MISTER SPEX

Quarterly Statement **Q1 2023**

MISTER SPEX –
At a glance

Key figures

	Q1 (1.01. – 31.03.)		
in € k	**2023**	2022	Change
Results of operation			
Revenue	**50,099**	**47,186**	**6%**
Revenue by segment			
Germany	37,525	33,563	12%
International	12,574	13,623	-8%
Revenue by product category			
Prescription glasses	24,696	20,818	19%
Sunglasses (incl. prescription sunglasses)	10,350	9,732	6%
Contact lenses	14,048	15,777	-11%
Miscellaneous services	1,006	859	17%
Gross profit margin[1]	53,6%	49,2%	440bp[2]
EBITDA	-1,958	-5,152	-62%
Adjusted EBITDA	**-1,637**	**-4,585**	**-64%**
Other key figures			
Active customers (LTM) [3] (in k)	1,716	1,715	0%
Number of orders[4] (in k)	519	554	-6%
Average order value (LTM)[5] (in EUR)	92.4	85.9	8%

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

>1.7

MILLION
ACTIVE CUSTOMERS

Interim Group Management Report

+6%

Revenue increase in Q1

Market development

According to the monthly GfK ["Gesellschaft für Konsumgüterforschung"] Consumer Sentiment Index, consumer sentiment has recovered slightly from its lowest point in Q4 2022. While it still remains negative, it could be comparable to the level in Q3 2022. Based on the GfK, optical market increased by 6% in January and February in value, while segment Germany grew by 12% in the first quarter. Therefore, Mister Spex has outperformed the market again.

Revenue by product category and segments

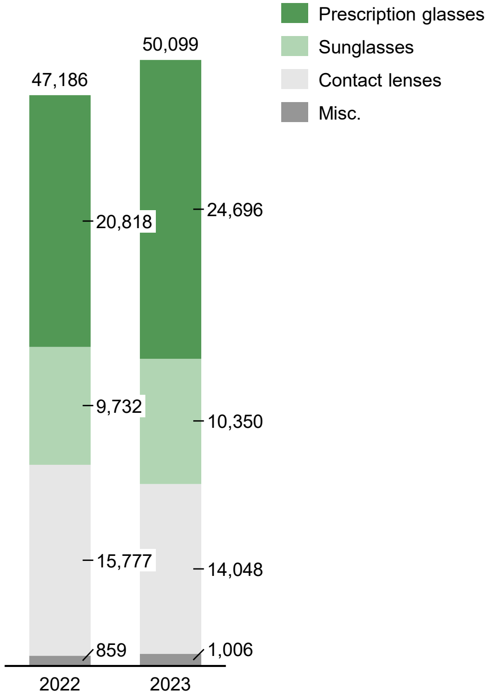
Despite a still relatively soft macroeconomic consumer environment, Mister Spex achieved moderate revenue growth in the first quarter of 2023. Revenue grew 6% compared to the same period in 2022, with Group revenue reaching € 50.1 million compared to € 47.2 million in Q1 2022.

The revenue growth in Q1 2023 was almost fully driven by an increase of 19% in the **prescription glasses** sales. The development is supported by factors such as the materialization of pent-up demand, although consumer sentiment remained to be negative stemming from high inflation and energy prices, as well as opening of new stores. Mister Spex continues to steadily increase the share of high-margin prescription glasses in the product mix by offering a leading omnichannel shopping experience to increase profitability in the medium term.

Revenue from **sunglasses** has increased by 6% against 8% for the same period in 2022. The slowdown during the first quarter of 2023 is attributable, in particular to poor weather conditions that affected consumer demand for outdoor activities and products.

The revenue from **contact lenses** has declined by 11% compared to last year's all-time high comparison of 13%. This decline was driven by the deliberate decision to reduce marketing and promotions for contact lenses. Additionally, the development was negatively impacted by the exchange rate volatility of the Swedish and Norwegian Krona.

