



HEALTH & BEAUTY

Q2 2021

**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, BEAUTIFUL AND VITAL.

WE BELIEVE IN MORE



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

OVER **320,000**

ACTIVE SALES PARTNERS AND
CUSTOMERS AS PER 30 JUNE 2021

TEUR **29,512**

CASH AND CASH EQUIVALENTS
AS PER 30 JUNE 2021

FINANCIAL HIGHLIGHTS LR HEALTH & BEAUTY GROUP

in EUR m	Q2 2021	Q2 2020	YTD 2021	YTD 2020	LTM
Gross Sales	73.7	65.1	153.2	134.0	304.0
Normalised EBITDA in % of Gross Sales	11.5 15.9%	11.6 18.2%	22.7 15.1%	19.6 14.9%	45.6 15.0%
Free cash flow	(4.9)	(0.5)	5.0	4.8	28.8
Cost of materials	(14.0)	(11.7)	(29.5)	(24.4)	(46.1)
Personnel expenses	(13.9)	(13.3)	(27.2)	(25.3)	(50.1)
Other operating expenses	(39.0)	(32.2)	(80.8)	(70.6)	(140.3)

UNAUDITED CONSOLIDATED INTERIM REPORT Q2 2021 CONTENT

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02

WE BELIEVE IN MORE STABILITY

IN 1985 LR STARTED AS A COMPANY WITH FIVE EMPLOYEES AND DEVELOPED TO A SUCCESSFUL GLOBAL PLAYER. 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 currently comprises more than 320,000 active sales partners and customers.

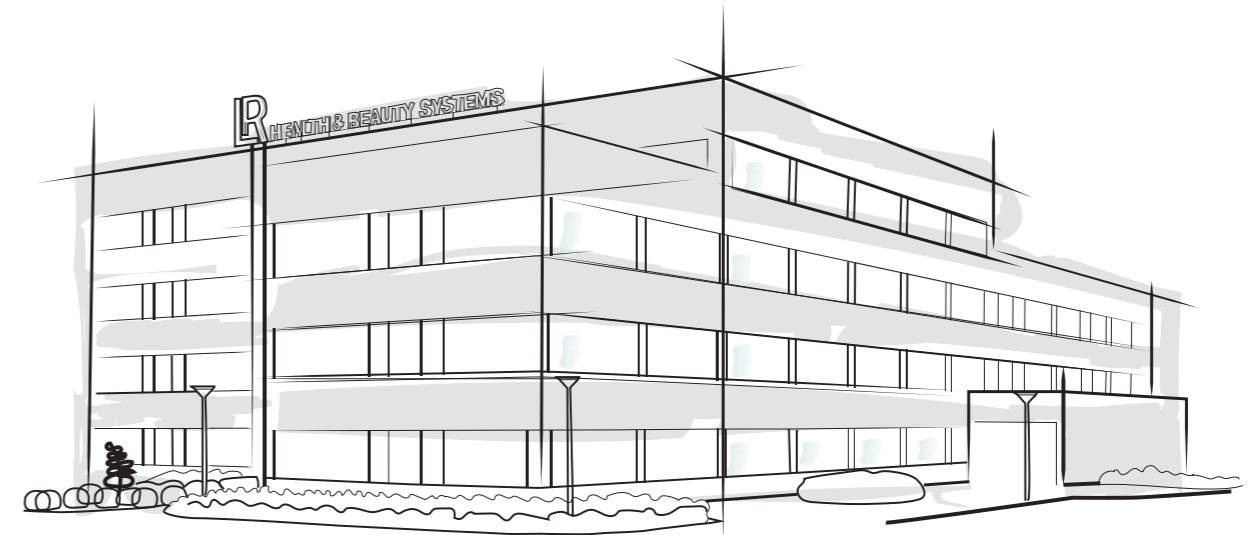
Since its foundation in 1985 in Ahlen / Germany, LR Health & Beauty has established itself as one of the leading European direct sales companies in the field of health and beauty products. LR is also a member of the European association Direct Selling Europe (DSE) with around 1,200 employees across the globe. With quality "Made in Germany" and a unique business model, we have been a successful European business for the past 36 years and are currently expanding worldwide. This year we successfully entered the Asian market and started with LR Korea.

