



HEALTH & BEAUTY

PROSPECTUS

regarding the offering and admission to trading of
EUR 30,000,000 senior secured fixed rate bonds 2024/2030 to be issued by LR Health & Beauty SE
ISIN: NO0013149658

This prospectus was approved by the Swedish Financial Supervisory Authority on 19 May 2026.

The validity of this prospectus will at the latest expire within twelve (12) months after the date of its approval, provided that it is supplemented when required pursuant to article 23 of regulation (EU) 2017/1129. The Issuer's obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this prospectus is no longer valid.

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by LR Health & Beauty SE, a Societas Europaea incorporated under the laws of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster, Germany, under registration number HRB 23158 (the “**Company**” or the “**Issuer**” and, together with its consolidated subsidiaries, “**LR Group**”, “**LR**”, the “**Group**”, “**we**”, “**us**”, “**our**” or “**ourselves**”), in relation to the offering of EUR 30,000,000 senior secured fixed rate bonds 2024/2030 with ISIN NO0013149658 (the “**New Bonds**”) to certain existing holders of Existing Bonds (as defined below), to be issued on or about 17 June 2026 (the “**Issue Date**”), in accordance with the terms and conditions for the Issuer’s outstanding senior secured fixed rate bonds 2024/2030 with ISIN NO0013149658 (the “**Terms and Conditions**”) (and as amended pursuant to the written procedure initiated by the Issuer on 19 May 2026 (the “**Written Procedure**”), the “**Amended and Restated Terms and Conditions**”), the existing bonds being the “**Existing Bonds**” and jointly with the New Bonds, the “**Bonds**”) as well as in relation to the application for admission for trading of the New Bonds on Nasdaq Stockholm Aktiebolag (“**Nasdaq Stockholm**”). Concepts and terms defined in Section “*Terms and Conditions for the Bonds*” are used with the same meaning throughout the entire Prospectus unless otherwise explicitly understood from the context or otherwise defined in this Prospectus. For the avoidance of doubt, this Prospectus has been prepared solely in relation to the offering of the New Bonds to the public. Nordic Trustee Services AS will act as paying agent.

This Prospectus has been prepared by the Company and approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) pursuant to Chapter II and Article 20 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Furthermore, Annexes 6, 14 and 21 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the content of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the SFSA that the information in this Prospectus is accurate or complete.

This Prospectus may not be distributed in the United States of America, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa or New Zealand or in any other jurisdiction where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), nor any U.S. state securities laws, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the U.S. Securities Act), except for “Qualified Institutional Buyers” (“**QIB**”) within the meaning of Rule 144A under the U.S. Securities Act. Bondholders located in the United States are not permitted to transfer Bonds except (i) subject to an effective registration statement under the U.S. Securities Act, (ii) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (iii) outside the United States in accordance with Regulation S under the U.S. Securities Act, (iv) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available) or (v) pursuant to any other available exemption from registration under the U.S. Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act. Furthermore, the Company has not registered the Bonds under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

Unless otherwise explicitly stated, no financial information contained in this Prospectus has been audited or reviewed by the Issuer’s auditors. Certain financial information in this Prospectus may have been rounded according to established commercial standards and, as a result, rounded figures may not add up to the aggregate amounts (sum totals or subtotals), which are calculated based on unrounded figures. Financial information presented in parentheses denotes the negative of such number presented. This Prospectus shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. In this Prospectus, references to “**EUR**” refer to Euro as the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Issuer’s management or are assumptions based on information available to the Group. The words “considers”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Issuer believes that the forecasts or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group’s operations. Such factors of a significant nature are mentioned in Section “*Risk factors*” below.

The Bonds may not be a suitable investment for all investors and each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; (iv) understand thoroughly the Amended and Restated Terms and Conditions; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

This Prospectus has been prepared in English only and is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*). The Prospectus is available at the SFSA’s website (www.fi.se) and the Issuer’s website (ir.lrworld.com/en/).

TABLE OF CONTENTS

SUMMARY	1
RISK FACTORS	8
OFFERING OF THE BONDS	35
THE BONDS IN BRIEF	39
DESCRIPTION OF THE ISSUER AND THE GROUP	45
OWNERSHIP STRUCTURE.....	62
MANAGEMENT BOARD	63
FINANCIAL INFORMATION	65
OTHER INFORMATION	68
TERMS AND CONDITIONS FOR THE BONDS	70
ADDRESSES	70

SUMMARY

Introduction and Warnings

Name and international securities identification number (ISIN) of the securities – This prospectus (the “**Prospectus**”) relates to the Issuer’s offer directed to certain existing holders of Existing Bonds to invest in the Issuer’s contemplated issuance of EUR 30,000,000 senior secured fixed rate bonds 2024/2030 that shall be issued (the “**Bond Issue**”) under the same terms and conditions as LR Health & Beauty SE existing bonds with ISIN NO0013149658 issued on 4 March 2024 (the existing bonds issued thereunder being the “**Existing Bonds**” the new bonds issued in the Bond Issue being the “**New Bonds**” and the Existing Bonds and New Bonds jointly being the “**Bonds**” and, the terms and conditions as amended pursuant to the written procedure initiated by the Issuer on 19 May 2026 (the “**Written Procedure**”), the “**Amended and Restated Terms and Conditions**”).

Identity and contact details of the issuer, including its legal entity identifier (LEI) – The issuer of the Bonds is LR Health & Beauty SE, Kruppstraße 55, 59227 Ahlen, Federal Republic of Germany (“**Germany**”) (telephone: +49 (0) 2382 7813-0; website: www.LRworld.com), a Societas Europaea incorporated under the laws of Germany, legal entity identifier (“**LEI**”) 391200F0IS3RDVSU8A35, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster, Germany under registration number HRB 23158 (the “**Company**” or the “**Issuer**” and, together with its consolidated subsidiaries, “**LR Group**”, “**LR**”, the “**Group**”, “**we**”, “**us**”, “**our**” or “**ourselves**”).

Identity and contact details of the competent authority approving the Prospectus and date of the approval of the Prospectus – On 19 May 2026, the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*), Sveavägen 44, 111 34 Stockholm, Sweden, telephone: +46 (0) 8 408 980 00, approved this Prospectus.

Warnings – This summary should be read as an introduction to the Prospectus. Every decision to invest in the Bonds should be based on the investors’ consideration of the Prospectus as a whole. Investors in the Bonds may lose all or part of the invested capital. Where a claim relating to the Prospectus is brought before a court, the plaintiff may have to bear the costs of translating the Prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

Key Information on the Issuer

Who Is the Issuer of the Securities?

Issuer Information – The Company has its registered offices at Kruppstraße 55, 59227 Ahlen, Germany, and its corporate seat in Ahlen, Germany, and the LEI 391200F0IS3RDVSU8A35. As a Societas Europaea incorporated in Germany, the Company is subject to German law.

Principal Activities – The Group operates a digitally driven direct-to-consumer (D2C) social selling platform, distributing its health and beauty products in 32 countries across Europe, in Turkey, Kazakhstan and South Korea, with Germany, France, Czech Republic, Russia and Poland being its core markets. The Group distributes the vast majority of its products to an engaged community of partners, which join the Group’s community to benefit from preferred pricing of the Group’s products and access to its bonus model that incentivizes partners to refer new potential customers to the Group’s product offering and also to become partners as part of the Group’s community and/or to be part of the Group’s marketing and product distribution by on-selling our products.

Major Shareholder –

As of the date of this Prospectus, the entire share capital of the Company is held by Aloco Holding S.à r.l. (“**Aloco**”), which is ultimately held by Project Artemis SCSp, a special limited partnership (*société en commandite*

spéciale) established under the laws of Luxembourg on 5 September 2023, having its registered office at 17, boulevard F.W. Raiffeisen, L-2411, Grand Duchy of Luxembourg and registered with the RCS under RCS number B280.341 represented by Evoco TSE III GP S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated in Luxembourg, having its registered office at 17, boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies (Registre de Commerce et des Sociétés, Luxembourg, the RCS) under number RCS B243870 (the General Partner) (“**Project Artemis**”).

In connection with the Bond Issue, Abydos S.à r.l. a private limited company (*société à responsabilité limitée*) existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B304817, having its registered office at 9 rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg (“**LuxCo**”) will (A) issue new shares representing an equity proportion of approximately (i) 89.9 per cent. to certain electing Bondholders against (a) a cash contribution of EUR 8,811,764.71 and (b) the contribution in kind and assignment of a mandatory issuance fee (being the compensation to the lenders under the Super Senior Bridge Financing) and (ii) 10.1 per cent. to Project Artemis against a cash contribution of EUR 1,188,235.29, (B) acquire all of the outstanding shares in the Company from Aloco and (C) redeem and cancel all of the shares held by Palaos S.à r.l. a private limited company (*société à responsabilité limitée*) existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B192064, having its registered office at 9 rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg (the “**Interim Shareholder**”).

Controlling Shareholder – As of the date of this Prospectus, the Company is controlled by Aloco.

Management Board – The member of the management board (*Vorstand*) of the Company is Jörg Körfer (chief executive officer).

Statutory Auditors – The Company’s statutory auditor is Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, Cecilienallee 6-7, 40474 Düsseldorf, Germany.

What Is the Key Financial Information Regarding the Issuer?

The key financial information contained in the following tables as of 31 December 2023 and 31 December 2024 or relating to the financial years ended 31 December 2023 or 31 December 2024 derives from the Company’s audited consolidated financial statements as of and for the financial years ended 31 December 2023 and 31 December 2024, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“**IFRS**”) and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the German Commercial Code (*Handelsgesetzbuch*, “**HGB**”). The key financial information contained in the following tables as of 31 December 2025 or 31 March 2026 or relating to the twelve-month period ended 31 December 2025 or the three-month period ended 31 March 2026 derives from the Company’s unaudited consolidated interim financial information as of and for the twelve-month period ended 31 December 2025 and the three-month period ended 31 March 2026, respectively. The unaudited consolidated interim financial information of the Company as of and for the twelve-month period ended 31 December 2025 and the three-month period ended 31 March 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting. It has been 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 31 December 2024.

Where financial information in this Prospectus is labelled “audited” in tables, this financial information was taken from the Company’s audited consolidated financial statements mentioned above. The label “unaudited” is used in tables of this Prospectus to indicate financial information that was taken from the Company’s unaudited consolidated interim financial information mentioned above, or from the Company’s accounting records or internal reporting systems or has been calculated based on figures from the above-mentioned sources.

Selected Data from the Consolidated Statement of Profit or Loss

	For the financial year ended 31 December		For the financial year ended 31 December	For the 3-month period ended 31 March
	2023	2024	2025	2026
	(audited)		(unaudited)	(unaudited)
	(in EUR thousand)		(in EUR thousand)	(in EUR thousand)
Profit or loss for the period	(865)	(11,823)	(25,456)	(5,755)

Selected Data from the Consolidated Balance Sheet / Statement of Financial Positions

	As of 31 December		As of 31 December	As of 31 March
	2023	2024	2025	2026
	(audited)		(unaudited)	(unaudited)
	(in EUR thousand)		(in EUR thousand)	(in EUR thousand)
Net financial debt ⁽¹⁾	183,518	190,670	203,547	209,457

(1) Defined as non-current liabilities *plus* current liabilities *minus* cash.

Selected Data from the Consolidated Statement of Cash Flows

	For the financial year ended 31 December		For the financial year ended 31 December	For the 3-month period ended 31 March
	2023	2024	2025	2026
	(audited)		(unaudited)	(unaudited)
	(in EUR thousand)		(in EUR thousand)	(in EUR thousand)
Cash flow from operating activities	12,874	26,962	11,373	2,511
Cash flow from investing activities	(5,922)	(5,601)	(3,511)	(742)
Cash flow from financing activities	(23,019)	(25,925)	(19,786)	7,388

What Are the Key Risks that Are Specific to the Issuer?

- The Issuer is currently in financial distress and subject to multiple Events of Default under the Terms and Conditions, including failure to comply with the Maintenance Test and non-payment of interest. The Issuer may be required to file for insolvency proceedings if the Restructuring Transaction is not implemented, in which case Bondholders may recover substantially less than the full amount of their investment, or may lose their entire investment.
- If the Restructuring Transaction cannot be implemented on a consensual basis, the Issuer may seek to implement a restructuring through a court-supervised plan under the German Act on the Stabilisation and Restructuring Framework for Businesses (StaRUG), which would be binding on all affected creditors, including dissenting Bondholders, and may result in a reduction of the nominal amount of the Bonds or other modification of the Terms and Conditions.
- Key drivers for the Group's future growth and business success are the number of new partners and improvement of selling rates of the Group's partners. However, there is a risk that the Group does not manage to recruit and/or retain motivated and successful partners, and that the Group's bonus cost ratio remains elevated or increases further, each of which could adversely affect the Group's business and financial position.
- The Group's manufacturing and logistics operations suffer from material inefficiencies, including low production utilisation rates and an underperforming warehouse concept, which contribute to an elevated cost base. The Group's business plan contemplates significant operational savings that are at an early stage of implementation and there can be no assurance that such savings will be realised within anticipated timeframe at all.
- The Group operates in a highly competitive market characterized by a constant change in consumer trends sensitive to the introduction of new products and the potential entry of competitors. In order to

keep up with such trends, to meet the needs of customers and to differentiate from potential competitors, new products and services must continually be developed and existing products and services improved.

- A majority of partners' and customers' orders are placed online through the Group's IT platform, and the Group is dependent on information systems to retain sales, to efficiently communicate with partners and to obtain information on customer behaviour and sales patterns in different markets. The Group's existing ERP system and IT infrastructure require material improvements, and any delay or failure in implementing such could result in operational disruption and additional costs.
- The Group's success depends to a certain extent upon brand recognition and the goodwill associated with the trademarks and trade names. The Group's current financial distress and the ongoing restructuring process may themselves give rise to adverse publicity or negative perception among the Group's customers and Sales Force, which could further impair the Group's ability to retain and recruit sales partners.
- The Group's organisation is built around a number of individuals with many years of experience within the direct selling industry, product development, financing and marketing. The loss of any of the Group's key employees could hamper the Group's operations and have an adverse effect on its operations, and the Group has identified certain key leadership positions, including the absence of a chief financial officer, which require replacement.
- The Group conducts operations in 32 countries across two continents and is thus exposed to changes in various laws, rules and regulations, including tax laws and competition laws. Due to the nature of the Group's operations, the Group may be adversely affected by changes in laws and regulations, in particular those related to cosmetics, food safety, competition rules and business structures.
- Approximately half of the Group's turnover is attributable to products manufactured and packaged in the Company's production facilities in Ahlen, Germany, and the remainder is supplied by third-party manufacturers. Significant unscheduled downtime at the Group's manufacturing facilities or at the facilities of third-party manufacturers, material shortages or delays in the delivery of packaging materials or raw materials, or disruptions arising from the ongoing Russia-Ukraine War, related sanctions or changing climate conditions, could adversely affect the Group's ability to meet delivery requirements and have a material adverse effect on the Group's operations, financial position and earnings.
- The Group relies on strong demand for its products, which, in particular, depends on the performance of the economy in the markets in which the Group operates. A number of adverse developments have significantly increased the risk of an economic downturn which could adversely affect the Group's business, in particular the ongoing Russia-Ukraine War, a deteriorating geopolitical climate and the imposition of tariffs globally.
- Doing direct business with many individuals, the Group processes a significant amount of personal data protected by various data protection laws and regulations. The Group may face substantial fines if it fails to properly collect, use, transmit and store personal data in compliance with the applicable data protection laws and regulations.

Key Information on the Securities

What Are the Main Features of the Securities?

The Bonds constitute debt instruments (Sw. *skuldförbindelser*). The Bonds constitute direct, senior, unsubordinated and secured obligations of the Company, and shall at all times, rank *pari passu* and without any preference among them, and at least *pari passu* with all other direct, unsubordinated and unsecured obligations of the Company, subject to (A) obligations which are mandatorily preferred by law and (B) any intercreditor agreement entered into between the Issuer, the Agent as security agent and the creditors under the any super senior debt (including, for the avoidance of doubt, the super senior bridge financing of EUR 10,000,000 incurred on 26 March 2026 (the "**Super Senior Bridge Financing**") until it has been repaid in connection with the settlement of the Bond Issue) (the "**Intercreditor Agreement**"). This means that a Bondholder will normally receive

payment after any prioritised creditors' receipt of payment in full, in the event of the Company's liquidation, company reorganisation or bankruptcy/insolvency.

As at the date hereof, the Issuer has launched a written procedure pursuant to which certain amendments will be made to the Terms and Conditions (the "**Written Procedure**", and the Terms and Conditions as amended pursuant to the Written Procedure, the "**Amended and Restated Terms and Conditions**"). The Offering (as defined below) is conditional upon the Written Procedure being approved by the Bondholders. The Amended and Restated Terms and Conditions contemplate that the Bonds will carry interest from (and including) the issue date, up to (but excluding) the final maturity date (30 June 2030) or any relevant redemption date prior to the final maturity date. Interest on the Bonds is paid at a fixed rate of six point seventy-five (6.75) per cent. *per annum*, quarterly in arrears on 28/29 February (i.e. the last day of February, as applicable), 31 May, 31 August and 30 November in each year, or to the extent such day is not a CSD Business Day, the CSD Business Day following from an application of the Business Day Convention (all as defined in the Amended and Restated Terms and Conditions).

As of the date of this Prospectus, the maximum amount of 130,000 Bonds has been issued, each with a nominal amount of EUR 1,000. Following the implementation of the Written Procedure, the maximum amount of 62,500 Bonds will be outstanding, each with a nominal amount of EUR 1,000. Further Bonds can only be issued with the consent of the Bondholders in accordance with Clause 18.4.2(a) of the Amended and Restated Terms and Conditions. The initial nominal amount of each initial Bond is EUR 1,000. The nominal amount of the Bonds may, at the Agent's discretion, be reduced pursuant to Clause 21.2.14 of the Amended and Restated Terms and Conditions. The ISIN of the Bonds is NO0013149658.

Where Will the Securities be Traded?

The New Bonds are expected to be admitted to trading on the same trading venue as the Existing Bonds, i.e. on the corporate bond list of Nasdaq Stockholm Aktiebolag ("**Nasdaq Stockholm**"). The New Bonds will also be listed (*in den Handel einbezogen*) on the Open Market of Frankfurt Stock Exchange, which is a multilateral trading platform (MTF).

Is There a Guarantee Attached to the Securities?

The obligations under the Bonds are guaranteed under a Swedish law governed guarantee agreement ("**Guarantee Agreement**") entered into by, or through accessions by certain subsidiaries of the Issuer (the "**Guarantors**").

Subject to the Guarantee Agreement, each Guarantor irrevocably and unconditionally and jointly and severally as a principal obligor (Sw. *proprieborgen*) guarantees to the secured parties under any intercreditor agreement (including the Bonds), the secured parties under the Bonds only, as for its own debts (Sw. *såsom för egen skuld*) the full and punctual payment and performance by each Group company of all the secured obligations, including the payment of principal, interest, costs, expenses or other amount under the finance documents (including the Bonds and the documents entered into as part of transaction security for the Bonds) that has not been fully and irrevocably paid by the Issuer or any other obligor under such documents. Such guarantee commitments have been entered into in accordance with the Guarantee Agreement, which is entered into between the Issuer, each Guarantor and the security agent (Nordic Trustee & Agency AB (publ)). The obligations and liabilities of the Guarantors under the Guarantee Agreement shall be limited if required (but only if and to the extent required) under the laws of the jurisdiction in which the relevant Guarantor is incorporated.

As of the date of this Prospectus, the Guarantors are LR Global Holding GmbH (LEI-code 529900YM1HDMG9MCJD66) (Germany), LR Health & Beauty Systems Beteiligungs GmbH (Germany), LR Health & Beauty Systems GmbH (Germany), LR Partner Benefits GmbH (Germany), LR-International Beteiligungs GmbH (Germany), LR Deutschland GmbH (Germany), LR Health & Beauty Systems SAS (France), LR Jersey Holding Limited (Jersey), LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΙΕΠΙΟΠΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) (Greece), LR Health & Beauty Systems, s.r.o. (Czech Republic), LR Health & Beauty Systems, s.r.o. (Slovakia), and LR Health & Beauty Systems sp. z o.o.

(Poland). None of the entities are required to have a LEI-code. Pursuant to the Written Procedure, it is contemplated that LR Jersey Holding Limited (Jersey) may resign from the Guarantee Agreement and cease to be a Guarantor.

Further Guarantors may accede to the Guarantee Agreement by way of signing, *inter alia*, accession letters. Existing Guarantors may, under certain conditions and subject to the Guarantee Agreement, resign from the Guarantee Agreement.

In the decision of the SFSA made on 19 May 2026, the SFSA has granted an exemption from certain disclosure requirements regarding financial information. According to the decision, the Issuer is not required to disclose separate financial information regarding the Guarantors as otherwise required pursuant to Section 3 in Appendix 21 and Section 11.1 in Appendix 6, of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129. The exemption was granted based on the fact that the Guarantors are included in the Issuer's audited consolidated financial statements as of and for the financial years ended on 31 December 2023 and 2024 and the three-month period ended on 31 March 2026 which are incorporated into the Prospectus by reference.

In accordance with the Amended and Restated Terms and Conditions, the Company is permitted to maintain and incur additional debt under, *inter alia*, certain credit facilities for working capital and general corporate purposes as well as certain hedging obligations, which may share the Transaction Security and Guarantees with the Bonds and rank senior in right and priority of payment in case of an enforcement of the Transaction Security or Guarantees under an intercreditor agreement (if entered into). Pursuant to any such intercreditor agreement, any unpaid fees, costs, expenses and indemnities payable to the security agent, bond agent and certain other agents as well any outstanding amount under the super senior debt rank in priority over the holders of the Bonds.

What Are the Key Risks that Are Specific to the Securities?

- The Issuer is a holding company with no material direct business operations, and a significant part of the Issuer's assets and revenue relate to or are derived from its subsidiaries. The Issuer is therefore dependent upon loans, dividends and other payments from its subsidiaries in order to meet its financial obligations under the Bonds. The ability of the Issuer's subsidiaries to make such distributions depends on their earnings and may be subject to contractual or statutory limitations, including requirements to maintain distributable profit or distributable reserves.
- Due to the nature of the Bonds, in the event of bankruptcy, reorganisation or winding-up of the Issuer, the Bondholders will normally receive payment only after any priority creditors have been paid in full, to the extent that the Bondholders' claims are not secured by and settled from the enforcement proceeds of the Transaction Security. The Bondholders' recovery position is subject to numerous key limitations, the most material of which are listed below. The Super Senior Bridge Financing ranks senior to the Bonds in right and priority of payment with respect to any enforcement of the Transaction Security or the Guarantees pursuant to the Intercreditor Agreement, such that the holders of the Super Senior Bridge Financing will be entitled to receive proceeds from any enforcement in priority to the Bondholders. To the extent the Transaction Security relates to assets of subsidiaries of the Issuer, each security interest granted will be limited in scope to comply with limitations on financial assistance, capital maintenance rules or similar restrictions under applicable law. In Germany, a GmbH is prohibited from distributing assets to its shareholders to the extent that the GmbH's net assets are already less than, or would fall below, its stated share capital, and providing security for debt of a direct or indirect shareholder is considered a distribution to such shareholder. The value of the Transaction Security may decline over time, and the proceeds from any enforcement may not be sufficient to satisfy all amounts then due on or in respect of the Bonds, in which case the Bondholders will have only an unsecured claim for any shortfall. As a result, the Transaction Security may not be enforceable in the event of a default of the Issuer, or may only be enforceable in part, which may materially limit the recovery of the Bondholders.

Key Information on the Offering

Under Which Conditions and Timetable Can I Invest in this Security?

The Offering – The Offering comprises 30,000 New Bonds, each with a nominal amount of EUR 1,000 (the “Offering”). Each eligible Bondholder’s maximum *pro rata* entitlement to New Bonds will be calculated by dividing such Bondholder’s nominal holding of Existing Bonds as of the record date falling on 21 May 2026 by the total outstanding nominal amount of the Existing Bonds (EUR 130,000,000) and multiplying the result by EUR 10,000,000, rounded down to the nearest whole multiple of EUR 1,000 (subject to that the Agent may elect to reduce the nominal amount pursuant to Clause 21.2.14 of the Amended and Restated Terms and Conditions, in which case the result will be rounded down to the nearest whole multiple of EUR 1). The number of New Bonds allocated to each participant will subsequently be multiplied by three to reflect the allocation of the Reinstated Elevated Bonds.

Conditions – The Offering is made exclusively to holders of Existing Bonds who may subscribe for an amount of New Bonds which corresponds to each Bondholder’s nominal holding of Existing Bonds as of the record date falling on 21 May 2026 by the total outstanding nominal amount of the Existing Bonds (EUR 130,000,000) and multiplying the result by EUR 10,000,000, rounded down to the nearest whole multiple of EUR 1,000 (subject to that the Agent may elect to reduce the nominal amount pursuant to Clause 21.2.14 of the Amended and Restated Terms and Conditions, in which case the result will be rounded down to the nearest whole multiple of EUR 1). The number of New Bonds allocated to each participant will subsequently be multiplied by three to reflect the allocation of the Reinstated Elevated Bonds. Settlement of the Offering is subject to the (i) Written Procedure being approved by Bondholders holding at least two thirds (2/3) of the Adjusted Nominal Amount of the Existing Bonds, (ii) completion of the Share Issue and (iii) transfer of all shares in the Issuer to LuxCo.

Backstop Undertaking – The Offering has been backstopped in full by certain holders of Existing Bonds who have committed to subscribe for any amount up to EUR 10 million which is not subscribed for by holders of Existing Bonds subscribing their *pro rata* share.

Timetable – The subscription period in the Bond Issue will be from 21 May 2026 to 15.00 CEST on 29 May 2026. The settlement date in the Bond Issue is expected to occur on 17 June 2026.

Total Expenses – The total expenses for the Offering are estimated to amount to approximately EUR 425,000.

Why Is this Prospectus Being Produced?

Reasons and Use of Issue Proceeds – The Offering is being made to strengthen the Issuer’s liquidity and enable the completion of the restructuring transaction which is carried out to recapitalise the Issuer and re-organise the Group’s operations to improve profitability and avoid insolvency. The proceeds from the Bond Issue will be applied towards repaying the Super Senior Bridge Financing in full and financing general corporate purposes of the Group. The New Bonds are expected to be admitted to trading on Nasdaq Stockholm no later than 60 calendar days (with the intention of 30 calendar days) from the issue date of the New Bonds.

RISK FACTORS

*The purpose of these risk factors is to enable a potential investor to assess the relevant risks related to their potential investment in the Bonds in order to make an informed investment decision. The risk factors set forth below are therefore limited to risks that are material and specific to LR Health & Beauty SE (“**LR**” or the “**Company**” and together with its direct and indirect subsidiaries, the “**Group**”) and the Bonds. Terms not otherwise defined herein shall have the meaning ascribed to them in the terms and conditions of the Bonds (the “**Terms and Conditions**”) (as amended pursuant to the written procedure initiated by the Company on 19 May 2026 (the “**Written Procedure**”), the “**Amended and Restated Terms and Conditions**”).*

The manner in which the Company and the Bonds are affected by each risk factor is illustrated by way of an evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated as “low”, “medium” or “high” and the magnitude of negative impact if it would occur as “low”, “medium” or “high”. The risk factors are grouped in certain categories and the most material risk factors in each category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality. Please note that the occurrence of any of the following risks may lead to material consequences on the Company’s net assets, financial position and results of operations and may ultimately impair the Company’s ability to fulfil its obligations under the Amended and Restated Terms and Conditions for the Bonds, irrespective of if the impact of each such risk taken in isolation is classified as being low, medium or high (see risk factor “Economic downturn as a result of risk accumulation” below).

*Regardless of whether the Company has estimated the probability of a risk factor occurring or the expected magnitude of its negative impact as “low”, “medium” or “high”, all risk factors included in this section have been assessed to be material and specific to the Company and/or the Bonds in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”). Please note that there may be additional risks affecting the Group which have not been included in these risk factors due to such risks either not fulfilling the requirements under the Prospectus Regulation or being unidentified by or unknown to the Group’s management.*

Risk factors specific and material to LR

Risks relating to the Group’s business activities, the industry and the market

Risk of insolvency if the Restructuring Transaction is not implemented

The Issuer is currently experiencing financial distress and has not complied with certain financial covenants set out in the Terms and Conditions to be confirmed as at 30 September 2025. In addition, interest payments due under the Bonds in November 2025 and February 2026 have not been paid on the relevant Interest Payment Dates. The Issuer cannot rule out non-compliance with the financial covenants in the future. On 28 November 2025, the Bondholders granted a waiver of their rights resulting from the non-compliance with the financial covenants and non-payment of interest until 28 February 2026, notably the right to declare all of the outstanding Bonds immediately due and payable. Pursuant to the written procedure concluded on 24 March 2026 (the “**March Written Procedure**”) and the terms of a lock-up agreement dated 11 February 2026 (as amended on 6 March 2026, the “**Lock-Up Agreement**”), the Bondholders agreed to grant a standstill to the Issuer in respect of enforcement actions for any related potential Events of Default for the period until 30 June 2026. Such standstill is subject to certain conditions set out in the March Written Procedure and the termination rights in accordance with the terms of the Lock-Up Agreement and there can be no assurance that such standstill will remain in force. In particular, the Lock-Up Agreement may be terminated: (i) by mutual written agreement of the parties thereto; (ii) by each of the Company and the negotiation committee (on behalf of the Bondholders) if any party fails to comply with its material obligations under the Lock-Up Agreement; or (iii) by the negotiation committee (on behalf of the Bondholders) if it becomes evident that implementation of the Restructuring Transaction as

contemplated is not possible, or if an insolvency event occurs in respect of the Company or any other material member of the Group. Termination of the standstill in any of these circumstances would immediately expose the Issuer to enforcement action by Bondholders and would materially increase the risk of the commencement of insolvency proceedings.

On 22 October 2025, EY-Parthenon GmbH (“**EY-Parthenon**”) was engaged by the Issuer to prepare a restructuring opinion pursuant to the IDW S6 standard published by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*, IDW) that meets the requirements of the German Federal Court of Justice (*Bundesgerichtshof*) (the “**IDW S6 Opinion**”). In the course of the preparation of the IDW S6 Opinion, EY-Parthenon has carried out an assessment of the Group’s financial position and has developed a restructuring concept together with the management of the Issuer (the “**EY-Parthenon Assessment**”).

Pursuant to a draft of the IDW S6 Opinion dated 28 January 2026 (“**Draft IDW S6 Opinion**”), EY-Parthenon can confirm that (a) the restructuring (*Sanierung*) of the Issuer will be more likely than not (*mit überwiegender Wahrscheinlichkeit*) successful, (b) the Issuer has a positive solvency and going concern prospect (*positive Fortbestehens- und Fortführungsprognose*), (c) the implementation of the restructuring (*Sanierung*) of the Issuer has already started, and (d) the planned and, in part already implemented restructuring measures are objectively suitable to restructure the Issuer and the restructuring of the Issuer has genuine and reasonable prospects of being successful (a final IDW S6 Opinion which contains these statements, an “**Unqualified IDW S6 Opinion**”). However, these statements are based on a draft opinion only and are based on the assumption that the financing concept, including the Bond Issue, is successfully implemented. The Draft IDW S6 Opinion further states that without the implementation of the financing concept, including the Bond Issue, the Issuer is at risk of impending illiquidity (*drohende Zahlungsunfähigkeit*) within the meaning of § 18 of the German Insolvency Code (*Insolvenzordnung*, “**InsO**”) and that, given the absence of a positive solvency and going concern prospect (*positive Fortbestehens- and Fortführungsprognose*), the Issuer is further at risk of being over-indebted (*Überschuldung*) within the meaning of § 19 InsO.

In order to bridge the Company’s liquidity needs pending completion of the Restructuring Transaction, the Issuer incurred super senior bridge financing of EUR 10,000,000 on 26 March 2026 (the “**Super Senior Bridge Financing**”), which is to be refinanced using the proceeds of the Bond Issue, but in any event no later than 31 August 2026 unless extended by a two-thirds majority of bridge financing providers. Without successful completion of the Bond Issue, the Group would face an imminent liquidity shortfall and would be unable to repay the Super Senior Bridge Financing upon its maturity. If the financing concept, including the Bond Issue, is not successfully implemented, the Issuer may face imminent illiquidity (*drohende Zahlungsunfähigkeit*), actual insolvency (*Zahlungsunfähig*) and over-indebtedness (*Überschuldung*), which could lead to Events of Default under the Bonds and the Super Senior Bridge Financing and the initiation of insolvency proceedings over the assets of the Issuer.

The comprehensive restructuring of the Existing Bonds and the indirect shareholding of the Issuer, as set out in the Lock-Up Agreement and designed to resolve the Issuer’s risk of impending illiquidity and over-indebtedness (the “**Restructuring Transaction**”), is subject to a number of conditions, including the approval of the implementation of the Restructuring Transaction by a sufficient number of Bondholders (being two thirds of the nominal amount of the Existing Bonds), and the approval at one or more extraordinary general meetings of shareholders of a share issue pursuant to which LuxCo and indirectly, the Company will receive (a) an aggregate cash contribution of approximately EUR 10,000,000 and (b) a contribution in kind and assignment of a mandatory issuance fee (being the compensation to the lenders under the Super Senior Bridge Financing), to be subscribed by electing Bondholders and Project Artemis (the “**Share Issue**”). As part of the Share Issue, it is also intended for the Interim Shareholder to consent to the redemption and cancellation of all of its shares in LuxCo. Immediately after the Share Issue, LuxCo will acquire all of (a) the then outstanding shares of the Company (the “**Company Shares**”) together with all of (b) the existing shareholder loans granted by Aloco to the Company (the “**Aloco Shareholder Loans**”) from Aloco for a purchase price of EUR 1 for the Company Shares and EUR 1 for the Aloco Shareholder Loans. The Lock-Up Agreement provides for a long stop date of 30 June 2026 for the

implementation of the Restructuring Transaction, which may be extended by agreement between the Issuer and the three largest bondholders (representing the Bondholders which are parties to the Lock-Up Agreement) to no later than 30 September 2026. The long stop date falls shortly after the expected settlement date for the Bond Issue of 17 June 2026. Accordingly, if the conditions precedent to the Restructuring Transaction are not satisfied, or if the standstill under the Lock-Up Agreement terminates, prior to or shortly after the settlement of the Bond Issue, Bondholders who have subscribed for New Bonds could be immediately exposed to the risk of insolvency proceedings in respect of the Company. In case of any such prolongation of the standstill under the Lock-Up Agreement, the formal standstill provided for in the Written Procedure shall also be extended by the Agent. There is a material risk that the Restructuring Transaction will not be implemented in full, or at all, prior to the long stop date, whether as a result of failure to obtain the requisite approvals, failure to satisfy conditions precedent, termination of the Lock-Up Agreement, or otherwise.

If the Restructuring Transaction is not implemented, the Issuer will not be able to fulfil its obligations under the Bonds, including principal and interest payments. Furthermore, the Issuer may be required to file for insolvency proceedings under the InsO, in which case Bondholders' recoveries would be subject to significant uncertainty, depending on, *inter alia*, the realisable value of the Transaction Security, the outcome of any insolvency proceedings, the claims of preferential and other creditors, and the applicable insolvency regime. See regarding risks related to the Transaction Security under "*The value of the Transaction Security may decline over time, and the Bondholders may not be able to recover the full value (or any value in the case of an enforcement sale)*".

The Company assesses the probability of the occurrence of the abovementioned risks to be medium to high. If the risks were to occur, the Company considers the potential negative impact to be high.

Risk that the Restructuring Transaction does not restore the Group to a sustainable financial position

Even if the Restructuring Transaction is implemented in full, there can be no assurance that it will restore the Group to a sustainable financial position or enable the Issuer to fulfil all its obligations under the Bonds, including its payment obligations in respect of principal and interest. For a description of the background to the Restructuring Transaction and the EY-Parthenon Assessment, see "*Risk of insolvency if the Restructuring Transaction is not implemented*" above.

The EY-Parthenon Assessment, prepared in the course of the IDW S6 process, is based on the Group's integrated business plan, and any Unqualified IDW S6 Opinion to be issued will rely on the same, incorporating forward-looking assumptions regarding, *inter alia*, the stabilisation and growth of the Sales Force (as defined below), a reduction of the bonus cost ratio, the realisation of aggregate operational cost savings, the further development of the Group's Enterprise Resource Planning ("**ERP**") system and eShop platform, and a recovery in consumer demand across the Group's key markets. Each assumption is subject to significant execution risk and inherent uncertainty, and the business plan has not been independently verified other than within the context of EY-Parthenon's IDW S6 Opinion. If the Group's actual operating performance deviates materially from the business plan which forms the basis of the IDW S6 Opinion, whether as a result of a failure to implement the contemplated operational restructuring measures, adverse macroeconomic developments, a continued decline in the Sales Force, an inability to reduce the bonus cost ratio, or otherwise, the financial projections underpinning the IDW S6 Opinion may not be achieved, and the Group's EBITDA, operating cash flow and liquidity may be materially lower than projected. In such circumstances, the Issuer may be unable to service its financial indebtedness, including the Bonds, notwithstanding the implementation of the Restructuring Transaction, and may be required to undertake a further financial restructuring or to file for insolvency proceedings over its assets under the InsO.

Investors in the Bonds should be aware that their investment decision is necessarily based on projections and assumptions that are subject to significant uncertainty, and that the implementation of the Restructuring Transaction does not in itself guarantee the recoverability of their investment. In the event that the assumptions underlying the business plan and the IDW S6 Opinion prove to be materially over-optimistic, Bondholders may recover substantially less than the full amount of their investment, or may lose their entire investment.

The Company assesses the probability of the occurrence of the abovementioned risks to be medium. If the risks were to occur, the Company considers the potential negative impact to be high.

Risk relating to StaRUG proceedings and restructuring under German law

If the Restructuring Transaction cannot be implemented on a consensual basis, the Issuer may seek to implement a restructuring of its liabilities through a court-confirmed restructuring plan under the German Act on the Stabilisation and Restructuring Framework for Businesses (*Unternehmensstabilisierungs- und Restrukturierungsgesetz*, “**StaRUG**”). The StaRUG provides a debtor-in-possession framework enabling a company facing impending illiquidity (*drohende Zahlungsunfähigkeit*) to restructure its financial liabilities by means of a court-confirmed restructuring plan (“**Restructuring Plan**”), without the commencement of formal insolvency proceedings.

Pursuant to a confirmed Restructuring Plan, the claims of Bondholders and their rights to separate satisfaction (*Absonderungsrechte*), including the underlying secured obligations, related enforcement rights and any associated guarantees, may be modified, including by way of reduction, deferral, conversion into equity, release or otherwise. Secured creditors are generally only entitled to the value of their collateral, and any portion of their claims exceeding the value of the collateral may be reduced or otherwise modified under the Restructuring Plan.

A Restructuring Plan confirmed by the competent court is binding on all affected creditors, including those who voted against the plan or did not participate in the vote, provided that the statutory confirmation requirements (including, in particular, the best-interest-of-creditors test and the feasibility of the plan) have been satisfied. Furthermore, the StaRUG provides for a cross-class cram-down mechanism pursuant to which, even if a class of affected creditors fails to achieve the requisite majority in favour of the plan, the consent of that class may be deemed to have been given if the members of that class are not placed in a worse position than they would be in the absence of the plan (typically insolvency proceedings as the relevant alternative scenario), they receive an adequate share of the value to be distributed under the plan in accordance with the relative priority of claims, and a majority of the other voting classes have approved the plan. Accordingly, Bondholders who do not consent to the terms of a Restructuring Plan may nonetheless be bound by its terms, including any reduction in the nominal amount of the Bonds, a deferral of payment obligations, a reduction of interest, a conversion into equity, a subordination of claims or a modification or release of security, or modification of the terms and conditions thereof, and may recover substantially less than the full amount of their investment.

