

An aerial photograph of Luxembourg City, Luxembourg, showing a mix of historic and modern architecture. In the foreground, a large stone bridge with multiple arches spans across a valley. The city is built on a hillside, with a prominent church with a tall spire. The background shows a hazy cityscape under a clear blue sky.

LETTER ONE

Annual Review 2023

Building Businesses that Matter

—
Long term, active investment
for economic and social value

Contents



3



4



6



8



12



18



34

Financials

Combined pro-forma balance sheet of LetterOne ¹ (unaudited) AS AT 31 DECEMBER 2023

US\$ million	31 Dec 2023	31 Dec 2022
Core Investments		
L1 Energy	2,978	3,944
- Wintershall Dea	2,410	3,753
- Other L1 Energy Investments	568	191
L1 Technology	1,526	1,258
- VECM	707	515
- Turcoff	819	723
L1 Retail	1,574	1,574
- DIA	610	623
- Holland & Barrett	964	951
Private equity funds	2,831	2,434

50

Our performance

Financial highlights

At 31 December 2023

\$18.1bn

Net assets
(2022: \$18.7bn)

\$1.9bn

Capital deployed
(2022: \$2.2bn)

\$1.0bn

Cash realisations
(2022: \$0.7bn)

-3.01%

Decrease in net asset value

\$7.0bn

Liquidity
(2022: \$7.7bn)

Net assets under management

At 31 December 2023

1. L1 Treasury and other assets

\$7.3bn

2. L1 Technology

\$1.5bn

3. L1 Energy

\$3.0bn

4. PE Funds

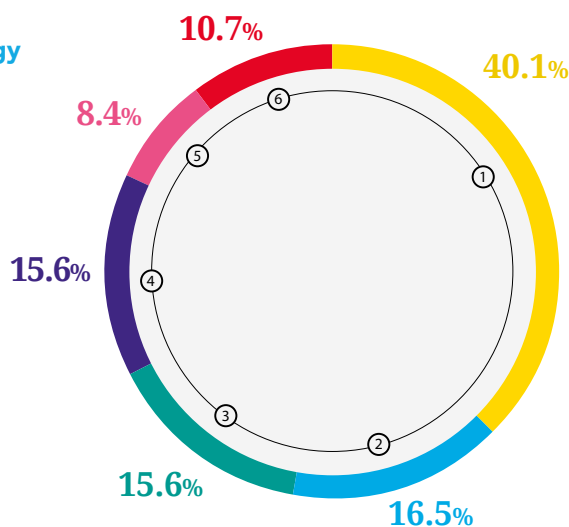
\$2.8bn

5. L1 Retail

\$1.6bn

6. L1 Health

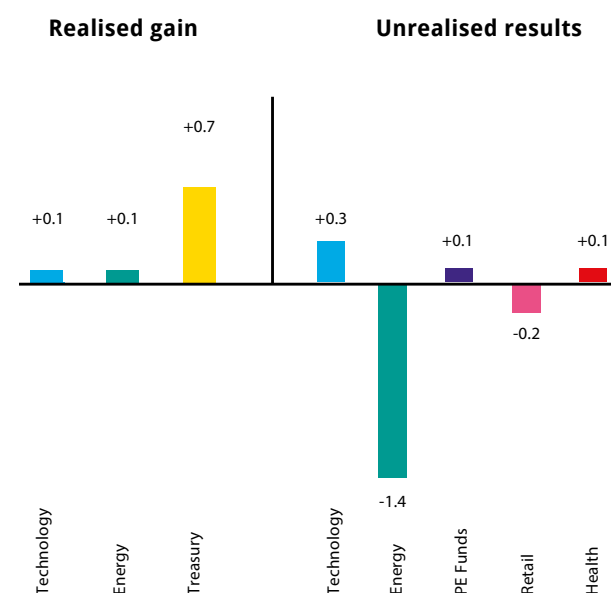
\$1.9bn



Return by business unit

For the year ended 31 December 2023

Gain/Loss (\$bn)

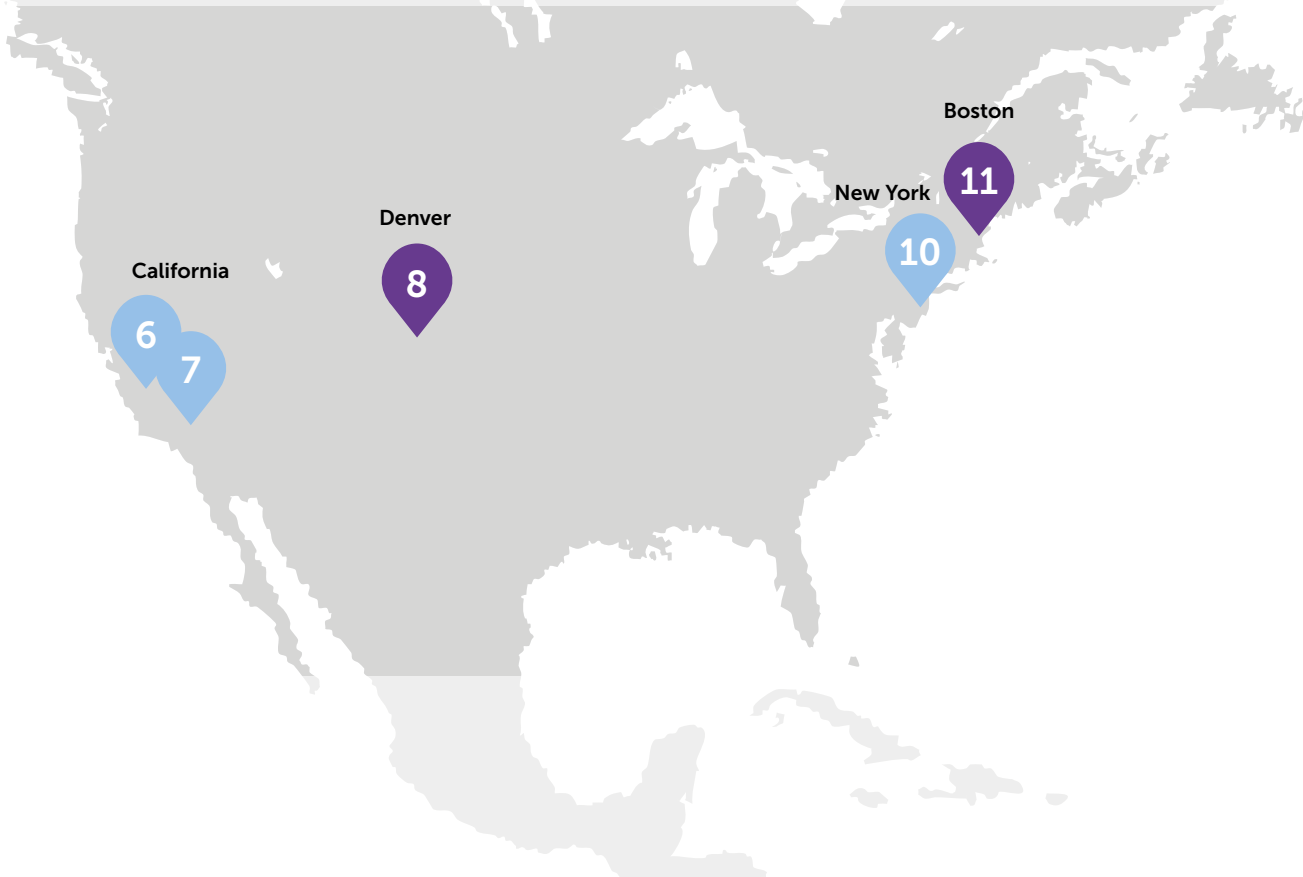


OUR OWNERSHIP AND FOOTPRINT

- 100% owned
- Controlled
- Significant influence
- Minority

Private Equity and Venture Capital Funds

On top of direct investments shown below, a further \$2.8bn invested across 9 different fund managers, primarily US, Europe and starting in India. Investing in ~50 underlying companies, supporting ~10,000 jobs. Outstanding commitments of a further \$1.5bn, £10mn of which in impact investing funds, with a target of \$500mn deployed to impact investments.



6 Tigo Energy (US)

Number of Employees ~175
Ownership Minority

7 H2scan (US)

Number of Employees ~75
Ownership Minority

8 Destination Pet (US)

Number of Employees ~4,500
Ownership 100% owned

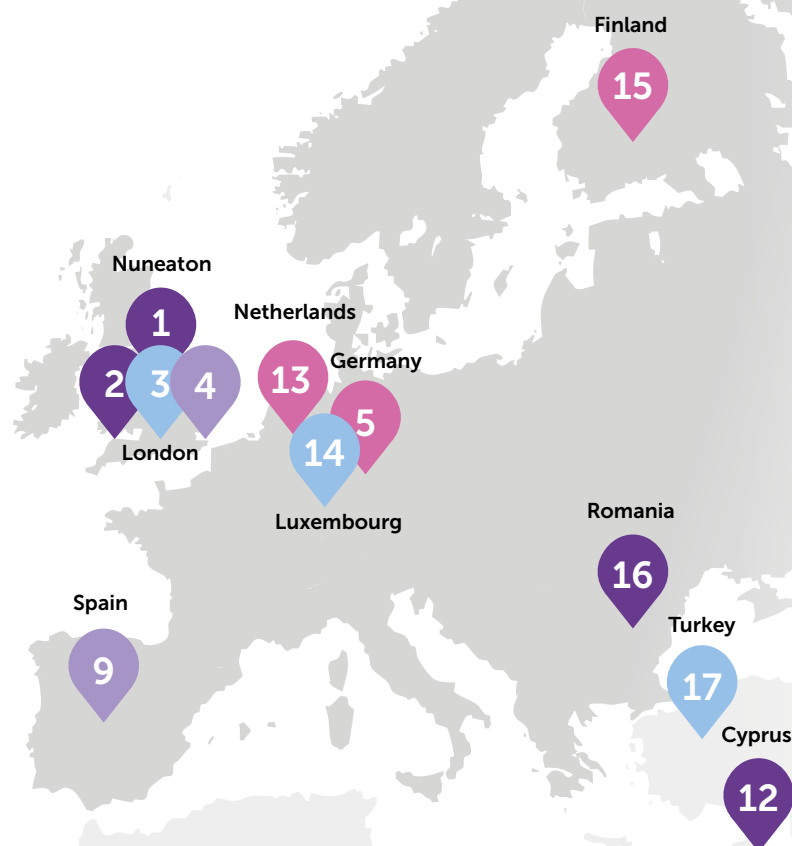
10 Lightship (US)

Number of Employees 65
Ownership Minority

11 K2 HealthVentures (US)

Number of Employees 19
Ownership 100% owned

Our global footprint



1 Holland & Barrett (UK)

Number of Employees ~ 10,000
Ownership 100% owned

2 UK real estate (UK)

Number of Employees 0
Ownership 100% owned

3 Plastic Energy (UK)

Number of Employees ~200
Ownership Minority

4 Octane (UK)

Number of Employees 25
Ownership Control

5 Wintershall Dea (Germany)

Number of Employees ~2,100
Ownership Significant influence

9 Dia Group (Spain)

Number of Employees ~38,500
Ownership Control

12 Remedica (Cyprus)

Number of Employees ~700
Ownership 100% owned

13 Veon (Netherlands)

Number of Employees ~17,000
Ownership Significant influence

14 Oil & Gas indirect investment (Lux)

Number of Employees 24,000
Ownership Minority

Underlying company employs

15 Qvantel (Finland)

Number of Employees 500+
Ownership Significant influence

16 Sun Wave Pharma (Romania)

Number of Employees 600+
Ownership 100% owned

17 Turkcell (Turkey)

Number of Employees ~24,000
Ownership Minority

Lord Davies of Abersoch

Thank you for reading the LetterOne (L1) Annual Review 2023.



I am proud of the work that L1's employees and Board have delivered in 2023.

Very few businesses have had to manage the scope and complexity of challenges that L1 has been faced with since Putin's abhorrent war in Ukraine. Despite L1 not being under any sanctions in any jurisdiction, the sanctions placed on two of our shareholders have held the business back unnecessarily, at a cost to economies in the UK, EU and US, and this will continue.

However, under the leadership of our CEO, Jonathan Muir, the guidance of our Board and the expertise and resolve of our entire team, we have met these challenges head on. I am grateful to all involved for their dedication.

While I am of course pleased that this has delivered stabilised financial performance compared to 2022, more important is the fact that we have

protected and grown our portfolio businesses, helping them to provide jobs, serve communities and deliver vital services in so many countries around the world.

This impact is fundamental to how we operate. L1 has been built on a clear philosophy: to invest with a long-term horizon, back our businesses to overcome short-term uncertainty and give our CEOs the freedom and confidence to build for the future, not just the next set of results.

This philosophy matters. Short term thinking cannot work when businesses and citizens are facing such huge levels of uncertainty. And there is no question that CEOs are facing an extremely challenging global environment. So many parts of the world are in the dark shadow of conflict. Global power shifts are hotly debated, while local economies struggle for stability. More than 4bn citizens are electing governments in 2024, all hoping to deliver growth and prosperity and tackle inequality, many tempted by the promises of populism.

