

BESTSECRET

9M 2024

Bond Report

Financial Results Of PrestigeBidCo GmbH

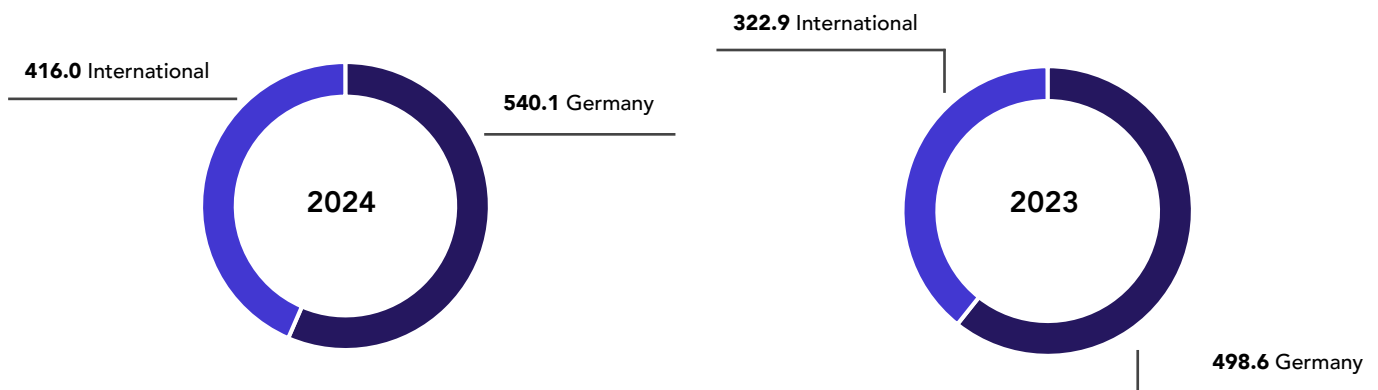
BESTSECRET AT A GLANCE

Key figures	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023	Change
Results of operations (for the reporting period)			
Revenue (in € m)	956.1	821.5	16 %
thereof Germany (in € m)	540.1	498.6	8 %
thereof International (in € m)	416.0	322.9	29 %
Adjusted EBITDA (in € m)	134.2	105.8	27 %
Adjusted EBITDA (as % of revenue)	14.0 %	12.9 %	1.16 pp
Financial position (for the reporting period)			
Operating net working capital (in € m)	330.1	217.2	52 %
Cash flow from operating activities (in € m)	(94.4)	33.5	<(100%)
Cash flow from investing activities (in € m)	(53.5)	(32.6)	64 %
Cash flow from financing activities (in € m)	101.0	8.5	>100%
Free cash flow (in € m)	(46.8)	9.4	<(100%)
Cash and cash equivalents (in € m)	196.4	161.8	21 %
Senior secured net debt (in € m)	353.6	238.2	48 %
Senior secured leverage ratio (senior secured net debt / LTM adj. EBITDA)	1.7	1.4	16 %
Other			
Employees (average headcount for the period)	2,151	2,010	7 %

