



HEALTH & BEAUTY

# Q2 2023

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**UNAUDITED CONSOLIDATED  
INTERIM REPORT**

LR HEALTH & BEAUTY GROUP

**UNAUDITED INTERIM REPORT**

LR GLOBAL HOLDING GMBH



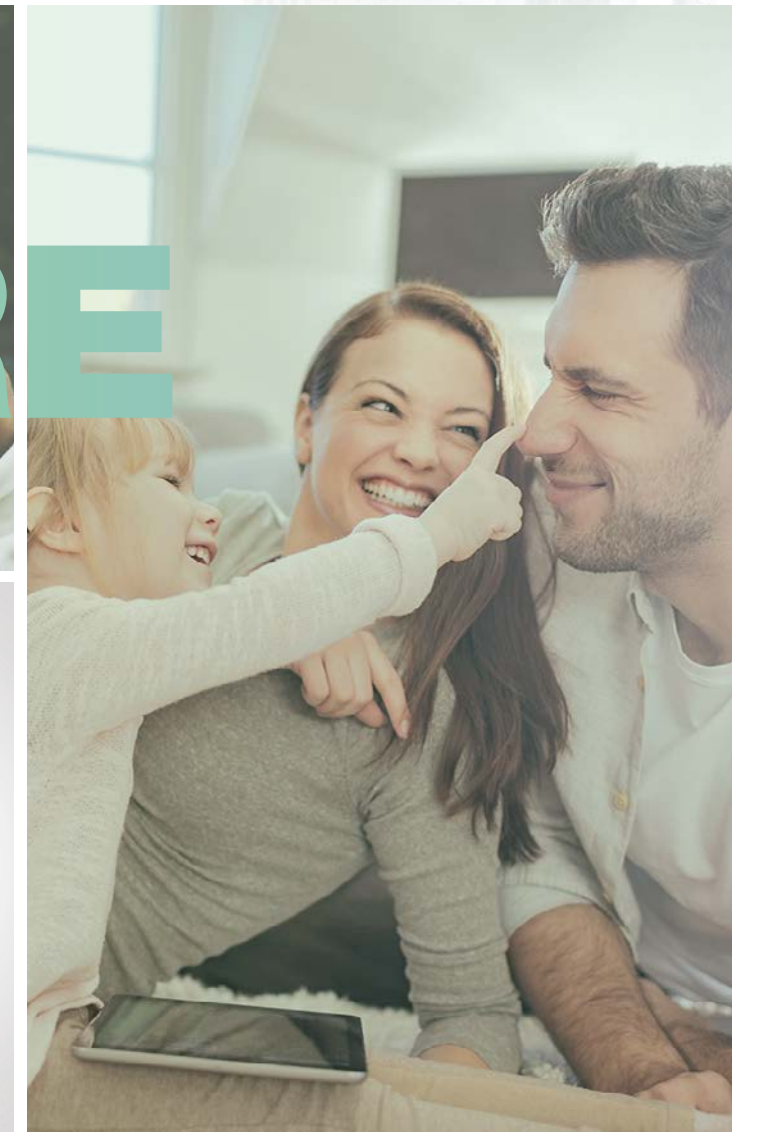
HEALTH & BEAUTY



**OUR VISION IS TO BE THE WORLD'S MOST ATTRACTIVE COMPANY IN SOCIAL SELLING.**

**OUR MISSION IS TO OFFER PEOPLE THE BEST CHOICE TO LIVE A SELF-DETERMINED LIFE. WE SUCCEED BECAUSE OF OUR BUSINESS OPPORTUNITY AND HIGH-QUALITY HEALTH AND BEAUTY SOLUTIONS.**

**WE BELIEVE IN MORE**



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



## FINANCIAL HIGHLIGHTS LR HEALTH & BEAUTY GROUP

in EUR m	Q2 2023	Q2 2022	YTD 2023	YTD 2022
<b>Sales*</b>	<b>68.9</b>	<b>62.9</b>	<b>140.9</b>	<b>131.5</b>
<b>Normalised EBITDA</b> in % of Sales	<b>8.8</b> 12.8%	<b>9.6</b> 11.0%	<b>17.6</b> 12.5%	<b>16.5</b> 12.5%
<b>Free cash flow</b>	<b>(5.4)</b>	<b>0.3</b>	<b>(4.9)</b>	<b>(0.7)</b>
Cost of materials	(13.4)	(10.2)	(27.2)	(22.7)
Personnel expenses	(13.1)	(13.6)	(26.6)	(26.9)
Other operating expenses	(36.6)	(41.3)	(73.8)	(79.0)

