



HEALTH & BEAUTY

Q4 2022

**UNAUDITED CONSOLIDATED
REPORT**

LR HEALTH & BEAUTY GROUP

UNAUDITED REPORT

LR GLOBAL HOLDING GMBH



HEALTH & BEAUTY

“

WE ARE THE
MOST ATTRACTIVE
SOCIAL SELLING
PLATFORM.

WE MAKE OUR
CUSTOMERS
FEEL HEALTHY
AND BEAUTIFUL.

WE
BELIEVE
IN
MORE



WE BELIEVE IN MORE QUALITY FOR YOUR LIFE



FINANCIAL HIGHLIGHTS LR HEALTH & BEAUTY GROUP

in EUR m	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Sales*	72.8	75.4	269.4	296.2
Normalised EBITDA in % of Sales	13.8 19.0 %	11.5 15.3 %	36.3 13.5 %	41.7 14.1 %
Free cash flow	12.7	(17.0)	(18.2)	19.8
Cost of materials	(15.0)	(13.6)	(49.0)	(56.9)
Personnel expenses	(12.8)	(13.6)	(52.7)	(54.2)
Other operating expenses	(38.9)	(40.8)	(154.6)	(157.5)

IR.LRworld.com

*Sales as revenue from goods sold

UNAUDITED CONSOLIDATED REPORT Q4 2022 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 SELLING COMPANIES IN THE FIELD OF HEALTH AND BEAUTY PRODUCTS. AND THE STABLE GROWTH OF MORE INTERNATIONALITY, QUALITY, RESPONSIBILITY AND OPPORTUNITIES STILL CONTINUES.

MORE STABILITY

WE CARE FOR PEOPLE'S LIVES



OUR COMPANY

As a modern social selling partner, the LR Group distributes approx. 200 different products in the areas of body care, beauty, health and nutrition in 28 countries through the partner community, which comprises about 300,000 active sales partners and customers.

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

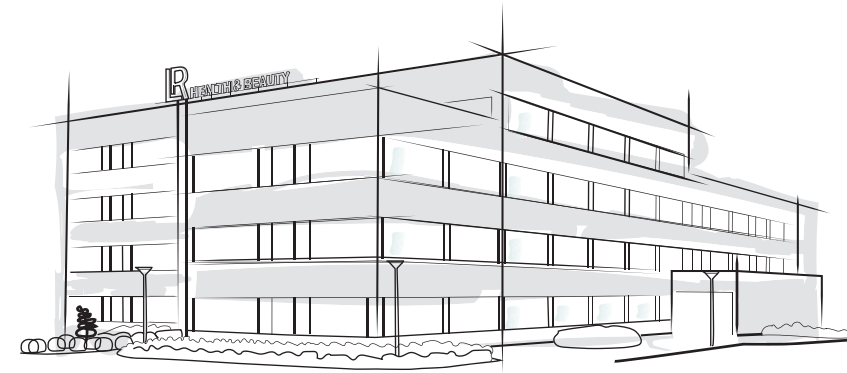
Since May 27th 2022, the former CFO and COO of LR Global Holding GmbH, Dr Andreas Laabs, assumed the role of Chief Executive Officer (CEO) from Andreas Friesch. Together with Andreas Laabs and Thomas Heursen, Andreas Friesch

navigated LR very successful through challenging times. The new CEO Dr Laabs, who has already been part of LR 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 (started on February 1, 2023), and Thomas Heursen, General Manager Global Partner Relations, as well as his entire management team.

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

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

SINCE **37** YEARS SUCCESSFUL IN EUROPE
ABOUT **1,200** EMPLOYEES



LR Health & Beauty Headquarter

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 shakes, soups and flakes are even better, even tastier and even more effective. Under the brand LR BODY MISSION, the high-quality products offer everyone the smart way to a good body feeling. One brand with a large LR product segment that has been highly topical for many years and has consistently been one of our international top sellers is our high-quality aloe vera product range – especially our Aloe Vera Drinking Gels. And in 2022 we celebrated the 20th anniversary of Aloe Vera at LR – an absolute power duo!

Thanks to our unique business opportunity and our innovative and competent health and beauty solutions, we sustainably improve the quality of life for many people. With an individual career programme, targeted training, excellent service and a wide range of training tools, we have been leading our sales partners to business success for over 37 years.

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

OUR VISION

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

MORE STABILITY



OUR INNOVATIVE PRODUCTS

Our product portfolio comprises cutting-edge health and beauty solutions that combine natural ingredients with scientific innovation. This includes care products and cosmetics, perfumes and nutritional supplements as well as essential oils and care products with essential oils. At the company-own development centre, experts from the fields of cosmetics and health constantly research and work on new solutions and products. Numerous marketing awards and certificates by renowned German institutes such as SGS INSTITUT FRESENIUS or Dermatest, confirm the high quality and innovative strength of our products.

The secret to our success? We have always banked on the quality principle “Made in Germany” and manufacture over 90 % of our products in

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

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

OUR BUSINESS CONCEPT

For over 37 years, we have been giving people the opportunity to shape their lives independently and successfully by becoming sales partners. Thousands of LR sales partners have achieved financial freedom and a better quality of life thanks to LR. They are all part of an international team that has established LR’s success with a modern sales system, digital possibilities, enthusiasm for fantastic products and plenty of passion.

The LR business model offers independence coupled with the security of a large company that supports its partners in all phases of their careers. Especially in difficult times, like in the past three years, this concept has proven to work well – an added bonus is the team spirit in the LR community. In 2021, we were able to top our record turnover from 2020, so that we were able to achieve a new record sales growth last year.

