



HEALTH & BEAUTY

Q1 2022

**UNAUDITED CONSOLIDATED
INTERIM REPORT**

LR HEALTH & BEAUTY GROUP

UNAUDITED INTERIM REPORT

LR GLOBAL HOLDING GMBH



HEALTH & BEAUTY

“

WE ARE THE
MOST ATTRACTIVE
SOCIAL SELLING
PLATFORM.

WE MAKE OUR
CUSTOMERS
FEEL HEALTHY
AND BEAUTIFUL.

WE
BELIEVE
IN
MORE



WE BELIEVE
IN MORE
QUALITY
FOR YOUR
LIFE



FINANCIAL HIGHLIGHTS
LR HEALTH & BEAUTY GROUP

in EUR m	Q1 2022	Q1 2021	YTD 2022	YTD 2021
Sales*	68.6	79.5	68.6	79.5
Normalised EBITDA in % of Gross Sales	9.6 14.0 %	11.3 14.2 %	9.6 14.0 %	11.3 14.2 %
Free cash flow	(0.9)	9.9	(0.9)	9.9
Cost of materials	(12.5)	(15.4)	(12.5)	(15.4)
Personnel expenses	(13.3)	(13.3)	(13.3)	(13.3)
Other operating expenses	(37.7)	(41.9)	(37.7)	(41.9)

IR.LRworld.com

*Sales as revenue from goods sold

UNAUDITED CONSOLIDATED INTERIM REPORT Q1 2022 CONTENT

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WE BELIEVE IN MORE STABILITY

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

MORE STABILITY

WE CARE FOR PEOPLE’S LIVES



OUR COMPANY

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

Since its foundation in 1985 in Ahlen / Germany, LR Health & Beauty has established itself as one of the leading European social selling companies in the field of health and beauty products. LR is also a member of the European association Direct Selling Europe (DSE) and has over 1,300 employees across the globe. With quality “Made in Germany” and a unique business model, we have been a successful European business for the past 37 years and are currently expanding worldwide. In March 2021, we successfully entered the Asian market and started with LR South Korea.

Since 2013, LR is part of the portfolio of the investment company Quadriga Capital. As of 27 May 2022, the current CFO and COO of LR Global Holding GmbH, Dr Andreas Laabs, will assume the

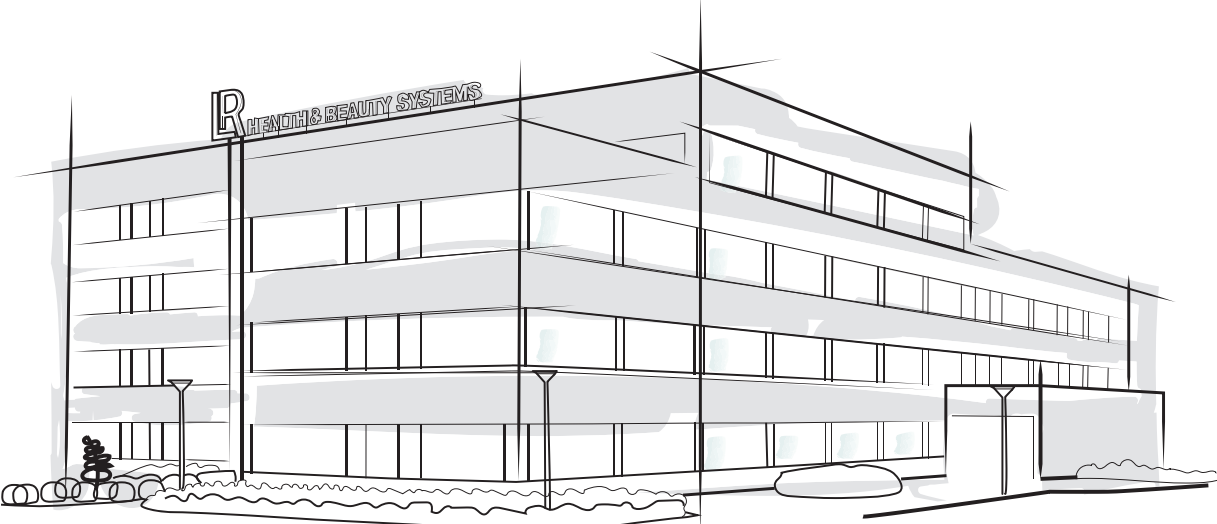
role of Chief Executive Officer (CEO) from Andreas Friesch, who is stepping down from his position as CEO for personal reasons. Together with Andreas Laabs and Thomas Heursen, he navigated LR very successful through challenging times over the last three years. In the future, Dr Laabs, who has already been part of the LR Group since 2014, will drive the further development of the LR Group together with his management team.

