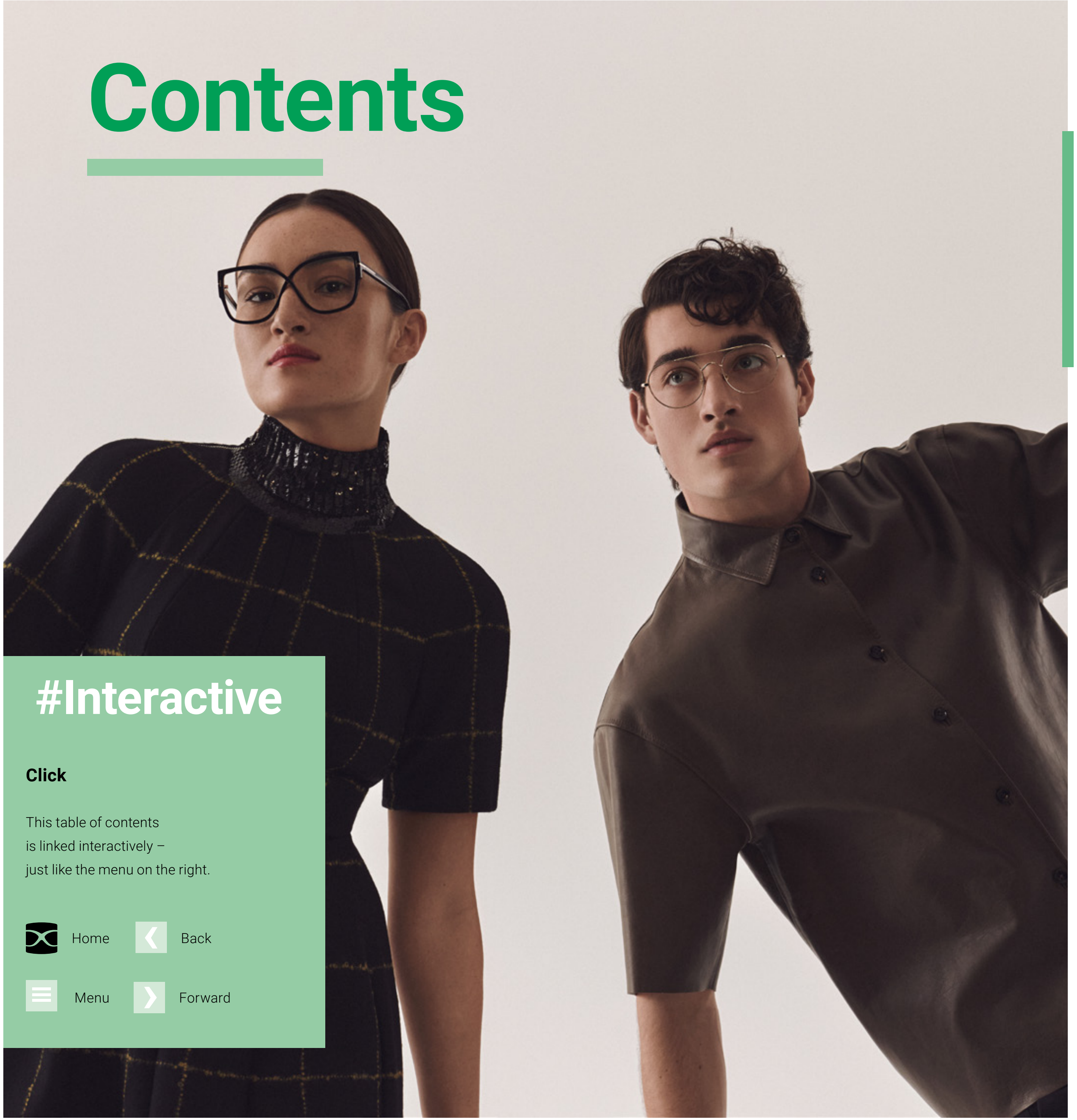
MISTER SPEX

Annual Report 2023

Contents



#Interactive

Click

This table of contents
is linked interactively –
just like the menu on the right.

Home Back

Menu Forward

CHANGE

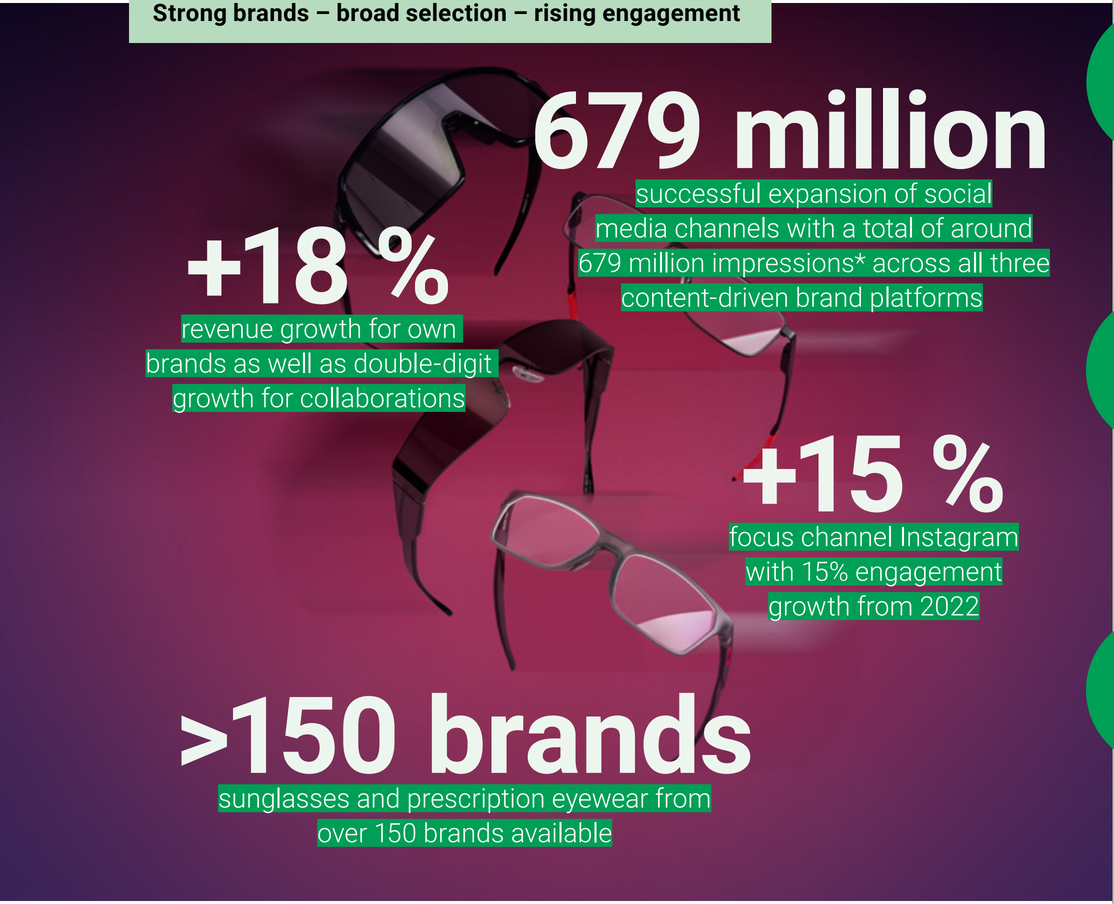
Company

CHANGE

Changing styles

Through a wide range of attractive own labels, trendy designer brands and selected independent labels Mister Spex offers its customers everything they need to enhance their vision and emphasize their individual style. Through exclusive collaborations with designers, influencers and media personalities, Mister Spex inspires customers to express their fashion and lifestyle attitude in all its forms and colours.

Strong brands – broad selection – rising engagement



679 million

successful expansion of social media channels with a total of around 679 million impressions* across all three content-driven brand platforms

+18 %

revenue growth for own brands as well as double-digit growth for collaborations

+15 %

focus channel Instagram with 15% engagement growth from 2022

>150 brands

sunglasses and prescription eyewear from over 150 brands available

* incl. organic content and media spend on Instagram, TikTok and Facebook

A passion for design and execution

It all starts with an idea

On average, nine months pass between the initial idea and the product launch. During this time, Mister Spex leaves nothing to chance: From meticulous market analysis and performance testing, to finding the right partners for a collaboration, business case strategy and direction of creation, the team goes all out.

The creative process

Whether designer or influencer, each collaborator brings individuality, creativity, and a passion for fashion. The Mister Spex collaborative collection reflects this uniqueness and is developed through extensive design workshops and prototyping sessions, allowing the artist to identify themselves with the collection.

Launch & lift-off

Once the product and packaging design is complete, the next step is to develop the content and copy for the launch and campaign. The product launch almost always starts with a launch event and meet&greet with the designer, influencer, or artist to bring the authenticity and look&feel of the brand collaboration to life. Our in-house team of brand, design, social media, marketing, and communications experts then ensure optimum visibility and maximum results with a 360° campaign.

Dagi Bee x Mister Spex

Together with Dagi Bee, one of Germany's most successful influencers and social media entrepreneurs, Mister Spex launched a collection of prescription glasses with two models in five colours in February 2023. In the first four days of the launch alone, 950 frames were sold, with sales approaching those of luxury brands such as Burberry and Boss. This makes the **Dagi Bee collection** the most successful influencer collaboration in Mister Spex's history to date.

Handcrafting bespoke eyewear

In 2023, Mister Spex launched 'Mister Spex' EyeD, the first of its own made-to-measure / customized collection of 3D-printed glasses, offering outstanding comfort with a custom fit and ultra-lightweight material. This is enabled by our proprietary facial scanning technology, which is also used to recommend sizes in our online store. Parameters such as pupillary distance, nose ridge width, and temple length form the metric basis to produce precisely fitting glasses. Customers can enjoy expressing themselves and their style with their custom-made and resource-saving eyewear made of high-quality polyamide.

Limited to 37 stores at the launch of Mister Spex EyeD in October, the made-to-measure collection has been available in Germany and Austria since the end of 2023 and in all Mister Spex stores across Europe since February 2024 – true to our mission to help every customer find the perfect pair of glasses with style, ease and expertise.

… and a huge opportunity for Mister Spex

We already have a broad customer base
High share of Mister Spex EyeD customers are over 45 years old

Interest in more shapes and colours will broaden the addressable market
Larger selection of shapes and colours from 2024

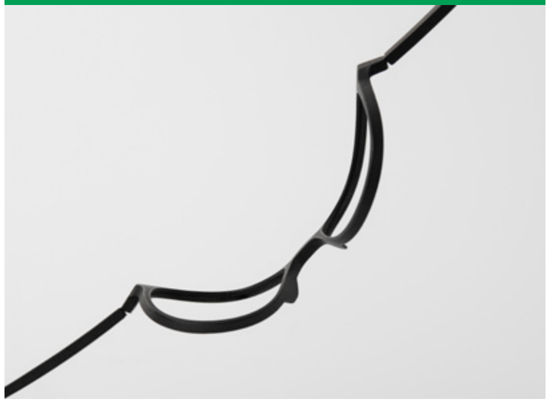
Further potential to optimize category performance with multifocal lenses
High share of Mister Spex EyeD sales already includes high-margin multifocal lenses

Mister Spex EyeD – The perfect fit through personalization! Bespoke 3D-printed glasses – state-of-the-art technology, pure individuality

Timeless aesthetics made to perfection for individual style

Personalised fit thanks to state-of-the-art measurement and 3D printing technology

Ultra-lightweight comfort and high durability



CHANGE

Assisting in creating change

By combining state-of-the-art technology and AI with comprehensive customer service, Mister Spex is shaping the modern optician's trade. At Europe's leading digitally driven omnichannel optician, young professionals have the unique opportunity to learn the traditional craft of opticianry and to actively shape the digital transformation of the industry with additional technological qualifications. At a time when skills shortages are threatening the future viability of almost every sector, training young talent is more important. According to the 2022 / 23 industry report by the German central association of opticians and optometrists (Zentralverband der Augenoptiker und Optometristen, ZVA), 42% of the opticians surveyed were recently looking for skilled staff. 68% of vacancies could not be filled.

38

FUTURE OPTICIANS STARTED IN 2023 THEIR WAY INTO PROFESSIONAL LIFE

Our apprentice workshop

To combat the shortage of skilled workers, Mister Spex has been training apprentices since 2016. To date, around 140 young people have started their optician training at Mister Spex. In 2023, 38 future opticians have started their careers – a thirty percent increase on the previous year. In its five training workshops, Mister Spex offers an ideal combination of manual work in the workshop, customer service in one of the most modern optician shops in Germany and a direct link to the European e-commerce business. The workshop managers support the trainees on site in all matters relating to vocational school and examinations and ensure that the training is of the highest quality. In this way, we create ideal conditions for tomorrow's opticians.

3 questions to Benjamin

Benjamin is the head of the Mister Spex training workshop in Reutlingen and has been on board since 2020.

What do you look for when selecting apprentices?

A friendly and confident demeanour as well as a genuine interest in optometry, craftsmanship and science. That's more important to us than top grades. Then there's the desire to work with people – even on Saturdays and evenings.

What prospects does Mister Spex offer after the apprenticeship?

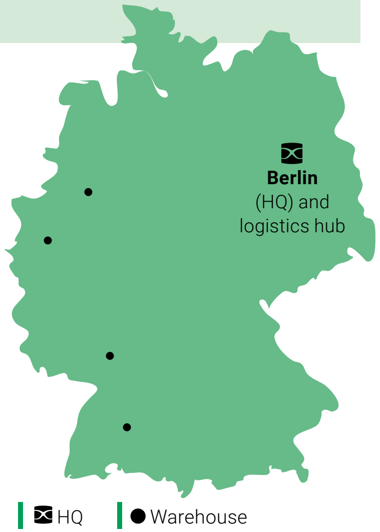
Mister Spex manufactures its own products at the central logistics centre in Berlin and is also growing in the stationary retail sector with new locations. To do this, we need qualified people, and we are happy to take them from our own training cohorts. Those who see themselves working outside the stores can alternatively get involved in customer service or e-commerce. We also have a comprehensive support programme for those interested in further qualifications to become a master optician.

What makes working at Mister Spex so special?

Our omnichannel concept not only makes it easier and more attractive for customers to buy glasses, it also makes working as an optician more varied and definitely more future-proof. Flat hierarchies and the opportunity to propose and implement your own ideas create a lot of motivation in the team.

Five locations – one concept

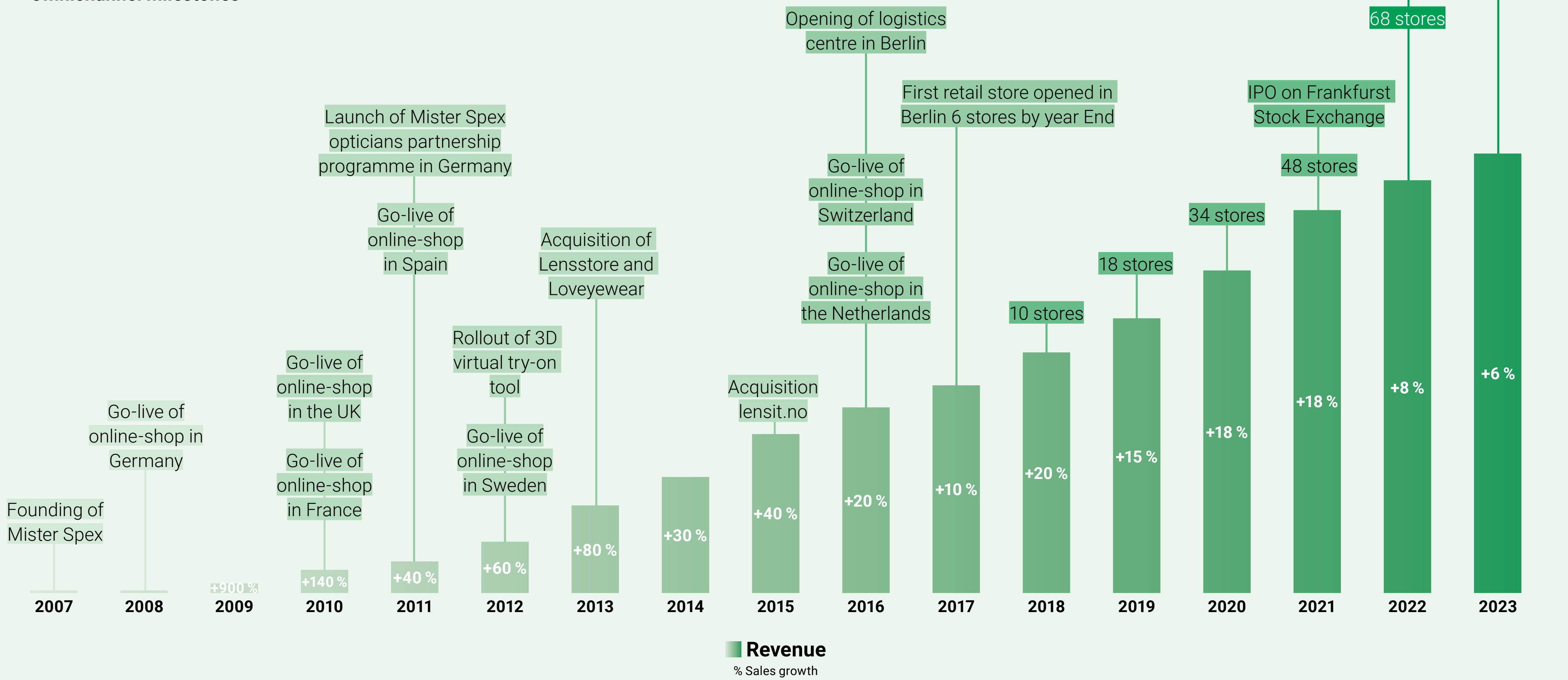
Mister Spex's fifth and newest training workshop opened in Cologne in August, directly above **the flagship store**. The first training workshop was opened in Berlin in 2016. The other three are in Münster, Reutlingen and Mannheim. Together, they provide space for 150 trainees from all apprenticeship years. The aim is to create excellent training conditions at as many locations as possible. The concept of the Mister Spex training workshops is characterized by a strong focus on craftsmanship and digital integration in an international team. In addition to access to state-of-the-art machines, all trainees are provided with their own laptops.



Navigating the market for 15 years

Mister Spex has consistently achieved double-digit percentage growth in its first 14 years, surpassing the growth of the wider optical market. In 2023 Mister Spex SE, celebrated its 15th anniversary with a multi-week multimedia campaign. The eleven-week birthday campaign, titled "15 years of optician expertise", features employees in pictures and videos, showcasing their contributions to the company. With confetti, balloons, and special glasses, the campaign unfolds online across all countries and Mister Spex's **social media channels**. In addition to this Mister Spex will be using the seal of Deutschland Test and Focus Money for the first time, which awarded the optician the title of "Company of the Year 2023" in its analysis of customer satisfaction.

Omnichannel milestones



Growing store network and continuing to focus on sustainability

Mister Spex continued to expand its store network in 2023, opening eight new stores in popular shopping locations. This brought the total number of Mister Spex stores in Europe to 75 by the end of the year. In addition to a wide selection of eyewear, all Mister Spex stores offer a full range of optical services and expert advice from trained opticians. The new stores also embody the Mister Spex omnichannel concept in a unique way. They are seamlessly linked to the online store, so customers can easily purchase frames and lenses online or in-store, intuitively finding the perfect eyewear for their individual look and style with maximum choice.

Store of the Year 2023

The flagship store in Cologne, which opened in 2022, proves that the store concept that seamlessly links the online and offline customer journey at all touchpoints, is not only popular with customers, but also with experts: the German Retail Association (Handelsverband Deutschland e.V., HDE) honoured the Cologne store with the prestigious "Store of the Year 2023" award at the Retail Property Congress for Concept and Design. In addition to glasses and sunglasses from the store's own collection and popular brands from the Mister Spex BOUTIQUE, it also features a separate floor for luxury brands and independent labels, as well as a bar where customers can find inspiration and expert advice in a relaxed atmosphere. The store covers a total of 400 square metres.

Winner of the German Sustainability Award

Thanks to its high level of environmental and social commitment, Mister Spex has won the prestigious German Sustainability Award in the "Pharmacies and Medical Retail" category. The award is the largest of its kind in Europe and is presented by the German Sustainability Award Foundation in cooperation with the German Federal Ministry for the Environment and the German Chamber of Industry and Commerce. A jury of four experts selected Mister Spex from ten nominated companies in the "Pharmacies and Medical Retail" category based on publicly available sustainability data. We are proud to have received this award and we look forward to continuing our journey towards greater environmental, social and business sustainability in the years to come.

Sustainability and corporate responsibility

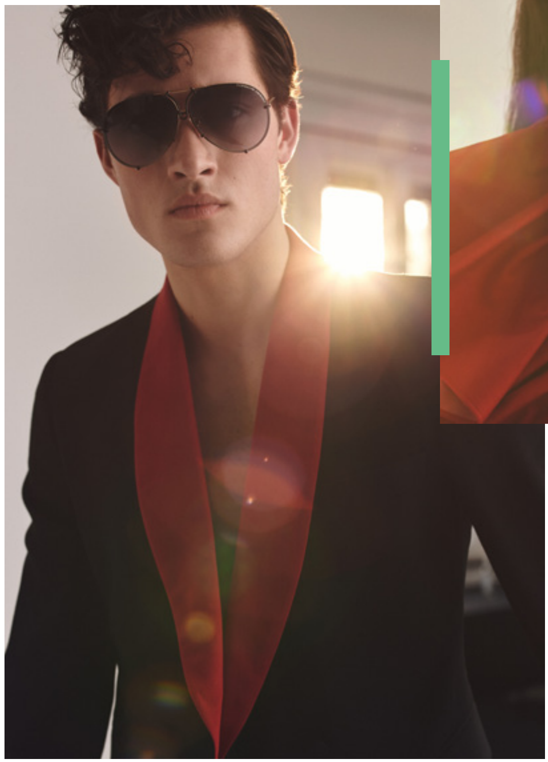
600

PAIRS OF PRESCRIPTION GLASSES AND SUNGLASSES FROM 50 SUSTAINABLE BRANDS

As Europe's leading digitally driven omnichannel optician, Mister Spex is committed to corporate responsibility and has launched several sustainability initiatives. In doing so, we are also responding to consumers' growing desire for a sustainable lifestyle. For example, since 2011 we have been offering virtual fittings to reduce CO_2 emissions through fewer deliveries and returns, and a glazing service to reuse existing frames. In 2023, we introduced a new packaging design that significantly reduces the use of hard-to-break-down plastic elements and reduces packaging volume. We are also constantly expanding our range to include environmentally friendly and sustainable brands. More than 600 pairs of prescription glasses and sunglasses from 50 sustainable brands are already available in our stores and online. For every pair of glasses sold from our "share x Mister Spex" brand we donate another pair of glasses to a person in Burkina Faso. In addition, Mister Spex also focuses on the social aspects of its employees. Diversity, equality, and inclusion (DEI) are firmly anchored in the corporate culture.

CHANGE

Evolving financial and non-financial profile



Key Figures

in € k	2023	2022	Change
	1. Jan. bis 31. Dec.		
Financial performance indicators			
Revenue	223,530	210,067	6 %
Revenue by product category			
Prescription glasses	90,114	81,587	10 %
Sunglasses (incl, prescription sunglasses)	67,491	59,670	13 %
Contact lenses	61,300	64,917	−6 %
Miscellaneous services	4,625	3,893	19 %
Gross profit[1]	113,157	101,885	11 %
Gross profit margin[2]	50,6 %	48,5 %	212bp[3]
EBITDA	−4,693	−11,974	−61 %
Adjusted EBITDA	900	−8,289	>100 %
Financial position			
Cash flow from operating activities (in € k)	6,037	−20,842	
Cash flow from investing activities (in € k)	−14,606	3,751	
Cash flow from financing activities (in € k)	−8,569	−4,761	
Net debt[4] (in € k)	14,318	−35,565	
Non-financial performance indicators			
Active customers[5] (in k)	1,747	1,734	1 %
Number of orders[6] (in k)	2,295	2,304	0 %
Average order value[7] (in €)	95.67	89.80	7 %
Number of employees	1,293	1,330	−3 %
Number of stores	75	68	10 %

1 Management defines gross profit as sales revenue less the cost of materials
2 Management defines gross profit margin as the ratio of gross profit to revenue
3 bp = basis points
4 Net Debt = non-current liabilities + current liabilities -cash and cash equivalents
5 Customers who ordered in the last twelve months excluding cancellations
6 Orders after cancellations and after returns in the reporting period
7 Calculated as revenues divided by number of orders after cancellation and after returns, over the last twelve months

Letter to the shareholders

Dear shareholders, partners, employees and suppliers,

In a year characterized by global instability, Mister Spex achieved its targets and executed its strategy successfully. We expanded our store network, significantly increased profitability, and pushed the boundaries with the introduction of 3D printed frames, Mister Spex EyeD. Our robust position enables us to navigate the prevailing economic volatility and emerge resilient.

We are delighted with our accomplishments in a dynamic trading environment that continually presents diverse challenges. Throughout the year, the macroeconomic landscape maintained its uncertainty for our customers, colleagues, and suppliers, exacerbated by elevated levels of inflation acting as significant headwinds. Our efficiency program Lean 4 Leverage over the past year has proven instrumental, enabling us to navigate successfully by leveraging the factors within our control and maintaining strong operational oversight.

This approach has not only allowed us to deliver robust results but has also facilitated market share gains and empowered us to continue investing in the future with additional store openings and IT investments. The success we've achieved, whether in developing our proposition, fortifying relationships, enhancing operations, or serving our customers, is the collective effort of every colleague at Mister Spex and our valued partners. We extend our sincere gratitude to all our colleagues for contributing their knowledge, personality, dedication, and enthusiasm. Together, we are fostering a more inclusive workplace, aligned with our shared values, and propelling our overall performance.

We are enthusiastic and ambitious as we embrace the opportunity to sustainably grow in the future. Throughout our history, we have demonstrated a robust track record of increasing sales and market share, thriving in both growing markets and more challenging conditions. Since the founding of the company, we have experienced 14 years of double-digit growth for the group. Even in the past year, amid considerable decline in consumer sentiment and a broadly flat eyewear market, we continued to grow our revenue, once again showcasing significant gains in market share.

Executing on our strategy and achieving financial targets in 2023 and continue to gain market share

In 2023, we delivered yet another robust performance despite a challenging environment for our customers, marked by heightened cost-of-living and depressed consumer sentiment. In response, we honed our focus on efficient operations and simplification of discounts which was especially evident in the first half of the year. We have decreased discounts by 140 bps at the same time as we have increased our average order value (AOV) in prescription glasses and sunglasses by 8% and 10% respectively. Our commitment to adapting and evolving our product range remained evident in the second half, where we have rolled out our 3D printed frames which by the end of 2023 were available in all stores in Germany.

In 2023, by meticulously focusing on delivering the best customer experience and instilling cost consciousness throughout the organization with the assistance of lean management, we achieved a year-on-year revenue increase of 6%, accompanied by > 100% increase in adjusted EBITDA. This led to an adjusted EBITDA margin of 0.4%. These results were consistent with our guidance and were bolstered by a stronger and more robust performance in the first half of the year, as well as improvements in our key market, Germany.

In 2023, by striking a balance between reducing discount rates and focusing on our two core product categories, we achieved a 212 bps increase in gross margin, concluding the year at 50.6% (2022: 48.5%). Coupled with continuous cost consciousness, we finished the year with free cash flow of € –18.4 million (2022: € –25.3 million), showcasing our ability to tightly control costs and improve operational performance in challenging circumstances. At the same time, we finished the year with € 111 million in cash and cash equivalents.

Doing more for our stakeholders in 2023

Our relentless pursuit of enhancing the customer value proposition involves maintaining a consistently relevant assortment and continuously improving our omnichannel excellence. In 2023, we offered our customers an assortment from more than 150 brands, expanded our collaborations to include 20 partnerships, and more than doubled our boutique SKUs. Additionally, we introduced a new VoiceBot for our customer service to provide a more convenient customer experience.

In 2023, we have actively invested into standardization and automation of administrative functions. We have implemented dynamic scheduling tools in the stores and automated data management. In 2023, we enhanced our engagement platform, facilitating two-way communication and encouraging direct feedback to line managers. Achieving an 78% participation rate, this became our most comprehensive survey to date, providing a deeper understanding of our colleagues and enabling more targeted actions.

As we learn about sustainability and carbon emissions, we have also published our first greenhouse gas emissions protocol. Notably, we made strides in identifying our carbon emissions for the first time and are continuing to build on our sustainable offering, which now includes approximately 600 SKUs from 50 brands featuring more sustainable materials. Furthermore, in the end of the year we have redesigned our packaging, successfully reducing plastic waste compared to the original shipping boxes. We achieved this through both a decrease in overall packaging and an increase in recycled content.

Management board changes in 2023

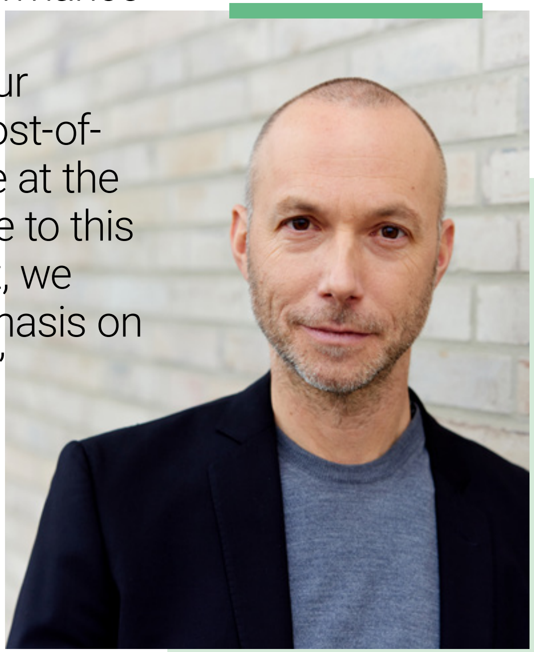
Over the course of the past year, the group has undergone substantial transformations in its board composition. In the middle of the year, Maren Kroll, Chief Human Resource Officer, departed from the company, leading to the streamlining of certain organizational structures. Towards the

> "Our success, driven by our popularity among customers and our appealing array of products and services, notably our steadfast commitment to deliver best customer experience in European eyewear market, led to a substantial 6% increase in net revenue, reaching €224 million in 2023."

DIRK GRABER
Founder and Co-CEO

"In full year 2023, we achieved another robust performance despite challenging circumstances for our customers, where cost-of-living pressures were at the forefront. In response to this difficult environment, we heightened our emphasis on relevance and value."

DR. MIRKO CASPAR
Co-CEO



year's end, Mirko Caspar, Co-CEO of Mister Spex, chose to step down after a twelve-year tenure. As a company, we extend our heartfelt appreciation to both individuals for their unwavering dedication and enduring contributions throughout the years.

Following a comprehensive recruitment process we are pleased to have Stephan Schulz-Gohritz join us as of 1 January 2024. Stephan held a number of relevant senior positions and has extensive experience growing businesses both organically and leading turnarounds as well as building strong teams. Stephan will strengthen the Board's capabilities whilst playing a crucial role in the advancement of our strategy.

Establishing foundations for 2024: the work is underway, but the journey continues

In 2023, Mister Spex has undergone a strategic adjustment to navigate the prevailing market conditions optimally and enter 2024 from a position of strength. These adjustments revolve around achieving profitable growth and sustainably optimizing the organizational structures. As part of comprehensive measures under *Lean 4 Leverage* efficiency program, we have focused on cost efficiencies, including an analysis of a store portfolio.

Our store portfolio optimization remains an ongoing effort, ensuring that each store consistently has the best team and is located in areas where we benefit from high footfall. This optimization involves strategic closures in established locations, exploring potential openings in high-growth areas, and occasionally rightsizing the number of stores for a specific area. Simultaneously, we continue to integrate our physical and digital sales channels, enhancing their synergy.

Investments in technology, AI, and our logistics aim to provide additional capacity and flexibility between sales channels while improving customer journey. The use of AI and data across the supply chain enhances precision in quantification, allocation, pricing, personalization, and local relevance, contributing to more sustainable resource utilization, ultimately enhancing customer satisfaction.

Seizing the opportunity now and in the midterm

Depending on the sources used, the German optical market generates approximately € 7-8 billion[1] in revenue and comprises of around 11,000 stores[2], whereby top 10 players make up c.50%[2] of the revenue. Given the highly fragmented nature of this market, there is ample opportunity for us to cater to various product categories and diverse customer groups. When examining selective categories, we estimate that we hold approximately 3% of the prescription glasses market and around 30% in sunglasses[3]. We are confident in further growing our market shares in these key categories. Simultaneously, we see an opportunity to enhance our share in less established categories, like for example bespoke 3D printed frames. Based on the market research2, the market for ready-made glasses has been growing continuously for many years. In 1999, only 6% of the population aged 16 and over wore ready-made glasses at least occasionally; by 2008, this figure had increased to 12% and is currently at 19%.

We believe, in the optical sector, omnichannel shopping will soon become the norm, and businesses with an effective business model, seamlessly integrating online and offline channels (as we do), have a distinct advantage. Our strategic plan is designed to capitalize on these prevailing themes, positioning us to achieve sustainable growth. Recognizing the persistently challenging and uncertain consumer

1 Statista – German optical market represents approx. € 8 billion in revenue (incl.VAT) / Branchenreport Augenoptik – Spectaris Branchenreport 2022 – German optical market represents approx. € 7 billion in revenue (excl. VAT)
2 Based on Branchenreport Augenoptik – Spectaris Branchenreport 2022
3 Market share is based on the reported GfK market data. Prescription glasses includes frame revenue only

environment in the short term, we believe our strategic positioning, supported by our exceptional colleagues, equips us to capture opportunities and provide value and joy to our expanding customer base across our entire omnichannel model.

Outlook

In the challenging environment of 2023, we once again demonstrated a robust performance, navigating uncertainties while maintaining a focus on long-term goals. Our success, marked by strong revenue growth, sustained growth in market share and customer numbers, and notable strategic advancements, was supported by our vigilant control over gross margin and costs.

Given the ongoing challenges faced by consumers in light of cost-of-living pressures and the prevailing uncertainty regarding discretionary spending, our commitment to refining our proposition and ensuring continued relevance in our customer offer remains steadfast.

With a well-defined plan for sustainable growth, our ongoing efforts to fortify our customer offer, expand and digitalize our total retail system, and evolve our marketing ecosystem position us favorably to seize available business opportunities. Our confidence in short, medium, and long-term prospects is unwavering, prompting us to persist in strategic investments, including the refurbishment of our IT landscape. The upcoming year will witness further investments into AI and tech, reflecting our commitment to innovation. For 2024, management expects revenue growth in the low to mid-single-digit percentage range and a low single digit percentage for Adjusted EBITDA margin. As we look ahead, we are excited to maintain our strong performance record in the upcoming year.

Thank you for your interest and we are looking forward to 2024.

Berlin, 26 March 2024

Dirk Graber
Founder and Co-CEO

Dr. Mirko Caspar
Co-CEO

Stephan Schulz-Gohritz

Member of the Management Board and CFO of Mister Spex SE (since 01.01.2024)

„One of my immediate observations since joining earlier this year is the impressive strength of the culture embedded within the company, with its core values of "winning as a team," "taking ownership," and "entrepreneurial spirit." This spirit and drive have been key factors behind the success story of Mister Spex.

In the last 15 years, Mister Spex has established a strong brand, fostered a culture of innovation, and finished 2023 with roughly €224 million in revenue. Throughout its history, Mister Spex has consistently grown its revenues, and there is a significant appetite for sustained growth, both through our store business and the enhancement of our digital offerings to fully leverage the omnichannel model.

We are dedicated to continuously improving our product ranges, ensuring customers receive exceptional value and the best buying experience in the market. Our selection showcases the finest designs and materials, prioritizing transparent communication above all else."

Report of the supervisory board

Peter Williams

Chairman of the Supervisory Board

Dear shareholders,

Given the geopolitical and macroeconomic circumstances, the financial year 2023 posed significant challenges for Mister Spex SE ("Company" and, together with its consolidated subsidiaries, "Mister Spex"). The market environment in which Mister Spex operated in 2023 was characterized by various factors, including geopolitical tensions, high interest rates, and persistent inflationary pressures. Despite these challenges, Mister Spex demonstrated resilience with a sales growth of 6% for the year. The close and trusting cooperation between the Management Board and the Supervisory Board remained crucial during these times and continues to be of immense importance.

On behalf of the entire Supervisory Board, I would like to express our gratitude to all employees. Their high level of commitment and tireless efforts to drive Mister Spex forward every day are the cornerstone of Mister Spex's success. We as the Supervisory Board look forward to continuing to accompany the company in its positive development and to doing so together with all employees, partners and shareholders.

Consultation and Supervision by the Supervisory Board

The Supervisory Board advised the Management Board on the management of the Company and monitored its activities. It performed its duties with due care and diligence in accordance with the statutory requirements, the Articles of Association, the Rules of Procedure of the Supervisory Board and the German Corporate Governance Code. It was regularly and comprehensively informed, both in writing and verbally, about the intended business strategy, major issues of financial, investment and personnel planning, the course of business and the profitability of the Company, and received reports on relevant issues relating to the risk situation, risk management and compliance.

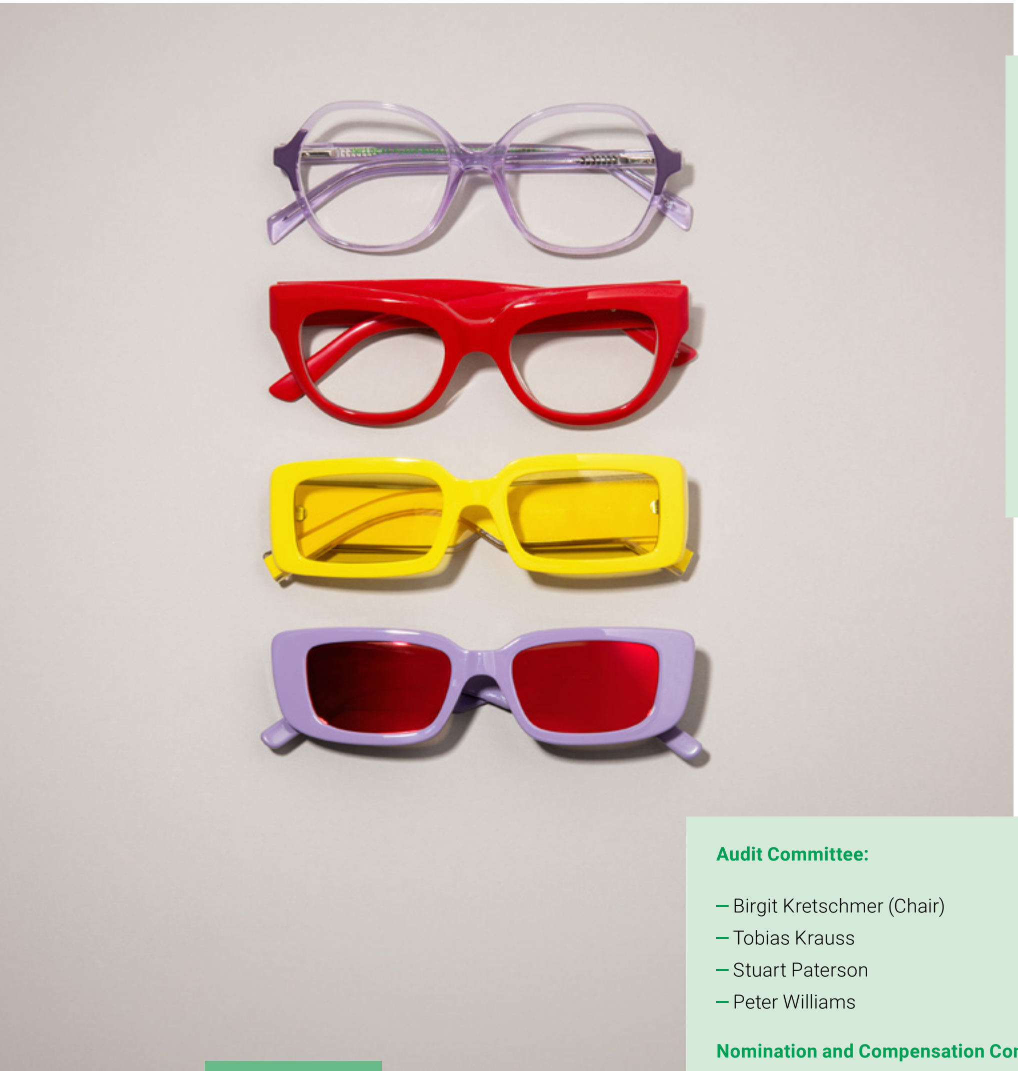
The Management Board coordinated in particular the strategic orientation of Mister Spex with the Supervisory Board. In addition, the Supervisory Board was directly involved in all fundamental decisions. Transactions requiring approval were submitted by the Management Board and discussed with the Supervisory Board in advance of the resolution. The discussions took place at meetings of the Supervisory Board or its committees. Outside the meetings of the Supervisory Board and its committees, the Chairman of the Supervisory Board, the Chairwoman of the Audit Committee and other members of the Supervisory Board were also in regular contact with the Management Board and the auditors and discussed current developments and major decisions.

Meetings and major Resolutions passed by the Supervisory Board

In fiscal year 2023, six meetings of the Supervisory Board were held, of which two meetings were held in the form of a video conference and five meeting was held as a face-to-face meeting.

In detail:

Date	Type	Topic
8 February 2023	Face-to-face	Report on financial and operational performance in 2022, updates on various strategic and operational topics and capital market developments
27 March 2023	Virtual	Annual financial statements 2022, short-term Management Board remuneration (target achievement 2022 and targets for 2023), changes to long-term Management Board remuneration, agenda and proposed resolutions for the 2023 Annual General Meeting
30 March 2023	Face-to-face	Meeting in the new flagship store in Cologne; report on financial and operational performance Q 1 / 2023; updates on various strategic and operational topics as well as capital market development
1 June 2023	Face-to-face	Report on financial and operating performance April and May 2023; adoption of VSOP for the Management Board (long-term Management Board resolution); resolution on cash capital increases in the course of the exercise of option programmes by the Management Board, employees and from pre-IPO bonds; updates on various strategic and operational topics
30 August 2023	Face-to-face	First meeting in the new headquarter in Berlin; report on financial and operational performance June to August 2023; updates on various strategic and operational topics; forecast 2023 and outlook for subsequent years
6 November 2023	Virtual	Preliminary vote on the draft budget for 2024
16 November 2023	Face-to-face	Adoption of the 2024 budget and the 2023 declaration of conformity



Due to last minute scheduling reasons, Mr Brandolese was unable to attend the Supervisory Board meeting on 30 August 2023. All other meetings of the Supervisory Board were attended by all members.

In addition to the meetings, the Supervisory Board passed four circular resolutions. These related in particular to significant transactions and measures that require the approval of the Supervisory Board in accordance with legal requirements, the Articles of Association or the rules of procedure for the Management Board. The approvals granted in this context, after these topics had already been discussed in advance by the Supervisory Board, related to (i) the cancellation of the employment relationship with Maren Kroll, (ii) the merger of Tribe GmbH with Mister Spex SE, (iii) a change to the company's D&O insurance and (iv) the appointment of Stephan Schulz-Gohritz to the company's Management Board and the conclusion of his employment contract.

The Supervisory Board also met regularly without the Management Board.

Work in the Supervisory Board's Committees

For the proper and efficient performance of its duties, the Supervisory Board has constituted the following committees:

Audit Committee:

- Birgit Kretschmer (Chair)
- Tobias Krauss
- Stuart Paterson
- Peter Williams

Nomination and Compensation Committee:

- Peter Williams (Chair)
- Nicola Brandolese
- Stuart Paterson
- Tobias Krauss

Strategy- and ESG Committee:

- Nicola Brandolese (Chair)
- Peter Williams
- Birgit Kretschmerr
- Stuart Paterson
- Nicole Srock.Stanley
- Tobias Krauss

The content and outcome of committee meetings were regularly reported to the full Supervisory Board. The tasks of the respective committees are detailed in the corporate governance statement.

