



HEALTH & BEAUTY

Q4 2021

**UNAUDITED
CONSOLIDATED REPORT**

LR HEALTH & BEAUTY GROUP

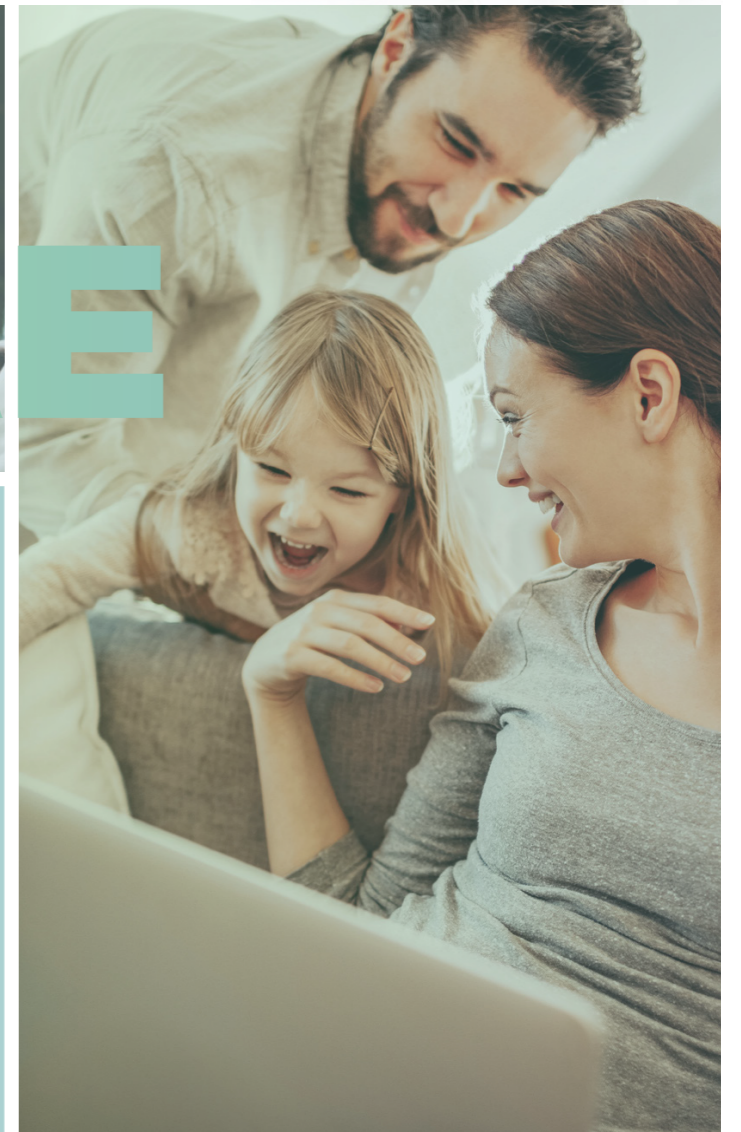
UNAUDITED REPORT

LR GLOBAL HOLDING GMBH



HEALTH & BEAUTY

WE BELIEVE IN MORE



“ WE ARE THE MOST ATTRACTIVE SOCIAL SELLING PLATFORM.

WE MAKE OUR CUSTOMERS FEEL HEALTHY, BEAUTIFUL AND VITAL.

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

KEUR **30,033**

CASH AS PER 31 DECEMBER 2021

FINANCIAL HIGHLIGHTS LR HEALTH & BEAUTY GROUP

in EUR m	Q4 2021	Q4 2020	FY 2021	FY 2020
Sales*	75.4	78.7	296.2	284.9
Normalised EBITDA in % of Gross Sales	11.5 15.3%	11.8 15.0%	41.6 14.1%	42.5 14.9%
Free cash flow	16.9	15.6	19.8	28.6
Cost of materials	(13.6)	(13.8)	(56.9)	(51.1)
Personnel expenses	(13.6)	(13.7)	(54.2)	(52.0)
Other operating expenses	(40.8)	(42.6)	(157.5)	(150.6)

*Sales as revenue from goods sold

UNAUDITED CONSOLIDATED REPORT Q4 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 comprises more than 300,000 active sales partners and customers.