With so much change underway, those businesses with the capacity to plan for the future will make the biggest contribution. They will be the job creators, the innovators, the engines of social mobility that contribute as much to society as governments. That's why I firmly believe that L1's success is important, and why all of us here have dedicated ourselves to stabilising the business over the last 24 months.

And if there is one single thing that has ensured our survival and our ability to deliver our philosophy, it has been our commitment to the highest levels of governance. From our deeply

experienced, independent Board, through to our 24/7 approach to compliance, I hope that L1 can act as an example of how good governance can secure the future of a business.

Throughout 2023 we have continued to strengthen this governance. I am particularly pleased that during the year we created a new Board Advisory Council to increase our expertise and ability to navigate the complex geopolitics that we must now accept as business as usual. I would like to thank Sir Brandon Lewis for chairing the Council which is making an immediate, significant contribution to our work. We expect to expand the Advisory Council, and the Board, during 2024. A full overview of our governance can be found on **page 12**.

Importantly, we will also focus on enhancing our social contribution. Our new Impact Investing Unit is growing rapidly; the Board's Sustainability Committee has agreed a new, more ambitious approach to ESG and a refreshed strategy for charitable giving will focus on how entrepreneurship can deliver a meaningful and measurable contribution to social mobility.

While 2023 has marked significant progress, our challenge is to maintain this momentum for 2024. Our focus on our portfolio business will continue, alongside our efforts to find new areas for investments that are less restricted by the broad impacts of the sanction regimes. There will undoubtedly be uncertainty and challenges along the way but we face the future with optimism. ●

Lord Davies of Abersoch
Chairman

Jonathan Muir

Performance highlights

2023 has been a positive year for L1. Our commitment to protecting the 120,000 jobs that rely on our investments has helped us move forward - despite many of the external challenges the business continues to face - and once again look forward as a long-term, active investor in sectors that are vital for economies across Europe, the UK and US.



We would encourage governments to be open to reviewing sanctions policy to reduce these negative economic impacts.

A number of factors have been vital to our ability to continue operations. As Mervyn has said, our commitment to first-class governance and the long term support we give to our portfolio are at the heart of everything we do.

But we wouldn't be able to perform without the strength of our team, and this shone through more than ever in 2023. Every colleague at L1 has shown remarkable resilience, optimism and good judgement throughout the last year, supporting each other when times have been tough and celebrating the many successes we have had. There is no doubt that, as a team, we have emerged stronger.

This also applies to partners outside of L1. The strengths of our external relationships have been critical. I know it has required time and effort - and sometimes courage - for regulators and counterparties to understand our position and support us. I am grateful to those that have done so and this is now delivering mutual benefit as we work together more closely than ever.

But of course, the challenges we face

This progress has not been easy. The sanctions placed on Mikhail Fridman and Petr Aven, who jointly own less than 50% of L1, contributed to a significant fall in AUM for 2022 and continue to limit our ability to invest in businesses and support jobs.

We agree with leading economists such as Jeff Rubin who believe that the current approach to sanctions has opened 'a Pandora's box of unintended consequences', in cases harming western economies and pushing capital away from the west while failing to halt Putin's immoral aggression.

are nothing compared to those faced by Ukraine while Russia's illegal and unjustified war continues. We hope we have helped in a small way through the \$40m of donations we have made to charities working to help those affected in the region (see pages 34-49). It has been truly inspiring to see the work they are doing and to witness the courage and determination of Ukrainians facing such terrible aggression.

Financial overview

I am pleased that for 2023 we have succeeded in stabilising the business and finished the year with our AUM at \$18.09bn. While this is a slight reduction from 2022 (\$18.65bn), this is substantially due to a changed valuation methodology applied to Wintershall Dea as a result of the Harbour Energy transaction that is underway.

L1 has made some important investments over the year – in Breakwater Energy, Inpharm and through our Treasury, Impact Investing and fund activities – and I am optimistic that our portfolio is in a strong position. We continue to invest and have strong liquidity so are well-placed for 2024 and beyond.

Portfolio performance

L1 Health: 2022 AUM \$1,338mn; 2023 AUM \$1,927mn

It's been a solid year for L1 Health, supporting our belief in the long-term potential for innovation in generics and biotech.

K2 HealthVentures, our US-based venture debt investment platform, grew its net asset value from \$680mn to \$805mn, surpassing \$1bn in funded loans since its inception. It now supports 23 businesses across biotech drug discovery and development, agritech, medical technologies and tech-enabled services.

Remedica, our generic CDMO platform in Cyprus, continued its transformation. Growth outside Western Europe was particularly impressive. L1's committed long-term investment means the future looks positive: the building of a new state-of-the-art R&D centre will commence in 2024, eventually accommodating over 100 researchers and creating even stronger relationships with universities and innovation hubs.

Sun Wave Pharma, our consumer health platform, continued to perform well amidst post-COVID market shifts, maintaining its market share in Romania, expanding in four new markets, launching nine new products and completing the acquisition of Inpharm in Serbia.

Destination Pet continues to be the largest and fastest-growing omnichannel animal health provider in the US, with over 180 pet resorts and clinics across 30 states. Significant work this year has gone into improving customer loyalty and efficiency in the core business, to support future expansion.

L1 Retail: 2022 AUM \$1,574mn; 2023 AUM \$1,574mn

Both of our flagship retailers – Holland & Barrett and Dia Group – have weathered the challenges of inflation and consumer confidence with skill and success.

Dia's transformation journey is now well established and reflected in positive numbers, with like-for-like sales 3.1% higher in 2023, with a 10.7% increase in Spain. Adjusted EBITDA was €192mn, 15.3% higher than in the previous year, improving the net result by €94mn, reducing the loss for the year to €30mn.

The focus on proximity retailing and affordability has driven increased customer loyalty and market share in Spain and Argentina. Portfolio simplification is allowing DIA to focus

its resources on its strongest markets. The business can now focus on driving enhanced customer satisfaction and organic growth for 2024.

Holland & Barrett has also made good progress in its transformation, focusing on becoming the trusted partner for over 100mn people globally.

In 2023, revenue was strong year-on-year at £807mn, representing a 14% increase in retail sales and a 6% growth in digital sales. While digital revenue did grow, overall market momentum towards digital has meant that growth of this area continues to be a major focus for the business beyond 2023. Investments are being made to elevate the online customer experience, brand visual identity and product availability. Adjusted EBITDA for the year was £100mn.

2024 will see a continued focus on technology, products and services and strengthening the store network. There are particularly exciting opportunities in development on digital, personalised wellness programmes that we hope will open up new ways to help customers with their health and add quality years to their life.

L1 Energy: 2022 AUM \$3,944mn; 2023 AUM \$2,978mn

2023 was another challenging year to navigate in the energy industry, with the illegal war in Ukraine continuing and the shocking conflict in the Middle East. Despite this, prices remained relatively stable as nations and businesses focused on the twin objectives of energy security and energy transition.

Wintershall Dea delivered an EBITDAX of \$4.2 bn and its future looks promising - the sale of the majority of its assets to Harbour Energy plc, where L1 will remain a shareholder, will be transformational. The desire for profitable growth and expansion are particularly exciting.

Our New Energy portfolio continues to make progress, supporting the

energy transition. Plastic Energy – which recycles previously unrecyclable plastic waste - has significantly expanded its operations, advancing construction in Netherlands and France and signing technology licences in both South Korea and Malaysia.

H2scan - our advanced hydrogen sensing business - has moved forward with its product development programmes, expanding and enhancing its sensor products and displays as grid stability and hydrogen detection becomes an increasingly recognised critical infrastructure priority. Tigo, the leading provider of intelligent energy and solar storage solutions, floated on NASDAQ in May 2023. The initial share price performance was extremely strong and although this softened in the second half of the year we see real opportunity for the business to strengthen its position in new markets.

L1 Technology: 2022 AUM \$1,238mn; 2023 AUM \$1,526mn

Our Technology businesses - VEON and Turkcell – have both performed well this year.

VEON

VEON has delivered particularly good organic growth in 2023, building on its progress in positioning itself as a high-growth company in some of the world's most under-served markets, providing digital connectivity to over 160mn customers.

The company's underlying, like-for-like total revenue and service revenues grew by 18% year-on-year in local currency, with growth in service revenue ranging from 10% in Ukraine to 24% in Pakistan. EBITDA grew even faster and increased 25% year-on-year, at a range of 8% in Ukraine to 30% in Kazakhstan.

VEON's equity-free cash flow before license and liabilities increased by 53% for the year to \$434mn, with \$121mn in Q4. The company finished the year with \$1.7bn in cash, \$1.3bn of which was held at HQ level.

CEO's review



Plastic Energy, recycles previously unrecyclable plastic waste

Turkcell

A key focus for Turkcell during the year was to support Turkey during the terrible earthquake that caused such devastation to so many of its cities. We are pleased that the business was able to be such a core part of the *Turkiye Tek Yurek* campaign, donating TRY 3.5bn to give significant help to affected communities.

Alongside this, 2023 was a year of sustained growth and leadership, registering nearly 800,000 net subscriber additions during the year and passing 5.8mn homes. By the end of 2023, Turkcell's consolidated revenues had risen 14.6% year-on-year to TRY 107.1bn. Consolidated EBITDA rose 19.9% to TRY 43.9bn. Net profit increased by 82.5% compared to the previous year, to TRY 12.6bn.

Progressive economic policies in Turkey are leading to lower inflation, a more stable economy and therefore improving NAV in dollar terms – a trend that we hope continues.

L1 Treasury: 2022 AUM \$7,934mn; 2023 AUM \$7,256mn

L1 Treasury's portfolio recorded a strong performance of 8.9% in 2023, the highest since its inception, helped by the twin tailwinds of a strong market rally and higher rates. This compares with implied returns of the two benchmarks used by L1 Treasury of 6.16% and 9.31% respectively over the same period and is particularly encouraging given the department is still suffering additional costs and hedging/trading limitations as a result of the sanctions on two of L1's shareholders.

L1 Treasury recorded \$1,839mn of inflows and \$3,024mn of outflows. These net capital outflows, together with the portfolio performance and expenses, resulted in L1 Treasury's assets under management falling to \$7,256mn from \$7,934mn.

I'm also pleased that during the year we have set up L1 Impact and expanded our work in funds, making our first initial investments in both. These initiatives can help us to find new areas for activity, expanding our geographical and sector reach.

Overall, L1 can be proud of the skill and determination it has shown this year and the impact this has had on our success. 2024 will undoubtedly continue to present challenges. I sincerely hope that governments will make efforts to ensure sanctions work more effectively, with an increased focus on punishing those who support the war while supporting Ukraine and allowing businesses and individuals who make a significant economic contribution to the west to thrive. We will seek to support these discussions in 2024 and help the sanctions system become less counter-productive.

I'd like to thank every member of the team for continuing to give their all under such uncertain circumstances, and for all those who have supported us. It's been worth it: we end the year looking forward and making a vital financial and social contribution to countries across the UK, EU and US by staying true to our purpose, to *Build Businesses that Matter*. ●

Jonathan Muir
Chief Executive Officer

Introduction from Lord Davies of Abersoch

“L1 has developed best-in-class governance and compliance standards to drive better decision-making, create greater transparency with all its stakeholders and build trust. This approach has been positively acknowledged by regulators, banks, auditors and other key stakeholders. L1 is leading the way as a business dealing with challenging external circumstances.”

Lord Davies of Abersoch



Throughout 2023, L1 has continued to reinforce its governance and compliance framework and control processes to become a leading example in navigating the new challenges we now face.

L1 takes compliance with laws, regulations and high ethical standards as not only a legal obligation, but a fundamental aspect of our organisational values and the philosophy that undergirds our operations to ensure that the business, employees and reputation of L1 are secured. L1 takes a zero-tolerance approach towards compliance risks arising from violation of any law or regulation. Any actual or suspected violations of its high compliance standards are immediately investigated by the Group Compliance Director and escalated to the Group General Counsel, the CEO and the Audit Risk & Compliance Committee¹. L1's whistleblowing channels are clearly communicated and remain effective in L1 and in its portfolio companies.

Following the imposition of sanctions on two of our shareholders in 2022, L1 moved swiftly to put in place extensive restrictive and distancing measures, checks and controls to ensure that L1 could not be controlled, nor could it be deemed to be controlled, by its sanctioned shareholders. The sanctioned shareholders are not involved in any way, directly or indirectly, in the management, administration or supervision of L1 or any of its subsidiaries.

L1's Board was overhauled and is composed of industry-leading, independent non-executive directors. At present, the L1 Board is made up of ten individuals comprising EU, UK, and Swiss (including dual) nationals².

To ensure L1 can survive as a business with two sanctioned shareholders, it has developed best-in-class standards on compliance oversight, reporting and monitoring across the whole business.

