

Press release 30 November 2021

Synsam Group's Q3 report 2021

"Very strong growth and profitability in the third quarter"

1 July – 30 September 2021

- Net sales amounted to SEK 1,176 million (972), up 21.0 percent. Organic growth totalled 21.0 percent (8.5)
- The gross margin increased to 75.8 percent (75.4)
- EBITDA rose to SEK 314 million (272) and the EBITDA margin was 26.3 percent (27.7). Adjusted EBITDA rose to SEK 337 million (272) and the adjusted EBITDA margin was 28.3 percent (27.7)
- EBITA increased to SEK 206 million (173) and the EBITA margin was 17.3 percent (17.6). Adjusted EBITA increased to SEK 229 million (173) and the adjusted EBITA margin was 19.2 percent (17.6)
- Cash flow from operating activities amounted to SEK 252 million (121)
- External net debt totalled SEK 2,535 million (2,888) at the end of the period, compared with SEK 2,636 million on 31 December 2020
- Profit after tax amounted to SEK 2 million (-25)
- Earnings per share before and after dilution totalled SEK 0.02 (-0.35)

1 January – 30 September 2021

- Net sales amounted to SEK 3,423 million (2,714), up 26.1 percent. Organic growth totalled 27.0 percent (-2.1)
- EBITDA rose to SEK 893 million (655) and the EBITDA margin was 25.7 percent (23.8). Adjusted EBITDA rose to SEK 940 million (656) and the adjusted EBITDA margin was 27.1 percent (23.9)
- Cash flow from operating activities amounted to SEK 587 million (576)
- Profit after tax amounted to SEK 3 million (-161)
- Earnings per share before and after dilution totalled SEK 0.05 (-2.26)

Events after the end of the period

- On 29 October, Synsam AB (publ) was listed on Nasdaq Stockholm Mid Cap
- In connection with the company's IPO, the bank loans have been repaid in full, a new loan agreement has been entered into and new long-term bank loans of SEK 2,430 million have been raised

President and CEO Håkan Lundstedt comments:

"Synsam is highly committed and driven to help people with their eye health, and it's very gratifying to see that our work is continuing to yield results. Synsam posted organic growth of 21 percent for the third quarter and 27 percent for the nine-month period. The preceding year was negatively impacted by closures due to the pandemic and by a cyber-attack in autumn 2020. Sales and profitability were strong for Synsam Group in the third quarter and at an all-time high during the first nine months of the year. Our strategy and concept development with a focus on an expanded store network featuring a broader range with greater customer appeal, a high degree of innovation both in terms of digitalisation and competitive House Brands as well as the launch of a subscription business unique in the industry – have been effective. It's clear that Synsam Group is continuing to deliver strong growth and a favourable profitability trend. Our rapidly expanding subscription service provides a security for customers who want to have control over their monthly fees and our House Brand frames allow us to offer alternatives in all price categories, with a design that is better suited to the Scandinavian market. Store establishments provide customers with greater accessibility as well as contributing to our growth and profitability. The pandemic has also brought us many valuable insights. One of these is that eye health is more important than ever and that people have a growing need for easy access to the right vision aids now that we are spending significantly more time in front of screens. Synsam Group was early to identify this trend and change in customer behaviour and chose to follow a strategy of leveraging the opportunities created by the pandemic to increase its investment and expansion rate. All with the aim of helping people.

The foundation for Synsam's growth in the Nordic region is based on offering our customers a quality product at an attractive price, an advantageous eye health offering and a focus on sustainability at every step. Synsam, which continued to increase its market share in the third quarter and the nine-month period, is at the cutting edge of the industry when it comes to digital solutions, and developing digital services is a prioritised growth area. Through Synsam's recycling and outlet sales, we contribute to an increasing number of circular flows, a reduction in waste and attractive customer offerings. We are delighted to be able to inspire and enable more people to make more sustainable choices.

The project to bring production of the company's own House Brands of spectacles to Sweden, which so far has been made by third-party manufacturers in Asia and to establish our own production unit and innovation centre in Östersund is proceeding according to plan. The decision to bring production closer to the end customer is an important part of the company's sustainability strategy. It also shortens lead times, which makes it possible to meet customer needs and demands more quickly. The facility will be operated with a focus on sustainable production and product design and with a closed-loop approach. Other important sustainability initiatives include Circular Collection, the Group's first circular products made from recycled frames handed in by customers at in-store recycling boxes, our collaboration with Sea2See featuring spectacles made out of plastic recovered from the sea and the Group's "Alla ska se" ("Everyone should see") sustainability initiative. Through the "Alla ska se" project, Synsam and its partners have provided approx. 32,000 children with activity spectacles free of charge. Moving from words to deeds to reduce our climate impact has helped Synsam Group perform well in terms of sustainability compared with the rest of the industry, and we are now seeing that this makes us more attractive both as an employer and as a partner to our suppliers and customers.