Audit Committee

The Audit Committee held four meetings in the 2023 financial year. All meetings were held in the form of a video conference. The company's auditor also attended all four meetings and was available to answer questions from committee members. Depending on the agenda item, the heads of Accounting and Internal Audit & Compliance departments also attended and were also available to answer questions.

At the meeting on 13 March 2023, the company's auditor reported on the results of the audit. The Audit Committee then resolved to recommend to the Supervisory Board to approve the company's annual financial statements, the consolidated financial statements for the 2022 financial year and the summarized management report for the company and the Group for the 2022 financial year and to propose to the Annual General Meeting that Ernst & Young (since February 1, 2024, operating under the name "EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft"), be appointed as auditors for the 2023 financial year. The company's internal audit department also informed the Audit Committee about current audits and audit planning for 2023.

The main topics of the Audit Committee meeting on 8 May 2023 were the quarterly report for 31 March 2023 and the regular reporting on compliance and internal audit.

On 28 August 2023, the Audit Committee discussed the half-year report for 30 June 2023 and the reports on the status of Compliance, Internal Audit, Treasury, Risk Management and IT Security.

At the meeting on 6 November 2023, the Management Board reported on the quarterly figures for the third quarter of 2023 and the Audit Committee received updates on the status of compliance, internal audit and IT security. The auditor also reported on the focal points of the audit for the 2023 financial year.

In addition to the meetings, the Audit Committee also passed two resolutions by way of circulation in the 2023 financial year. The resolutions concerned an adjustment to the D&O insurance policy and the commissioning of EY to support the company in answering questions from the German Federal Financial Supervisory Authority as part of a random audit of the accounting of the disclosed consolidated financial statements as of December 31, 2022 and the associated combined management report for the 2022 financial year.

The Audit Committee regularly reviewed and discussed the structures and processes as well as current developments in the areas of accounting, the internal control system, the internal audit system, the risk management system and compliance. The Audit Committee concluded a fee agreement with the auditor and prepared the Supervisory Board's proposal to the 2023 Annual General Meeting for the appointment of the auditor.

The Supervisory Board is of the opinion that the participation of the Management Board and the heads of Accounting and Internal Audit and Compliance and their involvement in the discussion with the auditor also offers added value for the Supervisory Board and the Audit Committee and their auditing activities. In addition, a discussion with the auditor regularly took place at the relevant meetings without the presence of the Management Board.

The Audit Committee also met regularly without the Management Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee held one face-to-face meeting in the 2023 financial year and passed one resolution by circular resolution.

At its meeting on 8 February 2023, the Nomination and Remuneration Committee dealt with the short-term and long-term variable remuneration of the members of the Management Board (STI and VSOP). The committee also decided to recommend to the Supervisory Board an adjustment to the remuneration system with regard to the performance factors of the long-term variable remuneration. This adjustment was subsequently recommended by the Supervisory Board to the shareholders and finally approved at the 2023 Annual General Meeting.

In a resolution dated 15 May 2023, the committee recommended that the full Supervisory Board approve the termination agreement with Management Board member Maren Kroll.

The Nomination and Remuneration Committee also met regularly without the Management Board.

Strategy and ESG Committee

The Strategy and ESG Committee held one meeting in the 2023 financial year. At this meeting on 5 October 2023, the company's performance and strategy were discussed.

Individualised Disclosure of the participation in meetings

Supervisory Board Member	Term	All Members Meetings	Audit Committee	Nomination and Compensation Committee	Strategy and ESG Committee
Peter Williams	Chair, since 11.12.20	7/7	4/4	1/1	1/1
Nicola Brandolese	since 15.6.21	6/7	–	1/1	1/1
Tobias Krauss	since 11.12.20	7/7	3/4	1/1	1/1
Birgit Kretschmer	since 15.6.21	7/7	4/4	–	1/1
Pietro Luigi Longo	since 20.5.21	7/7	–	–	–
Stuart Paterson	since 11.12.20	7/7	4/4	1/1	1/1
Nicole Srock.Stanley	since 1.7.21	7/7	–	–	1/1

Further informationen
can be found on **page 57** in the "Corporate Governance Statement" section.

You can find our
declaration of conformity
on our **website**.

Due to other commitments, Nicola Brandolese was unable to attend a meeting of the Supervisory Board and Tobias Krauss was unable to attend a meeting of the Audit Committee. Otherwise, all Supervisory Board members were present at all meetings of the Supervisory Board and the respective committees during their respective terms of office.

Corporate Governance

Pursuant to Section 161 (1) Sentence 1 of the German Stock Corporation Act (AktG), the Board of Management and Supervisory Board must declare each year that the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the Federal Gazette have been and are being complied with, or which recommendations have not been or are not being applied and why not (so-called declaration of conformity). In December 2023, the Management Board and Supervisory Board published the annual declaration of conformity, which is reproduced on **[page 57]** and made permanently available on the **company website**. Further information on the company's corporate governance can be found in the corporate governance statement. In accordance with good corporate governance and the Supervisory Board's rules of procedure, Supervisory Board members are obliged to disclose conflicts of interest to the Supervisory Board without delay, in particular those that may arise as a result of advising or acting as a board member or employee of customers, suppliers, lenders or other third parties. There were no such issues in 2023.

The members of the Supervisory Board undertook the training and further education measures required for their duties on their own responsibility. The company provided the members of the Supervisory Board with appropriate support for their training and development programmes.

Audit and adoption of the annual financial statements and approval of the consolidated financial statements

The Management Board forwarded the annual financial statements and consolidated financial statements for the 2023 financial year and the summarised management report of the company and the Group for the 2023 financial year (together the "**financial statement documents**") to the members of the Audit Committee and the Supervisory Board after they had been prepared. The auditor EY audited the annual financial statements and the consolidated financial statements as well as the summarised management report of the company and the Group for the 2023 financial year and issued an unqualified audit opinion in each case.

The financial statement documents with the auditor's reports, including the audit opinion on the remuneration report, were sent to the members of the Supervisory Board and were examined and discussed in detail in the presence of the auditor, particularly with regard to legality and regularity, at the Audit Committee meeting on 25 March 2024 and at the Supervisory Board meeting on 26 March 2024, both of which took place virtually. In each case, the auditor reported on the key findings of the audit, the defined key audit matters, the key audit matters described in the respective auditor's report and the related audit procedures. The Management Board and the auditor were available to the Audit Committee and the Supervisory Board for further questions and additional information. Following a detailed discussion, the Audit Committee decided to propose to the Supervisory Board that the financial statement documents be approved.

The Supervisory Board approved the results of the audit. Following the final result of the audit by the Supervisory Board, there were no objections to be raised. In accordance with the recommendations of the Audit Committee, the Supervisory Board therefore approved the annual financial statements and the consolidated financial statements for the 2023 financial year as well as the combined management report of the company and the Group at its meeting on 26 March 2024; the annual financial statements for the 2023 financial year were thus adopted.

A resolution on the appropriation of net retained profits at the 2024 Annual General Meeting is not required as the company's annual financial statements show a net accumulated loss. No dividend proposal for the 2023 financial year will therefore be submitted to the 2024 Annual General Meeting for resolution.

Members

Supervisory Board

Pursuant to (i) Art. 40 para. 2, para. 3 SE Regulation, (ii) Section 17 SE Implementation Act (SE-Ausführungsgesetz, SEAG), (iii) Section 21 para. 3 SE Participation Act (SE-Beteiligungsgesetz, SEBG), (iv) Second Part of the Agreement on Employee Involvement in Mister Spex SE dated May 7, 2021 and (v) Section 9 para. 1 of the Articles of Association, the Supervisory Board shall be composed of seven members, exclusively shareholder representatives. Pursuant to Section 9 (2) of the Articles of Association, these are elected by the General Meeting without being bound by election proposals.

Stuart Paterson's term of office on the Supervisory Board ended at the end of the Annual General Meeting of the company held on 26 May 2023. A new election was therefore necessary. In accordance with the Supervisory Board's election proposal to the Annual General Meeting on 26 May 2023 and the recommendation of the Nomination and Remuneration Committee, the Annual General Meeting elected (i) Stuart Paterson to the Supervisory Board as a shareholder representative with effect from the end of the Annual General Meeting on 26 May 2023 for a period until the end of the Annual General Meeting that resolves on the discharge for the 2023 financial year. The election proposal took into account the objectives adopted by the Supervisory Board for its composition in accordance with Section C.1 of the German Corporate Governance Code (in the version dated 28 April 2022) and aims to fulfil the profile of skills and expertise developed by the Supervisory Board for the entire Board. Stuart Paterson in particular has expertise in the areas of accounting and auditing within the meaning of Section 100 (5) AktG.

Management Board

Dirk Graber and Dr Mirko Caspar were Co-Chairmen of the Management Board throughout 2023.

Mr Graber was responsible for the Operations, IT, Data Analysis and Business Development divisions. In 2023, he also took over the areas of responsibility of the CFO, who stepped down in 2022, on an interim basis. Dirk Graber's term of office runs until 26 May 2026.

Dr Caspar resigned from his position on the Management Board with effect from the end of 31 December 2023 by mutual agreement with the company. His employment contract ended on 31 January 2024. As a member of the Management Board, Dr Caspar was responsible for product management, category management, marketing, sales and international business. Mr Graber took over Dr Caspar's areas of responsibility from 1 January 2024.

Ms Maren Kroll resigned from her position on the Management Board with effect from the end of 31 May 2023 by mutual agreement with the company. As a member of the Management Board, she was responsible for Human Resources, Corporate Communications and ESG.

On 1 August 2023, the Supervisory Board appointed Mr Stephan Schulz-Gohritz to the Management Board with effect from 1 January 2024. As Chief Financial Officer (CFO), Mr Schulz-Gohritz will be responsible for Accounting, Controlling, Treasury, Investor Relations, Audit & Compliance and Legal. His term of office runs until 31 December 2026.

The Supervisory Board would like to thank the Management Board and all employees for their excellent performance and high level of commitment in the 2023 financial year.

Berlin, 26 March 2024

On behalf of the Supervisory Board

Peter Williams
Chairman of the Supervisory Board

Board of Directors

Peter Williams

Nicola Brandolese

Tobias Krauss

Birgit Kretschmer

Pietro Luigi Longo

Stuart Paterson

Nicole Srock.Stanley

Mister Spex Share

Capital markets and share price development

During 2023, the capital markets remained influenced by the lingering effects of the COVID-19 crisis, along with the ongoing war in Ukraine and the resulting general economic uncertainty. Notably, sharp hikes in interest rates, challenging financing conditions for growth companies, continuous supplier price increases, and tight labor markets contributed to increased volatility in global equity markets.

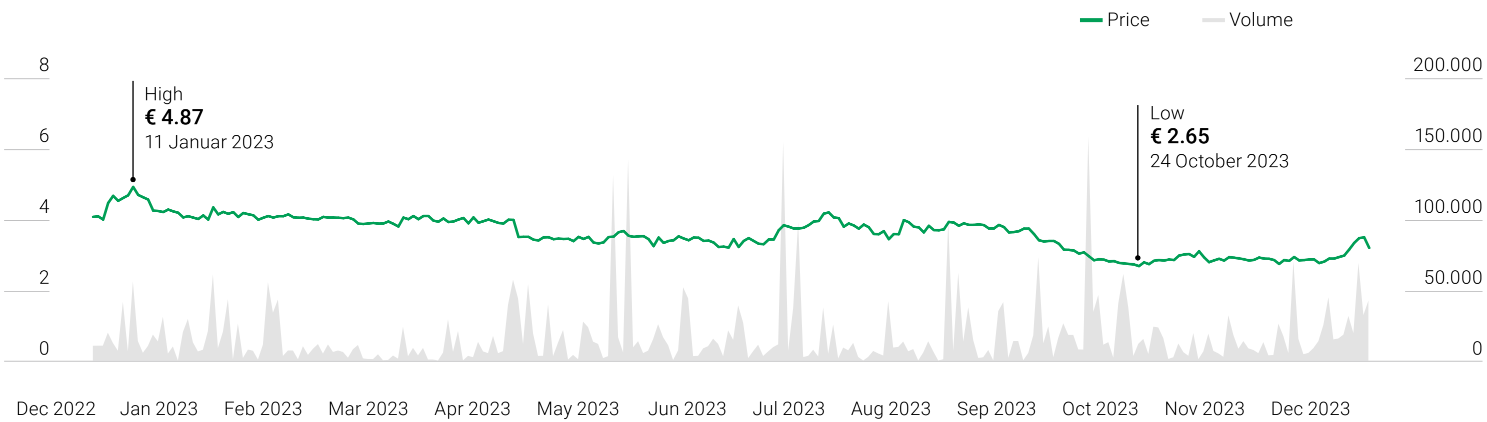
The SDAX recorded its annual low on 30 October 2023, reaching 12,975 points on the day. However, the stock markets began to recover in the early days of November following lower than expected inflation record. At the end of 2023, the SDAX closed at 13,960 points.

Mister Spex, as a growth company specializing in optical retail, is influenced not only by general capital market conditions, sector-specific factors, and investors' risk tolerance but also by its own future growth and profitability prospects. The primary drivers of the company's share price include the development of cash flow throughout the year and overall business resilience against depressed consumer sentiment. Moreover, the operating performance of brick-and-mortar business and continuous market share gains play integral roles as additional key drivers shaping the performance of the company's shares.

Mister Spex Share

Share type	Ordinary bearer shares without par value
Highest price (11.01.2023)	€ 4.86
Lowest price (24.10.2023)	€ 2.64
Closing price (29.12.2023)	€ 3.15
Market capitalization (29.12.2023) in € million	107
Share capital	35,048,001
Number of share issued	35,048,001
Number of outstanding shares	34,075,001
ISIN	DE000A3CSAE2
WKN	A3CSAE
Ticker symbol	MRX
Stock market	Frankfurt Stock exchange
Market segment	Prime standard of the Frankfurt stock exchange

Performance of the Mister Spex share in the period 31.12.2022–31.12.2023 (in €)

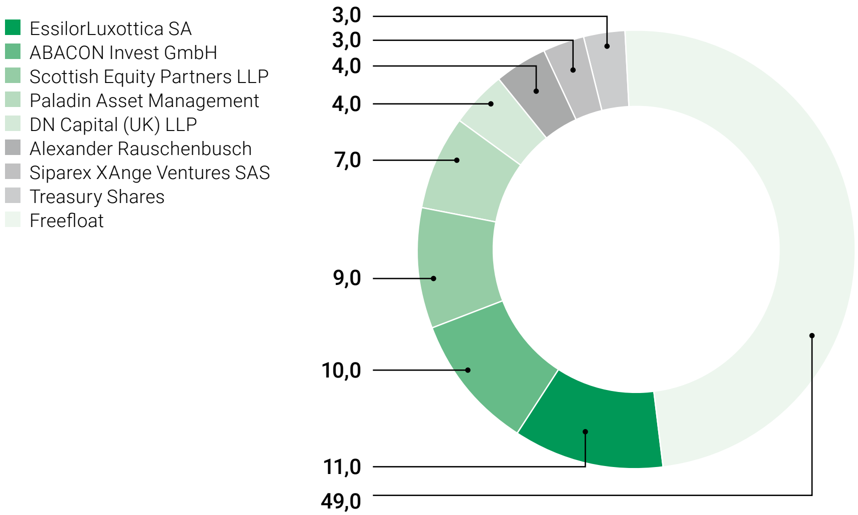


Shareholder structure

EssilorLuxottica is the largest shareholder, holding 11% of the voting rights in Mister Spex. This strategic investor participated in the IPO and is represented on the Supervisory Board by one person. Another shareholder with more than 10% of the voting rights is Albert Büll, Christa Büll, Sabine Büll-Schroeder, and Nathalie Büll-Testorp through ABACON Invest GmbH. Both shareholdings are regarded as strategic investments.

According to the Deutsche Börse definition, the free float was 67.4% at the end of December 2023. Voting rights of EssilorLuxottica, Albert Büll, Christa Büll, Sabine Büll-Schroeder and Nathalie Büll-Testorp, Scottish Equity Partners, as well as own shares, are not included in the free float.

Shareholder structure on 31 December 2023 (in %) – based on a shareholder analysis by a third party provider (in %)[4]



4 Shareholder structure based on a shareholder analysts by a third party provider. The chart only shows shareholdings > 2.9% of the share capital.

In our latest ownership analysis conducted in December 2023, we identified over 95% of our shares outstanding. In terms of geographical distribution, the German market currently accounts for 36% of institutional shareholdings.

Research-Coverage

Analyst recommendation (31. December)

Last update	Institution	Analyst	Recommendation	Price target
11/12/2023	Alster Research	Thomas Wissler	Buy	7.30
09/11/2023	Barclays	Nicolas Champ	Buy	9.00
09/11/2023	Berenberg	Graham Renwick	Buy	6.00
10/11/2023	Bryan, Garnier&Co.	Cédric Rossi	Buy	10.00
09/11/2023	Jefferies	Alexander Thiel	Hold	4.20
10/11/2023	ODDO BHF	Jean Danjou	Hold	3.20
15/11/2023	Quirin Bank	Ralf Marinoni	Buy	7.50

By 31st December 2023, the Mister Spex share was covered by seven research analysts with median target price € 7.30.

Investor relations activities

The investor relations department is committed to informing all capital market participants equally in a timely and transparent manner about current developments. Investor relations department continuously engages with institutional investors in numerous one-on-one meetings, calls, roadshows, and conferences.

The Investor Relations section of the Mister Spex website is a key communication tool with the investor community at **ir.misterspex.com**. The website offers additional information about the strategy and business developments, current publications, financial reports and presentations as wells as upcoming events.

Kontakt
Mister Spex SE
Hermann-Blankenstein-Straße 24
10249 Berlin
Deutschland
E-Mail: investorrelations@misterspex.de

Combined management report

2

Management report

1. Background of the Group

Mister Spex is one of the leading digitally driven omnichannel optical brands in Europe with over 7.4 million customers.[1]

Ever since Mister Spex was founded in 2007, it has enjoyed healthy revenue growth, consistently grown its customer base and continuously evolved its offering. Mister Spex is viewed as one of the highest-revenue optical brands in Germany, Austria and Switzerland.

The Mister Spex Group is managed by its ultimate parent company Mister Spex SE, which was founded in 2021. Mister Spex SE is registered in Berlin, Germany, and bundles all management functions of the Group. In addition to the parent company, Mister Spex has six subsidiaries that are active in Germany and abroad, in the areas of operating online shops and stores as well as software development and holding functions. The parent company Mister Spex controls all of the subsidiaries.

As a European public limited company, Mister Spex SE has a dual management (Co-CEOs) and control structure. At the end of 2023, the Management Board at Mister Spex consisted of a total of two board members who are jointly responsible for managing the Group. Dirk Graber (founder and Co-CEO) is responsible for Operations, IT, Corporate Development, Data and ESG. Dirk Graber also assumed responsibility as Chief Financial Officer on an interim basis. Dr. Mirko Caspar (Co-CEO) was responsible for Marketing, Product and Category Management, Retail, Public Relations and International Business. After Maren Kroll, who held the position of Chief Human Resources Officer (CHRO), left the Company in June 2023, the two Management Board members had shared responsibility for Human Resources.

At the end of 2023, Dr. Mirko Caspar (Co-CEO) informed the Supervisory Board of his decision to step down as Co-CEO of Mister Spex at the end of the year. In January 2024, Stephan Schulz-Gohritz took over the role of Chief Financial Officer with responsibility for Finance and Human Resources.

The Management Board is in turn overseen by the Supervisory Board, which also advises the Management Board. The Supervisory Board consists of seven board members. It is directly involved in decisions of fundamental importance to the Company. In accordance with the requirements of Sec. 171 AktG ["Aktiengesetz": German Stock Corporation Act], it reviews the annual financial statements, the combined management report and the consolidated financial statements.

Mister Spex's management report of the Company and of the Group has been combined. The comments below relate the entire Group. They also apply for Mister Spex SE. Selected information on the economic situation of the parent company is presented in a separate section of this report.

1.1 Business model

With an average of 1,293 employees from 62 countries and more than 7.4 million customers, Mister Spex is one of the leading digitally native omnichannel retail brands in the eyewear market in Europe.[2] We offer our customers fashionable glasses, including prescription glasses, sunglasses and contact lenses. Our product range includes seven own brands, as well as more than 100 premium and luxury brands. We also carry fashionable and high-quality independent labels and boast exclusive collaborations with fashion designers and influencers.

Thanks to our seamless omnichannel approach, we create an individual shopping experience and at the same time give our customers the freedom to decide for themselves when, where and how they want to purchase their glasses. Innovative technologies and smart, data-driven services that are provided by our team of software and system engineers, data scientists, analysts, designers and product managers focus on improving the customer journey at every touchpoint. Our features and services include recommendations, automatic goods replenishment and real-time sorting algorithms that play a central role in our online shops.

We are present in 10 markets (Austria, Finland, France, Germany, the Netherlands, Norway, Spain, Sweden, Switzerland and the UK) with our own online shops and operate 75 of our own brick-and-mortar stores in Germany, Austria, Sweden and Switzerland. Our market presence is supplemented by an extensive partner optician network with over 320 opticians.

Most of the lenses are edged and mounted in our own facility in Berlin using state-of-the-art machines. We operate three distribution centers across Europe. Mister Spex's largest distribution center is located in Berlin. Two others are located in Stockholm, Sweden, and Karmsund, Norway, to serve the local markets. Fast delivery times and easy free return shipments are part of our business model. We currently ship up to 20,000 orders every day from our distribution center in Berlin that boasts a total capacity of up to 40,000 orders.[3] Same-day shipment takes place for more than 85% of the orders[4].

The Mister Spex Group is steered and reported regionally, with the Germany and International markets forming the Group's two operating segments.

1 This statement is not audited by the Company's auditor.
2 This statement is not audited by the Company's auditor.
3 The statement regarding total capacity and the number of orders shipped each day is not audited by the Company's auditor.
4 The statement regarding the percentage of same-day shipments is not audited by the Company's auditor.

1.1.1 Group strategy [5]

We believe that finding the right glasses should be an easy, intuitive and enjoyable process for our customers.

To make this vision reality for our customers, we offer a number of solutions and services that provide a unique shopping experience, instilling both confidence and inspiration – whether online or offline. We want our customers to feel happy and comfortable about buying and wearing their new glasses or sunglasses.

To achieve this goal, our strategy is focused on the following pillars:

We enhance the customer experience and expand the product range

Our omnichannel model provides our customers with a high degree of flexibility, allowing them to choose the modalities of their customer journey themselves. The result is a highly individual shopping experience. To make the customer experience as convenient as possible, we offer size and style recommendations as well as comprehensive lens packages including valued-added lens options. These offers are tailored for each customer based on individual measurements and data models using our extensive customer database.

In addition to a unique customer experience, we also want to establish ourselves as the place where people come to for the most attractive and extensive product range of fashionable glasses on the market. We offer well known and renowned luxury brands, young and innovative independent labels as well as high-quality own brands.

We are convinced that our strong position as a digital omnichannel optician enables us to grow faster than the market as a whole and to expand our position as one of the leading players in the overall optician market. Our strategic focus is clearly on further accelerating revenue growth and increasing adjusted EBITDA.

We continuously refine our omnichannel offering and make strategic adjustments to optimize the footprint of our stores

We want to further expand our presence in the European optician market. In line with our strategy, we always start online, and only then open our own stores. In 2023, we opened eight new stores, seven in Germany and one in Austria. At the same time, we decided to close a store in Hamburg. The employees were transferred to another location in the same city. We will continue to expand our store footprint in 2024.

In the medium to long term, we would like to present our offer locally in more than 200 stores across Europe (2023: 75 stores).

We increase and enhance our brand strength

We aim to enhance the way we are seen by our customers and increase their awareness, interest and loyalty via various media channels such as social media and TV as well as active customer relationship management. To further increase our brand strength, our efforts focus on our conceptual framework for positioning our brand as a customer and employer brand. For this purpose, we conduct market research to identify the needs, wishes and drivers that impact the consumption and working behavior of our customers and employees in the respective countries. The insights gained have a direct influence on how we develop our brand and our range of services. In 2024, we will focus on expanding the target groups for multifocal glasses as well as strengthening our boutique business (luxury and independent) and our own brands, including our custom-made frames, Mister Spex EyeD. Through greater individualization of our marketing activities, we also plan to further increase repurchase rates, which are already higher than the market average.

Invest in innovation, technology and operations

We continue to invest in innovation, technology and our operations across the entire value chain.

Based on our existing integrated omnichannel technology, we plan to invest more than 5% of our annual revenue in technology each fiscal year. In 2022, we acquired the deep-tech company Tribe GmbH ("Tribe"), which offers tailor-made digital services for measuring the pupillary distance and the fitting height based partly on 3D face recognition technology. This technology served as the basis for our frame recommendation technology, launched in 2023, as well as Mister Spex EyeD, our 3D-printed frames based on a 3D scan of the face.

After the launch of Germany's first online eye tests at Mister Spex in 2020, we are now also offering the service in Austria, Switzerland, the Netherlands and Sweden.

We always take advantage of the obvious market opportunity in the growing online eyewear market

According to Euromonitor International, in 2020 the online market share in the overall European market for ophthalmic products was only 13% and thus significantly below the market share of around 25%[6] that the online business had in Europe in 2020 in many other sectors, for example in consumer electronics and apparel. In the coming years, we expect strong growth in the online share, as both customers and other large optician chains are becoming increasingly aware of the many advantages of the online business. This is supported by the continuous development and implementation of other digital functionalities, such as online eye tests and virtual fittings.

5 The statements in this section are not audited by the Company's auditor.
6 The statement regarding a market share of around 25% is not audited by the Company's auditor.

We will judge our success by:

Improving profitability

We are increasingly focusing on an exclusive and fast-growing range of own brands, luxury and independent labels. We want to steadily increase the share of high-margin prescription glasses in the product mix by offering a leading omnichannel shopping experience to increase our profitability in the medium term. Our stores play an important role in this regard, since prescription glasses account for most of the revenue generated in our stores. We will therefore take action to increase customer traffic in our stores and further improve profitability, even in an environment with lower customer footfall in shopping streets and shopping centers. By making improvements in our processes, we strive to further improve customer satisfaction and store productivity.

Through automation, the continued expansion of business activities and a relative reduction in overhead costs, we expect a further increase in our operating efficiency in the medium term.

1.1.2 Our people

Investing in a workforce that is fit for the future

At Mister Spex, we believe that a highly skilled, developed and engaged workforce is crucial for delivering on our vision of helping our customers find a perfect match for every face with ease, style and confidence. We focus on investing in a workforce that is fit for the future, attracting and retaining flexible and inventive talent both in Germany and in all markets that we operate in.

Mister Spex employed an average of 1,293 (prior year: 1,330) people from 62 nations[7] With their commitment, enthusiasm, and team spirit, they have helped make Mister Spex one of the leading digitally-driven omnichannel retail brands in the optician industry in Europe. It is our top priority not only to ensure the safety and health of our employees, but also to ensure diversity and further development in all areas. Our guiding principles are our five corporate values, which determine our actions and our corporate culture.

Five values that count

01 We **RESPECT** each other

02 We are open and give&take **FEEDBACK**

03 We stay **HUNGRY**

04 We take **OWNERSHIP**

05 We win as a **TEAM**

Recruitment and training

We offer a variety of career opportunities in the fields of dispensing optics, technology, data analysis, retail, finance, customer service, logistics, human resources and marketing. When recruiting employees, we benefit from an above-average employer rating on social channels and a higher recommendation rate compared to our competitors. To recruit new employees, we increasingly approach suitable candidates in professional networks directly and recruit throughout Germany because for us it is the qualifications of employees that count, not where they work.

The training of future employees is particularly important to us. In addition to our optician training programs, we also offer training in many other areas, such as logistics, dialog marketing, system administration, e-commerce and office management. The training of opticians is of particular importance because of the high demand. In our own training centers in Berlin, Münster and Reutlingen, we offer an optimal learning atmosphere for young talents to become excellent and successful opticians. In 2023, 38 trainees with a focus on dispensing opticians started at Mister Spex (prior year: 33). Increasing the number of trainees is a reflection of our strong growth and the associated higher demand for skilled employees. A total of 70 young people in training in 2023 will have completed their training as dispensing opticians at Mister Spex within the next three years (prior year: 65). In the coming years, we will significantly increase the number of trainees to successfully support our growth plans.

Diversity, Equity and Inclusion (DEI)

Diversity, equity and inclusion, in keeping with a focus on employee wellbeing, are most effective when they are an integral part of the organizations' s culture.

Our employees have a diverse range of backgrounds and come from 62 different nations.[8] Overall, 57% (prior year: 59%) of our total workforce is female.[9] Mister Spex is distinguished in particular by sociocultural diversity, a high number of employees with an international background and a balanced gender distribution.

Mister Spex promotes the development of a culture that places greater emphasis on equality, integration and regeneration, for example by facilitating and encouraging open conversations about DEI and mental health.

7 The statement regarding the number of nationalities of employees is not audited by the Company's auditor.
8 This statement is not audited by the Company's auditor.
9 This statement is not audited by the Company's auditor.

In addition, we partner with OpenUp, an organization that gives our employees confidential direct access to trained psychologists and programs to build awareness and understanding of mental health and foster commitment to the issue.

Working at Mister Spex [10]

The health and wellbeing of our employees is our top priority. For this reason, since 2023 we have conducted short surveys at bi-weekly or monthly intervals to find out how satisfied our employees are. These surveys are anonymous and are designed to capture the overall sentiment in a consistent manner so that current issues in the Company can be directly addressed.

Since September 2023, all employees at Mister Spex have been surveyed anonymously as part of an internal survey. The aim was to find out where we stand as an organization and to understand how our employees actively embody our values in their day-to-day work at Mister Spex. The results of the survey were presented to the Management Board and the leadership teams. Actions taken based on the responses include the review of the remuneration and reward, the involvement of colleagues in business strategy through monthly calls and a realignment of staff discounts.

The surveys provide the Company with important insights for the further development of its human resources work and corporate culture. The employee satisfaction survey in December 2023 produced a score of 7.3 [11] with a participation rate of 73%.

Mister Spex also attaches great importance to the further development of its employees. For example, store employees have the opportunity to complete a trainee program to prepare to take on leadership roles and expert functions. Opticians and sales consultants can qualify to manage a store within three years. During the training program, the candidates receive extensive feedback and instruction to deepen their business knowledge. They are also trained in people management.

We continued our collaboration with the digital learning service provider Bookboon in 2023 to jointly develop the SpexiE learning tool. The platform contains thousands of podcasts and summarized e-books with information on personal and professional development as well as soft skills. The content is available in 13 languages. In the first six months of the year, almost half of the organization made use of the e-learning platform.

Employee growth

In 2023, the average number of employees at Mister Spex was 1,293 (prior year: 1,330). This decrease compared to the prior year is mainly due to actions in connection with the "Lean 4 Leverage" efficiency program. The average age of the workforce remained stable at 34 years. [12] In 2023, 49% of all employees were in the age group between 31 to 50, [13] the ratio is roughly flat versus the prior year. [14] At 57%, the percentage of women continued to predominate (prior year: 59%). [15]

Key employee figures [16]

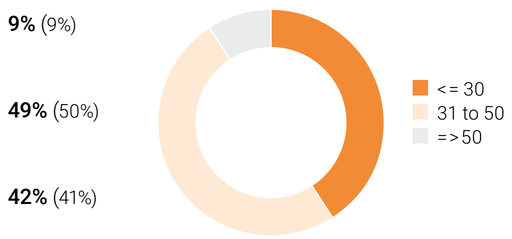
	2023	2022
Total number of employees	**1,293**	**1,330**
Female share	57%	59%
Male share	43%	41%
Average age of employees	34	34

Employees by function

	2023	2022
Total number of employees	**1,293**	**1,330**
Operational employees [a]	1,051	999
Commercial employees [b]	139	215
Technical employees [c]	103	116

a) Operational functions: Operations, Retail and Customer Service
b) Commercial functions: Human Resources, Finance, Marketing and Category Management
c) Technical functions: IT, Data, Product Management, formerly Tribe GmbH

Employees by age group [17]



10 The statements in this subsection are not audited by the Company's auditor.
11 The scale goes from 1 to 10, with 10 being the best rating.
12 The statement regarding the average age of the workforce is not audited by the Company's auditor.
13 This statement is not audited by the Company's auditor.
14 This statement is not audited by the Company's auditor.
15 This statement is not audited by the Company's auditor.
16 The stated percentage of female and male employees and the average age of employees are not audited by the Company's auditor.
17 The information contained in this graphic on the composition of the workforce according to age groups in 2023 and 2022 is not audited by the Company's auditor.

New hires[18] by gender and age group[19]

New hires by gender

in %	2023	2022
Female	60%	61%
Male	40%	39%
Diverse	<1%	<1%

New hires age group

in %	2023	2022
under 30	75%	59%
31 to 50	22%	37%
over 50	3%	4%

1.1.3 Research and development

Innovation: the basis for future business success

As a digitally driven omnichannel retail brand, we do not have a research and development department in the traditional sense. However, we develop key components of the software we use ourselves, since our technological competencies along the value chain and process chain are decisive for the Company's success. Through in-house developments, we can ensure that the software is tailored to the operational processes and systems and meets the individual challenges of the optician industry.

In fiscal year 2023, we recorded development costs of € 6.8m (prior year: € 8.0m). The development costs are attributable to new projects and improvements that optimize the purchasing process and thus continuously increase customer satisfaction as well as to projects and improvements that lead to internal process optimizations and thus to cost savings.

Amortization and impairment losses of € 6.4m were charged on internally generated intangible assets in fiscal year 2023 (prior year: € 4.9m).

1.2 Our management system

We have developed a performance management system and defined reasonable performance indicators. Detailed daily, weekly and monthly reports are an important element of our internal management and control system. The financial indicators we use are based on the interests and expectations of our investors. We use financial and non-financial performance indicators to assess how successful we are in implementing our strategy.

Key financial performance indicators

We primarily use revenue and adjusted EBITDA to manage our business activities.

Key financial performance indicators

Revenue	Revenue is generated by the sale of prescription glasses, sunglasses, contact lenses and other category-related products as well as advertising allowances and shipping fees. Revenue is recorded after delivery of products to customers. Revenue is an indicator of the demand for our products and an important factor in the long-term increase in the value of the Company.
Adjusted EBITDA	Earnings before interest, taxes, depreciation of property, plant and equipment and amortization of intangible assets and share in the profit or loss of associates, adjusted for expenses for share-based compensation in accordance with IFRS 2, non-recurring transformation costs and other special effects that are not part of the ordinary course of business. Adjusted EBITDA is an indicator of operating profitability, as it excludes one-time effects that do not reflect the underlying business performance.

Some of the above indicators are or may be non-GAAP financial measures. Other companies may use similarly designated financial indicators which are defined differently.

18 New hires are people hired in the course of the year.
19 The information contained in this table on the number of new hires broken down by gender and age group in 2022 and 2023 is not audited by the Company's auditor.

Non-financial performance indicators

In addition to the financial performance indicators mentioned above, Mister Spex also uses a number of non-financial performance indicators to assess the economic success of its business activities.

Non-financial performance indicators

Active customers	The active customers indicator is defined as the number of clearly identified customers who have placed at least one order without cancellation in the last 12 months. The growth of active customers is usually closely related to the growth of our revenue.
Number of orders	Orders correspond to the number of deliveries to customers in a given reporting period, less canceled and returned orders. An order is independent of the respective product category. Home try-on orders are not included in the calculation of the indicator.
Average order value	The average order value is derived from revenue (less advertising discounts, customer credits, refunds and VAT) divided by the number of orders in a certain period.

1.3 Non-financial report[20]

In this chapter, Mister Spex presents its sustainability strategy and non-financial report in accordance with Sec. 289b (1) and (3) HGB ["Handelsgesetzbuch": German Commercial Code] and Sec. 315b (1) and (3) HGB as well as Art. 8 (1) and (3) of the EU Taxonomy Regulation.

For more information about Mister Spex's business model, see section 1.1 "Business model."

Section 3 provides information on Mister Spex's risks and opportunities.

Sustainability strategy and governance

Mister Spex's aim is to build long-lasting and sustainable relationships with our customers, employees, business partners and suppliers alike. By aligning our business goals with the environmental needs of current and future generations, our stakeholders and society as a whole, we will continue to be successful in the long term. Therefore, at Mister Spex, we aim to strike a balance between shareholder expectations and the concerns of our customers, employees and other stakeholders. Together with external experts and dedicated internal taskforces, we are developing a robust and meaningful ESG strategy. It will be an important pillar of Mister Spex's overall business strategy.

2024–2025 sustainability reporting roadmap

To further bolster our ESG commitments and ongoing activities, in 2023 we carried out our first materiality assessment taking into account the "double materiality concept" as well as the principles of the EU Corporate Sustainability Reporting Directive (CSRD) and the requirements of the German Commercial Code (HGB). The ongoing materiality assessment will help us to refine and deepen our sustainability approach. Using the materiality assessment, we are creating a shortlist that serves to classify topics according to their business relevance and impact. Accordingly, the topics are assessed as positive or negative and on the basis of their current or potential impact. The comprehensive assessment considers the system, context and impact.

In 2024, we will conduct further analysis, such as an analysis of financial materiality and stakeholder dialog, as well as a gap analysis between the required reporting standards and the current state of sustainability reporting. In addition, we will incorporate our results into our sustainability strategy on an ongoing basis and establish internal control mechanisms as well as monitoring processes to ensure the auditability of datapoints going forward.

In fiscal year 2025, we will publish our first CSRD-compliant annual report for fiscal year 2024.

EU Taxonomy

Since fiscal year 2021, companies in the non-financial reporting (NFR) scope of EU Directive 2013 / 34 have been required to report in accordance with the EU Taxonomy (Regulation (EU) 2020 / 852). The non-financial reporting shall include information on how and to what extent a company's economic activities qualify as environmentally sustainable. In particular, disclosure of the following figures is required:

(i) Turnover derived from services or products

(ii) Capital expenditure

(iii) Operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable.

In 2021 and 2022, the environmentally sustainable activities were determined by the first two environmental objectives listed in Art. 9 of the regulation:

- Climate change mitigation
- Climate change adaptation

In 2023, the reporting obligation was extended to include the remaining four objectives:

- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Based on the updated EU Taxonomy, Mister Spex reports on Taxonomy eligibility for all six objectives and on Taxonomy alignment for objectives one and two.

The additional objectives had no serious impact on the Taxonomy eligibility of Mister Spex. The optician retail business is not the focus of the current legislation, which is why the reported Taxonomy-eligible key performance indicators are low.

20 The information and disclosures in this section are not audited by the Company's auditor.

The Company's main business activities primarily comprise the sale of visual aids and other optical products as well as the sale of spare parts. The NACE code applicable to Mister Spex is G47.78.1 – Activities of opticians in specialized stores.

Taxonomy eligibility and Taxonomy alignment

Mister Spex performed a detailed analysis of its business activities in order to identify economic activities which are Taxonomy-eligible and aligned on the basis of Annex I and Annex II of the Climate Delegated Act.

Taxonomy-eligible activities that are aligned with the two objectives above

Mister Spex's main business activities primarily comprise the sale of visual aids and other optical products as well as the sale of spare parts. Currently, these business activities are not covered by Annex I or Annex II of the Climate Delegated Act and are not the subject of the regulatory adjustments to EU Taxonomy-relevant business activities in 2023. They are therefore not Taxonomy-eligible with regard to the first two objectives 1) climate change mitigation and 2) climate change adaptation and consequently also not Taxonomy-aligned. This implies that our primary business activities are not considered as relevant sources of greenhouse gas emissions.

Taxonomy-eligible activities according to the last four objectives

A similar analysis as for the first two objectives was carried out for the remaining objectives 3) Sustainable use and protection of water and marine resources, 4) Transition to a circular economy, 5) Pollution prevention and control and 6) Protection and restoration of biodiversity and ecosystems. The business activities of selling visual aids and other optical products carried on by Mister Spex did not fall under the remaining four objectives, while the sale of spare parts falls under objective 4) Transition to a circular economy and is therefore Taxonomy-eligible.

For the purposes of the EU Taxonomy, "spare part" means a separate part of a product that can replace a part of a product with the same or a similar function. The product cannot function as intended without that part. The functionality of a product is restored or upgraded when the part is replaced by a spare part in line with Directive 2011 / 65 / EU. Spare parts may be used parts.

- 5.2. Sale of spare parts

Mister Spex defines a sale of spare parts that is Taxonomy-eligible as the sale of lenses to customers who already own a frame and then mount the lenses into the existing frame to restore the full functionality of the glasses.

Accounting principles

The EU Taxonomy's key performance indicators (KPIs) revenue (turnover), capital expenditure (CapEx) and operating expenses (OpEx) are presented in separate tables as defined in the regulation.

The proportion of Taxonomy-aligned economic activities in **total revenue** was calculated for fiscal year 2023 as the share of net revenue derived from products and services associated with Taxonomy-aligned economic activities (numerator) divided by total net revenue (denominator).

The denominator of the revenue KPI is based on our consolidated revenue (see Note 1 Revenue). The numerator of the revenue KPI is defined as net revenue derived from products and services associated with Taxonomy-aligned economic activities, i.e., as activity 5.2 in the section "Taxonomy eligibility and Taxonomy alignment".

The **CapEx** KPI is defined as Taxonomy-aligned CapEx (numerator) divided by our total CapEx (denominator).

Total CapEx is the Company's total capital expenditure in fiscal year 2023.

The denominator of the CapEx KPI is based on the notes to the consolidated financial statements and is determined as total additions for 2023 (see Note 6 Goodwill and intangible assets, 7 Property, plant and equipment and 16 Leases). The Taxonomy-eligible CapEx is the expenditure related to the assets or processes associated with the relevant economic activities.

The numerator consists of the following categories of Taxonomy-eligible CapEx:

For core business activities, CapEx refers to assets or processes related to Taxonomy-aligned economic activities. In general, we focus on the generation of external revenue to identify economic activities that are associated with CapEx in this category. As the economic activity "sale of separate parts" is closely related to the main economic activity "sale of visual aids and other optical products," the calculated revenue KPI for the Taxonomy-eligible proportion of CapEx is used to calculate the CapEx KPI.

The **OpEx** KPI is defined as the Taxonomy-aligned OpEx (numerator) divided by our total OpEx (denominator).

The denominator of the OpEx KPI is based on the notes to the consolidated financial statements and relates to general operating expenditure for fiscal year 2023 within the consolidated Group (see Note 3 Other operating income and expenses). It therefore consists of direct non-capitalized costs that relate to renovations and all types of maintenance and repair work.

With regard to the numerator, OpEx refers to assets or processes related to Taxonomy-aligned activities. In general, we focus on the generation of external revenue to identify economic activities that are associated with OpEx in this category. As the economic activity "sale of separate parts" is closely related to the main economic activity "sale of visual aids and other optical products," the calculated revenue KPI for the Taxonomy-eligible proportion of OpEx is used to calculate the OpEx KPI.

Taxonomy key performance indicators (KPIs)

The KPIs comprise revenue (turnover), CapEx and OpEx. We use the tables provided in Annex II of the Commission Delegated Regulation to present the Taxonomy KPIs.

Revenue 2023

The proportion of A.1. Taxonomy-eligible and Taxonomy-aligned economic activities is 0%. By contrast, the proportion of A.2. Taxonomy-eligible but not Taxonomy-aligned economic activities (in the case of Mister Spex, the sale of spare parts) can be put at around 2%. This corresponds to revenue of around € 3,676 k in 2023.

Economic activities

	FY 2023 Reporting			Alignment criteria – for FY 2024 Reporting													
				Substantial contribution criteria						Substantial contribution criteria							
	Code	Revenue / Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and econsystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and econsystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, 2023
		EUR	%	%	%	%	%	%	%	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	%
Revenue (Turnover)																	
A.1. Environmentally sustainable activities (Taxonomy-eligible and aligned)																	
	–	0	0%														
A.2. Taxonomy-Eligible but not environmentally sustainable activites (not Taxonomy-aligned activities)																	
Sale of spare parts	5,2	3,676	2%														
B. Taxonomy-non-eligible activities																	
Turnover of Taxonomy-non-eligible activities (B)		219,855	98%														
Total (A+B)		223,531	100%														

CapEx 2023

The proportion of CapEx for A.1. Taxonomy-eligible and Taxonomy-aligned economic activities was 0%. By contrast, the proportion of CapEx for A.2. Taxonomy-eligible but not Taxonomy-aligned economic activities (in the case of Mister Spex, the sale of spare parts) amounted to around 2% in 2023, which corresponds to an amount of € 828 k.