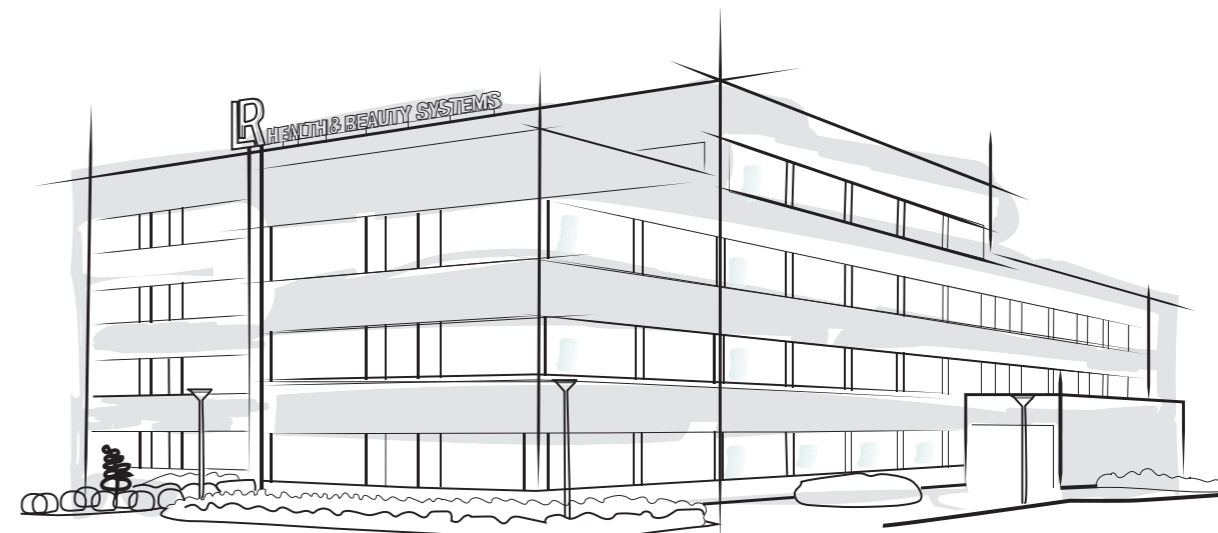
Since its foundation in 1985 in Ahlen / Germany, LR Health & Beauty has established itself as one of the leading European social selling companies in the field of health and beauty products. LR is also a member of the European association Direct Selling Europe (DSE) and has over 1,300 employees across the globe. With quality "Made in Germany" and a unique business model, we have been a successful European business for the past 36 years and are currently expanding worldwide. In March 2021, we successfully entered the Asian market and started with LR South Korea.

Since 2013, LR is part of the portfolio of the investment company Quadriga Capital. 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 already an outstanding and successful year for LR and 2021 has even surpassed this great success of the past years. Buoyed up by this excellent news, LR Global Holding GmbH successfully entered the international capital market in February 2021.

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

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.

and new blockbuster products were launched. With the new brand LR SOUL OF NATURE, our company has entered a new market segment with high potential.

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 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 as well as essential oils and care products with essential oils. At the company-own development centre, experts from the fields of cosmetics and health constantly research and work on new solutions and products. Numerous marketing awards and certificates by renowned German institutes such as SGS INSTITUT FRESENIUS or Dermatest, confirm the high quality and innovative strength of our products.

The secret to our success? We have always banked on the quality principle “Made in Germany” and manufacture over 90% of our products in

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

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

OUR BUSINESS CONCEPT

For over 36 years, we have been giving people the opportunity to shape their lives independently and successfully by becoming sales partners. Thousands of LR sales partners have achieved financial freedom and a better quality of life thanks to LR. They are all part of an international team that has established LR’s success with a modern sales system, digital possibilities, enthusiasm for fantastic products and plenty of passion.

