Translation from the German language

Mister Spex SE, Berlin
Balance sheet as of 31 December 2021

in EUR

ASSETS	31 Dec 2021	31 Dec 2020
A. FIXED ASSETS		
I. Intangible assets		
1. Internally generated software and similar rights and assets	6,993,127.96	3,846,012.42
2. Purchased software	2,919,086.10	4,328,969.33
3. Prepayments and assets under construction	8,582,670.91	5,653,659.69
	18,494,884.97	13,828,641.44
II. Property, plant and equipment		
1. Plant and machinery	5,188,376.34	4,535,295.30
2. Other equipment, furniture and fixtures	10,966,815.80	8,791,903.29
3. Prepayments and assets under construction	2,535,921.96	1,779,796.66
	18,691,114.10	15,106,995.25
III. Financial assets		
1. Shares in affiliates	13,782,820.60	11,827,021.66
2. Loans to affiliates	25,998,806.67	16,072,705.88
3. Equity investments	2,511,772.42	2,511,772.42
4. Loans to other investees and investors	1,003,000.00	250,000.00
	43,296,399.69	30,661,499.96
	80,482,398.76	59,597,136.65
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials, consumables and supplies	1,206,927.04	668,943.14
2. Merchandise	19,811,791.41	15,144,053.32
3. Prepayments	187,074.67	198,472.51
	21,205,793.12	16,011,468.97
II. Receivables and other assets		
1. Trade receivables	1,733,748.66	1,091,173.74
2. Receivables from affiliates	2,396,061.77	491,119.29
3. Receivables from other investees and investors	949,427.08	2,541.00
4. Other assets	19,634,049.79	7,927,112.13
	24,713,287.30	9,511,946.16
III. Securities Other securities	25,010,451.26	0.00
IV. Cash on hand and bank balances	140,577,996.90	12,531,443.66
	211,507,528.58	38,054,858.79
C. PREPAID EXPENSES	1,940,736.30	686,682.43
	293,930,663.64	98,338,677.87

EQUITY AND LIABILITIES	31 Dec 2021	31 Dec 2020
A. EQUITY		
I. Subscribed capital	34,769,368.00	1,260,626.00
Treasury shares	-1,008,000.00	-67,200.00
Conditional capital 4,766,775.00 EUR (Prior year: 0.00 EUR)		
II. Capital reserves	325,699,132.96	111,065,242.17
III. Loss carryforward	63,124,829.44	56,075,814.78
IV. Net loss for the year	30,224,747.88	7,049,014.66
	266,110,923.64	49,133,838.73
B. CONTRIBUTION MADE TO EFFECT THE RESOLVED CAPITAL INCREASE	84,695.00	0.00
C. SPECIAL ITEM FOR INVESTMENT SUBSIDIES	78,611.20	306,324.04
D. PROVISIONS		
Other provisions	5,416,466.44	6,008,910.90
E. LIABILITIES		
1. Liabilities to banks	0.00	30,438,974.57
2. Prepayments received on account of orders	1,077,457.19	678,128.51
3. Trade payables	14,345,654.80	8,468,638.99
4. Liabilities to affiliates	2,216,795.70	0.00
5. Other liabilities	2,631,767.85	1,973,646.41
thereof for taxes:	1,219,658.27	510,302.57
thereof for social security:	57,660.30	6,781.28
	20,271,675.54	41,559,388.48
F. DEFERRED INCOME	337,776.60	254,397.02
G. DEFERRED TAX LIABILITIES	1,630,515.22	1,075,818.70
	293,930,663.64	98,338,677.87

Translation from the German language

Mister Spex SE, Berlin
Income statement for fiscal year 2021

in EUR	2021	2020
1. Revenue	173,921,612.90	144,597,730.97
2. Other own work capitalized	6,955,509.00	4,613,403.00
3. Other operating income	4,549,247.31	700,169.00
thereof income from currency translation: EUR 217,927.08 (prior year: EUR 139,217.36)		
4. Cost of materials		
Cost of raw materials, consumables and supplies and of purchased merchandise	85,372,413.77	68,940,262.04
5. Personnel expenses		
a) Wages and salaries	39,015,674.56	28,503,328.82
b) Social security, pension and other benefit costs	6,587,404.52	5,205,595.46
thereof for old-age pensions: EUR 96,519.92 (prior year: EUR 47,491.75)		
	45,603,079.08	33,708,924.28
6. Amortization, depreciation and impairment of intangible assets and property, plant and equipment	7,329,212.85	4,979,222.47
7. Other operating expenses	75,401,012.84	46,960,828.50
thereof expenses from currency translation: EUR 174,662.67 (prior year: EUR 246,941.67)		
8. Income from profit and loss transfer	124,103.63	103,554.70
9. Income from loans classified as fixed financial assets	1,345,693.29	1,414,045.81
thereof from affiliates: EUR 1,291,758.40 (prior year: EUR 1,411,504.81)		
10. Other interest and similar income	8,897.00	417.22
11. Interest and similar expenses	2,877,211.82	3,572,247.00
12. Income taxes	546,880.65	316,851.07
Earnings after taxes	-30,224,747.88	-7,049,014.66
Net loss for the year	-30,224,747.88	-7,049,014.66

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Mister Spex SE, Berlin

Notes to the financial statements

for the fiscal year
from 1 January to 31 December 2021

Translation from the German language

Mister Spex SE
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I. General

The Company, having its registered office in Berlin, is entered under the name of Mister Spex SE in the commercial register of Charlottenburg Local Court under HRB no. 230317 B and is the legal successor of Mister Spex AG, having its registered office in Berlin. In the course of its continued expansion in Europe, Mister Spex AG changed its legal form from a German stock corporation (AG) to a European company (SE). Prior to this change, Mister Spex N.V., Amsterdam, Netherlands, was merged into the Company in a merger by absorption in the second quarter of 2021. Mister Spex N.V. was a wholly owned subsidiary of the Company. The annual general meeting approved the merger and the change of form on 20 May 2021 and these changes became effective upon entry in the commercial register of Charlottenburg Local Court on 8 June 2021.

Since 2 July 2021, the shares of Mister Spex SE have been traded in the Prime Standard segment of the regulated market of the Frankfurt Stock Exchange.

The financial statements as of 31 December 2021 of Mister Spex SE were prepared in accordance with the accounting provisions of the HGB [“Handelsgesetzbuch”: German Commercial Code] for merchants (Sec. 238 et seq. HGB) and the supplementary provisions for corporations (Sec. 264 et seq. HGB). In addition, the provisions of the AktG [“Aktiengesetz”: German Stock Corporation Act] in conjunction with Art. 61 of EU Council Regulation 2157/2001 were also observed.

The provisions for large corporations as defined by Sec. 267 (3) HGB were applied to the reporting.

The format of the balance sheet and income statement complies with Secs. 266 and 275 HGB; the nature of expense method is used for the income statement pursuant to Sec. 275 (2) HGB.

II. Accounting policies applied

The accounting policies used to prepare the financial statements remained largely unchanged year on year.

The valuation of assets and liabilities was performed on a going concern basis.

ASSETS

The option to recognize **internally generated intangible assets** afforded by Sec. 248 (2) HGB was exercised and the related assets are amortized, using the straight-line method over a useful life of three to five years. The cost of internally generated intangible assets includes direct costs as well as a proportionate share of directly attributable overheads.

Purchased intangible assets are recognized at acquisition cost less straight-line amortization. Borrowing costs are not capitalized. Amortization is charged over a useful life of 3 to 10 years.

Property, plant and equipment are recognized at acquisition cost less depreciation. Depreciation is charged pro rata temporis on a straight-line basis over the useful lives of the assets of up to 20 years.

Low-value assets with an individual net value not exceeding EUR 250.00 are fully expensed in the year of acquisition, their immediate disposal being assumed. For convenience, the collective item procedure applied for tax purposes to assets with an individual net value of more than EUR 250.00 but no greater than EUR 1,000.00 is also used in the statutory balance sheet. The collective item is depreciated by 20% in the year of acquisition and in each of the four following years.

Financial assets are recognized at the lower of cost or net realizable value, while loans are recognized at nominal value. Net realizable values of equity investments are determined on the basis of capitalized earnings values in line with IDW AcP HFA 10.

Pursuant to Sec. 255 (1) HGB, **raw materials, consumables and supplies** are recognized at their weighted average acquisition cost in accordance with Sec. 240 (4) HGB.

Merchandise is recognized at the lower of cost or net realizable value. Apart from normal retentions of title, no inventories have been pledged as security to third parties. Adequate allowances provide for all identifiable inventory valuation risks resulting from slow-moving stock, reduced usability and lower replacement costs.

Receivables and other assets are stated at their nominal value. Specific bad debt allowances provide for all foreseeable valuation risks. The general credit risk is provided for by a general bad debt allowance.

Securities classified as current assets are recognized at acquisition cost or, if applicable, at the lower listed or market prices on the reporting date in accordance with Sec. 253 (4) HGB.

Cash on hand and bank balances are stated at nominal value.

Prepaid expenses include expenses before the reporting date that relate to a certain period after this date.

EQUITY AND LIABILITIES

Subsidies for investments are recognized in liabilities under a **special item** and released to profit and loss over the useful life of the subsidized assets.

Other provisions account for all identifiable risks and uncertain liabilities as well as potential losses from pending transactions relating to the fiscal year which were known as of the reporting date. They are recognized at the settlement value deemed necessary according to prudent business judgment (i.e., including future cost and price increases).

The Company regularly affords its customers the right to return purchased products. Revenue recognition is adjusted by an appropriate provision for expected returns, reducing both revenue and cost of materials for the fiscal year by this amount.

Liabilities are recorded at the settlement value.

Foreign currency assets and liabilities are translated using the mean spot rate on the reporting date in accordance with Sec. 256a HGB.

Deferred taxes result from tax loss carryforwards as well as from temporary differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory balance sheet and their tax carrying amounts. Deferred taxes are calculated using a tax rate of 30.17% (prior year: 30.17%) and comprise corporate income tax, trade tax and the solidarity surcharge of Mister Spex SE. Deferred tax assets and liabilities are offset.

The offsetting of deferred tax assets and deferred tax liabilities (including deferred tax assets recognized for tax loss carryforwards) gave rise to a net deferred tax liability as of the reporting date. Temporary differences within the meaning of Sec. 274 HGB arise particularly with regard to intangible assets.

III. Notes to individual items of the balance sheet

Fixed assets

The development and composition of the individual fixed asset items, including amortization, depreciation and impairment, is shown in an exhibit to the notes.

Development costs for internally generated intangible assets of EUR 6,956k were capitalized in the fiscal year (prior year: EUR 4,613k). As in the prior year, development costs were incurred exclusively for software development. Research costs were insignificant and were immediately expensed.

Dividend restriction

As of the reporting date, the total amount not distributable pursuant to Sec. 268 (8) HGB came to EUR 12,226k (prior year: EUR 9,017k). This amount is calculated as the sum of the intangible assets that cannot be recognized as assets under tax law of EUR 17,509k (prior year: EUR 12,913k) less the related deferred taxes of EUR 5,283k (prior year: EUR 3,896k).

Information on shareholdings in fixed financial assets

The Company held shares in the following affiliates and equity investments as of 31 December 2021:

				Share in equity (in %)	
Subsidiary	**Registered office**	**Equity (in EUR k)**	**Net income/net loss for the year[1] (in EUR k)**	**2021**	**2020**
International Eyewear GmbH	Berlin, Germany	25	0[2]	100	100
Mister Spex France SAS	Rouen, France	78	22	100	100
Nordic Eyewear Holdings AB	Stockholm, Sweden	1,100	-1,428	100	100
Nordic Eyewear AB[3]	Stockholm, Sweden	1,755	-3,677	100	100
Lensit.no AS[4]	Karmsund, Norway	1,307	649	100	100
Associate					
Tribe GmbH	Berlin, Germany	-875	-609	48.17	48.17

[1] Calculated in accordance with local GAAP.
[2] After profit transfer.
[3] Indirect shareholding through Nordics Eyewear AB.
[4] Indirect shareholding through Nordics Eyewear AB.

Current assets

Inventories

Inventories amounted to EUR 21,206k in the fiscal year (prior year: EUR 16,011k). As in the prior year, these primarily consist of the product groups: prescription eyewear, sunglasses and contact lenses.

Receivables and other assets

As in the prior year, all trade receivables and receivables from affiliates and other investees and investors are due in less than one year.

EUR 15,488k (prior year: EUR 5,224k) of the other assets are due in less than one year and EUR 4,146k (prior year: EUR 2,703k) are due in more than one year.

Receivables and other assets have the following balances as of 31 December 2021 and 31 December 2020, respectively:

Balance sheet item	**31 Dec 2021 in EUR k**	**31 Dec 2020 in EUR k**
Trade receivables	1,734	1,091
Receivables from affiliates	2,396	491
Receivables from other investees and investors	949	3
Other assets	19,634	7,927
Total	**24,713**	**9,512**

Receivables from affiliates relate to trade receivables (EUR 2,168k; prior year: EUR 387k) and receivables from profit transfer (EUR 228k; prior year: EUR 104k).

The Company had sold trade receivables of EUR 471k (prior year: EUR 1,456k) as of the reporting date under a non-recourse factoring arrangement. The sale of trade receivables serves to improve the liquidity of the Company and, as a non-recourse sale, it does not give rise to any residual valuation risk for the Company.

Other assets mainly relate to receivables from shareholders who sold shares in the course of the initial public offering (IPO), receivables from supplier discounts, security deposits paid, creditors with debit balances and VAT refund claims as well as a premium paid in fiscal year 2020 for the option to acquire the outstanding shares in Tribe GmbH. In addition, other assets include contributions called but not yet paid of EUR 437k (prior year: EUR 0k).

Securities

As of the reporting date, the Company held securities of EUR 25,010k (prior year: EUR 0k). The securities classified as current assets comprise investments in various money market funds.

Prepaid expenses

This item comprises payments of EUR 1,941k that constitute expenses for a certain period after the reporting date (prior year: EUR 631k).

Equity

The Company's subscribed capital amounted to EUR 34,769,368 as of 31 December 2021 (prior year: EUR 1,260,626). Of this amount, the Company held treasury shares of EUR 1,008,000 as of 31 December 2021 (prior year: EUR 67,200).

By resolution of the extraordinary general meeting on 14 June 2021, the Company's subscribed capital was increased by a total of EUR 365k by way of a capital increase in return for cash contributions. This amount was fully paid in. The subscribed capital was then further increased by EUR 22,760k from EUR 1,626k to EUR 24,385k by converting the Company's capital reserves into subscribed capital. All shareholders participated in this increase in proportion to their respective shareholdings. In this context, treasury shares increased by EUR 941k to EUR 1,008k.

In addition, a total of 9,782,609 new shares, each with a nominal value of EUR 1.00, were issued in the subsequent IPO in June 2021. After the IPO, capital was further increased by EUR 601k in total in connection with the exercise of existing options.

Including all capital increases, the conversion of the Company's capital reserves and the issuance of shares under the IPO, subscribed capital was increased by EUR 33,509k in fiscal year 2021.

Subscribed capital is divided into 34,769,368 no-par value bearer shares (no-par value shares).

Subscribed capital less treasury shares amounted to EUR 33,761k as of 31 December 2021. It has been fully paid in.

Capital reserves amounted to EUR 325,699k as of the reporting date (prior year: EUR 111,065k). As a result of the capital increase from company funds in June 2021, capital reserves decreased by EUR 21,819k. EUR 234,783k was transferred to capital reserves from the capital increase in connection with the IPO. In addition, capital reserves rose by EUR 1,670k due to capital increases in connection with the exercise of options in 2021.

By resolutions of the general meeting on 14 June 2021 and 15 June 2021, the capital stock was conditionally increased by up to EUR 211,857.00. As a result of the increase in capital stock from company funds, the conditional capital now amounts to EUR 3,177,855.00 (conditional capital 2021/I).

By resolutions of the general meeting on 14 June 2021 and 15 June 2021, the capital stock was conditionally increased by up to EUR 105,928.00. As a result of the increase in capital stock from company funds, the conditional capital now amounts to EUR 1,588,920.00 (conditional capital 2021/II).

As of 31 December 2021, authorized capital came to EUR 11,591,378 (prior year: EUR 260,721).

Under the articles of incorporation and bylaws dated 20 May 2021 and 14 June 2021, the Management Board is authorized to increase the capital stock. After partial utilization, the authorized capital amounts to EUR 1,198,666.00. The authorization ends on 12 August 2024 (authorized capital 2019/I). The authorized capital 2019/I serves to fulfill option rights.

Under the articles of incorporation and bylaws dated 20 May 2021, the Management Board is authorized to increase the capital stock. The authorized capital was increased by resolution of the general meeting on 14 June 2021 and now amounts to EUR 1,189,065.00. The authorization ends on 30 November 2025 (authorized capital 2020/I). The authorized capital 2020/I serves to fulfill option rights.

By resolution of the general meeting on 14 June 2021, the Management Board was authorized to increase the capital stock by up to EUR 9,203,647.00 until 13 June 2026 (authorized capital 2021/I). The authorized capital 2021/I serves to fulfill option rights.

The capital increase in connection with the exercise of options resolved in December 2021 but not yet entered in the commercial register was not taken into account. Please also see the section “Contribution made to effect the resolved capital increase.”

Under four employee stock option programs (ESOP I to ESOP IV), the Company granted in the years from 2012 to 2021 options to executives that carry the right to purchase shares in the Company after working for the Company for a certain period of time (equity-settled share-based payments). The option programs involve settlement via the issuance of shares or cash payment. The share-based payments are not accounted for in the financial statements as they are pending transactions. Thus no personnel expenses were recognized in this respect.

The Company took various corporate actions in the second quarter of 2021 that resulted in a dilution of the potential share ownership of the participating employees. As a result, the number of stock options issued and the exercise prices within the respective stock option programs were adjusted. The comparative figures for the prior year were restated accordingly.

As of 31 December 2021, there were 2,724,403 outstanding stock options (prior year: 3,190,658). The exercise prices are based on the valuation of the Company at the respective issue date and range from EUR 1.00 to EUR 9.07.

Sec. 160 (1) No. 8 AktG requires the Company to provide information on the existence of shareholdings in the Company of which it has been notified pursuant to the WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act].

On 5 July, Alexander Rauschenbusch notified us that his share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold when the shares of Mister Spex were first admitted to trading on an organized market and amounted to 5.35% (corresponding to 1,827,300 voting rights) on 1 July.

On 5 July, Goldman Sachs Group, Inc. notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold when the shares of Mister Spex were first admitted to trading on an organized market and amounted to 10.99% (corresponding to 3,755,070 voting rights) on 1 July.

On 6 July, the Federal Republic of Germany, represented by the Federal Ministry for Economic Affairs and Energy, notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold when the shares of Mister Spex were first admitted to trading on an organized market and amounted to 3.64% (corresponding to 1,242,255 voting rights) on 1 July.

On 6 July, Albert Büll, Christa Büll, Sabine Büll-Schroeder and Nathalie Büll-Testorp notified us that their share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold when the shares of Mister Spex were first admitted to trading on an organized market and amounted to 9.88% (corresponding to 3,375,149 voting rights) on 1 July. On this day, their share of voting rights related to instruments pursuant to Sec. 38 (1) No. 1 WpHG amounted to 0.75% (corresponding to 254,821 voting rights).

On 7 July, DN Capital - GVC II General Partner (Jersey) Limited notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold when the shares of Mister Spex were first admitted to trading on an organized market and amounted to 4.87% (corresponding to 1,663,530 voting rights) on 1 July.

On 7 July, DN Capital (UK) LLP notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold when the shares of Mister Spex were first admitted to trading on an organized market and amounted to 4.87% (corresponding to 1,663,530 voting rights) on 1 July.

On 7 July, EssilorLuxottica SA notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold when the shares of Mister Spex were first admitted to trading on an organized market and amounted to 11.50% (corresponding to 3,930,590 voting rights) on 1 July.

On 7 July, M&G plc notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold when the shares of Mister Spex were first admitted to trading on an organized market and amounted to 3.51% (corresponding to 1,200,000 voting rights) on 1 July.

On 6 July, Scottish Equity Partners LLP notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold when the shares of Mister Spex were first admitted to trading on an organized market and amounted to 11.83% (corresponding to 4,040,730 voting rights) on 1 July.