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

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

SINCE **37**
YEARS SUCCESSFUL
IN EUROPE

OVER **1,300**
EMPLOYEES



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

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

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

OUR VISION

“ We are the most attractive social selling platform. Through our unique business opportunity and innovative & competent health & 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 consciousness, we are fully on-trend.

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



OUR BUSINESS CONCEPT

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

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

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



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

“More quality for your life” not only applies to the products and the business model, but also to the social commitment of LR Health & Beauty. The charity, founded in 2009, is based on the collective commitment of the company, its employees, sales partners and customers and supports children’s aid projects in countries in which LR is active. In order to raise awareness for this great charity a fundraising campaign was launched in November 2021.

OUR AWARDS



2021 COMPANY AWARD FEDERAL ASSOCIATION OF DIRECT SELLING GERMANY

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



2021 TOP 100 AWARD

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



2020 DIGITAL BUSINESS AWARD NETWORK CAREER

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



2019/20 GERMAN BRAND AWARD

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



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



2018 CHILDREN'S VILLAGE CLUB

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



WE BELIEVE IN MORE INTERNATIONALITY

WITH OUR INTERNATIONAL SALES COMPANIES IN 28 COUNTRIES, OVER 1,300 EMPLOYEES AND THOUSANDS OF INDEPENDENT SALES PARTNERS, WE ARE ONE OF THE LEADING DIRECT SALES ENTERPRISES IN EUROPE. DUE TO THE CONTINUOUS CREATION OF NEW MARKET OPPORTUNITIES, LR HEALTH & BEAUTY ENSURES STEADY GROWTH.

MORE INTERNATIONALITY

OUR SALES COMPANIES IN 28 COUNTRIES



LR GROUP HEADQUARTER IN GERMANY

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



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. For comparison purposes, the sales of the previous year's quarter are calculated with the current breakdown.



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

In the first quarter 2022, the LR Group has achieved a sales¹ volume of kEUR 68,556 (PY: kEUR 79,468). This corresponds to a decrease compared to the first quarter of the previous year of –13.7 %. The comparison is strongly affected by the different framework conditions at the respective time. Buoyed 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. Including the all-time high sales record in March 2021, the first quarter 2021 marked the highest sales volume in LR history. Without these supporting conditions, sales decreased –9.0 % year-over-year in January 2022 and –6.9 % year-over-year in February 2022, which is close to LR Group's expectations. Compared to the last pre COVID-19 January and February in 2020, sales increased by +1.0 % and +4.6 %. The sales volume in March 2022 is highly affected by the Russian-Ukraine-conflict. Compared to the previous year's all-time high sales-record, a decrease in sales of –23.7 % had to be recorded. The Ukraine subsidiary located in Kiev had to be closed for the time being. 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 Region 1², the largest region within the LR Group in terms of sales, a decline in sales from kEUR 32,236 to kEUR 27,928 had to be registered. This corresponds to a decrease of –12.7 %. Region 2², including Ukraine and neighboring markets, suffered the largest percentage decline, at –18.3 %. The total sales in Region 2 amounted to kEUR 18,119 (PY: kEUR 22,180)

In Region 3², the sales decreased from kEUR 24,905 in Q1 2021 to kEUR 22,126 in Q1 2022. This corresponds to a decrease of –11.2 %.

Adding up other revenue in the amount of kEUR 2,837 to the total sales of kEUR 68,556 results in kEUR 71,393 revenue before sales reductions. After sales reductions of kEUR –3,545, the revenue amounts to kEUR 67,848.

COST STRUCTURE

The cost of materials for LR Group decreased in the first quarter by kEUR –2,928 to kEUR 12,490 (PY: kEUR 15,418). In addition, the changes in finished goods and work in progress amount to kEUR +413 (PY: kEUR +1,272). The sum of cost of materials and changes in finished goods and work in progress amounts to kEUR 12,077 (PY: kEUR 14,146), this corresponds to an almost stable ratio of 17.8 % (PY: 18.1 %) in relation to the revenue in the first quarter 2022.

