



Q3 2023 Results Presentation

9 November 2023



Executive summary

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



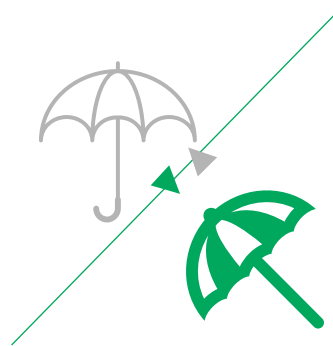
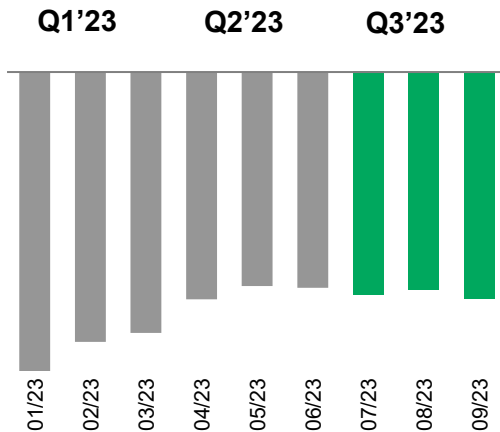
Continue to perform in a challenging environment

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

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

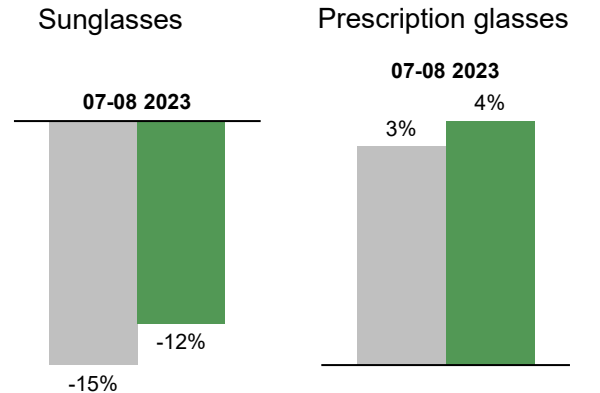
... impacted our **revenue and product mix**

■ GfK Consumer Confidence (index points)



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

Germany – Unit growth



Market outperformance:



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

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

Looking into Q3 revenue development



Revenue growth



Prescription glasses
-3%



Sunglasses
+4%



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

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

Wettest August in Germany since 2010

Negative sunglasses development in online and brick-and-mortar

Warmest September on record in Germany

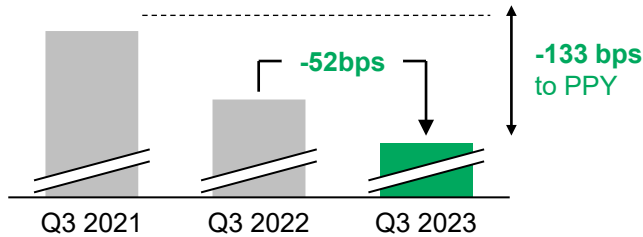
High sickness rates

Persistently reduced consumer sentiment

Q3 headwinds impact gross margin development

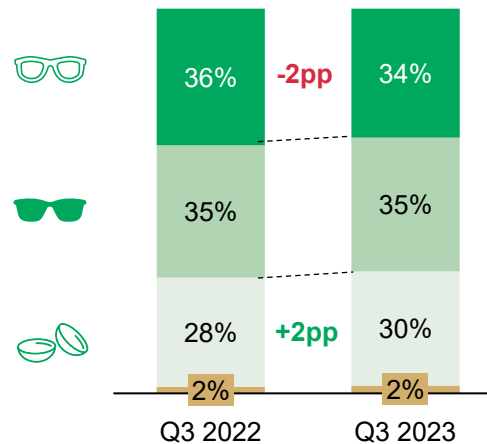
We continue to make progress on **decreasing discounts** and simplifying our promotions ...