StaRUG proceedings, even if ultimately successful, are likely to involve significant costs, including court fees, the fees of any restructuring officer (*Restrukturierungsbeauftragter*) appointed by the court, and the professional advisory costs of the Issuer and the affected creditors, as well as potential costs for independent valuation experts, auditors, and other advisors required for plan confirmation. In addition, the initiation of StaRUG proceedings may give rise to uncertainty among the Issuer’s commercial counterparties, sales partners and employees, potentially leading to disruptions in business operations, loss of contracts, or delays in revenue generation, which could adversely affect the Group’s trading performance during the proceedings. The duration of StaRUG proceedings is inherently uncertain and may extend beyond the long stop date under the Lock-Up Agreement and the Written Procedure, thereby increasing the risk that the Restructuring Transaction is not implemented within the timeframe contemplated by the parties and that associated financial covenants or conditions precedent may be breached.

The Lock-Up Agreement and the Written Procedure expressly provide that, should the Issuer initiate or apply for StaRUG proceedings or any other statutory measure under StaRUG without the prior written approval of the negotiation committee, the Lock-Up Agreement and all obligations agreed upon therein as well as the waivers provided under the Written Procedure shall automatically terminate with immediate effect and without any further action being required by the parties thereto. Such automatic termination would cause the standstill on enforcement actions to cease to apply immediately, which may result in the Bondholders accelerating the Bonds and/or taking enforcement action against the Issuer and the Group. Accordingly, the initiation of unapproved StaRUG proceedings would materially increase the risk of the commencement of insolvency proceedings due to illiquidity (*Zahlungsunfähigkeit*) (§ 17 InsO) or over-indebtedness (*Überschuldung*) (§ 19 InsO) in respect of the Issuer, and

may trigger significant additional costs, claims disputes, or enforcement actions that could further destabilise the Group's financial position.

The Company assesses the probability of the occurrence of the abovementioned risks to be medium. If the risks were to occur, the Company considers the potential negative impact to be high.

Risks relating to sales partners

One of the Group's main drivers for future growth and business success are the number of new partners and improvement of selling rates. The Group currently has a sales force of approximately 222,000 persons (as per December 2025) worldwide comprising of sales partners, premium customers and other customers (the "**Sales Force**"). The majority of the persons in the Sales Force are sales partners which have concluded partner contracts with the Group.

Further, the loss of high performing sales partners could adversely affect the growth and the performance of the network and the Company's overall sales. In order for the Group to increase sales it must increase the number of sales partners and customers or the productivity of the sales partners. Accordingly, it is important that the Group succeeds in recruiting new sales partners and customers as well as in retaining existing ones. The Group is subject to significant competition for the recruitment of sales partners from other direct selling organisations including those that market cosmetics, wellness and other types of products (see risk factor "*Risks relating to competition*"). Therefore, the Group must ensure that the business opportunities and compensation arrangements are attractive and in line with market levels and applicable legal requirements (see risk factor "*Pension risk of sales partners*"). If the Company is unsuccessful in the recruitment and retention of sales partners or is unable to compete effectively, the size and quality of the Sales Force could decline which would have an adverse effect on the Group's operations, financial position and earnings.

Whereas the Group must ensure that the compensation arrangements for its Sales Force is competitive, the business model employed during recent years has proven unsustainable and has had a material negative effect on the financial position of the Group. The Group's bonus cost ratio has increased materially from 37.6 per cent. in the financial year 2022 to 41.3 per cent. in LTM Sep25, representing a structural deterioration in the Group's cost base that has been a primary driver of the decline in EBITDA margins over the same period. This increase is attributable to a redesign of the career plan that introduced fixed rank-based bonus payments and additional qualification point campaigns, which accelerated sales partners' progression up the career ladder and resulted in higher fixed bonus payouts without a corresponding increase in sales revenues to offset the additional costs. In particular, the fixed nature of rank-based bonus components has given rise to a so-called "lean-back effect", whereby sales partners, upon attaining a certain rank and the associated fixed bonus entitlement, have reduced incentive to maintain or increase their sales activity, thereby generating bonus obligations for the Group that are not commensurate with the level of sales performance achieved.

The Group's business plan contemplates a reduction in the bonus cost ratio to approximately 40.1 per cent, in the financial year 2028 through adjustments to the career plan, including raising career thresholds, reducing point value campaigns and modifying the business track programme. There can be no assurance that these measures will be implemented successfully or will achieve the targeted reduction in the bonus cost ratio within the anticipated timeframe. Any failure to reduce the bonus cost ratio as planned, or any further increase in the bonus cost ratio, would have a direct adverse effect on the Group's EBITDA and operating cash flow, and would reduce the Group's ability to service its financial indebtedness and maintain adequate liquidity levels. Given that the elevated bonus cost ratio was a contributing factor to the covenant breach under the Terms and Conditions in respect of the Relevant Period ending 30 September 2025, a continuation or worsening of this trend could materially impair the Group's financial position and its ability to implement the Restructuring Transaction. The acute liquidity pressure arising from the elevated bonus cost ratio is further evidenced by the fact that the Issuer was required to incur additional debt under a new super senior bridge facility in order to finance bonus payments to the Sales Force falling due in March and April 2026, underscoring the Group's limited financial headroom and its dependence on external financing to meet recurring operational obligations.

The Group's Sales Force has declined by approximately 69,000 partners since the financial year 2022 to approximately 222,000 as per year-end 2025, representing a structural deterioration that has affected both recently recruited and longer-standing partners. This decline has been materially driven by the aforementioned redesign of the career plan. The age profile of newly recruited sales partners has also shifted materially over the same period, with recruits aged 18-29 declining significantly since the financial year 2022 and the proportion of recruits aged 60 and above increasing, which poses a risk to the long-term renewal and growth capacity of the Sales Force. Furthermore, the Group's strategic focus on higher-value product sets, while supporting average order value, has itself contributed to Sales Force attrition by raising entry barriers for prospective partners, creating a risk that measures intended to offset declining partner numbers may simultaneously exacerbate that decline. The Company accordingly assesses the probability of further loss of sales partners, including long-standing partners, to be medium to high. The Group has initiated remedial measures, including adjustments to the career plan and new recruitment initiatives; however, there can be no assurance that such measures will stabilise or reverse the downward trend in the Sales Force within the timeframe assumed in the business plan. Any continuation or acceleration of the decline in the Sales Force would have a direct adverse effect on the Group's revenues, EBITDA and operating cash flow, and would reduce the Group's ability to service its financial indebtedness, maintain adequate liquidity and implement the Restructuring Transaction.

Further, the majority of the Sales Force show consumer behaviour, e.g. by purchasing the Group's products for their own consumption, without recruiting new sales partners or reselling such products. The sales partners are independent contractors who either purchase products directly from the Group to sell and deliver them directly to their customers or keep them for personal use. Inventory loading of sales partners is forbidden. However, there is a risk that some sales partners engage in inventory loading in violation of the partner agreements, which could have an adverse effect on the perception of the Group's business model (see risk factor "*Risks relating to regulation*").

The Company assesses the probability of the aforementioned risks to be medium. If the risk were to occur, the Company considers the potential negative impact to be high.

Risks relating to manufacturing facilities, supply chain, sales companies and sanctions

Approximately 50 per cent. of the Group's turnover is attributable to products manufactured and packaged in the Company's production facilities in Ahlen, Germany. The remaining products are supplied from third-party manufacturers. Significant unscheduled downtime at the Group's manufacturing facilities, or at the facilities of the Group's third-party manufacturers, due to equipment breakdowns, power failures, natural disasters, pandemics, insolvency, wars and conflicts or any other causes, could adversely affect the Group's ability to meet delivery requirements, in whole or in part, on time, or at all, potentially leading to loss of partners and end consumers, and accordingly have a significant impact on its operations, financial position and earnings. The Company assesses the probability of the occurrence of the abovementioned external supply chain and manufacturing disruption risks to be medium to high. If the risks were to occur, the Company considers the potential negative impact to be high.

If the Group experiences any material shortages or delay in delivery of packaging materials, its ability to package and deliver finished goods to its points of sale may be adversely affected, and the Group's reputation and sales may suffer material damage. Further, the loss of multiple suppliers or a significant disruption or interruption in the supply chain (including with respect to the manufacturing facility in Ahlen and especially in regards to raw materials such as Aloe Vera and colostrum) could have a material adverse effect on the manufacturing and packaging of the Group's products.

The supply chain risk has been increased further by the war between Russia and Ukraine ("**Russia-Ukraine War**"), which is ongoing since February 2022. Directly or indirectly, the Russia-Ukraine War, related sanctions and countersanctions as well as the termination or phasing out of trade and business relationships in various industries have led and may continue to lead to disruptions in supply chains, a significant surge in energy prices, price inflation that entails higher prices for raw materials and logistics services in general. As of the date of these risk factors, the Group has also been affected by adverse changes to exchange rates affecting the Russian Ruble

and by having to close down the Group's Ukrainian operations during a period due to safety reasons. In addition, changing climate conditions may have an impact on the cultivation of certain raw materials and on global logistics and transport costs. Although the Group produces a large amount at its own plant in Ahlen and does not consider itself to have an energy-intensive production, the Group may still face higher production and freight costs, which could lead to a reduced profitability and higher sales prices. There is a risk that the Group will not be able to pass on the price increases to its customers, in which case it may have a negative impact on sales volumes and margins.

It is likely that the current restrictions and the other negative effects from the Russia-Ukraine War described above will remain in place for some time and it cannot be ruled out that additional sanctions and restrictions will be introduced in the future or that the other negative effects from the Russia-Ukraine War will intensify. Therefore, the Company assesses the probability of the occurrence of the abovementioned risk to be high. If the risks were to materialise, the Company considers the potential negative impact to be medium to high.

In addition, the Group is currently represented by sales companies (*Vertriebsgesellschaften*) in both Ukraine and Russia, with the Russian company also being responsible for the Kazakhstan market. In aggregate, both companies contributed a total of approximately 19 per cent. to the Group's total revenues in the 2025 financial year, with Russia alone accounting for approximately EUR 43.8 million of the Group's total revenues of EUR 277.1 million in that year. The direct and indirect implications of the Russia-Ukraine War present a considerable risk to the further development of business in both countries. Since February 2022, a series of sanctions packages have been adopted on various goods and services, such as the import/export of goods. The currently applicable sanctions have been affecting LR (in particular certain subsidiaries), mainly in terms of an increased regulatory burden, and may affect the Group to a greater extent in the future. Under the current sanctions, the provision of certain services, the use of certain software and the provision of financing is subject to approval by competent authorities. This includes, but is not limited to, auditing, accounting and advisory services, market research and advertising, as well as the provision of certain software and financing.

Furthermore, and in addition to previously observed Suez Canal disruptions, any sustained insecurity in the Red Sea/Bab al-Mandeb corridor or a material restriction of the Strait of Hormuz could necessitate rerouting via the Cape of Good Hope, materially increasing transit times and freight and insurance costs. These factors could cause stock-outs, trapped inventory in transit and higher input costs that may not be fully recoverable through price increases, thereby compressing margins and straining working capital.

LR is continuously reviewing its processes and dealings towards the Russian subsidiary in order to investigate and assess to which extent services, software and financing support is rendered to its Russian subsidiary and which processes need to be adopted (e.g. by stopping the services). If the Russian subsidiary were required to source the sanctioned services, software and financing independently from LR this may increase the costs for such services and software which in turn might have an adverse effect on the profitability of the Russian subsidiary and the operations run by the Russian subsidiary. If the Russian subsidiary were unable to source sanctioned services, software and financing independently and an authorisation to have them provided by LR cannot be obtained in time, this could restrict the Russian subsidiary's ability to operate or even lead to its termination. It cannot be ruled out that the abovementioned risks will further increase and ultimately lead to a termination of the Group's business in these markets or that similar risks will arise in the future in Ukraine's direct neighbour countries.

The Company is unable to predict what course the Russia-Ukraine War will take and what further impact it will have on the global economy. If the Russia-Ukraine War (including its direct and indirect implications on the global economy) continues for a longer period of time or is extended or intensified, requiring the termination of operations in the affected countries, further disruption to supply chains or further increases in energy costs, the Company considers the potential negative impact on the Group to be medium to high. The materialisation of any of the abovementioned risks could have an adverse effect on the Group's operations, financial position and earnings.

Risks relating to operational inefficiencies

The Group has experienced material operational inefficiencies within its internal manufacturing and logistics operations that have adversely affected, and may continue to adversely affect, its financial performance. Beauty production and filling lines at the Group's manufacturing facilities in Ahlen, Germany operate at consistently low utilisation rates of approximately 25 per cent. to 40 per cent. of available machine and personnel hours, reflecting significant excess capacity and high manual involvement in production processes. These inefficiencies contribute directly to an elevated cost base and represent a material component of the EBITDA shortfall relative to the Group's peer group.

Further, the Group's operational functions, including production and logistics, currently lack adequate key performance indicators and systematic oversight tools, which limits transparency and hinders effective planning, control and resource utilisation across those operations. Furthermore, the Group's organisational structure is characterised by unclear and overlapping roles and responsibilities across departments, with insufficient process automation and a lack of standardised workflows, which increases the risk of human error, operational disruption and failure to detect non-compliance in a timely manner.

In addition, the Group recently introduced a new Logistics 4.0 warehouse concept intended to improve operational efficiency through automation and process optimisation. However, results following the transition have been unfavourable. Average shipments per day per full-time equivalent employee declined significantly following the move away from the prior logistics model, and actual full-time equivalent headcount in the picking and warehouse functions has consistently exceeded planned levels, with productivity per worker declining notwithstanding increased headcount. The transition has required the engagement of additional temporary workers, the costs of which are recorded as other operating expenses, without generating commensurate output gains. There can be no assurance that the efficiency improvements anticipated from the Logistics 4.0 concept will be realised within the timeframe or to the extent assumed in the Group's business plan.

The Group's business plan and the restructuring opinion prepared by EY-Parthenon in accordance with IDW S6 incorporate a programme of operational restructuring measures, including targeted initiatives in respect of sales push, bonus plan changes, logistics optimisation, production insourcing, headcount rationalisation and procurement savings, which are projected to deliver an aggregate EBITDA improvement of approximately EUR 18.8 million by the financial year 2028. A material portion of these projected savings is dependent upon the successful implementation of measures that are at an early stage of development or have not yet commenced implementation. There can be no assurance that these operational measures will be implemented on the anticipated timeline, at the anticipated cost or with the anticipated effect. Any failure to implement such measures, or any delay or shortfall in the realisation of the projected savings, would reduce the Group's EBITDA and operating cash flow relative to the business plan, impair the Group's ability to service its financial indebtedness and maintain adequate liquidity, and could adversely affect the basis upon which the positive restructuring opinion has been issued.

Risks relating to consumer preferences and industry trends

The Group operates in a market characterised by a constant change in consumer trends. In order to keep up with such trends, meet the needs of customers and to differentiate from potential competitors, new products and services must continually be developed and existing products and services improved. Further business development and the success of the business model are based on private demand and the competitiveness of the overall offer (product and business opportunities) on the market. The rapid and continuous emergence of new distribution channels, particularly in e-commerce, may create consumer price deflation, affecting the Company's customer relationships and presenting additional challenges to increasing prices in response to commodity and other cost increases. Furthermore, the cosmetics and wellness industry is characterised by rapid and frequent changes in demand for products and new product introductions and enhancements. Consumers choose to purchase cosmetics and wellness products based on numerous factors, including brand recognition, product quality and price and the extent to which they are educated on product benefits. In addition, consumers are increasingly focused on product ingredients from a health, safety, environmental and social impact (including human rights and diversity). A key driver of future growth is the country- and language-oriented optimisation of the Group's

product offering and the Company's future competitive position depends on the ability to adapt to changing customer preferences and to meet existing and future market needs. Failure to appropriately respond to changing consumer preferences and demand for new products or product enhancements could significantly harm the Company's relationships with sales partners and customers as well as product sales and thereby have an adverse effect on the Group's operations, financial position and earnings.

A growing share of the Group's revenues and profitability is attributable to its operations in Central Eastern Europe and Russia, whilst its operations in Western Europe, including its domestic market in Germany, have experienced sustained underperformance relative to both the Group's other operating regions and the broader industry in which the Group operates. This divergence reflects structural headwinds in the Group's Western European markets, including declining consumer confidence, adverse demographic trends in the sales partner base and intensifying competitive pressure, which have contributed to a rate of revenue decline in Western Europe that materially exceeds the general market trend in the relevant product categories. There can be no assurance that the Group will be able to reverse or arrest this underperformance in Western Europe, and any continuation or acceleration of such trends could have a material adverse effect on the Group's operations, financial position and earnings.

Furthermore, whilst the Group's Central Eastern European operations have demonstrated stronger revenue growth relative to Western European markets in recent periods, the operational cost structure in that region is materially more intensive, requiring greater local warehousing infrastructure, higher headcount and more complex logistics arrangements given that a lower proportion of goods are shipped directly from the Group's central facilities in Germany. As a consequence, the revenue growth generated in Central Eastern Europe does not translate proportionally into EBITDA improvement at the Group level. There can be no assurance that the Group will be able to improve the margin profile of its Central Eastern European operations, and any failure to do so could have an adverse effect on the Group's operations, financial position and earnings.

The Company assesses the probability that consumers will change their preferences to be high. However, the probability that the Group would fail to appropriately respond to such change in preferences is assessed to be medium. If the risk were to occur, the Company considers the potential negative impact to be medium to high.

Risks relating to trade name, brand recognition and adverse publicity

The Group's success depends to a certain extent upon brand recognition and the goodwill associated with the Company's trademarks and trade names. Reliance on the Group's brands makes the Group vulnerable to brand damage in a variety of ways. For example, the Group could become a victim of a product safety or other compliance issues, product tampering or contamination or brand dilution. Damage to the Group's brands could result in the loss of revenue associated with the affected brands and higher costs to address these circumstances, including those associated with any product recall events that may occur. The number of customers, sales partners and the results of the Group's operations may be significantly affected by the public's perception of the Group and similar companies. The Group's sales partners' and customers' perception of the safety and quality of the Group's products and ingredients as well as similar products and ingredients distributed by other companies can be significantly influenced by media attention, publicized scientific research or findings, widespread product liability claims and other publicity concerning the Group's products or ingredients or similar products or ingredients distributed by other companies, including sustainability aspects such as environmental impact or failure to respect human rights or social standards. The Group's ability to attract sales partners and to sustain and enhance sales through sales partners can be affected by adverse publicity or negative public perception of the Group's industry, the Group's competitors or the industry generally. Negative public perception may include negative publicity regarding the sales structure of significant network marketing companies and negative perception of the business practices or products of the Group's competitors or other direct selling or network marketing companies.

There is also a risk that the Group's presence in Russia could render negative publicity for the Group in light of the ongoing Russia-Ukraine War, which in turn could result in a negative public perception of the Group (see risk factor "*Risks relating to manufacturing facilities, supply chain, sales companies and sanctions*"). The Group's

success in maintaining, extending and expanding its brand image depends, in part, on its ability to adapt to a rapidly changing media environment. The growing use of social and digital media increases the speed and to which extent that information, including misinformation, and opinions can be shared. Negative posts or comments about the Group, its brands or suppliers and, in some cases, its competitors, on social or digital media, could lead (and did already lead, as past cases showed) to controversial discussions about the Group's distribution model, allegations about its own, or its sales partners', behaviour and, whether or not valid, could thus significantly damage the Group's brands and reputation. Furthermore, the Group may fail to invest sufficiently in maintaining, extending and expanding its brand image. If the Group does not successfully maintain, extend and expand its reputation or its brand image this could have an adverse effect on the Group's operations, financial position and earnings.

The Group owns certain trademarks and trade name rights used in connection with the marketing and sale of its products. Nonetheless, the Group is, from time to time, subject to litigation or other proceeding relating to the defence of the Group's intellectual property rights, the costs of which (even if resolved in the Group's favour) could be substantial. Any adverse judgments with respect to such intellectual property rights could also negatively impact the Group's business and ability to compete. In addition, the laws of certain countries may provide significantly less protection for intellectual property rights than the laws of the member states of the European Union, which may increase the likelihood of third parties infringing the Group's proprietary or licensed intellectual property rights, which may dilute the brand value in the relevant marketplace.

In addition, the Group's current financial distress, the existence of multiple Events of Default under the Terms and Conditions and the ongoing Restructuring Transaction led to adverse publicity and partly negative perception among the Group's stakeholders and, in particular, its Sales Force, which could further impair the Group's ability to retain and recruit sales partners and maintain customer relationships, thereby adversely affecting the Group's revenues and financial position.

The Company assesses the probability of the occurrence of the abovementioned risk to be high. If the risk were to occur, the Company considers the potential negative impact to be medium to high.

Risks relating to competition

The business environment in which the Group operates is competitive, sensitive to the introduction of new products and characterised by constant changes in customer needs and entries of potential competitors.

The Group competes against cosmetics manufacturers that sell their products through retail channels, direct sales, online and mail order. Many of the Group's competitors are large multinational companies that have significantly greater resources than the Group and with products that in certain markets benefit from significantly greater brand name recognition and consumer loyalty than the Group's products. There is further a risk that such competitors could use their relative financial superiority to engage in price pressure competition activities, carry out concentrated marketing schemes directed to the Group's target markets and that they would solicit and take over the Group's sales force, all of which would have an adverse effect on the Group's sales and cash flow. In addition, the Group's present and future competitors may be able to develop products that are comparable or superior in quality to those offered by the Company. This could cause the Group's sales or margins to decrease in these markets.

Although the industry in which the Group operates is not capital intensive or otherwise subject to high financial barriers of entry which may increase the likelihood of new entries, the main barrier to entry is the difficulty in building a proprietary sales force. Although, contrary to a company distributing its products via retail channels, there is no direct competition between different products, brands and offerings, when the consumer is making its decision to buy a product of the Group, the abovementioned risk factors could nonetheless have an effect on consumers' choice of product across different offerings and result in increased competition which may have an adverse effect on the pricing of the Group's products as well as its sales volumes, thereby affecting its profitability and/or revenues.

The Company assesses the probability of the occurrence of new entries of competitors on the market to be medium to high. If the risk were to materialise, the Company considers the potential negative impact to be low to medium.

Risks relating to information technology systems

A majority of sales partners' and customers' orders are placed online through the Group's IT-platform and the Group is dependent on information systems to retain sales and efficiently communicate with sales partners and to obtain information on customer behaviour and sales patterns on different markets. Further, the Group conducts direct sales to end consumers through its webpage. Any significant unscheduled downtime of the Group's IT-systems, including ERP (Enterprise Resource Planning) system, as a result of system failures, data viruses, denial-of-service attacks or other causes could adversely affect the Group's operations, financial position and earnings. In recent years, an increase in attacks on IT-systems was generally observed in Germany. As these attacks were mainly focused on companies operating in the critical infrastructure sector, the Company assesses the probability of the occurrence of the abovementioned risk to be medium. If the risk were to materialise, the Company considers the potential negative impact to be high. In addition to the risks of unscheduled downtime described above, the Group's existing enterprise resource planning system and broader IT infrastructure are approaching end-of-life and require material improvement in the near to mid-term in order to maintain operational security and regulatory compliance. The implementation of an updated ERP system and a new eShop platform represents a significant programme of investment and execution risk, particularly given that such implementation is being undertaken partly concurrently with the financial restructuring of the Group. There can be no assurance that the ERP programme or the eShop development will be completed within the timeframes, budgets or specifications assumed in the Group's business plan, and any delay, cost overrun or technical failure in connection with such programmes could result in material additional costs, operational disruption and a reduction in the Group's EBITDA and liquidity relative to the business plan. Moreover, the ERP and eShop transition increases the Group's cyber-risk surface as a ransomware or cyber-extortion incident during migration could interrupt order intake, warehousing or payment processing while triggering data-protection liabilities and incident-response costs, leading to extended business interruption and heightened liquidity pressure.

Furthermore, the continued operation of legacy IT systems in the interim period constrains the Group's ability to optimise its commercial operations, including sales partner management, order processing and data-driven decision-making, thereby limiting the Group's capacity to implement certain of the operational restructuring measures assumed in the business plan and the restructuring opinion prepared by EY-Parthenon in accordance with IDW S6.

The Company assesses the probability of the occurrence of the abovementioned risks relating to ERP programme, legacy system constraints and the IT investment programme to be medium. If such risks were to occur, the Company considers the potential negative impact to be medium to high.

Risk relating to goodwill impairment and its effect on the equity ratio condition underpinning the restructuring opinion

Goodwill constitutes the single most significant asset on the Group's consolidated balance sheet, amounting to EUR 90.9 million as of 31 December 2025 and representing the substantial majority of the Group's total long-term assets. This goodwill arose from the purchase price allocation conducted in connection with the acquisition of the Group in 2013 and has been subject to a EUR 30 million write-down recorded in 2018, and a further EUR 10.7 million impairment recorded as of 31 December 2025, with the aforementioned carrying value of EUR 90.9 million reflecting the amount after such impairments. The carrying value of goodwill is required to be tested for impairment at least annually, with the recoverable amount determined on the basis of value-in-use calculations that are directly dependent upon the Group's projected EBITDA and future cash flows as reflected in the integrated business plan.

The value-in-use of the goodwill is materially sensitive to the Group's EBITDA performance. A goodwill impairment ranging from EUR 0.9 –29.6 million has been assumed in the restructuring opinion prepared by EY-Parthenon in accordance with IDW S6; however, in the event that the Group's operating performance deteriorates

beyond the assumptions reflected therein, whether arising from failure to implement the operational restructuring measures, adverse macroeconomic conditions, a further decline in the sales force or an increase in the bonus cost ratio, the resulting goodwill impairment charge could be materially higher than assumed. Any such additional impairment would reduce the Group's book equity and equity ratio, which are key indicators of the Group's financial resilience and its capacity to restore sustainable competitiveness. A material deterioration in the Group's equity position could adversely affect its ability to access financing on acceptable terms, constrain its operational flexibility and undermine the financial foundations upon which the Group's recovery is premised. Accordingly, any material deviation from the assumptions and projections in respect of goodwill impairment, or otherwise, could have a material adverse effect on the viability of the Group's turnaround of its operations and, consequently, on the Company's ability to fulfil its obligations under the Bonds.

The Company assesses the probability of the goodwill impairment exceeding management's assumptions to be high. If the risk were to occur, the Company considers the potential negative impact to be high.

Risks relating to dependence on key personnel

The Group's organisation is built around a number of individuals with many years of experience within the direct selling industry, product development, financing and marketing. The loss of any of the Group's key employees could hamper the Group's operations and have an adverse effect on its operations. To a large extent, the Group's operations will be dependent on the Group's ability to attract and retain highly qualified management personnel, as well as personnel with expertise in sales and the Group faces competition for personnel from other companies (see risk factors "Risks relating to sales partners" and "Risks relating to competition"). If the Group is unsuccessful in its recruitment and retention efforts it could have an adverse effect on the Group's operations, financial position and earnings. Furthermore, the Group has identified certain leadership positions within its organisational structure as requiring replacement or augmentation, including the absence of a chief financial officer, a position identified as necessary to drive working capital optimisation, financial transparency and liquidity management during the restructuring period, and other positions at the senior management level. There can be no assurance that suitable replacements will be identified and retained in a timely manner or at all; any delay or failure in filling such positions, or any disruption arising from leadership transitions during the ongoing restructuring of the Group, could have a material adverse effect on the Group's operations, financial position and earnings.

The Company assesses the probability of the occurrence of the abovementioned risk to be medium. If the risk were to occur, the Company considers the potential negative impact to be medium.

Legal and regulatory risks

Risks relating to regulation

The Group currently operates in 32 countries, each of which employs different rules and regulations with respect to e.g. marketing and quality standards for cosmetics and food safety which affects the Group. Notably, the Group's products are simultaneously subject to both cosmetics regulation and food supplement regulation across the jurisdictions in which the Group operates, creating a compounded compliance burden as the Group must adhere to the distinct and overlapping requirements of both regulatory frameworks in each such jurisdiction. Failure to comply with such rules and regulations as well as regulatory changes or changes in the law may result in existing or future licences and authorisations to operate to be withdrawn or not granted in the future. In case of non-compliance, the Group may be subject to significant fines, penalties or claims which may significantly affect the Group's ability to conduct its business. Further, the Group is subject to the risk that the Group's direct sales business model is viewed by a competent authority to have the characteristics of an illegal "pyramid" scheme and as a result be banned or severely restricted, in one or more jurisdictions or the EU as a whole. In particular, the Company considers that there is a risk that the Group's so-called lifestyle marketing strategy may be challenged or misinterpreted by competent authorities on the aforementioned basis. Since the vast majority of the countries where the Group operates as of today are members of the European Union, the Group is also subject to the risk that any change in e.g. harmonized consumer protection legislation or otherwise would affect the Group negatively

on all such markets. Further, the Group is from time to time party to disputes, regulatory proceedings and tax audits (see risk factors “*Tax risks*” and “*Claims relating to tax or other litigation*” and “*Pension risk of sales partners*”) which could have a material adverse effect on the Group. For example, previously there existed a behaviour in the Group to require sales partners not to sell products below the recommended retail prices. The Group’s business model is continuously under review and from time to time amended by the Group in an effort to ensure compliance with regulatory requirements. However, the materialisation of such risks could adversely affect the Group’s ability to conduct business in a particular market or in general and may adversely affect its overall business.

Other regulatory factors that could have an adverse effect on the Group are, but are not limited to:

- the imposition of legal, tax or financial burdens on the Group or its sales partners (including those associated with sustainability-related regulation; see also risk factor “*Risks relating to sustainability-related regulation*”);
- a challenge to the status of the sales partners as independent contractors rather than employees or a change in employment laws or regulation, or social security regulations regarding independent contractors (see risk factor “*Pension risk of sales partners*”);
- trade protection measures and import or export licensing;
- sanctions imposed as a result of the Russia-Ukraine War (see risk factor “*Risks relating to manufacturing facilities, supply chain, sales companies and sanctions*”);
- the requirements of the EU Packaging and Packaging Waste Regulation and the EU Deforestation Regulation, each of which may require changes to the Group’s packaging materials, product formulations or supply chain arrangements, including in respect of natural ingredients such as Aloe Vera; and
- unexpected changes in laws, regulations and administrative actions or changes in regard to policies with which the Group or its suppliers must comply.

As regards foods containing cannabis and/or several applications as Novel Food are pending for assessment by the European Food Safety Authority (EFSA). As the Group has launched a food supplement containing THC-free cannabis in Germany and Austria, there is a risk that the ingredient used might be classified as novel. Given the limited sales of such products, the Company considers the negative impact of the materialisation of the aforementioned risk to currently be low. However, if the sales were to increase, the negative impact could increase. The EU Commission is in the process of establishing maximum levels for several vitamins and minerals used in food and food supplements, LR is closely following these developments.

In addition, the Group is subject to increasing regulatory scrutiny in respect of environmental and sustainability-related claims made in connection with the marketing of its products, and any failure to ensure compliance with applicable green claims requirements across the jurisdictions in which the Group operates could expose the Group to regulatory action, reputational damage and loss of sales.

If the Group fails to address these risks, it could have an adverse effect on the Group’s operations, financial position and earnings due to loss of sales of some or all of the related products or even imposed penalties.

The Company assesses the probability of the occurrence of the abovementioned risk to be medium. If the risk were to occur, the Company considers the potential negative impact to be medium to high.

Pension risk of sales partners

The Group relies on its sales partners as an essential part of its business (see risk factor “*Risks relating to sales partners*”). German sales partners of the Company are independent contractors and therefore self-employed under German law. As a result, the Group is generally not liable for the social security contributions of these sales partners.

Sales partners may – as they have been in the past, e.g. in two cases known by the Group in 2011 and 2012 – from time to time be subject to an investigation of the German pension insurance (*Deutsche Rentenversicherung*, “DRV”) regarding whether they are required to make pension contributions, in particular where they work mainly for one client and are economically dependent. While historically the DRV classified sales partners as self-employed without requiring pension contributions, in recent cases, the DRV has determined that certain of the Group’s sales partners are subject to pension contributions, including retroactive obligations for past years, with some cases currently under appeal or pending court proceedings.

If the DRV concludes that a sales partner must make pension contributions, the Group may be obliged to pay the corresponding employer contribution (including for past periods). This would also reduce the net income of the affected sales partners and may affect the attractiveness of the business model of the Group, potentially leading to a risk of losing sales partners. This would have a material adverse effect on the Group’s business, financial position and results of operations.

A comparable risk may arise if a general pension obligation were to be introduced for the self-employed, which has been discussed in various coalitions in Germany for several years but has not yet materialised.

The Company assesses the probability of the occurrence of the abovementioned risk to be medium. If the risk were to occur, the Company considers the potential negative impact to be medium to high.

Furthermore, there is a broader risk that sales partners or other independent contractors could be reclassified as employees on the basis of false self-employment (*Scheinselbständigkeit*) under German law. If such reclassification were to occur, the Group could become obliged to make full social security contributions, including health insurance, care insurance, unemployment insurance and pension insurance, and may also be subject to minimum wage obligations (*Mindestlohn*), sick pay (*Lohnfortzahlung im Krankheitsfall*), protection against dismissal (*Kündigungsschutz*) and other employee-related legal obligations. Such a reclassification could have a material adverse effect on the Group’s business, financial position and results of operations.

While there are cases in which independent contractors were classified as employees because the respective parties deviated from the contractual stipulations, the Company considers this risk to be low. The reason for this is, amongst others, that the sales partners are not dependent on instructions from the Company (*Weisungsabhängig*) and are free in the way they plan and operate, which is in line with the independent status of independent contractors. However, if the risk were to materialise, the Company considers the potential negative impact to be high.

Risks relating to product liability

The Group could – as it already was in the past – be exposed to product liability or recall claims in the event that the use of its products results in, or is alleged to result in or have a likelihood of resulting in, bodily injury such as allergies, eczema or similar medical conditions. The Group has no control over the actual use to which the products are put, and the end consumer may use products inappropriately or in a manner that may lead to personal injury. There is a risk that any deficiencies in the products or the inappropriate use thereof may lead to product liability claims that result in reputational damage and require the Group to make significant cash payments. Hence, in the event a claim is successfully brought against the Group, it may result in an adverse effect on the Group’s operating results and customer relations. Any product claim, whether or not successful, could also increase the Group’s insurance premiums or negatively affect its reputation, resulting in a loss of customers or business. In addition, the Group’s products may be rendered unfit for human use due to contamination of ingredients or due to illegal tampering. The occurrence of such problems may result in product recalls, which would cause serious damage to the Group’s reputation and brand, as well as loss of revenue. In addition, adverse publicity about these types of concerns relating to the Group’s brand or to the industry as a whole, whether or not legitimate, may discourage consumers from purchasing the Group’s products (see risk factor “*Risks relating to trade name, brand recognition and adverse publicity*”). If any of the risks would materialise, it could have an adverse effect on the Group’s operations, financial position and earnings.

The Company assesses the probability of the occurrence of the abovementioned risk to be low to medium. If the risk were to occur, the Company considers the potential negative impact to be high.

Tax risks

The Group's international operations are conducted through a number of subsidiaries in various countries and accordingly the Group is exposed to risks in relation to transfer pricing. The Group is also subject to the risk that in some countries tax authorities will challenge the tax-deductibility of the Group's international bonus programme. The tax and transfer pricing strategies utilized by the Group are based on interpretations of current tax laws, treaties and regulations of the various countries involved and the requirements of the relevant tax authorities. Further, the Group regularly obtains advice in this regard from independent tax professionals. In the event that the Group's interpretation of these laws, treaties and regulations or their applicability is incorrect, if one or more governmental authorities successfully assert conflicting claims over the ability to tax profits in the respective subsidiary or the Group or if the applicable laws, treaties, regulations or governmental interpretations thereof or administrative practice in relation thereto change, including with retroactive effect, the Group's effective tax rate could increase and could adversely affect the Group's financial position and earnings. Further, the Group is from time to time subject to tax audits. For example, the cost-deductibility of bonuses was challenged in Greece for the tax period 2010 and 2011. The audit was conducted and the local tax authorities approved the deductibility of all bonuses as costs for the period in question. The outcome of any future tax audits could, however, if an adverse ruling was received, have an adverse effect on the Group's financial position and earnings.

The Restructuring Transaction has, as of the date hereof, not been fully analysed from a tax perspective. The tax consequences of the Restructuring Transaction, including in particular the proposed reduction of the nominal amount of the Bonds (including a debt hive-up in the amount of €27.5m), the deferral of interest payments, the capital injection by the shareholder and the prolongation of the bond, may give rise to material and currently unquantified tax liabilities for the Group in one or more jurisdictions. For example, A subsidiary of the Company owns real estate located in Germany (herein the "**Ahlen Property**"). Hence, the transfer of 100% of the shares in the Issuer from Aloco to LuxCo (as contemplated by the Restructuring Transaction) will be seen as a German RETT triggering event in the sense of the German RETT act. The bond restructuring steps are structured in a way that RETT will be triggered once but are not expected to trigger RETT twice. Further, the cancellation or reduction of debt obligations may, under applicable tax laws in certain jurisdictions, be treated as taxable income in the hands of the relevant Group company, which could result in a significant current tax charge that would adversely affect the Group's liquidity and financial position at a time when the Group's liquidity is already severely constrained. There can be no assurance that the tax treatment of the Restructuring Transaction as assumed by management will be accepted by the relevant tax authorities, or that the tax consequences will not be materially more adverse than currently anticipated. Any such adverse tax consequences could have a material adverse effect on the Group's operations, financial position and earnings.

Risks relating to data protection

The Group collects, uses, transmits and stores personal data on information technology systems in the conduct of its business, in relation to its extensive partner and customer base, covering hundreds of thousands of individuals globally. Particularly within the European Union, data protection legislation is comprehensive and complex with a trend towards a more stringent enforcement of requirements regarding protection and confidentiality of personal data. Further, the various data protection authorities in the member states of the European Union may interpret the applicable legislation differently and data protection legislation is a dynamic field of law where applicable guidelines and previous precedents are often revised, sometimes with limited, if any, regard to legacy equipment or systems in use, all of which increase said complexity. In addition, a potential attack on the Group's IT systems could result in the loss of personal data (see risk factor "*Risks relating to information technology systems*"). Failure or partial failure to comply with data protection rules and regulations across the European Union could result in substantial fines of up to the higher of EUR 20 million and 4 per cent. of the Group's global annual turnover. Further, unauthorised access to information stored by the Group or by a third party on behalf of the Group, intentionally or accidentally, including failure to detect such access or to notify data subjects in a timely manner,

may cause damage to the Group's reputation as a trusted partner, constitute a breach of administrative and criminal law and could entail that the affected persons are eligible for compensation for damages from the Group. In addition, the Group processes and transmits personal data in and to countries outside of the European Union which entails an increased legislative complexity and risk exposure, especially in the light of the European Court of Justice's ruling in the so-called Schrems II-case regarding transfer of personal data to third countries.

The Company assesses the probability of the occurrence of the abovementioned risks to be medium. If the risks were to occur, the Company considers the potential negative impact to be medium to high.

Risks relating to internal control

Given the Group's approximately 1,000 employees and a Sales Force of approximately 222,000 individuals, it is difficult to directly control and monitor behaviour and sales practices. The Group's operational functions currently suffer from inadequate performance monitoring, unclear organisational responsibilities, and insufficient process automation. As a result, there is a risk that the Group's existing compliance processes and internal control systems may not be sufficient to prevent or detect all inappropriate practices, fraud, mistakes or violations of law by the Group's employees, contractors, agents, officers or any other persons who conduct business with or on behalf of the Group. The Group may in the future discover instances in which the Group has failed to comply with applicable laws and regulations or its internal controls and policies. Furthermore, human error could result in an interruption of the Group's operations if the Group's internal compliance systems do not detect such errors. If any of the Group's employees, contractors, sales partners, agents, officers or other persons with whom the Group conducts business engage in fraudulent, corrupt or other improper or unethical business practices or otherwise violate applicable laws, regulations or the Group's internal compliance systems, the Group's operations could be impaired and the Group could become subject to one or more enforcement actions by relevant authorities or otherwise be found to be in violation of such laws, which may result in penalties, fines and sanctions and in turn adversely affect the Group's reputation, business, financial condition and results of operations.

