Half-year report 2024

MISTER SPEX – At a glance

Key figures

in € k	Q2 (1 Apr – 30 Jun) 2024	Q2 2023	Q2 Change	H1 (1 Jan – 30 Jun) 2024	H1 2023	H1 Change
Results of operation						
Revenue	**67,599**	**67,059**	**1%**	**118,714**	**117,159**	**1%**
Revenue by segment						
Germany	51,837	50,173	3%	91,335	87,698	4%
International	15,762	16,887	-7%	27,379	29,461	-7%
Revenue by product category						
Prescription glasses	21,938	19,813	11%	46,410	44,509	4%
Sunglasses (incl. prescription sunglasses)	29,031	30,359	-4%	40,335	40,709	-1%
Contact lenses	15,509	15,659	-1%	29,803	29,707	0%
Miscellaneous services	1,121	1,228	-9%	2,166	2,234	-3%
Gross profit margin[1]	48.7%	48.7%	0bps	50.1%	50.8%	-68bps
EBITDA	-659	532	>-100%	-3,311	-1,426	>100%
Adjusted EBITDA	**836**	**2,300**	**-64%**	**-803**	**663**	**>-100%**
Other key figures						
Active customers (LTM) [3] (in k)	1,697	1,735	-2%	1,697	1,735	-2%
Number of orders[4] (in k)	645	696	-7%	1,162	1,210	-4%
Average order value (LTM)[5] (in EUR)	97.60	94.64	3%	97.60	94.64	3%

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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Partner opticians

I. Background of the group

Group structure

Mister Spex is one of the leading digitally driven omnichannel optical brands in Europe with over 7.8 million customers.

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

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

On July 16th, 2024, Dirk Graber, CEO and founder of Mister Spex, asked the Supervisory Board to relieve him of his duties as CEO with effect from 31 July 2024. Stephan Schulz-Gohritz, currently CFO of Mister Spex SE, has assumed overall responsibility on an interim basis from 1 August 2024.

Business model

With more than 1,300 employees from 63 countries and more than 7.8 million customers to date, Mister Spex is one of the leading digitally driven omnichannel retail brands in the ophthalmic industry in Europe . We offer our customers fashionable eyewear, including prescription glasses, sunglasses and contact lenses with ease, style and expertise. Our assortment includes seven own brands, as well as more than 100 premium and luxury brands. We also carry fashionable and high-quality independent labels and boast exclusive collaborations with fashion designers and influencers.

Thanks to our seamless omnichannel approach, we create an individual shopping experience and at the same time give our customers the freedom to decide for themselves when, where and how they want to purchase their glasses. Innovative technologies and smart, data-driven services that are provided by our team of more than 100 software and system engineers, data scientists, analysts, designers and product managers, focus on improving the customer journey.

We are present in 11 European markets (Austria, Finland, France, Germany, the Netherlands, Norway, Spain, Sweden, Switzerland, UK and Belgium) with our own online shops and operate 74 own brick-and-mortar stores in Germany, Austria, Sweden and Switzerland. Our market presence is supplemented by an extensive partner optician network with 320 opticians.

Mister Spex operates a production site in Berlin, where the lenses are cut and assembled with state-of-the-art machines. Our three logistics centers from which we serve customers in all markets are located in Berlin, Stockholm (Sweden), and Karmsund (Norway).

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

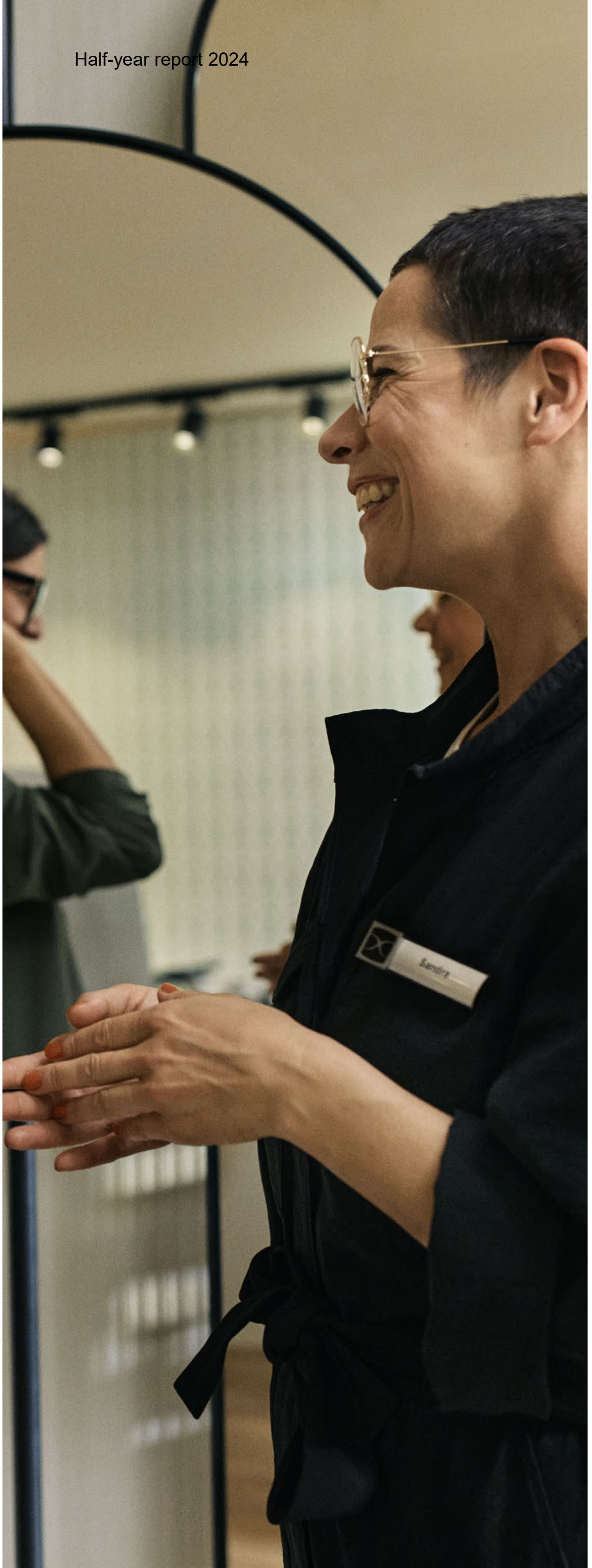
II. Economic report of the Group

General economic and industry development

In the first half of 2024, the global economy showed some signs of improvement, while the economic situation in the EU presented mixed signals during the first half of 2024.

Looking ahead, the International Monetary Fund's (IMF)[1] World Economic Outlook (WEO) released in July 2024 projects global growth of 3.2% in 2024 and 3.3% in 2025, which is 0.1 percentage points higher than the January 2024 WEO forecast[2]. Global inflation is expected to continue declining in advanced economies, although the July 2024 forecast anticipates a slower pace of disinflation in 2024 and 2025 due to more persistent inflation in service prices and higher commodity prices.