Economic activities

	FY 2023 Reporting			Alignment criteria – for FY 2024 Reporting													
				Substantial contribution criteria						Substantial contribution criteria							
	Code	CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and econsystems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and econsystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, 2023
		EUR	%	%	%	%	%	%	%	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	%
CapEx																	
A.1. Environmentally sustainable activities (Taxonomy-eligible and aligned)																	
	–	0	0%														
A.2. Taxonomy-Eligible but not environmentally sustainable activites (not Taxonomy-aligned activities)																	
Sale of spare parts	5,2	828	2%														
B. Taxonomy-non-eligible activities																	
CapEx of Taxonomy-non-eligible activities (B)		40,586	98%														
Total (A+B)		41,414	100%														

OpEx 2023

The proportion of OpEx for A.1. Taxonomy-eligible and Taxonomy-aligned economic activities was 0%. By contrast, the proportion of OpEx for A.2. Taxonomy-eligible but not Taxonomy-aligned economic activities (in the case of Mister Spex, the sale of spare parts) was around 2% in 2023, which corresponds to an amount of € 1,417 k.

Economic activities

	FY 2023 Reporting			Alignment criteria – for FY 2024 Reporting													
				Substantial contribution criteria						Substantial contribution criteria							
	Code	OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and econsystems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and econsystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, 2023
		EUR	%	%	%	%	%	%	%	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	Y / N	%
OpEx																	
A.1. Environmentally sustainable activities (Taxonomy-eligible and aligned)																	
	–	0	0%														
A.2. Taxonomy-Eligible but not environmentally sustainable activites (not Taxonomy-aligned activities)																	
Sale of spare parts	5,2	1,417	2%														
B. Taxonomy-non-eligible activities																	
OpEx of Taxonomy-non-eligible activities (B)		69,430	98%														
Total (A+B)		70,847	100%														

Mister Spex expanded its reporting in accordance with the EU Taxonomy in 2023 and will continue to do so in 2024, with the assessment of Taxonomy alignment for objectives three to six also entering into force. We will create an alignment assessment of relevant economic activities and available data based on the principle of substantial contribution, do no significant harm to other objectives and minimum social safeguards. In 2024, we will create an integrated future reporting process with end-to-end data flow to ensure auditability of the Taxonomy KPIs by integrating and linking the KPIs with the existing processes, systems and controls.

German Supply Chain Act

The German Act on Corporate Due Diligence in Supply Chains ["Lieferkettensorgfaltspflichtengesetz": LkSG] will be applicable to Mister Spex as of 1 January 2024. In 2023, we took various actions and adapted numerous existing policies to meet the requirements of the LkSG.

We put together a dedicated team whose brief is to address these requirements. We also revised our whistleblowing policy so that third parties can now also report to us on matters relating to human rights. LkSG-related risk and compliance management is based on a risk analysis that was introduced in 2023 and will be continued in 2024.

In December 2023, we published a Human Rights Policy Statement that reaffirms our responsibility to respect human rights and protect the environment. We expect our employees and business partners to conduct business according to the principles of integrity, ethics, fairness and respect. The Human Rights Policy Statement builds on our existing Supplier Code of Conduct and Code of Ethics and sets out our approach to managing supply chain risks[21].

We have established a cross-functional working group to deal with all types of sustainability issues, evaluate the impact of new regulations and laws and, where necessary, work to close any gaps in our existing processes.

2023 progress update

Our environment

Carbon emissions

We are convinced that a responsible use of resources can only be achieved through a holistic approach to emissions measurement and reduction. In order to properly understand emissions and how they develop and to take pinpointed action to counteract them, a data-driven analysis is required that allows the current state of emissions in the Company to be viewed at any time. Our initiatives relating to carbon emissions got underway at the end of 2021 with the CO_2 management system Planetly. However, as the company ceased operations in late 2022, we subsequently entered into a collaboration with CoZero to effectively calculate and report our carbon emissions. In 2023, we then published our very first emissions report[21]. Now that we have successfully calculated our carbon footprint and can determine the current status, we at Mister Spex will take the next steps to reduce our emissions. We aim to publish the second GHG report in the Half-Year Report 2024. We aim to publish the second GHG report in the second half of 2024.

Packaging

Our declared goal is to use only recyclable and sustainable materials and to eliminate single-use plastic by 2025.

In 2023, we developed new packaging that has been in use since January 2024. The focus is now on sustainability and the customer experience. Our cardboard boxes have a high recycling content and are FSC-certified. This means the paper products we use for our packaging originate from responsibly managed forests and are 100% recyclable. In addition, the shipping boxes used to send glasses for trying on at home can be immediately reused for returns, without requiring additional adhesive tape.

The bubble wrap used is made of Blue Ocean film, a fully recycled material. Furthermore, we use recyclable pool boxes for many intralogistics processes, such as for supplying our warehouse in Stockholm or our stores. Our shipping has been 100% climate-neutral since the end of 2021.

Since April 2021, we have been shipping using DHL's GoGreen Solutions. The surcharge on each parcel is invested by DHL in climate protection projects to offset the greenhouse gases generated by transport. The GoGreen initiative addresses both direct and indirect greenhouse gas emissions caused by direct operations and by the activities of DHL's transport subcontractors.

To reduce the number of shipments and returns, we have been offering a virtual 3D eyewear fitting service since 2011. Wherever possible and in accordance with our quality standards, we process returned goods to a high standard and reintroduce them into the product cycle.

Assortment range

Our aim is to continuously make the eyewear market more sustainable and greener.

At Mister Spex, we are consistently working on expanding our assortment range with more environmentally friendly and sustainable brands. Currently we have five third-party brands (Stella McCartney, EOE, Sea2See, Botaniq and Webee) in our assortment range which are 100% sustainable, meaning that these styles are produced using only recycled or recyclable metal, bio acetate or recycled plastic from the oceans. At the same time, we launched our first 100% sustainable brand back in 2019, CO CO, which has been expanded to include the exclusive designer sub-collection "Marcel Ostertag x CO CO." Overall, we see that the industry and suppliers are moving towards more sustainable manufacturing and production methods. By the end of 2023, we had more than 600 stock-keeping units from 50 brands which are considered sustainable.

21 https://corporate.misterspex.com/en/corporate-compliance/
22 https://corporate.misterspex.com/wp-content/uploads/2023/12/mister-spex-ghg-report-2022.pdf

The Code of Conduct
can be found on our **website**.

Anti-Bribery policy
can be found on our **website**.

The Code of Ethics
can be found on our **website**.

Our people

Please refer to the information in section 1.1.2 "Our people."

Cyber security and data protection

Cyber security

At Mister Spex, we take cyber security as a social as well as a technical responsibility. We therefore continuously monitor, review and invest in our information technology (IT) systems and processes to protect our customers, the business and our employees from any cyber security threats. To mitigate cyber risks, we have established a three-tier approach based on automation, professional auditing and deliberate attempts to breach our own systems ("white hat hacking") in order to continuously ensure and improve the effectiveness of our efforts to prevent and mitigate any cyber risk scenarios.

We have a framework of controls in place that protect against unauthorized access to our systems. These include policies and procedures for maintaining and regularly updating infrastructure, servers and security devices and for restricting and monitoring access to customer data and other sensitive information. We test our systems for vulnerabilities with a high frequency. Back-up facilities and contingency plans are in place and are regularly reviewed to ensure that data is protected. Every employee has responsibility for cyber security, and we invest in education and awareness raising, including the requirement of regular training. Employees are updated regularly on how to mitigate data security risks, the importance of password management, the latest breaches and software updates. In 2023, we had no notable security breaches or cyber security incidents.

Data protection

Protection of personal data is of the highest priority for us and is part of our Code of Ethics. Personal data must be treated confidentially and may only be processed within the framework of the relevant data protection provisions, in particular the General Data Protection Regulation (GDPR) and the German Federal Data Protection Act ["Bundesdatenschutzgesetz": BDSG]. Our employees are obliged to comply with our Privacy Policy.

Corporate governance and compliance

Our corporate culture has always been characterized by the highest degree of integrity and ethically correct conduct. Integrity is one of the core values at Mister Spex and one of our most important cultural assets. We will not compromise our integrity or risk damage for financial gain or any other reason.

To ensure that all Mister Spex employees act with integrity at all times, they must take note of and follow the following compliance principles and the Company's Code of Ethics.

Code of Ethics

Our Code of Ethics is a guideline and is intended to provide employees with orientation, so they act according to clearly defined ethical and legal standards during their work. In addition, the Code of Ethics defines the standards that Mister Spex adheres to so that, as a company, it is the perfect match for every Spexie.

The Code of Ethics can be viewed **here**[23].

Our policy and management system framework is well established and adapts to the new challenges that we have to face.

In 2023, we issued a new group-wide Human Rights Policy Statement to ensure that we promote and maintain a responsible and safe working environment for our employees and in our supply chain.

Supplier Code of Conduct

The Supplier Code of Conduct sets out our expectations of all our suppliers and service providers in terms of responsible business conduct. It is intended to serve as a guideline and formulates a minimum standard of ethical and lawful conduct. Mister Spex expects each of its suppliers and service providers to comply with these standards of conduct and thus strives to act responsibly as a whole.

The Code of Conduct is available **here**[24].

Compliance

Mister Spex's Corporate Compliance Program, supported by a Corporate Compliance Committee, has been implemented to assist operating units and staff departments in complying with all provisions.

All employees must complete an annual electronic compliance review questionnaire for all business transactions (including anti-corruption). We provide employees and external stakeholders with a whistleblowing tool so that breaches of our policies can be reported in confidence. We do not accept any retaliation against those who raise legitimate concerns about possible misconduct.

23 https://corporate.misterspex.com / wp-content / uploads / 2022 / 12 / mister-spex-code-of-ethics-en.pdf
24 https://corporate.misterspex.com / wp-content / uploads / 2022 / 12 / mister-spex-supplier-code-of-conduct-eng.pdf

2. Economic report of the Mister Spex Group

2.1 Macroeconomic and sector-specific parameters

Global economy

The ongoing war in Ukraine, persistently high inflation rates and the shortage of skilled workers continue to hamper the expansion of the global economy and are weighing on the recovery. The macroeconomic challenges are thwarting both investment and consumption. Although GDP in advanced economies increased by 1.6% year on year in 2023, growth is expected to slow to 1.5% in 2024, followed by a possible renewed increase to 1.8% in 2025. [25]

The IMF is forecasting modest growth of 0.5% in the eurozone as a whole, which is a significant decline compared to the prior-year figure of 3.3%. [26] At the same time, economic growth in Germany is declining, with the GDP growth rate at 1.8% in 2022 and expected to slip into negative territory at 0.3% in 2023. This would put Germany consistently behind France, Spain and Italy. In contrast to Spain and Italy, which are benefiting from positive developments in the services industry, the weakened performance of interest-sensitive sectors and declining demand from trading partners are weighing on the German economy. The general economic slowdown in the eurozone reflects the effects of tighter monetary policy by central banks coupled with higher energy prices, which are hitting production in Europe particularly hard.

The trend for the year was characterized by volatility, as the German economy contracted by 0.8% year on year in the third quarter, following a slight decline of 0.4% in the second quarter. [27] The outlook remains subdued in view of factors such as a shortage of skilled workers and persistently high inflation, which are having a negative impact on investment and consumer behavior. For Germany, the IMF forecasts a slight recovery for 2024 with a growth rate of 0.5%. [26]

Industry developments

Optician industry

According to Statista, the optician market in Germany grew by 3% to € 8.3b in 2023. Compared to 2022, all eyewear categories recorded an increase in 2023, with frames and lenses seeing the largest increases at 3.4% and 3.3%, respectively. A look at the volume shows growth of 1.7% for frames and 1.1% for lenses against 2022. In contrast, demand for sunglasses fell by 0.8%. Overall, the market grew by 3% in 2023.

According to surveys by GfK ["Gesellschaft für Konsumgüterforschung": Consumer Goods Research Company], revenue from prescription glasses in the market for independent opticians in Germany increased by 3.6%. Growth was also driven by a 3.1% increase in average sales prices and a 0.5% increase in unit sales.

Luxury industry

According to Statista's market analysis, the luxury goods market accounted for 15% of revenue in the optician retail sector in 2023. Research by McKinsey & Company and The Business of Fashion shows that sales of luxury goods rose by between 5% and 7% in 2023 compared to the prior year.

Although factors such as the loss of consumer confidence led to subdued spending, the signs are good for a continuation of the positive trend in the luxury segment in 2024. The luxury segment is expected to continue on its growth trajectory in 2024, with an anticipated increase in revenue of 2% to 4% year on year.

25 World Economic Outlook of the International Monetary Fund (IMF), January 2024
26 World Economic Outlook of the International Monetary Fund (IMF), October 2023
27 Destatis German Federal Statistical Office – Press release from 24 November 2023

2.2 Assets, liabilities, financial position and financial performance of the Mister Spex Group

The year was characterized by volatility. Cost inflation and, among other factors, the ongoing war in Ukraine continued to influence the overall economic climate. However, with its customer-centric omnichannel approach, Mister Spex recorded solid revenue growth of 6%.

Financial performance of the Mister Spex Group

Consolidated statement of profit or loss

	1 Jan to 31 Dec		
in € k	**2023**	2022	Change
Revenue	223,530	210,067	6%
Other own work capitalized	4,826	6,845	–29%
Other operating income	1,507	819	84%
Cost of materials	–110,373	–108,182	2%
Gross profit [28]	**113,157**	**101,885**	**11%**
Gross profit margin [29]	**50,6%**	**48,5%**	**212bp**
Personnel expenses	–61,970	–57,822	7%
Other operating expenses	–62,213	–63,701	–2%
EBITDA	**–4,693**	**–11,974**	**–61%**
Adjustments	5,593	3,685	52%
Adjusted EBITDA	**900**	**–8,289**	**> 100%**
Depreciation, amortization and impairment and reversals of impairment	–43,026	–29,847	44%
EBIT	**–47,720**	**–41,821**	**14%**
Financial result	–421	–2,595	–84%
Share in loss of associates	0	–302	100%
Income taxes	256	–209	> –100%
Loss for the period	**–47,884**	**–44,927**	**7%**

External revenue and adjusted EBITDA by segment

	1 Jan to 31 Dec		
in € k	**2023**	2022	Change
Revenue			
Germany	168,556	153,288	10%
International	54,974	56,779	–3%
Total	**223,530**	**210,067**	**6%**
Adjusted EBITDA			
Germany	4,341	–4,942	>100%
International	–3,442	–3,347	–3%
Total	**900**	**–8,289**	**>100%**

Revenue by product category

	1 Jan to 31 Dec		
in € k	**2023**	2022	Change
Revenue			
Prescription glasses	90,114	81,587	10%
Sunglasses	67,491	59,670	13%
Contact lenses	61,300	64,917	–6%
Total products	**218,905**	**206,174**	**6%**
Other revenue	4,625	3,893	19%
Total	**223,530**	**210,067**	**6%**

In 2023, revenue in the **Germany** segment increased by 10%, compared to growth of 11% in the same period of the prior year. Revenue growth was fueled primarily by the significant 14% increase in sunglasses sales, followed by a 12% rise in sales of prescription glasses.

Revenue in the **International** segment fell by 3% in 2023, primarily due to the Scandinavian entities and the UK, whose performance was only partially offset by the positive development in Austria and Switzerland. The decline was entirely attributable to lower revenue from contact lenses, a shortfall only partly mitigated by higher revenue from sunglasses. As part of the "Lean 4 Leverage" efficiency program, the marketing budget for the International segment was transferred to Germany, where Mister Spex is better known.

In fiscal year 2023, **revenue** increased by 6%, which is attributable to a 13% increase in sales of **sunglasses** and growth of 10% in **prescription glasses**. This development is the result of several factors, including the strong competitive position of Mister Spex characterized by a comprehensive assortment range offering very good value for money. In addition, price increases and a reduction in discounts as well as the opening of new stores contributed to the positive development.

Mister Spex continues to pursue the strategy of improving the product mix by increasing the share of high-margin prescription glasses. At the same time, the Company remains committed to providing a leading omnichannel shopping experience, which is expected to increase profitability in the medium term.

Revenue from **contact lenses** fell by 6% in 2023 compared to the prior year. This decline is due to the conscious decision taken to scale back marketing and promotional activities for contact lenses. The development was also negatively impacted by exchange rate fluctuations in the Swedish krona and Norwegian krone.

28 Management defines gross profit as revenue less cost of materials.
29 Management defines gross profit margin as the ratio of gross profit to revenue.

Adjusted EBITDA came to a total of € 900k in fiscal year 2023 (prior year: € −8,289k) and therefore improved by € 9,189k compared to the same period of the prior year. The positive development is due in particular to the improvement in the gross margin by 212 basis points, itself attributable on the revenue side to price increases and shifts in the product mix towards higher-margin prescription glasses and sunglasses.

The **Germany** segment made the largest contribution to this positive development, reaching adjusted EBITDA of € 4,341k in 2023 (prior year: € −4,942k). The improvement is due to the abovementioned price increases and the changes in the product mix. The **International** segment recorded adjusted EBTIDA of € −3,442k in 2023, which was slightly down on the prior-year level (prior year: € −3,347k).

In 2023, the **gross profit margin** increased by 212 basis points to 50.6%. The increase was mainly attributable to price increases and changes in the product mix.

Despite the opening of eight additional stores in 2023, **personnel expenses** rose by just 7% compared to the prior year. This development was primarily driven by salary adjustments due to inflation as well as transformation costs relating to the efficiency program "Lean 4 Leverage." Under the efficiency program, the Company focused on increasing productivity in the stores and creating a leaner organizational structure. In the second half of the year, personnel expenses rose by just 2%, compared to 12% in the first half of 2023[30], which is due, among other factors, to expenses for severance payments under the efficiency program.

Other operating expenses fell by 2% to € 62,213k in 2023, mainly due to lower expenses for marketing and external services. Marketing expenditure decreased by 3% and external services by 13% year on year.

EBITDA came to € −4,693k, which was above the level in the prior year of € −11,974k. The main reason for this was the increase in the gross margin as a result of price increases and changes in the product mix, with the high-margin product categories of prescription glasses and sunglasses in particular improving against the prior year. Another factor behind this development is the improvements achieved through the efficiency program mentioned above.

Management assesses operating performance on the basis of **adjusted EBITDA**. This is defined as earnings before interest, taxes, depreciation and amortization, adjusted for expenses for share-based payments in accordance with IFRS 2, one-time transformation costs and other special effects that are not part of the ordinary course of business.

	1 Jan to 31 Dec		
in € k	**2023**	2022	Change
EBITDA	**−4,693**	**−11,974**	**−61%**
Adjustments	**5,593**	**3,685**	**52%**
Thereof effects arising from the application of IFRS 2	2,215	1,246	78%
Thereof transformation costs	2,950	2,212	33%
Thereof other special effects	428	227	89%
Adjusted EBITDA	**900**	**−8,289**	**> 100%**

The adjustments for 2023 mainly comprise non-cash expenses in connection with IFRS 2. In 2023, share-based payment amounts of € 2,215k were adjusted in accordance with IFRS 2. This was mainly due to newly granted options under the management option program and the newly allocated RSUs. The transformation costs of € 2,950k chiefly comprise expenses for employee severance and redundancy payments (€ 2,318k; prior year: € 1,085k) and for consulting services of € 632k, including in connection with the "Lean 4 Leverage" efficiency program. The consulting services include costs for an external interim Chief Financial Officer during 2023 and the involvement of other external business consultants. Other special effects in 2023 mainly include expenses and income that were recognized in the context of the two store closures (income of € 70k) and the relocation to the new headquarters (expenses of € 498k) and are not part of ordinary business activities. They mainly comprise income related to compensation for expenses to a landlord for a store to be closed as well as expenses for personnel and other costs incurred in connection with the relocation and closures. Onerous losses in the form of ancillary costs under pending rental agreements for ancillary costs are also included in these other special effects.

Adjusted EBITDA improved in 2023 to € 900k (prior year: € −8,289k) for the Group, with the Germany segment contributing proportionately more to this positive development with adjusted EBITDA of € 4,341k in 2023 (prior year: € −4,942k). The International segment recorded adjusted EBITDA of € −3,442k in 2023, which was slightly below the prior-year level (€ −3,347k).

Depreciation, amortization and impairment and reversals of impairment of € 43,026k (prior year: € 29,847k) were mainly attributable to higher depreciation of right-of-use assets recognized in the course of the fiscal year for the leases for the new stores and the new headquarters in accordance with IFRS 16 as well as impairment of € 16,259k (prior year: € 10,378k) and reversals of impairment of € 375k. Besides the annual impairment test of goodwill and software under development, Mister Spex tests the remaining intangible assets and right-of-use assets for impairment if there are indications that they may be impaired. The consistently low market capitalization of Mister Spex remains such an indication as of 31 December 2023. As a result of changes in forecast cash flows and in the interest rate due to the

30 The statement on the relative development of personnel expenses in the first and second half of 2023 compared to the same period of the prior year is not audited by the Company's auditor.

current macroeconomic situation, the recoverable amount of some assets was lower than their carrying amount.

The **financial result** improved by € 2,174k compared to the prior year to € −421k (prior year: € −2,595k) thanks to the investment of overnight deposits, which offset the interest expense for the leases in accordance with IFRS 16.

The Mister Spex Group's loss for the period came to € 47,884k (prior year: loss of € 44,927k).

Non-financial performance indicators

	1 Jan to 31 Dec		
	2023	2022	Change
Active customers[1] (in thousands)	1,747	1,734	1%
Number of orders[2] (in thousands)	2,295	2,304	0%
Average order value[3] (in €)	95.67	89.80	7%

1 Number of clearly identified customers who have placed at least one order with us without cancellation in the last 12 months up to the reporting date
2 Number of deliveries to customers in a given reporting period, less canceled and returned orders
3 Revenue (less advertising discounts, customer credits, refunds and VAT) divided by orders in the last 12 months up to the reporting date net of cancellations and returns

The number of **active customers** increased by 1% in fiscal year 2023, due in particular to higher demand in our stores. The **number of orders** is at the prior-year level. In the same period, the number of orders for contact lenses fell by 3% to the benefit of the prescription glasses and sunglasses product categories. As a result of price increases and changes in the product mix in 2023, the **average order value** rose by 7% to € 95.67 in the last 12 months, underpinned by a positive development in the average order value for the prescription glasses and sunglasses product categories.

Both the financial performance indicators and non-financial performance indicators relate to the entire Group.

Mister Spex stores

As of 31 December 2023, the number of stores stood at 75, an increase of 10% on the number as of 31 December 2022.

Assets, liabilities and financial position of the Mister Spex Group

Assets

in € k	**31 Dec 2023**	31 Dec 2022	Change
Non-current assets	122,673	120,411	2,262
Current assets	157,751	172,821	−15,070
Thereof: cash and cash equivalents	110,654	127,792	−17,138
Total assets	**280,424**	**293,232**	**−12,808**

Equity and liabilities

in € k	**31 Dec 2023**	31 Dec 2022	Change
Equity	155,453	201,005	−45,552
Non-current liabilities	77,168	56,736	20,432
Current liabilities	47,803	35,491	12,312
Total equity and liabilities	**280,424**	**293,232**	**−12,808**

As of 31 December 2023, the Mister Spex consolidated statement of financial position reports equity in the amount of € 155,453k (prior year: € 201,005k). The change in equity is mainly due to the loss for the period and the contributions from the share-based payment transactions. At 55%, the equity ratio was slightly below the prior-year level (69%) as of the reporting date.

Net debt[31] for 2023 amounts to € 14,318k and is therefore € 49,883k year on year (prior year: € −35,565k). The change is mainly due to the decrease in cash and cash equivalents and the increase in non-current liabilities as a result of the additions to lease liabilities of € 19,785k due to the relocation to the new headquarters and the opening of the new stores.

Cash and cash equivalents decreased by € 17,138k, driven by negative cash flows from financing activities, which are mainly the result of the repayment of lease liabilities and cash paid for investing activities.

In 2023, **total assets** decreased by € 12,808k to € 280,424k (prior year: € 293,232k). There was an increase in **non-current assets** of € 2,262k to € 122,673k. This development is chiefly attributable to the recognition of new leases in accordance with IFRS 16 due to the opening of eight new stores and the relocation to the new headquarters as well as the capitalization of internally developed software with an offsetting effect due to goodwill impairment of € 8,160k. As of 31 December 2023, the carrying amount of right-of-use assets came to € 69,126k (prior year: € 53,193k). Further additions to non-current assets stem from investments in intangible assets of € 7,142k (prior year: € 8,959k). Mister Spex develops core components of the software used in the Company internally to optimize its operating activities and the procurement process as well as to continuously boost customer satisfaction. Research costs were expensed as incurred. Moreover, there were additions to property, plant and equipment in 2023, especially as a result of investments of € 7,464k (prior year: € 10,717k) in the logistics location and in fitting out the new retail spaces and the new headquarters. The impairments and reversals of impairment resulting from the annual goodwill impairment tests and the ad hoc impairment tests for the remaining non-current non-financial assets as of 31 December 2023 had an offsetting effect of € 15,803k (prior year: € 10,378k).

31 Net debt: non-current liabilities + current liabilities − cash and cash equivalents

Current assets decreased by € 15,070k, mainly due to the reduced level of cash and cash equivalents, which largely comprise bank balances and, with the exception of € 970k (prior year: € 100k), are not subject to any restraints on disposal due to a bank guarantee. At the end of fiscal year 2023, inventories rose to € 32,498k against 31 December 2022 (prior year: € 30,041k). The increase is related to a higher share of luxury and independent label products, more stores as well as higher stocks due to supply chain uncertainties.

As of 31 December 2023, **non-current liabilities** came to € 77,168k (prior year: € 56,736k) and mainly comprised non-current lease liabilities of € 70,161k (prior year: € 50,376k).

Current liabilities rose by € 12,312k to € 47,803k year on year, mainly due to the rise in current lease liabilities by € 5,169k to € 15,328k and in trade payables by € 5,078k to € 17,935k. Additionally, current liabilities included refund liabilities and tax liabilities, accrued personnel-related expenses and liabilities for outstanding invoices.

Liquidity

in € k	**2023**	2022
Cash flows from operating activities	6,037	–20,842
Cash flows from investing activities	–14,606	3,751
Cash flows from financing activities	–8,569	–4,761
Net change in cash	**–17,138**	**–21,852**

In fiscal year 2023, Mister Spex recorded positive **cash flows from operating activities** of € 6,037k (prior year: € –20,842k). The positive change of € 26,879k is due to a decrease in other financial assets as well as an increase in trade payables and other financial liabilities. The lower increase in inventories compared to 2022 led to lower cash outflows in 2023.

Cash flows from investing activities amounted to € –14,606k (prior year: € 3,751k). The cash outflows from investing activities are exclusively attributable to investments in property, plant and equipment and intangible assets. The positive development in fiscal year 2022 resulted in particular from the disposal of money market funds of € 24,427k.

The **cash outflows from financing activities** of € –8,569k in 2023 are chiefly due to payments for the principal portion of lease liabilities and contrast with the sale and leaseback transactions as the sum of new liabilities incurred and repayments.

Overall, the Mister Spex Group's cash and cash equivalents decreased by € 17,138k to € 110,654k as of 31 December 2023.

The Mister Spex Group was in a position to meet its financial obligations at all times during the fiscal year.

2.3 Comparison of outlook and actual business developments

	Forecast in 2022 for 2023	Result 2023
Revenue growth	Mid to high single-digit percentage range	6%
Adjusted EBITDA	Positive adjusted EBITDA margin in the low single-digit percentage range	€ 0.9m (equivalent to an adjusted EBITDA margin of 0.4%)

At the beginning of 2023, Mister Spex demonstrated good growth rates of 6% and 10% in the first two quarters.[32] This result was bolstered by a solid performance in key categories, particularly prescription glasses and sunglasses.[33] The Company's adjusted EBITDA improved significantly against 2022, supported by a 212 basis point increase in the gross margin. In addition, revenue grew by 2% and 7% in the third and fourth quarters, respectively.[34] There was also an improvement in adjusted EBITDA compared to fiscal year 2022, due to a higher gross margin and a lower cost structure, among other factors.

For 2023, we forecast **revenue growth** in the mid to high single-digit percentage range compared to the prior year. With revenue growth of 6%, Mister Spex reached the lower end of the forecast. In 2023, the Group opened eight stores and closed one store, resulting in 75 stores at the end of the year. The number of active customers increased by 1% in line with the forecast. The number of orders was on a par with the prior year and therefore slightly below the forecast for 2023. The average order value increased by 7% and therefore significantly exceeded the forecast. All of the above significantly contributed to revenue growth in 2023.

32 This statement is not audited by the Company's auditor.
33 This statement is not audited by the Company's auditor.
34 This statement is not audited by the Company's auditor.

Adjusted EBITDA totaled € 0.9m in 2023, up € 9.2m on the prior year (€ –8.3m). This represents an adjusted EBITDA margin of 0.4% and thus met the forecast for 2023. Following 2022 and in view of rapidly deteriorating consumer sentiment, the Group launched the "Lean 4 Leverage" efficiency program. In 2023, the program served to realign the organization and initiate priority steps with the aim of increasing profitability while adapting business activities to the changing market environment. Specific operational measures were implemented to optimize the product mix, increase the gross profit margin and commence rigorous cost management for administrative functions.

2.4 Economic report for Mister Spex SE

Preliminary remarks

The management report and the group management report of Mister Spex SE, Berlin, have been combined. The following comments are based on the financial statements of Mister Spex SE, which were prepared in accordance with the provisions of the German Commercial Code ["Handelsgesetzbuch": HGB] and the German Stock Corporation Act ["Aktiengesetz": AktG] in conjunction with Art. 61 of EU Regulation No 2157 / 2001.

Business activities

Mister Spex SE is the parent company of the Mister Spex Group. It operates its own national and international Mister Spex websites and sells prescription glasses, sunglasses, contact lenses and contact lens care products via its country-specific online shops and in brick-and-mortar stores in Germany, Austria and Switzerland. As a holding company, it holds the shares in the subsidiaries.

Mister Spex is viewed as one of the highest-revenue optical brands in Germany, Austria and Switzerland. We offer our customers fashionable glasses, including prescription glasses, sunglasses and contact lenses. Our range includes seven of our own brands as well as more than 100 premium and luxury brands. We also carry fashionable and high-quality independent labels and boast exclusive collaborations with fashion designers and influencers.

Thanks to our seamless omnichannel approach, we create an individual shopping experience and at the same time give our customers the freedom to decide for themselves when, where and how they want to shop. Innovative technologies and smart, data-driven services, such as frame recommendations, automatic goods replenishment and real-time sorting algorithms, play a central role. We are present in six markets (Austria, Germany, the Netherlands, Spain, Switzerland and the UK) with online shops and operate 72 of our own brick-and-mortar stores in Germany, Austria and Switzerland. We also have an extensive partner optician network with 320 opticians.

Due to the Company's significance within the Group, the Company and the Group share the same performance indicators. Mister Spex SE is subject to the same risks and opportunities as the Group. The information provided in the Group's economic report also reflects the results and expectations in this section.

2.4.1 Financial performance, financial position and assets and liabilities of Mister Spex SE

Financial performance

The Company's financial performance developed as follows:

	1 Jan to 31 Dec		
in € k	**2023**	2022	Change
Revenue	205,960	189,633	9%
Own work capitalized	5,237	6,712	−22%
Other operating income	11,511	1,396	>100%
Cost of materials	−97,661	−93,614	4%
Gross profit	**125,047**	**104,127**	**20%**
Personnel expenses	−56,585	−53,578	6%
Depreciation, amortization and impairment	−12,616	−9,089	39%
Other operating expenses	−90,377	−70,466	28%
Operating result	**−34,531**	**−29,006**	**19%**
Financial and investment result	−9,614	−26,911	−64%
Income taxes	−78	−448	−83%
Loss for the year	**−44,223**	**−56,365**	**−22%**

Mister Spex SE closed the year with a loss for the period of € 44,223k, an improvement of € 12,142k from 2022.

Revenue in 2023 increased by 9% or € 16,327k to € 205,960k (prior year: € 189,633k). In 2023, Germany continues to be the largest market for Mister Spex with key product categories being prescription glasses and sunglasses.

Own work capitalized of € 5,237k relates to internally developed software. In the fiscal year, additions included both internally generated intangible assets and assets under development.

Other operating income amounts to € 11,511k in the fiscal year (prior year: € 1,396k). In fiscal year 2023, extraordinary income was recognized in this item from the partial repayment of loans that were fully impaired in the prior year, with Nordic Eyewear Holdings AB repaying € 6,647k and Nordic Eyewear AB € 2,961k. Such other out-of-period income also arose from the reversal of provisions and from advertising allowances, supplier bonuses and rent waivers from prior years in connection with the COVID-19 pandemic of € 875k (prior year: € 450k). Other operating income also includes income in connection with compensation payments and construction cost allowances as well as income from currency translation totaling € 886k (prior year: € 633k).

Cost of materials rose by € 4,047k to € 97,661k (prior year: € 93,614k). At 47.4%, cost of materials as a percentage of revenue was 1.9 percentage points below the prior-year level, mainly as a result of the adjustment to the price structure and shifts in the product mix, which led to higher revenue and therefore a higher gross margin.

Personnel expenses increased by € 3,007k to € 56,585k (prior year: € 53,578k). This is partly due to inflation-related salary increases and higher severance payments compared to the prior year.

Depreciation, amortization and impairment increased by € 3,527k to € 12,616k, mainly due to higher amortization of intangible assets and depreciation of property, plant and equipment for additional new stores. In addition, impairment losses on internally generated software and internally generated software under development of € 2,030k were recognized in fiscal year 2023 (prior year: € 0).

At € 90,377k, **other operating expenses** were higher than the prior year (€ 70,466k). The merger with Tribe GmbH resulted in a merger loss of € 5,860k. The increase in rental expenses and other premises costs of € 17,783k (prior year: € 14,231k) is mainly due to the opening of further stores and the relocation to the new headquarters. At € 24,465k, marketing costs were slightly higher than in the prior year (€ 24,330k), while variable costs of € 13,576k, including costs for distribution and sales, were slightly reduced (prior year: € 14,985k). The item also includes extraordinary expenses from the equity injections into Nordic Eyewear Holdings AB of € 9,607k in fiscal year 2023 (prior year: € 0), which did not increase the intrinsic value of the shares.

The **financial and investment result** for the fiscal year mainly comprises impairment losses of € 13,388k charged on loans to and shares in affiliates to reflect changes in forecast cash flows and in the interest rate, also in light of the current macroeconomic situation. It also contains interest expenses of € 508k (prior year: € 800k), income from loans classified as non-current financial assets of € 897k (prior year: € 1,600k) and income from profit transfers of € 41k (prior year: € 59k).

Assets, liabilities and financial position

The following overview shows the summary of the balance sheet:

Assets

in € k	**31 Dec 2023**	31 Dec 2022	Change
Non-current assets	50,076	63,602	−13,526
Current assets	153,714	171,886	−18,172
Prepaid expenses	3,184	2,055	1,129
Total assets	**206,974**	**237,543**	**−30,569**

Equity and liabilities

in € k	**31 Dec 2023**	31 Dec 2022	Change
Equity	166,007	209,953	−43,946
Special item for government grants	0	19	−19
Provisions	10,540	6,930	3,610
Liabilities [35]	27,821	18,046	9,775
Deferred income	444	566	−122
Deferred tax liabilities	2,162	2,029	133
Total equity and liabilities	**206,974**	**237,543**	**−30,569**

A total of € 7,553k (prior year: € 8,806k) of additions to **intangible assets** is attributable to capitalized development costs and prepayments made for intangible assets under development and a total of € 2,485k to additions from the merger with Tribe GmbH. The additions to **property, plant and equipment** are the result of investments in fitting out the new stores, the logistics site as well as the new headquarters and stood at € 7,272k (prior year: € 8,664k), while additions from the merger with Tribe GmbH amounted to € 70k.

The change in **financial assets**, which largely explains the decline in total non-current assets, stems mainly from the merger of Tribe GmbH into Mister Spex SE, which resulted in a disposal of shares of € 3,692k and a disposal of loans of € 3,503k, as well as from impairment losses on the loans and shares in affiliates. The annual impairment test indicated that their impairment was expected to be permanent. As a result, impairment losses of € 13,388k were recognized in fiscal year 2023 (prior year: € 28,067k).

As in the prior year, **inventories** primarily comprise merchandise for the operating business and amount to € 29,796k (prior year: € 27,782k). The increase is related to a higher share of luxury and independent label products, more stores as well as higher stocks due to supply chain uncertainties.

Receivables and other assets decreased by € 5,674k to € 14,984k year on year. The change mainly resulted from the decrease in other assets by € 4,729k, which is primarily attributable to the conversion of rent deposits into guarantees and the decrease in receivables from group companies by € 467k to € 562k (prior year: € 1,029k).

The **equity ratio** stood at 80% at the end of the fiscal year (prior year: 88%). Further details regarding the development of treasury shares are provided in the notes to the financial statements.

35 Liabilities comprise liabilities to banks, prepayments received on account of orders, trade payables, liabilities to affiliates and other liabilities.

Provisions and liabilities increased by € 13,385k to € 38,361k at the end of the year (prior year: € 24,976k). As of 31 December 2023, provisions primarily related to rent-free periods, employee obligations, provisions for onerous contracts, obligations from outstanding invoices, warranties and returns.

Cash and cash equivalents largely comprise bank balances of € 108,935k (prior year: € 123,445k). The change is mainly attributable to cash outflows from investing and financing activities. Bank balances include balances subject to a restraint on disposal due to a bank guarantee of € 970k (prior year: € 100k).

The Company was in a position to meet its financial obligations at all times during the fiscal year.

2.5 Overall assessment of financial performance, financial position and assets and liabilities

The Management Board regards the Group's performance in fiscal year 2023 and that of Mister Spex SE as positive despite the negative impacts stemming from the continued high inflation, impacting private consumption and consumer sentiment. In 2023, both revenue growth and adjusted EBITDA were within the prior-year guidance range.

Overall, the Company's and the Group's assets, liabilities, financial position and financial performance can again only be described as satisfactory.

3. Risks and opportunities

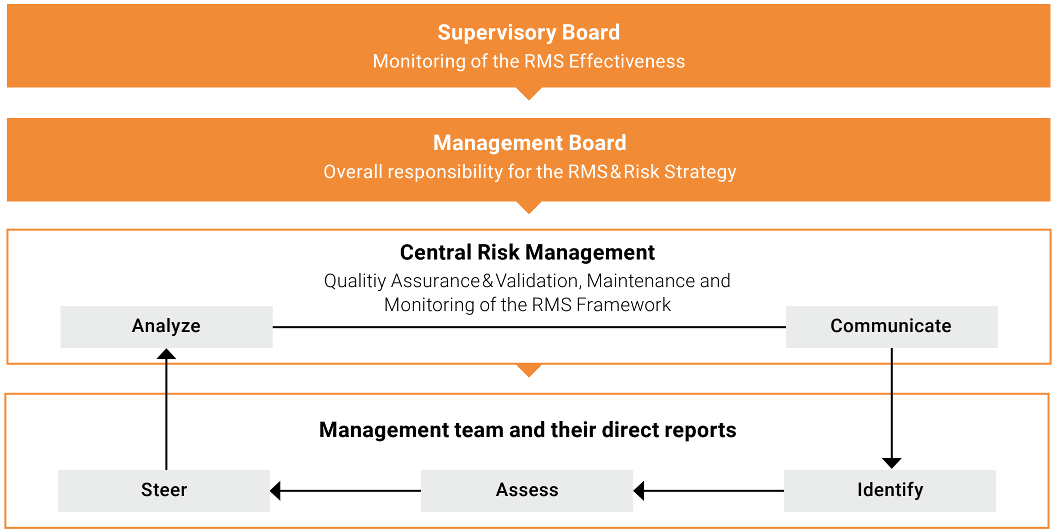
As a European omnichannel eyewear retailer, Mister Spex has exposure to macroeconomic, sector-specific and company-specific opportunities and risks. The risks and opportunities report outlines the material opportunities and risks for Mister Spex and gives an overview of the risk and opportunity management system.

3.1 Risk and opportunity management system (RMS)

The Management Board of Mister Spex SE bears overall responsibility for the RMS in accordance with Sec. 91 (2) AktG. The Management Board has mandated the Risk Management team with the operational coordination of the RMS. In particular, this involves the definition, implementation, operation, monitoring and continuous development of the Mister Spex Group's RMS. The associated processes, tasks and responsibilities are set out in a binding set of rules, the Risk Management Manual, and apply to all areas and units in the Group. The risk management approach at Mister Spex is based on relevant standards, such as ISO31000, COSO II and IDW AuS 340 (Revised).

The objective of the RMS at Mister Spex is not to have zero risks but rather to create transparency over risks and opportunities and enable structured steering to mitigate risks and take advantage of opportunities.

Overview of the RMS at Mister Spex



Risk and opportunity identification and monitoring

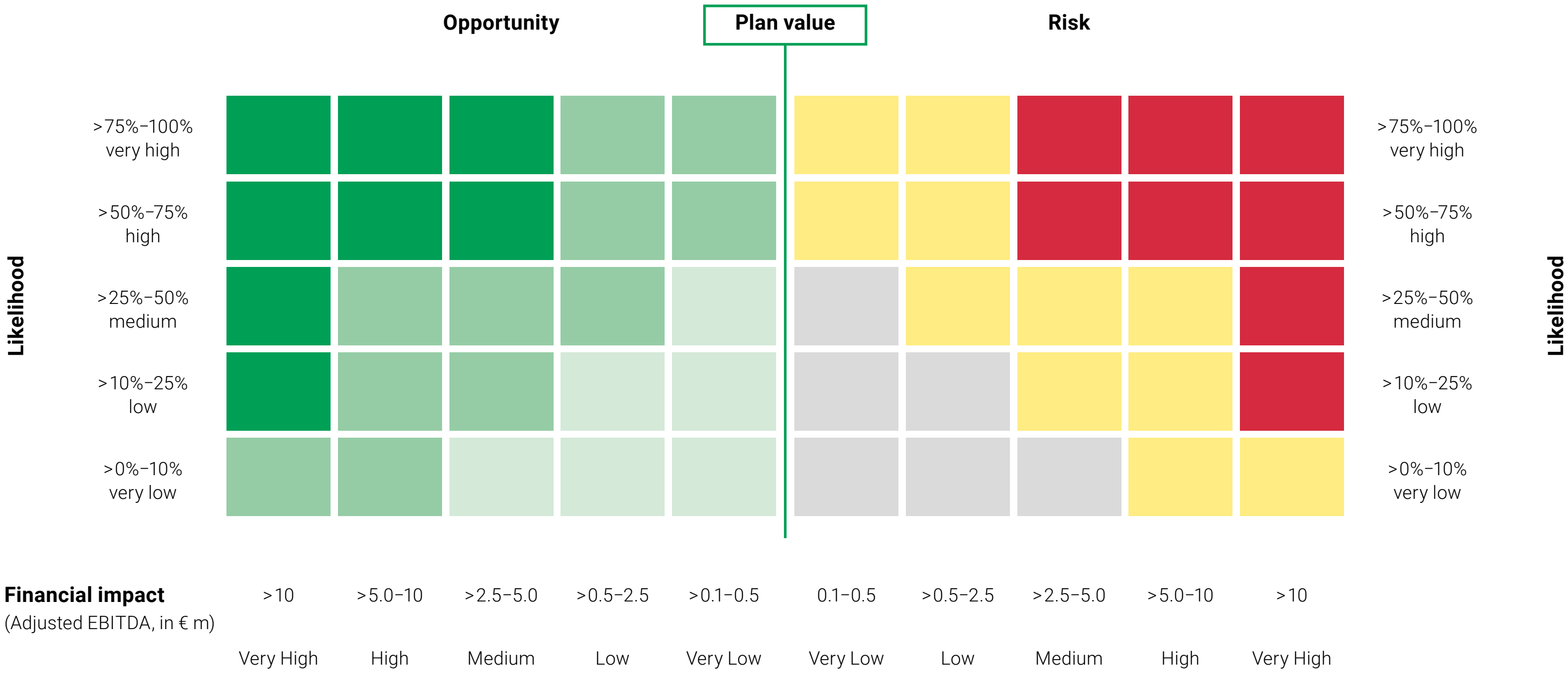
Risk and opportunity identification is the initial phase of information gathering aimed at capturing all relevant sources of risks and opportunities. The risks and opportunities are identified during day-to-day operations by risk and opportunity owners and twice a year by the central risk management team. At Mister Spex, risk and opportunity owners are generally the management team and their direct reports. However, any employee can report risks and opportunities to Risk Management. Furthermore, Mister Spex has implemented ad hoc reporting thresholds for risks that might arise outside the usual risk management cycle.