The Company assesses the probability of the occurrence of the abovementioned risks to be low to medium. If the risks were to occur, the Company considers the potential negative impact to be medium to high.

Risks relating to insurance issues

The Company utilises an external insurance broker in relation to the insurance coverage of the Group and potential adjustment requirements. The Group's insurance package covers *inter alia* business liability, business interruption, directors & officers (D&O) as well as accident insurance for Group employees. There is a risk that the Group's current insurance coverage does not cover all potential losses, regardless of the cause. Further, the scope of coverage that the Group can obtain may be limited, as may its ability to obtain coverage at reasonable rates. With respect to losses for which the Group is covered by its insurance policies, it may be difficult and/or time consuming to recover such losses from the insurers. In addition, the Group may not be able to recover the full amount from the insurer. The inability to recover all, or a large part, of any insured losses, or significant increases in premium, would be likely to result in unexpected costs and therefore reduced profitability for the Group.

The Company assesses the probability of the occurrence of the abovementioned risks to be low. If the risks were to occur, the Company considers the potential negative impact to be medium.

Claims relating to tax or other litigation

Germany – LR Global Holding GmbH filed several tax appeals

The oldest was lodged against the CIT and TT assessment notices for FY13 dated 6 June 2019 regarding the disputed treatment of arrangement fees from refinancing regarding the German interest barrier rule. Previously, tax authorities classified arrangement fees as interest expenses, thereby subjecting them to the limitations outlined by the interest barrier rule. However, the upper court decided on a similar case in 2023 that arrangement fees can be deducted without limitations. As the court decision was published in the federal gazette, the fiscal authorities finally stated early in 2026 that they intend to agree to the appeal. They also agreed to the deduction of some

minor amounts of commitment interest according to a pending dispute for the years 2016 and 2017. The company did not set up an accrual for suspended taxes. However, they had to deposit 50% of the CIT amount (which is EUR 471,067) as security on a separate bank account so that they will have additional cash at their disposal once fiscal authorities resolve this issue in favor of the company. In the unlikely case, that the company should be unsuccessful, taxes and interest on taxes (calculated as of March 31, 2026) totalling EUR 2,469,783 would become payable.

Recently, fiscal authorities raised a new point in respect of the interest barrier rule. Now, the authorities want to add-back agency fees which were paid annually in the amount of EUR 75,000 under the interest barrier rule in all open years in which agency fees were deducted without limitations. These are the years 2013, 2016, 2017, 2018, 2019 and 2020. The company responded with its own position to these new statements, and it appears probable that the company will prevail in this case. However, if not, taxes and interest on taxes (calculated as of March 31, 2026) would sum up to the amount of EUR 125,043.

There is also an appeal pending regarding CIT and TT assessment notices for 2018. The fiscal authorities determined that the former investor Quadriga would have acquired indirectly more than 50% of the shares in LR with the consequence that the German change of control rule would apply. As no exceptions to that rule were applicable, the fiscal authorities did not allow to carry forward accumulated losses which occurred by the time of the change of ownership and assessed additional taxes for the years 2017 and 2019 on which taxes were calculated without loss deduction. An appeal was filed with several arguments set out on 17 pages and the tax payable of EUR 799,362 was suspended. Overall, the arguments are not considered to be very strong, making LR Global Holding GmbH's chance of winning less than 50% so that a tax accrual was built. This tax accrual was released in FY 2025 regarding the portion of losses which could be carried back from FY 2018 to FY 2017 if no harmful change of ownership would have occurred as the upper court decided in 2025 that the change of control rules should not apply for losses which can be carried back pursuant to Sec. 10d German Income Tax Act. Given the strength of the upper court's arguments, the accrued amount was subsequently released regarding the portion for a loss carryback. Should the fiscal authorities choose not to comply with the upper court's ruling, taxes in the amount of EUR 118,275 and related interest in the amount of EUR 26,064 (calculated as of March 31, 2026) would become payable in addition to the existing tax reserve which is EUR 681,087 as of 31 December 2025 and the interest provision which is re-calculated on an annual basis. As of 31 March 2026, the accrued interest provision would amount to EUR 138,368.

Brazil

There is a dormant subsidiary of the Group in Brazil which cannot be closed due to a legal judgement rendered in the early 2000s. The claimant has tried to enforce the judgement from time to time without success due to practicalities. As of 1 April 2019, the size of the claim was approximately BRL 4.67 million. Taking into account currency fluctuations, the amount of BRL 4.67 million corresponds to approximately EUR 869,554 as of the date of these risk factors.

The matter was dormant until the Brazilian court judgment was served on LR in Germany in August 2023. Due to formal procedural errors (LR was never present in court), LR has not taken any further action other than to closely monitor the matter through Brazilian lawyers. In October 2024, the claimant filed a request for legal assistance to take action against the Spanish LR subsidiary. The request contains formal errors that the claimant must correct by July 2027, otherwise the lawsuit may be dismissed due to the statute of limitations.

The Company considers the amounts of existing claims to be immaterial individually. The Company has made no provisions for the tax cases in its financial accounts, and in the event that adverse rulings are received in relation to more than one, or all, of the claims in close proximity, the resulting extraordinary costs (including covering legal costs of the other parties) could have a negative effect on the liquidity of the Group.

The Company assesses the probability of the occurrence of the abovementioned risks to be low. If the risks were to occur, the Company considers the potential negative impact to be low to medium.

Changes to accounting regulations and the application thereof

The adoption of new laws and ordinances and changes to existing accounting regulations, including international accounting rules, may lead to the Group needing to amend its procedures in relation to accounting, financial reporting and internal inspection. Such changes may give rise to uncertainty, with a greater risk of the Company interpreting and applying relevant regulations incorrectly. In particular, the Group has, other than at consolidated group level, not fully implemented IFRS in its accounting and any such potential implementation in regards to the Company's subsidiaries may result in unforeseen difficulties or issues. In particular, the Group's tax provisions have been derived on the basis of a three-year historical average without detailed tax calculation or independent validation, such that any change in applicable tax accounting requirements or a determination that such methodology is incorrect could result in material adjustments to the Group's reported financial position. Furthermore, the Group's balance sheet planning assumes that certain accounting positions, including provisions and deferred tax liabilities, remain constant throughout the planning period, and any change in accounting regulations requiring reassessment of such positions, including in respect of the accounting treatment of internally developed software for which deferred tax liabilities currently arise due to divergent treatment for tax purposes, could have a material adverse effect on the Group's operations, financial position and earnings.

The Company assesses the probability of the occurrence of the abovementioned risk to be low. If the risk were to occur, the Company considers the potential negative impact to be low to medium.

Environmental risks

The Group is subject to stringent laws and regulations relating to the environment, including air emissions, water discharges, waste management, health and workplace safety. Failure to comply with such laws and regulations could result in fines and other sanctions being imposed such as requirements on operational changes to limit pollution emissions and/or decrease the likelihood of accidental hazardous substance releases. Under certain environmental laws, liability for actions at contaminated sites, including buildings and other facilities, is strict, and in some cases, joint and several. The Group may be subject to potentially material liabilities relating to the investigation and clean-up of contaminated areas, including groundwater at properties now or formerly owned by, operated or used by the Group, and to claims alleging personal injury or damage to natural resources. In addition, new laws and regulations, the discovery of previously unknown contamination or the imposition of new clean-up requirements could require the Group to incur costs or could become the basis of new or increased liabilities. The materialisation of any risk in relation to environmental regulation could have an adverse effect on the Group's operations, financial position and earnings.

The Company assesses the probability of the occurrence of the abovementioned risk to be low. If the risk were to occur, the Company considers the potential negative impact to be low to medium.

Risks relating to sustainability-related regulation

As regulations on sustainability-related issues, such as packaging, use of plastics, responsible sourcing, use of raw materials and recycling, CO2 emissions, respect for human rights, diversity and social and governance standards, are changing rapidly and stakeholder expectations on these issues are increasing, compliance with these regulations and expectations adds complexity and operational challenges for the Group, which may result in additional costs.

In particular, increasing sustainability-related regulation could require additional processes and reporting or changes to existing processes and reporting and thus result in the Group incurring additional costs and/or having to change its business activities in order to meet these requirements. Moreover, some sustainability-related regulation may directly lead to additional charges for the Group, for example in connection with potential costs for CO2 emissions.

There is also a risk that the Group may be criticised for not taking sufficient action in relation to these issues, such as the Group's carbon footprint, gender ratio in the company etc. If the expectations of stakeholders are not met, consumer demand for the Group's products may decrease and consumers may stop buying the Group's products (see also risk factors "*Risks relating to consumer preferences and industry trends*" and "*Risks relating to trade name, brand recognition and adverse publicity*").

In addition, if the Group fails to comply with sustainability-related regulations, it may be subject to legal or regulatory action, fines and penalties or other sanctions (see also risk factor: “*Environmental risks*”). Any of these could have a material adverse effect on the Group’s business, financial condition and results of operations.

The Company considers the probability of the above risk materialising to be low. If the risk were to occur, the Company considers the potential negative impact to be low to medium.

Financial risks

Risks related to macroeconomic factors

Macroeconomic instability or a further downturn in the economies in which the Group operates, including any recession in one or more of the geographic regions or markets where the Group operates could adversely affect the Group’s business and its access to liquidity and capital. Global economic events over the past years, including the Russia-Ukraine War (see risk factor “*Risks relating to manufacturing facilities, supply chain, sales companies and sanctions*”) and a deteriorating geopolitical climate, have created significant uncertainty. In addition, tariffs have been imposed globally by the US and there is a risk that such geopolitical unrest could escalate further. In addition to trade restrictions, current geopolitical conditions with ongoing military conflicts have also had a negative impact on global supply chains as traffic through the Suez Canal has at times been significantly reduced, or with respect to Russia, completely halted, due to ongoing military conflict in the area and political sanctions. Escalating tensions and military conflicts in the Middle East (such as the current conflict involving Iran), could further destabilise global markets. In particular, any disruption to shipping routes in the Strait of Hormuz, including a partial or complete closure, could materially affect global oil supply and lead to significant increases in oil prices.

Such oil price spikes may result in higher fuel and transportation costs for finished goods and raw materials, as well as increased costs for importing key inputs. These developments could increase the Group’s operating expenses, compress margins if higher costs cannot be passed on to customers, and contribute to broader inflationary pressures. In addition, an energy price shock could adversely affect consumer confidence and disposable income, potentially leading to reduced consumer spending on discretionary products, including cosmetics and wellness products.

Additional macroeconomic factors that impact the Group’s business and in particular consumer-spending behaviour include levels of unemployment, high inflation, deflation, real disposable income, interest rates, the availability of consumer credit, energy costs, gasoline prices and consumer perception of overall economic conditions and their own economic prospects – all of which are outside of the Group’s control.

Whereas the aforementioned risks each have a varying degree of direct impact on the Group’s operations, each of them could also have a negative impact on the general economic conditions of the markets where the Group operates. Consumer spending on cosmetics and wellness products is closely linked to general economic conditions and the availability of personal discretionary income. Decreased global or regional demand for cosmetics and wellness products can be especially pronounced during periods of economic recession or low levels of economic growth. If the current economic situation globally or in an individual country in which the Group operates were adversely affected (e.g. due to a worsening of the effects of the Russia-Ukraine War, escalating conflict in the Middle East, or a further deteriorating geopolitical climate), companies that compete in the cosmetic and wellness products business, including the Group, may experience sustained periods of decline in sales, profits and growth during such an economic downturn. Any material decline in the amount of consumers’ discretionary spending on cosmetics or wellness products would have an adverse effect on the Group’s financial position and earnings.

If any or all of the aforementioned macro-economic risks would materialise, the Group could experience declines in revenues, profitability and cash flow due to returned orders, payment delays, supply chain disruptions or other factors caused by such economic, operational or business challenges. Any or all of these factors could potentially have a material adverse effect on the Group’s liquidity, capital resources and credit ratings, including the Group’s ability to access short- and long-term financing. Any or all of these factors could also have a material adverse

impact on the Group's ability to raise additional capital, maintain credit lines, and could reduce flexibility with respect to working capital.

The Company assesses the probability of the occurrence of the abovementioned risk to be low. If the risk were to occur, the Company considers the potential negative impact to be high.

Risks relating to currency fluctuations

The Group conducts a significant part of its operations in foreign subsidiaries and several subsidiaries do not utilize the Group's reporting currency, EUR, in their operations and financial reporting. Currently, approximately 20 per cent. of the Group's business is conducted in markets with so-called "soft currencies" such as the Russian Ruble, Ukrainian Hryvnia and the Turkish Lira. Further, certain of the Group's suppliers deliver goods and services to the Group on a USD basis. For example, the Group has since the outbreak of the Russia-Ukraine War been adversely affected by changes in exchange rate in respect of the Russian Ruble. Accordingly, the Group is subject to currency translation exposure and fluctuations in exchange rates between the EUR and local currencies which could have, and historically has had, an adverse effect on the Group's financial position and earnings.

The Company assesses the probability of the occurrence of the abovementioned risk to currently be high, however, the risk may increase in the future if the Group enters into new markets with so called soft currencies. If the risk were to occur, the Company considers the potential negative impact to be medium.

Credit risks

The Group is subject to credit risks relating to its sales partners and direct customers. A majority of the Group's sales partners are small-scale entrepreneurs with varying credit profiles and a decrease in their ability to meet payment obligations due to e.g. macroeconomic instability (see risk factor "*Macroeconomic factors*") could have an adverse effect on the Company's financial position and earnings. In addition, the Group is from time to time exposed to cases of credit card fraud in connection with purchases of the Group's products, which can result in credit losses for the Group.

The Company assesses the probability of the occurrence of the abovementioned credit risk in relation to sales partners to be low but that the probability significantly increases in the event of a materially deteriorated macroeconomic development. If the risk were to occur, the Company considers the potential negative impact to be low. With regards to credit card frauds, the Company assesses the probability of the occurrence of the risk to be medium to high. If the risk were to occur, the Company considers the potential negative impact to be low to medium.

Risks Relating to the Bonds

The Bondholders will not be entitled to take enforcement action in respect of the Transaction Security, except through the Agent, and the Transaction Security will be subject to certain limitations on enforcement, and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability

The obligations under the Bonds and certain other obligations of the Group to the holders of the Bonds (the "**Bondholders**") will, in addition to the guarantees provided by the Guarantors (as defined in the Amended and Restated Terms and Conditions) (the "**Guarantees**"), be secured by, (i) first priority pledge over the shares and interests (as applicable) in the Guarantors, (ii) first priority security over, or security assignment of, certain material and long-term intragroup loans and shareholder debt, (iii) first priority pledges over certain bank accounts located in Germany of the Company and the Guarantors, (iv) a German law security transfer of inventory located in the Group's warehouse in Germany, and (v) security assignments of material trademarks of the Group, in each case subject to the Agreed Security Principle (as defined in the Amended and Restated Terms and Conditions) (together, the "**Transaction Security**"). With respect to the Transaction Security governed by German law, new junior ranking account and share pledge agreements are required to be executed and perfected after the issue date for the Bonds, as mere security confirmations are not sufficient to create security under German law. Similarly,

new Transaction Security agreements will also be required in relation to the Transaction Security governed by French and Jersey law. Furthermore, security and guarantee confirmations in respect to the existing Transaction Security and Guarantees may be executed, granted and/or perfected after the issue date for the Bonds. Until such measures have been taken, the Bondholders' position as regards the Transaction Security and the Guarantees will be limited (as applicable).

Provided that the Written Procedure is approved by the Bondholders, pursuant to the Amended and Restated Terms and Conditions, LR Jersey Holding Limited may resign from the Guarantee Agreement and the security provided over the shares in LR Jersey Holding Limited and all German Guarantors except LR Health & Beauty Systems Beteiligungs GmbH will be released.

The Bondholders are represented by Nordic Trustee & Agency AB (publ), Swedish reg. no. 556882-1879, or another party replacing it as agent (each an "**Agent**") in accordance with the Amended and Restated Terms and Conditions, in all matters relating to the Transaction Security. There is a risk that the Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Transaction Security. Further, the Transaction Security is subject to certain hardening periods (as regards any claw back risks under the relevant insolvency or bankruptcy regime) during which times the Bondholders do not fully, or at all, benefit from the Transaction Security. The documents constituting the Transaction Security provide that, to the extent permitted by applicable law, only the Agent will have the right to enforce the Transaction Security on behalf of the Bondholders. As a consequence of such contractual provisions, Bondholders will not be entitled to take enforcement action in respect of the Transaction Security, except through the Agent. Accordingly, in the event that the Agent does not perform its obligations towards the Bondholders upon an enforcement of the Transaction Security, the realizable value of the Transaction Security may be considerably lower than the corresponding secured obligations under the Bonds.

In certain jurisdictions, due to the laws and other jurisprudence governing the creation and perfection of security interests, the relevant Transaction Security secures "parallel debt" obligations created under the relevant Senior Finance Documents (as defined in the Amended and Restated Terms and Conditions) in favour of the Agent (and not the obligations under the Bonds and the Guarantees). The parallel debt construct has not been fully tested under law in certain of these jurisdictions, and the Transaction Security will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability.

The Agent will be entitled to enter into agreements with members of the Group or third parties, or to take any other action necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or for the purpose of settling, among other things, the Bondholders' rights to the Transaction Security. This may result in a loss of rights for the Bondholders.

The value of the Transaction Security may decline over time, and the Bondholders may not be able to recover the full value (or any value in the case of an enforcement sale)

If a Group company whose shares are pledged in favour of the Bondholders is subject to foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative proceedings or other bankruptcy or insolvency proceedings the shares that are pledged as part of the Transaction Security may be of limited value, since all of its obligations first must be satisfied, potentially leaving few or no remaining assets in the Group company. As a result, the Bondholders may not be able to recover the full value (or any value in the case of an enforcement sale) of such pledged shares. Moreover, the value of the Transaction Security may decline over time. If the proceeds of an enforcement sale are not sufficient to repay all amounts due, on, or in respect of the Bonds, the Bondholders will only have an unsecured claim against the remaining assets (if any) in the Company and the Guarantors for the amounts which remain outstanding on, or in respect of, the Bonds. In relation to unsecured claims, under the relevant bankruptcy law in such country (which differs in each jurisdiction), certain debts and claims must be paid in priority to other debts and claims (for example, costs and expenses of a liquidator, certain payments to employees and/or tax claims (as applicable)).

The value of any intragroup loans and shareholder debt that are subject to the Transaction Security in favour of the Bondholders is largely dependent on the relevant debtor's ability to repay such intragroup loans and/or shareholder debt. Should the relevant debtor be unable to repay its obligations upon enforcement of the pledge over the intragroup loans and/or shareholder debt, the Bondholders may not recover the full value of the security granted under such intra-group loans and/or shareholder debt (see also in that respect risk factor "*The security or guarantee to be granted by a subsidiary of the Company may be limited due to corporate benefit limitations and financial assistance issues*").

Certain Group companies grant security in favour of the Bondholders over inventory located in the Group's warehouse(s) in Germany. The value of such security is dependent on the value of the secured asset and the ability to profitably sell or otherwise dispose of or otherwise foreclose on such assets following enforcement. It is difficult to assess and predict the future value of such underlying assets, which is affected by several factors, such as storage conditions and the remaining shelf life of the inventory. As the Group's products may be subject to expiration dates or limited shelf life, any deterioration in quality, approaching expiry, or expiry of products could materially reduce their resale value or render them unsaleable. If the value of the assets decline, or turn out to be less than expected, there is a risk that the Bondholders may not receive the proceeds expected following enforcement, or any proceeds at all.

Transaction Security over shares to secure liabilities under the New Bonds and the Reinstated Elevated Bonds is limited to pledges over shares in the Issuer and LR Health & Beauty Systems Beteiligungs GmbH only; no security in the form of pledges over shares in other Group entities is available to Bondholders, and other creditors may obtain competing security interests over such shares

The Transaction Security package securing the obligations of the Issuer and the Guarantors under the Bonds includes, amongst others, share pledges granted under German law over the shares in LR Global Holding GmbH, LR Health & Beauty Systems Beteiligungs GmbH, LR Health & Beauty Systems GmbH, LR-International Beteiligungs GmbH, LR Partner Benefits GmbH and LR Deutschland GmbH (together, the "**Pledged Companies**"). However, the existing first-ranking share pledges over the shares in each of the Pledged Companies except LR Health & Beauty Systems Beteiligungs GmbH will be released in connection with the Restructuring Transaction. However, a new share pledge will be granted under German law over the shares in the Issuer.

Following the release of the existing first-ranking share pledges over the shares in each of LR Global Holding GmbH, LR Health & Beauty Systems GmbH, LR-International Beteiligungs GmbH, LR Partner Benefits GmbH and LR Deutschland GmbH, no share pledge will remain in place over the shares in any of these entities. As a result, creditors under the existing indebtedness that was previously secured by those first-ranking share pledges will, following their release, no longer benefit from any share security in respect of those entities. In an enforcement or insolvency scenario, the Security Agent will not be entitled to enforce the pledges over the shares in these entities, and those shares will be available to satisfy also the claims of unsecured creditors or creditors holding other forms of security over different assets of the Group.

The Transaction Security documents or the Terms and Conditions would not necessarily prevent third-party creditors from seeking to obtain, or obtaining, pledges over the shares in the Issuer, LR Global Holding GmbH, LR Health & Beauty Systems Beteiligungs GmbH, LR Health & Beauty Systems GmbH, LR-International Beteiligungs GmbH, LR Partner Benefits GmbH or LR Deutschland GmbH. Any such competing security interests could further reduce the value available to Bondholders in an enforcement scenario and could impair the Bondholders' ability to influence or participate in any enforcement process in respect of such shares. There can be no assurance that the value of the Transaction Security actually available to Bondholders - being limited in terms of share pledges to pledges over the shares in the Issuer and LR Health & Beauty Systems Beteiligungs GmbH - will be sufficient to satisfy the obligations of the Issuer and the Guarantors in full under the Bonds. Investors should not rely on the Transaction Security as a source of repayment of the Bonds and should carefully consider the limited nature of the security interests available to Bondholders as described above.

The Bondholders' entitlement to recovery may be limited in the event of insolvency of the Company, a Guarantor or a subsidiary of the Company

The Amended and Restated Terms and Conditions include a “negative pledge” undertaking, meaning that there will be a general restriction on the Company’s and the Group’s ability to provide, prolong or renew any security over any of their assets. However, the Company may, under certain circumstances, and up to certain amounts, grant security to other lenders of the Company or the Group, which would not necessarily also secure the Bonds. Security granted to other lenders could therefore have an adverse effect on the security position of the Bondholders, and consequently, the Bondholders’ recovery in connection with an enforcement of the Transaction Security.

The Bonds will constitute direct, senior, unsubordinated and secured obligations of the Company, and shall at all times, rank *pari passu* and without any preference among them, and at least *pari passu* with all other direct, unsubordinated and unsecured obligations of the Company, subject to those obligations which are mandatorily preferred by law and any intercreditor agreement entered into in accordance with the Amended and Restated Terms and Conditions (see also in that respect risk factor “*Risks related to incurrence of additional debt and shared security and guarantee package*”). This means that a Bondholder will normally receive payment only after any preferential or prioritised creditors have been paid in full, in the event of the Company’s liquidation, reorganisation, bankruptcy or insolvency. Every investor should be aware that by investing in the Bonds, it risks losing all or part of its investment in the event of the Company’s or Group companies’ liquidation, reorganisation, bankruptcy or insolvency.

The Bonds will be structurally-subordinated to the liabilities of the Company’s subsidiaries, which have not acceded to the Guarantee Agreement as Guarantors in respect of the Bonds, meaning that creditors of such subsidiary may be entitled to payment out of the assets of such subsidiary in priority to any claim of the Company. The subsidiaries are legally separate entities and distinct from the Company, and have no obligation to settle or fulfil the Company’s obligations, other than to the extent that follows from security agreements and/or Guarantees to which the subsidiaries are party. In the event of insolvency of a subsidiary, there is a risk that the Company and its assets are affected by the actions of the creditors of a subsidiary. The insolvency of the subsidiaries may affect the financial position of the Company negatively, and adversely impact the Company’s ability to make payments under the Bonds or the ability of Bondholders to recover the full amount of their investment in the Bonds.

The Bondholders will benefit from the Guarantees provided by the Guarantors. In the event of insolvency, liquidation or a similar event relating to one of the Guarantors, all other creditors of such Guarantor would be entitled to be paid out of the assets of such Guarantor with the same priority as the Bondholders (see also in that respect the risk factor “*The security or guarantee to be granted by a subsidiary of the Company may be limited due to corporate benefit limitations and financial assistance issues*”).

Upon the occurrence of an insolvency event in respect of a subsidiary, which is not a Guarantor, neither the Group entity that is the direct shareholder of the relevant subsidiary (and, directly or indirectly, the Company) nor the Bondholders, to the extent their Transaction Security consists of a pledge over the shares in such subsidiary, would be entitled to receive any payments from that subsidiary until all other creditors of such subsidiary have received payment in full for their claims. The Bonds will, in the latter case, be structurally subordinated to the liabilities of such subsidiaries, to the extent that such subsidiary has not provided Transaction Security or Guarantees directly in favour of the Bondholders.

Further, the Group operates in various jurisdictions, and in the event of bankruptcy, insolvency, liquidation, dissolution, reorganisation or similar proceedings involving the Company, or any of its subsidiaries, bankruptcy laws, other than those of Germany or Sweden, could apply. The outcome of insolvency proceedings in foreign jurisdictions is difficult to predict, and could, therefore, have a material and adverse effect on the potential recovery in such proceedings. It should further be noted, that based on the initial Transaction Security to be provided on the issue date of the Bonds, insolvency proceedings would likely take place in Germany, under German law.

To the extent that the Company and/or the Group companies that own the warehouses in Germany file for insolvency proceedings in Germany, individual enforcement actions by the Bondholders will be stayed by operation of German insolvency law, but the administrator (or debtor in possession, as applicable) will control the realisation of the secured assets. In Germany, that means that the Bondholders will be treated as secured creditors entitled to separate satisfaction (*abgesonderte Befriedigung*) in respect of the Transaction Security, and the German insolvency administrator (or the debtor in possession) has the right to sell those “secured” assets subject to the Transaction Security and will be entitled to charge a so-called determination and realisation fee in the total amount of up to 9 per cent. of the received proceeds for his broker services pursuant to the statutory provisions of the German Insolvency Act (*Insolvenzordnung*) (the fees comprising a determination fee (*Feststellungskostenbeitrag*) of up to 4 per cent. and a realisation fee (*Verwertungskostenbeitrag*) of up to 5 per cent.).

The right of a creditor to preferential satisfaction may not necessarily prevent an insolvency administrator from using a movable asset that is subject to this right, provided that the insolvency administrator is entitled to use such movable assets under applicable German insolvency law. The insolvency administrator must, however, compensate the creditor for any loss of value resulting from such use.

Risks related to incurrence of additional debt and shared security and guarantee package

Under the Amended and Restated Terms and Conditions, the Company will be permitted to maintain and incur additional debt under inter alia certain credit facilities for working capital and general corporate purposes as well as certain hedging obligations, which may share the Transaction Security and Guarantees with the Bonds and rank senior in right and priority of payment in case of an enforcement of the Transaction Security or Guarantees under an intercreditor agreement. Under the Restructuring Transaction, it has been agreed that such an intercreditor agreement shall be entered into to provide for the super senior ranking of a super senior bridge financing which has been provided by certain existing Bondholders to the Issuer to cater for temporary liquidity needs, substantially on the terms of the intercreditor term sheet appended to the Amended and Restated Terms and Conditions. In the event that the Restructuring Transaction is not completed or the issuance of the new Bonds does not occur, the super senior bridge financing will remain outstanding and, pursuant to the intercreditor agreement, will rank senior in right and priority of payment to the Bonds with respect to any enforcement of the Transaction Security or the Guarantees. Pursuant to such intercreditor agreement, any unpaid fees, costs, expenses and indemnities payable to the security agent, bond agent and certain other agents as well any outstanding amount under the credit facilities and hedging obligations will rank in priority over the holders of the Bonds. Hence, certain other secured creditors may have higher ranking right to the proceeds of an enforcement of the Transaction Security or the Guarantees and the Bondholders’ recovery from an enforcement may therefore be substantially reduced. Furthermore, the intercreditor agreement may include payment block provisions, which, under certain circumstances and for certain periods of time, prohibits payment of interest and principal under the Bonds if debt ranking senior to the Bonds have been accelerated or if certain defaults have occurred under such debt. At the date hereof, the intercreditor agreement is not yet fully negotiated and consequently there may be risks regarding the terms of the intercreditor agreement unknown today.

The security or guarantee to be granted by a subsidiary of the Company may be limited due to corporate benefit limitations and financial assistance issues

In certain jurisdictions, when a limited-liability company guarantees or provides security for another party’s obligations or subordinates any of its rights to the benefit of a third party, without deriving sufficient corporate benefit therefrom, the guarantee, security or subordination will only be effective if the consent of all shareholders of the grantor has been obtained, and to the extent that the company granting the security, providing the guarantee or undertaking to subordinate any rights could have distributed such amount as a dividend to its shareholders at the time the guarantee, security or subordination was provided (or as otherwise limited by local law). To the extent that a company does not obtain corporate benefit from the provided guarantee or security or subordination undertaking, or such rules apply in any case for upstream guarantees or financial assistance, such guarantee, security or subordination will be limited in value as stated above, and further limitations in respect of security,

guarantees and/or subordinations may also exist under local law. For instance, the value of guarantees, security and subordination arrangements that will secure the Bonds may be reduced in certain jurisdictions by laws and regulations of Germany and other applicable jurisdictions limiting a company's ability to provide financial assistance or to secure obligations of foreign entities. In particular, under German law, upstream guarantees and security provided by a German subsidiary in favour of its parent company or for the obligations of affiliates of the parent company (which are not subsidiaries of that German subsidiary) may be subject to capital maintenance restrictions pursuant to the German Act on Limited Liability Companies (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, GmbHG) and the German Stock Corporation Act (*Aktiengesetz*, AktG). For this reason, the enforceability of such upstream guarantees and security is subject to customary German limitation languages which prohibit and restricts the enforcement if and to the extent it would reduce a subsidiary's net assets below its registered share capital or lead to a further reduction if this is already the case. Any guarantee or security granted in breach of these restrictions may therefore be unenforceable.

Consequently, the security or guarantee to be granted by a subsidiary of the Company could be limited in accordance with the aforesaid, which could have an adverse effect on the Bondholders' security position.

A German court may not recognise the choice of foreign laws, and may refuse to apply and/or to enforce provisions governed by foreign laws

The Transaction Security and the Guarantees are provided under various jurisdictions resulting in different legal rules and procedures being applicable. Although the choice of the laws of EU member states and other foreign jurisdictions (including Jersey) to govern the Transaction Security should be recognised by the competent courts of the Federal Republic of Germany in a dispute before a German court, the German court would generally recognise only the choice of substantive law of such foreign jurisdiction and would apply the laws of the Federal Republic of Germany with respect to procedural or other insolvency matters. Furthermore, a German court may refuse to apply and/or to enforce provisions governed by foreign laws, in each case as governed by the Senior Finance Documents (as defined in the Amended and Restated Terms and Conditions), if the respective provisions are contrary to German public policy (*ordre public*) or mandatory provisions under German law. In addition, a German court may be required to apply the law of another jurisdiction regardless of the law chosen by the parties where mandatory provisions of that other jurisdiction so require. Finally, a German court may not recognise the choice of foreign laws to the extent that (i) the choice of foreign laws is made with respect to any rights in rem (*dingliche Rechte*), in which case the law of the jurisdiction where the relevant asset is located (*lex situs*) will generally govern, (ii) there is no substantial connection between the relevant agreement and the parties thereto, on the one hand, and the foreign law, on the other hand, or (iii) the choice of foreign laws was made to evade mandatory provisions or public-policy considerations of the laws of another jurisdiction.

As described above, the Transaction Security and the Guarantees are provided, and the Guarantors are incorporated, under the laws of various jurisdictions resulting in different legal rules and procedures being applicable. The risks relating to a court refusing to apply and/or enforce provisions governed by foreign laws may thus be relevant in, not only Germany, but several other jurisdictions as well. This may result in certain Transaction Security being unenforceable or not enforceable on commercially reasonable terms. Additionally, multi-jurisdictional proceedings are typically complex and costly and often result in substantial uncertainty and delay upon enforcement of the Transaction Security. Consequently, upon an Event of Default under the Bonds, the Transaction Security or parts thereof may not be realisable at a relevant value, which may result in considerable losses for the Bondholders in an enforcement scenario.

The Transaction Security may be void due to initial excessive security

Pursuant to court rulings of the German Federal Court of Justice (*Bundesgerichtshof*), the taking of initial excessive security (*initial over-collateralisation, anfängliche Übersicherung*) may, in certain circumstances, result in the relevant security arrangement being void ab initio. In order to ascertain whether an initial over-collateralisation is given, it is, pursuant to case law of the German Federal Court of Justice, necessary to calculate the liquidation value of the security assets which could be realised in the insolvency of the security grantor

(*realisierbarer Wert*). While the German Federal Court of Justice conducts this analysis on a case-by-case basis, legal commentators consider that an initial over-collateralisation may exist if the realisation value of the security amounts to more than 110 per cent. of the secured claim, although this threshold has been established primarily in the context of global assignments (*Globalzession*) and security transfers of title (*Sicherungsübereignung*) and its application to other forms of security, including share pledges, account pledges and trademark pledges, has not been definitively confirmed by the German Federal Court of Justice. It is a factual question whether the security granted under the relevant Transaction Security exceeds this limit. Therefore, whether the taking of security as part of establishing the Transaction Security has resulted in initial excessive security (*anfängliche Übersicherung*) may only be determined during court proceedings as part of any enforcement action in respect of the Transaction Security. If, upon enforcement of the Transaction Security or any part thereof, a court determines that the Transaction Security or any part thereof is void on the basis of initial over-collateralisation, such Transaction Security may be entirely or partially unenforceable. Accordingly, the Transaction Security may not be realisable at a relevant value, which may result in considerable losses for the Bondholders in an enforcement scenario.

Bondholders participating in the Share Issue may face subordination of their claims under the Bonds or impairments in relation to the Transaction Security

Bondholders who participate in the Share Issue as part of the Restructuring Transaction will indirectly acquire a significant equity participation in LuxCo and indirectly in the Issuer. Following the implementation of the Restructuring Transaction, electing Bondholders are expected to hold approximately 89.90 per cent. of the shares in LuxCo, which will become the Issuer's parent company as part of the Restructuring Transaction and will therefore indirectly hold more than 10 per cent. of the shares capital of in the Issuer.

Under German insolvency law, claims arising from shareholder loans and claims arising from legal acts that are economically equivalent to shareholder loans are subordinated by operation of law in insolvency proceedings pursuant to § 39 para. 1 no. 5 InsO. This subordination generally applies to creditors who qualify as direct or indirect shareholders of the debtor at the at the time of the opening of insolvency proceedings and hold, directly or indirectly, more than 10 per cent. of the share capital of the debtor within the meaning of § 39 InsO, whereas non-managing shareholders holding, directly or indirectly, 10 per cent. or less of the share capital are generally not subject to such subordination pursuant to § 39 para. 5 InsO.

However, pursuant to the restructuring privilege (*Sanierungsprivileg*) in § 39 para. 4 sentence 2 InsO, the subordination pursuant to § 39 para. 1 no. 5 InsO does not apply if a creditor acquires shares in the debtor at a time when the debtor is illiquid (*zahlungsunfähig*), over-indebted (*überschuldet*) or facing imminent illiquidity (*drohende Zahlungsunfähigkeit*) for the purpose of restructuring the debtor, and provided that the requirements for the restructuring privilege are met, until the restructuring has been sustainably implemented. The Company expects that an IDW S6 restructuring opinion will be prepared in connection with the Restructuring Transaction which, inter alia, is intended to support the requirements for the restructuring privilege (*Sanierungsprivileg*) under § 39 para. 4 InsO. The applicability of this restructuring privilege depends on a number of legal and factual requirements and has not been confirmed by a court in this specific case. There can be no assurance that the requirements of this restructuring privilege will be met in the individual case or that the privilege will apply in an insolvency scenario.

If claims under the Bonds were to be treated as subordinated claims in insolvency proceedings, Bondholders would only be satisfied after all other non-subordinated insolvency creditors have been satisfied in full, which may result in Bondholders recovering substantially less than the full amount of their claims, or no recovery at all. In addition, payments received by Bondholders on the Bonds prior to insolvency may be subject to claw-back risk (*Insolvenzanfechtung*) if the Bonds were to be characterised as shareholder-equivalent financing.

Furthermore, the position of Bondholders as indirect shareholders may adversely affect the enforceability or value of the Transaction Security in an insolvency scenario, in particular if claims under the Bonds were to be treated as subordinated claims pursuant to § 39 InsO, if security granted by group companies were to be subject to claw-back (*Insolvenzanfechtung*), or if the secured claims were to be treated as economically equivalent to shareholder

loans. Investors should be aware that the legal consequences of a creditor also being a significant (direct or indirect) shareholder of the debtor are complex and depend on the specific circumstances of the insolvency, and there can be no assurance that claims under the Bonds will not be treated as subordinated in insolvency proceedings.

The Company is a holding company with no direct cash-generating operations and relies on operating subsidiaries to provide it with funds necessary to meet its financial obligations

The Company is a holding company with no material, direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Company is dependent on loans, dividends and other payments from these subsidiaries, as well as external funding to generate the funds necessary to meet its financial obligations, including payments under the Bonds. The ability of the Company's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to contractual or statutory limitations or the legal requirement of having distributable profit or distributable reserves. As an equity investor in its subsidiaries, the Company's right to receive assets upon their liquidation or reorganization will be effectively subordinated to the claims of their creditors. To the extent that the Company is recognised as a creditor of subsidiaries, the Company's claims may still be subordinated to any security interest in, or other lien on their assets, and to any of their debt or other (lease) obligations that are senior to the Company's claims.

The current key financing of the Group relies upon refinancing of significant outstanding amounts at the end of the term of such financing

The Group will eventually be required to refinance certain or all of its outstanding debt, including the Bond, currently serving as the main source of financing for the Group. The Group's ability to successfully refinance its debt is dependent on the conditions of the debt capital markets and its financial condition at such time, as well as the willingness of financial institutions to lend. The Group's access to financing sources may not be available on favorable terms, or at all. The Group's inability to refinance its debt obligations, and, in particular the Bonds, would be likely to result in an inability to repay its debt obligations when they become due. In particular, if the Bonds is not repaid at maturity, this will result in a default under the terms of the Bonds. As a consequence, the Company would most likely have to file for insolvency. The proceeds from the enforcement of the relevant security may not be sufficient to repay the Group's financing debt in full, which may result in the loss of a significant part, or all, of an investment in the Bonds (see also risk factors "*The value of the Transaction Security may decline over time, and the Bondholders may not be able to recover the full value (or any value in the case of an enforcement sale)*") and "*A change of control over the Company may result in the current key financing of the Group being repayable on short notice*").

A change of control over the Company may result in the current key financing of the Group being repayable on short notice

The Bondholders have a put option for 101 per cent. of the respective outstanding nominal amount in case of a Change of Control Event (as defined in the Amended and Restated Terms and Conditions) in relation to the Company as issuer of the Bonds. Pursuant to the Amended and Restated Terms and Conditions, no Change of Control Event will occur if inter alia the person gaining control is a Permitted Transferee, including for example a transferee approved by the Bondholders (each as defined in the Amended and Restated Terms and Conditions).

