



**The leading digitally
native omnichannel optical
brand in Europe**

Investor Meeting Presentation
November 2023

Looking ahead

Agenda for today

1

Company

2

Q3 2023 Results



1

Company



Our purpose

We empower and inspire people to wear glasses with joy and confidence



Mister Spex at a glance

The #1 online-driven omnichannel optical brand in Europe

€210m

Revenue 2022

8%

YoY revenue growth

48%

Gross margin 2022

-60bp

YoY growth

- €8.2m

AEBITDA 2022

€128m

Cash and cash equivalents 2022

10

Countries

68

Stores

>6.6m

Customers

72%

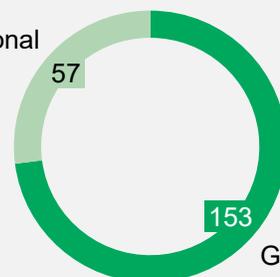
Aided Brand Awareness⁽¹⁾



Revenue by segment

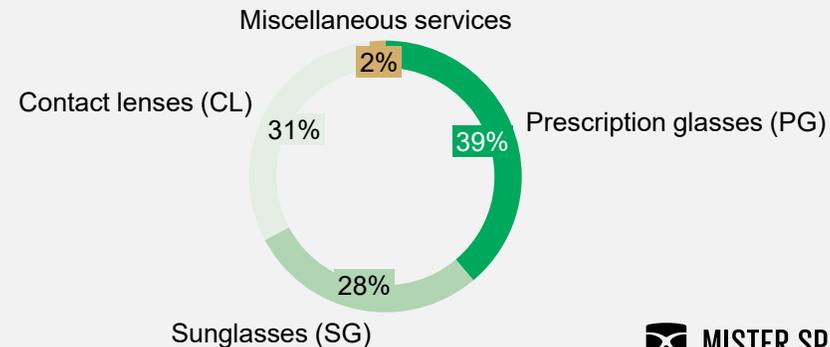
m€

International



Germany

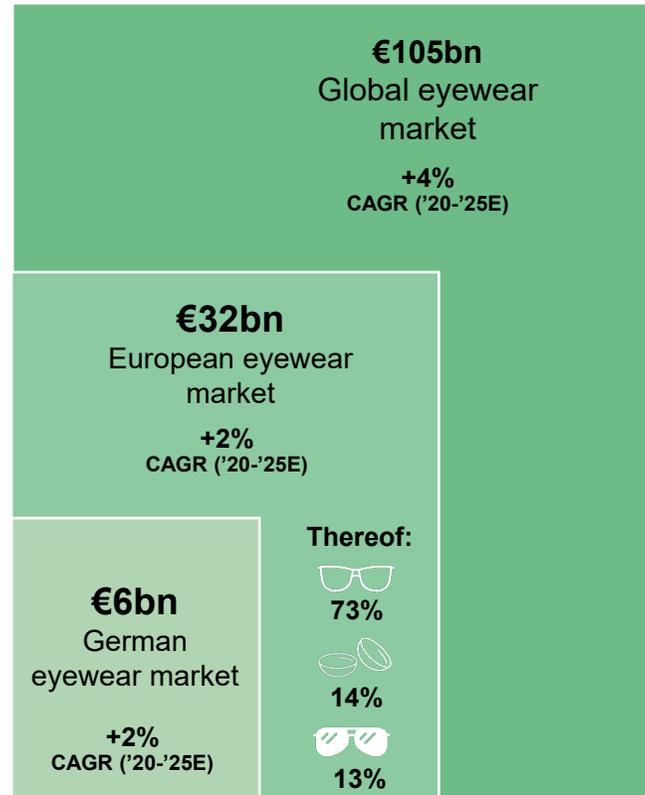
Revenue by category



(1) Q4 2020 Germany; online shoppers 18-59 years old

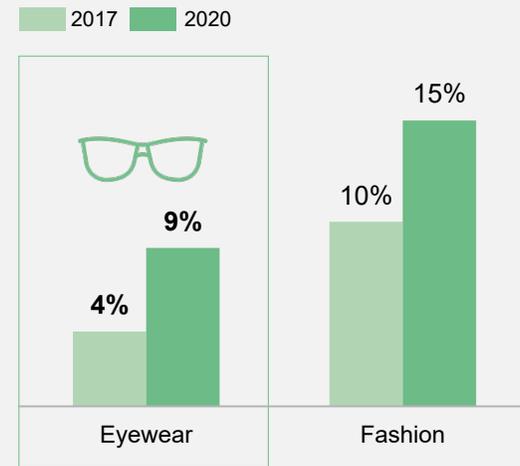
The eyewear market is large and hasn't changed in the last 100 years

Sizable global eyewear market⁽¹⁾ ... that is further propelled by structural tailwinds



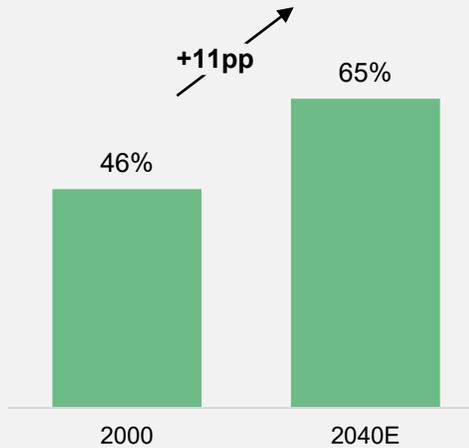
① Consumers are more willing to **shop online**, but the possibilities are limited...

Online penetration by industry in Europe (%)⁽²⁾



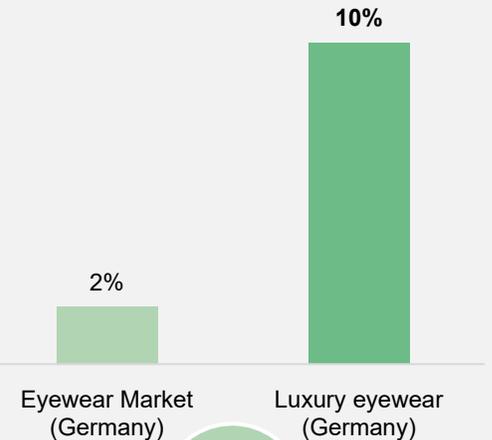
② ... at the same time European population is gradually **ageing**

% European population by age group⁽³⁾



③ ... and doesn't see eyewear as only a medical device...

Fashion and luxury eyewear
Frame market growth CAGR (2015-19)⁽⁴⁾

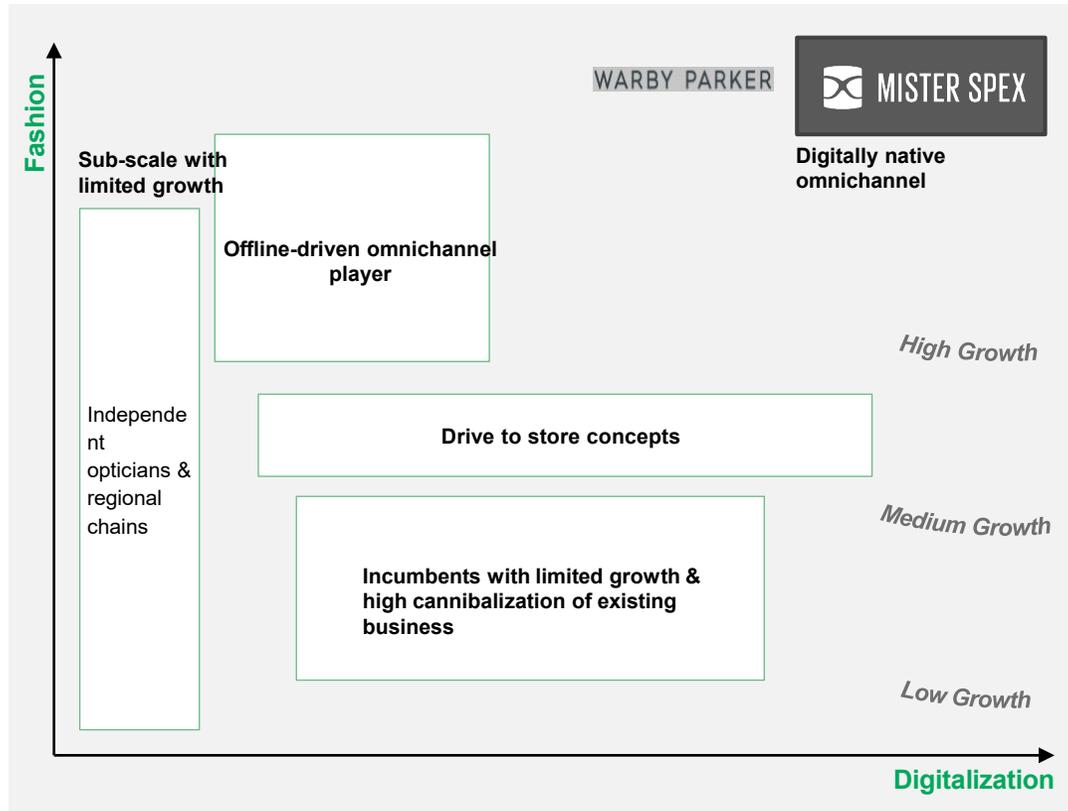


(1) Source: 2020 market sizes per Euromonitor (2021); Graph not to scale
(2) Source: Euromonitor (2021), Statista (2020)

