 MISTER SPEX

Quarterly Statement Q1 2022

MISTER SPEX – At a glance



Key Figures

in EUR k	01.01.–31.03.		
	Q1 2022	Q1 2021	Change
Results of operation			
Revenue	47,186	44,399	6 %
Revenue by segment			
Germany	33,563	31,347	7 %
International	13,623	13,052	4 %
Revenue by product category			
Prescription glasses	20,818	20,832	-0 %
Sunglasses	9,732	8,975	8 %
Contact lenses	15,777	13,970	13 %
Miscellaneous services	859	622	38 %
Gross profit margin (in % of revenues) ¹	49.2 %	51.6 %	-240bp
EBITDA	-5,152	-950	>100 %
Adjusted EBITDA	-4,585	726	>-100 %
Other key figures			
Active customers (LTM) ³ (in k)	1,715	1,606	7 %
Number of orders ⁴ (in k)	554	521	6 %
Average order value ⁵ (LTM) (in EUR)	85.9	84.9	1 %

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

2 bp = basis points

3 Customers who ordered in the last twelve months excluding cancellations

4 Orders after cancellations and after returns

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

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MILLION
ACTIVE CUSTOMERS

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Interim Group Management Report



Financial performance

Group income statement

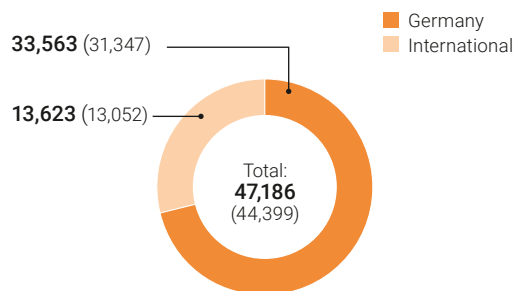
In EUR k	01.01.-31.03.		
	2022	2021	Change
Revenue	47,186	44,399	6%
Own work capitalized	1,602	1,143	40%
Other operating income	171	526	-67%
Cost of materials	-23,955	-21,501	11%
Gross profit ¹	23,231	22,898	1%
Gross profit margin ¹	49.2%	51.6%	-240bp
Personnel expenses	-14,124	-10,319	37%
Other operating expenses	-16,032	-15,199	5%
EBITDA	-5,152	-950	> 100%
Adjustments	567	1,676	-66%
Adjusted EBITDA	-4,585	726	> -100%
Depreciation and amortization	-4,063	-3,393	20%
EBIT	-9,215	-4,342	> 100%
Financial result	-782	-1,142	-32%
Share in income/loss of associates	5	-123	> -100%
Income taxes	-294	-118	> 100%
Loss for the period	-10,286	-5,726	80%

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



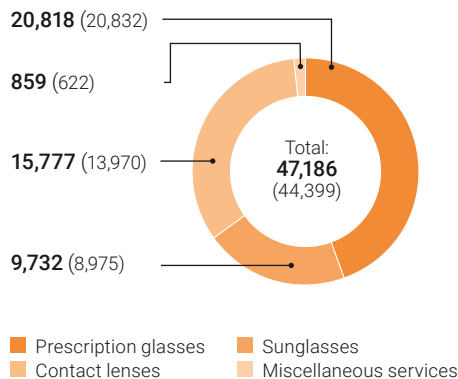
In Q1 2022, revenues were up by 6% against an all-time high comparison base from last year. Rising inflation and record high infection rates in central Europe were depressing consumer sentiment. The latter also resulted in high sick rates in Mister Spex retail and logistics functions. On a two-year stack, revenues increased by 35%. The increase compared to the prior year quarter was driven by double-digit growth with contact lenses and high single digit growth with sunglasses. Contact lenses were the fastest-growing product category during this quarter with revenues up by 13% compared to prior year. The return to office and an increase in the number of social events further fueled revenue growth in this product category. Revenues with sunglasses increased by 8% compared to prior year and 110% on a two-year stack on the back of increased travel activity by customers as well as an attractive product offering. The increase is particularly strong considering the elevated comparison base from last year and confirms our market leading position for sunglasses in the optical industry in Germany. Revenues with prescription glasses were flat in Q1 2022 compared to prior year. Search requests on online platforms for prescription glasses declined pointing to some online fatigue on the back of a strong performance in the first quarter of last year. While the performance in stores continued to recover, high sick rates of employees related to COVID-19 resulted in a performance behind expectations.

