



HEALTH & BEAUTY

# Q2 2024

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**UNAUDITED CONSOLIDATED  
INTERIM REPORT**

LR HEALTH & BEAUTY GROUP

**UNAUDITED INTERIM REPORT**

LR HEALTH & BEAUTY SE

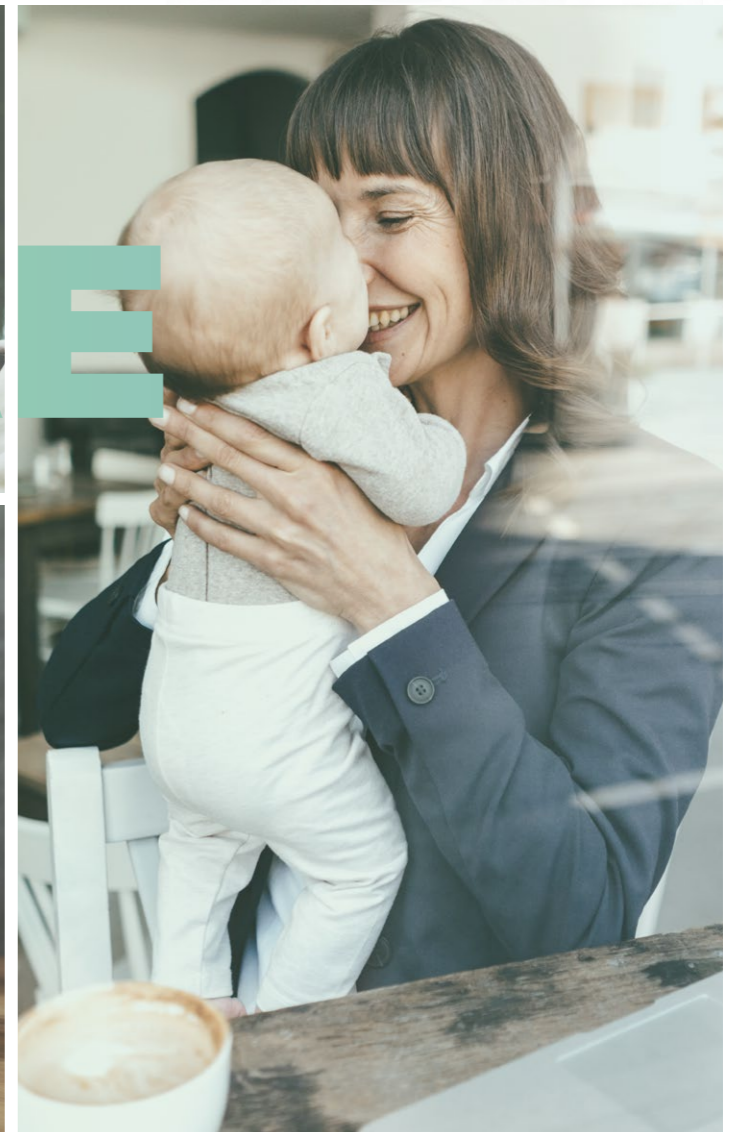


HEALTH & BEAUTY

“  
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.

WE  
BELIEVE  
IN  
MORE



**WE BELIEVE  
IN MORE  
QUALITY  
FOR YOUR  
LIFE**



## FINANCIAL HIGHLIGHTS LR HEALTH & BEAUTY GROUP

in EUR m	Q2 2024	Q2 2023	YTD 2024	YTD 2023
<b>Sales*</b>	<b>70,7</b>	<b>68,9</b>	<b>143,3</b>	<b>140,9</b>
<b>EBITDA</b>	<b>5,6</b>	<b>7,6</b>	<b>11,7</b>	<b>15,4</b>
<b>EBITDA normalized</b> in % of Sales	<b>6,5</b> 9.2%	<b>8,8</b> 12.8%	<b>14,4</b> 10.0%	<b>17,5</b> 12.4%
<b>Free Cashflow</b>	<b>0,7</b>	<b>(5,6)</b>	<b>3,4</b>	<b>(5,2)</b>
Cost of materials	(12,2)	(13,4)	(25,6)	(27,2)
Personnel expenses	(14,0)	(13,3)	(29,1)	(27,0)
Other operating expenses	(36,8)	(36,5)	(75,4)	(73,6)

IR.LRworld.com

\*Sales as revenue from goods sold

# UNAUDITED CONSOLIDATED INTERIM REPORT Q2 2024 CONTENT

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# WE BELIEVE IN MORE STABILITY

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

MORE QUALITY FOR YOUR LIFE

# WE CARE FOR PEOPLE'S LIVES



## OUR COMPANY

As a modern social commerce company, the LR Group distributes approx. 200 different products in the areas of body care, beauty, health and nutrition in 32 countries through the partner community, which comprises hundreds of thousands of registered community members.

Since its foundation in 1985 in Ahlen / Germany, LR Health & Beauty has established itself as one of the leading European social commerce companies in the field of health and beauty products. LR is also a member of the European association Direct Selling Europe (DSE) and has around 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 39 years and are currently expanding worldwide. In March 2021, LR entered the Asian market and started with LR South Korea. And LR continues its international expansion. The successful market entry in the UK in August 2023 was another important milestone.

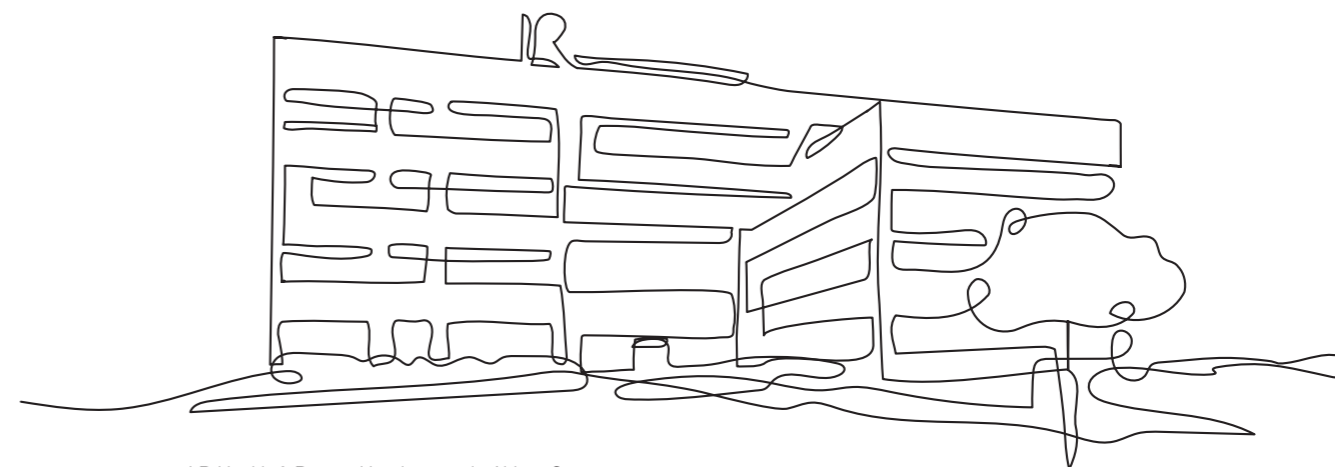
In 2022, Dr Andreas Laabs took over the role of Chief Executive Officer. Dr Laabs, who has already been part of LR as managing director since 2014, is successfully driving the further development of