Revenue by product category Q1 (in € k)



1GfK - data are only available for January and February at the time of publication and represent the market sales value

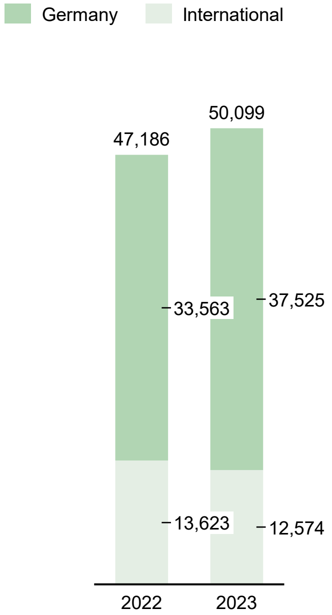
For **Germany** segment, revenue increased by 12% against an already good quarter of Q1 2022 of 7%. Last year was impacted by high sick rates of employees in stores related to COVID-19. For the Q1 2023, the revenue growth, was mainly driven by 21% increase in prescription glasses followed by 9% increase in sunglasses.

The revenue in the **International** segment declined by 8%, predominantly driven by the Nordics and UK, which could only be partially compensated by positive development in Austria and Switzerland.

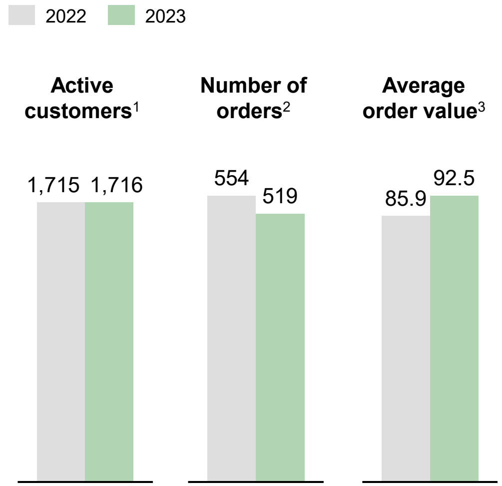
From the category perspective, the decline was fully driven by lower contact lenses revenues, which was only partially compensated by growing revenues in prescription glasses and sunglasses. As part of Lean 4 Leverage efficiency program, the marketing budget has been reallocated towards Germany, where the Company benefits from higher awareness level.

In the first quarter of 2023, the number of **active customers** remained roughly flat, reaching 1,716 k. The **number of orders** decreased by 6% to 519 k compared to prior year. This decline was fully driven by the deliberate decision to reduce marketing and promotions for contact lenses. Nevertheless, the **average order value** in this period increased strongly by 8% to € 92.4, with a positive average order value development across all product categories

Revenue by segment Q1 (in € k)



Non-financial KPIs Q1



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 EUR)

The **gross profit** margin increased by 440 basis points to 53.6%, which is driven by decreasing discount rates and shift in the product mix with a higher share of prescription glasses in Q1 2023 compared to prior year.

Personnel costs increased by 8% in Q1 2023 compared to prior year. This is predominantly driven by increase in the number of employees related to further store openings.

Other operating expenses decreased by 3% compared to previous year. The improvement is coming from marketing as well as freight and fulfilment. Lower marketing expense in the first quarter of 2023 is a result of efficiency program Lean 4 Leverage.

Depreciation and amortization has increased by 41% in Q1 2023 compared to previous year level. The increase is driven by higher amortizations of right-of-use assets in accordance with IFRS 16 in connection with the lease of new stores.

Consolidated statement of profit or loss

	Q1 (1.01. – 31.03.)		
in € k	**2023**	**2022**	**Change**
Revenue	50,099	47,186	6%
Own work capitalized	1,495	1,602	-7%
Other operating income	465	171	>100%
Cost of materials	-23,240	-23,955	-3%
Gross profit1	26,860	23,231	16%
Gross profit margin1	53,6%	49,2%	440bp
Personnel expenses	-15,270	-14,124	8%
Other operating expenses	-15,508	-16,032	-3%
EBITDA	-1,958	-5,152	-62%
Adjustments	321	567	-43%
Adjusted EBITDA	-1,637	-4,585	-64%
Depreciation and amortization	-5,721	-4,063	41%
EBIT	-7,679	-9,215	-17%
Financial result	-185	-782	-76%
Share in loss of associates	-	5	-100%
Income taxes	-306	-294	4%
Loss for the period	-8,170	-10,286	-21%

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.

