



HEALTH & BEAUTY

Q3 2021

**UNAUDITED CONSOLIDATED
INTERIM REPORT**

LR HEALTH & BEAUTY GROUP

**UNAUDITED
INTERIM REPORT**

LR GLOBAL HOLDING GMBH

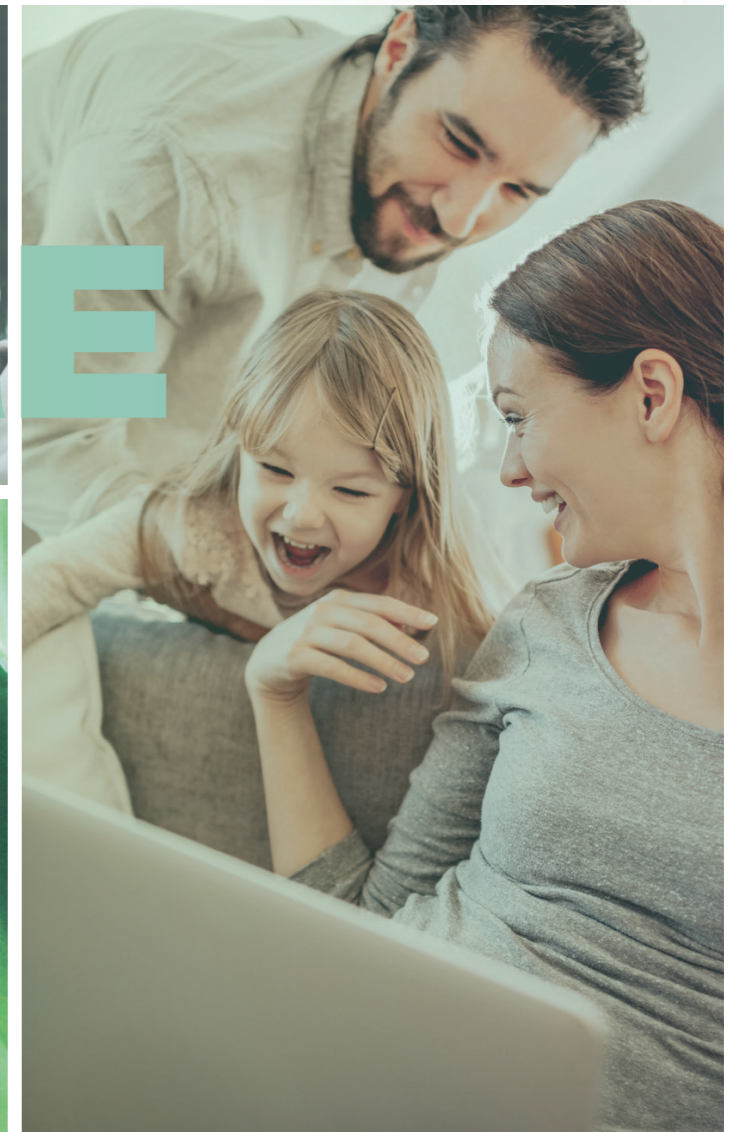


HEALTH & BEAUTY

“ 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**

TEUR **32,886**

INVENTORIES AS PER 30 SEPTEMBER 2021
SECURING DELIVERY CAPABILITY
IN A CHALLENGING GLOBAL SUPPLY MARKET

FINANCIAL HIGHLIGHTS LR HEALTH & BEAUTY GROUP

in EUR m	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Sales*	67.7	72.2	220.8	206.3
Normalised EBITDA in % of Gross Sales	7.4 10.9%	11.1 15.3%	30.1 13.6%	30.7 14.9%
Free cash flow	(2.1)	8.2	2.8	13.0
Cost of materials	(13.9)	(13.0)	(43.4)	(37.4)
Personnel expenses	(13.4)	(13.1)	(40.6)	(38.3)
Other operating expenses	(35.8)	(37.5)	(116.6)	(108.0)

*Sales as revenue from goods sold

UNAUDITED CONSOLIDATED INTERIM REPORT Q3 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 about 300,000 active sales partners and customers.

