 MISTER SPEX

Quarterly Statement Q3 2022

MISTER SPEX – At a glance

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Key figures

in EUR k	Q3 (1.07. – 30.09.)		
	2022	2021	Change
Results of operation			
Revenue	58,262	49,399	18%
Revenue by segment			
Germany	42,771	35,202	22%
International	15,491	14,197	9%
Revenue by product category			
Prescription glasses	20,699	17,847	16%
Sunglasses (incl. prescription sunglasses)	20,026	14,754	36%
Contact lenses	16,537	16,000	3%
Miscellaneous services	999	798	25%
Gross profit margin ¹	47.1%	46.0%	110bp ²
EBITDA	-1,854	-2,416	-23%
Adjusted EBITDA	-610	268	> -100%
Other key figures			
Active customers (LTM) ³ (in k)	1,752	1,690	4%
Number of orders ⁴ (in k)	624	592	5%
Average order value (LTM) ⁵ (in EUR)	87.71	85.90	2%

1 Management defines gross profit margin as the ratio of gross profit to revenue

2 bp = basis points

3 Customers who ordered in the last twelve months excluding cancellations

4 Orders after cancellations and after returns

5 Calculated as revenues divided by number of orders after cancellation and after returns, over the last twelve months

>1.7
MILLION
ACTIVE CUSTOMERS

Interim Group Management Report



+18%

Revenue increase in Q3

Financial performance

Despite a volatile environment and declining consumer confidence in Germany, **revenue** was significantly above previous year at EUR 58.3 million which represents an increase of 18% in the third quarter of 2022. The increase was predominantly driven by 36% growth in sunglasses

and 16% growth in prescription glasses. Both categories show accelerated growth from Q2 2022 where sales from sunglasses increased by 11%, while prescription grew by 2%. Contact lenses were roughly flat with revenue increasing by 3% in Q3 2022.

From the **market** perspective, based on the GfK [“Gesellschaft für Konsumgüterforschung”: Consumer Goods Research Company] the German independent optical market declined by 11% in July and August², while Mister Spex grew by 19% for the given time period; therefore, Mister Spex has outperformed the market.

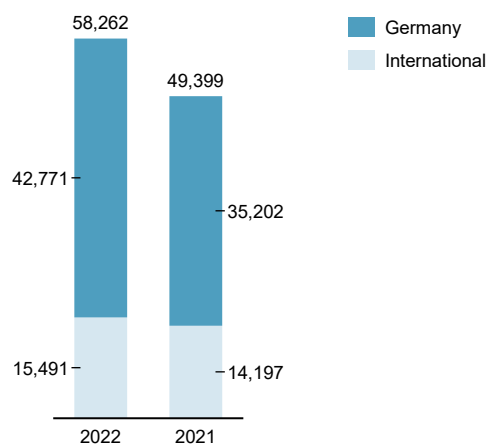
Consolidated statement of profit or loss

in EUR k	Q3 (1.07. – 30.09.)		
	2022	2021	Change
Revenue	58,262	49,399	18%
Own work capitalized	1,720	1,764	-2%
Other operating income	76	1,812	-96%
Cost of materials	-30,809	-26,692	15%
Gross profit¹	27,453	22,707	21%
Gross profit margin¹	47.1%	46.0%	110bp
Personnel expenses	-14,999	-11,548	30%
Other operating expenses	-16,104	-17,151	-6%
EBITDA	-1,854	-2,416	-23%
Adjustments	1,244	2,684	-54%
Adjusted EBITDA	-610	268	>-100%
Depreciation and amortization	-5,279	-3,816	38%
EBIT	-7,133	-6,232	14%
Financial result	-1,318	-862	53%
Share in loss of associates	-	-96	-100%
Income taxes	-221	-1,002	-78%
Loss for the period	-8,672	-8,192	6%