the LR Group together with Andreas Grootz, General Manager Legal & New Markets, Patrick Sostmann, General Manager Sales & Marketing and Thomas Heursen, General Manager Global Partner Relations, as well as his entire management team.

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 new parent company, LR Health & Beauty SE. In the past years, LR continued its dynamic growth course in order to further develop LR into a leading social commerce company. To this end, LR's structures were further aligned with the digitization trend in the market (e.g. LR neo with all its digital tools) and new blockbuster products were continuously launched. With the Zeitgard Pro Cosmetic Device launched in autumn 2022, LR achieved a quantum leap in apparative cosmetics. It is an innovative 4-in-1 device and a perfect recruiting tool for our partners worldwide. In January 2023 we had the next big launch: LR FIGUACTIVE.

The products are better than ever and within the brand LR BODYMISSION, the high quality

SINCE **39** YEARS SUCCESSFUL IN EUROPE  
AROUND **1,200** EMPLOYEES



LR Health & Beauty Headquarter in Ahlen, Germany

products offer everyone the smart way to a good body feeling. And also in 2023 we celebrated the 10th anniversary of Mind Master with our great anniversary product Mind Master Gold. A successful brand with a highly effective product range that gives more power to every person and every day. And another very successful product concept, the LR HEALTH MISSION, was launched in April this year. The LR HEALTH MISSION is a well thought-out 3- to 6-month support for intestinal, liver and cell metabolism.

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 39 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 commerce platforms – 24/7.

## 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 STABILITY**



APPROX. **200**  
HEALTH & BEAUTY PRODUCTS

**32**  
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's 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"

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

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 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 39 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 the past three years, this concept has proven to work well – an added bonus is the team spirit in the LR community. Despite external circumstances, such as the war in Ukraine, high inflation rates, cautious consumer sentiment or globally disrupted supply chains, LR achieved a good and solid result for the financial year 2023 and was also able to confirm this in the first half of 2024 with sales growth of around 2 %.

The merging of offline and online activities has become daily business for the partners. Working with social media platforms in particular has proven to be very efficient. It gives every partner 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.

**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 since September 2022 under the leadership of Kirsten Ueckmann as Chairwomen, is based on the collective commitment of the company, its employees, sales partners and customers and supports children's aid projects in many LR countries. In 2023, the charity realised a total of 21 projects in 20 countries.

**OUR AWARDS**

**2023 GERMAN INNOVATION AWARD 2023 SPECIAL**  
LR received the German Innovation Award 2023 for the Zeitgard Pro Cosmetic Device. The German Innovation Award honours products, technologies and services every year that distinguish themselves through new, innovative features.

**2023 GERMAN DESIGN AWARD SPECIAL 2023**  
LR received the German Design Award 2023 for the Zeitgard Pro Cosmetic Device in the category "Bath and Wellness". The device convinced the top-class jury in the "Excellent Product Design" competition with its modern and timeless product design.

**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.



# WE BELIEVE IN MORE INTERNATIONALITY

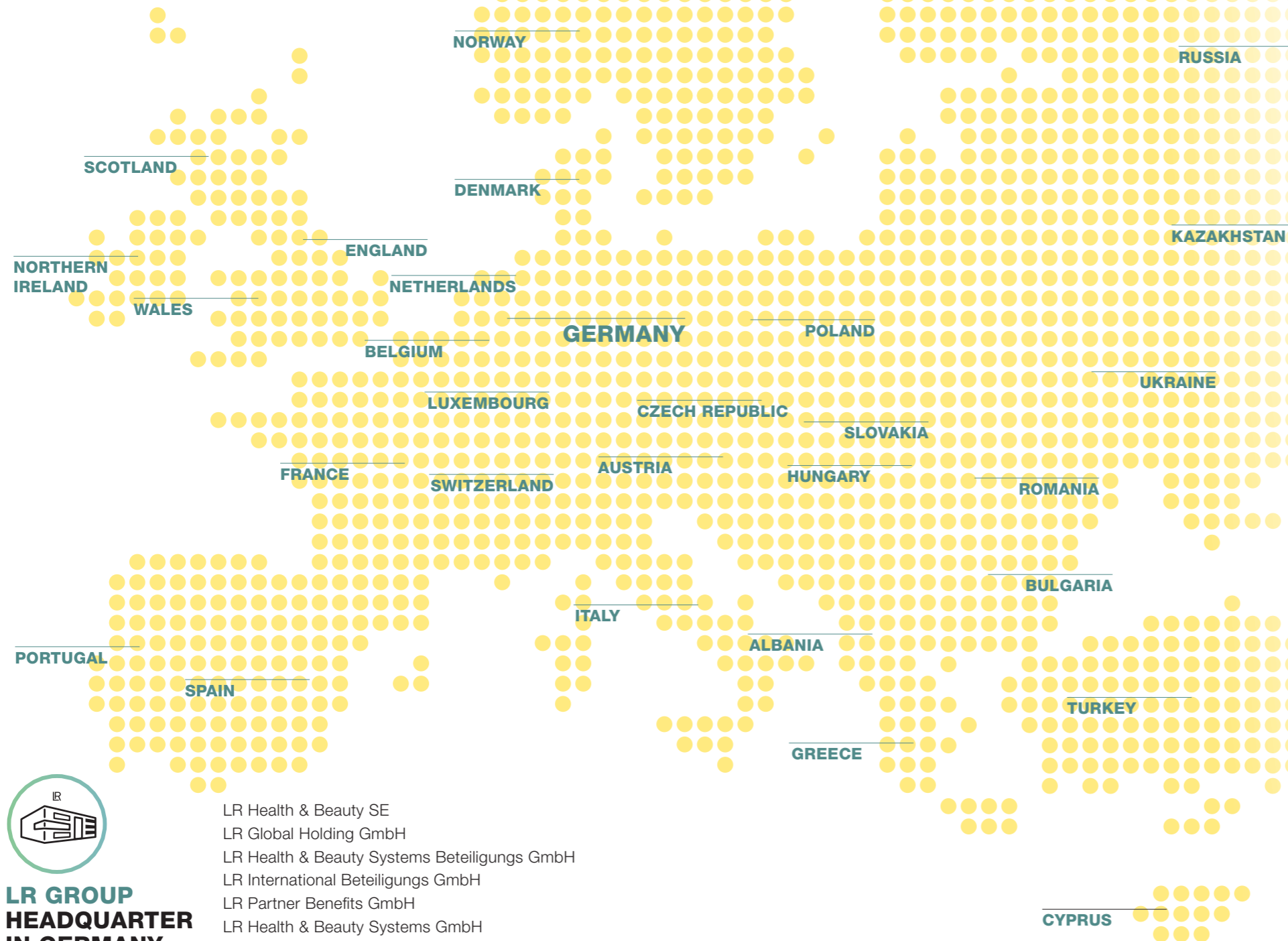
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WITH OUR INTERNATIONAL SALES COMPANIES IN 32 COUNTRIES, AROUND 1,200 EMPLOYEES AND THOUSANDS OF INDEPENDENT SALES PARTNERS, WE ARE ONE OF THE LEADING SOCIAL COMMERCE COMPANIES IN EUROPE. DUE TO THE CONTINUOUS CREATION OF NEW MARKET OPPORTUNITIES, LR HEALTH & BEAUTY ENSURES STEADY GROWTH.