Since 2013, LR is part of the portfolio of the investment company Quadriga Capital. CEO and spokesperson for the management, Andreas Friesch, has been part of the team since 2018 and, together with Andreas Laabs and Thomas Heursen, he is navigating LR extremely successfully through these challenging times. 2020 – the company's 35th anniversary – was LR's most successful business year by far. Buoyed up by this excellent news, LR Global Holding GmbH has entered the international capital market for the first time in February 2021.

We want to continue on this dynamic growth course this year and develop LR into a leading digital social selling platform. To this end, we will continue to align LR's structures with the digitisation trend on the market and promote the development of new blockbuster products.

SINCE **36**
YEARS SUCCESSFUL
IN EUROPE

ABOUT **1,200**
EMPLOYEES



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, beautiful and vital. We provide a unique personal customer experience through our social selling touchpoints.

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 36 years.

Our customers should feel healthy, beautiful and vital 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.

MORE STABILITY



OVER **300**

HEALTH & BEAUTY PRODUCTS

28

COUNTRIES WORLDWIDE

OUR INNOVATIVE PRODUCTS

Our product portfolio comprises cutting-edge health and beauty solutions that combine natural ingredients with scientific innovation. This includes care products and cosmetics, perfumes and nutritional supplements. 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 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.

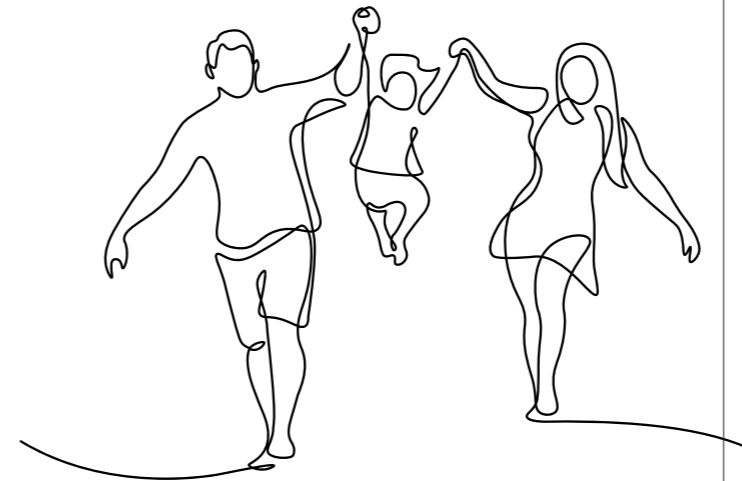
OUR BUSINESS CONCEPT

For 36 years, we have been giving people the opportunity to shape their lives independently and successfully by becoming sales partners. Thousands of LR 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.

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

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, this concept has proven to work well – an added bonus is the team spirit in the LR community. In 2020, we recruited more newcomers than ever before in LR history.

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.



OUR AWARDS



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.



2018 BUSINESS AWARD BY THE CITY OF AHLEN

The twelfth business award by the city of Ahlen – in the shape of the “Ahlen mammoth” – was awarded to LR Health & Beauty in 2018.



WE BELIEVE IN MORE INTERNATIONALITY

WITH OUR INTERNATIONAL SALES COMPANIES IN 28 COUNTRIES, 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



INTERNATIONAL SALES COMPANIES

REGION 1

AUSTRIA
LR Health & Beauty Systems GmbH

BELGIUM / LUXEMBOURG
LR Cosmetic Belgium b.v.b.a

DENMARK
LR Health & Beauty Systems ApS

FINLAND
LR Health & Beauty Systems OY

FRANCE
LR Health & Beauty Systems SAS

GERMANY
LR Health & Beauty Systems GmbH

NETHERLANDS
LR Health & Beauty Systems BV

NORWAY
LR Health & Beauty Systems AS

SWEDEN
LR Health & Beauty Systems AB

SWITZERLAND
LR Health & Beauty Systems AG

EXPANSION

SOUTH KOREA
LR Health & Beauty LLC, South Korea

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

REGION 3

ALBANIA
LR Health & Beauty Systems Sh.p.k.