Revenue by segment Q1 2022 (in EUR k)*



* Prior-year figures are in brackets

Revenue by product category Q1 2022 (in EUR k)*



* Prior-year figures are in brackets

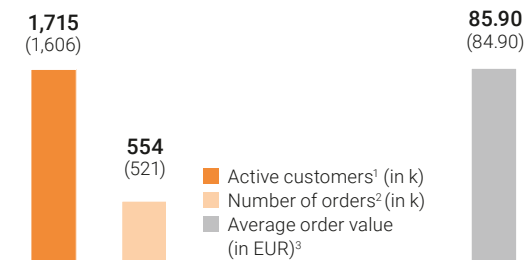
Revenues in Germany increased by 7% compared to prior year driven by a recovery of the brick-and-mortar retail business, although lower than expected due to high sick rates of employees in stores related to COVID-19. From a product category perspective, growth was mainly driven by double-digit increases with sunglasses and contact lenses. Revenues in international markets grew 4% driven by contact lenses.

The number of active customers rose by 7% to 1,715k in Q1 2022 compared to prior year. This result reflects the customer-centric omnichannel business model of Mister Spex, which is marked by a high level of customer satisfaction and a repurchase intention that is well above that of traditional incumbents. The number of orders thus also increased by 6% to 554k compared to prior year. Despite a declining share of prescription glasses in the product mix over the past twelve months, the average order value in this period increased by 1% to EUR 85.90 with a positive average order value development across all product categories.

The gross margin decreased by 240 basis points to 49.2%, which is mainly due to a shift in the product mix with a lower share of prescription glasses in Q1 2022 compared to prior year.

Personnel costs increased by 37% in Q1 2022 compared to prior year. This is due to a low comparison base in the prior year when retail employees were on short-time work, as well as an increase in the number of store employees due to additional store openings.

Non-financial KPIs Q1 2022*



- 1 Customers who ordered in the last twelve months excluding cancellations
 - 2 Orders after cancellations and after returns
 - 3 Calculated as revenues divided by number of orders after cancellation and after returns, over the last twelve months
- * Prior-year figures are in brackets

Other operating expenses increased by 5% compared to prior year mainly due to higher marketing expenses to drive brand awareness and support new store openings. Marketing costs have also increased as competition in the online segment increases. The main reason for the 20% increase in depreciation and amortization in Q1 2022 compared to prior year level is due to the increase in amortization of right-of-use assets in accordance with IFRS 16 in connection with the lease of new stores.

Management assesses the Group's operating performance based on adjusted EBITDA defined as earnings before interest, taxes, depreciation and amortization, adjusted for share based compensation expenses pursuant to IFRS 2, one-time transformation costs and other one-time effects that are not part of the regular course of business. The transformation costs in Q1 2022 essentially comprise one-off legal and consulting costs.

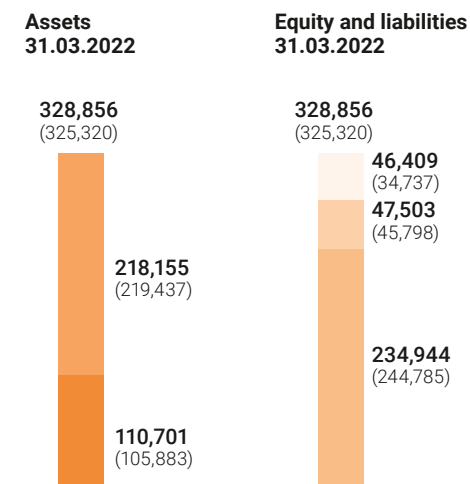
In Q1 2022, adjusted EBITDA was down compared to the previous year. This deviation is mainly due to the decline in the gross margin due to an unfavourable product mix as a result of weaker growth in prescription glasses as well as higher operating expenses.