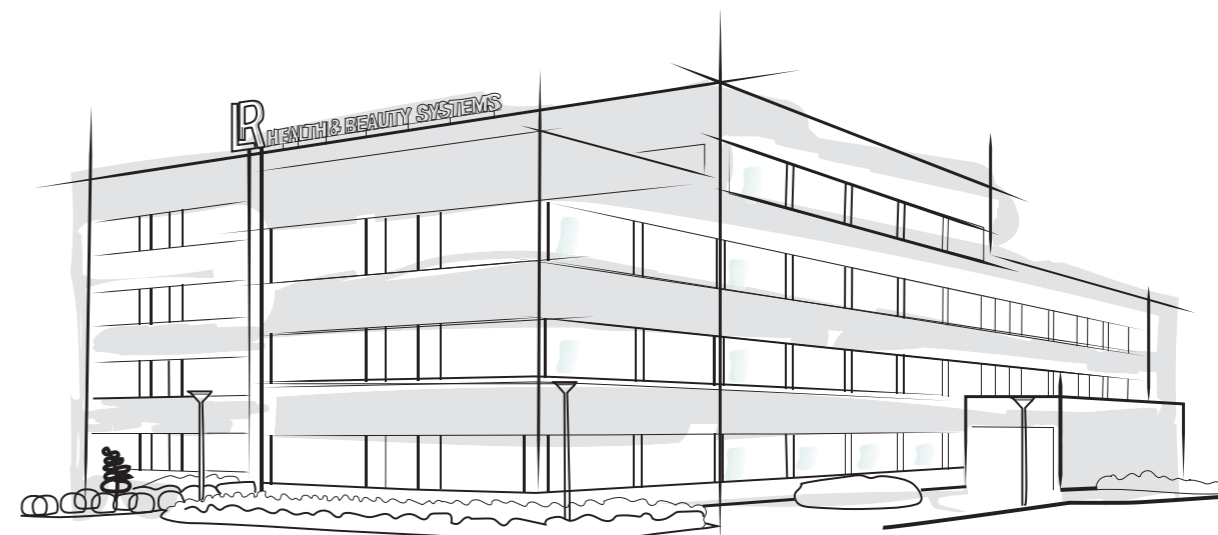
Since its foundation in 1985 in Ahlen / Germany, LR Health & Beauty has established itself as one of the leading European direct sales companies in the field of health and beauty products. LR is also a member of the European association Direct Selling Europe (DSE) with over 1,300 employees across the globe. With quality "Made in Germany" and a unique business model, we have been a successful European business for the past 36 years and are currently expanding worldwide. This year 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. 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

OVER **1,300**
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.

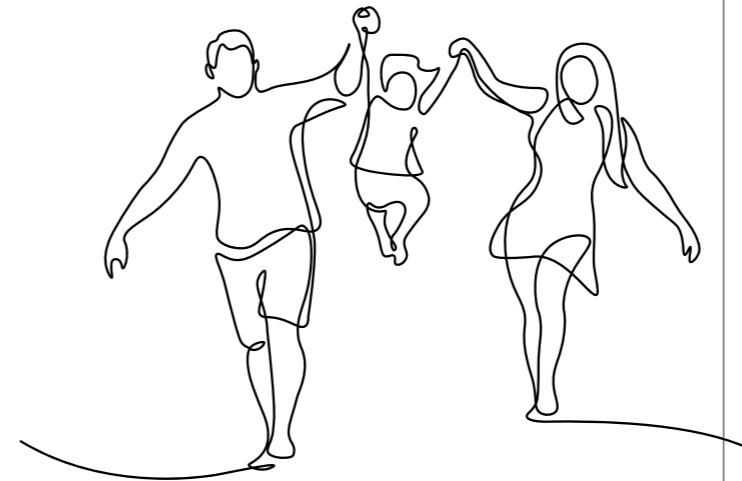
OUR BUSINESS CONCEPT

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 and 2021, 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, 1,300 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 Deutschland 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

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.



