



HEALTH & BEAUTY

# Q3 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	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Sales*</b>	<b>64.7</b>	<b>65.1</b>	<b>205.6</b>	<b>196.6</b>
<b>Normalised EBITDA</b> in % of Sales	<b>7.8</b> 12.0%	<b>5.9</b> 9.1%	<b>25.4</b> 12.3%	<b>22.4</b> 11.4%
<b>Free cash flow</b>	<b>3.0</b>	<b>6.2</b>	<b>(1.9)</b>	<b>5.6</b>
Cost of materials	(14.6)	(11.3)	(41.8)	(33.9)
Personnel expenses	(13.1)	(12.9)	(39.6)	(39.8)
Other operating expenses	(35.0)	(36.6)	(108.8)	(115.7)

IR.LRworld.com

\*Sales as revenue from goods sold

# UNAUDITED CONSOLIDATED INTERIM REPORT Q3 2023 CONTENT

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# 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



## 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.

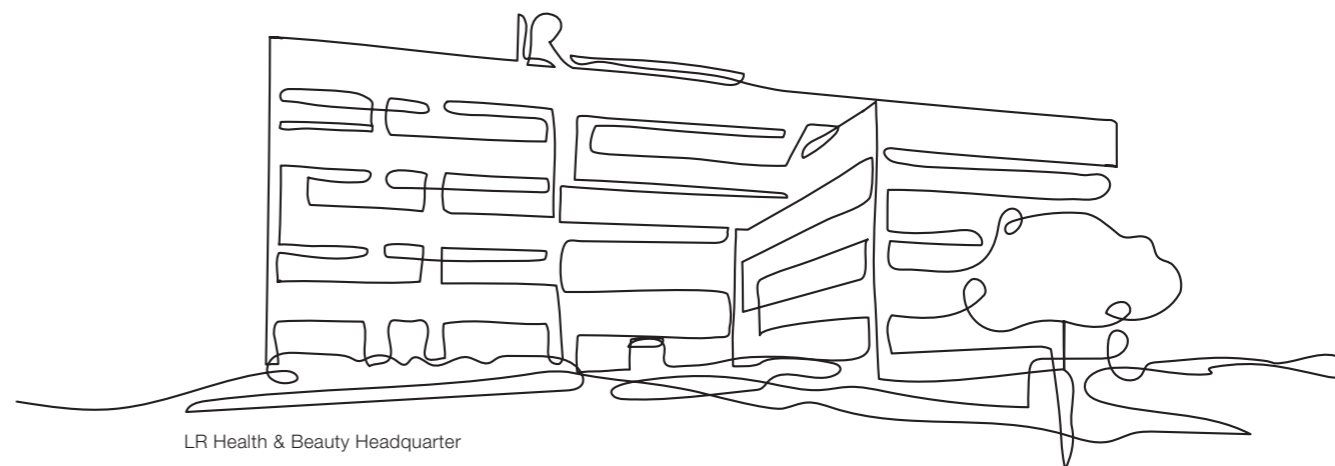
Since its foundation in 1985 in Ahlen / Germany, LR Health & Beauty has established itself as one of the leading European social selling companies in the field of health and beauty products. LR is also a member of the European association Direct Selling Europe (DSE) and has more than 1,200 employees 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 successful market entry in the UK in August 2023 was another important milestone.

Since May 27th 2022, Dr Andreas Laabs assumed the role of Chief Executive Officer (CEO). Dr Laabs,

who has already been part of LR as managing director 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 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 apparatus 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

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



LR Health & Beauty Headquarter

than ever and within the brand LR BODYMISSION, the high quality products offer everyone the smart way to a good body feeling. And also in 2023 we celebrate the 10th anniversary of Mind Master with our great anniversary product Mind Master Gold. 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's 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 nine month of 2023 with sales growth of almost 5%.

