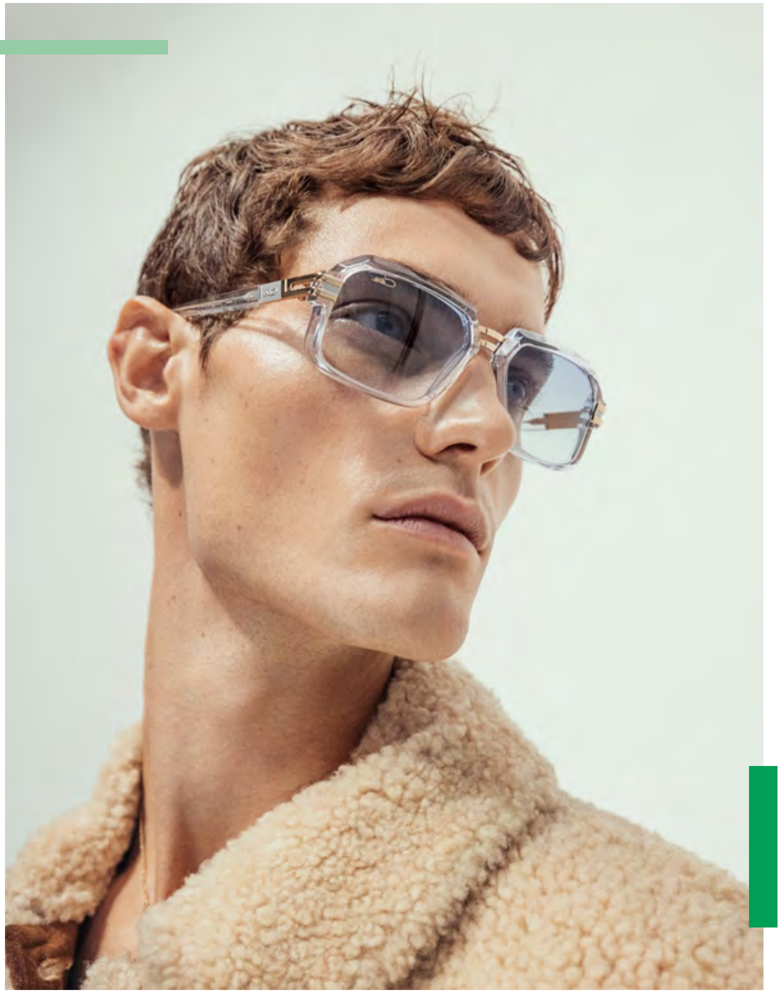
MISTER SPEX

Annual Report 2021

MISTER SPEX – At a glance



Kennzahlen

in EUR k	1 Jan to 31 Dec 2021	2020	Change
Results of operation			
Revenues	**194,248**	**164,201**	**18%**
Revenues by segment			
Germany	137,802	117,782	17%
International	56,446	46,419	22%
Revenues by product category			
Prescription glasses	77,686	66,916	16%
Sunglasses	50,156	38,611	30%
Contact lenses	61,824	55,450	11%
Miscellaneous services	4,582	3,224	42%
Gross profit margin (in % of revenues)[1]	49.1%	49.5%	−40bp[2]
EBITDA	−8,238	5,814	–
Adjusted EBITDA	**4,149**	**6,754**	**−39%**
Other key figures			
Active customers (LTM)[3] (in k)	1,706	1,525	12%
Number of orders[4] (in k)	2,208	1,936	14%
Average order value[5] (LTM) (in EUR)	85.90	83.10	3%

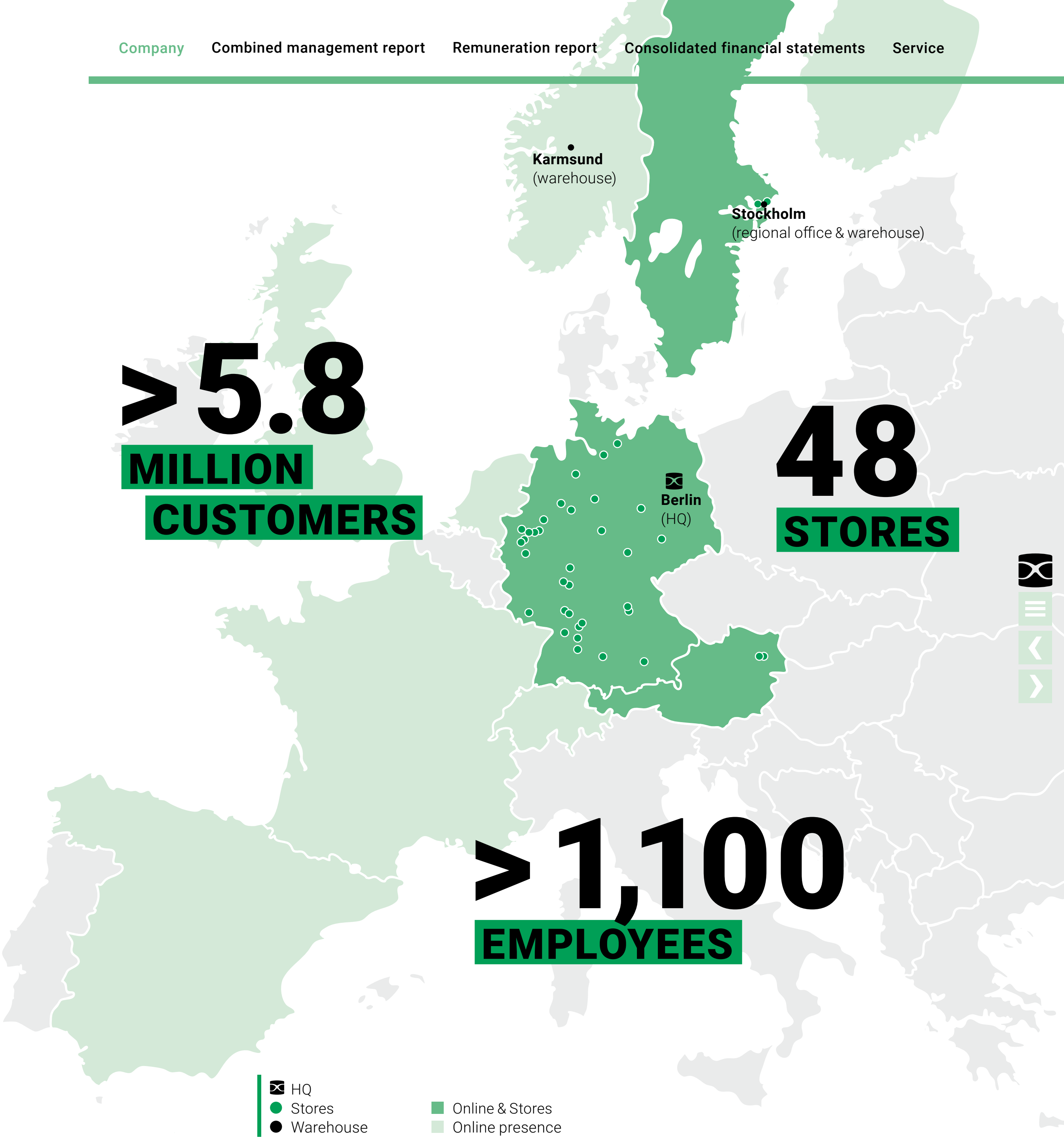
1 Management defines gross profit margin as the ratio of gross profit to revenue
2 bp = basis points
3 Excluding cancellations
4 Orders after cancellations and after returns
5 Calculated as revenues for all product categories divided by the number of orders after cancellations and after returns

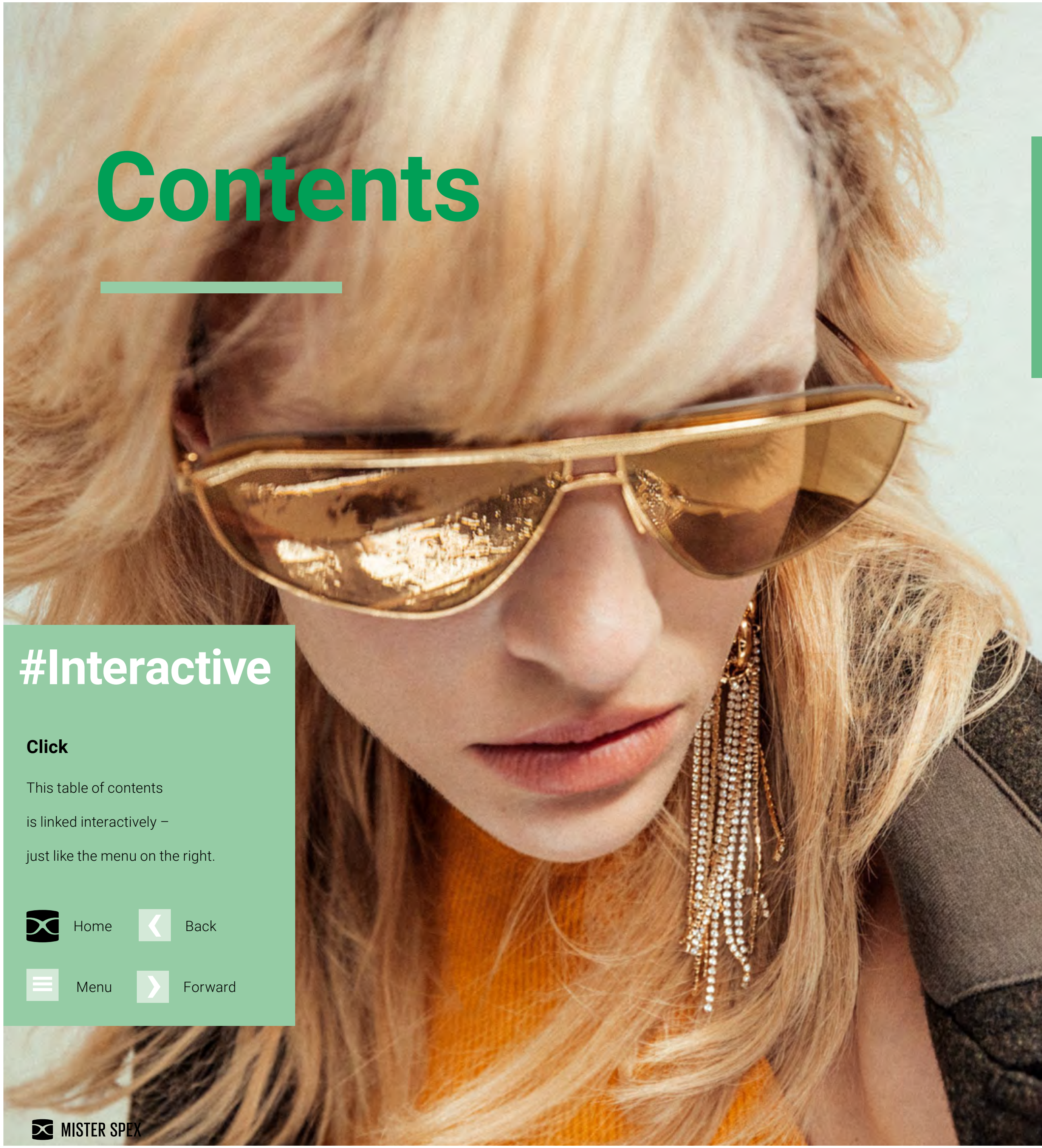
>2 MILLION ORDERS

>1.7 MILLION ACTIVE CUSTOMERS

We empower & inspire people to wear glasses with joy & confidence

The way to find the right glasses should be an easy, intuitive and innovative process for our customers. That is why we offer them smart solutions, information and services that enable a unique shopping experience and provide inspiration at the same time – both on- and offline. Because purchasing a pair of glasses should do one thing above all else: easy. We want our customers to wear their new glasses or sunglasses with joy and confidence.





Contents

#Interactive

Click

This table of contents is linked interactively – just like the menu on the right.

Home Back

Menu Forward

MISTER SPEX – HIGHLIGHTS 2021

Q2

MISTER SPEX ON COURSE FOR EXPANSION: FIRST INTERNATIONAL STORES IN AUSTRIA AND SWEDEN

We brought our successful store concept to international level and opened our first stores outside the German market with three new locations in Austria and Sweden. Just like in our online shop, we now offer our customers in Austria and Sweden a fully digitized omnichannel journey.

Q3

SUCCESSFUL IPO OF MISTER SPEX

14 years after the founding of Mister Spex, the entire team is very proud of the IPO – but we see it only as an intermediate step on our way to becoming the leading eye optics brand in Europe. As part of the IPO, gross proceeds of around EUR 245m were generated, of which EUR 35m were used to repay a credit line. For the remaining revenues, we are pursuing a clear investment strategy to further accelerate sales growth.

Q4

MISTER SPEX STRENGTHENS ITS COMMITMENT TO SUSTAINABILITY AND, TOGETHER WITH “SHARE”, IS PRESENTING THE FIRST SOCIAL EYEWEAR COLLECTION

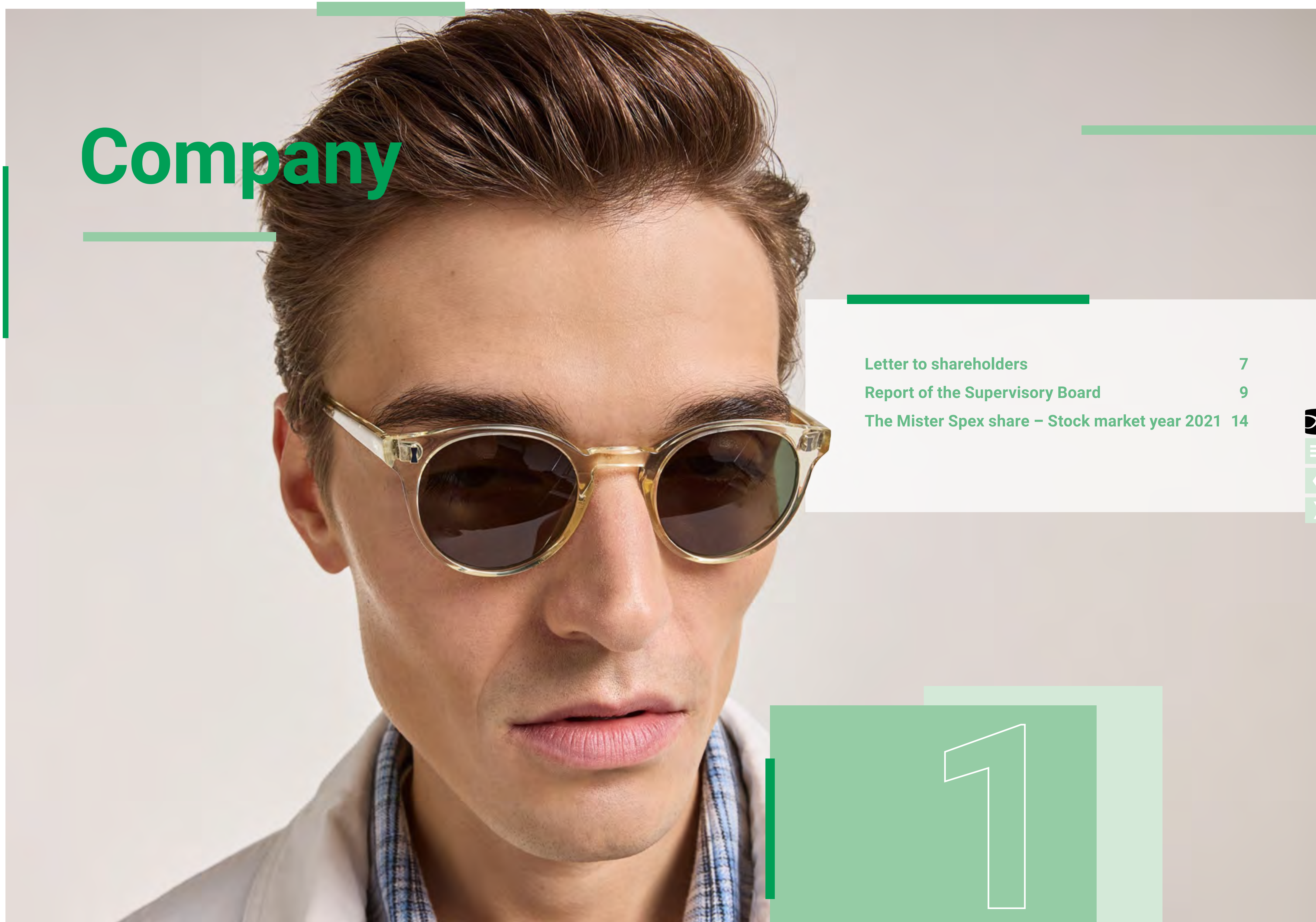
For example, we have expanded our product range to include the first Social Eyewear collection in partnership with the social lifestyle brand “share”. Since December, the 26-piece eyewear collection has been available exclusively in the German and Austrian Mister Spex online stores, as well as in other selected stores. The social approach: Under the slogan # iwearsocial, “share” makes it possible for a person in need to have access to a vision aid when buying every pair of glasses via our stores or platforms.

Q4

SUCCESSFUL LAUNCH OF THE ONLINE VISION TEST: MISTER SPEX NOW OFFERS WEB-BASED REVIEW OF CORRECTION VALUES IN FIVE COUNTRIES

Just over a year and a half after the launch of Germany’s first online eye test at Mister Spex, we now also offer the service in Austria, Switzerland, the Netherlands and Sweden. Through the online application, more and more customers have the opportunity to check their individual visual values free of charge from home.