BULGARIA
LR Health & Beauty Systems EOOD

GREECE / CYPRUS
LR Health & Beauty Systems EPE

HUNGARY
LR Health & Beauty Systems Kft.

ROMANIA
LR Health & Beauty Systems S.R.L.

RUSSIA / KAZAKHSTAN
LR Russ O.O.O

TURKEY
LR Health & Beauty Systems Ltd.



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 GmbH
- Styria Immobilienleasing GmbH & Co. Projekt Ahlen KG
- LR Jersey Holding Limited, Jersey



LR HEALTH & BEAUTY GROUP

MANAGEMENT REPORT & FINANCIAL STATEMENTS

» WITH
EUR 153.0
MILLION
GROSS SALES,
WE ACHIEVED
THE MOST
SUCCESSFUL
FIRST
HALF-YEAR IN
LR HISTORY.«

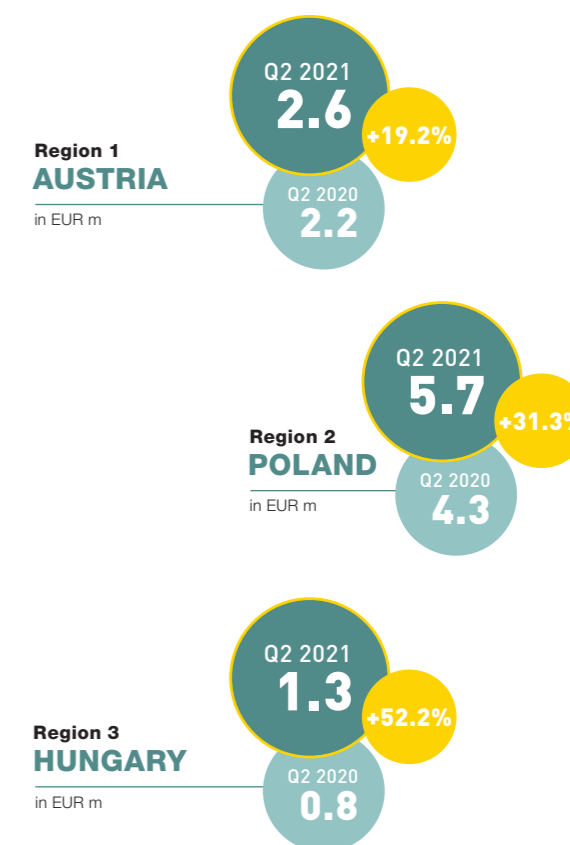
MANAGEMENT REPORT

SALES

Following the sales record in the first quarter, the second quarter was also the best in history of the LR Health & Beauty Group (hereinafter referred to as LR Group). Each and every month in the first half-year marked the highest number in gross sales in LR Group's history. Compared with the previous year, the gross sales in Q2 2021 overall countries increased by EUR 8.7m (+13.3%) to EUR 73.7m and in H1 2021 by EUR 19.2m (+14.3%) to EUR 153.2m. This development is mainly driven by the strong growth of the sales force (compared to H1 2020 +7.5%) caused by the risen number of recruits. Adjusting the gross sales in Q2 2021 by other sales and sales deductions, it results in EUR 72.3m revenue and in H1 2021 in EUR 150.3m.

As the largest sales region in LR Group, Region 1 gained EUR 39.1m gross sales in the reporting period (H1: EUR 81.2m). Achieving a growth of EUR +3.8m (+10.6%) compared to Q2 2020 and EUR +11.0m (+15.7%) in H1, Region 1 contributed the major part to the total sales growth. Especially Austria and Germany had very strong growth rates in Q2 2021 (+19.2% and +14.6%) as well as in the first half of the year (+18.3% and +14.8%).

Also, Region 2 recorded a very strong growth rate in the reporting period compared with the previous year. Overall, the gross sales in Q2 2021 increased by EUR +2.3m (+13.1%) to EUR 19.9m and in H1 2021 by EUR +2.7m (+6.9%) to EUR 42.1m. With the Czech Republic, Slovakia, Poland and Ukraine, four at once achieved the best second quarter in their history. Especially Poland (+31.3%) and also Ukraine (+23.0%) recorded extraordinarily high growth rates.