IR.LRworld.com

\*Sales as revenue from goods sold

# UNAUDITED CONSOLIDATED INTERIM REPORT Q2 2023 CONTENT

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02

# WE BELIEVE IN MORE STABILITY

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

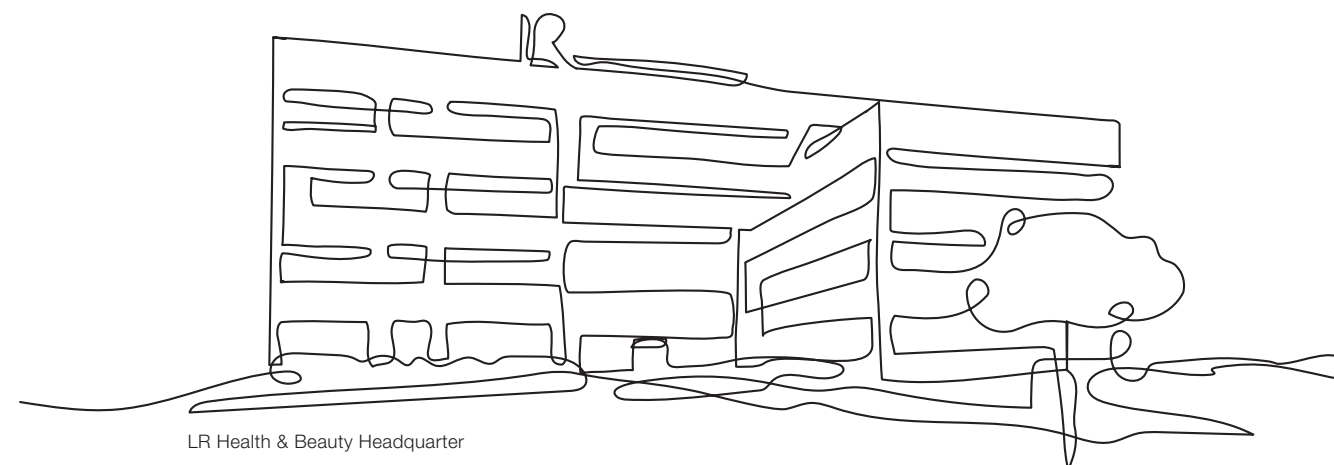


MORE QUALITY FOR YOUR LIFE

# WE CARE FOR PEOPLE'S LIVES



SINCE **38** YEARS SUCCESSFUL IN EUROPE  
 OVER **1,200** EMPLOYEES



LR Health & Beauty Headquarter

## 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 32 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 more than 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 38 years and are currently expanding worldwide. In March 2021, we successfully entered the Asian market and started with LR South Korea. And LR continues its international expansion. The market entry in the UK in August 2023 was another important milestone.

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.

Since 2013, LR is part of the portfolio of the investment company Quadriga Capital. In February 2021 LR Global Holding GmbH successfully entered the capital market by issuing a bond. And in the past years, we continued our dynamic growth course in order to further develop LR into a leading social selling company. 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 Zeitgard Pro Cosmetic Device launched in

autumn 2022, LR achieved a quantum leap in apparative cosmetics. It is an innovative 4-in-1 device and a perfect recruiting tool for our partners worldwide. In January 2023 we had the next big launch: LR FIGUACTIVE. The products are better than ever and within the brand LR BODYMISSION, the high quality pro-ducts offer everyone the smart way to a good body feeling. And also in 2023 we celebrate the 10th anniversary of Mind Master. A successful brand with a highly effective product range that gives more power to every person and every day.

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 38 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 & MISSION

“ **Our Vision is to be the world's most attractive company in social selling. Our Mission is to offer people the best choice to live a self-determined life. We succeed because of our business opportunity and high-quality health and beauty solutions.** ”

**MORE STABILITY**



APPROX. **200**  
HEALTH & BEAUTY  
PRODUCTS

**32**  
COUNTRIES  
WORLDWIDE

**OUR INNOVATIVE PRODUCTS**

Our product portfolio comprises cutting-edge health and beauty solutions that combine natural ingredients with scientific innovation. This includes care products and cosmetics, perfumes and nutritional supplements as well as essential oils and care products with essential oils. At the company-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 & 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 38 years, we have been giving people the opportunity to shape their lives independently and successfully by becoming sales partners. Thousands of LR sales partners have achieved financial freedom and a better quality of life thanks to LR. They are all part of an international team that has established LR’s success with a modern sales system, digital possibilities, enthusiasm for fantastic products and plenty of passion.

The LR business model offers independence coupled with the security of a large company that supports its partners in all phases of their careers. Especially in difficult times, like in the past three years, this concept has proven to work well – an added bonus is the team spirit in the LR community. Despite external circumstances, such as the war in Ukraine, high inflation rates, cautious consumer sentiment or globally disrupted supply chains, LR achieved a good and solid result for the financial year 2022. Following the positive trend from the second half of fiscal 2022, LR looks back on a successful first half-year of 2023 with sales growth of over 7%.

The merging of offline and online activities has become daily business for the partners. With innovative tools such as “LR Connect”, our company is well equipped to meet the demands 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.

**OUR AWARDS**

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

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

**2021 COMPANY AWARD FEDERAL ASSOCIATION OF DIRECT SELLING GERMANY**  
LR has been awarded second place in the category “Large Companies” in 2021, which means that LR achieved the second strongest sales growth in this category in 2020.

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

**2020 DIGITAL BUSINESS AWARD NETWORK CAREER**  
Special award for the great digital support of LR sales partners during the global COVID-19 pandemic.





# WE BELIEVE IN MORE INTERNATIONALITY

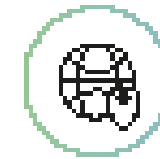
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WITH OUR INTERNATIONAL SALES COMPANIES IN 32 COUNTRIES, OVER 1,200 EMPLOYEES AND THOUSANDS OF INDEPENDENT SALES PARTNERS, WE ARE ONE OF THE LEADING DIRECT SALES ENTERPRISES IN EUROPE. DUE TO THE CONTINUOUS CREATION OF NEW MARKET OPPORTUNITIES, LR HEALTH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



**MORE INTERNATIONALITY**

# OUR SALES COMPANIES IN 32 COUNTRIES



## INTERNATIONAL SALES COMPANIES

### WESTERN EUROPE

- AUSTRIA**  
LR Health & Beauty Systems GmbH
- BELGIUM / LUXEMBOURG**  
LR Cosmetic Belgium b.v.b.a
- DENMARK**  
LR Health & Beauty Systems ApS
- ENGLAND / NORTHERN IRELAND / SCOTLAND / WALES**  
LR Health & Beauty Limited, Great Britain
- FINLAND**  
LR Health & Beauty Systems OY
- FRANCE**  
LR Health & Beauty Systems SAS
- GERMANY**  
LR Deutschland GmbH
- ITALY**  
LR Health & Beauty Systems S.R.L.
- NETHERLANDS**  
LR Health & Beauty Systems BV
- NORWAY**  
LR Health & Beauty Systems AS
- PORTUGAL**  
L. de Racine Cosméticos Lda.
- SPAIN**  
LR Health & Beauty Systems S.L.
- SWEDEN**  
LR Health & Beauty Systems AB
- SWITZERLAND**  
LR Health & Beauty Systems AG
- TURKEY**  
LR Health & Beauty Systems Ltd.

