



2021

Annual and Sustainability Report



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This Annual and Sustainability Report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the English version, the Swedish version shall prevail.

The Annual and Sustainability Report contains information on the conditions, development, growth rate, trends and competitive situation in the markets and regions in which Synsam operates. Unless otherwise stated, such information is based on Synsam's analysis of a number of sources, including external sources in the form of publicly available industry publications and industry reports, as well as a market study prepared for Synsam by the Boston Consulting Group. Synsam certifies that information from external sources has been accurately reported and, to the best of Synsam's knowledge, no information published by such external sources has been omitted which could cause the reported information to be inaccurate or misleading. Where 'Company Information' is cited as a source, such information is derived from Synsam and is based on Synsam's own estimates based on information obtained from customers, suppliers, trade associations and other contacts in the markets in which Synsam operates.

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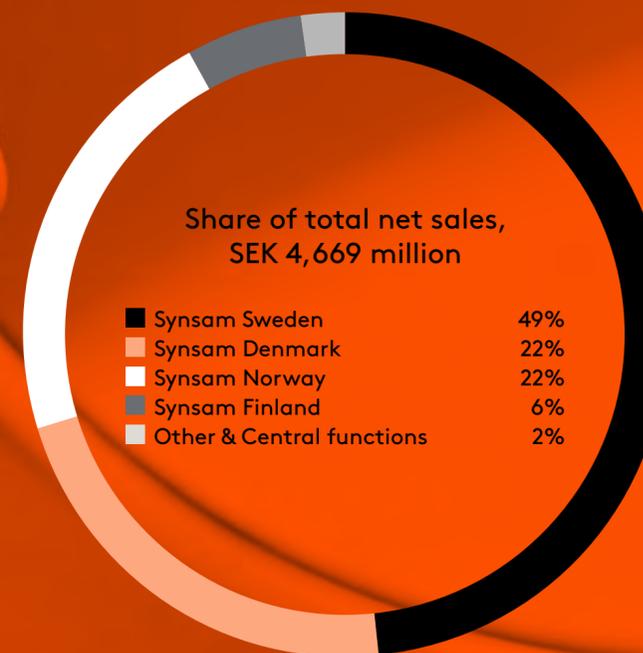
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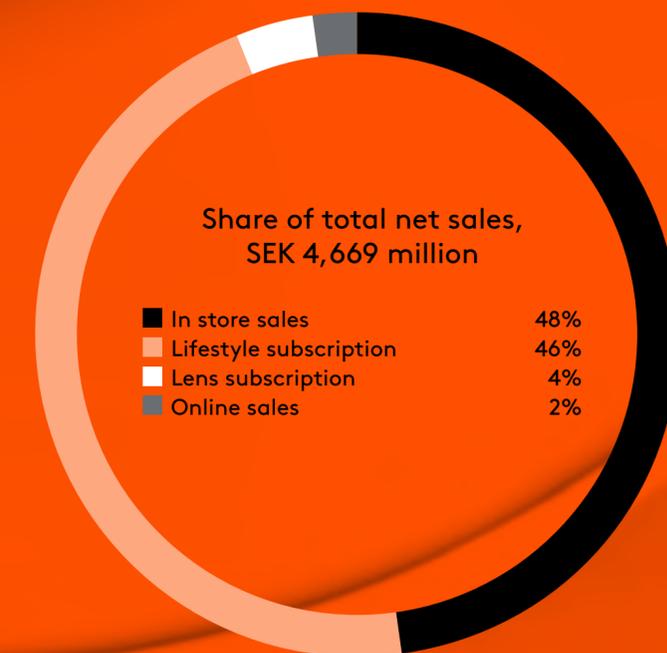
This is Synsam

Since its founding in 1968, Synsam has grown to become one of the Nordic countries' leading players in optics, eye fashion and eye health, with 500 stores in Sweden, Denmark, Norway, Finland, Iceland and the Faroe Islands. Synsam's ambition is to continue to strengthen its industry-leading position with innovation and a clear sustainability perspective.

Net sales
per segment 2021



Net sales
per product category 2021



THIS IS SYNSAM

Industry leader in eye health

Synsam, founded in 1968 by ten independent opticians, is a leading and profitable lifestyle company in optics and eye health in the Nordic region. The Group operates through stores in Sweden, Denmark, Norway, Finland, Iceland and the Faroe Islands, as well as through e-commerce. The stores are operated both as directly-owned and by franchisees. In Sweden, Norway and Finland it is the Synsam brand that is used, and in Denmark and Iceland Profil Optik.

From its inception, the Group has grown to include 500 stores, the vast majority of which are directly-owned. The store network are complemented by a strong online and social media presence where customers can buy products, book eye examinations, manage their subscriptions, or try out new glasses directly on their mobile phones.

Synsam has a unique range of glasses, sunglasses, sports glasses and contact lenses that include both Synsam's

own and other well-known brands. The offering also includes glasses and contact lens subscriptions, eye examinations, both physical and online, and personal style advice when trying on glasses. Synsam's customers can also make sustainable choices, such as shopping from the sustainability chain Synsam Recycling Outlet.

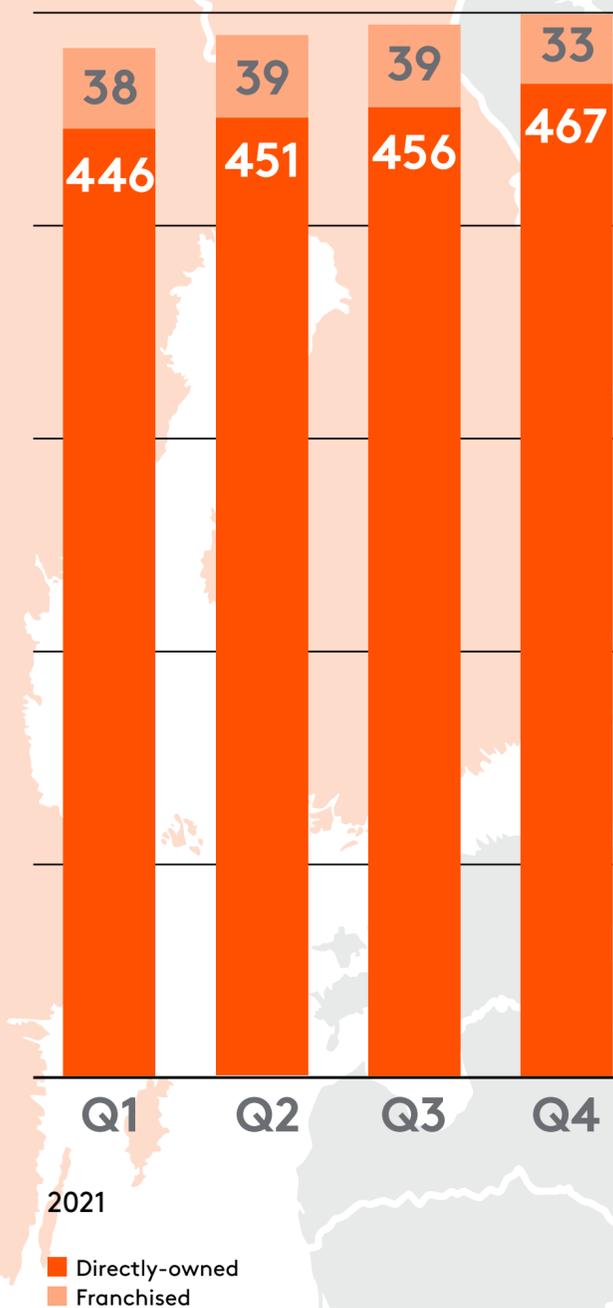
As early as 2016, Synsam was the first player in the market to launch the Synsam Lifestyle™ subscription service for a fixed monthly fee. This allows customers to combine products and services such as glasses, sunglasses and contact lenses, change a pair of glasses every year, have eye examinations, insurance against loss, theft and damage and free replacement of lenses if their vision changes.

Synsam's ambition is to continue to strengthen its industry-leading position in eye health and eye fashion with a clear and integrated sustainability perspective throughout the chain.

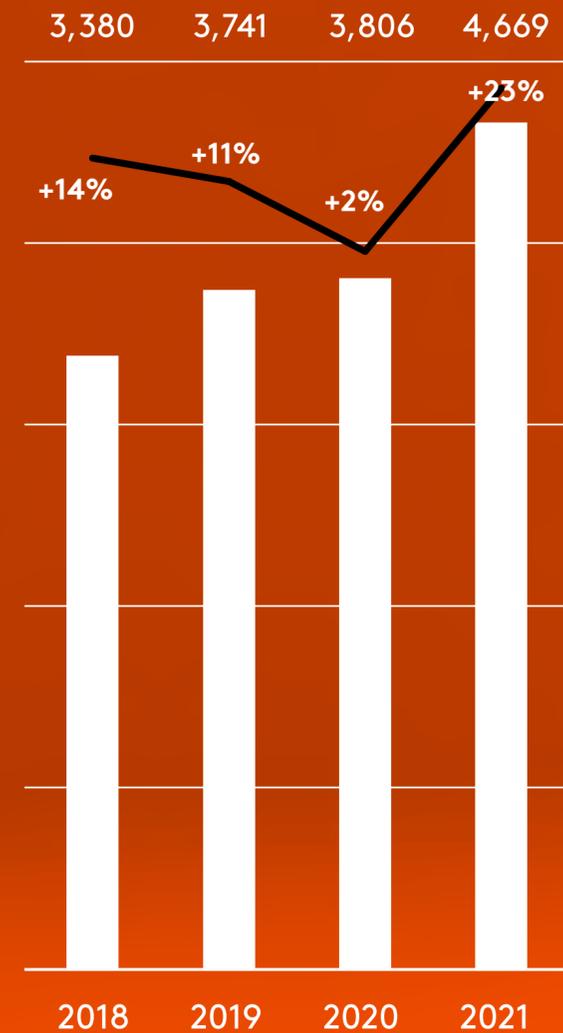
26

new directly-owned stores have opened during 2021

Number of stores per quarter



Net sales development, SEKm



2021

■ Net sales
■ Growth, YoY

The year 2021

In 2021, Synsam was listed on Nasdaq Stockholm's Mid Cap list. The Group also communicated that, as from 2022, the production of glasses frames for its own brands will be moved successively from Asia and Italy to a new production and innovation centre on the island of Frösön in Östersund, Sweden.

THE YEAR 2021

2021 in focus

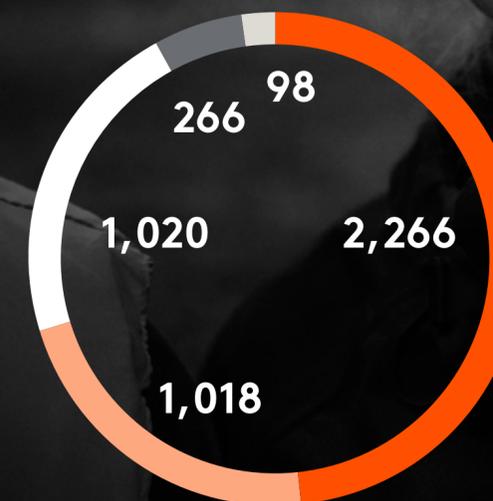
1 JANUARY – 31 DECEMBER 2021

- Net sales amounted to SEK **4,669** million (3,806), an increase of **22.6** percent.
- Organic growth amounted to **23.2** percent (3.2)
- Gross margin increased to **76.7** percent (75.0)
- EBITDA increased to SEK **1,189** million (934) and the EBITDA margin was **25.1** percent (24.2).
- Adjusted EBITDA increased to SEK **1,274** million (948).
- The adjusted EBITDA margin was **26.9** percent (24.6).
- EBITA increased to SEK **773** million (543) and the EBITA margin was **16.3** percent (14.1).
- Adjusted EBITA increased to SEK **858** million (557).
- The adjusted EBITA margin was **18.1** percent (14.4)
- Cash flow from operating activities amounted to SEK **980** million (898)
- Net external debt amounted to SEK **2,390** million at the end of the period, compared with SEK 2,636 million at 31 December 2020
- Profit after tax amounted to SEK **51** million (-195)
- Earnings per share, before and after dilution, amounted to SEK **0.60** (-2.73)

23.2%

Organic Growth

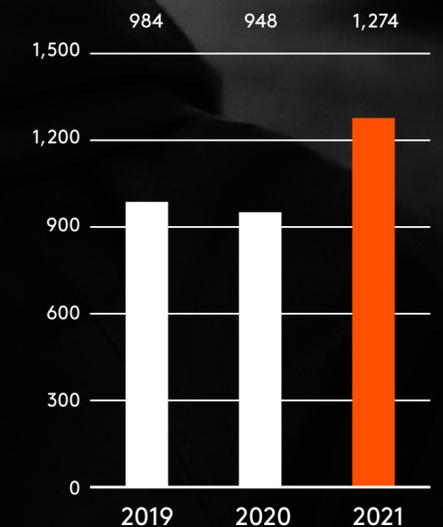
Net sales per segment, SEKm



2021

■ Synsam Sweden	2,266
■ Synsam Denmark	1,018
■ Synsam Norway	1,020
■ Synsam Finland	266
■ Other & Central functions	98

Adjusted EBITDA, SEKm



Key events in 2021

Q1

- Synsam announces that the Group's production of glasses will be moved from Asia to Östersund. Hangar 90 at the old air base on Frösön will become a new state-of-the-art production and innovation centre.
- For the third year in a row, Swedish consumers voted Synsam the country's most sustainable brand in the optics industry in the Sustainable Brand Index.
- Extended COVID-19 restrictions after the turn of the year, particularly in Denmark and Norway, have had a negative impact on customer traffic.
- On 1 March 2021, 100 percent of Audionomkliniken Sverige AB was acquired. The Company's activities include audiology services, which include hearing aids, and consulting services in this field.

Q2

- A Synsam Flagship unit was established in Odense, Denmark, in April. Two Recycling Outlet stores were established in Stockholm in May and in Malmö in June. Synsam Hearing expanded by two units in Täby and in Nacka.

Q3

- Two Recycling Outlet stores were established in Västerås and Umeå.
- Synsam Lifestyle™, Synsam's glasses subscription service, reaches approximately **361,000** Lifestyle subscribers in the Nordic region.

Q4

- Synsam wins Sustainability Initiative of the Year in the Retail Awards 2021.
- On 29 October, Synsam is listed on Nasdaq Stockholm's Mid Cap list under the name SYNSAM. The number of shares and votes on 30 November was **150,000,000**.
- Development of new sustainability targets – efforts continue in 2022.
- A total of eight Recycling Outlet stores in Sweden and one in Finland have been established since the concept was started.
- **34,500** pairs of activity glasses distributed to children throughout the Nordic region at this point.
- Synsam Lifestyle™ reaches approximately **393,000** Lifestyle subscribers in the Nordic region.

FINANCIAL RATIOS	2021	2020
SEK million		
Net sales	4,669	3,806
Organic growth, %	23.2	3.2
Gross margin, %	76.7	75.0
EBITDA	1,189	934
Adjusted EBITDA	1,274	948
EBITDA margin, %	25.1	24.2
Adjusted EBITDA margin, %	26.9	24.6
EBITA	773	543
Adjusted EBITA	858	557
EBITA margin, %	16.3	14.1
Adjusted EBITA margin, %	18.1	14.4
Operating result, EBIT	633	402
Profit after tax	51	-195
Earnings per share, before and after dilution, SEK	0.60	-2.73
Cash flow from operating activities	980	898
Cash flow from operating activities/Adjusted EBITDA, %	76.9	94.8
Net external debt/Adjusted EBITDA	1,88	2,78

23%

We achieved the highest turnover and profitability ever in Synsam's history: 23% organic growth.

MESSAGE FROM THE CEO

A record year to be proud of – great potential for future development

Synsam started 2021 with high ambitions. We are a leading Nordic lifestyle company in optical retail and eye health, but we still have a large unrealised potential. Our focus on innovation and sustainability is such that we are constantly looking at how we can attract more customers, develop buying behaviour in our markets and continue to improve the quality of our products and services.