Region 3 had the best growth rate of all regions for Q2 2021 and for H1 2021 compared with the previous year. With an increase of EUR +2.4m in Q2 2021 and EUR +5.0m in H1 2021 in gross sales, this results in growth rates of +19.5% and +20.5%. Bulgaria achieved the best quarter in terms of gross sales in their history as well as Hungary that had with +52.2% the best growth rate, even better than Russia/Kazakhstan that had already reached an extraordinarily high growth rate of +43.4% in Q2 2021. Furthermore, also Albania and Romania had a very good quarter in terms of gross sales with achieving double-digit growth rates. In total, the gross sales in Region 3 amount to EUR 14.4m in Q2 2021 and to EUR 29.5m in H1 2021.

LR HEALTH & BEAUTY GROUP

COST STRUCTURE

The cost of materials for LR Group increased by EUR +2.4m to EUR 14.0m in the second quarter 2021 compared with the previous year. Furthermore, the changes in inventory of LR Group amount to EUR +2.5m to cover the sales increase and to avoid possible supply chain risks due to COVID-19 crisis. The sum of cost of raw materials and changes in inventory amounts to EUR 11.6m. Compared to Q2 2020, this corresponds to an increase of EUR +1.2m and is mainly driven by the higher sales volume.

The increase in Q2 2021 of personnel expenses in comparison to the previous year of about EUR +0.6m is mainly driven by the headquarters. On the one hand, the number of headcounts in the headquarters has risen significantly, particularly in the service and operations departments due to the higher sales volume and demands in the digital projects. On the other hand, a tariff increase has contributed to the rise in personnel costs. Overall, the total personnel expenses amount to EUR 13.9m in the second quarter 2021 and to EUR 27.2m in the first six months of the year.

The other operating expenses add up to EUR 39.0m in the reporting period and show an increase of EUR +6.8m in comparison to the second quarter 2020. Year to date the other operating expenses increased by EUR +10.3m to EUR 80.8m. The increase results from both sales-related issues and one-off costs.

The costs for granted bonus increased by EUR +7.5m in H1 2021 compared to the previous year, mainly driven by the rising sales volume and also by the "Fast Track Bonus" which is increasingly used by the target group. The distribution costs (EUR +1.6m) also increased mainly due

to the rising sales volume. Furthermore, one-off costs like costs for issuing the bond that could not be capitalized of EUR 0.8m and due to specific projects increased IT consultancy costs from a total of EUR 1.6m contributed to increase the other operating expenses in H1 2021.

ECONOMIC RESULTS

Q2 2021 closed with a reported EBITDA of EUR 10.2m. This corresponds to a slight increase of +2.1% compared to the second quarter 2020. For the first half of the year the reported EBITDA increased by EUR +2.9m or +16.5%. Considering exceptional items of EUR 1.3m in Q2 2021 mainly driven by costs related to the refinancing through the bond, the normalised EBITDA is showing an even better result of EUR 11.5m (H1: EUR 22.7m). Despite the described increases in personnel costs and in particular in other operating expenses, the reported EBITDA shows a slight increase of EUR +0.2m in Q2 2021 (H1: EUR +2.9m) compared to the previous year while the normalised EBITDA shows just a slight decrease of EUR -0.1m (H1: EUR +3.1m). Deducting depreciation of EUR 3.4m (H1: EUR 6.8m) from the reported EBITDA results in an EBIT of EUR 6.8m for LR Group in the second quarter 2021 (H1: EUR 13.5m). This shows for the second quarter an increase of EUR +0.3m (H1: EUR +2.1m) compared to the previous year. Including the interest result, the income before taxes amounts to EUR 3.3m for Q2 2021 and to EUR 7.5m for H1 2021. The net profit of the reporting period amounts to EUR 1.8m and for the first six months to EUR 4.2m.



OVER **2,000,000**
SOLD BOTTLES OF
ALOE VERA DRINKING GEL

FINANCIAL STATUS

The total assets rose by EUR +3.2m in the first half-year to EUR 230.0m. While the non-current assets are almost constant (EUR -0.9m), the current assets raised significantly (EUR +4.2m). This is mainly driven by a higher level in inventories.