The personnel expenses slightly increased by 0.4 % from kEUR 13,288 in Q1 2021 to kEUR 13,346 in Q1 2022. The number of employees raised to 1,305 at the end of the reporting period (PY: 1,259). The general tariff increase and LR Headquarters internal minimum wage adjustment in 2022 had no impact on Q1 2022, as it only applies from April 2022.

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

LR HEALTH & BEAUTY GROUP

The other operating expenses add up to kEUR 37,686 in the reporting period, which corresponds to a decrease of kEUR –4,169 or –10.0 %. This decrease is mainly driven by reduced costs for granted bonuses due to the lower sales volume in Q1 2022 compared to Q1 2021. Furthermore, a large part of the planned costs for the Greenfield project (reorganization of the IT infrastructure including ERP system, eShop and various related systems) were not incurred in Q1 2022 and will therefore be spread over the coming quarters.

ECONOMIC RESULTS

Q1 2022 closed with a reported EBITDA of kEUR 8,126 (PY: kEUR 10,058). Compared to the previous year's first quarter this corresponds to a decrease of kEUR –1,932 or –19.2 %. This reduction is mainly driven by the decreased sales in the first quarter. Taking exceptional items of kEUR 1,439 in Q1 2022 into account, the normalized EBITDA amounts to kEUR 9,565 (PY: kEUR 11,254). This corresponds to a decrease of –15.0 %. Deducting amortization and depreciation of kEUR 3,857 (PY: 3,412) from the reported EBITDA results in an EBIT of kEUR 4,269 (PY: 6,646).

The interest result amounts in Q1 2022 to kEUR –2,859 (PY: kEUR –2,435) which corresponds to an increase in the negative result of kEUR –424. This is primarily due to higher interest payments for the corporate bond issued in February 2021, which means that the comparative prior-year period only includes interest payments for the corporate bond for around two months. After deduction of income taxes in the amount of kEUR 669 (PY: kEUR 1,887), the net profit amounts to kEUR 741 (PY: 2,324).

FINANCIAL STATUS

The total assets decreased from kEUR 231,018 as per December 31, 2021, to kEUR 226,395 as per March 31, 2022. The non-current assets slightly decreased to kEUR 147,314 (PY: kEUR 149,304) mainly due to reduction in right-of-use assets and intangible assets. The sum of current assets decreased by kEUR –2,633 to kEUR 79,081 compared to the previous year. This is mainly caused by the reduction in cash, which is partially offset by the increase in inventories and trade receivables.

The equity endowment has already been improved substantially in the financial year 2021 due to the contribution of the shareholder loans in the end of November. Accordingly, the capital reserve increased significantly and the total equity including non-controlling interests added up to kEUR 29,537 as per December 31, 2021. Including the net profit of the first quarter 2022, the equity further increased to kEUR 30,223 as per March 31, 2022.

Also, the structure of the liabilities has changed fundamentally in the financial year 2021. The shareholder loans and liabilities to financial institutions have been eliminated from the accounts, while a corporate bond had been issued. On January 27, 2021, LR Global Holding GmbH, the 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 issued to

institutional investors mainly in Germany and other European countries as part 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 (since January 26, 2022, also listed at NASDAQ Stockholm). The net issue proceeds were used for the repayment of the Senior Facility Agreement (liabilities to financial institutions), which was terminated on February 4, 2021, and for a partial repayment of the shareholder loans.

Due to these changes, the non-current liabilities added up to kEUR 139,060 as per December 31, 2021. In the first quarter the non-current liabilities just slightly decreased to kEUR 138,254 mainly due to reduced lease liabilities. The current liabilities added up to kEUR 62,421 as per December 31, 2021, and decreased to kEUR 57,918 as per March 31, 2022. This is mainly caused by reduced trade payables.

The free cash flow including the cash flow from operating activities as well as the cash flow from investing activities amounts to kEUR –946 (PY: kEUR 9,872) in Q1 2022.

OVER **72,000,000**
SOLD BOTTLES OF
ALOE VERA DRINKING GEL



The cash flow from operating activities in Q1 2022 decreased from kEUR 11,056 in Q1 2021 to kEUR –346 in Q1 2022. Beside the lower net profit this is mainly caused by the reduction of trade payables in the amount of kEUR 4,328 in the first quarter 2022, while in the previous year's first quarter the trade payables had been increased by kEUR 6,731

The cash flow from investing activities sums up to kEUR –600 in Q1 2022 (PY: kEUR –1,184).

