

# 6M 2024 Bond Report

Financial Results Of PrestigeBidCo GmbH

# **BESTSECRET AT A GLANCE**

Key figures	01.01.2024 -	01.01.2023 -	
	30.06.2024	30.06.2023	Change
Results of operations (for the reporting period)			
Revenue (in EUR m)	642.9	545.3	18 %
thereof Germany (in EUR m)	364.5	331.2	10 %
thereof International (in EUR m)	278.4	214.1	30 %
Adjusted EBITDA (in EUR m)	97.2	72.8	33 %
Adjusted EBITDA (as % of revenue)	15.1 %	13.4 %	1.77 рр
Financial position (for the reporting period)			
Operating net working capital (in EUR m)	203.5	199.5	2 %
Cash flow from operating activities (in EUR m)	4.2	27.0	(84) %
Cash flow from investing activities (in EUR m)	(29.7)	(22.5)	32 %
Cash flow from financing activities (in EUR m)	(32.7)	23.9	<(100.0)%
Free cash flow (in EUR m)	(58.3)	28.4	<(100.0)%
Cash and cash equivalents (in EUR m)	184.9	180.8	2 %
Senior secured net debt (in EUR m)	215.1	219.2	(2) %
Senior secured leverage ratio (senior secured net debt / LTM adj. EBITDA)	1.0	1.4	(26) %
Other			
Employees (average headcount for the period)	2,138	1,975	8 %

# **BESTSECRET REVENUE SPLIT**

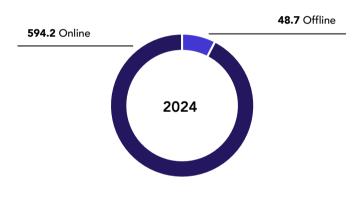
#### **Revenue by segment**

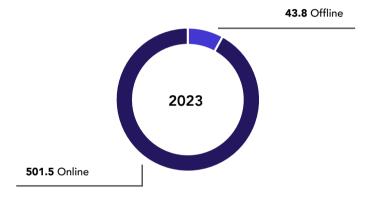
in EUR m



Revenue by channel

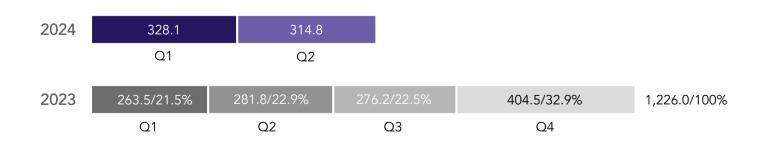
in EUR m





#### Revenue by quarter

in EUR m / % of total annual revenue share





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# 1. Overview of results

### Summary

BestSecret Group recorded a revenue of EUR 642.9 million in the first six months of 2024, up 17.9% over the previous year's figure of EUR 545.3 million. The Group's strong performance is attributed to double-digit growth in both operating segments, with a particularly dynamic international expansion, as well as good customer growth and order economics. Despite the complex challenges posed by geopolitical and macroeconomic uncertainties, volatile consumer confidence and a highly competitive discounting environment throughout the first half of 2024, the Group's unique business model, centered around a closed membership and viral customer growth, continues to demonstrate exceptional resilience.

With a 30.0% year-on-year growth, the segment International was the primary catalyst for growth in the first half of 2024. The segment contributed 43.3% to the Group's total revenue and generated revenues of EUR 278.4 million (6M 2023: EUR 214.1 million). The segment Germany reported solid growth of 10.1% year-on-year, with revenues reaching EUR 364.5 million in the first six months of 2024 (6M 2023: EUR 331.2 million).

BestSecret achieved an adjusted EBITDA of EUR 97.2 million in the first six months of 2024, including anticipated cost synergies from the fulfillment center network expansion. This represents an increase of 33.5% over the prior year's figure of EUR 72.8 million. The adjusted EBITDA margin improved from 13.4% in the first six months of 2023 to 15.1% in the same period of 2024.<sup>1)</sup> The positive operational impacts were driven by a more favorable purchasing environment, an increased share of margin accretive brands in the assortment thanks to the company's Elevation Strategy, and the expanded fulfillment center network.

Group cash and cash equivalents increased to EUR 184.9 million on June 30, 2024 (June 30, 2023: EUR 180.8 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 June 30, 2024. The senior secured net leverage ratio<sup>2)</sup> improved to 1.0x on June 30, 2024 (June 30, 2023: 1.4x). Pro forma for the successful refinancing at the beginning of July of the EUR 400 million senior secured notes due 2027

<sup>1)</sup> 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 91.5 million with an adjusted EBITDA margin of 14.2 percent.