Discount rates (%)



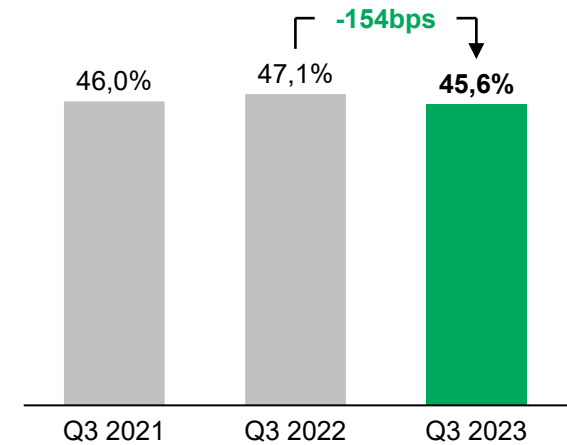
... but unseasonal weather patterns and reduced consumer sentiment have significantly **impacted our product mix**...

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



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

Gross margin (%)



Lean 4 Leverage: Q3

Areas of focus for 2023

Concentrate on the core



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

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



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

▶ Labor productivity: **9M +18% YoY**

Optimise price, mix and product margin



AOV growth and margin expansion in Prescription glasses

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

▶ **Q3 AOV: +13%**
(176 EUR)



AOV growth in Sunglasses

▶ **Q3 AOV: +9%**
(107 EUR)

Lean for operational leverage



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



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

Strategic update



Continuing to build on our brand promise

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



Using AI to drive improvements in Operations and Customer Experience



Continuing to build on our brand promise with Mister Spex

Perfect fit for our customers...



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



Light & Flexible
via 3D printed material



Locally produced
Low waste, on demand, European
production

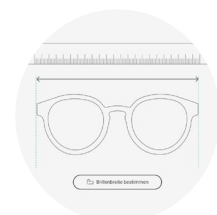
... and a large opportunity for Mister Spex