SOUTH KOREA

CYPRUS



LR HEALTH & BEAUTY GROUP

MANAGEMENT REPORT & FINANCIAL STATEMENTS

» WITHIN
A PERIOD OF
9 MONTHS
ALL REGIONS
EXCEEDED THE
HIGH SALES
RECORD OF
THE PREVIOUS
YEAR «

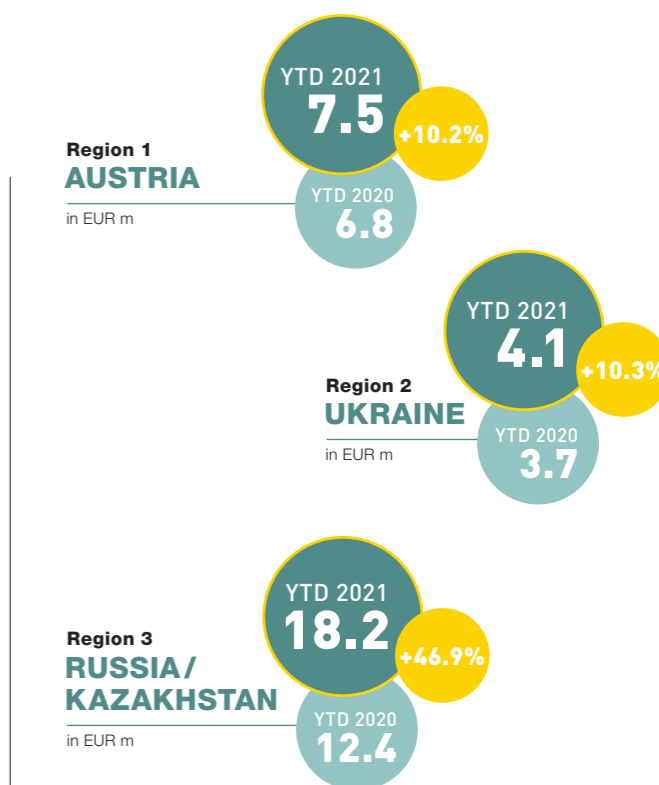
MANAGEMENT REPORT

SALES

The LR Health & Beauty Group (hereinafter referred to as LR Group) continues to achieve positive sales development and, with the third quarter of 2021, generates the second-best third quarter in the company's history. Across countries, sales (sales as revenue from goods sold) totaled to EUR 67.7m in the third quarter of 2021. Only the third quarter of the previous year had a higher sales volume of EUR 72.2m. Main reason for the outstandingly high Q3 sales in the previous year was the largely cancelled holiday season due to the Corona pandemic. Overall, the LR Group achieved the best turnover in the company's history in the first 9 months with EUR 220.8m. This corresponds to an increase of +7.1% or EUR +14.6m compared to the previous year. Adjusting the sales by other sales and sales deductions, it results in EUR 67.3m revenue in Q3 2021 and in EUR 217.6m in the 9 months period.

As the largest sales region in LR Group, Region 1 gained EUR 34.8m sales in the reporting period and EUR 116.0m in the first 9 months. This corresponds to a growth rate of +6.0% or EUR +6.6m compared to the same period in 2020. Austria had the best growth rate over the 9-month period at +10.2%. But also Germany, the largest country in terms of sales, had a strong growth in sales with +8.0%.

Region 2 recorded slight growth in the first 9 months of the year. With a sales volume of EUR 18.5m in the third quarter, the total sales volume in the year to date has come to EUR 60.6m. This corresponds to an increase of +1.5% or EUR +0.9m compared to the previous year. LR Ukraine achieved the best quarter in its history as well as the best sales growth of Region 2 in the third quarter with +26.1% and +10.3% over the



9-month period. But also the development in Italy is with a growth rate of +6.6% in the first 9 months very positive.

As in the second quarter, Region 3 showed the best growth rate both in the third quarter and in the 9-month period. With EUR 14.2m in the third quarter, the year-to-date sales volume increased to EUR 43.6m. This corresponds to an increase of +17.7% or EUR +6.6m compared with the same period of the previous year. LR Bulgaria was able to improve the success from the second quarter once again with a growth rate in the first 9 months of 14.7%. Even higher are the growth rates in Hungary and Russia/Kazakhstan. LR Hungary achieved the best quarter in its history with an outstanding growth rate of +38.0% in the first 9 months. But the highest growth rate was achieved in Russia/Kazakhstan with +46.9%.

LR HEALTH & BEAUTY GROUP

COST STRUCTURE

The cost of materials for LR Group increased by EUR +0.9m to EUR 13.9m in the third quarter of 2021 and EUR +6.0m to EUR 43.4m in the 9-month period compared with the previous year. In addition, the changes in the LR Group's finished goods and work in progress amount to EUR +1.2m in the third quarter and EUR +3.3m for the full 9-month period, caused by the increase in sales and the build-up of inventories. The latter is important to cover potential risks due to uncertainties in the global logistics market and to avoid possible supply bottlenecks as well as stock-out situations in order to secure the sales growth. The sum of cost of raw materials and changes in finished goods and work in progress amounts to EUR 37.9m in the first 9 months. Compared with the same period in the previous year, this corresponds to an increase of EUR +2.7m or +7.7% and is mainly driven by the higher sales volume.