The "economic equity" amounts to EUR 30.0m as per 30 June 2021. It includes shareholder loans in the amount of EUR 146.1m for all of which a letter of subordination was issued. The economic equity takes into account that the received sums are subordinated and therefore to be considered as equity in economic terms. The equity including non-controlling interests adds up to EUR -116.1m at the end of the period under review. Mainly due to the strong net profit of the first six months, the negative value could have been reduced by EUR -4.4m compared to the beginning of the year.

Already in Q1 2021, the structure of the liabilities has changed fundamentally due to the issuance of a corporate bond. At 27 January 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 EUR 125.0m. 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 3 February 2021. The net issue proceeds were used for the repayment of the Senior Facility Agreement (liabilities to financial institutions), which was terminated on 4 February 2021, and for a partial repayment of the shareholder loans.

The non-current liabilities add up to EUR 284.9m as per 30 June 2021. Therein the corporate bond is shown with an amount of EUR 123.3m. This corresponds to the issue amount of EUR 125.0m less discounted issue fees. In contrast, the shareholder loans decreased from EUR 186.2m to EUR 146.1m. Furthermore, the current liabilities decreased from EUR 141.0m to EUR 61.3m mainly driven by the repayment of the bank liabilities of EUR 84.8m.

The free cash flow including the cash flow from ongoing business activities as well as the cash flow from investing activities amounts to EUR -4.9m in Q2 2021 and to EUR +5.0m in H1 2021. Main reasons for the negative free cash flow in Q2 2021 are the payout of the year-end bonus which takes place every year in April, the increased investing activities and the build-up of inventories.

As a result, the cash flow from ongoing business activities in Q2 2021 amounts to EUR -3.0m while for the first six months a positive cash flow from ongoing business activities of EUR +8.1m can be shown.

The cash flow from investing activities increased to EUR -1.9m in Q2 2021 (PY: EUR -0.9m) due to higher investments especially in intangible assets under construction (ongoing projects in digitization). For H1 2021 the cash flow from investing activities amounts to EUR -3.1m (PY: EUR -1.8m).

The cash flow from financing activities in Q2 2021 grew up to EUR -4.5m (PY: EUR -2.5m), mainly driven by the interest payments for the corporate bond. Within the cash flow from financing activities



OVER **2,780,000**
SOLD SHOTS OF
5IN1 BEAUTY ELIXIR

LR HEALTH & BEAUTY GROUP

for the first six months, the effects from the repayment of the bank liabilities and the reduction of the shareholder loan cancel out the effect from issuing the bond.

Overall, the total cash flow of the reporting period adds up to a negative amount of EUR –9.4m in Q2 2021 and to EUR –2.9m in H1 2021.

OUTLOOK

After the closing of the second quarter, the forecast for the full financial year 2021 remains stable.

EBITDA is expected to be at the level of the financial year 2020 with a slight increase in turnover.

LR Group's sales regularly decrease during the holiday season. In the Summer 2020, under the conditions of the Corona crisis, there was no holiday season and no summer low. In 2021, LR Group expects seasonality to go back to normal and expects lower sales in the summer months. In autumn, LR Group will launch new products to support the sales development. Hence, LR Group continues to expect a positive business development with stable growth for the current financial year 2021. This is also resulting from the successful implementation of strategic initiatives to strengthen business development as well as existing high quality product innovations, the continuity of partnerships, the competitive marketing plan in connection with the attractive car plan and celebrity portfolio and also the expansion into the Asian markets. The forecast is still based on the assumption that the ongoing COVID-19 pandemic, the extent of which still cannot be fully assessed, will not have any significant impact on the LR Group's business.