There is a risk that there will be changes in the Company's ownership structure that would result in a Change of Control Event and that a significant number of Bondholders, or even all of them, may decide to exercise their put option. Accordingly, if a significant number, or all of the Bondholders, decide to exercise their put option, the Group may have to refinance up to EUR 62,500,000 together with accrued but unpaid interest and possibly significant transaction costs within a matter of approximately 2 months. Any inability of the Group to obtain such refinancing would likely result in the loss of a significant part, or all of an investment in the Bonds (see also risk factors "*The value of the Transaction Security may decline over time, and the Bondholders may not be able to*").

recover the full value (or any value in the case of an enforcement sale)” and “The current key financing of the Group relies upon refinancing of significant outstanding amounts at the end of the term of such financing”).

The market value of the Bonds may be affected by the level of general interest rates

The Bonds' value depends on several factors, one of the more significant over time being the level of market interest rates. Following the implementation of the Restructuring Transaction, the Bonds will bear a fixed cash interest rate of 6.75 per cent. per annum. As the Bonds bear a fixed rate of interest, their market value may be adversely affected by changes in the general level of interest rates. In particular, if prevailing market interest rates rise above the fixed rate applicable to the Bonds, the market value of the Bonds may decline, as investors may be able to obtain a higher yield from alternative investments.

The market for trading in the Bonds may be illiquid, even if the Bonds are listed and/or admitted to trading

The Bonds are listed on the Nasdaq Stockholm. However, there is not always active trading in the securities, so there is a risk that the market for trading in the Bonds will be illiquid, even though the Bonds are listed and/or admitted to trading. In particular, with regard to that the Bonds are traded over-the-counter (OTC), there is a liquidity risk for smaller volume of trades. Therefore, it is possible that Bondholders will not be able to sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. It should also be noted that during a given time period, it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market. A lack of liquidity in the market, may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative, compared to the market price of the Bonds if they are listed or admitted for trading.

An investment in the Bonds by an investor whose principal currency is not the Euro may be affected by exchange rate fluctuations

The Bonds are, and any interest to be paid in respect of them will be, denominated in Euro, and an investment in the Bonds by an investor whose principal currency is not the Euro, exposes the investor to foreign currency exchange rate risk. Accordingly, upon conversion of payments made under the Bonds to the Bondholders in Euro back into the principal currency of the relevant investor where the Euro has lost value relative to the principal currency of the respective investor at the time of conversion, the respective investor may even experience considerable losses despite full repayment of the principal amount (in Euro) and/or full payment of interest under the Bonds (in Euro).

OFFERING OF THE BONDS

This section contains information on the terms and conditions of the offer of the New Bonds to the holders of the Existing Bonds (the “Offer” or the “Offering”), including the conditions to which the Offer is subject, the subscription period and application process, any possibility to reduce subscriptions, the minimum and maximum application amounts, the method and time limits for paying up and delivering the New Bonds and the manner in which the results of the Offer will be made public. It also sets out the plan of distribution and allotment and the process for notifying applicants of the amount allotted.

Background and reasons

The Issuer has recently undergone financial difficulties as set out under the sections “*Description of the Issuer and the Group*” and “*Trend Information, Material Adverse Changes and Significant Changes*” and as a part of the comprehensive restructuring of the Existing Bonds and the indirect shareholding of the Issuer, as set out in the Lock-Up Agreement and designed to resolve the Issuer’s risk of impending illiquidity and over-indebtedness (the “**Restructuring Transaction**”, as further described in the section “*Description of the Issuer and the Group*”), it has been agreed that the Issuer shall issue the New Bonds of EUR 30,000,000 (EUR 20,000,000 of which constitutes the Reinstated Elevated Bonds (as defined below)) against payment in cash at an original issue discount of 2/3, under the framework of the Existing Bonds (following the implementation contemplated in the Written Procedure), offered *pro rata* to all Bondholders. Holders of the Super Senior Bridge Bonds may provide their Super Senior Bridge Bonds as payment-in-kind for New Bonds subscribed for in the Offer, subject to the Settlement Agent’s administrative procedures.

The Restructuring Transaction also involves the restatement of EUR 32,500,000 of the Existing Bonds *pro rata* amongst the holders of Existing Bonds (the “**Restated Bonds**”), the write-down of EUR 27,500,000 of the Nominal Amount of the Existing Bonds, *pro rata* amongst the holders of Existing Bonds in order to enable the reinstatement of such written-down Nominal Amount into bonds of EUR 27,500,000 to be issued by LuxCo *pro rata* amongst the holders of Existing Bonds (which will thus be structurally subordinated to the Bonds and issued on a limited recourse basis, with recourse limited to the assets of LuxCo only and not extending to the Issuer, any other Group Company, the Transaction Security or the Guarantees) (the “**Junior Bonds**”), the reinstatement of EUR 20,000,000 of the Existing Bonds *pro rata* amongst the holders of Existing Bonds who participates in the Bond Issue through the issuance of New Bonds (the “**Reinstated Elevated Bonds**”) (for the avoidance of doubt, the Reinstated Elevated Bonds forms part of the New Bonds), and the write-down of EUR 70,000,000 of the Existing Bonds together with all accrued but unpaid interest under the Existing Bonds (including default interest and default-ISINs).

The Restructuring Transaction further provides for (a) a cash contribution of approximately EUR 10,000,000 and (b) a contribution in kind consisting of the Mandatory Issuance Fee, into LuxCo, subscribed for by electing Bondholders and Project Artemis (the “**Share Issue**”). As part of the Share Issue, it is also intended for the Interim Shareholder to consent to the redemption and cancellation of all of its shares in LuxCo (the “**Interim Shareholder Exit**”). Immediately after the Share Issue, LuxCo will acquire all of (a) the then outstanding shares of the Company (the “**Company Shares**”) together with all of (b) the existing shareholder loans granted by Aloco to the Company (the “**Aloco Shareholder Loans**”) from Aloco for a purchase price of EUR 1 for the Company Shares and EUR 1 for the Aloco Shareholder Loans (the “**Company Share and Loan Transfer and Assignment**”).

In order to bridge the Issuer’s liquidity needs until the Restructuring Transaction is completed, the Company issued a super senior bridge financing of EUR 10,000,000 on 26 March 2026 (the “**Super Senior Bridge Financing**”), to be refinanced in connection with the completion of the Restructuring Transaction.

Pursuant to the terms and conditions set out in this Prospectus, holders of Existing Bonds are offered to subscribe for the New Bonds *pro rata* in relation to their respective holdings of Existing Bonds. Each eligible Bondholder’s maximum *pro rata* entitlement will be calculated by dividing such Bondholder’s nominal holding of Existing Bonds as of the record date falling on 21 May 2026 by the total outstanding nominal amount of the Existing Bonds

(EUR 130,000,000) and multiplying the result by EUR 10,000,000, rounded down to the nearest whole multiple of EUR 1,000 (subject to that the Agent may elect to reduce the nominal amount pursuant to Clause 21.2.14 of the Amended and Restated Terms and Conditions, in which case the result will be rounded down to the nearest whole multiple of EUR 1). The number of New Bonds allocated to each participant will subsequently be multiplied by three to reflect the allocation of the Reinstated Elevated Bonds.

Use of proceeds

The proceeds from the New Bonds will be applied towards the repayment of the Super Senior Bridge Financing in full. The total gross proceeds from the Offer are expected to amount to EUR 10,000,000. The total estimated expenses of the Offer amount to approximately EUR 425,000. Consequently, the Issuer expects to receive net proceeds of approximately EUR 9,575,000 from the Offer (less any amount paid in kind by holders of the Super Senior Bridge Bonds who elect to provide their Super Senior Bridge Bonds as payment-in-kind for New Bonds).

The Offer

The New Bonds will be issued within the framework and under the Amended and Restated Terms and Conditions of the Existing Bonds in an aggregate nominal amount of EUR 30,000,000 with each New Bond having a nominal amount of EUR 1,000 (subject to the Agent's discretion to reduce the nominal amount pursuant to Clause 21.2.14 of the Amended and Restated Terms and Conditions). All holders of Existing Bonds are offered to subscribe for New Bonds *pro rata* in relation to their respective holdings of Existing Bonds. The subscription price for the New Bonds is one third of par, meaning total cash proceeds of EUR 10,000,000 (less any amount paid in kind by holders of the Super Senior Bridge Bonds who elect to provide their Super Senior Bridge Bonds as payment-in-kind for New Bonds) will be paid in aggregate at a price equal to one third of par.

Following the completion of the Restructuring Transaction, the total aggregate nominal amount of Bonds under the Amended and Restated Terms and Conditions will be EUR 62,500,000

Allocation of New Bonds

Holders of Existing Bonds are offered to subscribe for New Bonds *pro rata* in relation to their respective holdings of Existing Bonds. Each eligible holder's maximum *pro rata* entitlement is calculated by dividing such Bondholder's nominal holding of Existing Bonds as of the record date falling on 21 May 2026 by the total outstanding nominal amount of the Existing Bonds (EUR 130,000,000) and multiplying the result by EUR 10,000,000, rounded down to the nearest whole multiple of EUR 1,000 (subject to that the Agent may elect to reduce the nominal amount pursuant to Clause 21.2.14 of the Amended and Restated Terms and Conditions, in which case the result will be rounded down to the nearest whole multiple of EUR 1). The number of New Bonds allocated to each participant will subsequently be multiplied by three to reflect the allocation of the Reinstated Elevated Bonds.

Bondholders who subscribe for New Bonds will do so at an implied original issue discount of one third (1/3) of par, meaning that the subscription price per New Bond equals one third of the nominal amount thereof, such that an aggregate cash consideration of EUR 10,000,000 (less any amount paid in kind by holders of the Super Senior Bridge Bonds who elect to provide their Super Senior Bridge Bonds as payment-in-kind for New Bonds) will be paid in respect of New Bonds with an aggregate nominal amount of EUR 30,000,000. New Bonds not subscribed for by Bondholders on a *pro rata* basis will be allotted to the Backstop Providers as further described below.

Offering price

The New Bonds are offered at a subscription price of 1/3 of par (i.e. at a price equal to 1/3 of the nominal amount of the New Bonds subscribed for). No commission will be charged to subscribers.

Conditions of the Offer

The completion of the Offer is conditional upon:

- a sufficient number of holders of Existing Bonds approving the Written Procedure and the conditions therein being satisfied;
- the completion of the Share Issue; and
- the transfer of all shares in the Issuer to LuxCo.

Application

Eligible Subscribers

Holders of Existing Bonds as of the Record Date are eligible to subscribe for New Bonds in an amount up to their *pro rata* entitlement (calculated as set out under “*Allocation of New Bonds*” above). Subscriptions must be made using the subscription form that will be appended to the notice of the Written Procedure (the “**Subscription Forms**”) which will be distributed to holders of Existing Bonds and published on the Issuer’s website.

Record Date and trading block

The record date for determining eligibility to participate in the Offering is 21 May 2026 (the “**Record Date**”).

Provided that the Written Procedure is approved by a sufficient number of Bondholders, a trading block will, from the business day following the Bondholders’ approval of the Written Procedure, apply to the Existing Bonds, the default interest ISINs NO0013736744 and NO0013699330 and the default ISIN generated for the regular May 2026 interest payment, to prevent trading until the business day following the Write Downs.

Subscription Period

The subscription period for the New Bonds commences on 21 May 2026 and expires at 15.00 (CEST) on 29 May 2026. The deadline for providing executed Subscription Forms, signed power of attorney and proof of holding as of the Record Date is 29 May 2026.

The Issuer reserves the right to extend or shorten the subscription period. Notification of any such extension or shortening will be given by way of a press release or announcement via the Agent.

Minimum and Maximum Subscription Amount

Each eligible Bondholder may subscribe for New Bonds up to an amount equal to its *pro rata* entitlement calculated by reference to its holdings of Existing Bonds as of the Record Date (calculated as set out under “*Allocation of New Bonds*” above).

There is no possibility of oversubscription by individual applicants (subject to the backstop arrangements described under “*Backstop Arrangements*” below) and no mechanism for the reduction of subscriptions. No amounts should be paid in excess of the subscription amount for which a Bondholder is entitled to subscribe, and consequently no refund of excess amounts to applicants will arise in connection with the Offer.

Submission of Subscription Forms

Subscription Forms must be submitted to and received by the Issuer at InvestorRelations@lrworld.com no later than 15.00 (CEST) on 29 May 2026 in accordance with the instructions set out in the Subscription Forms. Late or incorrectly completed Subscription Forms may be disregarded. Only one Subscription Form per investor may be submitted.

Important Information on LEI

A Legal Entity Identifier (LEI) is a global identification code for legal entities that is mandatory for securities transactions. Eligible Bondholders who do not hold a valid LEI-code are encouraged to apply for registration in

ample time, as the LEI-code must be stated in the Subscription Form. To be allotted New Bonds, a legal entity must hold and state a valid LEI-code.

Backstop Arrangements

Concise Capital Management, 777 Brickell Avenue, Suite 630 Miami, Florida 33131, United States of America, Robus Capital Management Limited, 9 Percy Street, London W1T 1DL, United Kingdom, Nordstjernan Kredit KB, Stureplan 3, 103 75, Stockholm, Sweden, Carnegie Fonder AB, Regeringsgatan 56, 111 56 Stockholm, Sweden, Nordic Corporate Investments A/S, Annexstræde 6, DK-2500 Valby, Denmark, Lemanik SICAV SPRING, c/o FUNDSIGHT S.A. 106, route d'Arlon – L-8210, Mamer, Luxembourg, Swedbank Robur Fonder AB, Malmskillnadsgatan 23, 105 34 Stockholm, Sweden, Strategic Wealth Management A/S, Office Club, August Bournonvilles Passage 1, DK-1055, Copenhagen, Denmark, Agentia Investment Management AB, Kungsgatan 3, 111 43, Stockholm, Sweden and FIRST Fondene AS, Munkedamsveien 45A, 0250 Oslo, Norway (together, the “**Backstop Providers**”), have under the Lock-Up Agreement committed to backstop the New Bonds in full. Each Backstop Provider will subscribe for the New Bonds that are not subscribed for by Bondholders in proportion to each Backstop Provider’s *pro rata* share of the total Existing Bonds held by all Backstop Providers. Out of the aggregate subscription price for the Offer of EUR 10,000,000, Concise Capital Management backstop 15.75 per cent., Robus Capital Management Limited backstop 23.97 per cent., Nordstjernan Kredit KB backstop 29.88 per cent., Carnegie Fonder AB backstop 7.31 per cent., Nordic Corporate Investments A/S backstop 11.11 per cent., Lemanik SICAV SPRING backstop 1.90 per cent., Swedbank Robur Fonder AB backstop 2.16 per cent., Strategic Wealth Management A/S backstop 0.40 per cent., Agentia Investment Management AB backstop 5.75 per cent. and FIRST Fondene AS backstop 1.79 per cent. The backstop undertakings are conditional upon the Lock-Up Agreement being in force as of the date of the utilisation of the backstop undertakings. The backstop undertakings are not secured through *e.g.*, bank guarantees, restricted funds, pledged assets or similar arrangements.

No remuneration will be paid to the Backstop Providers for their undertaking to backstop the New Bonds.

Allotment, Payment and Settlement

Allocation of New Bonds will be finalised and confirmed to subscribers as soon as possible following the end of the subscription period. New Bonds not subscribed for by Bondholders on a *pro rata* basis will be allotted to the Backstop Providers. Allotment does not depend on when the Subscription Form is submitted during the subscription period. Notification of allotment will be provided to subscribers as soon as practicable following the close of the subscription period. Those who have not been allotted New Bonds will not be separately notified.

The New Bonds are expected to be issued on 17 June 2026. Full payment for allotted New Bonds must be made in cash (or in kind by holders of the Super Senior Bridge Bonds who elect to provide their Super Senior Bridge Bonds as payment-in-kind for New Bonds) in accordance with and by the time set out in the terms and conditions of the Subscription Form. If full payment is not made in due time, allotted New Bonds may instead be allotted to the Backstop Providers. If the proceeds of any such transfer are less than the subscription price, the originally allotted subscriber may be required to make good the shortfall.

A press release or ad hoc release on the outcome of the Written Procedure and the results of the subscription for New Bonds is expected to be published on 5 June 2026.

The New Bonds are expected to be admitted to trading on the same trading venue as the Existing Bonds, i.e. on the corporate bond list of Nasdaq Stockholm Aktiebolag.

Placing and Underwriting

The Offer is not being underwritten or placed through any joint global coordinator, bookrunner or placement agent. The Offer is made directly by the Issuer to eligible Bondholders on a *pro rata* basis, with the Backstop Providers providing the backstop commitment described above. No commission will be charged to subscribers in connection with the Offer.

The Issuer has appointed Pareto Securities AS as settlement agent in connection with the Offering. No manager has been appointed. Pareto Securities AS is acting solely in its capacity as settlement agent on behalf of the Issuer and shall have no fiduciary duties towards the applicant. By applying for New Bonds in the Offering, the applicant recognises that it has made its application without having been contacted by, or received or relied on any material whatsoever from, Pareto Securities, and that it has undertaken its own assessments as to the suitability for its investment in the Offering. Any applicant further accepts that it shall not have the protections granted to “customers” in the Norwegian Securities Trading Act (No. *Verdipapirhandelloven*), the Swedish Securities Markets Act (Sw: *Lag om värdepappersmarknaden*), or any other equivalent acts where any applicant is domiciled.

Nordic Trustee Services AS will act as paying agent in connection with the Bond Issue. The paying agent’s registered address is Kronprinsesse Märthas plass 1 NO-0160 Oslo Norway.

Responsible for the information in this Prospectus

The Company has obtained all necessary resolutions, authorisations and approvals required, in conjunction with the issuance of the New Bonds and the performance of its obligations relating thereto. The Offering was authorised by a shareholders’ resolution on 19 May 2026, authorising the Issuer’s members of the management board (*Vorstand*) (the “**Management Board**”) to execute, deliver and perform the documents contemplated by the Bond Issue, including this Prospectus.

The Management Board is responsible for the information contained in this Prospectus. The Management Board confirms, that to the best of its knowledge, and having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus, is in accordance with the facts, and the Prospectus makes no omission likely to affect its import. The Management Board is responsible for the information given in this Prospectus only under the conditions, and, to the extent set forth in Swedish law.

The information in the Prospectus and in the documents incorporated by reference, which may derive from third parties, has been accurately reproduced, and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council (the “**Regulation**”). The Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. The SFSA’s approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

Ahlen on 19 May 2026

The Management Board of
LR Health & Beauty SE

THE BONDS IN BRIEF

This section contains a general and broad description of the Bonds as amended pursuant to the Written Procedure which is expected to be completed prior to the Issue Date. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference, and the full Amended and Restated Terms and Conditions for the Bonds included under Section “*Terms and Conditions for the Bonds*”, before a decision is made to invest in the Bonds.

General

Issuer	LR Health & Beauty SE, a Societas Europaea incorporated under the laws of Germany, registered with the commercial register (<i>Handelsregister</i>) of the local court (<i>Amtsgericht</i>) of Münster under registration number HRB 23158.
Resolutions, authorisations and approvals.....	The Issuer’s shareholder passed a shareholder’s resolution approving the issue of the New Bonds on 19 May 2026.
The Bonds offered.....	EUR 30,000,000 in an aggregate principal amount of senior secured fixed rate bonds due 30 June 2030.
Nature of the Bonds.....	The Bonds constitute debt instruments (<i>Sw. skuldförbindelser</i>).
Number of Bonds	This Prospectus is only valid for the offer of 30,000 New Bonds, each with a nominal amount of EUR 1,000. Following the Offering and the completion of the Restructuring Transaction, the maximum amount of 62,500 Bonds will, subject to the paragraph below, be outstanding under the Amended and Restated Terms and Conditions. Further Bonds can only be issued with the consent of the Bondholders in accordance with Clause 18.4.2(a) of the Amended and Restated Terms and Conditions. The Agent may, at the Agent’s discretion, instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations pursuant to Clause 21.2.14 of the Amended and Restated Terms and Conditions.
ISIN	NO0013149658.
New Bonds Issue Date	Expected to be 17 June 2026.
Issue Price	All New Bonds are issued on a fully-paid basis at an issue price of thirty-three point thirty-three (33.33) per cent. of the Initial Nominal Amount (as defined below).
Interest Rate.....	Interest on the Bonds is paid at a fixed rate of six point seventy-five (6.75) per cent. <i>per annum</i> (“ Interest Rate ”).
Interest Payment Dates.....	Interest payments for the preceding Interest Period will accrue on the last day of each Interest Period. Therefore, interest payments will, subject to adjustments in accordance with the Business Day Convention, accrue on 28/29 February (i.e. the last day of February, as applicable), 31 May, 31 August and 30 November in each year. The first Interest Payment Date will be 31 August 2026 (subject to the Business Day Convention).
Final Maturity Date	30 June 2030.
Nominal Amount.....	The initial nominal amount of each New Bond is EUR 1,000 (“ Initial Nominal Amount ”). The Agent may, at the Agent’s discretion, instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations pursuant to Clause 21.2.14 of the Amended and Restated Terms and Conditions.

Denomination.....	The Bonds are denominated in EUR.
Status of the Bonds.....	The Bonds constitute direct, senior, unsubordinated and secured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference between themselves and at least <i>pari passu</i> with all direct, unsubordinated and unsecured obligations of the Issuer, subject to (A) obligations which are mandatorily preferred by law and (B) the Intercreditor Agreement.
Use of Proceeds.....	The Issuer shall apply the Net Proceeds from the issue of the Bonds towards repayment of the Super Senior Bridge Financing.

Call Option

Call Option.....	<p>The Issuer may redeem the Bonds in whole, but not in part, on any CSD Business Day from and including the Amendment Date to, but not including, the Final Maturity Date at a price equal to 100.00 per cent. of the Outstanding Nominal Amount of the Bonds, together with accrued and unpaid interest on the Bonds.</p> <p>Redemption in accordance with this Clause 11.3 (<i>Voluntary total redemption (call option)</i>) shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice.</p>
------------------	--

Mandatory repurchase due to a Change of Control Event (put option)

Put Option	<p>Upon the occurrence of a Change of Control Event, each Bondholder shall during a period of forty-five (45) days from the effective date of a notice from the Issuer of the Change of Control Event, pursuant to paragraph (e) of Clause 14.1.1 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to one hundred and one (101) per cent. of the Outstanding Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event.</p>
------------------	---

Transaction Securities and Guarantees

Transaction Security.....	<p>As continuing security for the due and punctual fulfilment of the obligations under the Bonds, the Issuer has granted certain security interest ("Transaction Security").</p> <p>Such Transaction Security includes the following German law governed security:</p> <ul style="list-style-type: none"> • Share pledge agreement dated 28 February 2024 over the shares in (i) LR Global Holding GmbH, (ii) LR Health & Beauty Systems Beteiligungs GmbH, (iii) LR Health & Beauty Systems GmbH, (iv) LR-International Beteiligungs GmbH, (v) LR Partner Benefits GmbH and (vi) LR Deutschland GmbH (the entities listed through (i) to (vi), the "Pledged Companies") between (a) the Company, (b) LR Global Holding GmbH, (c) LR Health & Beauty Systems GmbH and (d) LR-International Beteiligungs GmbH as pledgors, the Pledged Companies as pledged companies and Nordic Trustee & Agency AB (publ) as security agent and pledgee (provided that all share security over the Pledged Companies (except in relation to the security over the shares in LR Health & Beauty Systems Beteiligungs GmbH) will be released in connection with the Restructuring Transaction);
---------------------------	---

- Security assignment agreement dated 4 March 2024 over current and future receivables between (i) Aloco Holding S.à r.l., (ii) the Company, (iii) LR Global Holding GmbH, (iv) LR Health & Beauty Systems Beteiligungs GmbH and (v) LR Health & Beauty Systems GmbH and (vi) LR-International Beteiligungs GmbH as assignors and Nordic Trustee & Agency AB (publ) as security agent and assignee;
- Account pledge agreement dated 4 March 2024 over bank accounts between (i) the Company, (ii) LR Global Holding GmbH, (iii) LR Health & Beauty Systems Beteiligungs GmbH, (iv) LR Health & Beauty Systems GmbH, (v) LR-International Beteiligungs GmbH, (vi) LR Partner Benefits GmbH and (vii) LR Deutschland GmbH as pledgors and Nordic Trustee & Agency AB (publ) as security agent and pledgee;
- Security transfer agreement dated 4 March 2024 regarding security transfer (*Sicherungsübereignung*) of certain present and future movable assets deposited in a security area at a warehouse, including (i) inventories of finished goods and products, (ii) unfinished goods and products, (iii) raw materials, (iv) supplies and (v) operating materials of LR Health & Beauty Systems GmbH (identified via certain asset lists, which are to be updated from time to time) between LR Health & Beauty Systems GmbH as transferor and Nordic Trustee & Agency AB (publ) as security agent and transferee; and
- Security assignment agreement dated 4 March 2024 regarding trademarks of LR Health & Beauty Systems GmbH claims between LR Health & Beauty Systems GmbH as assignor and Nordic Trustee & Agency AB (publ) as security agent and assignee.

Furthermore, the Issuer has granted local law share security over the shares in the following subsidiaries, which also acceded as Guarantors to the Guarantee Agreement (as defined below):

- LR Jersey Holding Limited (Jersey);
- LR Health & Beauty Systems Single Member Limited Liability Company (Greece);
- LR Health & Beauty Systems SAS (France);
- LR Health & Beauty Systems sp. z o.o. (Poland);
- LR Health & Beauty Systems, s.r.o. (Czech Republic); and
- LR Health & Beauty Systems, s.r.o. (Slovakia).

Pursuant to the Amended and Restated Terms and Conditions, LR Jersey Holding Limited may resign from the Guarantee Agreement and the security provided over LR Jersey Holding Limited may be released.

As part of the Restructuring Transaction, a new share pledge governed by German law (the “**Issuer Share Pledge**”) shall be granted in favour of the Security Agent for the benefit of the Secured Parties, over all of the shares in the Issuer (the “**Issuer Pledged Shares**”). The Issuer Share Pledge shall be created as first-ranking security, consistent with the requirement under the Terms and Conditions that Transaction Security be constituted as first-ranking security. The Issuer Share Pledge may be enforced by the Security Agent upon the occurrence and continuation of an Event of Default which is continuing and, in respect of which the Agent has notified the Issuer and, subject to the

terms of the Intercreditor Agreement, in accordance with the enforcement procedures available under German law, including by way of public auction.

Share Call Option As part of the security package, a call option governed by German law (the “**Share Call Option**”) will be granted in favour of the Security Agent, for the benefit of the Secured Parties. The Share Call Option is granted over all of the shares in LR Health & Beauty Systems GmbH (the “**Option Shares**”). Upon exercise of the Share Call Option, the Security Agent shall be entitled to require the transfer of the relevant Option Shares to a third party designated by it. The consideration for such transfer shall be the fair market value of the Option Shares at the time of exercise. The Share Call Option is granted solely for security and enforcement purposes and shall not, prior to their exercise, confer any right to economic ownership (*wirtschaftliches Eigentum*), voting rights, dividend rights or other shareholder rights in respect of the Option Shares. The granting of the Share Call Option does not constitute an agreement to transfer shares and the Security Agent shall have no obligation to exercise the Share Call Option

Guarantees The obligations under the Bonds are guaranteed under a Swedish law governed guarantee agreement (“**Guarantee Agreement**”) entered into by, or through accessions by certain subsidiaries of the Issuer (the “**Guarantors**”).

Subject to the Guarantee Agreement, each Guarantor irrevocably and unconditionally and jointly and severally as a principal obligor (Sw. *proprieborgen*) guarantees to the secured parties under the Bonds as for its own debts (Sw. *såsom för egen skuld*) the full and punctual payment and performance by each Group company of all the secured obligations, including the payment of principal, interest, costs, expenses or other amount under the finance documents (including the Bonds and the documents entered into as part of transaction security for the Bonds) that has not been fully and irrevocably paid by the Issuer or any other obligor under such documents. Such guarantee commitments have been entered into in accordance with the Guarantee Agreement, which is entered into between the Issuer, each Guarantor and the security agent (Nordic Trustee & Agency AB (publ), i.e. the agent under the Bonds). The obligations and liabilities of the Guarantors under the Guarantee Agreement shall be limited if required (but only if and to the extent required) under the laws of the jurisdiction in which the relevant Guarantor is incorporated.

As of the date of this Prospectus, the Guarantors are LR Global Holding GmbH (LEI-code 529900YM1HDMG9MCJD66) (Germany), LR Health & Beauty Systems Beteiligungs GmbH (Germany), LR Health & Beauty Systems GmbH (Germany), LR Partner Benefits GmbH (Germany), LR-International Beteiligungs GmbH (Germany), LR Deutschland GmbH (Germany), LR Jersey Holding Limited (Jersey), LR Health & Beauty Systems SAS (France), LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) (Greece), LR Health & Beauty Systems, s.r.o. (Czech Republic), LR Health & Beauty Systems, s.r.o. (Slovakia), and LR Health & Beauty Systems sp. z o.o. (Poland). None of the entities are required to have a LEI-code.

Further Guarantors may accede to the Guarantee Agreement by way of signing, *inter alia*, accession letters. Existing Guarantors may, under certain conditions and subject to the Guarantee Agreement, resign from the Guarantee Agreement.

Intercreditor agreement In accordance with the Amended and Restated Terms and Conditions, the Company is permitted to maintain and incur additional debt under, *inter alia*, certain credit facilities for working capital and general corporate purposes as well as certain hedging obligations, which may share the Transaction Security and Guarantees with the Bonds and rank senior in right and priority of payment

in case of an enforcement of the Transaction Security or Guarantees under an intercreditor agreement (if entered into). Pursuant to the Intercreditor Agreement, any unpaid fees, costs, expenses and indemnities payable to the security agent, bond agent and certain other agents as well any outstanding amount under the Super Senior Bridge Financing rank in priority over the holders of the Bonds.

Release of security Subject to the Intercreditor Agreement (if entered into) and notwithstanding the terms of the Security Documents and the Guarantee Agreement, the Security Agent shall in connection with a merger permitted by the Amended and Restated Terms and Conditions or a voluntary liquidation or winding-up of LR Jersey Holding Limited described in Clause 16.1(j) (*Continuation of business*), be permitted to release the relevant Transaction Security and/or Guarantees (as applicable) for the purpose of enabling such merger or voluntary liquidation/winding-up.

Undertakings

Certain undertakings The Amended and Restated Terms and Conditions contain a number of undertakings that restrict the ability of the Issuer and other Group Companies, *inter alia*:

- undertaking to meet the quarterly-performed Maintenance Test;
- certain information undertakings;
- restrictions on making distributions;
- restrictions on disposals of assets;
- restrictions in relation to incurring financial indebtedness (as specified in the Amended and Restated Terms and Conditions);
- restrictions on making any substantial changes to the general nature of the business carried out by the Group; and
- restrictions on providing loans.

Each of these covenants is subject to significant exceptions and qualifications. Please refer to the Amended and Restated Terms and Conditions for more information.

Miscellaneous

Transfer restrictions..... Subject to the applicable rules of the clearing system, the Bonds are freely transferable. However, the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

Credit rating No credit rating has been assigned to the Issuer or the Bonds.

Admission to trading Further, the Issuer ensures that: (i) the New Bonds are admitted to trading on the Regulated Market of Nasdaq Stockholm or another Regulated Market within sixty (60) days of the Issue Date; and (ii) the Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), continue to be admitted to trading thereon, but no longer than up to, and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations (including any regulations preventing trading in the Bonds in close connection to the redemption thereof) of Nasdaq Stockholm (or any other applicable Regulated Market) and the CSD, subsist.

An application for admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm, a Regulated Market, will be filed following the issuance

of the New Bonds, which is expected to be on 17 June 2026. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm will be on or about 19 June 2026.

Representation of the Bondholders	<p>Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, with registered address P.O. Box 7329, SE-103 90 Stockholm, Sweden, is acting as Agent and in accordance with the Amended and Restated Terms and Conditions.</p> <p>By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf, on the terms, including rights and obligations of the Agent, set out in the Amended and Restated Terms and Conditions.</p>
Governing law	The Bonds are governed by Swedish law.
Time-bar	The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment.
Clearing and settlement	<p>The Bonds are connected to the account-based system of Verdipapirssentralen ASA, Norwegian reg. no. 985 140 421, Postboks 1174 Sentrum, 0107, Oslo, Norway. This means that the Bonds are registered on behalf of the Bondholders on a securities account. No physical Bonds have been or will be issued.</p> <p>Any payment or repayment to a Bondholder is made to such Person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant due date, by way of crediting the relevant amount to the bank account nominated by such Bondholder in connection with its Securities Account with the CSD.</p>
Risk factors.....	Investing in the Bonds involves substantial risks and prospective investors should refer to Section “ <i>Risk Factors</i> ” for a discussion of certain factors that they should carefully consider before deciding to invest in the Bonds.

DESCRIPTION OF THE ISSUER AND THE GROUP

Overview of the Issuer

Legal and commercial name.....	LR Health & Beauty SE
Commercial register number	HRB 23158, commercial register (<i>Handelsregister</i>) of the local court (<i>Amtsgericht</i>) of Münster, Germany
LEI-code.....	391200F0IS3RDVSU8A35
Date and place of registration.....	29 July 2020
Date of incorporation.....	22 July 2020
Legal form.....	Societas Europaea
Jurisdiction and laws	Germany and the laws of Germany / European laws
Registered office	Ahlen
Head office and visiting address.....	Kruppstraße 55, 59227 Ahlen, Germany
Email	InvestorRelations@lrworld.com
Telephone.....	+49 (0) 2382 7813-0
Website.....	ir.lrworld.com/en/ (the information provided at the Issuer's or Group's website does not form part of this Prospectus unless explicitly incorporated by reference into the Prospectus)
Operational objective	According to section 2.1 of its articles of association, the objects of the Issuer are to acquire, hold, sell and manage rights and interests in companies in Germany and abroad, as well as to acquire, hold, sell and manage other assets and to conduct all related transactions; to participate in the management of subsidiaries and affiliated companies and, in particular, to provide administrative and consulting services, primarily in the areas of accounting and reporting, personnel matters and in connection with the restructuring and financing of companies as well as the acquisition, management and sale of associated companies, with the exception of such activities that are subject to authorization by law; the company is also entitled to provide such services to third parties; and to grant and receive loans, bonds, other financing instruments and any type of collateral, both for its own purposes and for the purpose of supporting companies in which the company has a direct or indirect interest as well as affiliated companies.

History and Development

Below follows a timeline setting out some of the key events in the Group's history.

<u>Year</u>	<u>Event</u>
1985	<ul style="list-style-type: none">• Foundation of LR-Cosmetic in Ahlen (Germany) as one of the pioneers of social selling in the German market.
1989	<ul style="list-style-type: none">• The millionth bottle of perfume is sold.
1990-1994	<ul style="list-style-type: none">• Establishment of the first international subsidiaries.
1995	<ul style="list-style-type: none">• Launch of the LR Car Concept.

Year	Event
2015	<ul style="list-style-type: none"> • LR Group is awarded with the Astra Award of the European Direct Selling Association as the best direct sales company in Europe. • LR Group is the winner of the Company of the Year Award 2015 awarded by the European Direct Selling Association (Seldia).
2016-2018	<ul style="list-style-type: none"> • Construction of one of the most modern Aloe Vera production plants in Europe. • LR Group is awarded the Business Award of the city of Ahlen.
2019	<ul style="list-style-type: none"> • The Group enters the beauty food segment with the 5in1 Beauty Elixir for women. • LR Group is awarded with the German Brand Award 2019 by the German Brand Institute in the category “Beauty & Care” for the 5in1 Beauty Elixir.
2020	<ul style="list-style-type: none"> • LR Group is awarded with the German Brand Award 2020 by the German Brand Institute in the category “Health & Pharmaceuticals” for the LR LIFETAKT Night Master and a special mention for “LR” as “Product Brand of the Year”.
2021	<ul style="list-style-type: none"> • Market entry in South Korea and the East Asian market. • LR Group is awarded the title of “Top 100 Innovator” by compamedia GmbH. • LR Global Holding GmbH issues EUR 125,000 million senior secured floating rate bonds. • LR Group is awarded second place in the category “Large Companies” in 2021, achieving the second strongest sales growth in this category in 2020.
2022	<ul style="list-style-type: none"> • Launch of the Zeitgard Pro Cosmetic Device. • Change in management: Dr. Andreas Laabs is appointed as new CEO of the Group.
2023	<ul style="list-style-type: none"> • Market entry in the United Kingdom. • Launch of LR Figuactive. • LR is awarded with the German Innovation Award 2023 for the Zeitgard Pro Cosmetic Device. • LR is awarded with the received the German Design Award 2023 for the Zeitgard Pro Cosmetic Device in the category “Bath and Wellness”.
2024	<ul style="list-style-type: none"> • The Issuer issues EUR 130,000 million senior secured floating rate bonds. • LR Group redeems in full LR Global Holding GmbH’s EUR 125,000 million senior secured floating rate bonds. • Launch of the product concept LR Health Mission. • Launch of LR Zeitgard Signature.
2025	<ul style="list-style-type: none"> • Jörg Körfer appointed as Chief Executive Officer of LR Health & Beauty SE with effect from 1 August 2025. • Launch of new LR Fragrances concept, comprising the LR MOOD INFUSION and LR ICONIC ELIXIRS collections, in September 2025. • The Existing Bonds were admitted to trading on the regulated market of Nasdaq Stockholm on 28 February 2025. • Maximum leverage ratio under the bond 2024/2028 terms were exceeded as of Q3 2025; disclosed via ad-hoc release on 20 October 2025. A standstill agreement with an ad-hoc group of bondholders was announced on 25 November 2025, including deferral of interest payments, with the standstill agreed until 28 February 2026.
2026	<ul style="list-style-type: none"> • On 11 February 2026 the Issuer announced that a comprehensive restructuring agreement with bondholders representing more than two thirds (2/3) of the outstanding 2024/2028

Year	Event
------	-------

Bonds (ISIN: NO0013149658) and the Company's shareholder, providing for EUR 20 million in new capital (EUR 10 million equity and EUR 10 million new money senior bonds), a reduction of existing bond liabilities and a future debt structure consisting of EUR 62.5 million senior secured debt bearing 6.75 per cent. fixed cash interest and EUR 27.5 million unsecured subordinated junior bonds with PIK interest stepping up from 6 per cent. to 10 per cent. and maturing in 2031, documented in a lock-up agreement with bondholders committing not to accelerate the Bonds until 30 April 2026. The lock-up agreement was amended and restated on 6 March 2026 to *in te alia* extend the lock-up period until 30 June 2026 and enable a super senior bridge financing until the restructuring has been completed.

Business and Operations

The Group offers a product portfolio focused on two main product categories: (1) health, consisting of dietary supplements such as weight management and general wellbeing products, as well as nutritional additives, such as vitamins and minerals and immune system support products, and (2) beauty, consisting of personal care products such as cosmetics, make-up, fragrances and hygiene products. The Group operates a digitally-driven social commerce business selling its products under its well-established community brand "LR Health & Beauty" in 32 countries across Europe, in Turkey in Kazakhstan and in South Korea. Germany, France, Czech Republic, Russia and Poland are the Group's core markets, with the top five countries by sales contributing 72 per cent. of total revenue.

The Group's diversified portfolio comprises over 200 different health and beauty products that combine natural ingredients with scientific innovation, whereof Aloe Vera products are the Group's best-selling product category. The operational business, research and development of these products, as well as the production itself is mostly carried out at the Group's headquarters in Ahlen, Germany. The Group also operates its own modern production plant for Aloe Vera drinking gels in Ahlen, which was opened in 2018.