Company



1

Letter to shareholders

Dr Mirko Caspar

Mirko worked as a management consultant at McKinsey before he took on a leadership role at Universal Music Germany. In 2006 he co-founded the virtual world company Metaversum and acted as one of the managing directors. He has also co-founded the agencies Userlutions GmbH and Caspar-Feld Marketing-Performance GmbH. Since 2011, he has been Co-CEO at Mister Spex.

Areas of responsibility:

– Marketing
– Product Management
– Category Management
– Retail
– International Business

Dear Shareholders,

the first six months of 2021 were very special to us in view of the IPO on 2 July. Our successful IPO was priced in the middle of the price range at EUR 25. 14 years after Mister Spex was founded, the entire team is very proud of the IPO – but we see this only as a steppingstone on our way to becoming the leading eyewear brand in Europe.

As part of the IPO, gross proceeds of around EUR 245m were generated, of which EUR 36m were used to repay a credit facility. For the remaining proceeds, we are pursuing a clear investment strategy in the following order of priority:

1. Between EUR 120m and EUR 140m will be used to fully fund our organic growth plan in the medium-term, including the international roll-out of our omnichannel business model through brand building and stores, investments in our technology platform, as well as logistics automation

2. Up to EUR 30m are intended for strategic investments to foster international market growth and technology leadership

3. The remainder of the net proceeds from the offering will be used for general corporate purposes.

In addition to the IPO, we have continuously focused on operational progress in 2021. We brought our successful store concept to international level and opened first stores outside the German market, with four new locations in Austria and Sweden. Customers in Austria and Sweden can now also benefit from a fully digitized omnichannel shopping experience. Beyond the international rollout, we opened ten new stores in high-traffic locations in key German cities including Berlin, Hamburg and Munich.

As a tech enabled company, we continue to innovate and improve the shopping experience across all our sales channels. In April 2021, we introduced pupil distance measuring on mobile devices via our own app. The app measures the distance between the pupil and the center of the nose, information that is required for the manufacturing of all glasses and sunglasses with correction values. In addition, in July we introduced the measurement of the grinding height on mobile devices as an additional feature for customers who require multifocal glasses. Both innovations mark a major milestone in further digitizing the eyewear shopping experience.

Dirk Graber

Before founding Mister Spex in 2007, Dirk had worked as a consultant for the Boston Consulting Group for several years. He gained his first e-commerce experience at eBay and Jamba and also worked at KPMG and Commerzbank

Areas of responsibility:

– Operations
– IT
– Data
– Corporate Development

Since the introduction of the online eye test in additional countries, further progress has been made. A good year-and-a-half after the launch of the online eye tests at Mister Spex, we now also offer the service in Austria, Switzerland, the Netherlands, and Sweden. Through the online application, more customers have the opportunity to check their individual prescription values from home, free of charge.

Taking responsibility for our work, as well as daily actions for our environment, our social setting and our employees, is part of our DNA. For example, we have expanded our product range to include the first Social Eyewear collection in partnership with the social lifestyle brand "share". Since December, the 26-piece eyewear collection has been available exclusively in the German and Austrian Mister Spex online stores, as well as in other selected stores. The social approach: Under the motto #iwearsocial, "share" makes it possible to provide a pair of glasses to a person in need when purchasing each pair of glasses through our stores or platforms.

We look to the future with a great deal of strength and optimism. In 2022, we will make further strategic progress and have set the following priorities:

- Further store openings and the continuation of international expansion
- Expansion of the product range into the premium and luxury segment
- Increasing and further improving brand strength
- Further investments in innovation, technology and operational business to elevate the customer experience

With our omnichannel business model, we believe we are well set to continue to outgrow the market and increase shareholder value, even in an uncertain macroeconomic environment. We look forward to achieving this with the support of our employees, partners, brands and shareholders.

Berlin, 25 March 2022

Dirk Graber
Founder and Co-CEO

Dr Mirko Caspar
Co-CEO

Maren Kroll
CHRO

Dr Sebastian Dehnen
CFO

Maren Kroll

Maren held various human resources roles and gained experience in working abroad, before joining Zalando as the Global Head of People Development & Employer Branding and Head of HR Technology. In 2017 she became Vice President Human Resources at Harry's Inc. located in New York, London and Eisfeld, Germany. In January 2020 Maren joined Mister Spex as Chief Human Resources Officer.

Areas of responsibility:

– Human Resources
– Public Relations
– ESG

Dr Sebastian Dehnen

Sebastian worked as a senior management consultant at EY before he took on a leadership role at Daimler Mobility Services GmbH being responsible for Controlling and M&A. In 2015 he became Managing Director and CFO of moovel Group GmbH. In 2018 Sebastian took over the Managing Director and CFO as well as COO position at car2go Group GmbH followed by a CFO position at AutoGravity Corp in Irvine, California. Since 2020, he has been CFO at Mister Spex.

Areas of responsibility:

– Finance
– Legal
– Internal Audit
– Investor Relations

You can find more about the short biographies on our website:
→ https://corporate.misterspex.com/en

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

The Mister Spex share – Stock market year 2021

EUR
~245 million
gross proceeds

IPO and share price performance

2021 was a memorable year for Mister Spex because of the IPO on 2 July. The stock was valued at EUR 25, in the middle of the target price range. As part of the IPO, gross proceeds of around EUR 245m were generated. The proceeds will primarily be used to finance growth plans, including the international expansion of the omnichannel business model, as well as strategic investments to promote international market growth and expand technology leadership.

Following the IPO, the Mister Spex share price peaked at EUR 25.70 on 24 August in a positive market environment driven by strong economic data and rising corporate earnings. Since this high, the share price has declined against the backdrop of increased volatility in stock markets and concerns about further virus variants leading to restrictions on public life. In addition, the adjustment of the financial targets for 2021 caused further pressure on the share price. Management was forced to adjust sales and earnings targets slightly downwards due to lower-than-expected growth with prescription glasses. The share price reached a low of EUR 11.23 on 15 December and ended 2021 at a price of EUR 11.26.

Management is convinced that medium-term ambitions will also be reflected in a rising share price, driven by an acceleration in revenue growth and higher profitability. Headwinds from the pandemic have not changed the fundamental growth prospects.

Mister Spex share

Share type	Ordinary bearer shares without par value
First day of trading	2 July 2021
Issue price on 2 July 2021	EUR 25
Maximum price (24 August 2021)	EUR 25.70
Lowest price (15 December 2021)	EUR 11.23
Closing price on 30 December 2021	EUR 11.26
Market capitalisation (30 Dec) in EUR million	380
Share capital (31 Dec)	EUR 34,769,368
Number of share issued (31 Dec)	34,769,368
Number of outstanding shares (31 Dec)	33,761,368
ISIN	DE000A3CSAE2
WKN	A3CSAE
Ticker symbol	MRX
Stock market	Frankfurt Stock Exchange
Market segment	Prime Standard of the Frankfurt Stock Exchange

Shareholder structure on 31 December 2021 (in %)[2]

2 Shareholder structure based on a shareholder analysts by a third party provider. The chart only shows shareholdings > 2.9% of the share capital.

EssilorLuxottica is the largest shareholder and holds 11.3% of the voting rights in Mister Spex. The strategic investor has participated in the IPO and is represented on the Supervisory Board by one person. Another shareholder with more than 10% of the voting rights is Albert Büll, Christa Büll, Sabine Büll-Schroeder and Nathalie Büll-Testorp, who hold 10.4% of the voting rights in Mister Spex through ABACON Invest GmbH. Both shareholdings are seen as strategic investments.

According to the Deutsche Börse definition, the free float was 67.3% at the end of December 2021. Voting rights of EssilorLuxottica, Albert Büll, Christa Büll, Sabine Büll-Schroeder and Nathalie Büll-Testorp, Scottish Equity Partners, as well as own shares, are not included in the free float.

Performance of the Mister Spex share in the period 02.07.–31.12.2021 (in EUR)

Since the IPO, members of the Management Board and Supervisory Board have bought Mister Spex shares. For example, the company has received a total of four notifications pursuant to Sec. 15a of the German Securities Trading Act (WpHG) regarding the acquisition of securities of Mister Spex. These were published on the website **ir.misterspex.com**. Members of the Executive Board and the Supervisory Board held less than 3% of the issued shares at the end of the 2021 financial year.

Since the IPO on 2 July until 31 December, the company has received various voting rights notifications. These were published on the website **ir.misterspex.com.**

Close exchange with the capital market

At the end of the 2021 financial year, Mister Spex was covered by five renowned banks' analysts. This gives us the opportunity to have regular exchanges with many brokers and analysts and to ensure access to the Management Board and the Investor Relations Department. Currently, Barclays, Berenberg, Bryan Garnier & Co, Jefferies and ODDO BHF regularly publish analyses and comments on the Mister Spex share. All five analysts recommend buying the Mister Spex share and forecast the price target significantly above the share price at the end of 2021.

It is our goal to inform all capital market participants about the development of Mister Spex in a timely and transparent manner through a close, regular and open dialogue. We do this in the form of one-to-one conversations, telephone calls, roadshows and conferences. Due to the pandemic-related restrictions, these events took place almost completely virtually in 2021. In addition, we present extensive information and news transparently on the Investor Relations website **ir.misterspex.com.**

Combined Management Report

2

Combined Management Report

More information
can be found on page 7
in the foreword.

48

stores in Germany, Austria and Sweden

I. Background of the Group

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.

1.2 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 execution 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.

1.3 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 on 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].

#Investment Highlights

Market
Large and growing eyewear market supported by structural tailwinds.

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

1.4 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

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.

14

store openings in 2021

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).

Increasing 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.

1.5 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.

Financial performance indicators

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.

Non-financial performance indicators

Active customers	The active customers key performance 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 above-mentioned 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.

1,179

employees from 58 nations

1.6 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.

Five values that count

01 We respect each other

02 We are open and give & take feedback to learn

03 We stay hungry

04 We take ownership

05 We win as a team

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.

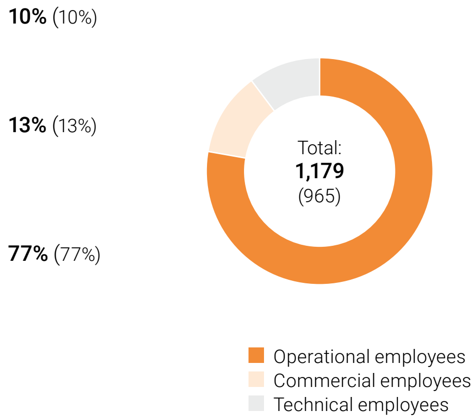
The training of future employees is particularly important to us. In addition to training as an optician, we also offer training in many other areas, such as logistics, dialog marketing, system administration, e-commerce and office management. The training of opticians is of particular importance because 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



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.

1.7 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.

1.8 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

Fields of action of the sustainability strategy

01 Our customers

02 Our environment

03 Our company

04 Our social environment

05 Our employees

Our sustainability report
is available on our website

#Investment Highlights

Leadership
Leading online-driven omni-channel brand for eyewear in Europe uniquely positioned to overtake competition.

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.

1.9 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/en/corporate-responsibility**.

2. Economic report of the Group

2.1 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%.

2.2 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.

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.

4 The statements regarding the quarterly performance are unaudited.

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

Financial performance

	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%**
Depreciation and amortization	−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.

Revenue and adjusted EBITDA by segment

	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

	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

	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.

#Investment Highlights

Attractive Financials
Strong financial track record with continuous high growth and proven profitability.

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.

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).

	1 Jan to 31 Dec		
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.

7 This statement is unaudited.
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.

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).

#Investment Highlights

Operations
Best-in-class and high scalable infrastructure driving strong service levels.

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.

#Investment Highlights

Customer Value Proposition

– Comfort
– Fashion focus and fashion trend
– Broad multibrand offering

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.

2.4 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.

#Investment Highlights

Growth

Multiple levers for continued strong growth through increased market penetration, platform development and new market expansion.

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

Financial performance

Company's financial performance developed as follows.

in EUR k	1 Jan to 31 Dec 2021	2020	Change
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%
Depreciation and amortization	–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%**
Net 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**

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).

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.

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

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.

2.6 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.

3. Risks and opportunities

3.1 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.

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, if necessary).

#Investment Highlights

Data Capabilities

Leveraging comprehensive data capabilities and tech-enabled operations to optimize the omnicommerce experience.

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 risks that have an impact 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[10]
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

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%

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

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 10m
(2) High with an impact of up to EUR 10m
(3) Medium with an impact of up to EUR 2.5m and
(4) Low with an impact of up to EUR 1m

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.

#Investment Highlights

Team
Experienced, founder-led management team with strong track-record in successfully scaling the business.

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

3.2 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

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.

3.3 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.

3.4 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.

4. 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.

5. 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.

6. 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.

6.1 Declaration of conformity pursuant to Sec. 161 AktG

In December 2021 the Management Board and Supervisory Board of Mister Spex SE issued the following declarations 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: **https://ir.misterspex.com/websites/misterspex/English/6000/corporate-governance.html**

Declaration of conformity
is available on our website.

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 (Halbjahresfinanzberichte) 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 (Halbjahresfinanzbericht) 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

6.2 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 Sec. 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**

6.3 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.

6.4 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:

Member 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[11]	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[11]	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[11]	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[11]	30. Juni 2021	Partner at Grazia Equity GmbH	Yes
Oliver Beste	11 December 2020[11]	15. Juni 2021	Chair of Beste Beteiligungen GmbH	Yes
Mike Ebeling	11 December 2020[11]	15. Juni 2021	Director of Goldman Sachs Private Equity	Yes
Nenad Marovac	11 December 2020[11]	15. Juni 2021[11]	Partner at DN Capital LLP	Yes
Fred Piet	11 December 2020[11]	20. Mai 2021[11]	Partner at Fipaco Corporate Consultancy BV	Yes

11 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:

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	–	–
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)
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)		Doozer Real Estate Systems GmbH (member of the advisory board, Chair)
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:

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:

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:

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:

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

6.5 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
Founder and Co-CEO

Dr Mirko Caspar
Co-CEO

Maren Kroll
CHRO

Dr Sebastian Dehnen
CFO

Remuneration report pursuant to Sec. 162 AktG

3

7. Remuneration report pursuant to Sec. 162 AktG

Preamble

The remuneration report explains the main components of the remuneration system for the Management Board as well as the Supervisory Board and discloses on an individual level the remuneration awarded and due for both the Management Board and the Supervisory Board. As Mister Spex SE has been a listed company since 1 July 2021, the remuneration report refers to the remuneration components and remuneration awarded and due for the period from such date until the end of fiscal year 2021, i.e., 31 December, 2021 (reporting period).

Management Board and Supervisory Board have jointly prepared this remuneration report. It complies with the legal requirements of Sec. AktG ["Aktiengesetz": German Stock Corporation Act] and considers the recommendations of the German Corporate Governance Code (GCGC) in its version as of 16 December, 2019.

This remuneration report was audited by EY in accordance with the regulatory requirements of Sec. 162 (3) AktG and is an integral part of the annual report of Mister Spex SE. As required by Sec. 120a (4) AktG, the remuneration report is subject to a non-binding vote at the Annual General Meeting, which will be held on 30 June 2022. Following the vote on the audited remuneration report, the remuneration report as well as the independent auditor`s report on the respective audit will also be published on the Company's website **https://ir.misterspex.com/websites/misterspex/English/4000/reports-_-presentations.html.**

The described remuneration practice for fiscal year 2021 was applied on a transitional basis. A new remuneration system for the Management Board members shall be applied from fiscal year 2022 and will be submitted to the Annual General Meeting on 30 June 2022 for its approval.

Overview of the remuneration system for the Management Board

Mister Spex SE went public during fiscal 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, the Supervisory Board has decided that the remuneration practice applicable at IPO shall be continued on a transitional basis until the end of fiscal year 2021.

To ensure that the requirements and expectations of the remuneration system for the Management Board of listed companies are met, the Supervisory Board of Mister Spex introduced a new, adjusted remuneration system for the Management Board as of 2022, the first full fiscal year as a listed company. The new remuneration system is in line with regulatory requirements, takes into account the recommendations and suggestions of the GCGC as well as the expectations of institutional investors and proxy advisors. The new remuneration system will be submitted to a say-on-pay vote according to Sec. 120a (1) AktG at the Annual General Meeting of Mister Spex on 30 June 2022, for its approval.

For this reason, for 2021 no remuneration system existed that had been approved by the Annual General Meeting. The remuneration system will in the future also include maximum remuneration according to Sec. 87a (1) No. 1 AktG. The remuneration presented in this remuneration report follows the Management Board members' service agreements and the remuneration structure applicable at IPO on a transitional basis. Fixed remuneration components were the fixed base salary and fringe benefits. The variable remuneration components consisted of an annual bonus designed as a target bonus model and a long-term variable remuneration component. The latter was designed as a stock option program (ESOP). The members of the Management Board received several grants under the stock option program pre-IPO. Post-IPO, no grants were made under this program.

Appropriateness of the remuneration

The Supervisory Board is responsible for designing the remuneration system as well as the level of remuneration for the Management Board. The Nomination and Remuneration Committee prepares the respective resolutions.

To assess the appropriateness of the total target remuneration of each member of the Management Board, the Supervisory Board considers the Management Board member's respective tasks and performance as well as to the Company's overall situation and performance. In doing so, the Supervisory Board takes into account that the level of remuneration does not exceed the usual level of remuneration without specific reasons. To ensure that the total target remuneration of Management Board members is in line with usual levels compared to other companies, the Supervisory Board conducts a horizontal comparison on a regular basis. The AktG and GCGC require an assessment of the appropriateness of the remuneration of the Management Board based on the criteria country, size and industry. Thus a relevant peer group consisting of 15 companies in e-commerce, retail and tech with start-up character and one competitor was defined. The table below shows the composition of the peer group.