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

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

“More quality for your life” not only applies to the products and the business model, but also to the social commitment of LR Health & Beauty. The charity, founded in 2009, is based on the collective commitment of the company, its employees, sales partners and customers and supports children’s aid projects in 18 countries in which LR is active. At the general meeting on 22 September 2022, Kirsten Ueckmann was elected as the new chairwoman of the LR Global Kids Fund e.V. (LRGKF). She has been an integral part of the LRGKF board team for more than ten years and succeeds Andreas Friesch in her new role.

OUR AWARDS



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.



2019/20 GERMAN BRAND AWARD

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



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



PROVEN QUALITY



LOVE OF NATURE AND ANIMALS



SUSTAINABLY PACKAGED



MADE IN GERMANY



WWW.IASC.ORG



WWW.SGS-QUALITAETSSIEGEL.DE/EN



FSC



dermatest



WE BELIEVE IN MORE INTERNATIONALITY

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

MORE INTERNATIONALITY

OUR SALES COMPANIES IN 28 COUNTRIES



LR GROUP HEADQUARTER IN GERMANY

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



INTERNATIONAL SALES COMPANIES

REGION 1

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

REGION 2

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

EXPANSION

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

REGION 3

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



The breakdown by regions has changed in 2022.



LR HEALTH & BEAUTY GROUP

MANAGEMENT REPORT & FINANCIAL STATEMENTS



MANAGEMENT REPORT

The LR Health & Beauty Group and its parent company LR Global Holding GmbH (hereinafter referred to as LR Group, LR or the Group) is an internationally operating enterprise with a primary focus on cosmetics and dietary supplements. The LR Group is represented with 32 companies worldwide in 28 countries and markets its products through direct sales with marketing plans focused on the European and Asian markets.

SALES AND OTHER INCOME

In the fourth quarter 2022 (Q4 2022), LR Group has achieved a sales volume of kEUR 72,787 (PY: kEUR 75,390). This corresponds to a decrease of –3.5% compared to the fourth quarter of the previous year (Q4 2021). In the full year 2022 (FY 2022), sales amounted to kEUR 269,417 (PY: kEUR 296,239), which corresponds to a decrease compared to the previous year of –9.1%. This comparison is strongly affected by the different macroeconomic framework conditions in the respective periods. Driven by exceptionally strong growth in the financial year 2020 and the last large lockdowns in several countries, six consecutive monthly sales records were achieved in the first half-year 2021. As a result, the first half-year 2021 marked the highest sales values in LR history. Without these strong supporting conditions, the sales development in January and February 2022 was below 2021 values but still above the values of 2020, which was in line with LR Groups expectations. With the outbreak of war in Ukraine, sales dropped by –23.7% in March 2022 compared to the previous year. The Ukraine subsidiary located in Kiev had to temporarily be closed, and further negative effects due to the uncertain situation were also recorded

in other markets, especially in the neighboring countries, but also in Central and Western Europe. In addition, the high inflation and the resulting change in consumer behavior contributed to the decline in sales.

Since the unexpected sales drop in March, LR Group has been working on stabilizing the sales development. While the year-on-year decline in sales in the second quarter of 2022 was down 14.6%, the gap was already narrowed to –3.7% in the third quarter. In the fourth quarter, which is traditionally very consumer-driven with the Christmas business, the sales gap was further reduced to –3.5% compared with the prior-year quarter despite the significantly weaker consumer climate.

A particularly important building block along the way was the launch of the new patented cleansing device Zeitgard Pro in September. It is the most successful product launch in recent years and offers not only high quality for the end customer but also a wide range of business opportunities for our sales partners. In addition, the new edition of the Fast Track Bonus also strengthened our sales partners and thus also contributed significantly to the positive sales trend.

Region 1², the largest region within LR Group in terms of sales including the German market, registered an increase in sales from kEUR 31,173 in Q4 2021 to kEUR 32,450 in Q4 2022. This corresponds to an increase of +4.1%. In the full year, the sales decreased by –5.5% from kEUR 120,944 in 2021 to kEUR 114,279 in 2022.

Region 2², including Ukraine and neighboring markets, also suffered a decline in sales in the fourth quarter under the difficult circumstances, amounting to –21.6%. The total sales in Region 2

¹Sales as revenue from goods sold.
²The breakdown by regions has changed in 2022. For comparison purposes, the sales of the previous year are calculated with the current breakdown.

LR HEALTH & BEAUTY GROUP

amounted to kEUR 15,920 in Q4 2022 (PY: kEUR 20,311) and to kEUR 64,402 YTD 2022 (PY: kEUR 80,945).

In Region 3², the sales slightly decreased from kEUR 23,547 in Q4 2021 to kEUR 23,247 in Q4 2022, which corresponds to a decrease of -1.3%. In the full year 2022 compared to the previous year the sales decreased by -4.6% from kEUR 93,421 to kEUR 89,082.

Adding up other revenue in the amount of kEUR 12,263 for the full year 2022 to the total sales of kEUR 269,441 sums up to kEUR 281,704 as revenue before sales reductions. After sales reductions of kEUR -13,396, the revenue amounts to kEUR 268,309.

The other operating income in the fourth quarter includes a valuation effect in the currency exchange gains of kEUR 2,358 by the first-time application of IAS 29 related to hyperinflation effecting our Turkish market. Including this effect, the currency exchange gains in the full year 2022 add up to kEUR 14,900 (PY: kEUR 5,006). Based on this the other operating income increased from kEUR 8,643 in 2021 to kEUR 21,614 in FY 2022. Beside the exchange rate valuations, this increase results primarily from a compensation payment from a supplier and costs on-charged to the shareholders in the first half-year.