The Group distributes the vast majority of its products to an engaged community of partners, which join the Group's community to benefit from preferred pricing of its products and access to the Group's bonus model that incentivizes partners to refer new, potential customers to the Group's product offering, and to also become partners as part of the Group's community and/or to be part of the Group's marketing and product distribution by on-selling the Group's products. To be counted as part of the Group's community, individuals who signed up as a "partner" through one of the Group's sales partnership agreements have to have also made a purchase of LR products within the last 90 days ("**Partners**"). As of the date of this Prospectus, the Group's active sales force comprises approximately 222,000 Partners, representing a decline from approximately 290,000 Partners in the financial year ended 31 December 2022, driven by, inter alia, macroeconomic headwinds, adjustments to the Group's career plan and incentive structures, and a strategic focus on higher-value product sets.

The Group markets its high-quality health and beauty products directly to consumers without relying on retailers or third-party platforms and without any shelf-space limitation. The Group's Partners leverage their social networks such as Facebook, Instagram or TikTok, and their digital sphere of influence to promote LR's products and recruit new Partners. Many of the Group's Partners act as micro-influencers for its products, i.e. using their strong digital presences by heavily interacting with their followers on social media, sharing the Group's products and their experiences as part of their daily social media activities. Setting the Group apart from other companies marketing their products digitally, the Group leverages its Partners' social media interactions with their social network, but does not pay for single posts of its Partners, and instead, rewards its Partners for their successful referrals through bonuses on generated revenue from the sales of goods volume.

The Group's asset light business model provides it with direct consumer access, consumer data and market insights, all of which enable it to react quickly and cost-efficiently to changes in consumer trends and demand in

its markets. Therefore, the Group can utilise the reach of its community of Partners network with a conversion-based model and without additional Partner acquisition costs.

The Group's business benefits from the ongoing market digitalisation, although the overall number of active Partners has declined materially in recent periods. The age profile of newly recruited Partners has shifted significantly towards older demographics: the 60+ age group among new recruits in Germany increased by 8.3 percentage points between the first quarter of 2022 and the third quarter of 2025, whilst the 18–29 age group declined sharply over the same period. The 40–49 age group currently represents the largest cohort within the Group's active sales force. The demography of the Group's community of Partners with younger Partners enables the Group to reap the benefits of the increasing digitalization, adapting quickly to changes in the fast-moving social media sphere and bringing the Group's products to consumers through all available sales channels, which comprise the Group's webshop (shop.lrworl.com) as its central online sales platform, product subscriptions by Partners on a regular basis, SMS orders at online events, direct-to-consumer sales by Partners, and other sales channels, e.g. phone, fax or email.

As at the date of this Prospectus, the Group is subject to a financial restructuring. The Group's operating cash flow has been insufficient to service its existing debt obligations, and the Group has experienced a significant decline in liquidity, with cash and cash equivalents decreasing from EUR 39.4 million as of 31 December 2022 to EUR 8.0 million as of 31 December 2025. Over the same period, the Group's EBITDA declined from EUR 31.1 million in the financial year ended 31 December 2022 to EUR 16.5 million for the financial year ended 31 December 2025, representing a deterioration in EBITDA margin from 11.5 per cent. to 6.0 per cent. This decline was driven in part by a material increase in the Group's bonus cost ratio, which rose from 37.6 per cent. of gross sales in the financial year 2022 to 41.0 per cent. for the financial year ended 31 December 2025, following structural changes to the Group's partner career plan and incentive structures. The Group breached its leverage ratio covenant as of 30 September 2025 and has deferred interest payments on the Existing Bonds since November 2025.

On 11 February 2026, the Issuer announced that it had reached agreement with bondholders representing more than two thirds (2/3) of the nominal amount of the Existing Bonds and the Company's shareholder on a comprehensive restructuring of the Bonds and the capital structure, as further described below and in the risk factors section of this Prospectus. The future financing of the Group's activities is expected to be dependent upon the successful implementation of such restructuring and the operational restructuring programme described herein.

Operational Restructuring Programme

The restructuring programme described below is based on the restructuring opinion prepared by EY-Parthenon in accordance with the standard requirements for the preparation of restructuring opinions pursuant to IDW S6 (as of 22 June 2023) of the Institut der Wirtschaftsprüfer, which sets out the framework for assessing a company's restructuring ability and the viability of its restructuring concept (the "**Opinion**"). In response to the operational and financial challenges described above, the Group has developed and commenced implementation of a comprehensive operational restructuring programme (the "**Restructuring Programme**"). The Restructuring Programme is designed to restore the Groups competitiveness and profitability and is organised around three principal clusters of measures: (i) bottom-up operational measures identified through departmental workshops and analysis; (ii) an organisational reorganisation; and (iii) a sales push initiative.

The Group's revised strategic direction, referred to internally as "LR First", represents a reorientation of the Group's operating model away from a partner-centric approach towards a performance-driven model in which the Group actively steers and monitors the activities of its sales partners. Under this approach, support and incentive structures are aligned with measurable sales performance, with a focus on recruiting and retaining partners with high career ambition and genuine sales activity. The Group intends to implement a revised bonus and career plan structure designed to reduce the bonus cost ratio, which has increased materially in recent years, by raising career progression thresholds, reducing point-value campaign effects and adjusting the Business Track programme to incorporate growth-linked provisions.

The bottom-up operational measures encompass a range of cost reduction and efficiency improvement initiatives across the Group's production, logistics, purchasing, finance and other functions. Key measures include: (i) the insourcing of the production of the Group's 5-in-1 Beauty Elixir product line, which is expected to generate material savings in variable costs; (ii) the introduction of mechanical cleaning processes in the health production filling line to reduce product loss; (iii) targeted improvements to the Group's logistics operations, including addressing inefficiencies arising from the transition to the new Logistics 4.0 warehouse concept; (iv) a packaging relaunch for the LifeTakt product range to reduce material costs and achieve compliance with applicable packaging regulations; (v) the utilisation of existing cash discount arrangements with suppliers; (vi) a review of contract manufacturing arrangements with a view to identifying lower-cost alternatives; and (vii) a reduction in receivable defaults through the implementation of improved payment processing and active receivables management.

The organisational reorganisation measure involves a comprehensive review of the Group's organisational structure with the objective of eliminating duplicate roles and overlapping responsibilities, clarifying reporting lines, streamlining non-core functions and optimising resource allocation. The reorganisation is expected to result in a targeted reduction of approximately 30 full-time equivalent positions, with implementation commencing in the financial year 2026 and the full effect expected to be realised from the financial year 2027 onwards. The foregoing FTE reduction target of approximately 30 represents the management case assumption. Under the sensitivity case, a more conservative reduction of approximately 20 FTEs is assumed, reflecting implementation challenges and the early stage of development of the reorganisation concept.

The sales push initiative is directed at reversing the decline in the Group's active sales partner base, which has decreased materially since the financial year 2022. The principal measures under this initiative include the realignment of the German sales entity, including the appointment of new sales leadership, the introduction of structured sales partner monitoring and performance management, and the implementation of a revised incentive structure designed to encourage active participation and reduce the so-called "lean-back effect" among partners who have attained a certain career rank. Sales growth of approximately 2.5 per cent. per annum from the financial year 2027 onwards is targeted as a result of these measures, driven by volume rather than price increases. The foregoing sales growth target of 2.5 per cent. per annum represents the management case assumption. Under the sensitivity case, which reflects execution risks and a more challenging market environment, sales growth is assumed at 2.0 per cent. per annum from the financial year 2027 onwards.

The Group's product portfolio is also subject to review and rationalisation as part of the Restructuring Programme. The Group intends to streamline its product assortment, with a focus on core product lines and market-driven development, and to exit or reprice products that are not commercially viable. In addition, the Group has resolved to withdraw from the South Korean market, which has consistently generated negative results, with the exit expected to be completed by mid-2027. The Group is also evaluating a cost-efficient market entry into Senegal, leveraging existing partner structures in France, as a potential gateway for further expansion into the African market.

Restructuring Transaction

Overview

On 11 February 2026, the Issuer entered into a lock-up agreement (as amended and restated on 6 March 2026, the "**Lock-Up Agreement**") with certain holders of the Existing Bonds representing in aggregate more than two thirds (2/3) of the total nominal amount of the Existing Bonds and the Issuer's indirect shareholder, Project Artemis SCSp, setting out the terms for the comprehensive restructuring of the Existing Bonds and the indirect shareholding of the Issuer, as set out in the Lock-Up Agreement and designed to resolve the Issuer's risk of impending illiquidity and over-indebtedness (the "**Restructuring Transaction**"). The Restructuring Transaction is intended to meet the requirements of the Opinion.

The Restructuring Transaction comprises the following principal steps: (i) the incurrence of super senior bridge financing on 26 March 2026 in an aggregate nominal amount of EUR 10,000,000 to bridge the Issuer's liquidity

shortfall pending implementation of the Restructuring Transaction (the “**Super Senior Bridge Financing**”); (ii) the amendment of the Terms and Conditions of the Existing Bonds by way of written procedure to implement the further steps of the Restructuring Transaction, including tailoring for the issuance of the New Bonds; (iii) the issuance of EUR 30,000,000 new senior secured bonds (being the New Bonds (including the Reinstated Elevated Bonds) against an aggregate cash payment of EUR 10,000,000 (less any amount paid in kind by holders of the Super Senior Bridge Bonds who elect to provide their Super Senior Bridge Bonds as payment-in-kind for New Bonds); (iv) the restatement of EUR 32,500,000 of the Existing Bonds pro rata amongst the holders of Existing Bonds; (v) the reinstatement of EUR 27,500,000 of the Existing Bonds into junior bonds to be issued by LuxCo (which will be structurally subordinated to the Bonds and issued on a limited-recourse basis, with recourse limited to the assets of LuxCo only and not extending to the Issuer, any other Group Company, the Transaction Security or the Guarantees), *pro rata* amongst the holders of Existing Bonds; (vi) the write-off of the remaining EUR 70,000,000 nominal amount of the Existing Bonds together with all accrued and unpaid interest (including default interest ISINs) (including NO0013736744 and NO0013699330 and the default ISIN generated for the regular May 2026 interest payment); (vii) a cash contribution of approximately EUR 10,000,000 through the issuance of new shares in LuxCo; (viii) the contribution in kind and assignment of the Mandatory Issuance Fee (as defined below) through the issuance of new shares in LuxCo; (ix) the transfer of all Aloco Shareholder Loans extended to the Issuer from Aloco to LuxCo; and (x) the transfer of all outstanding shares of the Issuer by Aloco to LuxCo. Each of these steps is described in further detail below.

Super Senior Bridge Financing

On 26 March 2026, the Issuer incurred super senior debt in an aggregate nominal amount of EUR 10,000,000 under the Super Senior Bridge Financing to bridge the liquidity shortfall of the Group pending implementation of the Restructuring Transaction. The Super Senior Bridge Financing was made available by certain Bondholders who elected to participate as bridge financing providers (the “**Bridge Financing Providers**”). The Super Senior Bridge Financing ranks super senior to the Existing Bonds pursuant to an intercreditor agreement entered into between the Issuer, the Bridge Financing Providers and the security agent (the “**Bridge Financing Intercreditor Agreement**”). The Super Senior Bridge Financing bears no cash interest (other than default interest in the event of repayment after the maturity date) and is to be refinanced in connection with the closing of the Restructuring Transaction using the proceeds of the New Bonds, but in any event no later than 31 August 2026 unless extended by a two-thirds majority of Bridge Financing Providers. As compensation for their participation in the Super Senior Bridge Financing, the Bridge Financing Providers will receive, in aggregate, 15 per cent. of all shares in LuxCo on a fully diluted basis through the contribution and assignment of the Mandatory Issuance Fee (as defined below), allocated *pro rata* among the Bridge Financing Providers in proportion to their respective participation in the Super Senior Bridge Financing.

Written Procedure

On the date hereof, the Issuer has published a notice of the Written Procedure pursuant to the Terms and Conditions of the Existing Bonds, inviting Bondholders to vote in favour of the implementation of the Restructuring Transaction, including, *inter alia*: (i) approving the Amended and Restated Terms and Conditions and; (ii) the issuance of the New Bonds as a subsequent bond issue under the Amended and Restated Terms and Conditions; and (iii) such other amendments as are necessary or desirable to implement the Restructuring Transaction. The record date for voting in the Written Procedure, the record date for eligibility to participate in the New Bond issue and the Share Issue (as defined below), and the record date for receiving Junior Bonds (as defined below), each fall on the date hereof. The voting period in the Written Procedure expires on 5 June 2026, being eleven (11) business days following the date hereof. A trading block will apply to the Existing Bonds and to the default interest ISINs NO0013736744 and NO0013699330 and the default ISIN generated for the regular May 2026 interest payment, to prevent trading from the Record Date until the completion of the Restructuring Transaction.

Write-Downs

Following the expiry of the voting period in the Written Procedure and subject to the requisite majority of Bondholders having voted in favour of the request in the Written Procedure, the following write-downs of the Existing Bonds (jointly, the “**Write Downs**”) will be implemented.

Following the implementation of the Write Downs, the total outstanding nominal amount of the Bonds will be EUR 62,500,000 (after the issuance of the New Bonds).

Junior Amount Write Down

EUR 27,500,000 of the nominal amount of the Existing Bonds (the “**Junior Amount Write Down**”) will for technical reasons, in order to enable a change of debtor for such amount from the Issuer to LuxCo, be written down at the level of the Issuer and subsequently be reinstated by an issuance of Junior Bonds (as defined below and further described in the section “*Junior Bonds*” below) by LuxCo.

The Junior Amount Write Down will be applied *pro rata* amongst the Bondholders in proportion to their respective holdings of Existing Bonds. The record date for the Junior Amount Write Down and the right to receive Junior Bonds will be 11 June 2026. The Junior Amount Write Down will be executed on 15 June 2026 by the paying agent through the CSD.

In connection with the Junior Amount Write Down, Bondholders will receive Junior Bonds issued by LuxCo on a *pro rata* basis in proportion to their respective holdings of Existing Bonds as of the record date set out above. For a description of the terms of the Junior Bonds, please refer to the section “*Junior Bonds*” below.

Residual Write Down

EUR 70,000,000 of the nominal amount of the Existing Bonds (the “**Residual Write Down**”), will be written-down.

The Residual Write Down will be applied *pro rata* amongst the Bondholders in proportion to their respective holdings of Existing Bonds. The record date for the Residual Write Down will be 12 June 2026. The Residual Write Down will be executed on 16 June 2026 by the paying agent through the CSD.

EUR 20,000,000 of the written-down nominal amount of the Bonds under the Residual Write Down will be reinstated and issued to Bondholders who participate in the issuance of the New Bonds see the section “*New Bonds, Restated Bonds and Reinstated Elevated Bonds*” below.

Write Down of interest

All accrued and unpaid interest (including default interest and default-ISINs (including NO0013736744 and NO0013699330 and the default ISIN generated for the regular May 2026 interest payment) under the Existing Bonds will be fully written down and, accordingly, extinguished in full.

The write-down of accrued interest (including default interest and default-ISINs) will be executed on 16 June 2026 by the paying agent through the CSD.

New Bonds, Restated Bonds and Reinstated Elevated Bonds

New Bonds and Reinstated Elevated Bonds: The New Bonds of EUR 30,000,000 will be issued by the Issuer as subsequent bonds under the Amended and Restated Terms and Conditions. The New Bonds are offered *pro rata* to all Bondholders on the terms set out in the section “*Offering of the Bonds*”. The proceeds of the New Bonds will be applied towards repayment of the Super Senior Bridge Financing in full and financing general corporate purposes of the Group.

Restated Bonds: All Bondholders will have EUR 32,500,000 of the Existing Bonds restated, on a *pro rata* basis (the “**Restated Bonds**”) within the same framework as the Existing Bonds and be governed by the Amended and Restated Terms and Conditions.

The New Bonds (including the Reinstated Elevated Bonds) and the Restated Bonds will constitute the same series of Bonds with the same ISIN and will constitute the only remaining Bonds following the full implementation of the Restructuring Transaction. The total nominal amount of the Bonds following the implementation of the Restructuring Transaction will thus be EUR 62,500,000. The terms and conditions of the Bonds following the Written Procedure are summarized under the section “*The Bonds in brief*” and set out in full under the section “*Terms and Conditions*”.

Junior Bonds

In connection with the implementation of the Junior Amount Write Down, EUR 27,500,000 of the Existing Bonds will be reinstated in the form of a new series of bonds (the “**Junior Bonds**”) to be issued by LuxCo. The Junior Bonds will be issued by LuxCo and will be unsecured, structurally subordinated to the Bonds (and all other senior obligations of the Group), and issued on a limited-recourse basis, with recourse limited to the assets of LuxCo only. Junior Bondholders will have no recourse to the Issuer, any other Group Company, the Transaction Security or the Guarantees. The Junior Bonds will be governed by separate terms and conditions (the “**Junior Bonds Terms and Conditions**”). Effectiveness of the Junior Bonds Terms and Conditions will be conditional on the occurrence of the Junior Amount Write Down.

The Junior Amount Write Down and issuance of Junior Bonds is carried out in order to enable a change of debtor in respect to the above EUR 27,500,000 of the nominal amount of the Existing Bonds, whereby the Issuer shall be replaced by LuxCo as creditor under such debt amount. As consideration for LuxCo’s assumption of the debt by issuance of the Junior Bonds, the Issuer will enter into a German law shareholder loan agreement with LuxCo, with the Issuer as debtor and LuxCo as creditor, in an amount of EUR 27,500,000 (the “**Debt Assumption Shareholder Loan**”). LuxCo’s claim against the Issuer under the Debt Assumption Shareholder Loan will be fully subordinated to the obligations of all obligors under the Senior Finance Documents in accordance with (and as defined in) the Amended and Restated Terms and Conditions (including as to interest and maturity) and will further be subject to security in favour of the Agent and the Bondholders in accordance with the Amended and Restated Terms and Conditions.

The Issuer’s and LuxCo’s obligations in respect of the above change of debtor through the Junior Amount Write Down, the issuance of the Junior Bonds and entry into the Debt Assumption Shareholder Loan will be governed by a German law hive-up framework agreement. The Junior Bonds will be issued to Bondholders on a *pro rata* basis in proportion to their respective holdings of Existing Bonds as of the record date for the Junior Amount Write Down, being 11 June 2026. No action is required from Bondholders to receive Junior Bonds; Bondholders will receive Junior Bonds automatically on a *pro rata* basis in proportion to their holding of Existing Bonds as of the record date for the Junior Amount Write Down.

The Junior Amount Write Down will be executed on 15 June 2026 and the Junior Bonds are also expected to be issued by LuxCo on 15 June 2026, to Bondholders *pro rata* to their holding of Existing Bonds as of the record date for the Junior Amount Write Down on 11 June 2026. The Junior Bonds will be registered with the CSD (Verdipapirsentralen ASA (Euronext Oslo)) and issued in dematerialised form under a separate ISIN.

The Junior Bonds will bear payment-in-kind interest, which will accrue and be capitalised to the outstanding principal amount of the Junior Bonds on each interest payment date, at the following rates: (i) 6.00 per cent. per annum during year 1; (ii) 7.00 per cent. per annum during year 2; (iii) 8.00 per cent. per annum during year 3; (iv) 9.00 per cent. per annum during year 4; and (v) 10.00 per cent. per annum during year 5. The Junior Bonds will mature on 30 June 2031. It is intended that the Junior Bonds will be admitted to trading on the Open Market of the Frankfurt Stock Exchange within 60 calendar days (with an intention of 30 calendar days) of the issue date of the Junior Bonds and on the Regulated Market of Nasdaq Stockholm (or another regulated market) within 12 months from the issue date of the Junior Bonds.

Share Issue and Corporate Reorganisation

As part of the Restructuring Transaction, the Mandatory Issuance Fee together with an amount of EUR 10,000,000 will be contributed, respectively in kind and in cash, to LuxCo against the issuance of new shares (the “**Shares**”) in LuxCo (the “**Share Issue**”), with the proceeds to be contributed to or otherwise made available to the Issuer. The Share Issue is expected to be completed on 10 June 2026.

As part of the Share Issue, it is also intended for the Interim Shareholder to consent to the redemption and cancellation of all of its shares in LuxCo (the “**Interim Shareholder Exit**”). Immediately after the Share Issue, LuxCo will acquire all of (a) the then outstanding shares of the Company (the “**Company Shares**”) together with all of (b) the existing shareholder loans granted by Aloco to the Company (the “**Aloco Shareholder Loans**”) from Aloco for a purchase price of EUR 1 for the Company Shares and EUR 1 for the Aloco Shareholder Loans (the “**Company Share and Loan Transfer and Assignment**”).

The Share Issue together with the Interim Shareholder Exit and the Company Share and Loan Transfer and Assignment will result in a change of control of the Issuer, following which electing Bondholders (including the Bridge Financing Providers) will hold 89.90 per cent. and Project Artemis will hold 10.10 per cent. of all shares in LuxCo on a fully diluted basis.

The Shares are expected to be subscribed for and allocated as follows:

- (i) Electing Bondholders will be offered to subscribe for Shares for an aggregate subscription amount of EUR 8,811,765, representing 74.9 per cent. of all Shares on a fully diluted basis, *pro rata* to each Bondholder’s holding of Existing Bonds as of the record date for being eligible to participate in the Share Issue, being 21 May 2026. A minimum investment requirement of EUR 100,000 applies to all participants in the Share Issue who are not Share Issue Backstop Providers. The Share Issue has been backstopped in full by Concise Capital Management with certain affiliates; Robus Capital Management Limited with certain affiliates; Nordstjernen Kredit KB; Nordic Corporate Investments A/S with certain affiliates; Agenta Investment Management AB with certain affiliates; Swedbank Robur Fonder AB with certain affiliates; FIRST FONDENE AS ; and Strategic Wealth Management A/S (together, the “**Share Issue Backstop Providers**”). Each Share Issue Backstop Provider will subscribe for Shares not subscribed for by Bondholders in proportion to each Share Issue Backstop Provider’s *pro rata* share of Existing Bonds held by all Share Issue Backstop Providers collectively.
- (ii) The Bridge Financing Providers will receive, in aggregate, 15 per cent. of all Shares on a fully diluted basis as compensation for their participation in the Super Senior Bridge Financing, by way of the Mandatory Issuance Fee. The Bridge Financing Providers will contribute and assign their claim under the Mandatory Issuance Fee (being a fee of EUR 1,764,705.88 under the Super Senior Bridge Financing terms (the “**Mandatory issuance Fee**”)) to LuxCo as payment for the 15 per cent. equity stake, and LuxCo will subsequently contribute and assign such claim to the Issuer (whereby the claim under the Mandatory Issuance Fee will be extinguished by way of confusion). The Shares received by the Bridge Financing Providers will be allocated among them *pro rata* in proportion to their respective participation in the Super Senior Bridge Financing.
- (iii) Project Artemis will subscribe for new Shares for an aggregate subscription amount of EUR 1,188,235, representing 10.10 per cent. of all Shares on a fully diluted basis.

The allocation principles in respect of the Share Issue as well as further instructions on how to participate in the Share Issue are further described in the notice of the Written Procedure.

In connection with the completion of the Share Issue, the new shareholders of LuxCo will enter into an investment and shareholders’ agreement (the “**Investment and Shareholders’ Agreement**”) governing the rights and obligations of the shareholders of LuxCo. The Investment and Shareholders’ Agreement provides for customary (a) transfer restrictions, including provisions relating to (i) drag-along rights, (ii) tag-along rights, (iii) a right of first refusal, (vi) exit mechanisms and (v) mandatory transfer provisions for shareholders in breach of transfer

restrictions and (b) certain pre-emption rights on future issues of shares (or other equity instruments), which, if triggered or otherwise implemented or exercised, could result in a change in the indirect ownership of the Issuer.

The Investment and Shareholders' Agreement will be entered into on or around 10 June 2026. All Bondholders who subscribe for Shares will be required to enter or accede to the Investment and Shareholders' Agreement as a condition of participation in the Share Issue.

The subscription period for the Share Issue commences on 21 May 2026 and expires at 15.00 (CEST) on 29 May 2026, which is also the deadline for submitting all necessary subscription and administrative documents required under the written procedures as well as signatures to the Investment and Shareholders' Agreement. Allocation of New Shares will be finalised and the subscription price for the New Shares for each respective subscriber being allocated Shares will be confirmed to subscribers as soon as possible following the end of the subscription period. The Share Issue is expected to be executed on 10 June 2026.

Share Transfer

As part of the Restructuring Transaction, all of the outstanding shares of the Issuer held by Aloco will be transferred from Aloco to LuxCo on or about 11 June 2026 for a consideration of EUR 1.

A subsidiary of the Company owns real estate located in Germany (herein the "**Ahlen Property**"). Hence, the transfer of 100% of the shares in the Issuer will be seen as a German RETT triggering event in the sense of the German RETT act. The bond restructuring steps are structured in a way that RETT will be triggered once but are not expected to trigger RETT twice.

Shareholder Loan Transfer

As part of the Restructuring Transaction, the receivable under an existing EUR 4,000,000 shareholder loan extended from Aloco to the Issuer will be assigned from Aloco to LuxCo on or about 11 June 2026 for a consideration of EUR 1 and will remain outstanding following the implementation of the Restructuring Transaction.

Other Steps

Transaction Security: Prior to the issuance of the New Bonds, new security agreements in respect of the transaction security provided under German, French and Jersey law and/or security and guarantee confirmation agreements in respect of the existing transaction security and guarantees will be executed by the Issuer and the relevant Group companies in favour of the security agent in respect of the existing security package securing the obligations under the Bonds, with local counsel in Germany, France, the Czech Republic, Slovakia, Poland, Greece and Jersey providing the relevant confirmations (subject to the Amended and Restated Terms and Conditions pursuant to which LR Jersey Holding Limited may resign from the Guarantee Agreement and the security provided over LR Jersey Holding Limited may be released).

In connection with the Restructuring Transaction, the existing share pledges over the shares in LR Global Holding GmbH, LR Health & Beauty Systems GmbH, LR-International Beteiligungs GmbH, LR Partner Benefits GmbH and LR Deutschland GmbH will be released. New junior ranking share security will be provided over the shares in LR Health & Beauty Systems Beteiligungs GmbH, LR Health & Beauty Systems SAS and LR Jersey Holding Limited (provided that all security provided by or over LR Jersey Holding Limited may be released in connection with the Group Reorganisation (as defined below)).

As part of the Transaction Security package, a new share pledge governed by German law (the "**Issuer Share Pledge**") shall be granted in favour of the Security Agent for the benefit of the Secured Parties, over all of the shares in the Issuer (the "**Issuer Pledged Shares**"). The Issuer Share Pledge shall be created as first-ranking security, consistent with the requirement under the Terms and Conditions that Transaction Security be constituted as first-ranking security. The Issuer Share Pledge will be subject to the Agreed Security Principles. The Issuer Share Pledge may be enforced by the Security Agent upon the occurrence and continuation of an Event of Default.

which is continuing and , in respect of which the Agent has notified the Issuer and, subject to the terms of the Intercreditor Agreement, in accordance with the enforcement procedures available under German law.

As part of the security package, a call option governed by German law (the “**Share Call Option**”) will be granted in favour of the Security Agent, for the benefit of the Secured Parties. The Share Call Option is granted over all of the shares in LR Health & Beauty Systems GmbH (the “**Option Shares**”). Upon exercise of the Share Call Option, the Security Agent shall be entitled to require the transfer of the relevant Option Shares to a third party designated by it. The consideration for such transfer shall be the fair market value of the Option Shares at the time of exercise. The Share Call Option is granted solely for security and enforcement purposes and shall not, prior to their exercise, confer any right to economic ownership (*wirtschaftliches Eigentum*), voting rights, dividend rights or other shareholder rights in respect of the Option Shares. The granting of the Share Call Option does not constitute an agreement to transfer shares and the Security Agent shall have no obligation to exercise the Share Call Option.

Board Reconstitution: On or around, 11 June 2026, a new board of directors of LuxCo and/or the Issuer will be appointed in accordance with the Investment and Shareholders’ Agreement and applicable law.

Corporate reorganisation: In connection with the Restructuring Transaction, the Issuer will change its legal form from Societas Europaea (SE) to Gesellschaft mit beschränkter Haftung (GmbH) pursuant to the applicable provisions of the SE Regulation and the German Transformation Act (Umwandlungsgesetz) and carry out certain reorganisation steps at the level of the Group as described below (the “**Group Reorganisation**”). The purpose of the Group Reorganisation is to simplify the corporate and legal structure of the Group and to reduce administrative costs and complexity following completion of the Restructuring Transaction.

The Group Reorganisation is currently being prepared by the Group and is expected to be implemented in the following steps (subject to receiving the relevant required consents):

- (i) a merger between the Issuer and LR Global Holding with the Issuer as surviving entity;
- (ii) the dissolution of LR Jersey Holding Limited and transfer of LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) to LR-International Beteiligungs GmbH.
- (iii) a merger between LR Partner Benefit and LR Health & Beauty Systems GmbH with LR Health & Beauty Systems GmbH as surviving entity; and
- (iv) a merger between LR Deutschland GmbH and LR Health & Beauty Systems GmbH with LR Health & Beauty Systems GmbH as surviving entity.

The Group Reorganisation in whole and each of the steps described above is subject to completion of legal and tax analysis and consequently the Group Reorganisation may only be partly carried out or not carried out at all.

Material Agreements

Lock-up Agreement

On 11 February 2026, the Company entered into a lock-up agreement (as amended and/or amended and restated from time to time, and most recently on 6 March 2026, the “**Lock-Up Agreement**”) with Bondholders representing more than two thirds (2/3) of the nominal amount of the Existing Bonds and the Company’s shareholder, Aloco, setting out the terms for the Restructuring Transaction. Pursuant to the Lock-Up Agreement, the parties have undertaken to implement the Restructuring Transaction as described above. For the duration of the lock-up period, ending on 30 June 2026 (the “**Lock-Up Period**”), the Bondholders party to the Lock-Up Agreement have agreed not to accelerate the Bonds. The Lock-Up Agreement may be terminated either (i) by the mutual written agreement of the parties thereto, (ii) by each of the Issuer and the negotiation committee (on behalf

of the bondholders) if any party does not comply with its material obligations under the agreement, or (iii) by the negotiation committee (on behalf of the bondholders) if it becomes evident that it is not possible to implement the restructuring transaction as contemplated by the Lock-Up Agreement or if an insolvency event occurs in respect of the Issuer or any Material Group Company.

Transaction Security

As continuing security for the due and punctual fulfilment of the obligations under the Bonds, the Issuer has granted the following German law governed security:

- Share pledge agreement dated 28 February 2024 over the shares in (i) LR Global Holding GmbH, (ii) LR Health & Beauty Systems Beteiligungs GmbH, (iii) LR Health & Beauty Systems GmbH, (iv) LR-International Beteiligungs GmbH, (v) LR Partner Benefits GmbH and (vi) LR Deutschland GmbH (the entities listed through (i) to (vi), the “**Pledged Companies**”) between (a) the Company, (b) LR Global Holding GmbH, (c) LR Health & Beauty Systems GmbH and (d) LR-International Beteiligungs GmbH as pledgors, the Pledged Companies as pledged companies and Nordic Trustee & Agency AB (publ) as security agent and pledgee (provided that all share security over the Pledged Companies (except in relation to the security over the shares in LR Health & Beauty Systems Beteiligungs GmbH) will be released in connection with the Restructuring Transaction);
- Security assignment agreement dated 4 March 2024 over current and future receivables between (i) Aloco Holding S.à r.l., (ii) the Company, (iii) LR Global Holding GmbH, (iv) LR Health & Beauty Systems Beteiligungs GmbH and (v) LR Health & Beauty Systems GmbH and (vi) LR-International Beteiligungs GmbH as assignors and Nordic Trustee & Agency AB (publ) as security agent and assignee;
- Account pledge agreement dated 4 March 2024 over bank accounts between (i) the Company, (ii) LR Global Holding GmbH, (iii) LR Health & Beauty Systems Beteiligungs GmbH, (iv) LR Health & Beauty Systems GmbH, (v) LR-International Beteiligungs GmbH, (vi) LR Partner Benefits GmbH and (vii) LR Deutschland GmbH as pledgors and Nordic Trustee & Agency AB (publ) as security agent and pledgee;
- Security transfer agreement dated 4 March 2024 regarding security transfer (*Sicherungsübereignung*) of certain present and future movable assets deposited in a security area at a warehouse, including (i) inventories of finished goods and products, (ii) unfinished goods and products, (iii) raw materials, (iv) supplies and (v) operating materials of LR Health & Beauty Systems GmbH (identified via certain asset lists, which are to be updated from time to time) between LR Health & Beauty Systems GmbH as transferor and Nordic Trustee & Agency AB (publ) as security agent and transferee; and
- Security assignment agreement dated 4 March 2024 regarding trademarks of LR Health & Beauty Systems GmbH claims between LR Health & Beauty Systems GmbH as assignor and Nordic Trustee & Agency AB (publ) as security agent and assignee.

Furthermore, the Issuer has granted local law share security over the shares in the following subsidiaries, which also acceded as Guarantors to the Guarantee Agreement (as defined below):

- LR Jersey Holding Limited (Jersey);
- LR Health & Beauty Systems Single Member Limited Liability Company (Greece);
- LR Health & Beauty Systems SAS (France);
- LR Health & Beauty Systems sp. z o.o. (Poland);
- LR Health & Beauty Systems, s.r.o. (Czech Republic); and
- LR Health & Beauty Systems, s.r.o. (Slovakia).

Under the Written Procedure and the Amended and Restated Terms and Conditions, it is contemplated that certain security and guarantees may be released in order to enable the Group Reorganisation.

Issuer Share Pledge and Share Call Option

As part of the Transaction Security package, a new share pledge governed by German law (the “**Issuer Share Pledge**”) shall be granted in favour of the Security Agent for the benefit of the Secured Parties, over all of the

shares in the Issuer (the “**Issuer Pledged Shares**”). The Issuer Share Pledge shall be created as first-ranking security, consistent with the requirement under the Terms and Conditions that Transaction Security be constituted as first-ranking security. The Issuer Share Pledge will be subject to the Agreed Security Principles. The Issuer Share Pledge may be enforced by the Security Agent upon the occurrence and continuation of an Event of Default which is continuing and, in respect of which the Agent has notified the Issuer and, subject to the terms of the Intercreditor Agreement, in accordance with the enforcement procedures available under German law.

As part of the security package, a call option governed by German law (the “**Share Call Option**”) will be granted in favour of the Security Agent, for the benefit of the Secured Parties. The Share Call Option is granted over all of the shares in LR Health & Beauty Systems GmbH (the “**Option Shares**”). Upon exercise of the Share Call Option, the Security Agent shall be entitled to require the transfer of the relevant Option Shares to a third party designated by it. The consideration for such transfer shall be the fair market value of the Option Shares at the time of exercise. The Share Call Option is granted solely for security and enforcement purposes and shall not, prior to their exercise, confer any right to economic ownership (*wirtschaftliches Eigentum*), voting rights, dividend rights or other shareholder rights in respect of the Option Shares. The granting of the Share Call Option does not constitute an agreement to transfer shares and the Security Agent shall have no obligation to exercise the Share Call Option.

Guarantee Agreement

The obligations under the Bonds are guaranteed under a Swedish law governed guarantee agreement (“**Guarantee Agreement**”) entered into by, or through accessions by certain subsidiaries of the Issuer (the “**Guarantors**”).

Subject to the Guarantee Agreement, each Guarantor irrevocably and unconditionally and jointly and severally as a principal obligor (Sw. *proprieborgen*) guarantees to the secured parties under the Bonds as for its own debts (Sw. *såsom för egen skuld*) the full and punctual payment and performance by each Group company of all the secured obligations, including the payment of principal, interest, costs, expenses or other amount under the finance documents (including the Bonds and the documents entered into as part of transaction security for the Bonds) that has not been fully and irrevocably paid by the Issuer or any other obligor under such documents. Such guarantee commitments have been entered into in accordance with the Guarantee Agreement, which is entered into between the Issuer, each Guarantor and the security agent (Nordic Trustee & Agency AB (publ), i.e. the agent under the Bonds). The obligations and liabilities of the Guarantors under the Guarantee Agreement shall be limited if required (but only if and to the extent required) under the laws of the jurisdiction in which the relevant Guarantor is incorporated.

As of the date of this Prospectus, the Guarantors are LR Global Holding GmbH (LEI-code 529900YM1HDMG9MCJD66), LR Health & Beauty Systems Beteiligungs GmbH, LR Health & Beauty Systems GmbH, LR Partner Benefits GmbH, LR-International Beteiligungs GmbH, LR Deutschland GmbH, LR Jersey Holding Limited, LR Health & Beauty Systems SAS, LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ), LR Health & Beauty Systems, s.r.o., LR Health & Beauty Systems, s.r.o., and LR Health & Beauty Systems sp. z o.o.. None of the entities are required to have a LEI-code.

Further Guarantors may accede to the Guarantee Agreement by way of signing, *inter alia*, accession letters. Existing Guarantors may, under certain conditions and subject to the Guarantee Agreement, resign from the Guarantee Agreement. Pursuant to the Amended and Restated Terms and Conditions, LR Jersey Holding Limited may resign from the Guarantee Agreement and the security provided over LR Jersey Holding Limited may be released.

Super Senior Bridge Financing and Intercreditor Agreement

The Company has incurred debt under a super senior bridge financing agreement (the “**Super Senior Bridge Financing**”) and entered into the Bridge Financing Intercreditor Agreement pursuant to which the Super Senior

Bridge Financing ranks senior to the Bonds. Pursuant to the Bridge Financing Intercreditor Agreement, any unpaid fees, costs, expenses and indemnities payable to the security agent, bond agent and certain other agents as well as any outstanding amount under the Super Senior Bridge Financing rank in priority over the holders of the Bonds. Following the implementation of the Restructuring Transaction, the Bonds (comprising the New Bonds and the Restated Bonds) will rank *pari passu* with each other with respect to rights to payments, guarantees and security.

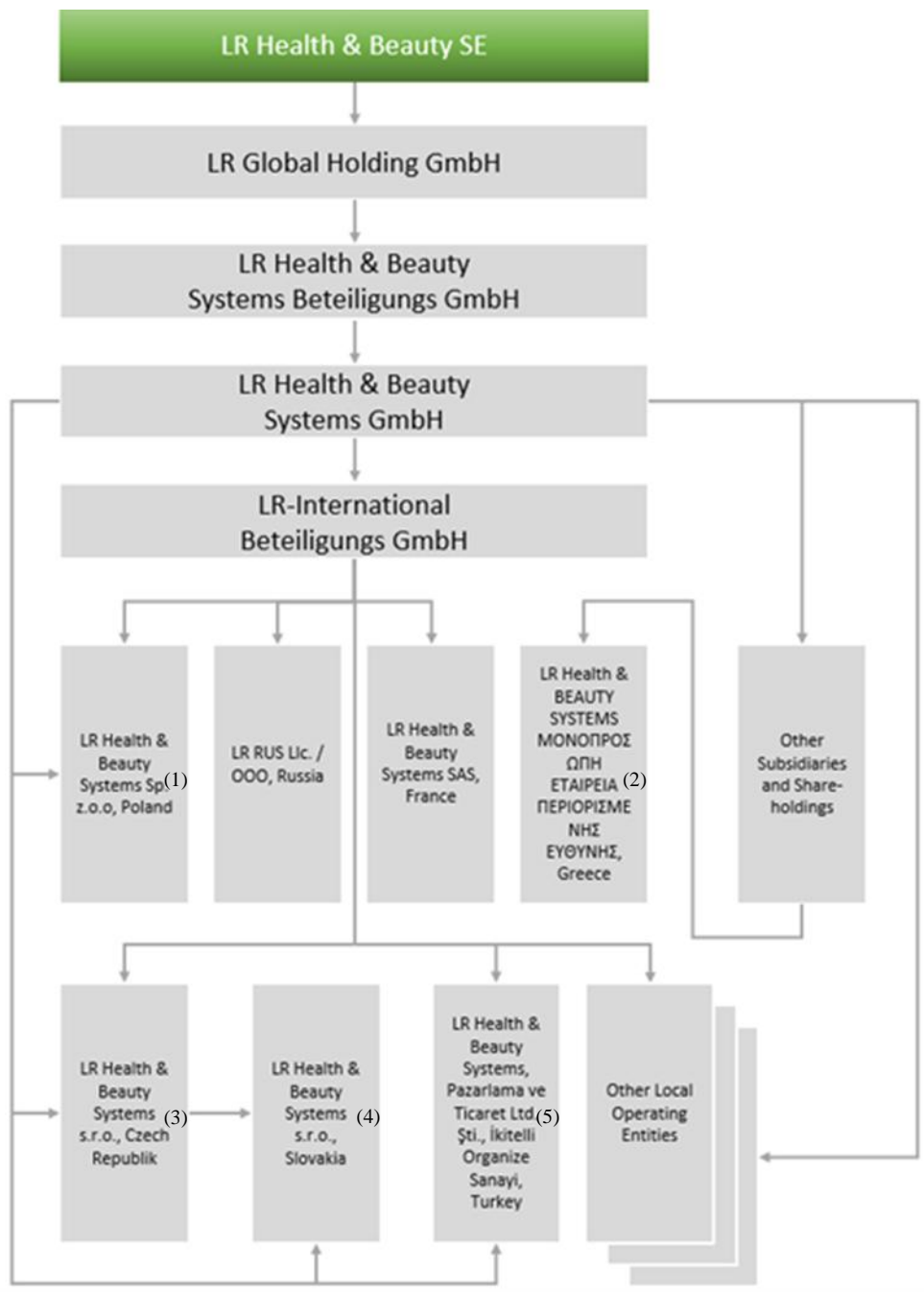
Other Material Agreements

Other than the agreements set out above, neither the Company nor any other LR Group company has entered into any other material agreements that are not entered into in the ordinary course of its business, which could result in any Group company being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Bondholders under the Amended and Restated Terms and Conditions.