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

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



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

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

OUR AWARDS



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



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



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



2019/20 GERMAN BRAND AWARD
In the “Excellent Brands” competition, the LR LIFETAKT 5IN1 BEAUTY ELIXIR convinced the 2019 jury in the “Beauty & Care” category as one of the best product brands in the industry. On top of that, the elixir also received a “Special Mention” in the cross-sector category of “Product of the Year”.



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



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





WE BELIEVE IN MORE INTERNATIONALITY

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

MORE INTERNATIONALITY

OUR SALES COMPANIES IN 28 COUNTRIES



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 Deutschland GmbH

NETHERLANDS
LR Health & Beauty Systems BV

NORWAY
LR Health & Beauty Systems AS

SWEDEN
LR Health & Beauty Systems AB

SWITZERLAND
LR Health & Beauty Systems AG

EXPANSION

SOUTH KOREA
LR Health & Beauty LLC, South Korea

REGION 2

CZECH REPUBLIC
LR Health & Beauty Systems s.r.o.

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

POLAND
LR Health & Beauty Systems Sp. z.o.o

PORTUGAL
L. de Racine Cosmetics Lda.

SLOVAKIA
LR Health & Beauty Systems s.r.o

SPAIN
LR Health & Beauty Systems S.L.

UKRAINE
LR Health & Beauty Systems TOV

REGION 3

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

BULGARIA
LR Health & Beauty Systems EOOD

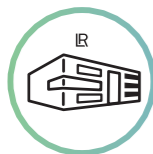
GREECE / CYPRUS
LR Health & Beauty Systems EPE

HUNGARY
LR Health & Beauty Systems Kft.

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

RUSSIA / KAZAKHSTAN
LR Russ O.O.O

TURKEY
LR Health & Beauty Systems Ltd.



LR GROUP HEADQUARTER IN GERMANY

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

The breakdown by regions corresponds to the status as of 31.12.2021. In the following year, the breakdown will change.



LR HEALTH & BEAUTY GROUP

MANAGEMENT REPORT & FINANCIAL STATEMENTS

» THE LR GROUP ACHIEVES THE BEST ANNUAL SALES IN THE COMPANY'S 36-YEAR HISTORY. «

MANAGEMENT REPORT

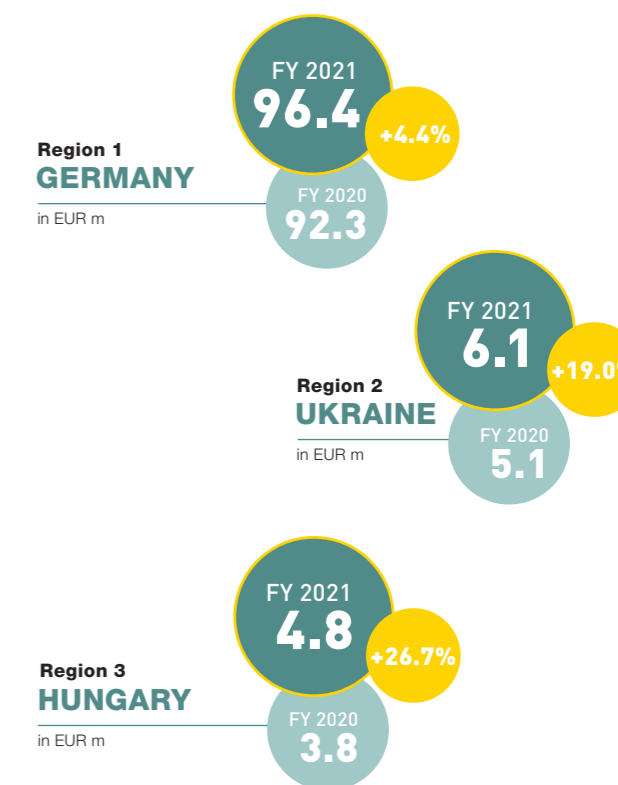
SALES

The LR Health & Beauty Group (hereinafter referred to as LR Group) achieved strong sales¹ figures in the fourth quarter, thus recorded the best annual sales in 36 years company's history.