1. World Economic Outlook Update, July 2024: The Global Economy in a Sticky Spot (imf.org)
2. World Economic Outlook Update, January 2024: Moderating Inflation and Steady Growth Open Path to Soft Landing (imf.org)



Germany

For Germany, the Federal Statistical Office (Destatis) reports that the German GDP fell in the second quarter of 2024 by 0.1% compared to the first quarter but is 0.3% higher than in the second quarter of 2023.

According to the IMF, economic growth in Germany is expected to be 0.2% in 2024. The German consumer climate index “GfK” (Gesellschaft für Konsumgüterforschung) shows that consumer sentiment has recovered slightly in 2024, although it is still well below the pre-pandemic level at the end of June 2024.

Industry development: Optical industry

As economic conditions improved, consumer sentiment in Germany saw a noticeable uplift during this period. Preliminary data from GfK for the first four months of 2024 indicate positive growth in the ophthalmic optics market, with the prescription eyewear segment showing an increase in unit sales compared to the same period the previous year.

The sunglasses segment experienced particularly strong performance, achieving high single-digit growth in units**.**

Revenue by product category and segment

The first half of the year showed uneven development across quarters and product categories. The first quarter was negatively impacted by the later Easter holiday, which impacted prescription glasses. In contrast, the second quarter gained from this calendar shift but was offset by adverse weather conditions, particularly affecting sunglasses sales. The first half of the year had an overall growth of 1%, with 2% increase in Q1 and 1% in Q2.

Prescription glasses had a particularly strong performance in Q2, growing by 11% compared to the previous year, which offset 1% decline in Q1. Overall, prescription glasses continued to gain a larger share of total sales, increasing to 39% in 2024 – representing a 1% improvement from the previous year.

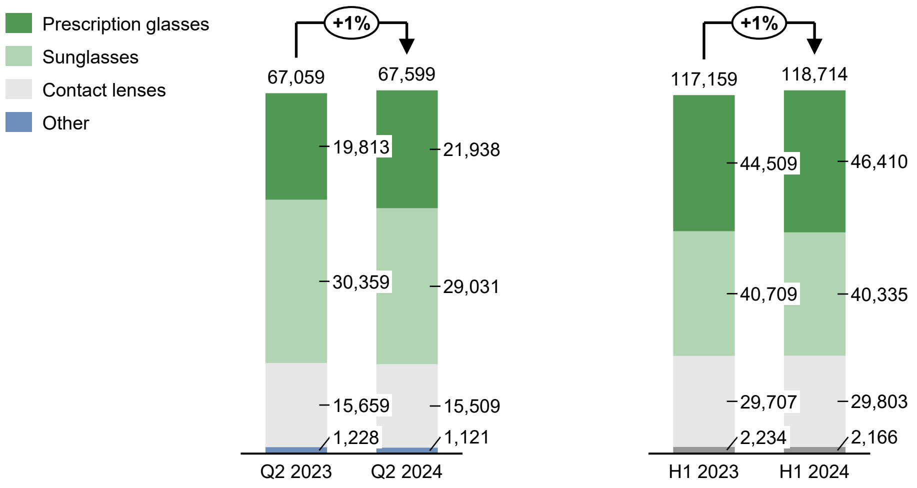
Sunglasses on the other hand started in Q1 with a 9% growth. However, adverse weather, particularly in Germany, led to 4% decline in Q2, resulting in an overall decline in sunglasses sales for the first half of the 2024.

Sales of **contact lenses** in the first half of 2024 were at the previous year's level.

Mister Spex continues to pursue the strategy of enhancing the product mix by steadily increasing the share of high-margin prescription glasses. Concurrently, the company remains committed to offering a leading omnichannel shopping experience, which is expected to yield greater profitability in the medium term.

Segment **Germany** continued to a slight growth, serving as the key driver behind the company’s overall performance. In the first half of 2024, Germany had 3% growth, building on an already robust 13% increase in H1 2023. In line with company’s strategy, the prescription glasses category continued to increase, recording an 11% growth in the second quarter, following a flat development in the first quarter of 2024. While the sunglasses category was negatively affected by adverse weather conditions in the second quarter, it still grew by 1% overall in the first half of 2024.

Revenue by product category (in € k)



The revenue in the **International** segment declined by 7% in H1 2024, primarily driven by the Scandinavian entities and the UK, which could only be partially compensated by positive development in Austria and Netherlands. Unlike the Germany segment, where prescription glasses represent a higher share of total revenue, the overall positive development in prescription glasses within the International segment could not offset the decline in its two largest product categories: sunglasses and contact lenses. Sunglasses and contact lenses declined by 6% and 12% respectively , in the first half of the year.

Non-financial performance indicators

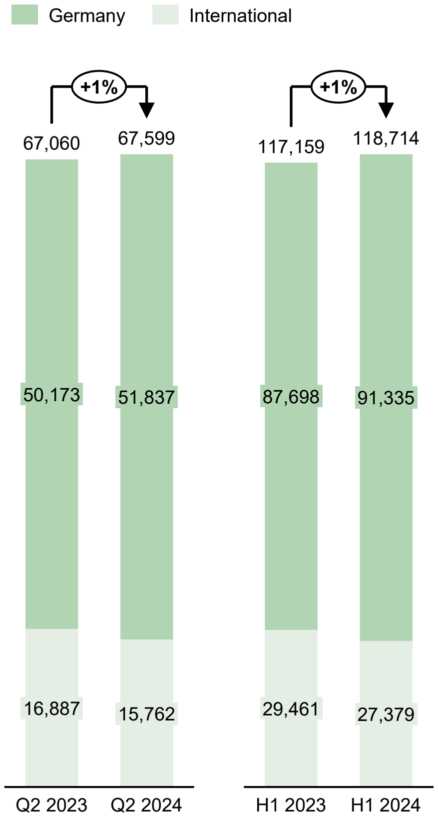
In the first half of 2024, the **number of active customers** decreased by 2% to 1,697 k. For the same period, the **number of orders** decreased by 4% which is attributable to lower demand for sunglasses and contact lenses. As a result of price increases and changes to the product mix in the first half of 2024, the average order value over the past 12 months increased by 3% to € 97.60, supported by a positive **average order value** development across all product categories

Network of retail stores

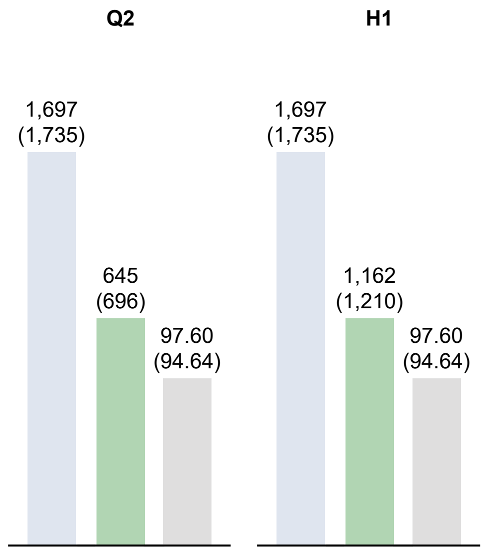
As of June 30, 2024, the number of retail stores amounted to 74.