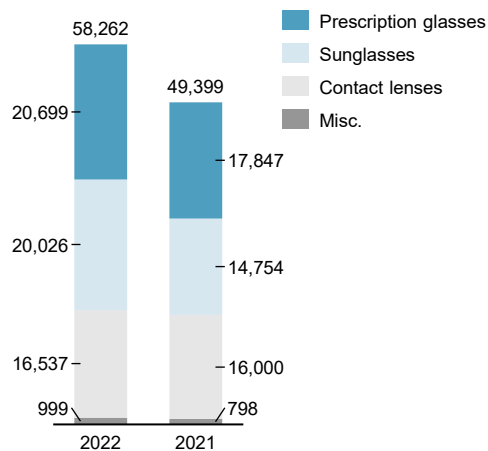
¹ Management defines gross profit as revenue less cost of materials and the gross profit margin as the ratio of gross profit to revenue.

² GfK – data available only for July and August at the time of publishing and represents market sales value for frames only.

Revenue by segment Q3 (in EUR k)



Revenue by product category Q3 (in EUR k)



Revenue in **Germany** increased by 22% compared to previous year driven by a recovery of the brick-and-mortar retail business. Q3 2021 was still impacted by distance restrictions in connection with COVID-19. The revenue growth, was mainly driven by 48% increase in sunglasses (including prescription sunglasses) sales followed by 17% increase in prescription glasses. Warm weather in Germany supported the overall development of sunglasses.

Revenue in **International** markets grew by 9%. This predominantly comes from sunglasses and prescription glasses which grew by 15% and 16% respectively. Moreover, as part of "Lean 4 Leverage" efficiency program, marketing budget has been reallocated towards segment Germany, where the Company benefits from higher brand awareness level.

In the third quarter of 2022, the number of **active customers** increased by 4% to 1,752 k compared to previous year. This result reflects the customer-centric omnichannel business model of Mister Spex, which is marked by a high level of customer satisfaction and a repurchase intention that is well above that of traditional incumbents.

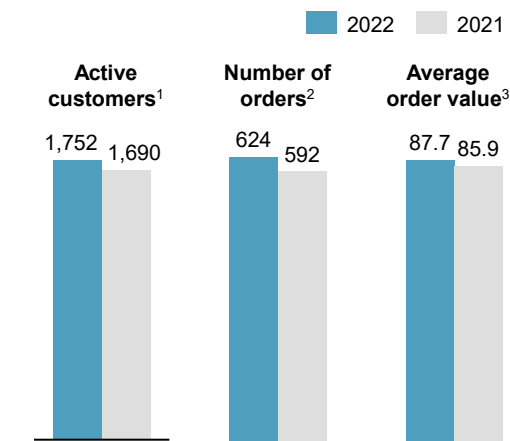
The **number of orders** increased by 5% to 624 k compared to prior year. Despite a declining share of prescription glasses in the product mix over the past twelve months, the average order value in this period increased by 2% to EUR 87.7 with a

positive average order value development across all our product categories.

The **gross margin** increased by 110 basis points to 47.1%, which is mainly due to a shift in the product mix with a higher share of sunglasses and lower share of contact lenses in Q3 2022 compared to prior year.

Personnel costs increased by 30% in Q3 2022 compared to prior year. This is predominantly driven by an increase in the number of employees related to further store openings as well as an increase in the overhead costs.

Non-financial KPIs Q3



¹ Customers who ordered in the last twelve months excluding cancellations (in k)

² Orders after cancellations and after returns (in k)

³ Calculated as revenues divided by number of orders after cancellation and after returns, over the last twelve months (in EUR)

Reconciliation from EBITDA to Adjusted EBITDA

in EUR k	Q3 (1.07. – 30.09.)		
	2022	2021	Change
EBITDA	-1,854	-2,416	23%
Adjustments	1,244	2,684	-54%
Thereof effects arising from the application of IFRS 2	-189	306	>-100%
Thereof transformation costs	733	2,176	>-100%
Thereof other special effects	699	202	>100%
Adjusted EBITDA	-610	268	>-100%

Other operating expenses decreased by 6% compared to previous year. The improvement is coming from lower legal and consulting fees as well as marketing. In the previous year, legal and consulting fees included one-time costs related to the IPO and costs related to the change of legal form. Lower marketing expense in the third quarter of 2022 is a result of efficiency program “Lean 4 Leverage”.

