



BEST SECRET

3M 2024

Bond Report

FINANCIAL RESULTS OF PRESTIGEBIDCO GMBH

BestSecret at a glance

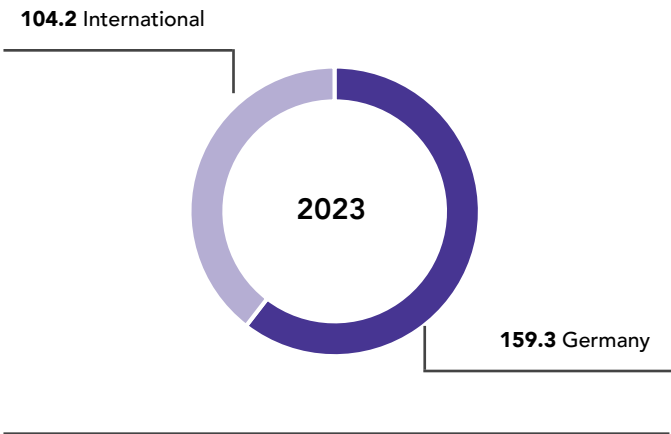
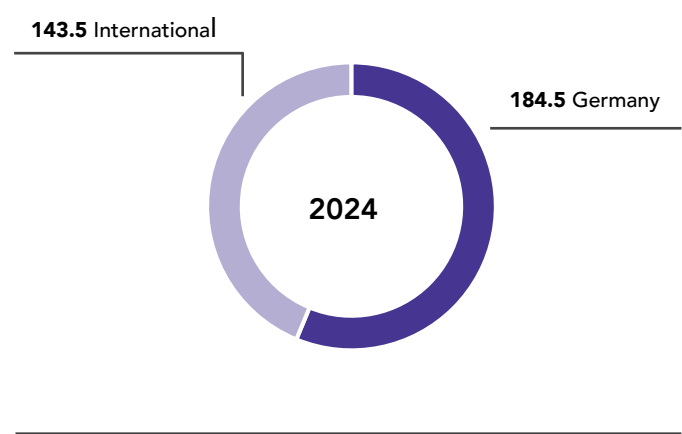
Key figures	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023	Change
Results of operations (for the reporting period)			
Revenue (in EUR m)	328.1	263.5	25 %
thereof Germany (in EUR m)	184.5	159.3	16 %
thereof International (in EUR m)	143.5	104.2	38 %
Profit contribution II (in EUR m)	68.6	47.9	43 %
Adjusted EBITDA (in EUR m)	47.2	30.0	57 %
Adjusted EBITDA (as % of revenue)	14.4 %	11.4 %	3 pp
Financial position (for the reporting period)			
Operating net working capital (in EUR m)	197.0	205.8	(4) %
Cash flow from operating activities (in EUR m)	(6.7)	(19.9)	(62) %
Cash flow from investing activities (in EUR m)	(11.1)	(8.6)	28 %
Cash flow from financing activities (in EUR m)	(16.3)	(7.8)	>100.0%
Free cash flow (in EUR m)	(34.0)	(36.3)	(4) %
Cash and cash equivalents (in EUR m)	209.3	116.2	80 %
Senior secured net debt (in EUR m)	190.7	233.8	(18) %
Senior secured leverage ratio (senior secured net debt / LTM adj. EBITDA)	0.9	1.6	(42) %
Fixed charge coverage ratio (LTM adjusted EBITDA / interest expense)	2.9	3.2	(9) %
Other			
Employees (average headcount for the period)	2,286	1,951	17 %