Andreas Friesch (CEO)



Dr. Andreas Laabs (CFO/COO)



ANDREAS FRIESCH
CEO/SPOKESMAN OF THE BOARD



DR. ANDREAS LAABS
CFO/COO



LR HEALTH & BEAUTY GROUP

UNAUDITED CONSOLIDATED INTERIM STATEMENT
OF FINANCIAL POSITIONS AS OF 30 JUNE 2021

TEUR	30.06.2021	31.12.2020
NON-CURRENT ASSETS		
Intangible assets	116,952	116,940
Property, plant and equipment	14,025	14,074
Financial assets	4	4
Right of use assets	16,653	18,571
Deferred taxes	3,285	2,247
	150,919	151,836
CURRENT ASSETS		
Inventory	29,453	23,241
Trade receivables	12,098	11,609
Income tax receivables	468	222
Other assets and prepaid expenses	7,543	7,635
Cash and cash equivalents	29,512	32,179
	79,074	74,886
TOTAL ASSETS	229,993	226,722

UNAUDITED CONSOLIDATED INTERIM STATEMENT
OF FINANCIAL POSITIONS AS OF 30 JUNE 2021

TEUR	30.06.2021	31.12.2020
EQUITY		
Subscribed capital	25	25
Capital Reserve	1,790	1,790
Currency translation reserve	-5,384	-5,575
Accumulated loss	-112,561	-116,730
SHAREHOLDERS EQUITY	-116,130	-120,490
Non-controlling interests	-11	-11
	-116,141	-120,501
NON-CURRENT LIABILITIES		
Other provisions	673	716
Deferred taxes	3,663	2,893
Bond liabilities	123,283	0
Liabilities to shareholders	146,096	186,226
Other liabilities	11,159	16,355
	284,874	206,190
CURRENT LIABILITIES		
Trade payables	28,952	27,460
Other liabilities	19,108	17,258
Liabilities to financial institutions	0	84,800
Income tax liabilities	6,238	4,704
Provisions	6,962	6,811
	61,260	141,033
TOTAL EQUITY AND LIABILITIES	229,993	226,722

RECONCILIATION FOR ECONOMIC EQUITY

TEUR	30.06.2021	31.12.2020
Total Equity	-116,141	-120,501
Liabilities to shareholders (subordinated)	146,096	186,225
TOTAL ECONOMIC EQUITY	29,955	65,724

LR HEALTH & BEAUTY GROUP

UNAUDITED CONSOLIDATED INTERIM STATEMENT
OF PROFIT AND LOSS FOR Q2 2021

TEUR	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Revenue	72,284	63,542	150,266	131,407
Changes in inventory	2,484	1,297	3,756	1,678
Other operating Income	2,287	2,219	3,652	4,518
Cost of material	-14,043	-11,677	-29,461	-24,389
thereof Raw materials and supplies	-11,315	-9,466	-24,281	-20,242
thereof Cost of purchased services	-2,728	-2,211	-5,180	4,147
Personnel expenses	-13,879	-13,254	-27,167	-25,280
thereof Wages and salaries	-11,841	-11,363	-23,163	-21,569
thereof Expenditures for social security and pension schemes	-2,038	-1,891	-4,004	-3,711
Other operating expenses	-38,951	-32,155	-80,806	-70,555
EBITDA	10,182	9,972	20,240	17,379
Depreciation	-3,377	-3,445	-6,789	-6,024
Interest income	10	22	28	57
Interest expenses	-3,535	-1,273	-5,988	-2,358
Income before tax	3,280	5,276	7,491	9,054
Income taxes	-1,435	-1,918	-3,322	-2,053
PROFIT OR LOSS FOR THE PERIOD	1,845	3,358	4,169	7,001
thereof to				
Non-controlling interests	0	1	0	0
Shareholders	1,845	3,357	4,169	7,001

RECONCILIATION FOR NORMALISED EBITDA

TEUR	Q2 2021	Q2 2020	YTD 2021	YTD 2020
EBITDA	10,182	9,972	20,240	17,379
Normalisations	1,303	1,616	2,499	2,264
NORMALISED EBITDA	11,485	11,588	22,739	19,643