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

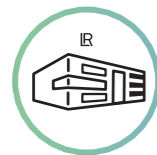
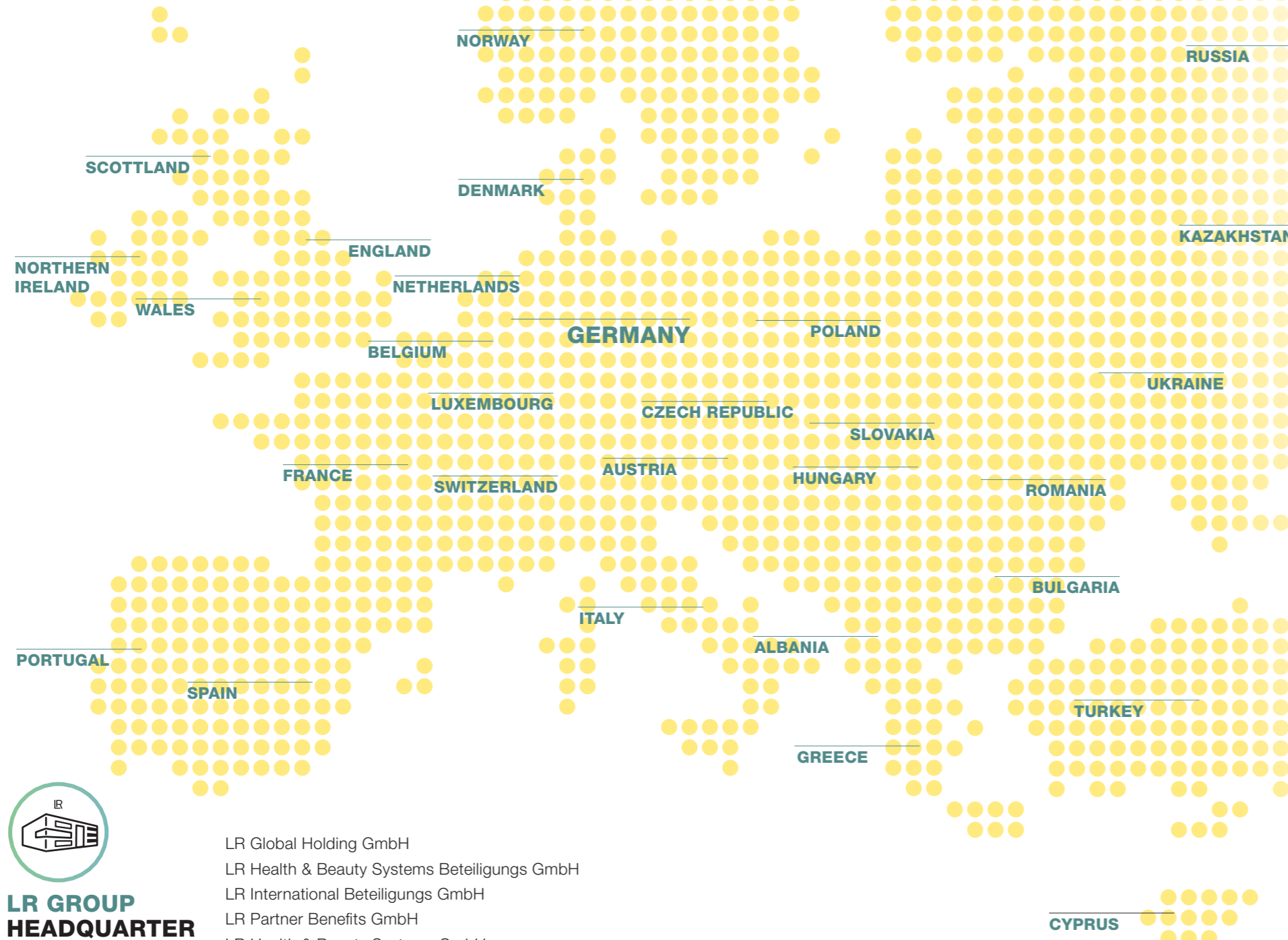
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WITH OUR INTERNATIONAL SALES COMPANIES IN 32 COUNTRIES, OVER 1,200 EMPLOYEES AND THOUSANDS OF INDEPENDENT SALES PARTNERS, WE ARE ONE OF THE LEADING DIRECT SALES ENTERPRISES IN EUROPE. DUE TO THE CONTINUOUS CREATION OF NEW MARKET OPPORTUNITIES, LR HEALTH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



**MORE INTERNATIONALITY**

# OUR SALES COMPANIES IN 32 COUNTRIES



**LR GROUP HEADQUARTER IN GERMANY**

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



**INTERNATIONAL SALES COMPANIES**

**WESTERN EUROPE**

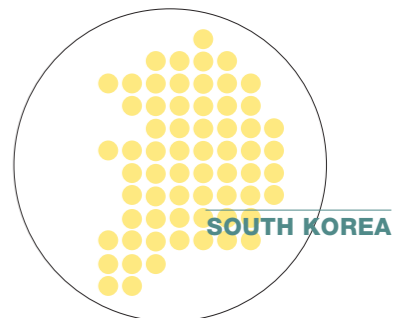
- AUSTRIA**  
LR Health & Beauty Systems GmbH
- BELGIUM / LUXEMBOURG**  
LR Cosmetic Belgium b.v.b.a
- DENMARK**  
LR Health & Beauty Systems ApS
- ENGLAND / NORTHERN IRELAND / SCOTLAND / WALES**  
LR Health & Beauty Limited, Great Britain
- FINLAND**  
LR Health & Beauty Systems OY
- FRANCE**  
LR Health & 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

**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 third quarter of 2023 (Q3 2023), LR Group achieved a sales<sup>1</sup> volume of kEUR 64,729 (PY: kEUR 65,131). This corresponds to a slight decrease of -0.6% compared to the third quarter of the previous year (Q3 2022), which results from negative foreign exchange rate developments, especially in Russia and Turkey. In the first nine months (YTD 2023), the sales volume increased to kEUR 205,621 compared to the previous year (YTD 2022) with kEUR 196,630, which corresponds to a sales growth rate of 4.6%.