On 6 July, Siparex XAnge Ventures SAS notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold when the shares of Mister Spex were first admitted to trading on an organized market and amounted to 3.65% (corresponding to 1,248,480 voting rights) on 1 July.

On 8 July, Goldman Sachs Group, Inc. notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold and amounted to 6.60% (corresponding to 2,254,637 voting rights) on 6 July. On this day, its share of voting rights related to instruments pursuant to Sec. 38 (1) No. 2 WpHG amounted to 2.10% (corresponding to 717,210 voting rights).

On 7 July, Alexander Rauschenbusch notified us that his share of voting rights pursuant to Secs. 33 and 34 WpHG was below the reporting threshold and amounted to 4.55% (corresponding to 1,553,205 voting rights) on 6 July.

On 7 July, Janus Henderson Group Plc notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold and amounted to 3.51% (corresponding to 1,199,999 voting rights) on 6 July.

On 7 July, Scottish Equity Partners LLP notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG was below the reporting threshold and amounted to 8.19% (corresponding to 2,797,801 voting rights) on 6 July. On this day, its share of voting rights related to instruments pursuant to Sec. 38 (1) No. 2 WpHG amounted to 1.27% (corresponding to 434,783 voting rights).

On 12 July, DN Capital - GVC II General Partner (Jersey) Limited notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG was below the reporting threshold and amounted to 2.92% (corresponding to 998,824 voting rights) on 6 July. On this day, its share of voting rights related to instruments pursuant to Sec. 38 (1) No. 2 WpHG amounted to 0.93% (corresponding to 317,731 voting rights).

On 12 July, DN Capital (UK) LLP notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG was below the reporting threshold and amounted to 2.92% (corresponding to 998,824 voting rights) on 6 July. On this day, its share of voting rights related to instruments pursuant to Sec. 38 (1) No. 2 WpHG amounted to 0.93% (corresponding to 317,731 voting rights).

On 12 July, Janus Henderson Group Plc notified us in a resubmission that its share of voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold when the shares of Mister Spex were first admitted to trading on an organized market and amounted to 3.51% (corresponding to 1,199,999 voting rights) on 1 July.

On 12 July, Siparex XAnge Ventures SAS notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG was below the reporting threshold and amounted to 2.51% (corresponding to 856,569 voting rights) on 6 July. On this day, its share of voting rights related to instruments pursuant to Sec. 38 (1) No. 2 WpHG amounted to 0.55% (corresponding to 187,334 voting rights).

On 22 July, EssilorLuxottica SA communicated to us the objectives of its acquired voting rights pursuant to Sec. 43 (1) WpHG, according to which the investment is long-term and strategic. There are currently no concrete plans to acquire additional voting rights in the next 12 months. However the acquisition of further shares and voting rights is being assessed on a continuous basis and will be implemented if required depending on the market conditions, the share price and other strategic options. EssilorLuxottica SA does not intend to exercise any influence over the appointment or dismissal of administrative, executive, or supervisory bodies beyond exercising voting rights. EssilorLuxottica SA does not intend to alter the capital structure of Mister Spex. The acquisition of voting rights was fully financed from the own funds of EssilorLuxottica SA without the need for further equity or debt measures.

On 23 July, Sycomore Asset Management notified us that its share of voting rights pursuant to Secs. 33 and 34 WpHG was above the reporting threshold and amounted to 3.03% (corresponding to 1,036,383 voting rights) on 16 July.

On 11 August, DN Capital - GVC II General Partner (Jersey) Limited notified us that its share in voting rights pursuant to Secs. 33 and 34 WpHG was above the reporting threshold after exercising financial instruments and amounted to 3.85% (corresponding to 1,316,555 voting rights) on 5 August.

On 11 August, DN Capital (UK) LLP Limited notified us that its share in voting rights pursuant to Secs. 33 and 34 WpHG was above the reporting threshold after exercising financial instruments and amounted to 3.85% (corresponding to 1,316,555 voting rights) on 5 August.

On 11 August, Siparex XAnge Ventures SAS notified us that its share in voting rights pursuant to Secs. 33 and 34 WpHG was above the reporting threshold after exercising financial instruments and amounted to 3.85% (corresponding to 1,043,903 voting rights) on 5 August.

On 23 September, Albert Büll, Christa Büll, Sabine Büll-Schroeder and Nathalie Büll-Testorp notified us that their share in voting rights pursuant to Secs. 33 and 34 WpHG exceeded the reporting threshold after exercising financial instruments and amounted to 10.45% (corresponding to 3,629,970 voting rights) on 17 September.

On 23 September, Janus Henderson Group Plc notified us that its share in voting rights pursuant to Secs. 33 and 34 WpHG was below the reporting threshold and amounted to 2.82% (corresponding to 981.095 voting rights) on 22 September.

On 18 October, pursuant to Sec. 43 (1) WpHG, Albert Büll, Christa Büll, Sabine Büll-Schroeder and Nathalie Büll-Testorp notified us of the objectives of their acquired voting rights, to implement strategic targets. The notifiers and the subsidiaries have no intentions of acquiring or otherwise obtaining additional voting rights in the next 12 months. Aside from the influence of Mr. Tobias Krauss, as their representative in the issuer's Supervisory Board, the notifiers and subsidiaries do not intend to exert any influence on appointments to the administrative, executive and supervisory bodies of the issuer. The notifiers or subsidiaries do not intend to make significant changes to the issuer's capital structure, particularly with respect to the equity to debt financing ratio and dividend policy. The acquisition of voting rights was solely financed through own funds.

On 29 November, Sycomore Asset Management notified us that its share in voting rights pursuant to Secs. 33 and 34 WpHG was below the reporting threshold and amounted to 2.99% (corresponding to 1,039,937 voting rights) on 25 September.

On 3 December, Allianz Global Investors GmbH notified us that its share in voting rights pursuant to Secs. 33 and 34 WpHG was above the reporting threshold and amounted to 3.01% (corresponding to 1,047,529 voting rights) on 2 December.

On 21 December, M&G plc notified us that its share in voting rights pursuant to Secs. 33 and 34 WpHG had changed and amounted to 3.19% (corresponding to 1,107,688 voting rights) on 16 December.

Pursuant to Sec. 158 (1) AktG, the accumulated loss developed as follows:

	31 Dec 2021 in EUR k	**31 Dec 2020** in EUR
Accumulated loss (prior year)	-63,125	-56,076
Net loss for the year	-30,225	-7,049
	-93,350	**-63,125**

Contribution made to effect the resolved capital increase

After adoption of the resolution to carry out another capital increase in connection with the exercise of options in December 2021, EUR 95k of the called contributions was partially paid in. The capital increase was submitted to the commercial register at the beginning of 2022 and entered on 7 February 2022.

As of the reporting date, the Company had received EUR 85k in contributions from the capital increase.

Special item for investment subsidies

The public subsidies received for financing investments are transferred to the special item for investment subsidies. The item is released to income over the average useful life of the specially financed fixed asset taking asset disposals into account. As of fiscal year-end 2021, the special item amounted to EUR 79k (prior year: EUR 306k).

Other provisions

Other provisions break down as follows:

Provisions	31 Dec 2021 in EUR k	31 Dec 2020 in EUR k
Provisions for returns	1,180	1,209
Provisions for outstanding invoices	1,169	1,893
Personnel provisions	980	1,366
Warranty provisions	900	728
Provision for rent-free periods	415	213
Provisions for deferred revenue	299	359
Other provisions	473	241
Total	**5,416**	**6,009**

The retention provision was determined using an average archiving period of 5.5 years.

Liabilities

The remaining terms of the liabilities are presented separately in the following statement of liabilities.

Type of liability in EUR k	up to 1 year	more than 1 year	more than 5 years	**Total 2021**	up to 1 year	more than 1 year	more than 5 years	**Total 2020**
Liabilities to banks	-	-	-	**-**	30,439	-	-	**30,439**
Prepayments received on account of orders	1,077	-	-	**1,077**	678	-	-	**678**
Trade payables	14,346	-	-	**14,346**	8,469	-	-	**8,469**
Liabilities to affiliates	2,217	-	-	**2,217**	-	-	-	**-**
Other liabilities	2,632	-	-	**2,632**	1,974	-	-	**1,974**
- thereof for taxes	1,220	-	-	**1,220**	510	-	-	**510**
- thereof for social security	58	-	-	**58**	7	-	-	**7**
Total	**20,272**	**-**	**-**	**20,272**	**41,560**	**-**	**-**	**41,560**

The liabilities to banks that existed as of 31 December 2020 were repaid on 30 April 2021. On 23 April 2021, the Company signed a refinancing agreement for EUR 42,500k with several banks. Of this amount, the Company drew a loan of EUR 35,000k. This loan was used to refinance existing financial liabilities and as financing for general business purposes. The loan was repaid in full from the proceeds of the IPO in July 2021. The remaining amount of EUR 7,500k under the refinancing agreement had not been utilized and the agreement was terminated in July 2021.

Liabilities to affiliates primarily relate to a cash contribution into the free reserves of EUR 2,217k (prior year: EUR 0k).

All liabilities are unsecured.

Deferred taxes

Mister Spex SE recognizes deferred tax assets and liabilities as a net item in the balance sheet. Netting gave rise to deferred tax liabilities of EUR 1,631k (prior year: EUR 1,076k).

Deferred tax assets of EUR 3,653k (prior year: EUR 2,821k) are attributable to tax loss carryforwards that can be utilized in the future. As of 31 December 2021, these related to corporate income tax loss carryforwards (EUR 95,463k; prior year: EUR 63,368k) and trade tax loss carryforwards (EUR 88,479k; prior year: EUR 57,726k). Deferred tax assets (EUR 3,653k) were recognized for loss carryforwards in the amount of the temporary net liabilities (EUR 17,509k; prior year: EUR 12,913k) after application of the minimum taxation rule.

Deferred tax assets contrast with deferred tax liabilities of EUR 5,283k (prior year: EUR 3,897k) arising as a result of the recognition of internally generated intangible assets.

IV. Notes to individual items of the income statement

Revenue comprises sales of merchandise, marketing services provided and other services related to the core business.

in EUR k	**Germany**	**International**	**Total**
Revenue 2021	138,443	35,479	**173,922**
Revenue 2020	117,403	27,195	**144,598**

in EUR k	**2021**	**2020**
Product categories	168,273	140,599
Marketing and other services	5,649	3,999
Total	**173,922**	**144,598**

Other own work capitalized of EUR 6,956k (prior year: EUR 4,613k) exclusively relates to the capitalization of internally generated software.

Other operating income totals EUR 4,549k (prior year: EUR 700k) and comprises a receivable from shareholders who sold shares in the course of the IPO, in connection with the allocation of IPO costs of EUR 3,046k (prior year: EUR 0k), income from the reversal of provisions of

EUR 459k (prior year: EUR 100k), income of EUR 228k (prior year: EUR 252k) from the release of the special item for investment subsidies and income from currency translation of EUR 218k (prior year: EUR 139k). Out-of-period income amounts to EUR 157k in the fiscal year (prior year: EUR 111k).

The Company made use of short-time work benefits in the fiscal year. As in the prior year, the flat-rate reimbursements of social security contributions were classified as grants related to income and netted with **personnel expenses**.

Other operating expenses mainly comprise marketing costs of EUR 21,603k (prior year: EUR 17,184k), transformation costs and costs related to the IPO in July of EUR 16,648k (prior year: EUR 600k) and miscellaneous sales-related expenses of EUR 13,744k (prior year: EUR 11,698k), such as those for packaging materials and distribution costs. In addition, other operating expenses include rental expenses of EUR 9,671k (prior year: EUR 7,341k), costs relating to external service providers of EUR 3,215k (prior year: EUR 1,919k), COVID-19-related expenses of EUR 566k (prior year: EUR 0k) and out-of-period expenses of EUR 88k (prior year: EUR 285k). Expenses from currency translation amounted to EUR 175k (prior year: EUR 247k).

Income from loans classified as fixed financial assets comes to EUR 1,346k (prior year: EUR 1,414k) and represents income from loans to affiliates and other investees and investors.

Income taxes include deferred taxes for the fiscal year of EUR 555k (prior year: EUR 317k). See the section on deferred taxes in this regard.

V. Other notes

There were no **contingent liabilities** as of the reporting date.

Other financial obligations

Other financial obligations mainly relate to rental payments until the end of the contractual period of EUR 95,007k (prior year: EUR 48,724k) as well as advertising and marketing contracts of EUR 2,972k (prior year: EUR 2,738k). Moreover, under the shareholder agreement with Tribe GmbH, Mister Spex SE undertook in 2020 to grant that company loans totaling EUR 3,497k over the next two fiscal years and pay fees under license agreements totaling EUR 309k to Tribe GmbH.

Employees

In the fiscal year, an average of 1,111 (prior year: 928) staff were employed by the Company besides the Management Board, who break down into the following groups:

- Operational staff: 853 (prior year: 713)
- Commercial staff: 146 (prior year: 116)
- Technical staff: 112 (prior year: 99)

Management Board and Supervisory Board

The Management Board and Supervisory Board were represented by the following members in fiscal year 2021:

Management Board:

Name	Area of responsibility
Mr. Dirk Graber, Berlin	Operations, IT, Data and Corporate Development
Dr. Mirko Caspar, Berlin	Marketing, Product Management, Category Management, Retail and International Business
Dr. Sebastian Dehnen, Düsseldorf (appointed since 1 June 2021)	Finance, Legal, Internal Audit and Investor Relations
Ms. Maren Kroll, Berlin (appointed since 1 June 2021)	Human Resources, Public Relations and ESG

The following members of the Management Board held the following mandates on supervisory boards or comparable domestic and foreign supervisory bodies of other business enterprises in fiscal year 2021:

Member of the Management Board	Memberships in supervisory boards (outside the Group)	Memberships in comparable domestic or foreign supervisory bodies (outside 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) 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, Chairman) Nordic Eyewear AB (member of the Board of Directors, Chairman) Lensit.no AS (member of the Board of Directors, Chairman) Mister Spex France SAS (Chairman)
Dr. Mirko Caspar Co-Chief Executive Officer	Bastei Lübbe AG (member of the Supervisory Board, Deputy Chairman)	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)

The Company is either represented jointly by two members of the Management Board or by one member acting jointly with an authorized signatory. The representatives are permitted to conclude legal transactions on behalf of the Company.

The members of the Management Board exercise their Management Board functions on a full-time basis.

Remuneration of governing bodies

The remuneration for the Management Board amounted to EUR 1,262k in fiscal year 2021 (prior year: EUR 542k). Furthermore, share-based remuneration for the Management Board amounted to EUR 257k in fiscal year 2021 (prior year: EUR 174k).

Supervisory Board

The members of the Supervisory Board in the fiscal year were:

Peter Williams, Chairman, Non-Executive Chairman, Institute of Chartered Accountants in England & Wales

Nicola Brandolese, Deputy Chairman, Managing Director, Doctolib SRL (appointed since 15 June 2021)

Stuart Paterson, Partner, Scottish Equity Partners LLP

Tobias Krauss, General Manager, Albert Büll Beteiligungsgesellschaft mbH

Pietro Luigi Longo, Head M&A & Co-Chief Integration Officer, EssilorLuxottica S.A. (appointed since 8 June 2021)

Birgit Kretschmer, CFO, C&A (appointed since 15 June 2021)

Nicole Srock.Stanley, CEO, Pearlman Group (appointed since 1 July 2021)

Fred Piet, Partner, Fipaco Corporate Consultancy BV (retired as of 20 May 2021)

Mike Ebeling, Managing Director, Goldman Sachs Private Equity (retired as of 15 June 2021)

Nenad Marovac, Partner, DN Capital LLP (retired as of 15 June 2021)

Oliver Beste, Managing Director, Beste Beteiligungen GmbH (retired as of 15 June 2021)

Jochen Klüppel, Partner, Grazia Equity GmbH (retired as of 30 June 2021)

In fiscal year 2021 and during their respective term of office as members of the Supervisory Board of Mister Spex SE, the following members of the Supervisory Board additionally held the following mandates in supervisory boards or comparable domestic and foreign supervisory bodies of companies outside the Mister Spex Group:

Member of the Supervisory Board	**Memberships in supervisory boards**	**Memberships in comparable domestic or foreign supervisory bodies**
Peter Williams, Chairman	-	DP Eurasia N.V. (member of the Board of Directors, Chairman) Miinto A/S (member of the Board of Directors, Deputy Chairman, in each case since April 2021) World Homes Limited (member of the Board of Directors, since February 2021) Superdry plc (member of the Board of Directors, Chairman, in each case till April 2021) U and I Group PLC (member of the Board of Directors, Chairman, in each case till December 2021)
Tobias Krauss	-	Axxum GmbH (member of the Advisory Board, Deputy Chairman) Bruss Sealing Systems GmbH (member of the Advisory Board, since May 2021) Earlybird Growth Opportunities Fund 1 GmbH & Co. KG (member of the Investor Advisory Board, since November 2021) Meron 2 LP (member of the Limited Partners Committee, since June 2021) Noventic GmbH (member of the Advisory Board) perma-tec GmbH & Co. KG (member of the Advisory Board, Deputy Chairman) Think Bigger Fund 1 FCRE (member of the Limited Partners Committee, since April 2021) Vsquared Ventures 1 GmbH & Co. KG (member of the Limited Partners Committee)

Member of the Supervisory Board	Memberships in supervisory boards	Memberships in comparable domestic or foreign supervisory bodies
Stuart Paterson	Babbel Group AG (August 2021 till September 2021)	Dohop ehf (member of the Board of Directors) LoveCrafts Group Ltd (member of the Board of Directors) Alice Charlotte Capital Ltd (Director) Scott-Weir Estates Ltd (Director) Babbel GmbH (member of the Advisory Board, till August 2021)
Nicole Srock.Stanley (appointed since 1 July 2021)	-	Buckley Destinations Limited (Director)
Jochen Klüppel (retired as of 30 June 2021)	-	Gitti GmbH (member of the Advisory Board) Gyant Inc. (member of the Supervisory Board) Lingoda GmbH (member of the Advisory Board)
Oliver Beste (retired as of 15 June 2021)	-	Doozer Real Estate Systems GmbH (Chairman of the Advisory Board)
Mike Ebeling (retired as of 15 June 2021)	-	Caldic B.V. (member of the Board of Directors) Continental Bakeries Holding B.V. (member of the Board of Directors)
Fred Piet (retired as of 20 May 2021)	-	Riverness Holding Limited (member of the Board of Directors)

The remuneration for the Supervisory Board amounted to EUR 228k in 2021 (prior year: EUR 56k). Furthermore, share-based remuneration for the Supervisory Board amounted to EUR 3k in fiscal year 2021 (prior year: EUR 6k).

Transactions with related parties

Related parties are legal entities or natural persons who may influence Mister Spex SE or are controlled or significantly influenced by Mister Spex SE.

Related party transactions were concluded in particular with the subsidiaries and investees of Mister Spex SE and are generally at arm's length.

Auditor's fees

In accordance with Sec. 285 No. 17 Last Clause HGB, the Company does not disclose the auditor's fees, disclosing them instead in Mister Spex SE's consolidated financial statements.

Group relationships

As the German parent company, the Company prepares consolidated financial statements. The consolidated financial statements of Mister Spex SE, Berlin, are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU (Sec. 315e HGB) and are published in the *elektronischer Bundesanzeiger* [Electronic German Federal Gazette] as well as on the Company's Investor Relations website.

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 2021 and made available to the shareholders on a permanent basis on the internet (see https://ir.misterspex.com/websites/misterspex/German/6000/corporate-governance.html).

Subsequent events

In February 2022, a military conflict arose between Russia and Ukraine. Currently Mister Spex SE does not expect any direct impact on the Company from the conflict. There were no further events after the reporting date which had a significant effect on the Mister Spex SE's assets, liabilities, financial position or financial performance.

