



HEALTH & BEAUTY

Q3 2024

**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	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Sales*	69,4	64,7	212,7	205,6
EBITDA	7,3	7,1	19,0	22,4
EBITDA normalized in % of Sales	8,7 12,5%	7,7 11,9%	23,1 10,8%	25,2 12,3%
Free Cashflow	6,2	3,0	9,6	(2,2)
Cost of materials	(11,9)	(14,6)	(37,5)	(41,8)
Personnel expenses	(14,0)	(13,3)	(43,1)	(40,3)
Other operating expenses	(37,1)	(34,8)	(112,5)	(108,4)

IR.LRworld.com

*Sales as revenue from goods sold

UNAUDITED CONSOLIDATED INTERIM REPORT Q3 2024 CONTENT

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02

WE BELIEVE IN MORE STABILITY

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

The LR Group is a state-of-the-art social commerce company that distributes approx. 200 different products from the areas of body care, beauty, health and nutrition in 32 countries through its 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. In 2021, LR entered the Asian market with LR South Korea and in 2023, we opened our subsidiary in the U.K.

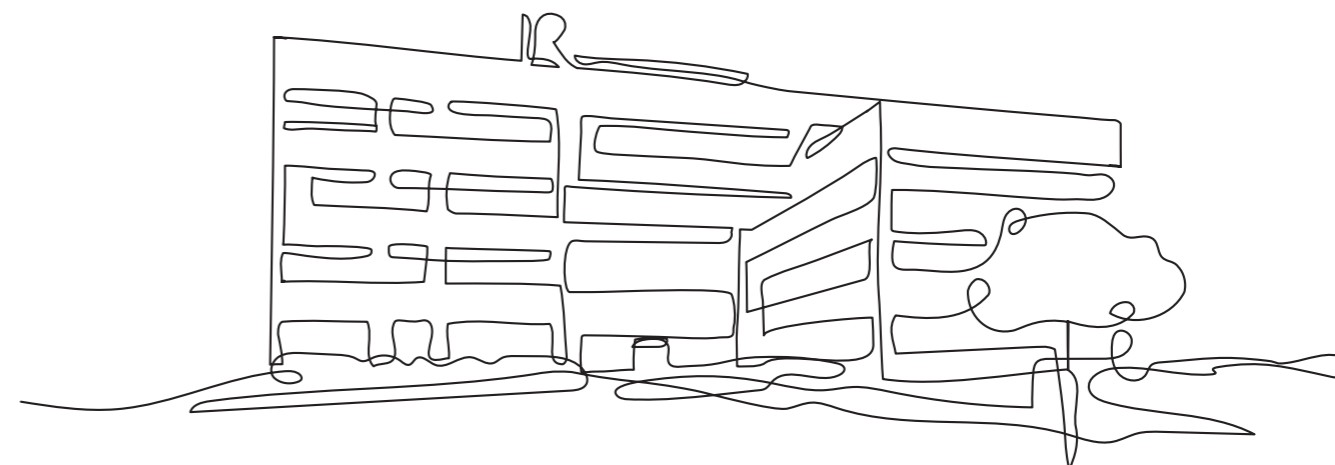
In 2022, Dr Andreas Laabs took over the role of Chief Executive Officer. Dr Laabs, who has already been part of LR as managing director since 2014, is successfully driving the further development of the LR Group together with Andreas Grootz, General Manager Legal & New Markets, Patrick Sostmann, General 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 products offer everyone the smart way to a good body feeling.

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



LR Health & Beauty Headquarter in Ahlen, Germany

In April 2024 we launched a very successful product concept, the LR HEALTH MISSION – a well thought-out 3- to 6-month support for intestinal, liver and cell metabolism.

In September this year we presented our new premium Make-up brand LR ZEITGARD Signature – a high-end cosmetic line with state of the art make-up essentials created by make-up artists.

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 distributors 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 other external challenges, 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. In our modern aloe vera production facility with innovative high-tech machinery, we produce high-quality aloe vera drinking gels with up to 98 % aloe vera leaf fillet content, setting standards throughout Europe. At the company's own development 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 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 LR distributors. Thousands of LR distributors have achieved financial freedom and a better quality of life thanks to LR. They are all part of an international team that has established LR's success with a modern sales system, digital possibilities, enthusiasm for fantastic products and plenty of passion.

The LR business model offers independence coupled with the security of a large company that supports its 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.

In September 2024 we presented a unique new program, the LR BUSINESS TRACK with a guaranteed monthly bonus. This innovation in the LR career plan is a sensation in network marketing and a real game changer for our business. Because with a guaranteed bonus the LR business is even more predictable and offers to our partners the opportunity to concentrate fully on their job and to earn even more.

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 nine month 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, distributors 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 distributors during the global COVID-19 pandemic.