It is with considerable pride that I will now sum up the year. We achieved the highest turnover and profitability ever in Synsam's history: 23 percent organic growth. Despite the impact of the pandemic and restrictions over the past two years, our business has performed strongly and we continue to gain market share in a very competitive market. I see it as proof of the strength of our strategy, the fantastic work put in by our employees and the success of our efforts to constantly refine and develop our offering, our customer experience and our digital solutions and services.

A customer-centric growth strategy

Synsam is focusing on growing organically in our existing markets – Sweden, Norway, Denmark and Finland. The basis of our growth strategy is to continue expanding our store network. During the year, we opened 26 new stores and a new flagship store at Hötorget in Stockholm. At 900 square metres in size, the store is the largest optical retailer in Northern Europe offering more than 5,000 frames, sunglasses and sports glasses. Our intention is to further increase the rate of new store openings over the next two years, with the aim of opening 90 new directly-owned stores in attractive locations and shopping centres during the period 2021-2023.

Unlike other parts of the retail industry, Synsam's stores and eye health centres remain a central part

of our customers' experience and buying process. They visit the stores to get advice, try on frames from our different collections and to have their eyes tested by one of our opticians. The important role Synsam plays in eye health in the Nordic region makes me both proud and happy. This applies in terms of both the individual customer who needs help with their vision and their eyes, and society at large where Synsam contributes to the state of knowledge and to even better eye health products and services.

Synsam Lifestyle™ changes the whole industry

Synsam's fast-growing glasses subscription business, Synsam Lifestyle™, is well on its way to changing buying behaviour across the industry and continues to be a strong driver of our growth and profitability. Synsam Lifestyle™ creates peace of mind for customers who want to avoid unforeseen expenses, while getting the service and products they need to see better, and look better. In 2021, Lifestyle sales grew by 37 percent and at the end of the year we had a total of 393,000 Lifestyle customers. The next generation version of the subscription, Lifestyle 5.0, will be launched in the summer of 2022, the aim being to continue to add

We have moved in earnest from words to action to reduce our climate footprint

value for customers and to strengthen Synsam's attractiveness in the market.

Sustainability – a cornerstone of our business

Synsam aims to be the leading and most sustainable lifestyle company in optics and eye health. We help our customers to see better and

maintain good eye health throughout their lives, and we want to do this with the smallest carbon footprint possible. We have moved in earnest from words to action to reduce our carbon footprint. We feel that this strengthens our attractiveness as an employer, as a counterparty for suppliers and as we are seen by our customers. During the year, we started work on defining new

sustainability objectives for the business, which will continue in 2022.

Setting up our Synsam Recycling Outlet store concept is an important part of our sustainability work. It contributes to more circular flows, reduced waste while broadening Synsam's target group, and appealing to a younger customer group for whom sustainability and the environment are important contributing factors



9,000

During the year, Synsam also distributed around 9,000 pairs of free activity glasses to children as part of the 'Everyone should see!' initiative.



when they shop. The expansion really took off in 2021 when we opened a total of eight new Recycling Outlet stores.

During the year, Synsam also distributed around 9,000 pairs of free activity glasses to children as part of the 'Everyone should see!' initiative. The initiative is aimed at children between the ages of 5 and 12 years, and the activity glasses are specially designed to cope with sports activities, outdoor games, jumping and mischief! Since its inception, a total of 34,500 pairs of glasses have been distributed in the Nordic region.

Innovation and the future of Synsam

Work on setting up our own production unit and an innovation centre in Östersund has continued according to plan during the year. The project, which we call 'Made in Sweden', started in 2020 and involves moving production of our own House Brands from Asia to Sweden. The project strengthens Synsam's business, shortens lead times, increases our flexibility, and we will be able to offer a more exciting and wider range of locally produced and sustainable frames. The project will also reduce our carbon footprint. The facility will be operated with a focus on sustainable production and product design, and on circular cycles. Initially, production will consist of a completely new range with a new design adapted to the Nordic market, the aim being to gradually get to supply the entire Group's production of its own frames within a few years. Work on 'Made in Sweden' is ongoing and has been intensified during the first quarter of 2022. The

opening and start of production is scheduled for 17 August 2022.

Listing on Nasdaq Stockholm – a milestone in Synsam's 50-year history

During the year, Synsam also reached another milestone in our more than 50-year history, namely its listing on Nasdaq Stockholm's Mid Cap list on 29 October. The listing gives us an even better opportunity to continue our growth journey, and we are pleased that there was great interest among both Nordic and international investors in subscribing for Synsam shares.

Aiming for growth

Synsam has started 2022 with continued high ambitions for the business. We must continue to grow profitably and to take market share. We must continue to develop and refine our offering and customer experience, both online and in-store. And we must continue to make a difference – for the vision and eye health of our customers, and for the sustainability challenges of society at large. We are a unique company with great growth potential and unexplored opportunities. I look forward to working with our fantastic employees to continue developing the leading lifestyle company in optics and eye health in the Nordic region.

Håkan Lundstedt
President and CEO

Market

The Nordic optics and eye health market is growing. There are several reasons for this: We are living longer and this creates a greater need for vision correction. Our increased use of tablets, mobile phones and computers is increasing short-sightedness, especially among younger people. And, finally, glasses have become a fashion item that is being frequently replaced.

MARKET

The optics market is resilient

According to the market study that was prepared for Synsam, the size of the Nordic optics industry as at 2020 was estimated to be close to SEK 18 billion. The optics market, with its link to eye health, is more resilient to economic fluctuations compared with other retail segments and is thus less exposed to a shift from physical stores to online sales. This is expected to lead to continued growth of around three percent per year in the coming years.

1. Glasses, contact lenses and sunglasses

The industry's most important product category is glasses, with frames and lenses together accounting for 78 percent of the market. Contact lenses make up another 14 percent of the market, and most contact lens wearers also wear glasses or sunglasses to complement them. With the exception of Denmark, Nordic subscription services for contact lenses are still relatively undeveloped. Sunglasses, the third product category, account for about eight percent of the market.

2. Trends

There are three key trends behind the continued growth in the optical retail sector that contribute to continued stability and volume growth in the Nordic market.

Demographics

As life expectancy in the Nordic countries increases, so too does the need for vision correction, which in turn leads to increased sales of glasses and other products.

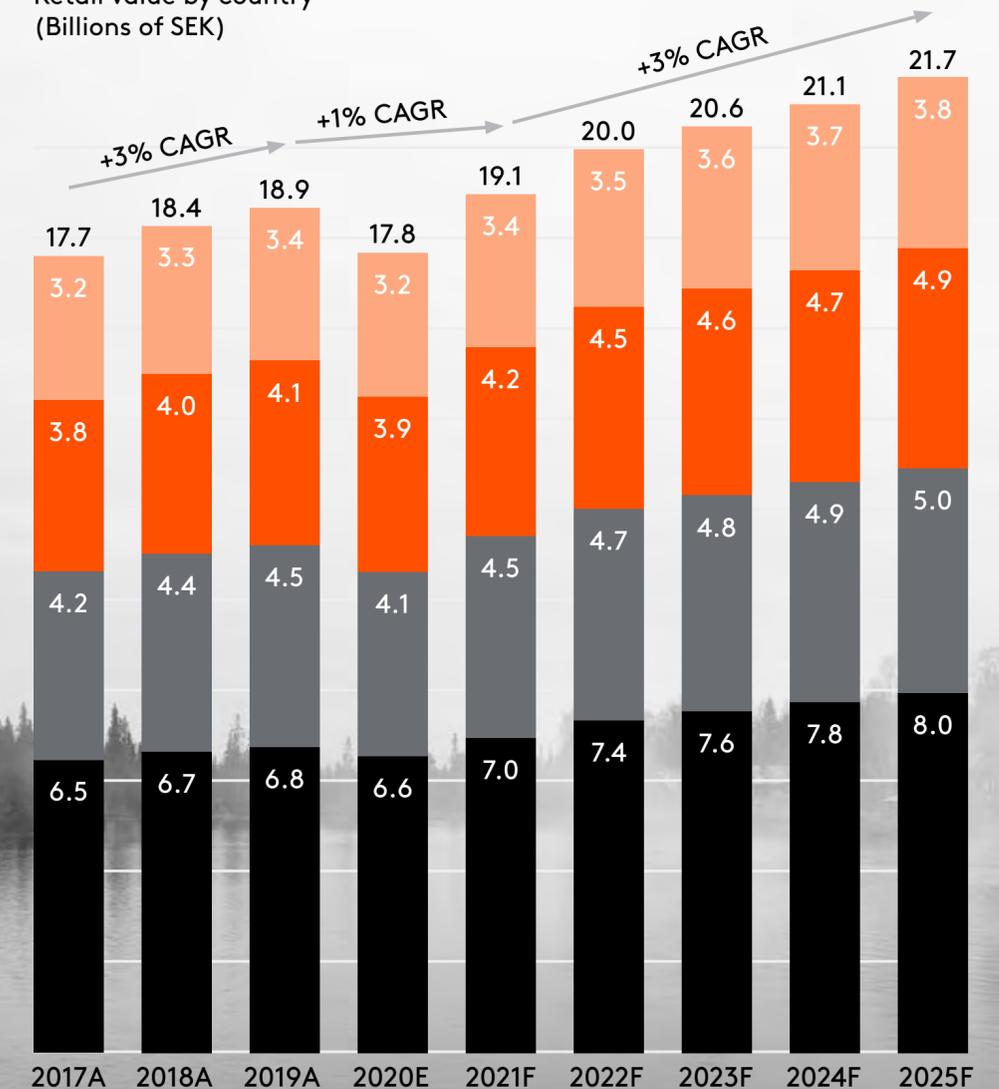
Increased screen time

Today we spend more and more time in front of screens on mobile phones, tablets and computers. Increased screen time, combined with more time spent indoors and less time outdoors in natural light, is making short-sightedness more common in all age groups, but particularly among younger people. By 2050, it is estimated that 50 percent of the Nordic population will be short-sighted, compared with around 34 percent today. Over time, these developments increase the need for computer glasses, progressive glasses and contact lenses.

Shorter lifespan

Glasses are no longer only a medical necessity – they are also a fashion statement, which, according to the study, means that the number of pairs of glasses each person owns will increase, and the time between changes of glasses will become shorter. In 2015, the average time from purchase to replacement was three years; customer surveys show that this average time has now dropped to 2.3 years.

Retail value by country
(Billions of SEK)



CAGR '17-'19 CAGR '19-'21 CAGR '21-'25

3%	0%	3%	Finland
4%	1%	4%	Norway
4%	0%	3%	Denmark
3%	1%	3%	Sweden

Source: Market study

Please note: Sales value for vision screening has been excluded due to data restrictions; historical data suggests minimal changes for this segment. Market size and growth rate do not include disruptive business models, but refer to traditional cash and online sales.

3. Channels

The vast majority of glasses and sunglasses are purchased in traditional optical retailers, partly as a natural consequence of the need for eye examinations. Only four percent of all glasses in the Nordic countries were purchased online in 2020. Contact lenses, on the other hand, are the product category that accounts for the highest level of online shopping.

4. Sweden

Synsam has a market share of 33 percent and is Sweden's largest optical chain in competition with a number of established chains, primarily with a low-price profile. There are currently about 800 independent optical retailers in Sweden. In total, they account for 14 percent of the market, but their share is declining.

5. Denmark

In Denmark, Synsam operates under the name Profil Optik and has a market share of 23 percent. The Danish market is more competitive compared with other Nordic markets, and there are several players with similar market shares.

6. Norway

Norway is still the least consolidated country in the Nordic region, with the three largest optical chains having a combined market share of over 60 percent. Synsam has a market share of 21 percent. It is the second-largest chain in the country and the market leader in the medium and premium segment. 19 percent, 850 optical retailers, are independent, although many of them have merged into purchasing groups.

7. Finland

The most consolidated market is in Finland, where the three largest chains account for almost 70 percent. Synsam has a market share of six percent and is the fifth-largest optical chain in Finland. Less than ten percent of the market is made up of independent stores.



Strategy

At the heart of Synsam's strategy is a focus on the customer together with affordable offers and innovative store concepts to meet customer needs. Innovative and clear communication through a number of different channels, digital as well as physical in the form of different business concepts, creates a platform for the Lifestyle subscription and attracts customers to stores, e-commerce and eye examinations.

STRATEGY

Synsam and the omnichannel strategy

Synsam has an omnichannel strategy that aims to meet the customer seamlessly across sales and service channels regardless of the customer's preferences throughout the customer journey. Synsam's digital channels on its own and third-party platforms such as Facebook and Google interact seamlessly with the store network that forms the physical base of the business.

At the heart of the omnichannel strategy is a focus on the customer. This means that customers can interact with Synsam not only in the physical store, but also via their mobile phone, tablet or computer at home. The aim is to create a fully integrated experience and a harmonised price picture wherever, however and whenever the customer encounters Synsam.

When used correctly, the omnichannel strategy constantly creates new opportunities for innovative and customer orientated meetings and contributes to the creation of new meeting places and touchpoints. This in turn generates increased interest, attracting new and existing customers to stores, e-commerce and eye examinations. Synsam's knowledge of the customer journey, combined with innovative thinking in marketing and communications, are critical success factors.

Creating greater awareness and attention for the Synsam brand, as well as for its own Nordic brands and for Synsam's Ai Eyeware concept, is a high-priority area in the strategy. Continued growth for the Group is expected to come from a combination of Lifestyle subscriptions, Synsam Sports, e-commerce, own brands and contact lens subscriptions.

The Lifestyle subscription

A market study has shown that there is a large market potential for Lifestyle subscriptions as these currently only represent about four percent of the total Nordic market for optical products and services. According to the study, up to 60 percent of customers who have not yet taken out such a subscription may be interested in a subscription service for glasses. To reach these potential subscribers, Synsam focuses on identifying the customer needs of its existing customers and proposes solutions for them. At the same time, there is a strong focus on attracting new customers, including by continuously developing and communicating the benefits of the service.

Contact lenses

In 2018, Synsam launched a new contact lens strategy, with a new product range combined with promotions

Omnichannel strategy



and the launch of a contact lens subscription as key components. The intention is to create a more long-term relationship with customers who are currently one-off purchasers of contact lenses, but also to increase additional sales of glasses and sunglasses as the majority of customers with subscriptions also buy such products.

Synsam Sports

Synsam is leveraging its position as the leading optical chain in the Nordics by building a unique niche in sports glasses, which increases the breadth of Synsam's total product offering. There is currently a range of glasses that covers about thirty of the most common sports activities under the categories of Active, Outdoor, Snow, Street and Water.

Own brands

Own brands are a key differentiator for Synsam as they allow stores to offer a broader and more tailored range of products to suit the Nordic customer base.

Expansion of the retail network

The launch of new stores and concepts forms the basis of Synsam's growth strategy. Synsam has built up extensive experience in opening new stores in the countries where the Group operates. Since 2018, 81 new stores have been opened and the total number of stores now stands at 500. An analysis of the market has identified over 160 potential locations for new stores, and in the period 2021–2023 Synsam is planning 90 new stores. The majority of these will be Mega Stores and Recycling Outlet stores in attractive retail locations and

shopping centres. Currently, the Group is planning the split per country to be about 40 new stores in Sweden, about ten in Denmark, about 30 in Finland and about ten in Norway.

Synsam Hearing

Synsam has evaluated various market segments related to eye health that may offer new opportunities for further expansion. The first step in this is the start of Synsam Hearing, a business offering hearing tests and hearing aids in selected stores. The combination of hearing and optical retailing is well established in Europe and North America, for example, but still undeveloped in the Nordic region.

Other strategic initiatives

Synsam has identified a number of additional initiatives that may help to promote growth over time. In eye health, there are opportunities to open more eye health centres and to enter into strategic partnerships with private eye clinics. E-commerce is a further potential growth area.

Another interesting market is B2B, i.e. business customers, where Synsam could drive more traffic to the stores by offering discounted computer glasses, eye examinations and other services, and thus increase the number of private customers. The market for corporate customers is stable and Synsam is well positioned to successfully enter into various procurement arrangements. In the longer term, it is possible that Synsam could expand in Europe, by establishing any of its own concepts, or by acquiring one or several middle sized optic chains.