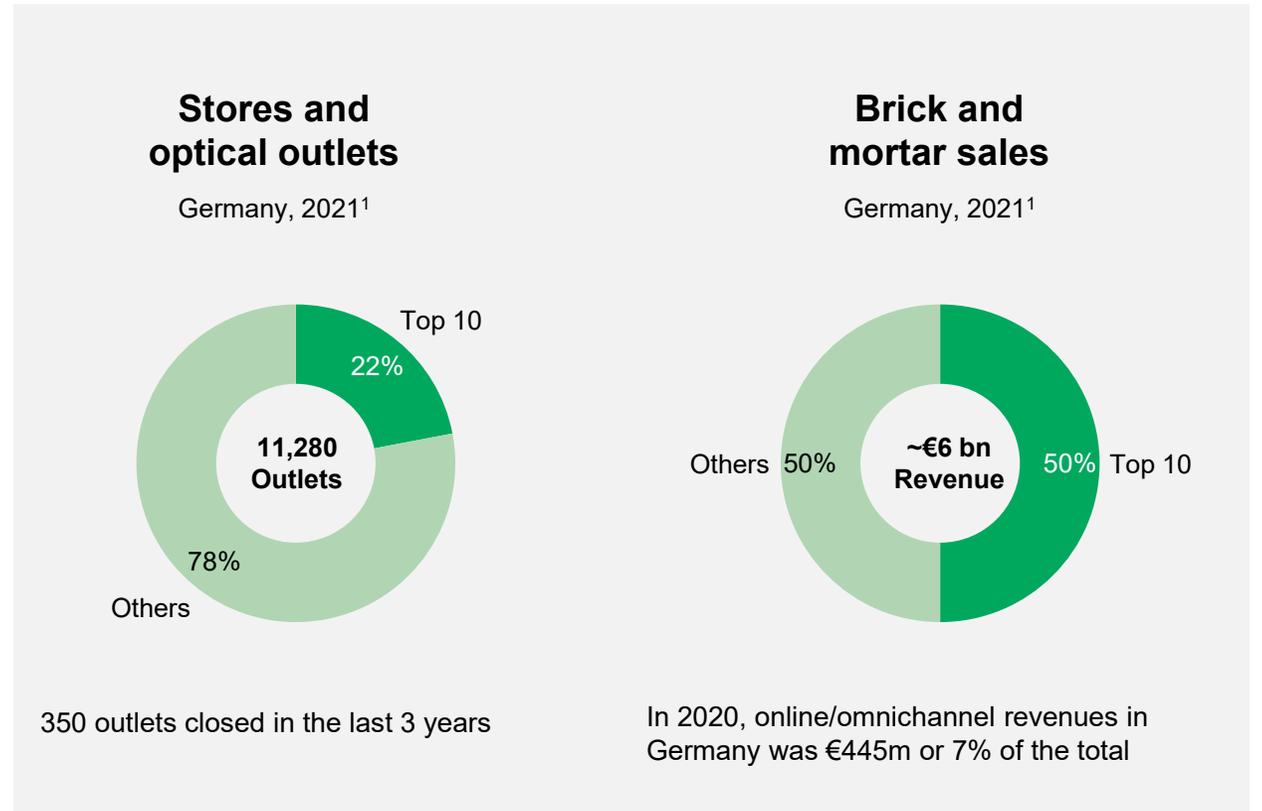
(3) World Bank, database population estimates and projections (2020) – includes European Union, Switzerland and UK
(4) Based on net frames revenue, with Luxury eyewear defined as gross frame prices above €300, Germany only

We have a unique positioning in a **fragmented** eyewear market

Positioning in the eyewear market



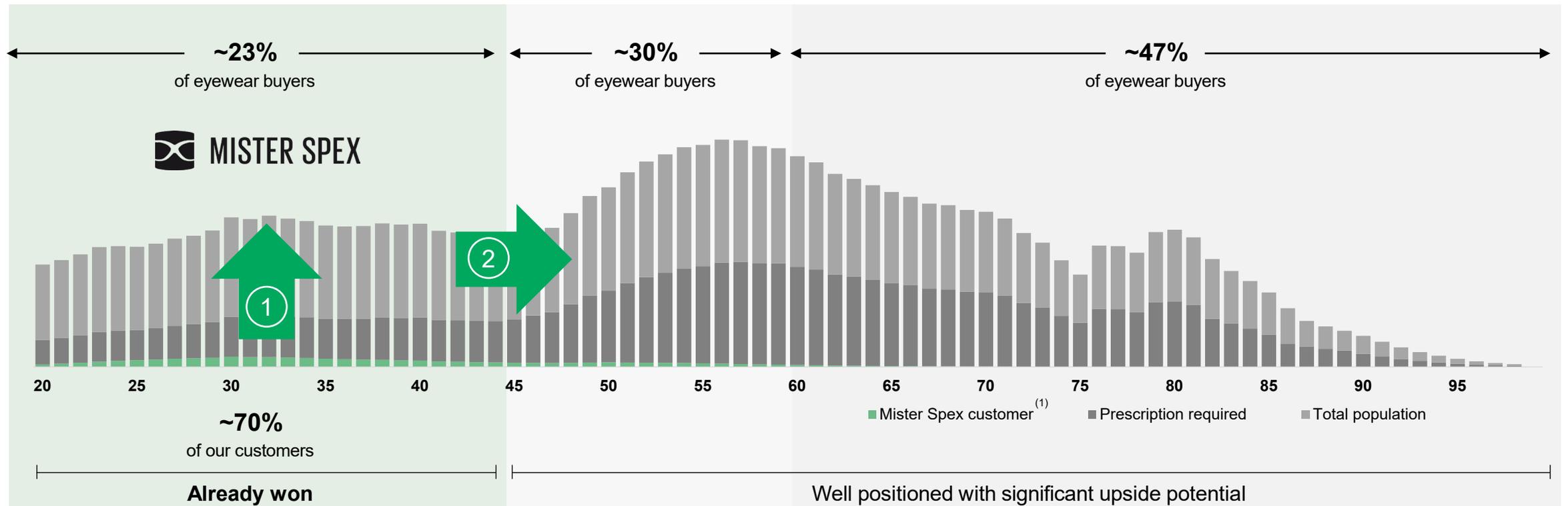
German eyewear market is highly **fragmented**



(1) Source: ZVA Branchereport Augernoptik: Märkte, Consumer und Trends 2021|2022

As **the consumer** becomes more digitally savvy, the ease and experience will play a key role

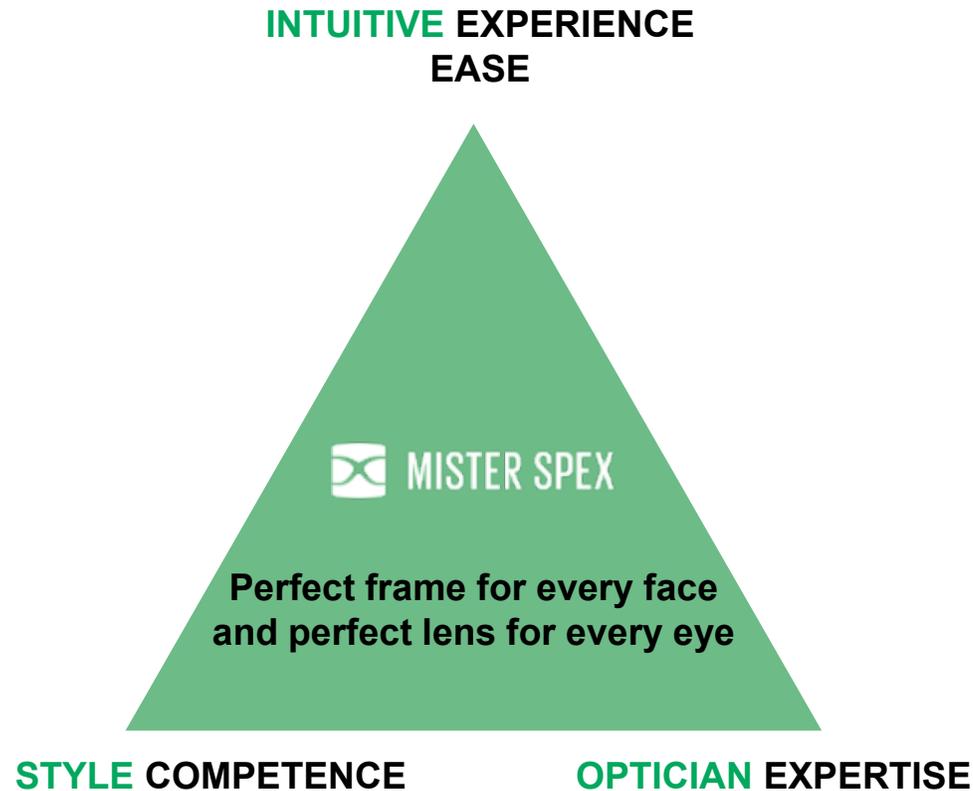
- ① Our **core customers** are digital natives. They value **ease** of the shopping experience and the latest fashion **look** that they can achieve
- ② We **expand our addressable market** by providing an **omnichannel experience** and providing industry leading **expertise** and product knowledge



Source: Company information, Statistisches Bundesamt (2020), Allensbach & ZVA (2019)

(1) All customers that bought prescription products or eye exam vouchers

Therefore, our omnichannel model focuses on delivering on a **brand promise** of...