COST STRUCTURE

The cost of materials for LR Group increased in the fourth quarter 2022 by kEUR 1,494 to kEUR 15,048 (PY: kEUR 13,554) but decreased in the full year 2022 by kEUR 7,953 to kEUR 48,959 (PY: kEUR 56,912). In addition, the changes in finished goods and work in progress in Q4 2022 amounted to kEUR 436 (PY: kEUR -1,705) and in

the full year 2022 to kEUR -2,446 (PY: kEUR +3,746). The sum of cost of materials and the changes in finished goods and work in progress amounted to kEUR 14,612 in Q4 2022 (PY: kEUR 15,259) and to kEUR 51,405 FY 2022 (PY: kEUR 53,166). In relation to revenue, this corresponds to an increased ratio of 19.9% in Q4 2022 (PY: 20.2%) and 19.2% in the full year 2022 (PY: 18.1%).

The personnel expenses decreased by -5.6% to kEUR 12,838 in Q4 2022 (PY: kEUR 13,599) and by - to kEUR 52,678 in FY 2022 (PY: kEUR 54,162). Following the slump in sales after the outbreak of the war, various cost-cutting measures were implemented, including a temporary hiring freeze, and even beyond that, positions that became vacant were not automatically filled. The number of employees amounted to 1,236 as of December 31, 2022; this corresponds to a decrease compared to the previous year (1,314 as of December 31, 2021) as well as compared to the end of the previous quarter (1,247 as of September 30, 2022).

The other operating expenses decreased to kEUR 38,906 in the fourth quarter 2022 (PY: kEUR 40,829) and to kEUR 154,561 in FY 2022 (PY: kEUR 157,462). This includes losses from currency exchange rates in the amount of kEUR 13,269 (PY: kEUR 5,432). However, it must be noted that likewise gains from currency exchange rates have occurred (shown within the other operating income). Without this extraordinary effect, the other operating expenses would have been reduced



OVER **75,000,000**
SOLD BOTTLES OF
ALOE VERA DRINKING GEL⁴

more significantly. Compared with the previous year, particularly the bonus payments had a decreasing effect caused by the lower sales volume and cost-cutting measures following the drop in sales after the outbreak of the war also led to a reduction.

ECONOMIC RESULTS

Q4 2022 closed with a reported EBITDA of kEUR 12,757 (PY: kEUR 9,597) and the FY 2022 closed with a reported EBITDA of kEUR 31,279 (PY: kEUR 36,793). Compared to the previous year, this corresponds to an increase in the fourth quarter of +32.9% but to a decrease of -15.0% in full year 2022. This reduction is driven by the decreased sales. Taking exceptional items of kEUR 1,066 in Q4 2022 and of kEUR 4,979 in FY 2022 into account, the normalized EBITDA amounts to kEUR 13,823 in Q4 2022 (PY: kEUR 11,541) and to kEUR 36,258 in FY 2022 (PY: kEUR 41,652). This corresponds to an increase of +19.8% in Q4 2022 and to a decrease of -13.0% in the full year 2022. Deducting amortization and depreciation of kEUR 2,933 (PY: kEUR 4,282) in Q4 2022 from the reported EBITDA results in an EBIT of kEUR 9,824 (PY: kEUR 5,315). In the full year 2022, the amortization and depreciation amounted to kEUR 14,229 (PY: kEUR 14,833) and thus the EBIT results to kEUR 17,050 (PY: kEUR 21,960).

The interest result amounts to kEUR -3,278 in Q4 2022 (PY: kEUR -4,978) and to kEUR -12,011 in FY 2022 (PY: kEUR -24,139; affected by extraordinary IFRS revaluation effects). After deduction of income taxes in the amount of kEUR 2,824 for Q4 2022 (PY: kEUR 1,902) and kEUR 4,248 for the full year 2022 (PY: kEUR 6,525), the profit for the fourth quarter 2022 amounts to kEUR 3,722 (PY: kEUR -1,574) and for the full year 2022 to kEUR 791 (PY: kEUR -8,704).

FINANCIAL STATUS

The total assets slightly increased from kEUR 231,018 as of December 31, 2021, to kEUR 235,508 as of December 31, 2022. Therein the non-current assets were almost stable at kEUR 148,816 (PY: kEUR 149,304). On the other hand, the sum of current assets increased by kEUR 4,978 to kEUR 86,692 compared to December 31, 2021. The decrease in inventories and other assets was more than offset by the strong increase in cash and cash equivalents from kEUR 30,033 as of December 31, 2021, to kEUR 39,139 as of December 31, 2022. The cash level is also significantly stronger than expected, as tax payments will now be due to the first quarter of the new year. The equity endowment has already been improved substantially in the financial year 2021 due to the

OVER **22,240**
LITERS OF
EMERGENCY SPRAY SOLD³



³ Liters in the first half-year
⁴ Since the Aloe Vera start 20 years ago

LR HEALTH & BEAUTY GROUP

contribution of the shareholder loans at the end of November 2021. Accordingly, the capital reserve increased significantly and the total equity including non-controlling interests added up to kEUR 29,537 as of December 31, 2021. Driven by the total comprehensive income of the full year 2022, the total equity slightly decreased to kEUR 29,087 as of December 31, 2022.