BESTSECRET REVENUE SPLIT

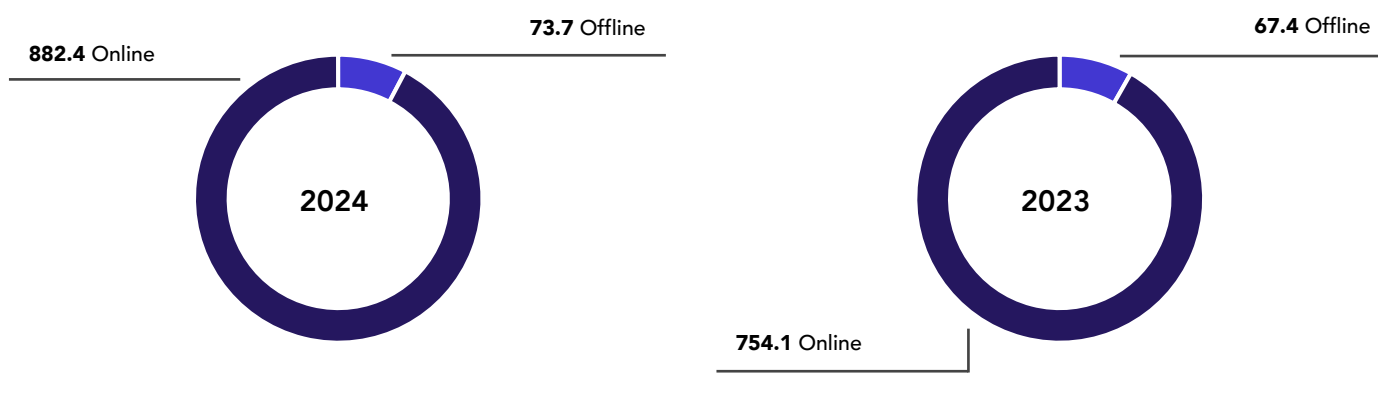
Revenue by segment

in € m



Revenue by channel

in € m



Revenue by quarter

in € m / % of total annual revenue share

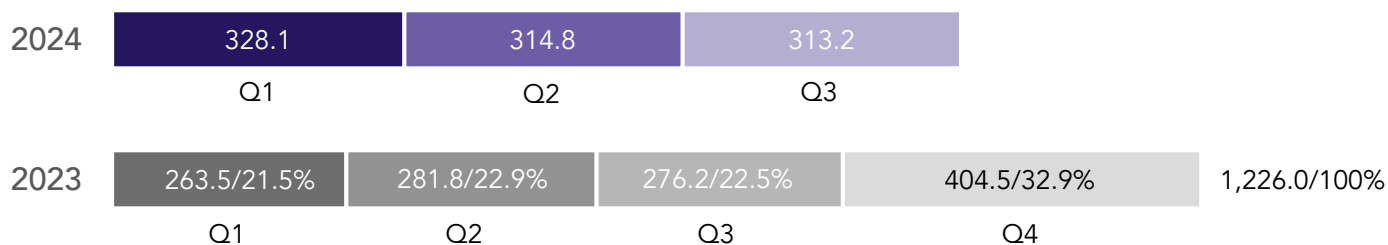


TABLE OF CONTENTS

1. Overview of results


Summary	6
Consolidated income statement	7
Consolidated statement of financial position	8
Consolidated statement of cash flows	10

2. Management discussion and analysis of financial condition and results of operations

Segments	12
Results of operations	13
Net debt	21
Employees	21
Subsequent events	22
Risks and opportunities	22

3. Other information

Accounting principles	25
Definitions	28
Presentation of financial information	29
Forward-looking statements	31

A man with dark, wavy hair and a serious expression is the central focus. He is wearing a black turtleneck sweater under a black leather jacket. He stands in a modern interior space, with a staircase featuring a wooden handrail and a white marble balustrade visible behind him. The lighting is soft and directional, highlighting the textures of his clothing and the architectural details of the room.

1.
Overview of results

BESTSECRET

Summary

BESTSECRET Group announced revenue of €956.1 million in the first nine months of 2024, representing a 16.4% increase compared to €821.5 million for the same period in 2023. This performance reflects robust growth across operating segments, driven by expanding international markets, customer growth and improved order economics. Once again, the Group's unique business model, centered around a closed membership and viral customer growth, has continued to show remarkable resilience in a challenging market environment.

The International segment contributed 43.5% to the Group's total revenue, achieving a 28.8% year-on-year increase to €416.0 million (9M 2023: €322.9 million). The segment Germany reported solid growth of 8.3% year-on-year, with revenues reaching €540.1 million in the first nine months of 2024 (9M 2023: €498.6 million).

BESTSECRET achieved an adjusted EBITDA of €134.2 million in the first nine months of 2024, including anticipated cost synergies from the fulfillment center network expansion, and reflecting a 26.8% increase from the previous year's €105.8 million. The adjusted EBITDA margin increased from 12.9% in the first nine months of 2023 to 14.0% in the same period of 2024.¹⁾ This improvement was supported by a favorable purchasing environment leading to an increased gross margin, a higher share of operating margin accretive brands in the assortment due to the company's Elevation Strategy, and the expanded fulfillment center network.

As of September 30, 2024, Group cash and cash equivalents increased to €196.4 (September 30, 2023: €161.8 million), driven by the good operating performance and successful refinancing of the senior secured notes in July. This was partially offset by higher CAPEX for the ongoing fulfillment center network expansion in Poland and the SAP introduction as well as a preponement of inventory purchases to accelerate growth in the most profitable final quarter of the year. The revolving credit facility, which has a total size of €110.0 million, remained undrawn as of September 30, 2024. The senior secured net leverage ratio²⁾ stood at 1.7x on September 30, 2024 (September 30, 2023: 1.4x).

1) Refers to adjusted EBITDA for the issuer PrestigeBidCo GmbH. Adjusted EBITDA at the parent holding entity Best Secret Group SE includes additional administrative expenses for holding services. Adjusted EBITDA for Best Secret Group SE reached €126.3 million with an adjusted EBITDA margin of 13.2 percent.

2) The senior secured leverage ratio is calculated as senior secured net financial debt of €353.6 million divided by LTM adjusted EBITDA of €212.1 million.

1. Overview of results

Consolidated income statement

	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023 (adjusted) ¹⁾	Change
	(in € million)	(in € million)	%
Revenue	956.1	821.5	16.4
Cost of sales	(556.1)	(480.5)	15.7
Gross profit	400.0	341.0	17.3
Selling and distribution expenses	(293.1)	(260.3)	12.6
Administrative expenses	(78.6)	(57.2)	37.4
Other operating income	4.0	3.4	17.6
Other operating expenses	(4.7)	(2.7)	74.1
Earnings before interest and taxes (EBIT)	27.6	24.2	14.0
Financial income	18.9	9.7	94.8
Financial expenses	(105.0)	(44.0)	>100.0
Earnings before taxes (EBT)	(58.5)	(10.1)	>100.0
Income taxes	17.8	0.1	>100.0
Net loss for the period	(40.7)	(10.1)	>100.0

1) The allocation of costs to functional areas was adjusted based on the implementation of the new integrated SAP-system on April 1st 2024 and to increase transparency and comparability within the industry. For reasons of comparability, the previous year's figures were adjusted accordingly.