Peer group for horizontal assessment of Management Board remuneration

CeWe	HelloFresh	TeamViewer
CTS EVENTIM	Home24	Westwing Group
Delivery Hero	New Work	Zalando
Fielmann	Scout24	Zeal Network
Global Fashion Group	Shop Apotheke Europe	Zooplus

Furthermore, the Supervisory Board assesses whether the remuneration of the Management Board members is in line with usual levels within the Company itself. 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 overall workforce as a whole.

Target remuneration in 2021

The following table shows the contractually agreed total target remuneration for each member of the Management Board for the six-month reporting period. Fringe benefits represent expenses in the reporting period. No stock options were granted in the reporting period.

Pro rata target remuneration of the Management Board (1 July 2021 to 31 December 2021)

In EUR	Dirk Graber Co-CEO	Dr Mirko Caspar Co-CEO	Dr Sebastian Dehnen CFO	Maren Kroll CHRO
Base salery	125,000	125,000	85,000	100,000
Fringe benefits	1,238	238	1,090	1,168
SubTotal	**126,238**	**125,238**	**86,090**	**101,168**
Short-term varibale remuneration (annual bonus)	41,500	41,500	20,000	20,000
Long-term variable remuneration (stock options)[12]	n/a	n/a	n/a	n/a
Total target remuneration	**167,738**	**166,738**	**106,090**	**121,168**

12 n/a not available

Application of the remuneration system in 2021

Base salary

The members of the Management Board each receive a fixed annual gross salary which is paid in twelve equal installments as a monthly salary.

Fringe benefits

The members of the Management Board of Mister Spex are covered by an accident insurance policy for death and invalidity. In addition, the Company pays the members of the Management Board half of the contributions to their health and nursing care insurance, but no more than the monthly amount that would be payable if the respective Management Board member were insured under the statutory health insurance- scheme. Furthermore, Mister Spex reimburses costs for a medical check-up for each member of the Management Board limited to EUR 2,500 annually.

Mister Spex continues to service the direct pension insurance policy held at an insurance provider for Maren Kroll. She defers compensation that is converted into contributions to the direct insurance policy and Mister Spex makes a contribution equal to the amount of social security costs saved.

In addition to the fringe benefits stated, the members of the Management Board receive reimbursement of expenses (e.g., travel expenses) and are covered by a D&O insurance policy. The Management Board's D&O insurance is subject to a deductible of 10%.

Short-term variable remuneration – annual bonus for fiscal year 2021

The members of the Management Board are eligible for an annual bonus designed as a target bonus model. The final payout amount depends on the total target achievement and is calculated by multiplying the target amount by total target achievement. Total target achievement for the annual bonus 2021 can range between 0% and 150% and is determined based on financial and non-financial goals. The resulting payout amount is settled in cash.

Target amount in €	x	Total target achievement (0%–150%)			=	**Payout amount in €**
		Financial goals		+ Non-financial goal		
		Revenue[13]	AEBITDA[14]	NPS[15]		
		75%		25%		

13 2021 Consolidated net revenue Mister Spex Group.
14 2021 Consolidated AEDBITDA.
15 Net promoter score.

Financial goals

For the annual bonus 2021, the financial goals were weighted at 75%. The Supervisory Board defined two equally weighted financial performance criteria as financial goals. These performance criteria were the 2021 consolidated revenue of the Mister Spex Group and the 2021 consolidated adjusted EBITDA of the Mister Spex Group (AEBITDA). AEBITDA is defined as earnings before interest, taxes, depreciation and amortization, adjusted for share-based payments in accordance with IFRS 2, non-recurring transformation costs and other special effects that are not part of the ordinary course of business. Both performance criteria are relevant performance indicators for corporate management and strategy execution focusing on growth.

The target achievement for each performance criterion can range between 0% and 150%. However, as a subsidiary condition, the target achievement of the financial goals in total is 0% if AEBITDA is less than EUR 7m. Actual values above the defined maximum for each financial goal, do not lead to a target achievement of more than 150%.

The table below summarizes the target values as well as the corresponding minimum and maximum values for both financial goals combined and shows the actual value achieved for each financial goal.

In fiscal year 2021, AEBITDA was less than EUR 7m and therefore the target achievement for the financial goals is 0%.

Non-financial goals

As a non-financial goal, the net promoter score (NPS), with a weighting of 25%, was defined as the respective performance criterion as it is an essential foundation for the omnichannel success. As for the financial goals, target achievement can range between 0% and 150%.

As the target value for fiscal year 2021, resulting in a target achievement of 100%, a NPS of 70 was defined. At maximum, a NPS of 80 was defined, with a NPS of more than 80 resulting in a target achievement of 150%. The minimum is defined as a NPS of 50 or less.

In fiscal year 2021, the NPS was 64 and thus, the target achievement for the non-financial goal is 70%. Thus, the total target achievement equals 17.5% for the annual bonus for fiscal year 2021.

The table below shows the target achievement for the financial and non-financial goals as well as the corresponding payout amounts:

Target achievement of financials goals

In EUR	Minimum	Target	Maximum	Actual
Revenue in EUR million	180.0	202.0	213.0	194.2
AEBITDA in EUR million	8.4	11.6	13.2	4.1

Target achievement for the pro rata annual bonus (1 July to 31 December 2021)

In EUR	Target amount in EUR	Target achievement financial goals	Target achievement non-financial goal	Total target achievement	Payout amount in EUR
Dirk Graber	41,500	0%	70%	17.5%	7,263
Dr Mirko Caspar	41,500	0%	70%	17.5%	7,263
Dr Sebastian Dehnen	20,000	0%	70%	17.5%	3,500
Maren Kroll	20,000	0%	70%	17.5%	3,500

IPO bonus

Upon successful completion of the IPO, the members of the Management Board received a one-time transaction bonus in cash (in the amount of EUR 50,000 for Maren Kroll and EUR 150,000 for each other member of the Management Board). The IPO bonus had been agreed before the IPO and was based on a target agreement between the Supervisory Board and the Management Board.

Long-term variable remuneration in fiscal year 2021

in 2021. Each stock option grants the right to acquire one share of Mister Spex at a predefined exercise price. The stock options are subject to monthly vesting over a period of 48 months (4 years) following the relevant start date.

As the Supervisory Board has decided that the remuneration practice for the Management Board members based on the Management Board members' service agreements applicable at IPO shall be continued on a transitional basis until the end of fiscal year 2021 to avoid an amendment of the Management Board members' service agreements and of the remuneration structure during the course of the year, and to protect existing rights of the Management Board members pursuant to the stock option program, stock options granted pre-IPO do not lapse, but continue to vest under the respective vesting schedule and remain exercisable unless the option rights expire. However, post-IPO, no new grants were made under the former stock option program.

Vested option rights can be exercised immediately after vesting, but only during the exercise windows specified by the Company. Exercised stock options generally shall be settled in equity, however, the Company reserves the right to settle exercised stock options in cash in its sole and free discretion. In the event of cash settlement, the beneficiary receives a cash payment that is fully equivalent in economic and financial terms.

The table below summarizes the general information on the stock options granted to the members of the Management Board:

General conditions of stock options granted to the members of the Management Board

		Grant amount in EUR	Fair value per option at grant in EUR	Number of options granted	Exercise price in EUR	Vesting period	Exercise period
ESOP I	Dirk Graber	37,427	3.28	11,427	1,00	13.08.2010–12.08.2014	01.07.2021–30.06.2025
		190,134	3.20	59,335		01.01.2013–31.12.2016	01.07.2021–30.06.2025
	Dr Mirko Caspar	780,832	3.25	240,149		01.09.2011–31.08.2015	01.07.2021–30.06.2025
		190,134	3.20	59,335		01.01.2013–31.12.2016	01.07.2021–30.06.2025
		83,031	3.02	27,512		01.01.2014–31.12.2017	01.07.2021–30.06.2025
		125,675	4.57	27,512		01.01.2014–31.12.2017	01.07.2021–30.06.2025
ESOP II	Dirk Graber	425,005	1.61	264,720	3,71	01.01.2015–31.12.2018	01.07.2021–30.06.2025
	Dr Mirko Caspar	240,836	1.61	150,015			
ESOP IV	Dirk Graber	363,201	1.37	264,720	7,52	01.01.2019–31.12.2022	01.07.2021–30.06.2025
	Dr Mirko Caspar	363,201	1.37	264,720			
	Dr Sebastian Dehnen	344,998	3.91	88,245		01.08.2020–31.07.2024	01.07.2021–31.07.2026
	Maren Kroll	96,854	1.37	70,596		01.01.2020–31.12.2023	01.07.2021–31.12.2025
		69,247	3.92	17,649		01.01.2021–31.12.2024	01.07.2021–31.12.2026

The number of waived stock options per Co-CEO is shown in the following table under "Number of options forfeited".

Prior to the IPO, Dr Mirko Caspar had exercised 137,933 stock options, which were settled during the reporting period. Furthermore, Dr Mirko Caspar exercised an additional 50,000 stock options during the reporting period. These exercised stock options will be settled in fiscal year 2022.

The following table shows all changes in the number of stock options during the reporting period.

Overview of exercise of Stock Options of the members of the Management Board

		Number of options granted	Number of options vested as of 31 December 2021	Number of options forfeited	Final number of options	Number of exercise options	Share price at settlement date in EUR	Intrinsic value[16] of exercised options in EUR	Number of outstanding options
ESOP I	Dirk Graber	70,762	70,762	41,667	29,095	–	–	–	29,095
	Dr Mirko Caspar	354,508	354,508	20,834	333,674	137,933	24.32	3,216,598	195,741
ESOP II	Dirk Graber	264,720	264,720	–	264,720	–	–	–	264,720
	Dr Mirko Caspar	150,015	150,015	–	150,015	–	–	–	150,015
ESOP IV	Dirk Graber	264,720	198,540	Vesting period lasts until 31.12.2022		–	–	–	264,720
	Dr Mirko Caspar	264,720	198,540	Vesting period lasts until 31.12.2022		–	–	–	264,720
	Dr Sebastian Dehnen	88,245	31,253	Vesting period lasts until 31.07.2024		–	–	–	88,245
	Maren Kroll	70,596	35,298	Vesting period lasts until 31.12.2023		–	–	–	70,596
		17,649	4,412	Vesting period lasts until 31.12.2024		–	–	–	17,649

16 The intrinsic value of an exercised option reflects the final value of a stock option as the difference between the share price at the settlement date and the exercise price, multiplied by the number of exercised stock options.

Stock options granted pre-IPO do not consider additional performance conditions besides the relevant exercise price. As of 2022, a new Virtual Stock Option Plan (VSOP) is granted as long-term variable remuneration which includes revenue CAGR as a performance condition.

As stock options granted to members of the Management Board pre-IPO continue to vest and become exercisable, the Supervisory Board has defined individual transition periods during which the members of the Management Board are not eligible to the full grant amount under the new Virtual Stock Option Plan determined in their service agreement to avoid excessive remuneration. No option grants were made in 2021 and thus no awarded and due remuneration is to be disclosed for stock options

Benefits from third parties

In the reporting period, members of the Management Board did not receive any remuneration or benefits in kind from third parties for their activity as members of the Management Board of Mister Spex.

Malus and clawback provisions

The remuneration practice in place at IPO which was continued on a transitional basis until the end of fiscal year 2021, does not provide for any malus or clawback regulations. Accordingly, no malus or clawback provisions were applied in fiscal year 2021.

As of fiscal year 2022, malus and clawback provisions are in place for both short-term and long-term variable remuneration components.

Share ownership of Management Board members

The Co-CEOs of Mister Spex already hold shares in Mister Spex even though, no share ownership guideline was in place for the reporting period for any member of the Management Board.

From fiscal year 2022 on, a share ownership guideline is in place according to which the Co-CEOs of Mister Spex are obligated to acquire shares in the Company for an amount equal to at least two times their respective annual fixed gross salary, while the other Management Board members are obligated to acquire shares in the Company for an amount equal to at least one time their respective annual fixed gross salary within a time horizon of four years as of their appointment as members of the Management Board. Half of the target shareholding should be achieved within two years.

Further contractual arrangements

The following contractual arrangements refer to the service agreements in place for the reporting period.

Severance payments

The termination of the office of a member of a Management Board, in particular by revocation of the appointment or resignation from office, shall constitute a termination by the Company at the next possible date (ordinary termination).

If the Company gives notice of ordinary termination, the member of the Management Board is entitled to a severance payment. The severance payment is calculated on the basis of the base salary and the annual bonus The severance payment is equal to the remuneration payable by the Company during the remaining term of the service agreement, but does not exceeded the amount of two years' remuneration.

The entitlement to a severance payment exists furthermore if the member of the Management Board terminates the service agreement for good cause in accordance with Sec. 626 BGB ["Bürgerliches Gesetzbuch": German Civil Code] for which the Company is responsible.

For the avoidance of doubt, no entitlement to any severance payment exists where the Company effectively terminates the service agreement for good cause in accordance with Sec. 626 BGB.

Payments in the event of incapacity for work or death

In the event of illness or other involuntary service interruption, the member of the Management Board shall continue to receive his / her contractual base salary for a period of six months. The remuneration during an illness and involuntary incapacity for work shall be reduced by the amounts which the member of the Management Board receives from third parties for this period, in particular from a health insurance policy or daily sickness benefit insurance.

If a member of the Management Board dies during the term of this service agreement, the contractual base salary shall continue to be paid for the month of death and the three subsequent months.

Post-contractual non-competition clause

The service agreements with members of the Management Board contain a comprehensive post-contractual non-competition clause. The duration of the post-contractual non-competition clause is limited to twelve months after the end of the service agreement. For each month of the non-competition obligation, the Company is obliged to make a compensation payment amounting to 75 % of the last base salary received by the member of the Management Board. Such payment is credited against any severance payments and current benefits from any pension commitment.

The post-contractual non-competition clause does not come into force if the service agreement ends due to retirement or invalidity.

Remuneration of the Management Board in 2021

In accordance with Sec. 162 (1) Sentence 1 AktG, the table below shows the remuneration awarded and due to the members of the Management Board on an individualized level. As the statutory regulation only requires the disclosure of remuneration by listed companies and given the IPO of Mister Spex took place on 1 July 2021, the amounts disclosed are pro rata amounts and thus refer to the reporting period from the IPO until the end of fiscal year 2021.

The table shows the prorata base salary as well as the expenses for fringe benefits and the pro rata short-term variable remuneration components for the reporting period.

Pro rata target remuneration of the Management Board (1 July 2021 to 31 December 2021)

	Dirk Graber Co-CEO		Dr Mirko Caspar Co-CEO		Dr Sebastian Dehnen CFO		Maren Kroll CHRO	
	in EUR	in %	in EUR	in %	in EUR	in %	in EUR	in %
Base salary	125,000	44.09	125,000	44.25	85,000	35.48	100,000	64.65
Fringe benefits	1,238	0.44	238	0.08	1,090	0.46	1,168	0.76
Sum fixed remuneration	**126,238**	**44.53**	**125,238**	**44.33**	**86,090**	**35.93**	**101,168**	**65.41**
Short-term variable remuneration	**157,263**	**55.47**	**157,263**	**55.76**	**153,500**	**64.07**	**53,500**	**0**
Short-term Incentive	7,263	2.56	7,263	2.57	3,500	1.46	3,500	2.26
IPO bonus	150,000	52.91	150,000	53.10	150,000	62.61	50,000	32.33
Long-term variable remuneration	**–**	**0.00**	**–**	**0.00**	**–**	**0.00**	**–**	**0.00**
Long-term Incentive (Stock Options)	–	0.00	–	0.00	–	0.00	–	0.00
Sum variable remuneration	**157,263**	**55.47**	**157,263**	**55.67**	**153,500**	**64.07**	**53,500**	**34.59**
Total remuneration	**283,500**		**282,500**		**239,590**		**154,668**	

Remuneration of the Supervisory Board

Remuneration governance

The remuneration system for the Supervisory Board complies with the legal requirements of Sec. 113 AktG and considers the relevant recommendations and suggestions of the GCGC. The members of the Supervisory Board receive fixed remuneration, with due consideration given to the greater time commitment of the Chair and the Deputy Chair of the Supervisory Board as well as of the Chair and the members of committees. No variable remuneration is granted.

According to Sec. 113 (3) AktG the remuneration system of the Supervisory Board is subject to a non-binding vote at the Annual General Meeting every four years. A confirmative vote is possible. The remuneration system for the Supervisory Board will be subject to such non-binding vote at the Annual General Meeting of Mister Spex held on 30 June 2022.

Remuneration system

The members of the Supervisory Board receive annual fixed remuneration for their membership in the Supervisory Board. Additional remuneration is paid for memberships in Supervisory Board committees. No, attendance fees are paid to the members of the Supervisory Board. Members who belong to the Supervisory Board and any of its committees for only part of a year receive remuneration pro rata temporis.

Remuneration component	Remuneration of the Supervisory Board
Annual fixed remuneration	Chair: EUR 87,500
	Deputy Chair: EUR 52,500
	Supervisory Board member: EUR 35,000
Committee remuneration	Audit Committee: EUR 10,000/ EUR 20,000 (member/Chair)
	Nomination and Remuneration Committee: EUR 2,500/EUR 5,000 (member/Chair)
	Strategy and ESG Committee: EUR 5,000/ EUR 10,000 (member/Chair)

In addition to the remuneration set forth above, the Company reimburses the members of the Supervisory Board for all reasonable out-of-pocket expenses incurred in the performance of their duties as members of the Supervisory Board, and for any VAT payable on such out-of-pocket expenses.