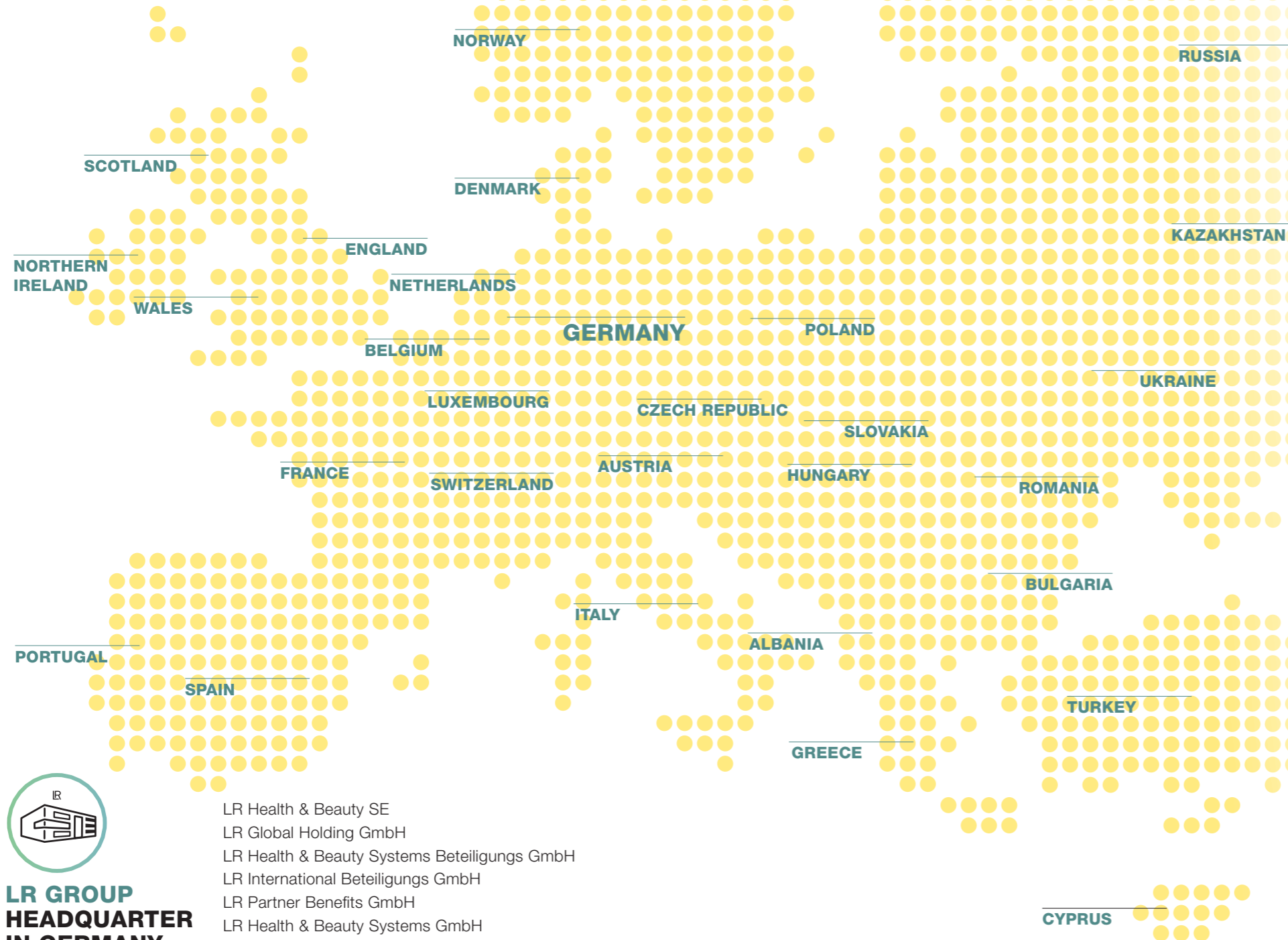


WE BELIEVE IN MORE INTERNATIONALITY

WITH OUR INTERNATIONAL SALES COMPANIES IN 32 COUNTRIES, AROUND 1,200 EMPLOYEES AND THOUSANDS OF INDEPENDENT LR DISTRIBUTORS, 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

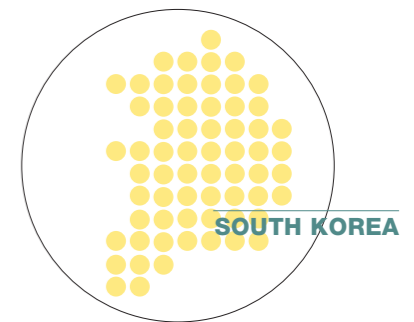
OTHERS

- 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 Social Commerce markets. The Group’s production sites are located in Ahlen (Germany) and all subsidiaries are supplied from Ahlen.