UNAUDITED CONSOLIDATED INTERIM STATEMENT
OF CASH FLOWS FOR Q2 2021

TEUR	Q2 2021	Q2 2020	YTD 2021	YTD 2020
CASH FLOW FROM ONGOING BUSINESS ACTIVITIES				
Profit or loss for the period (including results of minorities)	1,845	3,358	4,169	7,001
Depreciations (+)	3,377	3,445	6,789	6,024
Increase (+) / Reduction (-) in provisions	-86	-19	108	136
Other non-cash expenses(+) / income (-)	-574	380	-2,704	517
Increase (-)/Reduction (+) of stock, trade receivables or other assets which are not related to investing or financing activities	-2,454	-1,753	-6,692	-5,775
Increase (+)/Reduction (-) of trade payables and other liabilities which are not related to investing or financing activities	-8,085	-7,489	-565	-5,013
Interest expenses (+)/interest income (-)	3,525	1,252	5,960	2,302
Income tax expenses (+) / income (-)	1,435	1,918	3,322	2,053
Income taxes paid (-)	-1,965	-688	-2,313	-696
	-2,982	404	8,074	6,549
CASH FLOW FROM INVESTING ACTIVITIES				
Payments from (+) the disposal of property, plant and equipment	6	3	6	3
Payments for (-) investments in property, plant and equipment	-637	-117	-901	-353
Payments for (-) investments in intangible assets	-1,291	-881	-2,211	-1,515
Payments from (+) the disposal of financial assets	0	123	0	123
	-1,922	-872	-3,106	-1,742
CASH FLOW FROM FINANCING ACTIVITIES				
Payments (-) for interest	-2,295	151	-3,344	-604
Payments for (-) repayment of (finance) loans	0	0	-84,800	0
Proceeds (+) through issuing bonds	0	0	125,000	0
Repayment (-) of shareholder loan	0	0	-40,400	0
Repayment (-) of leasing liabilities	-2,227	-2,690	-4,290	-3,989
	-4,522	-2,539	-7,834	-4,593
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD				
Net increase in cash and cash equivalents	-9,426	-3,007	-2,866	214
Changes in cash and cash equivalents due to exchange rate, consolidated group, and measurement changes	19	111	199	159
Cash and cash equivalents at the beginning of period	38,919	26,069	32,179	22,800
	29,512	23,173	29,512	23,173



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) as the holding company, carries out the central Group functions such as determination and further development of the Group strategy, capital allocation, financing and management development.

The revenue in the second quarter of 2021 amounted to EUR 2.0m (previous year: EUR 1.9m) and resulted primarily from the internal on-charging of services to LR Health & Beauty Systems GmbH, Ahlen. Personnel expenses amounted in the reporting period to EUR 1.9m (PY: EUR 1.8m). This is due to the expansion of the personnel structure.

The other operating expenses increased to EUR 1.2m (PY: EUR 0.5m), mainly driven by legal and consulting fees. Including the interest result of EUR -1.6m and income taxes of EUR -1.0m, the net loss amounts to EUR -3.5m (PY: EUR -0.5m).

The total assets rose as per 30 June 2021 from EUR 299.3m to EUR 350.1m. While the non-current assets are constant (EUR +0.0m), the current assets raised significantly by EUR +41.4m. This is caused by changes in the financing structure due to the issue of the corporate bond.

The latter also influenced the increase in liabilities from EUR 289.7m to EUR 340.2m. This effect can also be seen in the cash flow analysis for the first half of the year. The cash flow from ongoing business activities amounts to EUR -38.2m and is mainly effected by the increase of receivables from affiliated companies, while the cash flow from financing activities amounts to EUR +38.2m, which is mainly caused by the difference of the issue amount of the bond on the one hand and the repaid bank liabilities and reduced shareholder loans on the other hand. The cash flow from investing activities amounts to EUR 0.0m in the reporting period as well as in the previous period in the first half year 2020.



Andreas Friesch (CEO)



Dr. Andreas Laabs (CFO/COO)



LR GLOBAL HOLDING GMBH

UNAUDITED INTERIM STATEMENT OF
FINANCIAL POSITIONS AS OF 30 JUNE 2021

TEUR	30.06.2021	31.12.2020
NON-CURRENT ASSETS		
Intangible assets	4	0
Property, Plant and Equipment	14	17
thereof Other property, plant and equipment	16	17
Financial assets	141,800	141,800
thereof Shares in affiliated companies	141,800	141,800
	141,818	141,817
CURRENT ASSETS		
Receivables and other assets	133,978	92,627
thereof Trade receivables	1	0
thereof Receivables from affiliated companies	133,957	91,622
thereof Other assets	20	1,005
Cash stocks, bank deposits	0	0
	133,978	92,627
ACCRUALS	53	38
DEFERRED TAX ASSETS	2,447	2,447
NOT COVERED BY EQUITY LOSS	71,833	62,368
TOTAL ASSETS	350,129	299,297