Overview of the Group

The business of the Group is conducted by the Issuer's various subsidiaries. As of the date of this Prospectus, the Group comprises 34 companies, 26 of which are local operating entities.

The following chart shows the Group's current structure of consolidated companies comprising the Issuer (i.e. LR Health & Beauty SE) and the position of the Issuer within the Group:



- (1) The Polish entity is 99.9 per cent. owned by LR-International Beteiligungs GmbH and 0.1 per cent. by LR Health & Beauty Systems GmbH.
- (2) The Greek entity is 100 per cent. owned by LR Jersey Holding Limited, Jersey, which is 100 per cent. owned by LR Partner Benefits GmbH, which is 100 per cent. owned by LR Health and Beauty Systems GmbH.
- (3) The Czech entity is 51 per cent. owned by LR-International Beteiligungs GmbH and 49 per cent. by LR Health & Beauty Systems GmbH.
- (4) The Slovak entity is 11.3 per cent. owned by LR-International Beteiligungs GmbH and 88.7 per cent. by the Czech entity.
- (5) The Turkish entity is 95 per cent. owned by LR-International Beteiligungs GmbH and 5 per cent. by LR Health & Beauty Systems GmbH.

All Guarantors, as per the date of this Prospectus, are direct or indirect subsidiaries of the Issuer and are part of the Group. All subsidiaries are wholly owned by the Issuer (directly or indirectly). The Issuer's main object is to be a holding company within the Group. The business operations of the Group are carried out by the Issuer's subsidiaries, including the Guarantors as described below.

Since the majority of the revenue of the Group is derived from the Issuer's operational subsidiaries, the Issuer is dependent upon its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Amended and Restated Terms and Conditions.

Guarantors

Background

The obligations under the Bonds are guaranteed by the Guarantors under a Guarantee Agreement. As of the date of this Prospectus, the Guarantors are:

- LR Global Holding GmbH (Germany)
- LR Health & Beauty Systems Beteiligungs GmbH (Germany)
- LR Health & Beauty Systems GmbH (Germany)
- LR Partner Benefits GmbH (Germany)
- LR-International Beteiligungs GmbH (Germany)
- LR Deutschland GmbH (Germany)
- LR Jersey Holding Limited (Jersey)
- LR Health & Beauty Systems SAS (France)
- LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΠΙΟΠΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) (Greece)
- LR Health & Beauty Systems, s.r.o. (Czech Republic)
- LR Health & Beauty Systems, s.r.o. (Slovakia)
- LR Health & Beauty Systems sp. z o.o. (Poland)

According to the Amended and Restated Terms and Conditions, additional Group Companies should accede to the Guarantee Agreement as Guarantors insofar such Group Company is nominated as a Material Group Company pursuant to the Amended and Restated Terms and Conditions, provided however that such Group Companies are not incorporated in Ukraine or Russia (each an "**Excluded Jurisdiction**"). Pursuant to the Amended and Restated Terms and Conditions, Group Companies should be nominated as Material Group Companies insofar (i) such entities are Group Companies with earnings before interest, tax, depreciation and amortisation ("**EBITDA**", calculated as defined in the Amended and Restated Terms and Conditions) representing five (5) per cent. (or, in the case of Group Companies incorporated in Turkey or Russia, ten (10) per cent. or more of the aggregated unconsolidated EBITDA of all Group Companies (excluding Ahlen PropCo, as defined in the Amended and Restated Terms and Conditions), and (ii) such entities are Group Companies (excluding any Group Company incorporated in an Excluded Jurisdiction) necessary to ensure that the Issuer and the other Group Companies previously nominated as Material Group Companies) in aggregate represent on an unconsolidated basis at least ninety (90) per cent. of the aggregated unconsolidated EBITDA of all Group Companies (excluding Ahlen PropCo and excluding any Group Company incorporated in an Excluded Jurisdiction, as defined in the Amended and Restated Terms and Conditions).

Overview of the Guarantors

LR Global Holding GmbH

LR Global Holding GmbH is a limited liability company incorporated on 24 October 2012 under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany

(tel.: +49 (0) 2382 7658 0); registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster, Germany under registration number HRB 14367.

According to its articles of association, its share capital amounts to EUR 25,000 divided into 25,000 shares with a nominal value of EUR 1.00. The share capital is composed of ordinary shares. The holders of ordinary shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is wholly owned by the Issuer.

The executive management consists of Jörg Körfer (Managing Director). For further information, please see Section “*Management Board*”.

LR Health & Beauty Systems Beteiligungs GmbH

LR Health & Beauty Systems Beteiligungs GmbH is a limited liability company incorporated on 25 January 2007 in Germany under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany (tel.: +49 (0) 2382 7658 0), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 11089.

According to its articles of association, its share capital amounts to EUR 25,000.00, divided into 2 shares, with a nominal value of EUR 25,000.00 (EUR 24,750.00 and EUR 250.00, respectively). The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per Euro per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Global Holding GmbH.

The executive management consists of Jörg Körfer (Managing Director). For further information, please see Section “*Management Board*”.

LR Health & Beauty Systems GmbH

LR Health & Beauty Systems GmbH is a limited liability company incorporated on 6 October 2004 in Germany under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany (tel.: +49 (0) 2382 7658 0), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 10011.

According to its articles of association, its share capital amounts to EUR 25,000.00, divided into 25,000 shares, with a nominal value of EUR 25,000.00. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Health & Beauty Systems Beteiligungs GmbH.

The executive management consists of Jörg Körfer (Managing Director). For further information, please see Section “*Management Board*”.

LR Partner Benefits GmbH

LR Partner Benefits GmbH is a limited liability company incorporated on 22 March 1989 in Germany under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany (tel.: +49 (0) 2382 7658 0), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 8315.

According to its articles of association, its share capital amounts to EUR 26,000.00, divided into 26,000 shares, with a nominal value of EUR 26,000.00. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Health & Beauty Systems GmbH.

The executive management consists of Jörg Körfer (Managing Director). For further information, please see Section “*Management Board*”.

LR-International Beteiligungs GmbH

LR-International Beteiligungs GmbH is a limited liability company incorporated on 4 August 1998 in Germany under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany (tel.: +49 (0) 2382 7658 0), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 8109.

According to its articles of association, its share capital amounts to 100,000.00 Deutschemark, divided into 1 share, with a nominal value of 100,000.00 Deutschemark. The share capital is composed of one ordinary share. The holders of shares are entitled to one vote per each 100 Deutschemark of each share. The shares are denominated in Deutschemark. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Health & Beauty Systems GmbH.

The executive management consists of Jörg Körfer (Managing Director). For further information, please see Section “*Management Board*”.

LR Deutschland GmbH

LR Deutschland GmbH is a limited liability company incorporated on 16 January 2020 in Germany under the laws of Germany with its domicile in Ahlen, Germany, and its registered office at Kruppstraße 55, 59227 Ahlen, Germany (tel.: +49 (0) 2382 7658 0), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Münster under registration number HRB 18676.

According to its articles of association, its share capital amounts to EUR 25,000.00, divided into 25,000 shares, with a nominal value of EUR 25,000.00. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR-International Beteiligungs GmbH.

The executive management consists of Jörg Körfer (Managing Director). For further information, please see Section “*Management Board*”.

LR Jersey Holding Limited (Jersey)

LR Jersey Holding Limited is a limited liability company incorporated on 27 September 2017 in Jersey under the laws of Jersey with its domicile in St. Helier, Jersey, and its registered office at 3rd Floor, 44 Esplanade, St. Helier, JE4 9WG, Jersey (tel.: +44 1534 514183), registered with the Jersey Financial Services Commission (JFSC) Companies registry under registration number 124815.

According to its articles of association, its share capital amounts to 1 pound sterling, divided into 1 share, with a nominal value of 1 pound sterling. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The share is denominated in pound sterling. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Partner Benefits GmbH.

The executive management consists of Jörg Körfer (Director). For further information, please see Section “*Management Board*”.

LR Health & Beauty Systems SAS (France)

LR Health & Beauty Systems SAS is a limited liability company incorporated on 20 December 2010 in France under the laws of France with its domicile in Caluire-et-Cuire, France, and its registered office at Cité Park – Bâtiment C, 23 avenue de Poumeyrol, 69300 Caluire-et-Cuire, France (tel.: +33 (0) 474 72 94 38), registered with the register (*greffe*) of the commercial court (*tribunal de commerce*) Lyon under registration number 529 089 526 RCS Lyon.

According to its articles of association, its share capital amounts to EUR 10,000.00, divided into 1,000 shares, with a nominal value of EUR 10,000.00. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR-International Beteiligungs GmbH.

The executive management consists of LR-International Beteiligungs GmbH as president (*Président*) represented by Jörg Körfer as managing director (*Geschäftsführer*). For further information, please see Section “*Management Board*”.

LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) (Greece)

LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) is a limited liability company incorporated on 5 September 1994 in Greece under the laws of Greece with its domicile in Metamorfofi (Attika), Greece, and its registered office at Ermou 50, Metamorfofi 144 52, Greece (tel.: +30 (0) 210 2 85 14 15), registered with the general electronic commercial registry (*G.E.M.I.*) under registry number 001682601000.

According to its articles of association, its share capital amounts to EUR 130,050.00, divided into 1,445 shares, with a nominal value of EUR 130,050.00. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in EUR. The Guarantor is indirectly owned by the Issuer and wholly owned by LR Jersey Holding Limited.

The executive management consists of Babousis Vagis Antonios (Managing Director). For further information, please see Section “*Management Board*”.

LR Health & Beauty Systems, s.r.o. (Czech Republic)

LR Health & Beauty Systems, s.r.o. is a limited liability company incorporated on 23 December 2013 in the Czech Republic with identification no. (*IČO*) 024 86 512 under the laws of the Czech Republic with its domicile in Ostrava, Czech Republic, and its registered office in Závodní 1613/2, Hrabůvka, 700 30 Ostrava, Czech Republic (tel.: +420 (0) 59 578 31 31), registered in the Czech Commercial Register (*obchodní rejstřík*) maintained by the Regional Court (*krajský soud*) in Ostrava under file no. C 58017.

According to its articles of association, its registered capital amounts to 433,016,700.00 Czech koruna, divided into 2 ownership interests, with a registered capital of 433,016,700.00 Czech koruna. The holders of shares are entitled to a vote corresponding to their share in the registered capital represented by their respective capital contribution. The shares are denominated in Czech koruna. The Guarantor is indirectly owned by the Issuer and directly owned by LR-International Beteiligungs GmbH (51 per cent.) and LR Health & Beauty Systems GmbH (49 per cent.).

The executive management consists of Stefania Dzurillova (Managing Director). For further information, please see Section “*Management Board*”.

LR Health & Beauty Systems, s.r.o. (Slovakia)

LR Health & Beauty Systems, s.r.o. is a limited liability company incorporated on 10 June 1994 in Slovakia with identification no. (*IČO*) 31 380 506 under the laws of Slovakia with its domicile in Turzovka, Slovakia, and its registered office in Stred 422, Turzovka 023 54, Slovakia (tel.: +420 (0) 59 578 31 31), registered in the Slovak Commercial Register (*obchodný register*) maintained by the District Court (*okresný súd*) Žilina, under section Sro, file no. 10380/L.

According to its articles of association, its registered capital amounts to EUR 6.639,00, divided into 2 ownership interests, with a registered capital of EUR 6.639,00. The holders of shares are entitled to a vote corresponding to their share in the registered capital represented by their respective capital contribution. The Guarantor is indirectly owned by the Issuer and directly owned by LR Health & Beauty Systems, s.r.o. (Czech Republic) (88.7 per cent.) and LR Health & Beauty Systems GmbH (11.3 per cent.).

The executive management consists of Stefania Dzurillova (Managing Director). For further information, please see Section “*Management Board*”.

LR Health & Beauty Systems sp. z o.o. (Poland)

LR Health & Beauty Systems sp. z o.o. is a limited liability company incorporated on 19 April 2004 in Poland under the laws of Poland with its domicile in Katowice, Poland, and its registered office in Katowice, at ul. Hutnicza 6, 40-241 Katowice, Poland (tel.: +48 (0) 32 351 12 50), whose file is kept by the District Court for the Katowice-Wschód in Katowice, VIII Commercial Department of the National Court Register, entered in the register of entrepreneurs of the National Court Register under registration number KRS 0000203244, REGON 27821918300000, NIP 9542474874.

According to its articles of association, its share capital amounts to 50,000.00 Polish złoty, divided into 1.000 shares, with a nominal value of 50,000.00 Polish złoty. The share capital is composed of ordinary shares. The holders of shares are entitled to one vote per share. The shares are denominated in Polish złoty. The Guarantor is indirectly owned by the Issuer and directly owned by LR-International Beteiligungs GmbH (99.9 per cent.) and LR Health & Beauty Systems GmbH (0.1 per cent.).

The executive management consists of Anna Ozimek (Managing Director). For further information, please see Section “*Management Board*”.

Trend Information, Material Adverse Changes and Significant Changes

The Group’s financial and operational performance deteriorated progressively during the financial years 2024 and 2025, culminating in a breach of the maximum leverage ratio covenant under the Terms and Conditions as of Q3 2025. The deterioration was attributable to a combination of operational and financial factors. On the operational side, the Group experienced a sustained decline in the number of active sales partners across all regions, which, despite an increase in average partner productivity and average order values, resulted in a reduction in gross sales from kEUR 289,221 in the financial year 2024 to kEUR 277,065 in the financial year 2025. Profitability was further compressed by a significant increase in the bonus cost ratio, driven by structural changes to the Group’s career and incentive plan introduced in prior periods, which resulted in higher fixed bonus payments to sales partners without a commensurate increase in sales volumes. On the financial side, the Group’s debt service obligations under the Existing Bonds, bearing interest at 7.5 per cent. plus 3-month EURIBOR, with annual cash interest payments of approximately EUR 12 million placed material pressure on the Group’s liquidity. The combination of declining EBITDA, from kEUR 27,329 in the financial year 2024 to kEUR 16,516 in the financial year 2025, and the sustained interest burden resulted in a progressive reduction in the Group’s cash reserves and a deterioration in its leverage ratio to a level exceeding the maximum permitted under the Terms and Conditions. The Group is currently carrying out changes to its operations and financial structure as set out in the sections “*Operational Restructuring Programme*” and “*Restructuring Transaction*”, these measures are ongoing as of the date of this Prospectus and it cannot be guaranteed that they will be sufficient to turn around the Issuer’s current financial position.

Other than in relation to the ongoing Restructuring Transaction, there has been no significant changes of the Group’s loan and financing structure since the end of the financial year ended 31 December 2024.

Recent Events

Other than in relation to the ongoing Restructuring Transaction, there have been no recent events particular to the Group between 31 March 2026 and the date of this Prospectus, which are to a material extent relevant to the evaluation of the Group’s solvency.

Governmental, Legal or Arbitration Proceedings

In the ordinary course of business, the Group is exposed to numerous related legal risks, particularly in the areas of product liability, competition, intellectual property disputes and tax matters.

LR Global Holding GmbH has filed an appeal against corporate income tax (“**CIT**”) and trade tax (“**TT**”) assessment notices for financial year 2013, disputing the classification of arrangement fees from refinancing as

interest expenses subject to the German interest barrier rule; fiscal authorities indicated in early 2026 that they intend to agree to the appeal. If the appeal is unsuccessful, taxes and interest totaling EUR 2,469,783 (calculated as of 31 March 2026) would become payable.

In addition to the arrangement fees dispute described above, fiscal authorities raised a further challenge under the German interest barrier rule, seeking to add back annually paid agency fees of EUR 75,000 for the years 2013, 2016, 2017, 2018, 2019 and 2020 on the basis that such fees should be treated as interest expenses subject to the rule's limitations; LR Global Holding GmbH has responded with its own position and considers it probable that it will prevail. If LR Global Holding GmbH is unsuccessful, taxes and interest totaling EUR 125,043 (calculated as of 31 March 2026) would become payable.

LR Global Holding GmbH filed an appeal against CIT and TT assessment notices for financial year 2018, in which fiscal authorities determined that the former investor Quadriga indirectly acquired more than 50% of shares in LR, triggering the German change of control rule and disallowing the carryforward of accumulated losses. If the appeal is not successful, additional taxes of EUR 118,275 and interest of EUR 26,064 (calculated as of 31 March 2026) would become payable on top of an existing tax reserve of EUR 681,087 and an accrued interest provision of EUR 138,368.

A legal judgment rendered in the early 2000s prevents the closure of a dormant Brazilian subsidiary of the Group; the claimant most recently filed a request for legal assistance in October 2024 to take action against the Spanish LR subsidiary, though the request contains formal errors that must be corrected by July 2027, failing which the lawsuit may be dismissed due to the statute of limitations. The claim amounts to approximately BRL 4.67 million (approximately EUR 869,554 as of the date of this Prospectus).

Other than the above, there have been no governmental, legal or arbitration proceedings (including, any such proceedings, which are pending or threatened of which the Group is aware), during the last 12 months prior to the date of this Prospectus, which may have, or have had in the recent past, significant effects on the Company's and/or LR Group's financial position or profitability.

OWNERSHIP STRUCTURE

Share Capital and Shares

According to its articles of association, the Issuer's share capital amounts to EUR 10,120,000 divided into 10,120,000 non-par value bearer shares (*Inhaberaktien ohne ohne Nennbetrag, Stückaktien*). The shares are bearer shares (*Inhaberaktien*), each representing a notional interest of EUR 1.00 in the share capital. The holders of ordinary shares are entitled to one (1) vote per share. The shares are denominated in EUR. The Issuer's shares are not publicly traded on an exchange.

Ownership Structure

As of the date of this Prospectus, Aloco owns all 10,120,000 shares equal to 100 per cent. of the shares and votes in the Issuer.

<u>Shareholder</u>	<u>Number of Shares</u>	<u>Share Capital</u>
Aloco	10,120,000	EUR 10,120,000

Aloco Holding S.à r.l. ("**Aloco**"), is ultimately held by Project Artemis SCSp, a special limited partnership (*société en commandite spéciale*) established under the laws of Luxembourg on 5 September 2023, having its registered office at 17, boulevard F.W. Raiffeisen, L-2411, Grand Duchy of Luxembourg and registered with the RCS under RCS number B280.341 represented by Evoco TSE III GP S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated in Luxembourg, having its registered office at 17, boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies (Registre de Commerce et des Sociétés, Luxembourg, the RCS) under number RCS B243870 (the General Partner) ("**Project Artemis**").

Abydos S.à r.l. is a private limited company (*société à responsabilité limitée*) existing under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B304817, having its registered office at 9 rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg ("**LuxCo**")

As of the date of this Prospectus, all of the shares in LuxCo are held by Palaos S.à r.l. (the "**Interim Shareholder**"), a private limited company existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 9, Rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B192064.

Following completion of the Share Issue: (a) the Interim Shareholder's shares in LuxCo will be redeemed and cancelled pursuant to the Interim Shareholder Exit; (b) new shares will be issued by LuxCo to the electing Bondholders and Project Artemis such that (i) electing Bondholders (including the Bridge Financing Providers) will hold approximately 89.90 per cent. of the shares in LuxCo; and (ii) Project Artemis will hold approximately 10.10 per cent. of the shares in LuxCo. Following the Company Share and Loan Transfer and Assignment, LuxCo will become the direct parent company of the Issuer.

Shareholders' Agreements

In connection with the Restructuring Transaction, the new shareholders of the Company following the Share Issue will enter into the Investment and Shareholders' Agreement as set out under the section "*Restructuring Transaction*".

MANAGEMENT BOARD

Management Board

Issuer

The Management Board of the Issuer comprises one (1) member who is responsible for the Issuer's ongoing management and operations, as well as the representation of the Issuer. The member of the Management Board can be reached at the Issuer's offices at Kruppstraße 55, 59227 Ahlen, Germany.

<u>Name</u>	<u>Position</u>
Jörg Körfer	Member of the Management Board (<i>Vorstand</i>), CEO

Mr. Körfer has been a member of the Management Board and CEO since 2025.

Mr. Körfer is not a member of any administrative, management or supervisory body or a partner of any company or partnership outside LR Group, to the extent significant to the Issuer.

LR Global Holding GmbH (Guarantor)

The executive management consists of Jörg Körfer (managing director) since 2025.

Please see Section "*Management Board - Issuer*".

LR Health & Beauty Systems Beteiligungs GmbH (Guarantor)

The executive management consists of Jörg Körfer (managing director) since 2025.

Please see Section "*Management Board - Issuer*".

LR Health & Beauty Systems GmbH (Guarantor)

The executive management consists of Jörg Körfer (managing director) since 2025.

Please see Section "*Management Board - Issuer*".

LR Partner Benefits GmbH (Guarantor)

The executive management consists of Jörg Körfer (managing director) since 2025.

Please see Section "*Management Board - Issuer*".

LR-International Beteiligungs GmbH (Guarantor)

The executive management consists of Jörg Körfer (managing director) since 2025.

Please see Section "*Management Board - Issuer*".

LR Deutschland GmbH (Guarantor)

The executive management consists of Jörg Körfer (managing director) since 2025.

Please see Section "*Management Board - Issuer*".

LR Jersey Holding Limited (Guarantor)

The executive management consists of Jörg Körfer (director) since 2025.

Please see Section "*Management Board - Issuer*".

LR Health & Beauty Systems SAS (Guarantor)

The executive management consists of LR-International Beteiligungs GmbH as president (Président) represented by Jörg Körfer as Managing Director (Geschäftsführer) since 2025.

Please see Sections “*Management Board - Issuer*” and “*Management Board - LR-International Beteiligungs GmbH*”.

LR HEALTH & BEAUTY SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΤΕΛΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΗ ΕΤΑΙΡΕΙΑ ΠΕΠΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ) (Guarantor)

The executive management consists of Babousis Vagis Antonios (Managing Director) since 2020.

Mr. Vagis Antonios is not a member of any administrative, management or supervisory body or a partner of any company or partnership outside LR Group, to the extent significant to the Issuer.

LR Health & Beauty Systems, s.r.o. (Guarantor)

The executive management consists of Stefania Dzurillova (Managing Director) since 2022.

Mrs. Dzurillova is not a member of any administrative, management or supervisory body or a partner of any company or partnership outside LR Group, to the extent significant to the Issuer.

LR Health & Beauty Systems, s.r.o. (Guarantor)

The executive management consists of Stefania Dzurillova (Managing Director) since 2022.

For further information, please see Section “*Management Board – LR Health & Beauty Systems, s.r.o. (Guarantor)*”.

LR Health & Beauty Systems sp. z o.o. (Guarantor)

The executive management consists of Anna Ozimek (Managing Director) since 2025.

Mrs. Ozimek is not a member of any administrative, management or supervisory body or a partner of any company or partnership outside LR Group, to the extent significant to the Issuer.

Conflicts of Interests within the Management

Within LR Group, members of the Management Boards have employment agreements with an entity of the Group, as well as memberships on boards of other Group companies. Therefore, conflicts of interest could arise for members of Management Boards between their duties towards the Group, the relevant individual Group company and their duties as members of the board of directors of such company or as a member of senior management of such Group company, respectively. In the event that such conflict of interest arises at a meeting of a Management Board, a member of the Management Board which has such conflict, will abstain from voting for or against the approval of such participation, or the terms of such participation.

FINANCIAL INFORMATION

Exemptions from Disclosure Requirements

In the decision of the SFSA made on 19 May 2026, the SFSA has granted an exemption from certain disclosure requirements in accordance with article 18.1 of the Prospectus Regulation. According to the decision, the Issuer is not required to disclose separate financial information regarding the Guarantors as otherwise required pursuant to Section 3 in Appendix 21 and Section 11.1 in Appendix 6, of the Commission Delegated Regulation (EU) 2019/2980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.

With regards hereto, this Prospectus does not incorporate audited financial information for the past two financial years for each of the Guarantors. The exemption has been granted based on the consolidated financial statements relating to the Issuer being sufficient in order for a potential investor to make an informed assessment of the assets and liabilities, financial position, profit and losses, and prospects of the Issuer and the Guarantors. This is, among other things, due to that the Issuer is the holding company and the Guarantors' operations are similar in nature in comparison with one another, whereby separate financial statements for each Guarantor are not necessary in order to determine the financial position and future prospects for the Guarantors. Hence, the consolidated financial statements, as incorporated by reference into this Prospectus, are sufficient for such assessments by potential investors.

Historical Financial Information

The Company's audited consolidated financial statements as of and for the financial years ended 31 December 2024 and 31 December 2023, and the Company's unaudited consolidated interim financial information as of and for the twelve-month period ended 31 December 2025 and the three-month period ended 31 March 2026 have been incorporated into this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus, and is either deemed by the Issuer to be irrelevant for investors in the Bonds, or is covered elsewhere in the Prospectus.

All financial information in this Prospectus as of 31 December 2024 and 31 December 2023 or relating to the financial years ended 31 December 2024 or 31 December 2023 derives from the Company's audited consolidated financial statements as of and for the financial years ended 31 December 2024 and 31 December 2023. All financial information in this Prospectus relating to the time period after 31 December 2024 derives from the Company's unaudited consolidated interim financial statements for the twelve-month period ended 31 December 2025 or the three-month period ended 31 March 2026 or constitutes the Company's internal financial information and has not been audited by the Issuer's auditor.

Accounting Standards

The consolidated financial statements of the Company as of and for the financial years ended 31 December 2024 and 31 December 2023, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the HGB.

The unaudited consolidated interim financial information of the Company as of and for the twelve-month period ended 31 December 2025 and the three-month period ended 31 March 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting. It has been 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 31 December 2024.

Age of the Most Recent Audited Financial Information

The most recent audited financial information derives from the Issuer's consolidated financial statements as of and for the financial year ended on 31 December 2024. This means that the balance sheet date of the Issuer's most recent audited financial information falls less than 18 months prior to the date of this Prospectus.

Auditing of the Historical Financial Information

The Company's German language consolidated financial statements as of and for the financial years ended 31 December 2024 and 31 December 2023 of which English language translations have been incorporated by reference into this Prospectus have been audited by Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, Cecilienallee 6-7, 40474 Düsseldorf, in accordance with Section 317 of the HGB and German generally accepted standards for financial statement audits promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*, "IDW"). The Company's consolidated interim financial information as of and for the twelve-month period ended 31 December 2025 and the three-month period ended 31 March 2026 have not been audited.

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

[the remainder of this page has intentionally been left blank]

Incorporation by Reference

The Company's audited consolidated financial statements as of and for the financial years ended 31 December 2024 and 31 December 2023 and independent auditor's reports thereon as well as the Group's unaudited consolidated financial statements as of and for the twelve-month period ended 31 December 2025 and the three-month period ended 31 March 2026 are incorporated by reference into this Prospectus. The pages specified below of the following documents which have previously been published or which are published simultaneously with this Prospectus shall be incorporated by reference into this Prospectus:

Reference	Pages
Unaudited consolidated financial statements of LR Health & Beauty SE as of and for the twelve-month period ended 31 March 2026¹ (LINK)	
Unaudited condensed consolidated balance sheet	26-27
Unaudited condensed consolidated statement of profit or loss	28
Unaudited condensed consolidated statement of comprehensive income	29
Unaudited condensed consolidated statement of changes in equity	30
Unaudited condensed consolidated statement of cash flows	31
Notes to the unaudited condensed consolidated financial statements.....	32-40
Unaudited consolidated financial statements of LR Health & Beauty SE as of and for the twelve-month period ended 31 December 2025² (LINK)	
Unaudited condensed consolidated balance sheet	26-27
Unaudited condensed consolidated statement of profit or loss	28
Unaudited condensed consolidated statement of comprehensive income	29
Unaudited condensed consolidated statement of changes in equity	30
Unaudited condensed consolidated statement of cash flows	31
Notes to the unaudited condensed consolidated financial statements.....	32-40
Audited consolidated financial statements of LR Health & Beauty SE as of and for the financial year ended 31 December 2024, prepared in accordance with IFRS, and independent auditor's report thereon (LINK)	
Consolidated balance sheet.....	78-79
Consolidated statement of profit or loss	80
Consolidated statement of comprehensive income.....	81
Consolidated statement of changes in equity.....	82
Consolidated statement of cash flows.....	83
Notes to the consolidated financial statements	84-123
Independent auditor's report ³	126-129
Audited consolidated financial statements of LR Health & Beauty SE as of and for the financial year ended 31 December 2023, prepared in accordance with IFRS, and independent auditor's report thereon (LINK)	
Consolidated balance sheet.....	74-75
Consolidated statement of profit or loss	76
Consolidated statement of comprehensive income.....	77
Consolidated statement of changes in equity.....	78
Consolidated statement of cash flows	79
Notes to the consolidated financial statements	80-119
Independent auditor's report ⁴	126-129

¹ The unaudited consolidated interim financial information as of and for the twelve-month period ended 31 March 2026 does 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, 2024.

² The unaudited consolidated interim financial information as of and for the twelve-month period ended 31 December 2025 does 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, 2024.

³ The independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) refers to the consolidated financial statements and the group management report as of and for the fiscal year ended 31 December 2024 of LR Health & Beauty SE as a whole and not solely to the consolidated financial statements incorporated by reference.

⁴ The independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) refers to the consolidated financial statements and the group management report as of and for the fiscal year ended 31 December 2023 of LR Health & Beauty SE as a whole and not solely to the consolidated financial statements incorporated by reference.

The English language consolidated financial statements of LR Health & Beauty SE as of and for the financial years ended 31 December 2024 and 31 December 2023 and the English language independent auditor's reports thereon set out above and incorporated by reference into this Prospectus are translations of the respective German language consolidated financial statements and independent auditor's reports (*Bestätigungsvermerke des unabhängigen Abschlussprüfers*).

OTHER INFORMATION

Information about the Prospectus

This Prospectus has been prepared for the purpose of the offering of the New Bonds to existing Bondholders and admission to trading of the New Bonds on Nasdaq Stockholm and the Prospectus has been approved by the SFSA as competent authority under the Prospectus Regulation.

The Issuer aims to have the New Bonds admitted to trading of the Bonds on Nasdaq Stockholm (the “**Admission to Trading**”) no later than 60 calendar days (with the intention of 30 calendar days) from the issue date of the New Bonds.

Interest of Natural and Legal Persons Involved in the Bond Issue

No third parties have been involved in the Bond Issue.

Clearing and Settlement

The Bonds will be connected to the account-based system of Verdipapirsentralen ASA (VPS) in Norway, registration number 985 140 421, Fred. Olsens gate 1, P.O. Box 1174 Sentrum, NO-0107 Oslo, Norway. This means that the Bonds are registered on behalf of the Bondholders on a securities account. No physical Bonds have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through VPS’s book-entry system.

Credit Ratings

No credit rating has been assigned to the Issuer or the Bonds.

Information on Taxation

Tax legislation in the investor’s home member state and in Germany, where the Issuer is incorporated, may affect any income from the Bonds.

Documents Available for Inspection

Copies of the following documents are available at the Issuer's head office in paper format during the validity period of this Prospectus and available in electronic format at the Issuer's website, ir.lrworld.com/en/bond (the information provided on this hyperlink does not form part of this Prospectus and has not been reviewed or approved by the SFSA unless the information has explicitly incorporated by reference into the Prospectus).

- The Issuer's and Guarantors' articles of associations.
- The Issuer's and Guarantors' certificate of registrations.
- The Amended and Restated Terms and Conditions.
- The Guarantee Agreement.
- The audited consolidated financial statements of LR Health & Beauty SE as of and for the financial year ended 31 December 2024, prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the HGB, and the independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) thereon.
- The audited consolidated financial statements of LR Health & Beauty SE as of and for the financial year ended 31 December 2023, prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the HGB, and the independent auditor's report (*Bestätigungsvermerk des unabhängigen Abschlussprüfers*) thereon.
- The unaudited condensed consolidated financial statements of LR Health & Beauty SE as of and for the twelve-month period ended 31 March 2026, 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.

TERMS AND CONDITIONS FOR THE BONDS



TERMS AND CONDITIONS FOR

LR HEALTH & BEAUTY SE

**EUR 130,000,000 (or, following the Write-Down Date, EUR
32,500,000)**

SENIOR SECURED FIXED RATE BONDS 2024/2030

ISIN: NO0013149658 (BONDS)

LEI: 391200F0IS3RDVSU8A35

As amended and restated on 24 March 2026 and on [date] 2026

SELLING RESTRICTIONS

No action is being taken that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons, except for “Qualified Institutional Buyers” (“**QIB**”) within the meaning of Rule 144A under the U.S. Securities Act.

Bondholders located in the United States are not permitted to transfer Bonds except (i) subject to an effective registration statement under the U.S. Securities Act, (ii) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (iii) outside the United States in accordance with Regulation S under the U.S. Securities Act, (iv) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available) and (v) pursuant to any other available exemption from registration under the U.S. Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act.

PRIVACY NOTICE

The Issuer, the Paying Agent and the Agent may collect and process personal data relating to the Bondholders, the Bondholders' representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders is primarily collected from the registry kept by the CSD. The personal data relating to other persons is primarily collected directly from such persons.

The personal data collected will be processed by the Issuer, the Paying Agent and the Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Bonds and payments under the Bonds;
- (c) to enable the Bondholders' to exercise their rights under the Finance Documents; and
- (d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Paying Agent and the Agent in relation to items (a) - (c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Paying Agent or the Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have the right to get access to their personal data and may request the same in writing at the address of the Issuer, the Paying Agent and the Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Paying Agent's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.lrworld.com and www.nordictrustee.com.

TABLE OF CONTENTS

1.	DEFINITIONS AND CONSTRUCTION	6
2.	STATUS OF THE BONDS	23
3.	USE OF PROCEEDS	24
4.	CONDITIONS PRECEDENT FOR A SUBSEQUENT BOND ISSUE.....	24
5.	[RESERVED]	25
6.	[RESERVED]	25
7.	BONDS IN BOOK-ENTRY FORM	25
8.	RIGHT TO ACT ON BEHALF OF A BONDHOLDER	25
9.	PAYMENTS IN RESPECT OF THE BONDS	26
10.	INTEREST	27
11.	REDEMPTION AND REPURCHASE OF THE BONDS.....	28
12.	TRANSACTION SECURITY AND GUARANTEES	29
13.	FINANCIAL UNDERTAKINGS	31
14.	INFORMATION TO BONDHOLDERS	35
15.	GENERAL UNDERTAKINGS	37
16.	ACCELERATION OF THE BONDS	43
17.	DISTRIBUTION OF PROCEEDS.....	46
18.	DECISIONS BY BONDHOLDERS	48
19.	AMENDMENTS AND WAIVERS	52
20.	[RESERVED]	53
21.	THE AGENT	53
22.	APPOINTMENT AND REPLACEMENT OF THE PAYING AGENT	57
23.	APPOINTMENT AND REPLACEMENT OF CSD.....	58
24.	NO DIRECT ACTIONS BY BONDHOLDERS.....	58
25.	PRESCRIPTION	58
26.	COMMUNICATIONS AND PRESS RELEASES	59
27.	FORCE MAJEURE.....	60
28.	GOVERNING LAW AND JURISDICTION.....	60

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator (No. *Kontofører*) with Verdipapirsentralen ASA, and through which a Bondholder has opened a Securities Account in respect of its Bonds.

“**Adjusted Nominal Amount**” means the Outstanding Nominal Amount less the Nominal Amount of all Bonds owned by the Investor or any of its Affiliates (or any successor in title to the shares held by the Investor in the Parent (directly or indirectly), or a Group Company or any of their respective Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds.

“**Affiliate**” means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Agency Agreement**” means the fee agreement entered into between the Agent and the Issuer on or prior to the First Issue Date regarding, *inter alia*, the remuneration payable to the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

“**Agent**” means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, with registered address P.O. Box 7329, SE-103 90 Stockholm, Sweden, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Ahlen PropCo**” means Divanno Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG.

“**Ahlen Property**” means the real estate property located in Kruppstraße, Ahlen.

“**Ahlen Sale and Leaseback Arrangements**” means the sale and lease back arrangements currently in place between LR Health & Beauty Systems GmbH (amongst other things, as tenant), Ahlen PropCo (amongst other things, as landlord) in relation to the Ahlen Property.

“**Amendment Date**” means [date] 2026.

“**Applicable Accounting Principles**” means generally accepted accounting principles, standards and practices in the jurisdiction of incorporation of the relevant Group Company (including IFRS, if applicable).

“**Bond**” means a debt instrument (*Sw. skuldförbindelser*), each for the Nominal Amount issued by the Issuer and which are governed by and issued under these Terms and Conditions.

“**Bondholder**” means each Person registered as an owner or nominee holder of a Bond, subject however to Clause 8 (*Right to Act on behalf of a Bondholder*).

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clauses 18.1 (*Request for a decision*), 18.2 (*Convening of Bondholders’ Meeting*) and 18.4 (*Majority, quorum and other provisions*).

“**Book-Entry Securities System**” means the book-entry securities system maintained by the CSD or any other replacement book-entry securities system.

“**Business Day**” means a day on which banks are open for general business, other than a, Sunday or other public holiday, in Stockholm, Sweden or Frankfurt am Main, Germany. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year’s Eve (*nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

“**Business Day Convention**” means the first following day that is a CSD Business Day.

“**Change of Control Event**” means that any Person or group of Persons (other than a Permitted Transferee) acting in concert acquire control, directly or indirectly, over more than fifty (50.00) per cent. of the shares or voting rights in the Issuer or a Decisive Influence over the Issuer, provided that no Change of Control Event shall be deemed to occur if the change of Decisive Influence or control results from or in connection with (i) a transfer of ownership interests to one or several Person(s) which has been pre-approved by more than fifty (50.00) per cent. of the Bondholders voting in a Bondholders’ meeting or written procedure, for which quorum exists only if Bondholders representing at least fifty (50.00) per cent. of the aggregate Outstanding Nominal Amount attend in due order (the transferee referred to above, for the purpose of this definition, a “**Permitted Transferee**”) or (ii) the issuance of shares in the Parent within the framework of the Restructuring Transaction directed towards *inter alios* the Investor and Bondholders.