The structure of the liabilities is mainly characterized by the liabilities from bonds. On January 27, 2021, LR Global Holding GmbH, the former parent company of the LR Group, placed a senior secured corporate bond (WKN: A3HFM, ISIN: NO0010894850) with a volume of kEUR 125,000. It was mainly issued to institutional investors by way of a private placement. The bond was issued in the so-called "Nordic bond format" under Swedish law and with the involvement of Nordic Trustee & Agency AB as trustee. Trading in the Open Market of the Frankfurt Stock Exchange started at February 3, 2021, and as of January 26, 2022, the bonds are also listed on the regulated market of NASDAQ Stockholm

The non-current liabilities increased from kEUR 139,060 as of December 31, 2021, to kEUR 147,340 as of December 31, 2022. This increase is mainly caused by the completion of a new Sale-And-Lease-Back agreement for the headquarters in Ahlen, Germany. For settlement purposes, a special purpose vehicle (Divanno Grundstücksverwaltungs-gesellschaft mbH & Co. Vermietungs KG), which is fully consolidated, was installed as purchaser and lessor. The purchase price amounted to kEUR 9,000 and the lease contract was concluded for 20 years with an option for further 10 years. As a result of the corresponding bank loan agreement entered into by the SPV on very favorable terms (interest rate of only 2.5 % p.a.), kEUR 8,469 are shown in the position borrowings within the non-current liabilities, and kEUR 356 are shown under borrowings in the current liabilities.

In total, the current liabilities added up to kEUR 62,421 as of December 31, 2021, and decreased to kEUR 59,080 as of December 31, 2022. This decrease is mainly caused by reduction of trade payables and provisions. Furthermore, the tax liabilities further increased to kEUR 7,627 as of December 31, 2022. A significant part of the tax liabilities is due in the first two quarters 2023.

The cash flow from operating activities decreased from kEUR 18,069 in Q4 2021 to kEUR 16,995 in Q4 2022 and from kEUR 25,361 in the full year 2021 to kEUR 24,248 in the full year 2022. The cash flow from investing activities amounts to kEUR -4,342 in Q4 2022 (PY: kEUR -1,115) and to kEUR -6,022 in FY 2022 (PY: kEUR -5,583).

The free cash flow including the cash flow from operating activities as well as the cash flow from investing activities amounted to kEUR 12,653 in Q4 2022 (PY: kEUR 16,954) and to kEUR 18,226 in FY 2022 (PY: kEUR 19,778).

The cash flow from financing activities amounts to kEUR -4,601 for Q4 2022 (PY: kEUR -5,709). For the full year 2022, the cash flow from financing activities amounted to kEUR -9,766 (PY: kEUR -22,339; impacted by the refinancing activities in 2021).

Overall, the total cash flow of the fourth quarter 2022 amounts to kEUR 8,052 and for the full year 2022 to kEUR 8,460. Including changes in cash due to exchange rates, the cash as of December 31, 2022, amounted to kEUR 39,139

OUTLOOK

After a solid start into 2022 with sales and earnings in line with expectations, sales and thus also EBITDA dropped significantly after the outbreak of the war. Under these circumstances, LR was not yet in a position to provide a valid forecast at the time of publication of the annual report in April 2022. A wide variety of measures were immediately taken to stabilize sales on the one

hand and to reduce costs and expenses on the other. The measures quickly took effect, even though the second quarter still showed a significant year-on-year decline in sales of -14.6%, a steady monthly stabilization of the situation in the LR Group could already be observed. With the publication of the Q2 figures, LR was then able to provide a valid forecast for 2022 for the first time. Sales were estimated in a range of EUR 260 million to EUR 270 million and EBITDA in a range of EUR 22 million to EUR 30 million. With the publication of the Q3 figures, which were already very stable again with a decline in sales of only -3.7% compared to the same quarter of the previous year, this forecast was further refined to a sales range of EUR 265 million to EUR 270 million and an EBITDA range of EUR 24 million to EUR 30 million. After the preliminary closing of the year, LR can confirm the sales forecast at the upper end of the range with EUR 269.4 million. The preliminary EBITDA of EUR 31.3 million even exceeded the forecast.

Ahlen, February 24, 2023

LR Global Holding GmbH
– Company management –

Dr. Andreas Laabs
(CEO)

Andreas Grootz
(General Manager)

Patrick Sostmann
(General Manager)



DR. ANDREAS LAABS
CEO



ANDREAS GROOTZ
GENERAL MANAGER



PATRICK SOSTMANN
GENERAL MANAGER

LR HEALTH & BEAUTY GROUP

UNAUDITED CONSOLIDATED STATEMENT
OF FINANCIAL POSITIONS AS OF DECEMBER 31, 2022

kEUR	Note	Dec. 31, 2022	Dec. 31, 2021
ASSETS			
Non-current assets			
Intangible assets		118,186	115,859
Property, plant and equipment	8.	13,048	13,620
Right-of-use assets		16,214	18,214
Deferred taxes		1,368	1,611
		148,816	149,304
Current assets			
Inventories	9.	25,781	29,599
Trade receivables	10.	10,675	10,209
Income tax receivables		1,236	252
Other assets		9,860	11,621
Cash	11.	39,139	30,033
		86,691	81,714
TOTAL ASSETS		235,507	231,018

UNAUDITED CONSOLIDATED STATEMENT
OF FINANCIAL POSITIONS AS OF DECEMBER 31, 2022

kEUR	Note	Dec. 31, 2022	Dec. 31, 2021
EQUITY AND LIABILITIES			
Equity			
Subscribed capital		25	25
Capital reserve		160,102	160,102
Currency translation reserve		-6,391	-5,145
Accumulated loss		-124,649	-125,440
Total equity before non-controlling interests		29,087	29,542
Non-controlling interests		0	-5
TOTAL EQUITY		29,087	29,537
Non-current liabilities			
Provisions		500	391
Deferred taxes		3,162	2,972
Liabilities from bonds	10.	124,571	123,657
Borrowings		8,469	0
Lease liabilities		10,637	12,022
Other liabilities		1	18
		147,340	139,060
Current liabilities			
Trade payables	10.	31,062	33,410
Other liabilities		9,035	9,640
Lease liabilities		6,353	6,602
Borrowings		356	0
Income tax liabilities		7,627	6,687
Provisions		4,647	6,082
		59,080	62,421
TOTAL EQUITY AND LIABILITIES		235,507	231,018