Depreciation and amortization has increased by 38% in Q3 2022 compared to previous year level. The development is driven by an increase in amortization of right-of-use assets in accordance with IFRS 16 in connection with the lease of new stores.

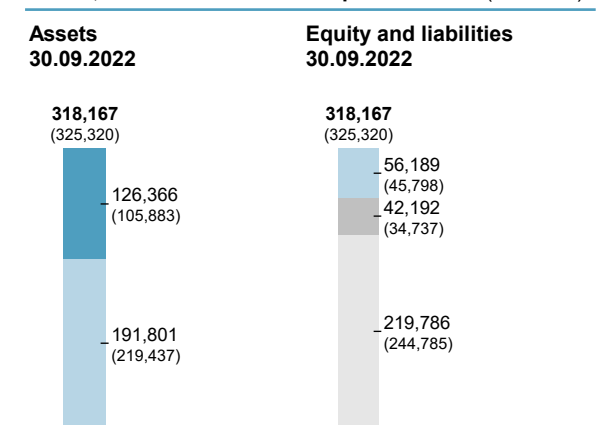
Management assesses the Group’s operating performance based on adjusted EBITDA defined as earnings before interest, taxes, depreciation and amortization, adjusted for share-based

compensation expenses pursuant to IFRS 2, one-time transformation costs and other one-time effects that are not part of the regular course of business. The transformation costs in Q3 2022 included one-off legal and consulting costs connected with “Lean 4 Leverage” program.

In Q3 2022, **adjusted EBITDA** decreased in comparison to the previous year, the decline is coming from lower one-time adjustments. Previous year, one-time adjustments included consulting and legal fees in connection to the IPO in July 2021. The transformation costs in Q3 2022 are mainly due to the efficiency program “Lean 4 Leverage”.

The **reported EBITDA** has improved by 23% in Q3 2022, supported by higher gross profit and lower other operating expenses which overcompensated the increase in personnel costs.

Assets, liabilities and financial position 2022 (in EUR k)*



* Figures in brackets as of 31.12.2021

- Non-Current Assets
- Current Assets
- Non-Current Liabilities
- Current Liabilities
- Equity

As of 30 September 2022, **total assets** have decreased by EUR 7.2 million compared to 31 December 2021. The increase in non-current assets by EUR 20.5 million is mainly due to the opening of new stores and the associated recognition of right-of-use assets in accordance with the provisions of IFRS 16, the acquisition of Tribe GmbH and the resulting increase in goodwill and other assets as well as increase in internally generated intangible assets.

Current assets have decreased by EUR 27.6 million compared to 31 December 2021. This relates to a change in cash and cash equivalents of EUR 99.9 million and subsequent increase in other financial assets by 62.3 million to 94.9 million due to term deposit investments. The resulting decrease in cash and cash equivalents is primarily driven by the



+4

New stores in Q3

overall business as well as the opening of new stores. For the same period, inventories increased by EUR 8.5 million to EUR 31.6 million, in particular in merchandise for the retail business.

The cash flow from operating activities in the first nine months of 2022 resulted in cash outflow of EUR -12.8 million (prior-year period: EUR -17.6 million). The improvement is driven by lower loss for the period and lower interest payments.

The cash flow from investing activities amounted to EUR -84.7 million (prior-year period: EUR -11.1 million) largely driven by investment in term deposits and the acquisition of the remaining stake (51.83%) in Tribe GmbH as well as investments in fittings for the new stores, logistics, internally developed software and other furniture and fittings.

The cash flow from financing activities amounted to EUR -2.3 million (prior-year period: EUR 204.6 million). The biggest impact is coming from the payment of lease liabilities.