Operations

Synsam's 500 stores form the basis of its business, but it is also an industry leader in digital channels. The Lifestyle subscription and Synsam's House Brands are successful examples of Synsam's innovation capabilities. In addition to different types of glasses, a range of products and services are on offer, from contact lenses to eye examinations and style advice.

OPERATIONS

Comprehensive range of both products and services

The basis of Synsam's activities is its network of stores, where customers can meet an optician for eye examinations, choose glasses, sunglasses or contact lenses, take out subscription services and also get style advice, as glasses are increasingly a fashion item. By the end of 2021, Synsam had 500 stores in the Nordic region, the vast majority of them directly-owned. Owing to its size, efficiency and innovative capacity, Synsam is able to offer its customers a comprehensive range of both products and services at competitive prices. In addition to the stores, Synsam has a strong online presence via Synsam, Profil Optik and Ai's own websites and social media, enabling customers to meet and interact with Synsam when and where it best suits them. This makes Synsam the industry leader in integrating digital channels into the customer encounter.

Glasses

Glasses are Synsam's original and largest product category. Here, the Group offers glasses, sunglasses and sports glasses,

By the end of 2021, Synsam had 500 stores in the Nordic region, the vast majority of them directly-owned.

both from its own brands and from well-known global ones. Prescription and non-prescription glasses and sunglasses can be purchased both in-store and online and are included in the Lifestyle subscription.

Reuse and recycling

Synsam is actively working to increase the recycling of old glasses frames as material for new frames and therefore collects used frames in its stores. There are also opportunities to buy second-hand glasses frames through the Synsam Recycling Outlet.

Sports Glasses

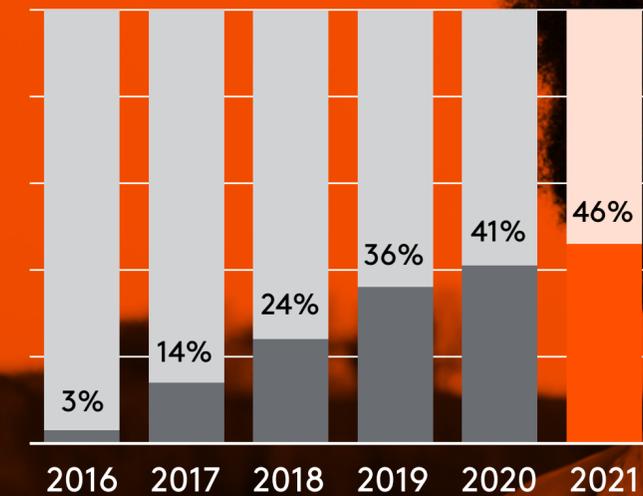
Nordic customers are becoming increasingly active in various sports, and sports glasses are therefore expected to be a growing part of sales. Sports glasses are sold both on prescription and

over the counter, in stores and online. Synsam offers customers a number of brands including its own, Rigel and Sports Essential. The range includes glasses adapted for some thirty different activities in the Active, Outdoor, Snow, Street and Water sectors.

Contact lenses

Synsam offers spherical, toric and multifocal lenses. Spherical lenses correct short-sightedness and long-sightedness, toric lenses address astigmatism and multifocal lenses are used against age-related vision loss. Both one-day and monthly lenses are available. Contact lens wearers are a particularly interesting customer group for Synsam as they often combine lenses with regular glasses and sunglasses. Synsam sells contact lenses from global brands and through its own brand, EyeQ.

Synsam Lifestyle™ accounts for an increasing share of total net sales



Sales of contact lenses subscription increase quickly (SEKm)



OPERATIONS

Services

All Synsam stores offer a range of services, from style advice to eye examinations by licensed opticians, but also more advanced eye examinations at dedicated eye health centres. Today, Synsam has 64 such centres in the Nordic countries, and the aim is to reach customers with potential eye problems in order to refer them to local partners, such as private eye clinics. Both simple and more sophisticated eye examinations build long-term customer relationships that help drive traffic to stores. Synsam also offers a corporate solution where the Group is responsible for the delivery of products and services to the employees of various companies.

Lifestyle and contact lens subscriptions

Synsam was the first player in optical retail and eye health to offer a subscription service for products and services. For a fixed monthly fee, the Lifestyle subscription allows customers to combine several pairs of glasses and lenses, have eye examinations, change glasses and use other services to tailor a complete solution to their own needs.

The subscription solution currently accounts for a large part of the Group's turnover. There is considerable market potential for Lifestyle subscriptions as these currently only represent about four percent of the total Nordic market for glasses. According to a study, up to 60 percent of customers who have not yet taken out such a subscription may be interested in one.

Synsam Lifestyle subscription



Pay nothing today



Unlimited number of eye examinations



New glass as vision changes



Yearly exchange of one product of your choice



Complete insurance



Cleaning products and adjustments included

CASE

Synsam Lifestyle™ – in constant evolution

Synsam's Lifestyle subscription for glasses is a success and something of a 'game changer' in the industry, but that did not happen by chance. There was a customer need that no one had seen, but which Synsam identified in 2015 in a big data-driven analysis. That analysis laid the groundwork for the Lifestyle subscription, which was launched in 2016 and has since been further developed. Synsam has now passed Lifestyle 1.0, 2.0, 3.0 and 4.0 – soon it will be time for Lifestyle 5.0.

The glasses subscription service has been growing steadily since its inception and it is growing fast, achieving 37 percent revenue growth in 2021 alone. Today, there are around 393,000 subscribers in the Nordic countries and there is great potential for further growth – although subscribers are in the hundreds of thousands, they represent only four percent of the total Nordic market.

Synsam saw from its analysis that customers had a real need for glasses – and for several other vision aids, such as sunglasses and sports glasses – and wanted to invest in them. At the same time, it was found that they invested only

every three years, and then in one product at a time. This is because the customer knows that sight changes continuously and that the products purchased may become unusable over time. Synsam turned the argument on its head. With Lifestyle, Synsam today gives its customers a greater number

and variety of options to choose from and adapt the solution to their needs. At the same time, customers do not have to worry about

costs when their sight changes – or when they just want to change their glasses for other reasons – because the subscription is a fixed monthly cost that includes everything from new frames and lenses to eye examinations and insurance.

Selling glasses subscriptions may seem like a simple business in theory, but it is a complex matter – not only legally and financially, but also in terms of the technical platform needed to make it work. Synsam is at the forefront with its own scalable solution that helps the Group and, above all, customers, who can easily and efficiently manage their subscriptions digitally or in one of Synsam's stores.

The glasses subscription service has been growing steadily since its inception

OPERATIONS

In 2018, Synsam launched a subscription solution for contact lenses in Sweden, Norway and Finland. The service complements Synsam's other customer offerings and has seen strong growth since its introduction. For Synsam, the advantage of the subscription, as with the Lifestyle subscription for glasses, is that the Group creates both additional sales and a longer and, over time, more lasting relationship with the customer.

Synsam Hearing

Hearing tests and hearing aids constitute a market segment related to the services and products offered by Synsam for eye health. A combined offering is common in Europe and also in North America, but that is not yet the case in the Nordic market. Synsam has therefore started the Synsam Hearing initiative, which offers hearing tests and hearing aid trials in selected stores. The initial focus for Synsam Hearing is on Sweden.

Synsam's own brands

Synsam launched its first own brands as early as 2016. The aim then, as now, was to reposition the Group's overall brand towards eye fashion and value for money, thereby differentiating itself from its competitors. Today, the Group has ten successful own brands in four price segments, Essentials, Classic, Premium and Exclusive, each with a clear profile, purpose and target group. Examples include the premium brand Oscar Eide, Design by Bernadotte & Kylberg, which focuses on innovation, and Readers, which offers fashionable reading glasses.



Wai Chan,
Head of Design,
House Brands

CASE

Synsam's private labels

In 2016, Synsam launched its first own brands, known as House Brands. Today, the Group has ten such brands and together they account for the majority of all glasses sold in Synsam stores. Together, they also cover all market segments, from low-price to premium, where the major fashion houses and manufacturers are represented and increasingly complementary.

The logic behind the own brands is that Synsam is less dependent on external suppliers and can control both manufacturing and design in a way that suits Nordic customers, while the Group, by achieving high cost efficiency, can offer an attractive price to the consumer. From a position of controlling the production and range itself, Synsam has also been able to add a sustainable range that has received a strong positive response from customers. The growth journey is proof that Synsam has been able to meet a large customer need in the market.

The own brands are manufactured in Asia and Italy, but the move to the new production and innovation facility under construction in Östersund will begin in 2022, giving Synsam greater direct control. It will also be advantageous from a sustainability point of view. The new facility will give

Synsam greater flexibility for the Group to test different materials and designs more quickly, and create more sustainable products that will ultimately reduce its environmental impact.

'Compared to many of our competitors, Synsam has made an early move towards sustainability. This is important for all our brands.'

Victor Sundholm,
Head of Synsam House Brands

The Nordic consumer is very aware and is increasingly requiring that consumption be sustainable in all areas, including glasses. Compared to many of its competitors, Synsam has made an early move towards sustainability, a move that is important for all the Group's brands. Synsam currently sells used glasses from the Lifestyle subscription, but also manufactures new frames from recycled materials. One example is the Fellepini x Sea2See collection, which involved frames made from recycled plastic, salvaged from the sea, and was a success.

OPERATIONS**Omnichannel – stores and online combined**

The stores, together with the various digital channels on which Synsam is active, create a platform that provides an integrated customer experience and a harmonised price image, regardless of the channel. The Group has systematically reduced the number of franchise stores to ensure consistent brand positioning and to fully coordinate both promotions and prices.

In the period 2021–2023, the Group is planning 90 new stores. Most of them are either Megastores, which are a larger store format for the best locations, or Recycling Outlets, which support the Group's sustainability efforts by selling second-hand glasses, or sunglasses, at attractive prices. The products are recycled from Synsam's Reuse and Recycle Boxes, which are located in all the Group's stores. As of February 2022, Synsam has 5 flagship stores, 20 Megastores and 13 Synsam Recycling Outlets.

As part of its omnichannel concept, the Group has set up an online store where virtually all of Synsam's services and products are on offer to customers – from eye examinations to style advice. The Stylelab application enables the customer to test glasses digitally, directly on a mobile phone. Synsam is continuously improving its online offering to provide the best customer experience in the industry.

Ai

In 2018, the Synsam Ai Eyewear concept was launched with a special focus on customers aged 20–40. At Ai Eyewear, customers can design their own glasses by choosing from ten different frame shapes with ten possible colour choices each, as well as ten different lens colours – a total of 1,000 possible unique combinations.

CASE

Three new store concepts

Flagship Stores

Flagship Stores are Synsam's largest stores. They are centrally and attractively located in what are known as AAA locations in a major city. They have a minimum store area of 400 square metres, offer around 3,000–5,000 different products and are eye health centres fitted with modern equipment. The Flagship Stores offer a range of more exclusive products that cannot be found in other Synsam stores. Here the customer will find a complete range of products for both optics and eye health.

Synsam Megastores

Synsam Megastores are one step smaller than a Flagship Store but are larger than a regular store. A Megastore is in a very attractive location, known as an AA location, for an optical store in the local market. A Megastore has a wider range of products – around 2,700 different products – compared with regular stores, which have around 1,000 different products, and has additional rooms for eye examinations.

Synsam Recycling Outlets

Synsam Recycling Outlet is a smaller and simpler business concept. The stores are part of Synsam's sustainability efforts and offer primarily used and recycled glasses sourced from Synsam's Lifestyle subscriptions and recycling boxes.



Synsam Flagship Store, Hötorget in Stockholm, Sweden

OPERATIONS**Synsam and the future – development opportunities**

Synsam has identified a number of additional initiatives that may help to promote growth over time. In eye health, there are opportunities to open more eye health centres and to enter into strategic partnerships with private eye clinics. The Synsam Hearing concept can be developed further. Another interesting market is that of corporate customers where Synsam, by offering computer glasses, eye examinations and other services, can drive traffic to the stores. The market for corporate customers is stable and Synsam is well positioned. In the longer term, it will also be possible for Synsam to expand in Europe either through its own concepts or through acquisitions.

**INTERVIEW**

Corporate customers: a growing business

Synsam's offering to corporate customers is well established in Sweden, Norway, Denmark and Finland and is identified as one of the Group's growth areas. The business is mainly about computer glasses for screen work and about ground safety glasses for work in environments where there is a risk of eye injury.

Companies will have full cost control and simpler administration.

'In both cases, according to the Work Environment Act, it is the employer who must ensure that employees have access to the glasses they need. But for businesses, the process required when an employee needs computer or safety glasses can feel both uncertain and complicated in terms of their not knowing exactly what applies or how to proceed. Synsam has decided to change all that. We have combined different offerings to create a process

that allows companies, whether large or small, to easily and efficiently meet all requirements, while giving all relevant employees access to our services,' says Elin von Thelemann, Synsam's Head of Sales for Swedish corporate customers.

'Companies will have full cost control and simpler administration. Digital requisitions and invoicing from us mean they don't have to deal with forms and loose receipts. The employee gets access to our services in the form of digital appointment booking, free repeat visits, as well as accident guarantees, free refitting of glasses and a 90-day right of exchange if for any reason the glasses are not suitable. In addition, you can choose more expensive frames by paying the excess amount directly in our store. For us at Synsam, one of the benefits is – of course – that the companies' employees are also, or eventually become, our private customers,' says Elin von Thelemann.



Elin von Thelemann
Head of Sales B2B
Sweden

OPERATIONS**Synsam's group functions****Purchasing, logistics and IT**

The purchasing team's main task is to ensure that the Group has – and continues to develop – a competitive range, has good terms of purchase and optimised stocks, while ensuring that all products are available in Synsam's stores. Synsam buys its products from suppliers in Europe and Asia; its own brands come primarily from Asia, while branded frames, lenses and contact lenses are mainly purchased in Europe.

In 2020, Synsam decided to move the production of glasses frames for its own brands from Asia to a new production and innovation centre in Östersund, Sweden. This is part of a long-term strategy to increase the level of innovation in materials, design and offering, which will drive the ability to build strong brands and provide increased export opportunities. The opening and start of production is scheduled for 17 August 2022.

Efficient logistics are crucial to any retail business. Inventory levels are kept low by Synsam's digital integration with several of its suppliers, which enables automatic replenishment of stock. Frames and sunglasses are delivered to the store from the central warehouse, while glasses and contact lenses come directly from the supplier's warehouse.