Across countries, sales totaled to EUR 75.4m in the fourth quarter of 2021, which corresponds to the second-best sales value in a fourth quarter in the company's history, only surpassed by the exceptional high value in the previous year (EUR 78.7m). For the full year 2021, the sales increased by EUR +11.4m or +4.0% to EUR 296.2m. Adjusting the sales by other sales and sales deductions, it results in EUR 76.4m revenue in Q4 2021 and in EUR 294.0m in the full year 2021.

As the largest sales region in LR Group, Region 1² gained EUR 39.1m sales in the reporting period and EUR 155.1m in the full year 2021. This corresponds to a growth rate of +1.2% or EUR +1.8m compared to the full year 2020. Austria had the highest growth rate in Region 1 in the full year at +6.7%. But also Germany, the largest country in terms of sales, grew by +4.3%.

The sales in Region 2² amounted to EUR 20.3m which corresponds to a slight decrease in the fourth quarter compared to the previous year (EUR 21.1m). In the full year the sales remained stable at EUR 80.9m (PY: EUR 80.9m). LR Ukraine achieved with the best sales value in its history also the best development in Region 2 and gained extraordinary high growth rates of +42.3% in the fourth quarter and +19.0% in the full year compared to the previous year.



Region 3² gained the highest growth rate both in the fourth quarter and in the full year 2021. With EUR 15.6m in the fourth quarter, the full year sales volume increased to EUR 59.2m. This corresponds to an increase of +16.8% or EUR +8.5m compared with the full year 2020. Outstanding example in Region 3 is Russia /Kazakhstan with growth rates in sales of +42.4% in the fourth quarter as well as +45.6% in the full year. But also LR Hungary, which achieved the best quarter as well as the best year in history in terms of sales volume, had a very strong growth rate in the full year 2021 at +26.7%.

¹ Sales as revenue from goods sold

² The breakdown by regions corresponds to the status as of 31.12.2021. In the following year, the breakdown will change.

LR HEALTH & BEAUTY GROUP

COST STRUCTURE

The cost of materials for LR Group slightly decreased in the fourth quarter by EUR –0.2m to EUR 13.6m but increased by EUR +5.8m to EUR 56.9m in the full year compared to the previous year. In addition, the changes in the LR Group's finished goods and work in progress amount to EUR +3.7m in the full year 2021, mainly 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. The sum of cost of raw materials and changes in finished goods and work in progress amounts to EUR 53.2m in the full year 2021. Compared with the same period in the previous year, this corresponds to an increase of EUR +2.9m or +5.7% and is mainly driven by the higher sales volume.

The increase of personnel expenses of EUR +2.2m or +4.2% in the full year 2021 compared to the full year 2020 is mainly driven by the headquarters in 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, a moderate tariff increase and adjustments of the minimum wage at LR in Germany have contributed to the rise in personnel costs. Overall, the total personnel expenses amount to EUR 13.6m in the fourth quarter of 2021 and to EUR 54.2m in the full year.

The other operating expenses add up to EUR 40.8m in the reporting period which corresponds to a decrease of EUR –1.7m or –4.1%. For the full year, the other operating expenses increased by +4.6% or EUR +6.9m to EUR 157.5m. The increase results from both sales-related issues and one-off costs.

The costs for granted bonus increased by EUR +3.5m in the full year 2021 compared to the previous year, mainly driven by the rising sales volume and by the "Fast Track Bonus" which is increasingly used by the target group. The distribution costs also increased by EUR +1.7m mainly due to the rising sales volume. In addition, one-off costs for the issuing of the bond (not to capitalize) and project-related increased IT consultancy costs contributed to the increase in the other operating expenses in the full year 2021.

ECONOMIC RESULTS

Q4 2021 closed with a reported EBITDA of EUR 9.6m (PY: EUR 9.8m). Over the full year, the reported EBITDA sums up to EUR 36.8m. Despite the described increases in personnel costs and in other operating expenses, the reported EBITDA shows a slight increase in comparison to the already strong result in the full year 2020. Taking into account exceptional items of EUR 1.9m in Q4 2021 and EUR 4.9m in the full year 2021 which are mainly due to costs related to the refinancing through the bond, the normalized EBITDA sums up to EUR 11.5m in Q4 2021 and to EUR 41.6m in the full year 2021. Deducting amortization and depreciation of EUR 4.3m (full year: EUR 14.8m) from the reported EBITDA results in an EBIT of EUR 5.3m for LR Group in the fourth quarter 2021 (full year: EUR 21.9m).