The change in **equity** is mainly due to the net loss for the period. The equity ratio as of 30 September 2022 was 69% and remains relatively stable compared to year end's ratio of 75.2%. Business activities are financed by a combination of equity and debt.

As of 30 September 2022, the total of **current and non-current liabilities** was EUR 17.8 million above the value on 31 December 2021. The increase in

non-current liabilities to EUR 56.2 million is mainly due to the increase in lease liabilities in connection with the opening of new stores. This is related to the recognition of leases in accordance with IFRS 16. The increase in current liabilities by EUR 7.5 million to EUR 42.2 million is mainly due to an increase in trade payables, an increase in lease liabilities as well as an increase in other non-financial liabilities.

Outlook

Mister Spex continues to navigate in a highly uncertain geopolitical and macroeconomic environment. Global energy crisis, persistent inflation and rising interest rates are leading to historically low consumer sentiment in Germany. Consumer behavior remains uncertain with at times volatile demand patterns.

Despite the highly uncertain environment, Mister Spex confirms its outlook for fiscal year 2022. Management expects revenue growth between 7% and 12%, assuming no further restrictions from COVID-19 or geopolitical uncertainties in the fourth quarter.

Management expects an adjusted EBITDA margin of -6% to -3% for the current financial year. As a result of the ongoing uncertainty, the Company launched a comprehensive "Lean 4 Leverage" efficiency program to significantly reduce overhead costs and sustainably increase profitability.

Berlin, 9 November 2022

The Management Board



Dirk Graber
Founder and Co-CEO



Dr Mirko Caspar
Co-CEO



Maren Kroll
CHRO



Consolidated statement of comprehensive profit and loss



Consolidated statement of profit and loss

in EUR k	Q3 (1.07. – 30.09.)			9M (1.01. – 30.09.)		
	2022	2021	Change	2022	2021	Change
Revenue	58,262	49,399	18%	166,553	149,907	11%
Other own work capitalized	1,720	1,764	-2%	5,396	4,830	12%
Other operating income	76	1,812	-96%	406	2,606	-84%
Total operating performance	60,058	52,975	13%	172,355	157,343	10%
Cost of materials	-30,809	-26,692	15%	-87,270	-77,581	12%
Personnel expenses	-14,999	-11,548	30%	-43,374	-38,108	14%
Other operating expenses	-16,104	-17,151	-6%	-49,891	-50,048	0%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-1,854	-2,416	-23%	-8,180	-8,394	-3%
Depreciation, amortization and impairment	-5,279	-3,816	38%	-14,094	-10,784	31%
Earnings before interest and taxes (EBIT)	-7,133	-6,232	14%	-22,274	-19,178	16%
Financial result	-1,318	-862	53%	-3,246	-3,971	-18%
Share of results of associates	-	-96	-100%	-302	-232	30%
Earnings before taxes (EBT)	-8,451	-7,190	18%	-25,822	-23,381	10%
Income taxes	-221	-1,002	-78%	-675	-2,836	-76%
Loss for the period	-8,672	-8,192	6%	-26,497	-26,217	1%
Thereof loss attributable to the shareholders of Mister Spex SE	-8,672	-8,192	6%	-26,497	-26,217	1%
Basic and diluted earnings per share (in EUR)	-0.25	-0.21	19%	-0.78	-0.99	-21%

Consolidated statement of other comprehensive income and loss

in EUR k	Q3 (1.07. - 30.09.)			9M (1.01.- 30.09.)		
	2022	2021	Change	2022	2021	Change
Loss for the period	-8,672	-8,192	6%	-26,497	-26,217	1%
Other comprehensive income to be reclassified to profit or loss in subsequent periods						
Exchange differences on translation of foreign financial statements	121	15	>100%	247	7	>100%
Other comprehensive income / loss	121	15	>100%	247	7	>100%
Total comprehensive loss	-8,551	-8,177	5%	-26,250	-26,210	0%
Thereof loss attributable to the shareholders of Mister Spex SE	-8,551	-8,177	5%	-26,250	-26,210	0%