BestSecret revenue split

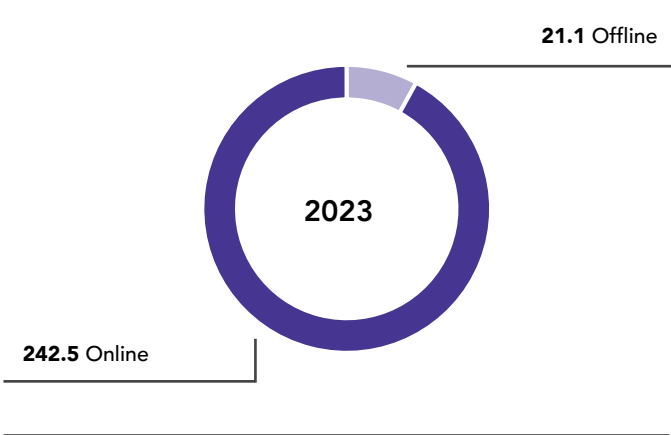
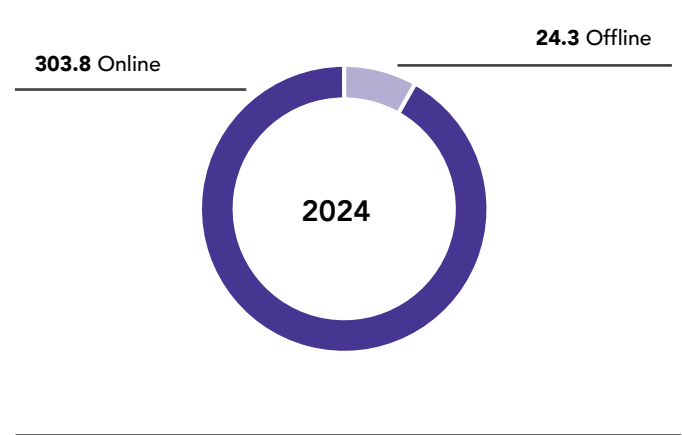
Revenue by segment

in EUR m



Revenue by channel

in EUR m



Revenue by quarter

in EUR m / % of total annual revenue share

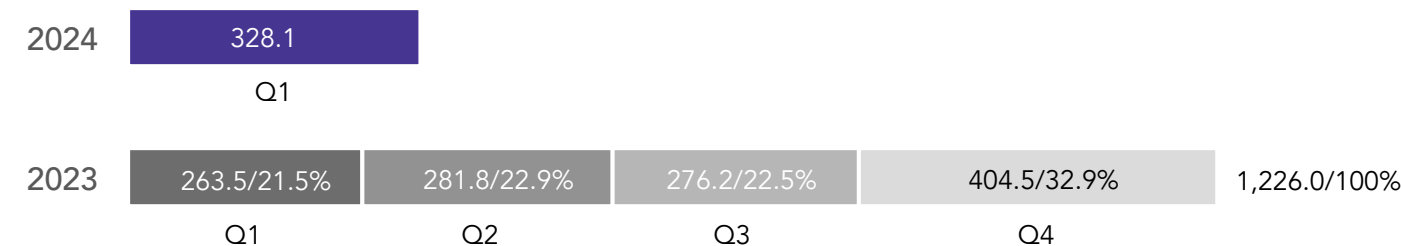


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Overview of results

Summary

BestSecret Group reported revenue of EUR 328.1 million in the first three months of 2024. This marked a notable 24.5% increase to the previous year's revenue of EUR 263.5 million in 3M 2023. The positive performance was driven by an increase in the number of active customers combined with strong order economics, very good growth in Germany and a dynamic international expansion. Despite navigating a challenging landscape of geopolitical tensions, macroeconomic uncertainties, inflationary pressure, and volatile consumer confidence throughout the quarter, the Group's unique business model, centred around closed membership and viral growth, continues to showcase remarkable resilience.

The main growth driver was the International segment, which contributed a record 43.8% to the Group's total revenue in 3M 2024. The segment achieved EUR 143.5 million in revenue in the first three months of 2024, making a 37.8% year-on-year growth compared to EUR 104.2 million recorded in 3M 2023. The segment Germany grew a strong 15.8% year-on-year and recorded revenue of EUR 184.5 million in the first three months of 2024 (3M 2023: EUR 159.3 million).

BestSecret generated EUR 47.2 million of adjusted EBITDA for the first three months of 2024, including anticipated cost synergies from the fulfillment center network expansion. This marks a 57.3% increase over the comparable prior year figure of EUR 30.0 million. The adjusted EBITDA margin saw an improvement from 11.4% in the first three months of 2023 to 14.4% in 3M 2024.¹ The positive operational impacts were driven by a more favourable purchasing environment, an increased share of margin accretive brands in the assortment thanks to the successful implementation of the company's Elevation Strategy, and the expanded fulfillment center network.

Group cash and cash equivalents increased to EUR 209.3 million on March 31, 2024 (March 31, 2023: EUR 116.2 million) on the back of strong earnings and continued working capital optimization efforts. The revolving credit facility, which has a total size of EUR 110.0 million, was undrawn as of March 31, 2024. The senior secured net leverage ratio² improved to 0.9x on March 31, 2024 (March 31, 2023: 1.6x).