LR HEALTH & BEAUTY GROUP

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT
OR LOSS FOR THE PERIOD JAN. 1, 2022 TO DEC. 31, 2022

kEUR	Note	Q4 2022	Q4 2021	FY 2022	FY 2021
Revenue	4.to 5.	73,517	75,375	268,309	292,940
Changes in finished goods and work in progress		436	-1,705	-2,446	3,746
Other operating income		5,596	3,909	21,614	8,643
Cost of material		-15,048	-13,554	-48,959	-56,912
a) Raw materials and supplies		-13,481	-11,370	-41,560	-46,893
b) Cost of purchased services		-1,567	-2,184	-7,399	-10,019
Personnel expenses		-12,838	-13,599	-52,678	-54,162
a) Wages and salaries		-10,743	-11,409	-44,234	-45,861
b) Expenses for social security and pension schemes		-2,095	-2,190	-8,444	-8,301
Other operating expenses		-38,906	-40,829	-154,561	-157,462
EBITDA	5.	12,757	9,597	31,279	36,793
Amortization and depreciation		-2,933	-4,282	-14,229	-14,833
Interest income		17	11	46	47
Interest expenses		-3,295	-4,998	-12,057	-24,186
Profit or loss before tax		6,546	328	5,039	-2,179
Income taxes	7.	-2,824	-1,902	-4,248	-6,525
PROFIT OR LOSS FOR THE PERIOD		3,722	-1,574	791	-8,704
thereof attributable to:					
Non-controlling interests		0	6	0	6
Shareholders		3,722	-1,580	791	-8,710

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JAN. 1, 2022 TO DEC. 31, 2022

kEUR	Q4 2022	Q4 2021	FY 2022	FY 2021
Profit or loss for the period	3,722	-1,574	791	-8,704
Components of other comprehensive income which will be reclassified to profit or loss after tax in subsequent periods	-2,283	260	-1,246	430
Currency translation differences	-2,283	260	-1,246	430
TOTAL COMPREHENSIVE INCOME	1,439	-1,314	-455	-8,274
thereof attributable to				
Non-Controlling interests	0	6	0	6
Shareholders	1,439	-1,320	-455	-8,280

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD JAN. 1, 2022 TO DEC. 31, 2022

kEUR	Subscribed capital	Capital reserve	Accumulated loss	Currency translation reserve	Equity before non-controlling interests	Non-controlling interests	Total equity
Jan. 1, 2022	25	160,102	-125,440	-5,145	29,542	-5	29,537
Currency translation differences	0	0	0	-1,246	-1,246	0	-1,246
Profit or loss for the period	0	0	791	0	791	0	791
Withdrawal of non-controlling interests	0	0	0	0	0	5	5
Dec. 31, 2022	25	160,102	-124,649	-6,391	29,087	0	29,087
Jan. 1, 2021	25	1,790	-116,730	-5,575	-120,490	-11	-120,501
Currency translation differences	0	0	0	430	430	0	430
Profit or loss for the period	0	0	-8,710	0	-8,710	6	-8,704
Contribution of the shareholder loan at nominal value	0	146,325	0	0	146,325	0	146,325
Contribution of unpaid interest on the shareholder loan	0	6,987	0	0	6,987	0	6,987
Grant provided by shareholders	0	5,000	0	0	5,000	0	5,000
Dec. 31, 2021	25	160,102	-125,440	-5,145	29,542	-5	29,537

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD JAN. 1, 2022 TO DEC. 31, 2022

kEUR		Q4 2022	Q4 2021	FY 2022	FY 2021
1. Cash flow from operating activities	Note				
Profit or loss for the period		3,727	-1,574	796	-8,704
Amortization and depreciations (+) of fixed assets		2,933	4,282	14,229	14,833
Increase (+) / reduction (-) in provisions		56	-465	-1,326	-1,055
Other non-cash expenses(+) / income (-)		-2,496	232	-2,460	-2,233
Income (-)/losses (+) on the disposal of fixed assets		2	69	-2	69
Increase (-)/reduction (+) of inventories, trade receivables and other assets		5,702	4,928	5,235	-8,859
Increase (+)/reduction (-) of trade payables and other liabilities		2,367	4,416	-4,573	4,495
Interest expenses (+)/interest income (-)		3,278	4,987	12,011	24,139
Income tax expenses (+) / income (-)	7.	2,824	1,902	4,248	6,525
Income taxes paid (-)		-1,398	-708	-3,910	-3,849
CASH FLOW FROM OPERATING ACTIVITIES		16,995	18,069	24,248	25,361
2. Cash flow from investing activities					
Payments from (+) the disposal of property, plant and equipment		1	12	7	18
Payments for (-) investments in property, plant and equipment		-575	-204	-1,133	-1,496
Payments for (-) investments in intangible assets		-3,768	-927	-4,896	-4,109
Payments from (+) the disposal of non-current financial assets		0	4	0	4
CASH FLOW FROM INVESTING ACTIVITIES		-4,342	-1,115	-6,022	-5,583
3. Cash flow from financing activities					
Proceeds from shareholders contributions		0	0	0	5,000
Proceeds (+) from borrowings		0	0	9,000	0
Payments from (+) the issue of bonds		0	0	0	125,000
Payments for (-) interest		-2,520	-3,282	-9,506	-14,250
Repayment (-) of (finance) loans		0	0	0	-84,800
Repayment (-) of real estate loan		0	0	0	-3,938
Repayment (-) of shareholder loan		0	0	0	-40,400
Repayment (-) of borrowings		-88	0	-175	0
Repayment (-) of lease liabilities		-1,993	-2,427	-9,085	-8,951
CASH FLOW FROM FINANCING ACTIVITIES		-4,601	-5,709	-9,766	-22,339
4. Cash at the end of period					
Net increase (+) / decrease (-) in cash		8,052	11,245	8,460	-2,561
Changes in cash due to exchange rates		686	227	646	415
Cash at the beginning of period		30,401	18,561	30,033	32,179
CASH AT THE END OF PERIOD		39,139	30,033	39,139	30,033

LR GLOBAL HOLDING GMBH AHLEN / GERMANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. INFORMATION ON THE GROUP

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

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

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

The Group markets its products through direct sales, with marketing plans focused on the European and Asian markets. The product range comprises dietary supplements, perfumes, cosmetics, and accessories. The Group's business is primarily determined by private consumption and the pertinent cosmetics and food laws.