Berlin, 25 March 2022

The Management Board

Dirk Graber	Dr. Mirko Caspar	Maren Kroll	Dr. Sebastian Dehnen

Mister Spex SE, Berlin

Statement of changes in fixed assets as of 31 December 2021

	Acquisition and production cost					Accumulated amortization, depreciation and impairment				Net book values	
	1 Jan 2021 EUR	Additions EUR	Disposals EUR	Reclassifications EUR	31 Dec 2021 EUR	1 Jan 2021 EUR	Additions EUR	Disposals EUR	31 Dec 2021 EUR	31 Dec 2021 EUR	30 Dec 2020 EUR
I. Intangible assets											
1. Internally generated software and similar rights and assets	14,735,647.93	73,970.58	0.00	5,889,296.61	20,698,915.12	10,889,635.51	-2,816,151.65	0.00	13,705,787.16	6,993,127.96	3,846,012.42
2. Purchased software	10,253,718.53	511,326.71	0.00	2,472.00	10,767,517.24	5,924,749.20	-1,923,681.94	0.00	7,848,431.14	2,919,086.10	4,328,969.33
3. Prepayments and assets under construction	5,653,659.69	8,823,148.83	0.00	-5,894,137.61	8,582,670.91	0.00	0.00	0.00	0.00	8,582,670.91	5,653,659.69
	30,643,026.15	9,408,446.12	0.00	-2,369.00	40,049,103.27	16,814,384.71	-4,739,833.59	0.00	21,554,218.30	18,494,884.97	13,828,641.44
II. Property, plant and equipment											
1. Plant and machinery	5,796,501.86	823,893.19	0.00	475,920.00	7,096,315.05	1,261,206.56	-646,732.15	0.00	1,907,938.71	5,188,376.34	4,535,295.30
2. Other equipment, furniture and fixtures	14,362,725.59	995,762.58	-2,456.26	3,122,479.32	18,478,511.23	5,570,822.30	-1,942,647.11	1,773.98	7,511,695.43	10,966,815.80	8,791,903.29
3. Prepayments and assets under construction	1,779,796.66	4,352,155.62	0.00	-3,596,030.32	2,535,921.96	0.00	0.00	0.00	0.00	2,535,921.96	1,779,796.66
	21,939,024.11	6,171,811.39	-2,456.26	2,369.00	28,110,748.24	6,832,028.86	-2,589,379.26	1,773.98	9,419,634.14	18,691,114.10	15,106,995.25
III. Financial assets											
1. Shares in affiliates	11,827,021.66	1,955,798.94	0.00	0.00	13,782,820.60	0.00	0.00	0.00	0.00	13,782,820.60	11,827,021.66
2. Loans to affiliates	16,072,705.88	10,646,100.79	-720,000.00	0.00	25,998,806.67	0.00	0.00	0.00	0.00	25,998,806.67	16,072,705.88
3. Equity investments	2,511,772.42	0.00	0.00	0.00	2,511,772.42	0.00	0.00	0.00	0.00	2,511,772.42	2,511,772.42
4. Loans to other investees and investors	250,000.00	753,000.00	0.00	0.00	1,003,000.00	0.00	0.00	0.00	0.00	1,003,000.00	250,000.00
	30,661,499.96	13,354,899.73	-720,000.00	0.00	43,296,399.69	0.00	0.00	0.00	0.00	43,296,399.69	30,661,499.96
	83,243,550.22	**28,935,157.24**	**-722,456.26**	**0.00**	**111,456,251.20**	**23,646,413.57**	**-7,329,212.85**	**1,773.98**	**30,973,852.44**	**80,482,398.76**	**59,597,136.65**

Translation from the German language

Mister Spex SE, Berlin

Combined management report of the Company and the Group for fiscal year 2021 (Combined management report)

31 December 2021

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1. Management Report

1.1 Background of the Group

1.1.1 Preliminary remarks

Mister Spex's management reports of the Company and of the Group have 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.

1.1.2 Group structure

Mister Spex SE was founded in 2007 and is headquartered in Berlin. Mister Spex SE was formed by a merger of Mister Spex N.V., Amsterdam, and Mister Spex AG, assuming at the same time the legal form of a European company (SE). The merger and the change of legal form became effective upon registration in the commercial register of Charlottenburg Local Court on 8 June 2021.

All the important management functions of the Mister Spex Group are pooled at the parent company Mister Spex SE in Berlin (Germany). 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. As of the reporting date, Mister Spex SE directly or indirectly holds five fully controlled subsidiaries in Germany and abroad, as well as a stake of approximately 48 % in Tribe GmbH. This annual report relates to Mister Spex SE and its subsidiaries (collectively, "Mister Spex").

As of 1 June 2021, the Management Board of Mister Spex was expanded from two to four members. In the wake of strong growth and Europe-wide expansion, the Supervisory Board appointed Maren Kroll as Chief Human Resources Officer (CHRO) and Dr. Sebastian Dehnen as Chief Financial Officer (CFO) to the Management Board.

1.2 Business model

With more than 1,100 employees from 58 countries and more than 5.8 million customers, Mister Spex is one of the leading digitally native omnichannel retail brand in the optician industry in Europe. 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, as well as 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 buy their glasses. Innovative technologies and smart, data-driven functions, such as automatic goods replenishment and real-time sorting algorithms, 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 online shops and operate 48 of own brick-and-mortar stores in Germany, Austria and Sweden. We also have an extensive partner optician network with over 400 opticians.

The lenses are cut and fitted in our own facility in Berlin using state-of-the-art automatic grinding machines. Our logistics locations in Berlin, Stockholm (Sweden) and Karmsund (Norway) enable us to supply all customers throughout Europe. Fast delivery times and easy free return shipments are part of our business model. We ship more than 20,000 orders every day from our distribution center in Berlin what boasts a total capacity of up to 40,000 orders[1]. Same-day shipment takes place for more than 85% of the orders[2].

The Mister Spex Group is structured regionally. The country Germany and International Markets form the two operating segments.

1.2.1 Strategy

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 become one of the leading players in the overall optician market. Our strategic focus is clearly on further accelerating revenue growth and increasing adjusted EBITDA. To achieve this goal, our strategy is focused on the following guiding principles:

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%[3] 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 the 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.

Enhance the customer experience and expand the product range
Through omnichannel access to our products and services, our customers can choose the touchpoints and modalities of their customer journey themselves. We want to offer customers an individual shopping experience. To this end, we use the information in our extensive customer database, including preferences, sizes and purchasing behavior, to guide customers through our wide product range. For example, we offer comprehensive lens packages and finishing options and are working on individual 3D glasses with which can be used to individualize every frame.

In addition to a unique customer experience, we also want to establish ourselves as the place 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. For example, Off White and ic! berlin are further renowned premium and luxury brands we added in 2021. Others will follow in 2022. With our focus on establishing ourselves as the leading place to go for fashionable eyewear, we expect disproportionately strong growth with private, luxury and independent labels in 2022.

Expand our omnichannel offering internationally
We want to expand our presence in the European optician market. In line with our strategy, we want to start establishing local partner networks online and then open our own stores. In 2021, we opened 14 new stores in Germany, Austria and Sweden. We will continue to increase the number of store openings in 2022. In the medium term, up to 50 stores per year will follow. We also plan to expand into countries in which Mister Spex is currently only present through an online offer. In the medium term, we would like to present our offer locally in more than 200 stores across Europe (2021: 48 stores).

[1] The statement regarding the number of shipped orders is unaudited.
[2] The statement regarding the percentage of same-day shipments is unaudited.
[3] The statement regarding a market share of around 25% is unaudited.

Increase and enhance our brand strength
We aim to enhance the way we are perceived by our customers and increase their 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 2022, we will focus on expanding the target groups for multifocal glasses as well as on strengthening our own brand, luxury and independent business. Through greater individualization of marketing activities, we also plan to further increase repurchase rates, which are already higher than the market average.

Invest more in innovation, technology and operations
We intend to invest further 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 October 2020, we acquired a stake in 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. In collaboration with Tribe, we are working on a facial recognition technology to provide suitable recommendations for eyewear frames. In the next step, we will offer individual 3D printed frames based on the 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. With the online eye test, we also want to expand into other markets and are continuously working to revolutionize the purchase of glasses on the internet through additional technical innovations. In order to further optimize the shopping experience, we are working on a comprehensive app which our customers can use to can measure their pupillary distance, the fitting height and their correction values.

Further boost 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 in order to increase our profitability in the medium term. Our stores play an important role in this regard, as they sell a share of 80% of prescription glasses in store. We will therefore take action to increase customer traffic in our stores so that we can make our stores more profitable, even in an environment with lower customer footfall in shopping streets and shopping centers. By making process improvements, we strive to further increase our store productivity and increase revenue per employee.

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.

1.2.2 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.

Financial performance indicators

We primarily use the financial performance indicators, revenue and adjusted EBITDA to control our business activities.

Revenue	Revenue is generated by the sale of prescription glasses, sunglasses, contact lenses and other category-related products, as well as advertising subsidies and shipping fees. Revenue is recorded after delivery of products to customers. Revenue corresponds to the receivables for delivered goods, less advertising discounts, credits, refunds and VAT. 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.

Non-financial performance indicators

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

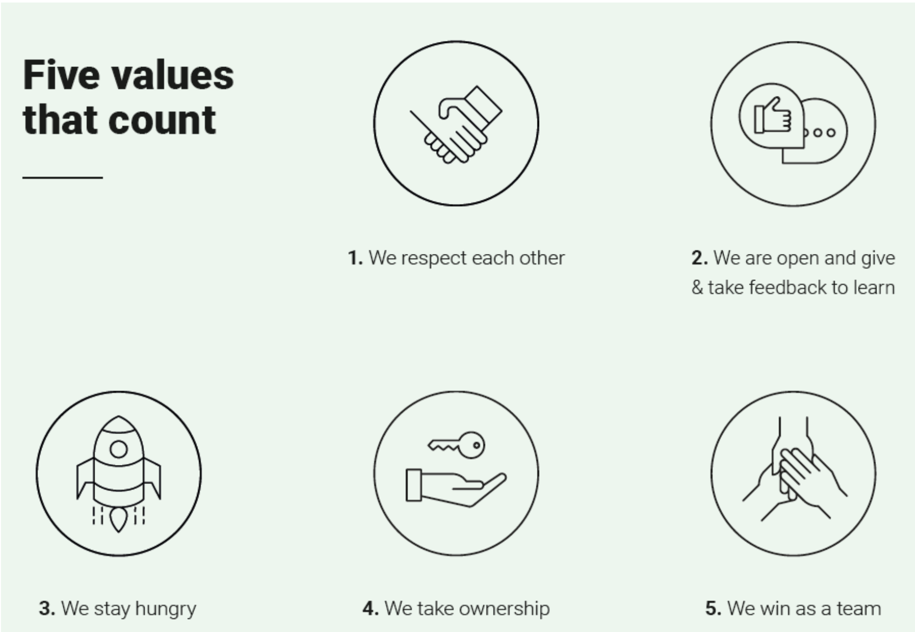
Active customers	The active customers indicator is defined as the number of clearly identified customers, who have placed at least one order without cancellation in the last 12 months. The growth of active customers is usually closely related to the growth of our revenue.
Orders	Orders correspond to 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.

At the same time, we try to focus on the demographic groups where we see the greatest affinity for our products through product innovation, range expansion and targeted marketing. Organic growth will be a key driver of our future growth.

This structure of financial and non-financial performance indicators helps us to steer the business development of the entire Group and to be able to identify trends that are essential for our business and marketing strategy at an early stage. At the same time, many indicators are directly related, so that a singular consideration of individual performance indicators is often not sufficient to make a clear recommendation in connection with business development. The abovementioned performance indicators are not only maintained at the group level, but also serve to manage business development at the country level, including the corresponding category split.

1.2.3 Employees

As an international and dynamic growth company with start-up DNA, Mister Spex is one of the most innovative employers in the optician industry. Our 1,179 (2020: 965) employees from 58 nations are our greatest asset. With their commitment, enthusiasm and team spirit, they have made Mister Spex the leading digitally driven omnichannel retail brand 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.



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. This makes it possible for almost all employees to combine mobile working with working in the office. This allows us to accommodate our employees who do not live in Berlin, offering various flexible travel and working models so they can also work from other cities and, within the legally allowed framework, even abroad. In doing so, we want to retain our employees for the long term.

The training of future employees is particularly important to us. In addition to training as an optician, 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 to turn young people into good opticians. In 2021, 24 trainees with a focus on dispensing optics started at Mister Spex (2020: 15). Increasing the number of trainees is a reflection of our strong growth and the associated higher demand for skilled employees. A total of 54 young people have completed their training in dispensing optics at Mister Spex in 2021 over the years. In the coming years, we want to significantly increase the number of trainees to successfully support our growth plans.

Diversity and inclusion
We are a young company with an average age of 35 years (2020: 31 years). The increase in the average age compared to the prior is due to a higher proportion of experienced management staff among the new hires, a reflection of the professionalization and further development of Mister Spex.

Our employees have a diverse background. Our employees come from 58 different nations, and employees with an international background represent around 30% of the workforce. Overall, 58 % (2020: 58%) of our total workforce is female. Mister Spex is distinguished in particular by its sociocultural diversity, its many international employees and the balance of the sexes.

Working at Mister Spex

Operational employees	Commercial employees	Technical employees
77 % (2020: 77 %)	13 % (2020: 13 %)	10 % (2020: 10 %)

The health and well-being of our employees is our top priority. For this reason, we conduct a short survey monthly to find out how satisfied our employees are. The surveys are anonymous and are aimed at continuously obtaining a general impression of the sentiment in order to be able to react more quickly to current issues in the Company. In addition, we conduct an extensive annual employee survey to measure satisfaction and identify potential for improvement. On a scale of grades from 1 (very good) to 6 (poor), Mister Spex achieved a good score with a grade of 2.3 (2020: 2.3).

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 qualify for leadership roles and expert functions. Within three years, there is the possibility to move up from optician or sales consultant to store manager. During the training program, the candidates receive extensive feedback and instruction to deepen their business knowledge. They also learn about employee management.

Against the backdrop of the global COVID-19 pandemic, 2021 was dominated by special challenges to ensure the protection of our employees. To this end, we introduced various measures and adjusted them regularly. All employees whose presence in the office was not absolutely necessary could work from home. To counteract the unaccustomed stress, we offered online workshops on stress reduction and working time management for working at home, in addition to free digital meditation sessions. In logistics and the workshop divisions, we expanded shift operations to reduce personal contact and ensured the highest standards of hygiene, as we also did in our stores. These measures include the provision of free masks, daily testing, disinfectant dispensers at all central locations, notices and markings to ensure people keep their distance from each other and plexiglass screens. We applied these measures in the offices as well. We also offered all our employees the option to be vaccinated by our company doctor.

1.2.4 Research and development

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 development, 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 2021, we recorded development costs of EUR 8.3m (prior year: EUR 5.2m). 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 improvements and thus to cost savings.

Amortization of EUR 2.5m (prior year: EUR 1.8m) was charged on internally generated intangible assets.

1.2.5 Sustainability

It is part of our DNA to take responsibility for our work and daily actions, as well as for our environment, our social setting and our employees.

Our vision is to use new standards of corporate responsibility to build long-lasting and sustainable relationships with our customers, employees, business partners and suppliers alike.

We believe we have enshrined ambitious sustainability principles in our group strategy in line with this vision. These principles set the framework for our sustainable projects and initiatives in the field of ESG. A specially established Corporate Responsibility team strategically manages the projects and initiatives and reports directly our Chief Human Resources Officer, who is a member of the Management Board.

Fields of action of the sustainability strategy

Our environment:
Responsible use of our planet's resources is one of our central concerns because companies can only be successful in the long term if they act ecologically. This means that we reduce and completely offset emissions that we have caused directly. In addition, we continue to reduce our CO_2 emissions and, besides sustainable electricity and heating technologies for our company buildings and improved transport routes, we also regularly turn our attention to our product range. Our goal for the future is to use only recyclable and sustainable materials in our packaging and to do away with single-use plastic by the end of 2025. For this purpose, the subject matter owners in the various divisions closely monitor the current state of development and examine the implementation of possible new sustainable materials, products and tools.

Our Company:
We are convinced that Mister Spex will only be successful in the long term if we establish our structures sustainably. In this context, compliance and good corporate governance are important to us, which is why, with the IPO in 2021, we expanded the Management Board with the appointment of the Chief Human Resources Officer and the Chief Financial Officer. However, we will only be successful if we enable our employees and partners to take part in and live in line with these sustainable structures. That is why we have developed a code of conduct that helps us to ensure compliance with the guidelines. In addition, we train our employees annually in areas such as data protection, compliance, cyber security and anti-corruption.

Our customers:
Our focus is on our customers. Our aim is to help people find the perfect pair of glasses for them – individually tailored to their own needs – and we support them through technical innovations, such as virtual 3D fitting. We also want to enable our customers to make sustainable purchasing decisions. For this purpose, we develop sustainability criteria for our products to give customers the greatest possible transparency when buying glasses. Our range already includes five sustainable brands as well as our own CO CO collection aiming to represent sustainable glasses. We want to continue to increase the proportion and offering of sustainable products going forward. A transparent presentation on our websites will enable customers to search specifically for sustainable glasses.

Our employees
At Mister Spex, diversity and inclusion are an integral part of our corporate culture. A diverse team finds innovative and successful solutions to our business challenges. We have a fair and value-based corporate culture, individual development opportunities and a wide range of flexible working models, such as hybrid working. With our training program, we offer young people the opportunity to learn a traditional profession, such as dispensing optics, in a modern company that combines the best of two worlds – online and offline business.

Our social environment:
We are convinced that it is our job as a company to take responsibility for society. Since 2019, we have been supporting the non-profit organization Clean River Project with our sustainable proprietary brand CO CO, donating a fixed amount of EUR 1 per pair of glasses sold. With our cooperation partner "share," we have launched our first long-term sustainability campaign: For every pair of glasses sold from the share range, we provide a pair of glasses to a person in need. In addition, we work with BrillenWeltweit and collect old glasses from our customers in our stores, which are then sent to needy recipients of visual aids in developing and emerging countries. We are also involved in a wide variety of charitable projects, such as helping the homeless, blood and glasses donation campaigns, and volunteer days for social work for employees, thereby making our contribution to a better, fairer world.

1.2.6 Non-financial report

Further information about our sustainability strategy and our separate combined 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 are presented in a separate sustainability report. It will be published on our own website in April 2022 https://corporate.misterspex.com/de/corporate-responsibility/.

1.3 Economic report of the Group

1.3.1 General economic situation and industry development

According to the Federal Ministry for Economic Affairs and Climate Action, the economy in Germany grew by 2.7% in 2021 compared to 2020 after lower growth in 2020 than 2019. The beginning of the year for the German economy was shaped by the social distancing measures imposed to contain the pandemic. Over the summer, the economy recovered, driven by a decline in infection rates and easing measures. The fall saw a renewed an increase in infection rates and a tightening of containment measures, as a result of which the economic development suffered a setback in the fourth quarter.

The optician market in Germany also benefited from the economic growth. According to Statista, revenue growth was 12% in 2021 compared to 2020. At 14%, the market for sunglasses grew particularly strongly, driven by increased travel in the summer months. While prescription glasses developed in line with the overall market, contact lenses were slightly below with a growth of 11%.

1.3.2 Comparison of actual and forecast business performance[4]

	Result 2020	**Forecast**	**Result 2021**
Revenue growth	18%	Moderate double-digit growth	18%
Adjusted EBITDA	EUR 6.8m	Improvement in adjusted EBITDA	EUR 4.1m

Mister Spex started the year 2021 very dynamically and achieved revenue growth of 25% in the first half of the year. However, the development of brick-and-mortar retail in Germany was partly impaired by the adverse effects of the pandemic-related protective measures. Accordingly, customer traffic in the stores was severely restricted from the beginning of the year, and only picked up again towards the end of the second quarter.

Overall, revenue in the third quarter was in line with expectations, but revenue from prescription glasses grew at a slower pace than forecast. This was mainly due to a lower than expected revenue recovery in the stores, particularly the newer stores that were opened in 2020 and 2021. While the stores that were opened before 2020 performed above the 2019 level, the younger store cohorts suffered due to lower customer traffic, which had a knock-on effect on their ability to build up a base of regular customers during the restrictions. In addition, online revenue from prescription glasses performed below expectations due to a certain degree of online fatigue. Due to the above-average profitability of prescription glasses, the lower than expected revenue growth also had a negative effect on the increase in adjusted EBITDA.

[4] The statements regarding the quarterly performance are unaudited.