**MORE INTERNATIONALITY**

# OUR SALES COMPANIES IN 32 COUNTRIES



## INTERNATIONAL SALES COMPANIES

### WESTERN EUROPE

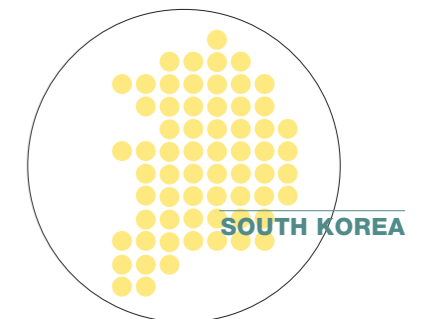
- AUSTRIA**  
LR Health & Beauty Systems GmbH
- BELGIUM / LUXEMBOURG**  
LR Cosmetic Belgium b.v.b.a
- DENMARK**  
LR Health & Beauty Systems ApS
- ENGLAND / NORTHERN IRELAND / SCOTLAND / WALES**  
LR Health & Beauty Limited
- FINLAND**  
LR Health & Beauty Systems OY
- FRANCE**  
LR Health & Beauty 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 Cosmetics 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

### OTHERS

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



### 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



# LR HEALTH & BEAUTY GROUP

MANAGEMENT REPORT & FINANCIAL STATEMENTS



# MANAGEMENT REPORT

LR Health & Beauty Group (hereinafter referred to as “LR Group”, “LR” or “the Group”) with its parent company LR Health & Beauty SE (hereinafter referred to as “LR SE”) is an internationally operating enterprise with a primary focus on cosmetics and dietary supplements. LR Group is represented by 34 companies in 32 countries worldwide and markets its products through direct sales on the European and Asian markets. The Group’s production sites are located in Ahlen (Germany) and all subsidiaries are supplied from Ahlen.

## SALES AND OTHER INCOME

In the second quarter of 2024 (Q2 2024), LR Group achieved a sales volume of kEUR 70,681. This represents an increase of 2.6% compared to the second quarter of the previous year (Q2 2023: kEUR 68,869). In the first half of 2024 (H1 2024), sales increased by 1.7% to kEUR 143,265 compared to the first half of 2023 (H1 2023) with kEUR 140,892. Overall, the second-best second quarter in the company’s history was achieved. This continues the growth trend from the previous financial year 2023.

An important driver for positive sales development is the consistent implementation of the strategic measures developed over the past 2 years with a focus on the business opportunities of our partners. The number of careers of our sales partners increased significantly, and therefore the sales levels also improved. In addition, the revised concept for our product launches also supported the positive development. Following the successful launch of the new drink “Mind Master Gold” in September 2023, which was met with great demand and accelerated to one of the best product launches ever, another very successful product concept, the “LR HEALTH MISSION”, was

launched in April this year. The “LR HEALTH MISSION” is a well thought-out 3- to 6-month support for intestinal, liver and cell metabolism. It offers a holistic solution to support health with a unique and perfectly harmonized combination of products. Established and innovative active ingredients from nature combined with the latest scientific findings work together to ensure maximum synergy effects and thus support the natural health maintenance of the body. Three months after the launch, it can be stated that the LR Health Mission has taken its place as the most successful launch in the history of LR.

For efficient management, the LR Group is organized into two regions:

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

Both regions recorded positive sales growth both in the past quarter and in the first half of the year. Region Western Europe, including LR’s domestic market in Germany, increased by +0.3% to kEUR 43,155 in Q2 2024 compared to kEUR 43,020 in Q2 2023 and by +2.4% to kEUR 88,293 in H1 2024 compared to kEUR 86,178 in H1 2023. Region Central Eastern Europe increased by +8.0% to kEUR 27,374 in Q2 2024 compared to kEUR 25,342 in Q2 2023 and by +1.6% to kEUR 54,588 in H1 2024 compared to kEUR 53,742 in H1 2023.

<sup>1</sup>Sales as revenue from goods sold.

## LR HEALTH &amp; BEAUTY GROUP

At kEUR 2,196 in the second quarter and kEUR 4,327 in the first half of the year, other revenues are significantly below the previous year's figures of kEUR 3,124 in Q2 and kEUR 5,675 in H1. The main reason for this is a phasing effect. Revenue for rendered services was already being recognized in the second quarter of the previous year but are only recognized in the third quarter of the current year. Adding total sales and other revenues results in revenues before sales deductions of kEUR 72,877 for Q2 2024 and of kEUR 147,591 for H1 2024. After sales deductions in the amount of kEUR -3,999 in Q2 2024 and of kEUR -7,944 in H1 2024, revenue amounts to kEUR 68,878 in Q2 2024 and to kEUR 139,647 in H1 2024. Other operating income in the second quarter of 2024 amounted to kEUR 683 (Q2 2023: kEUR 1,140) and in the first half year to kEUR 3,010 (H1 2023: kEUR 2,159).