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 which, in 2023, for the first time resulted in a tangible difference in adjusted EBITDA due to the transfer of central functions to the holding company in that year. Adjusted EBITDA for Best Secret Group SE reached EUR 44.6 million with an adjusted EBITDA margin of 13.6 percent.

² The senior secured leverage ratio is calculated as senior secured net financial debt of EUR 190.7 million divided by LTM adjusted EBITDA of EUR 200.9 million.



Consolidated income statement

	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023	Change
	(in € million)	(in € million)	%
Revenue	328.1	263.5	24.5
Cost of sales	(189.6)	(156.6)	21.0
Gross profit	138.5	106.9	29.6
Selling and distribution expenses	(94.7)	(80.2)	18.2
Administrative expenses	(28.8)	(23.9)	20.6
Other operating income	0.7	0.9	(25.1)
Other operating expenses	(1.3)	(1.6)	(17.3)
Earnings before interest and taxes (EBIT)	14.3	2.2	>100.0
Financial income	2.0	5.7	(64.4)
Financial expenses	(19.4)	(12.3)	57.8
Earnings before taxes (EBT)	(3.1)	(4.4)	(30.6)
Income taxes	0.0	0.7	<(100.0)
Net loss for the period	(3.1)	(3.7)	(17.3)

Consolidated statement of financial position

Consolidated statement of financial position – assets

	31.03.2024	31.12.2023	Change
	(in € million)	(in € million)	%
Assets			
Non-current assets			
Goodwill	203.5	203.5	—
Other intangible assets	230.4	234.1	(1.6)
Property, plant and equipment	100.1	100.7	(0.6)
Right-of-use assets	139.5	127.0	9.8
Non-current financial assets	4.5	4.6	(0.7)
Total non-current assets	678.1	670.0	1.2
Current assets			
Inventories	395.4	352.6	12.1
Trade and other receivables	23.6	12.0	95.9
Other current financial assets	17.9	18.8	(4.9)
Other current non-financial assets	44.3	43.2	2.5
Income tax receivables	1.3	1.3	—
Cash and cash equivalents	209.3	243.2	(14.0)
Total current assets	691.6	671.2	3.0
Total assets	1,369.7	1,341.2	2.1

Consolidated statement of financial position – equity and liabilities

	31.03.2024	31.12.2023	Change
	(in € million)	(in € million)	%
Equity			
Issued capital	0.03	0.03	—
Other capital reserves	474.2	474.2	—
Retained earnings	(47.9)	(44.8)	6.9
Other components of equity	0.9	(0.2)	<(100.0)
Total equity	427.3	429.3	(0.5)
Non-current liabilities			
Non-current provisions	0.6	0.6	2.6
Non-current interest-bearing loans and borrowings	366.0	363.1	0.8
Non-current lease liabilities	154.7	141.9	9.0
Deferred tax liabilities	56.5	61.0	(7.4)
Total non-current liabilities	577.7	566.5	2.0
Current liabilities			
Trade and other payables	119.1	129.4	(8.0)
Current interest-bearing loans and borrowings	8.7	8.8	(1.3)
Current lease liabilities	8.5	7.5	14.0
Other current financial liabilities	132.7	88.7	49.5
Current non-financial liabilities	86.4	103.5	(16.5)
Income tax payable	9.4	7.4	26.0
Total current liabilities	364.7	345.4	5.6
Total equity and liabilities	1,369.7	1,341.2	2.1

Consolidated statement of cash flows

	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023	Change
	(in € million)	(in € million)	%
Earnings before interest and taxes (EBIT)	14.3	2.2	>100.0
Depreciation of property, plant and equipment and right-of-use assets	5.7	4.8	18.0
Amortization and impairment of intangible assets and goodwill	17.6	15.7	11.9
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	37.6	22.7	65.5
Adjustments to reconcile EBITDA to cash flow	(23.7)	(18.8)	26.3
Change in operating working capital	(18.8)	(14.4)	30.5
Income tax paid	(3.0)	(9.5)	(68.0)
Interest received	1.3	0.1	>100.0
Cash flows from operating activities	(6.7)	(19.9)	(66.5)
CAPEX	(11.1)	(8.6)	28.3
Cash flows from investing activities	(11.1)	(8.6)	28.3
Payment of lease liabilities	(2.4)	(2.2)	8.9
Interests paid	(13.9)	(9.2)	51.6
Proceeds from borrowings	0.1	3.7	(97.6)
Cash flows from financing activities	(16.3)	(7.8)	>100.0
Change in cash and cash equivalents	(34.0)	(36.3)	(6.4)
Cash and cash equivalents at the end of the period	209.3	116.2	80.1