The increase of personnel expenses in the first 9 months compared to the previous year of EUR +2.2m is mainly driven by Germany. On the one hand, the number of headcounts in administration and logistics has risen due to the higher sales volume and demands in digital projects. On the other hand, an inflationary salary increase has contributed to the rise in personnel costs. Overall, the total personnel expenses amount to EUR 13.4m in the third quarter of 2021 and to EUR 40.6m in the first 9 months of the year.

The other operating expenses add up to EUR 35.8m in the reporting period. Year-to-date, the other operating expenses increased by EUR +8.6m to EUR 116.6m. The increase results from both sales-related issues and one-off costs. The costs for granted bonus increased by EUR +6.0m in the first 9 months of 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 also increased by EUR +1.6m mainly due to the rising sales volume. In addition, one-off costs for the issuing of the bond (not to capitalize) in the amount of EUR 1.3m and project-related increased IT consultancy costs totaling EUR 2.1m contributed to the increase in the other operating expenses in the first nine months of 2021.

ECONOMIC RESULTS

Q3 2021 closed with a reported EBITDA of EUR 7.0m (PY: EUR 9.5m). This decrease is mainly caused by the comparably lower sales. Over the 9-month period, the reported EBITDA sums up to EUR 27.2m. Despite the described increases in personnel costs and particularly in other operating expenses, the reported EBITDA shows a slight increase of EUR +0.3m in the first 9 months. Taking into account exceptional items of EUR 0.4m in Q3 2021 and EUR 2.9m in the 9-month period which are mainly due to costs related to the refinancing through the bond, the normalised EBITDA sums up to EUR 7.4m in Q3 2021 and to EUR 30.1m year-to-date. The latter corresponds to a slight decrease of EUR -0.6m compared to the previous year. Deducting amortisation and depreciation of EUR 3.8m (YTD: EUR 10.6m) from the reported EBITDA results in an EBIT of EUR 3.2m for LR Group in the third quarter 2021 (YTD: EUR 16.6m). The unusual high interest expenses result in particular from two special effects. Costs of EUR 5.0m associated with the redemption of bank liabilities in February this year were directly settled by a shareholder and were therefore not recorded in the LR Group. The transaction is now subsequently valued



OVER **3,000,000**
SOLD BOTTLES OF
ALOE VERA DRINKING GEL

differently, which leads to the inclusion of these costs in the interest expenses of LR Group with a simultaneous booking of a shareholder contribution to the capital reserve in the same amount. Beside from that, the shareholder loan was subsequently revalued, as the agreed interest rate is lower than the observed market level. Interest expenses of EUR 5.5m are shown for this subject. In this context, an amount of EUR 39.0m was reclassified from the shareholder loan to the capital reserve. Containing the interest result, the income before taxes amounts to EUR -10.0m for Q3 2021 and to EUR -2.5m for the first 9 months of the year. The net profit of the reporting period amounts to EUR -11.3m and for the first 9 months to EUR -7.1m.

FINANCIAL STATUS

The total assets remained stable at EUR 226.8m as per 30 September 2021. The non-current assets (EUR -0.4m) as well as the total sum of current assets (EUR +0.4m) are nearly constant compared with the beginning of the year. The current assets show a clear shift towards inventories at the expense of the cash balance. Due to the uncertainties in the global logistics market, LR Group has built up its inventories in order to prevent possible supply bottlenecks and stock-out situations to secure the sales growth. The cash position has decreased accordingly and was additionally burdened by the redemption of the headquarters financing in the amount of EUR 3.9m.

The "economic equity" amounts to EUR 29.3m as per 30 September 2021. It includes shareholder loans in the amount of EUR 112.7m for all of which a letter of subordination was issued. The economic equity takes into account that the received amounts are subordinated and therefore to be

considered as equity in economic terms. The equity including non-controlling interests adds up to EUR -83.4m at the end of the period under review (EUR -120.5m as per 31.12.2020). The change was mainly caused by the increase in the capital reserve due to the revaluations described above.