Consolidated statement of financial position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

	30.09.2024	31.12.2023	Change
	(in € million)	(in € million)	%
Assets			
Non-current assets			
Goodwill	203.5	203.5	—
Other intangible assets	220.0	234.1	(6.0)
Property, plant and equipment	119.7	100.7	18.8
Right-of-use assets	159.5	127.0	25.5
Non-current financial assets	5.9	4.6	29.6
Total non-current assets	708.6	670.0	5.8
Current assets			
Inventories	502.1	352.6	42.4
Trade and other receivables	39.2	12.0	>100.0
Other current financial assets	38.6	18.8	>100.0
Other current non-financial assets	53.3	43.2	23.4
Income tax receivable	2.6	1.3	>100.0
Cash and cash equivalents	196.4	243.2	(19.3)
Total current assets	832.2	671.2	24.0
Total assets	1,540.8	1,341.2	14.9

1. Overview of results

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

	30.09.2024	31.12.2023	Change
	(in € million)	(in € million)	%
Equity			
Issued capital	0.03	0.03	—
Capital reserves	474.2	474.2	—
Retained earnings	(85.4)	(44.8)	90.7
Other components of equity	(5.2)	(0.2)	>100.0
Total equity	383.6	429.3	(10.6)
Non-current liabilities			
Non-current provisions	0.7	0.6	10.7
Non-current interest-bearing loans and borrowings	575.6	363.1	58.5
Non-current lease liabilities	172.3	141.9	21.4
Deferred tax liabilities	34.4	61.0	(43.6)
Total non-current liabilities	783.0	566.5	38.2
Current liabilities			
Trade and other payables	149.1	129.4	15.2
Current interest-bearing loans and borrowings	10.6	8.8	20.6
Current lease liabilities	14.4	7.5	93.2
Other current financial liabilities	109.3	88.7	23.2
Current non-financial liabilities	90.8	103.5	(12.3)
Income tax payable	0.0	7.4	(100.0)
Total current liabilities	374.2	345.4	8.4
Total equity and liabilities	1,540.8	1,341.2	14.9

1. Overview of results

Consolidated statement of cash flows

	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023	Change
	(in € million)	(in € million)	%
Earnings before interest and taxes (EBIT)	27.6	24.0	15.0
Depreciation of property, plant and equipment and right-of-use assets	18.6	15.9	17.0
Amortization and impairment of intangible assets and goodwill	55.5	47.8	16.2
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	101.6	87.6	16.0
Adjustments to reconcile EBITDA to cash flow	(36.4)	(14.0)	>100.0
Change in operating working capital	(148.9)	(26.2)	>100.0
Income tax paid	(15.7)	(15.0)	4.3
Interest received	4.9	1.1	>100.0
Cash flows from operating activities	(94.4)	33.5	<(100.0)
CAPEX	(53.5)	(32.6)	63.9
Cash flows from investing activities	(53.5)	(32.6)	63.9
Payment of lease liabilities	(7.4)	(6.0)	21.9
Interests paid	(43.3)	(32.8)	32.0
Payment of transaction costs on issue of Senior Secured Notes	(10.3)	(1.9)	>100.0
Payment for transaction costs on the revolving credit facility (RCF)	(2.2)	0.0	n/a
Proceeds from Senior Secured Notes	550.0	50.0	>100.0
Proceeds from borrowings	14.1	3.7	>100.0
Repayment of previous Senior Secured Notes	(400.0)	0.0	n/a
Dividends paid ¹⁾	0.0	(4.5)	(100.0)
Cash flows from financing activities	101.0	8.5	>100.0
Change in cash and cash equivalents	(46.8)	9.4	<(100.0)
Cash and cash equivalents at the end of the period	196.4	161.8	21.4

1) This cash outflow refers to the intra-group dividend to Best Secret Group SE which the shareholders of PrestigeBidCo GmbH resolved to distribute in April 2023 (see subsequent events disclosure in bond report FY 2022).

A woman with dark hair pulled back, wearing a white turtleneck sweater and a white skirt, is sitting on a brown leather sofa. She is looking directly at the camera with a neutral expression. The background features a wooden floor with a geometric pattern and a dark, textured wall.

2.
Management discussion and analysis of financial
condition and results of operations

BESTSECRET

Segments

IFRS 8 requires that operating segments be defined on the basis of the internal reports of corporate divisions that are regularly reviewed by the chief operating decision maker (CODM) of the Group for the purpose of making decisions about the allocation of resources and assessing the financial performance of the given segments Germany and International. Thus, the internal organizational and management structure and the internal reports submitted to the CODM form the basis for determining the segment reporting format of the Group. Primary emphasis is placed on the key performance indicators revenue and adjusted EBITDA. There are no intersegment transactions in the internal reporting structure. No information on segment assets or liabilities is available or relevant for decision-making.