CASE

A common structure and architecture strengthens the offering

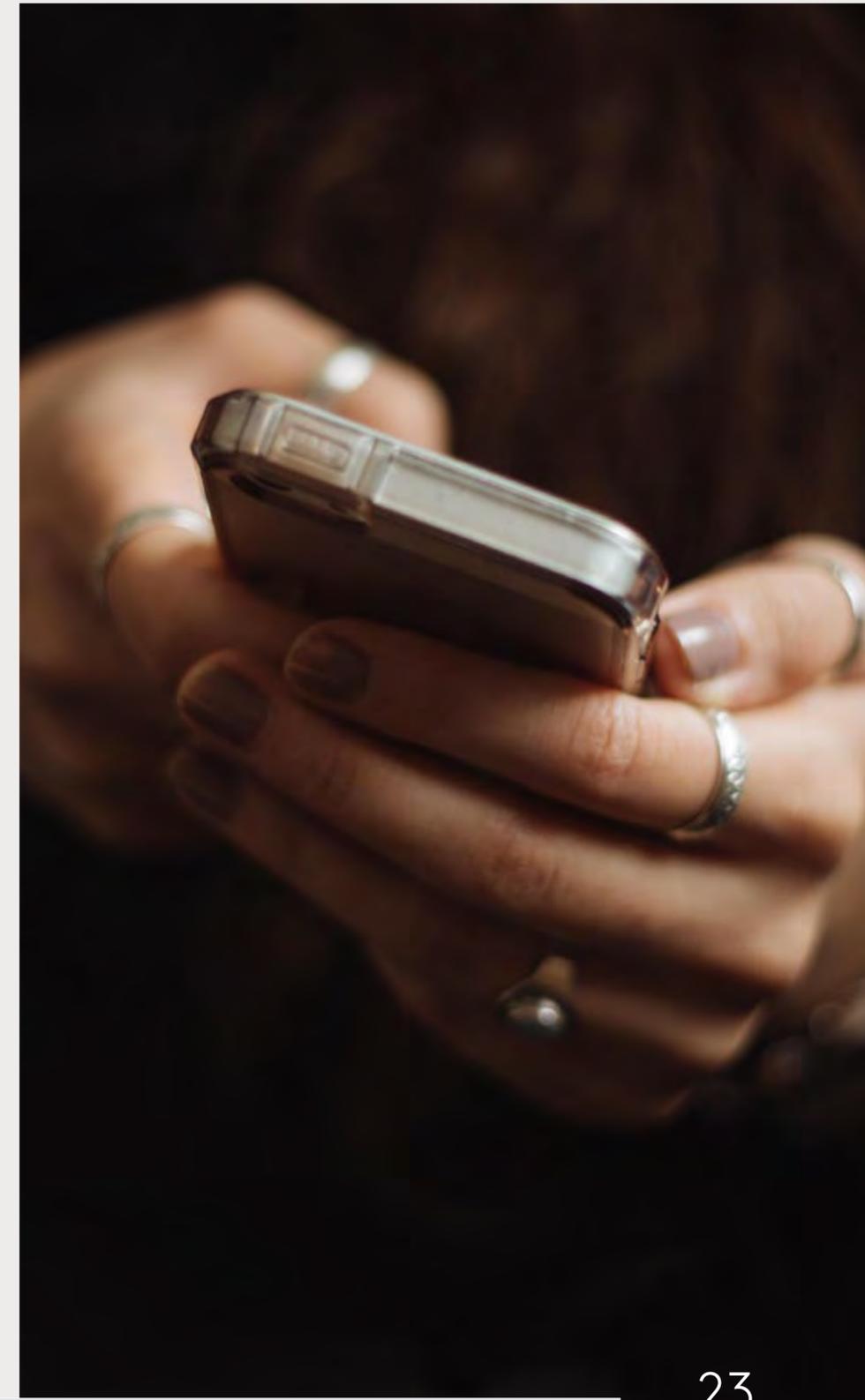
There is often talk of digitalisation in the context of what is done online. Synsam takes a broader view of how the Group can make full use of digital technologies in all sorts of different areas to strengthen its online business and its overall customer offering, and to streamline business processes.

Synsam is one of the leading players in the Nordic optical industry, not only in size but also in terms of digital operations and the ability to allow it to grow in new and innovative ways.

In the transformation to the Synsam Group, the Group has built an organisation with a common structure and modern IT architecture adapted to today's business model.

Today, Synsam has an integrated omnichannel concept, and Synsam's online business is growing rapidly. Offerings such as the contact lens subscription and Synsam's Lifestyle offer demands an advanced digital support.

Synsam has been successful online and it is important that Synsam keeps the initiative and stay at their forefront position in the development. Synsam needs to persevere, not only to be visible, but also to be agile and to work on continuously improving. Synsam's great strength today is that the Group has invested for the long term in a unified, efficient and scalable structure, tailored to its day-to-day work, but above all to the customer encounter. The customer always comes first.



OPERATIONS

The focus of Synsam's IT development in recent years has been to create applications that have a clear value for the customer and also help drive sales. These include, for example, the Lifestyle subscription system, online, e-commerce and corporate platforms, and the Stylelab application, which allows customers to try on frames directly on their mobile phones.

Marketing

Synsam's marketing should strengthen the Group's brand and profile, together with its external brands and its fast-growing own brands. As part of this, Synsam has significantly increased its online and also its TV presence in recent years. Other marketing activities include a network of digital channels, consisting of nearly 2,000 in-store screens, where customers encounter real-time, personalised marketing. Synsam has received several awards for its innovative marketing initiatives.

Synsam, its employees and the company culture

In 2021, Synsam had an average of 2,671 full-time employees, the vast majority of whom were women. In professional terms, approximately 900 of the employees were licensed opticians. Segment Sweden had the highest number of employees – 1,252, while segment Denmark accounted for 530, segment Finland for 151 and segment Norway for 580.

The Group has a strategic and an operational management team as Synsam's experience is that the decentralised management model builds strong teams, faster information flows and more effective decision-

making. Each operating segment is represented on the operations management team and is fully responsible for the local organisational structure, its sales and also its profitability.

Synsam's vision and mission

Synsam's vision is to be the leading and most sustainable lifestyle company in optical retail and eye health.

Synsam's mission is to provide every customer with the best service and the most sustainable solutions in eye health and eye fashion.

This means that Synsam must have strong and clear values that all employees can understand – and live by – in their daily work. What is known as the Synsam Hub is the core of Synsam's corporate culture and reflects the Group's vision, mission and values.

Values – customer focus, innovation and responsibility

The customer always comes first

Synsam always puts the customer first. The aim is to guide and inspire all customers who visit Synsam in store or online. A group-wide customer journey model gives the customer the best experience when interacting with Synsam.

Innovation

Synsam is always looking for new ways to create a better customer offering in line with trends in the optical industry. Innovation has been an important

part of the transformation, which the Group started back in 2015, focusing on a culture that fosters new ideas. Synsam's innovation agenda must be evidence-based and customer-centric. All initiatives must have clear commercial objectives that drive sales, margins or returns.

Responsibility

Synsam shoulders its responsibility in terms of creating a value-based corporate culture with the most committed employees in the optical industry. They can realise their full potential with the help of shared core values, positive leadership skills development, clear standards and the right remuneration model.

How Synsam takes care of the talents

In order to always recruit the right people, Synsam aims to be the most attractive employer in the industry by having a strong corporate culture, shared values and employee satisfaction. The Group therefore invests in training and developing its employees to enable them to become the most skilled and competent. This ensures that both skills and quality are maintained. One of the most important tools in this work is the Synsam Academy, which provides sales training, internal sales programmes and management training. In addition, Synsam has also established partnerships with, for example, opticians, style experts, sales coaches and optics experts in the sports segment in order to be able always to provide the best service to customers.

Managers and employees within Synsam are regularly benchmarked against a number of key performance

indicators and the number of courses completed in the Synsam Academy. Each employee has individual objectives, set in relation to the Group's overall objectives. As part of the efforts to ensure employee satisfaction, employee surveys are also conducted regularly, as well as customer satisfaction surveys to ensure that the internal corporate culture contributes to both customer satisfaction and satisfied and motivated employees.

Where are they?

Growth in the optical profession, viewed over time in the Nordic region as a whole, is relatively stable. Synsam is actively working to attract more opticians to join the Group. There is also a Chief Optical Officer in the operational management team who brings in-depth optical expertise to help ensure that Synsam continues to have a strong professional position in optics. Synsam has also launched a partnership with the Karolinska Institutet for Master's students in eye diagnostics, and students are offered jobs in optometry. Synsam also organises annual opticians' forums and plans more eye health centres.

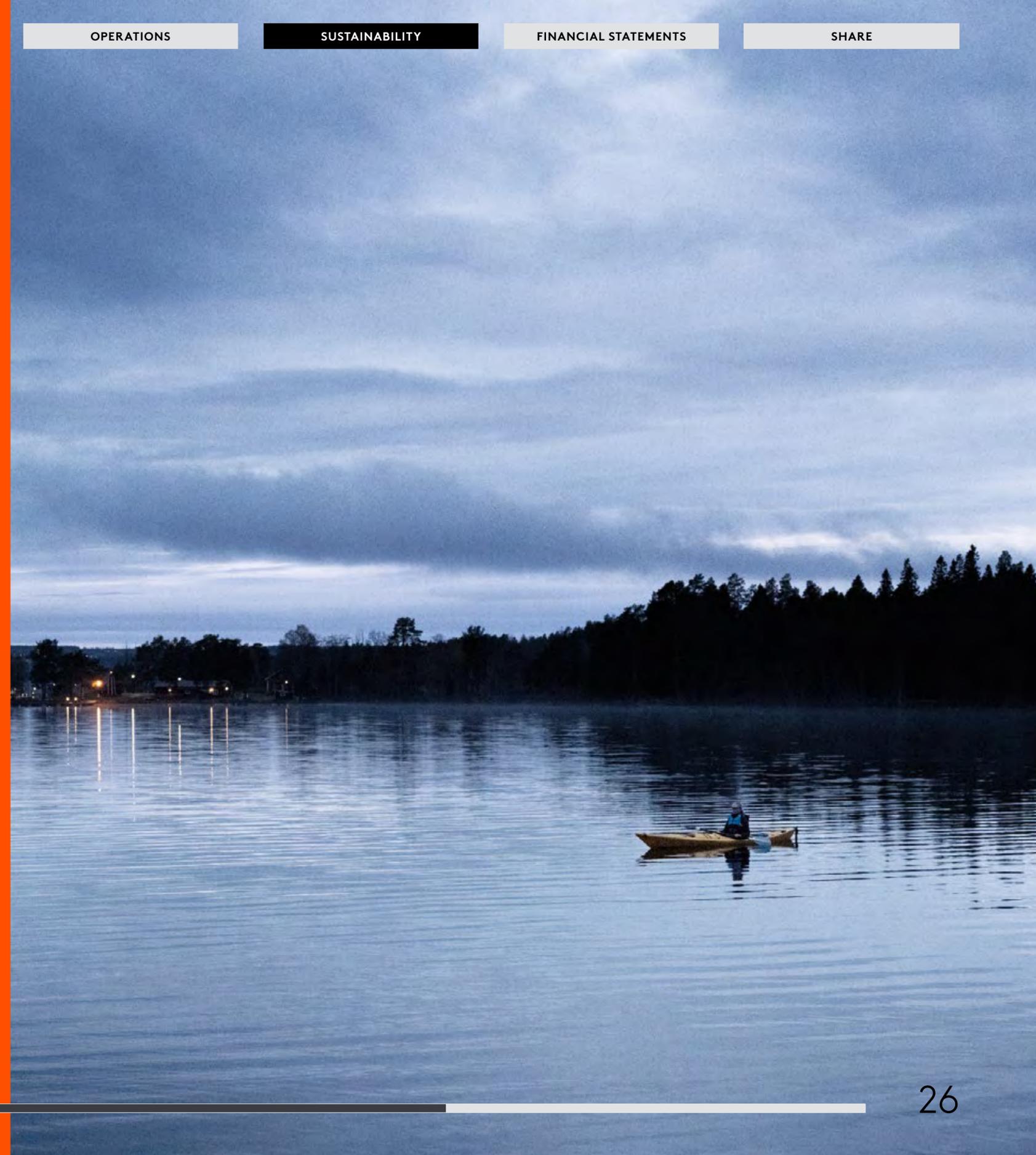
The focus of Synsam's IT development in recent years has been to create applications that have a clear value for the customer and also help drive sales.

Sustainability

The ambitions for the Synsam Group's sustainability work have been set at a high level. We have a clear vision that we should be the leading and most sustainable lifestyle company in optics and eye health. We do this by applying a customer-driven approach that is guided by customers' needs and their right to good vision throughout their lives, while offering sustainable choices and taking responsibility for sustainable climate and societal progress.

'Good eye health and vision are crucial to public health. We help our customers to good vision throughout their lives, and we wish to do this with the smallest carbon footprint possible. The development of sustainable products is continuing, and the relocation of production to Sweden is an important part of this work.'

Håkan Lundstedt, CEO Synsam Group



SUSTAINABILITY

We are taking greater responsibility for our common future

The Synsam Group has a clear vision of how we want to work with sustainability in our Group. We are the leading and most sustainable lifestyle company in optics and eye health. Our mission explains how we want to work with sustainability. We give every customer the best service and the most sustainable solutions within eye health and eye fashion. Our business concept also includes sustainability. We are a customer-driven, sustainable lifestyle company offering affordable vision, appearance and eye health solutions for the whole family through unique and innovative concepts for every occasion in life.

Sustainability strengthens our business

Sustainability is an integral part of our business and offering, and we are committed to providing every customer with the best service and the most sustainable solutions for seeing well and looking good. This also means having a good understanding of the risks and challenges associated with the business, particularly from a climate perspective, but also of what opportunities emerge from conscious sustainability efforts in terms of, for example, innovative materials, technological innovation and investing in our employees.

Sustainability governance

Our sustainability governance is part of our corporate governance model. Executive management has ultimate responsibility for the objectives, implementation and monitoring of our sustainability efforts. Synsam's values, 'Customer Focus, Responsibility, Innovation', together with the company's Code of Conduct, set the framework and provide guidance in decision-making and actions. The code applies to all employees and is part of the induction programme.

Synsam's Code of Conduct is based on the UN Universal Declaration of Human Rights and related UN Conventions, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact.

At Synsam, we are careful to always follow the rules and guidelines that ensure clinical quality and thus always guarantee a safe, quality encounter in our stores around the Nordic countries.

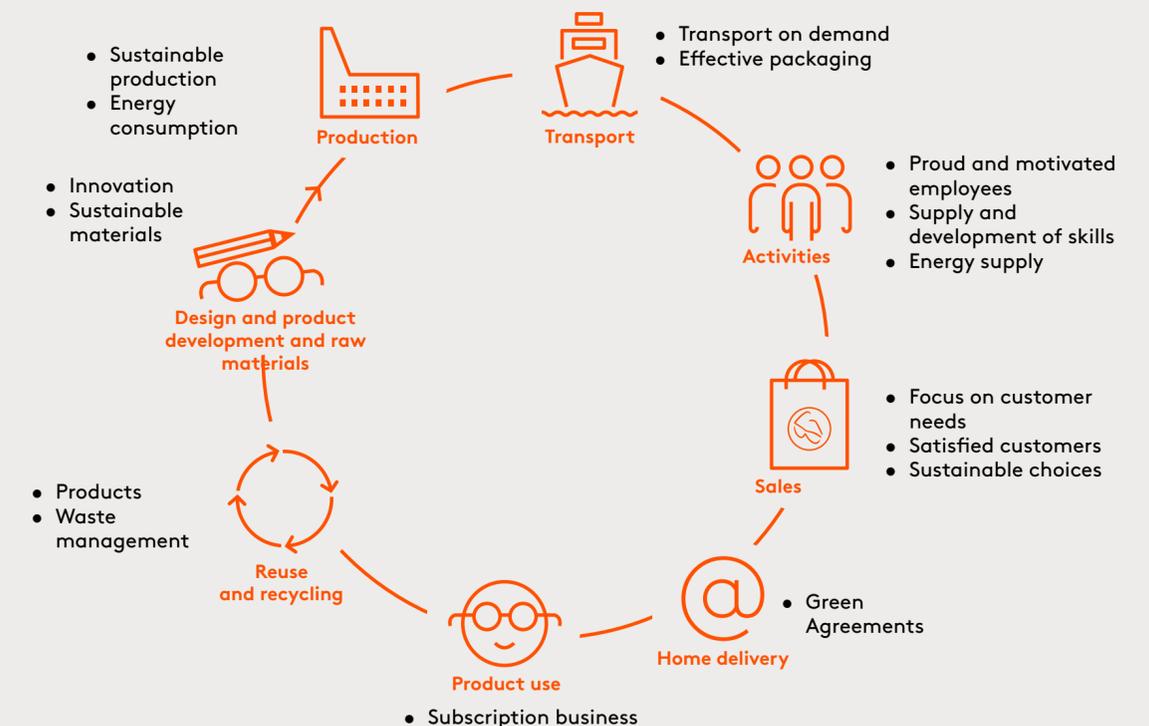
Being able to process customers' personal data is of great importance to Synsam, and we are actively working to ensure the business complies with applicable

Our value chain and its impact

The role of being one of Europe's leading players in the optics industry comes with a lot of responsibility. Our business is based on a value chain that generates considerable and far-reaching impact on people, communities and ecosystems.

It is our task, together with our suppliers and partners, to use our 'sustainability glasses' to examine all parts of the value chain: from design development, the purchasing of raw materials, production and transport, through operations and sales to product use, reuse and recycling.