The outflow from the cash flow from financing activities increased from Q1 2021 in the amount of kEUR –3,312 to kEUR –4,664 in Q1 2022, mainly driven by higher interest payments of the corporate bond.

Overall, the total cash flow of the reporting period amounts to kEUR –5,610. Including changes in cash due to exchange rates the cash at the end of the period decreased by kEUR –5,653 to kEUR 24,380.

OVER **34,700**
LITERS OF
EMERGENCY SPRAY SOLD



OUTLOOK

The LR Group's forecast for the 2022 financial year was initially for revenue similar to the previous-year figure (around 5 %) and a moderate decline in EBITDA due in particular to the investments in digitalization and the extension of the logistics center. This included an assumed revenue share of around 12 % and a below-average margin for Russia and Ukraine. Due to the current Russia-Ukraine conflict and its potential negative economic effects on the markets relevant for the LR Group, an accurate forecast for the 2022 financial year is not possible at present as the concrete effects on the business development of the LR Group are difficult to predict.

As already mentioned, beside the first quarter of 2021 also the second quarter of 2021 was characterized by 3 monthly sales records in a row. Still buoyed by exceptionally strong growth in financial year 2020 and in the first quarter of 2021, as well as the last expiring large lockdowns in several countries. Under the given conditions with the Russia-Ukraine conflict and its possible effects on further markets, the LR Group has to assume lower sales in the second quarter compared to the previous year, accompanied by a declining EBITDA.

Ahlen, May 23, 2022

LR Global Holding GmbH
- Company management -



Dr. Andreas Laabs
(CFO/COO)



Andreas Friesch
(CEO)



DR. ANDREAS LAABS
CFO/COO



ANDREAS FRIESCH
CEO / SPOKESMAN OF THE BOARD



LR HEALTH & BEAUTY GROUP

UNAUDITED CONSOLIDATED INTERIM STATEMENT
OF FINANCIAL POSITIONS AS OF MARCH 31, 2022

kEUR	Note	Mar. 31, 2022	Dec. 31, 2021
ASSETS			
Non-current assets			
Intangible assets		115,025	115,859
Property, plant and equipment	7.	13,282	13,620
Right-of-use assets		17,023	18,214
Deferred taxes		1,984	1,611
		147,314	149,304
Current assets			
Inventories	8.	30,979	29,599
Trade receivables	9.	11,657	10,209
Income tax receivables		481	252
Other assets		11,584	11,621
Cash	10.	24,380	30,033
		79,081	81,714
TOTAL ASSETS		226,395	231,018

UNAUDITED CONSOLIDATED INTERIM STATEMENT
OF FINANCIAL POSITIONS AS OF MARCH 31, 2022

kEUR	Note	Mar. 31, 2022	Dec. 31, 2021
EQUITY AND LIABILITIES			
Equity			
Subscribed capital		25	25
Capital reserve		160,102	160,102
Currency translation reserve		-5,200	-5,145
Accumulated loss		-124,699	-125,440
Total equity before non-controlling interests		30,228	29,542
Non-controlling interests		-5	-5
TOTAL EQUITY		30,223	29,537
Non-current liabilities			
Provisions		388	391
Deferred taxes		2,808	2,972
Liabilities from bonds	9.	123,831	123,657
Lease liabilities		11,210	12,022
Other liabilities		17	18
		138,254	139,060
Current liabilities			
Trade payables	9.	29,082	33,410
Other liabilities		9,539	9,640
Lease liabilities		6,335	6,602
Income tax liabilities		7,385	6,687
Provisions		5,577	6,082
		57,918	62,421
TOTAL EQUITY AND LIABILITIES		226,395	231,018