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.

In Q1 2023, **adjusted EBITDA** significantly increased compared to the previous year due to the improvements in gross profit and lower other operating expenses, which fully compensated for an increase in personnel expenses.

The **reported EBITDA** has improved by € 3,194 k in Q1 2023, supported by higher gross profit and lower other operating expenses which overcompensated the increase in personnel costs.

As of 31 March 2023, **total assets** remained roughly flat compared to 31 December 2022. The increase in **non-current assets** by € 3,835 k is mainly due to the opening of new stores and the associated recognition of right-of-use assets in accordance with the provisions of IFRS 16 as well as increase in internally generated intangible assets.

Current assets have decreased by € -3,234 k compared to 31 December 2022. This relates to a decrease in cash and cash equivalents by € -14,553 k and a subsequent increase in inventory by € 13,295 k to € 43,695 k. The increase in inventory is due to strategic buying of contact lenses ahead of price increases in 2023 as well as higher share of sunglasses ahead of summer season. The decrease in cash and cash equivalents is primarily driven by the inventory build-up, as well as the opening of the new stores.

As of 31 March 2023, **non-current liabilities** stood at € 59,781 k and € 3,045 k above the value on 31 December 2022. The increase is mainly due to the increase in lease liabilities in connection with the opening of new stores and a new sale and leaseback agreement was concluded for the store fittings acquired to equip our stores with high-quality instruments and installations with the aim of spreading one-time expenses for investments in store fittings (high-quality instruments, installations, etc.) The lease liability is related to the recognition of leases in accordance with IFRS 16. The increase in **current liabilities** by € 5,960 k to € 41,451 k is mainly due to an increase in provisions as well as an increase in refund liabilities. Trade payables decreased by € 2,298 k to € 10,559 k.

Reconciliation from EBITDA to Adjusted EBITDA

	Q1 (1.03. – 31.03.)		
in € k	**2023**	2022	Change
EBITDA	**-1,958**	**-5,152**	**-62%**
Adjustments	**321**	**567**	**-43%**
Thereof effects arising from the application of IFRS 2	-48	166	>-100%
Thereof transformation costs	320	247	30%
Thereof other special effects	49	154	-68%
Adjusted EBITDA	**-1,637**	**-4,585**	**-64%**

Assets, liabilities and financial position

in € k	**31.03.2023**	31.12.2022	Change
Assets			
Non-current assets	124,246	120,411	3,835
Current assets	169,587	172,821	-3,234
Thereof: Cash and cash equivalents	113,259	127,792	-14,533
Total Assets	**293,833**	**293,232**	**601**
Equity and liabilities			
Equity	192,601	201,005	-8,404
Non-current liabilities	59,781	56,736	3,045
Current liabilities	41,451	35,491	5,960
Total equity and liabilities	**293,833**	**293,232**	**601**

+3

New stores in Q1

The change in equity is mainly due to the net loss for the period. The equity ratio as of 31 March 2023 was 66 % and remains relatively stable compared to year end´s ratio of 69%. Business activities are financed by a combination of equity and debt.

The **cash flow from operating activities** in the first three months of 2023 resulted in cash outflow of € -9,159 k (prior-year period: € -1,362 k). While there was improvement in the net result for the period, there was a significant step up in the change in the inventory relating to the strategic buying of contact lenses for 2023.

The **cash flow from investing activities** amounted to € -4,598 k (prior-year period: € -4,439 k) largely driven by investments in fittings for the new stores, logistics, internally developed software and other furniture and fittings.

The **cash flow from financing activities** amounted to € -776 k (prior-year period: € -1,445 k). The biggest impact is coming from the payments for the principal portion of lease liabilities, which were partly offset by cash inflow for the sale and leaseback transaction.

Net Debt for the period amounts to € -12,027 k versus € -35,565 k in 2022.