SALES AND OTHER INCOME

In the third quarter of 2024 (Q3 2024), LR Group achieved a sales volume of kEUR 69,415. This represents an increase of 7.2% compared to the third quarter of the previous year (Q3 2023: kEUR 64,728). In the first nine months of 2024 (YTD 2024), sales increased by 3.4% to kEUR 212,680 compared to the first nine months of 2023 (YTD 2023) with kEUR 205,620. Overall, this was the second-best third quarter result in the company’s history. This continues the growth trend from the previous financial year 2023 and the first half of 2024.

An important driver for the 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 LR distributors. The number of careers of our distributors has increased significantly, resulting in improved sales levels. 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, which became the second best product launch in LR’s history. The latest product launch took place at the end of September this year: LR ZEITGARD Signature, a high-quality make-up range, reduced to the essentials with great effect. Sales in the first few weeks indicate that this was another very successful product launch, which also met the needs of our distributors.

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 in the past quarter as well as in the first nine months of the year. Region Western Europe, including LR’s home market in Germany, increased by +4.8% to kEUR 41,669 in Q3 2024 compared to kEUR 39,753 in Q3 2023 and by +3.2% to kEUR 129,962 in YTD 2024 compared to kEUR 125,931 in YTD 2023. Sales in region Central Eastern Europe increased by +12.5% to kEUR 27,583 in Q3 2024 compared to kEUR 24,515 in Q3 2023 and by +5.0% to kEUR 82,171 in YTD 2024 compared to kEUR 78,257 in YTD 2023.

¹Sales as revenue from goods sold.

LR HEALTH & BEAUTY GROUP

Other revenue amounts to kEUR 3,068 in the third quarter (Q3 2024: kEUR 2,483) and to kEUR 7,395 in YTD 2024 (YTD 2023: kEUR 8,158). Adding total sales and other revenues results in revenues before sales deductions of kEUR 72,483 for Q3 2024 and of kEUR 220,075 for YTD 2024. After sales deductions in the amount of kEUR –4,109 in Q3 2024 and of kEUR –12,053 in YTD 2024, revenue amounts to kEUR 68,375 in Q3 2024 and to kEUR 208,022 in YTD 2024. Other operating income in the third quarter of 2024 amounted to kEUR 1,471 (Q3 2023: kEUR 1,955) and in the first nine months of the year to kEUR 4,779 (YTD 2023: kEUR 4,233).

COST STRUCTURE

LR Group's cost of materials decreased by kEUR 2,683 to kEUR 11,932 in the third quarter of 2024 (Q3 2023: kEUR 14,615) and by kEUR 4,286 to kEUR 37,495 in the first nine months of the year (YTD 2023: kEUR 41,781). With the planned reduction in inventories especially in the first half year, changes in finished goods and work in progress amount to kEUR +193 in Q3 2024 (Q3 2023: kEUR +3,744) and to kEUR –687 in YTD 2024 (YTD 2023: kEUR +5,395). The total of cost of materials and changes in finished goods and work in progress increased to kEUR 11,739 in Q3 2024 (Q3 2023: kEUR 10,871) and to kEUR 38,182 in YTD 2024 (YTD 2023: kEUR 36,386). In relation to sales, this corresponds to slightly increased ratios of 16.9% in Q3 2024 (Q3 2023: 16.8%) and of 18.0% in YTD 2024 (YTD 2023: 17.7%).

Personnel expenses increased in the third quarter of 2024 to kEUR 14,005 (Q3 2023: kEUR 13,321) and in the first nine months of the year to kEUR 43,069 (YTD 2023: kEUR 40,328). The headcount stood at 1,221 as of September 30, 2024. This corresponds to a stable development compared to the end of the previous quarter (1,223 as of June 30, 2024) and the end of the previous year (1,222 as of December 31, 2023). One of the main drivers for the 5.1% increase in personnel costs in the third quarter and the 6.8% increase in the first nine

months is the inflation compensation premium paid out in Germany.

Other operating expenses increased to kEUR 37,112 in the third quarter of 2024 compared to kEUR 34,795 in the previous year and in the first nine months of the year to kEUR 112,517 from kEUR 108,359 in the previous year. This increase is caused by legal and consulting fees, in conjunction with the issue of the corporate bond, higher foreign exchange losses and, in particular higher costs for bonus payments to distributors. The increase in bonus costs is due to increased sales and preparatory measures for a major change to the career plan that came into effect in October, which led to a significant increase in new distributors. The realignment of the career plan for distributors aims to continue the strategy of focusing on business opportunity and is intended in particular to streng-then full-time distributors and facilitate entry as a full-time distributor, while at the same time reducing scatter losses.