The unusual high interest expenses in the full year 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 the shareholder and were therefore not recorded in the LR Group. The transaction has subsequently valued differently, which led to the



OVER **4,000,000**
SOLD BOTTLES OF
ALOE VERA DRINKING GEL

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 was lower than the observed market level. Against this background, calculative interest for the period February to November in the amount of EUR 7.0m had to be reclassified to interest expenses. The later contribution of the entire shareholder loan has no influence on this issue. Containing this extraordinary high interest result, the income before taxes amounts to EUR –2.2m for the full year 2021. Including the income taxes, the net profit of the full year 2021 amounts to EUR –9.1m.

FINANCIAL STATUS

The total assets amount to EUR 231.5m as per 31 December 2021. The non-current assets remained almost stable at EUR 149.7m compared to the previous year (EUR 151.8m). The sum of current assets increased by EUR +6.8m to EUR 81.7m compared to the previous year. This is mainly caused by the increase in inventories. Due to the uncertainties in the global logistics market, LR Group has already built up its inventories in Q2 and Q3 2021 to prevent possible supply bottlenecks and stock-out situations.

The equity capital endowment has been improved substantially due to reclassification effects to the capital reserve and especially due to the contribution of the complete remaining amount of the shareholder loans in the end of November. The capital reserve increased significantly to EUR 160.1m, thus the total equity including

non-controlling interests adds up to EUR 29.2m at the end of the period under review (EUR –120.5m as per 31. December 2020).

Already in Q1 2021, the structure of the liabilities has changed fundamentally due to the issuance of a corporate bond. On 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 (since 26 January 2022 also listed at NASDAQ Stockholm). The net issue proceeds were used for the repayment of the Senior Facility Agreement (liabilities to financial institutions), which was terminated on 4 February 2021, and for a partial repayment of the shareholder loans.

The non-current liabilities add up to EUR 139.8m as per 31 December 2021. Therein the corporate bond is shown with an amount of EUR 123.7m. This corresponds to the issue amount of EUR 125.0m adjusted by discounted issue fees and accrued interests. The shareholder loans have been redeemed partially in Q1 2021 with issuing the Nordic Bond and in total with the contribution in Q4 2021. Furthermore, the current liabilities decreased from EUR 141.0m to EUR 62.4m, mainly driven by the repayment of the bank liabilities of EUR 84.8m in Q1 2021 with the issue of the Nordic Bond.



ABOUT **5,300,000**
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 16.9m in Q4 2021 and to EUR 19.8m in the full year 2021. The cash flow from operating activities in Q4 2021 amounts to EUR 18.1m (PY: EUR 17.8m) and to EUR 25.3m in the full year 2021 (PY: EUR 34.5m).

The cash flow from investing activities sums up to EUR -1.1m in Q4 2021 (PY: EUR -2.3m) and to EUR -5.6m (PY: EUR -5.9m).

The cash flow from financing activities in Q4 2021 decreased to EUR -5.7m (PY: EUR -13.2m). While the interest payments increased with the issuance of the Nordic Bond in the reporting period, an unscheduled repayment of EUR 10m to the bank liabilities raised the value in the previous year. In the full year 2021, the cash flow from financing activities increased to EUR -22.3m (PY: EUR -19.1m). This is mainly caused by the comparably higher interest payments for the Nordic bond. The effects from the repayment of the bank liabilities and the reduction of the shareholder loan (before the contribution of the remaining 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 11.2m in Q4 2021 and to EUR -2.6m in the full year 2021.

OUTLOOK

The forecast issued at the beginning of the year, which was further refined after Q3, will be achieved based on preliminary numbers. The previous year's turnover was exceeded and the preliminary EBITDA of EUR 36.8m is at the upper end of the forecast range between EUR 33.0m and EUR 37.0m.