Consolidated statement of cash flows

	Q1 (1.03. – 31.03.)	
in € k	**2023**	2022
Cash flows from operating activities	-9,159	-1,362
Cash flows from investing activities	-4,598	-4,439
Cash flows from financing activities	-776	-1,445
Total cash flow	**-14,533**	**7,246**

Outlook

We are convinced that our position as one of the leading digitally driven omnichannel opticians in Europe will enable us to continue our growth and become one of the leading players in the overall eyewear market. In 2023 we will focus our efforts on the countries where we are already present and stores which we have opened in the last six years. We are confident that thanks to the seamless omnichannel approach, the broad product and varied product and brand range and a leading price-value proposition, Mister Spex will continue to grow faster than the European eyewear market in 2023 and expand its customer base further.

At the end of Q1 2023, 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 2023.

Mister Spex reiterates its outlook for fiscal year 2023. Management expects revenue growth in the mid to high single-digit percentage range and a positive adjusted EBITDA margin in the low single-digit percentage range, as compared to −4% in 2022.

Berlin, 11 May 2023

The Management Board

Dirk Graber
Founder and Co-CEO

Dr Mirko Caspar
Co-CEO

Maren Kroll
CHRO

Consolidated statement of comprehensive profit and loss

Consolidated statement of profit and loss

in € k	Q1 (1.01. – 31.03.) 2023	2022	Change
Revenue	50,099	47,186	6%
Other own work capitalized	1,495	1,602	-7%
Other operating income	465	171	>100%
Total operating performance	**52,060**	**48,959**	**6%**
Cost of materials	-23,240	-23,955	-3%
Personnel expenses	-15,270	-14,124	8%
Other operating expenses	-15,508	-16,032	-3%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**-1,958**	**-5,152**	**-62%**
Depreciation, amortization and impairment	-5,721	-4,063	41%
Earnings before interest and taxes (EBIT)	**-7,679**	**-9,215**	**-17%**
Financial result	-185	-782	-76%
Share of results of associates	-	5	-100%
Earnings before taxes (EBT)	**-7,864**	**-9,992**	**21%**
Income taxes	-306	-294	4%
Loss for the period	**-8,170**	**-10,286**	**-21%**
Thereof loss attributable to the shareholders of Mister Spex SE	-8,170	-10,286	-21%
Basic and diluted earnings per share (in EUR)	-0.24	-0.30	**-20%**

Consolidated statement of other comprehensive income and loss

in € k	Q1 (1.01. - 31.03.) 2023	2022	Change
Loss for the period	**-8,170**	**-10,286**	**-21%**
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign financial statements	-185	82	>100%
Other comprehensive income / loss	**-185**	**82**	**>100%**
Total comprehensive loss	**-8,356**	**-10,204**	**-18%**
Thereof loss attributable to the shareholders of Mister Spex SE	-8,356	-10,204	-18%

Consolidated statement of financial position

Consolidated statement of financial position

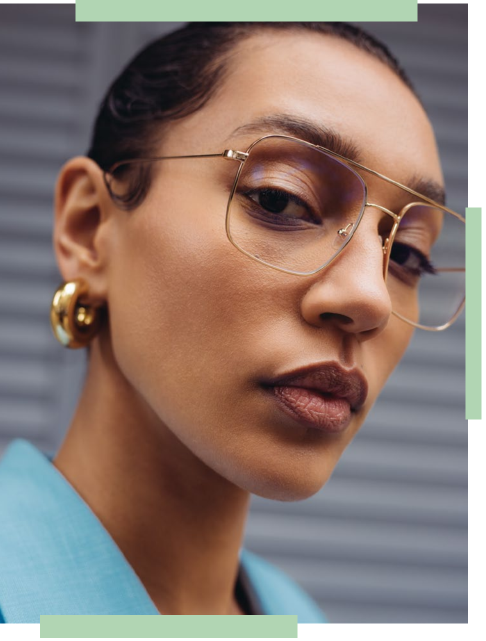
Assets

in € k	31.03.2023	31.12.2022
Non-current assets	**124,246**	**120,411**
Goodwill	12,829	12,829
Intangible assets	21,811	21,738
Property, plant and equipment	25,466	23,922
Right-of-use assets	54,899	53,193
Investments in associates	-	-
Other financial assets	9,240	8,729
Current assets	**169,587**	**172,821**
Inventories	43,695	30,041
Right of return assets	2,145	759
Trade receivables	455	2,742
Other financial assets	1,877	868
Other non-financial assets	8,156	10,619
Cash and cash equivalents	113,259	127,792
Total assets	**293,833**	**293,232**