We remain cognisant of the existential threat of non-compliance with sanctions laws and regulations.

Committed to the highest standards

L1 takes its ongoing sanctions compliance obligations extremely seriously and has a very robust set of procedures in place to ensure compliance with sanctions. It has embedded a culture of compliance, transparency and accountability within its operations and those of its portfolio entities. This ensures that L1 not only adheres to regulatory obligations, legal mandates and corporate best practices but also safeguards its reputation and enhances its market standing.

In 2023, L1 recorded 100% compliance with its sanctions compliance measures, including the payments blacklist procedures and implementing a monthly attestation process requiring all staff to attest to the CEO and the Board that no benefits or instructions have been given to or received from the sanctioned shareholders and that there have been no transactions with any person or entity on the payments blacklist.

Furthermore, L1 updated its sanctions compliance policy and conducted sanctions training for all staff to ensure that everyone working for L1 operates to the highest standards. Whistleblowing procedures were reinforced during the year by adding an anonymous reporting channel through L1's website, in addition to the EU Sanctions Whistleblowing tool already in place.

We can proudly say that all our staff are highly aware of sanctions laws, market conduct regulations, anti-bribery legislation and anti-money laundering laws. L1 has a strong compliance culture, overseen by the Group Compliance Director, who reports to the Group General Counsel and the Audit Risk & Compliance Committee.

L1 approach to governance

Board-level governance

At a corporate level, L1 operates through two Boards of Directors, each with two executive and eight independent non-executive directors. The Board of Directors of L1 Holdings

¹ From 29 March 2023, the Audit & Compliance Committee was replaced by the Audit Risk & Compliance Committee.

² Lord (Evan Mervyn) Davies of Abersoch, Jonathan William Muir, Franz Bernhard Humer, Vitalij Farafonov, Nigel Robinson, Alexander Wallace Gourlay, Annalisa Mary Jenkins, Linda Wilding, Paul Mousel, David McGeough.

Section 2: Governance

is responsible for setting investment strategy and approving investment decisions for L1 Energy (and New Energy). The Board of Directors of L1 Investment Holdings is responsible for setting investment strategy and approving investment decisions for L1 Technology, L1 Treasury, L1 Health L1 Retail, L1 Impact and fund investments. The Boards are supported by their Audit Risk & Compliance, Nomination, Remuneration and Sustainability Committees.

Board of Directors

L1 is managed by the L1 Boards. These convene at least four times a year in person (in Luxembourg) and make decisions on capital allocation (including investments and divestments), strategy and budgets. The L1 Boards take decisions by majority vote with each member having one vote, and no member having a veto or other special voting right. In the case of a tie, the Chairman does not have a casting vote.

The L1 Boards are supported by the Chair's Advisory Council, led by Sir Brandon Lewis. The Chair's Advisory Council demonstrates L1's commitment to outstanding governance as a business which is wholly separate of its founders.

Audit Risk & Compliance Committee (ARCC)

The ARCC meets on a quarterly basis, either remotely or in Luxembourg, to review financial reporting, audit, tax, compliance and risk management matters and to approve the work plan of new policies or updates. Compliance is a standing item on the agenda and the Group Compliance Director presents a report covering the previous quarter on the ongoing compliance programme, reporting on monthly attestation completion rates, compliance statistics, compliance issues across the portfolio companies and a report on breaches or any compliance issues under investigation.

L1's external auditor, E&Y, is invited to attend each meeting. The key roles of the ARCC are to ensure the integrity of L1's financial statements, to maintain the effectiveness of the internal and external audit functions and to assess the effectiveness of the internal controls and risk management frameworks of L1 and its portfolio companies. Its role is also to ensure the overall adequacy of compliance programmes and policies, including their communication throughout the Group and portfolio companies, as well as the Group's compliance with all legal and regulatory requirements.

In 2023, the ARCC played a pivotal role in ensuring that the effectiveness of sanctions-related control processes at L1 and its investee companies remained robust and provided guidance to the top management in response to the evolving landscape. The ARCC reviewed advice from external legal counsel on L1's sanctions position and its compliance with laws and regulations.

Nomination Committee (NomCo)

NomCo approves the employment of senior executives, sets the principles of the performance management process, approves KPIs and reviews performance.

Remuneration Committee (RemCo)

RemCo makes decisions on remuneration and incentive schemes.

Sustainability Committee

The Sustainability Committee oversees L1's overall impact and reputation and ensures that they deliver on their stated aims and deliver tangible benefit for communities, colleagues, stakeholders and the business.

Corporate governance

L1 has established a structured and systematic approach to managing

Section 2: Governance



L1, townhall event

compliance with legal requirements, industry standards and internal policies. It has integrated compliance culture into the fabric of daily operations, aiming to prevent, detect and respond to compliance risks effectively. Delineating clear guidelines, responsibilities and procedures ensures that L1 not only adheres to applicable laws and regulations but also upholds ethical principles and maintains its reputation among stakeholders, especially in light of its delicate position with regard to the global sanctions regime.

Furthermore, L1 has facilitated a culture of compliance and accountability, enabling it to navigate the complexities of the regulatory environment confidently. A risk-based compliance framework provides a guide for strategic decision-making by providing mechanisms for continuous monitoring, assessment and improvement of compliance practices, ultimately contributing to L1's long-term sustainability and success. High standards of due diligence measures are

applied to all third parties with whom we do business or seek to do business (with no *de minimis* limit), including ongoing monitoring of all third party relationships and transactions.

L1 has maintained its strict anti-bribery and corruption and anti-money laundering (AML) procedures, including training for all staff. We require all business parties to comply with anti-bribery and AML laws. An annual compliance risk assessment identifies any areas of risk not addressed by existing policies and procedures and ensures that highly focused compliance policies remain effective and fit for purpose.

Since it was established, L1 has produced consolidated IFRS financial statements which are subject to annual audit by E&Y.

Role of Advisory Boards

The investment teams in L1 Energy, L1 Health, L1 Retail and L1 Technology put forward investment

Section 2: Governance

recommendations which are scrutinised thoroughly before they are presented to the L1 Holdings and L1 Investment Holdings Boards for an investment decision. To challenge our investment teams' recommendations and our assumptions, we have recruited sector investment Advisory Boards consisting of internationally respected chief executives, chairs and entrepreneurs. Each Advisory Board provides advice on whether to proceed with a particular opportunity in its sector. The Advisory Boards play an essential role in our investment governance process. The oversight of our wholly-owned companies and strategic equity holdings is undertaken by separate

teams in L1 Energy, L1 Health, L1 Retail and L1 Technology. They work with the boards and management of the companies we invest in, providing strategic input and monitoring the operational performance of each portfolio company. They are responsible for setting strategy, finance, capital allocation, performance management and top team talent management within their companies.

L1 Treasury's investment parameters are set by the Investment and Risk Committee, delegated by the L1 Treasury Board within a framework approved by the Board of L1 Investment Holdings. ●

Committee structure and membership



Diagram key
Chair

Meet the L1 Board

CHAIR: Lord (Mervyn) Davies

Current: Chairman of the Lawn Tennis Association, Glyndebourne Productions Ltd, Double Dutch; Advisor to Teneo; Prime Minister's Trade Envoy to Sri Lanka; JP in Hong Kong; Honorary Distinguished Professor at Cardiff Business School; Honorary Fellow of Bangor University

Former: Minister for Trade, Investment, Small Business and Infrastructure; Chairman and CEO of Standard Chartered PLC; Chairman of Intermediate Capital Group

Franz Humer

Current: Chairman HMNC Holding Brain Health and the Humer Foundation; Board member of Allogene Therapeutics, Emil Frey Holdings; Advisor to Breakthrough Properties (US)

Former: Chairman and CEO of Roche Holdings Inc; Chairman of Diageo, INSEAD Business School, International Centre for Missing and Exploited Children; Board member of Glaxo Holdings PLC, Citigroup Inc NY, Jacobs Holding AG; Advisory Board of Allianz SE, Temasek; Director at Cydar Medical

Linda Wilding

Current: Board of Wesleyan Assurance Society, Balanced Commercial Property Trust plc, SIGC plc; Chair of Odyssean Investment Trust plc

Former: Board of Skagen Conscience Capital, Electra Private Equity plc, BMO Commercial Property Trust, UDG Healthcare, Touchstone (formerly Imperial) Innovations plc; Luminar plc; Chair of Pacific Direct Ltd, Corin plc, Sanctuary Spa Covent Garden, Cornish Bakehouse Limited, Valuation Committees of HgCapital Private Equity and HgCapital Renewable Funds; Chair of Governors for Schools; MD at Mercury Asset Mgt plc

Annalisa Jenkins

Current: Board member of several growing public and private lifescience companies including Mereo Biopharma, COMPASS Pathways, K2 HealthVentures, Skye Bioscience, Affimed, Ori Biotech, Conduit Connect and Genomics England

Former: President and CEO of Dimension Therapeutics; Science Board Committee Member to the US Food & Drug Administration; Chair of The Court for The London School of Hygiene and Tropical Medicine; Trustee of The King's Fund, Cancer Research Horizons, British Heart Foundation

Alex Gourlay

Current: Executive Chair, Holland & Barrett

Former: Co-COO, Walgreens Boots Alliance (until end 2021); Board member, Alliance Boots Group, Innovation Associates, Retail Industry Leaders Association, World Business Chicago, Business in the Community; Chairman, National Association of Chain Drug Stores

Nigel Robinson

Former: Director for Corporate Development, Finance and Control at CTF Holdings SA

Paul Mousel

Current: Advocate at the Luxembourg and Brussels Bar; Luxembourg; Chairman of the Board of Commissioners, Centre Hospitalier de Luxembourg; Assistant Lecturer at University of Luxembourg

David McGeough

Current: Chair or board member of several regulated financial services firms and investment funds including Virtu Financial Ltd, Morgan Stanley North Haven Private Credit Fund (Senior Secured Lending European Real Estate), UBS (Fund of Funds), CQS (Multiple Funds), Prudential (PGIM)(US Private Credit), Guinness Asset Management (Equities and Fixed Income), Andurand Capital Management Ltd (Commodities)

Former: Senior Partner, Matheson; CEO, Mobileaware; Partner and member of Management Committee, Vega Asset Management group; Member of the Department of An Taoiseach's International Banking and Treasury Group; Chair, Morgan Stanley Investment Management (Ireland) Ltd, Fisher Investments Ireland Ltd and various Goldman Sachs funds; Board member, Vy Capital and various ABrdn and Franklin Templeton funds

Jonathan Muir

Current: CEO, L1; Chair, Audit Committee for Bank of Georgia PLC

Former: Managing Partner, EY; COO, TNK-BP

Vitalij Farafonov

Current: COO and formerly CFO, L1; Chartered Accountant (ICAEW)

Former: Senior finance roles at TNK-BP and M&A at Deloitte

L1 Health

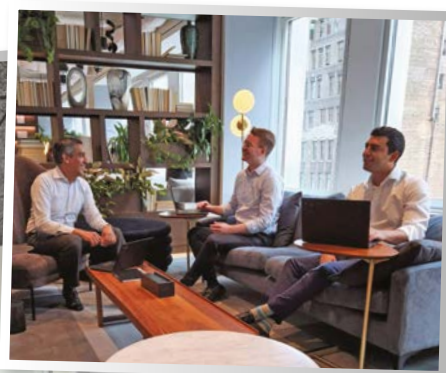
L1 Health focuses on long-term, hands-on investments aimed at creating industry leaders. Our evergreen capital base allows us the flexibility to allocate capital without external pressures and to tailor investment approaches to each opportunity. L1 Health pursues transformative opportunities, focusing on innovation to redefine competition and profit pools. We prioritise long-term trends, leveraging market changes for industry leadership.

Unlike traditional firms, we maintain a focused portfolio, concentrating on calculated bets for exceptional returns. Collaborating closely with portfolio companies, L1 Health aims to achieve industry leadership positions through continuous investment in growth with a long-term commitment beyond typical holding periods and providing incremental capital as needed. With extensive sector expertise, we identify emerging innovations and market shifts, managing risks effectively to capitalise on transformative opportunities swiftly.

K2 HealthVentures (K2HV)

L1 Health's venture debt investment platform, K2HV, with operational offices in Boston and New York, experienced significant growth in 2023, surpassing \$1bn in funded loans since its inception. By the end of 2023, the company's portfolio expanded to 23 companies (up from 22 in the previous year, with eight exits and nine additions) and grew its Net Asset Value from \$680mn to over \$805mn.

Under the leadership of CEO Parag Shah and CIO Anup Arora, K2HV made approximately \$340mn in new commitments in 2023, across a broad set of sectors including drug



K2 HealthVentures,
New York office



K2 HealthVentures, Boston office



Section 3: Business unit performance



discovery and development, agricultural biotechnology, healthcare services and IT, consumer healthcare and medical devices. This continued expansion further diversified its high quality loan portfolio. To effectively manage the growing assets under management, the company augmented its workforce by hiring six new finance professionals, bolstering the investment team to twelve members.