“**Compliance Certificate**” has the meaning set forth in Clause 14.1.3.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds, initially Verdipapirsentralen ASA, Norwegian reg. no. 985 140 421, Postboks 1174 Sentrum, 0107, Oslo, Norway, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

“**CSD Business Day**” means a day on which (i) the Book-Entry Securities System is open in accordance with the regulations of the CSD; and (ii) the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET2) System or any successor system is open.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

“**Cure Amount**” has the meaning set forth in Clause 13.2.3.

“**Decisive Influence**” means a Person having, as a result of an agreement or through the ownership of shares or ownership interests in another Person (directly or indirectly):

- (a) a majority of the voting rights in that other Person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other Person.

“**Distribution Test**” means the test pursuant to Clause 13.4 (*Distribution Test*).

“**Euro**” and “**EUR**” means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

“**Event of Default**” means an event or circumstance specified in Clause 16.1.

“**Excluded Jurisdiction**” means each of Ukraine and Russia.

“**Final Maturity Date**” means 30 June 2030, subject to adjustment in accordance with the Business Day Convention (*mutatis mutandis*).

“**Final Redemption Date**” means the Final Maturity Date or such earlier date on which the Bonds are redeemed in full.

“**Finance Charges**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Finance Documents**” means:

- (a) the Terms and Conditions;
- (b) if entered into, the Intercreditor Agreement;
- (c) the Security Documents;
- (d) the Guarantee Agreement;
- (e) the Security and Guarantee Confirmations;
- (f) the Agency Agreement; and
- (g) any other document designated by the Issuer and the Agent as a Finance Document.

“**Finance Lease**” means any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the Applicable Accounting Principles on the First Issue Date.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed and debt balances at banks or other financial institutions;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Applicable Accounting Principles are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is

due as a result of the termination or close out of that derivative transaction, that amount) shall be taken into account;

- (g) any counter indemnity obligation in respect of a guarantee, note, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a Person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Final Maturity Date and are classified as borrowings under the Applicable Accounting Principles;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (A) the primary reason behind entering into the agreement is to raise finance or (B) the agreement is in respect of the supply of assets or services and payment is due more than six (6) months after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Applicable Accounting Principles; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in any of the preceding paragraphs.

“Financial Report” means the annual audited consolidated financial statements and quarterly interim unaudited financial statements of the Group, which shall be prepared and made available in accordance with these Terms and Conditions.

“First Issue Date” means 4 March 2024.

“Force Majeure Event” has the meaning set forth in Clause 27.1.

“Group” means the Issuer and its Subsidiaries from time to time (each a **“Group Company”**).

“Group EBITDA” has the meaning set forth in Clause 13.1 (*Definitions*).

“Guarantee Agreement” means the guarantee agreement dated 11 March 2024 entered into between the Issuer, each Guarantor and the Security Agent pursuant to which the Secured Obligations under the Finance Documents are guaranteed by the Guarantors and the Guarantors undertake to adhere to, and comply with, the undertakings set out in the Finance Documents.

“Guarantees” means the guarantees in relation to certain obligations under the Finance Documents provided by the Guarantors pursuant to the Guarantee Agreement (including any accession letters hereto).

“Guarantors” means:

- (a) LR Global Holding GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Münster, Germany under registration number HRB 14367;

- (b) LR Health & Beauty Systems Beteiligungs GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Münster, Germany under registration number HRB 11089;
- (c) LR Health & Beauty Systems GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Münster, Germany under registration number HRB 10011;
- (d) LR Partner Benefits GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Münster, Germany under registration number HRB 8315;
- (e) LR-International Beteiligungs GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Münster, Germany under registration number HRB 8109;
- (f) LR Deutschland GmbH, a limited liability company incorporated under the laws of Germany and registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Münster, Germany under registration number HRB 18676;
- (g) LR Jersey Holding Limited, a limited liability company incorporated under the laws of Jersey and registered under registration number 124815;
- (h) LR Health & Beauty Systems SAS, a limited liability company incorporated under the laws of France and registered under registration number 529 089 526 RCS Lyon;
- (i) LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ), a limited liability company incorporated in Greece with registered address at the Municipality of Metamorfosi, 50 Ermou Str., Athens, Greece and General Commercial Registry number (GEMI) 001682601000;
- (j) LR Health & Beauty Systems s.r.o., a limited liability company incorporated in Czech Republic with identification no. 024 86 512, registered in the Czech Commercial Register (obchodní rejstřík) maintained by the Regional Court (krajský soud) in Ostrava under file no. C 58017;
- (k) LR Health & Beauty Systems S.R.O., a limited liability company incorporated in Slovakia with identification no. 31 380 506, registered in the Slovak Commercial Register (obchodný register) maintained by the District Court (okresný súd) Žilina, under section Sro, file no. 10380/L;
- (l) LR Health & Beauty Systems sp. z o.o., a limited liability company incorporated under the laws of Poland, with its registered office in Katowice, at ul. Hutnicza 6, 40-241 Katowice, whose file is kept by the District Court for the Katowice-Wschód in Katowice, VIII Commercial Department of the National Court Register, entered in the register of entrepreneurs of the National Court Register under registration number KRS 0000203244, REGON 278219183, NIP 9542474874; and

- (m) any other Material Group Companies from time to time (other than the Issuer and any Group Company incorporated in an Excluded Jurisdiction), subject to the resignation of any Guarantors in accordance with the Intercreditor Agreement (if entered into).

“**Hedge Counterparty**” has the meaning ascribed to it in Schedule 3 (*Intercreditor Principles*).

“**Hedging Obligations**” has the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

“**IFRS**” means the International Financial Reporting Standards (IFRS) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time.

“**Incurrence Test**” means the test pursuant to Clause 13.3 (*Incurrence Test*).

“**Initial Nominal Amount**” has the meaning set forth in Clause 2.3.

“**Insolvent**” means, in respect of a relevant Person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen* (1987:672)) (or its equivalent in any other relevant jurisdiction) or, with respect to insolvency proceedings in Germany, that Person being in a state of illiquidity (*Zahlungsunfähigkeit*) within the meaning of § 17 of the German Insolvency Code (*Insolvenzordnung*) or being over-indebted (*überschuldet*) within the meaning of § 19 of the German Insolvency Code (*Insolvenzordnung*).

“**Intellectual Property**” means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests held by any Group Company (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of any Group Company (which may now or in the future subsist).

“**Intellectual Property Security**” means the security relating to Intellectual Property granted pursuant to the provisions of Clause 15.17 (*Intellectual Property Security*).

“**Intercreditor Agreement**” means an intercreditor agreement, based on the terms set out in the intercreditor principles in Schedule 3 (*Intercreditor principles*), entered into between, amongst others, the Issuer, the creditors under any Super Senior Debt, the Hedge Counterparty (if any) and the Agent (representing the Bondholders).

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 10.1 to 10.3.

“**Interest Coverage Ratio**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Interest Expenses**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Interest Payment Date**” means, subject to adjustments in accordance with the Business Day Convention, the last day of each Interest Period, the first Interest Payment Date being 31 August 2026 and the last Interest Payment Date being the Final Redemption Date.

“**Interest Period**” means the period between 28/29 February (i.e. the last day of February, as applicable), 31 May, 31 August and 30 November in each year, provided however that the first Interest Period shall commence on (and include) the Amendment Date. The first interest period for any Subsequent Bonds shall be from, and including, the Interest Payment Date falling immediately prior to their issuance (or the Amendment Date, if applicable) to, but excluding, the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means a fixed interest rate of six point seventy-five (6.75) per cent. *per annum*.

“**Investor**” means **Project Artemis SCSp**, a special limited partnership (*société en commandite spéciale*) existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 17, boulevard F.W. Raiffeisen, L-2411, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B280341 acting through its general partner, **Evoco TSE III GP S.à r.l.**, a private limited company (*société à responsabilité limitée*) existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 17, boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg and registered with the registered with the Luxembourg Trade and Companies Register under number B243870..

“**Issue Date**” means the first Issue Date and any subsequent date when a Subsequent Bond Issue takes place.

“**Issuer**” means LR Health & Beauty SE, a Societas Europaea, incorporated under the laws of Germany and registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Münster, Germany under registration number HRB 23158, provided however that the Issuer may change legal form from SE (Societas Europaea) to GmbH (Gesellschaft mit beschränkter Haftung).

“**Leverage Ratio**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**LR Car Programme**” means the sales partner incentivisation programme of the Group permitting the Group’s sales partners (depending on their business performance) to lease certain cars (i) on favourable terms directly from a car leasing provider or (ii) from the Group (benefiting from the Group’s preferential rates) on the basis of a back-to-back lease of the Group from certain car leasing providers.

“**Maintenance Test**” means the test pursuant to Clause 13.2 (*Maintenance Test*).

“**Market Loans**” means bonds, notes or other debt securities (however defined), which are or can be quoted, listed, traded or otherwise admitted to trading on a Regulated Market, a MTF or an organised trading facility (each as defined in Directive 2014/65/EU on markets in financial instruments).

“**Material Adverse Effect**” means a material adverse effect on (i) the Issuer or any Guarantor’s ability to perform and comply with their obligations under any of the Finance Documents or (ii) the validity or enforceability of the Finance Documents.

“**Material Group Companies**” means:

- (a) the Issuer;

- (b) LR Global Holding GmbH;
- (c) LR Health & Beauty Systems Beteiligungs GmbH;
- (d) LR Health & Beauty Systems GmbH; and
- (e) any Group Company which is nominated as such by the Issuer in accordance with these Terms and Conditions.

“**MTF**” means any multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

“**Net Finance Charges**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Net Interest Bearing Debt**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Net Interest Expenses**” has the meaning set forth in Clause 13.1 (*Definitions*).

“**Net Proceeds**” means the proceeds from the issue of the Bonds after deduction has been made for costs incurred by the Issuer in conjunction with the issuance thereof.

“**Nominal Amount**” means in respect of each Bond the Initial Nominal Amount, subject to Clause 21.2.14.

“**Outstanding Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

“**Parent**” shall mean Abydos S.à r.l , a private limited company existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B304817.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD from time to time, initially Nordic Trustee Services AS, with business registration number 916 482 574, and registered address Kronprinsesse Märthas plass 1, N-0160 Oslo, Norway.

“**Payment Date**” means any Interest Payment Date or any Redemption Date.

“**Permitted Financial Indebtedness**” means any Financial Indebtedness (or the refinancing of any Financial Indebtedness):

- (a) arising under the issue of the Bonds or the Finance Documents;
- (b) in the form of Shareholder Loans;
- (c) in the form of Structural Intercompany Loans;
- (d) between: (i) a Material Group Company and another Material Group Company (in each case other than the Issuer, LR Global Holding GmbH or LR Health & Beauty Systems Beteiligungs GmbH), (ii) a wholly-owned Group Company and another wholly-owned Group Company (in each case other than any Material Group Companies) and (iii) a Guarantor and another Guarantor (in each case other than the Issuer, LR Global Holding GmbH or LR Health & Beauty Systems Beteiligungs GmbH);

- (e) between a Material Group Company (other than the Issuer, LR Global Holding GmbH or LR Health & Beauty Systems Beteiligungs GmbH) and a wholly-owned Group Company that is not a Material Group Company, provided that such Financial Indebtedness shall not when aggregated with all other Financial Indebtedness incurred under this paragraph (f), exceed EUR 5,000,000 in outstanding principal amount;
- (f) in the form of any counter indemnity obligation in respect of a guarantee, indemnity, note, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- (g) incurred under any advance or deferred purchase agreement on normal commercial terms by any Group Company from any of its trading partners in the ordinary course of its trading activities;
- (h) arising under any Hedging Obligations;
- (i) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Senior Finance Documents, but not any transaction for investment or speculative purposes;
- (j) arising under any interest rate hedging transactions in respect of payments to be made under the Senior Finance Documents, but not any transaction for investment or speculative purposes;
- (k) arising under or in connection with the Ahlen Sale and Leaseback Arrangements up to an amount of EUR 8,500,000;
- (l) incurred (i) under local banking facilities up to an aggregate principal amount not exceeding EUR 1,000,000 (or its equivalent) and (ii) as sureties, letters of credit or in the form of guarantee facilities up to an aggregate amount not exceeding EUR 2,000,000 (or its equivalent), in each case in aggregate for the Group at any time;
- (m) incurred pursuant to any Finance Leases related to any agreements under which a Group Company leases real property, office space (Sw. *kontorshyresavtal*) or other premises;
- (n) incurred pursuant to any Finance Leases arising in connection with the LR Car Programme in the ordinary course of business in a maximum amount equal to three point five (3.50) per cent. of the turn-over of the Group, calculated on the basis of Relevant Period ending on the last day of the most recent Financial Report;
- (o) incurred pursuant to any Finance Leases (other than those related to (m) and (n) above) incurred in the ordinary course of such Group Company's business in a maximum aggregate amount of EUR 6,000,000 (or the equivalent) at any time;
- (p) incurred as a result of any Group Company acquiring another entity which holds Financial Indebtedness, provided that (i) the Incurrence Test is met (calculated *pro forma* including the acquired entity's indebtedness in question), and (ii) such indebtedness is repaid or refinanced in full no later than three (3) months from the completion of the acquisition with Financial Indebtedness permitted pursuant to any other limb of this definition;

- (q) under any pension and tax liabilities incurred in the ordinary course of business;
- (r) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds;
- (s) incurred under any cash-pooling arrangements between any Group Companies, subject to a limit on the aggregate amount of such Financial Indebtedness from Material Group Companies (as lenders) to members of the Group who are not Material Group Companies (as borrowers) of EUR 2,000,000;
- (t) incurred by the Issuer or any other member of the Group, under one or several credit facilities or other financings for working capital and general corporate purposes of the Group (and any refinancing, amendment or replacements thereof), which will, following the entering into of the Intercreditor Agreement, pursuant to the Intercreditor Agreement rank super senior to the Bonds, as amended from time to time, in a maximum aggregate amount not at any time exceeding EUR 10,000,000 (or its equivalent) (the “**Super Senior Debt**”), provided that the aggregate principal amount drawn under the Super Senior Debt and the Adjusted Nominal Amount of the Bonds does not exceed EUR 140,000,000 (or, following the Write-Down Date, EUR 72,500,000) provided, for the avoidance of doubt, that agreements in respect of a Super Senior Debt may be entered into without restrictions; and
- (u) not permitted by the preceding paragraphs and the outstanding amount of which does not exceed EUR 2,000,000.

“**Permitted Security**” means any Security:

- (a) created under the Senior Finance Documents (and as otherwise permitted pursuant to an Intercreditor Agreement (when entered into), including any Super Senior Only Transaction Security);
- (b) arising by operation of law or in the ordinary course of trading and not as a result of any default or omission;
- (c) arising in the ordinary course of banking arrangements for the purposes of netting or set-off debt and credit balances of Group Companies;
- (d) arising under the general terms and conditions of banks and financial institutions in the ordinary course of banking business;
- (e) in the form of rental deposits or other guarantees in respect of any lease agreement including in relation to real property, office space or other premises entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (f) incurred in relation to any Financial Indebtedness permitted pursuant to paragraphs (h), (i), (j), (k) and (l) of the definition of “*Permitted Financial Indebtedness*”;
- (g) arising as a consequence of any Finance Lease permitted pursuant to paragraphs (n) and (p) of the definition of “*Permitted Financial Indebtedness*”;

- (h) arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company;
- (i) subsisting as a result of any Group Company acquiring another entity after the First Issue Date which entity already had provided security for Financial Indebtedness permitted under paragraph (p) of the definition of "*Permitted Financial Indebtedness*", provided that such security is discharged and released in full upon the refinancing or repayment of such Financial Indebtedness as set out therein;
- (j) created in the form of a pledge over one or more escrow accounts to which the proceeds incurred in relation to a refinancing of the Bonds in full are intended to be received;
- (k) any security provided to secure pension liabilities in the ordinary course of business of a Group Company;
- (l) any security created pursuant to a court order or judgment or as security for costs arising pursuant to court proceedings being contested by the relevant member of the Group in good faith by appropriate proceedings; and
- (m) not otherwise permitted above which secures debt in an amount not exceeding EUR 2,000,000 (or its equivalent in other currencies) at any time.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

"Record Date" means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Terms and Conditions, the date designated as the relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 18 (*Decisions by Bondholders*), the date falling on the immediate preceding Business Day to the date of that Bondholders decision being made or, with respect to a Written Procedure, the date specified in the relevant communication, or another relevant date as accepted by the Agent in accordance with these Terms and Conditions.

"Redemption Date" means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 11 (*Redemption and Repurchase of the Bonds*).

"Reference Date" means the last day of each financial quarter, being 31 March, 30 June, 30 September and 31 December in each year.

"Regulated Market" means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

"Relevant Period" has the meaning set forth in Clause 13.1 (*Definitions*).

“Restructuring Transaction” means the restructuring of the capital structure of the Issuer (including the Bonds) described in the notice of the Restructuring Written Procedure.

“Restructuring Written Procedure” means the Written Procedure initiated by the Issuer on 19 May 2026.

“Secured Obligations” means:

- (a) if the Intercreditor Agreement has not been entered into, all present and future obligations and liabilities of any Group Company to the Secured Parties under the Finance Documents; or
- (b) if the Intercreditor Agreement is entered into, the meaning ascribed to it in Schedule 3 (*Intercreditor principles*) (unless it is agreed with the creditor(s) under the Super Senior Debt (or their agent or representative) that the Super Senior Debt will not share the Transaction Security and Guarantees with the Bonds, in which case the Secured Obligations shall have the meaning set out in paragraph (a) above).

“Secured Parties” means:

- (a) if the Intercreditor Agreement has not been entered into, the Bondholders, the Security Agent and the Agent (including in its capacity as Agent under the Agency Agreement); or
- (b) if the Intercreditor Agreement is entered into, the meaning ascribed to it in Schedule 3 (*Intercreditor principles*) (unless it is agreed with the creditor(s) under the Super Senior Debt (or their agent or representative) that the Super Senior Debt will not share the Transaction Security and Guarantees with the Bonds, in which case the Secured Parties shall have the meaning set out in paragraph (a) above).

“Securities Account” means the account for dematerialised securities maintained by the CSD in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

“Security” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

“Security Agent” has the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

“Security Documents” means the following documents:

- (a) a pledge pursuant to which Security is created over the shares and interests (as applicable) in the Issuer;
- (b) the Share Call Option;
- (c) each pledge pursuant to which Security is created over the shares and interests (as applicable) in the Guarantors (other than LR Global Holding GmbH, LR Health & Beauty Systems GmbH, LR-International Beteiligungs GmbH, LR Partner Benefits GmbH and LR Deutschland GmbH);
- (d) each pledge agreement pursuant to which Security is created over the bank accounts located in Germany (including any cash pools of the Group) of the Issuer and any Guarantor;

- (e) each security agreement pursuant to which Security is created over any current and future Structural Intercompany Loans;
- (f) each security agreement pursuant to which Security is created over any current and future Shareholder Loans;
- (g) each German law security agreement pursuant to which Security is created over transfer of inventory located in the Group’s warehouses in Germany;
- (h) the Intellectual Property Security;
- (i) any Security to be granted pursuant to Clause 15.14 (*Nomination of Material Group Companies*); and
- (j) any other documents pursuant to which Transaction Security is provided.

“Security and Guarantee Confirmations” means:

- (a) the global guarantee confirmation agreement to be entered into by:
 - (i) the Issuer;
 - (ii) LR Global Holding GmbH;
 - (iii) LR Health & Beauty Systems Beteiligungs GmbH;
 - (iv) LR Health & Beauty Systems GmbH;
 - (v) LR Partner Benefits GmbH;
 - (vi) LR-International Beteiligungs GmbH;
 - (vii) LR Deutschland GmbH;
 - (viii) LR Jersey Holding Limited;
 - (ix) LR Health & Beauty Systems SAS;
 - (x) LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ);
 - (xi) LR Health & Beauty Systems s.r.o.;
 - (xii) LR Health & Beauty Systems S.R.O.;
 - (xiii) LR Health & Beauty Systems sp. z o.o.;
- (b) The supplemental security interest agreement to be entered into in respect of all the shares in LR Jersey Holding Limited;
- (c) the junior ranking share pledge agreement to be entered into in respect of all the shares in LR Health & Beauty Systems Beteiligungs GmbH;

- (d) the junior ranking share pledge agreement to be entered into in respect of all the shares in LR Health & Beauty Systems SAS; and
- (e) the security confirmation agreements in respect of the existing Transaction Security to be entered into by each of (it being noted that no security confirmations shall be required in relation to the security over the shares in LR Global Holding GmbH, LR Health & Beauty Systems GmbH, LR-International Beteiligungs GmbH, LR Partner Benefits GmbH and LR Deutschland GmbH):
 - (i) the Issuer;
 - (ii) LR Global Holding GmbH;
 - (iii) LR Health & Beauty Systems Beteiligungs GmbH;
 - (iv) LR Health & Beauty Systems GmbH;
 - (v) LR Partner Benefits GmbH;
 - (vi) LR-International Beteiligungs GmbH;
 - (vii) LR Deutschland GmbH;
 - (viii) LR Jersey Holding Limited;
 - (ix) LR Health & Beauty Systems SAS;
 - (x) LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ SINGLE MEMBER LIMITED LIABILITY COMPANY (LR HEALTH & BEAUTY SYSTEMS ΣΥΣΤΗΜΑΤΑ ΥΓΕΙΑΣ ΚΑΙ ΟΜΟΡΦΙΑΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ);
 - (xi) LR Health & Beauty Systems s.r.o.;
 - (xii) LR Health & Beauty Systems S.R.O; and
- (f) such other documents and evidence as is agreed between the Agent and the Issuer to be required to ensure that the existing Transaction Security and guarantees continue in full force and effect following the Restructuring Transaction (it being noted that (i) supplemental security agreement shall only be required in respect of the shares in LR Jersey Holding Limited, LR Health & Beauty Systems Beteiligungs GmbH and LR Health & Beauty Systems SAS, and (ii) no security confirmations shall be required in relation to the security over the shares in LR Global Holding GmbH, LR Health & Beauty Systems GmbH, LR-International Beteiligungs GmbH, LR Partner Benefits GmbH and LR Deutschland GmbH).

“**Senior Finance Documents**” has the meaning ascribed to it in Schedule 3 (*Intercreditor principles*).

“**Share Call Option**” means a call option (the “**Share Call Option**”) governed by German law granted in favour of the Security Agent (for the benefit of the Secured Parties) granted over all of the shares in LR Health & Beauty Systems GmbH (the “**Option Shares**”), under which the Security Agent shall, upon the exercise of the Share Call Option, be entitled to require the transfer of the Option Shares to a third party designated by it (the

consideration for such transfer shall be the fair market value of the Option Shares at the time of exercise). The Share Call Option shall be granted solely for security and enforcement purposes and shall not, prior to their exercise, confer any right to economic ownership (*wirtschaftliches Eigentum*), voting rights, dividend rights or other shareholder rights in respect of the Option Shares. The granting of the Share Call Option does not constitute an agreement to transfer shares and the Security Agent shall have no obligation to exercise the Share Call Option.

“Shareholder Loan” means any loan or credit made (or to be made) to the Issuer by the Parent, provided that any such Shareholder Loans shall be (i) fully subordinated to the obligations of all obligors under the Senior Finance Documents (including as to interest and maturity) in accordance with a subordination agreement in a form acceptable to the Agent or in accordance with the Intercreditor Agreement (if entered into) and (ii) the subject of a first priority security interest in favour of the Agent and the Bondholders (or when the Intercreditor Agreement is entered into, the Secured Parties in accordance with the Intercreditor Agreement).

“Structural Intercompany Loan” means any loans or credits made by (i) the Issuer to LR Global Holding GmbH, (ii) LR Global Holding GmbH to LR Health & Beauty Systems Beteiligungs GmbH, (iii) LR Health & Beauty Systems Beteiligungs GmbH to LR Health & Beauty Systems GmbH, or (iv) from LR Health & Beauty Systems GmbH (directly or indirectly) to any of its directly or indirectly wholly-owned subsidiaries, where in each case (a) the term of the loan is at least equal to or longer than 12 months and (b) the aggregate principal amount thereof in addition to any other Structural Intercompany Loans between the same Group Companies is in excess of EUR 1,000,000, but in each case excluding any cash pooling, provided that any Structural Intercompany Loans (in each case subject to the Agreed Security Principles) must be the subject of a first priority security interest in favour of the Agent and further provided that any intercompany loans may be designated a Structural Intercompany Loan to the extent first priority security interest in favour of the Agent is granted over such intercompany loans.

“Subsequent Bond” has the meaning ascribed to it in Clause 2.5.

“Subsequent Bond Issue” has the meaning ascribed to it in Clause 2.5.

“Subsidiary” means, in respect of any Person, a Person in respect of which such Person first-mentioned, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners, or (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

“Super Senior Debt” has the meaning set out in paragraph (t) of the definition of *“Permitted Financial Indebtedness”*.

“Super Senior Only Transaction Security” has the meaning ascribed to it in Schedule 3 (Intercreditor Principles).

“Transaction Costs” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with the incurrence of any Permitted Financial Indebtedness, including the issuance and admission to trading of the Bonds and the corresponding documentation, including, without limitation, the Security Documents and the Guarantee Agreement.

“**Transaction Security**” means the Security (and in the case of the Share Call Option, call options) provided for the Secured Obligations pursuant to the Security Documents and the Security and Guarantee Confirmations (as applicable).

“**Write-Down Date**” means the date on which Bonds have been written down with an aggregate Nominal Amount of EUR 97,500,000 (of which EUR 27,500,000 will be reinstated into “Junior Bonds” as defined and described in the notice of the Restructuring Written Procedure) together with all interest accrued but unpaid under the Terms and Conditions pursuant to the terms of the notice of the Restructuring Written Procedure, expected to be 16 June 2026.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clauses 18.1 (*Request for a decision*), 18.3 (*Instigation of Written Procedure*) and 18.4 (*Majority, quorum and other provisions*).

1.2 **Construction**

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any law, regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) a provision of regulation is a reference to that provision as amended or re-enacted;
- (e) an “**enforcement**” of the Guarantee means the making of a demand for payment under the Guarantee; and
- (f) a time of day is a reference to Stockholm time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in Euro has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by

the European Central Bank on its website (www.ecb.europa.eu). If no such rate is available, the most recently published rate shall be used instead.

- 1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within the European Economic Area promptly and in a non-discriminatory manner.
- 1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.6 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

2. STATUS OF THE BONDS

- 2.1 The Bonds are denominated in Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- 2.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- 2.3 The initial nominal amount of each Bond is EUR 1,000 (the “**Initial Nominal Amount**”), and the total nominal amount is EUR 130,000,000 and will, following the Write-Down Date, be EUR 32,500,000⁵. All Bonds issued before the Write-Down Date were issued on a fully paid basis at an issue price of ninety-six (96.00) per cent. of the Initial Nominal Amount. The issue price of Subsequent Bonds may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount.
- 2.4 The minimum permissible investment in connection with the issue of the initial Bonds was EUR 100,000.
- 2.5 The Issuer may on one occasion after the First Issue Date issue additional Bonds (each a “**Subsequent Bond**” and a “**Subsequent Bond Issue**”) provided that the aggregate amount of Bonds in issue (i.e., the initial Bond Issue aggregated with any Subsequent Bonds) does not exceed EUR 62,500,000.
- 2.6 The Bonds constitute direct, senior, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference between themselves and at least *pari passu* with all direct, unsubordinated and unsecured obligations of the Issuer, subject to (A) obligations which are mandatorily preferred by law and (B) the Intercreditor Agreement (if entered into).
- 2.7 The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a

⁵ As of the date of these Amended Terms and Conditions, the Interest in respect of the Interest Payment Dates in November 2025, February 2026 and May 2026 has been capitalised and added to the nominal amount of the Bonds which as of the Write-Down Date will have been written down together with a nominal amount of EUR 97,500,000 (of which EUR 27,500,000 will be reinstated into “Junior Bonds” as defined and described in the notice of the Restructuring Written Procedure), resulting in a total nominal amount for the Bonds of EUR 32,500,000.

Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

- 2.8 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. USE OF PROCEEDS

The Issuer has applied, and shall continue to apply, the Net Proceeds from the issue of the Bonds, towards refinancing of existing bonds, Transaction Costs and financing general corporate purposes of the Group.

4. CONDITIONS PRECEDENT FOR A SUBSEQUENT BOND ISSUE

- 4.1 The Issuer shall provide to the Agent, no later than two (2) Business Days prior to the Issue Date in respect of Subsequent Bonds (or such later time as agreed by the Agent), the following:

- (a) copies of the constitutional documents (commercial register excerpt, articles of association) of the Issuer and each other Group Company party to the Security and Guarantee Confirmations;
- (b) copies of all corporate resolutions (including authorisations) of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith required to execute the relevant Finance Documents to which it is a party;
- (c) a copy of a duly executed security agreement in respect of all the shares in the Issuer together with evidence that the Transaction Security purported to be created under such Security Document has been or will be perfected in accordance with its terms;
- (d) copies of the duly executed Security and Guarantee Confirmations together with evidence that the Transaction Security purported to be created or confirmed under such Security Documents have been or will be perfected in accordance with their terms;
- (e) copies of the duly executed Share Call Option;
- (f) copies of agreements and other documents evidencing that all Shareholder Loans existing immediately following the completion of the Restructuring Transaction have been or will be duly pledged (or subject to other security) and subordinated to the obligations under the Senior Finance Documents following completion of the Restructuring Transaction;
- (g) legal opinions on the capacity and due execution of each party to a Finance Document not incorporated in Sweden and the validity and enforceability of the Finance Documents not governed by Swedish law, in each case issued by a reputable law firm; and
- (h) such other documents and evidence as is agreed between the Agent and the Issuer.

4.2 The Agent shall confirm to the Paying Agent when it is satisfied that the conditions in Clause 4.1 have been fulfilled (or amended or waived in accordance with Clause 19 (*Amendments and waivers*)). The Issue Date shall not occur (i) unless the Agent makes such confirmation to the Paying Agent no later than two (2) Business Days prior to the Issue Date (or later, if the Paying Agent so agree), or (ii) if the Paying Agent and the Issuer agree to postpone the Issue Date.

4.3 Following receipt of the confirmation in accordance with Clause 4.2, the Paying Agent shall settle the issuance of the Bonds and pay the Net Proceeds to the Issuer.

4.4 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1, is accurate, legally valid, enforceable, correct and true unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 4 from a legal or commercial perspective on behalf of the Bondholders.

5. **[RESERVED]**

6. **[RESERVED]**

7. **BONDS IN BOOK-ENTRY FORM**

7.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the relevant securities legislation and the CSD Regulations. Registration requests relating to the Bonds shall be directed to an Account Operator.

7.2 The Issuer shall at all times ensure that the registration of the Bonds in the CSD is correct and shall as soon as practicably possible after any amendment or variation of these Terms and Conditions give notice to the CSD of any such amendment or variation. The Issuer shall ensure that the Agent is provided with a copy of any notification given to the CSD.

7.3 In order to carry out its functions and obligations under these Terms and Conditions, the Agent will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.

7.4 The information referred to in Clause 7.3 above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

8. **RIGHT TO ACT ON BEHALF OF A BONDHOLDER**

8.1 If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations starting with the Bondholder and authorising such Person.

8.2 If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents (without obtaining a power of attorney or other proof of authorisation pursuant to Clause 8.1), it must obtain other proof of ownership of the Bonds, acceptable to the Agent.

- 8.3 A Bondholder (whether registered as such or proven to the Agent's satisfaction to be the beneficial owner of the Bond as set out in Clause 8.2) may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent such Person by way of a further power of attorney.
- 8.4 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 8.3 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 8.5 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (*Sw. förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

9. PAYMENTS IN RESPECT OF THE BONDS

- 9.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase or prepayment of any Bonds requested by a Bondholder pursuant to these Terms and Conditions, shall be made to such Person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant due date, by way of (if no specific order is made by the Agent) crediting the relevant amount to the bank account nominated by such Bondholder in connection with its Securities Account with the CSD.
- 9.2 Payment constituting good discharge of the Issuer's payment obligations to the Bondholder under these Terms and Conditions will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its Securities Account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- 9.3 If a Payment Date or a date for other payments to the Bondholders pursuant to these Terms and Conditions falls on a day which is not both a CSD Business Day and a Business Day, the payment shall be made on the first following possible day which is both a CSD Business Day and a Business Day, unless any provision to the contrary have been set out for such payment in these Terms and Conditions.
- 9.4 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 10.4 during such postponement.
- 9.5 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- 9.6 Notwithstanding anything to the contrary in these Terms and Conditions, the Bonds shall be subject to, and any payment made in relation thereto shall be made in accordance with, the rules and procedures of the CSD.

- 9.7 The Issuer shall pay any stamp duty and other public fees accruing in connection with the issuance of the Bonds, and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer is not liable to reimburse any stamp duty or public fee or to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.
- 9.8 All amounts payable under these Terms and Conditions shall be payable in the currency of the Bonds set out in Clause 2.1. If, however, the currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- 9.9 Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its Account Operator in the CSD) within five (5) Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

10. INTEREST

- 10.1 Each Bond (including any Subsequent Bonds) will accrue Interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period (i.e. from, and including, the Amendment Date), and ending on but excluding the last date of the Interest Period.
- 10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 10.3 Interest shall be payable quarterly in arrears on the Interest Payment Dates each year. Interest shall be calculated on the basis of a 360-day year comprised of twelve (12) months of thirty (30) days each, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).
- 10.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. The default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead. For the avoidance of doubt, any Interest (including any default interest) payable under ISIN NO0013736744, NO0013699330, and the default ISIN generated for the regular May 2026 interest payment and any other interest previously accrued but unpaid by the Issuer under the Finance Documents prior to the Amendment Date has been irrevocably written down in full and shall not be due or payable.

11. REDEMPTION AND REPURCHASE OF THE BONDS

11.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Outstanding Nominal Amount together with accrued but unpaid Interest.

11.2 **Purchase of Bonds by Group Companies**

- 11.2.1 Any Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way.
- 11.2.2 Bonds held by a Group Company may at such Group Company's discretion be retained or sold but not cancelled, except if held by the Issuer and cancelled in connection with a redemption of the Bonds in full.

11.3 **Voluntary total redemption (call option)**

- 11.3.1 The Issuer may redeem the Bonds in whole, but not in part, on any CSD Business Day from and including the Amendment Date to, but not including, the Final Maturity Date at a price equal to 100.00 per cent. of the Outstanding Nominal Amount of the Bonds, together with accrued and unpaid interest on the Bonds.
- 11.3.2 Redemption in accordance with this Clause 11.3 (*Voluntary total redemption (call option)*) shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Upon fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

11.4 **Mandatory repurchase due to a Change of Control Event (put option)**

- 11.4.1 Upon the occurrence of a Change of Control Event, each Bondholder shall during a period of forty-five (45) days from the effective date of a notice from the Issuer of the Change of Control Event, pursuant to paragraph (e) of Clause 14.1.1 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to one hundred and one (101) per cent. of the Outstanding Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- 11.4.2 The notice from the Issuer pursuant to paragraph (e) of Clause 14.1.1 shall specify the period during which the right pursuant to Clause 11.5.1 may be exercised, the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall procure that the Paying Agent will repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to paragraph (e) of Clause 14.1.1. The Redemption Date shall occur on a CSD Business Day within ten (10) Business Days after the end of the period referred to in Clause 11.5.1.
- 11.4.3 If Bondholders representing more than eighty (80) per cent. of the Adjusted Nominal Amount have requested that Bonds held by them are repurchased pursuant to this Clause 11.5, the Issuer shall, no later than five (5) Business Days after the end of the period referred to in Clause 11.5.1, send a notice to the remaining Bondholders, if any, giving them a further opportunity to request that Bonds held by them be repurchased on the same terms during a period of twenty (20) Business Days from the date such notice is effective. Such notice shall specify the Redemption Date, the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date and also include instructions about the actions that a Bondholder needs to take if it wants

Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall procure that the Paying Agent will repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to this Clause 11.5.3. The Redemption Date must fall on a CSD Business Day no later than ten (10) Business Days after the end of the period of twenty (20) Business Days referred to in this Clause 11.5.3.

- 11.4.4 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 11.5, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 11.5 by virtue of the conflict.
- 11.4.5 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.5, if a third party in connection with the occurrence of a Change of Control Event offers to purchase the Bonds in the manner and on the terms set out in this Clause 11.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 11.5, the Issuer shall repurchase any such Bonds within ten (10) Business Days after the expiry of the time limit.
- 11.4.6 No repurchase of Bonds pursuant to this Clause 11.5 shall be required if the Issuer has given notice of a redemption pursuant to Clause 11.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

12. TRANSACTION SECURITY AND GUARANTEES

- 12.1 Subject to the Intercreditor Agreement (if entered into), as continuing security for the due and punctual fulfilment of the Secured Obligations, the Issuer (i) grants (and shall procure that any other Group Company (as applicable) grants) as first ranking security to the Secured Parties (as represented by the Security Agent) the Transaction Security on the terms set out in the Security Documents (other than the Share Call Option) and (ii) shall procure that the relevant Group Companies grant the Share Call Option in favour of the Security Agent (for the benefit of the Secured Parties).
- 12.2 Subject to the Intercreditor Agreement (if entered into), the Issuer guarantees (and shall procure that each Guarantor guarantees) irrevocably and unconditionally and jointly and severally (*Sw. proprieborgen*) to the Secured Parties (as represented by the Security Agent) as for its own debts (*Sw. såsom för egen skuld*) the full and punctual performance by the Group Companies of all their obligations under the Finance Documents on the terms set out in the Guarantee Agreement (including any accession letters thereto).
- 12.3 Subject to the Intercreditor Agreement (if entered into), the Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents and the Guarantee Agreement.
- 12.4 The Issuer undertakes to ensure that each Group Company promptly does all such acts and executes and supplies all such documents (including, without limitation, any Security Document and/or Guarantee Agreement and any document, including any accession agreement, to be executed or supplied in relation thereto) as the Agent may reasonably request for the purposes of establishing the Security and/or the Guarantees.
- 12.5 The Issuer shall, in connection with the establishment of any Transaction Security and/or Guarantees:

- (a) promptly supply to the Agent copies of the constitutional documents, copies of all corporate resolutions (including authorisations) required to execute the relevant Finance Documents, and copies of the register of shareholders (in each case) with respect to each relevant Group Company;
 - (b) ensure that each relevant Group Company promptly does all such acts and executes and supplies all such documents (including, without limitation, any Security Document and the Guarantee Agreement and any document, including accession agreements, to be executed or supplied in relation thereto) as necessary for the purposes of establishing the Security and/or the Guarantees; and
 - (c) provide to the Agent legal opinions from legal counsel to the Issuer or the Agent (as customary in such jurisdictions or agreed between the Issuer and the Agent) in respect of the relevant Group Companies' capacity and authority to enter into, as well as the enforceability of, any Security Documents and the Guarantee Agreement.
- 12.6 All Security provided under the Security Documents and all Guarantees provided under the Guarantee Agreement shall be subject to, and limited as required by the agreed security principles set out in the annex hereto (the "**Agreed Security Principles**").
- 12.7 Subject to the Intercreditor Agreement (if entered into), unless and until the Agent has received instructions from the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*), the Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security and/or the Guarantees, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security and/or the Guarantees, in each case in accordance with the terms of the Finance Documents.
- 12.8 For the purpose of exercising the rights of the Secured Parties, the Agent may instruct the CSD in the name and on behalf of the Issuer to arrange for payments to the Secured Parties under the Finance Documents and change the bank account registered with the CSD and from which payments under the Bonds are made to another bank account. The Issuer shall immediately upon request by the Agent provide it with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent and the CSD), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Clause 12.8.
- 12.9 Subject to the Intercreditor Agreement (if entered into), the Security Agent shall be entitled to release all Transaction Security and the Guarantees when it is satisfied of the full discharge of the Secured Obligations.
- 12.10 Subject to the Intercreditor Agreement (if entered into) and notwithstanding the terms of the Security Documents and the Guarantee Agreement, the Security Agent shall in connection with a merger permitted by these Terms and Conditions or a voluntary liquidation or winding-up of LR Jersey Holding Limited described in Clause 16.1(j) (Continuation of business), be permitted to release the relevant Transaction Security and/or Guarantees (as applicable) for the purpose of enabling such merger or voluntary liquidation/winding-up.
- 12.11 Any Security provided under the Security Documents and any Guarantee provided under the Guarantee Agreement shall be shared between the Secured Parties in accordance with the terms of the Intercreditor Agreement (if entered into).