Risk and opportunity assessment

Mister Spex assesses individual financial and non-financial risks and opportunities that might arise in the plan year and the year thereafter. Financial risks and opportunities are negative or positive deviations from planned earnings, measured as adjusted EBITDA, while non-financial risks pertain to reputation and compliance. In the risk and opportunity matrix (see figure below), likelihood describes the possibility of an identified risk occurring in the plan year or the following year. The risk scales capture the financial and non-financial damage should the risk materialize. The financial impact of the risk or opportunity is estimated by means of a three-point estimation based on a PERT distribution.

When assessing individual risks, Mister Spex considers the net risk after effective mitigation measures but before planned but not yet effective additional risk-mitigation measures. Individual risks and opportunities are grouped into 13 thematic clusters and shown in the following risk and opportunity matrix. The clusters presented in this report show the net risk or net opportunities for the plan year.

Risk and opportunity matrix



Risk&oppertunity categories Minor Moderate Significant

Risks and opportunities are classified as minor, moderate or significant based on the combination of the likelihood of occurrence and the financial and non-financial impact. In this report, the financial impact of a risk or opportunity cluster is the sum of the financial impacts of its individual risks or opportunities, respectively. This report describes risks and opportunity clusters classified as moderate or above for the plan year, according to the risk and opportunity matrix.

In addition to the expected loss aggregation outlined above, Mister Spex uses stochastic simulation methods to identify material risks and opportunities at an early stage. This approach enables Mister Spex to take interdependencies into account that might significantly positively or negatively affect adjusted EBITDA. For this purpose, the value at risk with a confidence level of 99% is determined for the overall risk portfolio. To assess Mister Spex's risk-bearing capacity, the overall risk determined is compared with the risk coverage potential, which considers both liquidity and equity positions.

Risk and opportunity management, reporting and continuous improvement

Central risk management reports to the management team, the Management Board and the Supervisory Board at least twice a year on the overall risk and opportunity situation at Mister Spex. Due to the adjustments made in 2022, the plan going forward is for Internal Audit to regularly review the effectiveness of Mister Spex's RMS and provide independent assurance on the risk management process by testing the design and operating effectiveness of the risk management framework, processes, risk assessment and mitigation measures for material risks. The Supervisory Board's Audit Committee monitors the effectiveness of risk management and the internal control system (ICS).

Risk and opportunity owners are tasked with deriving and implementing effective measures to mitigate risks and take advantage of opportunities. Derived measures are recorded as part of the risk management process and continuously reviewed and tracked for currentness and appropriateness. For identified risks, a management strategy must be chosen that takes effectiveness and costs of further risk-mitigating measures into account. Mister Spex distinguishes between risk reduction, which includes risk avoidance and transfer to a third party, and risk acceptance.

The establishment of risk-conscious behavior and the resulting sustainable risk culture for Mister Spex is a prerequisite for appropriate and effective risk management. For this reason, all executives of Mister Spex are required to live and promote risk-conscious actions within their sphere of influence. To continuously promote a consistent understanding and management of risks, Mister Spex addresses risk management in regular management meetings.

3.2 Internal control system

3.2.1 Non-financial internal control system [36]

The Management Board has fulfilled its obligations with regard to establishing and ensuring independent monitoring of corporate governance systems such as the risk management system, the financial (accounting-related) and non-financial internal control system and the compliance management system.

The internal control system and the risk management system also include a compliance management system that is geared to Mister Spex's risk situation. Furthermore, the internal control system and the risk management system also address sustainability goals, including the processes and systems for collecting and processing sustainability-related data.

Internal and external reports are issued, such as:

- Internal management reports
- Internal risk reports
- Internal reports by company officers (e.g., the data protection officer)
- Statutory or regulatory corporate reports
- Sustainability reports, other environmental and social reports

3.2.2 Financial (accounting-related) internal control system

As part of the internal control system, Mister Spex has implemented a system of accounting-related internal controls, which is a central component of the accounting and reporting system. It comprises preventive, detective and corrective controls over business processes in the areas of accounting, controlling and all operational functions which ensure a methodical and consistent approach to the preparation of the financial statements.

These processes of the accounting-related control system, the relevant risks and the assessment of the controls include the identification and definition of processes, the introduction of approval levels and the application of the principle of segregation of functions as well as the identification of best practices. The implemented control mechanisms affect several processes and therefore often overlap. Mechanisms include the establishment of policies and procedures, the definition of processes and controls, such as monthly closing checklists and deviation analyses, and the introduction of approval levels and guidelines. In the accounting process, various monitoring measures and controls help to ensure that the annual and consolidated financial statements are prepared in accordance with the regulations. Mister Spex has clearly defined financial reporting subprocesses and assigned clear responsibilities. This also includes regularly reviewing updates to accounting policies and laws and updating accounting policies accordingly as well as the regular training of the employees involved. Appropriate segregation of functions and the application of the principle of dual control also reduce the risk of fraud.

3.2.3 Design of the internal control system [37]

The internal audit function – as the third line of defense – is an integral part of the internal control system at Mister Spex. It monitors and reviews compliance with the internal control system at regular intervals and will also do so for the risk management system going forward. The Audit Committee of the Supervisory Board monitors its design and operating effectiveness on the basis of quarterly internal audit reports.

36 This subsection was not part of the audit of the combined management report by the Company's auditor
37 This subsection was not part of the audit of the combined management report by the Company's auditor

3.3 Overview of risks at Mister Spex

In the reporting period, no risks or risk clusters were identified that individually or in aggregate could jeopardize Mister Spex's ability to continue as a going concern. In view of the liquidity as of 31 December 2023, the risk situation is within the established risk-bearing capacity. The following table provides an overview of the 13 risk categories, clustered into four main risk areas.

Overview of risk clusters

	Assessment	Impact	Likelihood
Markets, competition, sales, and strategy			
1. Market development	Moderate	High	Medium
2. Sales	Moderate	Medium	Low
3. Strategic planning	Minor	Very low	Very low
Operational			
4. Production	Moderate	High	Very low
5. Supply Chain and Logistics	Moderate	Very high	Very low
6. IT	Moderate	High	Very low
7. HR	Moderate	High	Low
Financial, compliance, and legal			
8. Compliance	Minor	Low	Very low
9. Finance and Controlling	Minor	Medium	Very low
10. Legal	Minor	Low	Low
Reputation, sustainability, and other			
11. Communications and Public Relations	Minor	Very low	Very low
12. Sustainability	Minor	Low	Low
13. Other	Minor	Very low	Very low

There were risk cluster changes in the following risk categories compared to the prior year.

The risk likelihood relating to market development increased from low to medium due to the continued weak consumer sentiment. The impact rating improved slightly from high to medium for both Sales and Production due to the measures implemented to reduce risk, such as the use of external service providers in production. The impact for HR changed from medium to high, with the main risks here being the inability to attract sufficient skilled workers in the medium to long term due to demographic and technological change.

Markets, competition, sales and strategy

The ongoing high inflation and the increased cost of living continued to weigh negatively on consumer demand in Mister Spex's core European markets in 2023. As consumer sentiment in Germany remains at a historical low, Mister Spex remains cautious for 2024. A further worsening of market conditions due to decreasing consumer demand or changed consumer behavior and the resulting decrease in footfall in retail stores represent the biggest risk cluster for Mister Spex. We therefore monitor the market environment very closely in order to be able to promptly derive recommendations for action and take measures to reduce this risk. Further risks in this risk cluster are heightened competition as more competitors enter the online market and higher marketing costs in response to the increased competition and / or the strong market position of the advertising platforms.

Mister Spex has planned 2024 allowing for the current uncertainties and other market circumstances and hence considers the likelihood of risks in this cluster materializing to a greater extent than planned to be low. Conversely, a more rapid than expected recovery of consumer markets is one of the biggest opportunities for 2024. We believe that we remain ideally positioned to take further market share even in difficult economic circumstances thanks to our attractive and varied assortment as well as the excellent value for money offered across all product categories.

Operational

Operational risks faced by Mister Spex in 2023 stem from four areas: **production**, supply chain and logistics, IT and HR. The main production risks include force majeure such as natural disasters and malicious attacks that have a potentially high impact but are very unlikely to occur. To mitigate these risks and create redundancy, Mister Spex is investing in additional edging and mounting facilities and also using external service providers in some cases. In order to reduce costs and offer customers a better level of service, Mister Spex is continuously investing in the automation of logistics and production. Late completion of ongoing automation projects could have a negative financial impact, as Mister Spex has already factored in some cost reductions from productivity increases in its budget.

Supply chain and logistics risks include the reliance on a small number of large suppliers with considerable pricing power and the resulting increase in cost of goods sold as well as outbound delivery service providers. However, as Mister Spex has secured conditions for most of its large suppliers and outbound delivery service providers for 2024, the risk of further significant price increases and subsequent pressure on margins is moderate. Mister Spex is strengthening its own brand collection and broadening its branded assortment to further decrease reliance on large suppliers going forward.

IT risks encompass IT security as well as IT system availability. Customer data is a key distinguishing feature and advantage of Mister Spex compared to its competitors in the eyewear industry. Data protection is of utmost importance, as Mister Spex collects, processes and stores medical data on its customers' eyesight to produce and deliver the perfect pair of prescription glasses or contact lenses. Mister Spex regularly trains its employees to prevent data theft and cybercrime, which could jeopardize customer information and result in financial damage due to penalties and significant non-financial damage due to reputational damage and compliance issues. The availability of IT systems and the integrity of these technologies are a decisive factor to enable a frictionless customer journey and ultimately business success. Disruptions or failures of online services can lead to a loss of sales revenues. Mister Spex takes proactive steps to identify services at risk and enact measures to guarantee systems availability and integrity. Another risk is that of changes to cookie regulations that could necessitate system modifications and thus cause an additional financial outlay.

The ongoing war for talent is a nationwide risk that Mister Spex faces. To achieve its strategic goals and to win further market share, Mister Spex relies on a skilled workforce across the organization. As a result of demographic change and increasing competition in the personnel market, it is challenging to attract skilled workers. For skilled workers that Mister Spex successfully attracts, the Company often faces a much higher cost due to ongoing wage inflation. The areas where Mister Spex is facing the biggest risks is IT specialists and opticians, both of which are in high demand and short supply in Mister Spex's major market, Germany. To mitigate this risk, Mister Spex is actively investing in training and employee development, and recruits internationally in many areas. Mister Spex increased its intake of optician apprentices to a record high in 2023. To increase employee satisfaction and ultimately retain key personnel, Mister Spex has introduced a flexible working model as well as bonus schemes and incentives.

While not considered a financial or non-financial risk for 2024, Mister Spex is taking active measures to prepare for and comply with current and future ESG legislation, such as the German Supply Chain Act, and hence mitigate any risks that might arise from non-compliance.

3.4 Overview of opportunities at Mister Spex

With the aim of sustainably securing the Company's success, opportunities that may arise from changed market structures as well as improvements in the internal value chain should also be identified at an early stage and systematically exploited.

Markets, competition, sales and strategy

While Mister Spex has planned 2024 on the basis of muted consumer demand for prescription glasses, there are early signs that the eyewear retail market might continue to pick up slightly. According to GfK, consumer confidence in Germany remains low. Considering that Mister Spex was able to grow its revenue by 6% in 2023 compared to 2022, while the German eyewear market only recorded a slight recovery according to data from GfK, Mister Spex is also expected to profit from a speedier recovery of the German eyewear market. We see opportunities in the expansion of the premium private label segment as well as in innovations such as Mister Spex EyeD, our 3D-printed frames based on a 3D scan of the face. Other opportunities to grow revenue and / or margins include various pricing adjustments, which will be tested in 2024 and, if successful, rolled out in Mister Spex's main markets. In addition, an expansion of the products and services offered might also positively impact revenue and adjusted EBITDA. A possible reduction in competitors' advertising volumes in the face of the persistently clouded consumer sentiment and savings in marketing costs could have a positive impact on Mister Spex customer acquisition costs through reduced competition in various marketing channels. Another opportunity lies in forging alliances with third parties to win new customers.

Further opportunities arise from the continued focus on strategic projects, particularly the further improvement of our frame recommendation algorithm that helps customers to find the perfectly fitting frames for their faces. In addition, an improved recommendation of the perfect lenses for prescription glasses, based on customers' prescription values, might also result in increased revenue, reduced customer service contacts and costs and higher customer satisfaction.

Operational

The greatest operational potential lies in reducing returns, as this directly increases profitability. Other operational opportunities arise from the focus on operational excellence across the organization and the reduction of overhead costs as part of the ongoing "Lean 4 Leverage" performance program.

4. Outlook

General economic situation and industry conditions

See section 2 “Economic report of the Mister Spex Group” for more detailed information on key macroeconomic assumptions and the economic conditions expected for fiscal year 2024. See section 3 “Risks and opportunities” for more information on the corresponding risks and opportunities.

The global economic outlook continues to be shaped by considerable uncertainty relating to geopolitical risks, high inflation and high interest rates, which makes it difficult to assess future business development. Nevertheless, the forecast is based on the assumption that the current macroeconomic conditions will remain relatively stable or improve slightly. This is especially the case for factors that are subject to occasional fluctuations, such as consumer sentiment.

Weaker consumer sentiment has a stronger impact on discretionary spending, for example on travel. Since prescription glasses, the most important product category for Mister Spex, are a medical necessity for many, this category is less affected by the decline in discretionary spending. Households from higher income groups are more financially resilient and considered to be less restrictive in their consumption patterns when inflation rises. We therefore believe that the expansion of the boutique range, a stronger focus on customized frames and greater collaboration with designers will have a positive impact on sales figures in 2024 and on revenue development.

Future development of the Group

We are convinced that our position as one of the leading digital omnichannel opticians in Europe will enable us to continue our growth trajectory and become one of the leading players in the overall eyewear market. An important factor for the further expansion of our omnichannel offer will be the opening of additional stores to build up a comprehensive network in brick-and-mortar retail as well. In addition to the markets in which we currently have a store presence, we will continue to examine the potential for further market entries for our store concept. However, in 2024 we will focus our efforts on the countries where we are already present and stores which we have opened in the last seven years. We are confident that thanks to the seamless omnichannel approach, the broad product and varied product and brand range and a leading price-value proposition, Mister Spex will continue to grow faster than the European eyewear market in 2024 and expand its customer base further.

Revenue

With regard to the forecast for fiscal year 2024, we expect the market environment in the retail sector to remain volatile. In the current market environment, the Management Board **expects revenue growth in the low to mid single-digit percentage range**. We will continue to optimize our assortment range and expand the store network where opportunities to do so present themselves. A slight increase in the number of orders, the average order value and active customers is expected to contribute to revenue growth. In terms of segments, we assume that Germany will be the primary driver of revenue growth. In the International segment, we expect revenue to be at the level seen in 2023 overall. The outlook is based on the assumption that the portfolio will remain constant and the exchange rate stable.

Adjusted EBITDA margin

The Management Board expects a positive **adjusted EBITDA margin in the low single-digit percentage range** in fiscal year 2024. With our “Lean 4 Leverage” efficiency program, we will continue to improve the profitability of the business in 2024, which will include modernizing our IT infrastructure and making targeted use of AI technologies to achieve further efficiencies and thus lay the foundation for sustainable profitable growth.

A more accurate revenue and earnings forecast is not possible due to the volatile market environment. Increasing inflation concerns and rising costs for everyday items could negatively impact private consumption and further dampen consumer demand.

Over the medium-term, the Company plans to transform its operations to leverage synergies, harness AI-driven efficiency and modernize its IT infrastructure, which will ultimately lead to more robust revenue growth and greater profitability.

Future development of Mister Spex SE

The statements made on the intensity and direction of market trends, the development of revenue and the results for the Group also apply here given the close relationship between Mister Spex SE and the group companies and its significance within the Group. The statements also reflect the expectations for the parent company in terms of trends and intensity of the expected development of the key performance indicators.

5. Acquisition-relevant information according to Secs. 289a (1), 315a (1) HGB

The Company is obliged to disclose acquisition-relevant information in accordance with Secs. 289a (1), 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code].

Composition of subscribed capital

With regard to the composition of the subscribed capital, reference is made to the notes.

Restrictions concerning voting rights or the transfer of shares

As of 31 December 2023 (reporting date), Mister Spex SE held 973,000 treasury shares which do not entitle it to any rights pursuant to Sec. 71b AktG ["Aktiengesetz": German Stock Corporation Act].

Equity investments exceeding 10% of voting rights

According to the voting rights notifications issued to us in accordance with Secs. 33 and 34 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act], the following shareholders hold interests exceeding 10% of the voting rights:

EssilorLuxottica SA, having its registered office in Charenton-Le-Pont, France, indirectly holds an equity investment exceeding 10% of the voting rights through Luxottica Group S.p.A., having its registered office in Milan, Italy, and Luxottica Holland B.V., having its registered office in Heemstede, Netherlands. Luxottica Holland B.V., having its registered office in Heemstede, Netherlands, directly holds an equity investment that exceeds 10% of the voting rights and which is attributed to EssilorLuxottica SA in accordance with Sec. 34 WpHG.

In addition, Albert Büll, Christa Büll, Sabine Büll-Schroeder and Nathalie Büll-Testorp, each having their place of residence in Hamburg, Germany (together "**Büll Family**"), jointly hold an indirect equity investment in the Company exceeding 10% of the voting rights via the jointly controlled Verwaltung ACB GmbH, ABACON GmbH & Co. KG and ABACON Invest GmbH, each having its registered office in Hamburg, Germany. ABACON Invest GmbH directly holds an interest in the Company which exceeds 10% of the voting rights and which is attributed to the Büll Family in accordance with Sec. 34 WpHG.

Statutory provisions and provisions of the Articles of Incorporation concerning the appointment and dismissal of members of the Management Board and the amendment of the Articles of Incorporation

The Supervisory Board of the Company appoints the members of the Management Board on the basis of Art. 9 (1), Art. 39 (2) and Art. 46 of the SE Regulation, Secs. 84 and 85 AktG and Art. 6 (3) and (4) of the Articles of Incorporation for a term of up to five years. Reappointments are permissible. The Supervisory Board is entitled to revoke the appointment of a member of the Management Board for good cause (see Art. 9 (1), Art. 39 (2) of the SE Regulation, Sec. 84 AktG). In accordance with Art. 6 (1) of the Articles of Incorporation, the Management Board consists of one or more persons and the number of Management Board members is determined by the Supervisory Board.

Amendments to the Articles of Incorporation shall be adopted by the Annual General Meeting (Secs. 119 (1) No. 6, 179 (1) Sentence 1 AktG). Unless mandatory statutory provisions or the Articles of Incorporation stipulate otherwise, under Art. 19 (3) of the Articles of Incorporation, amendments to the Articles of Incorporation require a majority of two thirds of the valid votes cast or, if at least half of the capital stock is represented, the simple majority of the valid votes cast.

In accordance with Art. 11 (5) of the Articles of Incorporation, the Supervisory Board is authorized to adopt amendments to the Articles of Incorporation which relate only to the wording. In accordance with the Articles of Incorporation, the Supervisory Board is authorized to amend the Articles of Incorporation after the authorized or conditional capital has been used or the authorization periods for their use has expired in order to reflect the increase in capital stock or the expiry of the authorization period.

Powers of the Management Board to issue or repurchase shares

Authorized Capital 2019 / I

In accordance with Art. 4 (4) of the Articles of Incorporation, the Management Board is authorized, with the approval of the Supervisory Board, to increase the Company's capital stock once or several times by up to € 971,079.00 in the period up to 12 August 2024 by issuing up to 971,079 new no-par value bearer shares in return for contributions in cash or in kind **(Authorized Capital 2019 / I)**. Shareholders' subscription rights are excluded. Authorized Capital 2019 / I serves to fulfill acquisition rights (option rights) granted or promised by the Company to current or former employees and directors of the Company prior to conversion into a European company (SE); shares from Authorized Capital 2019 / I may only be issued for this purpose. The new shares are to be issued at the lowest issue price. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the utilization of Authorized Capital 2019 / I. Furthermore, the Supervisory Board is expressly authorized to amend the Articles of Incorporation to reflect the extent of the respective utilization of Authorized Capital 2019 / I.

In 2023, € 132,892.00 of Authorized Capital 2019 / I was used.

Authorized Capital 2020 / I

In accordance with Art. 4 (5) of the Articles of Incorporation, the Management Board is authorized, with the approval of the Supervisory Board, to increase the Company's capital stock once or several times by up to € 1,189,065.00 in the period up to 30 November 2025 by issuing up to 1,189,065 new no-par value bearer shares in return for contributions in cash or in kind **(Authorized Capital 2020 / I)**. Shareholders' subscription rights are excluded. Authorized Capital 2020 / I serves to fulfill acquisition rights (option rights) granted or promised by the Company to current or former employees and directors of the Company prior to conversion into a European company (SE); shares from Authorized Capital 2020 / I may only be issued for this purpose. The new shares are to be issued at the lowest issue price. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the utilization of Authorized Capital 2020 / I. Furthermore, the Supervisory Board is expressly authorized to amend the Articles of Incorporation to reflect the extent of the respective utilization of Authorized Capital 2020 / I.

Authorized Capital 2021

In accordance with Art. 4 (6) of the Articles of Incorporation, the Management Board is authorized to increase the capital stock in the period up to 13 June 2026 with the approval of the Supervisory Board by up to a total of € 9,152,601.00 by issuing up to 9,152,601 new no-par value bearer shares in return for cash and / or contributions in kind once or several times **(Authorized Capital 2021)**.

The shareholders shall in principle be granted a subscription right. The shares may also be subscribed by one or more credit institutions or entities within the meaning of Art. 5 of the SE Regulation in conjunction with Sec. 186 (5) Sentence 1 AktG with the obligation to offer them for subscription to the shareholders of the Company.

The Management Board is authorized to exclude the subscription rights of the shareholders with the approval of the Supervisory Board for one or more capital increases

- in order to exclude fractional amounts from the subscription right;
- in the event of a capital increase against cash contributions, provided that the issue price of the new shares is not significantly lower than the stock exchange price of the shares in the Company already listed. However, this authorization is subject to the provision that the amount of the capital stock attributable to the shares sold under the exclusion of the shareholders' subscription rights in accordance with Art. 5 of the SE Regulation in conjunction with Sec. 186 (3) Sentence 4 AktG shall not exceed 10% of the capital stock of the Company at the time Authorized Capital 2021 comes into effect or – of such amount is lower – is exercised. The following shall count towards the above threshold of 10% of the capital stock: the amount attributable to (a) any shares that are sold during the term of Authorized Capital 2021 on the basis of an authorization to sell treasury shares according to Art. 5 of the SE Regulation in conjunction with Secs. 71 (1) No. 8 Sentence 5, 186 (3) Sentence 4 AktG, provided that shareholders' subscription rights are excluded, (b) any shares that are issued during the term of Authorized Capital 2021 to fulfill subscription rights or conversion or option rights or obligations arising from convertible or option bonds, profit participation rights and / or profit participation bonds (or any combination of these instruments) (together **bonds**), provided that such bonds are issued subject to the exclusion of the shareholders' subscription rights applying Art. 5 of the SE Regulation in conjunction with Sec. 186 (3) Sentence 4 AktG as appropriate; and (c) any shares that are issued during the term of Authorized Capital 2021 on the basis of other capital actions, provided that such shares are issued subject to the exclusion of the shareholders' subscription rights applying Art. 5 of the SE Regulation in conjunction with Sec. 186 (3) Sentence 4 AktG as appropriate;
- to the extent necessary in order to be able to grant new shares in the Company to holders or creditors of bonds that will be issued or have already been issued by the Company or its subordinated group companies upon exercise of conversion or option rights or fulfillment of conversion or option obligations and to the extent necessary in order to grant holders of bonds that will be issued or have already been issued by the Company or its subordinated group companies a subscription right to new shares in the amount to which they would be entitled to as shareholders upon exercise of the option or conversion rights or fulfillment of conversion or option obligations;
- in the event of a capital increase against contributions in kind, in particular in the context of mergers or acquisitions (including indirect acquisitions) of companies, businesses, parts of companies, equity investments or other assets or claims for the acquisition of assets, including claims against the Company or any of its group companies;
- in the event of a capital increase against cash contributions and / or contributions in kind, if the shares are to be issued as part of participation programs and / or as part of share-based payments and no other authorization to exclude subscription rights is used for this purpose. The shares may only be issued to persons who participate in the participation program as a member of the Management Board of the Company, as a member of the management of an entity dependent on the Company or as an employee of the Company or an entity dependent on the Company, or to whom the share-based payment was granted as a member of the Management Board, as a member of the management of an entity dependent on the Company or as an employee of the Company or an entity dependent on the Company, or to third parties who grant the beneficial ownership and / or the economic rewards from the shares to these persons. The new shares may in particular also be issued on preferential terms (including an issue at the lowest issue price within the meaning of Sec. 9 (1) AktG and / or against the contribution of compensation claims). The new shares may also be issued through an intermediary credit institution or entity operating in accordance with Sec. 53 (1) Sentence 1 or Sec. 53b (1) Sentence 1 or (7) KWG ["Kreditwesengesetz": German Banking Act], which subscribes these shares with the obligation to offer them to the aforementioned persons. The shares issued in exercise of this authorization to exclude subscription rights may not exceed a total of 10% of the capital stock, either at the time this authorization becomes effective or at the time it is exercised. The nominal amount of any conditional capital of the Company resolved for the purposes of Sec. 192 (2) No. 3 AktG shall count towards this 10% limit. Where shares are to be granted to members of the Management Board under this authorization, the Supervisory Board of the Company shall decide on the allocation in accordance with the allocation of responsibilities under stock corporation law.

The Management Board is authorized to determine the further details of the capital increase and its implementation with the consent of the Supervisory Board; this also includes the determination of the profit participation of the new shares, which may, in a departure from Art. 9 (1) c) (ii) of the SE Regulation in conjunction with Sec. 60 (2) AktG, also participate in the profit of completed fiscal years.

The Supervisory Board is authorized to adjust the wording of the Articles of incorporation accordingly after the utilization of Authorized Capital 2021 or upon expiry of the period for the utilization of Authorized Capital 2021.

In 2023, € 51,046.00 of Authorized Capital 2021 was used.

Authorized Capital 2022

In accordance with Art. 4 (3) of the Articles of Incorporation, the Management Board is authorized, with the approval of the Supervisory Board, to increase the Company's capital stock once or several times by a total of up to € 1,187,370.00 in the period up to 29 June 2027 by issuing up to 1,187,370 new no-par value bearer shares in return for contributions in cash and / or in kind **(Authorized Capital 2022)**. Shareholders' subscription rights are excluded. Authorized Capital 2022 will be used to supply shares in the Company to settle payment claims from virtual stock options granted to members of the Management Board or employees of the Company or group companies under a **Virtual Stock Option Plan (VSOP)** of the Company against contribution of the existing payout claim from virtual stock options granted under the VSOP together with the payment (contribution) of € 1.00 in cash for these virtual stock options per share in the Company to be issued. In this case, the payout claim is deemed to be increased by a corresponding amount to ensure that the entire payout claim is settled in shares in the Company without the member of the Management Board or the employee of the Company and / or group companies suffering any economic loss as a result of the payment of € 1.00 per share in the Company to be issued.

Authorized Capital 2022 also serves to issue shares under participation programs and / or as part of share-based payments. The shares may only be issued to persons who participate in the participation program as a member of the Management Board of the Company, as a member of the management of an entity dependent on the Company or as an employee of the Company or an entity dependent on the Company, or to whom the share-based payment was granted as a member of the Management Board, as a member of the management of an entity dependent on the Company or as an employee of the Company or an entity dependent on the Company, or to third parties who grant the beneficial ownership and / or the economic rewards from the shares to these persons. In particular, the new shares may also be issued on preferential terms (including being issued at the lowest issue price within the meaning of Sec. 9 (1) AktG and / or against contribution of remuneration claims). The new shares may also be issued through an intermediary credit institution or entity operating in accordance with Sec. 53 (1) Sentence 1 or Sec. 53b (1) Sentence 1 or (7) KWG **(financial institution)**, which subscribes these shares with the obligation to offer them to the aforementioned persons. To the extent permitted by Sec. 204 (3) Sentence 1 AktG, the contribution to be made on the new shares may be covered by the portion of the profit for the year that the Management Board and the Supervisory Board may transfer to other retained earnings pursuant to Sec. 58 (2) AktG.

The amount of the capital stock attributable to the new shares issued may not exceed 10% of the Company's capital stock existing at the time the resolution on Conditional Capital 2022 is adopted. In order to protect shareholders against dilution, any shares which have been issued or transferred under participation programs from authorized capital, conditional capital or from treasury shares to members of the Management Board and employees of the Company and to members of the management and employees of entities affiliated with the Company within the meaning of Sec. 15 AktG or their investment vehicles since the adoption of the resolution on Conditional Capital 2022 shall be counted towards this 10% limit.

The issue of shares to members of the Management Board is subject to the express consent of the Supervisory Board.

The issue price of the new shares must be at least € 1.00 and may be paid by contributions in cash and / or in kind, including claims against the Company. The Management Board is authorized to determine the further details of the capital increase and its implementation with the consent of the Supervisory Board. The new shares shall participate in profit from the beginning of the fiscal year in which they are issued and for all subsequent fiscal years; by way of derogation from this rule, the Management Board may, where legally permissible, determine, with the consent of the Supervisory Board and, where shares are issued from Authorized Capital 2022 to members of the Management Board, the Supervisory Board, determine that the new shares shall participate in profit from the beginning of the fiscal year preceding the fiscal year in which such new shares are created, provided the Annual General Meeting has not yet adopted a resolution on the appropriation of the net retained profit of the fiscal year preceding the fiscal year in which such new shares are created.

The Supervisory Board is authorized to adjust the wording of the Articles of incorporation accordingly after the utilization of Authorized Capital 2022 or upon expiry of the period for the utilization of Authorized Capital 2022.

Conditional Capital 2021 / I

In accordance with Art. 4 (7) of the Articles of Incorporation, the capital stock is conditionally increased by a total of up to € 3,177,855.00 by the issue of a total of up to 3,177,855 new no-par value bearer shares **(Conditional Capital 2021 / I)**.

Conditional Capital 2021 / I serves to grant shares for the exercise of conversion or option rights or for the fulfillment of conversion or option obligations to the holders or creditors of bonds issued on the basis of the authorization resolution adopted by the Extraordinary General Meeting held on 14 June 2021.

The issue of the new shares shall take place at the conversion or option price to be determined in each case in accordance with the authorization resolution of the extraordinary Annual General Meeting held on 14 June 2021. The conditional capital increase will only be carried out to the extent that holders or creditors of bonds issued or guaranteed by the Company or a subordinate group entity until 13 June 2026 on the basis of the authorization resolution adopted by the Extraordinary General Meeting held on 14 June 2021 exercise their conversion or option rights or in order to fulfill conversion or option obligations from such bonds or to the extent that the Company grants shares in the Company in lieu of payment of the amount of money due and to the extent that the conversion or option rights or conversion or option obligations are not fulfilled using treasury shares, shares from authorized capital or by other payments.

The new shares shall participate in profit from the beginning of the fiscal year in which they are issued and for all subsequent fiscal years; by way of derogation from this rule, the Management Board may, where legally permissible, determine, with the consent of the Supervisory Board, that the new shares shall participate in profit from the beginning of the fiscal year in respect of which no resolution has yet been passed by the Annual General Meeting on the appropriation of the net retained profit at the time of exercise of conversion or option rights, fulfillment of conversion or option obligations or grant in lieu of payment of the amount of money due.

The Management Board is authorized to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the Articles of incorporation of the Company accordingly after the respective utilization of Conditional Capital 2021 / I and upon expiration of all option or conversion periods.

Conditional Capital 2022

The capital stock is conditionally increased by a total of up to € 1,588,920.00 by the issue of a total of up to 1,588,920 new no-par value bearer shares (**Conditional Capital 2022**).

Conditional Capital 2022 will be used to supply shares in the Company to settle payment claims from virtual stock options granted until 31 December 2026 to members of the Management Board or employees of the Company or group companies under a Virtual Stock Option Plan (VSOP) of the Company. The grant of stock options is governed in detail by the provisions of the authorization resolution adopted by the Company's Annual General Meeting on 30 June 2022 (agenda item 11) as amended by the Company's Annual General Meeting on 26 May 2023 (agenda item 11) (amendment of the performance targets).

The conditional capital increase will be implemented only to the extent that holders of virtual stock options have exercised them, the payment claims against the Company resulting from virtual stock options are to be settled by the delivery of shares in the Company instead of payment of a cash amount, and the Company does not settle the virtual stock options by the delivery of treasury shares or shares from authorized capital. The grant of the virtual stock options generally meets the requirements of Art. 5 of the SE Regulation in conjunction with Sec. 193 (2) No. 4 AktG, in particular with regard to the performance targets and a waiting period of four years. The new shares shall be issued at the issue price to be determined in each case in accordance with the authorization resolution on agenda item 11 adopted by the Annual General Meeting of the Company on 30 June 2022 (as originally adopted or as amended by the amendment resolution of the Annual General Meeting on 26 May 2023), the general provisions of the VSOP and the individual terms and conditions of the relevant Management Board member's service agreement or of the relevant employees' individual grant agreements, as applicable. The issue price of the new shares must be at least € 1.00 and may be paid by contributions in cash and / or in kind, including claims against the Company.

The new shares shall participate in profit from the beginning of the fiscal year in which they are issued and for all subsequent fiscal years; by way of derogation from this rule, the Management Board may, where legally permissible, determine, with the consent of the Supervisory Board and, where shares are issued from Conditional Capital 2022 to members of the Management Board, the Supervisory Board, may determine that the new shares shall participate in profit from the beginning of the fiscal year preceding the fiscal year in which such new shares are created, provided the Annual General Meeting has not yet adopted a resolution on the appropriation of the net retained profit of the fiscal year preceding the fiscal year in which such new shares are created.

The amount of the capital stock attributable to the new shares issued may not exceed 10% of the Company's capital stock existing at the time the resolution on Conditional Capital 2022 is adopted. In order to protect shareholders against dilution, any shares which have been issued or transferred under participation programs from authorized capital, conditional capital or from treasury shares to members of the Management Board and employees of the Company and to members of the management and employees of entities affiliated with the Company within the meaning of Sec. 15 AktG or their investment vehicles since the adoption of the resolution on Conditional Capital 2022 shall be counted towards this 10% limit.

The Management Board and, where shares are issued from Conditional Capital 2022 to members of the Management Board, the Supervisory Board, are authorized to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the Articles of Incorporation of the Company accordingly after the respective utilization of Conditional Capital 2022 and upon expiration of all exercise periods.

Acquisition of treasury shares

a) The Company's Annual General Meeting on 30 June 2022 authorized the Management Board until 29 June 2027 to acquire for any permissible purpose treasury shares of up to 10% of the capital stock at the time of adopting the resolution or at the time of exercising the authorization, whichever is lower. At no time may the shares acquired on the basis of this authorization together with other treasury shares held by the Company or which are attributable to the Company under Sec. 71a et seq. AktG constitute more than 10% of the capital stock. At the discretion of the Management Board, the shares shall be acquired (i) via the stock exchange or (ii) by means of a public tender offer addressed to all shareholders or by means of a public invitation to all shareholders to submit offers for sale **(acquisition offer)** or (iii) by granting a put option to shareholders.

aa) If the shares are purchased on the stock market, the consideration paid by the Company per share in the Company (excluding incidental transaction charges) may neither exceed the stock market price of a share in the Company at the Frankfurt Stock Exchange on the trading day, as determined during the opening auction in Xetra trading (or a comparable successor system) subject to other applicable statutory regulations by more than 10% nor fall below such market price by more than 20%.

bb) If the shares are repurchased under a purchase offer, the Company may determine either a purchase price or the upper and lower ends of the price range at which it is willing to purchase the shares. If a price range is established, the Company will determine the final purchase price on the basis of the offers received. The purchase price or the upper and lower ends of the purchase price range (in each case excluding incidental transaction charges) – subject to adjustment during the offer period – must not exceed the average stock market price of the Company's shares on the Frankfurt Stock Exchange on the last three trading days prior to the purchase offer being made public, determined on the basis of the arithmetic mean of the auction closing price in Xetra trading (or a comparable successor system) by more than 10% nor fall below this average closing price by more than 20%. If, after the public announcement, material deviations in the relevant market price occur, the purchase price or price range can be adjusted. In this event, reference will be made to the average stock market price of the shares on the Frankfurt Stock Exchange on the last three trading days prior to any adjustment being made public, determined on the basis of the arithmetic mean of the auction closing price in Xetra trading (or a comparable successor system). The purchase offer can include additional conditions.

If, in the event of a purchase offer, the volume of shares tendered exceeds the intended repurchase volume, acceptance shall generally be in proportion to the relevant subscribed or offered shares; the right of shareholders to tender their shares in proportion to their ownership interest is excluded in this respect. Provision may be made for the preferential acceptance of small lots of up to a maximum of 100 tendered shares per shareholder, as well as for commercial rounding in order to avoid fractions of shares. In this respect, any further tender rights of the shareholders are excluded.

cc) If the shares are repurchased through a grant of rights of tender to the shareholders, these can be exercised per share held in the Company. According to the ratio of the Company's capital stock to the volume of the shares to be repurchased by the Company, a correspondingly determined number of tender rights entitles a shareholder to sell a share in the Company to the Company. Tender rights can also be allocated such that in each case one right of tender is allocated for the number of shares derived from the ratio of capital stock to the volume of shares to be repurchased. No fractions of tender rights are allocated; in this case any such partial tender rights are excluded.

In this context, the Company may establish either a purchase price or a price range at which a share may be sold to the Company upon the exercise of one or more tender rights. If a price range is established, the Company will determine the final purchase price on the basis of the exercise notices received. For the purpose of determining the purchase price or the upper and lower ends of a price range (in either case excluding incidental transaction charges) at which a share may be sold to the Company upon the exercise of one or several tender rights, the provisions in bb) above apply. For the purpose of determining the relevant closing prices, reference is to be made to the day when the repurchase offer granting tender rights is publicly announced, and if the repurchase offer is adjusted, to the day when such adjustment is publicly announced. The Company may determine the specific contractual structure of the tender rights, in particular their content, term and tradability, if any.

The authorization may be exercised once or several times, in whole or in part, in pursuit of one or more objectives by the Company or entities controlled or majority-owned by the Company or by third parties acting for the account of the Company or such entities. The authorization shall not be used for the purpose of trading in the Company's shares.

b) In addition, the Company's Annual General Meeting on 30 June 2022 authorized the Management Board to use the treasury shares already held by the Company as well as shares of the Company acquired on the basis of the authorization granted under b) with the Supervisory Board's consent – in addition to selling them on the stock exchange or through an offer with subscription rights to all shareholders – for every permissible purpose, in particular as follows:

aa) The shares may be retired without an additional resolution by the General Meeting being required for such retirements or their implementation. The shares may also be retired without a capital reduction by adjusting the pro rata amount of the remaining no-par value shares in the Company's capital stock. For this purpose, the Management Board is authorized to adjust the number of no-par value shares in the Articles of Incorporation.

bb) The shares may also be sold against consideration in kind for the purpose of acquiring companies, parts of companies, equity investments in companies or other assets (including receivables) and in the context of mergers. For this purpose, "sell" also means granting conversion or subscription rights or call options as well as the conveyance of shares within the scope of securities lending.

cc) The shares may be used for the fulfillment of conversion rights and / or option rights or obligations arising from or in connection with convertible bonds and / or option bonds (or any combination of such instruments) with conversion rights or option rights or obligations (these instruments are each hereinafter referred to as "bonds") that are or were issued by the Company or by companies controlled or majority-owned by the Company.

dd) The shares may be sold against compensation in cash provided that the sale price is not substantially lower than the stock market price of the Company's shares at the time when they are sold (Sec. 186 (3) Sentence 4 AktG).

ee) The shares may serve to introduce the Company's shares at stock exchanges on which they are not yet admitted for trading. The price at which these shares are introduced at other stock exchanges may not be more than 5% below the closing price in the Xetra trading system (or a comparable successor system) on the last trading day on the Frankfurt Stock Exchange prior to the listing (excluding incidental transaction charges).

ff) The shares may be used as part of share-based payments or in connection with share-based payment programs and / or employee stock option programs of the Company or any of its affiliates within the meaning of Sec. 15 et seq. AktG and issued to persons currently or formerly employed by the Company or any of its affiliates as well as to board members of any of the Company's affiliates. In particular, they may be offered for acquisition, awarded and transferred for or without consideration to said persons and board members, provided that the employment relationship or board membership exists at the time of the offer, award commitment or transfer. The shares can also be transferred to third parties if and to the extent it is legally ensured that such third party offers and transfers the shares to the aforementioned persons and board members. Sec. 71 (1) No. 2 AktG remains unaffected.

gg) They may be offered and transferred to the beneficiaries for the purpose of servicing virtual stock options issued under the Company's Virtual Stock Option Plan (VSOP) described under agenda item 11 of the Annual General Meeting of the Company on 30 June 2022. Shareholder subscription rights are excluded in this respect. Where members of the Company's Management Board are concerned, this authorization applies to the Supervisory Board, which also determines the relevant details (see d) below).

The amount of capital stock attributable to the shares used under the authorizations pursuant to cc) and dd) above may not exceed 10% of the capital stock existing at the time of the resolution or, if lower, of the capital stock existing at the time this authorization is exercised, if the shares or bonds – applying the provisions of Sec. 186 (3) Sentence 4 AktG as appropriate – are issued against cash contributions and not significantly below the stock market price or, in the case of bonds, below their theoretical market value, with shareholder subscription rights being excluded. Any shares issued or sold applying these provisions directly or indirectly during the term of this authorization up to the time of their utilization shall be counted towards this limit. Furthermore, any shares to be issued or sold on the basis of bonds issued during the term of this authorization with shareholder subscription rights excluded in accordance with Sec. 186 (3) Sentence 4 AktG shall also be counted towards this limit. The following shall be counted towards this limit: any shares issued according to the two preceding sentences making use of the authorizations (i) to issue new shares pursuant to Sec. 203 (1) Sentence 1, (2) Sentence 1 and Sec. 186 (3) Sentence 4 AktG and / or (ii) to sell treasury shares pursuant to Sec. 71 (1) No. 8 and Sec. 186 (3) Sentence 4 AktG, and / or (iii) to issue bonds pursuant to Sec. 221 (4) Sentence 2 and Sec. 186 (3) Sentence 4 AktG shall be canceled with effect for the future if and to the extent that the relevant authorization(s), the exercise of which having led to the shares being counted towards this limit, is (are) granted again by the General Meeting in accordance with the statutory provisions.

c) The Management Board is also authorized, with the approval of the Supervisory Board, to use the treasury shares already held by the Company as follows:

The shares may be used to fulfill acquisition rights (option rights) granted or promised by the Company prior to the conversion into a German stock corporation or European company (SE) and prior to the initial public offering of the Company, to current or former employees and directors of the Company as well as former members of the Advisory Board of the Company and which the Company is obliged to satisfy.

d) The Supervisory Board is authorized to use the treasury shares already held by the Company and the Company's shares repurchased on the basis of the authorization granted under a) to fulfill acquisition obligations or acquisition rights relating to shares in the Company that were or will be agreed with members of the Management Board in connection with the provisions on Management Board remuneration.