An important driver for the positive sales development in 2023 is the consequent implementation of the strategic measures developed last year focusing on business opportunities of our partners. The number of careers of our sales partners, and therefore also the sales level, improved significantly, particularly in the second half of 2022 and consequently also in the current year. In addition, the revised concept for our product launches also supported the positive development. In September 2023, LR launched the new drink "Mind Master Gold" which had a great demand and accelerated to one of the three best product launches ever.

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 in both regions. Region Western Europe, including LR's domestic market in Germany, recorded an increase in sales from kEUR 37,564 in Q3 2022 to kEUR 39,753 in Q3 2023. This represents an increase of kEUR +2,189 or +5.8%. In the first nine months of 2023, sales increased by 12.6% to kEUR 125,931 (PY: kEUR 111,051). In Region Central Eastern Europe, sales decreased by -12.1% to kEUR 24,515 (PY: kEUR 27,874) in the third quarter and by -7.2% to kEUR 78,257 (PY: kEUR 84,345) in the first nine months.

Adding other revenues of kEUR 2,482 in the third quarter of 2023 to the total sales of kEUR 64,729 results in revenues before sales deductions of kEUR 67,212. In the first nine months, other revenues amount to kEUR 8,157; added to total sales of kEUR 205,621, this results in revenues before sales deductions of kEUR 213,778. After sales deductions of kEUR -3,213 in Q3 2023 and kEUR -10,499 YTD 2023, revenue amounts to kEUR 63,999 in Q3 2023 and to kEUR 203,279 YTD 2023.

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

## LR HEALTH &amp; BEAUTY GROUP

Other operating income in the third quarter of 2023 amounted to kEUR 2,074 (PY: kEUR 1,889) and to kEUR 4,170 YTD 2023 (PY: kEUR 16,018). In the previous year, other operating income was significantly higher, mainly due to foreign exchange gains, which were accompanied by significantly higher foreign exchange losses in other operating expenses.

## COST STRUCTURE

The LR Group's cost of materials increased by kEUR 3,357 to kEUR 14,615 in the third quarter of 2023 (PY: kEUR 11,258) and by kEUR 7,870 to kEUR 41,781 in the first nine months of 2023 (PY: kEUR 33,911), while changes in finished goods and work in progress were significantly higher, at kEUR 3,744 in the third quarter and kEUR 5,395 in the first nine months, compared to the previous year's values of kEUR -936 and kEUR -2,882. As a result, the total cost of materials and changes in finished goods and work in progress decreased from kEUR 12,194 in Q3 2022 to kEUR 10,871 in Q3 2023 and from kEUR 36,793 YTD 2022 to kEUR 36,386 YTD 2023. In relation to sales, this corresponds to a decreased ratio of 16.8% in Q3 2023 (PY: 18.7%) and 17.7% in the first nine months of 2023 (PY: 18.7%).

Personnel expenses increased slightly by 1.3% to kEUR 13,080 in Q3 2023 compared to kEUR 12,916 in Q3 2022 and decreased slightly by -0.5% to kEUR 39,630 YTD 2023 compared to kEUR 39,840 YTD 2022. The headcount stood at 1,210 as of September 30, 2023; this represents a slight decrease compared to the previous year's third quarter (1,229 as of September 30, 2022)

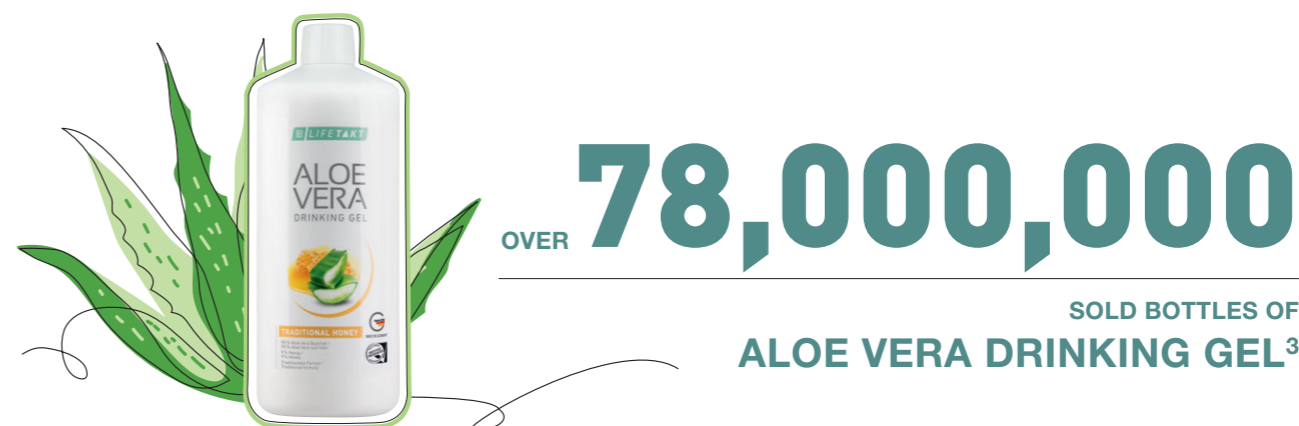
and a slight increase compared to the end of the previous quarter (1,195 as of June 30, 2023).