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

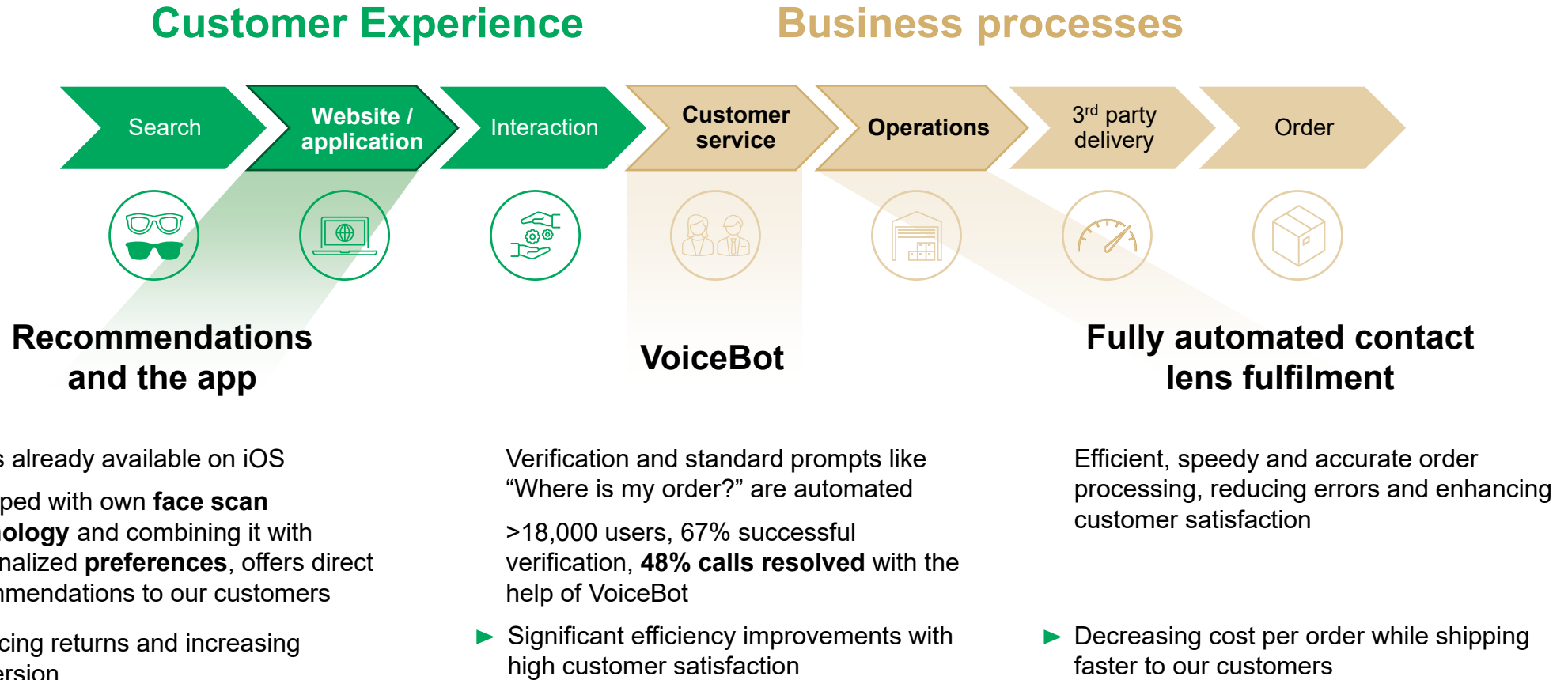


Interest for more shapes and colors will broaden the addressable market
More choice of shape and color in the
pipeline



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

Using AI and robotics to drive improvements in operations



Financial update



Growth of 2% bringing 9M to 6%

Fully on track to meet revenue guidance



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

Fully on track to meet profitability guidance



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

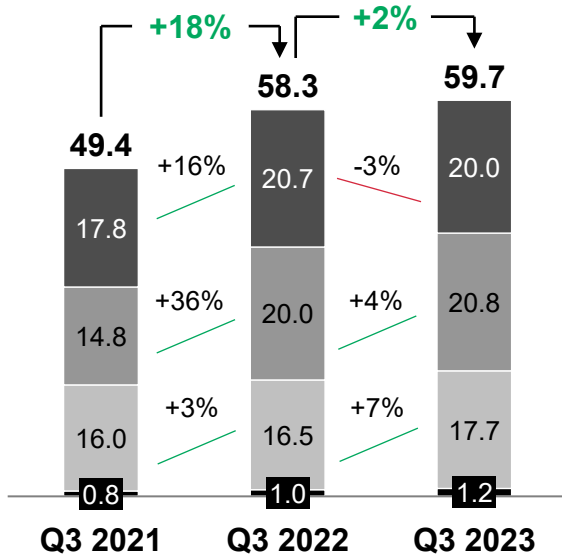
Fully on track to meet our soft guidance