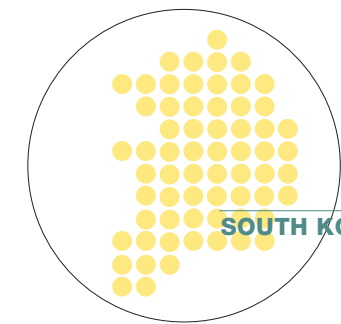
### CENTRAL EASTERN EUROPE

- ALBANIA**  
LR Health & Beauty Systems Sh.p.k.
- BULGARIA**  
LR Health & Beauty Systems EOOD
- CZECH REPUBLIC**  
LR Health & Beauty Systems s.r.o.
- GREECE / CYPRUS**  
LR Health & Beauty Systems EPE
- HUNGARY**  
LR Health & Beauty Systems Kft.
- POLAND**  
LR Health & Beauty Systems Sp. z o.o
- ROMANIA**  
LR Health & Beauty Systems S.R.L.
- RUSSIA / KAZAKHSTAN**  
LR Russ O.O.O
- SLOVAKIA**  
LR Health & Beauty Systems s.r.o
- UKRAINE**  
LR Health & Beauty Systems TOV



## 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)



### EXPANSION

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



# LR HEALTH & BEAUTY GROUP

MANAGEMENT REPORT & FINANCIAL STATEMENTS





# MANAGEMENT REPORT

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. LR Group is represented by 33 companies in 32 countries worldwide and markets its products through direct sales on the European and Asian markets.

## SALES AND OTHER INCOME

In the second quarter of 2023 (Q2 2023), LR Group achieved a sales<sup>1</sup> volume of kEUR 68,869 (PY: kEUR 62,966). This corresponds to an increase of 9.4% compared to the second quarter of the previous year (Q2 2022). In the first half-year (YTD 2023), the sales volume increased to kEUR 140,892 compared to the previous year (YTD 2022) with kEUR 131,527, which corresponds to a sales growth rate of 7.1%. Last year, following the outbreak of war in Ukraine, the sales volume dropped significantly, particularly in the first and second quarters. Sales development recovered noticeably in the second half of the 2022 financial year. Following this upward trend, positive sales growth was recorded again in the second quarter, as well as in the first half-year.

One important reason for the positive sales development is the implementation of the strategic adjustments made last year. The career development of our sales partners, and therefore also the sales level, improved strongly, particularly in the second half-year 2022 and consequently also in the first half-year 2023. In addition, the revised concept for our product launches also supported the positive development. The launch of the LR LIFETAKE Body Mission with the new series of LR FIGUACTIVE products this January was the second most successful product launch in LR

history, surpassed only by the launch of the newly patented Anti Age Device Zeitgard in autumn 2022.

As of the second quarter, the division of the regions was reorganized to optimize sales management. Instead of three regions, the countries are now divided into two regions as follows:

- Region Western Europe comprises Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Norway, Portugal, Spain, Sweden, Switzerland, the Netherlands, Turkey, and the United Kingdom.

- Region Central Eastern Europe comprises Albania, Bulgaria, Cyprus, the Czech Republic, Greece, Kazakhstan, Hungary, Poland, Romania, Russia, Slovakia, and Ukraine.

Sales development varies greatly in both these regions. Region Western Europe, comprising mainly Western European countries, including LR's domestic market in Germany, registered an increase in sales from kEUR 35,567 in Q2 2022 to kEUR 43,020 in Q1 2023. This corresponds to an increase of kEUR +7,453 or +21.0%. In the first half-year 2023, sales increased by 16.1% to kEUR 86,178 (PY: kEUR 74,237). In Region Central Eastern Europe, sales decreased in the second quarter by -5.3% to kEUR 25,342 (PY: kEUR 26,764) and in the first half-year by -4.8% to kEUR 53,742 (PY: kEUR 56,471).

Adding other revenues of kEUR 3,123 in the second quarter of 2023 to the total sales of kEUR 68,869 results in revenues before sales deductions of kEUR 71,993. In the first half-year, other revenues amount to kEUR 5,674; added to total sales of kEUR 140,892, this results in revenues before sales deductions of kEUR 146,566. After sales deductions of kEUR -3,764 in Q2 2023 and

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



**LR HEALTH & BEAUTY GROUP**

kEUR -7,286 YTD 2023, the revenue amounts to kEUR 68,470 in Q2 2023 and to kEUR 139,280 YTD 2023.

Other operating income in the second quarter 2023 amounted to kEUR 1,077 (PY: kEUR 10,742) and to kEUR 2,096 YTD 2023 (PY: kEUR 14,129). In the previous year, other operating income was significantly higher, mainly due to gains from currency exchange, which were accompanied by significantly higher currency losses in other operating expenses.

**COST STRUCTURE**

The cost of materials for LR Group increased by kEUR 3,285 to kEUR 13,448 in the second quarter of 2023 (PY: kEUR 10,163) and by kEUR 4,513 to kEUR 27,166 in the first half-year 2023 (PY: kEUR 22,653), while changes in finished goods and work in progress were significantly higher, at kEUR 1,214 in the second quarter and kEUR 1,651 in the first half-year, compared to the previous year's values of kEUR -2,359 and kEUR -1,946. As a result, the total cost of materials and changes in finished goods and work in progress slightly decreased from kEUR 12,522 in Q2 2022 to kEUR 12,234 in Q2 2023 and slightly increased from kEUR 24,599 YTD 2022 to kEUR 25,515 YTD 2023. In relation to sales, this corresponds to a decreased ratio of 17.8% in Q2 2023 (PY: 19.9%) and 18.1% in the first half-year 2023 (PY: 18.7%).

Personnel expenses decreased by 3.6% to kEUR 13,089 in Q2 2023 compared to kEUR 13,578 in Q2 2022 and by 1.4% to kEUR 26,550 YTD 2023 compared to kEUR 26,924 YTD 2022. The headcount stood at 1,212 as of June 30, 2023; this corresponds to a

decrease compared to the previous year's second quarter (1,275 as of June 30, 2022), as well as compared to the end of the previous year (1,236 as of December 31, 2022).

Other operating expenses decreased to kEUR 36,631 in the second quarter 2023 compared to kEUR 41,333 in the previous year and to kEUR 73,835 in the first half-year 2023 (PY: kEUR 79,019). The previous year included significantly higher losses from currency exchange, which were offset by high FX gains in the OOI. In the current year, the costs for bonus payments to sales partners increased due to the higher sales volume.