Other operating expenses decreased to kEUR 34,983 in the third quarter of 2023 compared to kEUR 36,636 in the previous year and to kEUR 108,818 in the first nine months of 2023 (PY: kEUR 115,655). The previous year included significantly higher foreign exchange losses, which were offset by high FX gains in the OOI. In the current year, costs for bonus payments to sales partners increased due to the higher sales volume.

## ECONOMIC RESULTS

Q3 2023 closed with a reported EBITDA of kEUR 7,139, which corresponds to an increase of 50.8% compared to the third quarter of 2022 with kEUR 4,733. In the first nine months, the reported EBITDA increased from kEUR 18,522 YTD 2022 to kEUR 22,615 YTD 2023. Taking into account exceptional items of kEUR 632 in Q3 2023 and kEUR 1,206 YTD 2023, the normalized EBITDA amounts to kEUR 7,771 (PY: kEUR 5,939), which corresponds to an increase of 30.9% in the third quarter, and to kEUR 25,374 in the first nine months of 2023 (PY: kEUR 22,435), which corresponds to an increase of 13.1%. Deducting amortization and depreciation in the amount of kEUR 3,225 in Q3 2023 (PY: kEUR 3,654) and kEUR 9,753 YTD 2023 (PY: kEUR 11,296) from the reported EBITDA results in an EBIT of kEUR 3,914 in Q3 2023 (PY: kEUR 1,079) and kEUR 12,862 YTD 2023 (PY: kEUR 7,226).

The financial result including interest expenses for the corporate bond, which increased with the



3M Euribor, amounts to kEUR -4,061 in Q3 2023 (PY: kEUR -2,982) and to kEUR -11,378 YTD 2023 (PY: kEUR -8,733). After adding income taxes in the amount of kEUR 24 for Q3 2023 (PY: kEUR -293) and of kEUR -1,291 YTD 2023 (PY: kEUR -1,424), the profit or loss for the period amounts to kEUR -123 for the third quarter of 2023 (PY: kEUR -2,196) and to kEUR 193 for the first nine months of 2023 (PY: kEUR -2,931).

## FINANCIAL STATUS

Overall, total assets decreased from kEUR 235,507 as of December 31, 2022 to kEUR 230,145 as of September 30, 2023, with non-current assets remaining stable at kEUR 148,939 compared to kEUR 148,816 at the end of the previous year. On the other hand, current assets decreased by kEUR 5,485 to kEUR 81,206 at the end of the third quarter compared to December 31, 2022 (kEUR 86,691). Inventories increased by kEUR 9,532 and trade receivables also increased by kEUR 5,920, while other assets decreased by kEUR 1,764. The cash level decreased from the exceptionally high level of kEUR 39,139 at the end of the year to kEUR 20,154 as of September 30, 2023, mainly driven by the subsequent tax payments for the financial years 2020 and 2021 and the increase in inventories.

Due to the slightly negative total comprehensive income of kEUR -190 in the first nine months of the year, total equity decreased to kEUR 28,897 as of September 30, 2023. In contrast, the equity ratio increased slightly from 12.4% to 12.6% due to the lower balance sheet total.

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.

Non-current liabilities remained almost stable at kEUR 148,330 as of September 30, 2023 compared to the end of the previous year (kEUR 148,367). Current liabilities decreased from kEUR 58,053 as of December 31, 2022 to kEUR 52,918 as of September 30, 2023. This mainly results from the significant decrease in income tax liabilities of kEUR 5,886 as of September 30, 2023 compared to the end of the previous year due to the subsequent payment of taxes for previous years.

Cash flow from operating activities decreased from kEUR 6,804 in Q3 2022 to kEUR 4,760 in Q3 2023 and in the first nine months from kEUR 7,253 YTD 2022 to kEUR 2,249 YTD 2023, mainly driven by the subsequent payment of income taxes and the build-up of inventories. Cash flow from investing activities amounted to kEUR -1,711 in Q3 2023 (PY: kEUR -561) and to kEUR -4,147 YTD 2023 (PY: kEUR -1,680). Free cash flow, including cash flow from operating activities and cash flow from investing activities, amounted to kEUR 3,049 in Q3 2023 and to kEUR -1,898 YTD 2023.

OVER **11,600,000**  
BOTTLES OF  
MINDMASTER GREEN  
AND RED SOLD<sup>2</sup>



<sup>2</sup> Since launch in 2013 (green) / 2014 (red)

<sup>3</sup> Since Aloe Vera start in 2002

## LR HEALTH &amp; BEAUTY GROUP

Cash flow from financing activities amounted to kEUR –5,953 in Q3 2023 (PY: kEUR –4,513) and kEUR –16,840 YTD 2023 (PY: kEUR –5,165; affected by proceeds from the sale-and-lease-back agreement of the headquarters building). Overall, total cash flow amounted to kEUR –2,904 in the third quarter of 2023 and to kEUR –18,738 in the nine months of the year. Including changes in cash due to exchange rates, cash amounted to kEUR 20,154 as of September 30, 2023.