<sup>2)</sup> The senior secured leverage ratio is calculated as senior secured net financial debt of EUR 215.1 million divided by LTM adjusted EBITDA of EUR 208.1 million.

with upsized senior secured notes of EUR 550 million due 2029, cash and cash equivalents stood at EUR 321.1 million on June 30, 2024, with a senior secured net leverage ratio of 1.1x (pre shareholder distribution).

# Consolidated income statement

	01.01.2024 -		Change
	30.06.2024		
		(adjusted) <sup>1)</sup>	
	(in € million)	(in € million)	%
Revenue	642.9	545.3	17.9
Cost of sales	(365.9)	(315.9)	15.8
Gross profit	277.0	229.4	20.7
Selling and distribution expenses	(197.7)	(173.0)	14.3
Administrative expenses	(49.3)	(35.0)	40.9
Other operating income	2.5	2.2	13.6
Other operating expenses	(3.3)	(5.8)	(43.1)
Earnings before interest and taxes (EBIT)	29.2	17.8	64.0
Financial income	7.0	7.5	(6.7)
Financial expenses	(86.8)	(26.6)	>100.0
Earnings before taxes (EBT)	(50.6)	(1.4)	>100.0
Income taxes	12.5	(0.3)	<(100.0)
Net loss for the period	(38.1)	(1.6)	>100.0

1) The allocation of costs to functional areas has been 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

	30.06.2024	31.12.2023	Change
	(in € million)	(in € million)	%
Assets			
Non-current assets			
Goodwill	203.5	203.5	_
Other intangible assets	225.8	234.1	(3.5)
Property, plant and equipment	107.1	100.7	6.3
Right-of-use assets	162.5	127.0	27.9
Non-current financial assets	4.5	4.6	(1.1)
Total non-current assets	703.4	670.0	5.0
Current assets			
Inventories	456.4	352.6	29.4
Trade and other receivables	24.1	12.0	>100.0
Other current financial assets	26.6	18.8	41.3
Other current non-financial assets	54.6	43.2	26.4
Income tax receivable	0.8	1.3	(36.9)
Cash and cash equivalents	184.9	243.2	(24.0)
Total current assets	747.4	671.2	11.4
Total assets	1,450.8	1,341.2	8.2

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

	30.06.2024	31.12.2023	Change
	(in € million)	(in € million)	%
Equity			
Issued capital	0.03	0.03	_
Capital reserves	474.2	474.2	
Retained earnings	(82.9)	(44.8)	85.2
Other components of equity	0.6	(0.2)	<(100.0)
Total equity	391.9	429.3	(8.7)
Non-current liabilities			
Non-current provisions	0.7	0.6	10.7
Non-current interest-bearing loans and borrowings	13.7	363.1	(96.2)
Non-current lease liabilities	174.4	141.9	22.9
Deferred tax liabilities	37.8	61.0	(38.0)
Total non-current liabilities	226.6	566.5	(60.0)
Current liabilities			
Trade and other payables	244.5	129.4	88.9
Current interest-bearing loans and borrowings	408.0	8.8	>100.0
Current lease liabilities	13.8	7.5	85.1
Other current financial liabilities	72.5	88.7	(18.3)
Current non-financial liabilities	83.4	103.5	(19.4)
Income tax payable	10.1	7.4	36.1
Total current liabilities	832.3	345.4	>100.0
Total equity and liabilities	1,450.8	1,341.2	8.2

# Consolidated statement of cash flows

	01.01.2024 - 30.06.2024		Change
	(in € million)	(in € million)	%
Earnings before interest and taxes (EBIT)	29.2	17.8	64.0
Depreciation of property, plant and equipment and right-of-use assets	12.0	10.3	17.1
Amortization and impairment of intangible assets and goodwill	36.5	31.5	15.7
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	77.8	59.6	30.4
Adjustments to reconcile EBITDA to cash flow	(42.5)	(13.3)	>100.0
Change in operating working capital	(26.1)	(7.9)	>100.0
Income tax paid	(7.8)	(12.0)	(35.2)
Interest received	2.8	0.4	>100.0
Cash flows from operating activities	4.2	27.0	(84.4)
CAPEX	(29.7)	(22.5)	32.1
Cash flows from investing activities	(29.7)	(22.5)	32.1
Payment of lease liabilities	(4.8)	(4.0)	20.3
Interests paid	(28.0)	(19.4)	44.3
Payment of transaction costs on issue of Senior Secured Notes	0.0	(1.9)	(100.0)
Proceeds from Senior Secured Notes	0.0	50.0	(100.0)
Proceeds from borrowings	0.0	3.7	(100.0)
Dividends paid <sup>1)</sup>	0.0	(4.5)	(100.0)
Cash flows from financing activities	(32.7)	23.9	<(100.0)
Change in cash and cash equivalents	(58.3)	28.4	<(100.0)
Cash and cash equivalents at the end of the period	184.9	180.8	2.3

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).