Consolidated statement of financial position

Consolidated statement of financial position

Assets			Equity and liabilities		
in EUR k	30.09.2022	31.12.2021	in EUR k	30.09.2022	31.12.2021
Non-current assets	126,366	105,883	Equity	219,786	244,785
Goodwill	14,987	12,113	Subscribed capital	33,856	33,761
Intangible assets	23,126	17,904	Capital reserves	327,476	326,319
Property, plant and equipment	23,663	19,549	Other reserves	-541	-787
Right-of-use assets	55,920	48,953	Accumulated loss	-141,005	-114,509
Investments in associates	-	2,073	Non-current liabilities	56,189	45,798
Other financial assets	8,670	5,291	Provisions	499	350
Current assets	191,801	219,437	Lease liabilities	49,429	44,016
Inventories	31,625	23,151	Liabilities to banks	4,356	-
Right of return assets	896	723	Other financial liabilities	7	160
Trade receivables	1,108	2,852	Other non-financial liabilities	51	100
Other financial assets	94,908	32,613	Deferred tax liabilities	1,847	1,172
Other non-financial assets	13,548	10,454	Current liabilities	42,192	34,737
Cash and cash equivalents	49,716	149,644	Provisions	1,056	900
			Trade payables	18,074	16,222
			Refund liabilities	2,239	1,983
			Lease liabilities	9,630	7,675
			Liabilities to banks	3	-
			Other financial liabilities	1,274	1,010
			Contract liabilities	957	1,090
			Other non-financial liabilities	8,959	5,857
Total assets	318,167	325,320	Total equity and liabilities	318,167	325,320

Consolidated statement of cash flows



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

in EUR k	9M (1.01.- 30.09.)		in EUR k	9M (1.01 – 30.09.)	
	2022	2021		2022	2021
Operating activities	-26,497	-26,217	Investing activities		
Loss for the period			Acquisition of subsidiaries, net of cash acquired	-1,000	-
Adjustments for:			Purchase of other financial assets	-70,000	-
Finance income	-659	-602	Investments in property, plant and equipment	-6,673	-4,939
Finance cost	3,905	4,573	Investments in intangible assets	-7,072	-6,190
Income tax expense	675	2,836	Cash flow from investing activities	-84,745	-11,129
Amortization of intangible assets	4,658	3,387	Financing activities		
Depreciation of property, plant and equipment	2,558	1,881	Cash received from capital increases, net of transaction costs	429	240,096
Depreciation of right-of-use assets	6,878	5,516	Cash received for the resolved capital increase	10	-
Non-cash expenses for share-based payments	1,054	989	Cash received from liabilities to banks	3,350	35,000
Increase (+)/decrease (-) in non-current provisions	149	147	Repayments of liabilities to banks	-114	-65,882
Increase (-)/decrease (+) in inventories	-8,474	-3,289	Payment of principal portion of lease liabilities	-6,016	-4,654
Increase (-)/decrease (+) in other assets	2,591	-10,268	Cash flow from financing activities	-2,341	204,560
Increase (+)/decrease (-) in trade payables and other liabilities	911	6,444	Net increase (+)/decrease (-) in cash and cash equivalents	-99,928	175,839
Share in income/loss of associates	302	232	Cash and cash equivalents at the beginning of the period	149,644	14,536
Loss from the deconsolidation of associates	674	-	Cash and cash equivalents at the end of the period	49,716	190,375
Interest paid	-1,573	-3,222			
Interest received	6	1			
Cash flows from operating activities	-12,842	-17,592			



Imprint

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DISCLAIMER

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Due to the effects of rounding, some figures in this and other reports or statements may not add up precisely to the sums indicated, and percentages presented may not precisely reflect the exact figures to which they relate.

This report is also published in German. In the event of any discrepancies, the German version of the report shall prevail over the English translation.

Financial calendar

Date	
January 2023	Trading statement financial year 2022
29 March 2023	Annual report 2022

Mister Spex SE

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