In 2023, two stores in Germany, located in Saarbrücken and Hamburg Ottensen, were closed by Mister Spex. Additionally, one store in Sweden was closed during the first half of 2024. During the first half of 2023, six stores were opened by Mister Spex, while only one store was opened during the first half of 2024.

Revenue by segment (in € k)



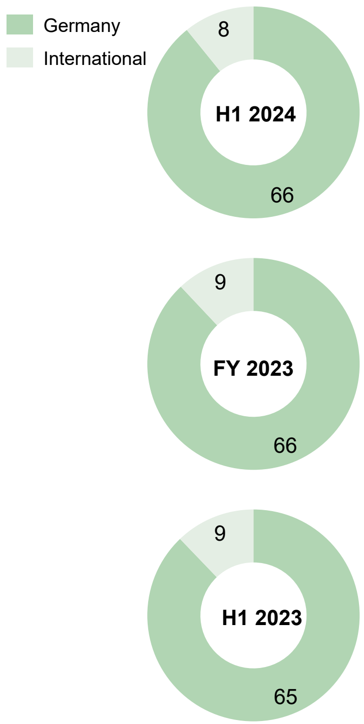
Non-financial KPIs*



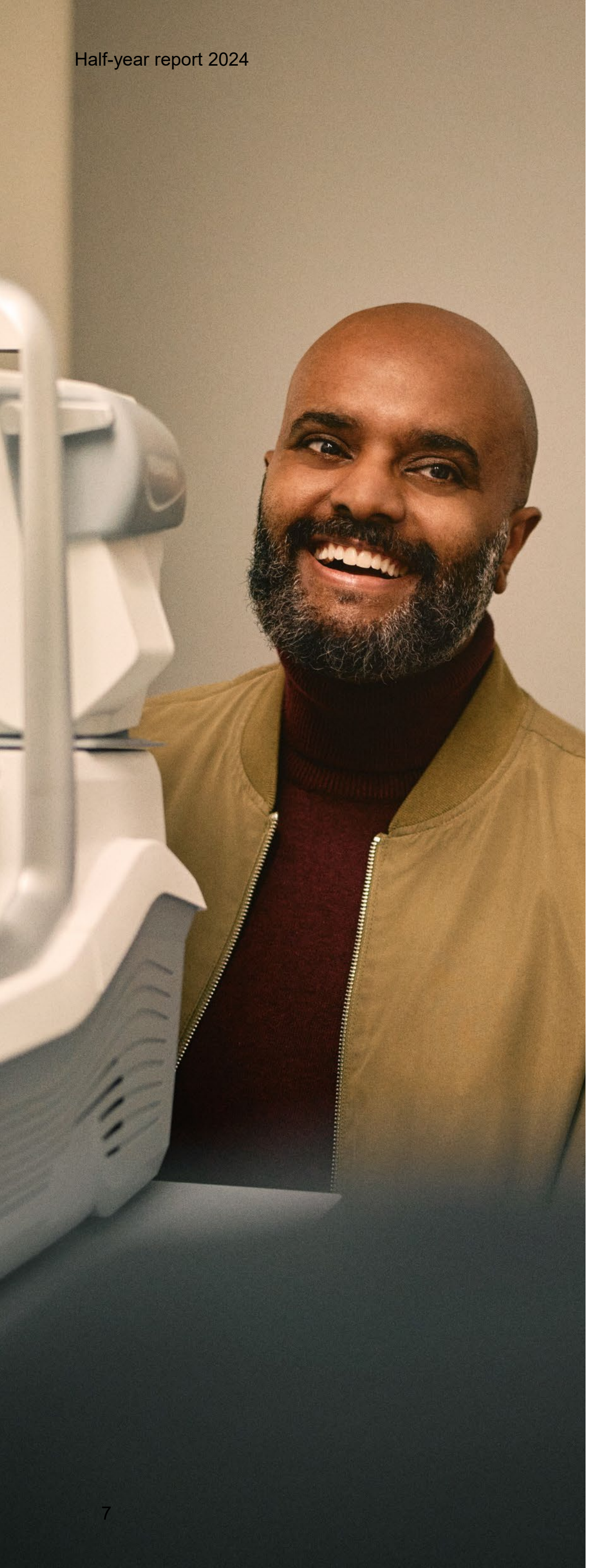
1 Customers who ordered in the last twelve months excluding cancellations (in k)
2 Orders after cancellations and after returns (in k)
3 Calculated as revenues divided by number of orders after cancellation and after returns, over the last twelve months (in €)

* Prior-year figures are in brackets

Network



Number of active customers [1] (in k)
Number of orders [2] (in k)
Average order value[3] (in €)



Financial performance in H1 2024

The **gross margin** decreased by 68 basis points to 50.1% in H1 2024. In Q1'24, the gross margin decreased by 161 basis points to 52.0%, which is mainly due to a lower proportion of higher-margin prescription glasses in the overall product mix. In Q2'24, however, the gross margin was on a par with the previous year at 48.7%.

Despite the opening of three new stores since the first half of 2023 and the first-time full inclusion of costs for the six stores opened in the first half of 2023, **Personnel Expenses** fell by 1%. As part of the 'Lean 4 Leverage' efficiency programme, the company focused on increasing productivity in the stores and creating a leaner organizational structure.

Other operating expenses increased by 4% in the first half of 2024. The largest increase was driven by legal and consulting fees, which included expenses related to rebranding, the AGM, and other consulting services. At the same time, marketing costs continued to decline, reducing by 11% and 7% in the first and second quarters of 2024, respectively.

Consolidated statement of profit or loss

	Q2 (1 Apr – 30 Jun)			H1 (1 Jan – 30 Jun)		
in € k	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Revenue	**67,599**	**67,059**	1%	**118,714**	**117,159**	1%
Own work capitalized	980	1,590	-38%	2,055	3,085	-33%
Other operating income	592	223	> 100%	756	689	10%
Cost of materials	-34,682	-34,407	1%	-59,215	-57,647	3%
Gross profit[1]	**32,917**	32,652	1%	**59,499**	59,512	0%
Gross profit margin[1]	**48.7%**	48.7%	0bp	**50.1%**	50.8%	-68bp
Personnel expenses	-16,200	-16,537	-2%	-31,439	-31,807	-1%
Other operating expenses	-18,948	-17,396	9%	-34,181	-32,904	4%
EBITDA	**-659**	**532**	> -100%	**-3,311**	**-1,426**	> 100%
Adjustments	1,495	1,768	-15%	2,507	2,089	20%
Adjusted EBITDA	**836**	**2,300**	-64%	**-803**	**663**	>- 100%
Depreciation and amortization	-6,572	-8,340	-21%	-13,219	-14,061	-6%
EBIT	**-7,231**	**-7,808**	-7%	**-16,530**	**-15,487**	7%
Finance result	-42	-254	-83%	-191	-440	-57%
Income taxes	-291	-317	-8%	-562	-623	-10%
Loss for the period	**-7,564**	**-8,379**	**-10%**	**-17,283**	**-16,549**	**4%**

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

The change in **depreciation of amortization** and impairments of - 6% compared to the previous year is affected by the increase in depreciation of right-of-use assets for leases in accordance with IFRS 16 in H1 2024 and on the other hand to the impairment from the impairment test recognized of € 2,604 k in H1 2023 . There was no further need for impairment in the reporting period.