## COST STRUCTURE

LR Group's cost of materials decreased by kEUR 1,264k to kEUR 12,184 in the second quarter of 2024 (Q2 2023: kEUR 13,448) and by kEUR 1,603 to kEUR 25,563 in the first half year (H1 2023: kEUR 27,166). With the planned reduction in inventories, changes in finished goods and work in progress amount to kEUR -1,016 in Q2 2024 (Q2 2023: kEUR +1,214) and to kEUR -880 in H1 2024 (H1 2023: kEUR +1,651). The total of cost of materials and changes in finished goods and work in progress increased to kEUR 13,200 in Q2 2024 (Q2 2023: kEUR 12,234) and to kEUR 26,443 in H1 2024 (H1 2023: kEUR 25,515). In relation to sales, this corresponds to increased ratios of 18.7% in Q2 2024 (Q2 2023: 17.8%) and of 18.5% in H1 2024 (H1 2023: 18.1%).

Personnel expenses increased in the second quarter of 2024 to kEUR 13,999 (Q2 2023: kEUR 13,324) and in the first half year to kEUR 29,064 (PY: kEUR 27,007). The headcount stood at 1,223 as of June 30, 2024. This corresponds to a stable development compared to the end of the previous quarter (1,223 as of March 31, 2024) and the end

of the previous year (1,222 as of December 31, 2023), but to an increase compared to the end of the previous year's second quarter with a headcount of 1,212. Together with an inflation compensation premium paid out in Germany and other effects, this led to an increase in personnel costs of 5.1% in Q2 and of 7.6% in H1.

Other operating expenses remained almost stable at kEUR 36,750 in the second quarter of 2024 compared to kEUR 36,456 in the previous year but increased in the first half year to kEUR 75,405 from kEUR 73,564 in the previous year. This increase is mainly due to higher foreign exchange losses, legal and consulting fees, in conjunction with the issue of the corporate bond, as well as higher costs for bonus payments to sales partners.

## ECONOMIC RESULTS

Q2 2024 closed with a reported EBITDA of kEUR 5,612 and H1 2024 with kEUR 11,745, which corresponds to a decrease compared to Q2 2023 with kEUR 7,597 and H1 2023 with kEUR 15,354. This is mainly caused by the different phasing in the other revenues, the increased personnel costs and other operating expenses. Taking into account exceptional items of kEUR 915 in Q2 2024 and kEUR 2,631 in H1 2024, the normalized EBITDA decreased in the second quarter to kEUR 6,527 (Q2 2023: kEUR 8,805) and in the first half year to kEUR 14,376 (H1 2023: kEUR 17,481). Deducting amortization and depreciation in the amount of kEUR 3,503 in Q2 2024 (Q2 2023: kEUR 3,234) and kEUR 6,639 in H1 2024 (H1 2023: kEUR 6,528) from the reported EBITDA results in an EBIT of kEUR 2,109 in Q2 2024 (Q2 2023: kEUR 4,363) and of kEUR 5,106 in H1 2024 (H1 2023: kEUR 8,826).

The financial result, including interest expenses for the corporate bond, which increased with the nominal value and the one-off expense resulting from the repayment of the corporate bond of LR Global Holding GmbH in the first quarter in the amount of 101.45% of the nominal value,

increased amounts to kEUR -4,680 in Q2 2024 (Q2 2023: kEUR -3,769) and to kEUR -11,760 in H1 2024 (H1 2023: kEUR -7,317). After deducting income taxes in the amount of kEUR -211 for Q2 2024 (Q2 2023: kEUR -866) and of kEUR -1,545 for H1 2024 (H1 2023: kEUR -1,315), the loss for the period amounts to kEUR -2,782 for the second quarter of 2024 (Q2 2023: kEUR -272) and to kEUR -8,199 for H1 2024 (H1 2023: kEUR 194).

## FINANCIAL STATUS

Overall, total assets decreased from kEUR 234,702 as of December 31, 2023, to kEUR 220,477 as of June 30, 2024. Non-current assets remained almost stable at kEUR 150,421 compared to kEUR 151,198 at the end of the previous year. Current assets decreased by kEUR 13,448 to kEUR 70,056 at the end of the second quarter 2024 compared to kEUR 83,504 at the previous year end. Inventories were reduced as planned and now amount to kEUR 29,213. This corresponds to a decrease of kEUR 5,399 compared to kEUR 34,612 as of December 31, 2023. Trade receivables increased by kEUR 3,675 to kEUR 17,499 as of June 30, 2024, compared to kEUR 13,824 as of December 31, 2023. The main reason for this increase is that the level of trade receivables is seasonally low at the end of December, as the majority of orders are processed before Christmas in December, meaning that the cash receipts can be recorded in the same month. In connection with this and the payout of an annual bonus to sales partners (see also trade payables under current liabilities), the cash level decreased from kEUR 23,955 at the end of the previous year to kEUR 13,432 as of June 30, 2024.

Due to the negative total comprehensive income of kEUR -8,911 in H1 2024, total equity decreased to kEUR 18,318 as of June 30, 2024. This corresponds to an equity share of 8.3%.

The structure of the liabilities is mainly characterized by 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 Health & Beauty SE on March 1, 2024. The 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 bond bears interest at 7.5% + EURIBOR (with a floor of zero) and matures on March 6, 2028. It is traded in the Open Market of the Frankfurt Stock Exchange. The terms of the corporate bond require a listing on the regulated market of Nasdaq Stockholm within twelve months of the issue date. Non-current liabilities increased to kEUR 153,692 as of June 30, 2024, compared to kEUR 150,951 at the end of the previous year. On the one hand, the carrying amount, as of June 30, 2024, of the newly issued corporate bond of LR SE is kEUR 1,455 lower than the carrying amount of the old bond of LR Global Holding GmbH as of December 31, 2023. On the other hand, a new shareholder loan was provided

## LR HEALTH & BEAUTY GROUP

by Aloco Holding S.à. r.l. on March 7, 2024, in the amount of kEUR 4,000. The subordinated loan bears an interest rate of 0.5% p. a. and is due on March 30, 2028. Current liabilities decreased to 48,467 as of June 30, 2024, compared to kEUR 56,522 as of December 31, 2023. The main drivers are the trade payables, which fell from kEUR 34,748 to kEUR 26,142 in the first half of the year, mainly due to the payout of the annual bonus to sales partners in April.

