow from financing activities amounts to kEUR –2,316 in Q2 2022 (H1 2022: kEUR –4,582).

Ahlen, August 25, 2022

LR Global Holding GmbH
– Company management –


Dr. Andreas Laabs
(CEO)


Andreas Grootz
(General Manager)



UNAUDITED INTERIM STATEMENT OF
FINANCIAL POSITIONS AS OF JUNE 30, 2022

kEUR	Jun. 30, 2022	Dec. 31, 2021
NON-CURRENT ASSETS		
Intangible assets	0	0
Property, Plant and Equipment	15	17
thereof Other equipment, office and operating equipment	15	17
Financial assets	192,115	192,115
thereof Shares in affiliates	192,115	192,115
	192,130	192,132
CURRENT ASSETS		
Receivables and other assets	153,298	152,924
thereof Trade receivables	0	1
thereof Receivables from shareholders	2,347	1,090
thereof Receivables from affiliates	150,768	150,565
thereof Other assets	183	1,268
Cash at hand and at banks	0	0
	153,298	152,924
PREPAID EXPENSES	63	42
TOTAL ASSETS	345,491	345,098

UNAUDITED INTERIM STATEMENT OF
FINANCIAL POSITIONS AS OF JUNE 30, 2022

kEUR	Jun. 30, 2022	Dec. 31, 2021
EQUITY		
Subscribed capital	25	25
Capital reserve	152,430	152,430
Accumulated loss	-26,295	-19,854
	126,160	132,601
PROVISIONS		
Tax provision	7,344	6,136
Other provisions	1,751	1,422
	9,095	7,558
LIABILITIES		
Liabilities from corporate bond	125,780	125,806
Trade payables	397	1,512
Liabilities to affiliates	81,084	73,690
Other liabilities	142	1,098
	207,403	202,106
DEFERRED TAX LIABILITIES	2,833	2,833
TOTAL EQUITY AND LIABILITIES	345,491	345,098

LR GLOBAL HOLDING GMBH

UNAUDITED INTERIM STATEMENT FOR PROFIT AND LOSS FOR THE THREE MONTHS ENDED JUNE 30, 2022

kEUR	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Revenue	4,075	2,017	6,723	3,394
Other operating income	1,389	60	1,517	105
	5,464	2,077	8,240	3,499
Personnel Expenses	4,175	1,853	8,101	3,741
thereof wages and salaries	3,587	1,645	6,948	3,327
thereof social security, pension and other benefit costs	588	208	1,153	414
Amortization and Depreciation of intangible assets and property, plant and equipment	1	4	2	7
Other Operating Expenses	1,893	1,222	2,457	4,715
	6,069	3,079	10,560	8,463
Other interest and similar income	1,073	974	2,137	1,806
Other interest and similar expenses	2,413	2,548	4,795	4,379
	-1,340	-1,574	-2,658	-2,573
Income taxes	731	964	1,463	1,928
NET PROFIT/LOSS FOR THE PERIOD	-2,676	-3,540	-6,441	-9,465

UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED JUNE 30, 2022

kEUR	Q2 2022	Q2 2021	YTD 2022	YTD 2021
CASHFLOW FROM OPERATING ACTIVITIES				
Profit or loss for the period	-2,676	-3,540	-6,441	-9,465
Amortization and depreciations (+) and write-up (-) on fixed assets	1	3	2	7
Reduction (-)/Increase (+) in provisions	-74	-991	328	-774
Increase (-)/Reduction (+) of inventories, trade receivables or other assets	-2,044	795	1,741	-39,560
Increase (+)/Reduction (-) of trade payables and other liabilities	5,165	4,428	5,085	7,975
Interest expenses (+)/interest income (-)	1,340	1,574	2,657	2,573
Income tax expenses (+) / income (-)	732	964	1,463	1,928
Income tax paid (-)	-127	-867	-255	-875
	2,316	2,366	4,581	-38,191
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for (-) investments in intangible assets	0	0	0	-8
Payments for (-) investments in property, plant and equipment	0	0	0	-1
	0	0	0	-8
CASH FLOW FROM FINANCING ACTIVITIES				
Payments from (+) the issue of bonds	0	0	0	125,000
Repayment (-) of shareholder loan	0	0	0	-40,400
Repayments (-) of (finance) loans	0	0	0	-43,306
Payments (-) for interest	-2,316	-2,366	-4,582	-3,095
	-2,316	-2,366	-4,582	38,198

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