LR HEALTH & BEAUTY GROUP

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

kEUR	Note	Q1 2022	Q1 2021	YTD 2022	YTD 2021
Revenue	3.to 4.	67,848	77,982	67,848	77,982
Changes in finished goods and work in progress		413	1,272	413	1,272
Other operating income		3,387	1,365	3,387	1,365
Cost of material		-12,490	-15,418	-12,490	-15,418
a) Raw materials and supplies		-10,320	-12,966	-10,320	-12,966
b) Cost of purchased services		-2,170	-2,452	-2,170	-2,452
Personnel expenses		-13,346	-13,288	-13,346	-13,288
a) Wages and salaries		-11,290	-11,322	-11,290	-11,322
b) Expenses for social security and pension schemes		-2,056	-1,966	-2,056	-1,966
Other operating expenses		-37,686	-41,855	-37,686	-41,855
EBITDA	4.	8,126	10,058	8,126	10,058
Amortization and depreciation		-3,857	-3,412	-3,857	-3,412
Interest income		8	18	8	18
Interest expenses		-2,867	-2,453	-2,867	-2,453
Profit or loss before tax		1,410	4,211	1,410	4,211
Income taxes	6.	-669	-1,887	-669	-1,887
PROFIT OR LOSS FOR THE PERIOD		741	2,324	741	2,324
thereof attributable to:					
Non-controlling interests		0	0	0	0
Shareholders		741	2,324	741	2,324

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

kEUR	Q1 2022	Q1 2021	YTD 2022	YTD 2021
Profit or loss for the period	741	2,324	741	2,324
Components of other comprehensive income which will be reclassified to profit or loss after tax in subsequent periods	-55	180	-55	180
Currency translation differences	-55	180	-55	180
TOTAL COMPREHENSIVE INCOME	686	2,504	686	2,504
thereof attributable to				
Non-Controlling interests	0	0	0	0
Shareholders	686	2,504	686	2,504

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

kEUR	Sub- scribed capital	Capital reserve	Accumu- lated loss	Currency translation reserve	Equity before non-controlling interests	Non- controlling interests	Total equity
Jan. 1, 2022	25	160,102	-125,440	-5,145	29,542	-5	29,537
Currency trans- lation differences	0	0	0	-55	-55	0	-55
Profit or loss for the period	0	0	741	0	741	0	741
Mar. 31, 2022	25	160,102	-124,699	-5,200	30,228	-5	30,223
Jan. 1, 2021	25	1,790	-116,730	-5,575	-120,490	-11	-120,501
Currency trans- lation differences	0	0	0	180	180	0	180
Profit or loss for the period	0	0	2,324	0	2,324	0	2,324
Mar. 31, 2021	25	1,790	-114,406	-5,395	-117,986	-11	-117,997

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

kEUR		Q1 2022	Q1 2021	YTD 2022	YTD 2021
1. Cash flow from operating activities	Note				
Profit or loss for the period (including results of minorities)		741	2,324	741	2,324
Amortization and depreciations (+) of fixed assets		3,857	3,412	3,857	3,412
Increase (+) / reduction (-) in provisions		-507	194	-507	194
Other non-cash expenses(+) / income (-)		56	-2,130	56	-2,130
Income (-)/losses (+) on the disposal of fixed assets		-1	0	-1	0
Increase (-)/reduction (+) of inventories, trade receivables and other assets		-2,847	-4,238	-2,847	-4,238
Increase (+)/reduction (-) of trade payables and other liabilities		-4,435	7,520	-4,435	7,520
Interest expenses (+)/interest income (-)		2,859	2,435	2,859	2,435
Income tax expenses (+) / income (-)	6.	669	1,887	669	1,887
Income taxes paid (-)		-738	-348	-738	-348
CASH FLOW FROM OPERATING ACTIVITIES		-346	11,056	-346	11,056
2. Cash flow from investing activities					
Payments from (+) the disposal of property, plant and equipment		5	0	5	0
Payments for (-) investments in property, plant and equipment		-131	-264	-131	-264
Payments for (-) investments in intangible assets		-474	-920	-474	-920
CASH FLOW FROM INVESTING ACTIVITIES		-600	-1,184	-600	-1,184
3. Cash flow from financing activities					
Payments for (-) interest		-2,309	-1,049	-2,309	-1,049
Payments for (-) repayment of (finance) loans		0	-84,800	0	-84,800
Payments from (+) the issue of bonds		0	125,000	0	125,000
Repayment (-) of shareholder loan		0	-40,400	0	-40,400
Repayment (-) of lease liabilities		-2,355	-2,063	-2,355	-2,063
CASH FLOW FROM FINANCING ACTIVITIES		-4,664	-3,312	-4,664	-3,312
4. Cash at the end of period					
Net decrease (-) or increase (+) in cash (subtotal 1 to 3)		-5,610	6,560	-5,610	6,560
Changes in cash due to exchange rates		-43	180	-43	180
Cash at the beginning of period		30,033	32,179	30,033	32,179
CASH AT THE END OF PERIOD		24,380	38,919	24,380	38,919

LR GLOBAL HOLDING GMBH AHLEN / GERMANY

NOTES TO UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1, 2022 TO MARCH 31, 2022.