Processes and approaches have been identified for continuous improvement under each part of the Synsam value chain. We strive to increase our positive impact by making informed decisions throughout the value chain.



SUSTAINABILITY

data protection legislation, such as local patient data legislation and the General Data Protection Regulation (GDPR).

For example, to ensure that we offer high clinical quality, our stores in Sweden are certified according to the Optics Industry Quality Standard. This certification is based on the rules governing the clinical aspects of the optician's activity and summarises the provisions relating to opticians, the Patient Data Act (PDL) in a certification that is regularly checked/audited via in-store visits.

To support our sustainability efforts, we have a number of Group-wide and country-specific policies. These include the Code of Conduct, Supplier Code of Conduct, Whistleblower Policy, Health and Safety Policy, Equal Treatment Policy and Anti-Corruption Policy.

Group employees are trained in our policies, which are also available on our intranet. Our Supplier Code of Conduct is available on our website.

Updated materiality analysis

During the year, Synsam has updated the Company's materiality analysis. The starting point for the exercise has been discussions with internal and external stakeholders on the most important issues and Synsam's ability to have an impact on each issue. The analysis also captures the main sustainability risks that are incorporated into the Company's sustainability strategy.

Materiality matrix

Relevance for stakeholders

- Privacy and Information Security
- Anti-corruption and competition legislation
- Equal treatment and non-discrimination
- Compliance
- Product Safety and Value for Money
- Responsible marketing
- Discussions with Stakeholders

KEY ISSUES

- Eye Health
- Skills development and skills supply
- Interaction/equal treatment
- Sustainable innovation and product development
- Emissions and pollution from production
- Working conditions and the working environment in the supply chain
- Gender equality and diversity
- Use of materials and resources in production
- Work environment and health

- Tax issues

- Community involvement
- Transport
- Packaging
- Waste and recycling in stores
- Energy use in stores
- Market presence

Potential impact on the wider world in terms of social, economic and environmental sustainability

SUSTAINABILITY

Ongoing discussions with our stakeholders

Synsam values its discussions with stakeholders highly and considers them an important tool for sustainability direction and priorities. The discussions with stakeholders not only provide key feedback from stakeholders to the Company, but also allow Synsam to clarify and explain the sustainability strategy and work at a more detailed level. The format of the discussions is adapted to the stakeholders, for example in the form of conversations, surveys and questionnaires. The main external stakeholders are our customers, owners and partners. Internally, our owners and employees fill this role. Our employees are our most important ambassadors, and their opinions and input are an important source in our work on continuous improvement in both sustainability and the business as a whole. We encourage employee initiative and work to create engagement and awareness of what we are doing in the context of our sustainability work.

Our priority sustainability areas

Synsam's sustainability areas of customer responsibility, environmental responsibility and social responsibility have been further developed in 2021. The three areas with their respective objectives and focus areas are summarised in the model to the right. Work on defining objectives will continue in 2022.

In addition, Synsam supports the UN Sustainable Development Goals (SDGs) in Agenda 2030 and sees that we have both the responsibility and the

opportunity to contribute to several of the goals. In particular, our focus is on Goal 12, 'Sustainable production and consumption' and Goal 3, 'Health and well-being'. In addition, it also supports the UN Global Compact's Principles for Responsible Business.

Sustainability efforts in 2021

In 2021, Synsam continued to develop and clarify its sustainability strategy, objectives and priorities for the work ahead. We are proud of what we have achieved so far and the most important efforts and results of the year are summarised on the following pages, based on each sustainability area.

Data gathering

In 2021, Synsam developed the Group's methods and procedures for enhanced data collection. This work will continue in 2022, and additional data in all areas of sustainability will be presented starting in the next year.

	CUSTOMER RESPONSIBILITY	ENVIRONMENTAL RESPONSIBILITY	SOCIAL RESPONSIBILITY
Ambition	We must contribute to good vision for everyone, in all situations, throughout life	We must offer our customers sustainable products, minimising our environmental impact and our carbon footprint	We must provide a safe, supportive and inclusive workplace, and work with our suppliers to ensure they meet the same standards
Objectives	At least 90 percent of our customers will be 'satisfied' or 'very satisfied' by 2026 50 percent of the range we offer in our total House Brand assortment will be sustainable by 2026	By 2026, 50 percent of our frames and cases produced in-house will be made from recycled and/or ecomaterials	By 2026, at least 85 percent of our employees will be motivated and proud, and will share the company's values Zero tolerance of discrimination and harassment All management groups and boards of the Group's companies will have a gender balance corresponding to at least 60/40 percent
Focus areas	<ul style="list-style-type: none"> • Visual aids • Eye health • Interaction/equal treatment 	<ul style="list-style-type: none"> • Sustainable innovation and product development • Emissions and pollution from production • Use of materials and resources in production 	<ul style="list-style-type: none"> • Skills development and skills supply • Gender equality and diversity • Working conditions and the working environment in the supply chain • Work environment and health
Activities	<ul style="list-style-type: none"> • Eye examinations • Everyone should see • Vision For All • Sustainable choices 	<ul style="list-style-type: none"> • 'Made In Sweden' initiative • Recycling and outlet stores • Circular collection • The Sea2See collection 	<ul style="list-style-type: none"> • BSCI Membership • Synsam Academy • Supplier Code of Conduct
Sustainable Development Goals	 		

SUSTAINABILITY

Customer responsibility

Good eyesight throughout life

Our ambition is to contribute to good eyesight for everyone, in all situations, throughout life. An important part of this is preventive work and offering eye examinations and visual aids from an early age. We always strive to see our customers in terms of their needs and to offer sustainable choices.

Based on customer needs

Provision of high clinical quality eye examinations

Regular eye examinations are the basis for good eye health and eyesight. Factors such as a growing elderly population and increased screen use, especially among children and young people, make eye health an increasingly important public health issue.

Continued development of our eye health centres

Qualified and trained opticians are an important resource that can relieve the burden on the health service. Synsam has approximately 900 qualified opticians. We have over 60 eye health centres across the Nordic region where our specialised opticians take care of customers' eye health, and thorough eye health examinations are carried out. These include performing fundus photography, which can detect and prevent eye diseases such as cataracts and glaucoma – and we refer the results to ophthalmologists if necessary.

The 'Everyone should see!' initiative

Sedentary behaviour in childhood is one of the biggest public health challenges of our time. Two years ago, Synsam launched the 'Everyone should see!' project in collaboration with partners such as Generation

Pep and Essilor. The aim of the initiative is to increase motivation towards active leisure time – where visual impairment should never stand in the way of movement on equal terms, especially during the COVID-19 pandemic, which has limited opportunities for activity further. Through this initiative, Synsam offers free activity glasses to children between the ages of 5 and 12 years with visual impairments. The work of 'Everyone should see' has continued throughout the year and since the initiative began in 2019, we have distributed close to 34,500 pairs of activity glasses to children across the Nordic region.

Sustainable choices and satisfied customers

Hiring instead of owning

By hiring instead of owning glasses through our glasses subscription, our customers have the opportunity to have their vision checked regularly and, if necessary, to replace their glasses or contact lenses, and/or to return glasses for reuse or recycling. As vision changes over time and different glasses are needed for different needs, Synsam Lifestyle™ offers a tailor-made solution while lenses, frames and contact lenses are disposed of in a circular flow.

With the customer's best interests at heart

At Synsam, we see the customer and strive to treat everyone equally based on each individual's needs. We have set a target of at least 90 percent of our customers being 'satisfied' or 'very satisfied' by 2026 and conduct annual customer surveys. Follow up for this target will be done during 2022.

CASE

Playing handball despite visual impairment

How more youth handball players got the chance to play handball despite visual impairment

Young people with visual impairments were prevented from taking part in matches in the Skadevi Cup handball tournament because the wearing of glasses was not allowed. Synsam therefore joined with the Handball Channel in competing for sports glasses, which are allowed to be worn on the pitch.

'For us it is important for everyone to be able to be active and not be restricted from participating in sporting events. This initiative is therefore really exciting.'

Ida Malmbad, project manager for children and young people at Synsam



CASE

Recycling Outlet stores give customers more options to make sustainable choices

The Synsam Recycling Outlet sustainability chain was born out of Synsam Group's vision: that customers want to consume more sustainably and that we, as the number one in the market, can both drive change and make an impact for more sustainable consumption through attractive offerings. Synsam's Recycling Outlet is the first commercial centre purely for recycled glasses frames and sunglasses in the Nordic countries. With this initiative, Synsam contributes to more circular flows, reduced use of virgin materials, reduced waste management and attractive customer offerings.

The glasses and sunglasses come from Synsam stores, where customers actively contribute to the circular flow by leaving their used products in Synsam boxes for reuse and recycling. Frames that are in good condition are cleaned and refitted, and then returned to the Synsam Recycling Outlet. Lower quality glasses are recycled, with

'The concept enables us not only to contribute to more circular flows and reduced waste, but also to support the customer's sustainable choices'

Hanna Ekstrand, Managing Director of Recycling Outlet Nordic

a proportion becoming a material component in Synsam's latest sustainability collection, the Circular Collection. Glasses are also sent to Vision For All, which promotes eye health in developing countries.

From December 2020 to February 2022, Synsam has opened thirteen Recycling Outlet stores in Sweden, Finland and Denmark. In particular, we are attracting a whole new group of customers: younger consumers who want to make informed choices, get attractive offers and shop for bargains in an attractive and easy-to-navigate shopping experience.



With this new concept we contribute to:

- More circular flows as glasses and sunglasses get a second chance
- Reuse and recycle our glasses
- Reduce the amount of virgin material
- Reduced waste when products are reused
- Attractive customer offerings

How does it work?

- Synsam makes good use of the glasses customers hand in at our 500 stores.
- Glasses frames that are in good condition are cleaned and refitted, and then returned to the Synsam Recycling Outlet.
- Glasses left in the shops' recycling boxes, which are of poorer quality, are recycled and become a material component in Synsam's latest sustainability collection, Circular Collection.
- Part of the volume is sent to Vision For All, the volunteering initiative to promote eye health in developing countries.

SUSTAINABILITY

Environmental responsibility

A sustainable business

The basis of our environmental work is a conscious ambition, as far as possible, to introduce circular flows throughout our operations. We strive for a cycle where production, consumption and reuse are interlinked and transparent. We set high standards for ourselves and our suppliers and have identified processes and approaches for continuous improvement in each part of our value chain.

Design and product development, and raw materials

The work on sustainable products starts at the design table and the sourcing of raw materials. Innovation and development enable sustainability to play a major role in the design of our frames. In our quest for continuous improvement, we test new design approaches and materials.

Sustainable materials

We always strive to increase the proportion of recycled and/or eco-materials and to create products with a long lifespan. In 2021, Synsam set itself the objective that by 2026, 50 percent of our glasses frames and cases produced in-house will be made from recycled and/or ecomaterials. We are working on our own initiatives to promote reuse and recycling: Recycling Outlets, Circular

Collections, and the Sea2See Collection. Additional data will be reported during the next year.

Synsam is continuously working to integrate sustainable and recycled materials into our production. One example is that we will be using eco-acetate in our acetate products in our new production and innovation centre on Frösön. Through our Supplier Code of Conduct, we set requirements for materials and production that are not harmful to the environment.

Recycling and reuse with the help of our customers

In Synsam's stores, customers have the opportunity to return glasses for reuse and recycling. We accept all types of glasses and sunglasses from all brands, even those that have not been sold by us. When the boxes of returned glasses are emptied, they are sorted according to the condition the glasses are in. They are handled as follows:

- The flawless glasses are washed, adjusted and the glass is removed. The frames are then resold in our Recycling Outlets.
- Glasses that are more worn are broken down into pellets and recycled into new frames, which are sold within the Circular Collection.
- A proportion of the volume of glasses is sent to developing countries to be matched with a new wearer with a corresponding visual defect through our partner Vision For All.
- Remaining volumes of used glasses are sent to the recycling centre. There, the glasses are taken apart and all materials such as plastic, acetate, metal, screws, hinges and glass are sorted into the correct recycling fraction.

We strive for a cycle where production, consumption and reuse are interlinked and transparent.

Increased number of Synsam Recycling Outlet stores around the Nordic region

By continuing to establish our recycling and outlet stores across the Nordic region, Synsam has continued to encourage customers to choose more sustainable options with a lower carbon footprint. Our Recycling Outlets give glasses a second chance by reselling returned and flawless products at lower prices. From December 2020 to February 2022, Synsam has opened thirteen Recycling Outlet stores in Sweden, Finland and Denmark.

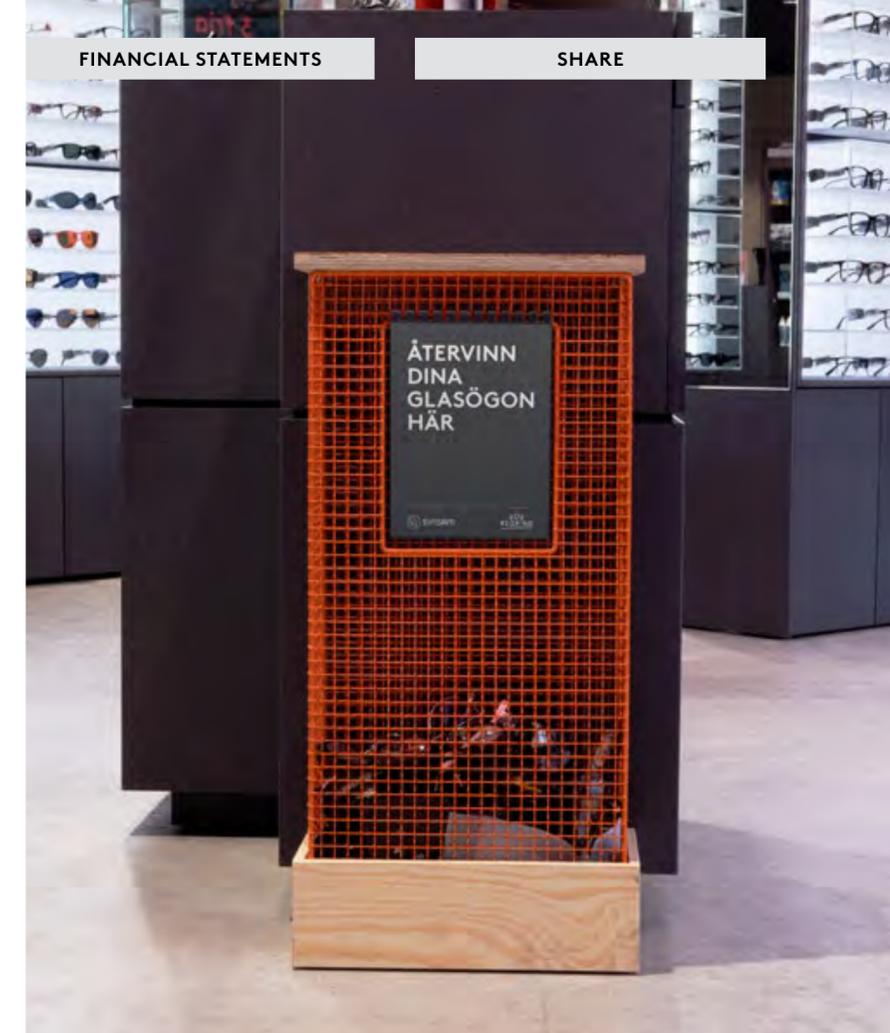
Glasses frames are given a new life through our Circular Collection

The Circular Collection is our first collection of recycled frames. Used frames are handed in at all our stores and are recycled, some of them constituting raw materials for the Circular Collection.

Vision For All

Vision For All is a global charity that provides glasses to people in developing countries. Synsam contributes with used glasses that have been handed in by the customer in one of the Group's stores. Glasses are washed, the strength of the lens is noted and then Vision For All ensures that the right glasses are matched with recipients with corresponding vision defects.

The initiative thus makes use of used glasses and gives individuals who otherwise cannot afford an eye examination or to buy glasses the opportunity to do so. This creates conditions that facilitate learning and working.