2. 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:

in € million	Germany	International	Total Group
Revenue	364.5	278.4	642.9
Adjusted EBITDA	61.5	35.7	97.2
Exceptional items	6.7	4.8	11.5
Run rate cost synergies from fulfillment center network expansion	4.9	3.1	8.0
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	49.9	27.8	77.8

#### Results by segment as of June 30, 2024

#### Results by segment as of June 30, 2023

in € million	Germany	International	Total Group
Revenue	331.2	214.1	545.3
Adjusted EBITDA	47.9	24.9	72.8
Exceptional items	3.3	1.7	5.0
Run rate cost synergies from fulfillment center network expansion	5.0	3.2	8.2
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	39.7	19.9	59.6

### Results of operations

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023 (adjusted) <sup>1)</sup>	Change
	(in € million)	(in € million)	%
Revenue	642.9	545.3	17.9
Cost of sales	(365.9)	(315.9)	15.8
Gross profit	277.0	229.4	20.7
Selling and distribution expenses	(197.7)	(173.0)	14.3
Administrative expenses	(49.3)	(35.0)	40.9
Other operating income	2.5	2.2	13.6
Other operating expenses	(3.3)	(5.8)	(43.1)
Earnings before interest and taxes (EBIT)	29.2	17.8	64.0
Financial income	7.0	7.5	(6.7)
Financial expenses	(86.8)	(26.6)	>100.0
Earnings before taxes (EBT)	(50.6)	(1.4)	>100.0
Income taxes	12.5	(0.3)	<(100.0)
Net loss for the period	(38.1)	(1.6)	>100.0

1) The allocation of costs to functional areas has been 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 €97.6 million, or 17.9%, from €545.3 million for the first six months ended June 30, 2023 to €642.9 million for the first six months ended June 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  $\in 33.4$  million, or 10.1%, from  $\in 331.2$  million for the first six months ended June 30, 2023 to  $\in 364.5$  million for the first six months ended June 30, 2024. The International business revenue increased by  $\in 64.2$  million, or 30.0%, from  $\notin 214.1$  million for the first six months ended June 30, 2023 to  $\notin 278.4$  million for the first six months ended June 30, 2023 to  $\notin 278.4$  million for the first six months ended June 30, 2023 to  $\notin 278.4$  million for the previous year's figure of  $\notin 214.1$  million is mainly attributable to the good customer base growth and strong customer order economics. For the first six

months ended June 30, 2024, 43.3% 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

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Cost of sales increased by  $\in$ 50.0 million, or 15.8%, from  $\in$ 315.9 million for the first six months ended June 30, 2023 to  $\in$ 365.9 million for the first six months ended June 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 56.9% which is 1.0 percentage points lower than for the first six months ended June 30, 2023 (57.9%). Expenses for depreciation of  $\in$ 0.1 million (6M 2023:  $\in$ 0.1 million) and costs for the storage of goods of  $\in$ 3.9 million (6M 2023:  $\in$ 3.7 million) are reported in cost of sales for the first six months ended June 30, 2024.

#### SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses increased by  $\in 24.7$  million, or 14.3%, from  $\in 173.0$  million for the first six months ended June 30, 2023 to  $\in 197.7$  million for the first six months ended June 30, 2024. The selling and distribution expenses mainly contain fulfillment expenses of  $\in 122.1$  million (6M 2023:  $\in 106.9$  million), marketing expenses of  $\in 14.4$  million (6M 2023:  $\in 10.2$  million), sales expenses of  $\in 19.4$  million (6M 2023:  $\in 18.3$  million) as well as amortization and depreciation expenses of  $\in 41.8$  million (6M 2023:  $\in 37.6$  million). The increase in fulfillment expenses was primarily driven by an increased business volume and a higher international share. The fulfillment cost ratio slightly decreased to 19.0% of revenue for the first six months ended June 30, 2024 from 19.6% for the first six months ended June 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% (6M 2023: 1.9%) of revenue. Amortization of brand name and customer base.