Revenue – category development

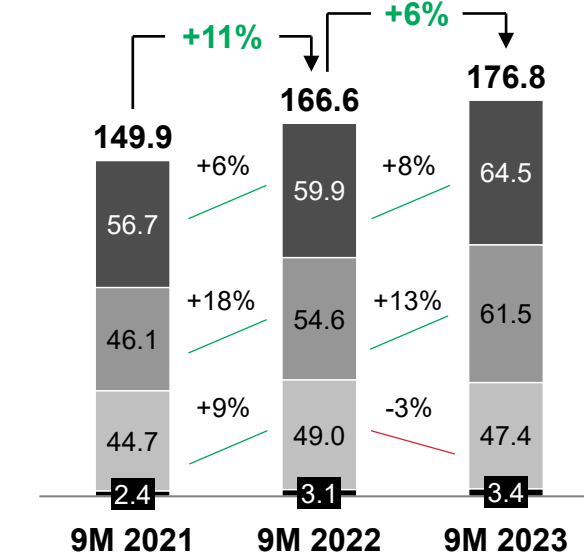
Q3 Revenue

€m



9M Revenue

€m



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

Q3 2023

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

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

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

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

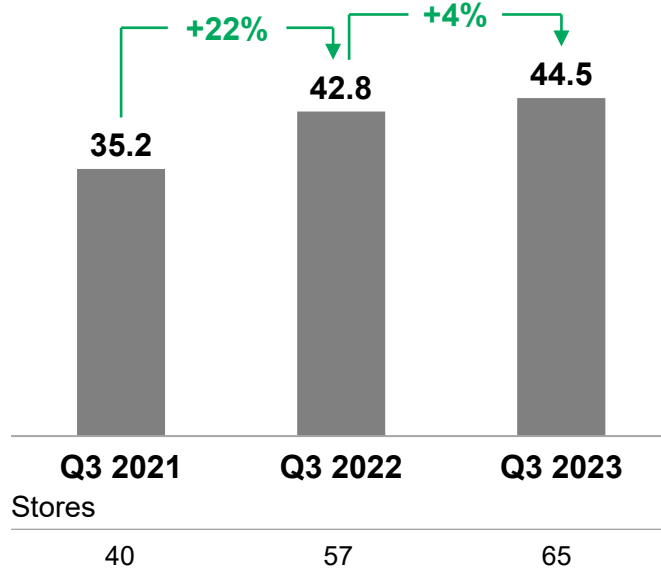
No new store openings in Q3



Revenue – segments development

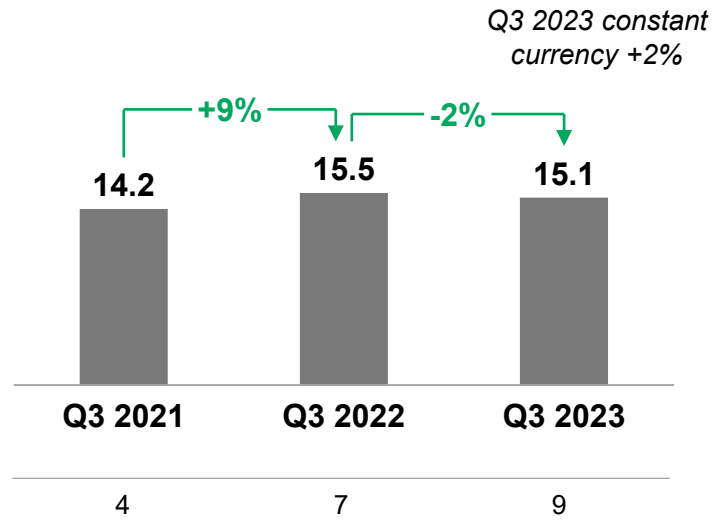
Net Revenue – Germany

€m



Net Revenue – International

€m



Financial performance in Q3 2023

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

Q3

Gross profit margin is impacted by unfavorable product mix

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

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

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



Guidance 2023

Net revenue (€ m)

Mid to high single digit growth



Adjusted EBITDA margin (%)