The Sea2See collection recycles plastic from the oceans

Every year, nearly 8 million tonnes of discarded fishing nets, plastic bottles and flip-flops end up in our oceans around the world. In addition, it is estimated that, by 2050, the quantity of plastic in the oceans will overtake the quantity of fish. As a step in the right direction, Sea2See is a unique glasses collection where the plastic used is 100 percent recycled from the sea. The frames have been developed in collaboration with the Spanish organisation Sea2See, which collects, sorts and manufactures new products from floating plastic with the help of local fishermen. This year, more than 20,000 frames made from recycled plastic have been sold in Synsam stores, which means that we have contributed to the removal of 40.4 tonnes of plastic from the oceans.

SUSTAINABILITY**Sustainable production**

Synsam's production of its own glasses brands is currently done with the help of suppliers in Asia and Europe. A planned relocation of parts of the eyewear production to Sweden is scheduled to begin in 2022. Regardless of where production takes place geographically, we are committed to taking responsibility for all parts of the production process. The biggest impact in the production process comes from the use of chemicals, water consumption and energy supply.

Chemicals

In accordance with the *product choice principle* in the second chapter of the Environmental Code, Synsam is working to phase out chemical products that contain particularly hazardous substances. Each year, all chemicals in the Company's chemical inventory are reviewed to identify substances that should be phased out according to the national environmental quality objective 'Toxin-free environment'. This is in line with the EU REACH regulation.

Water management

Water is a finite and vital resource, but the use of water is also a necessity in the production of glasses frames and the grinding of glass. In the manufacture of glasses, it is the grinding of lenses that requires the most water, and we are in discussions with our suppliers to ensure good water management. For the planned Swedish production of glasses frames, production methods will be in place that minimise water use and ensure that the quality of the water used is restored. Synsam works proactively to manage water pollutants under the EU REACH regulation and the priority substances under the EU Water Directive.

CASE

We will be moving part of our production home to Sweden in 2022

During the year, Synsam has taken further steps in its sustainability work and continued its journey to move the production of our frames from Asia to Östersund in Sweden. By moving parts of our production home to Sweden, we will be able to reduce transport, use 100% renewable energy, take care of our waste in a sustainable way and use fewer chemicals in our production, to name but a few of the advantages. This means we will be able to pave the way for reducing our carbon footprint. The new production facility will be a converted factory on Frösön outside Östersund. According to our calculations, the fact that we have chosen to establish our operations in an existing factory means that 1,539 tonnes of CO₂ have been saved through the reuse of the building.



1,539

tonnes of CO₂ have been saved through the reuse of the building



SUSTAINABILITY

Energy consumption in production and operations

We strive to manage our energy use and not consume more electricity than necessary. A large part of that energy use is for our stores, which often have large shop windows that let in the cold. Therefore, a lot of energy is used to regulate temperatures in retail premises. In offices and stores, we require landlords and property managers to use green electricity wherever possible.

We use LED lights in our store signs, which consume less energy than other technologies. We will evaluate our energy consumption further in 2022, with the ambition of developing our stores to make them more energy efficient.

Waste management with a focus on recycling and reuse

At Synsam, we work to minimise the use of materials throughout our operations. We strive to ensure that all consumables we dispose of are primarily reused, recycled or recovered. We separate the following fractions: cardboard, paper, plastic, compost, metal, batteries, chemicals, electronics, fluorescent lamps and glass.

Other waste is sorted at recycling centres. In Sweden, it is the store manager in each store who is ultimately responsible for ensuring that there are containers for the above sorting and that these are emptied correctly. In 2022, new guidelines will be implemented for all employees to update our source separation. The upcoming production move to Östersund involves the same requirements applying in the factory and the offices.

Transport

Synsam is actively working towards a more thought through and consolidated value chain to reduce the number of transports to our stores. Work is also under way on responsible packaging. Like Synsam's other activities, its transports are developed using a systematic approach and with continuous improvement as a guiding principle.

Fewer transports and smart flows of goods

Synsam considers that it is important to focus on those areas where we can make a difference. We are therefore actively working towards a more thought through and consolidated value chain to reduce the number of transports to our stores. All in all, it contributes to making possible smart goods flows where we reduce unnecessary transports and better meet the customer's need for different products depending on the season. In 2021, we worked to optimise lead times to customers and developed our climate-smart transport. To achieve this, we adjusted the number of deliveries per week depending on which store the delivery is going to, but also when in the year the delivery is taking place.

Climate-smart transport

The Group aims to transport our products in such a way as has the least impact on climate, such as by boat. Air transport is only accepted in exceptional circumstances such as long delays where third parties – customers – are affected. We have moved to green contracts for our e-transport. We work continuously to reduce the amount of business travel undertaken, and to use digital technology for meetings whenever possible. During the year, hardly any trips were made owing to the pandemic.

Responsible packaging

In 2021, we developed the use of more efficient packaging from our central warehouse to the store. The aim was to reduce the transport of air, which is reprehensible from both a sustainability and cost perspective. We have continued to work continuously on optimising our transport packaging in relation to content. Since then, we have also increased the fill rate in our transports by switching to flat glasses cases. In addition, we always try to reuse our transport packaging wherever possible.

We have continued to work on reducing the consumption of plastics and fillers from our e-commerce warehouse, and aim to reuse as much material as possible. During the year, we also made the decision to switch to using only recycled corrugated board in our end-consumer packaging.

Regardless of where production takes place geographically, we are committed to taking responsibility for all parts of the production process.



SUSTAINABILITY

Social responsibility

An attractive employer and partner

Attracting, developing and retaining motivated employees with the right skills and understanding of customer needs is a critical factor for success. To live up to being a good employer, we also have a responsibility to try to ensure social conditions in the supply chain are fair. The aim is to be the most attractive company in the industry and to shape a strong value-driven culture. Our ambition is therefore to provide a safe, stimulating and inclusive workplace, and to work with our suppliers to ensure that they meet the same standards.

Proud and motivated employees

For Synsam, it is important to attract, develop and retain motivated employees with the right skills and understanding of customer needs. We work actively to provide a good working environment, focusing specifically on health, skills development, diversity and equal treatment. There is zero tolerance of discriminatory treatment.

Synsam is also working towards the objective that by 2026, at least 85 percent of our employees will be motivated and proud and will share the company's values. This will be measured and reported on going forward.

CASE

Synsam Academy – for our employees' skills development

The Synsam Academy in-house training programme launches courses on an ongoing basis ranging from product knowledge and sales techniques, to optical skills in lens training and driving licence checks. Some courses are compulsory for all employees, while others are optional for those who wish to develop their skills in new areas of work.

'The Synsam Academy gives all our employees the opportunity to work towards a common goal. Skills and knowledge are an important factor in ensuring that customers receive the best possible support in their decisions and purchases. The Synsam Academy works closely with the needs of the business and is a strong contributing factor to our customers' loyalty, but also to our great employees staying and growing with us as we gain new ground as a company.'

Susanne Westford, People & HR Director



SUSTAINABILITY

Supply and development of skills

Today there are approximately 900 licensed opticians in the group. Opticians are a shortage profession and have an important social function. The combination of an increasing ageing population and screen use from an early age means that opticians will become even more important. At the same time, optometry plays an important role in relieving the burden on the health service. We are working to get more people to train as opticians, but also to retain the opticians we have. We have organised several webinars during the year to develop the skills of our opticians. We also provide internal training courses through the Synsam Academy. The Synsam Academy enables our opticians to further develop their skills, but also to specialise in opticians' different areas of expertise, for example in the sports segment.

Safe workplace throughout the value chain The BSCI helps us ensure accountability

Synsam is a member of the Business Social Compliance Initiative (BSCI). The BSCI is a collaborative initiative to ensure the taking of responsibility in the supply chain, based on 11 principles that include prohibiting child labour, forced labour and corruption, and requiring safety and fair working hours. Our membership of the BSCI involves our production units being regularly audited. During the year, 90 full-day visits were carried

out to ensure compliance with BSCI requirements. No serious deviations have occurred. We also require that all carriers and freight forwarders have collective agreements.

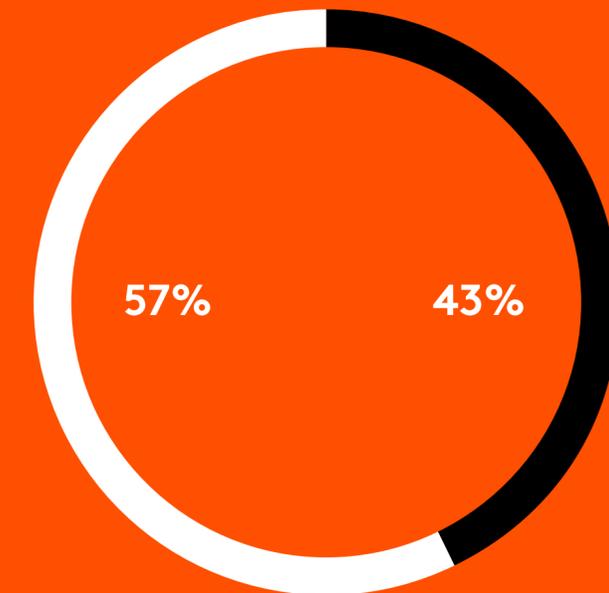
Anti-corruption

Synsam has zero tolerance of bribery, corruption and other forms of unethical behaviour in business relationships. The Group's anti-corruption policy governs, among other things, the giving and receiving of benefits or gifts and the rules governing agents and other intermediaries. Our employees are informed annually about the policy. Employees whose roles place them at particular risk also receive regular training. This includes functions in purchasing and marketing, as well as people working in high-risk countries. During the year, Synsam was not made aware of any attempts at or suspicions of corruption or bribery among its employees.

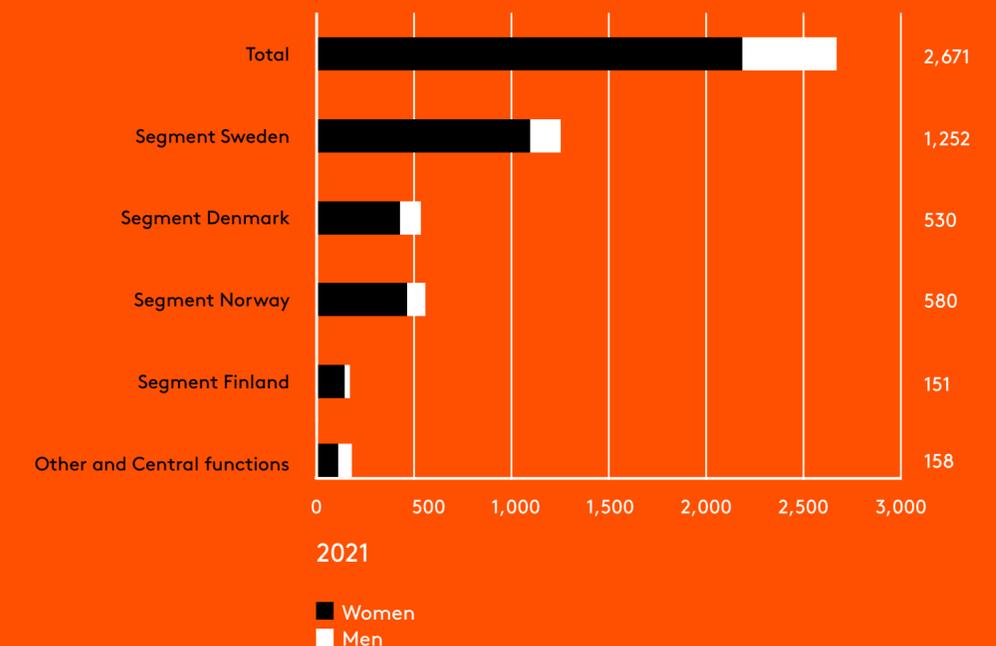
Whistleblower Policy

Synsam has a whistleblower policy that is available both internally and externally. The policy is in line with Synsam's core values and Code of Conduct. We believe it is important that any wrongdoing or suspicion of wrongdoing that takes place within the organisation is reported, investigated and addressed as quickly as possible. This year, no cases have been reported.

Total breakdown women/men all management groups and boards Synsam Group



Average number of employees



SUSTAINABILITY

About our sustainability reporting

In accordance with Swedish Annual Accounts Act (ÅRL) chapter 6 §10, the Synsam Group has opted to include the statutory sustainability report in the legal annual report. The Sustainability Report is inspired by the international framework Global Reporting Initiative (GRI) and the intention is that Synsam Group reports according to GRI Standards: Core Option in the coming years.

EU taxonomy

As described by the European Commission, the EU taxonomy is a classification system that establishes a list of environmentally sustainable economic activities. It could play an important role helping the EU scale up sustainable investment and implement the European green deal. The EU taxonomy would provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable.

Synsam Group is subject to the EU's Non-Financial Reporting Directive and is required to disclose the extent to which the activities it undertakes meet the criteria of the EU taxonomy.

The main economic activity of Synsam Group, retail trade in optics and eye health, is not yet included in the taxonomy. Synsam Group's proportion of sales covered by the Taxonomy Regulation is thus 0 percent.

Similarly, Synsam Group's proportion of capital expenditure and operating costs covered by the Taxonomy Regulation is estimated at 0 percent.

Synsam Group is monitoring the development of the taxonomy. The proportion of activities covered by the Regulation is expected to increase, and Synsam Group may therefore be covered by it in the future.

Synsam Group's analysis of the new EU taxonomy legislation has resulted in the conclusion that the Company's economic activities are not considered to be covered by it at this time. The analysis is based on a review of all the Group's companies and a comparison with the taxonomy's technical review criteria for the environmental objectives 'Climate change mitigation' and 'Climate change adaptation'. Consequently, the Synsam Group does not cover this in the 2021 Sustainability Report.





Financial statements

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Annual accounts and consolidated financial statements for the financial year 2021

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Directors' report

The Board of Directors and the CEO of Synsam AB (publ) hereby present the annual accounts and consolidated financial statements for the financial year 2021.

Operations

Synsam is a leading and profitable lifestyle company in optics and eye health in the Nordic region, in terms of adjusted EBITDA margin. The Group conducts operations in local stores in Sweden, Denmark, Norway, Finland and online/omnichannel sales in each of these countries. Stores are both directly owned and operated by franchisees, which also occurs in Iceland and the Faroe Islands. The operations in Sweden, Norway and Finland are conducted under the Synsam brand and the operations in Denmark are conducted under the Profil Optik brand. Synsam has a unique offering of eye examinations, spectacles, sunglasses, sports eyewear, contact lenses and accessories in optics and spectacles subscriptions with related services under the name Synsam Lifestyle™. Synsam offers a mix of well-known external brands as well as House Brands.

Vision

Synsam is the leading and most sustainable lifestyle company in optics and eye health.

Business concept

We are a customer-driven, sustainable lifestyle company offering affordable solutions for vision, appearance and eye health for the whole family through unique and innovative concepts for every occasion in life.

Financial targets

- Growth rate – Synsam Group targets annual organic growth of 8-12% in the medium term, depending on pace of greenfield expansion
- Profitability – Synsam Group targets an annual adjusted EBITDA margin of 25% or more in the medium term, depending on pace of greenfield expansion
- Capital structure – Synsam Group targets a net debt/adjusted EBITDA ratio of 2.5x, excluding temporary deviations
- Dividend policy – Synsam Group aims to pay dividends of 40%-60% of the net profit for the year

(The financial targets include IFRS 16 Leases)

Significant events during the year

First quarter

- Extended COVID-19 restrictions after the turn of the year on 31 December 2020, particularly in Denmark and Norway, have had a negative impact on customer traffic.
- On 24 February 2021, it was announced that the Group's new production and innovation centre is planned to be built in Östersund.
- On 1 March 2021, 100 percent of Audionomkliniken Sverige AB was acquired. The company's activities include audiology services, which include hearing aids, and consulting services in this field.
- Swedish consumers voted Synsam the most sustainable brand in the optics industry for the third year in a row in the Sustainable Brand Index.

Second quarter

- A Synsam Flagship unit was opened in Odense, Denmark, in April.
- Two Synsam Recycling Outlets were opened, in Stockholm in May and in Malmö in June.