#### ADMINISTRATIVE EXPENSES

Administrative expenses increased by  $\in 14.3$  million, or 40.9%, from  $\in 35.0$  million for the first six months ended June 30, 2023 to  $\in 49.3$  million for the first six months ended June 30, 2024. Administrative expenses consist of technology expenses of  $\in 18.8$  million (6M 2023:  $\in 10.6$  million), general and administrative expenses of  $\in 23.8$  million (6M 2023:  $\in 23.8$  million) and depreciation expenses of  $\in 6.7$  million (6M 2023:  $\in 4.1$  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  $\notin 0.3$  million from  $\notin 2.2$  million for the first six months ended June 30, 2023 to  $\notin 2.5$  million for the first six months ended June 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 decreased by  $\in 2.5$  million from  $\in 5.8$  million for the first six months ended June 30, 2023 to  $\in 3.3$  million for the first six months ended June 30, 2024. Other operating expenses mainly consist of foreign currency exchange losses.

#### FINANCIAL INCOME

Financial income decreased by  $\leq 0.5$  million from  $\leq 7.5$  million for the first six months ended June 30, 2023 to  $\leq 7.0$  million for the first six months ended June 30, 2024. Financial Income mainly consist of credit interest income and exchange rate differences resulting from lease liabilities and loans.

#### FINANCIAL EXPENSES

Financial expenses increased by €60.2 million, or >100.0%, from €26.6 million for the first six months ended June 30, 2023 to €86.8 million for the first six months ended June 30, 2024. Financial expenses mainly consist of interest and other expenses for the Senior

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  $\in$ 45.4 million (6M 2023: $\in$ 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  $\in$ 5.6 million (6M 2023: financial income  $\in$ 6.5 million).

#### INCOME TAXES

Income taxes changed by  $\leq 12.8$  million from  $\leq 0.3$  million tax expense for the first six months ended June 30, 2023 to  $\leq 12.5$  million tax income for the first six months ended June 30, 2024.

Expenses from current income taxes increased due to higher earnings from operations compared to prior year which is mainly due to effects from the extraordinary amortization of transaction costs for the Senior Secured Notes, which are not deductible for tax purposes.

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.

#### NET LOSS FOR THE PERIOD

Net loss for the period amounted to  $\leq$ 38.1 million for the first six months ended June 30, 2024, compared to a net loss of  $\leq$ 1.6 million for the first six months ended June 30, 2023, representing a increase of  $\leq$ 36.5 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 -	01.01.2023 - 30.06.2023
	30.06.2024	
	(in € million)	(in € million)
Earnings before interest and taxes (EBIT)	29.2	17.8
Depreciation, amortization and impairment loss	48.5	41.8
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	77.8	59.6
Exceptional Items	11.5	5.0
Run rate cost synergies from fulfillment center network expansion	8.0	8.2
Adjusted EBITDA	97.2	72.8

Expenses for depreciation, amortization and impairment loss increased by  $\in 6.7$  million from  $\in 41.8$  million for the first six months ended June 30, 2023 to  $\in 48.5$  million for the first six months ended June 30, 2024.

EBITDA increased by €18.1 million, from €59.6 million for the first six months ended June 30, 2023 to €77.8 million for the first six months ended June 30, 2024.

The adjustments increased by  $\leq 6.3$  million, from  $\leq 13.2$  million for the first six months ended June 30, 2023 to  $\leq 19.5$  million for the first six months ended June 30, 2024 mainly due to investments in technology and data to further improve the system backbone in the first six months ended June 30, 2024.

Adjusted EBITDA increased by €24.4 million, from €72.8 million for the first six months ended June 30, 2023 to €97.2 million for the first six months ended June 30, 2024. The positive operational impacts were driven by a more favorable purchasing environment, an increased share of margin accretive brands in the assortment thanks to the company's Elevation Strategy, and the expanded fulfillment center network.

#### CASH FLOWS

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

	01.01.2024 - 30.06.2024 -		Change %
	(in € million)	(in € million)	
Earnings before interest and taxes (EBIT)	29.2	17.8	64.0
Depreciation of property, plant and equipment and right-of-use assets	12.0	10.3	17.1
Amortization and impairment of intangible assets and goodwill	36.5	31.5	15.7
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	77.8	59.6	30.4
Adjustments to reconcile EBITDA to cash flow	(42.5)	(13.3)	>100.0
Change in operating working capital	(26.1)	(7.9)	>100.0
Income tax paid	(7.8)	(12.0)	(35.2)
Interest received	2.8	0.4	>100.0
Cash flows from operating activities	4.2	27.0	(84.4)
CAPEX	(29.7)	(22.5)	32.1
Cash flows from investing activities	(29.7)	(22.5)	32.1
Payment of lease liabilities	(4.8)	(4.0)	20.3
Interests paid	(28.0)	(19.4)	44.3
Payment of transaction costs on issue of Senior Secured Notes	0.0	(1.9)	(100.0)
Proceeds from Senior Secured Notes	0.0	50.0	(100.0)
Proceeds from borrowings	0.0	3.7	(100.0)
Dividends paid <sup>1)</sup>	0.0	(4.5)	(100.0)
Cash flows from financing activities	(32.7)	23.9	<(100.0)
Change in cash and cash equivalents	(58.3)	28.4	<(100.0)
Cash and cash equivalents at the end of the period	184.9	180.8	2.3