We aim to deliver proof at **every customer touchpoint**

Delivering a **superior** customer value proposition

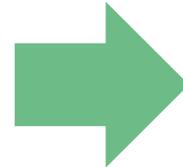
Brand promise

INTUITIVE EXPERIENCE
EASE



STYLE COMPETENCE

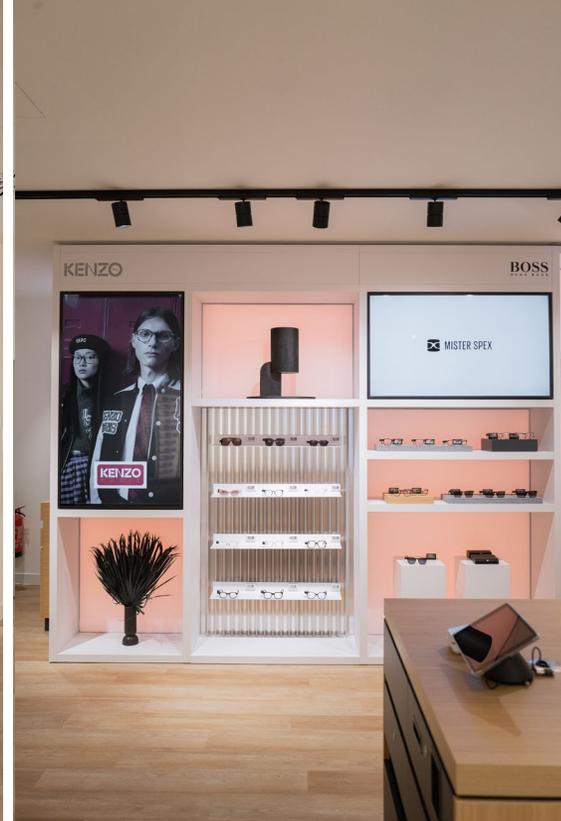
OPTICIAN EXPERTISE



Strong value proposition

FY2022

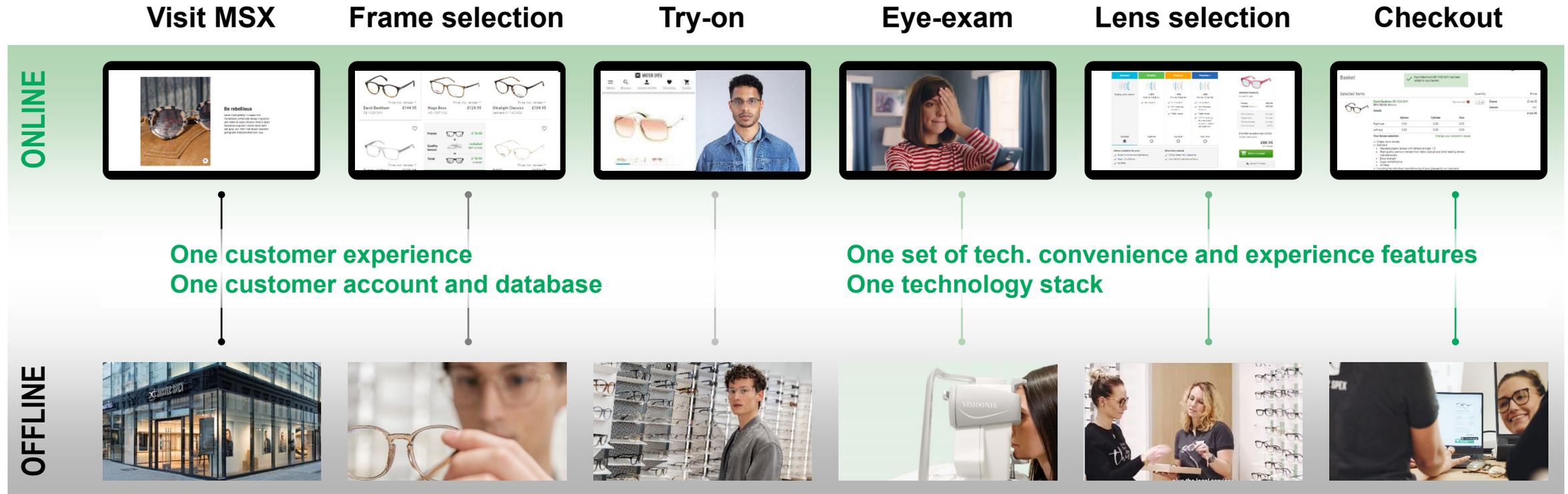
- ✓ ~38% of returning customers are using **recommendation tool**
- ✓ +18% **online eye exams** and >55% of customers are adding lens options
- ✓ +38% in **Boutique** sales (19%oS)
- ✓ 170 **Brands** and +11 new brands in 2022
17 **collaborations** in 2022



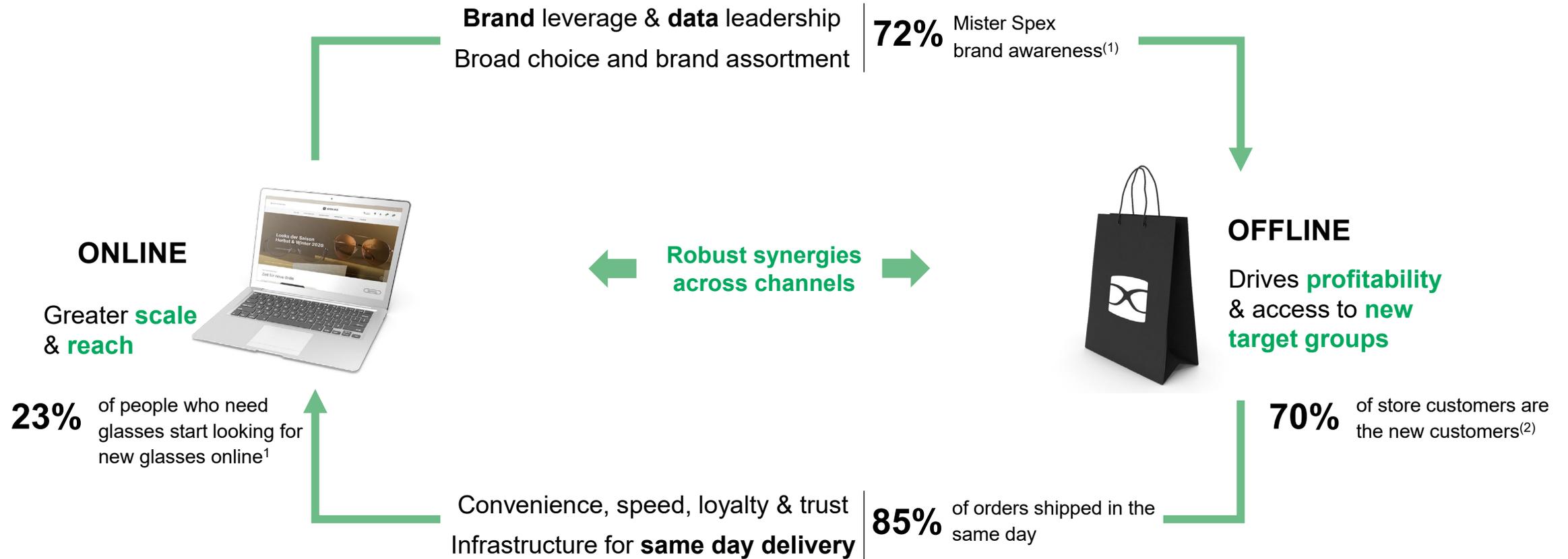
Flagship Store
Cologne



We ensure a consistent **customer experience** across all online and offline touchpoints