Management discussion and analysis of financial conditions and results of operations

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 March 31, 2024

in € million	Germany	International	Total Group
Revenue	184.5	143.5	328.1
Adjusted EBITDA	28.3	18.9	47.2
Exceptional items	3.3	2.4	5.7
Run rate cost synergies from fulfillment center network expansion	2.2	1.8	3.9
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	22.9	14.7	37.6

Results by segment as of March 31, 2023

in € million	Germany	International	Total Group
Revenue	159.3	104.2	263.5
Adjusted EBITDA	19.7	10.4	30.0
Exceptional items	2.1	1.2	3.3
Run rate cost synergies from fulfillment center network expansion	2.4	1.6	4.0
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	15.1	7.6	22.7



Results of operations

	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023	Change
	(in € million)	(in € million)	%
Revenue	328.1	263.5	24.5
Cost of sales	(189.6)	(156.6)	21.0
Gross profit	138.5	106.9	29.6
Selling and distribution expenses	(94.7)	(80.2)	18.2
Administrative expenses	(28.8)	(23.9)	20.6
Other operating income	0.7	0.9	(25.1)
Other operating expenses	(1.3)	(1.6)	(17.3)
Earnings before interest and taxes (EBIT)	14.3	2.2	>100.0
Financial income	2.0	5.7	(64.4)
Financial expenses	(19.4)	(12.3)	57.8
Earnings before taxes (EBT)	(3.1)	(4.4)	(30.6)
Income taxes	0.0	0.7	<(100.0)
Net loss for the period	(3.1)	(3.7)	(17.3)

Revenue

BestSecret Group's revenue increased by €64.5 million, or 24.5%, from €263.5 million for the first three months ended March 31, 2023 to €328.1 million for the first three months ended March 31, 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 €25.2 million, or 15.8%, from €159.3 million for the first three months ended March 31, 2023 to €184.5 million for the first three months ended March 31, 2024. The International business revenue increased by €39.3 million, or 37.8%, from €104.2 million for the first three months ended March 31, 2023 to €143.5 million for the first three months ended March 31, 2024. The growth of 37.8% compared to the previous year's figure of €104.2 million is mainly attributable to the good customer base growth and strong customer order economics. For the first three months ended March 31, 2024, 43.8% of the Group's revenue was generated outside of Germany, an increase from 39.5% in the prior year period, confirming the success of BestSecret's internationalization strategy.



Cost of sales

Cost of sales increased by €32.9 million, or 21%, from €156.6 million for the first three months ended March 31, 2023 to €189.6 million for the first three months ended March 31, 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 57.8% which is 1.6 percentage points lower than for the first three months ended March 31, 2023 (59.4%). Expenses for depreciation of €0.2 million (3M 2023: €0.2 million) and costs for the storage of goods of €1.9 million (3M 2023: €1.8 million) are reported in cost of sales for the first three months ended March 31, 2024.

Selling and distribution expenses

Selling and distribution expenses increased by €14.6 million, or 18.2%, from €80.2 million for the first three months ended March 31, 2023 to €94.7 million for the first three months ended March 31, 2024. The selling and distribution expenses mainly contain fulfillment expenses of €59.7 million (3M 2023: €49.7 million), marketing expenses of €6.1 million (3M 2023: €3.4 million), sales expenses of €8.5 million (3M 2023: €8.8 million) as well as amortization and depreciation expenses of €20.4 million (3M 2023: €18.3 million). The increase in fulfillment expenses was primarily driven by an increased business volume and a higher international share. The increase in marketing expenses is mainly due to higher expenses in connection with customer acquisition costs. Marketing expenses in the reporting period nearly equaled 1.9% (3M 2023: 1.3%) of revenue. Amortization in the amount of €12.2 million (3M 2023: €12.2 million) primarily relates to amortization of brand name and customer base.