The Group operates based on the internal management structure with two segments Germany and International. The results by segments can be summarized as follows:

Results by segment as of September 30, 2024

in € million	Germany	International	Total Group
Revenue	540.1	416.0	956.1
Adjusted EBITDA	83.8	50.4	134.2
Exceptional items	11.4	8.5	20.0
Run rate cost synergies from fulfillment center network expansion	7.7	4.9	12.6
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	64.6	37.0	101.7

Results by segment as of September 30, 2023

in € million	Germany	International	Total Group
Revenue	498.6	322.9	821.5
Adjusted EBITDA	71.3	34.5	105.8
Exceptional items	3.9	2.5	6.4
Run rate cost synergies from fulfillment center network expansion	7.2	4.6	11.8
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	60.2	27.4	87.6

Results of operations

	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023 (adjusted) ¹⁾	Change
	(in € million)	(in € million)	%
Revenue	956.1	821.5	16.4
Cost of sales	(556.1)	(480.5)	15.7
Gross profit	400.0	341.0	17.3
Selling and distribution expenses	(293.1)	(260.3)	12.6
Administrative expenses	(78.6)	(57.2)	37.4
Other operating income	4.0	3.4	17.6
Other operating expenses	(4.7)	(2.7)	74.1
Earnings before interest and taxes (EBIT)	27.6	24.2	14.0
Financial income	18.9	9.7	94.8
Financial expenses	(105.0)	(44.0)	>100.0
Earnings before taxes (EBT)	(58.5)	(10.1)	>100.0
Income taxes	17.8	0.1	>100.0
Net loss for the period	(40.7)	(10.1)	>100.0

1) The allocation of costs to functional areas was adjusted based on the implementation of the new integrated SAP-system on April 1st 2024 and to increase transparency and comparability within the industry. For reasons of comparability, the previous year's figures were adjusted accordingly.

REVENUE

BESTSECRET Group's revenue increased by €134.6 million, or 16.4%, from €821.5 million for the first nine months ended September 30, 2023 to €956.1 million for the first nine months ended September 30, 2024. The resilience of the Group's business model and its ability to thrive in a highly competitive market are evident in this growth.

The revenue generated in Germany changed by €41.5 million, or 8.3%, from €498.6 million for the first nine months ended September 30, 2023 to €540.1 million for the first nine months ended September 30, 2024. The International business revenue increased by €93.1 million, or 28.8%, from €322.9 million for the first nine months ended September 30, 2023 to €416.0 million for the first nine months ended September 30, 2024. The growth of 28.8% is mainly attributable to the good customer base growth and strong customer order economics. For the first nine months ended September 30, 2024, 43.5%

of the Group's revenue was generated outside of Germany, an increase from 39.3% in the prior year period, confirming the success of BESTSECRET's internationalization strategy.

COST OF SALES

Cost of sales increased by €75.6 million, or 15.7%, from €480.5 million for the first nine months ended September 30, 2023 to €556.1 million for the first nine months ended September 30, 2024. The increase was primarily due to the overall business growth. The gross profit margin was positively impacted by a more favorable purchasing environment. Cost of sales as a percentage of revenue were 58.2% which is 0.3 percentage points lower than for the first nine months ended September 30, 2023 (58.5%). Expenses for depreciation of €0.1 million (9M 2023: €0.1 million) and costs for the storage of goods of €6.3 million (9M 2023: €5.5 million) are reported in cost of sales for the first nine months ended September 30, 2024.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses increased by €32.8 million, or 12.6%, from €260.3 million for the first nine months ended September 30, 2023 to €293.1 million for the first nine months ended September 30, 2024. The selling and distribution expenses mainly contain fulfillment expenses of €180.1 million (9M 2023: €160.0 million), marketing expenses of €21.3 million (9M 2023: €16.9 million), sales expenses of €28.5 million (9M 2023: €26.5 million) as well as amortization and depreciation expenses of €63.2 million (9M 2023: €57.1 million). The increase in fulfillment expenses was primarily driven by an increased business volume and a higher international share. The fulfillment cost ratio decreased to 18.8% of revenue for the first nine months ended September 30, 2024 from 19.5% for the first nine months ended September 30, 2023 thanks to the expanded fulfillment center network and increased average selling prices on the back of our Elevation Strategy. The increase in marketing expenses is mainly due to higher expenses in connection with paid channel marketing. Marketing expenses in the reporting period nearly equaled 2.2% (9M 2023: 2.1%) of revenue. Amortization in the amount of €36.6 million (9M 2023: €36.6 million) primarily relates to amortization of brand name and customer base.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by €21.4 million, or 37.4%, from €57.2 million for the first nine months ended September 30, 2023 to €78.6 million for the first nine months ended September 30, 2024. Administrative expenses consist of technology expenses of €27.1 million (9M 2023: €16.4 million), general and administrative expenses of €40.8 million (9M 2023: €34.3 million) and depreciation expenses of €10.7 million (9M 2023: €6.4 million). The increase in administrative expenses is primarily driven by technology and administrative expenses due to increased internal and external personnel expenses.