Cash flow from operating activities increased to kEUR 2,168 in Q2 2024 from kEUR -4,294 in Q2 2023 and to kEUR 5,640 in H1 2024 from kEUR -2,754 in H1 2023, which was impacted by subsequent tax payments for previous years. All other major factors affecting operating cash flow, such as profit, depreciation and amortization, interest expenses, changes in inventories or trade receivables and trade payables, are described in the sections above. Cash flow from investing activities amounted to kEUR -1,517 in Q2 2024 (Q2 2023: kEUR -1,324) and to kEUR -2,286 in H1 2024 (H1 2023: kEUR -2,436) and is therefore almost stable compared to the same periods of the previous year. Free cash flow, including cash flow from operating activities and cash flow from investing activities, amounted to kEUR 651 in Q2 2024 compared to kEUR -5,618 in Q2 2023 and to kEUR 3,354 in H1 2024 compared to kEUR -5,190 in H1 2023. Cash flow from financing activities amounted to kEUR -6,144 in Q2 2024 (Q2 2023: kEUR -5,543) and to kEUR -13,362 in H1 2024 (H1 2023: kEUR -10,887). Overall, total cash flow amounted to kEUR -5,493 in the second quarter of 2024 (Q2 2023: kEUR -11,161) and to kEUR -10,008 in H1 2024 (H1 2023: kEUR -16,077). Including changes in cash due to exchange rates, cash amounted to kEUR 13,432 as of June 30, 2023.

## OUTLOOK / GUIDANCE

The development of the overall economic situation and its impact on the various LR markets remains difficult to assess. The further course of the war in Ukraine, the mutual sanctions between Russia and the European Union and the persistence of the current decline in inflation rates and their impact on

the general interest rate level and general consumer sentiment are factors that are difficult to calculate.

Against this background, the management still expects sales (revenue from goods sold) for the 2024 financial year to remain at the previous year's level. The management also assumes that further cost increases will be largely offset by price increases and that EBITDA will therefore be slightly lower or stable compared to the previous year.

Munich, August 29, 2024

### LR Health & Beauty SE – Executive Board –

  
Dr. Andreas Laabs  
(CEO)

  
Andreas Grootz  
(General Manager)



**DR. ANDREAS LAABS**  
CEO



**ANDREAS GROOTZ**  
GENERAL MANAGER



## LR HEALTH &amp; BEAUTY GROUP

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET  
AS OF JUN. 30, 2024**

kEUR	Note	Jun. 30, 2024	Dec. 31, 2023
<b>Non-current assets</b>			
Intangible assets		119,611	119,372
Property, plant and equipment	7.	12,654	12,966
Right-of-use assets		16,447	17,439
Deferred taxes		1,709	1,421
		<b>150,421</b>	<b>151,198</b>
<b>Current assets</b>			
Inventories	8.	29,213	34,612
Trade receivables	9.	17,499	13,824
Income tax receivables		661	308
Other assets		9,251	10,805
Cash	10.	13,432	23,955
		<b>70,056</b>	<b>83,504</b>
<b>TOTAL ASSETS</b>		<b>220,477</b>	<b>234,702</b>

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET  
AS OF JUN. 30, 2024**

kEUR	Note	Jun. 30, 2024	Dec. 31, 2023
<b>Equity</b>			
Subscribed capital		10,120	10,120
Capital reserve		150,130	150,130
Currency translation reserve		-7,921	-7,209
Accumulated loss		-134,011	-125,812
<b>TOTAL EQUITY</b>		<b>18,318</b>	<b>27,229</b>
<b>Non-current liabilities</b>			
Provisions		405	356
Deferred taxes		4,378	3,893
Liabilities from bonds	9.	124,035	125,490
Liabilities from loans		7,919	8,105
Liabilities from shareholder loans		4,006	0
Lease liabilities		11,906	12,064
Other liabilities		1,043	1,043
		<b>153,692</b>	<b>150,951</b>
<b>Current liabilities</b>			
Trade payables	9.	26,142	34,748
Other liabilities		10,602	10,250
Lease liabilities		5,483	6,003
Liabilities from loans		369	365
Income tax liabilities		1,324	1,184
Provisions		4,547	3,972
		<b>48,467</b>	<b>56,522</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>220,477</b>	<b>234,702</b>

## LR HEALTH &amp; BEAUTY GROUP

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD JAN. 1, 2024 TO JUN. 30, 2024**

kEUR	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenue	3. to 4.	68,878	68.471	139,647	139.281
Changes in finished goods and work in progress		-1,016	1.214	-880	1.651
Other operating income		683	1.140	3,010	2.159
Cost of material		-12,184	-13.448	-25,563	-27.166
a) Raw materials and supplies		-10,868	-11.967	-22,174	-23.970
b) Cost of purchased services		-1,316	-1.481	-3,389	-3.196
Personnel expenses		-13,999	-13.324	-29,064	-27.007
a) Wages and salaries		-11,745	-11.217	-24,648	-22.840
b) Expenses for social security and pension schemes		-2,254	-2.107	-4,416	-4.167
Other operating expenses		-36,750	-36.456	-75,405	-73.564
<b>EBITDA</b>	<b>4.</b>	<b>5,612</b>	<b>7.597</b>	<b>11,745</b>	<b>15.354</b>
Amortization and depreciation		-3,503	-3.234	-6,639	-6.528
Financial result		-4,680	-3.769	-11,760	-7.317
<b>Profit or loss before tax</b>		<b>-2,571</b>	<b>594</b>	<b>-6,654</b>	<b>1.509</b>
Income taxes	6.	-211	-886	-1,545	-1.315
<b>PROFIT OR LOSS FOR THE PERIOD</b>		<b>-2,782</b>	<b>-272</b>	<b>-8,199</b>	<b>194</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD JAN. 1, 2024 TO JUN. 30, 2024**

kEUR	Q2 2024	Q2 2023	YTD 2024	YTD 2023
<b>Profit or loss for the period</b>	<b>-2,782</b>	<b>-272</b>	<b>-8,199</b>	<b>194</b>
Components of other comprehensive income which will be reclassified to profit or loss after tax in subsequent periods	-95	455	-712	400
Currency translation differences	-95	455	-712	400
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-2,877</b>	<b>183</b>	<b>-8,911</b>	<b>594</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES  
IN EQUITY FOR THE PERIOD JAN. 1, 2024 TO JUN. 30, 2024**

kEUR	Sub- scribed capital	Capital reserve	Accumu- lated loss	Currency translation reserve	Total equity
<b>Jan. 1, 2024</b>	<b>10,120</b>	<b>150,130</b>	<b>-125,812</b>	<b>-7,209</b>	<b>27,229</b>
Currency translation differences	0	0	0	-712	-712
Profit or loss for the period	0	0	-8,199	0	-8,199
<b>Jun. 30, 2024</b>	<b>10,120</b>	<b>150,130</b>	<b>-134,011</b>	<b>-7,921</b>	<b>18,318</b>
<b>Jan. 1, 2023</b>	<b>10,120</b>	<b>150,130</b>	<b>-124,947</b>	<b>-6,391</b>	<b>28,912</b>
Currency translation differences	0	0	0	400	400
Profit or loss for the period	0	0	194	0	194
<b>Jun. 30, 2023</b>	<b>10,120</b>	<b>150,130</b>	<b>-124,753</b>	<b>-5,991</b>	<b>29,506</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE  
PERIOD JAN. 1, 2024 TO JUN. 30, 2024**