K2HV was able to take advantage of a challenging macro environment that included a regional banking crises and persistent constraints in healthcare venture capital funding. Furthermore, re-emerging volume in Pharma M&A transactions offered the opportunity

for selective upside in its strategically positioned portfolio.

Moving forward, the company remains focused on executing its pipeline, optimising its capital structure and expanding in subsegments with distinct opportunities and tailwinds.

Destination Pet

In 2023, Destination Pet solidified its status as the largest and fastest-growing omnichannel animal health service provider in the US. The company expanded its portfolio by acquiring more than 65 locations, bringing its total to 180 pet resorts and clinics across more than 30 states and serving hundreds of thousands of active customers. This expansion led to a revenue increase of approximately 35%, surpassing the \$200mn mark for the first time.

Over the last two years, L1 Health has made significant investments in building an integrated digitally-enabled connected care platform as well as its app, enabling Destination Pet to launch targeted marketing campaigns and upsell additional services to its clients, resulting in a more personalised experience and high attractiveness to Gen Z customers and millennials. Now over 30% of clients actively use the app to engage with Destination Pet's connected care platform and book services from grooming and bathing, to boarding and daycare, to training and veterinary services—right down to mobile x-ray and other at-home services.

With a nationwide outbreak of canine influenza towards the year's end, Destination Pet responded rapidly by offering vaccines and prioritising the health and safety of our beloved pets.

Looking ahead to 2024, Destination Pet plans to launch a loyalty program and introduce additional digital enhancements to its platform. These initiatives are designed to enrich the pet parenting experience, while fostering further efficiencies and growth.

Section 3: Business unit performance



Remedica

Remedica, the generic CDMO platform of L1 Health based in Cyprus, demonstrated the power of its dual commercialisation platform. While its out-licensing business outperformed in 2022 due to the launch of Albitrone, in 2023, its direct commercialisation business outside of Western Europe shone with double digit growth from product launches and significant tender wins, resulting in an impressive nearly 10% year-on-year growth in EBITDA.

L1 Health has significantly ramped up investment in innovative generics and is building a new state-of-the-art R&D centre. Upon completion, this facility will accommodate over 100 researchers focused on first-to-file formulations and new technologies to introduce distinctive product solutions. Additionally, Remedica is undertaking a substantial redesign of its manufacturing operations to maintain low-cost leadership, expand into more

complex delivery technologies and increase capacity.

Remedica is also deeply committed to investing in local talent, alongside attracting world-class professionals globally to bolster its research and growth strategies. Moreover, Remedica is actively collaborating with universities and innovation hubs to strengthen the local scientific and pharmaceutical ecosystem.

L1 Health remains highly confident in Cyprus as an exceptional location for building a global business, benefiting from its strategic position at the nexus of Europe, the Middle East, Africa and Asia, coupled with EU membership.

Looking ahead, Remedica is still early in its transformation. In L1 Health, Remedica has a committed investor with the capital base and time horizon to help the company achieve its full potential as a global leader in generics.

Section 3: Business unit performance



Sun Wave Pharma (SWP)

L1 Health's consumer health platform, SWP, continued to perform well amidst post-COVID market shifts, maintaining its market share in Romania, expanding in four new markets and launching nine new products. As a result, SWP has further solidified its position as Eastern Europe's premier nutraceutical company.

In 2023, SWP inaugurated its ophthalmology division, expanding its portfolio to encompass over 100 unique products spanning nine therapeutic domains, including Neurology, Uro-Gynaecology, Respiratory, Cardiology, Dermatology, Gastroenterology, Paediatrics, Endo-Gynaecology and now Ophthalmology.

Last year, SWP also completed the

acquisition of Inpharm in Serbia, adding four new markets in Eastern Europe. Product and marketing synergies have accelerated Inpharm's growth leading to market share expansion.

The company also expanded the management team with a new Chief Executive Officer, highly experienced in international expansions, as well as a new Chief Financial Officer with deep background in financial optimisation and growth.

Looking ahead, SWP will continue to focus on new product development to fuel its growth. New launches are planned to stay relevant to consumers and partners and build its brand equity as the nutraceutical leader in Eastern Europe. ●



L1 Retail

L1 Retail is a differentiated investor leveraging a strong track record in retail to buy and build the next generation of retailers internationally. We look for platforms that can be positioned for strong, sustainable growth over ten years and beyond.

Dia Group (Dia)

2023 has been a positive year for Dia.

The business has performed well, built on customer trust and a strong focus on proximity. Portfolio simplification is allowing Dia to focus its efforts on markets where there is the greatest potential to grow under a single "Dia" banner.

Most importantly, Dia's commitment to provide varied, high quality food at affordable prices and deliver their purpose - to be closer every day to offer great quality to everyone - has been the priority at a time when many households are struggling. This has been achieved thanks to the efforts of the Dia team, franchisees and suppliers.

In Spain and Argentina, the business is entering a new phase: Dia has completed the turnaround, accelerated the growth of its e-commerce and expanded its franchise network. These steps allow Dia to begin an organic

growth stage focused on customer satisfaction, with the renewed ambition of being their preferred neighbourhood and online store.

Dia ends 2023 with significant progress in market share in Spain and consolidating its leadership in proximity at a national level in Argentina. At a Group level, Dia has met its key objectives with like-for-like sales 3.1% higher in 2023, with a 10.7% increase in Spain. Adjusted EBITDA was €192mn, 15.3% higher than in the previous year, improving the net result by €94mn, reducing the loss for the year to €30mn.

The Group faces 2024 with its sights set on developing the proximity economy, promoting a diverse and inclusive culture and generating value for customers and the neighbourhoods and communities in which Dia operates with a focus on Spain. This focus will build a solid business with a bright future, continuing to offer healthy food, great jobs and

Section 3: Business unit performance

supporting entrepreneurship among suppliers.

The business will have a continued focus on mitigating the effect of inflation on the shopping basket, working closely across the value chain, while adding new initiatives to the digital ecosystem and strengthening the Club Dia proposition. There is more work to do but 2023 has been an important year, demonstrating that Dia is the preferred store of more and more customers thanks to a differentiating value proposition and a team committed to delivering a first-class experience.

Holland & Barrett (H&B)

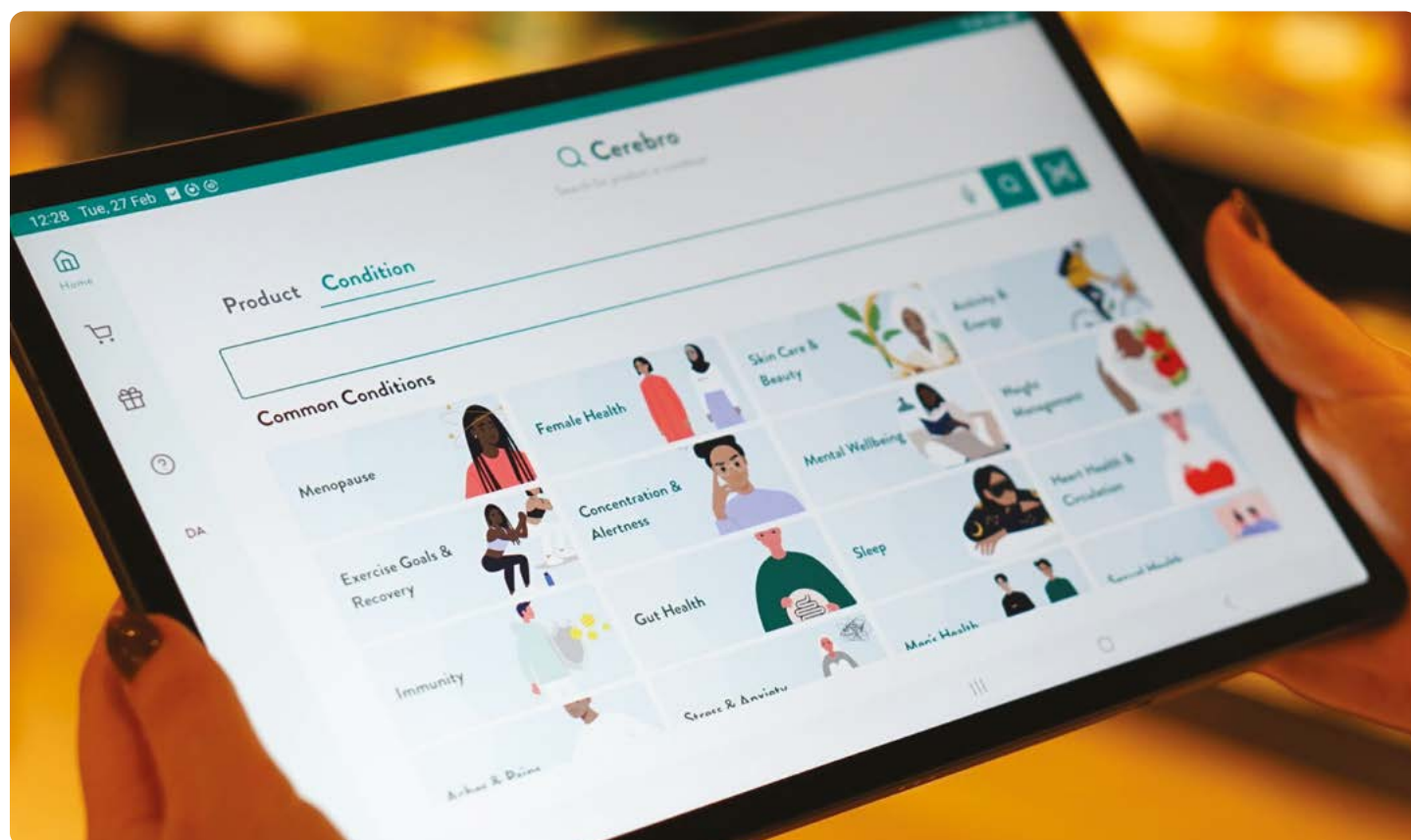
H&B is a leading health and wellness retailer with over 150 years of experience of making health and wellness a way of life for everyone. The company's strategy is focused on three growth pillars which guide its business priorities and investment, and support its vision to become the trusted partner for over 100mn people globally:

- **retail growth in its core markets:** expanding omnichannel retail presence across the UK&I and Benelux;
- **wellness solutions:** becoming a destination for science-backed health and wellness solutions; and
- **international expansion:** expanding its presence internationally by developing its opportunities across the 19 countries in which it operates and exploring opportunities to enter new markets.

In FY2023, revenue was strong year-on-year at £807mn, representing a 14% increase in retail sales and a 6% growth in digital sales. While digital revenue did grow, overall market momentum towards digital has meant that growth of this area continues to be a major focus for the business beyond FY2023. Investments are being made to elevate the online customer experience, brand visual identity and product availability. Adjusted EBITDA for the year was £100mn.



Section 3: Business unit performance



H&B continues to observe that while consumers highlight significant hurdles in their own wellness battles – due to a lack of knowledge, lack of access and difficulty sustaining change – there is a growing understanding of the importance of preventive healthcare and wellness for long-term health and longevity.

H&B is changing and innovating to help people independently manage their health and wellness. The company has expanded its product lines, including food and evidence-based wellness solutions oriented around six “wellness missions”, scientifically backed as the main forces shaping wellness. These missions include gut health, women’s health, and joints, bones and muscles.

L1 supports the strategy and investments being made by H&B in its technology, colleagues and store network. Those investments are building more connected relationships with customers and elevating brand perception among new and existing customers:

- **Colleagues:** H&B continues to invest heavily in its comprehensive and well-

developed product training programs. This ensures that customers are able to receive informative and knowledge-based customer service.

- **Technology:** investment in new technologies to support omni-channel development with international reach, to ensure the organisation has a resilient supply chain utilising technology to ensure improved operations and becoming better partners to suppliers. This investment is being made while responding to the demands of the online trading environment:

- o H&B recently launched Cerebro, a winner of the Gamechanger award at the Retail Week Awards, an in-house built colleague-facing application which transforms how H&B’s retail colleagues engage with customers across its extensive store network. This tool is designed to empower colleagues to have deeper more meaningful conversations, arming them with the knowledge and resources to effectively interact with customers, offer comprehensive product



Section 3: Business unit performance

information and assist in aligning choices with their wellness goals.

- **New products and services:** H&B has consistently been among the first in the industry to introduce innovative products in response to new studies, research and consumer preferences:

- o Given the changing nature of consumer demand for new products and continued publicity about the importance of healthy living and nutritional supplements, H&B believes it will continue to maintain its core customer base and attract new customers through its ability to respond rapidly to consumer demand. The wide range of products ensures that the business continues to address the broad church of customers that are seeking a healthy lifestyle.

- o As part of that innovation, H&B launched its new food range consisting of over 500 new items across own label and branded items to better reflect their customers' changing needs. Engineered by nutritionists and scientists, H&B is now the first high street retailer to introduce "Plant Points" on food labelling and is encouraging its customers to consume at least 30 different plants a week.