Equity and liabilities

in € k	31.03.2023	31.12..2022
Equity	**192,601**	**201,005**
Subscribed capital	33,866	33,866
Capital reserves	327,620	327,668
Other reserves	-1,279	-1,094
Accumulated loss	-167,605	-159,435
Non-current liabilities	**59,781**	**56,736**
Provisions	1,692	1,563
Liabilities to banks	1,120	1,120
Lease liabilities	51,745	50,376
Other financial liabilities	3,854	2,462
Other non-financial liabilities	33	42
Deferred tax liabilities	1,337	1,173
Current liabilities	**41,451**	**35,491**
Provisions	1,106	1,054
Trade payables	10,559	12,857
Refund liabilities	4,424	2,166
Lease liabilities	10,773	10,159
Other financial liabilities	1,798	1,433
Contract liabilities	1,272	1,121
Other non-financial liabilities	11,520	6,700
Total equity and liabilities	**293,833**	**293,232**

Consolidated statement of cash flows



Consolidated statement of cash flows (for the three months ended 31 March)

in € k	3M (1.01.- 31.03.) 2023	3M (1.01.- 31.03.) 2022
Operating activities		
Loss for the period	**-8,170**	**-10,286**
Adjustments for:		
Finance income	-746	-295
Finance cost	931	1,077
Income tax expense	306	294
Amortization of intangible assets	1,866	1,219
Depreciation of property, plant and equipment	1,099	745
Depreciation of right-of-use assets	2,756	2,099
Non-cash expenses for share-based payments	-48	166
Increase (+)/decrease (-) in non-current provisions	128	25
Increase (-)/decrease (+) in inventories	-13,654	-6,453
Increase (-)/decrease (+) in other assets	1,721	-351
Increase (+)/decrease (-) in trade payables and other liabilities	4,971	10,882
Share of results of associates	-	-5
Income tax paid	-223	-
Interest paid	-632	-493
Interest received	537	14
Cash flows from operating activities	**-9,159**	**-1,362**

in € k	3M (1.01 – 31.03.) 2023	3M (1.01 – 31.03.) 2022
Investing activities		
Investments in property, plant and equipment	-2,658	-2,113
Investments in intangible assets	-1,940	-2,326
Cash flow from investing activities	**-4,598**	**-4,439**
Financing activities		
Cash received from capital increases, net of transaction costs	-	428
Cash received from borrowings	1,941	-
Cash outflows from repayment of borrowings	-191	-
Payment of principal portion of lease liabilities	-2,525	-1,873
Cash flow from financing activities	**-776**	**-1,445**
Net increase (+)/decrease (-) in cash and cash equivalents	**-14,533**	**-7,246**
Cash and cash equivalents at the beginning of the period	127,792	149,644
Cash and cash equivalents at the end of the period	**113,259**	**142,398**

Financial calendar

Date	
26 May	Annual General Meeting (virtual)
31 August	H1 2023 financial results
9 November	Q3 2023 financial results

Imprint

Contact

Mister Spex SE
Greifswalder Str. 156
10409 Berlin
Germany
https://corporate.misterspex.com/en

INVESTOR RELATIONS

Irina Zhurba

Head of Investor Relations

E-mail: investorrelations@misterspex.de

DISCLAIMER

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

If any of these or other uncertainties and imponderables materialise, or if the assumptions on which these statements are based prove to be incorrect, actual results could differ materially from those expressed or implied by such statements. Mister Spex does not warrant or assume any liability that the future development and future actual results will be consistent with the assumptions and estimates expressed in this report. Mister Spex does not intend or assume any obligation to update forward looking statements to reflect events or developments after the date of this report, except as required by law.
Due to the effects of rounding, some figures in this and other reports or statements may not add up precisely to the sums indicated, and percentages presented may not precisely reflect the exact figures to which they relate.
This report is also published in German. In the event of any discrepancies, the German version of the report shall prevail over the English translation.

Mister Spex SE

Greifswalder Straße 156

10409 Berlin

Germany