## OUTLOOK

There are still various unpredictable factors which can have a significant impact on further developments and which have made it difficult to prepare forecasts for the current year. These factors include the course of the war in Ukraine, which not only has a direct impact on the markets in Russia and Ukraine, but also in many other ways. Further effects on the still difficult situation in global supply chains since the coronavirus pandemic cannot be ruled out. Furthermore, the development of inflation rates, which have already risen sharply worldwide, but especially in LR's core European market, has had a particular impact on economic development and will continue, as this will influence both the future interest rate decisions of central banks and fundamental consumer behavior.

The first two quarters significantly outperformed the difficult prior-year quarters in terms of both sales and EBITDA. The third quarter is on par with the sales level of the previous year, which already showed a clear recovery following the various strategic adjustments after the outbreak of the war in Ukraine.

Overall, LR expects to be able to increase sales in the 2023 financial year compared to the previous year. LR forecasts to close the 2023 financial year with sales in the range of EUR 275 million to EUR 280 million.

EBITDA was well above the previous year's level in both the first two quarters and the third quarter. LR expects to be able to close the 2023 financial year with EBITDA in the range of EUR 28 million to

EUR 32 million. In comparison with the previous year, it must be taken into account that EBITDA in the final quarter of 2022 included a one-off effect from the first-time application of IAS29 effecting our Turkish market (positive EBITDA effect of around EUR 2.4 million in other operation income).

Ahlen, November 28, 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 SEP. 30, 2023

kEUR	Note	Sep. 30, 2023	Dec. 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		118,702	118,186
Property, plant and equipment	7.	12,646	13,048
Right-of-use assets		15,891	16,214
Deferred taxes		1,700	1,368
		<b>148,939</b>	<b>148,816</b>
<b>Current assets</b>			
Inventories	8.	35,313	25,781
Trade receivables	9.	16,595	10,675
Income tax receivables		1,048	1,236
Other assets		8,096	9,860
Cash	10.	20,154	39,139
		<b>81,206</b>	<b>86,691</b>
<b>TOTAL ASSETS</b>		<b>230,145</b>	<b>235,507</b>

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

kEUR	Note	Sep. 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		-6,774	-6,391
Accumulated loss		-124,456	-124,649
Total equity before non-controlling interests		28,897	29,087
Non-controlling interests		0	0
<b>TOTAL EQUITY</b>		<b>28,897</b>	<b>29,087</b>
<b>Non-current liabilities</b>			
Provisions		464	500
Deferred taxes		2,976	3,162
Liabilities from bonds	9.	125,258	124,571
Liabilities from loans		8,196	8,469
Lease liabilities		10,409	10,637
Other liabilities		1,027	1,028
		<b>148,330</b>	<b>148,367</b>
<b>Current liabilities</b>			
Trade payables	9.	31,744	31,062
Other liabilities		9,008	8,008
Lease liabilities		6,137	6,353
Liabilities from loans		363	356
Income tax liabilities		1,741	7,627
Provisions		3,925	4,647
		<b>52,918</b>	<b>58,053</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>230,145</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 SEP. 30, 2023

kEUR	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Revenue	3.to 4.	63,999	64,590	203,279	194,792
Changes in finished goods and work in progress		3,744	-936	5,395	-2,882
Other operating income		2,074	1,889	4,170	16,018
Cost of material		-14,615	-11,258	-41,781	-33,911
a) Raw materials and supplies		-12,154	-9,326	-36,124	-28,079
b) Cost of purchased services		-2,461	-1,932	-5,657	-5,832
Personnel expenses		-13,080	-12,916	-39,630	-39,840
a) Wages and salaries		-11,016	-10,758	-33,406	-33,491
b) Expenses for social security and pension schemes		-2,064	-2,158	-6,224	-6,349
Other operating expenses		-34,983	-36,636	-108,818	-115,655
<b>EBITDA</b>	<b>4.</b>	<b>7,139</b>	<b>4,733</b>	<b>22,615</b>	<b>18,522</b>
Amortization and depreciation		-3,225	-3,654	-9,753	-11,296
Finance result		-4,061	-2,982	-11,378	-8,733
<b>Profit or loss before tax</b>		<b>-147</b>	<b>-1,903</b>	<b>1,484</b>	<b>-1,507</b>
<b>Income taxes</b>	<b>6.</b>	<b>24</b>	<b>-293</b>	<b>-1,291</b>	<b>-1,424</b>
<b>PROFIT OR LOSS FOR THE PERIOD</b>		<b>-123</b>	<b>-2,196</b>	<b>193</b>	<b>-2,931</b>
thereof attributable to:					
Non-controlling interests		0	0	0	0
Shareholders		-123	-2,196	193	-2,931

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

kEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Profit or loss for the period</b>	<b>-123</b>	<b>-2,196</b>	<b>193</b>	<b>-2,931</b>
Components of other comprehensive income which will be reclassified to profit or loss after tax in subsequent periods	-783	481	-383	1,037
Currency translation differences	-783	481	-383	1,037
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-906</b>	<b>-1,715</b>	<b>-190</b>	<b>-1,894</b>
thereof attributable to				
Non-Controlling interests	0	0	0	0
Shareholders	-906	-1,715	-190	-1,894

**UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CHANGES  
IN EQUITY FOR THE PERIOD JAN. 1, 2023 TO SEP. 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	-383	-383	0	-383
Profit or loss for the period	0	0	193	0	193	0	193
<b>Sep. 30, 2023</b>	<b>25</b>	<b>160,102</b>	<b>-124,456</b>	<b>-6,774</b>	<b>28,897</b>	<b>0</b>	<b>28,897</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	1,037	1,037	0	1,037
Profit or loss for the period	0	0	-2,931	0	-2,931	0	-2,931
<b>Sep. 30, 2022</b>	<b>25</b>	<b>160,102</b>	<b>-128,371</b>	<b>-4,108</b>	<b>27,648</b>	<b>-5</b>	<b>27,643</b>

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

kEUR		Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>1. Cash flow from operating activities</b>	<b>Note</b>				
Profit or loss for the period		-123	-2,196	193	-2,931
Amortization and depreciations (+) of fixed assets		3,225	3,654	9,753	11,296
Increase (+) / reduction (-) in provisions		250	-1,077	-758	-1,382
Other non-cash expenses (+) / income (-)		641	0	306	36
Income (-) / losses (+) on the disposal of fixed assets		-6	-3	-4	-4
Increase (-) / reduction (+) of inventories, trade receivables and other assets		-6,342	1,654	-13,993	-467
Increase (+) / reduction (-) of trade payables and other liabilities		3,426	2,310	1,754	-6,940
Interest expenses (+) / interest income (-)		4,061	2,981	11,378	8,733
Income tax expenses (+) / income (-)	7.	-24	293	1,291	1,424
Income taxes paid (-)		-348	-812	-7,671	-2,512
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>4,760</b>	<b>6,804</b>	<b>2,249</b>	<b>7,253</b>
<b>2. Cash flow from investing activities</b>					
Payments from (+) the disposal of property, plant and equipment		6	0	10	6
Payments for (-) investments in property, plant and equipment		-216	-317	-875	-558
Payments for (-) investments in intangible assets		-1,501	-244	-3,282	-1,128
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-1,711</b>	<b>-561</b>	<b>-4,147</b>	<b>-1,680</b>
<b>3. Cash flow from financing activities</b>					
Payments for (-) interest		-3,448	-2,365	-9,557	-6,986
Proceeds (+) of loans		0	0	0	9,000
Repayment (-) of loans		-89	-87	-266	-87
Repayment (-) of lease liabilities		-2,416	-2,061	-7,017	-7,092
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>-5,953</b>	<b>-4,513</b>	<b>-16,840</b>	<b>-5,165</b>
<b>4. Cash at the end of period</b>					
Net increase (+) / decrease (-) in cash		-2,904	1,730	-18,738	408
Changes in cash due to exchange rates		-474	-345	-247	-40
Cash at the beginning of period		23,532	29,016	39,139	30,033
<b>CASH AT THE END OF PERIOD</b>		<b>20,154</b>	<b>30,401</b>	<b>20,154</b>	<b>30,401</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 nine months ended September 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 3,535 (PY: kEUR 3,601) recognized over time from subleasing vehicles to partners for the first nine 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 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 nine months ended September 30, 2023:

kEUR	Region WE*	Region CEE**	Total segments	Adjustments	Total
Revenue from external customers	125,931	78,257	204,188	1,433	205,621
Revenue from other segments	31,220	1,305	32,525	-32,525	0
Revenue other	4,446	2,817	7,263	893	8,156
Sales reduction	-6,189	-4,309	-10,498	0	-10,498
<b>TOTAL REVENUE</b>	<b>155,408</b>	<b>78,070</b>	<b>233,478</b>	<b>-30,199</b>	<b>203,279</b>
Segment EBITDA	16,149	8,943	25,092	-2,477	22,615
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 nine months ended September 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	111,051	84,345	195,396	1,234	196,630
Revenue from other segments	30,251	1,685	31,936	-31,936	0
Revenue other	4,181	2,976	7,157	866	8,023
Sales reduction	-4,985	-4,913	-9,898	37	-9,861
<b>TOTAL REVENUE</b>	<b>140,498</b>	<b>84,093</b>	<b>224,591</b>	<b>-29,799</b>	<b>194,792</b>
Segment EBITDA	12,462	9,285	21,747	-3,225	18,522
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.

## 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 nine months ended September 30, 2023, and September 30, 2022:

kEUR	2023	2022
<b>Current income tax</b>		
Current tax expenses	-1,786	-2,101
<b>Deferred tax result</b>		
Origination and reversal of temporary differences	495	677
from deferred tax assets	331	410
from deferred tax liabilities	164	267
<b>TOTAL</b>	<b>-1,291</b>	<b>-1,424</b>

## 7. PROPERTY, PLANT AND EQUIPMENT

### Acquisitions and disposals

During the nine months until September 30, 2023, the Group acquired assets with total acquisition costs of kEUR 875 (September 30, 2022: kEUR 558). The major part of the acquisition belongs to other technical and office equipment.