- **Stores:** H&B has already invested heavily into redesigning its stores, which in FY2023 has included 16 major refits and the opening of 19 brand new stores, with further major investments planned over the next two years into a store refresh and refurbishment programme as well as opening new stores across the UK&I and Benelux. This investment has allowed H&B to improve how its customers interact with the company across its channels and enhance the overall store experience. During the year, H&B reduced its retail estate by 18, to close the year with 1,014 stores.

H&B has continued to build on its strong and balanced management team over the past 12 months, including through

the strengthening of its senior leadership team to support the delivery of H&B's transformation, especially across its operations and supply chain, technology, product development and finance. This team has a combination of omnichannel retail experience, technology expertise and an international track record.

The management team benefits from the strong support of its Board of Directors, the majority of which are experienced independent directors with the relevant skill set to realise the strategic vision. The independent directors are complemented by two shareholder representatives, including the company's Executive Chairman. ●



L1 Energy

L1 Energy is building a safe, sustainably growing energy group, recognised as a partner of choice in its industry and enabling the transition to a lower-carbon and more circular economy. We continue to look for active investments that can power society for the long term.

Once again, 2023 was a complex year for the global energy marketplace, albeit one with less price volatility than might have been expected given underlying world events.

Continued war in Ukraine and increasing conflict in the Middle East which affected energy transport routes, combined with the complexities of forecasting Chinese industrial activity, and therefore energy demand, did not result in significant swings in price. European gas prices in particular remain at lower levels than many had feared, helped by efficient summer charging of storage and a mild winter as the European continental gas buyers continue to pivot their economies away from historical dependence on Russian sources of supply.

However, gas prices in Europe remain significantly higher than in the US; we continue to view these changes as long-lasting, with consequent impacts on European industrial activity and technology development.

The energy transition continues, although progress has slowed as the realities of the economic case and technical risk for various sectors has become more apparent. In addition, nations appear more alert to energy security and domestic supply chains, which adds regulatory hurdles and has impacted progress. The Inflation Reduction Act in the US has stimulated much domestic activity but significant penetration and development of, eg wind, hydrogen and carbon capture, has been difficult to evidence.

In general, the global energy mix has proved once again to be robust in the face of significant change.

Wintershall Dea

Operationally, the company was stable, with safety performance improved.

Reported record financial results included full-year EBITDAX of €4.2bn.

In December, an agreement was reached to split the company into two, with the majority of Wintershall Dea's assets to be transferred to Harbour Energy plc where both BASF and L1 will continue to be material shareholders. The deal is expected to close during 2024, subject to regulatory approvals.

Plastic Energy

Plastic Energy is a world leader in chemical plastic recycling, converting end-of-life plastic into feedstock, which replaces fossil oils in the production of new plastics and diverts plastic waste from landfill and incineration.

During the year Plastic Energy continued to make progress, signing a technology licence in Malaysia with Petronas and in South Korea with SK Geo Centric.

On project delivery, Plastic Energy continued to advance the construction of its plant in Geleen (Netherlands) and Grandpuits (France) in joint ventures with SABIC and Total Energies respectively, despite continued



Section 3: Business unit performance



pressure from the external environment on both equipment and services. Both plants are targeted to be commissioned in 2024.

H2scan

H2scan designs, manufactures and markets advanced hydrogen sensors from its headquarters in California for a wide range of real-time industrial process control, monitoring and safety applications. H2scan's sensors are widely used for transformer health monitoring to improve electrical distribution reliability, measuring hydrogen concentration in fuel cells, electrolyzer systems and hydrogen distribution pipelines to reduce carbon emissions. They are also used to detect hydrogen in the atmosphere to ensure safe operations of battery storage rooms, warehouses or any enclosed area where hydrogen leaks may occur. H2scan's products are used by some of the largest organisations in the world including ABB, Siemens, GE Energy, ExxonMobil, Shell, Chevron, Proctor & Gamble and more.



The company progressed well in its product development programmes, with continued investment in the organisation and its capabilities. H2scan launched new products over the course of 2023 and product development continues to be a key focus for the company, with a number of important new products scheduled for release in 2024.

Direct sales to energy utilities continued to grow, as the customer base expands and grid stability and hydrogen detection becomes a more critical infrastructure issue.



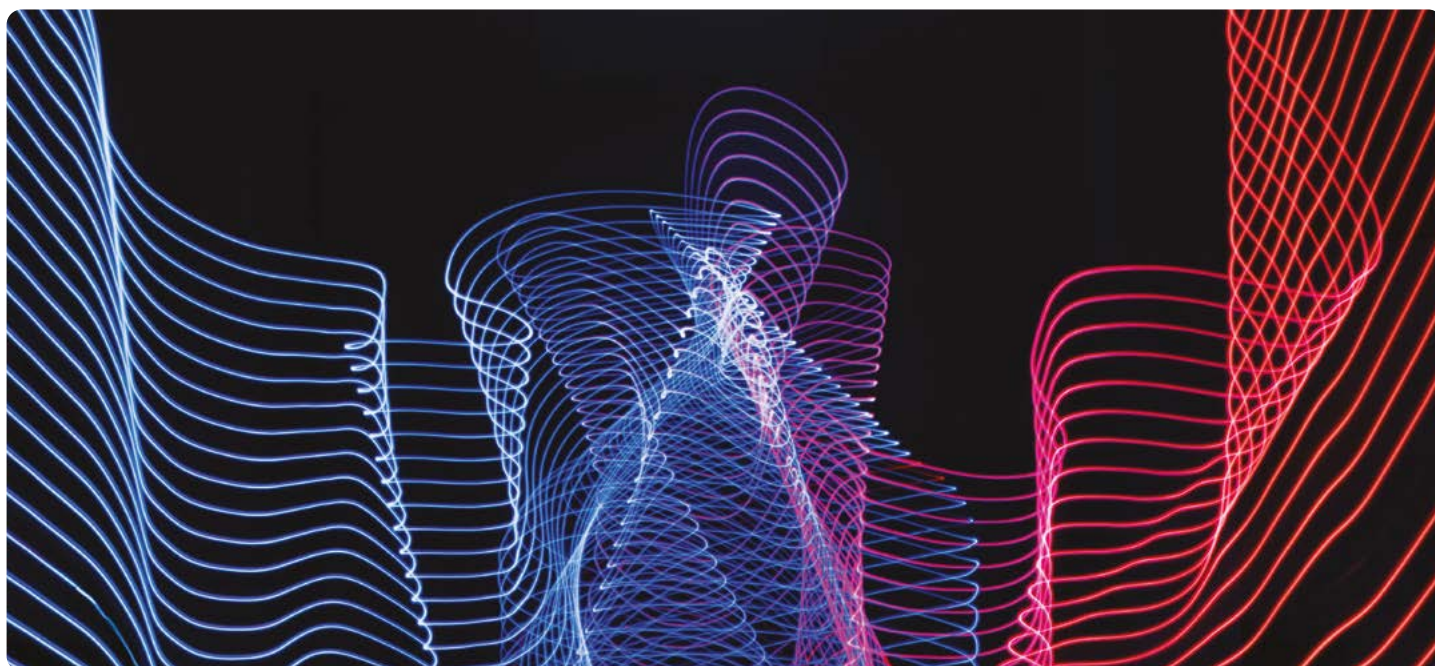
Tigo Energy (Tigo)

Tigo, founded in 2007, is headquartered in California with multiple international offices across Europe, South-East Asia and Latin America. Tigo's core Modular Level Power Electronics (MLPE) products optimise and increase solar panel output, provide panel-by-panel data analytics and monitoring diagnostics, reduce solar operating and maintenance costs and enable rapid shutdown. Tigo also offers solar plus storage solutions as well as a proprietary software and analytics platform.

Tigo floated successfully on NASDAQ in May 2023, with strong initial share price performance off the back of record financial performance in 1H 2023. The market was weaker in the second half, as US and European solar distributors and installers focused on unwinding their existing inventory of solar products, which suppressed demand for new products. Tigo is focused on continuing to expand its product offering and strengthen its position in new markets as the market returns to growth over the course of 2024.

Breakwater Energy

Repsol E&P has a diversified global portfolio of oil and gas assets with a mixture of conventional and unconventional resources, both onshore and offshore. Repsol E&P had over 2bn boe of 2P reserves and close to 600 kboepd of production in 2023, supporting around 3,000 employees. ●



L1 Technology

L1 Technology is a long-term growth investor in technology and communications – with its own patient capital, no fixed time horizon and significant funding available. We actively look for investments in the broader technology space in the EMEA region with a focus on software, digital platforms, tech enabled services, connectivity and data. Through its portfolio companies L1 Technology seeks to satisfy society’s increasing digital needs.

VEON

Enabling digital connectivity in high-growth frontier markets

VEON is a global digital operator that provides converged connectivity and digital services to nearly 160mn customers across six dynamic emerging markets, with a combined population of 510mn with increasing demand for digital services.

Over the past three years, VEON has transformed into a high-growth company in some of the world’s most underserved

frontier markets. Leveraging its digital operator model, VEON benefits from its low customer acquisition cost and massive distribution scale which enable it to provide localised digital services across its key digital verticals including fintech, education, healthcare, and entertainment – all of which have the same or greater total addressable market size as its mobile connectivity business.

VEON’s key growth themes are reflected across five pillars:

Section 3: Business unit performance

PILLAR 1: double digit growth

Across all its markets, and leveraging supportive macro dynamics such as population growth, low data consumption and smartphone penetration and higher appetite for digital services. Fair pricing will continue to drive topline growth.

PILLAR 2: margin expansion

With effective cost management both at the HQ and OpCo level, the company's cost base is significantly reduced and EBITDA margin has expanded. The company remains focused on increasing margins in 2024.

PILLAR 3: stronger balance sheet

Deleveraging has recently been a key theme and the company will continue to focus on a healthy capital structure.

PILLAR 4: high free cash flow generation

Strong growth in EBITDA will be coupled with reduced capex spend as 4G data penetration reaches 70%, and reduced interest expenses.

PILLAR 5: digital operator

With a focus on digital opportunities and services in adjacent markets, VEON aims to increase its "wallet share" as its operating companies capture a higher spectrum of consumer spending, underpinning longer term growth strategy.

2023 operational highlights

- **Strong organic growth:** In 2023, the company's underlying, like-for-like total revenue and service revenues grew by 18% year-on-year in local currency, with growth in service revenue ranging from 10% in Ukraine to 24% in Pakistan. EBITDA grew even faster and increased 25% year-on-year, at a range of 8% in Ukraine to 30% in Kazakhstan.
- **High FCF generation and a robust balance sheet:** As a function of high topline growth, prudent cost management and strong operating leverage, VEON's equity-free cash flow increased by 53% for the year to \$434mn, with \$121mn in Q4. The company finished the year with \$1.7bn in cash, \$1.3bn of which was held at HQ level. Net Debt excluding leases was \$2bn, a decrease of \$3.1bn over the year. Similarly, net debt excluding leases-to-EBITDA was 1.4x, a decrease from 3.3x over the comparable period.
- **Strong operating performance:** The company grew its 4G users to 94mn, an increase of 11% year-on-year. Across its digital assets, it reached nearly 100mn monthly active users at the peak of 2023, an increase of 10% year-on-year. Fintech services of VEON's operating companies processed \$22.4bn in gross transaction value, an increase of 39% year-on-year. Total time spent on digital entertainment products and services reached 63bn minutes, an increase of 27% year-on-year. The number of monthly active guest users across all digital assets – digital-only consumers who do not receive their connectivity services from VEON – has reached 28mn at the peak of the year, with a year-on-year growth rate of 16%.



Turkcell

A key focus for Turkcell during the year was to support Turkey during the terrible earthquake that caused such devastation to so many of its cities. We are pleased that the business was able to be such a core part of the *Turkiye Tek Yurek* campaign that gave significant help to affected communities.

Alongside this, 2023 was a year of sustained leadership, registering nearly 800,000 net subscriber additions during the year and passing 5.8mn homes. By the end of 2023, Turkcell's consolidated revenues had risen 14.6% year-on-year to TRY 107.1bn. Consolidated EBITDA rose 19.9% to TRY 43.9bn. Net profit increased by 82.5% compared to the previous year, to TRY 12.6bn. ●

L1 Treasury

L1 Treasury manages the liquidity and financial investments of L1 Investment Holdings. When the Group makes strategic investments, L1 Treasury provides the necessary funds and when investments are sold or dividends received, L1 Treasury manages the available funds through a portfolio of financial investments in public and private equity, fixed income, real estate, direct lending markets and investments in special situations and private equity funds.

Portfolio construction

L1 Treasury's mandate includes both liquidity and return objectives. Therefore, in its portfolio construction, L1 Treasury pursues a "barbell" strategy whereby a portfolio of cash and liquid securities is complemented by less liquid higher-yielding investments such as direct loans, funds and real estate.

Our loan book is a combination of large loans directly provided by L1 Treasury to borrowers and usually secured by real assets or financial assets and smaller loans usually provided through lending platforms. These lending platforms are specialty lending businesses for whom we are the sole or at least the largest funder and in which we may have an equity interest.