1. INFORMATION ON THE GROUP

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

The direct parent company of LR Global is LR Health & Beauty SE, Munich. The ultimate controlling parent company is 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 32 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 three months ended March 31, 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. REVENUE FROM CONTRACT WITH CUSTOMERS

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

Revenues in the regions essentially comprise revenues from products of the Group. Other revenues comprise revenues from services rendered such as cost allocations, seminars, and events as well as revenue of kEUR 1,185 (PY: kEUR 985) recognized over time from subleasing vehicles to partners. The sales deductions 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 three regions. Local companies are not grouped by geographical location but grouped individually. The three reported regions break down in detail as follows:

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

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

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

The Company's management board is the chief operating decision maker, who separately

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

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

The table below shows revenue, EBITDA, and goodwill of the LR Group's business units for the first three months ended March 31, 2022:

kEUR	Region 1	Region 2	Region 3	Total segments	Adjustments	Total
Revenue from external customers	27,928	18,119	22,126	68,173	383	68,556
Revenue from other segments	15,604	245	142	15,991	-15,991	0
Other revenue	1,197	659	702	2,558	279	2,837
Sales deductions	-1,182	-976	-1,399	-3,557	12	-3,545
TOTAL REVENUE	43,547	18,047	21,571	83,165	-15,317	67,848
Segment EBITDA	6,803	1,032	3,022	10,857	-2,731	8,126
Goodwill	76,547	14,325	10,647	101,519	0	101,519

The table below shows revenue, EBITDA, and goodwill of the LR Group's business units (in the regional breakdown from January 1, 2022) for the first three months ended March 31, 2021:

kEUR	Region 1	Region 2	Region 3	Total segments	Adjustments	Total
Revenue from external customers	32,236	22,180	24,905	79,321	147	79,468
Revenue from other segments	23,136	479	203	23,818	-23,818	0
Other revenue	1,220	559	665	2,444	368	2,812
Sales deductions	-1,487	-1,204	-1,607	-4,298	0	-4,298
TOTAL REVENUE	55,105	22,014	24,166	101,285	-23,303	77,982
Segment EBITDA	9,117	2,508	1,595	13,220	-3,162	10,058
Goodwill	76,547	14,325	10,647	101,519	0	101,519

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. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount units were disclosed in the annual consolidated financial statements for the year ended December 31, 2021.

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

As of March 31, 2022, due to the conflict between the Russian Federation and Ukraine the Group performed an impairment test for the goodwill allocated to Region 2. The test concluded that no impairment is 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 three months ended March 31, 2022, and March 31, 2021:

kEUR	2022	2021
Current income tax		
Current tax expenses	-1,208	-5,137
Deferred tax income		
Origination and reversal of temporary differences	539	394
from deferred tax assets	375	473
from deferred tax liabilities	164	-79
TOTAL	-669	-4,743

7. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the three months until March 31, 2022, the Group acquired assets with total acquisition costs of kEUR 131 (March 31, 2021: kEUR 264). The major part of the acquisition belongs to other technical and office equipment.

No major disposal took place in the first three months ended March 31, 2022.

8. INVENTORIES

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

kEUR	Mar. 31, 2022	Dec. 31, 2021
Raw materials and supplies	8,142	7,885
Work in progress	210	187
Finished products	17,208	17,039
Goods for sale	4,746	4,066
Goods in transit	673	422
TOTAL INVENTORIES	30,979	29,599

Impairment of inventories recognized as expenditures amounts to kEUR 573 (March 31, 2021: kEUR 194)

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 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 March 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	123,831	118,750	0	0	118,750

The fair value of the corporate bonds is based on the observed market price of EUR 95 per bond as of March 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 7.82 %.

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

As of March 31, 2022, the carrying amount of the liabilities from the bond was kEUR 123,831 and included capitalized transaction costs.