kEUR		Q2 2024	Q2 2023	YTD 2024	YTD 2023
<b>1. Cash flow from operating activities</b>	<b>Note</b>				
Profit or loss for the period		-2,782	-272	-8,199	194
Amortization and depreciation (+) of fixed assets		3,503	3,234	6,639	6,528
Increase (+) / reduction (-) in provisions		-233	-975	625	-998
Other non-cash expenses (+) / income (-)		-198	-135	-349	-335
Income (-) / losses (+) on the disposal of fixed assets		0	0	0	-2
Increase (-) / reduction (+) in inventories, trade receivables and other assets		4,298	-2,406	3,532	-7,778
Increase (+) / reduction (-) in trade payables and other liabilities		-6,872	-3,997	-8,582	-1,672
Interest expenses (+) / interest income (-)		4,681	3,769	11,761	7,317
Income tax expenses (+) / income (-)	7.	211	866	1,545	1,315
Income taxes paid (-)		-440	-4,378	-1,332	-7,323
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>2,168</b>	<b>-4,294</b>	<b>5,640</b>	<b>-2,754</b>
<b>2. Cash flow from investing activities</b>					
Payments from (+) the disposal of property, plant and equipment		-14	-3	2	4
Payments for (-) investments in property, plant and equipment		-338	-427	-524	-659
Payments for (-) investments in intangible assets		-1,165	-894	-1,764	-1,781
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-1,517</b>	<b>-1,324</b>	<b>-2,286</b>	<b>-2,436</b>
<b>3. Cash flow from financing activities</b>					
Proceeds (+) from the issue of bonds		0	0	122,135	0
Proceeds (+) from shareholder loan		0	0	4,000	0
Proceeds (+) from interest		51	0	102	0
Repayment (-) of bonds		0	0	-126,813	0
Repayment (-) of loan		-92	-89	-182	-177
Payments for (-) interest		-3,695	-3,193	-7,725	-6,109
Repayment (-) of lease liabilities		-2,408	-2,261	-4,879	-4,601
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>-6,144</b>	<b>-5,543</b>	<b>-13,362</b>	<b>-10,887</b>
<b>4. Cash at the end of period</b>					
Net increase (+) / decrease (-) in cash		-5,493	-11,161	-10,008	-16,077
Changes in cash due to exchange rates		-128	95	-515	227
Cash at the beginning of period		19,053	39,418	23,955	39,418
<b>CASH AT THE END OF PERIOD</b>		<b>13,432</b>	<b>28,352</b>	<b>13,432</b>	<b>23,568</b>



# LR HEALTH & BEAUTY SE MUNICH / GERMANY

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 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 Munich, Germany, and is registered in the commercial register of Munich under HRB No. 258262. 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 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.

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

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

#### a. Basis for preparing the financial statements

The unaudited interim condensed consolidated financial statements for the first six months ended June 30, 2024, have been prepared in accordance with IAS 34 Interim Financial Reporting. They are prepared 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, 2023.

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 unaudited 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, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective or not yet endorsed by the EU.

Several amendments apply for the first time in 2024, but do not have an impact on the unaudited interim condensed consolidated financial statements of the Group.

### 3. REVENUE FROM CONTRACT WITH CUSTOMERS

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 2,259 (PY: kEUR 2,337) recognized over time from subleasing vehicles to partners for the first six months 2024. The revenue reductions mainly comprise revenue-based discounts to partners.

### 4. 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 SE 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 revenue reductions 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.

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 the regions 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 regions for the first six months ended June 30, 2024:

kEUR	Region Western Europe	Region Central Eastern Europe	Total Segments	Adjust- ments	Total
Revenue external customers	88,293	54,588	142,881	384	143,265
Revenue other segment	21,255	816	22,071	-22,071	0
Revenue other	2,015	1,526	3,541	786	4,327
Revenue reduction	-4,826	-3,119	-7,945	0	-7,945
<b>TOTAL REVENUE</b>	<b>106,737</b>	<b>53,811</b>	<b>160,548</b>	<b>-20,901</b>	<b>139,647</b>
Segment EBITDA	9,357	4,743	14,100	-2,355	11,745
Goodwill	77,422	24,097	101,519	3	101,522

The table below shows revenue, EBITDA, and goodwill of the LR Group's regions for the first six months ended June 30, 2023:

kEUR	Region Western Europe	Region Central Eastern Europe	Total Segments	Adjust- ments	Total
Revenue external customers	86,178	53,742	139,920	972	140,892
Revenue other segment	19,285	1,237	20,522	-20,522	0
Revenue other	3,236	1,869	5,105	570	5,675
Revenue reduction	-4,222	-3,064	-7,286	0	-7,286
<b>TOTAL REVENUE</b>	<b>104,477</b>	<b>53,784</b>	<b>158,261</b>	<b>-18,980</b>	<b>139,281</b>
Segment EBITDA	11,186	6,966	18,152	-2,798	15,354
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.

## 5. 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 or if segments are changed. 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, 2023.

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

The last test performed in December 2023 concluded that no impairment is required.

## 6. 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, 2024 and June 30, 2023 are as follows:

kEUR	2024	2023
<b>Current income tax</b>		
Current tax expenses	-1,332	-1,664
<b>Deferred tax result</b>		
Origination and reversal of temporary differences	-213	349
from deferred tax assets	350	240
from deferred tax liabilities	-563	109
<b>TOTAL</b>	<b>-1,545</b>	<b>-1,315</b>

## 7. PROPERTY, PLANT AND EQUIPMENT

### Acquisitions and disposals

During the first six months ended June 30, 2024, the Group acquired assets with total acquisition costs of kEUR 524 (2023: kEUR 659). The major part of the acquisition belongs to other technical and office equipment.

No major disposal took place in the financial year 2024.