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 ordinary business.

For the first six months of 2024 **adjustments** of €2,507 k (previous year: € 2,089 k) were made. These adjustments mainly comprise of non-cash IFRS 2 adjustments. Specifically, € 1,297 k was adjusted from share-based payments in accordance with IFRS 2 in the first half of 2024. This increase is mainly due to the issue of new management options under the existing programs. In H1 2024, members entitled to VSOPs received a new tranche of virtual share options (VSO)

In the reporting period transformation costs and special effects amounting to € 1,211 k (previous year: € 1,663 k). The transformational costs are driven by consulting costs for the transformation program amounting to € 1,003 k and expenses for severance payments and redundancies amounting to € 496 k (previous year: € 1,436 k). The other special effects of € - 288 k include costs and income for the store closure Drottninggatan. Mister Spex received a compensation payment in connection with the closure of a Swedish store.

In the first half of 2024, adjusted EBITDA amounted to € -803 k and was therefore below the previous year's level (€ 663 k). This is predominantly the result of a lower contribution from own work capitalized, as well as higher operating expenses, particularly consulting fees and external services, in the second quarter.

Assets, liabilities and financial position

in € k	30.06.2024	31.12.2023	Change
Assets			
Non-current assets	111,740	122,673	-10,933
Current assets	154,680	157,751	-3,071
Thereof: Cash and cash equivalents	99,602	110,654	-11,053
Total Assets	**266,419**	**280,424**	**-14,004**
Equity and liabilities			
Equity	139,804	155,453	-15,649
Non-current liabilities	70,551	77,168	-6,617
Current liabilities	56,065	47,803	8,262
Total equity and liabilities	**266,419**	**280,424**	**-14,004**

Reconciliation from EBITDA to Adjusted EBITDA

	Q2 (1 Apr– 30 Jun)			H1 (1 Jan – 30 Jun)		
in € k	2024	2023	Change	2024	2023	Change
EBITDA	**-659**	**532**	**>-100%**	**-3,311**	**-1,426**	**>-100%**
Adjustments	1,495	1,768	-15%	2,507	2,089	20%
Thereof effects arising from the application of IFRS 2	622	475	31%	1,297	426	>100%
Thereof transformation costs	1,161	1,340	-13%	1,499	1,661	-10%
Thereof other special effects	-288	-47	>100%	-278	2	>-100%
Adjusted EBITDA	**836**	**2,300**	**-64%**	**-803**	**663**	**>-100%**

Total assets decreased by € 14,004 k in the first half of 2024. The decrease in **non-current assets** of €10,933 k is largely attributable to regular amortization of right-of-use assets in accordance with the regulations of IFRS 16.

The change in **current assets** is attributed to several factors. Inventories increased by € 6,112 k compared to December 31st, 2023. The increase is related to strategic purchasing for the coming season and stock increasing of the stores as well lower sales volume. These increases are offset by decreases in trade receivables of € 1,950 k and cash and cash equivalents of € 11,053 k . The decrease in cash and cash equivalents is primarily due to lower investments and the repayment of lease liabilities.

As of 30 June 2024, **non-current liabilities** stood at € 70,551 k and € 6,617 k below the value on 31 December 2023. The decrease is mainly due to the repayment of the lease liabilities in accordance with IFRS 16.

The increase of **current liabilities** by €8,262 k to € 56,065 k is mainly driven by the increase in other non- financial liabilities by € 8,861 k to € 11,443 k and refund liabilities by € 2,502 k to € 4,474 k.

The change in **equity** is mainly due to the net loss for the reporting period. The equity ratio as of 30 June 2024 was 52 % and down slightly at 55 % compared to the year- end 2023. The Business activities are mainly financed by equity.

In the reporting period Mister Spex recorded a slightly negative **cash flow from operating activities** of € -198 k (H1 2023: € 8,558 k). The change is attributable to a higher loss and a lower increase in trade payables in the reporting period, as well as a decrease in other assets in the previous year due to the conversion of rent deposits into bank guarantees.

The improved **cash flow from investing activities** of € 5,024 k compared to the previous year is mainly due to lower investments in software under development and lower investments in operating and office equipment.

The **cash flow from financing activities** stood at € -7,125 k is mainly resulting from the repayment of lease liabilities. In the same period of the previous year (H1 2023) the new Sale- and Leaseback agreement resulted in cash inflows of € 1,941 k which were offset by cash outflows from lease liabilities.

As a result, **cash and cash equivalents** decreased by € 11,053 k from December 31st, 2023, to € 99,602 k as of 30 June 2024.

Net Debt for the reporting period amounts to € 27,014 k compared to € 12,251 k in H1 2023.

Consolidated statement of cash flows

	Q2 (1 Apr – 30 Jun)		H1 (1 Jan – 30 Jun)	
in € k	**2024**	**2023**	**2024**	**2023**
Cash flows from operating activities	130	17,716	-198	8,558
Cash flows from investing activities	-2,005	-4,156	-3,730	-8,754
Cash flows from financing activities	-4,129	-2,498	-7,125	-3,274
Total cash flow	**-6,004**	**11,061**	**-11,053**	**-3,470**

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III. Overall assessment of assets, liabilities, financial position and financial performance

The results for the first half of 2024 are below the Management Board's expectations.

The H1 2024 reporting period was characterized by 1% year-on-year revenue growth, against negative consumer sentiment and adverse weather conditions.

Overall, the Management Board is not satisfied with the development in the first half of the year; therefore, has taken necessary actions by launching Transformation and Restructuring program, “SpexFocus”. The aim is to significantly increase profitability and ensure sustainable cash generation for the company in the medium term. “SpexFocus” is expected to increase EBITDA and will predominantly impact 2025 and 2026, the measures under this program will be phased in over 2024 and 2025.

As a result of the implementation of the “SpexFocus” transformation and restructuring program, Mister Spex decided to adjust its guidance for the financial year 2024.

IV. Risk and opportunities

In the second half of 2024, early detection and informed action will continue to be the focus with internal monitoring and early warning systems will be continuously improved and adapted to market requirements.

Risks

The overall risk exposure of Mister Spex is made up of various individual risks. We present the risks on a net basis. The reported risks relate to the remaining months of the 2024 financial year.