OTHER OPERATING INCOME

Other operating income increased by €0.6 million from €3.4 million for the first nine months ended September 30, 2023 to €4.0 million for the first nine months ended September 30, 2024. Other operating income mainly consists of income from foreign currency exchange differences and non-period income as well as income from the passing on of intercompany transactions to the holding company.

OTHER OPERATING EXPENSES

Other operating expenses increased by €2.0 million from €2.7 million for the first nine months ended September 30, 2023 to €4.7 million for the first nine months ended September 30, 2024. Other operating expenses mainly consist of foreign currency exchange losses.

FINANCIAL INCOME

Financial income increased by €9.2 million from €9.7 million for the first nine months ended September 30, 2023 to €18.9 million for the first nine months ended September 30, 2024. The increase in financial income is mainly driven by higher credit interest income and positive exchange rate differences from lease liabilities and loans.

FINANCIAL EXPENSES

Financial expenses increased by €61.0 million from €44.0 million for the first nine months ended September 30, 2023 to €105.0 million for the first nine months ended September 30, 2024. Financial expenses mainly consist of interest and other expenses for the Senior

2. Management discussion and analysis of financial condition and results of operations

Secured Notes, interest on lease liabilities and the valuation of embedded derivatives on the reporting date.

The increase in the financial expenses is mainly due to increased expenses for the Senior Secured Notes which include extraordinary amortization of transaction costs related to the previous bond issued in 2022, amounting to €46.2 million (9M 2023:€0 million) as well as a negative change in fair value resulting from the valuation of embedded derivatives on reporting date which resulted in a financial expense of €5.7 million (9M 2023: financial income €7.7 million).

INCOME TAXES

Income taxes changed by €17.7 million from €0.1 million tax income for the first nine months ended September 30, 2023 to €17.8 million tax income for the first nine months ended September 30, 2024.

Income from deferred taxes increased due to the recognition of deferred tax assets on interest carried forward and due to the reversal of deferred taxes due to the extraordinary amortization of transaction costs in the course of refinancing of the Senior Secured Notes.

Expenses from current income taxes increased mainly due to effects from the successful refinancing in 2024 in relation to the interest barrier, transaction costs and disagio on the replaced financing.

NET LOSS FOR THE PERIOD

Net loss for the period amounted to €40.7 million for the first nine months ended September 30, 2024, compared to a net loss of €10.1 million for the first nine months ended September 30, 2023, representing a increase of €30.6 million. The increase is primarily due to the increase in financial expenses which was partly offset by a higher EBITDA.

2. Management discussion and analysis of financial condition and results of operations

EBITDA / ADJUSTED EBITDA

	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
	(in € million)	(in € million)
Earnings before interest and taxes (EBIT)	27.6	24.0
Depreciation, amortization and impairment loss	74.0	63.6
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	101.7	87.6
Exceptional Items	20.0	6.4
Run rate cost synergies from fulfillment center network expansion	12.6	11.8
Adjusted EBITDA	134.2	105.8

Expenses for depreciation, amortization and impairment loss increased by €10.4 million from €63.6 million for the first nine months ended September 30, 2023 to €74.0 million for the first nine months ended September 30, 2024.

EBITDA increased by €14.0 million, from €87.6 million for the first nine months ended September 30, 2023 to €101.7 million for the first nine months ended September 30, 2024.

The adjustments increased by €14.4 million, from €18.2 million for the first nine months ended September 30, 2023 to €32.6 million for the first nine months ended September 30, 2024 mainly due to investments in tech and data for our new ERP system SAP to further improve our system backbone.

Adjusted EBITDA increased by €28.4 million, from €105.8 million for the first nine months ended September 30, 2023 to €134.2 million for the first nine months ended September 30, 2024. The positive operational impacts were driven by a more favorable purchasing environment, an increased share of operating margin accretive brands in the assortment thanks to the company's Elevation Strategy, and the expanded fulfillment center network.

2. Management discussion and analysis of financial condition and results of operations

CASH FLOWS

The following table sets forth the principal components of the Group's cash flow for the first nine months ended September 30, 2024 and 2023:

	01.01.2024 - 30.09.2024 -	01.01.2023 - 30.09.2023 -	Change
	(in € million)	(in € million)	%
Earnings before interest and taxes (EBIT)	27.6	24.0	15.0
Depreciation of property, plant and equipment and right-of-use assets	18.6	15.9	17.0
Amortization and impairment of intangible assets and goodwill	55.5	47.8	16.2
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	101.6	87.6	16.0
Adjustments to reconcile EBITDA to cash flow	(36.4)	(14.0)	>100.0
Change in operating working capital	(148.9)	(26.2)	>100.0
Income tax paid	(15.7)	(15.0)	4.3
Interest received	4.9	1.1	>100.0
Cash flows from operating activities	(94.4)	33.5	<(100.0)
CAPEX	(53.5)	(32.6)	63.9
Cash flows from investing activities	(53.5)	(32.6)	63.9
Payment of lease liabilities	(7.4)	(6.0)	21.9
Interests paid	(43.3)	(32.8)	32.0
Payment of transaction costs on issue of Senior Secured Notes	(10.3)	(1.9)	>100.0
Payment for transaction costs on the revolving credit facility (RCF)	(2.2)	0.0	n/a
Proceeds from Senior Secured Notes	550.0	50.0	(100.0)
Proceeds from borrowings	14.1	3.7	>100.0
Repayment of previous Senior Secured Notes	(400.0)	0.0	n/a
Dividends paid ¹⁾	0.0	(4.5)	(100.0)
Cash flows from financing activities	101.0	8.5	>100.0
Change in cash and cash equivalents	(46.8)	9.4	<(100.0)
Cash and cash equivalents at the end of the period	196.4	161.8	21.4

1) This cash outflow refers to the intra-group dividend to Best Secret Group SE which the shareholders of PrestigeBidCo GmbH resolved in April 2023 to distribute (see subsequent events disclosure in bond report FY 2022).

CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities changed by €127.9 million from €33.5 million net inflow for the first nine months ended September 30, 2023 to a net outflow of €94.4 million for the first nine months ended September 30, 2024. The cash flows from

2. Management discussion and analysis of financial condition and results of operations

operating activities were mainly influenced by the preponement of inventory purchases to accelerate growth in the most profitable final quarter of the year, a lower positive impact from a temporarily reduced utilization of supply chain financing as well as higher exceptional items primarily due to investments in our new ERP system SAP.

CASH FLOWS FROM INVESTING ACTIVITIES

Cash flows from investing activities changed by €20.8 million from a net outflow of €32.6 million for the first nine months ended September 30, 2023 to a net outflow of €53.5 million for the first nine months ended September 30, 2024. The increase primarily resulted from higher investments in the expansion of the fulfillment center network in Poland and in tech and data for our new ERP system SAP to further improve the system backbone.

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities changed by €92.6 million from a net inflow of €8.5 million for the first nine months ended September 30, 2023 to a net inflow of €101.0 million for the first nine months ended September 30, 2024. The change in cash flows from financing activities was primarily due to the refinancing of the Senior Secured Notes in July of this year.

OPERATING NET WORKING CAPITAL

The operating net working capital is defined as the sum of the (i) inventories and prepayments for inventories, (ii) trade and other receivables, (iii) trade and other payables, (iv) others. 'Others' includes refund liabilities, assets for the right to recover possession of goods for expected returns and liabilities in connection with supply chain financing. The development of the BESTSECRET Group's operating net working capital is a key factor for the Group's operating cash flow.

The following table summarizes the BESTSECRET Group net working capital as at the dates indicated:

	30.09.2024	31.12.2023	Change
	(in € million)	(in € million)	%
Inventories and prepayments for inventories	520.3	359.4	44.8
Trade and other receivables	39.2	12.0	>100.0
Trade and other payables	(149.1)	(129.4)	15.2
Others	(80.4)	(63.3)	27.0
Operating Net Working Capital	330.1	178.7	84.7

Operating net working capital increased by €151.3 million to €330.1 million mainly due to a higher inventory level on the back of a preponement of inventory purchases to accelerate growth in the most profitable final quarter of the year as well as higher trade and other receivables which were partly offset by higher trade and other payables.

Net financial debt and ratios

	30.09.2024	31.12.2023 ¹⁾
Senior secured net financial debt ²⁾	353.6	156.8
LTM interest expense	103.9	55.2
Ratio of Senior secured net financial debt to LTM Adjusted EBITDA ³⁾	1.7	0.9
Ratio of LTM Adjusted EBITDA to interest expense (fixed charge)	2.0	3.3

1) Revision in the calculation rationale.

2) Principal amount. The balance sheet amount on the basis of IFRS was €362.0m on September 30, 2024. Net financial debt (principal amount) is €568.0m on September 30, 2024. Net financial debt (balance sheet amount on the basis of IFRS) was €576.5m on September 30, 2024.

3) Based on principal amount of debt. Using the IFRS balance sheet amount, the ratio was 1.7x on September 30, 2024. Ratio based on principal amount of net financial debt is 2.7x on September 30, 2024. Using the IFRS balance sheet amount of net financial debt, the ratio was 2.7x on September 30, 2024.

Average number of employees

	30.09.2024	30.09.2023
Function		
Commercial	265	227
Operations	1,529	1,333
Technology	337	297
Administration	19	153
Total	2,151	2,010
	30.09.2024	30.09.2023
Geography		
Germany	1,786	1,713
International	365	297
Total	2,151	2,010

The average number of employees in the first nine months 2024 was 2,151.

Subsequent events

The liquidation of Swiss Online Shopping AG, an indirect subsidiary of PrestigeBidCo GmbH, has been finalized and the company was deleted from the Swiss commercial register (Handelsregister) on October 14, 2024.