ECONOMIC RESULTS

Q3 2024 closed with an increased reported EBITDA of kEUR 7,288 compared to Q3 2023 with kEUR 7,086 but decreased in YTD 2024 with kEUR 19,033 compared to the previous year with kEUR 22,440. This is mainly caused by the increased personnel costs and other operating expenses. Taking into account exceptional items of kEUR 1,390 in Q3 2024 and kEUR 4,021 in YTD 2024, the normalized EBITDA increased in the third quarter to kEUR 8,678 (Q3 2023: kEUR 7,718) and decreased in the first nine months of the year to kEUR 23,054 (YTD 2023: kEUR 25,199). Deducting amortization and depreciation in the amount of kEUR 3,252 in Q3 2024 (Q3 2023: kEUR 3,225) and kEUR 9,891 in YTD 2024 (YTD 2023: kEUR 9,753) from the reported EBITDA results in an EBIT of kEUR 4,036 in Q3 2024 (Q3 2023: kEUR 3,861) and of kEUR 9,142 in YTD 2024 (YTD 2023: kEUR 12,687).

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 –4,842 in Q3 2024 (Q3 2023: kEUR –4,061) and to kEUR –16,602 in YTD 2024 (YTD 2023: kEUR –11,378). After deducting income taxes in the amount of kEUR –886 for Q3 2024 (Q3 2023: kEUR 24) and of kEUR –2,431 in YTD 2024 (YTD 2023: kEUR –1,291), the loss for the period amounts to kEUR –1,692 for the third quarter of 2024 (Q3 2023: kEUR –176) and to kEUR –9,891 in YTD 2024 (YTD 2023: kEUR 18).

FINANCIAL STATUS

Overall, total assets decreased from kEUR 234,702 as of December 31, 2023, to kEUR 222,318 as of September 30, 2024. Non-current assets remained almost stable at kEUR 151,238 compared to kEUR 151,198 at the end of the previous year. Current assets decreased by kEUR 12,424 to kEUR 71,080 at the end of the third quarter 2024 compared to kEUR 83,504 at the previous year end. Inventories were reduced as planned and now amount to kEUR 30,062. This corresponds to a decrease of kEUR 4,550 compared to kEUR 34,612 as of December 31, 2023. Trade receivables increased by kEUR 3,753 to kEUR 17,577 as of September 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 in December before Christmas, meaning that the cash receipts can be recorded in the same month. In connection with this and the payout of the annual bonus to distributors (see also trade payables under current liabilities), the cash level decreased from kEUR 23,955 at the end of the previous year to kEUR 13,759 as of September 30, 2024.

Due to the negative total comprehensive income of kEUR –11,451 in YTD 2024, total equity decreased



to kEUR 15,778 as of September 30, 2024. This corresponds to an equity share of 7.1%. Adding the shareholder loan results in economic equity of kEUR 19,789, which corresponds to an economic equity ratio of 8.9%.

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

LR HEALTH & BEAUTY GROUP

Stockholm within twelve months of the issue date. Non-current liabilities increased to kEUR 154,794 as of September 30, 2024, compared to kEUR 150,951 at the end of the previous year. On the one hand, the carrying amount, as of September 30, 2024, of the newly issued corporate bond of LR SE is kEUR 967 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 granted by Aloco Holding S.à. r.l. on March 7, 2024, in the amount of kEUR 4,000 (carrying amount as of September 30, 2024 kEUR 4,011). The subordinated loan bears an interest rate of 0.5% p. a. and is due on March 30, 2028. Current liabilities decreased to 51,746 as of September 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 30,127 in the first nine months of the year, mainly due to the payout of the annual bonus to distributors in the second quarter.

Cash flow from operating activities increased to kEUR 7,668 in Q3 2024 from kEUR 4,736 in Q3 2023 and to kEUR 13,308 YTD 2024 from kEUR 1,982 in YTD 2023, which was impacted by subsequent tax payments for previous years. All other major factors affecting operating cash flow, such as profit, changes in inventories or trade receivables and trade payables, are described in the sections above. Cash flow from investing activities amounted to kEUR -1,435 in Q3 2024 (Q3 2023: kEUR -1,711) and to kEUR -3,721 in YTD 2024 (YTD 2023: kEUR -4,147) 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 6,233 in Q3 2024 compared to kEUR 3,025 in Q3 2023 and to kEUR 9,587 YTD 2024 compared to kEUR -2,165 in YTD 2023. Cash flow from financing activities amounted to kEUR -6,374 in Q3 2024 (Q3 2023: kEUR -5,953) and to kEUR -19,736 YTD 2024 (YTD 2023: kEUR -16,840). Overall, total cash flow amounted to kEUR -141 in the third quarter of 2024 (Q3 2023: kEUR -2,928) and to kEUR -10,149 in YTD 2024 (YTD 2023: kEUR -19,005). Including changes in cash due to

exchange rates, cash amounted to kEUR 13,759 as of September 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 still difficult to assess.