**ECONOMIC RESULTS**

Q2 2023 closed with a reported EBITDA of kEUR 7,593, which corresponds to an increase of 34.1% compared to the second quarter 2022 with kEUR 5,663. In the first half-year, the reported EBITDA increased from kEUR 13,789 to kEUR 15,476. Taking exceptional items of kEUR 1,208 in Q2 2023 and kEUR 2,127 YTD 2023 into account, the normalized EBITDA amounts to kEUR 8,801 (PY: kEUR 6,931), which corresponds to an increase of 27.0% in the second quarter, and in the first half-year to kEUR 17,603 (PY: kEUR 16,496), which corresponds to an increase of 6.7%. Deducting amortization and depreciation of kEUR 3,294 in Q2 2023 (PY: kEUR 3,785) and kEUR 6,528 YTD 2023 (PY: 7,642) from the reported EBITDA results in an EBIT of kEUR 4,359 (PY: kEUR 1,878) in Q2 2023 and kEUR 8,948 YTD 2023 (PY: kEUR 6,147).

OVER **11,300,00**

**BOTTLES OF MINDMASTER GREEN AND RED SOLD<sup>2</sup>**



OVER **77,000,000**

**SOLD BOTTLES OF ALOE VERA DRINKING GEL<sup>3</sup>**

The financial result including interest expenses for the corporate bond, which increased with the 3M Euribor, amounts to kEUR -3,769 in Q2 2023 (PY: kEUR -2,892) and to kEUR -7,317 YTD 2023 (PY: kEUR -5,751). After deduction of income taxes in the amount of kEUR 866 for Q2 2023 (PY: kEUR 462) and of kEUR 1,315 YTD 2023 (PY: kEUR 1,131), the profit or loss for the period for the second quarter of 2023 amounts to kEUR -276 (PY: kEUR -1,476) and to kEUR 316 (PY: kEUR -735) for the first half-year 2023.

**FINANCIAL STATUS**

Overall, the total assets decreased from kEUR 235,507 as of December 31, 2022, to kEUR 225,731 as of June 30, 2023. Therein the non-current assets were stable at kEUR 147,025 compared to the previous year end of kEUR 148,816. On the other hand, the current assets at the end of the second quarter decreased by kEUR 7,985 to kEUR 78,706 compared to December 31, 2022 (kEUR 86,691). The inventories increased by kEUR 4,544 and trade receivables also increased by kEUR 4,729, while the other assets decreased by kEUR 1,252. The cash level decreased from the extraordinarily high level of kEUR 39,139 at the end of the year to kEUR 23,532 as of June 30, 2023, mainly driven by the subsequent tax payments for the financial years 2020 and 2021 in Q1 2023 and Q2 2023 and the payout of the annual bonus to sales partners in Q2 2023.

Due to the positive total comprehensive income of kEUR 716 in the first half-year, total equity increased to kEUR 29,803 as of June 30, 2023. This corresponds to an increase in the equity ratio from 12.4% to 13.2%.

The structure of the liabilities is mainly characterized by liabilities from bonds. 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, involving Nordic Trustee & Agency AB as trustee. Trading in the Open Market of the Frankfurt Stock Exchange began on 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 remained almost stable at kEUR 146,823 as of June 30, 2023, compared to the end of the previous year (kEUR 148,367). The current liabilities decreased from kEUR 58,053 as of December 31, 2022, to kEUR 49,105 as of June 30, 2023. This mainly results from the decrease of trade payables by kEUR 2,048, as well as the significant decrease of income tax liabilities as of June 30, 2023 by kEUR 5,733 due to the subsequent payment of taxes for previous years.

Cash flow from operating activities was negative both in the second quarter 2023 at kEUR -4,051 and in the first half-year at kEUR -2,511, mainly driven by the subsequent payment of income taxes and the build-up of inventories. Cash flow from investing activities amounted to kEUR -1,324 in Q2 2023 (PY: kEUR -519) and to kEUR -2,436 YTD 2023 (PY: kEUR -1,119). Free cash flow, including cash flow from operating activities and cash flow from investing activities, amounted to kEUR -5,375 in Q2 2023 and to kEUR -4,947 YTD 2023. Cash flow from financing activities amounted to kEUR -5,543 in Q2 2023 (PY: kEUR 4,012; influenced by proceeds from the sale-and-lease-back agreement of the headquarters building) and kEUR -10,887 YTD 2023 (PY: kEUR -652;

<sup>2</sup> Since launch in 2013 (green) / 2014 (red)  
<sup>3</sup> Since Aloe Vera start in 2002

**LR HEALTH & BEAUTY GROUP**

influenced by proceeds from the sale-and-lease-back agreement of the headquarters building). Overall, the total cash flow for the second quarter 2023 amounted to kEUR –10,918 and in the first half-year to kEUR –15,834. Including changes in cash due to exchange rates, cash as of June 30, 2023 amounted to kEUR 23,532.

**OUTLOOK**

The unforeseeable various factors may have a significant impact on the further developments in 2023. A further course of war in Ukraine will not only have a direct impact on the markets in Russia and Ukraine, but also beyond in various ways. Additional effects on the already difficult situation of global supply chains since the Corona pandemic cannot be ruled out. The further development of inflation rates, which have already risen sharply worldwide, but especially in LR's European core market, will have a particular impact on economic development, as this will affect both the future interest rate decisions of central banks and fundamental consumer behavior.

Against this background and the varying development in the individual regions, the cautious outlook outlined in the 2022 annual report remains unchanged despite the solid sales growth in the first half year 2023. The management expects sales (revenue from sold goods) in 2023 to be at previous year's level. In addition, the management assumes that further cost increases will be largely compensated by price increases, and therefore a slightly lower or stable EBITDA can be achieved compared to the previous year.