UNAUDITED INTERIM STATEMENT OF
FINANCIAL POSITIONS AS OF 30 JUNE 2021

TEUR	30.06.2021	31.12.2020
EQUITY		
Share capital	25	25
Capital reserve	1,105	1,105
Accumulated loss	-72,963	-63,498
Not covered by equity loss	71,833	62,368
	0	0
PROVISIONS		
Tax provision	5,143	4,090
Other provisions	1,089	1,863
	6,232	5,953
LIABILITIES		
Bond liabilities	125,780	0
Amounts due to bank	0	43,306
Trade payables	776	194
Amounts due to shareholders	146,096	186,225
Amounts due to affiliated companies	67,467	59,236
Other liabilities	89	694
	340,208	289,655
DEFERRED TAX LIABILITIES	3,689	3,689
TOTAL EQUITY AND LIABILITIES	350,129	299,297

RECONCILIATION FOR ECONOMIC EQUITY

TEUR	30.06.2021	31.12.2020
Total Equity	-71,833	-62,368
Liabilities to shareholders (subordinated)	146,096	186,225
TOTAL ECONOMIC EQUITY	74,263	123,857

LR GLOBAL HOLDING GMBH

UNAUDITED INTERIM STATEMENT OF PROFIT AND LOSS FOR Q2 2021

TEUR	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Revenue	2,017	1,914	3,394	3,136
Other operating income	60	73	105	110
	2,077	1,987	3,499	3,246
Personnel Expenses	1,853	1,759	3,741	3,442
thereof wages and salaries	1,645	1,571	3,327	3,071
thereof social security contributions and expenditures for pension schemes and support	208	188	414	371
Depreciation of intangible assets and property, plant and equipment	4	2	7	4
Other Operating Expenses	1,222	497	4,715	1,129
	3,079	2,258	8,463	4,575
Other interest and similar income	974	624	1,806	1,248
Other interest and similar expenses	2,548	728	4,379	1,455
	-1,574	-104	-2,573	-207
Taxes in income and earnings	964	167	1,928	333
NET PROFIT/LOSS FOR THE PERIOD	-3,540	-542	-9,465	-1,869

UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR Q1 2021

TEUR	Q2 2021	Q2 2020	YTD 2021	YTD 2020
CASH FLOW FROM ONGOING BUSINESS ACTIVITIES				
Profit or loss for the period	-3,540	-542	-9,465	-1,869
Depreciations on fixed assets	3	2	7	4
Reduction (-)/Increase (+) in provisions	-991	-851	-774	-548
Increase (-)/Reduction (+) of stock, trade receivables or other assets	794	79	-39,560	2,489
Increase (+)/Reduction (-) of trade payables and other liabilities	4,428	1,291	7,975	-121
Interest expenses (+)/interest income (-)	1,574	104	2,573	207
Income tax expenses (+) / income (-)	964	166	1,928	333
Income taxes paid (-)	-867	-8	-875	-15
	2,366	242	-38,191	479
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for (-) investments in intangible assets	0	0	-7	0
Payments for (-) investments in property, plant and equipment	0	-6	-1	-6
	0	-6	-8	-6
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds (+) through issuing bonds	0	0	125,000	0
Repayments (-) of shareholder loan	0	0	-40,400	0
Repayments (-) of (finance) loans	0	0	-43,306	0
Payments (-) for interest	-2,366	-236	-3,095	-473
	-2,365	-236	38,199	-473

**WE
BELIEVE IN
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IMPRINT

Publisher:

LR Global Holding GmbH
Kruppstr. 55
D-59227 Ahlen

Manager:

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

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

CONTACT

LRworld.com

facebook.com/LRworld.de

instagram.com/LRworldofficialrgkf.com

facebook.com/lrgkf

tel. +49 2382 7060-0

fax +49 2382 7060-287

info@lrworld.com

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