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 252.6m as per 30 September 2021. Therein the corporate bond is shown with an amount of EUR 123.5m. This corresponds to the issue amount of EUR 125.0m adjusted by discounted issue fees and accrued interests. The shareholder loans decreased from EUR 186.2m to EUR 112.7m due to the partial repayment with issuing the bond and a reclassification of a part of the shareholder loan to the capital reserve. Furthermore, the current liabilities decreased from EUR 141.0m to EUR 57.6m, mainly driven by the repayment of the bank liabilities of EUR 84.8m.



ABOUT **4,100,000**
SOLD SHOTS OF
5IN1 BEAUTY ELIXIR

LR HEALTH & BEAUTY GROUP

The free cash flow including the cash flow from operating activities as well as the cash flow from investing activities amounts to EUR -2.1m in Q3 2021 and to EUR +2.8m in the first 9 months of 2021. Main reasons for the negative free cash flow in Q3 2021 are the increased investing activities and the build-up of inventories. The cash flow from operating activities in Q3 2021 amounts to EUR -0.8m while for the first 9-month period a positive cash flow from operating activities of EUR +7.3m can be shown. The cash flow from investing activities sums up to EUR -1.4m in Q3 2021 (PY: EUR -1.9m) due to investments especially in intangible assets under construction (ongoing projects in digitization). For the first 9 months of 2021 the cash flow from investing activities increased to EUR -4.5m (PY: EUR -3.6m).

The cash flow from financing activities in Q3 2021 grew up to EUR -8.8m (PY: EUR -1.3m), mainly driven by the interest payments for the corporate bond, the repayment of the headquarters financing and by higher leasing payments. Likewise, the cash flow from financing activities for the first 9 months grew up to EUR -16.6m (PY: EUR -5.9m). 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 an amount of EUR -10.9m in Q3 2021 and to EUR -13.8m in the first 9 months of the year.

OUTLOOK

After the end of the third quarter, the forecast for the full financial year 2021 remains stable. Based on a slight increase in turnover compared to the financial year 2020, the LR Group expects an EBITDA between EUR 33.0m and EUR 37.0m.

LR Group's sales regularly decrease during the summer holiday season. Even though this seasonal effect did not occur in the summer of 2020 under COVID-19 pandemic conditions, the LR Group expected this trend to continue in 2021. Therefore, despite the lower sales compared to the previous year, the third quarter met LR Group's expectations. Hence, LR Group continues to expect a positive business development with stable growth for the current financial year 2021. This is also expected as a result of 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 SEPTEMBER 2021

TEUR	30.09.2021	31.12.2020
NON-CURRENT ASSETS		
Intangible assets	116,644	116,940
Property, plant and equipment	13,901	14,074
Financial assets	4	4
Right of use assets	18,219	18,571
Deferred taxes	2,702	2,247
	151,470	151,836
CURRENT ASSETS		
Inventories	32,886	23,241
Trade receivables	14,224	11,609
Income tax receivables	779	222
Other assets and prepaid expenses	8,840	7,635
Cash and cash equivalents	18,561	32,179
	75,290	74,886
TOTAL ASSETS	226,760	226,722

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

TEUR	30.09.2021	31.12.2020
EQUITY		
Subscribed capital	25	25
Capital Reserve	45,820	1,790
Currency translation reserve	-5,405	-5,575
Accumulated loss	-123,860	-116,730
SHAREHOLDERS EQUITY	-83,420	-120,490
Non-controlling interests	-11	-11
	-83,431	-120,501
NON-CURRENT LIABILITIES		
Other provisions	673	716
Deferred taxes	3,326	2,893
Bond liabilities	123,457	0
Liabilities to shareholders	112,738	186,226
Other liabilities	12,384	16,355
	252,578	206,190
CURRENT LIABILITIES		
Trade payables	29,001	27,460
Other liabilities	15,579	17,258
Liabilities to financial institutions	0	84,800
Income tax liabilities	6,769	4,704
Provisions	6,264	6,811
	57,613	141,033
TOTAL EQUITY AND LIABILITIES	226,760	226,722