No major disposal took place in the nine months ended September 30, 2023.

## 8. INVENTORIES

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

kEUR	Sep. 30, 2023	Dez. 31, 2022
Raw materials and supplies	9,316	6,822
Work in progress	324	183
Finished products	18,908	14,804
Goods for sale	5,511	3,474
Goods in transit	1,254	498
<b>TOTAL INVENTORIES</b>	<b>35,313</b>	<b>25,781</b>

Impairment of inventories recognized as expenditures amounts to kEUR 939 (September 30, 2022: kEUR 1,749)

\* Region Western Europe

\*\* Region Central Eastern Europe

## 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 September 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	125,258	117,500	0	0	117,500
Fixed-rate loan	8,559	0	7,293	0	7,293

The fair value of the corporate bonds is based on the observed market price of EUR 94.0 per bond as of September 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 maturity.

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

kEUR	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	124,571	106,875	0	0	106,875
Fixed-rate loan	8,825	0	7,931	0	7,931

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

### 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 11.033%.

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 third quarter ended September 30, 2023, the covenants are met.

As of September 30, 2023, the carrying amount of the liabilities from the bond was kEUR 125,258 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 September 30, 2023, and December 31, 2022:

kEUR	Sep. 30, 2023	Dec. 31, 2022
Cash at hand	54	48
Cash at banks	20,100	39,091
<b>CASH</b>	<b>20,154</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, Aloc 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	
	Sep. 30, 2023	Dez. 31, 2022	Sep. 30, 2023	Dez. 31, 2022
<b>LR Health &amp; Beauty SE</b>	500	500	604	1,475

kEUR	Income from parent companies		Expenses to parent companies	
	2023	2022	2023	2022
<b>Aloc Holding S.à r.l.</b>	0	1,365	0	0
<b>LR Health &amp; Beauty SE</b>	1	11	665	1,001

## Remuneration to individuals in key positions of the Group

kEUR	2023	2022
Short-term employee benefits	4,274	3,521
<b>TOTAL REMUNERATION TO INDIVIDUALS IN KEY POSITIONS OF THE GROUP</b>	<b>4,274</b>	<b>3,521</b>

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

Ahlen, November 28, 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 definition 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.

Revenue in the third quarter of 2023 (Q3 2023) decreased to kEUR 4,211 from kEUR 4,577 in the third quarter of the previous year (Q3 2022) and to kEUR 11,068 in the first nine months of 2023 (YTD 2023) compared to kEUR 11,300 in the first nine months of 2022 (YTD2022). The revenue resulted primarily from the internal on-charging of services to the LR Health & Beauty Systems GmbH, Ahlen. Other operating income amounted to kEUR 65 in Q3 2023 and kEUR 349 YTD 2023, which represents a strong reduction compared to the previous year (kEUR 658 in Q3 2022 and kEUR 2,175 YTD 2023). The reduction is based on a recharge of other operating expenses to the shareholder in the second quarter of the previous year.

Personnel expenses increased from kEUR 3,480 in Q3 2022 to kEUR 3,727 in Q3 2023 and decreased slightly from kEUR 11,581 YTD 2022 to kEUR 11,556 YTD 2023. The headcount of LR Global stood at 219 as of September 30, 2023; this corresponds to an increase compared to the previous year's third quarter (217 as of September 30, 2022) as well as compared to the end of the previous quarter (211 as of June 30, 2023). Other operating expenses decreased from kEUR 1,012 in Q3 2022 to kEUR 522 in Q3 2023 and from kEUR 3,469 YTD 2022 to kEUR 1,377 YTD 2023 – based on the previously mentioned recharge to the shareholder.

The negative financial result amounts to kEUR –2,482 in Q3 2023 and to kEUR –6,721 YTD 2023 and was therefore higher than in the previous year totaling kEUR –1,423 in Q3 2022 and kEUR –4,081 YTD 2022. It includes interest income of kEUR 1,131 in Q3 2023 (PY: kEUR 1,083) and kEUR 3,369 YTD 2023 (PY: kEUR 3,220) on the one hand and interest expenses of kEUR –3,613 in Q2 2023 (PY: kEUR –2,506) and kEUR –10,090 YTD 2023 (PY: kEUR –7,301) on the other hand. This results mainly from higher interest payments for the corporate bond, which increased with the 3M Euribor. Income taxes amount to kEUR 297 for the third quarter of 2023 (PY: kEUR 732) and kEUR 734 for the first nine months (PY: kEUR 2,195). After income taxes and other taxes in the amount of kEUR 39 YTD 2023 (no other taxes in the third quarter 2023), the net loss for the period amounts to kEUR –2,753 in Q3 2023 (PY: kEUR –1,414) and to kEUR –9,013 YTD 2023 (PY: kEUR –7,855).

Total assets as of September 30, 2023 increased slightly to kEUR 354,283 compared to kEUR 351,456 as of December 31, 2022. Non-current assets of kEUR 192,125 as of September 30, 2023 remained stable compared to the previous year (kEUR 192,128). Current assets increased from kEUR 159,290 as of December 31, 2022 to kEUR 162,123 as of September 30, 2023, mainly as a result of an increase in receivables from affiliates.