EARNINGS AND EXPANSION AREAS

Following a negative impact on the Group's Danish and Norwegian operations at the start of the year due to further Covid-19 restrictions, all countries experienced strong growth and a favourable profit trend thanks to Synsam's focus on customer needs and its continuous customer offering. Earnings before depreciation and amortisation (EBITDA) increased by 15 percent to SEK 314 million during the quarter and by 36 percent during the nine-month period. I am very proud that we succeeded in reporting strong organic growth and a significant earnings improvement, while also investing and increasing the number of stores.

Between 2018 and 2020, Synsam carried out an extensive store expansion, establishing a total of 55 new physical stores. Today, the company has a strategy featuring a favourable

combination of a digital presence and physical stores located near the customer as well as a well-established and tested method for how and where it chooses to establish new stores or to upgrade its existing stores. Since we assess that we have good potential to offer our customers greater accessibility and thereby strengthen our growth, we are continuing to expand by opening new stores. During the first nine months of 2021, 14 new establishments were carried out, including five Recycling Outlets and one Flagship store in Odense, Denmark. Hearing units were established at two of the company's units outside Stockholm as part of a pilot programme in which we are offering our customers hearing tests and hearing aids.

Synsam's rapidly expanding subscription service for spectacles, which grew 43 percent during the nine-month period, provides a security for customers who want to have control over their monthly fees. Through Synsam's own House Brand frames, we can offer alternatives in all price categories, with a design to suit the Scandinavian market. Synsam's subscription service for contact lenses also performed well, with growth of 40 percent during the nine-month period. Regardless of whether a customer chooses a subscription or pays cash and regardless of which brand the customer chooses, they should always feel secure knowing that Synsam offers an attractive price.

I'm pleased to announce that Synsam Group's listing on Nasdaq Stockholm was a success. There was a great interest in becoming a Synsam shareholder and I'd like to take the opportunity to thank everyone for their trust and welcome all of our new shareholders to Synsam Group. A stock market listing is an important step for Synsam Group for several reasons. Being a listed company is a mark of quality and gives Synsam Group a platform for future development and growth. It's also very gratifying to be creating even better conditions for continuing to invest in helping more people with their daily vision problems. I'm of the firm conviction that Synsam is a unique company with a great deal of growth potential and future opportunities waiting to be explored, and together with our new shareholders I look forward to continue developing this leading lifestyle company within optical retail and eye health in the Nordic region."

Presentation of the report in Swedish at 09.00 CET today

- **Place:** Synsam Group's Head office, Sankt Eriksgatan 60, Stockholm, Sweden. The presentation will also be webcasted with teleconference.
- **Speakers:** President and CEO Håkan Lundstedt and CFO Per Hedblom.
- Registration for attendance at the presentation at Synsam Group's Head office, or for participation in webcast with teleconference:
<https://financialhearings.com/event/43326>

Presentation of the report in English at 10.30 CET today

- **Place:** Webcast with teleconference.
- Registration for participation in webcast with teleconference:
<https://financialhearings.com/event/43327>

The presentation material will be available on the website at 08.00 CET today.
www.synsamgroup.com/en/investor-relations/

For further information, please contact:

Håkan Lundstedt, President and CEO Synsam AB (publ), tel: +46 (0)8 619 28 60
Per Hedblom, CFO Synsam AB (publ), tel: +46 (0)8 619 28 60
Website: www.synsamgroup.com

This information is such that Synsam AB (publ) is obligated to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 7:30 a.m. on 30 November 2021.

Synsam Group is a leading optician group in the Nordic region, with a differentiated and sustainable Lifestyle offering. Synsam Group offers a wide range of products and services for eye health and eye fashion, catering to the customer's different lifestyles and needs. The group has approximately 3,000 employees, net sales of approximately SEK 4 billion and has approximately 500 stores in the Nordics, operating under the brands Synsam, Ai Eyewear and Profil Optik in Denmark. Through digitalization, subscription services and other innovative concepts, Synsam Group is at the forefront of innovation in the Nordic optical retail market across multiple dimensions including customer journey, product offering and ESG. Synsam Group's share is traded on Nasdaq Stockholm (SYNSAM).