The expected acceleration in revenue in the high-margin business with prescription glasses from October 2021 did not materialize to the expected extent. For this reason, the forecast for the full year was adjusted on 1 November 2021. For the year as a whole, the Management Board revised its expectations for adjusted EBITDA to a range of EUR 4m to EUR 5m (previously the forecast was for an increase on the EUR 6.8m in adjusted EBITDA reported in the prior year). The Management Board also revised its revenue forecast to an increase of 17% to 19% in fiscal year 2021 (previously moderate growth in the double-digit percentage range). The adjusted forecast was achieved with an increase in revenue of 18% and adjusted EBITDA of EUR 4.1m.

As expected, an increase of 14% in orders in fiscal year 2021 contributed to revenue growth. This result reflects the customer-centric omnichannel business model of Mister Spex, which is characterized by a level of high customer satisfaction and repurchase intention. Furthermore, the average order value increased by 3% to EUR 85.90. This is due to stronger revenue growth with sunglasses and prescription glasses compared to contact lenses.

In order to increase the growth momentum, the store expansion was further accelerated in fiscal year 2021. For example, the first two stores in Sweden and the first store in Austria were opened in April, marking the start of the international expansion of the omnichannel business model. Another store was opened in Austria in September 2021. A total of 14 new stores were opened in Germany, Austria and Sweden in 2021.

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

Financial performance

2021	**1 Jan to 31 Dec**		
in EUR k	**2021**	**2020**	**Change**
Revenue	194,248	164,201	18 %
Own work capitalized	6,399	4,289	49 %
Other operating income	2,400	478	>100 %
Cost of materials	-98,792	-82,984	19 %
Gross profit[5]	**95,456**	**81,217**	**18 %**
Gross profit margin[6]	**49.1 %**	**49.5 %**	**-40 bp**
Personnel expenses	-49,567	-35,747	39 %
Other operating expenses	-62,926	-44,424	42 %
EBITDA	**-8,238**	**5,814**	**-**
Adjustments	12,387	939	>100 %
Adjusted EBITDA	**4,149**	**6,754**	**-39 %**
Amortization, depreciation and impairment	-15,215	-10,937	39 %
EBIT	**-23,453**	**-5,123**	**>100 %**
Financial result	-4,577	-4,654	-2 %
Share in loss of associates	-345	-94	>100 %
Income taxes	-3,140	-388	>100 %
Profit or loss for the period	**-31,515**	**-10,258**	**>100 %**

[5] Management defines gross profit as revenue less cost of materials
[6] Management defines gross profit margin as the ratio of gross profit to revenue

External revenue and adjusted EBITDA by segment

2021	**1 Jan to 31 Dec**		
In EUR k	**2021**	**2020**	**Change**
Revenue			
Germany	137,802	117,782	17 %
International	56,446	46,419	22 %
Total	**194,248**	**164,201**	**18 %**
Adjusted EBITDA			
Germany	7,556	7,631	-1 %
International	-3,407	-877	->100 %
Total	**4,149**	**6,754**	**-39 %**

Revenues by product category

2021	**1 Jan to 31 Dec**		
in EUR k	**2021**	**2020**	**Change**
Revenue			
Prescription glasses	77,686	66,916	16 %
Sunglasses	50,156	38,611	30 %
Contact lenses	61,824	55,450	11 %
Total, products	**189,666**	**160,977**	**18 %**
Other services	4,582	3,224	42 %
Total	**194,248**	**164,201**	**18 %**

The 2021 consolidated statement of comprehensive income shows double-digit revenue growth and a lower adjusted EBITDA due to a weak development with prescription glasses in the second half of the year. However, the development of revenue growth and the adjusted EBITDA for the period was thus in line with the expectations adjusted on 1 November.

Overall, revenue increased by 18% in fiscal year 2021. The drivers of revenue growth were largely the greater awareness of our corporate brand as a result of marketing initiatives and further new store openings. Compared to 2019 as a whole, revenue was up 39% overall, which was significantly above the general market development for the optician market in Germany.

Sunglasses was the fastest growing product category in the fiscal year, with a 30% increase in revenue. The growth was achieved on the back of increased travel by customers as well as a wide range of products. The revenue from prescription glasses increased 16%, thus significantly falling short of company expectations. This was mainly due to a lower-than-expected revenue recovery in the stores in the second half of the year, particularly the newer store cohorts as well as a certain degree of online fatigue. While pre-COVID-19 cohorts performed above the 2019 level, the younger store cohorts suffered due to lower customer traffic which had a knock-on effect on their ability to build up a base of regular customers during the restrictions. Prescription glasses account for around 80% of revenue in the stores and these are therefore a key driver for the development of revenue from prescription glasses. In addition, online revenue from prescription glasses also fell short of expectations during the low-revenue summer months and failed to grow more strongly in the fourth quarter. This trend was also reflected in lower search queries for prescription glasses on online search platforms. Contact lens revenue increased 11% and benefited from a leading price/value proposition in many markets.

Revenue in Germany was 17% higher than in the prior year. The recovery of brick-and-mortar retail in Germany continued to be impaired by the adverse effects of pandemic-related social distancing measures and customer traffic in the major shopping streets and centers, which was below the 2019 level. The international segment reported a 22% increase in revenue for the fiscal year and was driven in particular by solid double-digit growth rates for sunglasses.

Adjusted EBITDA declined 39% to EUR 4,149k compared to the prior year. Adjusted EBITDA in the Germany segment in 2021 was on a comparable level to 2020. At EUR -3,407k, adjusted EBITDA in the International segment was significantly below the level in 2020. The decline is related to higher marketing expenses and start-up costs related to new store openings.

Non-financial performance indicators

2021	**1 Jan to 31 Dec**		
	2021	**2020**	**Change**
Active customers (in thousands)	1,706	1,525	12 %
Number of orders (in thousands)	2,208	1,936	14 %
Average order value (in EUR)	85.90	83.10	3 %

The most important non-financial performance indicators relevant to the evaluation of our performance in relation to our customers, the market and the offers are the number of active customers, number of orders and average order value. Revenue growth is largely attributable to an improvement in these non-financial performance indicators.

The number of active customers increased by 12% in fiscal year 2021 compared to 2020. This result reflects the customer-centric omnichannel business model of Mister Spex, which is characterized by a high level of customer satisfaction and a repurchase intention that surpasses that of traditional opticians[7]. The number of orders also increased by 14% year on year. Due to a favorable product mix in the past 12 months, with an increased proportion of sunglasses and prescription glasses, the average order value increased by 3% over this period.

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

In 2021, the gross margin decreased by 40 basis points to 49.1%, which was mainly due to a lower share of prescription glasses in the product mix. In addition, discounts were above the same quarter of the prior year, since the basis for comparison from last year was particularly low due to the pandemic.

Personnel expenses increased by 39% compared to the prior year. This is due in particular to the increase in the number of employees from 965 to an average of 1,179 (from 775 to an average of 965 in 2020), as well as one-time bonus payments in the context of the IPO in July 2021 and in the context of the additional workload caused by COVID-19. The increase in the number of employees is especially due to the opening of further stores and new hires in the administrative and logistics sector.

Other operating expenses increased by 42% year on year to EUR 62,926k. The growth in consolidated revenue was accompanied by an increase in fulfillment costs such as shipping and logistics charges, while marketing expenses were also up year on year. Higher legal and consulting fees incurred in connection with the IPO and the change of legal form from a German stock corporation (AG) to a European company (SE) also contributed to the increase.

The Mister Spex Group's earnings before interest, taxes, depreciation and amortization (EBITDA) came to EUR -8,238k, which was below the level in the prior year of EUR 5,814k. This was mainly driven by one-time expenses related to the IPO in 2021.

[7] This statement is unaudited

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.

Transformation costs mainly comprise one-time legal, consulting and audit fees as well as one-time costs related to the IPO in July 2021 and costs related to the change of legal form (EUR 6,426k) lowered by income related to the allocation of IPO costs (EUR -974k) to other shareholders. In addition, transformation costs include expenses related to the release of employees, (EUR 288k), refinancing costs (EUR 236k) as well as personnel expenses incurred in connection with the implementation of transformation projects (EUR 347k).

Other special effects in fiscal year 2021 chiefly include a one-time transaction bonus in connection with the IPO (EUR 3,131k) and a bonus for the additional workload due to COVID-19 (EUR 1,112 k)[8]. This item also includes expenses for COVID-19-related protective measures (EUR 566k) as well as other one-time effects that are not part of the ordinary course of business (EUR -155k).

2021	**01.01. – 31.12.**		
in EUR k	**2021**	**2020**	**Change**
EBITDA	**-8,238**	**5,814**	**-**
Adjustments	**12,387**	**939**	**>100 %**
thereof effects arising from the application of IFRS 2	*1,295*	*658*	97 %
thereof *transformation costs*	*6,438*	*579*	>100 %
thereof *other special effects*	*4,654*	*-298*	>100 %
Adjusted EBITDA	**4,149**	**6,754**	**-39 %**

Adjusted EBITDA declined 39% in 2021 to EUR 4,149k. EUR 7,556k (prior year: EUR 7,631k) of adjusted EBITDA relates to the Germany segment and EUR -3,407k (prior year: EUR -877k) to the International segment.

The main driver of the lower adjusted EBITDA compared to the prior year is weaker than expected revenue from prescription glasses in the second half of the year. This is mainly related to a lower-than-expected revenue recovery in the stores, particularly the newer store cohorts. Overall, search queries for prescription glasses on online search platforms also declined and weighed on revenue development.

Depreciation of right-of-use assets recognized under IFRS 16 in the course of the fiscal year for the new leases concluded for the new stores were the key drivers for the 39% year-on-year increase in amortization, depreciation and impairment.

The negative financial result improved by EUR 77k to EUR -4,577k compared to the prior year (2020: down by EUR 472k to EUR -4,654k). The reason for this was the lower interest expense due to the loan liabilities already repaid and the positive result from currency translation in the amount of EUR 122k. Conversely, the accounting for new leases in accordance with IFRS 16 in the context of further location openings resulted in higher interest expenses in 2021.

The Mister Spex Group’s loss for the period came to EUR 31,515k (prior year: loss of EUR 10,258k).

[8] The bonus in the amount of EUR 400 k related to the additional workload due to COVID-19 was not considered in the adjusted EBITDA in 2020.

Assets, liabilities and financial position of the Group

Assets in EUR k	**31 Dec 2021**	**31 Dec 2020**	**Change**
Non-current assets	105,883	82,561	23,332
Current assets	219,437	40,182	179,255
Total assets	**325,320**	**122,743**	**202,577**

Equity and liabilities in EUR k	**31 Dec 2021**	**31 Dec 2020**	**Change**
Equity	244,785	33,412	211,373
Non-current liabilities	45,798	33,487	12,311
Current liabilities	34,737	55,843	- 21,106
Total equity and liabilities	**325,320**	**122,743**	**202,577**

Total assets or total capital increased by EUR 202,577k in the fiscal year. The capital increases and the issue of shares as part of the IPO for fiscal year 2021 led to an increase in equity. In addition, there was a further increase in non-current assets as a result of the recognition of leases in accordance with IFRS 16 due to the opening of the new stores. Moreover, the liabilities owed to banks as of 31 December 2020 were repaid in 2021, which led to a reduction in current liabilities.

In 2021, right-of-use assets of EUR 20,733k were recognized in non-current assets, which are depreciated over the term of the lease agreements. The carrying amount as of 31 December 2021 came to EUR 48,953k (prior year: EUR 35,783k).

Further additions to non-current assets stem from investments in intangible assets of EUR 8,849k (prior year: EUR 5,693k) and property, plant and equipment of EUR 6,996k (prior year: EUR 8,146k). 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. Property, plant and equipment also rose in 2021 as a result of investments in our logistics location and fitting out our new retail space.

As in the prior year, inventories of EUR 23,151k in 2021 (prior year: EUR 17,606k) largely comprised merchandise for Mister Spex’s retail business.

The increase in current assets mainly related to the acquisition of money market funds in the amount of EUR 25,087k and the increase in cash and cash equivalents from the IPO in July 2021. Cash and cash equivalents largely comprise bank balances and are not subject to any restraint on disposal.

In fiscal year 2021, Mister Spex recorded negative cash flows from operating activities of EUR 27,824k (prior year: EUR -1,553k). The cash outflow is largely attributable to a higher loss for the period, which is partly due to one-time effects from the IPO, interest payments and inventory build-ups.

Cash outflows from investing activities in the amount of EUR 40,932k (prior year: EUR 17,061k) are mainly due to investments in internally developed software, shop fittings, the logistics infrastructure and other equipment, furniture and fixtures. This includes the acquisition of money market funds that led to a cash outflow of EUR 25,087k.

The increase in cash flow from financing activities by EUR 194,009 k to EUR 203,864 k is primarily attributable to the contribution from the capital increase in connection with the IPO.

Overall, Mister Spex’s cash and cash equivalents rose by EUR 135,108k and amounted to EUR 149,644k as of 31 December 2021.

The change in equity is mainly due to the capital increase carried out in the course of the IPO, the contributions resulting from the share-based payment transactions, and the loss for the period. At 75%, the equity ratio was above the prior-year level as of the reporting date (prior year: 27%). Business activities are fully financed by means of equity as of 31 December 2021.

Total current and non-current liabilities were down by EUR 8,795k on the prior-year figure of EUR 89,330k. The reduction mainly resulted from the repayment of the loan which still existed on 31 December 2020 in the amount of EUR 30,255k. The remaining amount of EUR 7,500k under the refinancing agreement that had not been utilized was consequently terminated in July 2021. The increase in trade payables by EUR 6,193k and lease liabilities by EUR 14,252k had an offsetting effect. As of the reporting date there were undrawn credit facilities for Nordic Eyewear AB of SEK 8m.

As of 31 December 2021, lease liabilities of EUR 51,691k (prior year: EUR 37,439k) were recorded for leases for office, warehouse and store space. In addition, Mister Spex has entered into several lease agreements that have not yet commenced. These relate to additional space for future stores and office space. Additional payments of EUR 46m (prior year: EUR 8m) are expected over the non-cancelable term of the lease.

In the fiscal year, current liabilities decreased by EUR 21,106k to EUR 34,737k, chiefly as a result of the repayment of liabilities to banks. As of 31 December 2021, current liabilities largely related to trade payables, lease liabilities, refund obligations as well as provisions for warranties, employee obligations, and outstanding invoices.

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

1.4 Economic report for Mister Spex SE

Preliminary remarks
The management report and the group management report of Mister Spex AG, 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 leading digitally native omnichannel retail brand in the optician industry in Europe. 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, as well as 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 functions, such as automatic goods replenishment and real-time sorting algorithms, 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 online shops and operate 46 of our own brick-and-mortar stores in Germany and Austria. We also have an extensive partner optician network with over 400 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.

1.5 Assets, liabilities, financial position and financial performance of Mister Spex SE

Financial performance

Company's financial performance developed as follows.

	1 Jan to 31 Dec		
in EUR k	**2021**	**2020**	**Changes**
Revenue	173,922	144,598	20 %
Own work capitalized	6,956	4,613	51 %
Other operating income	4,549	700	>100 %
Cost of materials	-85,372	-68,940	24 %
Gross profit	**100,054**	**80,971**	**24 %**
Personnel expenses	-45,603	-33,709	35 %
Amortization, depreciation and impairment	-7,329	-4,979	47 %
Other operating expenses	-75,401	-46,961	61 %
Operating result	**-28,279**	**-4,678**	**>100 %**
Financial and investment result	**-1,399**	**-2,054**	**-32 %**
Income taxes	**-547**	**-317**	**-73 %**
Loss for the year	**-30,225**	**-7,049**	**>100%**

Mister Spex SE closed fiscal year 2021 with a loss for the period that had deteriorated by EUR 23,176k, primarily driven by expenses in connection with the Company's IPO.

Growth was as expected with revenue up EUR 29,324k to EUR 173,922k (2020: up EUR 24,832k to EUR 144,598k). In 2021, Germany was again the largest sales market for our core products prescription glasses and sunglasses.

Own work capitalized of EUR 6,956k relates to internally developed software. In the fiscal year, additions included both internally generated intangible assets and assets under development.

Other operating income increased by EUR 3,849k to EUR 4,549k compared to the prior year. The increase is mainly related to a receivable from shareholders prior to the IPO related to the allocation of IPO costs in the amount of EUR 3,046k and to income the reversal of provisions in the amount of EUR 459k.

Cost of materials rose by EUR 16,432k to EUR 85,372k (2020: up EUR 7,585k to EUR 68,940k) in line with revenue growth. At 49%, cost of materials as a percentage of revenue was one percentage point above the prior-year level due to factors such shifts in the product mix and slightly higher discounts compared to fiscal year 2020.

Personnel expenses increased by EUR 11,894k on the prior year to EUR 45,603k (2020: up EUR 8,493k to EUR 33,709k), primarily as a result of a further increase in headcount to open additional stores as well as in the administrative and logistics divisions and one-time expenses in connection with the coronavirus pandemic and the IPO.

Amortization, depreciation and impairment increased by EUR 2,350k to EUR 7,329k, mainly due to higher amortization of intangible assets.

At EUR 75,401k, other operating expenses were higher than the prior year (EUR 46,961k). The EUR 28,440k increase is mainly attributable to the expansion of our omnichannel activities in other cities and the variable costs associated with revenue growth, including costs for distribution and sales. The legal and consulting fees incurred in connection with the IPO and the change of legal form from a German stock corporation (AG) to a European company (SE) also contributed to the increase. Marketing costs are 26% higher than in the prior year. The comparative figure for 2020 was comparatively low due to the COVID-19 pandemic.

The financial and investment result for the fiscal year mainly comprises interest expenses of EUR 2,877k (prior year: EUR 3,572k), income from loans classified as non-current financial assets of EUR 1,346k (prior year: EUR 1,414k) and income from profit transfers of EUR 124k (prior year: EUR 104k).

Assets, liabilities and financial position

The following overview shows the summary of the balance sheet:

Assets

in EUR k	31 Dec 2021	31 Dec 2020	Change
Non-current assets	80,482	59,597	20,885
Current assets	211,508	38,055	173,453
Prepaid expenses	1,941	687	1,254
Total assets	**293,931**	**98,339**	**195,592**

Equity and liabilities

in EUR k	31 Dec 2021	31 Dec 2020	Change
Equity	266,111	49,134	216,977
Contribution made to effect the resolved capital increase	85	-	85
Special item for government grants	79	306	-227
Provisions	5,416	6,009	-593
Liabilities to banks	0	30,439	-30,439
Liabilities[9]	20,272	11,120	9,152
Deferred income	338	254	84
Deferred tax liabilities	1,630	1,076	554
Total capital	**293,931**	**98,339**	**195,592**

In fiscal year 2021, investments in intangible assets amounted to EUR 9,408k (prior year: EUR 5,589k) and in property, plant and equipment to EUR 6,172k (prior year: EUR 8,027k). The investments in property, plant and equipment mainly relate to the expansion of the stores and the expansion of the logistics sites.

As in the prior year, inventories primarily comprise merchandise for the operating business and amount to EUR 21,206k (prior year: EUR 16,011k).

Receivables and other assets increased by EUR 15,201k to EUR 24,713k year on year. Outstanding trade receivables as of the reporting date mainly relate to year-end invoicing with our suppliers (EUR 1,734k; prior year: EUR 1,091k). Other assets increased to EUR 19,634k (prior year: EUR 7,927k). This increase is mainly due to the security deposits made and the receivables from shareholders in connection with the allocation of IPO costs.

As of the reporting date, the Company held securities of EUR 25,010k (prior year: EUR -k).

[9] Liabilities comprise prepayments received on account of orders, trade payables and other liabilities.

The equity ratio increased to 91% in the fiscal year (prior year: 50%). The change in the equity ratio is mainly related to the capital increase as part of the IPO. In 2021, no own shares were acquired. Further details regarding the development of own shares are provided in the notes.

Provisions and liabilities decreased by EUR 21,880k (prior year: EUR 2,296k). As of 31 December 2021, provisions primarily related to employee obligations, obligations from outstanding invoices, warranties and returns.

In the course of the fiscal year, the liabilities to banks were repaid in full (prior year: EUR 30,439k).

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

Cash and cash equivalents of EUR 140,578k (prior year: EUR 12,531k) largely comprise bank balances and are not subject to any restraint on disposal. The increase is mainly related to contributions from the capital increase related to the IPO.

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

The Management Board regards the Group’s performance in fiscal year 2021 and that of Mister Spex SE as positive despite the negative impact of the COVID-19 pandemic on bricks-and-mortar retail. Revenue rose again by a double-digit figure and adjusted EBITDA was also in positive territory, despite the negative impact of the COVID-19 pandemic on the brick-and-mortar retail business.