   In particular, they may be offered for acquisition, awarded and transferred for or without consideration to members of the Management Board, provided that the employment relationship or board membership exists at the time of the offer, award commitment or transfer. The details regarding the remuneration of Management Board members are determined by the Supervisory Board.

e) The authorizations under b), c) and d) above may be exercised once or several times, in whole or in part, individually or jointly by the Company or – in the cases of b) bb) through ff) above – by entities controlled or majority-owned by the Company or by third parties acting for the account of the Company or such entities.

f) Shareholder subscription rights relating to the treasury shares already held by the Company as well as to the treasury shares acquired under this authorization are excluded to the extent to which such shares are used in accordance with the authorizations under b) bb) through ff), c) or d) above. Furthermore, if the treasury shares are sold under an offer for sale to all shareholders, the Management Board may exclude the shareholders' subscription rights in respect of fractions. Finally, the Management Board is authorized to exclude subscription rights in order to grant holders / creditors of bonds with conversion or option rights or obligations in relation to the Company's shares subscription rights as compensation for the effects of dilution to the extent to which they would be entitled if such rights were exercised or such obligations fulfilled.

g) The Management Board will inform the General Meeting about the utilization of the above authorization, in particular about the reasons for and purpose of the acquisition of treasury shares, the number of shares acquired and the amount of capital stock attributable to them, their proportion of capital stock and the value of the shares in each case.

Compensation agreements of the Company concluded with members of the Management Board or employees in the event of a takeover bid

The arrangements under the VSOP (LTIP) allow the stock options issued to the members of the Management Board and senior management to be redeemed in the event of a change-of-control event. Options which have vested but have not yet been exercised at the time of the change of control will be canceled at the request of the participants or the Company and may then be settled by making a cash compensation payment. The amount of compensation will be determined by reference to the Company's share price at the time of the change of control. The options not yet vested at the time of the change of control may, if canceled by the participant, continue to vest at the discretion of the Company or be replaced by a new stock option program which is equivalent in substance. If canceled by the Company, the stock options which have not yet vested but have lapsed due to the change of control shall be replaced by a new stock option program which is equivalent in substance.

The arrangements in the RSU share-based payment program provide for an option to cancel the plan in the event of a change-of-control event, whereby any vested RSUs that have not yet been settled on the change-of-control date may, at the discretion of the Company, be canceled in return for a cash compensation payment. The amount of compensation will be determined by reference to the Company's share price at the time of the change of control. All RSUs which have not vested by that date will expire without further compensation.

Significant agreements that are subject to a change of control at the Company

The Company has entered into a very small number of significant agreements that contain provisions that are subject to a change of control at the Company. These are two supply contracts for spectacle lenses and / or contact lenses. In the event of a change of control, the respective contractual partners are entitled – in some cases under certain other conditions – to terminate these contracts without notice or subject to certain short notice periods. One of these contracts provides that, in the event of the contractual partner exercising the right of termination, all outstanding amounts are due immediately or that the supplier is entitled to cancel all outstanding orders from Mister Spex, even if they had already accepted them, without giving rise to a compensation obligation.

6. Group statement on corporate governance

The Management Board and the Supervisory Board of Mister Spex SE (also the "**Company**" or "**Mister Spex**") strive to manage the Company responsibly, transparently and sustainably, following the recommendations and principles of the German Corporate Governance Code in the version of 28 April 2022 as published in the Federal Gazette on 27 June 2022 ("GCGC").

Now, therefore, the Management Board and the Supervisory Board of the Company issue the following statement on corporate governance in accordance with Secs. 289f and 315d HGB. In it, they report – in accordance with Principle 22 of the GCGC – on the corporate governance of the Company. In accordance with Secs. 289f and 315d HGB (unaudited), the statement on corporate governance is part of the management report.

6.1 Declaration of conformity pursuant to Sec. 161 AktG

In December 2023, the Management Board and Supervisory Board of Mister Spex SE issued the following declaration regarding the recommendations of the German Corporate Governance Code pursuant to Sec. 161 AktG, which is published on the Company's website and available at any time on company's **website**.

Our Declaration of Conformity
can be found on our **website**.

The Management Board and Supervisory Board declare that the Company has complied with all recommendations of the GCGC and will continue to comply with all these recommendations, with the exception of the deviations stated below:

- **F.2 GCGC** recommends that consolidated financial statements and the group management report shall be made publicly accessible within 90 days from the end of the fiscal year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.

The Company published the consolidated financial statements and the group management report as of 31 December 2022 as well as the quarterly statements as of 31 March 2023 and 30 September 2023 within the prescribed deadlines. Only the Company's half-year financial report as of 30 June 2023 was not published until 31 August 2023.

In the future, the Company intends to make the consolidated financial statements and the group management report publicly accessible within 90 days of the end of the fiscal year. Furthermore, it is intended to publish the quarterly statements (*Quartalsmitteilungen*) within 45 days of the end of the reporting period.

The Company's half-year financial report (*Halbjahresfinanzbericht*) is expected to be published in 2024 also in accordance with the publication periods required by law or stock exchange regulations. This is due to the still ongoing establishment of internal accounting and consolidation processes within the Group. Once these processes have been implemented, the Company also intends to publish the half-year financial reports in accordance with the GCGC Recommendation. As a result, Recommendation F.2 GCGC will not be fully complied with for the time being, until the implementation of the accounting and consolidation processes is completed.

- **G.6 GCGC** recommends that the share of variable remuneration achieved as a result of reaching long-term targets shall exceed the share from short-term targets.

Since 1 January 2022, the remuneration system for the Management Board members has provided for a long-term variable remuneration component with long-term targets on the basis of a Virtual Stock Option Plan **(VSOP)**, under which the amount granted exceeds the target annual bonus as a short-term variable component. However, for reasons of protection of existing rights, the Supervisory Board has decided that the Management Board members may continue to participate in an Employee Stock Option Program **(ESOP)** for an individually defined transition phase. The ESOP continues an option program from the time when the Company had the legal form of a limited liability company (GmbH).

For each of the Management Board members participating in the ESOP, provision has been made for them to not yet participate or to participate only to a lesser extent in the new long-term oriented VSOP during their individually defined transition period **(transition period)**, which depends on the remaining vesting period under the ESOP. The transition period for the two Management Board members Dirk Graber and Dr. Mirko Caspar ended on 31 December 2022, meaning that Recommendation G.6 GCGC was fully complied with in this respect.

For former Management Board member Maren Kroll, who left the Company as of 31 May 2023 **(former Management Board member)**, the transition period only ended on 31 December 2023, meaning that she was only eligible for participation in the VSOP with an annual grant value reduced to 50% for 2023. It is therefore declared as a precautionary measure that Recommendation G.6 GCGC was not fully complied with in fiscal year 2023 insofar as the sum of the entitlements of the former Management Board member from the ESOP options and the target annual bonus may exceed the entitlements from the grant value of the VSOP.

The recommendation will be fully complied with from fiscal year 2024 onwards.

- **G.7 sentence 1 GCGC** recommends that, referring to the forthcoming fiscal year, the Supervisory Board shall establish the performance criteria for each Management Board member covering all variable remuneration components and that, besides operating targets, the performance criteria shall be geared mainly towards strategic goals.

Our remuneration report
can be found on our **website**.

Recommendation G.7 sentence 1 GCGC was not fully complied with in 2023 insofar as the former Management Board member was only eligible to participate in the VSOP in 2023 with an annual grant value reduced to 50% (see Recommendation G.6 GCGC for details) and no performance criteria for the continued ESOP were established as variable remuneration.

The recommendation will be fully complied with from fiscal year 2024 onwards.

- **G.7 sentence 2 GCGC** recommends that the Supervisory Board shall determine to what extent individual targets for each Management Board member – or targets for the entire Management Board as a whole – are decisive for the variable remuneration components.

  Recommendation G.7 sentence 2 GCGC was not fully complied with in 2023 insofar as the former Management Board member was only eligible to participate in the VSOP in 2023 with an annual grant value reduced to 50% (see Recommendation G.6 GCGC for details) and insofar as it was not determined to what extent individual targets for each Management Board member or targets for the Management Board as a whole are applicable to the ESOP continued for the former Management Board member.

  The recommendation will be fully complied with from fiscal year 2024 onwards.

- **G.9 sentence 1 GCGC** recommends that, after the end of every fiscal year, the Supervisory Board shall establish the amount of individual variable remuneration to be granted, depending on target achievement.

  Recommendation G.9 sentence 1 GCGC was not fully complied with in 2023 insofar as the former Management Board member was only eligible to participate in the VSOP in 2023 with an annual grant value reduced to 50% (see Recommendation G.6 GCGC for details) and entitlements from the ESOP continued for the former Management Board member were not made conditional on target achievement.

  The recommendation will be fully complied with from fiscal year 2024 onwards.

- **G.10 sentence 2 GCGC** recommends that granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years.

  Recommendation G.10 sentence 2 GCGC was not fully complied with insofar as the former Management Board member was only eligible to participate in the VSOP in 2023 with an annual grant value reduced to 50% (see Recommendation G.6 GCGC for details) and options from the ESOP continued for the former Management Board member were not subject to a four-year blocking period.

  The recommendation will be fully complied with from fiscal year 2024 onwards.

6.2 Remuneration report

Our remuneration system, which is aligned with the requirements of Sec. 87a AktG and the recommendations of the GCGC (with the exceptions described in our declaration of conformity), will be presented at the Annual General Meeting of the Company on 7 June 2024. The currently applicable remuneration system according to Sec. 87a (1) and (2) Sentence 1 AktG and the most recent resolution on remuneration pursuant to Sec. 113 (3) will be publicly available on the Company's **website**.

The remuneration report regarding the previous fiscal year and the audit report according to Sec. 162 AktG will be publicly available on the Company's **website**.

6.3 Corporate governance

The corporate governance of the Company is primarily determined by the legal requirements and the recommendations of the GCGC as well as by our internal company guidelines. Good corporate governance in the sense of long-term, sustainable corporate success is a major concern of the Company's Management Board and Supervisory Board.

Risk management system

The Company has established a group-wide risk management system that regulates the capture, assessment, documentation and reporting of all risks (financial, operational, strategic and legal) within the Mister Spex Group. The system is based, on the one hand, on legal requirements and, on the other hand, on an analysis of potential risks that may arise from (internal) structures and processes or in certain markets in which Mister Spex operates. Details of the risk management system are explained in the section on risks and opportunities.

Compliance management

As part of compliance management, we have implemented internal guidelines (e.g., our anti-corruption policy, whistleblower policy, the Supplier Code of Conduct and our Code of Ethics), which define the Company's mandatory compliance requirements for all employees. These regulations prohibit all employees from offering, accepting or granting benefits, whether in the form of money, inappropriate gifts, donations or other incentives, to obtain an unethical, economic, contractual or personal advantage and contain guidelines on how to identify and handle potentially non-compliant situations. Furthermore, our compliance management includes measures to ensure compliance with legal and internal company requirements, including regular training of our employees and the implementation of our whistleblower system.

Since June 2021, our compliance and risk management system has been supplemented by a whistleblower system, which is provided by an established external provider in the form of an electronic mailbox and can be accessed via a link on our website. Employees as well as customers and contractors of Mister Spex and third parties can use this system to report suspicious transactions and compliance violations to our compliance team and to communicate with them. The report can be made anonymously at the request of the reporting person.

The effective protection of customer and employee data is an important concern of Mister Spex. At the end of 2021, we therefore introduced additional software-based processes for the automated deletion of personal data and, in addition, implemented a SaaS-based directory of processing activities that enables the various business divisions to record their processing activities efficiently and independently.

The Company has formed a Compliance Committee. The Committee meets quarterly to discuss compliance issues and to investigate them if necessary. The Head of Legal and the Head of Internal Audit and Compliance report regularly to the Management Board and the Supervisory Board of the Company on compliance issues.

6.4 Operation and composition of the Management Board, the Supervisory Board and the committees

As a European public limited company, Mister Spex SE has a dual management and control structure. The Management Board is responsible for the management of Mister Spex SE as well as for the implementation of the strategy. Its management is in turn overseen by the Supervisory Board, which also advises the Management Board.

Operation of the Management Board

The Management Board manages the Company on its own responsibility in the interests of the Company with the aim of creating sustainable value in accordance with the statutory provisions, the Articles of Incorporation of the Company and the rules of procedure of the Management Board. The Management Board develops the strategic direction of the Company, coordinates it with the Supervisory Board and ensures that the strategy is implemented. In addition, the Management Board ensures compliance with the statutory provisions and the Company's internal guidelines and works towards compliance with these throughout the Group. The Management Board is responsible for ensuring that an appropriate risk management and control system is in place. The Management Board informs the Supervisory Board in a timely and comprehensive manner on all issues relevant to the Company in terms of strategy, planning, business development, risk situation, risk management and compliance. The cooperation and responsibilities of the members of the Management Board are regulated in detail by the rules of procedure of the Management Board. Each member of the Management Board shall be responsible for the business area assigned to them within the framework of Management Board resolutions. The allocation of responsibilities was regulated as follows in 2023:

Name	Business area
Dirk Graber	Operations, IT, Data and Corporate Development, Finance; from June 2023 onwards additionally Human Resources, Public Relations and ESG
Dr. Mirko Caspar (until the end of December 2023)	Marketing, Product Management, Category Management, Retail and International Business
Maren Kroll (until the end of May 2023)	Human Resources, Public Relations and ESG

As of January 2024, the allocation of responsibilities is as follows:

Name	Business area
Dirk Graber	Operations, IT, Data, Corporate Development, Marketing, Product Management, Category Management, Retail and International Business
Stephan Schulz-Gohritz (since 1 January 2024)	Finance, Human Resources, Public Relations and ESG

Without prejudice to the allocation of responsibilities, the members of the Management Board shall jointly bear the responsibility for the entire management. They inform each other about important measures and processes in their business areas. The Management Board has not set up any committees. The full Management Board decides jointly on all matters in which the law, the Articles of Incorporation or the rules of procedure of the Management Board provide for a decision by the Management Board, in particular on the strategy of the Company and essential questions of business policy.

In accordance with the rules of procedure of the Management Board, Management Board meetings should take place regularly. They must take place when the interests of the Company so require. The Management Board maintains regular contact with the Supervisory Board and, in particular, with the Chair of the Supervisory Board. It informs the Chair about the course of business and the situation of the Company and its group entities and advises the Chair on strategy, planning, business development, risk situation, risk management and compliance issues. The Management Board shall immediately inform the Supervisory Board or the Chair of the Supervisory Board in the event of important events and business matters which may have a significant influence on the assessment of the situation and development as well as on the management of the Company. In addition, the Management Board informs the Supervisory Board comprehensively and obtains corresponding approvals for certain transactions of fundamental importance for which the Articles of Incorporation or the rules of procedure of the Management Board provide for a reservation of approval in favor of the Supervisory Board or one of its committees.

The members of the Management Board are subject to a comprehensive ban on competition and secondary employment during their term of service on the Management Board. The Supervisory Board decides on exceptions from this rule. Each member of the Management Board is obliged to immediately inform all other members of the Management Board of any conflicts of interest and to disclose them to the Supervisory Board. D&O group insurance has been taken out for the members of the Management Board. The D&O group insurance includes pursuant to Sec. 93 (2) Sentence 3 AktG a deductible of 10% for the Management Board.

Composition of the Management Board

The Management Board consists of one or more members in accordance with the provisions of the Articles of Incorporation. The Supervisory Board determines the number of members of the Management Board and appoints them for a maximum period of five years. The Supervisory Board may appoint one or more Chair(s) of the Management Board and one Deputy Chair. The Management Board consists of Dirk Graber (Co-CEO), Dr. Mirko Caspar (Co-CEO) and Maren Kroll (until the end of May 2023).

Dr. Mirko Caspar resigned from the Management Board effective 31 December 2023. In August 2023, the Supervisory Board appointed Mr. Stephan Schulz-Gohritz as an additional member of the Management Board in the role of Chief Financial Officer effective 1 January 2024.

In fiscal year 2023, the members of the Management Board held the following mandates on Supervisory Boards or comparable domestic and foreign supervisory bodies of other commercial companies:

Member of the Management Board	Memberships on Supervisory Boards (external to the Group)	Memberships on Supervisory Boards (within the Group)	Memberships in comparable domestic or foreign supervisory bodies (external to the Group)	Memberships in comparable domestic or foreign supervisory bodies (within the Group)
Dirk Graber Co-Chief Executive Officer	–	–	Walbusch Walter Busch GmbH & Co. KG (member of the Advisory Board) Swash Group GmbH (formerly Splash BidCo GmbH) (member of the Advisory Board since December 2021) minubo, Inc. (member of the Board of Directors) Graber Investment Limited (Director)	Nordic Eyewear Holdings AB (member of the Board of Directors, Chair) Nordic Eyewear AB (member of the Board of Directors, Chair) Lensit.no AS (member of the Board of Directors, Chair) Mister Spex France SAS (Président)
Dr. Mirko Caspar Co-Chief Executive Officer until December 2023	Bastei Lübbe AG (until the end of September 2023 member of the Supervisory Board, Deputy Chair)	–	Gitti GmbH (member of the Advisory Board)	Nordic Eyewear Holdings AB (member of the Board of Directors) Nordic Eyewear AB (member of the Board of Directors) Lensit.no AS (member of the Board of Directors) Mister Spex Switzerland AG (Chair of the Board of Directors)
Maren Kroll (CHRO)	–	–	–	–

The Supervisory Board pays attention to diversity in the event of changes in the Management Board, since diversity in management bodies can contribute to the success of the Company. Nevertheless, the Supervisory Board will continue to select members of the Management Board primarily on the basis of their professional and international experience as well as their personal suitability (including with regard to their integrity, managerial qualities and life experience as well as their social and academic background) regardless of their gender or, for example, their ethnic origin. For the Supervisory Board, diversity on the Management Board therefore primarily means combining various professional skills, knowledge and international experience. In addition, the Supervisory Board has defined a target of 25% for the proportion of women on the Management Board in accordance with Sec. 111 (5) AktG. Although the age of a person is in principle irrelevant for the assessment of professional suitability, the Supervisory Board has set an age limit of 65 years for members of the Management Board of the Company.

In addition, the Supervisory Board takes into account the following criteria when selecting the members of the Management Board:

- The Management Board as a whole should have the knowledge, skills and professional experience necessary for the successful performance of its duties.
- The Management Board as a whole should have in-depth knowledge of all relevant areas of the business model.
- The Management Board as a whole should have appropriate leadership experience.
- The Management Board as a whole should, if possible, have many years of experience in the areas of strategy, finance and personnel management.
- The Management Board as a whole should, as far as possible, reflect a variety of backgrounds in terms of training, professional activities and international experience.
- The Management Board as a whole should, if possible, have many years of experience in the areas of e-commerce and (online) retail.

The Supervisory Board cooperates with the Management Board to ensure long-term succession planning for appointments to the Management Board. In particular, the Supervisory Board and the Management Board regularly exchange views in order to identify suitable candidates from the Company's senior management to fill vacant positions on the Management Board in the future. The succession planning process also includes the Management Board's regular report on the proportion and development of female executives, especially at the first and second management levels below the Management Board.

Operation of the Supervisory Board

The Supervisory Board advises and monitors the Management Board with regard to its management of the Company. It is involved in decisions of fundamental importance to the Company – as described under the paragraph "Operation of the Management Board" – and works in trust and close co-operation with the other bodies of the Company, in particular the Management Board. The Supervisory Board appoints and removes the members of the Management Board and, together with the Management Board, ensures appropriate succession planning. It is committed to maintaining high standards of governance in all areas of the business of the Mister Spex Group.

The rights and obligations of the Supervisory Board are governed in detail by the statutory provisions, the Articles of Incorporation and the rules of procedure for the Supervisory Board. The work of the Supervisory Board takes place both in plenary and in committees, whose respective chairs regularly report to the full Supervisory Board on the committee activities. The Supervisory Board held 10 meetings in plenary (nine by video conference and one face-to-face meeting) in the reporting period. Resolutions of the Supervisory Board may also be passed outside of meetings, in particular by circulation. This was the case for 11 decisions in the reporting period.

The Supervisory Board has set up three standing committees: the Audit Committee, the Nomination and Remuneration Committee and the Strategy and ESG Committee.

The Supervisory Board regularly reviews the efficiency of its activities and its committees (self-assessment). In addition to qualitative criteria to be defined by the Supervisory Board, the subject of the self-assessment is in particular the procedures in the Supervisory Board and the committees as well as the timely and sufficient provision of information to the Supervisory Board. The members of the Supervisory Board answer a comprehensive questionnaire each year, the results of which are discussed in the first meeting of the following year. The self-assessment took place at the end of the reporting period. The Supervisory Board implements the recommendations and proposals of its members.

The members of the Supervisory Board are committed to the interests of the Company and must disclose to the Supervisory Board any conflicts of interest, in particular those that may arise as a result of any consulting or board function at customers, suppliers, lenders, borrowers or other third parties. In the event of conflicts of interest that are significant and not merely temporary related to the person of a Supervisory Board member, the Supervisory Board member concerned should resign.

Composition of the Supervisory Board

In accordance with the provisions of the Articles of Incorporation, the Supervisory Board consists of seven members. The Supervisory Board is not subject to employee co-determination and therefore consists exclusively of shareholder representatives. The representatives of the shareholders on the Supervisory Board are elected by the Annual General Meeting without being bound by nominations. The Supervisory Board shall elect a Chair and a Deputy Chair from among its members.

The Supervisory Board has set itself objectives for the composition of the Supervisory Board and has established a competence profile that ensures that the Management Board is appropriately and competently monitored, supervised and advised. Accordingly, Supervisory Board members must have the knowledge, skills and professional experience necessary for the successful performance of their duties. In addition, at least two Supervisory Board members shall have appropriate international experience and at least two Supervisory Board members shall have no board function, advisory or representation duties towards significant lenders or other business partners of the Company. Pursuant to Sec. 100 (5) AktG as amended by the FISG ["Finanzmarktintegritätsstärkungsgesetz": German Act to Strengthen Financial Market Integrity] from 1 July 2021, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing; the members in their entirety must be familiar with the sector in which the Company operates. Each member of the Supervisory Board shall ensure that they have sufficient time to perform their duties.

In addition, diversity should be taken into account when selecting Supervisory Board members. The Supervisory Board regards the diversity of its members in terms of age and gender as an important prerequisite for effective cooperation. In particular, an appropriate number of women should be considered for membership of the Supervisory Board; the Supervisory Board has set a target figure of 2 / 7 (28.57%) for the proportion of women on the Supervisory Board.

The implementation status of the competence profile is summarized in the following qualification matrix:

	Compentence Profil									
Supervisory Board member	Management	Industry Knowledge	Market Knowledge	Capital Markets	Accounting	Auditing	Controlling	Governance / Compliance	Sustainability	Independence
Peter Williams	x	x	x	x	x	x	x	x		x
Nicola Brandolese	x	x	x		x		x	x	x	x
Tobias Krauss	x	x		x				x	x	x
Birgit Kretschmer	x			x	x	x	x	x	x	x
Pietro Luigi Longo	x	x	x	x	x			x		
Stuart Paterson	x	x	x	x	x	x	x	x	x	x
Nicole Srock,Stanley		x	x						x	

According to the recommendation of the GCGC, an appropriate number of its members should be independent in the opinion of the Supervisory Board, considering the ownership structure. In accordance with the recommendation of the GCGC, at least four members of the Supervisory Board should also be independent of the Company and the Management Board. A member of the Supervisory Board who is not a member of the Management Board of a listed company should normally not hold more than five Supervisory Board mandates in non-group listed companies or comparable positions, with one Supervisory Board chair counting twice. A member of the Supervisory Board who is also a member of the Management Board of a listed company should not, in addition to the Supervisory Board mandate in the Company outside the group in which they perform Management Board activities, normally hold more than one other Supervisory Board mandate in listed companies or in supervisory bodies of companies that have similar requirements and should not chair the Supervisory Board either at the Company or at another listed company outside the group in which they perform Management Board activities. Members of the Management Board of the Company may not, as a rule, become members of the Supervisory Board of the Company before the expiry of two years after the end of their appointment as a member of the Management Board. No more than two former members of the Management Board of the Company shall be members of the Supervisory Board at the same time. As decided by the Supervisory Board, as a rule, only candidates who are not older than 75 years of age at the time of their election and who have not generally been members of the Supervisory Board for 12 years or more should be proposed for election as members of the Supervisory Board.

The Supervisory Board's Nomination and Remuneration Committee, which proposes suitable candidates for the election of the Supervisory Board members to the Annual General Meeting, takes into account the aforementioned requirements and objectives in its proposals.

The Supervisory Board fulfills the set objectives for its composition and fits the competence profile. Nicola Brandolese and Pietro Luigi Longo are international experts from the optician industry who are members of the Supervisory Board. The appointment of Birgit Kretschmer, Peter Williams and Stuart Paterson ensures the expertise of the Supervisory Board and the Audit Committee in the areas of accounting and auditing. In addition, Nicole Srock.Stanley, a seasoned marketing and sustainability expert, has been appointed to the Supervisory Board to support the further growth and internationalization of the business model in line with the Company's ESG goals. With Peter Williams, Stuart Paterson as well as Nicola Brandolese and Pietro Luigi Longo the Supervisory Board has a majority of international members.

As of 31 December 2023, the proportion of women on the Supervisory Board amounted to 28.6% and the age spectrum ranged from 47 to 70 years.

The Supervisory Board of the Company was composed as follows in the reporting period:

Supervisory Board member	Appointed since	Appointed until	Occupation	Independence
Peter Williams (Chair)	11 December 2020	2024	Supervisory Board member	Yes
Nicola Brandolese (Deputy Chair)	15 June 2021	2024	Director of Doctolib Srl	Yes
Tobias Krauss	11 December 2020	2026	Director of Albert Büll Beteiligungsgesellschaft mbH	Yes
Birgit Kretschmer	15 June 2021	2024	CFO at C&A Europe	Yes
Pietro Luigi Longo	20 May 2021	2024	Head of M&A and Co-Chief Integration Officer of EssilorLuxottica SA	No
Stuart Paterson	11 December 2020	2024	Partner of Scottish Equity Partners LLP	Yes
Nicole Srock.Stanley	1 July 2021	2024	Director of dan pearlman Markenarchitektur Gesellschaft von Architekten und Innenarchitekten mbH	No

The term of office of Stuart Paterson on the Supervisory Board ended at the close of the Company's Annual General Meeting held on 26 May 2023. A new election was therefore necessary. In accordance with the Supervisory Board's election proposal to the Annual General Meeting of Shareholders held on 26 May 2023 and pursuant to the recommendation of the Nomination and Remuneration Committee, the shareholders elected Stuart Paterson as a shareholder representative on the Supervisory Board with effect from the end of the Annual General Meeting held on 26 May 2023 until the end of the Annual General Meeting that resolves on the ratification of the acts of the Supervisory Board for fiscal year 2023. The election proposal took into account the objectives resolved by the Supervisory Board for its composition in accordance with C.1 GCGC (as amended on 28 April 2022) and aimed to fulfill the competence profile drawn up by the Supervisory Board for the entire body. Stuart Paterson in particular has expertise in the fields of accounting and auditing within the meaning of Sec. 100 (5) AktG.

According to Recommendation C.7 GCGC, a member of the Supervisory Board is independent of the Company and its Management Board if they have no personal or business relationship with the Company or its Management Board that can cause a material and not merely temporary conflict of interest. In particular, the shareholder representatives on the Supervisory Board should take into account whether the Supervisory Board member themselves or a close relative of the Supervisory Board member:

- was a member of the Management Board of the Company in the two years prior to the appointment;
- is currently or was in the year before their appointment, either directly or as a partner or in a responsible function of a company outside the group, which has or has had a significant business relationship with the Company or a company dependent on it (e.g., as a customer, supplier, lender or consultant);
- is a close relative of a member of the Management Board; or
- has been a member of the Supervisory Board for more than 12 years.

Taking into account these criteria and considering the professional positions of Pietro Luigi Longo and Nicole Srock.Stanley as Head of M&A and Co-Chief Integration Officer of EssilorLuxottica SA or as Director and co-shareholder of dan pearlman Markenarchitektur Gesellschaft von Architekten und Innenarchitekten mbH, respectively, Mr. Longo and Ms. Srock.Stanley are not considered as independent of the Company as a precautionary measure. EssilorLuxottica S.A. is a significant supplier of the Company. The Company has concluded contracts with dan pearlman Markenarchitektur Gesellschaft von Architekten und Innenarchitekten mbH, relating to design and brand concepts.

In fiscal year 2023 and during their respective term of office as Supervisory Board members of Mister Spex SE, the Supervisory Board members additionally held the following mandates on Supervisory Boards or comparable domestic and foreign supervisory bodies of companies outside the Mister Spex Group:

Supervisory Board member	Memberships of Supervisory Boards	Memberships of comparable domestic or foreign supervisory bodies
Peter Williams, Chair	–	Until the end of June 2023: DP Eurasia N.V. (member of the Board of Directors, Chair) Until the end of June 2023: Miinto A / S (member of the Board of Directors, Deputy Chair) TartanBidCo (member and Chair of the Board of Directors)
Nicola Brandolese, Deputy Chair	–	–
Tobias Krauss	–	Axxum GmbH (member of the Advisory Board, Deputy Chair), now no longer a member CustomCells GmbH (member of the Advisory Board) Bruss Sealing Systems GmbH (member of the Advisory Board) Earlybird Growth Opportunities Fund 1 GmbH & Co. KG (member of the Investor Advisory Board) Meron 2 LP (member of the Limited Partners Committee) Noventic GmbH (member of the Advisory Board) perma-tec GmbH & Co. KG (member of the Advisory Board, Deputy Chair) Think Bigger Fund 1 FCRE (member of the Limited Partners Committee) Vsquared Ventures 1 GmbH & Co. KG (member of the Limited Partners Committee)
Birgit Kretschmer	Ceconomy AG, since February 2024	–
Pietro Luigi Longo	–	Shamir Optical Industry Ltd. (member of the Board of Directors, now no longer a member) XIAMEN YARUI OPTICAL COMPANY LTD., People's Republic of China (member of the Board of Directors) ARTGRI GROUP INTERNATIONAL PTE. LTD., Singapore (member of the Board of Directors)
Stuart Paterson	–	Dohop ehf (member of the Board of Directors Chair of the Audit and Risk Committee) European Assets Trust plc (Non-Executive Director and Chair of the Audit and Risk Committee) LoveCrafts Group Ltd (member of the Board of Directors) Babbel AG (Chair of the Shareholder Committee)
Nicole Srock.Stanley	–	–

Operation and composition of the committees of the Supervisory Board

The Supervisory Board has three permanent committees, each with at least three members: the Audit Committee, the Nomination and Remuneration Committee and the Strategy and ESG Committee. The relevant committee chairs must submit regular reports to the Supervisory Board detailing the work of the committees.

Audit Committee

The Audit Committee deals in particular with the audit of financial statements, the monitoring of the effectiveness of the internal risk management system and the internal control system as well as with auditing and compliance matters. In addition, it decides on the award of the audit engagement to the statutory auditors, the definition of audit priorities and the remuneration of the auditors. In addition, it monitors the auditing, in particular the required auditor independence, and deals with the additional services provided by the auditors. The Audit Committee regularly assesses the quality of the audits. The Audit Committee also prepares the resolutions of the Supervisory Board on the annual financial statements and the consolidated financial statements. For this purpose, the Audit Committee is intensively involved in the annual financial statements, the consolidated financial statements and the combined management report. The Audit Committee is in regular contact with the auditors, in particular regarding the audit report and its findings, and makes recommendations to the Supervisory Board. The Audit Committee met four times during the reporting period and passed two circular resolutions.

At least one member of the Audit Committee must have expertise in the field of accounting and at least one other member of the Audit Committee must have expertise in the field of auditing; the members in their entirety must be familiar with the sector in which the Company operates (Secs. 100 (5), 107 (4) Sentence 2 AktG as amended by the FISG). The Chair of the Audit Committee must have specific knowledge and experience in the application of accounting principles and internal control procedures and must be familiar with the audit of financial statements. The Chair of the Audit Committee should also be independent within the meaning of the GCGC, and neither the Chair of the Supervisory Board nor a former member of the Management Board of the Company whose appointment as Chair of the Audit Committee ended less than two years before their appointment. The Audit Committee has the following members:

Name
Birgit Kretschmer (Chair)
Tobias Krauss
Stuart Paterson
Peter Williams

The Chair of the Audit Committee is independent and is not a former member of the Management Board of the Company. Like the other members, Stuart Paterson and Peter Williams, the Chair also has special knowledge and experience in the application of accounting principles and internal control procedures and is familiar with the audit of financial statements.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall nominate suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members; in doing so, it shall take into account the objectives of the Supervisory Board with regard to its composition. In addition, it deals with the remuneration policy of the Company for the members of the Management Board and prepares the resolutions of the Supervisory Board in accordance with Secs. 87a and 162 AktG. In doing so, it observes in particular the requirements of the GCGC and compares the remuneration system to assess its appropriateness, especially with suitable peer groups of other companies. During the reporting period, the Nomination and Remuneration Committee met once and passed a circular resolution.

The members of the Nomination and Remuneration Committee are:

Name
Peter Williams (Chair)
Nicola Brandolese
Tobias Krauss
Stuart Paterson

Strategy and ESG Committee

The Strategy and ESG Committee prepares the annual strategy day together with the Management Board and resolutions of the Supervisory Board on long-term and annual ESG targets. It monitors the implementation of the agreed business strategy and deals with the decision-making and approval of M&A activities. The Strategy and ESG Committee held one meeting in fiscal year 2023 as the full Supervisory Board addressed these topics intensively.

The members of the Strategic and ESG Committee are:

Name
Nicola Brandolese (Chair)
Tobias Krauss
Birgit Kretschmer
Stuart Paterson
Nicole Srock.Stanley
Peter Williams

6.5 Target for the participation of women on the Management Board, the Supervisory Board and at the two management levels below the Management Board in accordance with Secs. 76 (4) and 111 (5) AktG

The participation of women in the Management Board, the Supervisory Board and at the management levels below the Management Board is an essential part of our diversity policy. It is an important concern for the Management Board and the Supervisory Board when it comes to enhancing the corporate culture and working relationships. At the same time, the Management Board and Supervisory Board are aware that personal suitability is always a central selection criterion in each specific case.

The Supervisory Board has set a target of 2 / 7 (28.57%) for the participation of women in the Supervisory Board and a target of 1 / 4 (25%) for the Management Board of the Company in accordance with Sec. 111 (5) AktG, with an implementation deadline of 21 June 2026 in each case.

The Management Board also pays attention to diversity when filling management positions and, in particular, seeks appropriate consideration of women, without departing from the overriding principle that a person should be recommended, nominated, employed or promoted solely because they are best suited to the task in question, both professionally and personally. On 21 June 2021, the Management Board, in accordance with Sec. 76 (4) AktG, set the target for the proportion of women in the first two management levels below the Management Board at 35%. The period for implementation was set at five years.

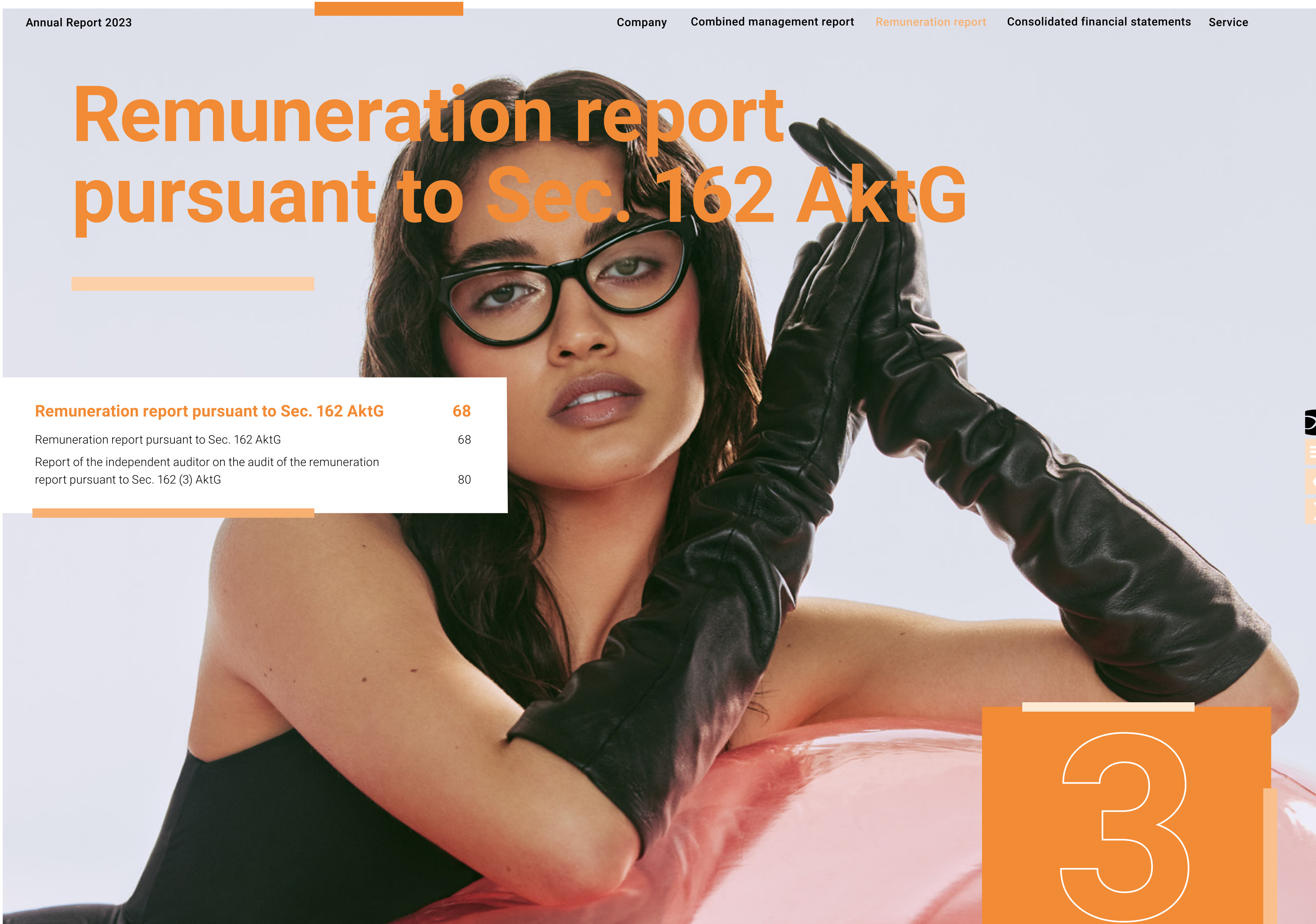
At the reporting date, the proportion of women in the first management level below the Management Board (C / VP level) was 33% and in the second management level below the Management Board (director / head level) it was 35%.

Berlin, 26 March 2024

The Management Board

Dirk Graber
Founder and CEO

Stephan Schulz-Gohritz
CFO



Remuneration report pursuant to Sec. 162 AktG

3

7. Remuneration report pursuant to Sec. 162 AktG

Preamble

The remuneration report explains the main components of the remuneration system for the Management Board as well as the Supervisory Board and discloses on an individual level the remuneration awarded and due for both the Management Board and the Supervisory Board. The remuneration report refers to the remuneration components and remuneration awarded and due for the period from 1 January 2023 to 31 December 2023 (reporting period).

The Management Board and Supervisory Board have jointly prepared this remuneration report. It complies with the legal requirements of Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] and considers the recommendations of the German Corporate Governance Code (GCGC) in its version as of 28 April 2022.

This remuneration report was subject to a formal audit by EY in accordance with the regulatory requirements of Sec. 162 (3) AktG and is an integral part of the annual report of Mister Spex SE. As required by Sec. 120a (4) AktG, the remuneration report will be submitted to the Annual General Meeting on 7 June 2024 for its approval. Following the vote on the audited remuneration report, the remuneration report as well as the independent auditor's report on the respective audit will also be published on the Company's **website**.

Our remuneration report
can be found on our **website**.

A new remuneration system for the Management Board members has applied since fiscal year 2022 and was approved by the Annual General Meeting on 30 June 2022. An amended remuneration system for the members of the Management Board with regard to the long-term incentive and the related performance conditions was approved at the Annual General Meeting on 26 May 2023. The applicable remuneration system according to Sec. 87a (1) and (2) Sentence 1 AktG and the most recent resolution on remuneration pursuant to Sec. 113 (3) AktG are publicly available on the Company's **website**.

Ms. Maren Kroll, formerly responsible for Human Resources and Communications, resigned by mutual agreement from the Management Board of Mister Spex SE, effective 31 May 2023. After that date, Dirk Graber and Dr. Mirko Caspar managed these functions together with the respective executives. The terms of exit were regulated in a termination agreement. The remuneration disclosures in this report refer to the period from 1 January 2023 to 31 May 2023 for Maren Kroll, with the exception of the disclosures on target remuneration.

Dr. Mirko Caspar resigned from the Management Board of Mister Spex SE on 31 December 2023. This did not affect remuneration in 2023.

The termination agreement for Ms. Maren Kroll stipulated that all of Ms. Kroll's fixed and (short-term) variable remuneration and fringe benefit claims against the Company that would have arisen by the regular end date were finally and conclusively settled and ceased to exist upon receipt of a lump-sum payment of € € 0.3m in June 2023. The entitlement under the 2022 VSOs remains unaffected by the termination agreement. Ms. Kroll will receive the full grant value for the VSOP 2023 for 2023; no reduction or exclusion of vesting will apply.

In accordance with the termination agreement, Dr. Mirko Caspar will continue to receive his contractual basic remuneration and all fringe benefits until the termination date (31 January 2024). He will also receive a one-time lump-sum payment of € € 0.7m. The VSOP tranches already granted to Dr. Mirko Caspar for fiscal years 2022 and 2023 continue to exist in accordance with the regular VSOP conditions and remain unaffected by this termination agreement. There are no further entitlements to additional VSOP tranches beyond the VSO tranches already granted for 2022 and 2023.

1.1 Overview of the remuneration system for the Management Board

To ensure that the requirements and expectations of the remuneration system for the Management Board of listed companies are met, the Supervisory Board of Mister Spex introduced a new, adjusted remuneration system for the Management Board as of 2022, the first full fiscal year as a listed company. The new remuneration system is in line with regulatory requirements pursuant to Sec. 87a AktG, takes into account the recommendations and suggestions of the GCGC as well as the expectations of institutional investors and proxy advisors.

The new remuneration system also includes maximum remuneration according to Sec. 87a (1) No. 1 AktG. Fixed remuneration components were the fixed base salary and fringe benefits. The variable remuneration components consisted of an annual bonus designed as a target bonus model and a long-term variable remuneration component. The latter was designed as a stock option program (VSOP (LTIP)). Three members of the Management Board received grants under the stock option program in 2023.

Appropriateness of remuneration

The Supervisory Board is responsible for designing the remuneration system as well as for the level of remuneration for the Management Board. The Nomination and Remuneration Committee prepares the respective resolutions.

To assess the appropriateness of the total target remuneration of each member of the Management Board, the Supervisory Board considers the Management Board member's respective tasks and performance as well as to the Company's overall situation and performance. In doing so, the Supervisory Board takes into account that the level of remuneration does not exceed the usual level of remuneration without specific reasons. To ensure that the total target remuneration of Management Board members is in line with usual levels compared to other companies, the Supervisory Board conducts a horizontal comparison on a regular basis. The AktG and GCGC require an assessment of the appropriateness of the remuneration of the Management Board based on the criteria country, size and industry. Thus, a relevant peer group consisting of 15 companies in e-commerce, retail and tech ranging from fledgling to established and one competitor was defined when determining the target remuneration in 2021. The target remuneration has remained unchanged since then.

The Supervisory Board confirmed the appropriateness of the existing target remuneration in 2023.

Furthermore, the Supervisory Board assesses whether the remuneration of the Management Board members is in line with usual levels within the Company itself. For the remuneration period 2023, the Supervisory Board has taken into account the relationship between Management Board remuneration and the remuneration of senior managers and the workforce as a whole.

Target remuneration in 2023

The following table shows the contractually agreed total target remuneration for each member of the Management Board for the reporting period:

Total target remuneration of the Management Board

In €	Dirk Graber Co-CEO	Dr. Mirko Caspar Co-CEO	Maren Kroll CHRO
Base salary	300,000	300,000	225,000
Fringe benefits [1]	2,688	–	–
Subtotal	**302,688**	**300,000**	**225,000**
Short-term incentive plan	100,000	100,000	75,000
Long-term incentive (stock options)	400,000	400,000	100,000
Total target remuneration	**802,688**	**800,000**	**400,000**

1 Figures are based on the actual expenses incurred for the period, i.e., the actual fringe benefits provided.

Application of the remuneration system in 2023

Base salary

The members of the Management Board each receive a fixed annual gross salary which is paid in 12 equal installments as a monthly salary.