## 8. INVENTORIES

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

kEUR	Jun. 30, 2024	Dec. 31, 2023
Raw materials and supplies	6,433	9,850
Work in progress	632	180
Finished products	16,985	18,133
Goods for sale	4,406	6,226
Goods in transit	757	223
<b>TOTAL INVENTORIES</b>	<b>29,213</b>	<b>34,612</b>

Impairment of inventories recognized as expenditures amounts to kEUR 760 (2023: kEUR 821)

## 9. 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 liabilities from loans.

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, 2024, as follows:

kEUR	Carrying amount	Fair value measurement using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		Level 1	Level 2	Level 3	
<b>Liabilities for which a fair value is reported</b>					
<b>Interest bearing loans</b>					
Corporate bond 2024/2028	124,035	120,900	0	0	119,600
Fixed-rate loan	8,288	0	7,375	0	7,375
Fixed-rate shareholder loan	4,006	0	2,720	0	2,720

The fair value of the corporate bonds is based on the observed market price of EUR 930 per bond as of June 30, 2024.

The determination of the fair value of the fixed-rate loan is based on the development of the interest-yield curve for listed German Federal securities with a twenty-year term to maturity.

The determination of the fair value of the fixed-rate shareholder loan is based on the interest rate of the corporate bond as the issue date and duration is nearly the same.

For the interest-bearing financial liabilities, the quantitative disclosures for fair value measurement of liabilities according to hierarchy as of December 31, 2023, as follows:

kEUR	Carrying amount	Fair value measurement using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		Level 1	Level 2	Level 3	
<b>Liabilities for which a fair value is reported</b>					
<b>Interest bearing loans</b>					
Corporate bond 2021/2025	125,490	122,813	0	0	122,813
Fixed-rate loan	8,470	0	7,847	0	7,847

The fair value of the corporate bonds is based on the observed market price of EUR 982.50 per bond as of December 31, 2023

### Financial liabilities

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 be 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 Health & Beauty SE on March 1, 2024. Like the 2021/2025 bond, the bond 2024/2028 is issued in the so-called "Nordic bond format" under Swedish law and with the involvement of Nordic Trustee & Agency AB as trustee. The bond is traded in the Open Market of the Frankfurt Stock Exchange. The terms of the corporate bond require a listing on the regulated market of Nasdaq Stockholm within twelve months of the issue date. 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 2024/2028 bears interest at EURIBOR +7.50% (with a floor of zero). Interest is payable every three months. The bond 2024/2028 matures on March 6, 2028. The effective interest rate of the bond is currently 11.285%.

The Group companies have deposited collateral in this context. In addition, covenants in the form of a leverage ratio and a pre-IFRS 16 leverage ratio were agreed. The Group performs quarterly a maintenance test if these covenants are met. For the second quarter ended June 30, 2024, the covenants are met.

As of June 30, 2024, the carrying amount of the liabilities from the bond 2024/2028 was kEUR 124,035 and included accrued interest and capitalized transaction costs.

For further information regarding the fixed-rate shareholder loan, please refer to Note 11.

**10. CASH**

The Group has pledged a part of its cash at banks to fulfill collateral requirements. Cash comprised the following as of June 30, 2024, and December 31, 2023:

kEUR	Jun. 30, 2024	Dec. 31, 2023
Cash at hand	58	66
Cash at banks	13,374	23,889
<b>CASH</b>	<b>13,432</b>	<b>23,955</b>

**11. 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 a shareholder loan agreement about an amount of 4 million Euro. The loan bears an interest rate of 0.5% p. a. The loan is due March 30, 2028. Full or partial redemption of the loan is allowed at any time. For the first six months ended June 30, 2024 the related interest expense amounts to kEUR 6 (PY: kEUR 0). As of June 30, 2024, the carrying amount of the loan was kEUR 4,006 (PY: kEUR 0) including accrued interests.

**Remuneration to individuals in key positions of the Group**

kEUR	2024	2023
Short-term employee benefits	4,223	4,420
<b>TOTAL REMUNERATION TO INDIVIDUALS IN KEY POSITIONS OF THE GROUP</b>	<b>4,223</b>	<b>4,420</b>

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

Munich, August 29, 2024

**LR Health & Beauty SE**  
**- Executive Board -**

  
Dr. Andreas Laabs  
(CEO)

  
Andreas Grootz  
(General Manager)





# LR HEALTH & BEAUTY SE

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MANAGEMENT REPORT & FINANCIAL STATEMENTS

# MANAGEMENT REPORT

LR Health & Beauty SE (hereinafter referred to as "LR SE") is a European stock corporation incorporated in Germany and has its registered office in Munich, Germany, while the business address of the company is Kruppstraße 55, 59227 Ahlen, Germany. LR SE is a holding company and holds direct or indirect shares in 33 active subsidiaries. LR SE and its subsidiaries (hereinafter jointly referred to as "LR Group", "LR Health & Beauty Group", or "the Group") are an internationally operating enterprise with a primary focus on cosmetics and dietary supplements.

Revenue of LR SE increased in the second quarter of 2024 (Q2 2024) to kEUR 526 from kEUR 248 in the second quarter of the previous year (Q2 2023). In the first half year (H1 2024), revenue added up to kEUR 752 compared to kEUR 414 in the first half year 2023 (H1 2023). It mainly stemmed from cost allocations to LR Health & Beauty Systems GmbH, Ahlen, for services rendered. Other operating income amounted to kEUR 5 in Q2 2024 (Q2 2023: kEUR 63) and to kEUR 19 in H1 2024 (H1 2023: kEUR 63).

Personnel expenses increased from kEUR 235 in Q2 2023 to kEUR 338 in Q2 2024 and from kEUR 458 in H1 2023 to kEUR 831 in H1 2024. Other operating expenses at LR SE, including legal and consulting fees, allowances for the Supervisory Board and travel expenses, amounted to kEUR 298 in the second quarter of 2024 and to kEUR 983 in the first half year of 2024, both significantly higher than in the previous year. The high increase mainly results from legal and consulting fees in conjunction with the issue of the corporate bond.

The financial result amounted to kEUR -749 in Q2 2024 (Q2 2023: kEUR 0) and to kEUR -890 in H1 2024 (H1 2023: kEUR 0). It mainly resulted, on the

one hand, from interest expenses of the corporate bond and, on the other hand, from interest income from the intercompany loan to LR Global Holding GmbH.

Income taxes amounted to kEUR 0 in Q1 2024 and in H1 2024, as well as in the previous year. Overall, the net loss of the second quarter 2024 amounted to kEUR -854 (Q2 2023: kEUR 3) and in the first half year to kEUR -1,933 (H1 2023: kEUR -123).