- Synsam Hearing expanded by two units, in Täby and in Nacka.

Third quarter

- Two Synsam Recycling Outlet units were opened, in Västerås and Umeå.
- Synsam was a finalist in the Sustainability Initiative of the Year in the 2021 Retail Awards.
- In July 2021, the Group company Synsam Innovationscenter AB signed a lease agreement with Frösö Park Fastigheter AB for a production and innovation centre to be built in Östersund. During the fourth quarter, an additional agreement was signed that provides further secured space for the duration of the agreement. The term of the agreement is 15 years and involves future rental obligations that have been provisionally estimated to have a present value of SEK 64 million. In the Group, the present value of the lease liability and the corresponding right-of-use asset will be recognised upon completion, in spring 2022.
- The Board took decisions on financial targets.

Fourth quarter

- As part of preparations for the company's initial public offering, a share split of 1.93:1 was carried out in October. On 29 October, Synsam AB (publ) was listed on Nasdaq Stockholm Mid Cap. In connection with the company's IPO, existing shareholder loans, including accrued interest, totalling SEK 3,996 million were converted to equity through two offset issues and a non-cash issue. For information on changes in the number of shares and share capital, see the section on the share on page 107 and Note 22 Equity.
- Existing bank loans under the previous loan facility were repaid and new long-term bank loan financing of SEK 2,430 million was agreed under a new loan facility. The loans are interest-only and have terms of three and five years. The level of interest on the new loans is around 1.5–2.0 percent, excluding fees. Fixed interest rates are available with a maturity of less than one year. In connection with the refinancing, the previous interest rate swap was also terminated.
- As part of further consolidation of the business, the cooperation with former franchisees in Denmark has been phased out. The network of franchise stores in Denmark, consisting of six stores, has consequently been phased out as of October 2021. The three franchise stores in Iceland and the Faroe Islands remain and form part of the Denmark segment.
- Synsam's expansion continued in the fourth quarter, with the largest optical flagship store in northern Europe opening in Stockholm at the end of the year. In addition, Synsam Sweden opened two Synsam

Recycling Outlet stores, one Mega store and four ordinary stores. In Finland, three Mega Store stores and a Synsam Recycling Outlet unit have been opened. Synsam Hearing expanded by one unit.

- In December, Ida Geiler was appointed CEO of Synsam Group's production and innovation centre in Östersund.

FINANCIAL DEVELOPMENT

Group net sales

Net sales increased by 22.6 per cent to SEK 4,669 million (3,806). In the comparative year, from the end of March 2020 to the end of April, stores in Denmark and Norway were closed due to the pandemic restrictions, which had a negative impact on the previous year's sales. Organic growth was 23.2 percent (3.2) and like-for-like growth was 20.0 percent (0.2). The net effect of acquisitions is estimated to have had an impact on sales of SEK 9 million (33), equivalent to 0.2 percentage points (0.9). Currency translation effects negatively impacted net sales by SEK -21 million (-88), equivalent to -0.5 percentage points (-2.4).

Net sales from spectacles subscriptions increased to SEK 2,136 million (1,555), with the increase attributable to all segments.

Net sales from Synsam Group's contact lens subscriptions increased to SEK 169 million (123),

equivalent to growth of 38 percent. Synsam Group's contact lens subscription is a recurring purchase agreement with the right to cancel at least one week before the next delivery.

Net sales from Synsam Group's online sales increased to SEK 100 million (69), equivalent to growth of 45 percent.

Group earnings

Operating profit before depreciation and amortisation of tangible and intangible assets (EBITDA)

EBITDA increased to SEK 1,189 million (934) and the EBITDA margin was 25.1 percent (24.2). Adjusted EBITDA increased to SEK 1,274 million (948) and adjusted EBITDA margin was 26.9 percent (24.6). The increase in earnings is explained by increased sales, with Synsam's complete offering including attractive store concepts, own House Brands, digital solutions and the subscription business Synsam Lifestyle™ making positive contributions to the increase. The increase is also explained by an increase in gross margin due to a higher share of renewals of Synsam Lifestyle™, a positive mix effect compared to the previous year and favourable supplier negotiations. The items affecting comparability, SEK 85 million (14), were related to the costs of the company's IPO. Preparations for the Synsam Group's production and innovation centre in Östersund have had a negative impact on EBITDA of SEK 6 million (1).

Operating profit before amortisation of intangible assets (EBITA)

EBITA increased to SEK 773 million (543), equivalent to an EBITA margin of 16.3 percent (14.1). Adjusted EBITA

increased to SEK 858 million (557), and the adjusted EBITA margin was 18.1 percent (14.4).

Other financial results

Operating profit (EBIT) for the full year 2021 increased by SEK 231 million to SEK 633 million (402). Profit after financial items was SEK 163 million (-136) and profit after tax was SEK 51 million (-195), of which tax amounted to SEK -112 million (-60).

In connection with the company's IPO in the fourth quarter, the historical shareholder loans have been converted to equity, and no interest on shareholder loans has therefore been charged against Group earnings after the conversion. Interest expenses on shareholder loans for the full year 2021 totalled SEK 307 million (338).

The Group recognises exchange rate adjustments on accounts receivable and accounts payable in net financial items, and for the full year these totalled to SEK 0 million (1). Net financial items were positively impacted by interest income from Synsam Lifestyle™ of SEK 96 million (75), and related credit costs were SEK 148 million (112). Changes in exchange rates had a positive impact on net financial items of SEK 49 million (20).

Synsam Group annual churn

Synsam Group annual churn – Synsam Lifestyle™ is a measure of the percentage of customers leaving the spectacles subscription scheme. Annual churn for 2021 was 9.33% (7.70). Churn has been stable over the last eight quarters. For definitions, see the section

'Company-specific glossary and definitions' on page 105.

Cash flow

Operating activities

Cash flow from operating activities totalled SEK 980 million (898). Tax paid totalled SEK -86 million (-19). Depreciation and amortisation of intangible and tangible assets totalled SEK 555 million (532).

Changes in working capital in 2021 were impacted by repayment of COVID government support in the form of deferred tax payments, including VAT payments. The total accumulated liability for government support of SEK 196 million as of 31 December 2020 was settled in full in 2021.

Investing activities

In 2021, investments in tangible and intangible non-current assets totalled SEK 272 million (161). The maintenance investments include the relocation and opening of the largest flagship optical store in northern Europe at Hötorget in Stockholm. In addition, maintenance investments include upgrades of stores to the Mega concept and some modernisation of the store network. Other investing activities in 2021 were impacted by the acquisition of Audionomkliniken Sverige AB.

Financing activities

Cash and cash equivalents totalled SEK 755 million (809) at the end of the year. In the fourth quarter of 2021, the Group's bank loans were refinanced. Existing bank loans, totalling SEK 2,605 million, under the previous loan facility have been repaid and a new long-

term bank loan financing of SEK 2,430 million has been agreed under a new loan facility. The loans are interest-only and have terms of three or five years. In connection with the refinancing, the previous interest rate swap was also terminated. In addition to repayments of SEK 2,605 million in connection with the above refinancing in the fourth quarter, repayments to financial institutions during the year totalled SEK 295 million (85). Apart from the above refinancing, no new bank loans were raised during the year. SEK 210 million was raised under the existing loan facility in 2020.

Financial position

Liabilities to financial institutions at the end of the year totalled SEK 2,416 million (2,896), of which current portion SEK -million (405). Currency effects had a negative impact on liabilities to financial institutions for 2021. The unused credit facility was SEK 940 million (50) at the end of the year. Lease liabilities totalled SEK 710 million (526). External net debt totalled SEK 2,390 million (2,636).

During the fourth quarter, in connection with the company's initial public offering the historical shareholder loans, including accrued interest, totalling SEK 3,996 million, were converted to equity.

Acquisitions and openings

During the year, 26 directly-owned stores were opened, two stores were merged, one store was acquired, one franchise store was added, one store was closed and six franchise stores left the network.

- During the first quarter, Synsam Sweden has opened another outlet store, on Drottninggatan in

Stockholm. In addition, Synsam Sweden has opened company-owned stores in Sölvesborg and Sollefteå.

- On 1 March, 100 percent of Audionomkliniken Sverige AB was acquired. The company's activities include audiology services, which include hearing aids, and consulting services in this field. The acquisition provides an opportunity for Synsam to test audiology services as part of Synsam's offering, Synsam Hearing. These operations are reported under 'Other & Central functions' from the date of acquisition. In connection with the acquisition, a store, Serafen, was added in Stockholm.
- During the second quarter, Synsam Sweden opened two Synsam Recycling Outlet stores, one at Fridhemsplan, Stockholm, and one in Triangeln, Malmö. A store in Södertälje has been closed and a franchise store has been added in Örebro. In Synsam Denmark, a flagship unit has been opened in Odense and Synsam Norway has opened a store in Bodø. In Synsam Finland, there were no changes in the store portfolio in the second quarter. Synsam Hearing expanded during the second quarter with the addition of two stores, one in Täby and one in Nacka.
- During the third quarter, Synsam Sweden opened two Synsam Recycling Outlet stores, one on Vasagatan in Västerås and one in MVG-gallerian, Umeå. Synsam Norway has opened a store in Lörenskog, and in Synsam Finland two Mega Store stores have been opened in Helsinki. In Synsam Denmark, there were no changes in the store portfolio during the third quarter.
- In Finland, three Mega Store stores and a Synsam Recycling Outlet store were opened in the fourth quarter. In Synsam Denmark and Synsam Norway, there were no changes in the store portfolio. Synsam

Hearing expanded with the addition of a new store in Gävle during the fourth quarter.

- As part of consolidation of business activity, former franchisees in Denmark were discontinued during the fourth quarter. The network of franchise stores in Denmark, consisting of six stores, has consequently been phased out as of October 2021. The three franchise stores in Iceland and the Faroe Islands remain and are part of the Denmark segment.
- Synsam Sweden opened two Synsam Recycling Outlet stores in the fourth quarter, one in Luleå and one in Kista Galleria. A store on Kungsgatan in Stockholm has been merged with the store at Hötorget. Together, they formed the basis for Synsam's opening of the largest optical flagship store in northern Europe at Hötorget in Stockholm at the end of the year. In addition, Synsam Sweden has opened four directly-owned stores, in Stockholm, Nybro, Hörby and Kramfors, as well as a Mega Store in Nynäshamn.

The acquisitions made during the year have only a marginal effect on the Group's turnover sales and earnings.

Number of stores and omnichannel concept

The total number of stores at the end of the year was 500 (480), of which the number of directly-owned stores was 467 (442). Synsam has created an integrated omnichannel concept that weaves together Synsam's digital and physical sales and service channels to provide the best product and service offerings as well as buying and service experience to customers.

Five-year review

The table below summarises financial information for the financial years 2017–2021. With effect from 1 January 2019, the Group applies IFRS 16 Leases. The comparative figures for 2017–2018 have not been restated as the Group has applied the prospective method in implementing IFRS 16. Amounts in MSEK unless otherwise stated.

Group	2021	2020	2019	2018	2017
Net sales	4,669	3,806	3,741	3,380	2,977
Operating profit/loss (EBIT)	633	402	397	262	88
Profit before tax	163	-136	-129	-261	-369
Profit after tax	51	-195	-178	-300	-354
Balance sheet total	7,603	7,258	6,893	6,418	6,411
EBITDA ¹⁾	1,189	934	925	554	365
Adjusted EBITDA ¹⁾	1,274	948	984	643	546
Earnings per share, before and after dilution, SEK ²⁾	0.60	-2.73	-2.48	-4.18	-4.94
Cash flow for the year	-83	601	-62	174	-23
Average number of employees	2,671	2,281	2,095	1,975	1,997

1) Alternative performance measures (APM), for definition see the section 'Financial definitions' on page 104 and further information in Note 28 and Note 32.

2) For information on changes in the number of shares and average number of shares, see Notes 21 and 22.

DEVELOPMENT BY SEGMENT

There are four segments in the Synsam Group: Sweden, Denmark, Norway and Finland. The segments include the sales of the different geographical markets and the expenses directly attributable to sales. Certain expenses are decided at Group level and are therefore not included in the respective segment, such as certain marketing expenses and other central activities and functions such as treasury, finance and IT functions. These expenses are recognised under Other and Central functions.

Net sales from external customers come from the sale of goods (mainly spectacles, sunglasses and contact lenses) as well as eye examinations (services) and revenue from Synsam Lifestyle™. Net sales in the segments are also specifically monitored for Synsam Lifestyle™.

Synsam Sweden

Net sales increased for 2021 increased by 24.5 percent to SEK 2,266 million (1,820). Organic growth was 24.5 percent (8.9) and like-for-like growth was 20.4 percent (4.3). EBITDA and adjusted EBITDA increased to SEK 758 million (576).

Synsam has a strong brand and market position in Sweden, which was further strengthened in 2021. The increase in sales is explained by Synsam's complete offering including attractive store concepts, own House Brands, digital solutions and the subscription business Synsam Lifestyle™.

An increase in the number of new stores also contributed to growth. Net sales for the full year 2020 were negatively impacted by the effects of the coronavirus in the first half of the year and by a cyberattack in September 2020.

Following the launch of the first Synsam Recycling Outlet in Linköping in December 2020, seven more Recycling Outlet units were opened during the year, two of which in the fourth quarter, in Luleå and Kista. In December 2021, a further flagship unit was also opened, at Hötorget in Stockholm. This replaces two previous stores in Stockholm. At 900 square metres in size, the store is the largest optical store in northern Europe, offering more than 5,000 spectacle frames, sunglasses and sports glasses.

Synsam Group annual churn for Synsam Lifestyle™ was 8.25 percent (7.19).

Synsam Denmark

Net sales for 2021 increased by 9.4 percent to SEK 1,018 million (931). Organic growth was positive at 13.2 percent (-8.8). Like-for-like growth was also positive at 12.1 percent (-9.0). The currency effect on net sales against DKK was negative and had an impact of SEK -32 million (-8). EBITDA and adjusted EBITDA totalled SEK 280 million (259).

After a negative impact on business activity in Denmark in early 2021 due to extended COVID-19 restrictions at the end of 2020, the trend was positive for most of 2021. Growth in the fourth quarter was lower due to fierce competition in the market. The increase in sales

is explained by Synsam's complete offering including attractive store concepts, own house brands, digital solutions and the subscription business Synsam Lifestyle™. The opening of the flagship store in Odense in the spring also contributed to growth. Net sales for 2020 were negatively impacted by the effects of the coronavirus in the first half of the year and by a cyberattack in September 2020.

As part of further consolidation of the business, the cooperation with current franchisees in Denmark was phased out during the fourth quarter. The network of franchise stores in Denmark, consisting of six stores, has consequently been phased out as of October 2021. The three franchise stores in Iceland and the Faroe Islands remain and are part of the Denmark segment. Instead, the strategy is to establish more directly-owned Synsam stores in Denmark. A flagship store opened in Odense in April.

Synsam Group annual churn for Synsam Lifestyle™ was 11.08 percent (7.07).

Synsam Norway

Net sales for 2021 increased by 27.4 percent to SEK 1,020 million (801). Organic growth was 25.1 percent (3.9), and like-for-like growth was also positive at 22.9 percent (2.1). The currency effect on net sales against NOK was positive and totalled SEK 20 million (-79). EBITDA and adjusted EBITDA totalled SEK 274 million (164).

After a negative start to the year in Norway due to extended COVID 19 restrictions at the end of

the previous year, the trend was positive for most of the year. The increase in sales is explained by Synsam's complete offering including attractive store concepts, own House Brands, digital solutions and the subscription business Synsam Lifestyle™. An increase in the number of new stores also contributed to growth. Net sales for the full year 2020 were negatively impacted by the effects of the coronavirus in the first half of the year and by a cyberattack in September 2020.

Two new stores were opened during the full year 2021. In addition, the first quarter saw the relocation of a store in Bergen, which was upgraded to a flagship unit in April.

Synsam Group annual churn for Synsam Lifestyle™ was 10.44 percent (9.78).