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

a. Basis for preparing the financial statements

The interim condensed consolidated financial statements for the financial year 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting. They are in line with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information, effective within the European Union. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2021. The Group assets were assessed according to the going-concern principle, i.e. with the assumption of continuation of the Company.

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

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

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

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

3. NEW GROUP COMPANIES

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

4. REVENUE FROM CONTRACT WITH CUSTOMERS

See Note 5, Operating segments, for the breakdown of revenue by geographical region.

Revenues in the regions essentially comprise revenues from products of the Group. Other revenues comprise revenues from services rendered such as cost allocations, seminars, and events as well as revenue of kEUR 4,882 (PY: kEUR 4,400) recognized over time from subleasing vehicles to partners. The sales deductions mainly comprise revenue-based discounts to partners.

5. OPERATING SEGMENTS

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

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

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

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

The Company’s management board is the chief operating decision maker, who separately monitors the business units’ operating results to make decisions about resources to be allocated and assess its performance. For the analysis of business performance and the Group’s situation, the management board uses earnings before interest, taxes, depreciation, and amortization (EBITDA) as well as gross revenue as financial ratios which are compared with the latest forecast for the reporting period. Group financing (including finance costs, finance income and other income) and income tax expenses are managed on a group basis and are not allocated to operating business units.

Transfer prices between the German production company and the local sales companies are based on the transactional net margin method in accordance with the OECD Guidelines. Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

The table below shows revenue, EBITDA, and goodwill of the LR Group’s business units for financial year 2022:

kEUR	Region 1	Region 2	Region 3	Total segments	Adjustments	Total
Revenue from external customers	114,280	64,402	89,082	267,764	1,677	269,441
Revenue from other segments	55,933	1,888	1,530	59,351	-59,351	0
Revenue other	5,778	2,367	2,954	11,099	1,164	12,263
Sales reduction	-4,863	-3,187	-5,424	-13,474	79	-13,395
TOTAL REVENUE	171,128	65,470	88,142	324,740	-56,510	268,309
Segment EBITDA	14,213	5,232	11,672	31,117	162	31,279
Goodwill	76,547	14,325	10,647	101,519	0	101,519

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

kEUR	Region 1	Region 2	Region 3	Total segments	Adjustments	Total
Revenue from external customers	120,944	80,945	93,421	295,310	929	296,239
Revenue from other segments	71,935	1,675	1,355	74,965	-74,965	0
Revenue other	6,128	2,379	2,865	11,372	1,028	12,400
Sales reduction	-5,206	-4,409	-6,084	-15,699	0	-15,699
TOTAL REVENUE	193,801	80,590	91,557	365,948	-73,008	292,940
Segment EBITDA	25,928	6,967	7,331	40,226	-3,433	36,793
Goodwill	76,547	14,325	10,647	101,519	0	101,519

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

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

For the allocation of goodwill to segments, we refer to note 5.

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

7. INCOME TAX

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major items of income tax expenses for financial year 2022 and 2021:

kEUR	2022	2021
Current income tax		
Current tax expenses	-3,819	-5,810
Deferred tax income		
Origination and reversal of temporary differences	-429	-715
from deferred tax assets	-77	-636
from deferred tax liabilities	-352	-79
TOTAL	-4,248	-6,525

8. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the financial year 2022, the Group acquired assets with total acquisition costs of kEUR 1,133 (2021: kEUR 1,496). The major part of the acquisition belongs to other technical and office equipment.

No major disposal took place in the financial year 2022.

9. INVENTORIES

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

kEUR	Dec. 31, 2022	Dec. 31, 2021
Raw materials and supplies	6,822	7,885
Work in progress	183	187
Finished products	14,804	17,039
Goods for sale	3,474	4,066
Goods in transit	498	422
TOTAL INVENTORIES	25,781	29,599

Impairment of inventories recognized as expenditures amounts to kEUR 2,786 (2021: kEUR 1,964)

10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

With the exception of trade receivables, the Group measures financial assets at amortized cost plus transaction costs incurred. Trade receivables are measured at the transaction price.

Financial liabilities are initially measured at fair value or fair value less transaction costs. The Group’s financial liabilities include trade payables, lease liabilities, other financial liabilities, bonds, and loans and borrowings.

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

For the interest bearing financial liabilities, the quantitative disclosures for fair value measurement of liabilities according to hierarchy as of December 31, 2022, as follows:

kEUR		Fair value measurement using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Carrying amount	Level 1	Level 2	Level 3	
Liabilities for which a fair value is reported					
Interest bearing loans					
Corporate bond	124,217	106,875	0	0	106,875
Fixed-rate loan	8,825	0	7,958	0	7,958

The fair value of the corporate bonds is based on the observed market price of EUR 85.5 per bond as of December 31, 2022.

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

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

FINANCIAL LIABILITIES

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

The bonds bear interest at EURIBOR +7.25% (with a floor of zero). Interest is payable on a quarterly basis. The bonds mature on February 3, 2025. The effective interest rate of the bond is currently 9.204%.