Fringe benefits

The members of the Management Board of Mister Spex are covered by an accident insurance policy for death and invalidity. In addition, the Company pays the members of the Management Board half of the contributions to their health and nursing care insurance, but no more than the monthly amount that would be payable if the respective Management Board member were insured under the statutory health insurance scheme. Furthermore, Mister Spex reimburses costs for a yearly medical check-up for each member of the Management Board limited to € € 2,500 annually.

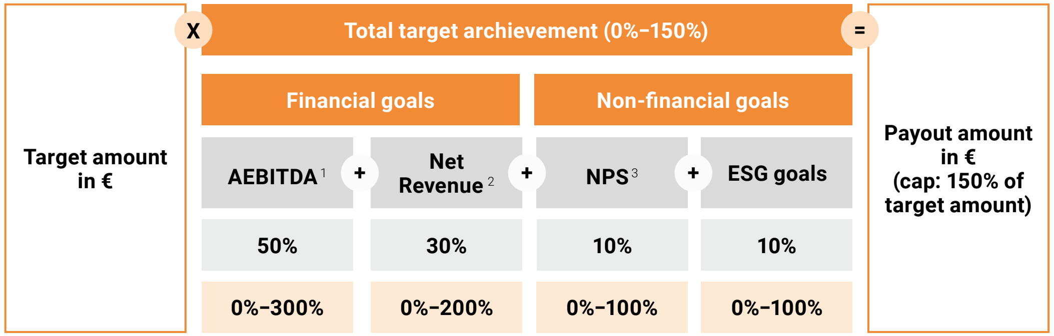
For Maren Kroll, the direct pension insurance policy is no longer serviced and is deemed to have been settled upon payment of the other remuneration under the termination agreement.

In addition to the fringe benefits stated, the members of the Management Board receive reimbursement of expenses (e.g., travel expenses) and are covered by a D&O insurance policy. The Management Board's D&O insurance is subject to a deductible of 10%.

Short-term variable remuneration – annual bonus for fiscal year 2023

The members of the Management Board are eligible for an annual bonus designed as a target bonus model. The final payout amount depends on total target achievement and is calculated by multiplying the target amount by total target achievement. Total target achievement for the annual bonus 2023 can range between 0% and 150% and is determined based on financial and non-financial goals. The resulting payout amount is settled in cash.

Short-term variable remuneration



1 Adjusted EBITDA
2 Revenue target achievement
3 Net promoter score

Financial goals

For the annual bonus 2023, the financial goals were weighted at 80%. The Supervisory Board defined two differently weighted financial performance criteria as financial goals. These performance criteria were the growth in consolidated net revenue of the Mister Spex Group and the 2023 consolidated adjusted EBITDA of the Mister Spex Group (AEBITDA). AEBITDA is defined as earnings before interest, taxes, depreciation and amortization, adjusted for share-based payments in accordance with IFRS 2, non-recurring transformation costs and other special effects that are not part of the ordinary course of business. Both performance criteria are relevant performance indicators for corporate management and strategy execution focusing on growth.

The target achievement in relation to adjusted EBITDA can range between 0% and 300%. The target achievement in relation to net revenue can range between 0% and 200%.

However, as a subsidiary condition, the target achievement of the financial goals in total is 0% if the defined minimum for AEBITDA is not achieved. Actual values above the defined maximum for each financial goal do not lead to a target achievement of more than 300% or 200%, respectively.

Values between the stated thresholds lead to a linear increase in target achievement in each case.

The table below summarizes the target values as well as the corresponding thresholds for both financial goals combined and shows the actual value achieved for each financial goal.

Target achievement of financial goals

	Minimum	100%	200%	300%	2023 consolidated financial statements
Adjusted EBITDA in € m	0.0	4.0	6.0	8.0	0.9
Net revenue in € m	225.0	240.0	255.0	–	223.5

In fiscal year 2023, AEBITDA came to € € 0.9m. The goal for the revenue of the Mister Spex Group also fell short of the minimum of € 225m. Thus target achievement of the financial goals is 11.3%.

Non-financial goals

The Supervisory Board defines performance criteria that include ESG aspects for the non-financial goals, such as net promoter score, management of natural resources and waste, greenhouse gas emissions, employee health and satisfaction, diversity and good corporate governance. The Supervisory Board defines the relevant performance criteria for the non-financial goals each year.

The Supervisory Board set the net promoter score (NPS) and additional ESG goals as performance criteria for the 2023 non-financial goals. The scope of the additional ESG goals comprises seven subgoals in total: establishing environmentally friendly own brands, reducing the use of plastic in dispatching merchandise, carbon neutrality for the Company and customer shipments, developing the first in-house ESG reporting system, employee satisfaction, maintaining the proportion of women in management positions and setting up a supply chain management system in accordance with the LkSG ["Lieferkettensorgfaltspflichtengesetz": German Act on Corporate Due Diligence in Supply Chains]. Each performance criterion is equally weighted.

A target value as well as minimum and maximum values were set for the net promoter score. Target achievement is limited to 100% in each case, which means that, even if the actual value exceeds the maximum value, target achievement cannot exceed 100% (target achievement cap). Linear interpolation is performed between the relevant minimum and maximum value.

The additional ESG goals were each assigned a target value. Accomplishment of each of the seven goals is equivalent to one seventh of total target achievement.

As the target value for fiscal year 2023, resulting in a target achievement of 100%, a NPS of 70 was defined. The minimum is defined as a NPS of 60.

The target value for the additional ESG goals, resulting in a target achievement of 100%, was defined as the complete implementation of the seven ESG subgoals. The minimum is defined as the implementation of three or fewer subgoals. Target achievement is 50% if four subgoals are implemented, 67% for five implemented subgoals and 83% for six implemented subgoals.

The NPS was 64 in fiscal year 2023 and thus target achievement for this goal is 40%.

The following table presents the target values and target achievement in fiscal year 2023:

ESG target achievements in 2023

	Criterion	Target	Fiscal year 2023	Target achieved
Establishment of environmentally friendly own brands	Share in %	> 9.0%	13%	Yes
Reduction of the use of plastic in dispatching merchandise [3]	Share in %	100%	100%	Yes
Carbon neutrality for the Company and customer shipments	Share in %	100%	100%	Yes
ESG reporting	Yes / No	31 Dec 2023		No
Employee satisfaction	Score	> 2.5 / 6	7.3 / 10	Yes [2]
Maintaining the proportion of women in management positions [1]	Share in %	at least 35%	32%	No
Supply chain management in accordance with the LkSG	Yes / No	31 Dec 2023		Yes

1 Management positions above head of xxx / director xxx level
2 Due to the change in the rating scale in September 2023, the measured values were linearized in relation to each other to enable comparability. After linear conversion, a German school grade of 2.5 / 6 corresponds to a value of 0.58. The value 7.3 / 10 corresponds to 0.73
3 With respect to the packaging of products for the shipping of merchandise

Five out of the seven ESG goals were achieved. This means that target achievement for the ESG goals was 71%.

Target achievement for the annual bonus for fiscal year 2023 thus totals 22%.

The table below shows the target achievement for the financial and non-financial goals as well as the corresponding amounts:

Target remuneration for the annual bonus

	Target amount in €	Target achievement of financial goals	Target achievement of non-financial goals	Total target achievement	Payout amount in €
Dirk Graber	100,000	11.3%	53.5%	22%	22,000
Dr. Mirko Caspar	100,000	11.3%	53.5%	22%	22,000
Maren Kroll [1]	75,000	–	–	–	–

1 The annual bonus no longer applies as per the termination agreement

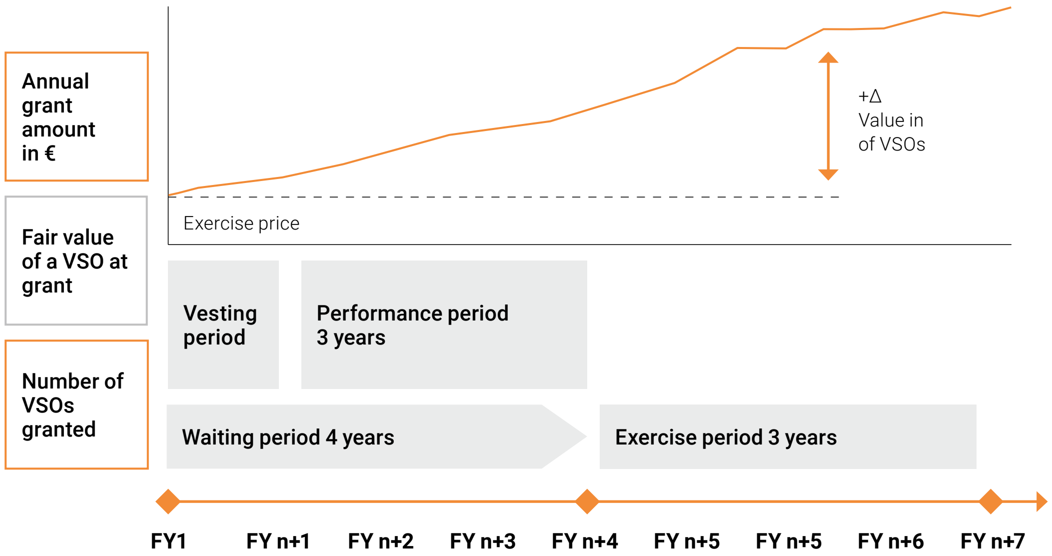
Long-term variable remuneration in fiscal year 2023

VSOP (LTIP)

In fiscal year 2023, Mister Spex enables the members of the Management Board to participate in a Virtual Stock Option Plan (VSOP) as long-term variable remuneration.

Effective at the beginning of each fiscal year, each eligible Management Board member is granted a number of virtual stock options (VSOs) in the context of their target remuneration. All VSOs are subject to a waiting period of four years. VSOs vest in 12 equal monthly installments (vesting period). Both the vesting period and the waiting period begin at the grant date. Additionally, the VSOs are subject to a performance condition in the performance period. In fiscal year 2023, this is the respective annual adjusted EBITDA (AEBITDA) target and the revenue target, with both performance targets being equally weighted at 50% each. In fiscal year 2022, the performance condition was the compound annual growth rate (CAGR) of revenue. [2]

The following chart illustrates the basic features of the VSOP:



2 In fiscal year 2022, a minimum of 5% and a maximum of 20% were set for the compound annual growth rate for revenue.

The Supervisory Board sets a revenue target value, an adjusted EBITDA target value as well as minimum and maximum values for each VSO tranche at the beginning of each fiscal year in the individual grant letters to the Management Board members. If the respective actual revenue or AEBITDA falls short of the minimum value in the three-year performance period, the performance factor is 0% and all VSOs from the relevant VSO tranche are forfeited in full without replacement or compensation. If the actual value is equal to or exceeds the maximum value in the performance period, the performance factor is 100%. The performance factor is calculated using linear interpolation if the actual value lies between the defined minimum and maximum values in the performance period. The minimum target for adjusted EBITDA in 2023 was set at € 0m and the maximum target at € 4m. A minimum target of € 225m and a maximum target of € 240m were set for revenue in 2023.

The number of VSOs is multiplied by the performance factor in order to obtain the number of performance-based vested VSOs. Vested VSOs (i.e., VSOs that are both time-vested and vested on the basis of achievement of the performance conditions) can be exercised during a three-year exercise period after the end of the four-year waiting period.

On exercising the vested VSOs, the Management Board member is entitled to receive the difference between the share price at the exercise date and the exercise price, multiplied by the number of exercised VSOs (VSOP proceeds). VSOP proceeds are not capped so as to ensure a broad alignment of the interests of the Management Board members and the shareholders of Mister Spex. However, they are subject to the maximum remuneration cap. The entitlement to VSOP proceeds is generally settled in equity, though the Company may settle in cash at its free discretion.

In fiscal year 2023, the two Co-CEOs Dirk Graber and Dr. Mirko Caspar were each granted 228,487 VSOs valued at € 400,000 as part of their target remuneration. In this context, Ms. Maren Kroll received a grant of 57,143 VSOs valued at € 100,000. The exercise price is € 3.99 per option.

The table below summarizes the general information on the VSOs granted to the members of the Management Board:

ESOP

The current Management Board members participated in an Employee Stock Option Program (ESOP) and received stock options under this program until 2021. This share-based remuneration plan is a continuation of an option program dating from the time when the Company had the legal form of a German limited liability company (GmbH).

As the stock options granted to the current members of the Management Board pre-IPO continue to vest and become exercisable according to the original ESOP conditions, the Supervisory Board has defined individual transition periods during which the members of the Management Board are not entitled to the full grant amount under the new VSOP in order to avoid inappropriate remuneration. No new stock options are granted to the members of the Management Board under the ESOP.

Each ESOP stock option grants the right to acquire one share of Mister Spex at a predefined exercise price. The stock options are subject to monthly vesting over a period of 48 months (4 years) following the relevant grant date. Vested

Overview of stock option grants (VSOP) to members of the Management Board

		Target amount in €	Fair value per option at grant in €	Number of options granted	Vesting period	Exercise period
VSOP 2023	Dirk Graber	400,000	1.89	228,487	Waiting period lasts until 31.12.2026	
	Dr. Mirko Caspar	400,000	1.89	228,487		
	Maren Kroll	100,000	1.89	57,143		

option rights can be exercised immediately after vesting, but only within the exercise windows specified by the Company. Exercised stock options generally shall be settled in equity; however, the Company reserves the right to settle exercised stock options in cash in its free discretion.

Dr. Mirko Caspar exercised 80,000 stock options in June 2023. Dirk Graber exercised 29,095 stock options in June 2023. Both packages originated from the ESOP I program.

The table below summarizes the general information on the stock options granted to the members of the Management Board:

General conditions of stock options granted to the members of the Management Board

		Option grant amount in €	Fair value per option at grant in €	Number of options granted	Exercise price in € per option	Vesting period	Exercise period
ESOP I	Dirk Graber	37,427	3.28	11,427	1.00	13.08.2010 to 12.08.2014	01.07.2021 to 30.06.2025
		190,134	3.20	59,335		01.01.2013 to 31.12.2016	01.07.2021 to 30.06.2025
	Dr, Mirko Caspar	780,832	3.25	240,149		01.09.2011 to 31.08.2015	01.07.2021 to 30.06.2025
		190,134	3.20	59,335		01.01.2013 to 31.12.2016	01.07.2021 to 30.06.2025
		83,031	3.02	27,512		01.01.2014 to 31.12.2017	01.07.2021 to 30.06.2025
		125,675	4.57	27,512		01.01.2014 to 31.12.2017	01.07.2021 to 30.06.2025
ESOP II	Dirk Graber	425,005	1.61	264,720	3.71	01.01.2015 to 31.12.2018	01.07.2021 to 30.06.2025
	Dr. Mirko Caspar	240,836	1.61	150 015			
ESOP IV	Dirk Graber	363,201	1.37	264,720	7.52	01.01.2019 to 31.12.2022	01.07.2021 to 30.06.2025
	Dr. Mirko Caspar	363,201	1.37	264,720			
	Maren Kroll	96,854	1.37	70,596		01.01.2020 to 31.12.2023	01.07.2021 to 31.12.2025
		69,247	3.92	17,649		01.01.2021 to 31.12.2024	01.07.2021 to 31.12.2026

The following table shows all exercises of stock options during the reporting period.

Overview of stock options exercised by the members of the Management Board

		Number of options granted	Number of options forfeited or previously exercised	Final number of options	Number of exercised options	Share price at settlement date in €	Intrinsic value [1] of exercised options in €	Number of outstanding options
ESOP I	Dirk Graber	70,762	41,667	29,095	29,095	3.55	74,047	0
	Dr. Mirko Caspar	354,508	208,767	145,741	80,000	3.74	218,800	65,741
ESOP II	Dirk Graber	264,720	–	–	–	–	–	264,720
	Dr. Mirko Caspar	150,015	–	–	–	–	–	150,015
ESOP IV	Dirk Graber	264,720	–	264,720	–	–	–	264,720
	Dr. Mirko Caspar	264,720	–	264,720	–	–	–	264,720
	Maren Kroll	70,596	Vesting period lasts until 31.12.2023; 10,295 options forfeited due to exit		Vesting period lasts until 31.12.2023			
		17,649	Vesting period lasts until 31.12.2024; 6,986 options forfeited due to exit		Vesting period lasts until 31.12.2024			
VSOP 2022	Dirk Graber	52,831	Waiting period lasts until 31.12.2025		Waiting period lasts until 31.12.2025			
	Dr. Mirko Caspar	52,831						
VSOP 2023	Dirk Graber	228,487	Waiting period lasts until 31.12.2026		Waiting period lasts until 31.12.2026			
	Dr. Mirko Caspar	228,487						
	Maren Kroll	57,143						

1 The intrinsic value of an exercised option reflects the final value of a stock option as the difference between the share price at the settlement date and the exercise price, multiplied by the number of exercised stock options.

Benefits from third parties

In the reporting period, members of the Management Board did not receive any remuneration or benefits in kind from third parties for their activity as members of the Management Board of Mister Spex.

Maximum remuneration

Pursuant to Sec. 87a (1) Sentence 2 No. 1 AktG, maximum remuneration has been defined, comprising all remuneration components (i.e., base salary, fringe benefits, short-term and long-term variable remuneration (ESOP, VSOP)). The maximum remuneration is € € 3,500,000 p.a. for each Co-CEO and € 1,500,000 p.a. for each other member of the Management Board. Any severance payments are not included in the calculation of the maximum remuneration. The maximum remuneration refers to the total of all remuneration payments that can arise from the remuneration for a given fiscal year. If the total payments to one Management Board member for a fiscal year exceeds the defined maximum remuneration, the last remuneration component to be paid out (generally the VSOP) is reduced accordingly. The maximum remuneration rules defined for the Management Board members were complied with in fiscal year 2023.

Malus and clawback provisions

Since fiscal year 2022, malus and clawback provisions have been in place for both short-term and long-term variable remuneration components.

If malus / clawback events are triggered, variable remuneration components not yet paid out can be reduced to zero (malus) and any variable remuneration components already paid out can be reclaimed within a defined period (clawback).

The Supervisory Board can apply malus and clawback provisions if the Management Board member has demonstrably infringed the Company's internal policies or failed to meet significant obligations under their service agreement and this has resulted in or would justify a legally binding termination for good cause in accordance with Sec. 626 (1) BGB ["Bürgerliches Gesetzbuch": German Civil Code] or if the Management Board member has breached significant due diligence obligations in accordance with Sec. 93 AktG by demonstrably acting in an intentional or grossly negligent manner.

Malus and clawback provisions can also be applied if the consolidated financial statements or other data and assumptions underlying the assessment of performance criteria for variable remuneration were incorrect or erroneous.

However, no malus or clawback provisions were applied in the fiscal year.

Share ownership of Management Board members

Since fiscal year 2022, a share ownership guideline has been in place according to which the Co-CEOs of Mister Spex are obligated to acquire shares in the Company for an amount equal to least two times their respective annual fixed gross salary, while the other Management Board members are obligated to acquire shares in the Company for an amount equal to at least one time their respective annual fixed gross salary within a time horizon of four years as of their appointment as members of the Management Board. Half of the shareholding should be achieved within two years.

In 2023, Co-CEO Dirk Graber acquired 29,095 shares in total through options under the ESOP I program. He therefore held a total of 388,882 shares on 31 December 2023.

In 2023, Dr. Mirko Caspar received 80,000 shares by exercising his stock options under the ESOP program.

Maren Kroll did not acquire any shares in 2023 and also does not hold any shares from acquisitions or grants in prior years.

Further contractual arrangements

The following contractual arrangements refer to the service agreements in place for the reporting period.

Severance payments

The termination of the office of a member of a Management Board, in particular by revocation of the appointment or resignation from office, shall constitute a termination by the Company at the next possible date (ordinary termination).

If the Company gives notice of ordinary termination, the member of the Management Board is entitled to a severance payment. The severance payment is calculated on the basis of the base salary and the annual bonus. The severance payment is equal to the remuneration payable by the Company during the remaining term of the service agreement, but does not exceed the amount of two years' remuneration.

The entitlement to a severance payment exists furthermore if the member of the Management Board terminates the service agreement for good cause in accordance with Sec. 626 BGB for which the Company is responsible.

For the avoidance of doubt, no entitlement to any severance payment exists where the Company effectively terminates the service agreement for good cause in accordance with Sec. 626 BGB.

Payments in the event of incapacity for work or death

In the event of illness or other involuntary service interruption, the member of the Management Board shall continue to receive their contractual base salary for a period of six months. The remuneration during an illness and involuntary incapacity for work shall be reduced by the amounts which the member of the Management Board receives from third parties for this period, in particular from a health insurance policy or daily sickness benefit insurance.

If a member of the Management Board dies during the term of this service agreement, the contractual base salary shall continue to be paid for the month of death and the three subsequent months.

Post-contractual non-competition clause

The service agreements with members of the Management Board contain a comprehensive post-contractual non-competition clause. The duration of the post-contractual non-competition clause is limited to 12 months after the end of the service agreement. For each month of the non-competition obligation, the Company is obliged to make a compensation payment amounting to 75% of the last base salary received by the member of the Management Board. Such payment is credited against any severance payments and current benefits from any pension commitment.

The post-contractual non-competition clause does not come into force if the service agreement ends due to retirement or invalidity.

Remuneration of the Management Board in 2023

In accordance with Sec. 162 (1) Sentence 1 AktG, the table below shows the remuneration awarded or due to the members of the Management Board on an individualized level in the reporting period.

The table shows the pro rata base salary as well as the expenses for fringe benefits and the pro rata short-term variable remuneration components for the reporting period. The long-term variable remuneration represents remuneration granted and owed at the end of the respective three-year performance period and will be disclosed for the first time for the LTIP tranche 2022 in the remuneration report for fiscal year 2025. The presentation in the table below has been adjusted accordingly.

Total compensation of the Management Board

	Dirk Graber Co-CEO		Dr. Mirko Caspar Co-CEO		Maren Kroll CHRO [1]	
	in €	in %	in €	in %	in €	in %
Base salary	300,000	92%	300,000	30%	93,750	22%
Fringe benefits	2,405	1%	2,975	<1%	3,968	0%
Total fixed remuneration	**302,405**	**93%**	**302,975**	**30%**	**93,750**	**22%**
Short-term variable remuneration	**22,000**	**7%**	**22,000**	**2%**	**–**	**0%**
Short-term incentive (annual bonus)	22,000	7%	22,000	2%	–	0%
Long-term variable remuneration	**–**	**0%**	**–**	**0%**	**–**	**0%**
Long-term incentive (stock options) – VSOP 2022	–	0%	–	0%	–	0%
Long-term incentive (stock options) – VSOP 2023	–	0%	–	0%	–	0%
Total variable remuneration	**22,000**	**7%**	**22,000**	**2%**	**–**	**0%**
Other remuneration [2]	**–**	**0%**	**676,000**	**68%**	**322,292**	**78%**
Total remuneration	**324,405**		**1,000,975**		**416,042**	

1 For part of the reporting period due to resignation and termination of employment as of 31 May 2023
2 Other remuneration comprises the benefits defined in the respective termination agreements

1.2 Remuneration of the Supervisory Board

Remuneration governance

The remuneration system for the Supervisory Board complies with the legal requirements of Sec. 113 AktG and considers the relevant recommendations and suggestions of the GCGC. The members of the Supervisory Board receive fixed remuneration, with due consideration given to the greater time commitment of the Chair and the Deputy Chair of the Supervisory Board as well as of the Chair and the members of committees. No variable remuneration is granted.

According to Sec. 113 (3) AktG, the remuneration system of the Supervisory Board is subject to a non-binding vote at the Annual General Meeting every four years. A confirmative vote is possible. The remuneration system for the Supervisory Board was subject to a non-binding vote at the Annual General Meeting of Mister Spex held on 30 June 2022.

Remuneration system

The members of the Supervisory Board receive annual fixed remuneration for their membership in the Supervisory Board. Additional remuneration is paid for memberships in Supervisory Board committees. No attendance fees are paid to the members of the Supervisory Board. Members who belong to the Supervisory Board and any of its committees for only part of a year receive remuneration pro rata temporis.

Remuneration component	Remuneration of the Supervisory Board
Annual fixed remuneration	Chair: € 87,500
	Deputy Chair: € 52,500
	Supervisory Board member: € 35,000
Committee remuneration	Audit Committee: € 10,000 / € 20,000 (member / Chair)
	Nomination and Remuneration Committee: € 2,500 / € 5,000 (Chair)
	Strategy and ESG Committee: € 5,000 / € 10,000 (Chair)

In addition to the remuneration set forth above, the Company reimburses the members of the Supervisory Board for all reasonable out-of-pocket expenses incurred in the performance of their duties as members of the Supervisory Board and for any VAT payable on such out-of-pocket expenses.

Furthermore, the members of the Supervisory Board are covered by the D&O insurance policy of the Mister Spex Group.

Remuneration of the Supervisory Board in 2023

Sec. 162 AktG requires a comprehensive overview of the remuneration awarded and due to members of the Supervisory Board of listed companies. The following table provides the pro rata fixed remuneration as well as the pro rata committee remuneration in the reporting period. To ensure better comprehensibility, committee memberships are included in the table as well:

Total remuneration of the Supervisory Board

	Committee memberships [1]			Fixed salary		Committee remuneration		Total remuneration
	Audit	Nomination & Remuneration	Strategy & ESG	in €	in %	in €	in %	in €
Peter Williams (Chair)	M	C	M	87,500	81%	20,000	19%	107,500
Nicola Brandolese (Deputy Chair)		M	C	52,500	81%	12,500	19%	65,000
Tobias Krauss	M	M	M	35,000	67%	17,500	33%	52,500
Birgit Kretschmer	C		M	35,000	58%	25,000	42%	60,000
Pierluigi Longo				35,000	100%	–	0%	35,000
Stuart Paterson	M	M	M	35,000	67%	17,500	33%	52,500
Nicole Srock,Stanley			M	35,000	88%	5,000	13%	40,000

1 C = Chair; M = Member

Comparative presentation

In addition to the individualized disclosure of the remuneration awarded and due to the Management Board and Supervisory Board, Sec. 162 (1) Sentence 2 No. 2 AktG also requires a comparative presentation thereof showing the remuneration of the workforce as well as the Company's financial performance. The following table therefore compares the remuneration awarded and due to members of the Management Board and the Supervisory Board with the average employee remuneration of Mister Spex SE and the profit or loss of the Company and the Group. As indicators to evaluate the Company's financial performance, the profit or loss of the Company and the Group as well as adjusted EBITDA and consolidated revenue are considered as these indicators are used as key financial parameters in the corporate management of Mister Spex.

The average employee remuneration on a full-time equivalent basis is stated based on personnel expenses including the employer contributions to social security for all regularly insured employees.

Berlin, 26 March 2024

Mister Spex SE

The Management Board

The Supervisory Board

Comparative presentation

	2023	2022	Change from 2022 to 2023 in %
Management Board	**in €**	in €	
Dirk Graber [1]	324,405	340,405	−5%
Dr. Mirko Caspar [1]	1,000,975	340,975	194%
Dr. Sebastian Dehnen [2]	–	169,952	−100%
Maren Kroll [3]	416,042	257,468	62%
Total	**1,741,422**	**1,108,800**	**57%**
Supervisory Board			
Peter Williams (Chair)	107,500	107,500	0%
Nicola Brandolese (Deputy Chair)	65,000	65,000	0%
Tobias Krauss	52,500	52,500	0%
Birgit Kretschmer	60,000	60,000	0%
Pierluigi Longo	35,000	35,000	0%
Stuart Paterson	52,500	52,500	0%
Nicole Srock.Stanley	40,000	40,000	0%
Average	**58,929**	**58,929**	**0%**
Employees			
Average for Mister Spex SE (FTE) [4]	46,551	46,791	−0.5%
Company performance			
Profit or loss in € m (group level)	−47.9	−44.9	−7%
Profit or loss in € m (company level)	−44.2	−56.4	22%
Revenue in € m (group level)	223.5	210.1	6%
Adjusted EBITDA in € m (group level)	0.9	−8.3	>100%

1 The comparative figure for 2022 was adjusted for long-term variable remuneration
2 Resignation and termination of employment as of 31 August 2022
3 Resignation and termination of employment as of 31 May 2023
4 The decline in the average is due to the reduction in the number of above-average paying IT and commercial positions. In 2023, Mister Spex paid all employees a one-time inflation bonus and all employees take part in annual performance and salary reviews, which in January 2023 meant an average increase of more than 3% per employee in the review process

Report of the independent auditor on the audit of the remuneration report pursuant to Sec. 162 (3) AktG

To Mister Spex SE

Opinion

We have audited the formal aspects of the remuneration report of Mister Spex SE, Berlin, for the fiscal year from 1 January to 31 December 2023 to determine whether the disclosures required by Sec. 162 (1) and (2) AktG ["Aktiengesetz": German Stock Corporation Act] have been made therein. In accordance with Sec. 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the disclosures required by Sec. 162 (1) and (2) have been made in the accompanying remuneration report in all material respects. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our audit of the remuneration report in accordance with Sec. 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report in Accordance with Sec. 162 (3) AktG (IDW AuS 870 (09.2023)). Our responsibilities under this provision and standard are further described in the "Responsibilities of the auditor" section of our report. As an audit firm, we applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1). We complied with the professional obligations pursuant to the WPO ["Wirtschaftsprüferordnung": German Law Regulating the Profession of Wirtschaftsprüfer (German Public Auditor)] and the BS WP / vBP ["Berufssatzung für Wirtschaftsprüfer / vereidigte Buchprüfer": Professional Charter for German Public Accountants / German Sworn Auditors] including the requirements regarding independence.

Responsibilities of the management board and supervisory board

The management board and supervisory board are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, they are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Responsibilities of the auditor

Our objectives are to obtain reasonable assurance about whether the disclosures required by Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects and to express an opinion thereon in a report.

We planned and performed our audit so as to determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Sec. 162 (1) and (2) AktG. In accordance with Sec. 162 (3) AktG, we have not audited the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

Consideration of misrepresentations

In connection with our audit, our responsibility is to read the remuneration report considering the knowledge obtained in the audit of the financial statements and, in doing so, remain alert for indications of whether the remuneration report contains misrepresentations in relation to the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Berlin, 26 March 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Bilz	Kostolnik-Briedela
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Consolidated financial statements

4

Consolidated statement of comprehensive income

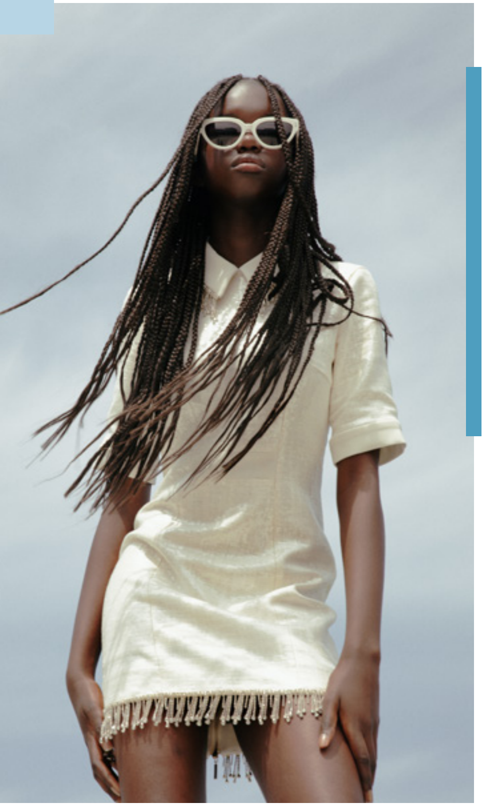
Consolidated statement of profit or loss

in € k	Note	2023	2022	Change
Revenue	1.	223,530	210,067	6%
Other own work capitalized		4,826	6,845	–29%
Other operating income	3.	1,507	819	84%
Total operating performance		**229,863**	**217,731**	6%
Cost of materials	10.	–110,373	–108,182	2%
Personnel expenses	2., 14.	–61,970	–57,822	7%
Other operating expenses	3.	–62,213	–63,701	–2%
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**–4,693**	**–11,974**	–61%
Depreciation, amortization and impairment and reversals of impairment	6., 7., 8., 16.	–43,026	–29,847	44%
Earnings before interest and taxes (EBIT)		**–47,720**	**–41,821**	14%
Finance income	4.	3,898	1,470	>100%
Finance costs	4.	–4,318	–4,065	6%
Financial result		**–421**	**–2,595**	–84%
Share of results of associates		0	–302	>100%
Earnings before taxes (EBT)		**–48,141**	**–44,718**	8%
Income taxes	5.	256	–209	>100%
Loss for the period		**–47,884**	**–44,927**	7%
Thereof loss attributable to the shareholders of Mister Spex SE		–47,884	–44,927	7%
Basic and diluted earnings per share (in €)	26.	**–1.45**	**–1.33**	–19%

Consolidated statement of comprehensive income

in € k		2023	2022	
Loss for the period		**–47,884**	**–44,927**	7%
Other comprehensive income/loss to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign financial statements		–160	–307	–48%
Other comprehensive income/loss		**–160**	**–307**	–48%
Total comprehensive loss		**–48,044**	**–45,234**	6%
Thereof loss attributable to the shareholders of Mister Spex SE		–48,044	–45,234	6%

Consolidated statement of financial position



Consolidated statement of financial position

Assets

in € k	Note	31 Dec 2023	31 Dec 2022
Non-current assets		**122.673**	**120,411**
Goodwill	6.	4,669	12,829
Intangible assets	6.	21,412	21,738
Property, plant and equipment	7.	22,845	23,922
Right-of-use assets	16.	69,126	53,193
Other financial assets	9.	4,620	8,729
Current assets		**157.751**	**172,821**
Inventories		32,498	30,041
Right of return assets	1.	783	759
Trade receivables	9.	2,213	2,742
Other financial assets	9.	975	868
Other non-financial assets	11.	9,790	10,619
Tax refund claims		838	0
Cash and cash equivalents	12.	110,654	127,792
Total assets		**280,424**	**293,232**

Consolidated statement of financial position

Equity and Liabilities

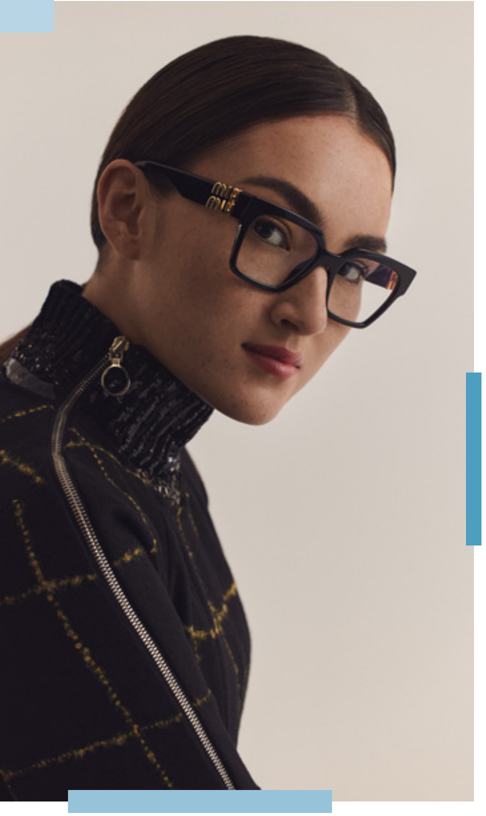
in € k	Note	31 Dec 2023	31 Dec 2022
Equity	13.	**155,453**	**201,005**
Subscribed capital		34,075	33,866
Capital reserves		329,951	327,668
Other reserves		−1,254	−1,094
Accumulated loss		−207,319	−159,435
Non-current liabilities		**77,168**	**56,736**
Provisions	18.	1,839	1,563
Lease liabilities	16.	70,161	50,376
Liabilities to banks	15.	1,120	1,120
Other financial liabilities	15.	3,059	2,462
Other non-financial liabilities	17.	21	42
Deferred tax liabilities	5.	969	1,173
Current liabilities		**47,803**	**35,491**
Provisions	18.	1,006	1,054
Trade payables	15.	17,935	12,857
Refund liabilities	15.	1,974	2,166
Lease liabilities	16.	15,328	10,159
Other financial liabilities	15.	2,157	1,433
Contract liabilities	1.	1,821	1,121
Other non-financial liabilities	17.	7,582	6,700
Total equity and liabilities		**280,424**	**293,232**

Consolidated statement of changes in equity

Consolidated statement of changes in equity

in € k	Note	Subscribed capital	Treasury shares	Capital reserves	Other reserves	Accumulated loss	**Total**
As of 1 Jan 2022		**34,769**	**–1,008**	**326,319**	**–787**	**–114,509**	**244,785**
Loss for the period						–44,927	–44,927
Other comprehensive income/loss					–307		–307
Total comprehensive loss							**–45,233**
Capital increases		95		103			198
Share-based payments				1,246			1,246
Issue of treasury shares for share-based payments			10				10
As of 31 Dec 2022		**34,864**	**–998**	**327,668**	**–1,094**	**–159,435**	**201,005**
Loss for the period						–47,884	–47,884
Other comprehensive income/loss					–160		–160
Total comprehensive loss							**–48,044**
Capital increases	13.	184		68			252
Issue of treasury shares for share-based payments	13.		25				25
Share-based payments	14.			2,215			2,215
As of 31 Dec 2023		**35,048**	**–973**	**329,951**	**–1,254**	**–207,319**	**155,453**

Consolidated statement of cash flows



Consolidated statement of cash flows

in € k	Note	2023	2022
Operating activities			
Loss for the period		**−47,884**	**−44,927**
Adjustments for:			
Finance income	4.	−3,898	−1,470
Finance costs	4.	4,313	4,065
Income tax income	5.	−256	209
Amortization and impairment of intangible assets	6.	7,468	7,932
Depreciation and impairment of property, plant and equipment	7.	8,402	6,335
Depreciation and impairment of right-of-use assets	16.	18,996	13,423
Impairment of goodwill	6.	8,160	2,158
Non-cash expenses for share-based payments and remeasurement of financial liabilities	15.	2,215	1,246
Increase (+)/decrease (-) in non-current provisions	18.	275	1,213
Increase (-)/decrease (+) in inventories	10.	−2,457	−6,890
Increase (-)/decrease (+) in other assets	11.	4,362	2,957
Increase (+)/decrease (-) in trade payables and other liabilities	15.,17.	7,168	−5,855
Share of results of associates		0	302
Loss from the deconsolidation of associates		0	674
Income tax paid	5.	−908	−230
Interest paid		−3,263	−2,176
Interest received		3,344	192
Cash flows from operating activities		**6,037**	**−20,842**

Consolidated statement of cash flows

in € k	Note	2023	2022
Investing activities			
Purchase of investments in consolidated subsidiaries, net of cash acquired		0	−1,000
Sale of other financial assets		0	24,427
Investments in property, plant and equipment	7.	−7,464	−10,717
Investments in intangible assets	6.	−7,142	−8,959
Cash flows from investing activities		**−14,606**	**3,751**
Financing activities			
Cash received from capital increases, net of transaction costs	13.	277	439
Cash received from borrowings	15.	1,941	3,350
Cash outflows from repayment of borrowings	15.	−928	−267
Payment of principal portion of lease liabilities	16.	−9,860	−8,283
Cash flows from financing activities		**−8,569**	**−4,761**
Net change in cash		**−17,138**	**−21,852**
Cash and cash equivalents at the beginning of the period		127,792	149,644
Cash and cash equivalents at the end of the period		**110,654**	**127,792**

Notes to the consolidated financial statements

I. Information on the Company

The consolidated financial statements of Mister Spex SE (the "Company") and its subsidiaries ("Mister Spex Group," "Mister Spex" or the "Group") for the fiscal year ended 31 December 2023 were approved and authorized for issue by management resolution dated 26 March 2024. Mister Spex SE was established on 8 January 2008 and has its registered office at Hermann-Blankenstein-Strasse 24, 10409 Berlin, Germany. The Company is entered in the commercial register of Charlottenburg Local Court under HRB no. 230317. The Company has been listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange since 2 July 2021.

The Group primarily engages in the marketing of glasses, sunglasses and contact lenses in Europe.

II. Summary of significant accounting policies

Basis of preparation

The consolidated financial statements were prepared applying Sec. 315e HGB ["Handelsgesetzbuch": German Commercial Code] in accordance with the International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board in effect and adopted by the European Union (EU) at the reporting date and the interpretations of the IFRS Interpretations Committee (formerly IFRIC) approved by the IASB.

The consolidated financial statements were prepared on an historical cost basis except for certain financial instruments and share-based payments, which were measured at fair value. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

The statement of profit or loss within the statement of comprehensive income was prepared using the nature of expense method.

Due to rounding differences, figures in tables may differ slightly from the actual figures.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Presentation currency

The consolidated financial statements were prepared in euros (€), which is the functional and presentation currency of the Group, and all values in the consolidated financial statements and the related notes are rounded to the nearest thousand (€ k) except where otherwise indicated. This may result in rounding differences in the tables of the notes to the consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of Mister Spex SE and its subsidiaries as of 31 December 2023. Control within the meaning of IFRS 10 is achieved when the Group is exposed, or has the right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee that significantly affect its returns)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins from the date the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, the related assets (including goodwill), liabilities, non-controlling interests and other equity components are derecognized. Any resultant gains or losses are recognized in profit or loss. Any investment retained is recognized at fair value.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

With effect from 1 January 2023, Tribe GmbH was merged into Mister Spex SE. This reduces the number of consolidated companies in the fiscal year from seven to six subsidiaries, which were fully consolidated in the fiscal year. The merger of the wholly owned subsidiary Tribe GmbH into Mister Spex SE as the parent company does not constitute a business transaction in accordance with IFRS 3.

These consolidated financial statements were prepared for fiscal year 2023 with a reporting period from 1 January to 31 December. The consolidated entities also have the calendar year as their fiscal year.

The structure of the Group is described in note (23).

The financial statements of the entities included in the consolidated financial statements were prepared in accordance with the uniform accounting policies of the parent company. The group entities each prepare their financial statements in their own functional currency.

Currency translation

The consolidated financial statements are presented in euros, which is the functional currency of Mister Spex SE and the Group's presentation currency pursuant to IAS 21.

Items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially translated into the functional currency by the group entities at the respective rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the spot rate prevailing at the end of the reporting period. Any differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The assets, liabilities, expenses and income of all the group entities are translated into the presentation currency as follows:

- The assets and liabilities of subsidiaries are translated at the closing rate on the reporting date.
- Income and expenses included in the statements of comprehensive income are translated using the exchange rate at the date of the transaction. If exchange rates do not fluctuate strongly, the weighted average rates are used instead.
- The equity of the subsidiaries is translated using the historical rate. All resulting exchange differences are recognized in other comprehensive income as an adjustment item for exchange differences on translating foreign operations.

The Group uses the following exchange rates:

	2023	2022
Norwegian krone (NOK)		
Closing rate	11.2405	10.5138
Annual average exchange rate	11.4248	10.1026
Swedish krona (SEK)		
Closing rate	11.0960	11.1218
Annual average exchange rate	11.4788	10.6296
Swiss franc (CHF)		
Closing rate	0.9260	0.9847
Annual average exchange rate	0.9718	1.0047

III. Accounting policies

Goodwill

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this way is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Measurement of the fair value of financial assets and liabilities

The Group measures certain financial instruments, such as derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the parties involved in setting the price always act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

The following measurement hierarchy is used for fair value measurement. The inputs used in the valuation techniques are categorized in three levels:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

When measuring fair value, the Group maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. The categorization of valuation techniques in the various levels is reviewed at the end of each reporting period.

Current versus non-current classification

The Group presents its assets and liabilities in the statement of financial position based on current / non-current classification.