Furthermore, the members of the Supervisory Board are covered by the D&O insurance policy of the Mister Spex Group.

Remuneration of the Supervisory Board in 2021

Sec. 162 AktG requires a comprehensive overview of the remuneration awarded and due to members of the Supervisory Board of listed companies. Mister Spex has been a listed company since 1 July 2021. Accordingly, the remuneration awarded and due to the Supervisory Board members as of the date of the IPO is disclosed pro rata. The following table provides the pro rata fixed remuneration as well as the pro rata committee remuneration. To ensure a better comprehensibility, committee memberships are included in the table as well:

Total remuneration of the Supervisory Board

	Committee memberships[17]			Fixed remuneration		Committee remuneration		Total remuneration
	Audit	Nomination & Remuneration	Strategy & ESC	in EUR	**in %**	in EUR	**in %**	in EUR
Peter Williams (Chairman)	M	C	M	43,750	81	10,000	19	53,750
Nicola Brandolese (Deputy Chairman)		M	C	26,250	81	6,250	19	32,500
Tobias Krauss	M	M	M	17,500	67	8,750	33	26,250
Birgit Kretschmer	C		M	17,500	58	12,500	42	30.00
Pierluigi Longo				17,500	100	–	0	17,500
Stuart Paterson	M	M	M	17,500	67	8,750	33	26,250
Nicole Srock.Stanley			M	17,500	88	2,500	13	20,000

17 C = Chairman/Chairwoman; M = Member.

Comparative presentation

In addition to the individualized disclosure of the remuneration awarded and due to the Management Board and Supervisory Board, Sec. 162 (1) Sentence 2 AktG also requires a comparative presentation thereof showing the remuneration of the workforce as well as the Company's financial performance. The following table therefore compares the remuneration awarded and due to members of the Management Board and the Supervisory Board with the average employee remuneration of Mister Spex SE and the profit or loss of the Company and the Group. As indicators to evaluate the Company's financial performance, the profit or loss of the Company and the Group as well as adjusted EBITDA and consolidated revenue are considered as these indicators are used as key financial parameters in the corporate management of Mister Spex.

The average employee remuneration is stated based on personnel expenses including the employer contributions to social security.

As Mister Spex has been a listed company only since July 2021, the remuneration amounts shown in the table are pro rata amounts for the period in which Mister Spex has been listed. Due to the IPO in fiscal year 2021, Mister Spex cannot yet disclose the annual change in the constituents of the comparative presentation. Thus only absolute amounts are included. Going forward the required annual change will be part of the comparative presentation.

Comparative presentation

In EUR	2021
Management Board	
Dirk Graber	283,500
Dr Mirko Caspar	283,500
Dr Sebastian Dehnen	239,590
Maren Kroll	154,668
Supervisory Borad	
Peter Williams (Chairman)	53,750
Nicola Brandolese (Deputy Chairman)	32,500
Tobias Krauss	26,250
Birgit Kretschmer	30,000
Pierluigi Longo	17,500
Stuart Paterson	26,250
Nicole Srock.Stanley	20,000
Employees	
Average of Mister Spex SE (FTE)	22,651
Company Performance	
Profit or loss in EUR m (Group level)	–31.5
Profit or loss in EUR m (Company level)	–30.2
Revenue in EUR m (Group level)	194.2
Adjusted EBITDA in EUR m (Group level)	4.1

Outlook for fiscal year 2022

Fiscal year 2022 is Mister Spex's first full fiscal year as a listed company. The Supervisory Board has decided that the remuneration practice for the Management Board applicable pre-IPO shall be continued for the remainder of fiscal year 2021 From fiscal year 2022 onwards, the remuneration for the Management Board will be based on an adjusted remuneration system that is in line with market best practice and considers the expectations of institutional investors and proxy advisors while at the same time complying with the legal requirements of the AktG and taking into account the recommendations and suggestions of the GCGC. The variable remuneration components are based on, internal and external performance criteria, which are in line with the strategy of Mister Spex. By considering such performance criteria, the redesigned variable remuneration clearly supports Mister Spex's long-term and sustainable development and, at the same time, guarantees a strong alignment of the interests of the Management Board with those of the shareholders. The latter is further strengthened by the introduction of a share ownership guideline as well as malus and clawback provisions.

The basic features of the new remuneration system for the Management Board are shown in the table below, while the full description of the remuneration system will be included in the invitation to the Annual General Meeting.

New remuneration system for members of Management Board

	Fixed remuneration
Base salary	Fixed annual gross salary, payable in 12 equal monthly installments
Fringe benefits	Insurance premiums
	Reimbursement of costs of annual medical check
	Payment of half of the contributions to the health and nursing care insurance
	Employer contribution to individual pension direct insurance
	Variable remuneration
Short-term Incentive (STI)	Target bonus model
	Performance period: 1 year
	Financial and non-financial goals (e.g. AEBITDA, net sales growth, net promoter score)
	Cap: 150%
	Payout in cash
Long-term Incentive (LTI)	Virtual Stock Option Plan (VSOP)
	Waiting period: 4 years
	Performance period: 3 years, commencing with grant date
	Performance condition: Net revenue CAGR
	Exercise period: 3 years following end of waiting period
	Settlement: generally in equity; cash settlement at discretion of Supervisory Board
	Other contract and system components
Maximum remuneration	EUR 3,500,000 p. a. for Co-CEOs
	EUR 1,500,000 p. a. for other members of Management Board
Malus / Clawback	Malus and clawback provisions for compliance violations and / or incorrect financial statements for both STI and LTI
Share Ownership Guideline	Equals at least two times (Co-CEOs) / one time (Ordinary Board members) the annual gross base salary
	Build-up phase of four years

The new remuneration system, which complies with requirements of Sec. 87a AktG and is also based on the recommendations of the GCGC will be subject to a vote in accordance with Sec. 120a (1) AktG at the first Annual General Meeting following the IPO, which is to be held on 30 June 2022. The remuneration system according to Sec. 87a (1) and (2) Sentence 1 AktG that will then take effect and the most recent resolution on remuneration pursuant to Sec. 113 (3) AktG will subsequently be publicly available on the Company's website: **https://ir.misterspex.com/websites/misterspex/English/1/investor-relations.html**

Berlin, 25 March 2022

Mister Spex SE

The Management Board
The Supervisory Board

Report of the independent auditor on the audit of the remuneration report pursuant to Sec. 162 (3) AktG

To Mister Spex SE

Opinion

We have audited the formal aspects of the remuneration report of Mister Spex SE, Berlin, which was prepared for the first time in the fiscal year from 1 January to 31 December 2021 for the period of listing from 1 July 2021 to 31 December 21 to de-termine whether the disclosures required by Sec. 162 (1) and (2) AktG ["Aktien-gesetz": German Stock Corporation Act] have been made therein. In accordance with Sec. 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the disclosures required by Sec. 162 (1) and (2) have been made in the accompanying remuneration report in all material respects. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our audit of the remuneration report in accordance with Sec. 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report in Accordance with Sec. 162 (3) AktG (IDW AuS 870). Our responsibilities under this provision and standard are further described in the "Responsibilities of the auditor" section of our report. As an audit firm, we applied the IDW Standard on Quality Management: Require-ments for Quality Management in the Audit Firm (IDW QS 1). We complied with the pro-fessional obligations pursuant to the WPO ["Wirtschaftsprüferordnung": German Law Regu-lating the Profession of Wirtschaftsprüfer (German Public Auditor)] and the BS WP / vBP ["Berufssatzung für Wirtschaftsprüfer / vereidigte Buchprüfer": Professional Charter for German Public Accountants / German Sworn Auditors] including the requirements regard-ing independence.

Responsibilities of the management board and supervisory board

The management board and supervisory board are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, they are responsible for such internal control as they deter-mine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our objectives are to obtain reasonable assurance about whether the disclosures required by Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects and to express an opinion thereon in a report.

We planned and performed our audit so as to determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Sec. 162 (1) and (2) AktG. In accordance with Sec. 162 (3) AktG, we have not audited the accuracy of the disclosures, the completeness of the indi-vidual disclosures or the fair presentation of the remuneration report.

Consideration of misrepresentations

In connection with our audit, our responsibility is to read the remuneration report con-sidering the knowledge obtained in the audit of the financial statements and, in doing so, remain alert for indications of whether the remuneration report contains misrepresenta-tions in relation to the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Berlin, 25 March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

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

Consolidated financial statements

4

Consolidated statement of comprehensive income

Consolidated statement of profit or loss

in EUR k	Note	2021	2020
Revenue	1.	194,248	164,201
Other own work capitalized	6.	6,399	4,289
Other operating income	3.	2,400	478
Total operating performance		**203,047**	**168,968**
Cost of materials	10.	−98,792	−82,984
Personnel expenses	2., 14.	−49,567	−35,747
Other operating expenses	3.	−62,926	−44,424
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**−8,238**	**5,814**
Amortization, depreciation and impairment	6., 7.	−15,215	−10,937
Earnings before interest and taxes (EBIT)		**−23,453**	**−5,123**
Financial result	4.	−4,577	−4,654
Share of results of associates	8.	−345	−94
Earnings before taxes (EBT)		**−28,376**	**−9,870**
Income taxes	5.	- 3,140	−388
Loss for the period		**−31,515**	**−10,258**
Thereof loss attributable to the shareholders of Mister Spex SE		−31,515	−10,258
Basic and diluted earnings per share (in EUR)	**26.**	**−1.11**	**−0.45**

Consolidated statement of comprehensive income

in EUR k		2021	2020
Loss for the period **Other comprehensive income/loss to be reclassified to profit or loss in subsequent periods**		**−31,515**	**−10,258**
Exchange differences on translation of foreign financial statements		48	−81
Other comprehensive income/loss		**48**	**−81**
Total comprehensive loss		**−31,467**	**−10,339**
Thereof loss attributable to the shareholders of Mister Spex SE		−31,467	−10,339

Consolidated statement of financial position

Consolidated statement of financial position

Assets

in EUR k	Note	31. Dec 2021	31. Dec 2020
Non-current assets		**105,883**	**82,561**
Goodwill	6.	12,113	12,113
Intangible assets	6.	17,904	13,947
Property, plant and equipment	7.	19,549	15,311
Right-of-use assets	16.	48,953	35,783
Investments in associates	8.	2,073	2,418
Other financial assets	9.	5,291	2,988
Current assets		**219,437**	**40,182**
Inventories		23,151	17,606
Right of return assets	1.	723	695
Trade receivables	9.	2,852	1,322
Other financial assets	9.	32,613	1,604
Other non-financial assets	11.	10,454	4,420
Cash and cash equivalents	12.	149,644	14,536
Total assets		**325,320**	**122,743**

Consolidated statement of financial position

Equity and liabilities

in EUR k	Note	31. Dec 2021	31. Dec 2020
Equity	**13.**	**244,785**	**33,412**
Subscribed capital		33,761	1,193
Capital reserves		326,319	116,048
Other reserves		–787	–835
Accumulated loss		–114,509	–82,993
Non-current liabilities		**45,798**	**33,487**
Provisions	18.	350	259
Lease liabilities	16.	44,016	31,698
Other financial liabilities	15.	160	320
Other non-financial liabilities	17.	100	327
Deferred tax liabilities	5.	1,172	882
Current liabilities		**34,737**	**55,843**
Provisions	18.	900	728
Trade payables	15.	16,222	10,028
Refund liabilities	15.	1,983	1,993
Lease liabilities	16.	7,675	5,741
Liabilities to banks	15.	–	30,255
Other financial liabilities	15.	1,010	467
Contract liabilities	1.	1,090	698
Other non-financial liabilities	17.	5,857	5,933
Total equity and liabilities		**325,320**	**122,743**

Consolidated statement of changes in equity

Consolidated statement of changes in equity

in EUR k	Note	Subscribed capital	Treasury shares	Capital reserves	Other reserves	Accumulated loss	Total
As of 1 Jan 2020		**1,191**	**−67**	**101,518**	**−755**	**−72,735**	**29,152**
Loss for the period						−10,258	−10,258
Other comprehensive loss					−81		−81
Total comprehensive loss							**−10,339**
Capital increases		70		14,930			15,000
Transaction costs				−349			−349
Share-based payments				658			658
Other changes				−710			−710
As of 31 Dec 2020		**1,261**	**−67**	**116,048**	**−835**	**−82,993**	**33,412**
Loss for the period						−31,515	−31,515
Other comprehensive income					48		48
Total comprehensive loss							**−31,467**
Capital increases	13.	10,749		236,453			247,202
Capital increases from company funds	13.	22,760	−941	−21,819			–
Transaction costs	13.			−7,137			−7,137
Reimbursement of transaction costs	13.			1,480			1,480
Share-based payments	14.			1,295			1,295
As of 31 Dec 2021		**34,769**	**−1,008**	**326,319**	**−787**	**−114,509**	**244,785**

Consolidated statement of cash flows

Consolidated statement of cash flows

in EUR k	Note	2021	2020
Operating activities			
Loss for the period		**−31,515**	**−10,258**
Adjustments for:			
Finance income	4.	−807	−430
Finance costs	4.	5,384	5,084
Income tax expense	5.	3,140	388
Amortization and impairment of intangible assets	6.	4,893	3,173
Depreciation and impairment of property, plant and equipment	7.	2,758	2,015
Depreciation and impairment of right-of-use assets	16.	7,563	5,749
Non-cash expenses for share-based payments	14.	1,295	658
Increase (+) / decrease (−) in non-current provisions	18.	91	134
Increase (−) / decrease (+) in inventories	10.	−5,545	−3,019
Increase (−) / decrease (+) in other assets	9.	−15,367	12,817
Increase (+) / decrease (−) in trade payables and other liabilities	15., 17.	3,666	−14,970
Share of results of associates	8.	345	94
Income tax paid	5.	−2	−25
Interest paid		−3,732	−2,961
Interest received		9	1
Cash flows from operating activities		**−27,824**	**−1,553**

Consolidated statement of cash flows

in EUR k	Note	2021	2020
Investing activities			
Purchase of investments in associates	8.	–	−2,512
Purchase of equity instruments	13.	–	−710
Purchase of other financial assets	9.	−25,087	–
Investments in property, plant and equipment	7.	−6,996	−8,138
Investments in intangible assets	6.	−8,849	−5,702
Cash flow from investing activities		**−40,932**	**−17,061**
Financing activities			
Cash received from capital increases, net of transaction costs	13.	241,108	14,581
Cash received for the resolved capital increase	13.	85	–
Cash received from liabilities to banks	15.	35,000	–
Repayments of liabilities to banks	15.	−65,882	−290
Payment of principal portion of lease liabilities	16.	−6,447	−4,436
Cash flow from financing activities		**203,864**	**9,855**
Net increase in cash		**135,108**	**−8,759**
Cash and cash equivalents at the beginning of the period		14,536	23,295
Cash and cash equivalents at the end of the period		**149,644**	**14,536**

Notes to the consolidated financial statements

I. Information on the Company

The consolidated financial statements of Mister Spex SE (the "Company") and its subsidiaries ("Mister Spex Group," "Mister Spex" or the "Group") for the fiscal year ended 31 December 2021 were approved and authorized for issue by management resolution dated 25 March 2022. Mister Spex SE was established on 8 January 2008 at Greifswalder Strasse 156, 10409 Berlin, Germany. The Company is entered in the commercial register of Charlottenburg Local Court under HRB no. 230317 B.

In the course of its continued expansion in Europe, the Company changed its legal form from a German stock corporation, Mister Spex AG (HRB no. 224441 B), to a European company (SE). Prior to this change to an SE, Mister Spex N.V., Amsterdam, Netherlands, was merged with the Company in the second quarter of 2021. Mister Spex N.V. was a wholly owned subsidiary of the Company. The merger and the change of form were approved by the shareholder meeting on 20 May 2021 and became effective upon entry in the commercial register of Charlottenburg Local Court on 8 June 2021.

The Group primarily engages in the marketing of glasses, sunglasses and contact lenses in Europe.

II. Summary of significant accounting policies

Basis of preparation

The consolidated financial statements were prepared applying Sec. 315e HGB ["Handelsgesetzbuch": German Commercial Code] in accordance with the International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board in effect and adopted by the European Union (EU) at the reporting date and the interpretations of the IFRS Interpretations Committee (formerly IFRIC) approved by the IASB.

The consolidated financial statements were prepared on an historical cost basis except for certain financial instruments and share-based payments, which were measured at fair value. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

The statement of profit or loss within the statement of comprehensive income was prepared using the nature of expense method.

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

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Presentation currency

The consolidated financial statements were prepared in euros (EUR), which is the functional and presentation currency of the Group, and all values in the consolidated financial statements and the related notes are rounded to the nearest thousand (EUR 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 consolidated financial statements include the financial statements of Mister Spex SE and its subsidiaries as of 31 December 2021. Control within the meaning of IFRS 10 is achieved when the Group is exposed, or has the right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee that significantly affect its returns)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins from the date the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, the related assets (including goodwill), liabilities, non-controlling interests and other equity components are derecognized. Any resultant gains or losses are recognized in profit or loss. Any investment retained is recognized at fair value.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

Unchanged from the prior year, five entities were fully consolidated in the fiscal year.

Since 8 October 2020, the group parent has held 48.17% of the shares in Tribe GmbH, Berlin (until 20 November 2020, it was 45% of the shares). The investment is included in the consolidated financial statements as an associate using the equity method (see note (8)).