The shareholders of PrestigeBidCo GmbH have resolved on November 7, 2024 to distribute an intra-group dividend in the amount of €16 million in Q1 2025 to Best Secret Group SE to cover the operating loss at the level of Best Secret Group SE resulting from its holding function.

In November 2024, Best Secret GmbH entered into a loan agreement with PTGLUX S.à r.l., which allows the latter to draw up to €6 million. Until November 18, 2024, €2.7 million were drawn by PTGLUX S.à r.l..

No other events occurred that would require adjustments to the amounts recognized in the consolidated financial statements or would need to be disclosed under this heading.

Risks and opportunities

For a detailed list of the risks and opportunities the BESTSECRET Group faces, the report refers to the Group's annual bond report 2023. The risks and opportunities being described in the 2023 annual bond report are not the only ones the Group faces. Additional risks and uncertainties of which BESTSECRET Group is not aware or that the Group currently believes are immaterial may also adversely affect the business, financial condition and results of operations. If any of the possible events described in the 2023 annual bond report were to occur, BESTSECRET Group's business, results of operations and financial condition could be materially and adversely affected. If that happens, the trading prices of the Notes could decline, the Group may not be able to pay interest or principal on the Notes when due and investors could lose all or part of their investment.

The BESTSECRET Group is exposed to numerous potential risks. In order to achieve targets and maximize value, management's role is to continually identify these risks and minimize potential exposure to these risks.

BESTSECRET Group's management continuously reviews both internal and external risks in all business areas and subsidiaries, evaluates them with respect to exposure and probability of occurrence and ensures, where appropriate, that amounts are reflected in the financial statements to cover such exposure.



3.

Other Information

BESTSECRET

Accounting principles

General principles

The registered office of PrestigeBidCo GmbH is located at Margaretha-Ley-Ring 27, Aschheim, Germany. The company is registered with the Munich Registry Court (record HRB 227078).

This Bond Report has been prepared based on International Financial Reporting Standards (IFRS) and should be read in conjunction with the Group's last Annual Consolidated Financial Statements for the financial year ended December 31, 2023. It does not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last consolidated financial statements.

The accounting and valuation principles as well as the consolidation principles for the reporting period are substantially consistent with those applied for the PrestigeBidCo's Annual Consolidated Financial statements as of December 31, 2023.

The Condensed Consolidated Interim Financial Statements were authorized by the company's management board by the signed financial statements dated November 22, 2024.

The Consolidated Financial Statements are presented in euros (EUR/€). All figures are stated in millions of euros unless otherwise stated.

New accounting standards

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted in the European Union (EU).

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual

consolidated financial statements for the year ended 31 December 2023, except for the adoption of new accounting standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Consolidation principles

All of the German and foreign entities over which PrestigeBidCo GmbH has direct or indirect control are fully consolidated in the Consolidated Financial Statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements of the Group include:

Company name	Location	Shareholding in % 30.09.2024
PrestigeBidCo GmbH (Germany)	Aschheim	
Best Secret GmbH (Germany)	Aschheim	100
Best Secret Logistik GmbH (Germany)	Poing	100
Lawrence Grey GmbH (Germany)	Aschheim	100
Best Secret Retail Wien GmbH (Austria)	Vienna	100
Best Secret Hellas S.M. S.A. (Greece)	Ioannina	100
Best Secret S.r.l. (Italy)	Milano	100
Best Secret Poland sp. z o.o. (Poland)	Sulechów	100
Swiss Online Shopping AG i.L.* (Switzerland)	Zürich	100

*liquidated on 14 October 2024

Currency translation

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. That is the currency of the primary economic environment in which the Group operates. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgements, assumptions and estimates that have effects on the amounts carried and the related disclosures. Although these estimates are based on the current events and measured to the best of management's knowledge, there may be deviations between estimated and actual results. Significant estimates and assumptions have been used for the following matters in particular:

- Impairment of non-financial assets (including forecasts and COVID impact)
- Determination and assessment of the realizability of deferred tax assets on unused tax losses and income taxes
- Assumptions for the calculation of returns and unredeemed coupons
- Inventory valuation
- Segment reporting
- Assessment of the necessity and amount of allowances on receivables
- Interest rate in connection with IFRS 16
- Assumptions with regard to making use of termination or extension options in connection with IFRS 16
- Assumptions with regards to notes measurement including separation of embedded derivatives
- Assumptions with regards to fair value measurement of derivative financial instruments
- Customer acquisition costs
- Presentation of amounts related to supply chain financing
- Factoring agreements

Definitions

BESTSECRET GROUP

BESTSECRET Group, Group, company, refers to the issuer (PrestigeBidCo GmbH) including Best Secret GmbH, Best Secret Logistik GmbH, Lawrence Grey GmbH, Best Secret Retail Wien GmbH, Best Secret Hellas S.M. S.A., Best Secret S.r.l., Best Secret Poland sp. z o.o. and Swiss Online Shopping AG i.L. with respect to the information as of and for the period ended 30 September, 2024.