Total assets as of June 30, 2024 increased to kEUR 287,325 compared to kEUR 153,218 as of December 31, 2023 (PY). This significant increase is caused by the issue of the corporate bond, on the one hand, and by providing an intercompany loan to LR Global Holding GmbH, on the other hand. The latter is reflected in the non-current assets, which increased from kEUR 152,458 as of December 31, 2023, to kEUR 281,263 as of June 30, 2024. In addition to the shares in affiliates, which remained constant at kEUR 152,458, these also include the new intercompany loan with a carrying amount of kEUR 128,800. Current assets increased from kEUR 760 as of December 31, 2023, to kEUR 1,266 as of June 30, 2024. This includes receivables and other assets in the amount of kEUR 1,192 (PY: kEUR 619) and cash in the amount of kEUR 74 (PY: kEUR 141). Prepaid expenses include the original issue discount on the corporate bond with a carrying amount of kEUR 4,781 (PY: kEUR 0; valuation according to German GAAP / Handelsgesetzbuch differs from IFRS valuation in the Group reporting).

Equity decreased by the net loss for the first half year of kEUR -1,933, from kEUR 152,197 as of December 31, 2023, to kEUR 150,264 as of June 30, 2024.

Provisions increased from kEUR 451 as of December 31, 2023, to kEUR 992 as of June 30, 2024. Liabilities increased from kEUR 570 as of December 31, 2023, to kEUR 136,069 as of June 30, 2024. This significant increase is related to liabilities to shareholders in the amount of kEUR 4,006 (PY: kEUR 500) and to liabilities from the corporate bond in the amount of kEUR 131,263 (PY: kEUR 0; valuation according to German GAAP / Handelsgesetzbuch differs from IFRS valuation in the Group reporting). 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 Health & Beauty SE on March 1, 2024. The 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 bond bears interest at 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. The terms of the corporate bond require a listing on the regulated market of Nasdaq Stockholm within twelve months of the issue date.

Cash flow from operating activities amounts to kEUR 421 in Q2 2024 (Q2 2023: kEUR -316) and to kEUR 328 in H1 2024 (H1 2023: kEUR -244). The cash flow from investing activities includes the interest income from the intercompany loan issued to LR Global Holding GmbH and amounts to kEUR 3,237 in Q2 2024 (Q2 2023: kEUR 0). In the first half year 2024, it also includes the issue of the intercompany loan and thus amounts

to kEUR -125,563 (H1 2023: kEUR 0). The cash flow from financing activities includes the interest payments of the corporate bond and amounts to kEUR -3,633 (Q1 2023: kEUR 0), while in the first half year of 2024, the proceeds from the corporate bond and from the shareholder loan are also included and thus amount in total to kEUR 125,167 (H1 2023: kEUR 0). Overall, total cash flow amounted to kEUR 25 in the second quarter of 2024 and kEUR -67 in the first half year, resulting in a cash balance of kEUR 74 as of June 30, 2024.

Munich, August 29, 2024

**LR Health & Beauty SE**  
- Management Board -



Dr. Andreas Laabs  
(CEO)



Andreas Grootz  
(General Manager)

## LR HEALTH &amp; BEAUTY SE

UNAUDITED INTERIM STATEMENT OF FINANCIAL  
POSITIONS AS OF JUNE 30, 2024

kEUR	Jun. 30, 2024	Dec. 31, 2023
<b>NON-CURRENT ASSETS</b>		
Financial assets	281,263	152,458
thereof shares in affiliates	152,458	152,458
thereof loans to affiliates	128,800	0
	<b>281,263</b>	<b>152,458</b>
<b>CURRENT ASSETS</b>		
Receivables and other assets	1,192	619
thereof receivables from affiliates	1,189	619
Cash	74	141
	<b>1,266</b>	<b>760</b>
<b>PREPAID EXPENSES</b>	<b>4,796</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>287,325</b>	<b>153,218</b>

UNAUDITED INTERIM STATEMENT OF  
FINANCIAL POSITIONS AS OF JUNE 30, 2024

kEUR	Jun. 30, 2024	Dec. 31, 2023
<b>EQUITY</b>		
Subscribed capital	10,120	10,120
Capital reserve	142,458	142,458
Accumulated loss	-2,314	-381
	<b>150,264</b>	<b>152,197</b>
<b>PROVISIONS</b>		
Other provisions	992	451
	<b>992</b>	<b>451</b>
<b>LIABILITIES</b>		
Liabilities from corporate bond	131,263	0
Trade payables	12	5
Liabilities to shareholders	4,006	500
Liabilities to affiliates	710	0
Other liabilities	78	65
	<b>136,069</b>	<b>570</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>287,325</b>	<b>153,218</b>

## LR HEALTH &amp; BEAUTY SE

## UNAUDITED INTERIM STATEMENT FOR PROFIT AND LOSS FOR THE THREE MONTHS ENDED MAR. 31, 2024

kEUR	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Revenue	526	248	752	414
Other operating income	5	63	19	63
	<b>531</b>	<b>311</b>	<b>771</b>	<b>477</b>
Personnel expenses	338	235	831	458
thereof wages and salaries	330	231	815	450
thereof social security, pension and other benefit costs	8	4	16	8
Other operating expenses	298	73	983	142
	<b>636</b>	<b>308</b>	<b>1,814</b>	<b>600</b>
Other interest and similar income	3,321	0	4,431	0
Other interest and similar expenses	4,070	0	5,321	0
	<b>-749</b>	<b>0</b>	<b>-890</b>	<b>0</b>
Income taxes	0	0	0	0
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-854</b>	<b>3</b>	<b>-1,933</b>	<b>-123</b>

## UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED MAR. 31, 2024

kEUR	Q2 2024	Q2 2023	YTD 2024	YTD 2023
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>				
Profit or loss for the period	-854	4	-1,933	-122
Reduction (-)/Increase (+) in provisions	-185	-423	541	-800
Other non-cash expenses	419	0	419	0
Increase (-)/Reduction (+) of receivables and other assets	987	101	1,019	968
Increase (+)/Reduction (-) of trade payables and other liabilities	-276	2	-188	-290
Interest expenses (+)/interest income (-)	330	0	470	0
	<b>421</b>	<b>-316</b>	<b>328</b>	<b>-244</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Payments for (-) investments in financial assets		0	-128,800	0
Payments for (+) received interest	3,237	0	3,237	0
	<b>3,237</b>	<b>0</b>	<b>-125,563</b>	<b>0</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Payments from (+) the issue of bonds	0	0	124,800	0
Proceeds (+) from equity contributions	0	0	4,000	0
Payments (-) for interest	-3,633	0	-3,633	0
	<b>-3,633</b>	<b>0</b>	<b>125,167</b>	<b>0</b>
<b>CASH AT THE END OF PERIOD</b>				
Net increase in cash (subtotal 1 - 3)	25	-316	-67	-244
Cash at the beginning of period	49	352	141	280
<b>CASH AT THE END OF PERIOD</b>	<b>74</b>	<b>36</b>	<b>74</b>	<b>36</b>



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