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

1.7 Risks and opportunities

1.7.1 Risk management system

Carefully weighing up opportunities and risks to increase business performance and identify growth markets and innovations plays an important role at Mister Spex. The risk management system supports the daily actions of all employees within the framework of Mister Spex’s value system. We are confident that the system ensures the early detection, evaluation, management and monitoring of all risks that exist in the Group beyond the short-term financial risks covered in performance management, and that can endanger not only the financial performance and net assets, but also intangible assets. Thus, potential dangers that can affect the Company's value or development are identified at an early stage. The system considers environmental and Company-specific early warning indicators and factors in the assessments of our employees.

In 2021, Risk Controlling determined and reviewed the risks twice with the risk owners from the different areas. The main risks were presented to the Audit Committee in a meeting.

In the second half of 2021, the risk management system was reviewed and adapted to the increased standards of a listed company and continuously expanded. The process described below will be completed in its entirety for the first time in 2022.

Risk controlling initiates the periodic risk management process and consolidates and validates the reported risks. It also examines the risk responses and monitors their implementation. Risk controlling works with the respective risk owners to continuously define early warning indicators to monitor the actual development of certain risks.

A risk report is drawn up on the basis of a regularly conducted process and, in this context, significant risk developments and their effects on the business plan and objectives are also simulated. The results are reported regularly to the Management Board and annually to the Supervisory Board. In addition to continuous reporting, there is an additional obligation in the event of sudden ad hoc risks.

The risk management system is subject to regular updating and enhancements, as well as adaptation to changes in the Company. The effectiveness of the risk management system is regularly validated on the basis of the risks actually incurred and adapted to market developments. Risk management considers all activities along the risk management process, i.e. risk identification, risk analysis, risk assessment, risk communication, risk monitoring, risk response and risk aggregation.

Roles and responsibilities

In organizational terms, risk management is directly subordinate to the Management Board which decides on the structures and procedures of risk management and the provision of resources. The Management Board approves the documented results of risk management and takes them into account in the management of the Company. The Audit Committee of the Supervisory Board monitors the effectiveness of risk management. A prerequisite for risk monitoring is an internal control system (ICS) and the internal auditing department, into which risk monitoring is integrated. In future, the Internal Audit function will review the effectiveness of risk monitoring.

The first-level executives (risk owners) below the Management Board are responsible for the identification, assessment, response to, documentation and communication of all risks in their area of responsibility. In addition, they are responsible for the capture and reporting of all risks to the Controlling department of the Company in the specified reporting cycles (regularly every six months as well as ad-hoc, if necessary).

Controlling and Internal Audit regularly review the operating effectiveness and adequate design of the risk management system and advise the individual departments on how best-practice approaches can be implemented. In addition, the Internal Audit function also includes reviewing internal control systems at the local and functional level. The Audit Committee of the Supervisory Board monitors the effectiveness of the internal control system and the risk management system.

Risk monitoring system
The proper functioning of the early warning system and the risk management system is continuously ensured by an appropriate monitoring system. Internal and external auditing serves as a neutral audit function that ensures the quality of risk management and the risk responses implemented.

Risk identification, risk analysis and risk assessment
Based on the stock market prospectus, a risk universe with four main risk categories is defined for risk identification:

- Market environment
- Operations
- Finances, Regulatory & Legal
- Capital market activities

In the **risk assessment**, Mister Spex mainly focuses on earnings risks and going concern risks. Earnings risks have a negative impact on the sustainable profitability of the Company and thus on the adjusted EBITDA of the Group. As a rule, these risks are also affect cash to the same or similar extent. Wherever possible, a risk assessment has always been carried out quantitatively. However, if this was not possible or was difficult to do, a qualitative assignment was made on the basis of a detailed matrix with four damage classes:

Category	Class	Definition	Impact on earnings*
Very high	4	Existential for the Company	> EUR 3,200 k
High	3	Serious effects on the business situation, sustained deterioration in the business situation	EUR 1,400 k
Medium	2	Medium impact, may be noticeable within a year or less	EUR 700 k
Low	1	Insignificant impact on business development	< EUR 100 k

* Based on the medium-term planning of the company (period under review: five years)

The expected probability of occurrence of the risks is divided into four classes.

Category	Class	Definition	Probability
Very high	4	Very high probability that the risk will occur in the period under consideration	50 %
High	3	High probability that the risk will occur in the period under consideration	20%
Medium	2	It is improbable that the risk will occur during the period under consideration	10%
Low	1	It is very improbable that the risk will occur in the period under consideration	5%

For each risk, the expected damage levels and probabilities of occurrence are classified before risk responses (gross) and after risk responses (net) within the defined ranges, documented in a risk system and transferred there to a risk matrix. Risk reporting is based on the net assessment and the classification of the risks in the risk matrix, with four classes each for the probability of occurrence and the amount of damage.

Similar to the control variable used at Mister Spex (adjusted EBITDA), the risk assessments were redefined in 2021 and adjusted from EBIT to AEBITDA. Four categories were defined for this, which are as follows:

(1) Very high with a maximum financial loss of more than EUR 10 million
(2) High with an impact of up to EUR 10 million
(3) Medium with an impact of up to EUR 2.5 million and
(4) Low with an impact of up to EUR 1 million

In this context, the probabilities of occurrence were expanded to five categories, which are as follows:

(1) Very high with a probability of occurrence of over 80%
(2) High with a probability of occurrence between 60 and 80%
(3) Medium with a probability of occurrence between 40 and 60%
(4) Low with a probability of occurrence between 10 and 40%
(5) Very low with a probability of occurrence below 10%

Risk matrix
The results of the risk analysis are finally recorded and described by an evaluation in a risk matrix based on the respective value pair (maximum damage/expected damage). In addition, proposals for risk prevention measures (mitigating measures), the risk responses already initiated and the respective responsibilities are included in order to obtain a comprehensive overview of the existing and potential risks. This information pool is constantly being updated, monitored and analyzed.

The risk situation remained largely unchanged on the prior year and there are no indications that the Company's ability to continue as a going concern is jeopardized. Below, we summarize the most relevant risks related to the respective operational areas of our Company.

1.7.2 Overview of risks at Mister Spex

Risk overview

	Relevance	**Impact**	**Probability**
1. Market risks			
Competition	Relevant	High	Low
Customer demand	Essential	Very high	Medium
Market environment	Relevant	Medium	Medium
2. Operational risks			
Logistics	Essential	High	Medium
Procurement and sales	Essential	High	Medium
IT	Relevant	High	Low
Employees	Essential	High	Medium
Customers	Essential	High	Medium
3. Finance, compliance and regulators risks			
Liquidity, default or interest risks	Relevant	Very high	Low
Other financial risks	Relevant	High	Low
4. Capital market risks			
Reporting risks	Moderate	Medium	Low
Capital market performance	Moderate	Medium	Low

The risk relevancy is assessed depending on the impact and the probability of occurrence. Four categories are used for this, which are defined down as follows:

(1) Significant (scoring > 12); Risks with high and very high criteria
(2) Essential (scoring < 12); Risks with medium to high criteria
(3) Relevant (scoring < 6); Risks with low to medium criteria
(4) Moderate (scoring < 3); Risks with low criteria

Market environment
In 2021, COVID-19 continued to make itself felt in our business development and, in particular, in the associated restrictions in our stores. In addition to generally lower customer frequency in shopping streets and centers, specific access restrictions and space restrictions were also responsible for lower revenue. Especially at the beginning of 2022, it is probable that customer frequency will still fall short of the level of the years before the pandemic due to the spread of the Omicron variant. However, we expect to see increasing easing for retail over the course of the year and a related positive impact on revenue development in our stores. At the same time, we are also initiating targeted marketing initiatives to strengthen our stores. Our successful online offering is also still available to our customers to the usual extent and quality, and thus partially compensates for any lack of offline revenue. By constantly investing in new technologies, we simplify the online purchase of glasses through tailor-made digital services, such as virtual fitting and online eye tests. In collaboration with Tribe, we are working on a facial recognition technology to provide suitable recommendations for eyewear frames. In the next step, we will offer individual 3D printed frames based on the 3D scan of the face.

Market and competitive risks generally refer to changes in sales and procurement conditions and the performance of competitors. Mister Spex's economic environment is generally characterized by competitive pressure. Intensive price competition and the market entry of new suppliers could jeopardize our revenue and market shares as well as the profitability of Mister Spex.

We counter this risk by offering a clearly distinguishable range of products, our customer service as well as through flexible marketing strategies. In addition, our omnichannel strategy is diverse and provides our customers with access to our offerings via various channels so our customers can obtain all the services they are familiar with either on the website, from our partner opticians or in our own stores.

IT risks
For companies trading online, the availability of the IT systems used and the integrity of these technologies in the business processes are a decisive success factor. Besides consequences under data protection law, disruption or failure of online services can lead to revenue losses. The growing market gives rise to increasing cybercrime, which also represents a risk. Internal disruptions in the IT environment, e.g., affecting inventories and logistics, can also have significant influence on the performance of Mister Spex and could lead to short-term revenue losses.

To avoid IT system failures and criminal acts in our systems, regular monitoring was devised and implemented to monitor relevant processes and recognize risks at an early stage. We believe that regular hardware and software updates help ensure the security and stability of our systems. Our measures and their effectiveness with regard to failure risk control have been confirmed by safety and stability tests.

Personnel risks
Mister Spex relies on competent and dedicated professionals and executives to realize its strategic goals. The loss of professionals and executives is a significant risk. The difficulty of recruiting young professionals and executives represents another growing risk. Demographic change and mounting competition on the labor market are making it a challenge to attract qualified personnel. Because of steadily progressing digitalization, demand for IT professionals remains particularly high. The number of opticians looking for work is also declining. The lack of skilled personnel in this industry could also impede the economic development of Mister Spex.

To address this risk, personnel management at the Mister Spex Group invests resources in measures such as training, promoting flexible working time models, bonus programs and incentive measures, which are all aimed at further enhancing employee satisfaction retaining employees in the Company in the long term. Since 2016, Mister Spex has also been training opticians in its own workshops with the objective of alleviating the general lack of skilled personnel. At the same time, the brand positioning of Mister Spex and the agile corporate culture have a positive effect on the recruiting processes.

Logistics risks
Our efficient and automated logistics processes are reflected in a high level of customer satisfaction. We achieve this through a steadily increasing degree of automation in conjunction with high quality management standards. Nevertheless, today Mister Spex has only three distribution centres, of which only one has the capacity to manufacture glasses.

For the improbable event of operational disruptions, we have taken extensive precautionary measures, including regular training and qualification activities for employees, ongoing review of logistics processes as well as their increasing automation and ensuring sufficient inventory levels. Mister Spex is insured to a reasonable economic extent against unforeseeable damage that can lead to a business interruption.

Currency and trade risks
A changing regulatory environment may give rise to risks as the Company expands its business activities within and outside of the eurozone. Potential additional costs for transportation and import duties as well as the associated currency risks could represent future scenarios. The Mister Spex Group's currency and trade risk is significantly reduced by the fact that it generates the lion's share of its business within the eurozone. Currency developments within Europe are closely monitored by the treasury function and any foreign currency holdings are changed in good time through established service providers.

1.7.3 Overview of the opportunities at Mister Spex

Opportunities arising from changed market structures or improvements in the internal value chain should be identified early on and systematically leveraged in order to secure the Company's ongoing success.

Market opportunities
According to Euromonitor, the European optician market had a revenue volume of EUR 32b; the German market alone had a volume of EUR 6b in 2021. Both markets are growing by a mid-single digit percentage on average due to increasing digitalization and the aging population. Mister Spex also benefits from the growing fashion orientation, which is identified as another future driver of market volume relevance. Due to its brand strength and focus, Mister Spex benefits disproportionately from these developments and is well positioned with its omnichannel strategy to continue achieving strong growth in Germany and other European markets.

The expansion of our omnichannel strategy allows us to convince customers of our vision for the modern glasses purchase journey on a personal level as well. Excitement over our business model and the expansion of our customer base could present an opportunity for future growth and rising earnings. We also stand to benefit from the growing awareness of the Mister Spex brand and our customers' confidence in in our high-quality offering.

The positive development of mobile commerce presents an equally significant opportunity for Mister Spex. Given the rising use of tablets and smartphones and the related revenue growth from mobile devices, targeted optimization and enhancement of our online stores could further enhance the shopping experience, thereby boosting revenue.

Constant analysis of customer needs by brand or product attribute allows us to tailor our product portfolio. New brands and product lines allow us to address additional customer groups and to continuously increase the repurchase rate and thus positively influence revenue growth.

The continuously growing technological requirements faced by online retailers, if implemented successfully, lead to a high level of customer satisfaction and related high usage of our platform. Our market position can be strengthened, return rates reduced and revenue figures increased through ongoing improvements and adjustments in line with market needs.

1.7.4 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 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.

1.8 Outlook

General economic situation and industry conditions

In its publication on 26 January 2022, the German Federal Ministry of Economic Affairs and Climate Action expects the global economy to grow by 4.5% in 2022 compared to the prior year. The global economy is expected to pick up in the course of the year as infection rates decline and supply bottlenecks ease. The German market, which contributes the highest revenue for Mister Spex, should also benefit from the positive market environment for the global economy. The German government expects economic growth of 3.6% in 2022. The economic recovery should accelerate over the course of the year with a flattening of infections and the associated rollback of restrictions.

The positive forecast for economic growth should also have a positive impact on the optical market. Statista expects revenue in the optician market in Germany to grow by around 7 % in 2022 compared to 2021. The further growth of the online eyewear market should contribute to this, but the brick-and-mortar retail sector also stands to benefit from a revival of customer traffic in shopping streets and centers as the COVID-19 measures are eased.

Future development of the Group

We are convinced that our leading position as a digital omnichannel optician will enable us to continue our growth and become one of the leading players in the overall optician 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 are also examining the potential for further market entries for our store concept. Thanks to our seamless omnichannel approach, the broad product range on the market and a leading price-value proposition, we want to continue to grow faster than the market in 2022 and continuously expand our customer base.

For fiscal year 2022, management expects moderate double-digit revenue growth that will be slightly higher than the growth rate of 18% in the prior year. The expansion of the store network by around 20 stores, a slight increase in the number of orders, a slight increase in the average order value and a slight increase in active customers should contribute to revenue growth.

Management expects an increase in adjusted EBITDA compared to EUR 4.1m in 2021. Higher marketing expenditure to strengthen brand awareness in international markets and to increase customer traffic in the stores as well as, among other factors, increasing personnel expenses due to a higher proportion of experienced management staff among new hires will lead to increasing operating expenses.

A more accurate revenue and earnings forecast is not possible due to the volatile market environment. The further course of the coronavirus pandemic is difficult to estimate, and it can be assumed that the customer traffic in the shopping streets and centers will continue to be below pre-pandemic level. Increasing inflation concerns and rising costs for everyday items could negatively impact the disposable income of potential customers and further dampen customer demand. The uncertainties caused by the conflict in the Ukraine could indirectly exacerbate this development through higher sourcing costs as well as more cautious travel plans and thus lower customer demand for sunglasses.

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 ties 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.

1.9 Acquisition-relevant information according to Sections 289a (1), 315a (1) German Commercial Code (HGB)

The Company is obliged to disclose the following acquisition-relevant information in accordance with Sections 289a (1), 315a (1) HGB in the Company's Combined Management Report.

Composition of subscribed capital
Regarding 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 2021 (reporting date), Mister Spex SE held 1,008,000 treasury shares which do not entitle it to any rights pursuant to Sec. 71b AktG.

All members of the Management Board of Mister Spex SE have undertaken in an agreement with the syndicate banks that provided support for the IPO of the Company, subject to certain exceptions, until 2 July 2022 neither to dispose, directly or indirectly through affiliates, of any shares in the Company held by them at IPO without the consent of the syndicate banks coordinating the IPO, nor to acquire any options to dispose of such shares, nor to grant any options to acquire such shares. Furthermore, the members of the Management Board have undertaken not to exercise the voting rights arising from such shares in favor of an increase in the Company's capital stock or in favor of the issue of financial instruments that grant a conversion or subscription right to shares in the Company. These restrictions affect 316,075 shares held by the members of the Management Board as of the reporting date.

Equity investments exceeding 10% of 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 ["Wertpapierhandelsgesetz": German Securities Trading Act].
After the Company had received the corresponding notification from EssilorLuxottica SA in accordance with Sec. 33 (2) WpHG and before the end of the reporting period, the total number of voting rights increased on 30 August 2021 by 485,118 from 34,168,034 to 34,653,152 and by a further 97,206 to 34,750,358 and on 10 December 2021 by 19,010 to 34,769,368, such that the stated equity investments do not yet take these changes into account.
In addition, Albert Büll, Christa Büll, Sabine Büll-Schroeder and Nathalie Büll-Testorp, each having their place of residence in Hamburg, Germany (together the "reporting persons"), 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 reporting persons in accordance with Sec. 34 WpHG.

After the Company had received the corresponding notification from Albert Büll, Christa Büll, Sabine Büll-Schroeder and Nathalie Büll-Testorp in accordance with Sec. 33 (1) Sentence 1 WpHG and before the end of the reporting period, the total number of voting rights increased on 10 December 2021 by 19,010 from 34,750,358 to 34,769,368, such that the stated equity investments do not yet take these changes into account.

Statutory provisions and provisions of the articles of incorporation and bylaws concerning the appointment and dismissal of members of the Management Board and the amendment of the articles of incorporation and bylaws

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 and bylaws 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 and bylaws, 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 and bylaws 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 and bylaws stipulate otherwise, under Art. 19 (3) of the articles of incorporation and bylaws, amendments to the articles of incorporation and bylaws 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 and bylaws, the Supervisory Board is authorized to adopt amendments to the articles of incorporation and bylaws which relate only to the wording. Pursuant to Art. 4 (6) of the articles of incorporation and bylaws, the Supervisory Board is authorized to amend the articles of incorporation and bylaws after the capital authorized in 2021 has been used or the authorization period for its 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 2019/1

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 EUR 1,198,666.00 in the period up to 12 August 2024 by issuing up to 1,198,666 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.

By resolution of 15 December 2021, with the approval of the Supervisory Board of 15 December 2021, the Management Board decided, making partial use of Authorized Capital 2019/I, to increase the capital stock of the Company in order to fulfill option rights of current or former employees and directors of the Company by up to EUR 94,695.00 from EUR 34,769,368.00 to up to EUR 34,864,063.00 by issuing up to 94,695 new bearer no-par value shares with full profit-sharing rights from 1 January 2021 in return for cash contributions. Shareholders' subscription rights are excluded. The capital stock was increased by EUR 94,695.00 to EUR 34,864,063.00, with the increase entered in the commercial register of the Company on 7 February 2022. After partial utilization, Authorized Capital 2019/I amounts to EUR 1,103,971.00.

Authorized Capital 2020/I
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 EUR 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.

Authorized Capital 2021/I
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 EUR 9,203,647.00 by issuing up to 9,203,647 new no-par value bearer shares in return for cash and/or contributions in kind once or several times (Authorized Capital 2021/I). The shareholders shall in principle be granted a subscription right. The shares may also be issued by one or more banks or companies 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 shareholders in certain cases specified in the authorization, with the consent of the Supervisory Board, for one or more capital increases within the framework of Authorized Capital 2021. The Management Board is also authorized to determine the further details of the capital increase and its implementation with the consent of the Supervisory Board.

Conditional Capital 2021/I
The capital stock is conditionally increased by a total of up to EUR 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.

Conditional Capital 2021/II
The capital stock is conditionally increased by a total of up to EUR 1,588,920.00 by the issue of a total of up to 1,588,920 new no-par value bearer shares (Conditional Capital 2021/II). Conditional Capital 2021/II serves exclusively to fulfill subscription rights issued up to 13 June 2026 (inclusive) by the Company to Management Board members and employees of the Company under stock option programs pursuant to the authorization issued by the Extraordinary General Meeting held on 14 June 2021. The conditional capital increase will only be carried out to the extent that the holders of the issued subscription rights exercise their subscription rights to shares of the Company and the Company does not grant treasury shares or a cash settlement to fulfill the subscription rights. The new shares are issued from conditional capital at the lowest issue amount in accordance with Sec. 9 (1) AktG. The new shares shall participate in the profit of the Company from the beginning of the fiscal year in which they are created by the exercise of option rights; 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 net retained profit at the time of exercise of option rights. The Management Board or, where members of the Management Board are concerned, the Supervisory Board of the Company, is authorized to determine the further details of the implementation of the conditional capital increase.