The Group classifies assets and liabilities as current if

- the asset is expected to be realized or the liability is due to be repaid in the normal operating cycle,
- the assets and liabilities are primarily held for trading,
- the asset is expected to be realized or the liability is due to settled within 12 months after the reporting date,
- it is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

The Group classifies all other assets and liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Revenue from contracts with customers

The Group generates revenue primarily from the sale of glasses, sunglasses and contact lenses.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer, usually on delivery of the goods. Revenue is recognized at the amount of the consideration received or receivable. This revenue is generally recognized prior to performance. The Mister Spex Group therefore presents contract liabilities for the outstanding performance. The Group has generally concluded that it is the principal in its revenue arrangements because it regularly controls the goods or service before transferring them to the customer.

Mister Spex offers its customers a wide range of payment options, in particular payment by invoice, by PayPal, by credit card, in advance, per credit / voucher or by direct debit.

Rights of return

The contracts for the sale of products provide customers with a right of return within a fixed period.

The Group uses the expected value method to estimate the goods that will not be returned, because this method best predicts the amount of variable consideration to which the Group will be entitled. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. It is measured at the amount the Group ultimately expects it will have to return to the customer. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods.

Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are recognized as provisions in accordance with IAS 37. Details on the accounting policy for warranty provisions are included in note (18).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs under the contract. The length of time between the transfer of the product to the customer and payment of the product can be up to 15 days. Refer to note (1) for more information.

Factoring

With a view to recognizing the receipt of cash flows at an early stage, receivables from sales by invoice and direct debit are sold and assigned to factors and then derecognized from the consolidated statement of financial position (non-recourse factoring). In this connection, the Group transfers, on a notification basis, the cash flows to a third party which bears the full credit risk. No del credere risk is retained.

Expense recognition

Operating expenses are recognized in profit or loss when a service is used or when the costs are incurred.

Interest is recognized as a financial income or expense item in the period to which it relates using the effective interest method. The EIR is the rate that exactly discounts the estimated future cash receipts and payments over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Taxes

Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

The income tax expense or income relates to current and deferred taxes and is recognized in the statement of profit or loss for the fiscal year.

Deferred taxes

Deferred tax is recognized using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date and for tax loss carryforwards.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- With regard to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

VAT

Expenses and assets are recognized net of VAT when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the taxation authority is included in the statement of financial position under other non-financial assets and other non-financial liabilities, respectively.

Intangible assets

Intangible assets acquired separately are recognized initially at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangible assets are recognized at the costs incurred in the development phase from the time when the technical and economic feasibility has been demonstrated until the time when the intangible asset has been completed.

Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for internal use or sale
- Its intention to complete the asset and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and, if necessary, accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

Research costs were insignificant and were immediately expensed.

The useful lives of intangible assets are assessed as either finite or indefinite.

Internally generated and purchased intangible assets that have a determinable useful life are amortized over their expected useful lives using the straight-line method, starting from the time when they become available for use by the enterprise, as follows:

	Useful life in years
Customer lists	2.5 to 9.5
Software	2 to 5
Other licenses	3 to 10

The amortization period for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. These intangible assets are not amortized. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Property, plant and equipment

Property, plant and equipment as well as assets under construction are stated at cost less accumulated depreciation and impairment, if any. Costs of repairs and maintenance are expensed as incurred.

The present value of the expected cost for the decommissioning of assets after their use is included in the cost of the respective asset if the recognition criteria for a provision are met. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized.

The residual values, useful lives and depreciation methods of items of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date.

Property, plant and equipment are depreciated using the straight-line method, with the cost being allocated over their estimated useful lives:

	Useful life in years
Plant and machinery	8 to 15
Furniture, fixtures and office equipment	3 to 20

Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. It recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

Rental agreements may contain both a lease and a non-lease component. The Group allocates the transaction price to these components on the basis of their relative standalone selling prices.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use assets includes the present value of lease payments, any initial direct costs incurred by the lessee and any lease payments made on or prior to the commencement date, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Further information on lease terms is included in note (16).

Lease liability

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

The Group is exposed to potential increases in variable lease payments resulting from a change in an index or rate. Such potential changes in lease payments are not included in the lease liability until they become effective. As soon as the change in an index or rate affects lease payments, the lease liability and the right-of-use asset are adjusted accordingly.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounts lease payments using the incremental borrowing rate. The interest rate was determined by reference to current market benchmark rates for real estate and company-specific risk factors, resulting in a weighted average rate.

The carrying amount of the lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group applied COVID-19-Related Rent Concessions (Amendment to IFRS 16). The Group applies the exemptions afforded by the practical expedient and is therefore not required to assess whether an admissible rent concession arising as a direct consequence of the COVID-19 pandemic is a lease modification. The Mister Spex Group consistently applies the practical expedient to all contracts with similar characteristics and in similar circumstances. When the Group elects not to apply the practical expedient to rent concessions under leases or the practical expedient is not applicable, the Group determines whether the lease has been modified.

Sale and leaseback transactions

If a sale and leaseback transaction constitutes a sale of an asset within the meaning of IFRS 15 Revenue from Contracts with Customers, the Group must derecognize the right-of-use asset and recognize any gain or loss that relates to the rights transferred to the lessor (buyer). If the transfer of the asset is not a sale, the Group accounts for the transaction as a financing arrangement. The Group continues to recognize the asset transferred under the sale and leaseback transaction in its statement of financial position and recognizes amounts received as a financial liability in accordance with IFRS 9. The financial liability is reduced by payments made by the Group less the related interest expense.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature. Initial direct costs incurred in negotiating and concluding an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations mostly cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. A six-year planning period was assumed for the growth market UK (prior year: seven-year planning period). To assess impairment of the stores, detailed budgets and forecast calculations were prepared for the contractually agreed lease terms.

Impairment losses are recognized in the expense category "Depreciation, amortization and impairment" in the statement of profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. The reversal is recognized in profit or loss.

Goodwill is tested for impairment once a year as of 31 December. A test is also performed if circumstances indicate that the value may be impaired.

Impairment losses relating to goodwill may not be reversed in future periods.

Inventories

Inventories are measured at the lower of cost or net realizable value on the reporting date. Net realizable value is the estimated selling price less the estimated costs to make the sale. The cost of items of inventory is determined using the first-in, first-out (FIFO) method.

Inventories comprise merchandise, raw materials, consumables and supplies.

Adequate write-downs to the net realizable value provide for valuation risks resulting from slow-moving stock and/or reduced usability. Write-downs of inventories are reversed if the reasons for the write-down no longer exist.

Financial assets

The Group's financial assets mainly comprise cash and cash equivalents, trade receivables and other financial assets.

Initial recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At the Group, this category includes trade receivables, receivables from sales by invoice and direct debit and other financial assets initially recognized at fair value.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Receivables from sales by invoice and direct debit are regularly sold and assigned to factors and then derecognized (non-recourse factoring). In this connection, the Group transfers, on a notification basis, the cash flows to a third party which bears the full credit risk. No del credere risk is retained.

Trade receivables are recognized at the transaction price determined under IFRS 15.

Losses arising from the impairment of financial assets are recorded in the statement of profit or loss under other operating expenses in separate accounts.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The *financial assets at amortized cost (debt instruments)* category is the category most relevant to the consolidated financial statements.

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets at amortized cost (debt instruments) are subsequently measured using the effective interest method and are subject to impairment.

The Group uses the new impairment model for financial assets measured at amortized cost introduced by IFRS 9. Mister Spex uses the simplified approach to assess credit risk and calculates the expected credit losses (ECL) using a loss allowance equal to the amount of the lifetime expected credit losses, regardless of the timing of the default. Refer to note (9) for more information.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

A financial asset is generally derecognized when the contractual rights to receive the cash flows from the financial asset expire.

Financial liabilities

Initial recognition

Financial liabilities are classified, at initial recognition, as liabilities or as liabilities to banks.

All financial liabilities are recognized initially at fair value, net of directly attributable transaction costs.

The Group’s financial liabilities include trade payables, other financial liabilities and liabilities to banks including bank overdrafts.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification.

For purposes of subsequent measurement, trade payables and other financial liabilities are classified in the category at *amortized cost*.

After initial recognition, interest-bearing liabilities to banks are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. Refer to note (15) for more information.

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires.

Provisions

Provisions are non-financial liabilities of uncertain timing or amount. They are recognized in accordance with IAS 37 when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount of the provision is the best estimate taking all identifiable risks from the obligation into account. The settlement value that is the most probable is used. Provisions with a term of more than one year were discounted to the reporting date.

Warranty provision

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognized when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs and the entitlement to the amount of the manufacturer refund is revised annually.

Share-based payments

In the Mister Spex Group, employees receive share-based payments in the form of equity instruments.

The payments granted to executive staff and employees are recognized as an expense, on the one hand, and as a contribution to capital reserves in the amount of the fair value, on the other. Expenses are recognized and amounts are allocated to the capital reserves over the contractually agreed vesting period. The fair value of the options issued is calculated at the grant date.

The cost of equity-settled transactions is recognized, together with a corresponding increase in capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not vest because a service condition was not observed. No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the original terms of the award had been met. Mister Spex also records the increase in the fair value of the promised equity instruments as a result of a modification.

When an equity-settled award is canceled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the canceled award, and designated as a replacement award on the date that it is granted, the canceled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

Refer to note (14) for more information.

Earnings per share

Basic earnings per share are calculated by dividing the share in profit or loss for the period attributable to the shareholders of Mister Spex SE by the weighted average number of shares outstanding. New share issues during a period are considered on a pro rata basis for the period during which they are outstanding.

Segment reporting

The segment reporting of the Mister Spex Group is based on its internal organizational and reporting structure using the management approach.

IV. Significant accounting estimates and judgments in applying accounting policies

The preparation of financial statements in accordance with IFRSs requires management to make assumptions and estimates which impact the reported amounts as well as the related disclosures. In preparing the consolidated financial statements as of 31 December 2023, management assessed the ongoing war in Ukraine, the persistently high inflation rate and the resulting subdued global economic growth and its impact on the Group's assets, liabilities, financial position and financial performance as well as the significant assumptions and estimates.

The Russian war against Ukraine with its political and economic implications, cost inflation and the overall economic development could still lead to a slight decrease in demand for consumer goods, according to management estimates. The change in customer demand could also result in a slight slump in revenue. All estimates and assumptions are reviewed on an ongoing basis. The future development and the impact on business development are still subject to a fair amount of uncertainty at present due to the volatility of economic growth (in addition, see the detailed discussion of the market environment and industry development in the "Economic report" section of the management report). With regard to judgments, changes in estimates and valuation uncertainties, the Group endeavored to factor in the current market situation with its uncertainties and other conditions to the best of its knowledge and belief at the time the financial statements were prepared.

Significant estimates and assumptions are made particularly with regard to the following matters:

Share-based payments

The Group measures the cost of equity-settled transactions with executives and employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note (14).

Impairment tests

Regardless of whether there is any indication of impairment, goodwill and intangible assets under development are tested for impairment in accordance with IAS 36 on an annual basis at the level of the cash-generating unit to which the asset belongs. If there are indications of impairment, the impairment test is extended to include other assets. The impairment test is based on the future net cash flows generated for individual assets or in groups of assets combined into cash-generating units. Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. A discounted cash flow method is used to calculate the value in use, with the inputs classified as level 3 of the fair value hierarchy. The recoverable amount is sensitive to the discount rate used for the discounted cash flow method as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

See note (8) of the notes to the consolidated financial statements on impairment tests for further details.

Leases

The Group determines the lease term as the non-cancelable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group uses its incremental borrowing rate to measure lease liabilities, which is estimated using observable inputs when available. In addition, the Group is required to make certain entity-specific estimates.

Climate action and sustainability

Protecting the climate is important. We are pushing ahead with many smaller initiatives aimed at reducing our environmental impact. We are working on changing our shipping materials in order to reduce plastic consumption and increase our use of cardboard with a high recycled content. Our packaging is also FSC-certified and has carried the RESY seal since December 2019. This means the paper products we use for our packaging originate from responsibly managed forests and are 100% recyclable. In addition, the shipping boxes can be immediately reused for returns, without requiring additional adhesive tape. Our shipping has been 100% climate-neutral since the end of 2021.

Our investments in technologies such as the virtual 3D eyewear fitting service are intended to help reduce the number of returns and thus make a positive contribution to our carbon footprint. In the years ahead, we will continue to intensify our commitment to climate action and sustainability (see the detailed description in section 1.3 of the management report).

Overall, there is no significant impact on the consolidated financial statements. However, the development costs mentioned above result in a commensurate increase in internally developed intangible assets.

V. Amendments and new accounting pronouncements

As of 1 January 2023, the Group applied all standards and amendments for the first time that became effective as of that date. However, these do not have a significant impact on the consolidated financial statements.

- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules
- IFRS 17 *Insurance Contracts* (including amendments to IFRS 17)

New accounting pronouncements that have not yet been applied

The Mister Spex Group does not plan early application of the following standards and interpretations that will only become effective in future fiscal years. The Group does not expect their application to have a material impact on its consolidated financial statements.

First-time application: reporting periods beginning on or after 1 January 2024

- Amendments to IAS 1: Classification of Current and Non-current Liabilities and Non-current Liabilities with Covenants
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

New requirements

The following standards have not yet been endorsed by the EU. The Group has not yet applied these standards and does not expect them to have any significant impact on its consolidated financial statements:

First-time application: reporting periods beginning on or after 1 January 2024

- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

First-time application: reporting periods beginning on or after 1 January 2025

- Amendments to IAS 21: Lack of Exchangeability

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The date of application has not yet been decided.

VI. Operating segments

For corporate management purposes, the Mister Spex Group is organized according to geographic regions and comprises the two reportable segments pursuant to IFRS 8 presented below:

Reportable segments	Divisions
Germany	Purchase and sale of prescription glasses, sunglasses and contact lenses via the German web shops and stores in Germany
International	Purchase and sale of prescription glasses, sunglasses and contact lenses via the international web shops in Austria, Finland, France, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland and the UK as well as stores in Austria, Sweden and Switzerland

The “Reconciliation” column shows the consolidation entries between the two reportable segments.

In 2023, the two Co-CEOs were the chief operating decision makers (CODM). They separately monitored the operating results of the segments to decide on the allocation of resources and assess performance.

Intersegment pricing is determined on an arm’s length basis.

Information on the two reportable segments is presented below. The adjusted segment earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) are used to measure performance because the Management Board believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries. EBITDA is adjusted for expenses for share-based payments pursuant to IFRS 2, one-time transformation costs and one-time effects that are not part of ordinary business.

In fiscal year 2023, impairment losses of € 4,049 k and € 6,328 k, respectively, were charged on assets in the Germany and International segments. For additional information, see note (8).

2023 in € k	Germany	International	Reconciliation	Total
External revenue	168,556	54,974		223,530
Intersegment revenue	5,943	1,639	−7,582	0
Segment revenue	**174,499**	**56,613**	**−7,582**	**223,530**
Adjusted EBITDA	4,341	−3,442		900

	(1 Jan to 31 Dec)		
In € k	**2023**	2022	Change
I. Revenue			
Revenue of the reportable segments	231,112	217,649	6%
Elimination of intersegment revenue	−7,582	−7,582	0%
Consolidated revenue	**223,530**	**210,067**	6%
II. Adjusted EBITDA			
Adjusted EBITDA of the reportable segments	900	−8,289	> 100%
Special effects	−5,593	−3,685	52%
Thereof effects arising from the application of IFRS 2	−2,215	−1,246	78%
Thereof transformation costs	−2,950	−2,212	33%
Thereof other special effects	−428	−227	89%
Finance income and costs	−421	−2,595	−84%
Depreciation, amortization and impairment and reversals of impairment	−43,026	−29,847	44%
Share of results of associates	0	−302	−100%
Earnings before income taxes	**−48,141**	**−44,718**	8%

The adjustments for 2023 mainly comprise non-cash expenses in connection with IFRS 2. In 2023, share-based payment amounts of € 2,215 k were adjusted in accordance with IFRS 2. This was mainly due to newly granted options under the management option program and the newly allocated RSUs. The transformation costs of € 2,950 k chiefly comprise expenses for employee severance and redundancy payments (€ 2,318 k; prior year: € 1,085 k) and for consulting services, including in connection with the "Lean 4 Leverage" efficiency program, amounting to € 632 k. The consulting services include costs for an external interim Chief Financial Officer during 2023 and the involvement of other external business consultants. Other special effects in 2023 mainly include expenses and income that were recognized in the context of the two store closures (income of € 70 k) and the relocation to the new headquarters (expenses of € 498 k) and are not part of ordinary business activities. They mainly comprise income related to compensation for expenses to a landlord for a store to be closed as well as expenses for personnel and other costs incurred in connection with the relocation and closures. Onerous losses in the form of ancillary costs under pending rental agreements for ancillary costs are also included in these other special effects.

The following table shows Mister Spex Group's revenue by product type.

(1 Jan to 31 Dec)

In € k	Germany		International		Total	
	2023	2022	**2023**	2022	**2023**	2022
Revenue						
Prescription glasses	77,171	69,070	12,943	12,516	90,114	81,587
Sunglasses	48,721	42,670	18,770	17,000	67,491	59,670
Contact lenses	38,807	38,492	22,493	26,425	61,300	64,917
Total products	**164,699**	**150,232**	**54,206**	**55,942**	**218,905**	**206,174**
Other services	3,857	3,048	768	845	4,625	3,893
Total	**168,556**	**153,280**	**54,974**	**56,786**	**223,530**	**210,067**

The following table shows the Group's revenue and non-current assets broken down by the Company's country of domicile (Germany) and other countries (International). In presenting the geographic information, segment assets are based on the location of the assets.

In € k	**2023**	2022
Non-current assets		
Germany	89,012	83,873
International	29,041	27,809
Total	**118,053**	**111,682**

Non-current assets exclude financial instruments, deferred tax assets and employee benefit assets.

Revenue from transactions with a single customer never exceeded 10% of the Group's total revenue generated in fiscal years 2023 or 2022.

VII. Notes to the consolidated statement of comprehensive income

1. Revenue

Revenue comprises sales of merchandise, marketing services provided and other services related to the core business.

The Group's revenue by geographical segment and by product category and services is presented in the section on operating segments.

Revenue from product sales amounted to € 218,905 k in the fiscal year (prior year: € 206,174 k). Revenue from marketing and other services provided amounted to € 4,625 k in 2023 (prior year: € 3,893 k).

Assets and liabilities under IFRS 15 *Revenue from Contracts with Customers* break down as follows:

In € k	**2023**	2022	1. Jan 2022
Right of return assets	783	759	723
Refund liability	1,974	2,166	1,983
Provisions for warranties	1,006	1,054	900
Contract liabilities	1,821	1,121	1,090

Contract liabilities of € 1,821 k (prior year: € 1,121 k) arising from prepayments received are generally realized (settled) within a few weeks after the reporting date by delivery of the products to customers. The prior-year amount was realized in full in fiscal year 2023. As the contract liabilities relate to prepayments received from customers, the balances of this item vary and depend on the invoiced orders at the end of the year.

Rights to the surrender of goods from anticipated returns by customers in the amount of € 783 k (prior year: € 759 k) and refund liabilities of € 1,974 k (prior year: € 2,166 k) are presented as separate items in the statement of financial position.

2. Personnel expenses

Personnel expenses developed as follows in the fiscal year:

In € k	**2023**	2022
Wages and salaries	52,837	48,760
Social security costs	9,132	9,062
Total	**61,970**	**57,822**

Social security costs include pension costs in the form of contributions to statutory pension insurance of € 3,909 k (prior year: € 3,892 k).

The increase in personnel expenses is due to inflation-related salary increases and higher severance payments compared to the prior year.

3. Other operating income and expenses

Other operating income for the fiscal year of € 1,507 k (prior year: € 819 k) mainly consists of other out-of-period income from the reversal of provisions and out-of-period income from advertising allowances and supplier bonuses amounting to € 878 k (prior year: € 450 k). Other income of € 610 k (prior year: € 176 k) also includes income of € 342 k that was recognized in connection with the store closures and the relocation from the old headquarters.

Other operating expenses for the fiscal year break down as follows:

In € k	2023	2022
Marketing costs	24,877	25,694
Freight and fulfillment costs	15,189	15,413
General business costs	10,150	8,903
External services	5,349	6,135
Legal and consulting fees	2,710	2,774
Other	3,939	4,782
Total	**62,213**	**63,701**

The "Other" item under other operating expenses for the fiscal year of € 3,939 k (prior year: € 4,782 k) mainly comprises expenses from the expansion and discontinuation of the store network of € 2,592 k (prior year: € 1,256 k) and out-of-period expenses of € 393 k (prior year: € 344 k).

4. Finance income and costs

Finance income for the fiscal year breaks down as follows:

In € k	2023	2022
Interest income	3,237	496
Income from change in exchange rates	661	974
Total	**3,898**	**1,470**

Interest income mainly includes income from overnight and time deposits in the amount of € 3,206 k (prior year: € 297 k).

Finance costs for the fiscal year break down as follows:

In € k	2023	2022
Interest and similar expenses	3,655	2,961
Expenses from change in exchange rates	663	1,104
Total	**4,318**	**4,065**

Interest and similar expenses also contain interest on lease liabilities of € 2,758 k (prior year: € 2,061 k). In addition, the item includes the effects from the fair value measurement of foreign currencies of € 195 k (prior year: € 12 k) and interest expenses from sale and leaseback transactions of € 177 k (prior year: € 39 k).

5. Income taxes

Income tax income (prior year: income tax expense) in profit or loss relates to the following items:

In € k	2023	2022
Current taxes	–52	208
Deferred taxes	–205	1
Income tax income (prior year: expense)	**–256**	**209**

The reconciliation of income tax income (prior year: income tax expense) and the expected tax income for fiscal years 2023 and 2022 is as follows:

Recognized deferred tax assets on tax losses	2023	2022
Earnings before taxes	**–48,141**	**–44,718**
Tax rate	29.45%	29.00%
Expected tax income calculated at domestic tax rates applicable to earnings in the respective countries	14,177	12,964
Unrecognized deferred tax assets on tax losses and deductible temporary differences	–10,690	–11,105
Non-deductible business expenses	–749	–960
Non-deductible impairment losses on goodwill	–2,581	–651
Utilization of interest carryforward	769	0
Share-based payment expenses not deductible for tax purposes	–668	–376
Other effects	–2	–81
Recognized income tax income (prior year: expense)	**256**	**–209**

The weighted average applicable tax rate was 29.45% (prior year: 29.00%) which was derived from the tax rates in the individual countries weighted by the relevant pre-tax earnings.

Deferred taxes

Differences between IFRS and statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The deferred income taxes resulting for the temporary differences are recognized in full in the statement of profit or loss. The deferred taxes recognized in the statement of financial position for temporary differences and tax loss carryforwards are detailed below:

In € k	Deferred tax assets		Deferred tax liabilities	
	31 Dec 2023	31 Dec 2022	**31 Dec 2023**	31 Dec 2022
Intangible assets from internally generated software	–	–	6,286	5,809
Intangible assets from business combinations	–	–	123	210
Software	–	138	–	–
Furniture, fixtures and office equipment	1,031	456	–	–
Leases	22,200	15,797	20,612	14,946
Other	197	4	-	–
Aggregate amount of temporary differences	**23,428**	**16,395**	**27,021**	**20,965**
Loss carryforwards recognized	2,624	3,397	-	–
Total deferred taxes (before offsetting)	**26,052**	**19,792**	**27,021**	**20,965**
Offsetting	–26,052	–19,792	–26,052	–19,792
Total deferred taxes (after offsetting)	**–**	**–**	**969**	**1,173**

Corporate income tax loss carryforwards of € 156,101 k (prior year: € 131,502 k) and trade tax loss carryforwards of € 146,409 k (prior year: € 123,504 k) gave rise to deferred taxes on loss carryforwards of € 2,624 k (prior year: € 3,397 k). Deferred tax assets are recognized in the amount of the expected future tax benefit. No deferred tax assets were recognized on corporate income tax loss carryforwards of € 147,404 k (prior year: € 120,245 k) and trade tax loss carryforwards of € 137,712 k (prior year: € 112,246 k). Additionally, there are interest carryforwards of € 6,140 k (prior year: € 8,981 k) for which no deferred taxes were recognized.

Tax loss carryforwards for foreign subsidiaries for which no deferred taxes were recognized amount to € 21,933 k (prior year: € 19,378 k). The unused losses and interest can be carried forward indefinitely.

No deferred taxes were recognized for deductible temporary differences of € 10,069 k (prior year: € 4,377 k).

VIII. Notes to the consolidated statement of financial position

6. Goodwill and intangible assets

Changes in the carrying amounts of goodwill and intangible assets are presented below:

Cost

In € k	Goodwil	Customer list	Brand	Software	Software under development	Total
As of 1 Jan 2022	**12,113**	**3,569**	**221**	**30,415**	**7,975**	**54,293**
Acquisitions through business combinations	2,874	0	0	1,008	1,800	5,682
Additions	0	0	0	989	7,970	8,959
Reclassifications	0	0	0	10,332	−10,332	0
Currency effects	0	0	0	−16	0	−16
As of 31 Dec 2022	**14,987**	**3,569**	**221**	**42,728**	**7,413**	**68,918**
Acquisitions through business combinations	0	0	0	0	0	0
Additions	0	0	0	338	6,804	7,142
Reclassifications	0	0	0	10,925	−10,925	0
Currency effects	0	0	0	0	0	0
As of 31 Dec 2023	**14,987**	**3,569**	**221**	**53,992**	**3,292**	**76,061**

Amortization and impairment

In € k	Goodwil	Customer list	Brand	Software	Software under development	Total
As of 1 Jan 2022	**0**	**3,055**	**221**	**21,000**	**0**	**24,276**
Amortization	0	431	0	5,917	0	6,348
Impairment	2,158	0	0	1,585	0	3,743
Currency effects	0	0	0	−16	0	−16
As of 31 Dec 2022	**2,158**	**3,486**	**221**	**28,486**	**0**	**34,351**
Amortization and impairment	0	83	0	6,720	0	6,803
Impairment	8,160	0	0	0	1,040	9,200
Reversals of impairment	0	0	0	−375	0	−375
Currency effects	0	0	0	0	0	0
As of 31 Dec 2023	**10,318**	**3,569**	**221**	**34,832**	**1,040**	**49,979**

Net carrying amounts

In € k	Goodwill	Customer list	Brand	Software	Software under development	Total
As of 31 Dec 2022	**12,830**	**83**	**0**	**14,242**	**7,413**	**34,568**
As of 31 Dec 2023	**4,669**	**0**	**0**	**19,160**	**2,252**	**26,082**

For further information on the impairment losses and reversals of impairment losses of € 7,785 k recognized in fiscal year 2023 (prior year: € 3,743 k), see note (8).

7. Property, plant and equipment

Changes in the carrying amount of property, plant and equipment are presented below:

Cost

In € k	Plant and machinery	Furniture, fixtures and office equipment	Assets under construction	Total
As of 1 Jan 2022	**7,171**	**19,753**	**2,536**	**29,460**
Acquisitions through business combinations	0	34	0	34
Additions	1,096	5,658	3,962	10,717
Reclassifications	417	2,710	−3,127	0
Disposals	0	0	0	0
Currency effects	−2	−76	0	−78
As of 31 Dec 2022	**8,682**	**28,080**	**3,371**	**40,133**
Acquisitions through business combinations	0	0	0	0
Additions	861	3,213	3,390	7,464
Reclassifications	2,362	4,247	−6,609	0
Disposals	0	−307	0	−307
Currency effects	3	30	0	32
As of 31 Dec 2023	**11,908**	**35,263**	**151**	**47,322**

Depreciation and impairment

In € k	Plant and machinery	Furniture, fixtures and office equipment	Assets under construction	Total
As of 1 Jan 2022	**1,958**	**7,954**	**–**	**9,911**
Depreciation	838	2,789	0	3,628
Impairment	0	2,707	0	2,707
Disposals	0	0	0	0
Currency effects	−2	−32	0	−34
As of 31 Dec 2022	**2,794**	**13,418**	**0**	**16,212**
Depreciation and impairment	1,115	3,873	0	4,988
Impairment	0	3,415	0	3,415
Reversals of impairment	0	0	0	0
Disposals	0	−137	0	−137
Currency effects	0	1	0	1
As of 31 Dec 2023	**3,908**	**20,569**	**0**	**24,477**

Net carrying amounts

In € k	Plant and machinery	Furniture, fixtures and office equipment	Assets under construction	Total
As of 31 Dec 2022	**5,889**	**14,662**	**3,371**	**23,922**
As of 31 Dec 2023	**8,000**	**14,694**	**151**	**22,845**

No borrowing costs were capitalized in the reporting period.

For further information on the impairment losses of € 3,415 k recognized in fiscal year 2023 (prior year: € 2,707 k), see note (8).

8. Impairment tests for non-current non-financial assets

Besides the annual impairment tests of goodwill and software under development, Mister Spex tests other non-current non-financial assets (such as intangible assets, property, plant and equipment as well as right-of-use assets) for impairment if there are indications that they may be impaired. The consistently low market capitalization of Mister Spex remains such an indication as of 31 December 2023. As a result of changes in forecast cash flows and in the interest rate due to the current macroeconomic situation, the recoverable amount of some assets was lower than their carrying amount.

Mister Spex has identified online business regions grouped by country as well as the individual retail stores as cash-generating units.

Goodwill and other non-current non-financial assets are tested for impairment at the level of cash-generating units or groups of cash-generating units. They represent the lowest level within the Company at which goodwill and other non-current non-financial assets are monitored for internal management purposes. Testing requires an estimate of the recoverable amount of the group or the individual cash-generating unit to which the goodwill or other non-current non-financial asset is allocated. The recoverable amount of a cash-generating unit or group of cash-generating units is determined based on the value in use or the fair value less costs of disposal. To estimate the value in use, Mister Spex must estimate the future cash flows expected to be derived from the cash-generating units or groups of cash-generating units and apply an appropriate discount rate to determine the present value of those cash flows.

The impairment test is based on cash flow projections for the cash-generating units and estimates concerning the future market development. The five-year planning period reflects the medium-term business plan. As an exception, a six-year planning period was used for the online business UK cash-generating unit, after a seven-year planning period was assumed in fiscal year 2022 due to a growth market. In the detailed planning phase, the operating margin of the reporting units is expected to increase. The underlying budgets reflect the current performance and management's best estimate of the future development of factors such as market prices and profit margins. Market assumptions such as economic trends and market growth take into account external macroeconomic and business-specific sources. Growth is expected to slow after the end of this phase and a steady state is assumed for the reporting units, which is the basis for the calculation of the perpetuity.

Goodwill

The Mister Spex Group has recognized goodwill of € 4,669 k (prior year: € 12,829 k) from three business combinations (Lensit, Nordic Eyewear and Tribe). As in the prior year, the online business of Lensit with allocated goodwill of € 1,795 k (prior year: € 5,259 k) and the online business of Nordic Eyewear with allocated goodwill of € 0 (prior year: € 4,696 k) are separate cash-generating units to which the relevant goodwill is allocated directly.

Goodwill from the acquisition of Tribe GmbH (€ 2,874 k) was allocated to several cash-generating units. A significant portion of the carrying amount of Tribe GmbH's goodwill was allocated to the *online business Germany and the group of stores located in Germany* cash-generating units (€ 2,438 k) in the Germany reportable segment.

In fiscal year 2023, an impairment loss of € 4,696 k was recognized in "Depreciation, amortization and impairment" for the goodwill of the *Nordic Eyewear* cash-generating unit, which is part of the International reportable segment. The value in use of the cash-generating unit was estimated at € 0.

In fiscal year 2023, an impairment loss of € 3,464 k was recognized in "Depreciation, amortization and impairment" for the goodwill of the *Lensit* cash-generating unit, which is part of the International reportable segment. The value in use of the cash-generating unit was estimated at € 2,011 k.

The consistently low market capitalization of Mister Spex remains an indication for the possible impairment of other non-current non-financial assets as of 31 December 2023. The impairment test performed showed that the recoverable amount of some assets was lower than their carrying amount as a result of changes in forecast cash flows and in the interest rate due to the current macroeconomic situation.

The following key assumptions were made for all impairment tests:

Assumptions	Weighted average cost of capital (WACC)	Growth rate of the perpetuity
Lensit	13.22% (prior year: 11.02%)	1.33% (prior year: 1.33%)
Nordic Eyewear	11.09% (prior year: 10.06%)	1.33% (prior year: 1.33%)
Tribe	9.77 to 16.41% (prior year: 9.1 to 12.7%)	1.33% (prior year: 1.33%)

In addition to the impairment test, a sensitivity analysis was performed for all reporting units to test whether changes in the assumptions above (a one percentage point increase in WACC, long-term growth rate of 1%, a 10 percentage point decrease in future cash flows in the detailed planning period) would cause the units' carrying amount to exceed their recoverable amount.

For Lensit, this would result in an additional impairment loss of € 186 k (1% increase in WACC), € 42 k (growth rate of 1%) and € 201 k (10% decrease in future cash flows). For Tribe, the changes would not result in impairment.

Other non-current non-financial assets

As there was an indication of impairment, intangible assets, property, plant and equipment as well as right-of-use assets were tested for impairment at the level of all cash-generating units or groups of cash-generating units.

Intangible assets (with finite useful lives)

The *intangible assets* of the Mister Spex Group of € 19,160 k (prior year: € 14,325 k) are allocated to several groups of cash-generating units as they are mainly assets (such as IT systems used group-wide) that contribute to future cash flows of multiple cash-generating units.

Intangible assets, property, plant and equipment as well as right-of-use assets were allocated directly to the *retail stores*.

The carrying amount (after impairment) of the cash-generating units breaks down according to groups of assets as follows:

Groups of assets	Carrying amount in € k	Thereof in the Germany segment	Thereof in the International segment
Intangible assets	191	172	18
Property, plant and equipment	11,587	10,800	787
Right-of-use assets	40,165	36,997	3,167

In fiscal year 2023, an impairment loss of € 7,706 k (prior year: € 7,776 k) was determined for the *retail stores* cash-generating units and recognized in "Depreciation, amortization and impairment." € 1,113 k (prior year: € 3,715 k) of the impairment loss is attributable to the International reporting segment. The remaining € 6,593 k (prior year: € 4,061 k) is allocated to the *retail stores* in the Germany segment.

The recoverable amount of the impaired *retail stores* cash-generating units is € 24.6 m (prior year: € 20.1 m), comprising a value in use of € 22,354 k (prior year: € 13,517 k) and a fair value less costs of disposal of € 2,286 k (prior year: € 6,610 k).

To estimate the value in use, the expected future cash flows were estimated for each cash-generating unit and discounted over the term of the lease for each retail store. The discount factors used for the retail stores were 13.26% for Germany, 13.86% for Austria, 9.77% for Switzerland and 11.09% for Sweden.

The fair value measurement of the assets in the cash-generating units was classified as Level 3 of the fair value hierarchy (IFRS 13). For the right-of-use assets, the rent observable at the reporting date was used, among other inputs, to determine the fair value. For property, plant and equipment (comprising store fittings and other equipment, furniture and fixtures), the resale value customary in the market was used to determine the fair value. The fair value measurement for the right-of-use assets was based on the discounted cash flow method. The discount factors used for the retail stores were 13.26% for Germany, 13.86% for Austria, 9.77% for Switzerland and 11.09% for Sweden.

9. Financial assets

Financial assets break down into current and non-current assets as follows:

In € k	**31 Dec 2023**	31 Dec 2022
Non-current financial assets	4,620	8,729
Current financial assets	3,187	3,610
Total	**7,807**	**12,339**

Non-current financial assets comprise receivables from rent deposits and collateral pledged of € 4,620 k (prior year: € 8,729 k). The decrease is mainly due to the conversion of rent deposits into bank guarantees in the amount of € 5,371 k. At the same time, new rent deposits were paid for the stores. Non-current receivables from rent deposits and collateral pledged are recognized at their respective carrying amounts, since they bear interest at market interest rates.

Current financial assets mainly comprise trade receivables of € 2,213 k (prior year: € 2,742 k), other financial assets of € 492 k (prior year: € 510 k) and receivables from sales by invoice and direct debit of € 476 k (prior year: € 468 k).

Trade receivables are generally on terms of 30 to 90 days and are non-interest bearing.

All significant financial assets are classified and measured at amortized cost in accordance with IFRS 9. The carrying amounts of the financial assets are the same as their fair values.

As the Group has not experienced any historical default events in relation to its current and non-current financial assets and, in light of the good credit quality of its debtors, it does not expect any significant losses, it did not recognize any expected credit losses in the fiscal year.

10. Inventories

Inventories comprise the following:

In € k	31 Dec 2023	31 Dec 2022
Raw materials, consumables and supplies	1,201	1,114
Merchandise	31,296	28,927
Inventories	**32,498**	**30,041**

Write-downs of inventories amounted to € 142 k in the reporting period (prior year: € 49 k) and reflect the estimated inventories at risk at year-end.

Cost of inventories included as an expense under cost of materials amounts to € 110,373 k (prior year: € 108,182 k).

11. Other non-financial assets

As of 31 December 2023, **other non-financial assets** amounted to € 9,790 k (prior year: € 10,619 k).

In the fiscal year, they comprised other receivables (€ 7,045 k; prior year: € 7,117 k), prepayments (€ 2,487 k; prior year: € 2,774 k) and VAT receivables (€ 259 k; prior year: € 728 k).

All other non-financial assets are classified as current.

12. Cash and cash equivalents

Cash and cash equivalents mainly comprise cash on hand, cash at banks and short-term highly liquid deposits with a maturity of three to six months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents are not subject to any restraints on disposal.

13. Equity

Subscribed capital:

In fiscal year 2023, several capital increases took place in connection with the exercise of options. The called contributions to subscribed capital in the amount of € 184 k were paid in full. The capital increases were entered in the commercial register.

Compared with the prior reporting date, the number of shares thus rose from 34,864,063 to 35,048,001. Capital stock is divided into 35,048,001 no-par value shares. The shares have been issued and paid in in full. All shares entail the same rights and obligations. Each share entitles the holder to one vote at the Annual General Meeting and determines the holder's share of the Company's profit after tax.

Capital reserves:

Capital reserves amount to € 329,951 k (prior year: € 327,668 k). Capital reserves rose by € 2,283 k (prior year: € 1,246 k) as a result of the addition from share-based payment transactions pursuant to IFRS 2 in fiscal year 2023.

Authorized capital:

As of the reporting date 31 December 2023, authorized capital amounted to € 12,594,809 (prior year: € 12,778,747). The authorized capital also serves to create equity in connection with the employees' share-based payments.

Other comprehensive income:

Other comprehensive income solely includes gains or losses from currency translation.

Treasury shares:

The amount of treasury shares changed by € 25 k from € 998 k to € 973 k due to the exercise of options under the current stock option program (ESOP).

Dividend restriction:

As of the reporting date, the total amount not distributable pursuant to Sec. 268 (8) HGB came to € 15,992 k (prior year: € 14,468 k).

14. Share-based payments

ESOP I to IV

The Group has set up four stock option plans (ESOP I to IV) which give eligible employees the option of investing directly or indirectly in the Company's equity instruments. The share-based payment awards granted by the Mister Spex Group are equity-settled plans. Due to the change in legal form, the Company harmonized the four stock option plans. Separate amendment agreements for all existing stock option agreements were concluded. The harmonization did not have any material impact on the measurement of the individual stock option plans. As part of the harmonization, the adjusted option plans provide for a cash settlement at the discretion of Mister Spex in addition to the previous settlement through equity instruments. Each option confers the right to acquire one ordinary share of the Company's capital stock for a price of € 1.00. The vesting of option rights under each amendment agreement may be subject to different provisions in individual cases.

In the reporting period, total personnel expenses of € 87 k (prior year: € 217 k) were recognized in this connection.

The vesting period for the equity-settled share-based payment awards is usually 48 months. The first tranche vests after 12 months, while the remaining tranches vest on a monthly basis in equal amounts over the residual vesting period. The share-based payment awards become exercisable after a certain period of time, when an exit event occurs or the participant leaves.

The inputs used in the measurement were determined as follows: The share price used was derived from the financing rounds performed close to the issue date and a sale of shares. The expected volatility is based on the development of the share price volatility of comparable companies (peer group) over the expected term of the option in each case. The maturity-matched risk-free interest rate was calculated using the Svensson method.

122,892 options were exercised during the 2023 reporting period (2022: 10,000). The related capital increase was entered in the commercial register on 19 July 2023. The weighted average share value at the date of exercise of an option exercised during the 2023 reporting period amounted to € 3.81.

ESOP I

The payment awards granted by Mister Spex SE in Germany under Employee Stock Option Program I (ESOP I) were granted at different times between 2012 and 2015.

The number of outstanding options developed as follows in the reporting period:

	Number	Weighted average exercise price (in €)
Options outstanding on 1 Jan 2022	**366,491**	**1.89**
Options granted during the period	–	–
Options forfeited during the period	–	–
Options exercised during the period	10,000	1.00
Options outstanding on 31 Dec 2022	**356,491**	**1.92**
Options exercisable on 31 Dec 2022	**356,491**	**1.92**
Options outstanding on 1 Jan 2023	**356,491**	**1.92**
Options granted during the period	–	–
Options forfeited during the period	–	–
Options exercised during the period	122,892	1.00
Options outstanding on 31 Dec 2023	**233,599**	**2.40**
Options exercisable on 31 Dec 2023	**233,599**	**2.40**

The range of exercise prices for options issued and outstanding under ESOP I as of the reporting date was € 1.00 to € 3.86 (prior year: € 1.00 to € 3.86); of which 111,379 outstanding options (prior year: 234,271 outstanding options) have an exercise price of € 1.00 and 122,220 outstanding options (prior year: 122,220 outstanding options) have an exercise price of € 3.68. Considering the harmonization of ESOP I in 2021, the beneficiaries may exercise vested options up to a maximum of four years after the IPO.

The weighted average fair value of an option granted in fiscal year 2015 is € 4.57. The fair value of the option rights consists of the intrinsic value and the time value. The weighted average remaining contractual life for the stock options outstanding as of 31 December 2023 was 1.5 years (prior year: 2.5 years).

The Black-Scholes model was used to determine the fair values of the option rights. The inputs used to calculate the options granted are summarized in the following overview:

Weighted average share value (€)	€ 3.62
Weighted average exercise price (€)	€ 1.89
Expected volatility (%)	14.73% to 38.68%
Expected option term (years)	2.47 to 5.31
Expected dividends (%)	0%
Maturity-matched risk-free interest rate (%)	−0.28% to 1.33%

ESOP II

Employee Stock Option Program II (ESOP II) was introduced by Mister Spex SE in October 2015. The vesting conditions are the same as under ESOP I.

The number of outstanding options developed as follows in the reporting period:

	Number	Weighted average exercise price (in €)
Options outstanding on 1 Jan 2022	**518,622**	**3.71**
Options granted during the period	–	–
Options forfeited during the period	–	–
Options exercised during the period	–	–
Options outstanding on 31 Dec 2022	**518,622**	**3.71**
Options exercisable on 31 Dec 2022	**518,622**	**3.71**
Options outstanding on 1 Jan 2023	**518,622**	**3.71**
Options granted during the period	–	–
Options forfeited during the period	–	–
Options exercised during the period	25,000	3.71
Options outstanding on 31 Dec 2023	**493,622**	**3.71**
Options exercisable on 31 Dec 2023	**493,622**	**3.71**

No new options under ESOP II were issued during the 2023 reporting period. The uniform exercise price for option rights outstanding under ESOP II as of the reporting date was € 3.71. Considering the harmonization of ESOP II in 2021, the beneficiaries may exercise vested options up to a maximum of four years after the IPO.

The weighted average fair value of a new option granted in fiscal year 2017 is € 4.35. The fair value of the option rights consists of the intrinsic value and the time value. The weighted average remaining contractual life for the stock options outstanding as of 31 December 2023 was 1.5 years (prior year: 2.5 years).

The Black-Scholes model was used to determine the fair values of the option rights. The inputs used to calculate the options granted are summarized in the following overview:

Weighted average share value (€)	€ 5.68
Weighted average exercise price (€)	€ 3.71
Expected volatility (%)	33.47% to 36.93%
Expected option term (years)	1.85 to 3.22
Expected dividends (%)	0%
Maturity-matched risk-free interest rate (%)	−0.90% to −0.22%

ESOP III

Employee Stock Option Program III (ESOP III) is the name of the employee stock option program launched in November 2017. The vesting conditions are the same as under ESOP I and II.

