

Press release 23 February 2022

Synsam Group's Year-end report 2021

"Continued strong profitability and growth"

1 October – 31 December 2021

- Net sales amounted to SEK 1,245 million (1,093), up 14.0 percent
 - Organic growth totalled 13.8 percent (19.1)
- The gross margin increased to 79.2 percent (76.5)
- EBITDA rose to SEK 296 million (279) and the EBITDA margin was 23.5 percent (25.1). Adjusted EBITDA rose to SEK 333 million (292) and the adjusted EBITDA margin was 26.5 percent (26.2)
- EBITA amounted to SEK 186 million (190) and the EBITA margin was 14.8 percent (17.1). Adjusted EBITA increased to SEK 223 million (203) and the adjusted EBITA margin was 17.7 percent (18.2)
- Cash flow from operating activities amounted to SEK 392 million (323)
- External net debt amounted to SEK 2,390 million (2,636) at year-end
- Profit after tax amounted to SEK 47 million (-34)
- Earnings per share before and after dilution totalled SEK 0.38 (-0.47)
- 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

1 January – 31 December 2021

- Net sales amounted to SEK 4,669 million (3,806), up 22.6 percent
 - Organic growth totalled 23.2 percent (3.2)
- EBITDA rose to SEK 1,189 million (934) and the EBITDA margin was 25.1 percent (24.2). Adjusted EBITDA rose to SEK 1,274 million (948) and the adjusted EBITDA margin was 26.9 percent (24.6)
- Cash flow from operating activities amounted to SEK 980 million (898)
- Profit after tax amounted to SEK 51 million (-195)
- Earnings per share before and after dilution totalled SEK 0.60 (-2.73)
- The Board proposes a dividend of SEK 1.70 (0.00) per share

President and CEO Håkan Lundstedt comments:

"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. It is gratifying to note that more customers chose

Synsam in the past year and that we are continuing to increase our market share in a highly competitive market. Likewise, I'm proud that during a year affected by a pandemic and restrictions we reported organic growth of 23 percent, with 14 percent for the fourth quarter. Both in terms of sales and profitability, we reached an all-time high in 2021 in the Group, what also was done in three of our four segments, with the exception of the highly competitive Danish market, which is evidence that Synsam remains highly relevant for consumers.

Our highest priority is our strategy of constantly refining and developing our concept, both in terms of the customer offering, the customer service in physical stores as well as ensuring the company's digital solutions and services remain cutting edge. Synsam's focus is to grow organically through an expanded network of stores and by offering a broader and more appealing product range to customers as well as through new innovations and our own competitive House Brands.

Physical stores close to the customer increase availability and improve the customer experience and the opportunity to continue to increase store penetration is considered good. The company's growth strategy is to expand in its existing markets – in Sweden, Norway, Denmark and Finland. I would particularly like to highlight the performance in Finland, where six new stores were established in 2021, from a base of 31 stores at the end of 2020 – a major store expansion for a single year. Synsam is considered an attractive tenant that drives customer traffic, which strengthens our ability to sign contracts for attractive premises. Another Flagship store opened, this time at Hötorget in Stockholm. At over 900 square metres, the store is northern Europe's largest optical retail store, with more than 5,000 pairs of frames, sunglasses and sports spectacles. Synsam's goal is to open 90 new directly owned stores within a three-year period. 26 new stores were opened in 2021, meaning that the rate of establishment is expected to increase somewhat during the next two years. In the short term, we expect seven to ten stores to open in the first quarter of 2022.

Synsam's rapidly growing subscription business for eyewear, Synsam Lifestyle™, has been and continues to be a strong driver of the company's sales, growth and profitability. The number of customers who chose the Lifestyle offering increased by 40 percent in 2021 and growth in the number of customers was higher in the fourth quarter than in the third. To continue to create added value for customers and strengthen Synsam's appeal in the market, the next generation of subscriptions, Lifestyle 5.0, will launch in summer 2022. Our subscription service provides a sense of 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 well suited to the Scandinavian market. Synsam's subscription service for contact lenses also performed well, with growth of 38 percent in 2021.

INNOVATION AND THE SYNSAM OF THE FUTURE

Establishing our own production unit and an innovation centre in Östersund is going according to plan. Bringing production of the company's own House Brand spectacles to Sweden, which so far has been carried out by third-party manufacturers in Asia, will shorten lead times and allow us to more quickly meet customers' needs and demands. In addition to offering a more exciting and broader product range, local production is an important part of Synsam's sustainability strategy. The facility will be operated with a focus on sustainable production and product design and with a closed-loop approach. The facility is also positive for Synsam's business. It's worth noting in this context that House Brand frames accounted for more than 50 percent of the Group's total frame sales during the fourth quarter. Production will initially consist of an entirely new range with new designs suited to the Nordic market and gradually supply the entire Group's production of House Brand frames within a few years. The investment totals an estimated SEK 100 million. Preparations intensified in the first quarter of 2022 ahead of the inauguration and production start on 17 August.

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. The establishment of Synsam recycling and outlet stores promotes more circular flows and reduced waste and expands Synsam's target group by appealing to a younger customer group who prioritise factors such as sustainability and the environment.

STRONG PROFITABILITY TREND, BUT WITH A FOCUS ON GROWTH

The strong sales growth and profitability trend continued during the fourth quarter and throughout the 2021 financial year. Earnings before depreciation and amortisation (EBITDA) increased by 6 percent to SEK 296 million during the quarter and adjusted EBITDA grew by 14 percent to SEK 333 million. For full-year 2021, EBITDA increased 27 percent and adjusted EBITDA increased 34 percent. The difference between the reported earnings and the adjusted earnings is due to costs of SEK 37 million charged to the fourth quarter related to the company's IPO at the end of October. The full-year impact of the IPO on earnings was SEK 85 million. I am very proud that we succeeded in reporting a high level of organic growth and a significant earnings improvement, while also investing and increasing the number of stores. It is especially gratifying to note that all areas of our business jointly contributed to the improvement in earnings, with strong performances from Lifestyle subscriptions, our attractive store concepts (supported by new establishments), our own House Brands and our digital channels that complement the core business.

Synsam has high ambitions in terms of growth and profitability. The goal over the medium term is to post organic growth of 8 to 12 percent, with an adjusted EBITDA margin of 25 percent or higher. Our focus is on growth and taking advantage of the opportunities for expansion we see in the market in order to continue increasing our market share while retaining good profitability. Our assessment is that by investing and prioritising growth, we can create more value for our shareholders in the future. Synsam is a unique company with a great growth potential and opportunities waiting to be explored, and together with our fantastic employees I look forward to continuing to develop the 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:** Webcast with teleconference.
- **Speakers:** President and CEO Håkan Lundstedt and CFO Per Hedblom.
- Registration for participation in webcast with teleconference:
<https://financialhearings.com/event/43439>

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/43980>

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

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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 23 February 2022.

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 4.7 billion (2021) 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).