Based on the business development for the first nine months of 2024 and the realignment of the career plan for distributors in the third quarter of 2024, LR Health & Beauty SE is adjusting its forecast for sales and EBITDA reported for the full year 2024. LR Health & Beauty SE is raising its sales forecast and now expects sales in the range of EUR 288 million to EUR 292 million in the 2024 financial year. In addition, the company is adjusting its EBITDA expectations for 2024 to a range of EUR 26 million to EUR 29 million. This is due to the fact that the realignment to the career plan for distributors in the third and fourth quarters of 2024 will result in a significant increase in the number of new distributors, which will have a positive impact on future sales expectations. At the same time, in addition to the refinancing costs incurred, earnings will be impacted primarily by one-off, extraordinary effects in the low single-digit million-euro range in connection with the updated career plan.

Munich, November 26, 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 & BEAUTY GROUP

INTERIM CONDENSED CONSOLIDATED
BALANCE SHEET AS OF SEP. 30, 2024

kEUR	Note	Sep. 30, 2024	Dec. 31, 2023
Non-current assets			
Intangible assets		119,643	119,372
Property, plant and equipment	7.	12,875	12,966
Right-of-use assets		16,986	17,439
Deferred taxes		1,734	1,421
		151,238	151,198
Current assets			
Inventories	8.	30,062	34,612
Trade receivables	9.	17,577	13,824
Income tax receivables		823	308
Other assets		8,859	10,805
Cash	10.	13,759	23,955
		71,080	83,504
TOTAL ASSETS		222,318	234,702

INTERIM CONDENSED CONSOLIDATED
BALANCE SHEET AS OF SEP. 30, 2024

kEUR	Note	Sep. 30, 2024	Dec. 31, 2023
Equity			
Subscribed capital		10,120	10,120
Capital reserve		150,130	150,130
Currency translation reserve		-8,769	-7,209
Accumulated loss		-135,703	-125,812
TOTAL EQUITY		15,778	27,229
Non-current liabilities			
Provisions		408	356
Deferred taxes		4,822	3,893
Liabilities from bonds	9.	124,523	125,490
Liabilities from loans		7,825	8,105
Liabilities from shareholder loans		4,011	0
Lease liabilities		12,160	12,064
Other liabilities		1,045	1,043
		154,794	150,951
Current liabilities			
Trade payables	9.	30,127	34,748
Other liabilities		9,527	10,250
Lease liabilities		5,802	6,003
Liabilities from loans		372	365
Income tax liabilities		1,408	1,184
Provisions		4,510	3,972
		51,746	56,522
TOTAL EQUITY AND LIABILITIES		222,318	234,702

LR HEALTH & BEAUTY GROUP

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

kEUR	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue	3. to 4.	68,375	63,999	208,022	203,280
Changes in finished goods and work in progress		193	3,744	-687	5,395
Other operating income		1,769	2,074	4,779	4,233
Cost of material		-11,932	-14,615	-37,495	41,781
a) Raw materials and supplies		-10,078	-12,154	-32,252	-36,124
b) Cost of purchased services		-1,854	-2,461	-5,243	-5,657
Personnel expenses		-14,005	-13,321	-43,069	-40,328
a) Wages and salaries		-11,833	-11,252	-36,481	-34,092
b) Expenses for social security and pension schemes		-2,172	-2,069	-6,588	-6,236
Other operating expenses		-37,112	-34,795	-112,517	-108,359
EBITDA	4.	7,288	7,086	19,033	22,440
Amortization and depreciation		-3,252	-3,225	-9,891	-9,753
Financial result		-4,842	-4,061	-16,602	-11,378
Profit or loss before tax		-806	-200	-7,460	1,309
Income taxes	6.	-886	24	-2,431	-1,291
PROFIT OR LOSS FOR THE PERIOD		-1,692	-176	-9,891	18

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

kEUR	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Profit or loss for the period	-1,692	-176	-9,891	18
Components of other comprehensive income which will be reclassified to profit or loss after tax in subsequent periods	-848	-783	-1,560	-383
Currency translation differences	-848	-783	-1,560	-383
TOTAL COMPREHENSIVE INCOME	-2,540	-959	-11,451	-365

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

kEUR	Sub- scribed capital	Capital reserve	Accumu- lated loss	Currency translation reserve	Total equity
Jan. 1, 2024	10,120	150,130	-125,812	-7,209	27,229
Currency translation differences	0	0	0	-1,560	-1,560
Profit or loss for the period	0	0	-9,891	0	-9,891
Sep. 30, 2024	10,120	150,130	-135,703	-8,769	15,778
Jan. 1, 2023	10,120	150,130	-124,947	-6,391	28,912
Currency translation differences	0	0	0	-383	-383
Profit or loss for the period	0	0	18	0	18
Sep. 30, 2023	10,120	150,130	-124,929	-6,774	28,547