Low single digit percentage margin



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



Looking ahead

Reporting

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

Conferences and roadshows

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






Q&A





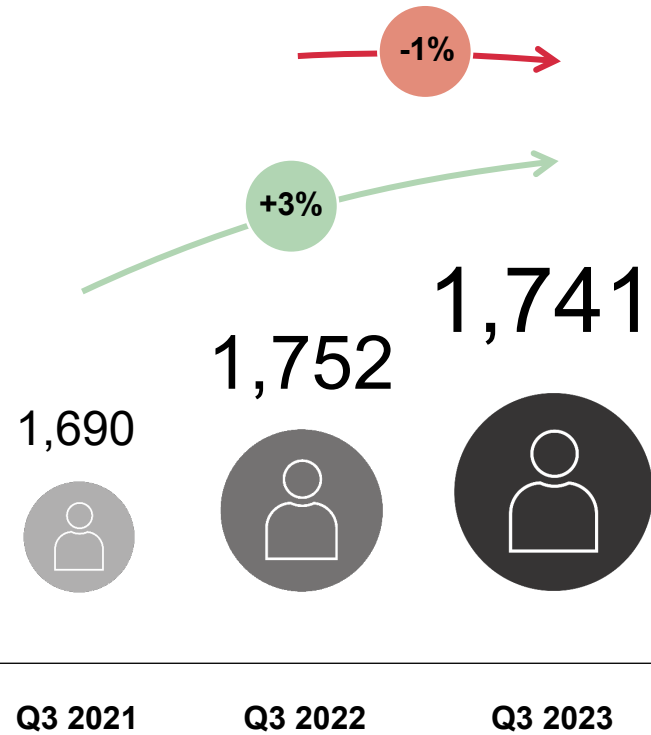
| Appendix

Guidance 2023

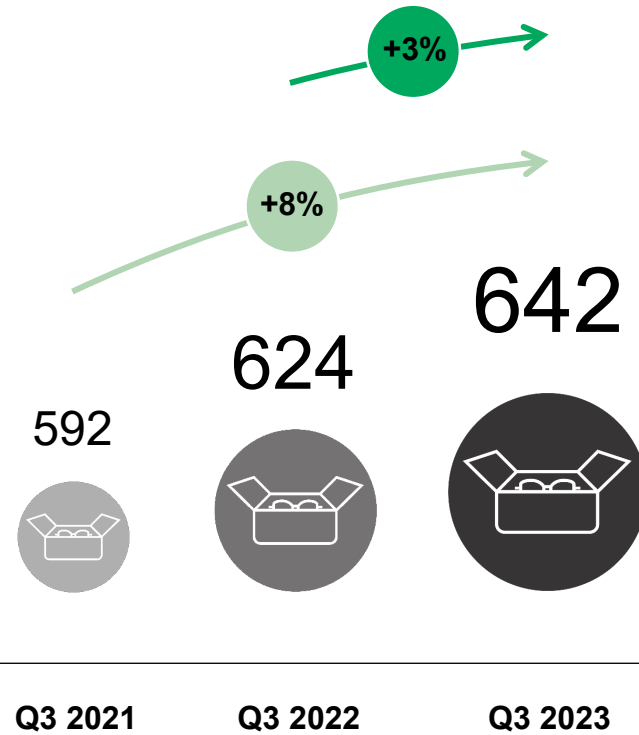
| | 2022 | Guidance 2023 | Comments |
|---|------------|---|---|
| Net revenue (€ m) | 210 | Mid to high single digit growth | Supported by price increases and volume growth |
| Prescription share (%) | 39% |  | Increasing due to further store roll out and maturing store portfolio |
| Gross profit margin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

Resilient unit economics

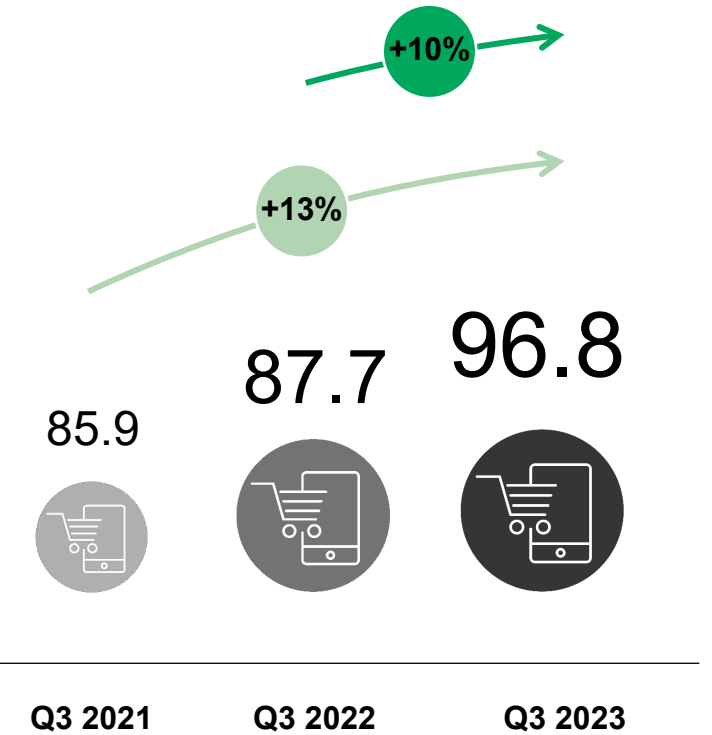
Active customers LTM¹
thousand



Number of orders²
thousand



Average order value LTM³
€



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

Consolidated statement of profit or loss

Consolidated statement of profit and loss

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

Consolidated statement of other comprehensive income and loss

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



Consolidated statement of cash flows

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

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



Consolidated statement of financial position

Consolidated statement of financial position

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