Administrative expenses

Administrative expenses increased by €4.9 million, or 21%, from €23.9 million for the first three months ended March 31, 2023 to €28.8 million for the first three months ended March 31, 2024. Administrative expenses consist of technology expenses of €8.5 million (3M 2023: €5.9 million), general and administrative expenses of €17.7 million (3M 2023: €15.9 million) and depreciation expenses of €2.6 million (3M 2023: €2.0 million). The increase in administrative expenses is primarily driven by technology and administrative expenses due to increased internal and external personnel expense.

Other operating income

Other operating income decreased by €0.2 million from €0.9 million for the first three months ended March 31, 2023 to €0.7 million for the first three months ended March 31, 2024. Other

operating income mainly consists of compensations for damages as well as income from foreign currency exchange differences and non-period income.

Other operating expenses

Other operating expenses decreased by €0.3 million from €1.6 million for the first three months ended March 31, 2023 to €1.3 million for the first three months ended March 31, 2024. Other operating expenses mainly consist of foreign currency exchange losses.

Financial income

Financial income decreased by €3.7 million from €5.7 million for the first three months ended March 31, 2023 to million €2.0 for the first three months ended March 31, 2024. The financial income decreased mainly because no financial income is recognized for the valuation of embedded derivatives as of the reporting date (3M 2023: financial income €5.3 million).

Financial expenses

Financial expenses increased by €7.1 million, or 57.8%, from €12.3 million for the first three months ended March 31, 2023 to €19.4 million for the first three months ended March 31, 2024. Financial expenses mainly consist of costs for the Senior Secured Notes and lease liabilities.

The increase in the financial expenses is mainly due to increased costs for the Senior Secured Notes as well as negative change in fair value for embedded derivatives resulting in financial expenses of €1.6 million (3M 2023: financial income €5.3 million).

Income taxes

Income taxes changed by €0.7 million from €0.7 million tax income for the first three months ended March 31, 2023 to €0.0 million tax income for the first three months ended March 31, 2024. The change in Taxes mainly results from the higher operation earnings compared to prior year.

Net loss for the period

Net loss for the period amounted to €3.1 million for the first three months ended March 31, 2024, compared to a net loss of €3.7 million for the first three months ended March 31, 2023, representing a increase of €0.6 million. The increase is primarily due the increase in EBITDA which was partly offset by higher financial expenses.

EBITDA / Adjusted EBITDA

	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023
	(in € million)	(in € million)
Earnings before interest and taxes (EBIT)	14.3	2.2
Depreciation, amortization and impairment loss	23.3	20.5
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	37.6	22.7
Exceptional Items	5.7	3.3
Run rate cost synergies from fulfillment center network expansion	3.9	4.0
Adjusted EBITDA	47.2	30.0

Expenses for depreciation, amortization and impairment loss increased by €2.7 from €20.5 million for the first three months ended March 31, 2023 to €23.3 million for the first three months ended March 31, 2024.

EBITDA increased by €14.9 million, from €22.7 million for the first three months ended March 31, 2023 to €37.6 million for the first three months ended March 31, 2024.

The adjustments increased by €2.3 million, from €7.3 million for the first three months ended March 31, 2023 to €9.6 million for the first three months ended March 31, 2024 mainly due to investments in technology and data to further improve the system backbone in the first three months ended March 31, 2024.

Adjusted EBITDA increased by €17.2 million, from €30.0 million for the first three months ended March 31, 2023 to €47.2 million for the first three months ended March 31, 2024.

Cash flows

The following table sets forth the principal components of the Group's cash flow for the first three months ended March 31, 2024 and 2023:

	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023	Change
	(in € million)	(in € million)	%
Earnings before interest and taxes (EBIT)	14.3	2.2	>100.0
Depreciation of property, plant and equipment and right-of-use assets	5.7	4.8	18.0
Amortization and impairment of intangible assets and goodwill	17.6	15.7	11.9
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	37.6	22.7	65.5
Adjustments to reconcile EBITDA to cash flow	(23.7)	(18.8)	26.3
Change in operating working capital	(18.8)	(14.4)	30.5
Income tax paid	(3.0)	(9.5)	(68.0)
Interest received	1.3	0.1	>100.0
Cash flows from operating activities	(6.7)	(19.9)	(66.5)
CAPEX	(11.1)	(8.6)	28.3
Cash flows from investing activities	(11.1)	(8.6)	28.3
Payment of lease liabilities	(2.4)	(2.2)	8.9
Interests paid	(13.9)	(9.2)	51.6
Proceeds from borrowings	0.1	3.7	(97.6)
Cash flows from financing activities	(16.3)	(7.8)	>100.0
Change in cash and cash equivalents	(34.0)	(36.3)	(6.4)
Cash and cash equivalents at the end of the period	209.3	116.2	80.1