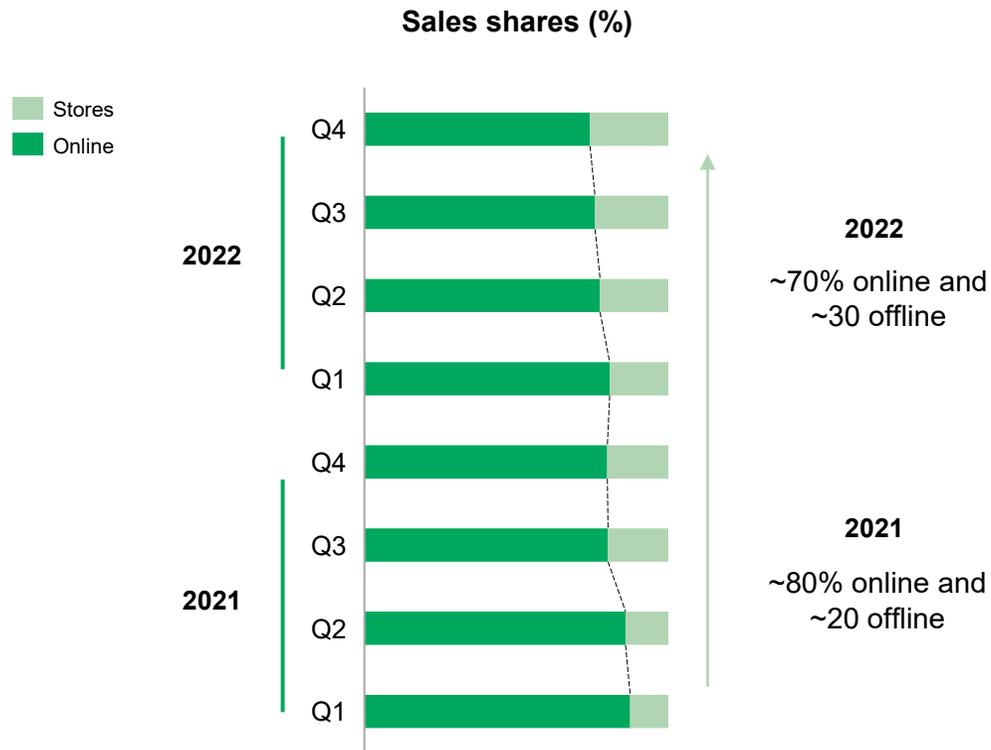
The omnichannel allows us to achieve **robust synergies** across channels



(1) Source: Mister Spex market research 2021

(2) 2016-2017 store cohorts – share of new customers within 12 months post store opening

The growing store-based sales continues to support online business



~25% of online sales involved **store touch points** (e.g., returns, eye tests)



~20% of **prescription glasses (PG)** customers are omnichannel (at least one offline and one online order)

Prescription glasses orders Germany - Regions with stores¹

Shares (%)



- ~30% are by customers who have so far only bought in stores
- ~30% of all PG orders are by omnichannel customers
- ~40% bought only online

■ Store only
 ■ Omnichannel
 ■ Online only

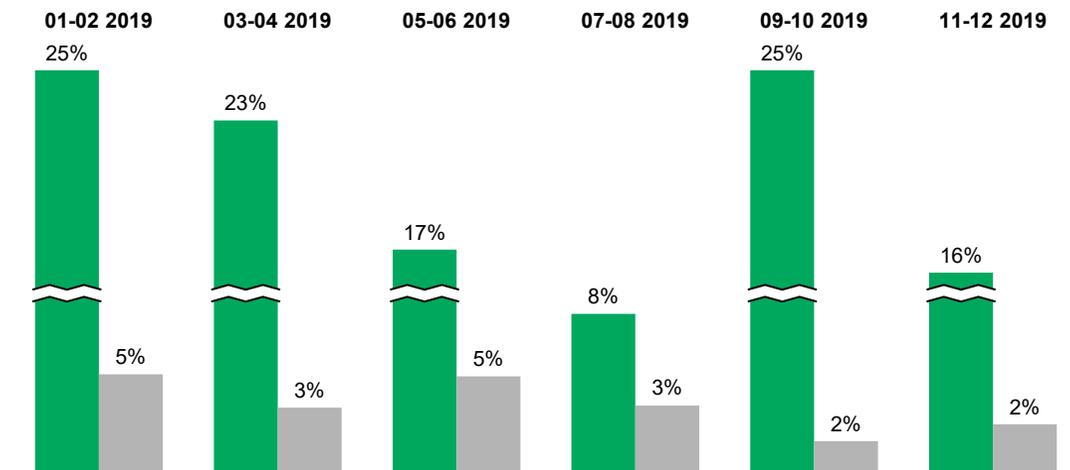
(1) Source: store region encompasses a radius of 6-10km, depending on the store

Our omnichannel model allows us to outperform ..

... in a **normal** market environment...

Germany – Unit growth in 2019

■ MSX (growth YoY) ■ Market¹ (growth YoY)



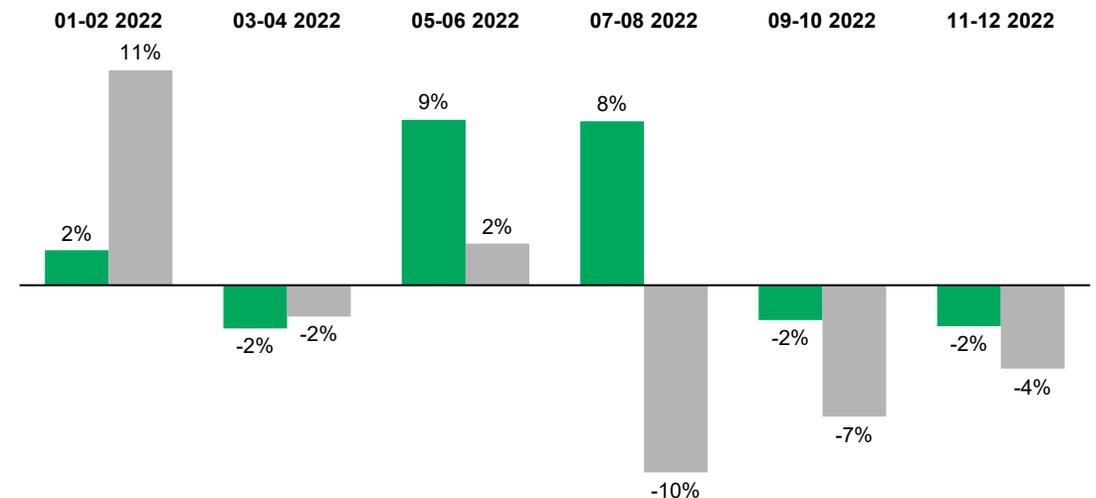
Market outperformance:



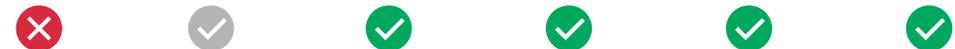
... and when consumer sentiment is **down**

Germany – Unit growth in 2022

■ MSX (growth YoY) ■ Market¹ (growth YoY)



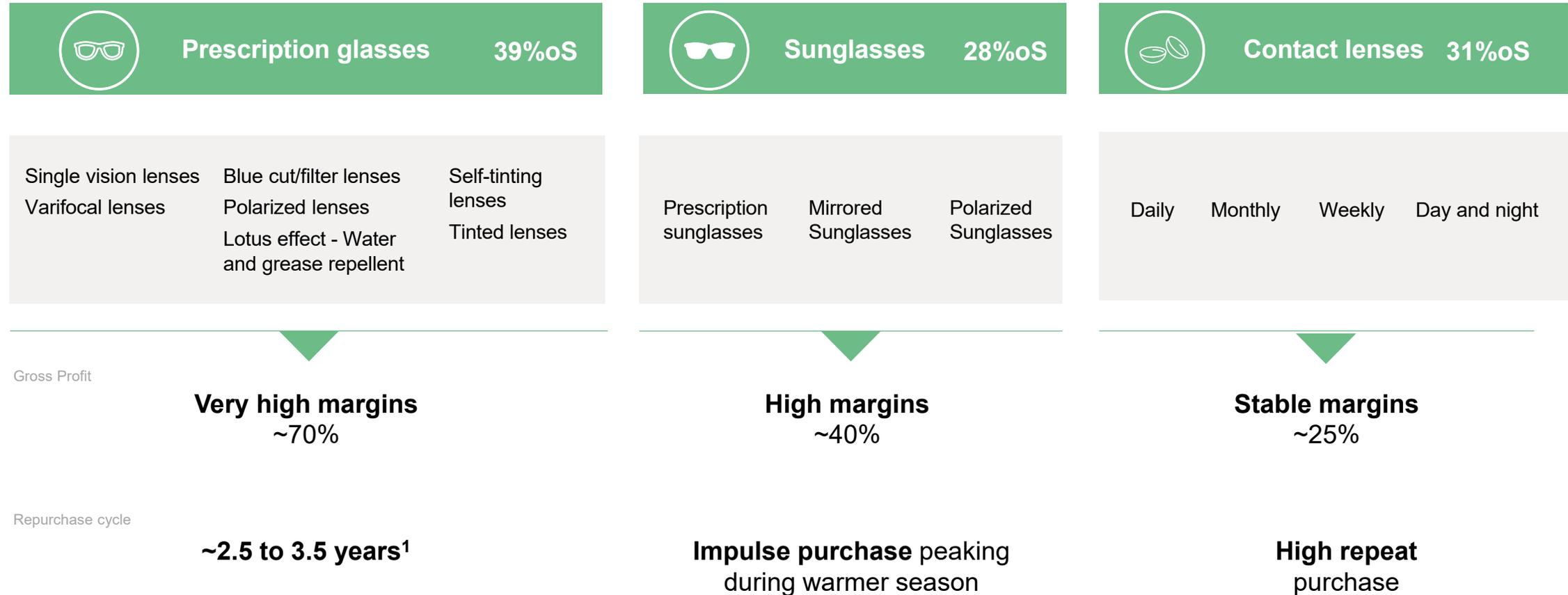
Market outperformance:



1. Market data for independent optical retail of frames, excluding lenses; MSX data including lenses
Source: GfK Panel Report Optics Total DE (Last update: January 2023)

We are addressing **all product categories**, with increasing share of prescription glasses

FY 2022



Source: Company information
 1. Germany: 4.1 to 4.5 years repurchase cycle

Our offering includes **third-party** brands and **own brands**



Mister Spex offering

>10,000
SKUs

>100
brands

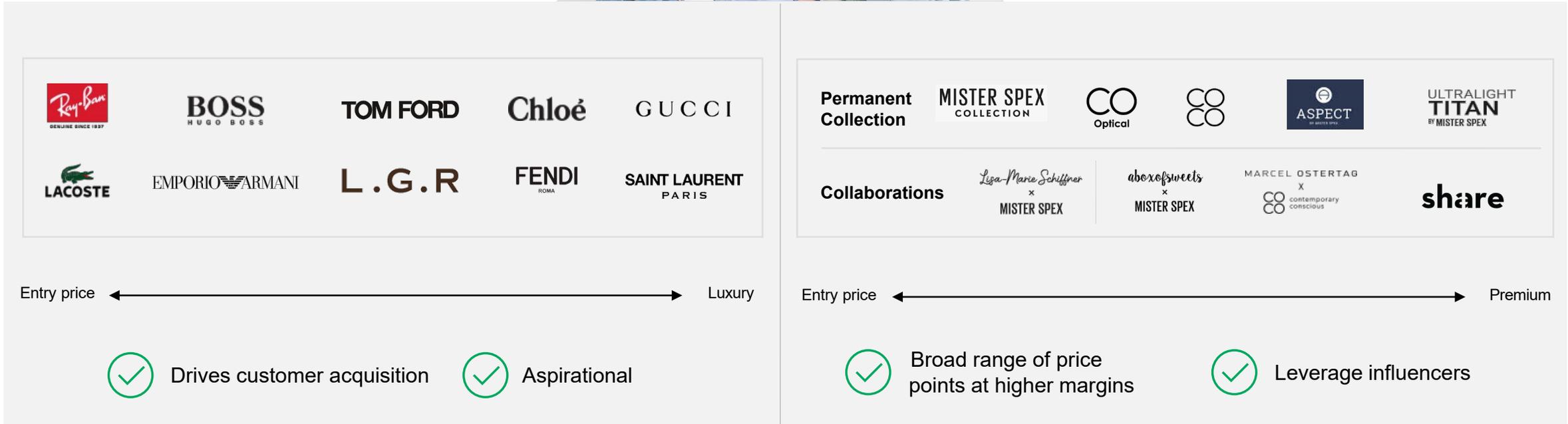
13%
Boutique share

Own brands and collaborations

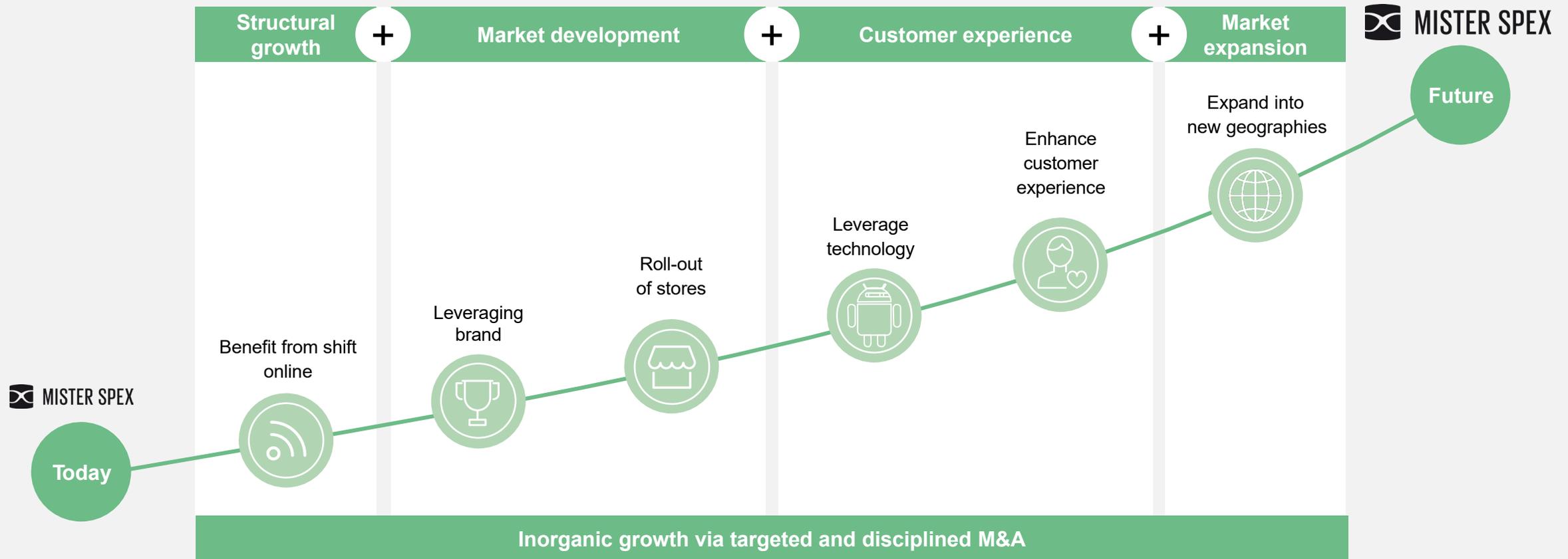
>1,000
SKUs

7
brands

15%
of total revenue



Multiple drivers of predictable and profitable long-term growth





MISTER SPEX

Q3 2023 Results

Executive summary

- ① The ongoing conflicts in the Ukraine, Middle East and inflation have **reduced consumer sentiment**, leading to unpredictable demand patterns in the retail sector
- ② A year of consistent and meticulous execution of the **Lean 4 Leverage** program yields results
- ③ Streamlining customer service processes, **enhancing operational efficiencies with AI** and **rolling out custom made frames** further
 - ▶ Strategic update
- ④ **Revenue growth** of +2% in Q3, +6% in 9M and another quarter of **improving profitability** with € 0.2m in Q3 (+€ 0.9m YoY)
 - ▶ Financial update



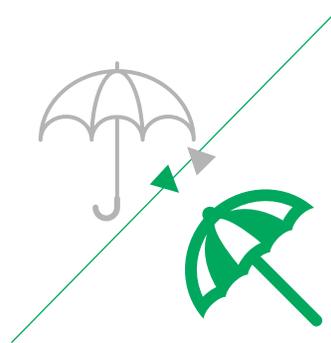
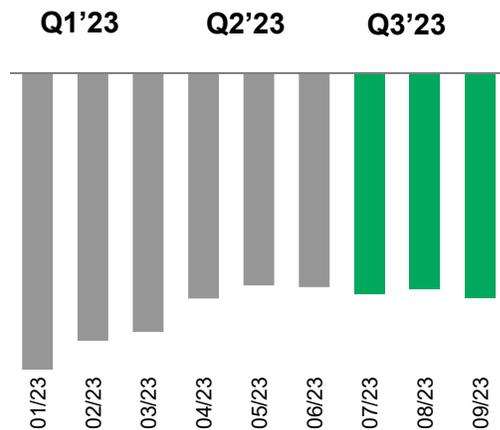
Continue to perform in a challenging environment

Reduced consumer sentiment showing **no improvement in Q3...**

... this coupled with **unseasonal weather patterns ...**

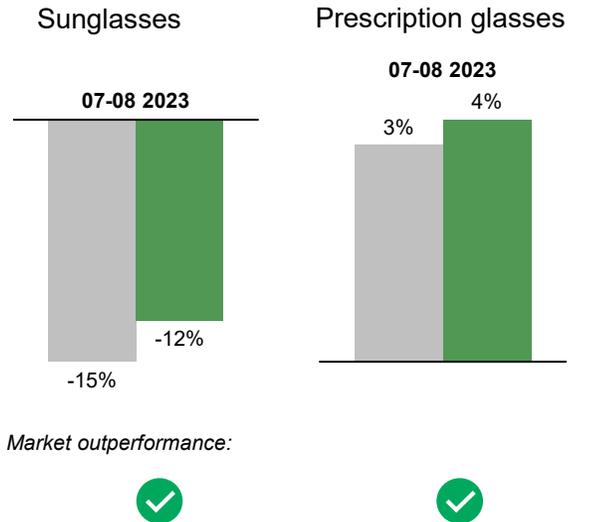
... impacted our **revenue and product mix**

■ GfK Consumer Confidence (index points)



■ Market (growth YoY) ■ MSX (growth YoY)

Germany – Unit growth



... however, we still **outperform the market**

1. Market data for independent optical retail of prescription glasses (PG) and sunglasses (SG)
Source: GfK Panel Report Optics Total DE (Last update: July 2023)