These consolidated financial statements were prepared for fiscal year 2021 with a reporting period from 1 January to 31 December. The consolidated entities also have the calendar year as their fiscal year.

The structure of the Group is described in note (23).

The financial statements of the entities included in the consolidated financial statements were prepared in accordance with the uniform accounting policies of the parent company. The group entities each prepare their financial statements in their own functional currency.

Currency translation

The consolidated financial statements are presented in euros, which is the functional currency of Mister Spex SE and the Group's presentation currency pursuant to IAS 21.

Items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially translated into the functional currency by the group entities at the respective rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the spot rate prevailing at the end of the reporting period. Any differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The assets, liabilities, expenses and income of all the group entities are translated into the presentation currency as follows:

- The assets and liabilities of subsidiaries are translated at the closing rate on the reporting date.
- Income and expenses included in the statements of comprehensive income are translated using the exchange rate at the date of the transaction. If exchange rates do not fluctuate strongly, the weighted average rates are used instead.
- The equity of the subsidiaries is translated using the historical rate. All resulting exchange differences are recognized in other comprehensive income as an adjustment item for exchange differences on translating foreign operations.

The Group uses the following exchange rates:

	2021	2020
Norwegian krone (NOK)		
Closing rate	9.9888	10.4703
Annual average exchange rate	10.1633	10.7228
Swedish krona (SEK)		
Closing rate	10.2503	10.0343
Annual average exchange rate	10.1465	10.4848

III. Accounting policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identified net assets.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including the fair value of assets or liabilities from contingent consideration arrangements.

Acquisition-related costs such as advisory, legal, valuation and similar professional services are expensed as incurred. Acquisition-related costs and the costs to issue equity instruments are deducted from equity.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this way is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognized at cost, including transaction costs. As of each reporting date, the carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor separately tested for impairment. The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount, and then recognizes the loss within "Share of results of associates" in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Measurement of the fair value of financial assets and liabilities

The Group measures certain financial instruments, such as derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the parties involved in setting the price always act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

The following measurement hierarchy is used for fair value measurement. The inputs used in the valuation techniques are categorized in three levels:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

When measuring fair value, the Group maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. The categorization of valuation techniques in the various levels is reviewed at the end of each reporting period.

Current versus non-current classification

The Group presents its assets and liabilities in the statement of financial position based on current/non-current classification.

The Group classifies assets and liabilities as current if

- the asset is expected to be realized or the liability is due to be repaid in the normal operating cycle,
- the assets and liabilities are primarily held for trading,
- the asset is expected to be realized or the liability is due to settled within 12 months after the reporting date,
- it is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

The Group classifies all other assets and liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Revenue from contracts with customers

The Group generates revenue primarily from the sale of glasses, sunglasses and contact lenses.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer, usually on delivery of the goods. Revenue is recognized at the amount of the consideration received or receivable. This revenue is generally recognized prior to performance. The Mister Spex Group therefore presents contract liabilities for the outstanding performance. The Group has generally concluded that it is the principal in its revenue arrangements because it regularly controls the goods or service before transferring them to the customer.

Rights of return

The contracts for the sale of products provide customers with a right of return within a fixed period.

The Group uses the expected value method to estimate the goods that will not be returned, because this method best predicts the amount of variable consideration to which the Group will be entitled. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. It is measured at the amount the Group ultimately expects it will have to return to the customer. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods.

Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are recognized as provisions in accordance with IAS 37. Details on the accounting policy for warranty provisions are included in note (18).

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs under the contract. The length of time between the transfer of the product to the customer and payment of the product can be up to 15 days. Refer to note (1) for more information.

Factoring
With a view to recognizing the receipt of cash flows at an early stage, receivables from sales by invoice and direct debit are sold and assigned to factors and then derecognized from the consolidated statement of financial position (non-recourse factoring). In this connection, the Group transfers, on a notification basis, the cash flows to a third party which bears the full credit risk. No del credere risk is retained.

Expense recognition
Operating expenses are recognized in profit or loss when a service is used or when the costs are incurred.

Interest is recognized as a financial income or expense item in the period to which it relates using the effective interest method. The EIR is the rate that exactly discounts the estimated future cash receipts and payments over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Government grants
Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

Taxes
Current income taxes
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

The income tax expense or income relates to current and deferred taxes and is recognized in the statement of profit or loss for the fiscal year.

Deferred taxes
Deferred tax is recognized using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date and for tax loss carryforwards.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- With regard to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

VAT
Expenses and assets are recognized net of VAT when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the taxation authority is included in the statement of financial position under other non-financial assets and other non-financial liabilities, respectively.

Intangible assets

Intangible assets acquired separately are recognized initially at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangible assets are recognized at the costs incurred in the development phase from the time when the technical and economic feasibility has been demonstrated until the time when the intangible asset has been completed.

Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for internal use or sale
- Its intention to complete the asset and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and, if necessary, accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

Research costs were insignificant and were immediately expensed.

The useful lives of intangible assets are assessed as either finite or indefinite.

Internally generated and purchased intangible assets that have a determinable useful life are amortized over their expected useful lives using the straight-line method, starting from the time when they become available for use by the enterprise, as follows:

	Useful life in years
Customer lists	2.5–9.5
Software	2–6.8
Other licenses	3–10

The amortization period for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. These intangible assets are not amortized. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Property, plant and equipment

Property, plant and equipment as well as assets under construction are stated at cost less accumulated depreciation and impairment, if any. Costs of repairs and maintenance are expensed as incurred.

The present value of the expected cost for the decommissioning of assets after their use is included in the cost of the respective asset if the recognition criteria for a provision are met. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized.

The residual values, useful lives and depreciation methods of items of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date.

Property, plant and equipment are depreciated using the straight-line method, with the cost being allocated over their estimated useful lives:

	Useful life in years
Plant and machinery	8–15
Furniture, fixtures and office equipment	3–20

Leases – the Group as a lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. It recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

Rental agreements may contain both a lease and a non-lease component. The Group allocates the transaction price to these components on the basis of their relative standalone selling prices.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use assets includes the present value of lease payments, any initial direct costs incurred by the lessee and any lease payments made on or prior to the commencement date, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Further information on lease terms is included in note (16).

Lease liability

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

The Group is exposed to potential increases in variable lease payments resulting from a change in an index or rate. Such potential changes in lease payments are not included in the lease liability until they become effective. As soon as the change in an index or rate affects lease payments, the lease liability and the right-of-use asset are adjusted accordingly.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounts lease payments using the incremental borrowing rate. The interest rate was determined by reference to current market benchmark rates for real estate and company-specific risk factors, resulting in a weighted average rate.

The carrying amount of the lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group applied COVID-19-Related Rent Concessions (Amendment to IFRS 16). The Group applies the exemptions afforded by the practical expedient and is therefore not required to assess whether an admissible rent concession arising as a direct consequence of the COVID-19 pandemic is a lease modification. The Mister Spex Group consistently applies the practical expedient to all contracts with similar characteristics and in similar circumstances. When the Group elects not to apply the practical expedient to rent concessions under leases or the practical expedient is not applicable, the Group determines whether the lease has been modified.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the statement of profit or loss in the expense categories which are consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. The reversal is recognized in profit or loss.

Goodwill is tested for impairment once a year as of 30 November. A test is also performed if circumstances indicate that the value may be impaired.

Impairment losses relating to goodwill may not be reversed in future periods.

Inventories

Inventories are measured at the lower of cost or net realizable value on the reporting date. Net realizable value is the estimated selling price less the estimated costs to make the sale. The cost of items of inventory is determined on the basis of an item-by-item valuation by means of the weighted average cost method.

Inventories comprise merchandise, raw materials, consumables and supplies.

Adequate write-downs to the net realizable value provide for valuation risks resulting from slow-moving stock and/or reduced usability. Write-downs of inventories are reversed if the reasons for the write-down no longer exist.

Financial assets

The Group's financial assets mainly comprise cash and cash equivalents, trade receivables and other financial assets.

Initial recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At the Group, this category includes trade receivables, receivables from sales by invoice and direct debit and other financial assets initially recognized at fair value.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Receivables from sales by invoice and direct debit are regularly sold and assigned to factors and then derecognized (non-recourse factoring). In this connection, the Group transfers, on a notification basis, the cash flows to a third party which bears the full credit risk. No del credere risk is retained.

Trade receivables are recognized at the transaction price determined under IFRS 15.

Losses arising from the impairment of financial assets are recorded in the statement of profit or loss under other operating expenses in separate accounts.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The **financial assets at amortized cost (debt instruments)** category is the category most relevant to the consolidated financial statements.

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets at amortized cost (debt instruments) are subsequently measured using the effective interest method and are subject to impairment.

The Group uses the new impairment model for financial assets measured at amortized cost introduced by IFRS 9. Mister Spex uses the simplified approach to assess credit risk and calculates the expected credit losses (ECL) using a loss allowance equal to the amount of the lifetime expected credit losses, regardless of the timing of the default. Refer to note (9) for more information.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

A financial asset is generally derecognized when the contractual rights to receive the cash flows from the financial asset expire.

Financial liabilities

Initial recognition

Financial liabilities are classified, at initial recognition, as liabilities or as liabilities to banks.

All financial liabilities are recognized initially at fair value, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other financial liabilities and liabilities to banks including bank overdrafts.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification.

For purposes of subsequent measurement, trade payables and other financial liabilities are classified in the category at amortized cost.

The "liabilities to banks" category was most relevant to the consolidated financial statements in the past. After initial recognition, interest-bearing liabilities to banks are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. Refer to note (15) for more information.

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires.

Provisions

Provisions are non-financial liabilities of uncertain timing or amount. They are recognized in accordance with IAS 37 when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount of the provision is the best estimate taking all identifiable risks from the obligation into account. The settlement value that is the most probable is used. Provisions with a term of more than one year were discounted to the reporting date.

Warranty provision

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognized when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Share-based payments

In the Mister Spex Group, employees receive share-based payments in the form of equity instruments.

The payments granted to executive staff and employees are recognized as an expense, on the one hand, and as a contribution to capital reserves in the amount of the fair value, on the other. Expenses are recognized and amounts are allocated to the capital reserves over the contractually agreed vesting period. The fair value of the options issued is calculated at the grant date.

The cost of equity-settled transactions is recognized, together with a corresponding increase in capital reserves in equity, over the period in which the performance and / or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not vest because a service condition was not observed. No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the original terms of the award had been met. Mister Spex also records the increase in the fair value of the promised equity instruments as a result of a modification.

When an equity-settled award is canceled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the canceled award, and designated as a replacement award on the date that it is granted, the canceled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

Refer to note (14) for more information.

Accounting for transaction costs in connection with equity transactions

In accordance with IAS 32.35, the Group recognized the share of transaction costs relating to new share issues as a deduction from equity with no effect on consolidated loss. The entire transaction costs of the capital increase in connection with the initial public offering (IPO) were allocated on a basis proportionate to the number of new shares and the total number of all shares, with only the amount relating to new share issues being deducted from equity. The amount relating to existing shares was recognized in profit or loss.

Earnings per share

Basic earnings per share are calculated by dividing the share in profit or loss for the period attributable to the shareholders of Mister Spex SE by the weighted average number of shares outstanding. New share issues during a period are considered on a pro rata basis for the period during which they are outstanding.

Segment reporting

The segment reporting of the Mister Spex Group is based on its internal organizational and reporting structure using the management approach.

IV. Significant accounting estimates and judgments in applying accounting policies

The preparation of financial statements in accordance with IFRSs requires management to make assumptions and estimates which impact the reported amounts as well as the related disclosures. In preparing the consolidated financial statements as of 31 December 2021, management assessed the effect of the COVID-19 pandemic on the Group's assets, liabilities, financial position and financial performance as well as the significant assumptions and estimates, but did not identify any significant impact on the Group. Significant estimates and assumptions are made particularly with regard to the following matters:

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note (14).

Goodwill

Goodwill is tested for impairment in accordance with IAS 36 on an annual basis. The impairment test is based on the future net cash flows generated for individual assets or in groups of assets combined into cash-generating units. Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. A discounted cash flow method is used to calculate the value in use, with the inputs classified as level 3 of the fair value hierarchy. The recoverable amount is sensitive to the discount rate used for the discounted cash flow method as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

See note (6) of the notes to the consolidated financial statements on goodwill and intangible assets for further details regarding impairment testing.

Leases

The Group determines the lease term as the non-cancelable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group uses its incremental borrowing rate to measure lease liabilities, which is estimated using observable inputs when available. In addition, the Group is required to make certain entity-specific estimates.

V. Amendments and new accounting pronouncements

As of 1 January 2021, the Group applied all standards and amendments for the first time that became effective as of that date. However, these do not have a significant impact on the consolidated financial statements.

- Amendments to IFRS 4: Extension of the Temporary Exemption from Applying IFRS 9
- Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2

New accounting pronouncements that have not yet been applied

The Mister Spex Group does not plan early application of the following standards and interpretations that will only become effective in future fiscal years. The Group does not expect their application to have a material impact on its consolidated financial statements.

First-time application: reporting periods beginning on or after 1 April 2021:

- Amendments to IFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021

First-time application: reporting periods beginning on or after 1 January 2022:

- Amendments to IFRS 3: References to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRSs 2018–2020

First-time application: reporting periods beginning on or after 1 January 2023:

- IFRS 17 Insurance Contracts (including amendments to IFRS 17)
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates

New standards and interpretations that are not yet effective

The following standards have not yet been endorsed by the EU. The Group has not yet applied these standards and does not expect them to have any significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (including deferral of the effective date)
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information

VI. Operating segments

For corporate management purposes, the Mister Spex Group is organized according to geographic regions and comprises the two reportable segments pursuant to IFRS 8 presented below:

Reportable segments	Divisions
Germany	Purchase and sale of prescription glasses, sunglasses and contact lenses via the German web shops and stores in Germany
International	Purchase and sale of prescription glasses, sunglasses and contact lenses via the international web shops in Austria, Finland, France, the Netherlands, Norway, Spain, Sweden, Switzerland and the UK as well as stores in Austria and Sweden

The "Reconciliation" column shows the consolidation entries between the two reportable segments.

The Group's two Co-CEOs are the chief operating decision makers (CODM) and separately monitor the operating results of the segments to decide on the allocation of resources and assess performance.

Intersegment pricing is determined on an arm's length basis.

Information on the two reportable segments is presented below. The adjusted segment earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) are used to measure performance because both Co-CEOs believe that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries. EBITDA is adjusted for expenses for share-based payments pursuant to IFRS 2, one-time transformation costs and one-time effects that are not part of ordinary business.

in EUR k	2021	2020
I. Revenue		
Revenue of the reportable segments	201,810	170,606
Elimination of intersegment revenue	–7,562	–6,405
Consolidated revenue	**194,248**	**164,201**
II. Adjusted EBITDA		
Adjusted EBITDA of the reportable segments	4,149	6,754
Special effects	–12,387	–939
Thereof effects arising from the application of IFRS 2	–1,295	–658
Thereof transformation costs	–6,438	–579
Thereof other special effects	–4,654	298
Finance income and costs	–4,577	–4,654
Depreciation and amortization	–15,215	–10,937
Share of results of associates	–345	–94
Earnings before income taxes	**–28,376**	**–9,870**

2021

in EUR k	Germany	International	Reconciliation	Total
External revenue	137,802	56,446	–	194,248
Intersegment revenue	7,178	384	–7,562	–
Segment revenue	**144,980**	**56,830**	**–7,562**	**194,248**
Adjusted EBITDA	7,556	–3,407	–	4,149

2020

in EUR k	Germany	International	Reconciliation	Total
External revenue	117,782	46,419	–	164,201
Intersegment revenue	5,750	655	–6,405	–
Segment revenue	**123,532**	**47,074**	**–6,405**	**164,201**
Adjusted EBITDA	7,631	–877	–	6,754

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

Other special effects in fiscal year 2021 mainly 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)[1]. This item also includes expenses for COVID-19-related protective measures (EUR 566k) and other non-recurring effects that are not part of ordinary business activities (EUR −155k).

The following table shows Mister Spex Group's revenue by product type.

The following table shows the Group's revenue and non-current assets broken down by the Company's country of domicile (Germany) and other countries (International). In presenting the geographic information, segment assets are based on the location of the assets.

	2021	2020
Non-current assets		
Germany	85,486	68,934
International	15,106	13,627
Total	**100,592**	**82,561**

Non-current assets exclude financial instruments, deferred tax assets and employee benefit assets.

Revenue from transactions with a single customer never exceeded 10% of the Group's total revenue generated in fiscal years 2021 or 2020.

in EUR k	Germany		International		Total	
	2021	2020	**2021**	2020	**2021**	2020
I. Revenue						
Prescription glasses	65,471	56,502	12,215	10,414	77,686	66,916
Sunglasses	33,790	27,139	16,366	11,472	50,156	38,611
Contact lenses	34,852	31,616	26,972	23,834	61,824	55,450
Total products	**134,113**	**115,257**	**55,553**	**45,720**	**189,666**	**160,977**
Marketing and other services	3,689	2,525	893	699	4,582	3,224
Total	**137,802**	**117,782**	**56,446**	**46,419**	**194,248**	**164,201**

1 The bonus of EUR 400k in connection with the additional workload due to COVID-19 in 2020 was not included in the calculation of adjusted EBITDA in 2020.

VII. Notes to the consolidated statement of comprehensive income

1. Revenue

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

The Group's revenue by geographical segment and by product category and services is presented in the section on operating segments.