Risk have been reviewed per end of June 2024, the risk situation is largely unchanged from the last reporting date and there is no indication of any threat to the Group's ability to continue as a going concern. The deterioration of the general economic situation in Germany, with its impact on consumer spending and inflation, because of the war in Ukraine, could further have a negative effect on customer demand in the ophthalmic industry and on our sales. For a detailed description of the principal risks, please refer to the Group Management Report.

Risks that may arise in connection with our corporate social responsibility and our handling of all ESG topics are comprehensively explained and assessed in our 2024 sustainability report

Opportunities

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

The opportunities are unchanged compared with the last reporting date. Please see the Group management report for fiscal year 2023 for a description of the main opportunities.

V. Outlook

Due to the implementation of the transformation and restructuring program, which will impact the second half of 2024, the company is adjusting its forecast for 2024.

The Management Board of Mister Spex adjusted its guidance on 14th August 2024. The company targets for 2024 net revenue between € 230 and € 210 million (growth from 3% to -6% for the year) and an adjusted EBITDA margin between +1% and -4% for the full year. The company will continue to increase average order value, specifically focusing on prescription glasses and sunglasses. In 2024, the company doesn’t expect to open any further stores.

Berlin, 27 August 2024

The Management Board

Stephan Schulz-Gohritz

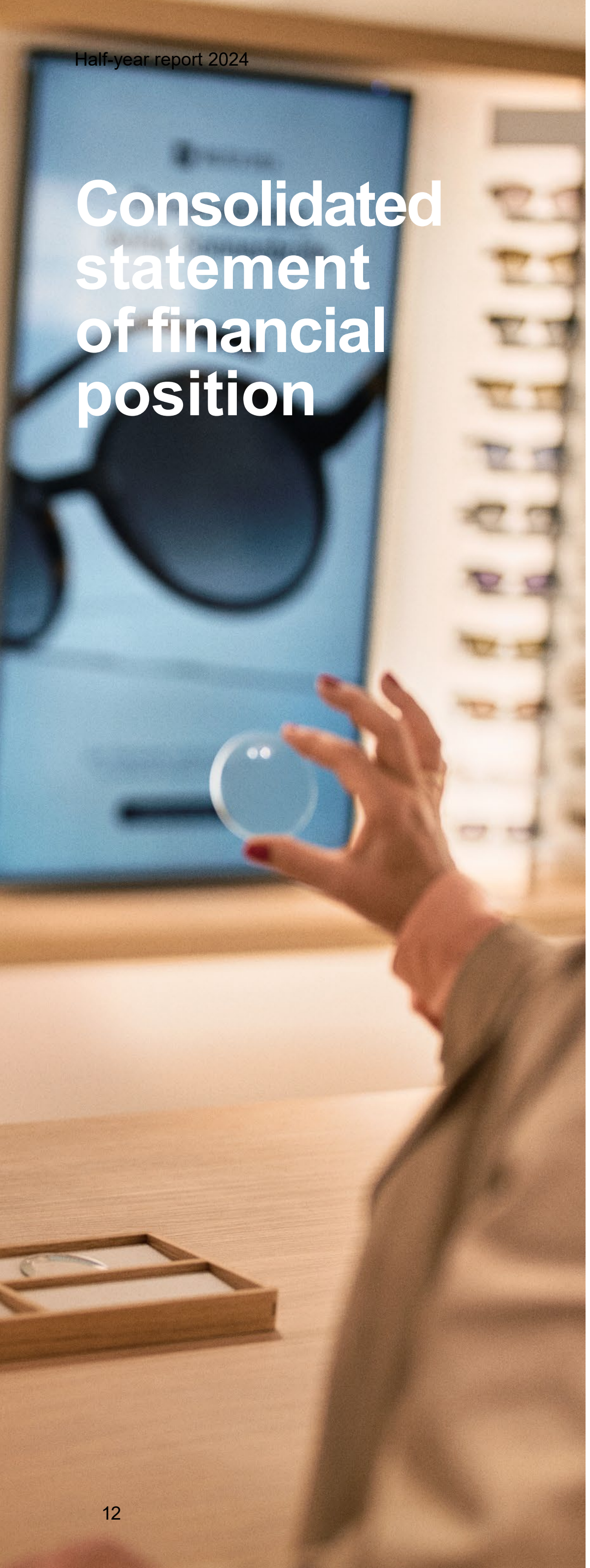
Consolidated statement of comprehensive profit and loss

Consolidated statement of profit and loss

in € k	Note	Q2 (1 Apr – 30 Jun) 2024	Q2 (1 Apr – 30 Jun) 2023	H1 (1 Jan – 30 Jun) 2024	H1 (1 Jan – 30 Jun) 2023
Revenue	1	67,599	67,059	118,714	117,159
Other own work capitalized		980	1,590	2,055	3,085
Other operating income		592	223	756	689
Total operating performance		**69,171**	**68,873**	**121,525**	**120,932**
Cost of materials		-34,682	-34,407	-59,215	-57,647
Personnel expenses	2	-16,200	-16,537	-31,439	-31,807
Other operating expenses	3	-18,948	-17,396	-34,181	-32,904
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**-659**	**532**	**-3,311**	**-1,426**
Depreciation, amortization and impairment		-6,572	-8,340	-13,219	-14,061
Earnings before interest and taxes (EBIT)		**-7,231**	**-7,808**	**-16,530**	**-15,487**
Finance result	4	-42	-254	-191	-440
Earnings before taxes (EBT)		**-7,273**	**-8,062**	**-16,720**	**-15,926**
Income taxes	5	-291	-317	-562	-623
Loss for the period		**-7,564**	**-8,379**	**-17,283**	**-16,549**
Thereof loss attributable to the shareholders of Mister Spex SE		-7,564	-8,379	-17,283	-16,549
Basic and diluted earnings per share (in EUR)		**-0.22**	**-0.25**	**-0.51**	**-0.49**

Consolidated statement of other comprehensive income and loss

in € k	Q2 (1 Apr – 30 Jun) 2024	Q2 (1 Apr – 30 Jun) 2023	H1 (1 Jan – 30 Jun) 2024	H1 (1 Jan – 30 Jun) 2023
Loss for the period	**-7,564**	**-8,379**	**-17,283**	**-16,549**
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign financial statements	109	-110	283	-295
Other comprehensive income / loss	109	-110	283	-295
Total comprehensive loss	**-7,455**	**-8,489**	**-17,000**	**-16,844**
Thereof loss attributable to the shareholders of Mister Spex SE	-7,455	-8,489	-17,000	-16,844