Looking into Q3 revenue development



Q3

July

August

September

Revenue growth



Prescription glasses
-3%



Sunglasses
+4%



Arrows represent revenue growth:
Yellow: <5%;
Red = <0%;
Green = >6%

Persistent **strong revenue momentum** which started in Q2 and extended into July

Wettest August in Germany since 2010

Negative sunglasses development in online and brick-and-mortar

Warmest September on record in Germany

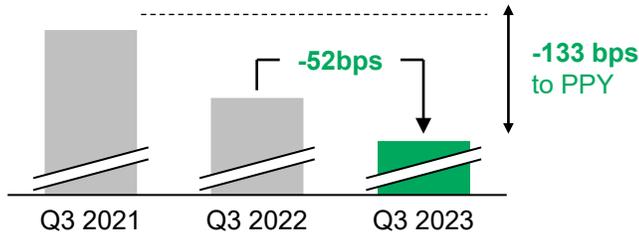
High sickness rates

Persistently reduced consumer sentiment

Q3 headwinds impact gross margin development

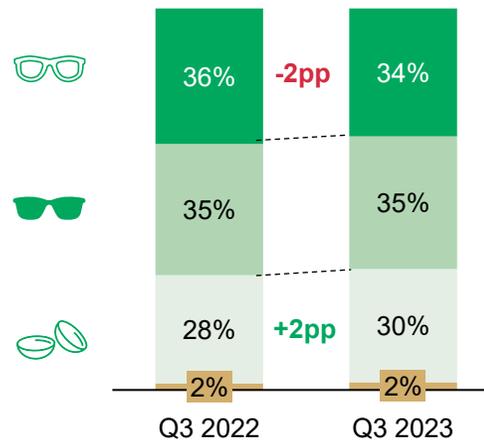
We continue to make progress on **decreasing discounts** and simplifying our promotions ...

Discount rates (%)



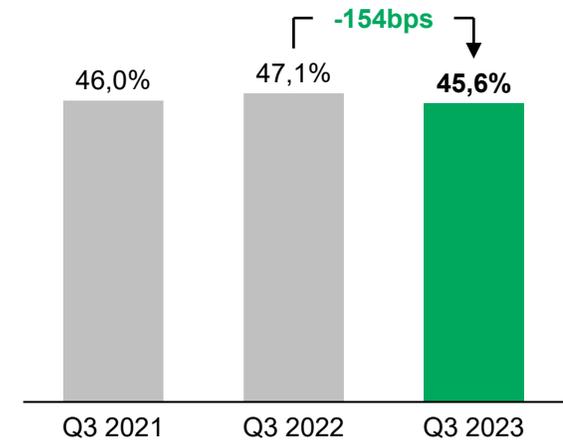
... but unseasonal weather patterns and reduced consumer sentiment have significantly **impacted our product mix**...

■ Prescription glasses (PG) ■ Contact lenses (CL)
■ Sunglasses (SG) ■ Miscellaneous services



... therefore, impacting our **gross margin** in Q3

Gross margin (%)



Lean 4 Leverage: Q3

Areas of focus for 2023

Concentrate on the core



Q3 LFL turned negative, stemming from high sickness rates, mixed weather patterns and consumer sentiment

9M LFL +3% supported by growth in all cohorts



Continuous improvement in **labor productivity and unit labor costs**

▶ Labor productivity: **9M +18% YoY**

Optimise price, mix and product margin



AOV growth and margin expansion in Prescription glasses

▶ **Q3 Gross margin: +260bps**
(Q3 Gross Margin: 73%)

▶ **Q3 AOV: +13%**
(176 EUR)



AOV growth in Sunglasses

▶ **Q3 AOV: +9%**
(107 EUR)

Lean for operational leverage



Large-scale **lean management** training program rolled out with >50% of employees¹ trained and rolled out to international markets



Simplifying and **streamlining processes** in Customer Service (strategic update)

Strategic update



Continuing to build on our brand promise

Perfect frame for every face and perfect lens for every eye with



Using AI to drive improvements in Operations and Customer Experience



Continuing to build on our brand promise with Mister Spex

Perfect fit for our customers...



Custom Fit and Style
via 3D face-Scanning Technology
and a range of 6 models and 7
colors



Light & Flexible
via 3D printed material



Locally produced
Low waste, on demand, European
production

... and a large opportunity for Mister Spex



**We already have a broad customer
base**
70% are above 45 years old, with a
customer base that is half female and half
male

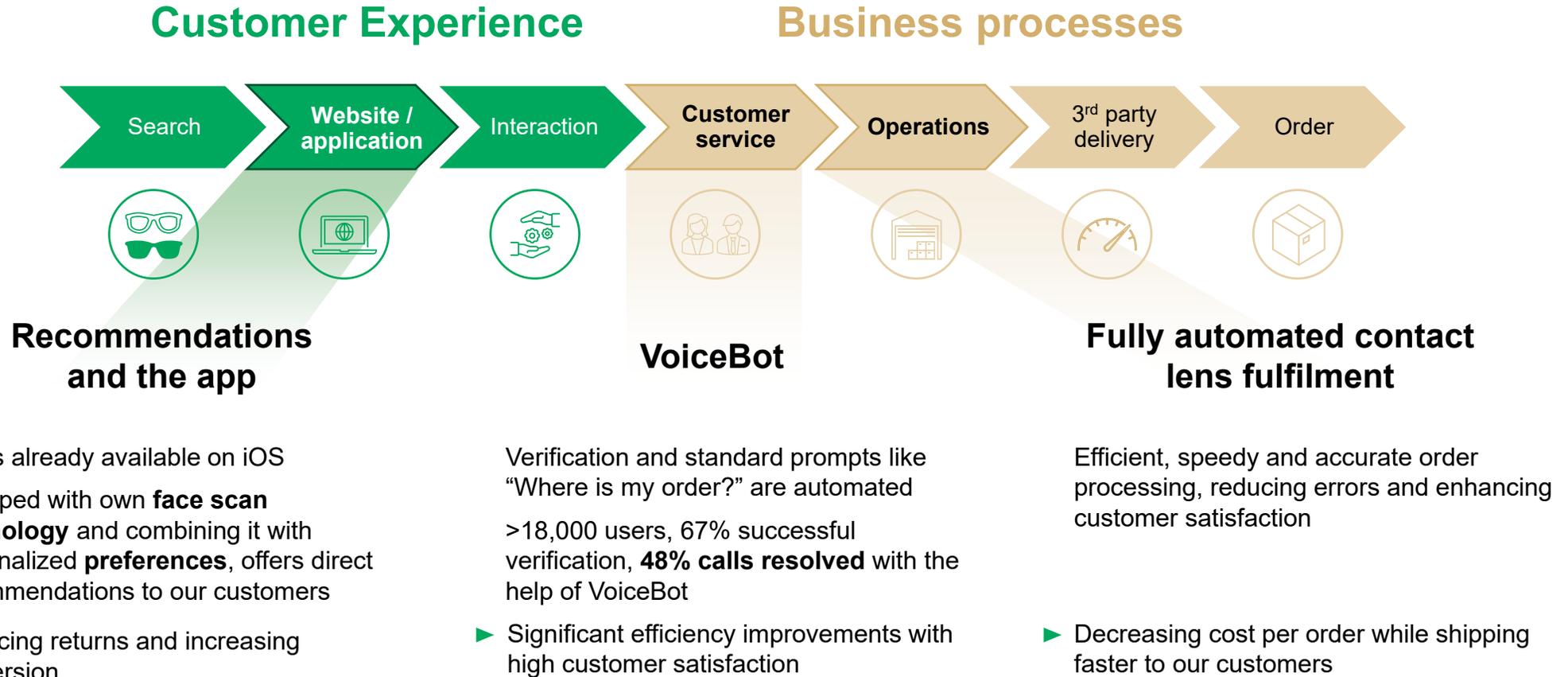


**Interest for more shapes and colors
will broaden the addressable
market**
More choice of shape and color in the
pipeline



**Further potential to optimize
unit economics
...and roll out App for fitting
algorithm**

Using AI and robotics to drive improvements in operations



App is already available on iOS
Equipped with own **face scan technology** and combining it with personalized **preferences**, offers direct recommendations to our customers

- ▶ Reducing returns and increasing conversion



Verification and standard prompts like “Where is my order?” are automated
>18,000 users, 67% successful verification, **48% calls resolved** with the help of VoiceBot

- ▶ Significant efficiency improvements with high customer satisfaction

Efficient, speedy and accurate order processing, reducing errors and enhancing customer satisfaction