Revenue from product sales amounted to EUR 189,666k in the fiscal year (prior year: EUR 160,977k). Revenue from marketing and other services provided amounted to EUR 4,582k in 2021 (prior year: EUR 3,224k).

Assets and liabilities under IFRS 15 **Revenue from Contracts** with Customers break down as follows:

in EUR k	**2021**	2020	01. Jan 2020
Right of return assets	723	695	750
Refund liability	1,983	1,993	2,038
Provisions for warranties	900	728	573
Contract liabilities	1,090	698	1,408

Contract liabilities of EUR 1,090k (prior year: EUR 698k) arising from prepayments received are generally realized (settled) within a few weeks after the reporting date by delivery of the products to customers. The prior-year amount was realized in full in fiscal year 2021. As the contract liabilities relate to prepayments received from customers, the balances of this item vary and depend on the invoiced orders at the end of the year.

Rights to the surrender of goods from anticipated returns by customers in the amount of EUR 723k (prior year: EUR 695k) and refund liabilities of EUR 1,983k (prior year: EUR 1,993k) are presented as separate items in the statement of financial position.

2. Personnel expenses

Personnel expenses developed as follows in the fiscal year:

in EUR k	**2021**	2020
Wages and salaries	42,246	30,266
Social security costs	7,321	5,481
Total	**49,567**	**35,747**

Social security costs include pension costs in the form of contributions to statutory pension insurance of EUR 3,276k (prior year: EUR 2,107k).

Personnel expenses were reduced by an amount of EUR 260k (prior year: EUR 308k) due to the refund of social security contributions in connection with the provision of short-time working allowances to the Mister Spex Group by the Federal Employment Agency in Germany.

The increase in personnel expenses is primarily attributable to the opening of new stores and new hires to support the further growth of Mister Spex. The higher personnel expenses are also due to a one-time transaction bonus in connection with the IPO in the amount of EUR 3,334k and a bonus for the additional workload due to COVID-19 of EUR 1,215k (prior year: EUR 400k).

3. Other operating income and expenses

Other operating income for the fiscal year comprises other income of EUR 1,556k (prior year: EUR 90k), other out-of-period income of EUR 616k (prior year: EUR 136k) and income from subsidies of EUR 228k (prior year: EUR 252k). Other income chiefly includes a refund of transaction costs in connection with the IPO that related to services received by existing shareholders.

Other operating expenses for the fiscal year break down as follows:

in EUR k	**2021**	2020
Marketing costs	24,923	19,453
Freight and fulfillment costs	15,520	13,298
Legal and consulting fees	8,205	1,227
General business costs	7,143	5,207
External services	4,257	2,820
Other	2,878	2,418
Total	**62,926**	**44,424**

In addition, other operating expenses include out-of-period expenses of EUR 88k (prior year: EUR 310k).

The increase in other operating expenses is primarily due to higher marketing costs and legal and consulting fees. The rise in marketing costs by EUR 5,470k results from an increased focus on marketing activities to increase revenue as well as from generally lower marketing costs in fiscal year 2020. The increase in legal and consulting fees by EUR 6,978k relates primarily to the IPO and the change in legal form from an AG to an SE.

4. Finance income and costs

Finance income for the fiscal year breaks down as follows:

in EUR k	**2021**	2020
Interest income	63	36
Income from change in exchange rates	744	394
Total	**807**	**430**

Finance costs for the fiscal year break down as follows:

in EUR k	**2021**	2020
Interest expense	4,683	4,612
Expenses from change in exchange rates	701	472
Total	**5,384**	**5,084**

Interest expenses also contain interest on lease liabilities of EUR 1,453k (prior year: EUR 1,168k).

5. Income taxes

Income tax expenses in profit or loss relate to the following items:

in EUR k	**2021**	2020
Current taxes	175	25
Deferred taxes	2,965	363
Income tax expense	**3,140**	**388**

The reconciliation of current tax expense and the expected tax expense for fiscal years 2021 and 2020 is as follows:

in EUR k	**2021**	2020
Earnings before taxes	**−28,376**	**−9,870**
Tax rate	28.7%	29.1 %
Expected tax income calculated at domestic tax rates applicable to earnings in the respective countries	8,131	2,874
Unrecognized deferred tax assets on tax losses	−10,283	−2,661
Non-deductible business expenses	−676	−314
Share-based payment expenses not deductible for tax purposes	−391	−198
Other effects	79	−89
Recognized income tax expense	**−3,140**	**−388**

The weighted average applicable tax rate was 28.7% (prior year: 29.1%) which was derived from the tax rates in the individual countries weighted by the relevant pre-tax earnings.

Deferred taxes

Differences between IFRS and statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The deferred tax expense resulting for the temporary differences is recognized in full in the statement of profit or loss. Deferred tax assets for loss carryforwards of EUR 2,675k reduce the transaction costs recognized in the capital reserves and are otherwise also recognized in the statement of profit or loss. The tax effect of these temporary differences and used tax loss carryforwards is detailed below:

Corporate income tax loss carryforwards of EUR 95,463k (prior year: EUR 63,368k) and trade tax loss carryforwards of EUR 88,479k (prior year: EUR 57,726k) gave rise to deferred taxes on recognized loss carryforwards of EUR 3,036k (prior year: EUR 2,445k). Deferred tax assets are recognized in the amount of the expected future tax benefit. No deferred tax assets were recognized on corporate income tax loss carryforwards of EUR 85,615k (prior year: EUR 55,686k) and trade tax loss carryforwards of EUR 78,630 (prior year: EUR 50,044k). Additionally, there are interest carryforwards of EUR 8,475k (prior year: EUR 6,945k) for which no deferred taxes were recognized. The unused losses and interest can be carried forward indefinitely.

Tax loss carryforwards for foreign subsidiaries for which no deferred taxes were recognized amount to EUR 17,396k (prior year: EUR 13,144k).

in EUR k	Deferred tax assets		Deferred tax liabilities	
	31. Dec 2021	31. Dec 2020	**31. Dec 2021**	31. Dec 2020
Intangible assets from internally generated software	–	–	4,950	3,648
Intangible assets from business combinations	–	–	63	127
Leases	15,025	11,308	14,224	10,798
Other financial liabilities	-	–	–	39
Other	4	4	–	28
Aggregate amount of temporary differences	**15,029**	**11,312**	**19,237**	**14,639**
Loss carryforwards recognized	3,036	2,445	-	–
Total deferred taxes (before offsetting)	**18,065**	**13,757**	**19,237**	**14,639**
Offsetting	–18,065	–13,757	–18,065	–13,757
Total deferred taxes (after offsetting)	**–**	**–**	**1,172**	**882**

VIII. Notes to the consolidated statement of financial position

6. Goodwill and intangible assets

Changes in the carrying amounts of goodwill and intangible assets are presented below:

Cost

in EUR k	Goodwill	Customer list	Brand	Software	Software under development	Total
As of 1 Jan 2020	**12,113**	**3,144**	**221**	**19,327**	**4,946**	**39,751**
Additions	–	427	–	112	5,154	5,693
Reclassifications	–	–	–	4,786	−4,786	0
Currency effects	–	–	–	8	–	8
As of 31 Dec 2020	**12,113**	**3,571**	**221**	**24,233**	**5,313**	**45,450**
Additions	–	–	–	585	8,264	8,849
Reclassifications	–	–	–	5,602	−5,602	–
Currency effects	–	−2	–	−4	–	−6
As of 31 Dec 2021	**12,113**	**3,569**	**221**	**30,415**	**7,975**	**54,293**

Amortization and impairment

in EUR k	Goodwill	Customer list	Brand	Software	Software under development	Total
As of 1 Jan 2020	**–**	**2,277**	**221**	**13,719**	**–**	**16,217**
Amortization and impairment	–	349	–	2,815	–	3,165
Currency effects	–	1	–	8	–	9
As of 31 Dec 2020	**–**	**2,627**	**221**	**16,542**	**–**	**19,390**
Amortization and impairment	–	431	–	4,462	–	4,893
Currency effects	–	−2	–	−4	–	−6
As of 31 Dec 2021	**–**	**3,055**	**221**	**21,000**	**–**	**24,276**

Net carrying amounts

in EUR k	Goodwill	Customer list	Brand	Software	Software under development	Total
As of 31 Dec 2020	**12,113**	**944**	**–**	**7,690**	**5,313**	**26,060**
As of 31 Dec 2021	**12,113**	**513**	**–**	**9,415**	**7,975**	**30,017**

The Mister Spex Group performed an impairment test of goodwill of the two cash-generating units Nordic Eyewear and Lensit (both part of the International reportable segment) as of 30 November 2021. As of 30 November 2021, the Nordic Eyewear and Lensit cash-generating units were allocated goodwill of EUR 6,854k (prior year: EUR 6,854k) and EUR 5,259k (prior year: EUR 5,259k), respectively, as in the prior year.

The recoverable amount of the Lensit cash-generating unit was determined on the basis of the value in use in a discounted cash flow calculation. The impairment test was based on the business plan for fiscal years 2022 to 2028. and a discount rate of 9.7% p.a. after taxes (11.7% before taxes). Cash flows beyond the seven-year medium-term forecast are extrapolated using a growth rate of 2.0%.

The recoverable amount of the Nordic Eyewear cash-generating unit was determined on the basis of the value in use in a discounted cash flow calculation. The impairment test was based on the business plan for fiscal years 2022 to 2028. and a discount rate of 9.7% p.a. after taxes (11.1% before taxes). Cash flows beyond the seven-year medium-term forecast are extrapolated using a growth rate of 2.0%.

The impairment test is based on cash flow projections for the cash-generating units and estimates concerning the future market development. The seven-year planning period reflects the medium-term business plan. The recognized cash flows were derived from past information. In the business plans for subsequent years, growth in the operating margin for both reporting units is expected over a seven-year period. Growth for both reporting units is expected to slow beyond this period and a steady state is assumed for both reporting units, which is the basis for the calculation of the terminal value. Growth for both reporting units will amount to 2.0% in the terminal value period.

7. Property, plant and equipment

Changes in the carrying amount of property, plant and equipment are presented below:

Cost

in EUR k	Plant and machinery	Furniture, fixtures and office equipment	Assets under construction	Total
As of 1 Jan 2020				
Additions	1,060	1,227	5,859	8,146
Reclassifications	737	4,012	–4,749	–
Currency effects	–	–8	–	–8
As of 31 Dec 2020	**5,872**	**14,808**	**1,780**	**22,459**
Additions	824	1,820	4,352	6,996
Reclassifications	476	3,120	–3,596	–
Disposals	–	–2	–	–2
Currency effects	0	7	–	7
As of 31 Dec 2021	**7,171**	**19,753**	**2,536**	**29,460**

Depreciation and impairment

in EUR k	Plant and machinery	Furniture, fixtures and office equipment	Assets under construction	Total
As of 1 Jan 2020				
Depreciation and impairment	509	1,515	–	2,024
Currency effects	–	–8	–	–8
As of 31 Dec 2020	**1,304**	**5,844**	**–**	**7,148**
Depreciation and impairment	653	2,104	–	2,758
Disposals	0	7	–	7
Currency effects	–	–2	–	–2
As of 31 Dec 2021	**1,958**	**7,954**	**–**	**9,911**

Net carrying amounts

in EUR k	Plant and machinery	Furniture, fixtures and office equipment	Assets under construction	Total
As of 31 Dec 2020				
As of 31 Dec 2021	**5,214**	**11,799**	**2,536**	**19,549**

Management did not identify any signs of impairment of property, plant and equipment in the fiscal year. No borrowing costs were capitalized in the reporting period.

8. Investments in associates

Since 20 November 2020, Mister Spex SE has held 48.17% of the shares in Tribe GmbH, Berlin (until 20 November 2020, it was 45% of the shares). The entity specializes in the development and sale of communication software. The Group's investment in Tribe GmbH is accounted for using the equity method.

The purchase price including incidental purchase costs amounted to EUR 3,222k, of which EUR 710k relates to an option to purchase additional shares in the company. The option was recognized directly in the capital reserves pursuant to IAS 32. In the view of management, these potential voting rights from the purchase option are not substantive rights for the purpose of IFRS 10. The carrying amount of the investment in the associate thus came to EUR 2,512k upon initial recognition. As of 31 December 2021, the carrying amount of the investment stood at EUR 2,073k (prior year: EUR 2,418k). This change was recognized in the statement of profit or loss under results of associates.

The following table shows the financial information of Tribe GmbH for fiscal years 2021 and 2020 including fair value adjustments as of the acquisition date in 2020. The table also reconciles the summarized financial information to the carrying amount of the Group's investment in Tribe GmbH.

The information for fiscal year 2020 presented in the table includes the results for the period from 8 October 2020 to 31 December 2020.

in EUR k	**2021**	2020
Current assets	317	232
Non-current assets	637	19
Current liabilities	1,029	265
Non-current liabilities	801	252
Net assets (100%)	**–875**	**–266**
Capital increase in 2020	127	127
Group's share of net assets: 48.17% (taking into account the capital increase in 2020)	–482	–188
Goodwill	2,351	2,351
Group adjustments	204	256
thereof hidden reserves/liabilities	256	308
thereof carryforward of hidden reserves/liabilities	–52	–52
Equity Ergebnis	–345	–94
Carrying amount of investment in associate	**2,073**	**2,418**

in EUR k	**2021**	2020
Revenue	**0**	**0**
Total comprehensive loss, net of tax (100%)	**–609**	**–86**
Group's share of total comprehensive loss	**–293**	**–42**
Group adjustments	**–52**	**–52**
Equity method result	**–345**	**–94**

Group adjustments include fair value adjustments in connection with the purchase price allocation and further adjustments recognized in profit or loss under the equity method.

9. Financial assets

Financial assets break down into current and non-current assets as follows:

in EUR k	31. Dec 2021	31. Dec 2020
Non-current financial assets	5,291	2,988
Current financial assets	35,465	2,925
Total	**40,756**	**5,913**

Non-current financial assets of EUR 5,291k (prior year: EUR 2,988k) comprise receivables from rent deposits and collateral pledged of EUR 4,289k (prior year: EUR 2,738k) and loans to associates of EUR 1,001k (prior year: EUR 250k).

Non-current receivables from rent deposits and collateral pledged are recognized at their respective carrying amounts, since they bear interest at market interest rates.

Current financial assets comprise money market funds of EUR 25,010k (prior year: EUR 0k), receivables from rent deposits and collateral pledged of EUR 3,710k (prior year: EUR 0k), other financial assets of EUR 3,423k (prior year: EUR 147k), trade receivables of EUR 2,852k (prior year: EUR 1,322k) and receivables from sales by invoice and direct debit of EUR 468k (prior year: EUR 1,457k).

Other financial assets chiefly comprise receivables from shareholders in connection with the allocation of IPO costs of EUR 1,505k. EUR 113k of these other financial assets relates to an outstanding contribution for the resolved capital increase, which was transferred to equity upon entry in the commercial register on 7 February 2022.

The carrying amounts of the financial assets are the same as their fair values.

Trade receivables are generally on terms of 30 to 90 days and are non-interest bearing.

All significant financial assets with the exception of money market funds are classified and measured at amortized cost in accordance with IFRS 9.

Current money market funds comprise proceeds from the IPO that were invested in liquid investments in order to mitigate the effects of negative interest rates and can be drawn within one year. The money market funds are measured at fair value through profit or loss in accordance with IFRS 9. The calculation of fair value (level 1 pursuant to IFRS 13) is based on quoted prices in active markets.

As the Group has not experienced any historical default events in relation to its current and non-current financial assets and, in light of the good credit quality of its debtors, it does not expect any significant losses, it did not recognize any expected credit losses in the fiscal year.

10. Inventories

Inventories comprise the following:

in EUR k	31. Dec 2021	31. Dec 2020
Raw materials, consumables and supplies	1,212	673
Merchandise	21,939	16,933
Inventories	**23,151**	**17,606**

Write-downs of inventories amounted to EUR 39k in the reporting period (prior year: EUR 28k) and reflect the estimated inventories at risk at year-end.

Cost of inventories included as an expense under cost of materials amounts to EUR 98,792k (prior year: EUR 82,984k).

11. Other non-financial assets

As of 31 December 2021, other non-financial assets amounted to EUR 10,454k (prior year: EUR 4,420k).

Other non-financial assets again comprise other receivables (EUR 4,733k; prior year: EUR 2,823k), prepayments (EUR 3,901k; prior year: EUR 1,385k) and VAT receivables (EUR 1,820k; prior year: EUR 194k).

All other non-financial assets are classified as current.

12. Cash and cash equivalents

Cash and cash equivalents largely comprise bank balances and are not subject to any restraint on disposal.

13. Equity

Subscribed capital:

By resolution of the extraordinary shareholder meeting on 14 June 2021, 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 contributed to this increase in proportion to their respective shareholdings. In this context, treasury shares increased by EUR 941k from EUR 67k to EUR 1,008k.

In addition, 9,782,609 new shares, each with a nominal value of EUR 1.00, were issued in the IPO. After the IPO, capital was further increased by EUR 601k in total in connection with the exercise of 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 33,508k in fiscal year 2021.

Compared with the prior reporting date, the number of shares thus rose from 1,260,626 to 34,769,368. Capital stock is divided into 34,769,368 no-par value shares. The shares have been issued and paid in in full. All shares entail the same rights and obligations. Each share entitles the holder to one vote at the annual general meeting and determines the holder's share of the Company's profit after tax.

After adoption of the resolution to carry out another capital increase in connection with the exercise of options in December 2021, EUR 85k of the called contributions was paid in. The unpaid contribution of EUR 10k is recognized as a current other financial asset as well as a current other financial liability. The capital increase was entered in the commercial register in February 2022.