Consolidated statement of financial position

Consolidated statement of financial position

Assets

in €k	Note	30.06.2024	31.12.2024
Non-current assets		**111,740**	**122,673**
Goodwill		4,669	4,669
Intangible assets		20,674	21,412
Property, plant and equipment	6	20,778	22,845
Right-of-use assets	7	62,008	69,126
Other financial assets	8	3,610	4,620
Current assets		**154,680**	**157,751**
Inventories	10	38,610	32,498
Right of return assets	1	2,355	783
Trade receivables		262	2,213
Other financial assets	8	3,313	975
Other non-financial assets		9,365	9,790
Tax refund claims		1,172	838
Cash and cash equivalents		99,602	110,654
Total assets		**266,419**	**280,424**

Equity and liabilities

in €k	Note	30.06.2024	31.12.2024
Equity		**139,804**	**155,453**
Subscribed capital	10	34,130	34,075
Capital reserves	10	331,247	329,951
Other reserves		-971	-1,254
Accumulated loss		-224,602	-207,319
Non-current liabilities		**70,551**	**77,168**
Provisions		1,918	1,839
Lease liabilities	7	63,580	70,161
Liabilities to banks		1,000	1,120
Other financial liabilities		2,561	3,059
Other non-financial liabilities	10	41	21
Deferred tax liabilities		1,452	969
Current liabilities		**56,065**	**47,803**
Provisions	1	960	1,006
Trade payables		20,030	17,935
Refund liabilities	1	4,474	1,974
Lease liabilities	7	15,291	15,328
Other financial liabilities		1,792	2,157
Contract liabilities	1	2,076	1,821
Other non-financial liabilities	12	11,443	7,582
Total equity and liabilities		**266,419**	**280,424**

Consolidated statement of changes in equity

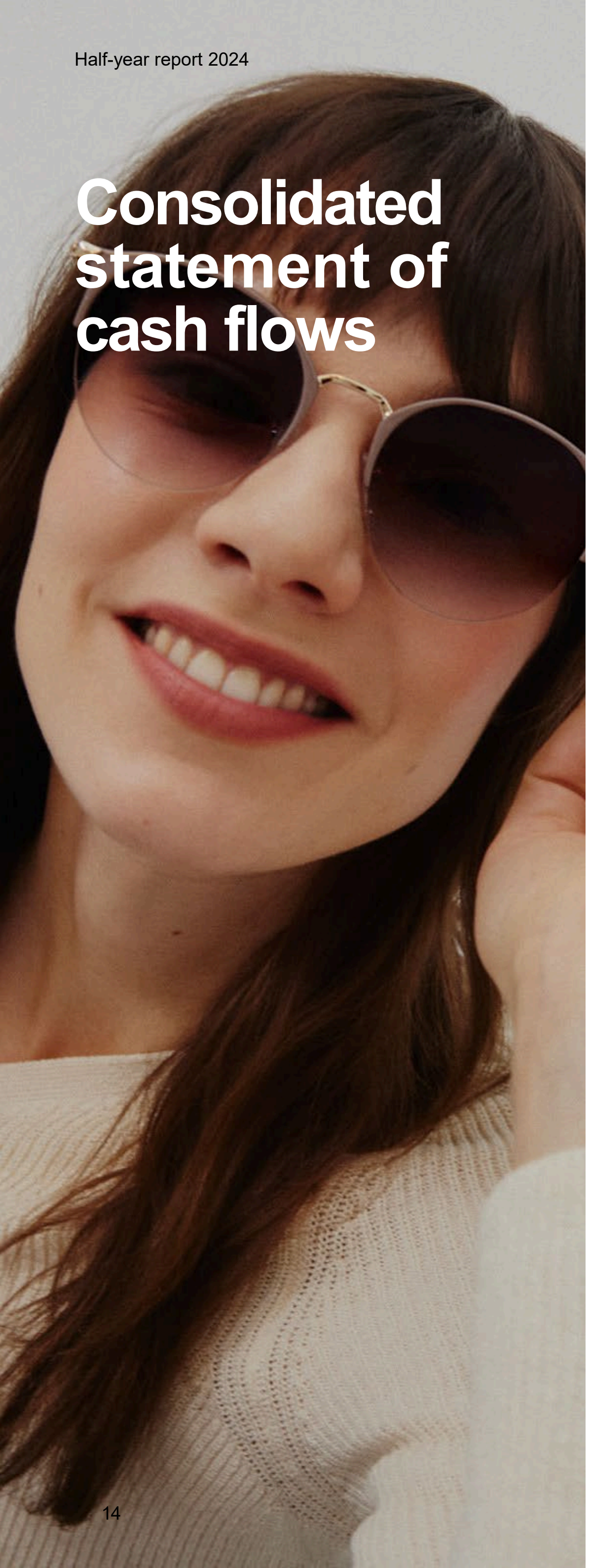
Consolidated statement of changes in equity (for the six months ended 30 June 2024)

in € k	Note	Subscribed capital	Treasury shares	Capital reserves	Other reserves	Accumulated loss	Total
As of 1 Jan 2024		**35,048**	**-973**	**329,951**	**-1,254**	**-207,319**	**155,453**
Loss for the period						-17,283	-17,283
Other comprehensive loss					283		283
Total comprehensive loss							**-17,000**
Issurance of treasury shares	10		55				55
Share-based payments	10			1,296			1,296
As of 30 Jun 2024		**35,048**	**-918**	**331,247**	**-971**	**-224,602**	**139,804**

Consolidated statement of changes in equity (for the six months ended 30 June 2023)

in € k	Note	Subscribed capital	Treasury shares	Capital reserves	Other reserves	Accumulated loss	Total
As of 1 Jan 2023		**34,864**	**-998**	**327,668**	**-1,094**	**-159,435**	**201,005**
Loss for the period						-16,549	-16,549
Other comprehensive loss					-295		-295
Total comprehensive loss							**-16,844**
Issurance of treasury shares			25	68			93
Share-based payments				426			426
As of 30 Jun 2023		**34,864**	**-973**	**328,162**	**-1,388**	**-175,984**	**184,680**

Consolidated statement of cash flows



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

		H1 (1 Jan – 30 Jun)	
in € k	Note	2024	2023
Operating activities			
Loss for the period		-17,048	-16,549
Adjustments for:			
Finance income	4	-1,976	-1,565
Finance cost	4	2,166	2,005
Income tax expense	5	327	623
Amortization of intangible assets		3,603	3,173
Depreciation of property, plant and equipment		2,729	4,001
Depreciation of right-of-use assets		6,887	6,887
Non-cash expenses for share-based payments	10	1,480	426
Increase (+)/decrease (-) in non-current provisions		79	139
Increase (-)/decrease (+) in inventories		-6,112	-8,997
Increase (-)/decrease (+) in other assets		-673	4,010
Increase (+)/decrease (-) in trade payables and other liabilities		8,977	15,028
Income taxes paid		-543	-491
Interest paid		-1,776	-1,379
Interest received		1,682	1,247
Cash flows from operating activities		**-198**	**8,558**