The number of outstanding options developed as follows in the reporting period:

	Number	Weighted average exercise price (in €)
Options outstanding on 1 Jan 2022	**248,802**	**9.07**
Options granted during the period	–	–
Options forfeited during the period	–	–
Options exercised during the period	–	–
Options outstanding on 31 Dec 2022	**248,802**	**9.07**
Options exercisable on 31 Dec 2022	**244,388**	**9.07**
Options outstanding on 1 Jan 2023	**248,802**	**9.07**
Options granted during the period	–	–
Options forfeited during the period	11,030	9.07
Options exercised during the period	–	–
Options outstanding on 31 Dec 2023	**237,772**	**9.07**
Options exercisable on 31 Dec 2023	**237,772**	**9.07**

No new options under ESOP III were issued during the 2023 reporting period. The uniform exercise price for option rights outstanding under ESOP III as of the reporting date was € 9.07. Considering the harmonization of ESOP III in 2021, the beneficiaries may exercise vested options up to a maximum of four years after the IPO.

The weighted average fair value of a new option granted in fiscal year 2018 is € 1.14. The fair value of the option rights consists of the intrinsic value and the time value. The weighted average remaining contractual life for the stock options outstanding as of 31 December 2023 was 1.5 years (prior year: 2.5 years).

The Black-Scholes model was used to determine the fair values of the option rights. The inputs used to calculate the options granted are summarized in the following overview:

Weighted average share value (€)	€ 8.84
Weighted average exercise price (€)	€ 9.07
Expected volatility (%)	28.86% to 33.60%
Expected option term (years)	1.07 to 2.36
Expected dividends (%)	0%
Maturity-matched risk-free interest rate (%)	−0.79% to −0.59%

ESOP IV

Employee Stock Option Program IV (ESOP IV) is the name of the current employee stock option program launched in January 2019. The vesting conditions are largely the same as under ESOP III.

The number of outstanding options developed as follows in the reporting period:

	Number	Weighted average exercise price (in €)
Options outstanding on 1 Jan 2022	**1,590,488**	**7.52**
Options granted during the period	–	–
Options forfeited during the period	142,505	7.52
Options exercised during the period	–	–
Options outstanding on 31 Dec 2022	**1,447,984**	**7.52**
Options exercisable on 31 Dec 2022	**1,280,627**	**7.52**
Options outstanding on 1 Jan 2023	**1,447,984**	**7.52**
Options granted during the period	–	–
Options forfeited during the period	23,199	7.52
Options exercised during the period	–	–
Options outstanding on 31 Dec 2023	**1,424,784**	**7.52**
Options exercisable on 31 Dec 2023	**1,370,413**	**7.52**

The uniform exercise price for option rights outstanding under ESOP IV as of the reporting date was € 7.52. Considering the harmonization of ESOP IV in 2021, the beneficiaries may exercise vested options up to a maximum of four years after the IPO or two years after expiry of the vesting period. The later of the two aforementioned periods always applies here.

The weighted average fair value of a new option granted in fiscal year 2021 is € 9.55. The fair value of the option rights consists of the intrinsic value and the time value. The weighted average remaining contractual life for the stock options outstanding as of 31 December 2023 was 2.0 years (prior year: 3.0 years).

The Black-Scholes model was used to determine the fair values of the option rights. The inputs used to calculate the new options granted are summarized in the following overview:

Weighted average share value (€)	€ 12.17
Weighted average exercise price (€)	€ 7.52
Expected volatility (%)	36.88% to 39.15%
Expected option term (years)	3.93 to 4.57
Expected dividends (%)	0%
Maturity-matched risk-free interest rate (%)	−0.81% to −0.65%

VSOP (LTIP)

As long-term variable remuneration, from fiscal year 2022 Mister Spex SE (Mister Spex) will allow the members of the Management Board and senior management to participate in a Long-Term Incentive Program (LTIP) in the form of a Virtual Stock Option Plan (VSOP).

Effective at the beginning of each fiscal year, each eligible member is granted a number of virtual stock options (VSOs). All VSOs are subject to a waiting period of four years. VSOs vest in 12 equal monthly installments (vesting period). Both the vesting period and the waiting period begin at the grant date. Additionally, the VSOs are subject to a performance condition in the performance period. In fiscal year 2023, this is the respective annual adjusted EBITDA (AEBITDA) target and the revenue target, with both performance targets being equally weighted at 50% each. In fiscal year 2022, the performance condition was the compound annual growth rate (CAGR) of revenue. The Supervisory Board sets a revenue target value, an adjusted EBITDA target value as well as minimum and maximum values for each VSO tranche at the beginning of each fiscal year in the individual grant letters to the Management Board members. If the respective actual revenue or AEBITDA falls short of the minimum value in the three-year performance period, the performance factor is 0% and all VSOs from the relevant VSO tranche are forfeited in full without replacement or compensation. If the actual value is equal to or exceeds the maximum value in the performance period, the performance factor is 100%. The performance factor is calculated using linear interpolation if the actual value lies between the defined minimum and maximum values in the performance period.

The number of VSOs is multiplied by the performance factor in order to obtain the number of performance-based VSOs.

Vested VSOs (i.e., VSOs that are both time-vested and vested on the basis of achievement of the performance condition) can be exercised during a three-year exercise period after the end of the four-year waiting period.

On exercising the vested VSOs, the beneficiary is entitled to receive shares in the Company equal to the difference between the share price at the exercise date and the exercise price, multiplied by the number of exercised VSOs. VSOP proceeds are not capped so as to ensure a broad alignment of the interests of the Management Board members and the shareholders of Mister Spex. However, they are subject to the maximum remuneration cap. The entitlement to VSOP proceeds is generally settled in equity, though the Company may settle in cash at its free discretion. These share-based payment awards granted by the Mister Spex Group are accounted for as equity-settled plans.

In the fiscal year, personnel expenses of € 1,455 k (prior year: € 556 k) were recognized in this connection.

The number of outstanding options developed as follows in the reporting period:

	Number	Weighted average exercise price (in €)
Options outstanding on 1 Jan 2022	**–**	**–**
Options granted during the period	157,668	11.72
Options forfeited during the period	–	–
Options exercised during the period	–	–
Options outstanding on 31 Dec 2022	**157,668**	**11.72**
Options exercisable on 31 Dec 2022	**0**	**0**
Options outstanding on 1 Jan 2023	**157,668**	**11.72**
Options granted during the period	–	–
Options forfeited during the period	–	–
Options exercised during the period	–	–
Options outstanding on 31 Dec 2023	**157,668**	**11.72**
Options exercisable on 31 Dec 2023	**0**	**0**

The weighted average fair value of an option granted in fiscal year 2022 is € 3.54. The fair value of the option rights consists of the intrinsic value and the time value. The weighted average remaining contractual life for the stock options outstanding as of 31 December 2023 was 3.5 years (prior year: 4.5 years).

The Black-Scholes model was used to determine the fair values of the option rights. The inputs used to calculate the options granted are summarized in the following overview:

Weighted average share value (€)	€ 10.77
Weighted average exercise price (€)	€ 11.72
Performance factor	100.0%
Expected volatility (%)	39.56 to 41.42%
Expected option term (years)	5.5 years
Expected dividends (%)	0%
Maturity-matched risk-free interest rate (%)	−0.47 to 0.39%

The inputs used in the measurement were determined as follows: The average share value used equals the closing price on the last 20 trading days before the grant date in accordance with the terms of the program. The expected volatility is based on the development of the share price volatility of comparable companies (peer group) over the expected term of the option in each case. The maturity-matched risk-free interest rate was calculated using the Svensson method.

VSOP 2023

	Number	Weighted average exercise price (in €)
Options outstanding on 1 Jan 2023	**–**	**–**
Options granted during the period	785,425	3.99
Options forfeited during the period	–	–
Options exercised during the period	–	–
Options outstanding on 31 Dec 2023	**785,425**	**3.99**
Options exercisable on 31 Dec 2023	**0**	**0**

The weighted average fair value of an option granted in fiscal year 2023 is € 1.89. The fair value of the option rights consists of the intrinsic value and the time value. The weighted average remaining contractual life for the stock options outstanding as of 31 December 2023 was 4.5 years.

The Black-Scholes model was used to determine the fair values of the option rights. The inputs used to calculate the options granted are summarized in the following overview:

Weighted average share value (€)	€ 4.15
Weighted average exercise price (€)	€ 3.99
Performance factor	100.0%
Expected volatility (%)	48.18%
Expected option term (years)	4.92 years
Expected dividends (%)	0%
Maturity-matched risk-free interest rate (%)	2.52%

The inputs used in the measurement were determined as follows: The average share value used equals the closing price on the last 20 trading days before the grant date in accordance with the terms of the program. The expected volatility is based on the development of the share price volatility of comparable companies (peer group) over the expected term of the option in each case. The maturity-matched risk-free interest rate was calculated using the Svensson method.

RSUs

Since mid-December 2022, Mister Spex has granted selected executives and employees long-term remuneration components in the form of restricted share units (RSUs). RSUs are not shares, but grant the beneficiaries rights to shares (or to cash settlement, at the discretion of Mister Spex). These remuneration components granted by the Mister Spex Group are accounted for as equity-settled plans.

Each RSU beneficiary is granted a fixed amount of money each year under their employment contract. As of 1 April of a given year, this annual amount of money is converted into a number of rights to shares (the RSUs) at the weighted average share price of the last 20 trading days before 1 April.

The new RSUs granted each year are subject to a vesting period of two years beginning on 1 April of that year (RSU cycle). During the two-year vesting period, the RSUs vest in eight equal stages, i.e., the rights of the beneficiary increase by one eighth of the RSUs in the RSU cycle as of the last day of each quarter (if the beneficiary starts work during the year, the number of quarters and shares that can be earned is reduced proportionally). In the first year of service, the beneficiary is not entitled to receive RSUs before the year has expired (cliff). If an employee leaves the Company after the cliff but before the end of the RSU cycle, they are entitled to receive the RSUs earned until that date.

Upon expiry of the two-year vesting period of an RSU cycle (settlement date, i.e., 31 March two years after 1 April in the year of grant), the RSU beneficiary receives the number of shares in Mister Spex SE equal to the number of RSUs of that RSU cycle. Mister Spex SE reserves the right to settle the RSUs in cash in the amount of the share price as of the settlement date instead of granting shares to the beneficiary.

The final total value of the options vested is calculated exclusively at the settlement date. This is the total value of the package and the basis on which the Company's and the participant's tax and social security obligations are calculated. Before this date, the employee does not receive any shares or any payment under the RSU program.

Personnel expenses of € 673 k were recognized in this connection in the reporting period (prior year: € 327 k).

The number of outstanding options developed as follows in the reporting period:

RSU 2022

	Number	Weighted average fair value (in €)
Options outstanding on 1 Jan 2022	**–**	**–**
Options granted during the period	118,440	4.03
Options forfeited during the period	–	–
Options exercised during the period	–	–
Options outstanding on 31 Dec 2022	**118,440**	**4.03**
Options exercisable on 31 Dec 2022	**–**	**–**
Options outstanding on 1 Jan 2023	**118,440**	**4.03**
Options granted during the period	2,208	4.03
Options forfeited during the period	3,450	4.03
Options exercised during the period	–	–
Options outstanding on 31 Dec 2023	**117,198**	**4.03**
Options exercisable on 31 Dec 2023	**–**	**–**

RSU 2023

	Number	Weighted average fair value (in €)
Options outstanding on 1 Jan 2023	**–**	**–**
Options granted during the period	240,560	3.37
Options forfeited during the period	16,901	3.43
Options exercised during the period	–	–
Options outstanding on 31 Dec 2023	**223,659**	**3.36**
Options exercisable on 31 Dec 2023	**–**	**–**

15. Financial liabilities

Financial liabilities mainly include trade payables, refund liabilities to customers from anticipated returns and liabilities under sale and leaseback agreements.

As of 31 December 2023, financial liabilities had the following maturities based on the contractually agreed amounts:

In € k	Up to one year	One to five years	More than five years	Total
As of 31 Dec 2022				
Liabilities to banks	0	1,120	0	1,120
Trade payables	12,857	0	0	12,857
Refund liabilities	2,166	0	0	2,166
Other financial liabilities	1,433	2,462	0	3,895
Financial liabilities	**16,456**	**3,582**	**0**	**20,038**
As of 31 Dec 2023				
Liabilities to banks	0	1,120	0	1,120
Trade payables	17,935	0	0	17,935
Refund liabilities	1,974	0	0	1,974
Other financial liabilities	2,157	3,059	0	5,216
Financial liabilities	**22,066**	**4,179**	**0**	**26,245**

The carrying amounts of the financial liabilities are the same as their fair values.

The following table shows the reconciliation carried out by the Group from the opening to the closing balance of liabilities to banks and other financial liabilities:

In € k	2023	2022
Financial liabilities – 1 Jan	**5,015**	**1,170**
Change due to cash flows from financing activities		
Cash received from borrowings	1,941	3,350
Cash outflows from repayment of borrowings	–928	–267
Total change	**1,013**	**3,083**
Other cash and non-cash changes		
Changes in liabilities to banks from the acquisition of subsidiaries	0	1,120
Other changes	307	–358
Total change	**307**	**762**
Financial liabilities – 31 Dec	**6,336**	**5,015**

The total change in other financial liabilities of € 858 k relates to financial liabilities incurred as part of sale and leaseback transactions.

An additional sale and leaseback agreement of € 1,941 k (prior year: € 3,350 k) was concluded for the store fittings acquired to equip our stores with high-quality instruments and installations in fiscal year 2023 with the aim of spreading one-time expenses for investments in store fittings (high-quality instruments, installations, etc.) over an extended period (five years in each case). Mister Spex retains control of the assets. In addition, ownership of the store fittings will be transferred to Mister Spex in full after fulfillment of all payment obligations. The sale and leaseback transactions in fiscal year 2023 gave rise to cash inflows of € 1,941 k. At the same time, the repayment of liabilities from the sale and leaseback agreements led to a € 928 k increase in the Group's cash outflows.

16. Leases

Leases comprise rental agreements for office, warehouse and store space, usually with terms of between five and 10 years. There are several lease contracts that include extension and termination options and variable payments, which are further discussed below.

The carrying amounts of right-of-use assets in the statement of financial position are as follows:

In € T	Commercial and office space
As of 1 Jan 2022	**48,953**
Additions	17,663
Depreciation	–9,494
Impairment	–3,929
As of 31 Dec 2022	**53,193**
Additions	34,929
Depreciation	–14,060
Impairment	–4,936
As of 31 Dec 2023	**69,126**

€ 33,281 k of the additions relates to new lease agreements, most of which were concluded for store space. In fiscal year 2023, the adjustment of contractual terms and conditions from the exercise of a contract extension option also gave rise to an increase in recognized right-of-use assets of € 1,336 k and in lease liabilities of € 1,582 k.

The Group recognized depreciation of right-of-use assets of € 14,060 k in the fiscal year (prior year: € 9,494 k). For information on the impairment losses of € 4,936 k, see note (8).

The following table presents the carrying amounts of the lease liabilities and the changes in the fiscal year:

In € k	Commercial and office space
As of 1 Jan 2022	**51,691**
Additions	17,127
Accretion of interest	2,061
Payments	−10,344
As of 31 Dec 2022	**60,535**
Thereof current	10,159
Thereof non-current	50,376
Additions	34,814
Accretion of interest	3,028
Payments	−12,887
As of 31 Dec 2023	**85,489**
Thereof current	15,328
Thereof non-current	70,161

The following amounts were recognized in profit and loss in the reporting period:

In € k	**2023**	2022
Depreciation of right-of-use assets	14,060	9,494
Impairment of right-of-use assets	4,936	3,929
Interest expense on lease liabilities	3,028	2,061
Expense for variable lease payments not included in the lease liabilities	1,793	1,216
Total	**23,817**	**16,700**

The table below summarizes the maturities of the Group's lease liabilities as of 31 December 2023.

The information presented is based on contractual discounted payments:

In € k	Up to one year	One to five years	More than five years	Total
As of 31 Dec 2023				
Lease liabilities	15,328	46,126	24,035	**85,489**
As of 31 Dec 2022				
Lease liabilities	10,159	37,426	12,950	60,535

The following figures are based on contractual undiscounted payments:

In € k	Up to one year	One to five years	More than five years	Total
As of 31 Dec 2023				
Lease liabilities	18,493	53,485	25,981	**97,959**
As of 31 Dec 2022				
Lease liabilities	12,245	41,910	13,688	67,843

The Group's cash outflows for leases came to € 14,680 k in the fiscal year (prior year: € 11,560 k). The other variable payments not included in the measurement of the lease liability are based on consumption and totaled € 1,793 k in the fiscal year (prior year: € 1,216 k).

The Group did not exercise any termination options in the reporting period.

17. Other non-financial liabilities

Other non-financial liabilities comprise current and non-current liabilities.

While other non-current non-financial liabilities consist of archiving obligations, other current non-financial liabilities of € 7,582 k (prior year: € 6,700 k) chiefly comprise tax liabilities of € 1,605 k (prior year: € 1,627 k), accrued personnel-related expenses of € 1,703 k (prior year: € 869 k), liabilities from outstanding invoices of € 1,025 k (prior year: € 1,172 k) and prepayments received from customers of € 992 k (prior year: € 681 k).

18. Provisions

In € k	Warranties	Asset retirement obligations	Total
As of 1 Jan 2023	**1,054**	**1,563**	**2,617**
Provisions recognized	121	276	397
Provisions utilized	–169	0	–169
Provisions reversed	0	0	0
As of 31 Dec 2023	**1,006**	**1,839**	**2,845**
Non-current	0	1,839	1,839
Current	1,006	0	1,006

Current provisions include warranty provisions of € 1,006 k for products sold during the fiscal year (prior year: € 1,054 k).

Non-current provisions of € 1,839 k (prior year: € 1,563 k) primarily relate to asset retirement obligations for leased properties at the end of the lease term.

IX. Other notes

19. Financial risk management

In the ordinary course of business, the Mister Spex Group is exposed to credit risk, liquidity risk and market risk (primarily currency and interest rate risk).

The financial instruments used by the Mister Spex Group comprise non-current liabilities to banks, cash and cash equivalents, factoring instruments which serve to finance its business activities as well as sale and leaseback transactions.

Group management is responsible for managing the risks and develops principles for overall risk management. The significant risks are presented below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Group's sales of products on credit terms and other transactions with counterparties giving rise to financial assets.

The risk of default is very low due to the payment structures. By way of factoring agreements, the Mister Spex Group has transferred the del credere risk for sales by invoice and direct debit to third parties in full. No default risk arises from payments via the service provider PayPal or payments in advance. Credit card risks are closely monitored and managed.

With regard to other financial assets that are neither past due nor impaired on the reporting date, there were no indications that the customers will be unable to meet their payment obligations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations. The Group is exposed to the risk of daily calls on its available cash resources. Liquidity risk is managed by the management of the Company.

The Group manages liquidity development in the course of annual budgeting and on a monthly basis.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and lease contracts.

As of 31 December 2023, the Group's current assets (€ 157,751 k; prior year: € 172,821 k) exceeded current liabilities (€ 47,803 k; prior year: € 35,491 k) by € 109,948 k. The Group's liquidity portfolio comprises cash and cash equivalents of € 110,654 k (prior year: € 127,792 k), allowing it to meet unexpected liquidity needs at short notice.

The Group's current financial liabilities as of 31 December 2023 amounted to € 2,157 k (prior year: € 1,433 k) and consisted exclusively of short-term liabilities due within one year. As of 31 December 2023, there were liabilities to banks of € 1,120 k (prior year: € 1,120 k).

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency positions, primarily with respect to the Swedish krona (SEK), the Norwegian krona (NOK), the Swiss franc (CHF) and the British pound (GBP). Currency risk arises from future commercial transactions as well as asset and liability positions. As part of its foreign currency management, Mister Spex uses derivative financial instruments – primarily denominated in USD, GBP, CHF, NOK and SEK – to mitigate currency risks. For this purpose, Mister Spex has banking partners of international repute.

There are two kinds of currency risk. While translation risk describes the risk of exchange differences leading to changes in the items of the statement of financial position and statement of profit or loss of a subsidiary when the local separate financial statements are translated into the group currency, transaction risk represents exchange differences at transaction level. Exchange differences resulting from translation risk are presented in equity.

The sensitivities of transaction risk are as follows: If the euro had appreciated by 5% as of 31 December 2023 against the foreign currencies presented above, earnings before interest and taxes would have been € 232 k (prior year: € 347 k) lower. If it had depreciated by 5%, earnings before interest and taxes would have been € 244 k (prior year: € 355 k) higher.

Interest rate risk

The interest rates of the loans are contractually agreed. The interest rate of each loan arises from the sum of several fixed components. Consequently, no interest rate risk is expected.

20. Capital management

The financial ratios used for corporate management are largely performance-oriented. The capital management objectives, methods and processes are geared to achieving the performance-based financial ratios with the overarching goal to support business growth and secure the Company's continued existence in the long term. The flexibility needed in the provision of funds requires a healthy financial structure with a focus on equity. As debt instruments are already being used, capital management comprises equity and debt capital.

A performance indicator for active capital management is the free cash flow comprising the sum of cash flows from operating activities and investing activities as well as cash repayments of lease liabilities. Free cash flow is also an indicator for changes in the liquidity situation. In the reporting period, it came to € −18,428 k (prior year: € −25,374 k).

21. Related parties

In accordance with IAS 24, parties are considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party's financial and operating policies.

In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

For the purposes of related party disclosures, the Mister Spex Group defines all shareholders of Mister Spex SE, the members of the Management Board and the Supervisory Board of Mister Spex SE, including any of their immediate family members, and any entity owned or controlled by such persons as a related party.

Management Board member remuneration

The Management Board comprises Dirk Graber, Dr. Mirko Caspar (appointed until 31 December 2023) and Maren Kroll (appointed from 1 June 2021 until 31 May 2023).

In € k	**2023**	2022
Short-term benefits	998	0
Salaries (base salary, fringe benefits, short-term variable remuneration)	778	1,107
Granting of share options (long-term variable remuneration)	900	400
Total	**2,676**	**1,507**

Other share-based payments comprising a total of 514,117 stock options were granted to all three members of the Management Board in the fiscal year.

Detailed information on the individual remuneration of each member of the Management Board is presented in the remuneration report.

Stephan Schulz-Gohritz was appointed as a new member of the Management Board with effect from 1 January 2024. He will take over from interim Chief Financial Officer (CFO) Dirk Graber.

Supervisory Board member remuneration

Expenses for Supervisory Board remuneration came to € 412 k in 2023 (prior year: € 412 k).

Detailed information on the individual remuneration of each member of the Supervisory Board is presented in the remuneration report.

22. Other financial obligations

The Group rents office space under non-cancelable leases with contractual terms of up to 10 years.

The following table shows the total future minimum lease payments under non-cancelable leases classified as lease components as well as other financial obligations.

In € k	**2023**	2022
Up to one year	20,322	26,760
Between one and five years	67,607	14,736
More than five years	30,261	4,661
Total commitments	**118,190**	**46,157**

23. Significant subsidiaries

Mister Spex SE, as the group parent, held direct and indirect equity investments in the following subsidiaries as of 31 December 2023:

	Registered office	Share in equity (in %)	
		2023	2022
Subsidiaries:			
International Eyewear GmbH	Berlin, Germany	100	100
Mister Spex France SAS	Rouen, France	100	100
Nordic Eyewear Holdings AB	Stockholm, Sweden	100	100
Nordic Eyewear AB	Stockholm, Sweden	100	100
Lensit.no AS	Karmsund, Norway	100	100
Mister Spex Switzerland AG	Zurich, Switzerland	100	100
Tribe GmbH	Berlin, Germany	–	100

The voting interests in the subsidiaries are the same as the ownership interests presented in the table. The merger of Tribe GmbH into the parent company Mister Spex SE as of 1 January 2023 reduced the number of subsidiaries from seven to six.

24. Number of employees

Employees by function:	**2023**	2022
Total number of employees	**1,293**	**1,330**
Operational employees	1,051	999
Commercial employees	139	215
Technical employees	103	116

The average number of employees in the Group during the fiscal year was 1,293 (prior year: 1,330); there were 1,079 full-time equivalents (prior year: 1,151).

25. Auditor's fees

The auditor's fees paid to EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft recognized as an expense in the reporting period come to € 572 k (prior year: € 519 k) for the audit (separate and consolidated financial statements), € 38 k for audit-related services (prior year: € 151 k) and € 61 k for other services (prior year: € 0 k). The auditor did not provide any other services.

Our Declaration of Conformity can be found on our website.

26. Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic earnings per share calculation:

Weighted average number of ordinary shares

In thousands of shares	**2023**	2022
Issued ordinary shares as of 1 January	33,891	34,769
Effect of treasury shares held	−973	−998
Effect of capital increase	61	85
Weighted average number of ordinary shares as of 31 December	**32,980**	**33,856**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these consolidated financial statements.

The following table provides the profit / (loss) amount used:

Basic earnings per share

	2023	2022
Loss (in € k)	−47,884	−44,927
Weighted average number of ordinary shares as of 31 December (in thousands of shares)	32,980	33,856
Earnings per share (in EUR)	**−1.45**	**−1.33**

The equity instruments of the share-based payment plans were excluded from the calculation of basic earnings per share as their effect would have been anti-dilutive. The number of ordinary shares potentially outstanding during fiscal year 2023 would have been 2,135 thousand shares (prior year: 3,793 thousand shares).

27. Note on the declaration on corporate governance

The declaration of conformity with the German Corporate Governance Code required under Sec. 161 AktG was issued in December 2023 and made available to the shareholders on a permanent basis on the internet (see https://ir.misterspex.com/websites/misterspex/English/6000/corporate-governance.html).

28. Events after the reporting date

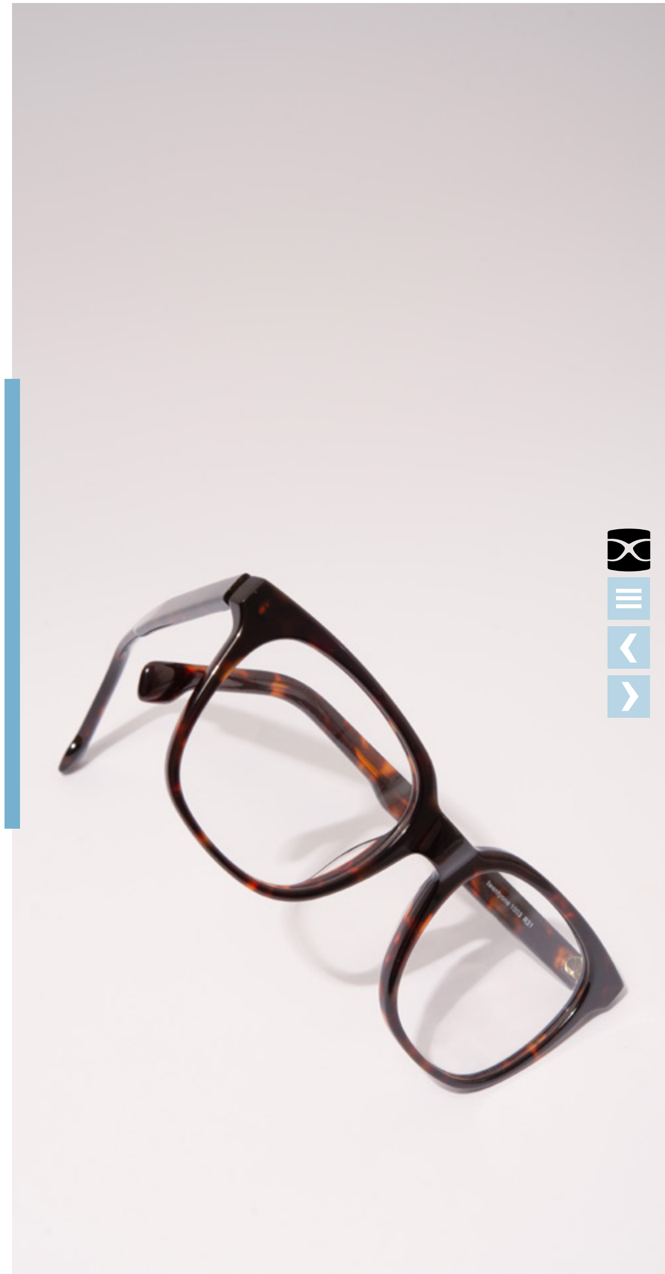
There were no events after the reporting date which had a significant effect on the Group's assets, liabilities, financial position or financial performance.

Berlin, 26 March 2024

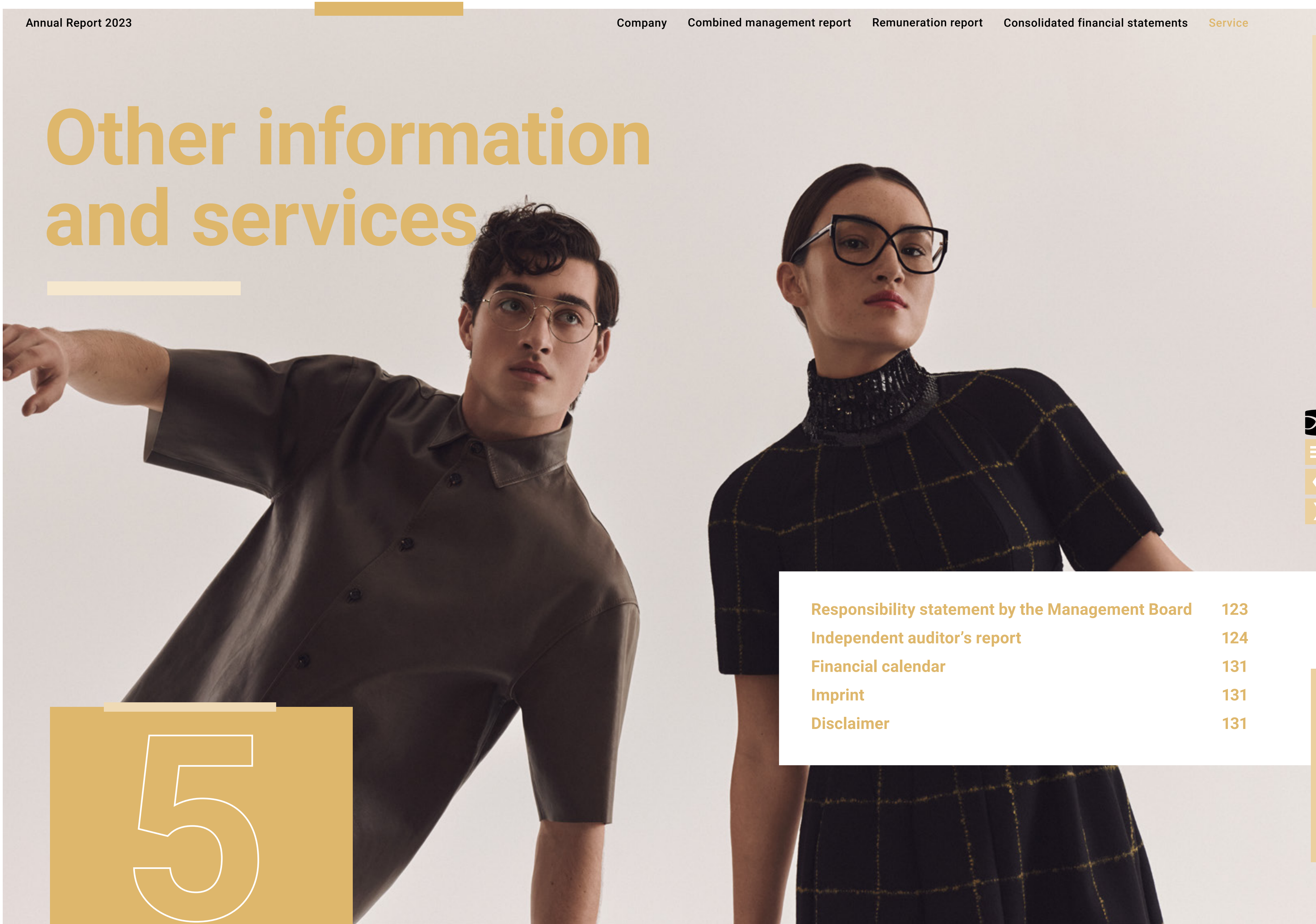
The Management Board

Dirk Graber
Founder and CEO

Stephan Schulz-Gohritz
CFO



Other information and services



5

Responsibility statement by the Management Board

We assure to the best of our knowledge and in accordance with the applicable reporting principles that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and that the group management report, which is combined with the management report of Mister Spex SE, includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group.

Berlin, on 26 March 2024

The Management Board

Dirk Graber
Founder and CEO

Stephan Schulz-Gohritz
CFO

Independent auditor's report

Independent auditor's report

To Mister Spex SE

Report on the audit of the consolidated financial statements and of the group management report

Opinions

We have audited the consolidated financial statements of Mister Spex SE, Berlin, and its subsidiaries (the Group), which comprise the consolidated statement of comprehensive income for the fiscal year from 1 January to 31 December 2023, and the consolidated statement of financial position as at 31 December 2023, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Mister Spex SE, which was combined with the management report of the Company, for the fiscal year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the parts of the group management report listed in the appendix to the auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2023 and of its financial performance for the fiscal year from 1 January to 31 December 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the parts of the group management report listed in the appendix.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

- **Existence and measurement of revenue from the sale and dispatch of merchandise taking into account expected returns**

Reasons why the matter was determined to be a key audit matter

When Mister Spex SE sells merchandise to its customers, the service is typically only rendered when the merchandise is delivered, i.e., on the date on which control has been transferred to the customer. Mister Spex SE's customers can return the merchandise free of charge within the legally prescribed period and beyond within the withdrawal period granted by Mister Spex SE. Expected returns, which are not recognized as revenue, are calculated by Mister Spex SE's executive directors. This calculation is based on assumptions and judgment, in particular regarding return rates expected for specific countries, months and products. Revenue has a significant impact on the Group's profit or loss for the period and is one of the key financial performance indicators for the Mister Spex Group.

Due to the large transaction volume for the sale of merchandise, the general risk of fictitious revenue and the uncertainty inherent in the estimation of expected returns, we consider the existence and measurement of revenue from the sale and dispatch of merchandise to be a key audit matter.

Auditor's response

As part of our audit procedures, we obtained an understanding of the revenue recognition process from the moment merchandise is ordered until payment is received as implemented by Mister Spex SE's executive directors based on the process documentation provided to us. In addition, we assessed whether the requirements of IFRS 15 for revenue recognition were complied with and tested the effectiveness of implemented internal controls, focusing in particular on the operating effectiveness of IT-based controls. Taking into account historical daily, weekly and monthly figures for financial and non-financial data points, we developed our own expectations for revenue from the sale of merchandise and compared these with the revenue realized in the current fiscal year in order to detect any irregularities in the development of revenue. We also examined the posting journal for manual revenue entries and performed contra account and correlation analyses.

As part of our substantive audit procedures for a sample of sales chosen on the basis of statistical methods, we moreover obtained evidence (delivery notes, invoices, incoming payments) for the existence of revenue in order to verify that revenue was only recognized for merchandise that was actually dispatched. In addition, we checked the arithmetical accuracy of the calculation of expected returns performed by Mister Spex SE's executive directors. We compared the expected return rates by country, month and product to historical return rates, taking into account seasonal effects, and analyzed them. For a more in-depth assessment of the expected return rates by country, month and product, we moreover performed a comparison with the merchandise returns recorded by the financial accounting department until the end of our audit.

Our audit procedures pertaining to the existence of revenue and the measurement of revenue from the sale and dispatch of merchandise taking into account expected returns did not lead to any reservations.

Reference to related disclosures

With regard to the recognition and measurement policies applied for recognizing revenue from merchandise, refer to the Company's disclosures in the notes to the consolidated financial statements in the subsection "Revenue from contracts with customers" in section "III. Accounting policies" and in subsection "1. Revenue" in section "VII. Notes to the consolidated statement of comprehensive income."

- **Impairment testing of non-current non-financial assets**

Reasons why the matter was determined to be a key audit matter

The Mister Spex Group recognizes significant non-current non-financial assets, including goodwill, and assesses at each reporting date whether there is an indication that non-current non-financial assets may be impaired. If any indication exists, or when annual impairment testing for a non-current non-financial asset is required, the Mister Spex Group estimates the non-financial asset's recoverable amount. The result of the impairment test to determine whether an impairment loss has to be recognized for non-current non-financial assets is highly dependent on the estimate by the Mister Spex Group's executive directors of future cash flows and the respective discount rates used.

The executive directors' assessment of the adequate valuation of non-current non financial assets is based on valuation models in connection with which the executive directors also exercise significant judgment in determining the cash generating units for the purpose of the impairment tests and the long-term growth rates assumed.

As there was an indication of impairment as of the reporting date because market capitalization was lower than the carrying amount of the net assets of the Mister Spex Group and in light of the materiality of the non-current non-financial assets, the complexity of their valuation and the judgment exercised during valuation, impairment testing of non-current non-financial assets was a key audit matter.

Auditor's response

During our audit, among other things, we evaluated the methods used to carry out the impairment tests in light of the relevant provisions of IAS 36. In this respect, we checked the arithmetical accuracy of the valuation models used. Moreover, we obtained an understanding of the Mister Spex Group's processes for forecasting expected future cash flows and for testing non-current non-financial assets for impairment. We checked the determination and composition of the carrying amounts of the cash-generating units based in particular on the criteria of IAS 36.

As a starting point, we compared the operational planning for 2024 for the Mister Spex Group prepared by the executive directors and approved by the Supervisory Board and the multi-year plan prepared by the executive directors with the forecast values used in the impairment tests. We discussed the significant planning assumptions for the individual cash-generating units or groups of cash-generating units to which significant non-current non-financial assets are allocated with the executive directors and compared these with the results and cash inflows realized in the past to assess how accurately the expected future cash flows were forecast.

To assess the discount rates and growth rates used, we analyzed the inputs used to determine these rates based on publicly available information and obtained an understanding of the underlying methods with regard to the relevant requirements of IAS 36.

We also evaluated the executive directors' sensitivity analyses in order to estimate any potential impairment risk associated with a reasonably possible change in one of the significant assumptions used in the valuation.

Our audit procedures did not lead to any reservations relating to the impairment testing of non-current non-financial assets..

Reference to related disclosures

With regard to the recognition and measurement policies applied for non-current non financial assets, refer to the disclosures in the notes to the consolidated financial statements in the subsections “Goodwill,” “Intangible assets,” “Property, plant and equipment,” “Leases” and “Impairment of non-financial assets” in section “III. Accounting policies.” For the related disclosures on judgments by the executive directors and sources of estimation uncertainty as well as the disclosures on non-current non-financial assets, refer to the disclosures in the notes to the consolidated financial statements in the subsection “Impairment tests” in section “IV. Significant accounting estimates and judgments in applying accounting policies” and in subsection “8. Impairment tests for non-current non-financial assets” in section “VIII. Notes to the consolidated statement of financial position.”

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG [“Aktiengesetz”: German Stock Corporation Act] on the German Corporate Governance Code, which is part of the group corporate governance statement, and for the remuneration report pursuant to Sec. 162 AktG. In all other respects, the executive directors are responsible for the other information. The other information comprises the parts of the annual report listed in the appendix to the auditor’s report.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group’s financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor’s responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with

German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control; •

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information..

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the group management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file Mr_Spex_SE_KA-KLB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 January to 31 December 2023 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as group auditor by the Annual General Meeting on 26 May 2023. We were engaged by the Supervisory Board on 7 November 2023. We have been the group auditor of Mister Spex SE without interruption since fiscal year 2015. Mister Spex SE has been a publicly traded corporation as defined by Sec. 264d HGB since 2021.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the consolidated financial statement audit, we have provided to the group companies the following services, all of which are permitted non-audit services as defined by the EU Audit Regulation, that are not disclosed in the consolidated financial statements or in the group management report:

- Formal audit of the remuneration report in accordance with Sec. 162 (3) AktG for the fiscal year from 1 January to 31 December 2023
- Support services in connection with the enforcement procedure pursuant to Secs. 106 to 113a WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]
- Review of the "representation letter pursuant to Sec. 11 VerpackG ["Verpackungsgesetz": German Packaging Act]"
- Agreed-upon procedures relating to the revenue statements for various stores.

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [German Company Register] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Ms. Mandy Bilz.

Appendix to the auditor's report:

- **Parts of the management report whose content is unaudited**

We have not audited the content of the following parts of the group management report:

- The group corporate governance statement
- The non-financial report

Furthermore, we have not audited the content of the following disclosures extraneous to management reports. Disclosures extraneous to group management reports are such disclosures that are not required pursuant to Secs. 315, 315a HGB or Secs. 315b to 315d HGB or GAS 20:

- The information on the number of customers included in the "Background of the Group" section
- The information on the number of countries of origin of employees, the number of customers, the information on the total capacity of the sales center in Berlin as well as on the number of orders dispatched per day and the percentage of orders dispatched on the order date included in the "Business model" section
- The statements contained in the "Group strategy" subsection
- The information provided in the "Our people" subsection on the number of countries of origin of employees, the information on the percentage of female employees in the workforce in 2023 and 2022, the information in the "Working at Mister Spex" subsection, the information on the average age of the workforce, the percentage of employees aged between 31 and 50 years in 2023, the statement that this figure is similar to that of the prior year, and the percentage of women in the workforce in 2023 and 2022 Additionally, the quantitative disclosures in this subsection for 2023 and 2022 on the percentages of female and male employees, the average age of employees, as well as information about the composition of the workforce according to age groups and information on new hires broken down by gender and age group
- The statement included in the "Financial performance, financial position and assets and liabilities of the Mister Spex Group" section on the relative development of personnel expenses in the first and second half of 2023 compared to the same period of the prior year
- The statement contained in the "Comparison of outlook and actual business developments" section on the growth rates of revenue in the first two quarters of 2023, the statement that these were bolstered by a solid performance in key categories, particularly prescription glasses and sunglasses, and the statements on revenue growth in the third and fourth quarters of 2023
- The statements contained in the "Non-financial internal control system" and "Design of the internal control system" subsections

- **Further other information**

Further other information comprises the following component of the annual report, of which we obtained a version prior to issuing this auditor's report:

- The section "The Company" with the subsections "Changing styles," "Handcrafting bespoke eyewear," "Assisting in creating change," "Navigating the market for 15 years," "Growing store network and continuing to focus on sustainability," "Evolving financial and non-financial profile," "Letter to the shareholders, "Report of the Supervisory Board," "Supervisory Board" and "Mister Spex share"
- The section "Remuneration report pursuant to Sec. 162 AktG"
- The section "Other information and services" with the subsections "Responsibility statement by the Management Board," "Financial calendar," "Imprint" and "Disclaimer"

but not the consolidated financial statements, not the group management report disclosures whose content is audited and not our auditor's report thereon.

Berlin, 26 March 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Nasirifar	Bilz
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Financial calendar

Datum	
March 27, 2024	Publication annual financial report
May 8, 2024	Publication quarterly statement (call-date Q1)
June 7, 2024	Annual General Meeting
August 29, 2024	Publication half-yearly financial report

Imprint

Contact
Mister Spex SE
Hermann-Blankenstein-Straße 24
10249 Berlin
Germany
https://corporate.misterspex.com/de

Design and Typesetting
IR-ONE AG&Co., Hamburg
www.ir-one.de

INVESTOR RELATIONS
Irina Zhurba
Head of Investor Relations
E-mail: investorrelations@misterspex.de

DISCLAIMER

This report also contains forward-looking statements. These statements are based on the current view, expectations and assumptions of the management of Mister Spex SE (“Mister Spex”). Such statements are subject to known and unknown risks and uncertainties that are beyond Mister Spex’s control or accurate estimates, such as the future market environment and the economic, legal and regulatory framework, the behaviour of other market participants, the successful integration of newly acquired entities and the realisation of expected synergy effects, as well as measures by public authorities.

If any of these or other uncertainties and imponderables materialise, or if the assumptions on which these statements are based prove to be incorrect, actual results could differ materially from those expressed or implied by such statements. Mister Spex does not warrant or assume any liability that the future development and future actual results will be consistent with the assumptions and estimates expressed in this report. Mister Spex does not intend or assume any obligation to update forward-looking statements to reflect events or developments after the date of this report, except as required by law. 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.

Mister Spex

Hermann-Blankenstein-Straße 24

10249 Berlin

Germany