ANDREAS FRIESCH
CEO/SPOKESMAN OF THE BOARD



DR. ANDREAS LAABS
CFO/COO

Andreas Friesch (CEO)

Dr. Andreas Laabs (CFO/COO)



LR HEALTH & BEAUTY GROUP

UNAUDITED CONSOLIDATED STATEMENT OF
FINANCIAL POSITIONS AS OF 31 DECEMBER 2021

kEUR	31.12.2021	31.12.2020
NON-CURRENT ASSETS		
Intangible assets	115,859	116,940
Property, plant and equipment	13,620	14,074
Financial assets	0	4
Right of use assets	18,219	18,571
Deferred taxes	2,051	2,247
	149,749	151,836
CURRENT ASSETS		
Inventories	29,599	23,241
Trade receivables	11,221	11,609
Income tax receivables	252	222
Other assets and prepaid expenses	10,609	7,635
Cash	30,033	32,179
	81,714	74,886
TOTAL ASSETS	231,463	226,722

UNAUDITED CONSOLIDATED STATEMENT OF
FINANCIAL POSITIONS AS OF 31 DECEMBER 2021

kEUR	31.12.2021	31.12.2020
EQUITY		
Subscribed capital	25	25
Capital Reserve	160,102	1,790
Currency translation reserve	-5,145	-5,575
Accumulated loss	-125,802	-116,730
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	29,180	-120,490
Non-controlling interests	-5	-11
	29,175	-120,501
NON-CURRENT LIABILITIES		
Other provisions	391	716
Deferred taxes	3,791	2,893
Liabilities from corporate bonds	123,657	0
Liabilities to shareholders	0	186,226
Lease liabilities	11,990	13,014
Other liabilities	18	3,341
	139,847	206,190
CURRENT LIABILITIES		
Trade payables	33,410	27,460
Other liabilities	9,640	11,444
Lease liabilities	6,623	5,814
Liabilities to financial institutions	0	84,800
Income tax liabilities	6,686	4,704
Provisions	6,082	6,811
	62,441	141,033
TOTAL EQUITY AND LIABILITIES	231,463	226,722

LR HEALTH & BEAUTY GROUP

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD 01.01.-31.12.2021

kEUR	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenue	76,387	78,989	293,952	281,227
Changes in finished goods and work in progress	-1,705	-1,344	3,746	823
Other operating income	2,898	2,175	7,632	8,374
Cost of material	-13,554	-13,771	-56,912	-51,137
thereof Raw materials and supplies	-11,370	-11,759	-46,893	-42,380
thereof Cost of purchased services	-2,184	-2,012	-10,019	-8,757
Personnel expenses	-13,599	-13,652	-54,162	-51,986
thereof Wages and salaries	-11,409	-11,714	-45,861	-44,439
thereof Expenditures for social security and pension schemes	-2,190	-1,938	-8,301	-7,547
Other operating expenses	-40,834	-42,583	-157,467	-150,597
EBITDA	9,593	9,814	36,789	36,704
Amortisation and depreciation	-4,290	-4,050	-14,841	-12,422
Interest income	11	25	47	96
Interest expenses	-4,969	-1,420	-24,157	-4,878
Profit or loss before tax	345	4,369	-2,162	19,500
Income taxes	-2,281	338	-6,904	-4,743
PROFIT OR LOSS FOR THE PERIOD	-1,936	4,707	-9,066	14,757
thereof attributable to:				
Non-controlling interests	6	-4	6	-4
Shareholders	-1,942	4,711	-9,072	14,761