		H1 (1 Jan – 30 Jun)	
in € k	Note	2024	2023
Investing activities			
Investments in property, plant and equipment		-865	-4,720
Investments in intangible assets		-2,865	-4,034
Cash flow from investing activities		**-3,730**	**-8,754**
Financing activities			
Cash proceeds from issuing shares or other equity instruments	10	-183	0
Cash received from capital increases, net of transaction costs		0	93
Cash received for the resolved capital increase		0	184
Cash received from borrowings		0	1,941
Cash outflows from repayment of borrowings		-621	-438
Payment of principal portion of lease liabilities		-6,321	-5,054
Cash flow from financing activities		**-7,125**	**-3,274**
Net increase (+)/decrease (-) in cash and cash equivalents		**-11,053**	**-3,470**
Cash and cash equivalents at the beginning of the period		110,654	127,792
Cash and cash equivalents at the end of the period		**99,602**	**124,322**

Notes to the interim condensed consolidated financial statements

I. Information on the Company

Mister Spex SE (the “Company”) headquartered in Berlin, is a listed stock corporation. These interim condensed consolidated financial statements (“interim financial statements”) for the six months ended 30 June 2024 include the Company and its subsidiaries (collectively, the “Group”).

II. Basis of preparation and changes to the Group’s accounting policies

Basis of preparation

These unaudited interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and IAS 1 Presentation of Financial Statement and should be read in conjunction with the most recent consolidated financial statements for the fiscal year ended 31 December 2023 (the “most recent consolidated financial statements”). They do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRSs). However, they include selected explanatory notes on events and transactions that are significant to an understanding of the changes in the Group’s assets, liabilities, financial position and financial performance since the most recent consolidated financial statements.

These interim financial statements were approved and authorized for issue by management resolution dated 27 August 2024.

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

Presentation currency

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

Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of Mister Spex SE and its subsidiaries as of 30 June 2024.

The number of subsidiaries included in the scope of consolidation (6) has not changed as of 30 June 2024 compared to 31 December 2023.

Judgments and estimates

In preparing these interim financial statements, management made judgments and estimates concerning the application of financial reporting methods and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Significant judgments made by management in applying the Group’s accounting policies and the most important sources of estimation uncertainty were identical to those in the most recent consolidated financial statements.

New standards, interpretations and amendments adopted by the Group

Apart from the new standards and amendments to standards or interpretations effective from January 2024, the accounting policies applied in these interim financial statements are consistent with those applied in the consolidated financial statements for the fiscal year ended 31 December 2023. Several amendments to standards and interpretations became effective from 1 January 2024, however, these do not have any material effects on the Group’s interim financial statements.

The accounting policy applied to the measurement and recognition of income taxes in the interim period is described in note 5.

III. Operating segments

Information about reportable segments
The tables below present information on revenue and adjusted EBITDA for the Group's reportable segments for the six months ended 30 June 2024 and 2023:

Operating segments

for the six months ended 30 June 2024

in € k	Germany	International	Reconciliation	Total
External revenue	91,335	27,379		118,714
Intersegment revenue	3,487	636	-4,123	0
Segment revenue	**94,823**	**28,015**	**-4,123**	**118,714**
Adjusted EBITDA	1,132	-1,936		-803

for the six months ended 30 June 2023

in € k	Germany	International	Reconciliation	Total
External revenue	87,698	29,461	-	117,159
Intersegment revenue	4,434	967	-5,401	-
Segment revenue	**92,132**	**30,428**	**-5,401**	**117,159**
Adjusted EBITDA	497	166	-	663

Reconciliation of information on reportable segments to the amounts presented in the interim financial statements

	For the six months ended 30 June 2024	
in € k	**2024**	**2023**
I. Segments revenue		
Revenue of the reportable segments	122,837	122,560
Elimination of intersegments revenue	-4,123	-5,401
Consolidated revenue	**118,714**	**117,159**
II. Adjusted EBITDA		
Adjusted EBITDA of the reportable segments	-803	663
Special effects	-2,507	-2,089
Thereof effects arising from the application of IFRS 2	-1,297	-426
Thereof transformational costs	-1,499	-1,661
Thereof other special effects	288	-2
Finance income and costs	-191	-440
Depreciation and amortization	-13,219	-14,061
Earnings before income taxes	**-16,720**	**-15,926**

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

The adjustments for the six months ending 30 June 2024 mainly comprise transformation costs and special effects of € 1,211 k (H1 2023: € 1,663 k) that are mainly part of consulting fees for the transformation program of € 1,003 k and expenses for severance payments and garden leave of € 496 k (H1 2023: € 1,436 k). The other special effects mainly includes expenses and income for store closure. In the reporting period Mister Spex received a reimbursement for the store closures for one Swedish store.

IV. Explanations to the interim condensed consolidated financial statements

1. Revenue

The Group's sunglasses product category is prone to seasonal fluctuations depending on weather conditions. Due to this product category's seasonality, higher revenue is usually expected in the second and third fiscal quarters. This information is provided to facilitate a better understanding of the results; however, management has concluded that this revenue is not "highly seasonal" within the meaning of IAS 34.21.

The following table shows the turnover of the Mister Spex Group by product category:

Revenue by product category

for the six months ended 30 June 2024

in € k	Germany		International		Total	
	H1'24	**H1'23**	**H1'24**	**H1'23**	**H1'24**	**H1'23**
I. Revenue						
Prescription glasses	40,105	38,230	6,305	6,279	46,410	44,509
Sunglasses	29,744	29,482	10,591	11,227	40,335	40,709
Contact lenses	19,651	18,145	10,152	11,562	29,803	29,707
Total products	**89,501**	**85,857**	**27,047**	**29,068**	**116,548**	**114,925**
Marketing and other services	1,835	1,841	331	393	2,166	2,234
Total	**91,335**	**87,698**	**27,379**	**29,461**	**118,714**	**117,159**

The following table contains information about assets and liabilities from contracts with customers.

in € k

	30 Jun 2024	**31 Dec 2023**
Right of return assets	2,355	783
Refund liabilities	4,474	1,974
Provisions for warranties	960	1,006
Contract liabilities	2,076	1,821

Right of return assets of € 2,355 k (31 December 2023: € 783k) and refund liabilities of € 4,474 k (31 December 2023: € 1,974k) are presented as separate items in the consolidated statement of financial position. Both the assets and the liabilities increased as of 30 June 2024 as compared to 31 December 2023, mainly due to seasonal effects.

Contract liabilities of € 2,076 k (31 December 2023: € 1,821k) arising from prepayments received are generally realized (settled) within a few weeks after the reporting date by delivery of the products to customers.

2. Personnel expenses

Personnel expenses for the six months ended 30 June 2024 amounted to € 31,439 k. Despite the opening of new stores in the previous period the personnel expenses decreased slightly mainly due to the “Lean 4 Leverage” efficiency program, which focused on increasing productivity in the stores and creating a leaner organizational structure.

3. Other operating expenses

Other operating expenses increased by € 1,277 k to € 34,181 k in the first half of 2024. Compared to the same period of the previous year marketing expenses were reduced by € 1,307 k and operating – and consulting fees increased by € 2,391 k to € 10,951 k.