10. 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 March 31, 2022, and December 31, 2021:

kEUR	Mar. 31, 2022	Dec. 31, 2021
Cash at hand	39	43
Cash at banks	24,341	29,990
CASH	24,380	30,033

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 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	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Aloco Holding S.à r.l.	1,070	1,022	0	0
LR Health & Beauty SE	60	78	0	122

kEUR

	Income from parent company		Expenses to parent companies	
	Jan. 1 to Mar. 31, 2022	Jan. 1 to Mar. 31, 2021	Jan. 1 to Mar. 31, 2022	Jan. 1 to Mar. 31, 2021
Aloco Holding S.à r.l.	58	0	0	133
LR Health & Beauty SE	0	0	304	0

Remuneration to individuals in key positions of the Group

kEUR	Jan. 1 to Mar. 31, 2022	Jan. 1 to Mar. 31, 2021
Short-term employee benefits	1,117	1,531
TOTAL REMUNERATION TO INDIVIDUALS IN KEY POSITIONS	1,117	1,531

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

12. EVENT AFTER THE REPORTING PERIOD

On May 12, 2022, the Group signed a sale-and-lease-back agreement with DAL Deutsche Anlagen-Leasing GmbH & Co. KG, Mainz, regarding the premises Kruppstraße 55 in Ahlen. The property was sold for kEUR 9,000 and leased back with a lease term of twenty years.

Ahlen, May 23, 2022

LR Global Holding GmbH
- Company management -



Dr. Andreas Laabs
(CFO/COO)



Andreas Friesch
(CEO)



LR GLOBAL HOLDING GMBH

MANAGEMENT REPORT & FINANCIAL STATEMENTS

MANAGEMENT REPORT

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

The revenue in the first quarter of 2022 amounted to kEUR 2,648 (previous year: kEUR 1,377) and resulted primarily from the internal on-charging of services to the LR Health & Beauty Systems GmbH, Ahlen. This corresponds to a 92.3 % increase in revenue. The other operating income increased to kEUR 128 in the first quarter 2022 (PY: kEUR 45).

Personnel expenses amounted in the reporting period to kEUR 3,926 (PY: kEUR 1,888). This large increase is related to a LR headquarters-internal reorganization, which was completed in the fourth quarter of 2021. In this course, significantly more employees were assigned to LR Global. Compared to the end of the first quarter of the previous year, the number of employees at LR Global increased from 74 to 229 at the end of the reporting period. In the previous year's first quarter, the other operating expenses were mainly driven by one-time costs related to the issuance of the corporate bond. As a result, the other operating expenses decreased from kEUR 3,493 to kEUR 564. The interest result amounts to kEUR –1,318 (PY: kEUR –999) and is mainly driven by the interest payments for the corporate bond. After income taxes of kEUR 732 (PY: kEUR 964), the net profit amounts to kEUR –3,765 (PY: kEUR –5,925). The total assets decreased as of March 31, 2022, from kEUR 345,098 as of December 31, 2021, to kEUR 342,375. The non-current assets were

almost stable at kEUR 192,131 as of March 31, 2022. The current assets slightly decreased from kEUR 152,924 as of December 31, 2021, to kEUR 150,196 as of March 31, 2022, mainly due to a decrease in receivables from affiliates and other current assets.

The equity endowment already changed fundamentally in the fourth quarter of the previous year. The former equity loss had been covered by the contribution of shareholder loans and an extraordinary high net profit caused by the reversal of an impairment. In total, the equity raised up to kEUR 132,601 as of December 31, 2021. Caused by the net loss in the first quarter, the equity decreased as of March 31, 2022, to kEUR 128,836. The liabilities also changed significantly in the previous year. Shareholder loans and bank liabilities have been eliminated from the accounts, while the main items are now the liabilities from corporate bond and liabilities to affiliates. As of December 31, 2021, the liabilities amounted to kEUR 202,106 and were almost stable at kEUR 202,141 as of March 31, 2022.

The cash flow from ongoing business activities amounts to kEUR 2,265. The cash flow from investing activities amounts to kEUR 0. The cash flow from financing activities amounts to kEUR –2,266.