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

kEUR		Q3 2024	Q4 2023	YTD 2024	YTD 2023
1. Cash flow from operating activities	Note				
Profit or loss for the period		-1,629	-176	-9,891	18
Amortization and depreciation (+) of fixed assets		3,252	3,225	9,891	9,753
Increase (+) / reduction (-) in provisions		-35	-240	590	-758
Other non-cash expenses (+) / income (-)		-1,524	641	-1,873	306
Income (-) / losses (+) on the disposal of fixed assets		0	-2	0	-4
Increase (-) / reduction (+) in inventories, trade receivables and other assets		-430	-6,215	3,102	-13,993
Increase (+) / reduction (-) in trade payables and other liabilities		2,965	3,426	-5,617	1,754
Interest expenses (+) / interest income (-)		4,841	3,969	16,602	11,286
Income tax expenses (+) / income (-)	7.	886	-24	2,431	1,291
Income taxes paid (-)		-595	-348	-1,927	-7,671
CASH FLOW FROM OPERATING ACTIVITIES		7,668	4,736	13,308	1,982
2. Cash flow from investing activities					
Payments from (+) the disposal of property, plant and equipment		0	6	2	10
Payments for (-) investments in property, plant and equipment		-611	-216	-1,135	-875
Payments for (-) investments in intangible assets		-824	-1,501	-2,588	-3,282
CASH FLOW FROM INVESTING ACTIVITIES		-1,435	-1,711	-3,721	-4,147
3. Cash flow from financing activities					
Proceeds (+) from the issue of bonds		0	0	122,135	0
Proceeds (+) from shareholder loan		0	0	4,000	0
Proceeds (+) from interest		55	0	157	0
Repayment (-) of bonds		0	0	-126,813	0
Repayment (-) of loan		-91	-89	-273	-266
Payments for (-) interest		-3,822	-3,448	-11,547	-9,557
Repayment (-) of lease liabilities		-2,516	-2,416	-7,395	-7,017
CASH FLOW FROM FINANCING ACTIVITIES		-6,374	-5,953	-19,736	-16,840
4. Cash at the end of period					
Net increase (+) / decrease (-) in cash		-141	-2,928	-10,149	-19,005
Changes in cash due to exchange rates		468	-474	-47	-247
Cash at the beginning of period		13,432	23,568	23,955	39,418
CASH AT THE END OF PERIOD		13,759	20,166	13,759	20,166

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 nine months ended September 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 3,285 (PY: kEUR 3,535) recognized over time from subleasing vehicles to partners for the first nine 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 nine months ended September 30, 2024:

kEUR	Region Western Europe	Region Central Eastern Europe	Total Segments	Adjust- ments	Total
Revenue external customers	129,962	82,171	212,133	547	212,680
Revenue other segment	32,325	2,056	34,381	-34,381	0
Revenue other	3,991	2,241	6,232	1,163	7,395
Revenue reduction	-7,172	-4,881	-12,053	0	-12,053
TOTAL REVENUE	159,106	81,587	240,693	-32,671	208,022
Segment EBITDA	14,728	6,281	21,009	-1,976	19,033
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 nine months ended September 30, 2023:

kEUR	Region Western Europe	Region Central Eastern Europe	Total Segments	Adjust- ments	Total
Revenue external customers	125,931	78,257	204,188	1,433	205,621
Revenue other segment	31,220	1,305	32,525	-32,525	0
Revenue other	4,446	2,817	7,263	894	8,157
Revenue reduction	-6,189	-4,309	-10,498	0	-10,498
TOTAL REVENUE	155,408	78,070	233,478	-30,198	203,280
Segment EBITDA	16,149	8,943	25,092	-2,652	22,440
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 nine months ended September 30, 2024 and September 30, 2023 are as follows:

kEUR	2024	2023
Current income tax		
Current tax expenses	-1,764	-1,786
Deferred tax result		
Origination and reversal of temporary differences	-667	495
from deferred tax assets	94	331
from deferred tax liabilities	-761	164
TOTAL	-2,431	-1,291

7. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the first nine months ended September 30, 2024, the Group acquired assets with total acquisition costs of kEUR 1,135 (2023: kEUR 875). 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	Sep. 30, 2024	Dec. 31, 2023
Raw materials and supplies	7,390	9,850
Work in progress	670	180
Finished products	16,681	18,133
Goods for sale	4,768	6,226
Goods in transit	553	223
TOTAL INVENTORIES	30,062	34,612

Impairment of inventories recognized as expenditures amounts to kEUR 842 (2023: kEUR 939)

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 September 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	
Liabilities for which a fair value is reported					
Interest bearing loans					
Corporate bond 2024/2028	124,523	120,250	0	0	120,250
Fixed-rate loan	8,197	0	7,466	0	7,466
Fixed-rate shareholder loan	4,011	0	2,833	0	2,833

The fair value of the corporate bonds is based on the observed market price of EUR 925 per bond as of September 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	
Liabilities for which a fair value is reported					
Interest bearing loans					
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 11.005%.