Our fund investments are generally in third party hedge funds, which we mostly access through fund-of-funds providers. We aim to have a well-diversified portfolio of funds and strategies.

Market background

2023 was initially predicted to be another challenging year with the US Federal Reserve (Fed) fighting inflation against the backdrop of an expected slide of the US economy into recession. Adding to that, the

early part of 2023 witnessed the most significant system-wide banking stress since the Great Financial Crisis, with the collapse of Credit Suisse and three other mid-size US banks (Silvergate Bank, Silicon Valley Bank and Signature Bank). 2023 was also a year of increasing geopolitical risks in Europe and the Middle East. However, despite these headwinds, the US surprised on the upside and achieved the strongest growth amongst the developed economies with record low unemployment, whilst also reducing inflation towards the Fed's target rate of 2.0%. As a result, equity and credit markets in the developed markets, and particularly in the US, made a strong rebound in 2023. The S&P 500 index went up by 25.84%, the Eurostoxx 50 index rallied by 18.85%, the FTSE index was up by 7.93%, the ten year US Treasury Bond Yield was unchanged and the five-year CDX High Yield Index Spread tightened by 129.3 basis points.

Performance review

L1 Treasury's portfolio recorded a strong performance of 8.90% in 2023, the highest since its inception, helped by the twin tailwinds of a strong market rally and higher rates. L1 Treasury's performance would have been even higher (a return of 9.33%) had it not

Section 3: Business unit performance

been for certain additional costs and hedging limitations as a result of the sanctions on certain of L1's UBOs. This compares with implied returns of the two benchmarks used by L1 Treasury of 6.16% and 9.31%, respectively, over the same period.

As in the past, L1 Treasury produced its returns whilst managing significant capital flows throughout the year. In 2023, L1 Treasury recorded \$1,839mn of inflows and \$3,024mn of outflows. These net capital outflows, together with the portfolio performance and expenses, resulted in L1 Treasury's assets under management falling from \$7,556mn to \$6,916mn.

L1 Treasury's highly experienced global team

The L1 Treasury team is international with employees from 12 different nationalities. The team is highly experienced and contains all the specialties that would be found in an institutional asset management company, from risk management and investment professionals to technology and infrastructure experts.

The CIO of L1 Treasury is responsible for implementing the investment strategy within the risk limits and parameters set by its Investment and Risk Committee. This Committee consists of executives of the L1 Group as well as non-executives. ●



Photo: Dylan Gillis, Unsplash

L1 Funds

Our Private Equity fund commitments business grew steadily during 2023 as the team completed three new commitments, including new relationships with US and European fund managers.



The uncertainty created by macro-economic trends and geopolitical instability continued to impact global deal activity and the availability of leverage over the course of the year. The resulting lack of exits and liquidity generated for Limited Partners in existing funds led to a slowdown in private equity fundraising. This backdrop provided our Funds Business Unit with the opportunity to seek out new long-term relationships with leading middle-market private equity fund managers with the aim of generating attractive risk adjusted returns and co-investment opportunities for L1's direct investment teams.

The Funds team's core strategy of making meaningful commitments to a concentrated group of managers that operate in markets and industries that are complementary to our direct investments was well received in the market. The team also began assessing managers in new target geographies as a potential first step that would allow L1 to further broaden its investment horizons.

The Funds team will continue to execute on its core investment strategy in 2024, whilst deepening relationships with existing managers and exploring commitments in new territories. ●

L1 Impact

L1 Impact was established over the last year with the purpose of making new investments that combine social impact with positive financial returns, demonstrating that L1's long-term capital drives positive change in the economies in which it operates.

To achieve this ambition our approach is to seek investments that, at their core, achieve commercial success by driving positive social change. It is key that the social change is intentional, can be measured and reported on clearly and reliably and would not have occurred without this investment.

Impact investing is a growing area with over \$750bn of capital invested in impact strategies¹, across three broad categories: Environmental (eg reforestation, clean energy); Social (eg access to education and employment); and Health (eg medical care, food and nutrition). Of these categories, environmental impact has seen the greatest capital accumulation in areas such as climate, new energy, and infrastructure.

Within the impact landscape L1 Impact seeks to identify opportunities where L1's capital is additive, can drive demonstrable social change and deliver positive financial returns. Our current approach is to initially focus on two specific areas of impact, namely improving population health and enhancing social mobility, where we believe there are compelling investment opportunities, a market funding gap and existing expertise within the L1 Group. In the future, as our understanding and experience evolves, we may wish to broaden the areas of impact we will focus on.



In our focus impact areas, we believe L1 Impact's capital and expertise can help accelerate growth and scale impact. An ideal opportunity is for businesses to have demonstrated strong product/market fit, proven economic models that are profitable (or close to profitable) and where, at scale, social impact can be achieved for millions of lives.

From a geographic perspective, we seek to make investments in markets where L1 already has a presence, principally UK, Europe and North America. Over the next three years we expect to make minority investments directly into impactful companies, as well as investing through leading impact fund managers where we see strong alignment to our impact objectives. ●

¹ GIIN, as at September 2023.

Charitable giving update



Charitable Giving



Jonathan Muir

L1 launched its Charitable Giving programme in the aftermath of the illegal and immoral Russian invasion of Ukraine in 2022 with the aim of helping people directly and indirectly affected by the terrible war that ensued. We are pleased to share this final impact report on our donations of nearly \$40m to a carefully selected group of 15 charity partners.

Our funding has enabled our charity partners to deliver support to many millions of people affected by the war and their awe-inspiring personal stories speak for themselves. Our support has had a significant impact on people both in Ukraine and those displaced to neighbouring countries and further afield. We'd like to thank all our charity partners and the many L1 colleagues who have helped us with our donations programme, both individuals in our business units, who sourced charity

partners, and our compliance and finance teams, who helped ensure that payments were made smoothly. We are proud to have supported these charities and we saw some of their work first-hand during a visit to World Vision and Tikva in Romania. The following pages lay out this impact by themes and demonstrate the difference our funding has made to people affected by the war in Ukraine and famine in the Horn of Africa.

L1 remains committed to continuing to deliver impact throughout our business activities by supporting the 120,000 jobs that rely on our long-term investments, launching a new Impact Investing division and by launching a new phase of charitable giving. Going forward L1 will focus on promoting entrepreneurship as a catalyst for social mobility in the markets where we invest. We will update soon on our progress. ●

Charitable giving update



Charities L1 is supporting



Humanitarian Aid

UNICEF

UNICEF, the international aid agency, works closely with other UN agencies to deliver relief aid in areas affected by war and other major disasters.

In Ukraine, along the frontlines where intense and sustained fighting and access constraints remain, UNICEF participates in inter-agency humanitarian convoys and engages with municipal, regional and local administrations and civil society partners to implement its urgent humanitarian response. In the central and western parts of the country, which have fewer access challenges, UNICEF uses existing national systems, engages local authorities and civil society and has launched three flagship priorities - Early Childhood Development (ECD), Youth Empowerment and the Better Care Initiative - to ensure family-based care for all children. Our funding enabled UNICEF to provide a broad range of support including primary healthcare, water and sanitation supplies, education and cash transfers to children and their families, both in Ukraine and neighbouring countries.

Impact of the humanitarian response for children and their families in Ukraine and those displaced in neighbouring countries

Our funding has helped UNICEF deliver services and support to the following groups:

- 4.9m children and women accessed primary healthcare;

- 4.5m people provided with clean water, sanitation, and general hygiene support;
- 2.2m children accessed formal and non-formal education with UNICEF's support;
- 1m women and children accessed gender-based violence risk mitigation, prevention, and interventions; and
- 80,000 households received humanitarian cash transfers.

Overcoming the struggle of lost learning

The combination of COVID-19 and the war in Ukraine has led to 2+ years of learning losses for Ukrainian children, who are 1.5 years behind in maths and 2.5 years behind in reading compared to their peers in OECD countries.

UNICEF supported the Ukrainian Ministry of Education and Science in designing a comprehensive strategy for 'Catch Up' education programmes and delivered programmes in maths, Ukrainian and English languages for 56,648 students and 5,000 teachers.

They also supported the NGO Spivdia in providing face-to-face classes to help 12-year-old Zhenya (above) catch up on his studies in a specially equipped space. He and his classmates continue studying in a shelter during air raids.

In neighbouring countries that have offered shelter to fleeing Ukrainian



Zhenya

refugees, UNICEF collaborates with national, regional, and local authorities in refugee-receiving and transiting European countries to enhance services in child protection, education, health and nutrition, ECD, basic needs, Water Sanitation and Hygiene (WASH) and social protection. Additionally, UNICEF offers policy advice, technical guidance and financial assistance to enhance the capacity of national and local systems in delivering humanitarian and development nexus interventions.

Charitable giving update

Displacement, disability and determination

After a harrowing escape by train in March 2022, Veronika (right) and her mother arrived in the Czech Republic. They now live in Prague, where 9-year-old Veronika is learning sign language in school and making great friends in gymnastics class. Health coverage under the Czech Republic's health care system doesn't extend to the particular needs of Ukrainian refugee children with disabilities. However, support from UNICEF, the Czech Red Cross and the Ministry of Labour and Social Affairs allows Veronika to have the same advantages as Czech children with disabilities.

Horn of Africa: Somalia, Ethiopia and Kenya

We also funded various humanitarian projects via UNICEF in the Horn of Africa. The impact of these projects is:

- 811,000 children aged 6 months to 5 years with acute malnutrition admitted for therapeutic care;
- 3.75m people provided with access to life-saving health services;
- 5.19m people provided with emergency water services;
- 163,000 women, girls and boys accessed gender-based violence risk mitigation, prevention and response interventions; and
- 326,000 children accessed formal and non-formal primary education.

UNICEF's solar-powered borehole provides water to Daley primary school in Kenya

"We say that water is...?" "Life!" students reply to the Deputy Head Teacher at Daley Primary School in Garissa, Kenya. "Without water we cannot survive. Animals and people.



Veronika in her new home in the Czech Republic

Yes! Cooking. There are so many things we can wash using water!"

In Daley, water boreholes, including the pumping system, were destroyed by floods. Having to use raw river water exposed children to water-borne diseases as well as attacks by wildlife such as crocodiles and hippopotamuses.

UNICEF provided both financial and technical support to drill and equip the solarisation of the borehole and construct a new pipeline extension so that about 6,200 people can now access safe water – including 246 school children who have their health and time to learn instead. ●



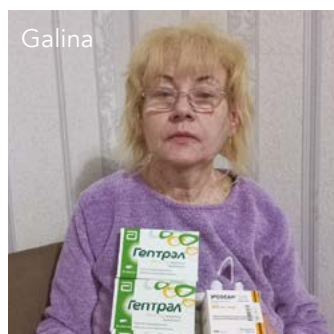
Daley primary school, Kenya

Jewish Relief Network for Ukraine (JRNU)



JRNU was on the ground in Ukraine long before the war started; for the past two years it has provided life-saving humanitarian support (food, medicine, medical care, shelter, clothes, hygiene items and household needs) on a regular basis to more than 50,000 people. In addition, it:

- provided extensive mental health training and treatment;
- ensured winter survival, including purchase, installation and operation of 150 industrial generators and thousands of smaller units that powered schools and community centres where individuals gathered for warmth and food, charged their electronic devices and received emotional support;
- dug wells to secure fresh water and provided 50,000 people with food and daily necessities of all types;
- carried out evacuations (from flooded areas);
- operated summer camps for children, opened schools and organised extracurricular/after school programmes;
- provided 11,000 people with medicines; and
- tended to people's spiritual needs by facilitating observance of all major Jewish holidays (including importing millions of dollars of specialty food for Passover, Shavuot and the High Holidays).



Galina's story – access to life saving cancer medication

Galina, 64, has been fighting breast cancer for several years. She has a disabled son who she raises alone. She and her son were forced to flee Kharkiv, leaving everything behind, when a rocket hit the entrance to their building, damaging their apartment. Additionally, her son worked for the Ukrainian police, placing him in grave danger.

In her new home of Dnipro, Galina requires a hormonal drug to prevent the development of additional cancer cells. The five-year course of medical treatment is costly and Galina has been taking the medication for a year thanks to the support of JRNU and the Jewish community.

Immediately after the Russian invasion, JRNU relocated an orphanage it supports from Odessa to Berlin. Expecting the stay to be brief, the staff and children packed enough clothes for a week or two and fled, even though they packed necessary documentation for many of the children. With L1's funding, and assistance from the German government, JRNU was able to house and care for children, single mothers and other members of the Jewish community – nearly 1,000 people in total – in Berlin for more than a year. In addition to food and other necessities, JRNU provided psychological support, classroom education and a warm supportive environment. Nearly two years on, we were pleased to hear that the orphanage and most of its residents have moved back home to Odessa, to a newly refurbished building with updated facilities and supplies. L1 has supported the orphanage and other JRNU activities now for nearly two years. ●

Plan International

Protecting children and their families affected by the hunger crisis in Somalia, Ethiopia, South Sudan, Mali and Kenya

In 2023, we gave funds to Plan International UK - the UK office of global children's charity Plan International - that provided lifesaving assistance and services for children and families affected by the hunger crisis in Somalia, Ethiopia, South Sudan, Mali and Kenya.