LR HEALTH & BEAUTY GROUP

UNAUDITED CONSOLIDATED INTERIM STATEMENT
OF PROFIT AND LOSS FOR Q3 2021

TEUR	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Revenue	67,299	70,831	217,565	202,238
Changes in finished goods and work in progress	1,695	489	5,451	2,167
Other operating income	1,082	1,681	4,734	6,199
Cost of material	-13,897	-12,977	-43,358	-37,366
thereof Raw materials and supplies	-11,242	-10,379	-35,523	-30,621
thereof Cost of purchased services	-2,655	-2,598	-7,835	-6,745
Personnel expenses	-13,396	-13,054	-40,563	-38,334
thereof Wages and salaries	-11,289	-11,156	-34,452	-32,725
thereof Expenditures for social security and pension schemes	-2,107	-1,898	-6,111	-5,609
Other operating expenses	-35,827	-37,459	-116,633	-108,014
EBITDA	6,956	9,511	27,196	26,890
Amortisation and depreciation	-3,762	-2,348	-10,551	-8,372
Interest income	8	14	36	71
Interest expenses	-13,200	-1,100	-19,188	-3,458
Income before tax	-9,998	6,077	-2,507	15,131
Income taxes	-1,301	-3,028	-4,623	-5,081
PROFIT OR LOSS FOR THE PERIOD	-11,299	3,049	-7,130	10,050
thereof to				
Non-controlling interests	0	0	0	0
Shareholders	-11,299	3,049	-7,130	10,050

UNAUDITED CONSOLIDATED INTERIM STATEMENT
OF CASH FLOWS FOR Q3 2021

TEUR	Q3 2021	Q3 2020	YTD 2021	YTD 2020
CASH FLOW FROM OPERATING ACTIVITIES				
Profit or loss for the period	-11,299	3,049	-7,130	10,050
Amortisation and depreciation (+)	3,762	2,348	10,551	8,372
Increase (+) / Reduction (-) in provisions	-698	447	-590	583
Other non-cash expenses(+) / income (-)	239	140	-2,465	657
Increase (-) / Reduction (+) of inventories, trade receivables and other assets	-7,095	-1,970	-13,787	-7,745
Increase (+) / Reduction (-) of trade payables and other liabilities	644	2,303	79	-2,710
Interest expenses (+) / interest income (-)	13,192	1,085	19,152	3,387
Income tax expenses (+)	1,301	3,028	4,623	5,081
Income taxes paid (-)	-828	-322	-3,141	-1,018
	-782	10,108	7,292	16,657
CASH FLOW FROM INVESTING ACTIVITIES				
Payments from (+) the disposal of property, plant and equipment	0	1	6	4
Payments for (-) investments in property, plant and equipment	-391	-391	-1,292	-744
Payments for (-) investments in intangible assets	-971	-1,485	-3,182	-3,000
Payments from (+) the disposal of financial assets	0	1	0	124
Net payments for (-) the acquisition of a subsidiary	0	-4	0	-4
	-1,362	-1,878	-4,468	-3,620
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from shareholders contributions	5,000	0	5,000	0
Payments (-) for interest	-7,624	-303	-10,968	-907
Repayment (-) of (finance) loans	0	0	-84,800	0
Repayment (-) of real estate loan	-3,938	0	-3,938	0
Proceeds (+) through issuing bonds	0	0	125,000	0
Repayment (-) of shareholder loan	0	0	-40,400	0
Repayment (-) of leasing liabilities	-2,234	-1,042	-6,524	-5,031
	-8,796	-1,345	-16,630	-5,938
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD				
Net decrease in cash and cash equivalents	-10,940	6,885	-13,806	7,099
Changes in cash and cash equivalents due to exchange rate	-11	-224	188	-65
Cash and cash at equivalents at the beginning of period	29,512	23,173	32,179	22,800
	18,561	29,834	18,561	29,834



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 third quarter of 2021 amounted to EUR 2.2m (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 2.4m (PY: EUR 1.8m). This is due to the expansion of the personnel structure.

The other operating expenses of EUR 0.6m are almost stable compared to the previous year (EUR 0.6m). Including the interest result of EUR -1.6m and income taxes of EUR -1.0m, the net loss amounts to EUR -3.2m (PY: EUR -0.5m).

The total assets rose as per 30 September 2021 from EUR 299.3m (as per 31 December 2020) to EUR 353.5m. While the non-current assets are constant (EUR +0.0m), the current assets raised significantly by EUR +41.5m. 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 341.9m. This effect can also be seen in the cash flow analysis for the first nine months of the year. The cash flow from ongoing business activities amounts to EUR -35.9m and is mainly effected by the increase of receivables from affiliated companies, while the cash flow from financing activities amounts to EUR +35.9m, 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 nine months of 2020.