Acquisition of own shares
The Management Board is authorized, with the approval of the Supervisory Board, observing the principle of equal treatment (Art. 9 (1) c) (ii) of the SE Regulation in conjunction with Sec. 53a AktG), to acquire until 13 June 2026 own shares in the Company up to a total of 10% of the capital stock of the Company existing at the time of the resolution or – if lower – at the time of exercise of the authorization. The shares acquired on the basis of this authorization, together with other own shares of the Company which the Company has already acquired and still holds or which are attributable to it in accordance with Art. 5 of the SE Regulation in conjunction with Sec. 71a et seq. of AktG may at no time exceed 10% of the respective capital stock of the Company.

The authorization may be exercised once or several times, in whole or in part, in pursuit of one or more purposes by the Company, but also by group entities or by third parties for the account of the Company or the group entities. The authorization may be exercised for any purpose permitted by law, but not for the purpose of trading in own shares. At the discretion of the Management Board, the shares will be acquired (i) via the stock exchange or (ii) by means of a public tender offer addressed to all shareholders of the Company or by means of a public invitation to the shareholders to submit offers for sale.

The Management Board is authorized, with the approval of the Supervisory Board, to retire the own shares acquired on the basis of the authorization, in whole or in part, once or several times, without a further resolution of the Annual General Meeting. The Management Board is further authorized to use the own shares acquired on the basis of the authorization, with the consent of the Supervisory Board, once or several times in a manner other than a sale via the stock exchange or an offer to all shareholders subject to the complete or partial exclusion of the shareholders' subscription rights, as set out in the resolution proposal on agenda item 10 of the Annual General Meeting of the Company held on 14 June 2021, in particular (i) for sale in return for consideration in kind, e.g., for the acquisition of companies, parts of companies or equity investments in companies, (ii) for sale in return for payment in cash, where this takes place at a price that is not significantly less than the market value of shares in the Company at the time of sale and the percentage of the capital stock attributable to the shares thus used does not exceed 10% of the capital stock of the Company, (iii) for the fulfillment of obligations of the Company arising from conversion and option rights or conversion obligations arising from or in connection with convertible or option bonds or profit participation rights or profit participation bonds issued by the Company or entities dependent on it or majority-owned by the Company, or (iv) for grants under participation programs and/or share-based payments to persons participating in the relevant participation program as members of the Management Board of the Company, as members of the management of an entity dependent on it or as employees of the Company or an entity dependent on it or to such persons receiving a share-based payment in this capacity. Where shares are to be granted to members of the Management Board of the Company within the scope of this authorization, the Supervisory Board of the Company shall decide on this and on the further details.

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 three supply contracts for spectacle lenses and/or contact lenses as well as a contract for the use of a data analysis tool. 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. Some of these contracts provide that, in the event of the contractual partner exercising the right of termination, all outstanding amounts are due immediately or that the respective 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. However, the aforementioned agreements only have a term of 12 to a maximum of 18 months regardless of the occurrence of a change of control; one of the supply contracts can be terminated at any time subject to three months' notice.

2. Corporate Governance Statement

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 16 December 2019 (“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.

2.1 Declaration of conformity pursuant to Sec. 161 AktG

In December 2021, 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 published on the company’s website and available at any time: [http://www.ir.misterspex.com/websites/misterspex/English/6000/corporate-governance.html]

The Management Board and Supervisory Board declare that Mister Spex SE has complied with all recommendations of the commission “Regierungskommission Deutscher Corporate Governance Kodex” in the version of 16 December 2019 (**GCGC**) since 22 June 2021 (being the date of the securities prospectus for the public offering of the shares in Mister Spex SE for the admission to trading on the regulated market of the Frankfurt Stock Exchange, hereinafter the **IPO**) and will continue to comply with all these recommendations, with the exception of the deviations stated below:

- **C.4 GCGC** recommends that a Supervisory Board member who is not a member of any Management Board of a listed company shall not accept more than five Supervisory Board mandates at non-group listed companies or comparable functions, with an appointment as Chair of the Supervisory Board being counted twice.
  The Chairman of the Supervisory Board of Mister Spex SE, Mr Peter Williams, was Chairman of the Board of two other listed UK companies in addition to his office at Mister Spex SE until December 2021. Mister Spex SE is of the opinion that the total number of mandates of Supervisory Board members of non-group listed companies and similar functions should be assessed appropriately on a case-by-case basis as opposed to following a rigid upper limit. As a result of his clear commitment to Mister Spex SE – for which he had been a member of the Advisory Board of the former Mister Spex GmbH since 2013 – and his extensive experience of more than 30 years in consumer-related companies in the retail, leisure, media and consumer goods sectors, we consider Mr Williams to be an excellent choice as our Chairman of the Supervisory Board. Recommendation C.4 GCGC has therefore not been complied with in the past when taking into account all of Mr Williams’ mandates, including Mister Spex.
  In the future, Mr Williams will be Chairman of the Supervisory Board of another listed company in addition to his Supervisory Board mandate at Mister Spex SE. Mister Spex SE will therefore comply with Recommendation C.4 GCGC in the future.

- **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 financial year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.
  The financial information to be published since the IPO as per Recommendation F.2 was published in accordance with the publication periods required by law or stock exchange

regulations. Mister Spex SE considered the publication within these periods to be sufficient for the information interests of investors, creditors, other stakeholders and the public. Recommendation F.2 GCGC has therefore not been complied with in the past.
In the future, Mister Spex SE intends to make the consolidated financial statements and the group management report publicly accessible within 90 days of the end of the financial year. Furthermore, it is intended to publish the quarterly statements (*Quartalsmitteilungen*) within 45 days after the end of the reporting period. The semi-annual financial report (*Halbjahresfinanzbericht*) of Mister Spex SE is expected to be published in 2022 also in accordance with the publication periods required by law or stock exchange regulations. This results from the ongoing establishment of the internal accounting and consolidation processes within the Mister Spex-Group. Once these processes have been implemented, Mister Spex SE also intends to publish the semi-annual financial reports (*Halbjahresfinanzberichte*) 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.1, indent 1 GCGC** recommends that the remuneration system shall define in particular how the target total remuneration is determined for each Management Board member, and the amount that the total remuneration must not exceed (maximum remuneration), and **G.1, indent 3 GCGC** recommends that the remuneration system shall define in particular the financial and non-financial performance criteria relevant for the granting of variable remuneration components.

  In the period since the IPO of Mister Spex SE, the remuneration practice for the current Management Board members and the service agreements of the Management Board members of Mister Spex SE did not provide for a maximum remuneration for an individual Management Board member in accordance with Recommendation G.1, indent 1 GCGC, and non-financial performance criteria relevant for the granting of variable remuneration components in accordance with Recommendation G.1, indent 3 GCGC. The Supervisory Board of Mister Spex SE has decided that the remuneration practice of the Management Board in place at the IPO shall be continued on a transitional basis until the end of the financial year 2021 on the basis of the Management Board members' service agreements currently in effect in order to avoid an amendment of the Management Board members' service agreements and the remuneration structure during the course of the year. In the past, Recommendation G.1, indent 1 and indent 3 GCGC has therefore not yet been complied with.

  The Supervisory Board of Mister Spex SE intends to introduce a new system for the remuneration of the Management Board members which defines all elements recommended in G.1 GCGC applicable to the remuneration of the Management Board members and which, by amending the Management Board members' service agreements, shall take effect from 1 January 2022 and shall be submitted for approval to the first General Meeting of the Company as a listed company in 2022. Mister Spex SE will therefore comply with Recommendation G.1, indent 1 and indent 3 GCGC in the future.

- **G.3 GCGC** recommends that, in order to assess whether the specific total remuneration of Management Board members is in line with usual levels compared to other enterprises, the Supervisory Board shall determine an appropriate peer group of other third-party entities, and shall disclose the composition of that group.

  For the remuneration period in 2021 since the IPO, the Supervisory Board did not disclose the composition of the peer group for the purpose of assessing the customary nature of the specific total remuneration of the Management Board members. This is based on the fact that a remuneration system within the meaning of Sec. 87a (1) AktG or a remuneration report for a listed company in which the composition of the peer group could have been disclosed have not yet been disclosed. In line with its previous practice as a non-listed company, no disclosure of the peer group for the purpose of assessing the customary nature of the specific total remuneration of the Management Board members has been made in other publications of Mister Spex SE.

The wording of the second half of sentence 1 under Recommendation G.3 GCGC does not clarify the nature of the requirement to disclose the composition of the peer group as a recommendation. As a precautionary measure, it is stated that the second half of sentence 1 under Recommendation G.3 GCGC has not been fully complied with insofar as the composition of the peer group has not been disclosed in the past for the purpose of assessing the customary nature of the specific total remuneration of the Management Board members. Mister Spex SE will fully comply with Recommendation G.3 in the future as of the next disclosure of the remuneration report or the remuneration system.

- **G.4 GCGC** recommends that, to ascertain whether remuneration is in line with usual levels within the enterprise itself, the Supervisory Board shall take into account the relationship between Management Board remuneration and the remuneration of senior managers and the workforce as a whole, and how remuneration has developed over time.

  For the remuneration period in 2021 since the IPO, 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 but has not yet taken this relationship into account in its development over time. This is due to the fact that Mister Spex SE has not yet been a fully completed financial year of Mister Spex SE since then. It is therefore declared as a precautionary measure that Recommendation G.4 GCGC has not been fully complied with in the past insofar as the relationship between the Management Board remuneration and the remuneration of senior managers and the workforce as a whole was not taken into account in the development over time. Mister Spex SE will fully comply with Recommendation G.4 GCGC in the future.

- **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.

  For the remuneration period 2021 since the IPO, the applicable remuneration practice provided, in addition to fixed salary, fringe benefits and a short-term variable remuneration component in the form of an annual bonus (***Annual Bonus***), a share-based compensation based on an Employee Stock Option Program (***ESOP***), which continues an option program from the time when the Company had the legal form of a limited liability company (*GmbH*). On the basis of the ESOP, the stock options granted to members of the Management Board already prior to the Company's IPO vest on a pro rata monthly basis over four years (***Vesting***). The Vesting of the options granted under the ESOP is a pure time-based vesting. The value of the options therefore solely depends on the development of the share price performance of Mister Spex SE and is not linked to any other long-term targets. The Supervisory Board of Mister Spex SE has decided that the practice of the remuneration of the Management Board members based on the Management Board members' service agreements applicable at the IPO shall be continued on a transitional basis until the end of the financial year 2021 in order to avoid an amendment of the Management Board members' service agreements and the remuneration structure during the course of the year, and that, for reasons of protection of existing rights, the current Management Board members shall continue to be eligible for participation in the ESOP in 2021 and even thereafter for an individually defined transition period (however, without granting new options under the ESOP). The stock options granted under the ESOP are oriented to the long term in that, when looking back and considered as a whole, they vest and change in value over a vesting period of several years since the time of their original grant. However, apart from depending on the share price development, they are not linked to any long-term targets and, in view of the pro rata temporis Vesting, not all vested options have a vesting period of several years. It is therefore declared as a precautionary measure that Recommendation G.6 GCGC has not been fully complied with in the past.

It is intended that, with effect from 1 January 2022, the Management Board members' service agreements will generally provide 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 current members of the Management Board shall also continue to be eligible for participation in the ESOP (but without granting new options) in accordance with the currently applicable terms and conditions of the ESOP and that, for such purpose, the stock options that have been granted to them in the past shall continue to vest and be exercisable under the ESOP beyond 31 December 2021. In this context, it is therefore intended that, depending on the remaining vesting period, each of the current members of the Management Board will not yet be eligible, or will be eligible to a lesser extent, for participation in the new long-term oriented VSOP during the transition period which will be determined individually for each Management Board member. For two Management Board members, the transition period ends on 31 December 2022 with the consequence that the annual grant value under the new long-term oriented VSOP will be reduced to 50% for the financial year 2022. For another Management Board member, the transition period ends on 31 December 2023 (with a small portion of the expiring ESOP options only vesting in the period ending on 31 December 2024, with the consequence that this member shall not yet be eligible for participation in the new long-term oriented VSOP for the financial year 2022 and shall only be eligible for participation with an annual grant value reduced to 50% for the financial year 2023. For the fourth Management Board member, the transition period ends on 31 July 2024, with the consequence that a Vesting under the new long-term oriented VSOP shall be possible only from 1 August 2023 onwards, provided that the grant value under the new long-term oriented VSOP shall be reduced to 50% for the (pro rata) financial year 2023 and the (pro rata) financial year 2024 and participation shall take place with the (pro rata) regular full grant value under the VSOP only from 1 August 2024 onwards. Therefore, it is not certain that the share of variable remuneration achieved as a result of reaching long-term targets will exceed the share from short-term targets during this transition period. It is therefore declared as a precautionary measure that Recommendation G.6 GCGC will not be complied with also in the future including financial year 2024 insofar as the sum of the entitlements from the options that vest under the ESOP and the target Annual Bonus may exceed the entitlements from the grant value under the VSOP.

- **G.7 sentence 1 GCGC** recommends that, referring to the forthcoming financial year, the Supervisory Board shall establish performance criteria for each Management Board member covering all variable remuneration components and that, besides operating targets, such performance criteria shall be geared mainly to strategic goals.
  In the past and in line with the previous remuneration practice, the four current members of the Management Board participated in the ESOP of Mister Spex SE as a variable remuneration component in addition to the opportunity to receive an Annual Bonus even after the Company's IPO. The ESOP is solely linked to the development of the share price

of Mister Spex SE and not to any performance criteria. The Supervisory Board of Mister Spex SE has decided that the current remuneration practice for the members of the Management Board based on the Management Board members' service agreements applicable at the IPO shall be continued on a transitional basis until the end of the financial year 2021 in order to avoid an amendment of the Management Board members' service agreements and the remuneration structure during the course of the year, and that, for reasons of protection of existing rights, the eligibility for participation in the ESOP shall continue to apply on the currently applicable terms and conditions of the ESOP for the current members of the Management Board for an individual period (without granting new options). Recommendation G.7 sentence 1 GCGC has not been fully complied with and will not be fully complied with in the future including the financial year 2024 insofar as no performance criteria for the ESOP have been or will be established as variable remuneration.

- **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 Management Board as a whole – are decisive for the variable remuneration components.
  In the past and in line with the previous remuneration practice, the four current members of the Management Board participated in the ESOP of Mister Spex SE as a variable remuneration component in addition to the possibility to acquire an Annual Bonus even after the Company's IPO. The ESOP is solely linked to the development of the share price of Mister Spex SE and not to any performance criteria or targets. Accordingly, the Supervisory Board has not determined in the past and will not determine in the future with regard to entitlements under the ESOP to what extent individual targets of the individual Management Board members or targets for the Management Board as a whole are decisive. The Supervisory Board of Mister Spex SE has decided that the current Management Board members' remuneration system, which was applicable at the IPO, shall be continued until the end of the financial year 2021 in order to avoid an amendment of the Management Board members' service agreements and remuneration structure during the course of the year, and that for reasons of protection of existing rights, the eligibility for participation in the ESOP shall continue to apply on the currently applicable terms and conditions of the ESOP for the current members of the Management Board for an individually determined period (without granting new options). Recommendation G.7 sentence 2 GCGC has not been fully complied with and will not be fully complied with in future including the financial year 2024 insofar as it has not been determined and will not be determined with regard to entitlements under the ESOP to what extent individual targets for each Management Board member or targets for the Management Board as a whole are decisive.

- **G.9 sentence 1 GCGC** recommends that, after the end of every financial year, the Supervisory Board shall establish the amount of individual variable remuneration to be granted, depending on target achievement.
  In the past and in line with the previous remuneration practice, the four current members of the Management Board participated in the ESOP of Mister Spex SE as a variable remuneration component in addition to the opportunity to receive an Annual Bonus even after the Company's IPO. The ESOP is solely linked to the development of the share price of Mister Spex SE and not to any performance criteria or target achievement. The Supervisory Board of Mister Spex SE has decided that the Management Board members' remuneration system, which was applicable at the IPO, shall be continued until the end of the financial year 2021 in order to avoid an amendment of the Management Board members' service agreements and remuneration structure during the course of the year, and that for reasons of protection of existing rights, the eligibility for participation in the ESOP in accordance with the currently applicable ESOP provisions shall continue to apply

also for the current members of the Management Board for an individually determined period (without granting new options). Given that the achievement of targets is not decisive for entitlements under the ESOP, the Supervisory Board has not determined any target achievement for this variable remuneration component or established entitlements under the ESOP depending on target achievement in the past and will not determine any target achievement or establish entitlements under the ESOP depending on target achievement for this variable remuneration component in the future including the financial year 2024. Recommendation G.9 sentence 1 GCGC has not been fully complied with and will not be fully complied with including the financial year 2024 insofar as no entitlements under the ESOP have been or will be established depending on target achievement.

- **G.10 sentence 1 GCGC** recommends that, taking the respective tax burden into consideration, Management Board members' variable remuneration shall be predominantly invested in company shares by the respective Management Board member or shall be granted predominantly as share-based remuneration.
  For the period after the IPO in the financial year 2021, the members of the Management Board acquired entitlements to variable remuneration in the form of an Annual Bonus as well as entitlements under the ESOP. The entitlements under the ESOP represent share-based remuneration whereas the Annual Bonus has not been share-based in the past and will not be share-based in the future on the basis of the intended new Management Board members' service agreements. Generally, the Supervisory Board intends to put into place an additional, share-based long-term oriented variable remuneration component in the form of the new VSOP with effect from 1 January 2022. However, due to the individual transition periods, it will not yet apply to all members of the Management Board with effect from 1 January 2022 or will not yet apply with the full grant value, in order to ensure that, when considered in combination with the potential entitlements under the ESOP, no excessive remuneration arises.
  Therefore, it cannot be ruled out that the entitlements under the ESOP which have vested in the past since the IPO of Mister Spex SE will not predominate the Annual Bonus, with the consequence that the predominant part of the variable remuneration for a financial year would not be share-based. It can also not be ruled out that the variable elements will not predominantly be share-based in the future for the current members of the Management Board for an individually determined period. It is therefore declared as a precautionary measure that Recommendation G.10 sentence 1 GCGC has not been fully complied with and including the financial year 2023 will not be fully complied with insofar as in individual years or for individual members of the Management Board currently in office the variable remuneration was not or is not predominantly share-based.

- **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.
  For the remuneration period 2021 since the IPO, the members of the Management Board were entitled to (at least partially) long-term variable remuneration based on the ESOP which continues an option program from the time when the Company had the legal form of a limited liability company (*GmbH*). On the basis of the ESOP, the stock options granted to members of the Management Board already prior to the Company's IPO continue to vest in pro rata monthly tranches. The Supervisory Board of Mister Spex SE has decided that the Management Board members' remuneration system, which was in place at the Company's IPO, shall be continued until the end of the financial year 2021 in order to avoid an amendment of the Management Board members' service agreements and remuneration structure during the course of the year, and that, for reasons of protection of existing rights, the current Management Board members shall continue to be eligible for participation in the

ESOP subject to the currently applicable ESOP provisions for an individually determined transition period (without granting new options). The exercise of the options granted under the ESOP has not been and will not be subject to a four-year vesting period as of the IPO.

With effect as of 1 January 2022, the Supervisory Board intends to put in place a further share-based long-term incentive renumeration element in the form of the VSOP. However, due to the individual transition periods, not all members of the Management Board are eligible to participate in the VSOP with effect as of 1 January 2022 or are eligible to participate in the VSOP with the full target amount, in order to avoid an excessive remuneration together with potential entitlements under the ESOP. The virtual stock options to be granted under the VSOP, on the other hand, are subject to a four-year vesting period, prior to which they cannot be exercised. Recommendation G.10 sentence 2 GCGC has not been fully complied with in the past and will not be fully complied with including the financial year 2024 insofar as the options granted to the current Management Board members under the ESOP have not been and will not be subject to a four-year vesting period.