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 third quarter ended September 30, 2024, the covenants are met.

As of September 30, 2024, the carrying amount of the liabilities from the bond 2024/2028 was kEUR 124,523 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 September 30, 2024, and December 31, 2023:

kEUR	Sep. 30, 2024	Dec. 31, 2023
Cash at hand	46	66
Cash at banks	13,713	23,889
CASH	13,759	23,955

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 fixed-rate shareholder loan agreement about an amount of 4 million Euro. The loan bears an interest rate of 0.5 % p. a. The loan and the related interest are due March 30, 2028. Full or partial redemption of the loan is allowed at any time. For the first nine months ended September 30, 2024 the related interest expense amounts to kEUR 11 (PY: kEUR 0). As of September 30, 2024, the carrying amount of the loan was kEUR 4,011 (PY: kEUR 0) including accrued interests.


Remuneration to individuals in key positions of the Group

kEUR	2024	2023
Short-term employee benefits	5,858	5,933
TOTAL REMUNERATION TO INDIVIDUALS IN KEY POSITIONS OF THE GROUP	5,858	5,933

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

Munich, November 26, 2024

LR Health & Beauty SE
- Executive Board -


Dr. Andreas Laabs
(CEO)


Andreas Grootz
(General Manager)





LR HEALTH & BEAUTY SE

MANAGEMENT REPORT & FINANCIAL STATEMENTS

MANAGEMENT REPORT

LR Health & Beauty SE (hereinafter referred to as "LR SE") is a European stock corporation incorporated in Germany with 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.

In the third quarter of 2024 (Q3 2024), LR SE's revenues increased to kEUR 345 compared to kEUR 253 in the third quarter of the previous year (Q3 2023). In the first nine months (YTD 2024), revenues amounted to kEUR 1,097 compared to kEUR 667 in the first nine months of 2023 (YTD 2023). This mainly results from cost allocations to LR Health & Beauty Systems GmbH, Ahlen, for services rendered. Other operating income amounted to kEUR 5 in Q3 2024 (Q3 2023: kEUR 0) and to kEUR 24 in YTD 2024 (YTD 2023: kEUR 63).

Personnel expenses increased from kEUR 240 in Q3 2023 to kEUR 344 in Q3 2024 and from kEUR 698 in YTD 2023 to kEUR 1,175 in YTD 2024. Other operating expenses at LR SE, including legal and consulting fees, allowances for the Supervisory Board and travel expenses, amounted to kEUR 382 in the third quarter of 2024 and to kEUR 1,365 in the first nine months of 2024, both significantly higher than in the previous year. The high increase resulted mainly from legal and consulting fees related to the issuance of the corporate bond.

The financial result amounted to kEUR -328 in Q3 2024 (Q3 2023: kEUR 0) and to kEUR -1,218 in YTD 2024 (YTD 2023: kEUR 0). It resulted mainly, 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 Q3 2024 and YTD 2024, as well as in the previous year. Overall, the net loss of the third quarter 2024 amounted to kEUR -704 (Q4 2023: kEUR -52) and in the first nine months of the year to kEUR -2,637 (YTD 2023: kEUR -175).

Total assets as of September 30, 2024 increased to kEUR 290,784 compared to kEUR 153,218 as of December 31, 2023 (PY). This significant increase is caused by the issuance of the corporate bond and by the granting of an intercompany loan to LR Global Holding GmbH. The latter is reflected in the non-current assets, which increased from kEUR 152,458 as of December 31, 2023, to kEUR 281,268 as of September 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 128,810. Current assets increased from kEUR 760 as of December 31, 2023, to kEUR 5,050 as of September 30, 2024. This includes receivables from affiliates in the amount of kEUR 5,047 (PY: kEUR 619), which mainly result from the fact that interest payments on intercompany loans were not offset in the third quarter but at the beginning of the fourth quarter (simultaneous increase in liabilities to affiliates). In August, LR SE was included in a cash pooling agreement with LR Health & Beauty Systems GmbH (cash pool leader), thus reducing the cash balance to kEUR 0 at the end of Q3 2024 (PY: kEUR 141). Prepaid expenses include the original issue discount on the corporate bond with a carrying amount of kEUR 4,456 (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 nine months 2024 of kEUR -2,637, from kEUR 152,197 as of December 31, 2023, to kEUR 149,560 as of September 30, 2024.