Ahlen, August 30, 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 &amp; BEAUTY GROUP

UNAUDITED CONSOLIDATED INTERIM STATEMENT  
OF FINANCIAL POSITIONS AS OF JUN. 30, 2023

kEUR	Note	Jun. 30, 2023	Dec. 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		118,112	118,186
Property, plant and equipment	7.	12,835	13,048
Right-of-use assets		14,461	16,214
Deferred taxes		1,617	1,368
		<b>147,025</b>	<b>148,816</b>
<b>Current assets</b>			
Inventories	8.	30,325	25,781
Trade receivables	9.	15,404	10,675
Income tax receivables		837	1,236
Other assets		8,608	9,860
Cash	10.	23,532	39,139
		<b>78,706</b>	<b>86,691</b>
<b>TOTAL ASSETS</b>		<b>225,731</b>	<b>235,507</b>

UNAUDITED CONSOLIDATED INTERIM STATEMENT  
OF FINANCIAL POSITIONS AS OF JUN. 30, 2023

kEUR	Note	Jun. 30, 2023	Dec. 31, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Subscribed capital		25	25
Capital reserve		160,102	160,102
Currency translation reserve		-5,991	-6,391
Accumulated loss		-124,333	-124,649
Total equity before non-controlling interests		29,803	29,087
Non-controlling interests		0	0
<b>TOTAL EQUITY</b>		<b>29,803</b>	<b>29,087</b>
<b>Non-current liabilities</b>			
Provisions		481	500
Deferred taxes		3,050	3,162
Liabilities from bonds	9.	125,050	124,571
Liabilities from loans		8,075	8,469
Lease liabilities		9,140	10,637
Other liabilities		1,027	1,028
		<b>146,823</b>	<b>148,367</b>
<b>Current liabilities</b>			
Trade payables	9.	29,014	31,062
Other liabilities		7,874	8,008
Lease liabilities		6,093	6,353
Liabilities from loans		573	356
Income tax liabilities		1,894	7,627
Provisions		3,657	4,647
		<b>49,105</b>	<b>58,053</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>225,731</b>	<b>235,507</b>



## LR HEALTH &amp; BEAUTY GROUP

## UNAUDITED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE PERIOD JAN. 1, 2023 TO JUN. 30, 2023

kEUR	Note	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Revenue	3.to 4.	68,470	62,354	139,280	130,202
Changes in finished goods and work in progress		1,214	-2,359	1,651	-1,946
Other operating income		1,077	10,742	2,096	14,129
Cost of material		-13,448	-10,163	-27,166	-22,653
a) Raw materials and supplies		-11,967	-8,433	-23,970	-18,753
b) Cost of purchased services		-1,481	-1,730	-3,196	-3,900
Personnel expenses		-13,089	-13,578	-26,550	-26,924
a) Wages and salaries		-10,986	-11,443	-22,390	-22,733
b) Expenses for social security and pension schemes		-2,103	-2,135	-4,160	-4,191
Other operating expenses		-36,631	-41,333	-73,835	-79,019
<b>EBITDA</b>	<b>4.</b>	<b>7,593</b>	<b>5,663</b>	<b>15,476</b>	<b>13,789</b>
Amortization and depreciation		-3,234	-3,785	-6,528	-7,642
Finance result		-3,769	-2,892	-7,317	-5,751
<b>Profit or loss before tax</b>		<b>590</b>	<b>-1,014</b>	<b>1,631</b>	<b>396</b>
<b>Income taxes</b>	<b>6.</b>	<b>-866</b>	<b>-462</b>	<b>-1,315</b>	<b>-1,131</b>
<b>PROFIT OR LOSS FOR THE PERIOD</b>		<b>-276</b>	<b>-1,476</b>	<b>316</b>	<b>-735</b>
thereof attributable to:					
Non-controlling interests		0	0	0	0
Shareholders		-276	-1,476	316	-735

## UNAUDITED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD JAN. 1, 2023 TO JUN. 30, 2023

kEUR	Q2 2023	Q2 2022	YTD 2023	YTD 2022
<b>Profit or loss for the period</b>	<b>-276</b>	<b>-1,476</b>	<b>316</b>	<b>-735</b>
Components of other comprehensive income which will be reclassified to profit or loss after tax in subsequent periods	-17	611	400	556
Currency translation differences	-17	611	400	556
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-293</b>	<b>-865</b>	<b>716</b>	<b>-179</b>
thereof attributable to				
Non-Controlling interests	0	0	0	0
Shareholders	-293	-865	716	-179

**UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CHANGES  
IN EQUITY FOR THE PERIOD JAN. 1, 2023 TO JUN. 30, 2023**

kEUR	Sub- scribed capital	Capital reserve	Accumu- lated loss	Currency translation reserve	Equity before non-controlling interests	Non- controlling interests	Total equity
<b>Jan. 1, 2023</b>	<b>25</b>	<b>160,102</b>	<b>-124,649</b>	<b>-6,391</b>	<b>29,087</b>	<b>0</b>	<b>29,087</b>
Currency trans- lation differences	0	0	0	400	400	0	400
Profit or loss for the period	0	0	316	0	316	0	316
<b>Jun. 30, 2023</b>	<b>25</b>	<b>160,102</b>	<b>-124,333</b>	<b>-5,991</b>	<b>29,803</b>	<b>0</b>	<b>29,803</b>
<b>Jan. 1, 2022</b>	<b>25</b>	<b>160,102</b>	<b>-125,440</b>	<b>-5,145</b>	<b>29,542</b>	<b>-5</b>	<b>29,537</b>
Currency trans- lation differences	0	0	0	556	556	0	556
Profit or loss for the period	0	0	-735	0	-735	0	-735
<b>Jun. 30, 2022</b>	<b>25</b>	<b>160,102</b>	<b>-126,175</b>	<b>-4,589</b>	<b>29,363</b>	<b>-5</b>	<b>29,358</b>

**UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CASH  
FLOWS FOR THE PERIOD JAN. 1, 2023 TO JUN. 30, 2023**

kEUR		Q2 2023	Q2 2022	YTD 2023	YTD 2022
<b>1. Cash flow from operating activities</b>	<b>Note</b>				
Profit or loss for the period		-276	-1,476	316	-735
Amortization and depreciations (+) of fixed assets		3,234	3,785	6,528	7,642
Increase (+) / reduction (-) in provisions		-985	202	-1,008	-305
Other non-cash expenses (+) / income (-)		-135	-20	-335	36
Income (-) / losses (+) on the disposal of fixed assets		4	0	2	-1
Increase (-) / reduction (+) of inventories, trade receivables and other assets		-2,153	726	-7,651	-2,121
Increase (+) / reduction (-) of trade payables and other liabilities		-3,997	-4,815	-1,672	-9,250
Interest expenses (+) / interest income (-)		3,769	2,893	7,317	5,752
Income tax expenses (+) / income (-)	7.	866	462	1,315	1,131
Income taxes paid (-)		-4,378	-962	-7,323	-1,700
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>-4,051</b>	<b>795</b>	<b>-2,511</b>	<b>449</b>
<b>2. Cash flow from investing activities</b>					
Payments from (+) the disposal of property, plant and equipment		-3	1	4	6
Payments for (-) investments in property, plant and equipment		-427	-110	-659	-241
Payments for (-) investments in intangible assets		-894	-410	-1,781	-884
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-1,324</b>	<b>-519</b>	<b>-2,436</b>	<b>-1,119</b>
<b>3. Cash flow from financing activities</b>					
Payments for (-) interest		-3,193	-2,312	-6,109	-4,621
Proceeds (+) of loans		0	9,000	0	9,000
Repayment (-) of loans		-89	0	-177	0
Repayment (-) of lease liabilities		-2,261	-2,676	-4,601	-5,031
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>-5,543</b>	<b>4,012</b>	<b>-10,887</b>	<b>-652</b>
<b>4. Cash at the end of period</b>					
Net increase (+) / decrease (-) in cash		-10,918	4,288	-15,834	-1,322
Changes in cash due to exchange rates		95	348	227	305
Cash at the beginning of period		34,355	24,380	39,139	30,033
<b>CASH AT THE END OF PERIOD</b>		<b>23,532</b>	<b>29,016</b>	<b>23,532</b>	<b>29,016</b>

# 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.

LR Health & Beauty SE, Munich, holds all the shares in LR Global. 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 unaudited interim condensed consolidated financial statements for the six months ended June 30, 2023, have been prepared in accordance with IAS 34 Interim Financial Reporting. They are prepared in line with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information, effective within the European Union. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2022.

The Group assets were assessed according to the going-concern principle, i.e., with the assumption of continuation of the Company.

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

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

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022, except for the adoption of new standards effective as of January 1, 2023. 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 2023, but do not have an impact on the unaudited interim condensed consolidated financial statements of the Group.

### 3. REVENUE FROM CONTRACT WITH CUSTOMERS

Revenues in the regions essentially comprise revenues from products of the Group. Other revenues comprise revenues from services rendered such as cost allocations, seminars, and events as well as revenue of kEUR 2,337 (PY: kEUR 2,351) recognized over time from subleasing vehicles to partners for the first six months 2023. 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 two regions. Until the end of May 2023, the local companies were combined into three regions. Due to the further optimization of the sales management, Group's management and the supervisory board decided to reduce the number of regions. In some cases, the local companies are assigned to a region geographically, in other cases they are assigned individually. Effective from the beginning of June 2023, the local companies and establishments are combined into Region Western Europe and Region Central Eastern Europe.

The two reported regions break down in detail as follows:

**Region Western Europe** comprises Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Norway, Portugal, Spain, Sweden, Switzerland, the Netherlands, Turkey and the United Kingdom.

**Region Central Eastern Europe** comprises Albania, Bulgaria, Cyprus, Czech Republic, Greece, Kazakhstan, Hungary, Poland, Romania, Russia, Slovakia, and Ukraine.

The regions are managed by the respective vice presidents of the region. The management board of LR Global is the chief operating decision maker, who separately monitors the region's operating results to make decisions about resources to be allocated and assess its performance. For the analysis of business performance and the Group's situation, the management board uses earnings before interest, taxes, depreciation, and amortization



(EBITDA) as well as revenue without other revenue and before sales deductions as financial ratios which are compared with the latest forecast for the reporting period. Group financing (including finance costs, finance income and other income) and income tax expenses are managed on a group basis and are not allocated to operating regions.

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

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

KEUR	Region WE*	Region CEE**	Total segments	Adjustments	Total
Revenue from external customers	86,178	53,742	139,920	972	140,892
Revenue from other segments	19,285	1,237	20,522	-20,522	0
Revenue other	3,236	1,869	5,105	569	5,674
Sales reduction	-4,222	-3,064	-7,286	0	-7,286
<b>TOTAL REVENUE</b>	<b>104,477</b>	<b>53,784</b>	<b>158,261</b>	<b>-18,981</b>	<b>139,280</b>
Segment EBITDA	11,186	6,966	18,152	-2,676	15,476
Goodwill	77,422	24,097	101,519	0	101,519

The table below shows revenue, EBITDA, and goodwill of the LR Group's regions for the six months ended June 30, 2022 (in the regional breakdown from June 1<sup>st</sup>, 2023):

KEUR	Region WE*	Region CEE**	Total segments	Adjustments	Total
Revenue from external customers	74,237	56,472	130,709	383	131,092
Revenue from other segments	12,820	1,062	13,882	-13,882	0
Revenue other	2,930	1,978	4,908	279	5,187
Sales reduction	-3,327	-3,408	-6,735	12	-6,723
<b>TOTAL REVENUE</b>	<b>86,660</b>	<b>56,104</b>	<b>142,764</b>	<b>-13,208</b>	<b>129,556</b>
Segment EBITDA	10,605	5,986	16,591	-2,802	13,789
Goodwill	77,422	24,097	101,519	0	101,519

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

\* Region Western Europe  
\*\* Region Central Eastern Europe

## 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, 2022.

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

The test performed in December 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 June 30, 2023, and June 30, 2022:

KEUR	2023	2022
<b>Current income tax</b>		
Current tax expenses	-1,664	-888
<b>Deferred tax result</b>		
Origination and reversal of temporary differences	349	-243
from deferred tax assets	240	-18
from deferred tax liabilities	109	-225
<b>TOTAL</b>	<b>-1,315</b>	<b>-1,131</b>

## 7. PROPERTY, PLANT AND EQUIPMENT

### Acquisitions and disposals

During the three months until June 30, 2023, the Group acquired assets with total acquisition costs of kEUR 659 (2022: kEUR 241). The major part of the acquisition belongs to other technical and office equipment.

No major disposal took place in the three months ended June 30, 2023.