Capital reserves:

Capital reserves amount to EUR 326,319k (prior year: EUR 116,048k). As a result of the conversion into subscribed capital, 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 the capital increases in connection with the exercise of options, which had been resolved in fiscal year 2021 and entered in the commercial register. In addition, amounts arising from share-based payment transactions pursuant to IFRS 2 of EUR 1,295k (prior year: EUR 658k) were contributed.

Directly attributable transaction costs of EUR 10,221k (prior year: EUR 500k) were incurred in connection with the capital increases and were directly deducted from capital reserves net of a tax benefit of EUR 3,084k (prior year: EUR 151k) in accordance with IAS 32. Under the cost sharing agreement, the existing shareholders also refunded transaction costs of EUR 1,480k after tax that were treated like a capital contribution.

Authorized capital:

As of the reporting date 31 December 2021, authorized capital amounted to EUR 11,591,378 (prior year: EUR 260,721). 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. The authorized capital also serves to create equity in connection with the employees' share-based payments.

Other comprehensive income:

Other comprehensive income solely includes gains or losses from currency translation.

Treasury shares:

The amount of treasury shares increased by EUR 941k from EUR 67k to EUR 1,008k by converting the Company's capital reserves into subscribed capital.

14. Share-based payments

The Group has set up four stock option plans (ESOP I to IV) which give eligible employees the option of investing directly or indirectly in the Company's equity instruments. The share-based payment awards granted by the Mister Spex Group are equity-settled plans. Due to the change in legal form, the Company harmonized the four stock option plans. Separate amendment agreements for all existing stock option agreements were concluded. The harmonization did not have any material impact on the measurement of the individual stock option plans. As part of the harmonization, the adjusted option plans provide for a cash settlement at the discretion of Mister Spex in addition to the previous settlement through equity instruments. Each option confers the right to acquire one ordinary share of the Company's capital stock for a price of EUR 1.00. The vesting of option rights under each amendment agreement may be subject to different provisions in individual cases.

Mister Spex 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 was adjusted. The comparative figures for the prior year were adjusted accordingly.

In the reporting period, a total expense of EUR 1,295k (prior year: EUR 658k) was recognized in this connection.

The vesting period for the equity-settled share-based payment awards is usually 48 months. The first tranche vests after 12 months, while the remaining tranches vest on a monthly basis in equal amounts over the residual vesting period. The share-based payment awards become exercisable after a certain period of time, when an exit event occurs or the participant leaves.

The inputs used in the measurement were determined as follows: The share price used was derived from the financing rounds performed close to the issue date and a sale of shares. The expected volatility is based on the development of the share price volatility of comparable companies (peer group) over the expected term of the option in each case. The maturity-matched risk-free interest rate was calculated using the Svensson method.

696,029 options were exercised during the 2021 reporting period (2020: 0), thereof 94,695 options were exercised in December 2021. The related capital increase has not been entered in the commercial register as of 31 December 2021. The weighted average share value at the date of exercise of an option exercised during the 2021 reporting period amounted to EUR 3.54.

ESOP I

The payment awards granted by Mister Spex SE in Germany under Employee Stock Option Program I (ESOP I) were granted at different times between 2012 and 2015.

The number of outstanding options developed as follows in the reporting period:

	Number	Weighted average exercise price (in EUR)
Options outstanding on 1 December 2020	**733,220**	**1.45**
Options granted during the period	–	–
Options forfeited during the period	–	–
Options exercised during the period	–	–
Options outstanding on 31 Dec 2020	**733,220**	**1.45**
Options exercisable on 31 Dec 2020	**733,220**	**1.45**
Options outstanding on 1 Jan 2021	**733,220**	**1.45**
Options granted during the period	–	–
Options forfeited during the period	62,501	1.00
Options exercised during the period	304,228	1.01
Options outstanding on 31 Dec 2021	**366,491**	**1.89**
Options exercisable on 31 Dec 2021	**366,491**	**1.89**

The range of exercise prices for options issued and outstanding under ESOP I as of the reporting date was EUR 1.00 to EUR 3.86 (prior year: EUR 1.00 to EUR 3.86); of which 244,271 outstanding options (prior year: 607,383 outstanding options) have an exercise price of EUR 1.00, 0 outstanding options (prior year: 3,617 outstanding options) have an exercise price of EUR 2.19 and 122,220 outstanding options (prior year: 122,220 outstanding options) have an exercise price of EUR 3.68. Considering the harmonization of ESOP I in 2021, the beneficiaries may exercise vested options up to a maximum of four years after the IPO.

The weighted average fair value of an option granted in fiscal year 2015 is EUR 4.57. The fair value of the option rights consists of the intrinsic value and the time value. The weighted average remaining contractual life for the stock options outstanding as of 31 December 2021 was 3.5 years (prior year: 1.0 year).

The Black-Scholes model was used to determine the fair values of the option rights. The inputs used to calculate the options granted are summarized in the following overview:

Weighted average share value (EUR)	EUR 3.62
Weighted average exercise price (EUR)	EUR 1.89
Expected volatility (%)	14.73% – 38.68%
Expected option term (years)	2.47 – 5.31
Expected dividends (%)	0%
Maturity-matched risk-free interest rate (%)	−0.28% – 1.33%

ESOP II

Employee Stock Option Program II (ESOP II) was introduced by Mister Spex SE in October 2015. The vesting conditions are the same as under ESOP I.

The number of outstanding options developed as follows in the reporting period:

	Number	Weighted average exercise price (in EUR)
Options outstanding on 1 Jan 2020	**747,280**	**3.71**
Options granted during the period	–	–
Options forfeited during the period	4,780	3.71
Options exercised during the period	–	–
Options outstanding on 31 Dec 2020	**742,500**	**3.71**
Options exercisable on 31 Dec 2020	**728,797**	**3.71**
Options outstanding on 1 Jan 2021	**742,500**	**3.71**
Options granted during the period	–	–
Options forfeited during the period	–	–
Options exercised during the period	223,878	3.71
Options outstanding on 31 Dec 2021	**518,622**	**3.71**
Options exercisable on 31 Dec 2021	**518,622**	**3.71**

No new options under ESOP II were issued during the 2021 reporting period. The uniform exercise price for option rights outstanding under ESOP II as of the reporting date was EUR 3.71. Considering the harmonization of ESOP II in 2021, the beneficiaries may exercise vested options up to a maximum of four years after the IPO.

The weighted average fair value of a new option granted in fiscal year 2017 is EUR 4.35. The fair value of the option rights consists of the intrinsic value and the time value. The weighted average remaining contractual life for the stock options outstanding as of 31 December 2021 was 3.5 years (prior year: 1.8 years).

The Black-Scholes model was used to determine the fair values of the option rights. The inputs used to calculate the options granted are summarized in the following overview:

Weighted average share value (EUR)	EUR 5.68
Weighted average exercise price (EUR)	EUR 3.71
Expected volatility (%)	33.47% – 36.93%
Expected option term (years)	1.85 – 3.22
Expected dividends (%)	0%
Maturity-matched risk-free interest rate (%)	−0.90% – −0.22%

ESOP III

Employee Stock Option Program III (ESOP III) is the name of the current employee stock option program launched in November 2017. The vesting conditions are the same as under ESOP I and II.

The number of outstanding options developed as follows in the reporting period:

	Number	Weighted average exercise price (in EUR)
Options outstanding on 1 Jan 2020	**303,937**	**9.07**
Options granted during the period	–	–
Options forfeited during the period	14,482	9.07
Options exercised during the period	–	–
Options outstanding on 31 Dec 2020	**289,455**	**9.07**
Options exercisable on 31 Dec 2020	**207,499**	**9.07**
Options outstanding on 1 Jan 2021	**289,455**	**9.07**
Options granted during the period	–	–
Options forfeited during the period	624	9.07
Options exercised during the period	40,029	9.07
Options outstanding on 31 Dec 2021	**248,802**	**9.07**
Options exercisable on 31 Dec 2021	**220,967**	**9.07**

No new options under ESOP III were issued during the 2021 reporting period. The uniform exercise price for option rights outstanding under ESOP III as of the reporting date was EUR 9.07. Considering the harmonization of ESOP III in 2021, the beneficiaries may exercise vested options up to a maximum of four years after the IPO.

The weighted average fair value of a new option granted in fiscal year 2018 is EUR 1.14. The fair value of the option rights consists of the intrinsic value and the time value. The weighted average remaining contractual life for the stock options outstanding as of 31 December 2021 was 3.5 years (prior year: 3.1 years).

The Black-Scholes model was used to determine the fair values of the option rights. The inputs used to calculate the options granted are summarized in the following overview:

Weighted average share value (EUR)	EUR 8.84
Weighted average exercise price (EUR)	EUR 9.07
Expected volatility (%)	28.86 % – 33.60 %
Expected option term (years)	1.07 – 2.36
Expected dividends (%)	0 %
Maturity-matched risk-free interest rate (%)	−0.79 % – −0.59 %

ESOP IV

Employee Stock Option Program IV (ESOP IV) is the name of the current employee stock option program launched in January 2019. The vesting conditions are largely the same as under ESOP III.

The number of outstanding options developed as follows in the reporting period:

	Number	Weighted average exercise price (in EUR)
Options outstanding on 1 Jan 2020	**1,249,577**	**7.52**
Options granted during the period	254,016	7.52
Options forfeited during the period	78,110	7.52
Options exercised during the period	–	–
Options outstanding on 31 Dec 2020	**1,425,483**	**7.52**
Options exercisable on 31 Dec 2020	**587,543**	**7.52**
Options outstanding on 1 Jan 2021	**1,425,483**	**7.52**
Options granted during the period	339,075	7.52
Options forfeited during the period	46,176	7.52
Options exercised during the period	127,894	7.52
Options outstanding on 31 Dec 2021	**1,590,488**	**7.52**
Options exercisable on 31 Dec 2021	**810,594**	**7.52**

The uniform exercise price for option rights outstanding under ESOP IV as of the reporting date was EUR 7.52. Considering the harmonization of ESOP IV in 2021, the beneficiaries may exercise vested options up to a maximum of four years after the IPO or two years after expiry of the vesting period. The later of the two aforementioned periods always applies here.

The weighted average fair value of a new option granted in fiscal year 2021 amounts to EUR 9.55 (prior year: EUR 3.37). The fair value of the option rights consists of the intrinsic value and the time value. The weighted average remaining contractual life for the stock options outstanding as of 31 December 2021 was 4.0 years (prior period: 2.3 years).

The Black-Scholes model was used to determine the fair values of the option rights. The inputs used to calculate the new options granted are summarized in the following overview:

Weighted average share value (EUR)	EUR 12.17
Weighted average exercise price (EUR)	EUR 7.52
Expected volatility (%)	36.88 % – 39.15 %
Expected option term (years)	3.93 – 4.57
Expected dividends (%)	0 %
Maturity-matched risk-free interest rate (%)	−0.81 % – −0.65 %

15. Financial liabilities

Financial liabilities mainly include trade payables and refund liabilities to customers from anticipated returns.

As of 31 December 2021, financial liabilities had the following maturities based on the contractually agreed amounts:

in EUR k	Up to 1 year	1–5 years	More than 5 years	Total
As of 31 Dec 2021				
Liabilities to banks	–	–	–	–
Trade payables	16,222	–	–	16,222
Refund liabilities	1,983	–	–	1,983
Other financial liabilities	1,010	160	–	1,170
Financial liabilities	**19,215**	**160**		**19,375**
As of 31 Dec 2020				
Liabilities to banks	30,255	–	–	30,255
Trade payables	10,028	–	–	10,028
Refund liabilities	1,993	–	–	1,993
Other financial liabilities	467	320	–	787
Financial liabilities	**42,743**	**320**		**43,063**

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

The carrying amounts of the financial liabilities are the same as their fair values.

The following table shows the reconciliation carried out by the Group from the opening to the closing balance of liabilities to banks and other financial liabilities:

in EUR k	**2021**	2020
Financial liabilities – 1 Jan	**31,042**	**44,455**
Change due to cash flow from financing activities		
Cash received from liabilities to banks	35,000	–
Repayments of liabilities to banks	−65,882	−290
Total change	**−30,882**	**−290**
Other cash and non-cash changes		
Contribution made to effect the resolved capital increase	85	−70
Contribution not yet made to effect the resolved	113	–
capital increase	812	−13,053
Other financial liabilities	**1,010**	**−13,122**
Financial liabilities – 31 Dec	**1,170**	**31,042**

EUR 113k of other financial liabilities relates to an outstanding contribution for the resolved capital increase, which was entered in the commercial register in February 2022.

16. Leases

Leases comprise rental agreements for office, warehouse and store space, usually with terms of between 5 and 10 years. There are several lease contracts that include extension and termination options and variable payments, which are further discussed below.

The carrying amounts of right-of-use assets in the statement of financial position are as follows:

in EUR k	Commercial and office space
As of 1 Jan 2020	**25,814**
Additions	15,719
Depreciation and impairment	−5,750
As of 31 Dec 2020	**35,783**
Additions	20,733
Depreciation and impairment	−7,563
As of 31 Dec 2021	**48,953**

EUR 12,075k of the additions relates to new rental agreements, most of which were concluded for store space.

The following table presents the carrying amounts of the lease liabilities and the changes in the fiscal year:

in EUR k	Commercial and office space
As of 1 Jan 2020	**26,436**
Additions	15,439
Accretion of interest	1,168
Payments	−5,604
As of 31 Dec 2020	**37,439**
Thereof current	5,741
Thereof non-current	31,698
Additions	20,699
Accretion of interest	1,453
Payments	−7,900
As of 31 Dec 2021	**51,691**
Thereof current	7,675
Thereof non-current	44,016

The following amounts were recognized in profit and loss in the reporting period:

in EUR k	**2021**	2020
Depreciation and impairment of right-of-use assets	7,563	5,750
Interest expense on lease liabilities	1,453	1,168
Expense for variable lease payments not included in the lease liabilities	882	696
Other expenses	7	–
Total	**9,905**	**7,614**

The table below summarizes the maturities of the Group's lease liabilities as of 31 December 2021.

The information presented is based on contractual discounted payments:

in EUR k	Up to 1 year	1–5 years	More than 5 years	Total
As of 31 Dec 2021				
Lease liabilities	7,675	29,823	14,193	**51,691**
As of 31 Dec 2020				
Lease liabilities	5,741	26,529	5,169	37,439

The following figures are based on contractual undiscounted payments:

in EUR k	Up to 1 year	1–5 years	More than 5 years	Total
As of 31 Dec 2021				
Lease liabilities	10,684	33,640	14,998	**59,322**
As of 31 Dec 2020				
Lease liabilities	6,899	29,389	5,419	41,706

The Group's cash outflows for leases came to EUR 8,782k in the fiscal year (prior year: EUR 6,300k). The other variable payments not included in the measurement of the lease liability are based on consumption and totaled EUR 882k in the fiscal year (prior year: EUR 696k).

In fiscal year 2021, the adjustments of contractual terms, i.e. mainly from the planned exercise of contract extension options, gave rise to a EUR 8,348k (prior year: EUR 2,433k) increase in recognized lease liabilities and right-of-use assets.

The Group did not exercise any termination options in the reporting period.

In addition, Mister Spex entered into several lease agreements that have not yet commenced. These relate to additional space for future stores and office. Additional payments of EUR −46 million (prior year: EUR −8 million) are expected over the non-cancelable term of the lease.

In response to the COVID-19 pandemic, the Group negotiated rent concessions for individual leases of store space with its lessors in the fiscal year. The Group consistently applies the practical expedient for COVID-19-related rent concessions to all admissible rent concessions in connection with leases of store space.

In the fiscal year, an amount of EUR 33k (prior year: EUR 245k) was recognized in the statement of profit or loss to reflect the changes in lease payments as a result of the rent concessions due to the Group applying the practical expedient for COVID-19-related rent concessions.

17. Other non-financial liabilities

Other non-financial liabilities comprise current and non-current liabilities.

While other non-current non-financial liabilities mainly include liabilities from government grants of EUR 79k (prior year: EUR 306k), other current non-financial liabilities of EUR 5,857k (prior year: EUR 5,933k) chiefly comprise liabilities from outstanding invoices of EUR 1,547k (prior year: EUR 1,897k), tax liabilities of EUR 1,310k (prior year: EUR 1,081k) and accrued personnel-related expenses of EUR 1,025k (prior year: EUR 1,397k).

18. Provisions

in EUR k	Warranties	Asset retirement obligations	Total
As of 1 Jan 2021	**728**	**259**	**987**
Provisions recognized	900	91	991
Provisions utilized	–728	–	–728
As of 31 Dec 2021	**900**	**350**	**1,250**
Non-current	–	350	350
Current	900	–	900

Current provisions include warranty provisions of EUR 900k for products sold during the fiscal year (prior year: EUR 728k).

Non-current provisions of EUR 350k (prior year: EUR 259k) primarily relate to asset retirement obligations for leased properties.

IX. Other notes

19. Financial risk management

In the ordinary course of business, the Mister Spex Group is exposed to credit risk, liquidity risk and market risk (primarily currency and interest rate risk).

The financial instruments used by the Mister Spex Group comprise cash and cash equivalents and factoring instruments which serve to finance its business activities.

Group management is responsible for managing the risks and develops principles for overall risk management. The significant risks are presented below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Group's sales of products on credit terms and other transactions with counterparties giving rise to financial assets.