13. FINANCIAL UNDERTAKINGS

13.1 Definitions

For the purpose of this Clause 13, the following terms shall have the meaning set out below:

“Equity Cure” means a cash injection from shareholders to the Issuer in accordance with Clause 13.2.3.

“Finance Charges” means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid or payable in cash or capitalised by any Group Company according to the latest Financial Reports (calculated on a consolidated basis), excluding any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

“Group EBITDA” means, for the relevant period, the consolidated profit of the Group from ordinary activities according to the latest financial reports, without double-counting and in each case, if and only to the extent, these items arise during the Relevant Period:

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Finance Charges;
- (c) excluding any *“Exceptional Items”* (positive or negative) of a one off, non-recurring, non-operational, extraordinary, unusual or exceptional nature (including, without limitation, costs, fees and expenses in connection with any acquisition, restructuring expenditures (in each case, whether or not successful)), provided that such items in no event shall exceed in aggregate ten (10) per cent. of Group EBITDA in any Relevant Period;
- (d) excluding any items of a one off, non-recurring, non-operational, extraordinary, unusual or exceptional nature relating to the Restructuring Transaction (including, without limitation, consultancy fees, legal expenses and one-off expenses related to the implementation of restructuring measures);
- (e) before deducting any Transaction Costs;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests which is not included in the financial statements;

- (i) after adding back or deducting, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group;
- (j) after adding back any losses to the extent covered by any insurance and in respect of which insurance proceeds have been received by the Group; and
- (k) after adding back any amount attributable to the amortisation, depreciation, impairment or depletion of assets of the Group Companies (including goodwill or other tangible assets).

"Interest Coverage Ratio" means the ratio of Group EBITDA to Net Interest Expenses.

"Interest Expenses" means, for any Relevant Period, the aggregate amount of interest, commission, fees, discounts, premiums or charges paid or payable by any member of the Group calculated on a consolidated basis in cash in respect of any Net Interest Bearing Debt:

- (a) excluding any agency, arrangement, underwriting, amendment, consent, one-off or other upfront fees or costs in respect of any Financial Indebtedness;
- (b) excluding the capital element of payments in respect of Finance Leases;
- (c) excluding any non-cash pay interest on any Financial Indebtedness and any interest (capitalised or otherwise) accrued on any shareholder contribution and/or subordinated debt; and
- (d) excluding any interest cost or expected return on plan assets in relation to any postemployment benefit schemes.

"Leverage Ratio" means the ratio of Net Interest Bearing Debt to Group EBITDA.

"Net Finance Charges" means, for the Relevant Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Relevant Period to any Group Company and any interest income received or receivable by any Group Company.

"Net Interest Bearing Debt" means the aggregate interest bearing Financial Indebtedness of the Group, excluding:

- (a) any Shareholder Loans;
- (b) any Financial Indebtedness owing by a Group Company to another Group Company constituting Permitted Financial Indebtedness;
- (c) any Bonds owned by the Issuer; and
- (d) any pension and tax liabilities,

less cash and cash equivalents of the Group in accordance with the Applicable Accounting Principles. For the avoidance of doubt, guarantees and bank guarantees shall not constitute Net Interest Bearing Debt.

"Net Interest Expenses" means, for any Relevant Period, the Interest Expenses for that Relevant Period after deducting any interest accrued (whether or not paid) in that Relevant Period to any member of the Group and any interest income received on any bank deposit, cash or cash equivalent investment.

“Relevant Period” means each period of twelve (12) consecutive calendar months to the relevant test date.

13.2 **Maintenance Test**

13.2.1 The Maintenance Test is met if:

- (a) the Leverage Ratio is equal to or less than:
 - (i) 5.00:1.00 from, and including, 31 March 2028 to, and including, 28 February 2029;
 - (ii) 4.00:1.00 from, and including, 31 March 2029 to, and including, the Final Maturity Date;
- (b) the cash and cash equivalents of the Group (determined in accordance with IFRS) are equal to or greater than EUR 5,000,000; and
- (c) no Event of Default is continuing.

13.2.2 The Maintenance Test shall be tested quarterly and calculated in accordance with the accounting principles applicable to the Issuer and tested by reference to the Financial Report for the period ending on each Reference Date with respect to the Relevant Period ending on such Reference Date. The first test of the Maintenance Test shall be made in relation to the Relevant Period ending on 30 June 2028.

13.2.3 If there is a breach of the Maintenance Test, no Event of Default will occur if, within thirty (30) Business Days of the earlier of (i) a delivery of the relevant Compliance Certificate evidencing that breach and (ii) the date when such Compliance Certificate should have been delivered in accordance with these Terms and Conditions, the Issuer has received an equity injection in cash by way of share issue in the Issuer, unconditional shareholder contribution to the Issuer, or Shareholder Loans to the Issuer, in an amount sufficient (or such higher amount as agreed between the Issuer and the shareholder) to ensure compliance with the Maintenance Test as at the relevant Reference Date (the “Cure Amount”).

13.2.4 Upon receipt of the Cure Amount, the calculation of the Leverage Ratio shall, for the purposes of the calculation of the Maintenance Test, be adjusted so that the Net Interest Bearing Debt for the Relevant Period is reduced by an amount equal to the Cure Amount. Any Equity Cure made in any calendar quarter shall be included in all relevant covenant calculations or recalculations until such time as that calendar quarter falls outside the Relevant Period. For the avoidance of doubt, there shall be no EBITDA cure.

13.2.5 Any Equity Cure must be made in cash to the Issuer and no more than two (2) Equity Cures may be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.

13.3 **Incurrence Test**

13.3.1 The Incurrence Test is met if:

- (a) the Leverage Ratio is less than 3.00:1.00;
- (b) the Interest Coverage Ratio is greater than 2.50:1.00; and

- (c) no Event of Default is continuing or would occur upon the relevant incurrence.

13.4 **Distribution Test**

13.4.1 The Distribution Test is met if:

- (a) the Leverage Ratio is equal to or less than 2.00:1.00 (calculated *pro forma* including the relevant Restricted Payment);
- (b) the Interest Coverage Ratio is greater than 2.50:1.00; and
- (c) no Event of Default is continuing or would occur upon the making of the relevant Restricted Payment.

13.5 **Calculations and Calculation Adjustments**

13.5.1 The calculation of the Interest Coverage Ratio and Leverage Ratio shall be made for the Relevant Period ending on the last day of the period covered by the most recent Financial Report.

13.5.2 Net Interest Bearing Debt shall be measured on the last day of the period covered by the most recent Financial Report, however so that (a) the full commitment of any new Financial Indebtedness in respect of which the Incurrence Test shall be made (after deducting any Financial Indebtedness which shall be refinanced at the time of incurrence of such new Financial Indebtedness) shall be added to the Net Interest Bearing Debt, and (b) that any cash balance/proceeds resulting from the incurrence of such new Financial Indebtedness shall not reduce the Net Interest Bearing Debt.

13.5.3 The figures for Group EBITDA for the Relevant Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test, the Distribution Test and the Maintenance Test, but adjusted so that:

- (a) entities acquired or disposed of by the Group, or any increased ownership share in a Group Company, during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and
- (b) in relation to the Incurrence Test only, any entity to be acquired, or any ownership share in a Group Company to be increased, with the proceeds from the new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period.

13.6 **Change in Applicable Accounting Principles**

The financial maintenance covenants and any incurrence test shall be calculated in accordance with the Applicable Accounting Principles unless, there has been a change in the Applicable Accounting Principles after the First Issue Date, and the Issuer delivers to the Agent a statement (in form and content satisfactory to the Agent) (i) describing in reasonable detail any change necessary for those financial statements to reflect the Applicable Accounting Principles as of the First Issue Date and (ii) confirming that the relevant financial maintenance covenants or incurrence test would still have been complied with had such changes not been made.

14. INFORMATION TO BONDHOLDERS

14.1 Information from the Issuer

14.1.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and unconsolidated financial statements of the Issuer, in each case in the English language, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website and by press release not later than four (4) months after the expiry of each financial year (or, in respect of the financial year ending 31 December 2025, no later than three (3) months following the completion of the Restructuring Transaction);
- (b) starting with the quarter ending 31 March 2024, prepare and make available the quarterly interim unaudited consolidated financial statements of the Group and unconsolidated financial statements of the Issuer, in each case in the English language, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website and by press release not later than two (2) months after the expiry of each relevant interim period;
- (c) issue a Compliance Certificate to the Agent in connection with:
 - (i) the incurrence of debt pursuant to paragraph (p) of the definition of "*Permitted Financial Indebtedness*", which requires that the Incurrence Test is met;
 - (ii) the making of a Restricted Payment in accordance with Clause 15.1 (*Distributions*) (other than with respect to any payment made in accordance with Clause 15.1.2(b));
 - (iii) the delivery of the Financial Reports;
 - (iv) acquisition of entities in excess of five (5) per cent. of Group EBITDA referred to under (b) of Clause 15.14 (*Nomination of Material Group Companies*); and
 - (v) the Agent's reasonable request, within twenty (20) days from such request.
- (d) following the First Issue Date, keep the latest version of these Terms and Conditions available on the website of the Issuer; and
- (e) promptly notify the Agent (and, as regards a Change of Control Event, the Bondholders and the Agent) when the Issuer is or becomes aware of the occurrence of a Change of Control Event or Event of Default, and shall provide the Agent with such further information as the Agent may request following receipt of such notice. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.

- 14.1.2 Once the Bonds have been admitted to trading on Nasdaq Stockholm (or another Regulated Market), the consolidated reports on the Group referred to under paragraphs (a) and (b) of Clause 14.1.1 in addition, be prepared in accordance with IFRS

and made available in accordance with the rules and regulations of Nasdaq Stockholm (or another Regulated Market) (as amended from time to time) and the Swedish Securities Market Act, (if applicable).

- 14.1.3 The Issuer shall on the earlier of when the financial statements pursuant to Clause 14.1.1 (i) are made available, or (ii) should have been made available, submit to the Agent a compliance certificate substantially in the form set out in a schedule to these Terms and Conditions (a “**Compliance Certificate**”), signed by the CEO, CFO or any other authorised signatory of the Issuer, (a) certifying that, so far as he or she is aware, no Event of Default is continuing or, if he or she is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it; (b) if provided in connection with a Financial Report being made available, certifying that the Maintenance Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated); (c) if provided in connection with the testing of the Incurrence Test or the Distribution Test, certifying that the relevant test is met and including calculations and figures in respect of the relevant test; and (d) in the case of a Compliance Certificate provided in connection with the delivery of the audited annual consolidated statements of the Group, or an acquisition referred to in (b) of Clause 15.14 (*Nomination of Material Group Companies*) above, including the identity of each Material Group Company.

14.2 **Information from the Agent**

- 14.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 14.2.2, the Agent is entitled to disclose to the Bondholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 16.4 and 16.5).
- 14.2.2 If a committee representing the Bondholders’ interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

14.3 **Information among the Bondholders**

Subject to applicable regulations, the Agent shall promptly upon request by a Bondholder forward by post any information from such Bondholder to the Bondholders which relates to the Bonds. The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

15. **GENERAL UNDERTAKINGS**

15.1 **Distributions**

- 15.1.1 The Issuer shall not, and shall procure that none of its Subsidiaries will, (i) pay any dividend on its shares (other than to the Issuer, a Guarantor or a wholly-owned Subsidiary of the Issuer and, if made by a Group Company which is not directly or indirectly wholly-owned, is made *pro rata* to the Group’s ownership percentage in such Subsidiary), (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment

to shareholders, (iv) repay any Shareholder Loans, or (v) make any payments to the Investor or any of its Affiliates, or any other similar distribution or transfers of value to any direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer, other than to the Issuer, a Guarantor or a directly or indirectly wholly-owned Subsidiary of the Issuer and, if made by a Group Company which is not directly or indirectly wholly-owned, is made *pro rata* to the Group's ownership percentage in such Subsidiary, ((i)-(v) each being a “**Restricted Payment**”).

15.1.2 Notwithstanding the above, a Restricted Payment may be made by the Issuer:

- (a) to the Parent, provided that (A) the Distribution Test is met (calculated on a *pro forma* basis including the relevant Restricted Payment), (B) the aggregate amount of all Restricted Payments of the Group in any financial year (including the Restricted Payment in question) does not exceed fifty (50) per cent. of the Group's consolidated net income for the previous financial year, and (C) no Event of Default is continuing or would result from such distribution; or
- (b) in the form of cost coverage payments and/or intercompany loans to the Parent in an aggregate amount not exceeding EUR 500,000 per financial year, to meet the holding costs of the Parent (including auditing costs, remuneration of management, domiciliation costs and taxes).

15.2 **Disposals**

Subject to the terms of the Intercreditor Agreement (if entered into), the Issuer shall not, and shall ensure that no other Group Company will, sell, transfer or otherwise dispose of any shares in, or any assets, business or operations of, any Group Company to any Person (not being the Issuer or any other wholly-owned Group Company), unless such disposal (taken as a whole also taking into account any transaction ancillary or related thereto) (i) is carried out at fair market value and on terms and conditions customary for such transaction, (ii) is not prohibited by, and subject to the terms, of any Security Document and (iii) does not have a Material Adverse Effect, provided that under no circumstances shall a disposal to any Person (not being the Issuer or any other wholly-owned Group Company) of shares in a Material Group Company or all or substantially all of the assets, business or operations of a Material Group Company be permitted. Notwithstanding the above, any Group Company may, following the exit of a sales partner of the Group and the concurrent transfer of such sales partner's sales network to any Group Company, transfer such sales network to a remaining sales partner of the Group in the ordinary course of business, provided that such transfer does not have a Material Adverse Effect. The Issuer shall, upon request by the Agent, provide the Agent with any information relating to the transaction, which the Agent deems necessary (acting reasonably).

15.3 **Financial Indebtedness**

The Issuer shall not, and shall ensure that no other Group Company will, incur or maintain any Financial Indebtedness other than Permitted Financial Indebtedness.

15.4 **Negative pledge**

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any security over any of its/their assets (present or future) to secure Financial Indebtedness, other than Permitted Security.

15.5 **Loans out**

15.5.1 The Issuer shall not, and shall procure that none of its Subsidiaries will, provide any loan in any form to any party, other than:

- (a) (A) in the case of the Issuer, LR Global Holding GmbH and LR Health & Beauty Systems Beteiligungs GmbH, directly to their respective direct wholly-owned subsidiaries only and (B) any Structural Intercompany Loans;
- (b) in the case of any Group Companies (other than the Issuer, LR Global Holding GmbH and LR Health & Beauty Systems Beteiligungs GmbH), (A) to any directly or indirectly owned Group Company (subject to the limitations on incurrence of Financial Indebtedness set out in (e) and (s) of the definition of “*Permitted Financial Indebtedness*”), provided that if made from a Group Company to a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, such loan is made on a pro rata basis; (B) in the form of any advances or extensions of credit to customers or suppliers of any Person in the ordinary course of business; or (C) any loans between Group Companies that are Guarantors or Material Group Companies;
- (c) a loan made by a member of the Group to an employee or sales partner of any member of the Group if the amount of that loan when aggregated with the amount of all loans to employees and sales partners by members of the Group does not exceed EUR 3,000,000 (or its equivalent) at any time;
- (d) any loan by a Material Group Company to the Ahlen PropCo in connection with the Ahlen Sale and Leaseback Arrangements up to a total aggregate amount of EUR 5,000,000, provided that such loan is repaid in full upon the sale, or set off against the repurchase price upon the repurchase, of the Ahlen Property as contemplated by the Ahlen Sale and Leaseback Arrangements and
- (e) loans from the Issuer to the Parent which is permitted pursuant to Clause 15.1.2(b).

15.6 **Nature of business**

The Issuer shall ensure that no substantial change is made to the general nature of the business carried on by it or by the Group taken as a whole as of the First Issue Date if such substantial change would result in a Material Adverse Effect, provided that a merger or demerger which is permitted pursuant to Clause 16.1(g)(*Mergers and demerger*) or a cessation of business which is permitted pursuant to Clause 16.1(j) (*Continuation of business*) shall not be considered to have a Material Adverse Effect.

15.7 **Corporate status**

For the purposes of The Council of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the “**Regulation**”), the Issuer’s centre of main interest (as that term is used in Article 3(1) of the Regulation) shall be situated in its original jurisdiction of incorporation.

Notwithstanding the above and any other terms in these Terms and Conditions, the Issuer is permitted to carry out a change of legal form, from SE (Societas Europaea) to GmbH (Gesellschaft mit beschränkter Haftung).

15.8 **Authorisations**

The Issuer shall, and shall ensure that all other Group Companies will, obtain, comply with, renew and do all that is necessary to maintain in full force and effect any licences, authorisation or any other consents required to enable it to carry on its business, where failure to do so has or is reasonably likely to have a Material Adverse Effect

15.9 **Insurance**

The Issuer shall, and shall ensure that all other Group Companies will, maintain insurance on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

15.10 **Compliance with laws**

The Issuer shall, and shall ensure that all other Group Companies will, comply with all laws and regulations it or they may be subject to from time to time, where failure to do so has or is reasonably likely to have a Material Adverse Effect

15.11 **Environmental compliance**

The Issuer shall obtain, maintain, and ensure compliance with all requisite environmental permits, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

15.12 **Dealings with related parties**

Other than as otherwise permitted under the Finance Documents, the Issuer shall, and shall ensure that all other Group Companies will, conduct all dealings with their direct and indirect shareholders (excluding the Issuer and any other Group Company) and/or any Affiliates of such direct and indirect shareholders on arm's length terms. For the avoidance of doubt, the exercise of any buy back option under the Ahlen Sale and Leaseback Arrangements shall be permitted under these Terms and Conditions.

15.13 **Intellectual Property**

The Issuer shall, and shall ensure that all other Group Companies will, (i) preserve and maintain all Intellectual Property material to conduct the business of the Group, and (ii) take all measures to ensure that such intellectual property rights remain valid and in full force and effect, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

15.14 **Nomination of Material Group Companies**

On:

- (a) the First Issue Date and thereafter once every year simultaneously with the publication by the Issuer of the annual audited consolidated financial statements of the Group; and
- (b) the date of acquisition of any assets by a Group Company for a consideration equal to or in excess of five (5) per cent. of Group EBITDA and based on the most recent financial statements of the Issuer,

the Issuer shall:

- (i) ensure that:

- (A) each Group Company which on an unconsolidated basis has earnings before interest, tax, depreciation and amortisation (“**EBITDA**”), (calculated at an unconsolidated level on the same basis as Group EBITDA except that the limit on “*Exceptional Items*” set out therein shall not apply to unconsolidated calculations with respect to such Group Company) representing five (5) per cent. (or, in the case of Group Companies incorporated in Turkey or Russia, ten (10) per cent.) or more of the aggregated unconsolidated EBITDA of all Group Companies (excluding Ahlen PropCo); and
- (B) such Group Companies (excluding any Group Company incorporated in an Excluded Jurisdiction) as are necessary to ensure that the Issuer and the Material Group Companies in aggregate represent on an unconsolidated basis at least ninety (90) per cent. of the aggregated unconsolidated EBITDA of all Group Companies (excluding Ahlen PropCo and any Group Company incorporated in an Excluded Jurisdiction),

in each case determined by reference to (y) in the case of the First Issue Date and any acquisition under (b) above, the date of the most recent financial statements of the Issuer, and (z) in all other cases, determined by reference to the relevant Compliance Certificate and the related audited consolidated annual financial statements of the Group, and in each case the most recent consolidated financial statements of the relevant companies, are listed as Material Group Companies in the relevant Compliance Certificate delivered in connection thereto, provided that under no circumstances shall Ahlen PropCo be required to be nominated as a Material Group Company or accede as a Guarantor; and

- (ii) ensure that:
 - (A) first priority pledges are granted over the shares in each such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction or the direct subsidiary of such Group Company) and any Group Company owning directly or indirectly such Material Group Company, to the extent not already pledged;
 - (B) first priority pledges are granted over the bank accounts located in Germany of each such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction);
 - (C) security is granted in respect of a German law security transfer of inventory located in Germany, of each such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction);
 - (D) each such Material Group Company and any Group Company owning directly or indirectly such Material Group Company (other than any Group Company incorporated in the Excluded Jurisdiction) accedes as a (i) Guarantor to the Guarantee Agreement and (ii) ICA Group Company to the Intercreditor Agreement (if and when entered into),

in each case as soon as reasonably practicable, and in any event no later than the date falling ninety (90) Business Days after its nomination.

15.15 **Admission to trading**

15.15.1 The Issuer shall ensure that:

- (a) the initial Bonds are listed on the Open Market of the Frankfurt Stock Exchange as soon as reasonably practicable and within sixty (60) days of the First Issue Date, with an intention to complete such listing within thirty (30) days after the First Issue Date; and
- (b) the initial Bonds, once listed on the Open Market of the Frankfurt Stock Exchange, remain listed on such exchange until the Bonds have been redeemed in full; and

15.15.2 The Issuer shall ensure that:

- (a) the initial Bonds are admitted to trading on the Regulated Market of Nasdaq Stockholm or another Regulated Market within twelve (12) months of the First Issue Date;
- (b) any Subsequent Bonds are admitted to trading on the same Regulated Market as the initial Bonds within sixty (60) calendar days of the Issue Date of the Subsequent Bonds; and
- (c) the Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), continue to be admitted to trading thereon but no longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations (including any regulations preventing trading in the Bonds in close connection to the redemption thereof) of Nasdaq Stockholm (or any other applicable Regulated Market) and the CSD, subsist.

15.16 **Conditions subsequent**

Subject to the Agreed Security Principles and the Intercreditor Agreement (if entered into), the Issuer shall ensure that any Security and/or Guarantees required to be put in place in connection with the guarantor coverage test provided for under Clause 15.14 (*Nomination of Material Group Companies*) is within the allocated period validly granted and, in accordance with the related security documents perfected, in each case in a form and substance reasonably satisfactory to the Agent, and, to the extent required by the Agent, as confirmed by legal opinions of a customary nature (for the avoidance of doubt, no share security shall be required in relation to the shares in LR Global Holding GmbH, LR Health & Beauty Systems GmbH, LR-International Beteiligungs GmbH, LR Partner Benefits GmbH and LR Deutschland GmbH).

15.17 **Intellectual Property Security**

The Issuer shall procure that LR Health & Beauty Systems GmbH will hold all material intellectual property rights on behalf of the Group (other than local trademarks registered outside Germany), and shall, subject to the Agreed Security Principles, ensure that first priority Security over present and future German trademarks, EU trademarks (but excluding local law registrations (if any) other than Germany) and IR trademarks is granted.

15.18 **Undertakings relating to the Agency Agreement**

15.18.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

15.18.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

15.19 **CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all applicable CSD Regulations.

16. **ACCELERATION OF THE BONDS**

16.1 Subject to the Intercreditor Agreement (if entered into), the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 16.6, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

(a) **Non-payment**

The Issuer or a Guarantor does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

- (i) is caused by technical or administrative error; and
- (ii) is remedied within five (5) Business Days from the due date.

(b) **Maintenance Test**

The Issuer fails to comply with the Maintenance Test, except to the extent remedied in accordance with the Equity Cure.

(c) **Other obligations**

The Issuer or a Guarantor does not comply with any terms of or acts in violation of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) or (b) above), unless the non-compliance:

- (i) is capable of remedy; and

(ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the relevant party becoming aware of the non-compliance.

(d) **Payment cross default and cross acceleration**

Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this sub-paragraph (d) if the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 1,500,000 (or its equivalent in any other currency) or such Financial Indebtedness is owed to another Group Company.

(e) **Insolvency**

(i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (except for holders of Bonds) with a view to rescheduling its Financial Indebtedness; or

(ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.

(f) **Insolvency proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) days of commencement or, if earlier, the date on which it is advertised, and (ii) in relation to Subsidiaries, solvent liquidations) in relation to:

(i) the suspension of payments, winding up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;

(ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of their assets; or

(iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company.

(g) **Mergers and demergers**

Subject to the Intercreditor Agreement (if entered into) and as permitted under these Terms and Conditions, a decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger subject to existing security between Subsidiaries only, where the surviving entity is subject to Transaction Security, or between the Issuer and a Subsidiary, where the Issuer is the surviving entity, shall not be an Event of Default and a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

(h) **Creditors' process**

Any enforcement of security, expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding EUR 750,000 (or the equivalent) and is not discharged within sixty (60) days.

(i) **Unlawfulness, Invalidity, Repudiation**

It becomes impossible or unlawful for the Issuer or any Material Group Company to fulfil or perform any of the provisions of the Finance Document or the Security created or expressed to be created thereby is varied or ceases to be effective and such impossibility, unlawfulness, invalidity, ineffectiveness or variation has a material detrimental effect on the interests of the Bondholders.

(j) **Continuation of business**

The Issuer or any other Material Group Company ceases to carry on its business except if due to (i) a disposal not prohibited by Clause 15.2 (*Disposals*), (ii) a merger or demerger not prohibited by (g) "*Mergers and demergers*" above or (iii) the voluntary liquidation or winding-up LR Jersey Holding Limited, a limited liability company incorporated under the laws of Jersey and registered under registration number 124815, provided that such liquidation or winding-up is made in accordance with the terms set out in the notice of the Restructuring Written Procedure.

- 16.2 The Agent may not accelerate the Bonds in accordance with Clause 16.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 16.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice.
- 16.4 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to payments) up until the time stipulated in Clause 16.5 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 16.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*).

- 16.6 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 16.7 If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitrational tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 16.8 In the event of an acceleration of the Bonds in accordance with this Clause 16, the Issuer shall redeem all Bonds at an amount per Bond as specified in Clause 11.3 (*Voluntary total redemption (call option)*), together with accrued but unpaid Interest.

17. DISTRIBUTION OF PROCEEDS

- 17.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 16 (*Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security and/or the Guarantees shall be made and/or distributed in accordance with the Intercreditor Agreement (if entered into), and shall prior to the entering into of the Intercreditor Agreement, be made and/or distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Finance Documents (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security and/or the Guarantees or the protection of the Bondholders' rights as may have been incurred by the Agent or the Security Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 21.2.5, together with default interest in accordance with Clause 10.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
 - (b) *secondly*, in or towards payment pro rata of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (c) *thirdly*, in or towards payment pro rata of any unpaid principal under the Bonds; and
 - (d) *fourthly*, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 10.4 on delayed payments of Interest and repayments of principal under the Bonds.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall, prior to the entering into of the Intercreditor Agreement, be paid to the Issuer or the Guarantors (as applicable). The application of proceeds in accordance with Clause 17.1 shall, however, not restrict a Bondholders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) or default interest in accordance with Clause 10.4 shall be reduced without a corresponding reduction of principal.

- 17.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 17.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 17.1(a).
- 17.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security and/or the Guarantees constitute escrow funds (*Sw. redovisningsmedel*) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 17 as soon as reasonably practicable.
- 17.4 If either the Issuer or the Agent makes any payment under this Clause 17 the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least ten (10) Business Days before the payment is made. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 9.1 shall apply.

18. DECISIONS BY BONDHOLDERS

18.1 Request for a decision

- 18.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 18.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 18.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.
- 18.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 18.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 18.1.3 being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead.
- 18.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 18.2 (*Convening of Bondholders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 18.3 (*Instigation of Written Procedure*). After a request from the Bondholders pursuant to Clause 21.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders'

Meeting in accordance with Clause 18.2 (*Convening of Bondholders' Meeting*). The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.

18.1.7 Should the Issuer or any Bondholder(s) convene a Bondholders' Meeting or instigate a Written Procedure pursuant to Clause 18.1.5 or 18.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Bondholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

18.2 **Convening of Bondholders' Meeting**

18.2.1 The Agent shall convene a Bondholders' Meeting by way of notice to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

18.2.2 The notice pursuant to Clause 18.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, the substance of the proposed amendment must always be set out in the notice. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

18.2.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.

18.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

18.3 **Instigation of Written Procedure**

18.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

18.3.2 A communication pursuant to Clause 18.3.1 shall include (i) a specification of the Record Date on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (ii) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (iii) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 18.3.1). The reasons for, and contents of, each proposal as well as any applicable

conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, the substance of the proposed amendment must always be set out in the notice. If the voting is to be made electronically, instructions for such voting shall be included in the communication.

- 18.3.3 If so elected by the Person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 18.3.1, when consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 18.4.2 and 18.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 18.4.2 or 18.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18.4 **Majority, quorum and other provisions**

- 18.4.1 Only a Bondholder, or a Person who has been provided with a power of attorney or other authorisation pursuant to Clause 8 (*Right to Act on behalf of a Bondholder*) from a Bondholder:

- (a) on the Record Date specified in the notice pursuant to Clause 18.2.2, in respect of a Bondholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 18.3.2, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the Adjusted Nominal Amount. Each whole Bond entitles to one vote and any fraction of a Bond voted for by a Person shall be disregarded. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

- 18.4.2 The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3.2:

- (a) if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, EUR 130,000,000 (or, following the Write-Down Date, EUR 62,500,000) (for the avoidance of doubt, for which consent shall be required at each occasion such Bonds are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.6 to 2.8;
- (c) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 11 (*Redemption and Repurchase of the Bonds*);
- (d) a change to the Interest Rate or the Nominal Amount, subject to the splitting right of the Agent and/or the Paying Agent;
- (e) a change to the terms for the distribution of proceeds set out in Clause 17 (*Distribution of Proceeds*);
- (f) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 18.4 (*Majority, quorum and other provisions*);

- (g) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
 - (h) a release of the Transaction Security and/or the Guarantees, except in accordance with the terms of the Finance Documents;
 - (i) a mandatory exchange of the Bonds for other securities; and
 - (j) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 16 (*Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- 18.4.3 Any matter not covered by Clause 18.4.2 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19.1(a), (b) or (d)), an acceleration of the Bonds, or the enforcement of any Transaction Security and/or Guarantees.
- 18.4.4 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount, or in the case of a matter referred to in Clause 18.4.2, at least fifty (50) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 18.2.4 (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 18.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 18.4.6 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 18.2.1) or initiate a second Written Procedure (in accordance with Clause 18.3.1), as the case may be, provided that the Person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 18.4.6, the date of request of the second Bondholders' Meeting pursuant to Clause 18.2.1 or second Written Procedure pursuant to Clause 18.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 18.4.4 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 18.4.7 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 18.4.8 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

- 18.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such Person is a Bondholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 18.4.10 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Bondholders.
- 18.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer, however provided that unless an Event of Default has occurred and is continuing or any event or circumstance has occurred which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, the Issuer and the Agent may require that any Bondholder (or Bondholders) having made a request for a decision by the Bondholders in accordance with Clause 18.1.2 reimburses any costs and expenses incurred by the Issuer or the Agent for the purpose of such Bondholders' Meeting or Written Procedure.
- 18.4.12 If a decision is to be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such Person is a Bondholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company or an Affiliate.
- 18.4.13 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each Person registered as a Bondholder on the date referred to in Clause 18.4.1(a) or 18.4.1(b), as the case may be, and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

19. AMENDMENTS AND WAIVERS

- 19.1 The Issuer, any other relevant Group Company, and the Agent (acting on behalf of the Bondholders) may agree in writing to amend and waive any provision in a Finance Document or any other document relating to the Bonds, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Bondholders as a group;
 - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) is required or desirable to implement transactions permitted under any Senior Finance Document;
 - (d) is required by any applicable regulation, a court ruling or a decision by a relevant authority; or

- (e) has been duly approved by the Bondholders in accordance with Clause 18 (Decisions by Bondholders) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders.
- 19.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment or waiver to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- 19.3 The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to Clause 19.1(a) or (d), in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.
- 19.4 An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.
- 20. [RESERVED]**
- 21. THE AGENT**
- 21.1 **Appointment of the Agent and the Security Agent**
- 21.1.1 By subscribing for Bonds, each initial Bondholder:
 - (a) appoints the Agent to act as its agent and security agent in all matters relating to the Bonds and the Finance Documents (including, with respect to German law governed security interest, pursuant to the terms of clause 7.2 (*Appointment as agent and administrator in relation to German Transaction Security*) of the Guarantee Agreement), and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer and any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and/or the Guarantees.
 - (b) confirms the appointment under the Guarantee Agreement of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Security Documents, the Guarantees and the Guarantee Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security or a Guarantee and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Guarantee Agreement.
- 21.1.2 By acquiring Bonds, each subsequent Bondholder confirms and repeats such appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 21.1.1.
- 21.1.3 Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or

- carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- 21.1.4 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 21.1.5 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent and Security Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 21.1.6 The Agent may act as agent, security agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- 21.2 **Duties of the Agent**
- 21.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Bondholders and, where relevant, enforcing the Transaction Security and/or the Guarantees on behalf of the Bondholders.
- 21.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.
- 21.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 21.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 21.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 21.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents, and (iii) in connection with any Bondholders' Meeting or Written Procedure, (iv) when the Agent is otherwise required to make a determination under these Terms and Conditions or (v) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the

Finance Documents shall be distributed in accordance with Clause 17 (*Distribution of Proceeds*).

- 21.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 21.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred or is expected to occur, (ii) the financial condition of the Issuer and the Group, (iii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iv) whether any other event specified in any Finance Document has occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 21.2.9 The Agent shall (i) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Clause 14.1.3 and as otherwise agreed between the Issuer and the Agent, and (ii) verify that the Issuer according to its reporting in the Compliance Certificate meets the Incurrence Test, Maintenance Test or Distribution Test, as applicable. The Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 21.2.9.
- 21.2.10 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 21.2.10. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 21.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 21.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 21.2.13 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of

- any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 21.2.12.
- 21.2.14 The Agent may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.
- 21.3 **Liability for the Agent**
- 21.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.
- 21.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 21.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 21.3.4 The Agent shall have no liability to the Issuer or the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- 21.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.
- 21.4 **Replacement of the Agent**
- 21.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 21.4.2 Subject to Clause 21.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 21.4.3 A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 21.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall within

- thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of Market Loans.
- 21.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 21.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of (i) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent, and (ii) the period pursuant to Clause 21.4.4 (ii) having lapsed.
- 21.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

22. APPOINTMENT AND REPLACEMENT OF THE PAYING AGENT

- 22.1 The Issuer appoints the Paying Agent to manage certain specified tasks relating to the Bonds, under these Terms and Conditions, in accordance with the legislation, rules and regulations applicable to the Issuer, the Bonds and/or under the CSD Regulations.
- 22.2 The Paying Agent may retire from its appointment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Paying Agent at the same time as the old Paying Agent retires or is dismissed. If the Paying Agent is insolvent, the Issuer shall immediately appoint a new Paying Agent, which shall replace the old Paying Agent as paying agent in accordance with these Terms and Conditions.
- 22.3 The Paying Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Paying Agent shall never be responsible for indirect or consequential loss.

23. APPOINTMENT AND REPLACEMENT OF CSD

- 23.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- 23.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have

a negative effect on any Bondholder. The replacing CSD must be authorised to professionally conduct clearing operations and be authorised as a central securities depository in accordance with applicable law.

24. NO DIRECT ACTIONS BY BONDHOLDERS

- 24.1 Except as otherwise set out in the Intercreditor Agreement (if entered into), a Bondholder may not take any steps whatsoever against any Group Company or with respect to the Transaction Security and/or the Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation or bankruptcy in any jurisdiction of any Group Company in relation to any of the obligations and liabilities of such Group Company under the Finance Documents. Such steps may only be taken by the Agent.
- 24.2 Subject to the Intercreditor Agreement (if entered into), Clause 24.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 21.1.3), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 21.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.13 before a Bondholder may take any action referred to in Clause 24.1.
- 24.3 The provisions of Clause 24.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 11.5 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.
- 24.4 No personal liability shall attach to any director, officer or employee of any Group Company or any third party security provider for any representation or statement made by that Group Company in any Finance Document or certificate signed by a director, officer or employee save in the case of fraud in which case liability (if any) will be determined in accordance with applicable law. Such director, officer or employee will be entitled to enforce this provision as if it was an immediate beneficiary of this Clause and the Secured Parties may not take any steps whatsoever against any director, officer or employee.

25. PRESCRIPTION

- 25.1 The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.
- 25.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

26. COMMUNICATIONS AND PRESS RELEASES

26.1 Communications

- 26.1.1 Written notices to the Bondholders made by the Agent will be sent to the Bondholders via the CSD with a copy to the Issuer and the applicable Regulated Market (if the Bonds are admitted to trading). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.
- 26.1.2 The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Agent or through the CSD with a copy to the Agent and the applicable Regulated Market (if the Bonds are admitted to trading).
- 26.1.3 Notwithstanding Clause 26.1.1 and provided that such written notification does not require the Bondholders to take any action under these Terms and Conditions, the Issuer's written notifications to the Bondholders may be published by the Agent on a relevant information platform only.
- 26.1.4 Unless otherwise specifically provided, all notices or other communications under or in connection with the Finance Documents between the Agent and/or the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:
- (a) if by letter, when delivered at the address of the relevant party;
 - (b) if by e-mail, when received; and
 - (c) if by publication on a relevant information platform, when published.
- 26.1.5 The Issuer and the Agent shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone numbers and contact persons.
- 26.1.6 When determining deadlines set out in these Terms and Conditions, the following will apply (unless otherwise stated):
- (a) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (b) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (c) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.
- 26.1.7 Any notice or other communication pursuant to the Finance Documents shall be in English.
- 26.1.8 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.
- ### **26.2 Press releases**
- 26.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 11.3 (*Voluntary total redemption (call option)*), 11.4 (*Mandatory repurchase due to a*

Change of Control Event (put option)), paragraph (e) of Clause 14.1.1 and Clauses 16.3, 18.2.1, 18.3.1, 18.4.13 and 19.2 shall also be published by way of press release by the Issuer.

- 26.2.2 In addition to Clause 26.2.1, if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

27. FORCE MAJEURE

- 27.1 Neither the Agent nor the Paying Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Paying Agent itself takes such measures, or is subject to such measures.
- 27.2 Should a Force Majeure Event arise which prevents the Agent or the Paying Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 27.3 The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the applicable securities regulations which provisions shall take precedence.

28. GOVERNING LAW AND JURISDICTION

- 28.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 28.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).
- 28.3 Notwithstanding the above, the Bonds shall be registered pursuant to the applicable securities regulations.

ADDRESSES

Issuer

LR Health & Beauty SE

Kruppstr. 55
DE-59227 Ahlen
Germany

Tel: +49 (0) 2382 7813-0

www.lrworld.com

Trustee and Security Agent

Nordic Trustee & Agency AB (publ)

Norrlandsgatan 23
P.O. Box 7329
SE-103 90 Stockholm
Sweden

Tel: +46 (0) 8-783 79 00

www.nordictrustee.com

Paying Agent

Nordic Trustee Services AS

Kronprinsesse Märthas plass 1
NO-0160 Oslo
Norway

www.nordictrustee.com

Central Securities Depository

Verdipapirsentralen ASA (VPS)

Fred. Olsens gate 1
P.O. Box 1174 Sentrum
NO-0107 Oslo
Norway

Tel: +47 (0) 22 63 53 00

www.vps.no

Auditor to the Issuer

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft,

Düsseldorf, Cecilienallee 6-7
DE-40474 Düsseldorf
Germany

+49 211 6901-01

<https://www.bakertilly.de/en/>

Issuer's legal advisor

Gernandt & Danielsson Advokatbyrå KB

P.O. Box 5747
SE-114 87 Stockholm
Sweden

Tel: +46 (0) 8 670 66 00

www.gda.se