## 8. INVENTORIES

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

KEUR	Jun. 30, 2023	Dec. 31, 2022
Raw materials and supplies	8,520	6,822
Work in progress	213	183
Finished products	15,654	14,804
Goods for sale	4,908	3,474
Goods in transit	1,030	498
<b>TOTAL INVENTORIES</b>	<b>30,325</b>	<b>25,781</b>

Impairment of inventories recognized as expenditures amounts to kEUR 821 (June 30, 2022: kEUR 1,157)

## 9. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

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

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

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

For the interest-bearing financial liabilities, the quantitative disclosures for fair value measurement of liabilities according to hierarchy as of June 30, 2023, as follows:

kEUR	Carrying amount	Fair value measurement using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		Level 1	Level 2	Level 3	
<b>Liabilities for which a fair value is reported</b>					
<b>Interest-bearing loans</b>					
Corporate bond	125,050	117,500	0	0	117,500
Fixed-rate loan	8,648	0	7,897	0	7,897

The fair value of the corporate bonds is based on the observed market price of EUR 94.0 per bond as of June 30, 2023.

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

For the interest-bearing financial liabilities the quantitative disclosures for fair value measurement of liabilities according to hierarchy as of June 30, 2022, as follows:

kEUR	Carrying amount	Fair value measurement using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		Level 1	Level 2	Level 3	
<b>Liabilities for which a fair value is reported</b>					
<b>Interest-bearing loans</b>					
Corporate bond	123,980	108,750	0	0	108,750
Fixed-rate loan	9,000	0	9,000	0	9,000

The fair value of the corporate bonds is based on the observed market price of EUR 87 per bond as of June 30, 2022.

### 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 10.172%.

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 second quarter ended June 30, 2023, the covenants are met.

As of June 30, 2023, the carrying amount of the liabilities from the bond was kEUR 125,050 and included accrued interest and capitalized transaction costs.

**10. CASH**

Cash in the balance sheet comprises cash at banks and on hand and is measured at amortized cost.

The Group has pledged a part of its cash at banks to fulfill collateral requirements.

Cash comprised the following as of June 30, 2023, and June 30, 2022:

kEUR	Jun. 30, 2023	Dec. 31, 2022
Cash at hand	50	48
Cash at banks	23,482	39,091
<b>CASH</b>	<b>23,532</b>	<b>39,139</b>

**11. RELATED PARTY DISCLOSURES**

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

Accordingly, the direct 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	
	Jun. 30, 2023	Dez. 31, 2022	Jun. 30, 2023	Dez. 31, 2022
<b>LR Health &amp; Beauty SE</b>	500	500	500	1,475

kEUR	Income from parent companies		Expenses to parent companies	
	2023	2022	2023	2022
<b>Aloco Holding S.à r.l.</b>	0	1,315	0	0
<b>LR Health &amp; Beauty SE</b>	0	11	413	767

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

kEUR	2023	2022
Short-term employee benefits	2.998	2.424
<b>TOTAL REMUNERATION TO INDIVIDUALS IN KEY POSITIONS OF THE GROUP</b>	<b>2.998</b>	<b>2.424</b>

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

Ahlen, August 30, 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, (hereinafter referred to as LR Global) is an intermediate holding company conducting central group functions, including the determination and further development of group strategy, capital allocation, financing, and management development. LR Global holds a direct and indirect share in 32 active subsidiaries via its equity investment.

The revenue in the second quarter of 2023 (Q2 2023) slightly increased to kEUR 4,249 from kEUR 4,075 in the second quarter of the previous year (Q2 2022) and to kEUR 6,857 in the first half year 2023 (YTD 2023) compared to kEUR 6,723 in the first half year 2022 (YTD 2022). The revenue resulted primarily from the internal on-charging of services to the LR Health & Beauty Systems GmbH, Ahlen. The other operating income amounted to kEUR 179 in Q2 2023 and kEUR 284 YTD 2023, which corresponds to a strong reduction compared to the previous year (kEUR 1,389 in Q2 2022 and kEUR 1,517 YTD 2022). The background for this reduction is a one-off effect in the previous year, as a larger invoice amount was charged on to the shareholder (the offsetting effect is included in other operating expenses).

The personnel expenses decreased from kEUR 4,175 in Q2 2022 to kEUR 3,810 in Q2 2023 and from kEUR 8,101 YTD 2022 to kEUR 7,829 YTD 2023. The headcount of LR Global stood at 211 as of June 30, 2023; this corresponds to a decrease compared to the previous year's second quarter (217 as of June 30, 2022) as well as compared to the end of the previous quarter (214 as of December 31, 2022). The other operating expenses decreased from kEUR 1,893 in Q2 2022 to kEUR 537 in Q2 2023 and from kEUR 2,457 YTD 2022 to kEUR 855 YTD 2023. This significant reduction is the result of a larger invoice, which was passed on to the shareholder (the offsetting effect is included

in other operating income).

The negative financial result amounts to kEUR -2,257 in Q2 2023 and to kEUR -4,239 YTD 2023 and was therefore higher than in the previous year totaling kEUR -1,340 in Q2 and kEUR -2,658 YTD 2022. It includes interest income of kEUR 1,118 in Q2 2023 (PY: kEUR 1,073) and kEUR 2,238 YTD 2023 (PY: kEUR 2,137) on the one hand and interest expenses of kEUR -3,375 in Q2 2023 (PY: kEUR -2,413) and kEUR -6,477 YTD 2023 (PY: kEUR -4,795) on the other hand. This results mainly from higher interest payments for the corporate bond, which increased with the 3M Euribor. The income taxes amount to kEUR 220 for the second quarter 2023 (PY: kEUR 731) and kEUR 437 for the first half-year (PY: kEUR 1,463). After income taxes and other taxes of kEUR 39 YTD 2023 (no other taxes in second quarter 2023), the net loss for the period amounts to kEUR -2,397 in Q2 2023 (PY: kEUR -2,676) and to kEUR -6,260 YTD 2023 (PY: kEUR -6,441).