In some L1 programme areas, Plan International is the only organisation delivering child protection services, underlining the enormous benefit of the project to those communities. Some highlights include:

- 240 children in Somalia received psychosocial support, with a further 169 accessing case management for protection issues including child labour, early or forced marriage or female genital mutilation. Some out-of-school children also received educational materials to help them return to the classroom. And a third child-friendly space was established providing a base for children to play, as well as benefit from counselling,



Tume, pictured here with her children, accessed a cash transfer and was able to buy food, medical supplies and educational materials.

helping them cope with the trauma of displacement and violence.

- Cash assistance was accessed by 250 families in Ethiopia, to assist those who were fostering children or had children with specific protection concerns.
- In South Sudan, 34 children and their families have benefitted from direct case management and cash support - families receiving this financial assistance are much less likely to turn to negative coping mechanisms that will impact the children, in particular girls. In addition, thousands of community members were reached through meetings and campaigns, covering issues such as child marriage and violence against women and girls.
- In Mali, support to child protection committees has continued and dignity kits were distributed to 84 women and girls.
- In Nairobi, integrated Cash and Voucher Assistance and child protection in emergencies training was delivered to staff from each of the Plan International offices responding to the hunger crisis. ●



Project participants in Ethiopia choosing shoats as part of the L1 project.

Cash assistance to refugees from Ukraine

UNHCR

In 2023, L1 was one of the world's largest contributors to UNHCR's cash assistance programme for people fleeing in and from Ukraine. Providing cash assistance to displaced refugees or those living under siege is the most effective help we could provide.

Cash assistance significantly helped recipients in covering their basic needs, with 75% being able to cover half or more of their current needs. In all countries, the majority of respondents felt that the assistance had significantly or moderately contributed to improving their living conditions (66%), reducing their feeling of stress (66%) and reducing their financial burden (72%).

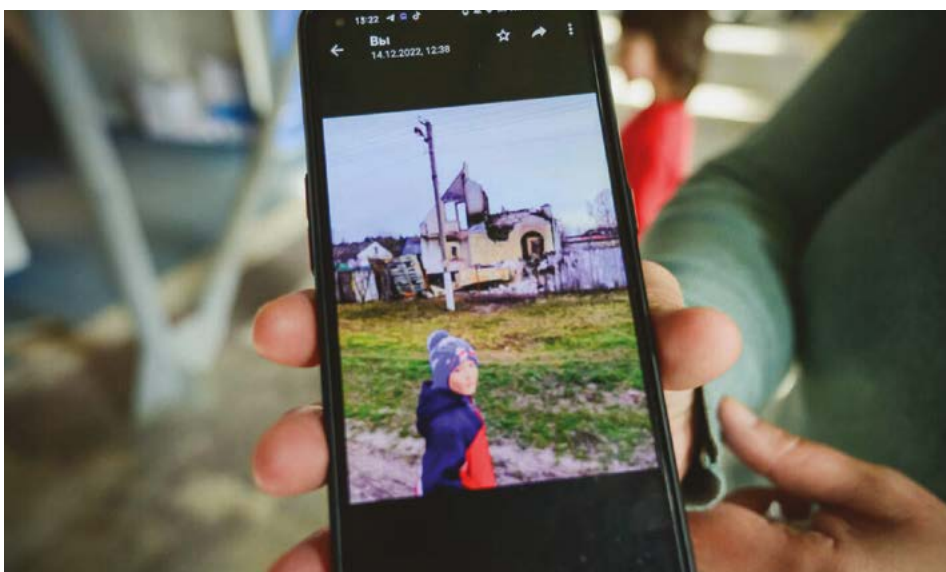
The vast majority of respondents (93%) reported having access to the services and items they needed in markets and shops. By far the main immediate basic need that refugees and war-affected people reported spending their money on is food (81%). Other expenditure categories pointed out by at least a quarter of respondents were health, clothing, utilities and rent.

Cash assistance from our funding contributed to UNHCR's cash assistance reaching:

- 215,662 people in Ukraine
- 109,635 people in Bulgaria, Poland, Moldova, Romania and Slovakia

How L1 helped Juliya and her son

Over 2.6m border crossings from Ukraine and Moldova into Romania have been recorded since escalation of hostilities in Ukraine on 24 February 2022. Women and children represent



80% of the refugee population. Thanks to the contribution of L1, UNHCR in Romania is responding to the needs of refugees from Ukraine through its field offices in Suceava (border with Ukraine) and Galati (border with Moldova and Ukraine), its country office in Bucharest and field presence in Iasi (border with Moldova).

The RomExpo Integrated Service Hub (RomExpo) for refugees established in Bucharest by UNHCR serves as a one-stop-shop for various services available for refugees free of charge. Around 500-600 refugees from Ukraine are assisted with various services at RomExpo each day.

It's in the RomExpo that UNHCR first provided support to Yuliya and her son. Yuliya was a schoolteacher before the war, living in the Chernihiv region. After the invasion began, her family home was in an occupied zone and was destroyed by shelling. She and her son

spent three months trying to survive without regular access to power or running water before finally escaping to Kyiv. It took almost ten hours – before the war it would have taken around 45 minutes. Eventually they fled to Romania where Yuliya had friends. On arrival in Bucharest, UNHCR supported them with cash assistance that helped Yuliya buy food and clothes for her son as they had only been able to carry two bags when fleeing. Cash assistance has enabled them to continue their lives in a dignified manner.

Yuliya is an active citizen in Bucharest and felt the biggest need for refugees there was education, so she decided to help Ukrainian children continue their education. She has started helping primary and secondary age refugee children keep up with their syllabus at a Ukrainian school in Bucharest. Her main hope for the future is to go home, but she feels this dream is getting more distant as the conflict continues. ●

Plan International



Maria (left) with her granddaughter Alina (right)

Voucher schemes for food, medication and urgent supplies in Moldova

The healthcare work by Plan International with children and families in Moldova had to be adjusted due to difficulties in recruiting a healthcare adviser, allowing the team to instead offer medical vouchers to project participants. Many Ukrainian families reported needing essential medicines, vitamins and dietary supplements. 70 families have now benefitted from these medical vouchers. The food voucher distributions have also continued, with 550 families now having accessed them.

A lifeline for Ukrainian refugees: empowering lives through cash and voucher assistance – Maria and Alina

Maria, a resilient 75-year-old, had to make an arduous journey from Odesa Oblast to Moldova in search of safety. Maria, her daughter and her grandchildren chose to leave their homeland due to the constant fear caused by sirens.

Since arriving in Moldova, Maria and her family have been able to access support provided by Plan International and the charity's local partner, the Moldova Project. The focus of the project was on delivering Cash and Voucher Assistance (CVA) to alleviate the immediate needs of displaced individuals. Maria's granddaughter, Alina, plans to use the voucher to buy art supplies, nurturing her love for drawing portraits.

This CVA collaboration between Plan International, L1 and the Moldova Project has provided a lifeline for Ukrainian refugees like Maria and her family. With this support, displaced people have been able to meet their basic needs, rebuild their lives and maintain a sense of normality in the face of adversity - demonstrating the positive impact of humanitarian initiatives and the importance of ongoing support for those affected by conflict.

"All the help we have been receiving so far is very useful. Last time we have received vouchers and I made sure I bought clothing for myself and so did the rest of my family. I needed it because I did not take much with me. I bought myself a jacket. Now these vouchers are for the children, for food, so my grandchildren can buy themselves what they need." Maria. ●

Back to work programmes – employment and business support

World Jewish Relief (WJR)



With L1's initial donation, WJR was able to provide a broad range of humanitarian and other support and broaden the scope of the Back-to-Work programme, which is aimed at providing back-to-work and employment support to internally displaced people within Ukraine, and the STEP Ukraine programme, which provides similar support to refugees who are resettled in the UK. Their work covers the following areas:

- **Targeted humanitarian assistance:** 17,328 people received humanitarian aid: food, hygiene items, medicines and drinking water. Essential humanitarian aid, food, hygiene items, medicines and drinking water have been delivered to vulnerable individuals in the Donetsk region (Liman, Kramatorsk, Slovyansk and surrounding areas), Zaporizhzhia Oblast and Kherson Oblast (affected by severe flooding).
- **Support to Internally Displaced People (IDPs):** 6,703 IDPs supported with institutional support, back-to-work support and additional academic and psychosocial support. As part of L1's support, 174 children continued to receive comprehensive support to improve their academic performance, social skills and psychosocial condition.
- **Winter preparedness plans:** Providing the essential needs of 8,346 people with winter kits, wood burning stoves and family-sized electric generators. More than 200 wood-burning stoves for cooking and heating were delivered to front-line settlements. Field kitchens were supplied to enable cooking for multi-apartment buildings in the absence of gas and electricity. In conditions of permanent power outages, 32 electric generators were delivered to villages near the frontline so that

Charitable giving update

people could charge their phones and operate local heating points. Warm clothes, both new and second-hand, were delivered to the affected villages of the Kherson region and front-line settlements of the Kharkiv region.

- **Homecare and repairs for older people in Ukraine:** 10,850 older people were supported through urgent home repairs, homecare and social activities.
- **Back to work employment programme:** Comprehensive support in finding employment and creating income generation for self-employment to 1,022 residents and 756 IDPs. Participants took part in webinars on motivation, development of internal resources and how to overcome fear of work. Partner staff helped participants strengthen their communication skills to find employment, achieve productivity and maintain strong working relationships. "Welcome to Work" training provided participants with information about local labour markets, identification of existing skills and qualifications, CV preparation, interview techniques and job searches in the war context. Moreover, in-depth vocational training has been offered to enhance professional skills or to master new vocations to find employment either in a new city or more generally in the constantly changing context.
- **Integration and employment support in the UK:** WJR's STEP Ukraine programme supported 503 Ukrainians with tailored one-to-one employment support across 29 locations, with 37% moving into employment during the reporting period.

Yulia - finding employment in the UK

Yulia, aged 36, is married. She and her husband are raising their daughter, a 10-year-old girl who suffers from



Yulia at work

autism. The family has been forced to live crammed into a tiny one-room apartment. Last year Yulia's mother underwent a complex brain surgery and her husband's mother died, leaving her elderly father-in-law in need of assistance. Yulia is now supporting an autistic daughter and three elderly people: her mother, her father-in-law and her aunt.

Before the war, Yulia had worked in the subway for 12 years. The work was hard and exhausting and she had no time to spend with her family. She had been wanting to change her job but lacked an understanding of the steps and training needed to get there. Just after the war Yulia lost her job and she urgently needed to find another job to support her family. Yulia's friends, who also had children with disabilities, told her about WJR's Back-to-Work programme.

Shortly after working with one of WJR's career counsellors, Yulia secured a position as a communications manager. She is now earning over double what she was earning in the subway (UAH 25,000 now instead of UAH 12,000), her self-esteem and mood have improved significantly and she has a strong desire to develop further in the business

sector. A decent salary also makes it possible to pay for additional education for her daughter.

Yulia says: *"This project helped me a lot to make a decision and tell myself honestly what I really want, what I am striving for and how to make it happen. I advise everyone to trust people and the universe in general more because there are a lot of good people, and especially in this project, I can say this for sure, because I have tested it on myself."* ●

Formal and informal education and summer camps for children in Ukraine

World Vision

World Vision, an international children's charity, aims to support vulnerable children caught up in conflict and other difficult and dangerous situations, including through informal and formal education, coaching and counselling. World Vision has been working in Ukraine since the conflict began and, with L1's significant donation, has delivered support to tens of thousands of children and their families. More specifically, it has helped:

- 13,387 children to attend summer camps;
- 7,214 children and young people referred and received group-based life skills coaching;
- 724 children to receive psychological support;
- 1,500 teachers to receive laptops enabling them to continue to teach children who are out of school;
- 200,000+ children and families to be given access to the "Can't Wait to Learn" app for specific language learning;
- to support 787 teachers with training in crises situations, indirectly providing support to 97,558 children and young people; and
- 17 local implementation partners and NGOs have been provided with training and support to enable capacity building.

Victoria's story

Child-friendly spaces are run across Moldova by World Vision's local partner to bring Ukrainian and Moldovan children together to make art, read and play. "We learn here how to acknowledge our feelings. If I feel angry, I must let that emotion out," says 12-year-old Victoria, pictured above. Facilitators in Moldova have been trained by World Vision in First Aid Arts training, which utilises arts-based psychosocial resources to promote resilience and reduce post-traumatic stress symptoms.

"I noticed changes in the children's behaviour. They are more energetic when they arrive at the facility after school. They are enthusiastic about the activities. They are engaged. They spend more time socialising with one another," says the facilitator.