- **G.11 sentence 1 GCGC** recommends that, in determining the variable remuneration components, the Supervisory Board shall have the possibility to account for extraordinary developments to an appropriate extent.
  In the past, the service agreements of the Management Board members have not provided for the possibility of any amendment in the event of extraordinary developments. The Supervisory Board of Mister Spex SE has decided that the Management Board members' service agreements in effect at the IPO shall remain in effect until the end of the financial year 2021 in order to avoid an amendment of the Management Board members' service agreements and remuneration structure during the course of the year. Recommendation G.11 sentence 1 GCGC has therefore not been complied with in the past.
  The Supervisory Board intends to provide for the possibility to account for extraordinary developments in the new Management Board members' service agreements with effect from 1 January 2022. Mister Spex SE will therefore comply with Recommendation G.11 sentence 1 GCGC in the future.

- **G.11 sentence 2 GCGC** recommends that it shall be permitted to retain or reclaim variable remuneration, if justified.

  In the past, the service agreements of the Management Board members have not provided for the possibility to retain or reclaim variable remuneration components in justified cases. The Supervisory Board of Mister Spex SE has decided that, for reasons of protection of existing rights, the Management Board members' service agreements in effect at the IPO shall remain in effect until the end of the financial year 2021 in order to avoid an amendment of the Management Board members' service agreements and remuneration structure during the course of the year. Recommendation G.11 sentence 2 GCGC has therefore not been complied with in the past.

  The Supervisory Board intends to provide in the new Management Board members' service agreements with effect from 1 January 2022 for the possibility to retain or reclaim variable remuneration components in certain justified cases. This shall only relate to the Annual Bonus and entitlements under the new VSOP and, for reasons of protection of existing rights, not to the options granted under the previous ESOP. Recommendation G.11 sentence 2 GCGC will not be fully complied with in the future insofar as the possibility to retain or reclaim does not apply to entitlements from options under the ESOP that vest during the individual transition period.

- **G.16 GCGC** recommends that, if Supervisory Board memberships are assumed at non-group entities, the Supervisory Board shall decide whether and to what extent the remuneration from such memberships shall be taken into account.
  In the past, the service agreements of the Management Board members have not provided for such a possibility to take the remuneration from Supervisory Board mandates at non-group entities into account. In this context, one member of the Management Board held a Supervisory Board mandate at a non-group entity during the period after the IPO of Mister Spex SE in 2021. The Supervisory Board of Mister Spex SE has decided that, for reasons of protection of existing rights, the Management Board members' service agreements in effect at the IPO shall remain in effect until the end of the financial year 2021 in order to avoid an amendment of the Management Board members' service agreements during the course of the year. Recommendation G.16 GCGC has therefore not been fully complied with in the past.
  The Supervisory Board intends to provide in the new Management Board members' service agreements with effect from 1 January 2022 for the possibility of the Supervisory Board to decide on a case-by-case basis whether and to what extent the remuneration from Supervisory Board mandates at non-group entities shall be taken into account. In the future, Mister Spex SE will therefore comply with Recommendation G.16 GCGC.

- **G.18 sentence 2 GCGC** recommends that if members of the Supervisory Board are granted performance-related remuneration, it shall be geared to the long-term development of the company.

  In 2019, one Supervisory Board member was granted options for his mandate as a member of the Advisory Board of Mister Spex GmbH, which will still vest monthly on a pro rata basis in the period until the end of 2022 and which are partly not based on a multi-year assessment basis. The grant was made at a time when the current Supervisory Board member did not yet hold this position. It is therefore declared as a precautionary measure that Recommendation G.18 sentence 2 DCGK has not been complied with in the past and will not be complied with in part in the future.

Berlin, December 2021

Mister Spex SE

The Management Board | The Supervisory Board

2.2 Remuneration report

The new remuneration system that complies with Sec. 87a AktG and is also based on the recommendations of the German Corporate Governance Codex will be subject to approval at the first Annual General Meeting following the IPO according to Section 120a (1) AktG at the Annual General Meeting of Mister Spex on 30 June 2022. The current remuneration system according to Sec. 87a (1) and (2) AktG will be publicly available on the company's website: https://ir.misterspex.com/websites/misterspex/English/1/investor-relations.html

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:
https://ir.misterspex.com/websites/misterspex/English/4000/berichte-praesentationen.html#annual

2.3 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), 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.

The employees of Mister Spex are already informed about relevant compliance policies and guidelines of the Company as part of their respective onboarding process. In addition, we work with an external provider of employee training. The training courses are usually conducted twice a year in the form of mandatory e-learning courses on topics such as the basics of compliance, the AGG ["Allgemeine Gleichbehandlungsgesetz": German General Act on Equal Treatment] and anti-discrimination, anti-corruption, data protection and information security. Additional training on antitrust regulations and money laundering prevention will be provided for employees in certain areas of the Company.

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 Compliance and the Head of Internal Audit report regularly to the Management Board and the Supervisory Board of the Company on compliance issues. The Internal Audit function was newly created in the course of the Company's IPO.

2.4 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 and bylaws 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 is regulated as follows:

Name	Business area
Dirk Graber................................	Operations, IT, Data and Corporate Development
Dr. Mirko Caspar	Marketing, Product Management, Category Management, Retail and International Business
Dr. Sebastian Dehnen................	Finance, Legal, Internal Audit and Investor Relations
Maren Kroll	Human Resources, Public Relations and ESG

Without prejudice to this 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 and bylaws 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 and bylaws 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 and bylaws. 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-Chair), Dr. Mirko Caspar (Co-Chair), Dr. Sebastian Dehnen and Maren Kroll.

In fiscal year 2021, the members of the Management Board held the following mandates on Supervisory Boards or comparable domestic and foreign supervisory bodies of other commercial companies:

Mmember 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-Chair	-	-	Walbusch Walter Busch GmbH & Co. KG (member of the Advisory Board) 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-Chair	Bastei Lübbe AG (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)
Dr. Sebastian Dehnen (CFO)	-	-	-	-
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.

In fiscal year 2021, the Supervisory Board appointed Maren Kroll (CHRO) and Dr. Sebastian Dehnen (CFO) as members of the Management Board, thus making appointments to the Management Board in accordance with the diversity and competence guidelines.

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 cooperation 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 bylaws 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 nine meetings in plenary 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 nine decisions in the reporting period.

The Supervisory Board has set up three standing committees: the Audit Committee, the Nomination and Remuneration Committee and, since June 2021, the Strategy and ESG Committee. An IPO Committee also existed until June 2021.

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 at the end of 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 and bylaws, the Supervisory Board has consisted of seven members since June 2021. In connection with the change of form to a European company (SE) and in preparation for the IPO, the Supervisory Board of the Company was newly constituted and composed and reduced from eight to 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.

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 70 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 Nomination and Remuneration Committee of the Supervisory Board, 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. In fiscal year 2021, the Supervisory Board expanded its internationality and gender diversity and thus implemented its diversity policy. In particular, international experts from the optician industry, Nicola Brandolese and Pietro Luigi Longo, were elected to the Supervisory Board when new appointments were made in connection with the change of form to a European company (SE) and the Company's IPO. The appointment of Birgit Kretschmer also strengthened the expertise of the Supervisory Board and the Audit Committee in the areas of accounting and auditing. In addition, the Supervisory Board appointed Nicole Srock.Stanley, a seasoned marketing and sustainability expert, 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, who joined in fiscal year 2021, the Supervisory Board now has a majority of international members. As a result of the new composition on 31 December 2021, the proportion of women on the Supervisory Board was well over 28.57% and the age spectrum ranged from 45 to 68 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[1]	2024	Supervisory Board	Yes
Nicola Brandolese (Deputy Chair since 1 July 2021)	15 June 2021	2024	Director of Doctolib Srl	Yes
Tobias Krauss	11 December 2020[1]	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	2022	Head of M&A and Co-Chief Integration Officer of EssilorLuxottica SA	No
Stuart Paterson (Deputy Chair until 11 June 2021)	11 December 2020[1]	2022	Partners 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
Jochen Klüppel (Deputy Chair from 11 June 2021 to 30 June 2021)	11 December 2020[1]	30 June 2021	Partner at Grazia Equity GmbH	Yes
Oliver Beste	11 December 2020[1]	15 June 2021	Chair of Beste Beteiligungen GmbH	Yes
Mike Ebeling	11 December 2020[1]	15 June 2021	Director of Goldman Sachs Private Equity	Yes
Nenad Marovac	11 December 2020[1]	15 June 2021[1]	Partner at DN Capital LLP	Yes
Fred Piet	11 December 2020[1]	20 May 2021[1]	Partner at Fipaco Corporate Consultancy BV	Yes

[1] Prior to the change of legal form to a European company (SE), membership refers to the Supervisory Board of Mister Spex AG.

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, 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 particular with regard to the interior design of the Company’s new administrative building.

In fiscal year 2021 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: [list to be completed, chairs/deputy chairs on advisory boards to be specified, if applicable, in the event of a period of one year, entry or exit, stating the respective month]

Supervisory Board member	**Memberships of Supervisory Boards**	**Memberships of comparable domestic or foreign supervisory bodies**
Peter Williams, Chair		DP Eurasia N.V. (member of the Board of Directors, chairperson) Miinto A/S (member of the Board of Directors, deputy chairperson, in each case since April 2021) World Homes Limited (member of the Board of Directors since February 2021) Superdry plc (member of the Board of Directors, chairperson, in each case until April 2021) U and I Group PLC (member of the Board of Directors, chairperson, in each case until December 2021)
Nicola Brandolese (since 15 June 2021), Deputy Chair	-	-

Supervisory Board member	**Memberships of Supervisory Boards**	**Memberships of comparable domestic or foreign supervisory bodies**
Tobias Krauss		Axxum GmbH (member of the Advisory Board, Deputy Chair) Bruss Sealing Systems GmbH (member of the Advisory Board, since May 2021) Earlybird Growth Opportunities Fund 1 GmbH & Co. KG (member of the Investor Advisory Board, since November 2021) Meron 2 LP (member of the Limited Partners Committee, since June 2021) 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, since April 2021) Vsquared Ventures 1 GmbH & Co. KG (member of the Limited Partners Committee)
Birgit Kretschmer (since 15 June 2021)	-	-
Pietro Luigi Longo (since 20 May 2021)	-	-
Stuart Paterson	Babbel Group AG (August 2021 until September 2021)	Dohop ehf (member of the Board of Directors) LoveCrafts Group Ltd (member of the Board of Directors) Alice Charlotte Capital Ltd (Director) Scott-Weir Estates Ltd (Director) Babbel GmbH (member of the Advisory Board until August 2021)
Nicole Srock.Stanley (since 1 July 2021)	-	Buckley Destinations Limited (Director)

Supervisory Board member	Memberships of Supervisory Boards	Memberships of comparable domestic or foreign supervisory bodies
Nicole Srock.Stanley (since 1 July 2021)	-	Buckley Destinations Limited (Director)
Jochen Klüppel (until 30 June 2021)	-	Gitti GmbH (member of the Advisory Board) Gyant Inc. (member of the Supervisory Board) Lingoda GmbH (member of the Advisory Board)
Oliver Beste (until 15 June 2021)		
Mike Ebeling (until 15 June 2021)	-	Caldic B.V. (member of the Board of Directors) Continental Bakeries Holding B.V. (member of the Board of Directors)
Nenad Marovac (until 15 June 2021)		
Fred Piet (until 20 May 2021)		Riverness Holding Limited (member of the Board of Directors)

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. An IPO Committee also existed until June 2021. 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 five times during the reporting period.

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 since 21 June 2021)
Tobias Krauss
Stuart Paterson..
Peter Williams (Chair until 21 June 2021, since then ordinary member)
Mike Ebeling (until 15 June 2021)

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 twice.

The members of the Nomination and Remuneration Committee are:

Name
Peter Williams (Chair)..............................
Nicola Brandolese (since 21 June 2021)...
Tobias Krauss..
Stuart Paterson
Jochen Klüppel (until 30 June 2021)
Mike Ebeling (until 15 June 2021)

Strategy and ESG Committee (since June 2021)
The Strategy and ESG Committee has been in place since 21 June 2021. It 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 did not hold any meetings in fiscal year 2021 as the full Supervisory Board addressed these topics intensively, in particular during its meeting on 30 September 2021.

The members of the Strategic and ESG Committee are:

Name
Nicola Brandolese (Chair).........................
Tobias Krauss
Birgit Kretschmer
Stuart Paterson..
Nicole Srock.Stanley (since 1 July 2021)
Peter Williams..

IPO Committee (until June 2021)

Until June 2021, there was also an IPO Committee, which met in four meetings in the reporting period to prepare for the Company's IPO.

The IPO Committee had the following members until its dissolution on 21 June 2021:

Name
Peter Williams (Chair)..............................
Tobias Krauss..
Stuart Paterson
Jochen Klüppel
Mike Ebeling (until 15 June 2021)

2.5 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) AktG2, with an implementation deadline of 21 June 2026 in each case. Taking into account the new composition of the Supervisory Board in fiscal year 2021 and the expansion of the Management Board, the Company meets these requirements.
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 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 38% and in the second management level below the Management Board (Director/Head-level) it was 27%.

Berlin, 25 March 2022

The Management Board

Dirk Graber   Dr. Mirko Caspar   Maren Kroll   Dr. Sebastian Dehnen

Report of the Supervisory Board

Dear Shareholders,

In the light of our IPO on 2 July 2021, the financial year 2021 has been a very special year for Mister Spex SE (also referred to as the "Company"). Mister Spex managed to generate IPO gross proceeds of EUR 245m, thereby securing the means to finance its growth plans. The internationalisation of the business model with the first store openings in Austria and Sweden is just the start of the omnichannel business model's further expansion into additional markets.

Other than by this success, the financial year 2021 was characterised by the uncertainties and effects of the continuing Covid pandemic. Although the Company missed its original targets due to slower than expected store recovery in the second half of the year, revenue growth of 18% is still well above market growth. Despite many challenges and uncertainties, the Supervisory Board is firmly convinced that Mister Spex has done well in 2021. Particularly in these unusual times, the collaboration and trust between the Management Board and the Supervisory Board was of crucial importance.

On behalf of the entire Supervisory Board, I would like to express our thanks to all employees. Your deep commitment and tireless efforts to advance Mister Spex every day are the key to the Company's success. We, as the Supervisory Board, look forward to accompanying the Company on its path to further growth and doing this together with all employees, partners and shareholders.

Consultation and monitoring from the Supervisory Board

The Supervisory Board and its members advised the Management Board on the management of the Company and monitored its activities. The Supervisory Board performed its tasks in a proper and dutiful manner as well as with great care in accordance with the articles of association, the rules of procedure for the Supervisory Board and the German Corporate Governance Code. It familiarised itself extensively and on a regular basis, both in writing and verbally, with the intended business strategy, material issues relating to finance, investment and personnel planning, the course of business and the Company's profitability while also receiving reports on relevant questions about risk exposure, risk management and compliance. In particular, the Management Board coordinated the Company's strategic direction with the Supervisory Board. The Supervisory Board was also directly involved in all fundamental decisions. Transactions requiring approval were presented by the Management Board and discussed with it. The discussions took place in meetings with the Supervisory Board plenum or committees of the Supervisory Board. Outside the meetings of the Supervisory Board and its committees, the chairperson of the Supervisory Board, the chairperson of the Audit Committee and other members of the Supervisory Board kept in regular contact with the Management Board and the auditor and discussed current developments as well as key decisions, such as the adjustment of the 2021 full year guidance at the beginning of November.

Meetings and key resolutions of the Supervisory Board

During the financial year 2021, nine meetings featuring the full Supervisory Board took place. The Audit Committee met five times, while the Nomination and Remuneration Committee held two meetings. The IPO Committee also held five meetings in the run-up to the Company's IPO. At the IPO, the committees of the Supervisory Board were recomposed, with the IPO Committee being discontinued. The newly established Strategy and ESG Committee did not hold any meetings in the financial year 2021, with the full Supervisory Board addressing these important topics in detail instead. In addition to the decisions taken at its meetings, the Supervisory Board passed circular resolutions on nine occasions. The Supervisory Board and its committees also met without the Management Board on a regular basis.

Except for the full Supervisory Board meeting on 30 September 2021, the Supervisory Board's and its committees' meetings were held in the form of video conferences during the financial year 2021 owing to the Covid pandemic.

Plenary Meetings

In the meeting on 26 January 2021, the Supervisory Board was informed about the preliminary business development results for the financial year 2020. The Management Board also reported to the Supervisory Board on the effects of the Coronavirus pandemic. Furthermore, the status of preparations for the Company's IPO and a loan refinancing arrangement were discussed. The Supervisory Board also considered the planned lease of a new office building by the Company.

In its meeting on 23 April 2021, the Supervisory Board addressed the annual and consolidated financial statements, including the combined management and group management report for the financial year 2020. In accordance with the recommendations of the Audit Committee, the Supervisory Board approved the annual financial statement documents. The Supervisory Board also adopted its report for the financial year 2020 and addressed the agenda for the 2021 Annual General Meeting. Furthermore, it was informed as to the status of preparations for the Company's listing on the stock exchange and approved the conclusion of loan agreements with Barclays Bank Ireland PLC and Commerzbank Aktiengesellschaft. The Supervisory Board also gave its consent to the merger plan with regard to the merger to absorb Mister Spex N.V., Amsterdam, into Mister Spex AG, together with the change of legal form into a European Company (SE), and to conclude a participation agreement with

Peter Williams
Chairperson of the Supervisory Board

the special negotiating body of the employees with regard to their participation in Mister Spex SE. The Supervisory Body furthermore appointed Maren Kroll and Dr Sebastian Dehnen as additional members of the Company's Management Board with effect from 1 June 2021. Moreover, the Supervisory Board addressed, among other topics, the Nomination and Remuneration Committee's proposal regarding the new compensation systems for the Management Board and the Supervisory Board from the date of the IPO as well as the adjustment of the Company's bonus and stock option programmes and discussed the ESG strategy with the Management Board.

At the ordinary Annual General Meeting on 20 May 2021, approval was given for, among other things, the merger plan between Mister Spex N.V., Amsterdam, as the transferring company and Mister Spex AG as the absorbing company, with the change to Mister Spex AG's legal form to a European Company (SE) also being approved and the articles of association being determined accordingly. Following the Annual General Meeting, the Supervisory Board of Mister Spex SE elected by the Annual General Meeting held its constituent meeting on 27 May 2021. It elected Peter Williams as chairman and Stuart Paterson as deputy chairman of the Supervisory Board and adopted rules of procedure for itself. The committees of the Supervisory Board were also constituted, and their members elected. Furthermore, Dirk Graber, Dr Mirko Caspar, Maren Kroll and Dr Sebastian Dehnen were appointed to the Management Board of Mister Spex SE, with Dirk Graber and Dr Mirko Caspar being appointed co-chief executive officers of the Management Board. The Supervisory Board adopted rules of procedure for the Management Board and decided on service contracts with the members of the Management Board. The Supervisory Board also addressed the business development in the first quarter of 2021 and the progress of the preparations for the IPO.

In the extraordinary meeting on 11 June 2021, the Supervisory Board elected Jochen Klüppel as the new deputy chairperson of the Supervisory Board and approved the publication of the intention to float. In addition, the Supervisory Board dealt with the preparation for the extraordinary General Meeting on 14 June 2021.

At the extraordinary meeting of the Supervisory Board on 21 June 2021, the rules of procedure for the Supervisory Board and the rules of procedure for the Management Board were revised in light of the forthcoming stock market listing. Nicola Brandolese was elected deputy chairperson of the Supervisory Board effective 1 July 2021. The Supervisory Board also formed new committees and appointed members to them in addition to adopting a corporate governance statement together with the Management Board. The Supervisory Board authorised the Management Board to take measures to implement the IPO, including the conclusion of certain contracts. In particular, the Supervisory Board subjected Mister Spex SE's securities prospectus to a thorough plausibility inspection in terms of its completeness and correctness and approved the securities prospectus as well as its publication.

In a further extraordinary meeting on 29 June 2021, the Supervisory Board approved the Management Board's determination of the issue price for shares in the context of the IPO. At the Supervisory Board meeting on 30 September 2021, the Supervisory Board discussed the Company's long-term strategy. The Supervisory Board was also informed about the Company's big data strategy, plans for business expansion and operational developments.

An extraordinary Supervisory Board meeting was held on 22 November 2021 in which the Management Board reported to the Supervisory Board on the adjustment made to the forecast for the financial year 2021. Furthermore, the Supervisory Board addressed business performance and the quarterly statement for Q3 2021.