Equity decreased by the net loss for the period of kEUR –9,013 from kEUR 128,558 as of December 31, 2022 to kEUR 119,545 as of September 30, 2023.

Provisions decreased significantly from kEUR 8,663 as of December 31, 2022 to kEUR 2,568 as of September 30, 2023, due to the reduction of tax provisions.

Liabilities increased from kEUR 210,751 as of December 31, 2022 to kEUR 228,686 as of September 30, 2023. This mainly relates to liabilities to affiliates in the amount of kEUR 101,783 (PY: kEUR 83,537) and liabilities from the corporate bond in the amount of kEUR 126,187 (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.

Cash flow from operating activities amounts to kEUR 3,412 in Q3 2023 (PY: kEUR 2,316) and to kEUR 9,523 in the first nine months of 2023 (PY: kEUR 6,898). The cash flow from investing activities amounts to kEUR 0 in Q2 2023 (PY: kEUR 0) as well as in the first nine months of 2023 (PY: kEUR 0). The cash flow from financing activities amounts to kEUR –3,411 in Q3 2023 (PY: kEUR –2,316) and to kEUR –9,523 YTD 2023 (PY: kEUR –6,898).

Ahlen, November 28, 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 SEP. 30, 2023

kEUR	Sep. 30, 2023	Dec. 31, 2022
<b>NON-CURRENT ASSETS</b>		
Intangible assets	0	0
Property, Plant and Equipment	10	13
thereof other equipment, office and operating equipment	10	13
Financial assets	192,115	192,115
thereof shares in affiliates	192,115	192,115
	<b>192,125</b>	<b>192,128</b>
<b>CURRENT ASSETS</b>		
Receivables and other assets	162,123	159,290
thereof trade receivables	0	0
thereof receivables from shareholders	500	500
thereof receivables from affiliates	161,513	157,632
thereof other assets	110	1,158
Cash at hand and at banks	0	0
	<b>162,123</b>	<b>159,290</b>
<b>PREPAID EXPENSES</b>	<b>35</b>	<b>38</b>
<b>DEFERRED TAX LIABILITIES</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>354,283</b>	<b>351,456</b>

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

kEUR	Sep. 30, 2023	Dec. 31, 2022
<b>EQUITY</b>		
Subscribed capital	25	25
Capital reserve	152,430	152,430
Accumulated loss	-32,910	-23,897
	<b>119,545</b>	<b>128,558</b>
<b>PROVISIONS</b>		
Tax provision	945	7,342
Other provisions	1,623	1,321
	<b>2,568</b>	<b>8,663</b>
<b>LIABILITIES</b>		
Liabilities from corporate bond	126,187	126,023
Trade payables	31	73
Liabilities to shareholders	500	500
Liabilities to affiliates	101,783	83,537
Other liabilities	185	618
	<b>228,686</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>354,283</b>	<b>351,456</b>

## LR GLOBAL HOLDING GMBH

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

kEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Revenue	4,211	4,577	11,068	11,300
Other operating income	65	658	349	2,175
	<b>4,276</b>	<b>5,235</b>	<b>11,417</b>	<b>13,475</b>
Personnel expenses	3,727	3,480	11,556	11,581
thereof wages and salaries	3,177	2,930	9,913	9,878
thereof social security, pension and other benefit costs	550	550	1,643	1,703
Amortization and depreciation of intangible assets and property, plant and equipment	1	2	3	4
Other operating expenses	522	1,012	1,377	3,469
	<b>4,250</b>	<b>4,494</b>	<b>12,936</b>	<b>15,054</b>
Income from investments	0	0	0	0
Other interest and similar income	1,131	1,083	3,369	3,220
Other interest and similar expenses	3,613	2,506	10,090	7,301
	<b>-2,482</b>	<b>-1,423</b>	<b>-6,721</b>	<b>-4,081</b>
Income taxes	297	732	734	2,195
Other taxes	0	0	39	0
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-2,753</b>	<b>-1,414</b>	<b>-9,013</b>	<b>-7,855</b>

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

kEUR	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>				
Profit or loss for the period	-2,753	-1,414	-9,013	-7,855
Amortization and depreciations (+) and write-up (-) on fixed assets	1	1	3	4
Reduction (-) / Increase (+) in provisions	301	-273	302	55
Increase (-) / Reduction (+) of inventories, trade receivables or other assets	281	-360	538	1,381
Increase (+) / Reduction (-) of trade payables and other liabilities	2,675	2,334	17,369	7,420
Interest expenses (+) / interest income (-)	2,482	1,423	6,721	4,081
Income tax expenses (+) / income (-)	297	732	734	2,195
Income tax paid (-)	127	-128	-7,131	-383
	<b>3,412</b>	<b>2,316</b>	<b>9,523</b>	<b>6,898</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	-3,411	-2,316	-9,523	-6,898
	<b>-3,411</b>	<b>-2,316</b>	<b>-9,523</b>	<b>-6,898</b>



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