"When I feel angry, I draw. Painting helps me express my feelings. If the first method doesn't work, I read. Reading is also an effective way to calm down," shares Victoria.

To date, World Vision has reached more than 250,000 children through child-friendly spaces such as the one that Victoria attends. ●



Victoria

Supporting refugees in Bucharest

Tikva

When the war broke out, the founder of Tikva moved over 1,000 people from across Eastern Ukraine to Neptun in Romania. Travelling overland in buses and cars, the group settled in makeshift facilities and built a safe place for the traumatised refugees.

Tikva is currently caring for close to 1,000 still traumatised, worried people in Bucharest, Romania – people for whom leaving behind their homes, friends and relatives, possessions, jobs – their whole lives – still weighs heavily on them. Aside from food, lodging and clothing, Tikva continues to provide employment within the community, retraining and adult education, psychological help, advice and love.

“Having recreated in a few short months what took nearly 30 years to build in Odesa (our “Homes”/orphanages, a 24/7 staffed clinic, our general school system, higher education, psychological services, kosher kitchens and much more) we continue to take care of all of the needs of the community, as a community, and of close to 1,000 individuals.”

Having visited the complex this year, Josh and L1 Board member Linda saw at first hand the incredible work that Tikva is doing for these displaced refugees. 1,250 people have benefitted from the grant in Romania. Our funding supported the setting up of a residential complex in Bucharest with accommodation, orphanages, schools, play areas, kitchens and dining rooms. ●



Medical aid, training and support

The Global Surgical and Medical Support Group (GSMSG)

GSMSG is a charity organisation comprised over 2,000 US physicians and special operations veterans who provide direct medical care and training to populations in conflict zones around the world. GSMSG teams have been deployed in support of civilian populations in Syria, Iraqi Kurdistan, Sierra Leone, Guyana, Honduras, Afghanistan and are currently in Ukraine.

GSMSG deployed the first US surgical team into Ukraine days after the war started and has maintained the largest consecutive presence of US surgical providers and medical trainers for the entirety of this conflict. Our funding has helped them to deliver urgent and longer-term medical support to:

- 23,000 Ukrainian citizens trained in Combat Casualty Care;
- 360 Ukrainian citizens trained in a Train-the-Trainer Programme;
- 690 Ukrainian physicians, nurses or medical students who attended trauma training programmes;
- 226 Ukrainian surgeons who received hands on training with GSMSG surgeons;
- over 300 major surgeries assisted by GSMSG surgeons;
- the US Military Combat Casualty Care Course that GSMSG translated into Ukrainian has been downloaded over 12,000 times since translated and made freely available online.



Medical aid for displaced persons in and bordering Ukraine. ●

IsraAID



Tulcea and Odesa Humanitarian Hubs

Our funding enabled IsraAID, together with local partners, to establish the Tulcea Humanitarian Logistics and the Odesa Humanitarian Logistics Hub within the first weeks of the war. These hubs enabled IsraAID to establish and maintain a humanitarian logistics corridor from Romania to Odesa to the south-east of Ukraine, ensuring safe delivery of vital humanitarian supplies.

Selected highlights include:

- Dispatching 1,280 kg of vital medical equipment, including ultrasounds, defibrillators, and electrosurgery units, procured in the UK to nine hospitals and medical organisations in eight cities in Ukraine.



- Processing a further 11,000 kg of medical equipment and hygiene supplies, like syringes, bandages and pain relievers, from a US-based partner.
- Installing a stable cold-chain environment to ship medicines that require controlled temperatures, such as 3,000 insulin pens donated by Insulin for Life USA.
- Increasing their health partner FRIDA's mobile clinic capacities with \$150,000 worth of medical equipment delivered through its hubs, including ECG monitors, vital signs monitors, respirators, finger pulse oximeters and 3,500 combined COVID-19 and flu tests in preparation for the winter. ●

Direct Relief

Health4 Ukraine project

Direct Relief is an international non-governmental organisation (NGO) that mobilises medical supplies and free prescription medicines to people affected by war and other disasters. Since the invasion on 24 February 2022, Direct Relief has shipped over 1,900 tons of pharmaceuticals and medical products to Ukraine that have all been requested by and/or approved by the Ministry of Health of Ukraine.

L1's funding supported Health4Ukraine (a partnership between epruf sa and Pelion) in an initiative activated across Poland, beginning in 2022, intended to cover the costs of medicines for Ukrainian citizens fleeing the war, enabling access to prescription and over-the-counter drugs, via a specialised

debit card covering subsidies and co-pays for needed medicines. These debit cards function as an insurance card, validating the eligibility of the cardholder to receive prescription medicines from the identified pharmacies free of charge, as well as subsidised non-prescription medicine.

44,000 people received free prescription and over-the-counter medication in Poland during the reporting period, all directly funded by L1's donation. As a direct result of our donation, Health4Ukraine were able to implement an effective assistance programme, providing support in purchasing medicines to almost a fifth of the Ukrainian refugees displaced to Poland. ●



Child protection, anti-trafficking systems

International Centre for Missing and Exploited Children (ICMEC)

Founded by a group of US and European government representatives and business leaders, ICMEC ultimately exists to empower the global community *to create systematic and sustainable protections on behalf of children*. In short, when countries seek to safeguard their children from sexual abuse and exploitation, trafficking, and the threat of going missing, they turn to ICMEC for guidance and support.

Our funding helped ICMEC to build capacity in Eastern Europe, build networks with law enforcement teams and deliver specialist training to people involved in protecting children from abuse and trafficking. We also funded the further development of the

GMCNginer, a tracking database that will ultimately cover all countries in Eastern Europe and further afield.

The GMCNginer technology platform now has 5,000 children in the system, which is an increase of 2,000 cases. During the full grant period ICMEC onboarded Ukraine as a user and now has 80 active cases in the system from Ukraine. It also has 130 cases in Poland, 35 cases in Belarus and 4 cases in Lithuania.

The technology platform issued 3,023 alerts and closed 1,476 cases of missing children during the full grant period.

With L1's support, ICMEC launched a pilot anti-trafficking initiative in Eastern

Europe that it continues to build on with follow-on funding from other donors. The program uncovered and disrupted a sophisticated trafficking network operating for more than 20 years and spanning seven countries. Eight network leaders were identified with four arrested, 14 children were secured and 58 child-serving institutions were identified as conduits for trafficking during the course of the pilot. Local authorities are pursuing further action.

ICMEC has also begun work with the European Space Agency to explore how space technology might assist with the GMCNginer as the issue of missing children from areas of forced migration is considerable and growing. ●



Resettlement support

Citizens UK and USPUK



Citizens UK is a people-powered alliance of diverse local communities working together for the common good, and has partnered with USPUK, a charity that provides pathways for Ukrainians to resettle in the UK, to develop the Communities for Ukraine scheme, awarded "Recognised Provider" status by the UK government, to match refugees with host sponsors under the Homes for Ukraine scheme. Both charities were awarded grants from L1 to support their work in both donation phases and in the last two years since the war started have demonstrated this work's significant impact.

- **Facilitating safe relocation:** Through their dedicated efforts, USPUK has successfully facilitated the relocation of 402 families (851 individuals) to the UK, providing them with a new opportunity for a better life. Additionally, they have arranged for a further 377 families (847 individuals) to join them, ensuring a smoother transition for them after completing the necessary matching, visa and travel arrangements. USPUK also assisted with visas for many Ukrainians under the Scottish and Welsh super-sponsor facilities.
- **Personalised support amidst crisis:** Since 1 April 2022, USPUK's lived-experience consultants have conducted over 8,000 in-person consultations at the Global Expo Modlińska and Nadajin Ptak Expo in Warsaw. These consultations

have been a lifeline for displaced individuals, offering them vital support and guidance during their challenging circumstances.

- **Commitment to help:** Since 1 November 2022, USPUK has ramped up its efforts, holding an average of 300 in-person consultations per month providing essential assistance to those in need.
- **Leveraging digital platforms:** The impact extends beyond physical consultations. USPUK has conducted 6,764 online digital consultations, ensuring accessibility and support for Ukrainians seeking guidance remotely.
- **Engaging through information:** USPUK has answered nearly 40,000 questions about the Homes for Ukraine scheme, providing advice and guidance to approximately 70,000 people representing larger groups. This extensive support has been offered through various channels, including Telegram, Instagram and email.
- **Engagement with individuals:** USPUK's direct interaction with 46,366 Ukrainians seeking assistance in moving to the UK reflects their widespread impact and influence in the community. Through personalised support and guidance, USPUK's consultants have become a beacon of hope for those looking to relocate to the UK.

- **Collaborative efforts:** USPUK collaborated with a dedicated resettlement partner on secondment to Citizens UK to work on matching UK homes to Ukrainians on a case-by-case basis.

Since 2023, L1's funding has enabled USPUK to focus on language and skills training and employment programmes for those resettled in the UK.

Angelina's story

At 24, Angelina's life was disrupted by war. Distanced from her family in Kherson, under Russian occupation, having seen them endure seven months of hardship, she moved to the UK in September 2023, thanks to sponsors Tim and Orian. Despite being uprooted, Angelina cherishes the UK for its language, culture and the warm welcome she's received. She taught piano and English in Ukraine and plans to volunteer as an English teacher in England. *"The most important factor was that my heart told me to choose this country, thank you USPUK."* ●



Combined pro-forma balance sheet of LetterOne ⁽¹⁾ (unaudited)

AS AT 31 DECEMBER 2023

US\$ million	31 Dec 2023	31 Dec 2022
Core Investments		
L1 Energy	2,978	3,944
- Wintershall Dea	2,410	3,753
- Other L1 Energy Investments	568	191
L1 Technology	1,526	1,238
- VEON	707	515
- Turkcell	819	723
L1 Retail	1,574	1,574
- DIA	610	623
- Holland & Barrett	964	951
Private equity funds	2,831	2,626
L1 Health	1,927	1,338
Total Core Investment	10,836	10,720
Treasury and other assets		
Debt instruments	3,942	3,388
Hedge funds (at fair value)	889	891
Direct lending (at amortised cost)	778	806
Liquidity and mutual funds	5	15
Other liquid instruments	231	277
Cash and cash equivalents	1,125	1,156
Other assets and liabilities	286	1,401
Total Treasury and other assets	7,256	7,934
NET ASSETS (2)	18,092	18,654

⁽¹⁾ The Combined Financial Information has been prepared by aggregating the financial information in the consolidated IFRS financial statements of Letterone Holdings SA and Letterone Investment Holdings SA. IFRS does not provide for specific requirements regarding the preparation of Combined Financial Information and consequently, this information has not been prepared in accordance with IFRS.

⁽²⁾ The combined net assets value of US\$18.1bn comprises the US\$5.1bn consolidated net assets value of Letterone Holdings SA and the US\$13.0bn consolidated net assets value of Letterone Investment Holdings SA as at year ended 31 December 2023.

Liquidity

Treasury and other assets	7,256	7,934
Long-term deposits	255	255
Liquidity (<1 yr)	7,001	7,679

Combined pro-forma income statement of LetterOne ⁽¹⁾ (unaudited) for the year ENDED 31 DECEMBER 2023

US\$ million	Year ended 31 Dec 2023	Year ended 31 Dec 2022
Loss from Core Investments		
Loss from L1 Energy	(1,288)	(2,072)
<i>Net loss / gain from Wintershall Dea</i>	<i>(1,274)</i>	<i>(2,037)</i>
Change in fair value	(1,375)	(2,334)
Dividend income	101	297
<i>Net loss from New Energy</i>	<i>(14)</i>	<i>(35)</i>
Change in fair value	(14)	(35)
Gain / (loss) from L1 Technology	268	(1,675)
<i>Net gain / (loss) from VEON</i>	<i>186</i>	<i>(1,806)</i>
Change in fair value	186	(1,806)
<i>Net gain from Turkcell</i>	<i>82</i>	<i>131</i>
Change in fair value	82	119
Dividend income	-	12
Gain from L1 Health	83	45
Change in fair value	83	45
Loss from L1 Retail	(193)	(1,346)
<i>Loss from Holland & Barrett</i>	<i>(179)</i>	<i>(1,146)</i>
Change in fair value	(179)	(1,146)
<i>Loss from DIA</i>	<i>(14)</i>	<i>(200)</i>
Change in fair value	(14)	(200)
Gain / (loss) from private equity funds	67	(2,468)
Change in fair value	67	(2,468)
Total loss from Core Investments	(1,063)	(7,517)
Gain / (loss) from Treasury assets	708	(5)
Net portfolio gain / (loss)	708	(5)
Other net expenses	(207)	(330)
Operating loss	(562)	(7,852)
Income tax expense	-	(1)
Net loss for the year	(562)	(7,853)

⁽¹⁾The Combined Financial Information has been prepared by aggregating the financial information in the consolidated IFRS financial statements of LetterOne Holdings SA and LetterOne Investment Holdings SA IFRS does not provide for specific requirements regarding the preparation of Combined Financial Information and consequently this information has not been prepared in accordance with IFRS.

LETTERONE

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