Provisions increased from kEUR 451 as of December 31, 2023, to kEUR 861 as of September 30, 2024. Liabilities increased from kEUR 570 as of December 31, 2023, to kEUR 140,363 as of September 30, 2024. This significant increase is related to liabilities to shareholders in the amount of kEUR 4,011 (PY: kEUR 500), liabilities to affiliates in the amount of kEUR 5,053 (PY: kEUR 0), caused by interest payments on intercompany loans that were not offset in the third quarter but at the beginning of the fourth quarter (simultaneous increase in receivables from affiliates) and to liabilities from the corporate bond in the amount of kEUR 131,2271 (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 3,634 in Q3 2024 (Q3 2023: kEUR -24) and to kEUR 3,963 in YTD 2024 (YTD 2023: kEUR -268). The cash flow from investing activities in Q3 2024 amounts to kEUR 0 (Q3 2023: kEUR 0). In the first nine months, it includes the interest income from the intercompany loan issued to LR Global Holding GmbH in the amount kEUR 3,237 and the issue of the intercompany loan in the amount of kEUR 128,800 and thus amounts to kEUR -125,563 (YTD 2023: kEUR 0). The cash flow from financing activities includes the interest payments of the corporate bond and amounts to kEUR -3,708 (Q3 2023: kEUR 0), while in the first nine months of 2024, the proceeds from the corporate bond and from the shareholder loan are also included and thus amount in total to kEUR 121,459 (YTD 2023: kEUR 0). Overall, total cash flow amounted to kEUR -74 in the third quarter of 2024 and kEUR -141 in the first nine months of the year, resulting in a cash balance of kEUR 0 as of September 30, 2024.

Munich, November 26, 2024

LR Health & Beauty SE
- Management Board -



Dr. Andreas Laabs
(CEO)



Andreas Grootz
(General Manager)

LR HEALTH & BEAUTY SE

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

kEUR	Sep. 30, 2024	Dec. 31, 2023
NON-CURRENT ASSETS		
Financial assets	281,268	152,458
thereof shares in affiliates	152,458	152,458
thereof loans to affiliates	128,810	0
	281,268	152,458
CURRENT ASSETS		
Receivables and other assets	5,050	619
thereof receivables from affiliates	5,047	619
Cash	0	141
	5,050	760
PREPAID EXPENSES	4,466	0
TOTAL ASSETS	290,784	153,218

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

kEUR	Sep. 30, 2024	Dec. 31, 2023
EQUITY		
Subscribed capital	10,120	10,120
Capital reserve	142,458	142,458
Accumulated loss	-3,018	-381
	149,560	152,197
PROVISIONS		
Other provisions	861	451
	861	451
LIABILITIES		
Liabilities from corporate bond	131,271	0
Trade payables	4	5
Liabilities to shareholders	4,011	500
Liabilities to affiliates	5,053	0
Other liabilities	24	65
	140,363	570
TOTAL EQUITY AND LIABILITIES	290,784	153,218

LR HEALTH & BEAUTY SE

UNAUDITED INTERIM STATEMENT FOR PROFIT AND LOSS FOR THE NINE MONTHS ENDED SEP. 30, 2024

kEUR	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Revenue	345	253	1,097	667
Other operating income	5	0	24	63
	350	253	1,121	730
Personnel expenses	344	240	1,175	698
thereof wages and salaries	331	237	1,146	687
thereof social security, pension and other benefit costs	13	3	29	11
Other operating expenses	382	65	1,365	207
	726	305	2,540	905
Other interest and similar income	3,722	0	8,153	0
Other interest and similar expenses	4,050	0	9,371	0
	-328	0	-1,218	0
Income taxes	0	0	0	0
NET PROFIT/LOSS FOR THE PERIOD	-704	-52	-2,637	-175

UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED SEP. 30, 2024

kEUR	Q3 2024	Q3 2023	YTD 2024	YTD 2023
CASHFLOW FROM OPERATING ACTIVITIES				
Profit or loss for the period	-704	-53	-2,637	-175
Reduction (-)/Increase (+) in provisions	-131	129	410	-671
Other non-cash expenses	-419	0	0	0
Increase (-)/Reduction (+) of receivables and other assets	189	-99	1,208	869
Increase (+)/Reduction (-) of trade payables and other liabilities	3,951	-1	3,763	-291
Interest expenses (+)/interest income (-)	748	0	1,218	0
	3,634	-24	3,963	-268
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for (-) investments in financial assets	0	0	-128,800	0
Payments for (+) received interest	0	0	3,237	0
	0	0	-125,563	0
CASH FLOW FROM FINANCING ACTIVITIES				
Payments from (+) the issue of bonds	0	0	124,800	0
Proceeds (+) from equity contributions	0	0	4,000	0
Payments (-) for interest	-3,708	0	-7,341	0
	-3,708	0	121,459	0
CASH AT THE END OF PERIOD				
Net increase in cash (subtotal 1 - 3)	-74	-24	-141	-268
Cash at the beginning of period	74	36	141	280
CASH AT THE END OF PERIOD	0	12	0	12

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