The Group companies have deposited collateral in this context. In addition, covenants in the form of an interest coverage ratio and leverage ratio were agreed. The Group performs quarterly a maintenance test if these covenants are met. For the fourth quarter ended December 31, 2022, the covenants are met.

As of December 31, 2022, the carrying amount of the liabilities from the bond was kEUR 124,571 and included capitalized transaction costs.

11. CASH

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

The Group has pledged a part of its cash at banks to fulfill collateral requirements. Cash comprised the following as of December 31, 2022, and December 31, 2021:

kEUR	Dec. 31, 2022	Dec. 31, 2021
Cash at hand	48	43
Cash at banks	39,091	29,990
CASH	39,139	30,033

12. RELATED PARTY DISCLOSURES

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

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

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

kEUR	Receivables from parent companies		Liabilities to parent companies	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Aloco Holding S.à r.l.	500	1,012	0	0
LR Health & Beauty SE	0	78	1,475	122

kEUR	Income from parent companies		Expenses to parent companies	
	2022	2021	2022	2021
Aloco Holding S.à r.l.	1,868	1,012	0	7,486
LR Health & Beauty SE	24	78	2,055	102

Remuneration to individuals in key positions of the Group

kEUR	Jan. 1 to Dec. 31, 2022	Jan. 1 to Dec. 31, 2021
Short-term employee benefits	4,663	8,060
TOTAL REMUNERATION TO INDIVIDUALS IN KEY POSITIONS	4,663	8,060

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

Ahlen, February 24, 2023

LR Global Holding GmbH - Company management -

Dr. Andreas Laabs
(CEO)

Andreas Grootz
(General Manager)

Patrick Sostmann
(General Manager)



LR GLOBAL HOLDING GMBH

MANAGEMENT REPORT & FINANCIAL STATEMENTS

MANAGEMENT REPORT

LR Global Holding GmbH, with its registered office at Kruppstraße 55, 59227 Ahlen, Germany, (herein-after referred to as LR Global) is an intermediate holding company carrying out central group functions, including the determination and further development of group strategy, capital allocation, financing, and management development. LR Global has direct and indirect shareholdings in 31 active subsidiaries via its equity investment.

The _ in the fourth quarter of 2022 (Q4 2022) amounted to kEUR 5,058 (PY: kEUR 6,129) and in the full year 2022 (FY 2022) to kEUR 16,358 (PY: kEUR 11,761). Such revenue resulted primarily from the internal on-charging of services to the LR Health & Beauty Systems GmbH, Ahlen. This corresponds to a decrease in revenue of 17.5% in Q4 2022 and to an increase of 39.1% in FY 2022. The other operating income amounted to kEUR 91 in Q4 (PY: kEUR 51.462) and to kEUR 2.266 in FY 2022 (PY: kEUR 51.608). The extraordinarily high amount in the previous year resulted mainly from a reversal of impairment losses amounting to EUR 50.3 million.

The personnel expenses amounted to kEUR 3.563 in Q4 2022 (PY: kEUR 4.407) and to kEUR 15.144 FY 2022 (PY: kEUR 10.517). This apparently large increase in the full year compared to the previous year is in fact the result of an internal reorganization completed in the fourth quarter of 2021. As part of the reorganization, a significant number of employees were assigned to the LR Global Holding GmbH, while the number of employees of LR Health & Beauty Systems GmbH decreased accordingly. Compared to the end of the third quarter of the previous year, the number of employees of LR Global increased from 76 to 214 at the end of the financial year 2022. The other operating expenses decreased to kEUR 820 in Q4 2022 (PY: kEUR 1,324). In the financial year 2021,

the other operating expenses were mainly driven by one-time costs related to the issuance of a kEUR 125,000 senior secured corporate bond (WKN: A3HFM, ISIN: NO0010894850). As a result, the other operating expenses decreased by kEUR –2,343 to kEUR 4,289 FY 2022 compared to the previous year. The financial result amounts to kEUR 3,219 in Q4 2022 and kEUR –862 in FY 2022. It includes income from investments of kEUR 5,025 in Q4 2022 as well as in the full year, resulting from the profit and loss transfer agreement with LR Health & Beauty Systems Beteiligungs GmbH, interest income of kEUR 1,085 in Q4 and of kEUR 4,305 in FY 2022 as well as interest expenses of kEUR –2,891 in Q4 2022 and kEUR –10,192 FY 2022, mainly driven by the interest payments for the corporate bond. After income taxes of kEUR 172 in Q4 2022 (PY: kEUR 1,955), the net profit amounts to kEUR 3,812 (PY: kEUR 56,342). For the full year 2022, the net profit after income taxes of kEUR 2,367 (PY: kEUR 4,847) amounts to kEUR –4,043 (PY: kEUR 43,645). The high net profit in both the Q4 of the previous year and the full year resulted from the high other operating income including the reversal of impairment losses.

The total assets as of December 31, 2022, slightly increased by kEUR 6,358 to kEUR 351,456 compared to December 31, 2021 (kEUR 345,098). Non-current assets remained stable as of December 31, 2022, at kEUR 192,128 compared to the previous year (kEUR 192,132). The current assets increased from kEUR 152,924 as of December 31, 2021, to kEUR 159,290 as of December 30, 2022, mainly driven by an increase of the receivables from affiliates.

The equity endowment already changed fundamentally in the fourth quarter of the previous year. The contribution of shareholder loans and an extraordinarily high net profit caused by the reversal of an

impairment had covered the former equity loss. In total, the equity increased to kEUR 132,601 as of December 31, 2021. Including the net profit of the full year 2022, the equity slightly decreased to kEUR 128,558.