In the meeting on 15 December 2021, the Supervisory Board addressed, among other topics, financial planning for the financial year 2022, the setting of targets for the proportion of women on the Supervisory Board and the Management Board and succession planning for the Management Board. It also addressed the requirements of the German Corporate Governance Code and the revision of service contracts as well as of the short- and long-term incentive systems for the Management Board. Certain material transactions require the approval of the Supervisory Board in accordance with the legal requirements, the articles of association or the rules of procedure for the Management Board. These transactions were presented to the Supervisory Board either at its meetings or via circulation. The approvals granted by means of circular resolutions after the topics were discussed beforehand in the supervisory board related to, among other things, the determination of performance criteria for the short-term variable remuneration of the Management Board for the financial years 2021 and 2022, the determination of the short-term variable remuneration of the Management Board for the financial year 2020, the approval to the lease of a new administration building, the approval to conclude contracts with a company closely related to a member of the Supervisory Board in relation to design and brand concepts, in particular with regard to the interior design of the Company's new administration building, and the adoption of the conformity declaration for 2021.

The Company also served option rights of current or former employees and members of the management team in a total of three exercise windows and, in connection therewith, resolved capital increases against cash contributions from the authorised capital. The Supervisory Board approved each of these capital increases.

Work in committees of the Supervisory Board

In order to perform its duties in a proper and efficient manner, the Supervisory Board has set up the following committees: the Audit Committee, the Nomination and Remuneration Committee and the Strategy and ESG Committee. An IPO Committee was also set up before the Company went public. The content and results of committee meetings were regularly reported to the plenary session. The tasks and members of the respective committees are listed in detail in the corporate governance statement.

The Audit Committee held five meetings in the financial year 2021 where, with the exception of the meeting on 15 December 2021, the Company's auditor and, depending on the agenda item, the heads of department were also present and were available to answer questions from the committee members. The Audit Committee examined and discussed the structures and processes in the fields of accounting, the internal control system, internal audit, risk management and compliance organisation. Furthermore, the Audit Committee addressed the annual financial statements and consolidated financial statements for 2020, including the combined management report for 2020, the semi-annual report and quarterly figures, in addition to approving the auditor's non-audit-related services. The Audit Committee also addressed the focus areas of the audit, the auditor's independence and quality of the audit, concluded a fee agreement with the auditor and prepared the Supervisory Board's proposal for the 2021 Annual General Meeting to appoint the auditor.

The Supervisory Board believes that the participation of the Management Board, in particular the Chief Financial Officer, and their participation in the discussion with the auditor provides added value also for the Supervisory Board and the Audit Committee as well as their audit task. The Supervisory Board thus considered it necessary for the Management Board to attend the meetings in the financial year 2021 at which the auditor was consulted as an expert. In the respective meetings, there was also regular discussion with the auditor without the Management Board being present.

The Nomination and Remuneration Committee held two meetings. In particular, it addressed the preparation of the remuneration system for the members of the Management Board and the revision of their service contracts, in accordance with the German Corporate Governance Code, as well as the further development of the Company's short- and long-term incentive programmes.

The IPO Committee held four meetings between January and May 2021, during which the committee members discussed the process and preparations for the Company's IPO together with the Management Board. With the restatement of the rules of procedure for the Supervisory Board in the Supervisory Board meeting on 21 June 2021, the IPO Committee was dissolved.

As part of the restatement of the rules of procedure for the Supervisory Board, the Supervisory Board formed a Strategy and ESG Committee at the Supervisory Board meeting on 21 June 2021. The Strategy and ESG Committee did not hold any meetings in the financial year 2021 as the full Supervisory Board addressed these topics intensively, in particular during its meeting on 30 September 2021.

Individualised disclosure and meeting attendance

Nenad Marovac was unable to attend one ordinary meeting of the Supervisory Board. Jochen Klüppel could not attend three meetings and Mike Ebeling could not attend one meeting of the IPO Committee. Nenad Marovac and Jochen Klüppel also left a meeting of the Supervisory Board during a single item on the agenda, due to other scheduling commitments, and cast their votes afterwards. Owing to a conflict of interest, Pietro Luigi Longo left the Supervisory Board's meetings during specific agenda items. He did not take part in the resolutions of another Supervisory Board meeting due to a conflict of interest. Owing to a conflict of interest, Peter Williams and Nicole Srock.Stanley did not participate in the resolution on a specific item on the respective agenda. Beyond this, all members of the Supervisory Board were present at all meetings of the Supervisory Board and the respective committees held during their respective terms of office.

Individualised disclosure of meeting attendance in the financial year 2021

Supervisory Board member	Term of office	Full Supervisory Board	Audit Committee	Nomination and Remuneration Committee	IPO Committee (until June 2021)	Strategy and ESG Committee (since June 2021)
Peter Williams	chairperson since 11 December 2020[1]	9/9	5/5	2/2	4/4	0/0
Nicola Brandolese	since 15 June 2021	5/5	–	1/1	–	0/0
Tobias Krauss	since 11 December 2020[1]	9/9	5/5	2/2	4/4	0/0
Birgit Kretschmer	since 15 June 2021	5/5	3/3	–	–	0/0
Pietro Luigi Longo	since 20 May 2021	5/5	–	–	–	–
Stuart Paterson	since 11 December 2020	9/9	5/5	2/2	4/4	0/0
Nicole Srock.Stanley	since 1 July 2021	3/3	–	–	–	0/0
Jochen Klüppel	until 30 June 2021[1]	6/6	–	1/1	1/4	–
Oliver Beste	until 15 June 2021[1]	4/4	–	–	–	–
Mike Ebeling	until 15 June 2021[1]	4/4	2/2	1/1	3/4	–
Nenad Marovac	until 15 June 2021[1]	3/4	–	–	–	–
Fred Piet	until 20 May 2021[1]	2/2	–	–	–	–

1 Prior to the change of legal form to a European Company (SE), membership referred to the Supervisory Board of Mister Spex AG

The declaration of conformity is available on our website.

Corporate governance

In December 2021, the Management Board and the Supervisory Board passed a declaration of compliance in accordance with Sec. 161 AktG (Joint-Stock Corporation Act) for the first time. The declaration of conformity is reproduced on page 38 and has been made permanently accessible on the company website **https://www.ir.misterspex.com/websites/misterspex/English/6000/corporate-governance.html**. Further information on corporate governance in the Company can be found in the corporate governance statement.

In accordance with good corporate governance and the rules of procedure for the Supervisory Board, the members of the Supervisory Board are obliged to immediately disclose any conflicts of interest to the Supervisory Board, in particular those which may arise as a result of advising or serving as a member of a corporate body or as an employee of customers, suppliers, lenders or other third parties. Owing to such a conflict of interest, Pietro Luigi Longo left the respective meeting of the Supervisory Board during specific agenda items. He did not take part in the passing of resolutions in another meeting due to a conflict of interest. Owing to a conflict of interest, Peter Williams decided not to participate in the passing of a resolution on a specific item on the Supervisory Board's agenda. Furthermore, Nicole Srock.Stanley did not take part in one agenda item of a meeting and in two circular resolutions of the Supervisory Board, each of which dealt with the approval of the conclusion of contracts with a company closely related to her and concerning design and brand concepts, in particular regarding the interior design of the Company's new administration building.

The members of the Supervisory Board are themselves responsible for any training and further education activities required to carry out their tasks. The Company provided the members of the Supervisory Board with sufficient support regarding both their training and further education activities as well as their onboarding. In particular, the members who were newly elected in June 2021 were given an overview of the strategy and topics relevant to the Company in the subsequent ordinary Supervisory Board meeting. Furthermore, external legal advisors provided training on matters of corporate governance and capital market law.

Audit and approval of the annual financial statement as well as approval of the consolidated financial statement

The Management Board provided the members of the Audit Committee and of the Supervisory Board with the annual financial statement and consolidated financial statement for the financial year 2021 as well as the combined management report on the Company and the Group for the financial year 2021 (also referred to as the "Annual Financial Statement Documents") once they had been prepared. The auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Berlin, audited the annual financial statement of the Company, the consolidated financial statement and the combined management report of the Company and the Group for the financial year 2021 and issued an unqualified audit certificate for each of these.

The Annual Financial Statement Documents with the auditor's reports, including the audit certificate for the remuneration report, were sent to the members of the Supervisory Board and were thoroughly reviewed and discussed at the Audit Committee meeting on 18 March 2022 as well as at the Supervisory Board meeting on 25 March 2022. Both of which took place via video conference, in the presence of the auditor with a particular focus placed on their legality and regularity. In each case, the auditor reported on the key results of their audit, the focal points determined for the audit and the key audit matters described in the respective audit certificate as well as the associated auditing procedures. The Management Board and the auditor were available to the Audit Committee and the Supervisory Board for any further questions and to provide supplementary information. Following detailed discussion, the Audit Committee decided to propose that the Supervisory Board approve the Annual Financial Statement Documents.

The Supervisory Board approved the results of the audit. On completion of its examination no objections were raised by the Supervisory Board. In accordance with the recommendations of the Audit Committee, the Supervisory Board thus approved the Company's annual financial statement and the consolidated financial statements for the financial year 2021 as well as the Company's combined management report in its meeting on 25 March 2022; the annual financial statement for the financial year 2021 was thus adopted.

No resolution on the use of the balance sheet profit will be passed in the 2022 Annual General Meeting as the individual financial statements of Mister Spex SE show a balance sheet loss. As a result, no dividend proposal for the financial year 2021 will be submitted to the Annual General Meeting for resolution on 30 June 2022.

Personnel matters

In the course of adopting the legal form of a European Company (SE) and in preparation for the Company's IPO, the Company's Supervisory Board was reorganised and reduced from eight to seven members. The Supervisory Board consists exclusively of shareholder representatives.

Fred Piet resigned from his role as a member of Mister Spex AG's Supervisory Board with effect from the end of the Annual General Meeting on 20 May 2021. On 8 June 2021, upon registration of Mister Spex AG's change of legal form into a European Company (SE), the term of office of the other Supervisory Board members of Mister Spex AG, Peter Williams, Oliver Beste, Mike Ebeling, Jochen Klüppel, Nenad Marovac and Stuart Patersen, who had meanwhile been elected as members of Mister Spex SE's Supervisory Board by the Annual General Meeting on 20 May 2021, ended. Pietro Luigi Longo was appointed as a further member of the Supervisory Board of Mister Spex SE. The election was made for a term until the end of the Annual General Meeting which decides on any discharge for the financial year 2021.

Oliver Beste, Mike Ebeling, Jochen Klüppel and Nenad Marovac resigned from their positions as members of Mister Spex SE's Supervisory Board with effect from the end of the Annual General Meeting on 14 June 2021 or, in the case of Jochen Klüppel, with effect from 30 June 2021, and were accordingly dismissed by the General Meeting on 14 June 2021 as a precautionary measure. Birgit Kretschmer was elected to replace Oliver Beste and Nicola Brandolese was elected to replace Nenad Marovac, in both cases with effect from 15 June 2021 and with a new term of office until the end of the Annual General Meeting which decides on any discharge for the financial year 2023. Nicole Srock. Stanley was elected as a member of the Supervisory Board to replace Jochen Klüppel with effect from 1 July 2021 and until the end of the Annual General Meeting which decides on any discharge for the financial year 2023. The terms of office of Peter Williams and Tobias Krauss have been extended and will now run until the end of the Annual General Meeting which decides on any discharge for the financial year 2023 or, in the case of Tobias Krauss, the financial year 2025.

The Supervisory Board would like to thank the Supervisory Board members whose terms of office ended during the financial year 2021 for their valuable contributions to the work of the Supervisory Board as well as for their trusting collaboration.

Peter Williams and Stuart Paterson, who already held these positions of Mister Spex AG's Supervisory Board, were appointed as chairman and deputy chairman of the Supervisory Board at the constituent meeting of Mister Spex SE's Supervisory Board on 27 May 2021. On 11 June 2021, as part of the preparations for the IPO, the Supervisory Board transferred the office of the deputy chairperson from Stuart Paterson to Jochen Klüppel, who left the Supervisory Board on 30 June 2021. Since 1 July 2021, Nicola Brandolese serves as deputy chairperson of the Supervisory Board.

The Supervisory Board has established the following committees, which are composed as follows:

Audit Committee:

— Birgit Kretschmer (chairperson)
— Tobias Krauss
— Stuart Paterson
— Peter Williams

Nomination and Remuneration Committee:

— Peter Williams (chairperson)
— Nicola Brandolese
— Tobias Krauss
— Stuart Paterson

Strategy and ESG Committee:

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

In view of the company's IPO, the Supervisory Board decided to expand the Management Board of Mister Spex SE. Maren Kroll (CHRO) and Dr Sebastian Dehnen (CFO) were thus appointed to the Management Board with effect from 1 June 2021. As a member of the Management Board, Maren Kroll's area of responsibility includes HR, corporate communications and ESG, while Dr Sebastian Dehnen is responsible for the areas of finance, legal, internal audit and investor relations.

As part of the change of legal form to a European Company (SE), Dirk Graber, Dr Mirko Caspar, Maren Kroll and Dr Sebastian Dehnen were also appointed to the Management Board of Mister Spex SE. Dirk Graber and Dr Mirko Caspar remain co-chairmen of the Management Board. Dirk Graber is responsible for the areas operations, IT, data analysis as well as business development, and Dr Mirko Caspar for the areas product management, category management as well as marketing and sales. The terms of office of the co-chairmen will expire on 26 May 2026, while the terms of office of the other Management Board members will expire on 26 May 2024.

The Supervisory Board would like to thank the Management Board and all employees for their excellent performance and their deep commitment during the financial year 2021.

Berlin, 25 March 2021

On behalf of the Supervisory Board

Peter Williams
Chairperson of the Supervisory Board

Independent auditor's report

To Mister Spex SE

Report on the audit of the annual financial statements and of the management report

Opinions

We have audited the annual financial statements of Mister Spex SE, Berlin, which comprise the balance sheet as at 31 December 2021, and the income statement for the fiscal year from 1 January to 31 December 2021, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Mister Spex SE, which was combined with the group management report, for the fiscal year from 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of the parts of the 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 annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the fiscal year from 1 January to 31 December 2021 in compliance with German legally required accounting principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the parts of the management report listed in the appendix to the auditor's report.

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 annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the 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 annual financial statements and of the management report" section of our auditor's report. We are independent of the Company 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 annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the annual 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:

1) Existence and valuation 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 Company's result for the year and is one of the key financial performance indicators for Mister Spex SE.

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 valuation 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 for merchandise 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 commercial law requirements 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 valuation 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 financial statements in section "II. Accounting policies applied" and the information on revenue in section "IV. Notes to individual items of the income statement."

2) Impairment of shares in and loans to affiliates

Reasons why the matter was determined to be a key audit matter

To assess the adequate valuation of shares in and loans to affiliates, the Company tests each year on the basis of the affiliates' budgets and forecasts whether there are any indications that a recognized share in or loan to an affiliate could be permanently impaired. The result of the impairment test to determine whether an impairment loss has to be recognized for shares in and loans to affiliates is highly dependent on the executive directors' estimate of future cash flows and the respective discount rates used. The fair value of the shares in affiliates is typically calculated as a present value using discounted cash flow models.

In light of the materiality of the shares in and loans to affiliates, the complexity of their valuation and the judgment exercised during valuation, the impairment test for the recognized shares in and loans to affiliates was a key audit matter.

Auditor's response

As part of our audit, we obtained an understanding of the methods used to test for impairment. In particular, we assessed the Company's procedures for identifying indications of expected permanent impairment of the recognized shares in and loans to affiliates. In this context, we assessed whether the procedures used are suitable for identifying objective evidence of a lower net realizable value due to permanent impairment and whether they were applied consistently compared with the prior year. In this respect, we checked the arithmetical accuracy of the valuation models used.

Moreover, we obtained an understanding of Mister Spex SE's processes for forecasting expected future cash flows and for testing shares in and loans to affiliates for impairment. As a starting point, we compared the operational planning for 2022 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 affiliates selected based on risk and materiality aspects 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.

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 adequate valuation of shares in and loans to affiliates.

Reference to related disclosures

With regard to the recognition and measurement policies applied for shares in and loans to affiliates, refer to the Company's disclosures in the notes to the financial statements in section "II. Accounting policies applied" and the information on fixed financial assets in section "III. Notes to individual items of the balance sheet."

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 statement on corporate governance, 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 management report listed in the appendix to the auditor's report.

Our opinions on the annual financial statements and on the 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 annual financial statements, with the 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 annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company'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, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual 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 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 management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual 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 annual financial statements and on the 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 annual financial statements and this 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 annual financial statements and of the 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 for one 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 annual financial statements and of arrangements and measures (systems) relevant to the audit of the 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 of the Company.

- 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 Company'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 annual financial statements and in the 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 Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the 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 annual 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 annual financial statements and the 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 annual financial statements and the management report (hereinafter the "ESEF documents") contained in attached file Mr_Spex_SE_JA-LB_ESEF-2021-12-31.zip (SHA-256 checksum: a8816ac3feb4e0 7ed85a9a0f3a995544bb813ad10ffabe94d49c08a13f7b49b7) 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 annual financial statements and the 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 annual financial statements and the 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 annual financial statements and the accompanying management report for the fiscal year from 1 January to 31 December 2021 contained in the "Report on the audit of the annual financial statements and of the 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 annual financial statements and the 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) (10.2021). Our responsibility in accordance therewith is further described in the "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 annual financial statements and the management report in accordance with Sec. 328 (1) Sentence 4 No. 1 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.

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 annual financial statements and to the audited management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 20 May 2021. We were engaged by the supervisory board on 20 January 2022. We have been the auditor of Mister Spex SE without interruption since fiscal year 2012. Mister Spex SE has been a capital market oriented 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 financial statement audit, we have provided to the Company or entities controlled by it the following services, all of which are permitted non-audit services as defined by the EU Audit Regulation, that are not disclosed in the annual financial statements or in the management report:

- Issuance of comfort letters in connection with the IPO of Mister Spex SE;
- Voluntary review of the interim condensed consolidated financial statements as of 30 June 2021 and interim group management report for the period from 1 January to 30 June 2021;
- Formal audit of the remuneration report in accordance with Sec. 162 (3) AktG for the fiscal year from 1 January 2021 to 31 December 2021;
- 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;
- Agreed-upon procedures relating to a declaration of compliance with eligibility criteria for assistance issued to a bank.

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the *Bundesanzeiger* [German Federal Gazette] – are merely electronic renderings of the audited annual financial statements and the audited 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 Dr. Ingo Röders.

Appendix to the auditor's report:

1) Parts of the management report whose content is unaudited

We have not audited the content of the following parts of the management report:

- Statement on corporate governance

Furthermore, we have not audited the content of the following disclosures extraneous to management reports. Disclosures extraneous to management reports are such disclosures that are not required pursuant to Secs. 289, 289a HGB or Secs. 289b to 289f HGB:

- Information on the total capacity of the sales center in Berlin as well as on the number of orders dispatched per day and the rate of orders dispatched on the day of ordering included in section "Business model",

- The statement included in the subsection "Strategy" that the online market share in 2020 in many other sectors in Europe, for example in consumer electronics and apparel, was approximately 25%,

- Information on the performance in each quarter included in subsection "Comparison of actual and forecast business performance", as well as

- The statement included in the subsection "Assets, liabilities, financial position and financial performance of the Mister Spex Group" that the increase in the number of active customers in fiscal year 2021 compared to 2020 reflects the customer-centric omnichannel business model of Mister Spex, which is characterized by a high level of customer satisfaction and a repurchase intention that surpasses that of traditional opticians.

2) 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:

- Responsibility statement by the legal representatives,
- Remuneration report pursuant to Sec. 162 AktG,
- Report of the Supervisory Board,
- Separate non-financial report.

Berlin, 25 March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Röders Wirtschaftsprüfer [German Public Auditor]	Kostolnik-Briedela Wirtschaftsprüfer [German Public Auditor]

Responsibility statement by the Management Board

We assure to the best of our knowledge and in accordance with the applicable reporting principles that the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Mister Spex SE, 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 Mister Spex SE, together with a description of the material opportunities and risks associated with the expected development of the Mister Spex SE.

Berlin, 25. March 2022

The Management Board

Dirk Graber	Dr. Mirko Caspar	Maren Kroll	Dr. Sebastian Dehnen