Andreas Friesch (CEO)



Dr. Andreas Laabs (CFO/COO)



LR GLOBAL HOLDING GMBH

UNAUDITED INTERIM STATEMENT OF
FINANCIAL POSITIONS AS OF 30 SEPTEMBER 2021

TEUR	30.09.2021	31.12.2020
NON-CURRENT ASSETS		
Intangible assets	2	0
Property, Plant and Equipment	12	17
thereof Other property, plant and equipment	12	17
Financial assets	141,800	141,800
thereof Shares in affiliated companies	141,800	141,800
	141,814	141,817
CURRENT ASSETS		
Receivables and other assets	134,113	92,627
thereof Trade receivables	1	0
thereof Receivables from affiliated companies	134,077	91,622
thereof Other assets	35	1,005
Cash stocks, bank deposits	0	0
	134,113	92,627
ACCRUALS	44	38
DEFERRED TAX ASSETS	2,447	2,447
NOT COVERED BY EQUITY LOSS	75,065	62,368
TOTAL ASSETS	353,483	299,297

UNAUDITED INTERIM STATEMENT OF
FINANCIAL POSITIONS AS OF 30 SEPTEMBER 2021

TEUR	30.09.2021	31.12.2020
EQUITY		
Share capital	25	25
Capital reserve	1,105	1,105
Accumulated loss	-76,195	-63,498
Not covered by equity loss	75,065	62,368
	0	0
PROVISIONS		
Tax provision	5,939	4,090
Other provisions	1,966	1,863
	7,905	5,953
LIABILITIES		
Bond liabilities	125,780	0
Amounts due to bank	0	43,306
Trade payables	141	194
Amounts due to shareholders	146,233	186,225
Amounts due to affiliated companies	69,642	59,236
Other liabilities	93	694
	341,889	289,655
DEFERRED TAX LIABILITIES	3,689	3,689
TOTAL EQUITY AND LIABILITIES	353,483	299,297

LR GLOBAL HOLDING GMBH

UNAUDITED INTERIM STATEMENT OF PROFIT AND LOSS FOR Q3 2021

TEUR	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Revenue	2,238	1,921	5,632	5,057
Other operating income	41	53	146	163
	2,279	1,974	5,778	5,220
Personnel Expenses	2,369	1,796	6,110	5,238
thereof wages and salaries	2,152	1,601	5,479	4,672
thereof social security contributions and expenditures for pension schemes and support	217	195	631	566
Depreciation of intangible assets and property, plant and equipment	3	2	10	6
Other operating expenses	593	605	5,308	1,734
	2,965	2,403	11,428	6,978
Other interest and similar income	980	635	2,786	1,883
Other interest and similar expenses	2,562	740	6,941	2,195
	-1,582	-105	-4,155	-312
Taxes on income and earnings	964	8	2,892	341
NET PROFIT/LOSS FOR THE PERIOD	-3,232	-542	-12,697	-2,411

UNAUDITED INTERIM STATEMENT OF CASH FLOWS FOR Q3 2021

TEUR	Q3 2021	Q3 2020	YTD 2021	YTD 2020
CASHFLOW FROM OPERATING ACTIVITIES				
Profit or loss for the period	-3,232	-544	-12,697	-2,413
Depreciation on fixed assets	3	2	10	6
Reduction (-) / Increase (+) in provisions	876	559	102	11
Increase (-) / Reduction (+) of stock, trade receivables or other assets	854	24	-38,706	2,513
Increase (+) / Reduction (-) of trade payables and other liabilities	1,437	-65	9,412	-187
Interest expenses (+) / interest income (-)	1,581	105	4,154	312
Income tax expenses (+)	964	8	2,892	341
Income taxes paid (-)	-167	151	-1,042	136
	2,316	241	-35,875	719
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for (-) investments in intangible assets	0	0	-7	0
Payments for (-) investments in property, plant and equipment	0	-3	-1	-8
	0	-3	-8	-8
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	-2,316	-238	-5,411	-712
	-2,316	-238	35,884	-712

**WE
BELIEVE IN
A BRIGHT
FUTURE**

IMPRINT

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

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