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  $\in 22.7$  million from  $\in 27.0$  million net inflow for the first six months ended June 30, 2023 to a net inflow of  $\in 4.2$  million for the first six months ended June 30, 2024. The cash flows from operating activities were mainly influenced by a decrease in liabilities with the holding company which was partly offset by higher earnings before interest and taxes.

#### CASH FLOWS FROM INVESTING ACTIVITIES

Cash flows from investing activities changed by  $\in$ 7.2 million from a net outflow of  $\in$ 22.5 million for the first six months ended June 30, 2023 to a net outflow of  $\in$ 29.7 million for the first six months ended June 30, 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  $\in$ 56.7 million from a net inflow of  $\in$ 23.9 million for the first six months ended June 30, 2023 to a net outflow of  $\in$ 32.7 million for the first six months ended June 30, 2024. The change in cash flows from financing activities was primarily due to the fact that prior year's figure included the tap of the senior secured floating rate notes.

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

#### **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:

	30.06.2024	31.12.2023	Change
	(in € million)	(in € million)	%
Inventories and prepayments for inventories	478.4	359.4	33.1
Trade and other receivables	24.1	12.0	>100.0
Trade and other payables	(244.5)	(129.4)	88.9
Others	(54.5)	(63.3)	(13.9)
Operating Net Working Capital	203.5	178.7	13.8

Operating net working capital increased by  $\in$ 24.8 million to  $\in$ 203.5 million mainly due to a higher inventory level as well as higher trade and other receivables which was partly offset by higher trade and other payables on the back of seasonal stock purchasing and overall business volume growth.

# Net financial debt and ratios

	30.06.2024	31.12.2023
Senior secured net financial debt 1)	215.1	156.8
LTM interest expense	104.2	61.6
Ratio of Senior secured net financial debt to LTM Adjusted EBITDA 2)	1.0	0.9
Ratio of LTM Adjusted EBITDA to interest expense (fixed charge)	2.0	3.0

1) Principal amount. The balance sheet amount on the basis of IFRS was €223.1m on June 30, 2024.

Net financial debt (principal amount) is €416.9m on June 30, 2024. Net financial debt (balance sheet amount on the basis of IFRS) was €425.0m on June 30, 2024.

2) Based on principal amount of debt. Using the IFRS balance sheet amount, the ratio was 1.1x on June 30, 2024.

Ratio based on principal amount of net financial debt is 2.0x on June 30, 2024. Using the IFRS balance sheet amount of net financial debt, the ratio was 2.0x on June 30, 2024.

### Average number of employees

268	
268	
	223
1,522	1,313
330	291
18	149
2,138	1,975
.06.2024	30.06.2023
1,781	1,690
357	285
2,138	1,975
	1,522 330 18 <b>2,138</b> 06.2024 1,781 357

The average number of employees in the first six months 2024 was 2,138.

### Subsequent events

On July 3, 2024 PrestigeBidCo GmbH issued new Senior Secured Notes. The Senior Secured Notes have a volume of €550.0 million 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.

Transaction costs of approximately €18.5 million incurred for the issue of the new bond. The costs are deducted from the nominal amount and amortized over the remaining term using the effective interest method.

The previous Senior Secured Notes were repaid on July 15, 2024. The redemption price of the Notes was 100.00% of the principal amount of the Notes plus accrued and unpaid interest from April 15, 2024 (the last Interest Payment Date for which interest on such Notes was paid) to (but not including) the Redemption Date. As the repayment was already committed as at 30 June, the remaining unamortized transaction costs in the amount of €45.4 million were already expensed as of June 30, 2024.

No further 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

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# 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 August 27, 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:

		Shareholding in %		
Company name	Location	30.06.2024		
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)	loannina	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 30 June, 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 30 June 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.

#### **REVOLVING CREDIT FACILITY**

As of 30 June 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 six months 2024, the consolidated balance sheet as at June 30, 2024, the consolidated statements of cash flows for the first six 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.

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# 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 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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#### BESTSECRET