The risk of default is very low due to the payment structures. By way of factoring agreements, the Mister Spex Group has transferred the del credere risk for sales by invoice and direct debit to third parties in full. No default risk arises from payments via the service provider PayPal or payments in advance. Credit card risks are closely monitored and managed.

With regard to other financial assets that are neither past due nor impaired on the reporting date, there were no indications that the customers will be unable to meet their payment obligations.

Liquidity risk

Liquidity risk is the risk that a company will not be able to meet its financial obligations. The Group is exposed to the risk of daily calls on its available cash resources. Liquidity risk is managed by the management of the Company.

The Group manages liquidity development in the course of annual budgeting and on a monthly basis.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, and lease contracts.

As of 31 December 2021, the Group's current assets (EUR 219,437k; prior year: EUR 40,182k) exceeded its current liabilities (EUR 34,737k; prior year: EUR 55,843k) by EUR 184,770k. The Group's liquidity portfolio comprises cash and cash equivalents of EUR 149,644k (prior year: EUR 14,536k), allowing it to meet unexpected liquidity needs at short notice.

The Group's current financial liabilities as of 31 December 2021 amounted to EUR 1,010k (prior year: EUR 30,722k) and consisted exclusively of short-term liabilities due within one year. As of 31 December 2021, there were no liabilities to banks (prior year: EUR 30,255k).

As of the reporting date there were undrawn credit facilities for Nordic Eyewear AB of SEK 8m.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency positions, primarily with respect to the Swedish krona (SEK), the Norwegian krona (NOK), the Swiss franc (CHF) and the British pound (GBP). Currency risk arises from future commercial transactions and assets and liability positions.

There are two kinds of currency risk. While translation risk describes the risk of exchange differences leading to changes in the items of the statement of financial position and statement of profit or loss of a subsidiary when the local separate financial statements are translated into the group currency, transaction risk represents exchange differences at transaction level. Exchange differences resulting from translation risk are presented in equity.

The sensitivities of transaction risk are as follows: If the euro had appreciated by 5% as of 31 December 2021 against the foreign currencies presented above, earnings before interest and taxes would have been EUR 684k (prior year: EUR 570k) lower. If it had depreciated by 5%, earnings before interest and taxes would have been EUR 692k (prior year: EUR 576k) higher.

Interest rate risk

The liabilities to banks that existed as of 31 December 2020 were repaid on 30 April 2021. The Group therefore does not expect any interest rate risk.

20. Capital management

The financial ratios used for corporate management are largely performance-oriented. The capital management objectives, methods and processes are geared to achieving the performance-based financial ratios with the overarching goal to support business growth and secure the Company's continued existence in the long term. The flexibility needed in the provision of funds requires a healthy financial structure with a focus on equity. As debt instruments are already being used, capital management comprises equity and debt capital.

The key performance indicator for active capital management is the free cash flow comprising the sum of cash flows from operating activities and investing activities as well as cash repayments of lease liabilities. Free cash flow is a key indicator for changes in the liquidity situation. In the reporting period, it came to EUR −75,203k (prior year: EUR −23,049k).

Management's targets for this key indicator were achieved both in the fiscal year and in the previous year.

21. Related parties

In accordance with IAS 24, parties are considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party's financial and operating policies.

In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

For the purposes of related party disclosures, the Mister Spex Group defines all shareholders of Mister Spex SE, the members of the management board of Mister Spex SE, including any of their immediate family members and any entity owned or controlled by such persons as a related party.

In addition to the business relationships with its consolidated subsidiaries, the Group had a business relationship with one associate in the reporting year.

Management board member compensation

The management board comprises Dirk Graber, Dr Mirko Caspar, Maren Kroll (appointed since 1 June 2021) and Dr Sebastian Dehnen (appointed since 1 June 2021).

in EUR k	**2021**	2020
Short-term benefits		
Salaries	1,262	542
Share-based payments		
Granting of options	257	174
Total	**1,518**	**716**

Supervisory board member compensation

Expenses for supervisory board compensation came to EUR 228k in 2021 (prior year: EUR 56k). Additionally, the share-based compensation for the supervisory board amounted to EUR 3k (prior year: EUR 6k) in fiscal year 2021.

Other related party transactions

in EUR k	Transaction values		Outstanding receivable as of 31 Dec	
	2021	2020	**2021**	2020
Associates				
Loan and related interest	54	3	1,001	253
Other receivables	952	–	952	–
Other income	41	–	–	–
Other expenses	71	–	–	–

All outstanding receivables from related parties are based on arm's length conditions. None of the balances is secured.

Other receivables include charges passed on for other services.

22. Other financial obligations

The Group rents office, warehouse and store space under non-cancelable leases with terms of up to 10 years.

The following table shows the total future minimum lease payments under non-cancelable leases classified as non-lease components as well as other financial obligations.

in EUR k	**2021**	2020
Up to one year	3,636	3,813
Between one and five years	7,106	3,080
More than five years	5,222	808
Total commitments	**15,964**	**7,701**

Moreover, under the shareholder agreement with Tribe GmbH, Mister Spex SE undertook to grant that company loans totaling EUR 3,497k over the next fiscal years and pay fees under license agreements totaling EUR 309k to Tribe GmbH.

23. Significant subsidiaries and associates

Mister Spex SE, as the group parent, held direct and indirect equity investments in the following subsidiaries and associates as of 31 December 2021:

	Registered office	Share in equity (in %)	
		2021	2020
Subsidiaries			
International Eyewear GmbH	Berlin, Germany	100	100
Mister Spex France SAS	Rouen, France	100	100
Nordic Eyewear Holdings AB	Stockholm, Sweden	100	100
Nordic Eyewear AB	Stockholm, Sweden	100	100
Lensit.no AS	Karmsund, Norway	100	100
Associates			
Tribe GmbH	Berlin, Germany	48.17	48.17

The voting interests in the subsidiaries and associates are the same as the ownership interests presented in the table.

24. Number of employees

	2021	2020
Operational staff	909	746
Commercial staff	112	99
Technical staff	158	120
Total	**1,179**	**965**

The average number of employees in the Group during the fiscal year was 1,179 (prior year: 965); there were 1,024 full-time equivalents (prior year: 824).

25. Auditor's fees

The auditor's fees paid to Ernst & Young Wirtschaftsprüfungsgesellschaft recognized as an expense in the reporting period come to EUR 466k for the audit (separate and consolidated financial statements) (prior year: EUR 106k) and EUR 865k for audit-related services (prior year. EUR 35k). The auditor did not provide any other services.

26. Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic earnings per share calculation:

Weighted average number of ordinary shares

In thousands of shares	2021	2020
Issued ordinary shares as of 1 Jan	24,020	23,951
Effect of treasury shares held	−1,008	−1,008
Effect of capital increase	5,388	65
Weighted average number of ordinary shares as of 31 Dec	**28,400**	**23,008**

A capital increase of EUR 95k was entered in the commercial register between the reporting date and the date of authorization for issue of these consolidated financial statements.

The following table provides the profit / (loss) amount used:

Basic earnings per share

	2021	2020
Loss (in EUR k)	−31,515	−10,258
Weighted average number of ordinary shares as of 31 Dec (in thousands of shares)	28,400	23,008
Earnings per share (in EUR)	**−1.11**	**−0.45**

The average number of shares included in the denominator was retroactively corrected in accordance with IAS 33.

The ESOP equity instruments were excluded from the calculation of basic earnings per share as their effect would have been anti-dilutive. The number of ordinary shares potentially outstanding during fiscal year 2021 would have been 13,455 thousand shares (prior year: 3,147 thousand shares).

27. 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).

28. Events after the reporting date

In February 2022, a military conflict arose between Russia and Ukraine, which represents a drastic event that – in addition to humanitarian effects – can also have an impact on the economy. Currently Mister Spex does not expect any direct impact on the Mister Spex Group from the conflict. There were no further events after the reporting date which had a significant effect on the assets, liabilities, financial position or financial performance of Mister Spex.

Berlin, 25 March 2022

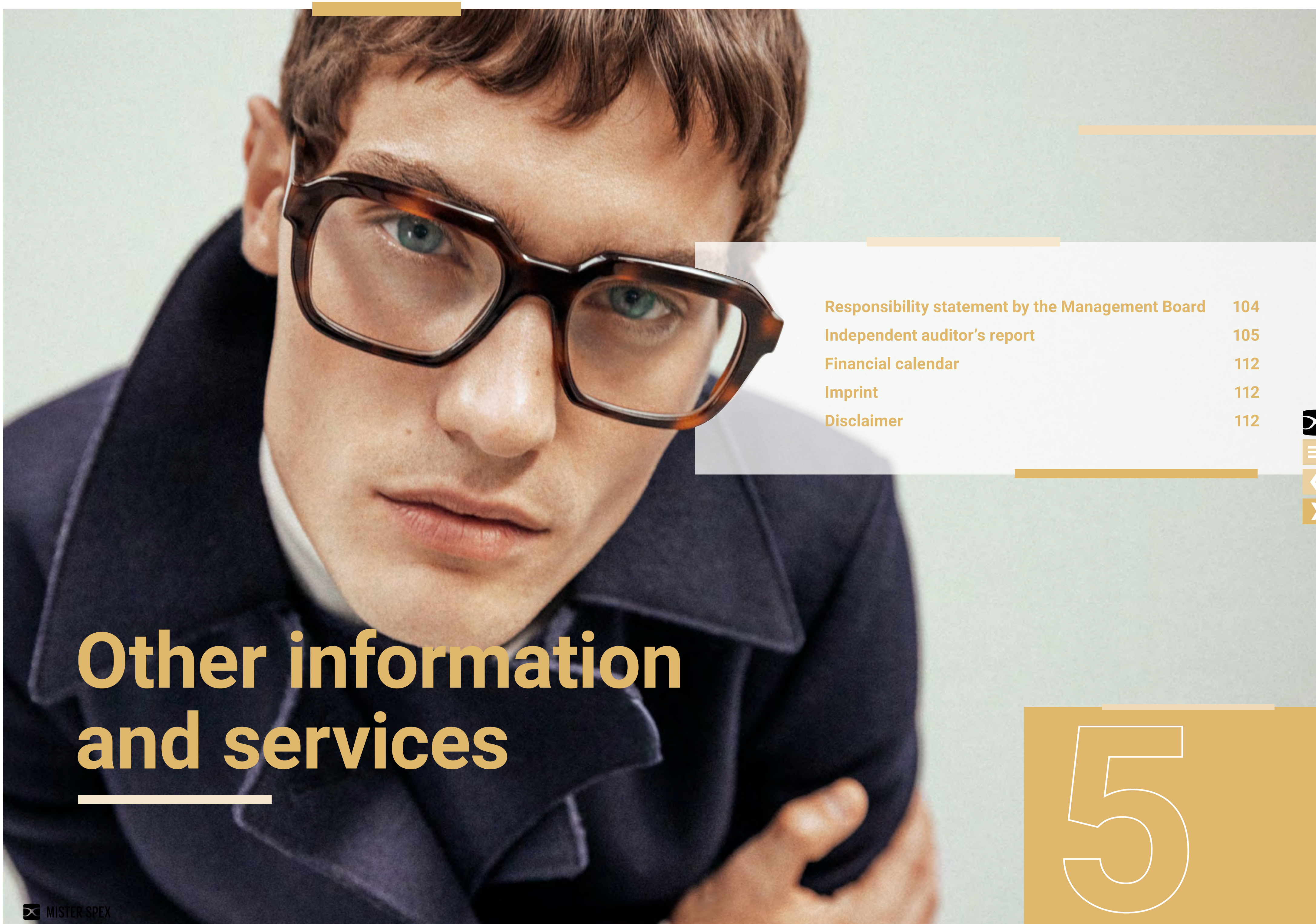
The Management Board

Dirk Graber
Founder and Co-CEO

Dr Mirko Caspar
Co-CEO

Maren Kroll
CHRO

Dr Sebastian Dehnen
CFO



Other information and services

5

8. Responsibility statement by the legal representatives

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

Berlin, on 25 March 2022

The Management Board

Dirk Graber
Founder and Co-CEO

Dr Mirko Caspar
Co-CEO

Maren Kroll
CHRO

Dr Sebastian Dehnen
CFO

Independent auditor's report

Independent auditor's report

To Mister Spex SE

Report on the audit of the consolidated financial statements and of the group management report

Opinions

We have audited the consolidated financial statements of Mister Spex SE, Berlin, and its subsidiaries (the Group), which comprise the consolidated statement of comprehensive income for the fiscal year from 1 January to 31 December 2021, and the consolidated statement of financial position as at 31 December 2021, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Mister Spex SE, which was combined with the management report of the Company, 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 group 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 consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2021 and of its financial performance for the fiscal year from 1 January to 31 December 2021, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of the parts of the group 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 consolidated financial statements and of the group management report.

Basis for the opinions

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

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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 consolidated 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 measurement 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 Group's profit or loss for the period and is one of the key financial performance indicators for the Mister Spex Group.

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 measurement 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 requirements of IFRS 15 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 to 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 measurement 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 for merchandise, refer to the Company's disclosures in the notes to the consolidated financial statements in the subsection "Revenue from contracts with customers" in section "III. Accounting policies" and in subsection "1. Revenue" in section "VII. Notes to the consolidated statement of comprehensive income."

2) Impairment testing of goodwill

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

The Mister Spex Group recognizes significant amounts of goodwill. The result of the impairment test to determine whether an impairment loss has to be recognized for goodwill is highly dependent on the estimate by the Mister Spex Group's executive directors of future cash flows and the respective discount rates used.

The executive directors' assessment of the adequate valuation of goodwill is based on valuation models in connection with which the executive directors also exercise significant judgment in determining the cash-generating units for the purpose of the impairment tests and the long-term growth rates assumed.

In light of the materiality of goodwill, the complexity of the valuation and the judgment exercised during valuation, the goodwill impairment test was a key audit matter.

Auditor's response

During our audit, among other things, we evaluated the methods used to carry out the impairment tests in light of the relevant provisions of IAS 36. In this respect, we checked the arithmetical accuracy of the valuation models used. Moreover, we obtained an understanding of the Mister Spex Group's processes for forecasting expected future cash flows and for testing goodwill for impairment. We checked the determination and composition of the carrying amounts of the cash-generating units based in particular on the criteria of IAS 36.

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 cash-generating units to which significant goodwill items are allocated 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 with regard to the relevant requirements of IAS 36.

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 impairment testing of goodwill.

Reference to related disclosures

With regard to the recognition and measurement policies applied for goodwill, refer to the disclosures in the notes to the consolidated financial statements in the subsection "Business combinations and goodwill" in section "III. Accounting policies." For the related disclosures on judgments by the executive directors and sources of estimation uncertainty as well as the disclosures on goodwill, refer to the disclosures in the consolidated financial statements in the subsection "Goodwill" in section "IV. Significant accounting estimates and judgments in applying accounting policies" and in the subsection "Goodwill and intangible assets" in section "VIII. Notes to the consolidated statement of financial position."

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 group 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 annual report listed in the appendix to the auditor's report.

Our opinions on the consolidated financial statements and on the group 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 consolidated financial statements, with the group 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 consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group'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 unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

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

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

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

- 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 Group'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 consolidated financial statements and in the group 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 Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

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

- Perform audit procedures on the prospective information presented by the executive directors in the group 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 consolidated 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 consolidated financial statements and the group 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 consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in attached file Mr_Spex_SE_KA-KLB_ESEF-2021-12-31.zip (SHA-256 checksum: 256b50f202027276d87ca2ecb30c9310288598416177a46f1789ce7025783cc9) 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 consolidated financial statements and the group 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 consolidated financial statements and the group 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 consolidated financial statements and the accompanying group management report for the fiscal year from 1 January to 31 December 2021 contained in the "Report on the audit of the consolidated financial statements and of the group 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 consolidated financial statements and the group 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 "Group 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 consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 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.

Group 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 audit. 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 consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019 / 815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

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

We were elected as group 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 group auditor of Mister Spex SE without interruption since fiscal year 2015.

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 consolidated financial statement audit, we have provided to the group companies the following services, all of which are permitted non-audit services as defined by the EU Audit Regulation, that are not disclosed in the consolidated financial statements or in the group 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 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.

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 group management report:

- Group statement on corporate governance

Furthermore, we have not audited the content of the following disclosures extraneous to management reports. Disclosures extraneous to group management reports are such disclosures that are not required pursuant to Secs. 315, 315a HGB or Secs. 315b to 315d HGB or GAS 20:

- 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:

- Separate non-financial report.

Further other information also comprises additional components to be included in the annual report, of which we obtained a version prior to issuing this auditor's report:

- the sections "Mister Spex – At glance", "Mister Spex – Highlights 2021", "Letter to shareholders", "Report of the Supervisory Board" and "The Mister Spex share – Stock market year 2021",

- the section "Remuneration report pursuant to Sec. 162 AktG",

- the section "Responsibility statement by the legal representatives",

- the sections "Financial calendar" and "Imprint",

but not the consolidated financial statements, not the group management report disclosures whose content is audited and not our auditor's report thereon.

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

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

Imprint

Contact

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

Layout und Satz

IR-ONE AG&Co., Hamburg
www.ir-one.de

INVESTOR RELATIONS

Frank Böhme
Leiter 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.

Financial calendar

Datum	
March 30, 2022	Publication annual financial report
March 30, 2022	Annual Press Conference
May 12, 2022	Publication quarterly statement (call-date Q1)
June 30, 2022	Annual General Meeting
September 07, 2022	Publication half-yearly financial report

MISTER SPEX

Mister Spex
Greifswalder Straße 156
10409 Berlin
Germany