Cash flows from operating activities

Cash flows from operating activities changed by €13.2 million from €19.9 million net outflow for the first three months ended March 31, 2023 to a net outflow of €6.7 million for the first three months ended March 31, 2024. The cash flows from operating cash flows were positively influenced by higher earnings before interest and taxes.

Cash flows from investing activities

Cash flows from investing activities changed by €2.4 million from a net outflow of €8.6 million for the first three months ended March 31, 2023 to a net outflow of €11.1 million for the first three

months ended March 31, 2024. The increase primarily resulted from investments in tech and data to further improve the system backbone.

Cash flows from financing activities

Cash flows from financing activities changed by €8.5 million from a net outflow of €7.8 million for the first three months ended March 31, 2023 to a net outflow of €16.3 million for the first three months ended March 31, 2024. The change in cash flows from financing activities was primarily due to the higher interest's payments in connection with the new senior secured notes.

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:

	31.03.2024	31.12.2023	Change
	(in € million)	(in € million)	%
Inventories and prepayments for inventories	405.2	359.4	12.7
Trade and other receivables	23.6	12.0	95.9 %
Trade and other payables	(119.1)	(129.4)	(8.0)
Others	(112.7)	(63.3)	78.1
Operating Net Working Capital	197.0	178.7	10.2

Operating net working capital increased by €18.3 million to €197.0 million mainly due to a higher inventory level on the back of a scaling business as well as higher trade and other receivables which was partly offset by higher trade and other payables from working capital optimization efforts and the growing business volume.

Net financial debt and ratios

	31.03.2024	31.12.2023
Senior secured net financial debt (1)	190.7	156.8
LTM interest expense	68.8	61.6
Ratio of Senior secured net financial debt to LTM Adjusted EBITDA (2)	0.9	0.9
Ratio of LTM Adjusted EBITDA to interest expense (fixed charge)	2.9	3.0

(1) Principal amount. The balance sheet amount on the basis of IFRS was €151.3 on March 31, 2024.

Net financial debt (principal amount) is €367.9m on March 31, 2024. Net financial debt (balance sheet amount on the basis of IFRS) was €328.5m on March 31, 2024.

(2) Based on principal amount of debt. Using the IFRS balance sheet amount, the ratio was 0.8x on March 31, 2024.

Ratio based on principal amount of net financial debt is 1.8x on March 31, 2024. Using the IFRS balance sheet amount of net financial debt, the ratio was 1.6x on March 31, 2024.

Average number of employees

	31.03.2024	31.03.2023
Function		
Commercial	265	221
Operations	1,510	1,303
Technology	330	280
Administration	182	147
Total	2,286	1,951
	31.03.2024	31.03.2023
Geography		
Germany	1,958	1,672
International	329	279
Total	2,286	1,951

The average number of employees in the first three months 2024 was 2,286.

Subsequent events

No 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.

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 by following IAS 34 Interim Financial Reporting 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 May 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 %
		31.03.2024
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

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 31 March, 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

As of 31 March 2024, notes means €400 million Senior Secured Notes due 2027 and issued on July 25, 2022 (315 million), July 28, 2022 (€35 million) and June 19, 2023 (€50 million). Interest accrues at a rate per annum, reset quarterly, equal to the sum of the three-month Euro Interbank Offered Rate ("EURIBOR") (which is subject to a 1.0% floor) plus 6.0%. Interest payment dates are quarterly in arrears on January 15, April 15, July 15 and October 15 of each year.

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.

Profit contribution II

Profit contribution II is defined as gross profit minus operative variable costs. It is also called operative profit. The operative variable costs include spendings for logistics, payment, content creation and customer care, including the respective salaries and rent.

Revolving Credit Facility

As of 31 March 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. The maturity of the facility is January 2027.

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 three months 2024, the consolidated balance sheet as at March 31, 2024, the consolidated statements of cash flows for the first three 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.

Imprint

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