- ▶ Decreasing cost per order while shipping faster to our customers

Financial update



Growth of 2% bringing 9M to 6%

Fully on track to meet revenue guidance



**Continuously profitable with
€ 0.2m in Q3 and € 0.9m in 9M**

Fully on track to meet profitability guidance



**€ 117m in cash and cash
equivalents**

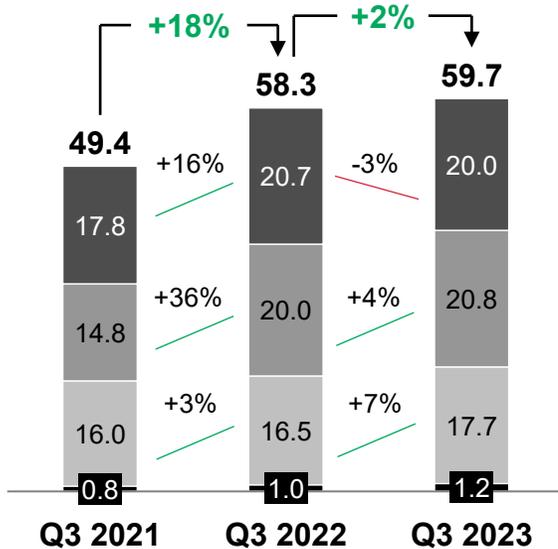
Fully on track to meet our soft guidance



Revenue – category development

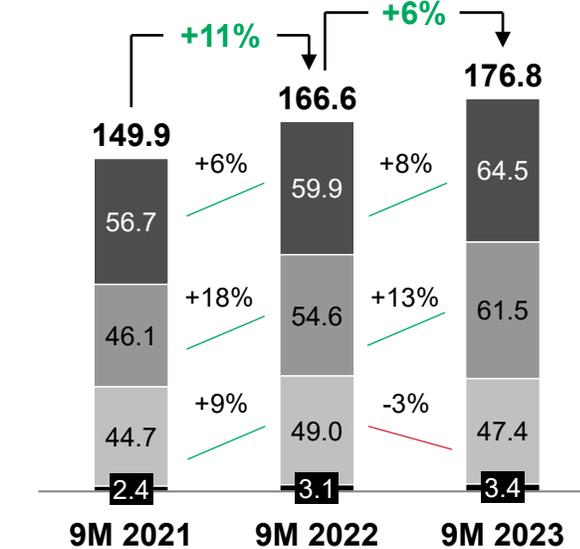
Q3 Revenue

€m



9M Revenue

€m



■ Prescription glasses (PG) ■ Sunglasses (SG) ■ Contact lenses (CL) ■ Miscellaneous services

Q3 2023

Prescription glasses: Impacted by the extended summer and elevated sickness rates

Sunglasses: slowdown driven by a rainy August, which impacted the development of sunglasses sales both online and in brick-and-mortar stores

Contact lenses: 2022 was impacted by strategic repositioning towards more margin accretive categories

Boutique and Own Brand: Strong double-digit growth, over proportionally contributing to the overall development

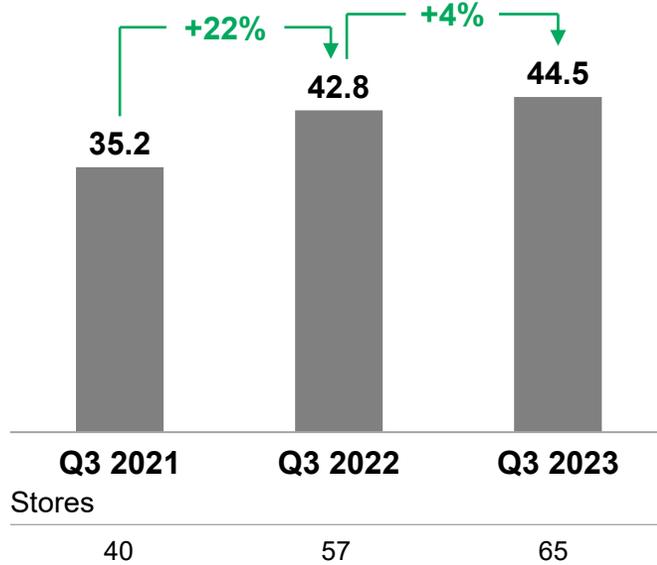
No new store openings in Q3



Revenue – segments development

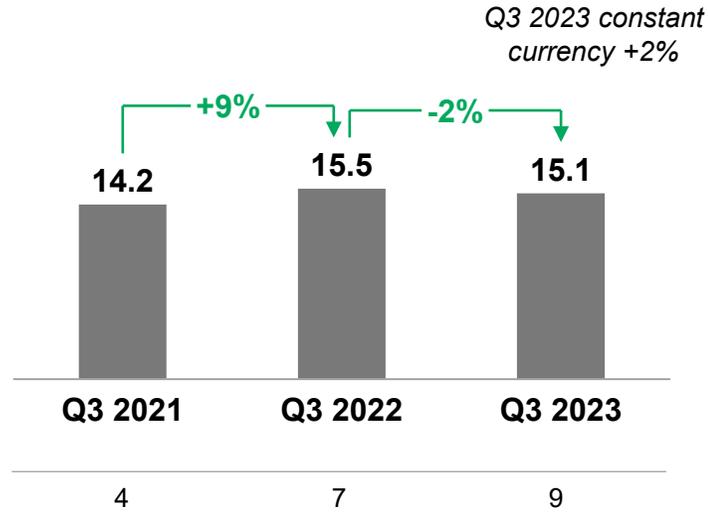
Net Revenue – Germany

€m



Net Revenue – International

€m



Financial performance in Q3 2023

% of Revenue	Q3 2022	Q3 2023	Δ	9M 2022	9M 2023	Δ
Gross Profit Margin	47.1%	45.7%	(1.4)pp	47.6%	49.1%	1.5pp
Personnel expense	(25.7)%	(26.1)%*	(0.4)pp	(26.0)%	(26.8)%	(0.8)pp
Marketing expense	(10.7)%	(10.0)%	0.7pp	(12.8)%	(11.5)%	1.3pp
Other operating expense	(16.9)%	(15.5)%	1.4pp	(17.2)%	(15.7)%	1.5pp
EBITDA	(3.2)%	(3.4)%	(0.2)pp	(4.9)%	(1.9)%	3.0pp
Adjusted EBITDA	(1.0)%	0.4%	1.5pp	(2.8)%	0.5%	3.3pp

Q3

Gross profit margin is impacted by unfavorable product mix

Personnel expense increased by only 40bps despite the addition of 10 new stores year over year

Other operating expenses have significantly decreased driven by lower usage of External Services as well as Freight and Fulfillment costs

* Adjusted for the IFRS 2, the personnel expense in Q3 2023 was € 13.6 million or 23% of revenue



Guidance 2023

Net revenue (€ m)

Mid to high single digit growth



Adjusted EBITDA margin (%)

Low single digit percentage margin



While October shows material improvement from second half of Q3, we are **cautious** about the rebound in consumer sentiment



Looking ahead

Reporting

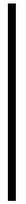
- 27 Mar** FY 2023 financial results
- 16 May** Q1 2024 financial results

Conferences and roadshows

- 9 Nov** Q2 Company roadshow (Virtual)
- 10 Nov** Barclays European Retail Forum 2023 (Virtual)
- 27-29 Nov** Deutsches Eigenkapitalforum (Frankfurt)
- 8 Dec** Alster Research - German Opportunities for Scandinavian Investors (Virtual)