The total assets as of June 30, 2023, slightly increased to kEUR 353,434 compared to kEUR 351,456 as of December 31, 2022. Non-current assets of kEUR 192,126 as of June 30, 2023, remained stable compared to the previous year (kEUR 192,128). The current assets increased from kEUR 159,290 as of December 31, 2022, to kEUR 161,267 as of June 30, 2023, mainly as a result of an increase of the receivables from affiliates.

The equity decreased by the net loss for the period of kEUR -6,260 from kEUR 128,558 as of December 31, 2022, to kEUR 122,298 as of June 30, 2023.

Provisions significantly decreased from kEUR 8,663 as of December 31, 2022, to kEUR 1,843 as of June 30, 2023, due to the reduction of tax provisions.

The liabilities increased from kEUR 210,751 as of December 31, 2022, to kEUR 225,809 as of June 30, 2023. This mainly concerns liabilities to affiliates in the amount of kEUR 99,078 (PY: kEUR 83,537) and liabilities from the corporate bond in the amount of kEUR 126,153 (PY: kEUR 126,023; valuation according to German GAAP / Handelsgesetzbuch differs 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 involving Nordic Trustee & Agency AB as trustee. Trading in the Open Market of the Frankfurt Stock Exchange started on 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 3,195 in Q2 2023 (PY: kEUR 2,316) and to kEUR 6,112 in the first half-year 2023 (PY: kEUR 4,582). The cash flow from investing activities amounts to kEUR 0 in Q2 2023 (PY: kEUR 0) as well as in the first half-year 2023 (PY: kEUR 0). The cash flow from financing activities amounts to kEUR -3,195 in Q2 2023 (PY: kEUR -2,316) and to kEUR -6,112 YTD 2023 (PY: kEUR -4,582).

Ahlen, August 30, 2023

**LR Global Holding GmbH**  
– Company management –



Dr. Andreas Laabs  
(CEO)



Andreas Grootz  
(General Manager)



Patrick Sostmann  
(General Manager)





## LR GLOBAL HOLDING GMBH

UNAUDITED INTERIM STATEMENT OF  
FINANCIAL POSITIONS AS OF JUN. 30, 2023

kEUR	Jun. 30, 2023	Dec. 31, 2022
<b>NON-CURRENT ASSETS</b>		
Intangible assets	0	0
Property, Plant and Equipment	11	13
thereof other equipment, office and operating equipment	11	13
Financial assets	192,115	192,115
thereof shares in affiliates	192,115	192,115
	<b>192,126</b>	<b>192,128</b>
<b>CURRENT ASSETS</b>		
Receivables and other assets	161,267	159,290
thereof trade receivables	0	0
thereof receivables from shareholders	500	500
thereof receivables from affiliates	160,669	157,632
thereof other assets	98	1,158
Cash at hand and at banks	0	0
	<b>161,267</b>	<b>159,290</b>
<b>PREPAID EXPENSES</b>	<b>41</b>	<b>38</b>
<b>DEFERRED TAX LIABILITIES</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>353,434</b>	<b>351,456</b>

UNAUDITED INTERIM STATEMENT OF  
FINANCIAL POSITIONS AS OF JUN. 30, 2023

kEUR	Jun. 30, 2023	Dec. 31, 2022
<b>EQUITY</b>		
Subscribed capital	25	25
Capital reserve	152,430	152,430
Accumulated loss	-30,157	-23,897
	<b>122,298</b>	<b>128,558</b>
<b>PROVISIONS</b>		
Tax provision	521	7,342
Other provisions	1,322	1,321
	<b>1,843</b>	<b>8,663</b>
<b>LIABILITIES</b>		
Liabilities from corporate bond	126,153	126,023
Trade payables	67	73
Liabilities to shareholders	500	500
Liabilities to affiliates	99,078	83,537
Other liabilities	11	618
	<b>225,809</b>	<b>210,751</b>
<b>DEFERRED TAX LIABILITIES</b>	<b>3,484</b>	<b>3,484</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>353,434</b>	<b>351,456</b>

## LR GLOBAL HOLDING GMBH

## UNAUDITED INTERIM STATEMENT FOR PROFIT AND LOSS FOR THE SIX MONTHS ENDED JUN. 30, 2023

kEUR	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Revenue	4,249	4,075	6,857	6,723
Other operating income	179	1,389	284	1,517
	<b>4,428</b>	<b>5,464</b>	<b>7,141</b>	<b>8,240</b>
Personnel expenses	3,810	4,175	7,829	8,101
thereof wages and salaries	3,247	3,587	6,736	6,948
thereof social security, pension and other benefit costs	563	588	1,093	1,153
Amortization and depreciation of intangible assets and property, plant and equipment	1	1	2	2
Other operating expenses	537	1,893	855	2,457
	<b>4,348</b>	<b>6,069</b>	<b>8,686</b>	<b>10,560</b>
Income from investments	0	0	0	0
Other interest and similar income	1,118	1,073	2,238	2,137
Other interest and similar expenses	3,375	2,413	6,477	4,795
	<b>-2,257</b>	<b>-1,340</b>	<b>-4,239</b>	<b>-2,658</b>
Income taxes	220	731	437	1,463
Other taxes	0	0	39	0
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-2,397</b>	<b>-2,676</b>	<b>-6,260</b>	<b>-6,441</b>

## UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED JUN. 30, 2023

kEUR	Q2 2023	Q2 2022	YTD 2023	YTD 2022
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>				
Profit or loss for the period	-2,397	-2,676	-6,260	-6,441
Amortization and depreciations (+) and write-up (-) on fixed assets	1	1	2	2
Reduction (-) / Increase (+) in provisions	-599	-74	1	328
Increase (-) / Reduction (+) of inventories, trade receivables or other assets	555	-2,044	257	1,741
Increase (+) / Reduction (-) of trade payables and other liabilities	7,775	5,165	14,694	5,085
Interest expenses (+) / interest income (-)	2,257	1,340	4,239	2,657
Income tax expenses (+) / income (-)	220	732	437	1,463
Income tax paid (-)	-4,617	-127	-7,258	-255
	<b>3,195</b>	<b>2,316</b>	<b>6,112</b>	<b>4,582</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Payments (-) for interest	-3,195	-2,316	-6,112	-4,582
	<b>-3,195</b>	<b>-2,316</b>	<b>-6,112</b>	<b>-4,582</b>



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