ISSUER

PrestigeBidCo GmbH, a company with limited liability (“Gesellschaft mit beschränkter Haftung”) incorporated and existing under the laws of Germany with its registered office at Margaretha-Ley-Ring 27, 85609 Aschheim, Germany and registered with the commercial register at the local court (Amtsgericht) of Munich under number HRB 227078.

NOTES

On July 3, 2024 PrestigeBidCo GmbH issued new Senior Secured Notes. The Senior Secured Notes have a volume of €550,000k and a maturity date of July 1, 2029. The interest rate is based on three-month EURIBOR (subject to a 0% floor) plus 375 basis points per annum. Interest will be paid on the Notes quarterly in arrears on each January 15, April 15, July 15 and October 15, commencing on October 15, 2024.

OPERATING NET WORKING CAPITAL

Operating net working capital is defined as the sum of (i) inventories and prepayments for inventories, (ii) trade and other receivables, (iii) trade and other payables and (iv) others. ‘Others’ includes refund liabilities, assets for the right to recover possession of goods for expected returns and financial liabilities in connection with supply chain financing.

REVOLVING CREDIT FACILITY

As of 30 September 2024, Revolving Credit Facility (RCF) means the credit facility in the amount of €110.0 million under the revolving credit facility agreement dated July 14, 2022 among the Issuer, as borrower, and UniCredit, Goldman Sachs, J.P. Morgan and Deutsche Bank, as lenders.

SENIOR SECURED NET DEBT

We define senior secured net debt as the principal amount of the Senior Secured Notes and the Revolving Credit Facility less cash and cash equivalents.

Presentation of financial information

Financial information

The consolidated financial statements included in this Report have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial information in this Report is based on that of PrestigeBidCo GmbH. In particular, this Report includes the unaudited consolidated financial statements of PrestigeBidCo GmbH, Aschheim and its subsidiaries (the Group), which comprise the consolidated statements of comprehensive income for the first nine months 2024, the consolidated balance sheet as at September 30, 2024, the consolidated statements of cash flows for the first nine months 2024.

Non-IFRS financial measures

This Report contains non-IFRS financial measures and ratios, including EBITDA, Adjusted EBITDA, Capital Expenditure and Operating Net Working Capital that are not required by, or presented in accordance with, IFRS. BESTSECRET Group's non-IFRS financial measures are defined by the Group as set out below.

"EBITDA" is defined as net income/(net loss) for the period before income taxes, financial income, financial expenses, depreciation, amortization and impairment losses and the reversal of impairment losses, each as shown in the Consolidated Financial Statements.

"Adjusted EBITDA" is defined as EBITDA excluding exceptional items and including pro forma synergies. Therefore, the reconciliation from EBITDA to adjusted EBITDA includes non-recurring, extraordinary and other non-operational items as well as run rate cost synergies from the fulfillment center network expansion (calculated as percentage of revenue).

"Capital Expenditure" is defined as the sum of: (i) purchase of property, plant and equipment, (ii) purchase of intangible assets and (iii) capitalized development costs each as shown in the consolidated statements of cash flows in the Consolidated Financial Statements.

“Operating Net Working Capital” is defined as the sum of (i) inventories and prepayments for inventories, (ii) trade and other receivables, (iii) trade and other payables and (iv) others. ‘Others’ includes refund liabilities, assets for the right to recover possession of goods for expected returns and financial liabilities in connection with supply chain financing.

The non-IFRS financial measures are presented because the BESTSECRET Group believes that they are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-IFRS financial measures may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or be used as a substitute for an analysis of the Group’s operating result as reported under IFRS. Non-IFRS financial measures and ratios are not measurements of the BESTSECRET Group’s performance or liquidity under IFRS and should not be considered as alternatives to net income/net loss for the period or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities. The non-IFRS financial measures may not give an accurate or complete picture of the Group’s financial condition or results of operations for the periods presented and should not be relied upon when making an investment decision.

Rounding

Certain numerical figures set out in this Report, including financial information presented in millions and percentages, have been subject to rounding adjustments. As a result, it is possible that figures may not add up exactly to the total stated, and the percentages presented may not precisely reflect the figures they corresponded to. With respect to financial information set out in this Report, a dash (“—”) signifies that the relevant figure is not available, while a zero (“0.0”) signifies that the relevant figure is available but is or has been rounded to zero.

Forward-looking statements

This Report includes forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Report, including, without limitation, those regarding the future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets in which the Group participate or is seeking to participate, or anticipated regulatory changes in the markets in which the Group operates or intends to operate. In some cases, investors can identify forward-looking statements by terminology such as “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “projected,” “should,” or “will” or the negative of such terms or other comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties, and other factors because they relate to events and depend on circumstances that may or may not occur in the future. The Group cautions investors that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that the Group’s actual results of operations, including the financial condition and liquidity and the development of the industry in which the Group operates, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Report. In addition, even if the Group’s results of operations, including the financial condition and liquidity and the development of the industry in which the Group operates, are consistent with the forward-looking statements contained in this report, those results or developments may not be indicative of results or developments in subsequent periods.

Inprint

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