Q&A





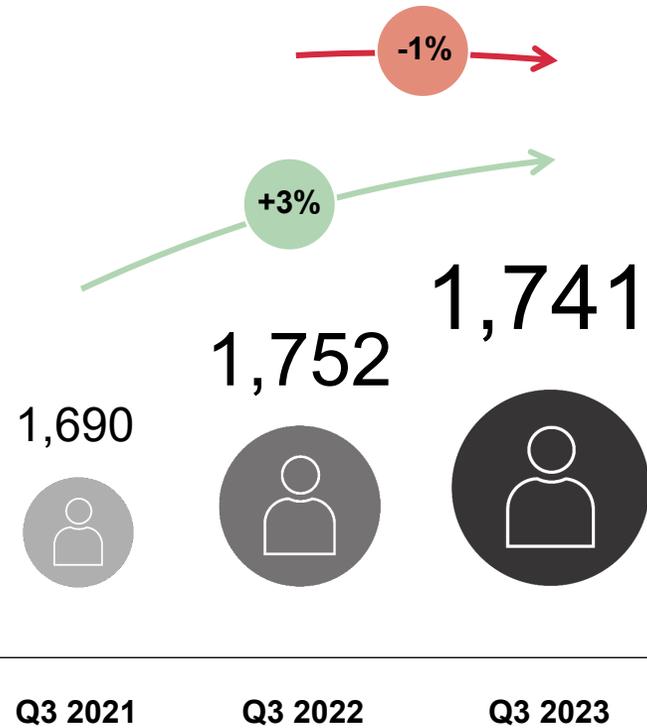
| Appendix

Guidance 2023

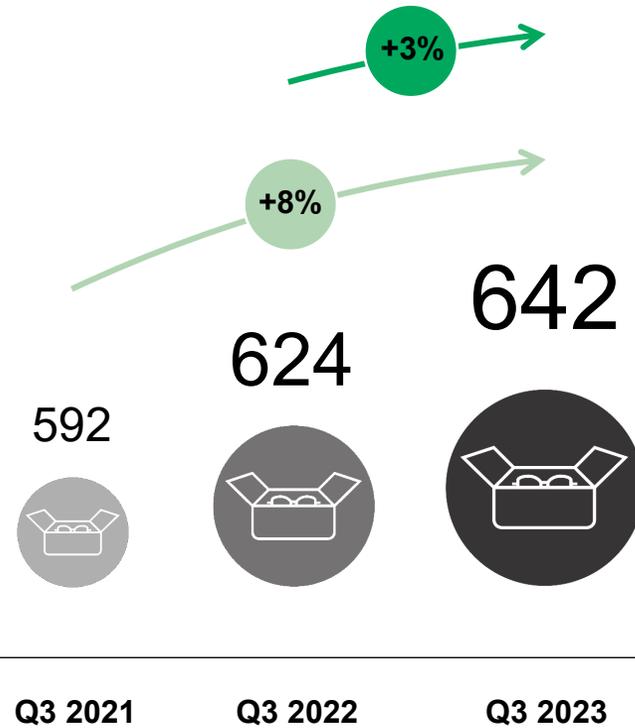
	2022	Guidance 2023	Comments
Net revenue (€ m)	210	Mid to high single digit growth	Supported by price increases and volume growth
Prescription share (%)	39%		Increasing due to further store roll out and maturing store portfolio
Gross profit margin (%)	48.5%		Increases due to reduced discounts and favorable product mix
Adjusted EBITDA margin (%)	-4%	Low single digit percentage margin	Driven by margin improvement, cost consciousness and operating leverage
Capex (€ m)	~19	Flat	Up to 10 new stores in 2023
Inventory (€ m)	30		Strategic buying in contact lenses ahead of price increases. + € 4.5m in Q1'23
End cash and cash equivalents balance (€ m)	128	105 - 110	Better operational performance and cost consciousness

Resilient unit economics

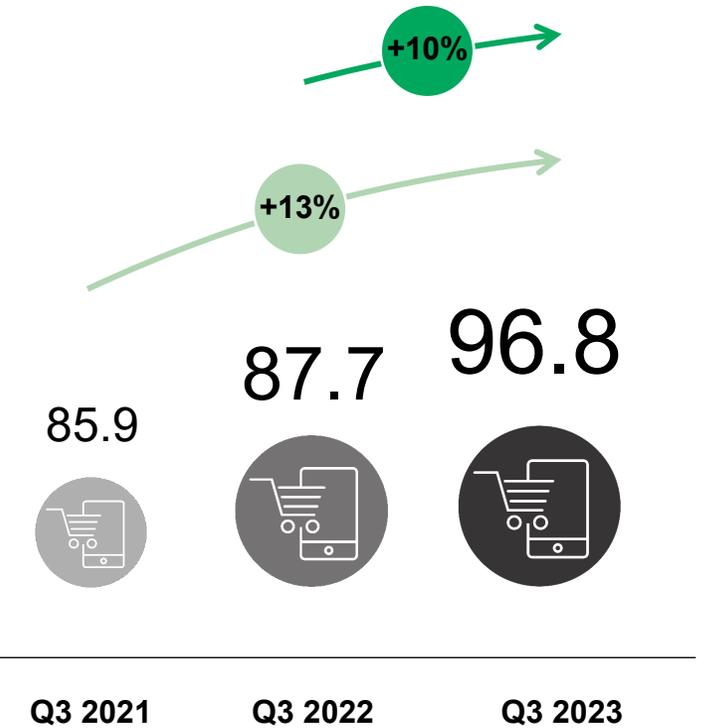
Active customers LTM¹ thousand



Number of orders² thousand



Average order value LTM³ €



¹ Customers who ordered in the last 12 months excluding cancellations ² Orders after cancellations and after returns ³ Calculated as revenues divided by number of orders over the last 12 months

Consolidated statement of profit or loss

Consolidated statement of profit and loss

in € k	Q3 (1 Jul – 30 Sep)		9M (1 Jan – 30 Sep)	
	2023	2022	2023	2022
Revenue	59,666	58,262	176,825	166,553
Other own work capitalized	1,120	1,720	4,205	5,396
Other operating income	396	76	1,085	406
Total operating performance	61,182	60,058	182,115	172,355
Cost of materials	-32,366	-30,809	-90,013	-87,270
Personnel expenses	-15,574	-14,999	-47,381	-43,374
Other operating expenses	-15,249	-16,104	-48,153	-49,891
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-2,007	-1,854	-3,433	-8,180
Depreciation, amortization and impairment	-6,512	-5,279	-20,573	-14,094
Earnings before interest and taxes (EBIT)	-8,519	-7,133	-24,005	-22,274
Financial result	223	-1,318	-217	-3,246
Share of results of associates	0	0	0	-302
Earnings before taxes (EBT)	-8,296	-8,451	-24,222	-25,520
Income taxes	-380	-221	-1,003	-675
Loss for the period	-8,675	-8,672	-25,225	-26,195
Thereof loss attributable to the shareholders of Mister Spex SE	-8,675	-8,672	-25,225	-26,497
Basic and diluted earnings per share (in EUR)	-0.28	-0.25	-0.77	-0.78

Consolidated statement of other comprehensive income and loss

in € k	Q3 (1 Jul – 30 Sep)		9M (1 Jan – 30 Sep)	
	2023	2022	2023	2022
Loss for the period	-8,675	-8,672	-25,225	-26,195
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign financial statements	148	121	-147	247
Other comprehensive income / loss	148	121	-147	247
Total comprehensive loss	-8,527	-8,551	-25,371	-25,948
Thereof loss attributable to the shareholders of Mister Spex SE	-8,527	-8,551	-25,371	-25,948



Consolidated statement of cash flows

Consolidated statement of cash flows (for the nine months ended 30 June)

in € k	9M (1 Jan – 30 Sep)		in € k	9M (1 Jan – 30 Sep)	
	2023	2022		2023	2022
Operating activities			Investing activities		
Loss for the period	-25,225	-26,497	Acquisition of subsidiaries, net of cash acquisition	0	-1,000
Adjustments for:			Purchase of other financial assets	0	-70,000
Finance income	-2,775	-659	Investments in property, plant and equipment	-6,083	-6,673
Finance cost	2,992	3,905	Investments in intangible assets	-5,805	-7,072
Income tax expense	1,003	675	Cash flow from investing activities	-11,887	-84,745
Amortization and impairment of intangible assets	4,848	4,658			
Depreciation and impairment of property, plant and equipment	5,272	2,558	Financing activities		
Depreciation of right-of-use assets	10,452	6,878	Cash received from capital increases, net of transaction costs	277	429
Non-cash expenses for share-based payments	2,070	1,054	Cash from resolved capital increase	0	10
Increase (+)/decrease (-) in non-current provisions	172	149	Cash received from liabilities to banks	1,941	3,350
Increase (-)/decrease (+) in inventories	-1,605	-8,474	Repayments of liabilities to banks	-681	-114
Increase (-)/decrease (+) in other assets	6,514	2,591	Payment of principal portion of lease liabilities	-7,409	-6,016
Increase (+)/decrease (-) in trade payables and other liabilities	4,324	911	Cash flow from financing activities	-5,873	-2,341
Share of results of associates	0	302			
Income taxes paid	0	674	Net increase (+)/decrease (-) in cash and cash equivalents	-10,421	-99,928
Loss from the derecognition of shares in associates	-677	0	Cash and cash equivalents at the beginning of the period	127,792	149,644
Interest paid	-2,333	-1,573	Cash and cash equivalents at the end of the period	117,371	49,716
Interest received	2,306	6			
Cash flows from operating activities	7,339	-12,842			



Consolidated statement of financial position

Consolidated statement of financial position

Assets			Equity and liabilities		
in €k	30.09.2023	31.12.2022	in €k	30.09.2023	31.12.2022
Non-current assets	138,819	120,411	Equity	177,981	201,005
Goodwill	12,829	12,829	Subscribed capital	34,075	33,866
Intangible assets	22,738	21,738	Capital reserves	329,806	327,668
Property, plant and equipment	24,676	23,922	Other reserves	-1,241	-1,094
Right-of-use assets	75,037	53,193	Accumulated loss	-184,660	-159,435
Other financial assets	3,539	8,729	Non-current liabilities	80,343	56,736
Current assets	162,548	172,821	Provisions	1,736	1,563
Inventories	31,646	30,041	Lease liabilities	72,488	50,376
Right of return assets	1,223	759	Liabilities to banks	1,120	1,120
Trade receivables	893	2,742	Other financial liabilities	3,352	2,462
Other financial assets	1,864	868	Other non-financial liabilities	21	42
Other non-financial assets	9,550	10,619	Deferred tax liabilities	1,627	1,173
Cash and cash equivalents	117,372	127,792	Current liabilities	43,044	35,491
			Provisions	996	1,054
			Trade payables	12,173	12,857
			Refund liabilities	2,661	2,166
			Lease liabilities	12,931	10,159
			Other financial liabilities	1,892	1,433
			Contract liabilities	2,397	1,121
			Other non-financial liabilities	9,993	6,700
Total assets	301,367	293,232	Total equity and liabilities	301,367	293,232