Reconciliation from EBITDA to Adjusted EBITDA

In EUR k	01.01.–31.03.		
	2022	2021	Change
EBITDA	-5,152	-950	> 100%
Adjustments	567	1,676	-66%
Thereof effects arising from the application of IFRS 2	166	377	-56%
Thereof transformation costs	247	1,330	-81%
Thereof other special effects	154	-30	> 100%
Adjusted EBITDA	-4,585	726	>-100%

Assets, liabilities and financial position 2022

(in EUR k)*



* Figures in brackets as of 31.12.2021

- Non-current assets
- Current assets
- Equity
- Non-current liabilities
- Current liabilities

As of 31 March 2022, total assets have slightly increased by EUR 3,536k compared to 31 December 2021. The increase in non-current assets by EUR 4,818k is mainly due to the opening of new stores and the associated accounting for right-of-use assets in accordance with the provisions of IFRS 16.





Current assets have slightly decreased by EUR 1,282k compared to 31 December 2021. This relates to a decrease in cash and cash equivalents by EUR 7,246k, which is primarily driven to financing the growth of the overall business as well as the opening of new stores. This is offset by an increase in inventory value by EUR 6,453k to EUR 29,604k, in particular for goods for the trade business.

In the reporting period, Mister Spex generated a negative cash flow from operating activities of EUR -1.362k (Q1 2021: EUR 138k). The cash outflow is due to a lower net income, payment of interest, and an increase in the inventory value. This is offset by an increase in trade payables and other liabilities.

The cash outflow from investing activities of EUR -4.439k (Q1 2021: EUR -2,442 k) resulted from investments in equipment for stores, in logistics, software developed in-house, and other equipment.

The cash flow from financing activities led to an outflow of funds of EUR -1.445k (Q1 2021: EUR -1,385k). The cash outflow is mainly due to the payment of lease liabilities.

The change in equity is mainly due to the capital increase, the contributions resulting from the share-based payment transactions, and the result for the period. The equity ratio as of 31 March 2022 was 71.4% and remains relatively stable compared to year end's ratio of 75.2%. Business activities will be financed by means of equity.

As of 31 March 2022, the total of current and non-current liabilities was EUR 13,377k above the value on 31 December 2021. The increase in non-current liabilities to EUR 47,503k is mainly due to the increase in lease liabilities in connection with the opening of new stores. This is related to the recognition of leases in accordance with IFRS 16. The increase in current liabilities by EUR 11,672k to EUR 46,409k is mainly due to an increase in provisions, an increase in lease liabilities as well as an increase in refund liabilities.

Outlook

At the end of Q1 2022, the management does not have any new information on any significant changes to the forecast and other statements made on the Groups anticipated development for the fiscal year 2022. The forecast for the remainder of the current fiscal year therefore remains unchanged.

For the fiscal year 2022, management expects moderate double-digit revenue growth that will be slightly higher than the growth rate of 18.2% 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.

Berlin, 12 May 2022

The Management Board

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CHRO

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CFO

Consolidated statement of comprehensive loss



Consolidated statement of profit or loss

	01.01.–31.03.	
in EUR k	2022	2021
Revenue	47,186	44,399
Other own work capitalized	1,602	1,143
Other operating income	171	526
Total operating performance	48,959	46,069
Cost of materials	-23,955	-21,501
Personnel expenses	-14,124	-10,319
Other operating expenses	-16,032	-15,199
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-5,152	-950
Depreciation and amortization	4,063	-3,393
Earnings before interest and taxes (EBIT)	-9,215	-4,342
Financial result	-782	-1,142
Share in income/loss of associates	5	-123
Earnings before taxes (EBT)	-9,992	-5,608
Income taxes	-294	-118
Loss for the period	-10,286	-5,726
Thereof loss attributable to the shareholders of Mister Spex SE	-10,286	-5,726
Basic and diluted earnings per share (in EUR)	-0.30	-0.25