The liabilities increased from kEUR 202,106 as of December 31, 2021, to kEUR 210,751 as of December 31, 2022. The main items are liabilities to affiliates in the amount of kEUR 83,537 (PY: kEUR 73,690) and liabilities from the corporate bond in the amount of kEUR 126,023 (PY: kEUR 125,806; valuation according to German GAAP / Handelsgesetzbuch differing from IFRS valuation in the Group reporting). On January 27, 2021, LR Global Holding GmbH placed a senior secured corporate bond (WKN: A3HFM, ISIN: NO0010894850) with a volume of kEUR 125,000. It was mainly issued to institutional investors by way of a private placement. The bond was issued in the so-called “Nordic bond format” under Swedish law and with the involvement of Nordic Trustee & Agency AB as trustee. Trading in the Open Market of the Frankfurt Stock Exchange started at February 3, 2021, and as of January 26, 2022, the bonds are also listed on the regulated market of NASDAQ Stockholm.

The cash flow from operating activities amounts to kEUR 2,474 in Q4 2022 (FY 2022: kEUR 9,372). The cash flow from investing activities amounts to kEUR 0 in Q4 2022 as well as FY 2022. The cash flow from financing activities amounts to kEUR –2,475 in Q4 2022 (FY 2022: kEUR –9,372).

Ahlen, February 24, 2023

LR Global Holding GmbH
– Company management –



Dr. Andreas Laabs
(CEO)



Andreas Grootz
(General Manager)



Patrick Sostmann
(General Manager)



UNAUDITED STATEMENT OF
FINANCIAL POSITIONS AS OF DECEMBER 31, 2022

kEUR	Dec. 31, 2022	Dec. 31, 2021
NON-CURRENT ASSETS		
Intangible assets	0	0
Property, Plant and Equipment	13	17
thereof Other equipment, office and operating equipment	14	17
Financial assets	192,115	192,115
thereof Shares in affiliates	192,115	192,115
	192,128	192,132
CURRENT ASSETS		
Receivables and other assets	159,290	152,924
thereof Trade receivables	0	1
thereof Receivables from shareholders	500	1,090
thereof Receivables from affiliates	157,632	150,565
thereof Other assets	1,158	1,268
Cash at hand and at banks	0	0
	159,290	152,924
PREPAID EXPENSES	38	42
DEFERRED TAX LIABILITIES	0	0
TOTAL ASSETS	351,456	345,098

UNAUDITED STATEMENT OF
FINANCIAL POSITIONS AS OF DECEMBER 31, 2022

kEUR	Dec. 31, 2022	Dec. 31, 2021
EQUITY		
Subscribed capital	25	25
Capital reserve	152,430	152,430
Accumulated loss	-23,897	-19,854
	128,558	132,601
PROVISIONS		
Tax provision	7,342	6,136
Other provisions	1,321	1,422
	8,663	7,558
LIABILITIES		
Liabilities from corporate bond	126,023	125,806
Trade payables	73	1,512
Liabilities to shareholders	500	0
Liabilities to affiliates	83,537	73,690
Other liabilities	618	1,098
	210,751	202,106
DEFERRED TAX LIABILITIES	3,484	2,833
TOTAL EQUITY AND LIABILITIES	351,456	345,098

LR GLOBAL HOLDING GMBH

UNAUDITED STATEMENT FOR PROFIT AND
LOSS FOR THE THREE MONTHS ENDED DECEMBER 31, 2022

kEUR	Q4 2022	Q4 2021	YTD 2022	YTD 2021
Revenue	5,058	6,129	16,358	11,761
Other operating income	91	51,462	2,266	51,608
	5,149	57,591	18,624	63,369
Personnel Expenses	3,563	4,407	15,144	10,517
thereof wages and salaries	3,008	3,802	12,886	9,281
thereof social security, pension and other benefit costs	555	605	2,258	1,236
Amortization and Depreciation of intangible assets and property, plant and equipment	1	4	5	14
Other Operating Expenses	820	1,324	4,289	6,632
	4,384	5,735	19,438	17,163
Income from investments	5,025	12,984	5,025	12,984
Other interest and similar income	1,085	976	4,305	3,762
Other interest and similar expenses	2,891	7,519	10,192	14,460
	3,219	6,441	-862	2,286
Income taxes	172	1,955	2,367	4,847
	0	0		
NET PROFIT/LOSS FOR THE PERIOD	3,812	56,342	-4,043	43,645

UNAUDITED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2022

kEUR	Q4 2022	Q4 2021	YTD 2022	YTD 2021
CASHFLOW FROM OPERATING ACTIVITIES				
Profit or loss for the period	3,812	56,341	-4,043	43,644
Amortization and depreciations (+) and write-up (-) on fixed assets	1	-50,311	5	-50,301
Reduction (-)/Increase (+) in provisions	-156	-543	-101	-441
Increase (-)/Reduction (+) of inventories, trade receivables or other assets	1,586	-4,849	2,967	-43,555
Increase (+)/Reduction (-) of trade payables and other liabilities	405	1,312	7,825	10,724
Interest expenses (+)/interest income (-)	-3,219	-6,440	861	-2,286
Income tax expenses (+) / income (-)	173	1,955	2,368	4,847
Income tax paid (-)	-127	-167	-510	-1,210
	2,474	-2,703	9,372	-38,578
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for (-) investments in intangible assets	0	0	0	-7
Payments for (-) investments in property, plant and equipment	0	-7	0	-7
	0	-7	0	-14
CASH FLOW FROM FINANCING ACTIVITIES				
Payments from (+) the issue of bonds	0	0	0	125,000
Proceeds (+) from equity contributions	0	5,000	0	5,000
Repayment (-) of shareholder loan	0	0	0	-40,400
Repayments (-) of (finance) loans	0	0	0	-43,306
Payments (-) for interest	-2,475	-2,291	-9,372	-7,702
	-2,475	2,709	-9,372	38,592

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