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 01.01.-31.12.2021

kEUR	Q4 2021	Q4 2020	FY 2021	FY 2020
CASH FLOW FROM OPERATING ACTIVITIES				
Profit or loss for the period	-1,936	4,707	-9,066	14,757
Amortization and depreciation (+) of fixed assets	4,290	4,050	14,841	12,422
Increase (+) / Reduction (-) in provisions	-465	2,072	-1,055	2,655
Other non-cash expenses(+) / income (-)	640	0	-1,825	657
Loss (+) from disposal of assets	69	0	69	0
Increase (-) / Reduction (+) of inventories, trade receivables and other assets	4,520	2,484	-9,267	-5,261
Increase (+) / Reduction (-) of trade payables and other liabilities	4,403	3,837	4,482	1,127
Interest expenses (+) / interest income (-)	4,959	1,395	24,111	4,782
Income tax expenses (+)	2,281	-457	6,904	4,624
Income taxes paid (-)	-708	-274	-3,849	-1,292
	18,053	17,814	25,345	34,471
CASH FLOW FROM INVESTING ACTIVITIES				
Payments from (+) the disposal of property, plant and equipment	12	24	18	28
Payments for (-) investments in property, plant and equipment	-204	-404	-1,496	-1,148
Payments from (+) the disposal of intangible assets	0	4	0	4
Payments for (-) investments in intangible assets	-927	-1,877	-4,109	-4,877
Payments from (+) the disposal of financial assets	4	-1	4	123
Net payments for (-) the acquisition of a subsidiary	0	0	0	-4
	-1,115	-2,254	-5,583	-5,874
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from shareholders contributions	0	0	5,000	0
Payments (-) for interest	-3,282	-337	-14,250	-1,244
Repayment (-) of (finance) loans	0	-10,000	-84,800	-10,000
Repayment (-) of real estate loan	0	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	-2,423	-2,827	-8,947	-7,858
	-5,705	-13,164	-22,335	-19,102
CASH AT THE END OF PERIOD				
Net increase/decrease in cash	11,233	2,396	-2,573	9,495
Changes in cash due to exchange rate	239	-51	427	-116
Cash at the beginning of period	18,561	29,834	32,179	22,800
	30,033	32,179	30,033	32,179



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 fourth quarter of 2021 amounted to EUR 7.1m (previous year: EUR 3.1m) and resulted primarily from the internal on-charging of services to LR Health & Beauty Systems GmbH, Ahlen. For the full year, the revenue amounted to EUR 12.8m (PY: EUR 8.2m). The extraordinarily high amount in other operating income results primarily from a reversal of an impairment from previous years in the amount of EUR 50.3m.

Personnel expenses amounted in the reporting period to EUR 4.4m (PY: EUR 2.3m). This significant increase is the result of an internal transfer of various FTEs to LR Global due to the restructuring in the course of the establishment of an own German sales company. The other operating expenses of EUR 1.3m were comparable with the previous year (EUR 0.9m). Including income from investments and the interest result of a total of EUR -6.6m and income taxes of EUR -2.0m, the net profit amounts to EUR 43.3m (PY: EUR 10.1). For the full year 2021, the net profit amounts to EUR 48.6m (PY: EUR 12.4m).

The total assets rose as per 31 December 2021 from EUR 299.3m (as per 31 December 2020) to EUR 345.1m. The non-current assets raised significantly due to the reversal of an impairment in the amount of EUR +50.3m in the financial assets. The current assets increased significantly by EUR +60.3m, which is mainly caused by changes in the financing structure due to the issue of the corporate bond.

The former equity loss of EUR 62.4m still shown in 2020 has been covered by the net profit and by the contribution of shareholder loans. In total, the equity raised up to EUR 132.6m. Due to the contribution of the shareholder loans and the change in the financing structure in the course of issuing the corporate bond, liabilities decreased by EUR -87.5m to EUR 202.1m.

The latter can also be seen in the cash flow analysis for the full year 2021. The cash flow from ongoing business activities amounts to EUR -33.6m and is mainly effected by the increase of receivables from affiliated companies, while the cash flow from financing activities amounts to EUR +33.6m, 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 full year.