Consolidated statement of other comprehensive loss

	01.01.–31.03.	
in EUR k	2022	2021
Loss for the period		
Other comprehensive income/loss to be reclassified to profit or loss in subsequent periods	-10,286	-5,726
Exchange differences on translation of foreign financial statements	82	27
Other comprehensive income	82	27
Total comprehensive loss	-10,204	-5,699
Thereof loss attributable to the shareholders of Mister Spex SE	-10,204	-5,699

Consolidated statement of financial position

Consolidated statement of financial position

Assets		
in EUR k	31 Mar 2022	31 Dec 2021
Non-current assets	110,701	105,883
Goodwill	12,113	12,113
Intangible assets	19,011	17,904
Property, plant and equipment	20,912	19,549
Right-of-use assets	51,014	48,953
Investments in associates	2,077	2,073
Other financial assets	5,574	5,291
Current assets	218,155	219,437
Inventories	29,604	23,151
Right of return assets	2,091	723
Trade receivables	1,439	2,852
Other financial assets	30,850	32,613
Other non-financial assets	11,773	10,454
Cash and cash equivalents	142,398	149,644
Total assets	328,856	325,320

Consolidated statement of financial position

Equity and liabilities		
in EUR k	31 Mar 2022	31 Dec 2021
Equity	234,944	244,785
Subscribed capital	33,856	33,761
Capital reserves	326,588	326,319
Other reserves	-705	-787
Accumulated loss	-124,795	-114,509
Non-current liabilities	47,503	45,798
Provisions	375	350
Lease liabilities	45,430	44,016
Other financial liabilities	160	160
Other non-financial liabilities	72	100
Deferred tax liabilities	1,466	1,172
Current liabilities	46,409	34,737
Provisions	1,011	900
Trade payables	14,240	16,222
Refund liabilities	4,547	1,983
Lease liabilities	8,220	7,675
Other financial liabilities	4,211	1,010
Contract liabilities	1,452	1,090
Other non-financial liabilities	12,728	5,857
Total equity and liabilities	328,856	325,320

Consolidated statement of cash flows



Consolidated statement of cash flows

	01.01.–31.03.	
in EUR k	2022	2021
Operating activities		
Loss for the period	-10,286	-5,726
Adjustments for:		
Finance income	-295	-200
Finance costs	1,077	1,342
Income tax expense	294	118
Amortization of intangible assets	1,219	1,069
Depreciation of property, plant and equipment	745	569
Depreciation of right-of-use assets	2,099	1,755
Non-cash expenses for share-based payments	166	377
Increase (+)/decrease (-) in non-current provisions	25	42
Increase (-)/decrease (+) in inventories	-6,453	-7,082
Increase (-)/decrease (+) in other assets	-351	-1,580
Increase (+)/decrease (-) in trade payables and other liabilities	10,882	10,101
Share in income/loss of associates	-5	123
Interest paid	-493	-771
Interest received	14	0
Cash flows from operating activities	-1,362	138

Consolidated statement of cash flows

	01.01.–31.03.	
in EUR k	2022	2021
Investing activities		
Investments in property, plant and equipment	-2,113	-1,050
Investments in intangible assets	-2,326	-1,393
Cash flow from investing activities	-4,439	-2,442
Financing activities		
Cash received from capital increases, net of transaction costs	428	-
Payment of principal portion of lease liabilities	-1,873	-1,385
Cash flow from financing activities	-1,445	-1,385
Net increase (+)/decrease (-) in cash and cash equivalents	-7,246	-3,689
Cash and cash equivalents at the beginning of the period	149,644	14,536
Cash and cash equivalents at the end of the period	142,398	10,847

Financial calendar

Date	
12 May 2022	Q1 2022 Quarterly Statement
30 June 2022	Annual General Meeting
07 September 2022	First Half Year Report 2022



Imprint

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