Ahlen, May 23, 2022

LR Global Holding GmbH
- Company management -



Dr. Andreas Laabs
(CFO/COO)



Andreas Friesch
(CEO)



UNAUDITED INTERIM STATEMENT OF
FINANCIAL POSITIONS AS OF MARCH 31, 2022

kEUR	Mar. 31, 2022	Dec. 31, 2021
NON-CURRENT ASSETS		
Intangible assets	0	0
Property, Plant and Equipment	16	17
thereof Other equipment, office and operating equipment	16	17
Financial assets	192,115	192,115
thereof Shares in affiliates	192,115	192,115
	192,131	192,132
CURRENT ASSETS		
Receivables and other assets	150,196	152,924
thereof Trade receivables	0	1
thereof Receivables from shareholders	1,070	1,090
thereof Receivables from affiliates	148,702	150,565
thereof Other assets	424	1,268
Cash at hand and at banks	0	0
	150,196	152,924
PREPAID EXPENSES	48	42
TOTAL ASSETS	342,375	345,098

UNAUDITED INTERIM STATEMENT OF
FINANCIAL POSITIONS AS OF MARCH 31, 2022

kEUR	Mar. 31, 2022	Dec. 31, 2021
EQUITY		
Subscribed capital	25	25
Capital reserve	152,430	152,430
Accumulated loss	-23,619	-19,854
	128,836	132,601
PROVISIONS		
Tax provision	6,740	6,136
Other provisions	1,825	1,422
	8,565	7,558
LIABILITIES		
Liabilities from corporate bond	125,806	125,806
Trade payables	35	1,512
Liabilities to affiliates	76,027	73,690
Other liabilities	273	1,098
	202,141	202,106
DEFERRED TAX LIABILITIES	2,833	2,833
TOTAL EQUITY AND LIABILITIES	342,375	345,098

LR GLOBAL HOLDING GMBH

UNAUDITED INTERIM STATEMENT FOR PROFIT AND LOSS FOR THE THREE MONTHS ENDED MAR. 31, 2022

kEUR	Q1 2022	Q1 2021	YTD 2022	YTD 2021
Revenue	2,648	1,377	2,648	1,377
Other operating income	128	45	128	45
	2,776	1,422	2,776	1,422
Personnel Expenses	3,926	1,888	3,926	1,888
thereof wages and salaries	3,361	1,682	3,361	1,682
thereof social security, pension and other benefit costs	565	206	565	206
Amortization and Depreciation of intangible assets and property, plant and equipment	1	3	1	3
Other Operating Expenses	564	3,493	564	3,493
	4,491	5,384	4,491	5,384
Other interest and similar income	1,064	832	1,064	832
Other interest and similar expenses	2,382	1,831	2,382	1,831
	-1,318	-999	-1,318	-999
Income taxes	732	964	732	964
NET PROFIT/LOSS FOR THE PERIOD	-3,765	-5,925	-3,765	-5,925

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

kEUR	Q1 2022	Q1 2021	YTD 2022	YTD 2021
CASHFLOW FROM OPERATING ACTIVITIES				
Profit or loss for the period	-3,765	-5,925	-3,765	-5,925
Amortization and depreciations (+) and write-up (-) on fixed assets	1	4	1	4
Reduction (-)/Increase (+) in provisions	402	217	402	217
Increase (-)/Reduction (+) of inventories, trade receivables or other assets	3,785	-40,355	3,785	-40,355
Increase (+)/Reduction (-) of trade payables and other liabilities	-80	3,547	-80	3,547
Interest expenses (+)/interest income (-)	1,317	999	1,317	999
Income tax expenses (+) / income (-)	732	964	732	964
Income tax paid (-)	-127	-8	-127	-8
	2,265	-40,557	2,265	-40,557
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for (-) investments in intangible assets	0	-8	0	-8
Payments for (-) investments in property, plant and equipment	0	-1	0	-1
		-8		-8
CASH FLOW FROM FINANCING ACTIVITIES				
Payments from (+) the issue of bonds	0	125,000	0	125,000
Repayment (-) of shareholder loan	0	-40,400	0	-40,400
Repayments (-) of (finance) loans	0	-43,306	0	-43,306
Payments (-) for interest	-2,266	-729	-2,266	-729
	-2,266	40,565	-2,266	40,565

WE BELIEVE IN A BRIGHT FUTURE

IMPRINT

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Manager:

Andreas Friesch (CEO),
Dr. Andreas Laabs (CFO/COO)

Strict COVID-19 protection measures
were observed while interviews and
photos were obtained.