4. Finance result

The finance result for the interim period breaks down as follows:

in € k	For the six months ended 30 June	
	2024	**2023**
Finance income	1,976	1,565
Finance cost	-2,166	-2,005
Finance result	**-191**	**-440**

The increase in the finance result is mainly due to interest income from the investment of overnight deposits.

5. Income taxes

The recognized income tax expense is calculated by multiplying EBT for the interim period by the best estimate by management of the weighted average income tax rate expected for the full fiscal year.

The Group’s effective tax rate for the six months ended 30 June 2024 was 3.1% (30 June 2023: 1.8%).

6. Property, plant and equipment

Property, plant and equipment comprises plant and machinery, furniture, fixtures and office equipment and assets under construction.

As of 30 June 2024, property, plant and equipment amounted to € 20,778 k (31 December 2023: € 22,845 k). The lower carrying amount is mainly due to regular depreciation for the current reporting period.

7. Right- of-use-asset and lease liabilities

Right-of-use assets are recognized at a carrying amount of € 62,008 k as of 30 June 2024. The lease liabilities are recognized at € 78,870 k as of 30 June 2024, of which € 63,580 k are non-current and € 15,291 k are current. The decrease of the lease liabilities are due to the repayment of leases.

8. Other financial assets

Other financial assets comprise receivables from rent deposits and collateral pledged, receivables from sales by invoice and direct debit sales and other financial assets.

The change in non-current financial assets is due to the reclassification of time deposits with a term of less than one year to current financial assets.

The increase in current financial assets is essentially based on a higher volume of receivables from sales by invoice and direct debit as well the reclassification based on the now short-term maturity of the fixed -term deposit.

The carrying amounts of the financial assets correspond to the fair values.

9.Inventories

Inventories, i.e. the stock of goods, which mainly consists of contact lenses, prescription glasses and sunglasses, amounted to € 38,610 k in the first half of the year, which is higher than the value as of 31 December 2023 (€ 32,498 k) due to seasonal factors.

10. Equity

The change in equity results from the negative total comprehensive income for the period and from the exercise of restricted share units (RSU), which are off set by the issue of treasury shares of € 55 k and cash settlement of € 183 k.

The capital reserve increased due to the granted long-term remuneration elements in the form of restricted share units (RSU) of € 549 k and the granting of stock option programs (ESOP) and virtual stock options (VSO) of € 985 k and the exercise of restricted share units (RSU).

11. Financial instruments – Fair values and risk management

The financial instruments used by the Group comprise cash and cash equivalents and other financial assets and liabilities, such as money market funds or trade receivables and trade payables stemming directly from its business activities.

The fair values of financial instruments are largely equivalent to the carrying amounts, which are assessed to be a reasonable approximation of the former. The carrying amounts of the financial assets and financial liabilities as of 30 June 2024 and 31 December 2023 are equivalent to their fair values.

In the ordinary course of business, the Group is exposed to credit risk, liquidity risk and market risk (primarily currency and interest rate risk). These risks remain unchanged and have been described in detail in the most recent consolidated financial statements.

Group management is responsible for managing the risks and develops principles for overall risk management.

12. Other current non-financial liabilities

As of 30 June 2024, other current non-financial liabilities increased by € 3,861 k to € 11,443 k (31 December 2023: € 7,582 k). This was largely attributable to the increase in liabilities from outstanding invoices by € 4,189 k to € 5,214 k, which was partly offset by lower personnel-related expenses by € 419 k to € 1,284 k.

13. Impairment test

The Mister Spex Group has performed an impairment test as of 30 June 2024 due to the continuing low market capitalization, which is lower than the carrying amount of the equity. The impairment test did not result in any impairment or reversal of any of the cash generating units (CGU).

The recoverable amount was determined on the basis of the value in use as part of a discounted cash flow calculation and in some cases on the basis of the fair value less costs to sell. The impairment test was based on the current business plan for the financial years 2024 to 2028, using weighted average cost of capital (WACC) between 8.13% p.a. and 13.70% p.a. after taxes.

The impairment test is based on cash flow projections for the CGUs and estimates concerning the future market development. The 4.5-year planning period reflects the medium-term corporate planning. After this period, the growth dynamic decreases and a steady state is assumed for the reporting units, which is the basis for the calculation of the perpetual annuity. The growth rate for the terminal value period is 1.33%.

14. **Related parties**

All transactions with related parties were conducted at market conditions and are to be considered as arm's length transactions. There were no new contracts with related parties in the first half year ended 30 June 2024.

15. Events after the reporting date

On 16 July 2024, Dirk Graber, CEO and founder of Mister Spex, asked the Supervisory Board to relieve him of his duties as CEO with effect from 31 July 2024. In accordance with the termination and settlement agreement, Dirk Graber will receive a one-off lump-sum payment of € 0.7 million.

Stephan Schulz-Gohritz, currently CFO of Mister Spex SE, is responsible as CEO on an interim basis from 1 August 2024.

In addition, the Supervisory Board decided on 14 August 2024 to discontinue the international offline business as part of a new transformation and restructuring program “SpexFocus”. This includes five stores in Austria, two stores in Sweden and one store in Switzerland. Optimization in personnel costs, price adjustments and optimization of operational processes are also part of the agreed program. The company expects that the transformation and restructuring program will lead to an increase in EBITDA (incl. rent) of more than € 20 million, with the impact expected mainly in 2025 and 2026. The total capital outflow for the program is expected to be around € 9 million. The majority will be incurred in the second half of 2024.

There will be no impact on the company as a going concern.

Responsibility statement by the management board

I assure to the best of my knowledge and in accordance with the applicable reporting principles for half-year financial reporting, that the condensed consolidated interim financial statements give a true and fair view of the assets, financial, and earnings position of the Group, and that the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Berlin, 27 August 2024

The Management Board

Imprint

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INVESTOR RELATIONS

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Financial calendar

Date	
14 November	Q3 2024 financial results
27 March	Annual Report FY 2024

DISCLAIMER

This report also contains forward-looking statements. These statements are based on the current view, expectations and assumptions of the management of Mister Spex SE (“Mister Spex”). Such statements are subject to known and unknown risks and uncertainties that are beyond Mister Spex’s control or accurate estimates, such as the future market environment and the economic, legal and regulatory framework, the behaviour of other market participants, the successful integration of newly acquired entities and the realisation of expected synergy effects, as well as measures by public authorities.

If any of these or other uncertainties and imponderables materialise, or if the assumptions on which these statements are based prove to be incorrect, actual results could differ materially from those expressed or implied by such statements. Mister Spex does not warrant or assume any liability that the future development and future actual results will be consistent with the assumptions and estimates expressed in this report. Mister Spex does not intend or assume any obligation to update forward looking statements to reflect events or developments after the date of this report, except as required by law.

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

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Mister Spex SE

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