Andreas Friesch (CEO)



Dr. Andreas Laabs (CFO/COO)



LR GLOBAL HOLDING GMBH

UNAUDITED STATEMENT OF
FINANCIAL POSITIONS AS OF 31 DECEMBER 2021

kEUR	31.12.2021	31.12.2020
NON-CURRENT ASSETS		
Intangible assets	0	0
Property, Plant and Equipment	17	17
thereof Other property, plant and equipment	17	17
Financial assets	192,115	141,800
thereof Shares in affiliated companies	192,115	141,800
	192,132	141,817
CURRENT ASSETS		
Receivables and other assets	152,924	92,627
thereof Trade receivables	1,013	0
thereof Receivables from shareholders	78	0
thereof Receivables from affiliated companies	150,565	91,622
thereof Other assets	1,268	1,005
Cash stocks, bank deposits	0	0
	152,924	92,627
ACCRUALS	42	38
DEFERRED TAX ASSETS	0	2,447
NOT COVERED BY EQUITY LOSS	0	62,368
TOTAL ASSETS	345,098	299,297

UNAUDITED STATEMENT OF
FINANCIAL POSITIONS AS OF 31 DECEMBER 2021

kEUR	31.12.2021	31.12.2020
EQUITY		
Share capital	25	25
Capital reserve	147,430	1,105
Accumulated loss	-14,854	-63,498
Not covered by equity loss	0	62,368
	132,601	0
PROVISIONS		
Tax provision	6,136	4,090
Other provisions	1,422	1,863
	7,558	5,953
LIABILITIES		
Liabilities from corporate bonds	125,806	0
Amounts due to bank	0	43,306
Trade payables	1,512	194
Amounts due to shareholders	0	186,225
Amounts due to affiliated companies	73,690	59,236
Other liabilities	1,098	694
	202,106	289,655
DEFERRED TAX LIABILITIES	2,833	3,689
TOTAL EQUITY AND LIABILITIES	345,098	299,297

LR GLOBAL HOLDING GMBH

UNAUDITED STATEMENT FOR PROFIT
AND LOSS FOR THE PERIOD 01.01.-31.12.2021

kEUR	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenue	7,141	3,094	12,773	8,151
Other operating income	50,450	85	50,596	248
	57,591	3,179	63,369	8,399
Personnel Expenses	4,407	2,337	10,517	7,575
thereof wages and salaries	3,802	2,138	9,281	6,810
thereof social security contributions and expenditures for pension schemes and support	605	199	1,236	765
Depreciation of intangible assets and property, plant and equipment	4	3	14	9
Other operating expenses	1,324	931	6,632	2,665
	5,735	3,271	17,163	10,249
Income from investments	10,198	16,420	12,984	18,303
Other interest and similar income	-3,179	319	3,762	2,514
Other interest and similar expenses	13,615	3,245	9,460	2,933
	-6,596	13,494	7,286	17,884
Taxes on income and earnings	1,955	3,283	4,847	3,624
NET PROFIT/LOSS FOR THE PERIOD	43,305	10,119	48,645	12,410

UNAUDITED STATEMENT OF
CASH FLOWS AS OF 31 DECEMBER 2021

kEUR	Q4 2021	Q4 2020	FY 2021	FY 2020
CASHFLOW FROM OPERATING ACTIVITIES				
Profit or loss for the period	61,341	14,821	48,644	12,409
Depreciations (+) and write-up (-) on fixed assets	-50,311	2	-50,301	9
Reduction (-) / Increase (+) in provisions	-543	470	-441	481
Increase (-) / Reduction (+) of stock, trade receivables or other assets	-4,848	15,491	-43,555	18,004
Increase (+) / Reduction (-) of trade payables and other liabilities	6,312	-12,094	15,724	-12,281
Interest expenses (+) / interest income (-)	-11,440	-18,196	-7,286	-17,884
Income tax expenses (+)	1,955	3,283	4,847	3,624
Income taxes paid (-)	-167	23	-1,210	158
	2,297	3,800	-33,578	4,519
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for (-) investments in intangible assets	0	0	-7	0
Payments for (-) investments in property, plant and equipment	-7	0	-7	-8
	-7	0	-14	-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	-2,291	-325	-7,702	-1,036
	-2,291	-325	33,593	-1,036

**WE
BELIEVE IN
A BRIGHT
FUTURE**

IMPRINT

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