Synsam Finland

Net sales for 2021 increased by 33.2 percent to SEK 266 million (200). Organic growth was 37.7 percent (6.5). Like-for-like growth was also positive at 30.9 percent (-3.0). The currency effect on net sales against EUR was positive and totalled SEK -9 million (-2). EBITDA and adjusted EBITDA totalled SEK 37 million (21).

Finland experienced very strong growth during the year and gained market share, despite Synsam Finland being one of the smallest players in the Finnish market. The increase in sales is explained by Synsam's complete offering including attractive store concepts, own House Brands, digital solutions and the subscription business Synsam Lifestyle™.

Five new Mega Store stores and a Synsam Recycling Outlet unit were opened during the year.

Synsam Group annual churn for Synsam Lifestyle™ was 9.90 percent (9.51).

OTHER INFORMATION

Significant risks and uncertainties

COVID-19

The consequences of the COVID-19 outbreak in spring 2020 affected the Synsam Group, and there is still a risk that these could have a material financial impact. The financial impact is related to the general situation and possible decisions by various local authorities that may lead, among other things, to reduced business activity. The omicron variant that spread from the end of 2021 has affected business activity in early 2022, for example in the form of reduced optician capacity. Synsam is continuing to monitor closely the development of COVID-19 and any changes in restrictions in the Group's markets. Further measures in addition to those already implemented may therefore be taken. Synsam is also continuing to focus on the health and safety of its employees, customers and suppliers.

Financial risks

The Group is exposed to various types of financial risk through its business activities. Financial risks relate to fluctuations in earnings and cash flow due, for example, to changes in exchange rates and interest rates, as well as customers' ability to pay and the possibility

of refinancing the business. Known financial risks are managed in the finance policy, which consists of guidelines and rules describing the risk management mandate for the financial business. See also Note 19.

Exchange rate and interest rate risk

The Group's currency is Swedish kronor, to which the subsidiaries' balance sheets and income statements are translated. Synsam is exposed to all the currencies in the Nordic market where it operates. This is due to the fact that exchange rate fluctuations affect the translated earnings and the assets and liabilities in the balance sheet of the Norwegian, Danish and Finnish subsidiaries. The Group does not hedge against exchange rate fluctuations.

Synsam makes purchases from Asia, which exposes the group to USD. Purchases from one of the Synsam Group's major European suppliers are made in EUR.

Synsam is exposed to fluctuations in interest rates in the Nordic markets. Interest rate risk is mainly related to the Group's liability to financial institutions and can be managed through the use of interest rate swaps. Synsam Group does not apply hedge accounting.

Business risk

The Group's most significant business risk is linked to having a strong position in each country. A strong market position is attributed to brand awareness, optimal customer service and competitive prices. Business risk is also influenced by the economic climate in each market. The state of the economy has an impact on customers' purchasing power and propensity to purchase, and therefore on footfall in the

Group's stores.. In times of uncertainty, such as during a pandemic, customers tend to buy cheaper products and less frequently, which has also had an impact on Synsam Group. Macroeconomic exposure is managed by actively addressing the market. The ambition is to understand the customer's wishes as well as possible in order to actively develop and adapt the customer offering to meet the customer's needs and expectations.

Employee risks

In order to reduce the risk of key employees leaving the Group, which could lead to shortcomings in Synsam's fulfilment of its brand promises, Synsam Group works with talent management. Synsam also has well-developed succession planning.

Supplier risks

Synsam requires suppliers to comply with its Code of Conduct. To counter the risk of non-compliance with the Code of Conduct, Synsam Group carries out regular monitoring and checks.

Acquisitions and integration

Organic growth in the Nordic region is the key part of the growth strategy. In addition to this organic growth, Synsam may make sporadic supplementary acquisitions of smaller companies. In the case of acquisitions, there is a risk of less profitable acquisitions and a risk of inadequate integration of smaller businesses into existing operations. Access to attractive store openings can be seen as a potential risk. Expansion risk is managed by ensuring that there is a balanced plan containing store opening locations in each main market. Acquisitions of businesses are made after analysis of synergies.

IT systems

Synsam is dependent on IT systems that work smoothly to collect, process and communicate information securely and efficiently. Administration and maintenance work for the operation of Synsam's IT systems is dealt with by third parties. A prolonged interruption or serious failure of IT systems could lead to difficulties and limitations in the delivery of goods, invoicing of customers or the ability to present financial information.

Other risks

The optical industry is an unregulated market for the Group. However, a licence to practise with country-specific requirements is required for the individual optician to perform optical services. There is a risk of the number of licensed opticians being limited, which could limit Synsam's sales. To address the shortage of licensed opticians, Synsam works preventively on recruitment and to become most attractive employer in the industry.

To reduce the risk of errors in financial reporting, Synsam has an internal framework for control of financial reporting, which is also tested for compliance on an ongoing basis.

Sustainability

The Group has prepared a sustainability report in accordance with the Annual Accounts Act and refers to pages 25-37. Neither the Parent Company nor any other company in the Group carries out activities subject to licensing.

The Parent Company

Synsam AB (publ) with corporate identity number 556946-3358 is the Parent Company of the Group. The Parent Company's activities consist in owning and managing shares in subsidiaries and carrying out certain management activities. For the full year 2021, the Parent Company's revenue totalled SEK 69 million (1) and profit after net financial items was SEK -78 million (-4).

In connection with the Group's refinancing of the bank loans, the new bank loan financing of SEK 2,430 million has been taken up by the Parent Company. Issues carried out during the fourth quarter have increased the Parent Company's equity by SEK 3,996 million, see also information on page 107 on the Synsam share and in Note 22 Shareholders' equity.

Other & Central functions

The external net sales in Other and Central functions mainly comprise sales in Ai stores and Synsam Hearing audiology stores, sale of goods from the central warehouse to Synsam franchise stores and a central component of sales for Synsam Lifestyle™. External net sales for Other & Central functions totalled SEK 98 million (55).

For Other & Central functions, EBITDA was SEK -161 million (-87) and adjusted EBITDA was SEK -76 million (-73). Items affecting comparability totalled SEK 85 million (14) and were related to the costs of the company's IPO.

Employees

The average number of full-time employees in 2021 was 2,671, of whom 2,184 were women (2,281, of which 1,855 were women).

Remuneration of senior executives

Guidelines on remuneration of senior executives are set out in Note 5. A new share-based long-term programme, LTIP2022, is proposed for the 2022 Annual General Meeting. No other material changes are proposed. For more detailed information, see the Corporate Governance Report on pages 47-57.

Events after the end of the year

- During the first quarter of 2022, Andreas Sjöharald, Heba El Sheemy and Trond Gudbrandsen left the executive management. Hanna Ekstrand, Managing Director Recycling Outlet, is a new member of executive management.
- Preparations have intensified in the first quarter of 2022, ahead of the start of production at Synsam Group's manufacturing and innovation centre.
- The omicron coronavirus variant that spread from the end of 2021 has affected business activity in the early part of 2022, and more specifically the capacity of available opticians.
- Synsam named Sweden's most sustainable brand in optical retail for the fourth year in a row.

Dividend

The Board of Directors proposes a dividend of SEK 1.70 (0.00) per share.

Future development

Synsam has high future ambitions in terms of growth and profitability. The medium-term objective is to report organic growth of 8-12 percent, while the adjusted EBITDA margin should be 25 percent or higher. Our sights are set on growth and seizing the opportunities for expansion we see in the market to continue to capture market share while maintaining good profitability. Our assessment is that by investing and prioritising growth, we are creating greater shareholder value for the future.

Proposed appropriation of profits

Amounts below are stated in Swedish kronor.

According to the balance sheet of Synsam AB (publ), unrestricted equity is available to the Annual General Meeting as follows:

Retained earnings	306,834,971
Share premium reserve	3,995,539,390
Profit/loss for the year	-24,210,357
Total	4,278,164,004

The Board of Directors proposes that the profit be appropriated as follows:

Dividend paid to shareholders	
SEK 1.70/share	255,000,000
Carried forward to new account	4,023,164,004
Total	4,278,164,004

Statement of the Board of Directors regarding the proposed dividend

The Group's equity has been calculated in accordance with the accounting rules applicable under International Financial Reporting Standards (IFRS). The Parent Company's equity has been calculated in accordance with the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities.

The proposed dividend consists of a cash dividend of SEK 1.70 per share or a total of SEK 255 million. The Group's equity ratio is expected afterwards to be approximately 30.3 percent.

The proposed cash dividend is higher than Synsam's dividend target of 40-60 percent of net profit per share for the year to be distributed to shareholders and Synsam having an optimal capital structure at all times. The deviation from Synsam's dividend target is

justified, among other things, by the Group's strong financial position and the fact that the Group's profit for the year, adjusted for items affecting comparability and interest expenses on shareholder loans, would have been in line with Synsam's dividend target.

The Board of Directors estimates that the company's and the Group's equity, after the proposed dividend, will be sufficient in relation to the nature, scope, risks and the lenders' terms. The Board has also taken into account the Group's performance, liquidity, investment plan and economic situation.

For the company's and the Group's earnings and financial position in other respects, refer to the following income statements, balance sheets, cash flow statements and notes.

All amounts are presented in SEK million unless otherwise stated.

Corporate governance

The initial public offering and listing of Synsam on Nasdaq Stockholm took place on 29 October 2021. The governance of Synsam is based on the rules set out in the Swedish Companies Act (2005:551), the Annual Accounts Act (1995:1554), the company's articles of association, Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code (the 'Code'), applicable prospectively from the listing date on 29 October 2021, as well as other applicable Swedish and foreign laws and regulations. The corporate governance report has been prepared in accordance with the Code.

The principal objective of Synsam's corporate governance is to create a framework of rules, responsibilities, processes and procedures that effectively protect the interests of shareholders and other parties by minimising risks and creating conditions for safe expansion of the company's business.

Prior to the initial public offering and listing on Nasdaq Stockholm, Synsam's corporate governance was mainly based on Swedish law, the articles of association and internal rules and instructions.

Swedish Code of Corporate Governance

The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and is to be applied from the date of listing of Synsam's shares on Nasdaq Stockholm. The aim is to improve corporate governance in listed companies and promote confidence in companies both among the public and

in the capital market. The code is based on the 'comply or explain' principle, which means that it is possible to deviate from the code if it can be explained why the deviation has occurred. During the applicable time period (29 October to 31 December 2021), there was no non-compliance with the Code within Synsam.

Compliance with applicable exchange trading rules

No breaches of good stock market practice or of applicable stock exchange rules have been reported by the Swedish Securities Market Board or the Disciplinary Board of the Stock Exchange.

The share and shareholders

The Synsam share has been listed on Nasdaq Stockholm, Mid Cap segment, since 29 October 2021. The share capital on 31 December 2021 totalled SEK 1 million, divided into 150,000,000 shares. The total market capitalisation of the company as of 31 December 2021, based on the closing price of SEK 77.00, was SEK 11.55 billion. All shares carry equal voting rights and equal rights to the company's profits and capital. The company's articles of association do not limit the number of votes that each shareholder may cast at a general meeting.

The number of shareholders at 31 December 2021 was 11,911. At the same time, the ten largest shareholders controlled 86.08% of the capital and votes, while foreign shareholders accounted for 68.76% of the

capital and votes. A shareholder representing, directly or indirectly, at least one-tenth of the number of votes for all shares in Synsam is CVC Capital Partners, whose shareholding as of 31 December 2021 was 60.95 percent. For further information on the Synsam share and shareholders, see page 107.

General Meeting of Shareholders

Under the Companies Act, the General Meeting of Shareholders is the highest decision-making body of the company. The General Meeting may decide on any matter in the company that does not expressly fall within the exclusive competence of another corporate body. At the Annual General Meeting, to be held within six months of the end of each financial year, shareholders exercise their voting rights on matters such as adoption of the income statement and balance sheet, appropriation of the company's profits, decision on discharge of the members of the Board of Directors and the Chief Executive Officer from liability in respect of the financial year, election of the members of the Board of Directors and the auditor and remuneration of the Board of Directors and the auditor.

In addition to the Annual General Meeting, extraordinary general meetings may be convened. In accordance with the company's articles of association, adopted on 19 October 2021, notice of the General Meeting has to be given by announcement in the Swedish Official Gazette (Post- och Inrikes Tidningar) and by making the convening notice available on the

company's website. An announcement is required to be placed simultaneously in Dagens Nyheter with information that the meeting has been convened.

Right to attend the General Meeting

All shareholders who are directly registered in the share register kept by Euroclear six business days prior to the General Meeting, and who have notified the company of their intention to attend the General Meeting no later than the date specified in the notice of meeting, are entitled to attend the General Meeting and to vote according to the number of shares they hold. Shareholders may attend the General Meeting in person or by proxy and may also be accompanied by not more than two assistants.

Shareholder initiatives

Shareholders wishing to have a matter discussed at the General Meeting must submit a written request in that regard to the Board of Directors. The request must normally be received by the Board of Directors at least seven weeks before the General Meeting.

Nomination Committee

The Annual General Meeting held on 30 March 2021 resolved to adopt instructions for the Nomination Committee. According to the resolution of the Annual General Meeting, the Nomination Committee Instructions are applicable with effect from 1 January 2022. According to the instructions for the Nomination Committee, the Nomination Committee is to consist of four members appointed by the four largest shareholders or shareholder groups in the company in terms of

voting rights as of the last business day in August of the year prior to the Annual General Meeting and who wish to appoint a representative. In addition to these four members, the Chairman of the Board is to be a member of the Nomination Committee. The Nomination Committee is required to appoint from among its members the Chairman of the Nomination Committee.

The Extraordinary General Meeting held on 19 October 2021 resolved to adopt instructions for the Nomination Committee with amended wording for the 2022 Annual General Meeting. The adjustment means that the Nomination Committee is to consist of four members appointed by the four largest shareholders or shareholder groups in the company in terms of voting rights as of the last business day in January of the year in which the Annual General Meeting is held and who wish to appoint a representative. This wording is to apply only to the 2022 AGM, after which the Nomination Committee Instructions are to apply in their original wording.

The instructions for the Nomination Committee comply with the Code as regards the appointment of the members of the Nomination Committee. The members of the Nomination Committee are required to be announced no later than six months before the next Annual General Meeting. The members of the Nomination Committee, within the scope of their assignments, are required to perform their duties in accordance with the Code.

The main tasks of the Nomination Committee are to nominate candidates for the positions of Chairman of the Board and other members of the Board and to make proposals for the fees and other remuneration payable to each of the Board members. The Nomination Committee is also required to nominate candidates for the post of auditor and propose the auditor's fee.

Nomination Committee prior to the 2022 Annual General Meeting

The Nomination Committee prior to the 2022 AGM consists of Tomas Ekman, Chairman of the Nomination Committee and appointed by CVC/Theia Holdings S.à r.l., Henrik Söderberg, appointed by C WorldWide Asset Management, Karin Eliasson, appointed by Handelsbanken Fonder, Lovisa Runge, appointed by Fjärde AP-fonden and Peter Törnquist, Chairman of the Board.

The 2022 Annual General Meeting

AGM in Synsam AB (publ) is to be held Tuesday, 26 April 2022 at 11:00 a.m. (CEST) at Space Arena, Sergelgatan 2 in Stockholm, Sweden. For further information, see the notice for the AGM at www.synsamgroup.com.

The Board of Directors Responsibilities of the Board

The Board of Directors is the highest decision-making body after the General Meeting and the highest executive body. The responsibilities of the Board are regulated at several levels. The responsibilities of the Board of Directors are mainly governed by the Companies Act. Under the Companies Act, the Board of Directors is responsible for the organisation of the company and the administration of its affairs. The Board of Directors is also required continuously to assess the company's financial situation and ensure that the company's organisation is such that the accounting, management of funds and the company's financial conditions in other respects are controlled in a satisfactory manner.

Following the listing of the company's shares on Nasdaq Stockholm, the Board applies the Code and Nasdaq Stockholm's Rule Book for Issuers, as well as other applicable Swedish and foreign laws and regulations.

The work of the Board of Directors is also governed by the company's articles of association, directions given by the General Meeting and the Board's rules of procedure adopted by the Board of Directors. The rules of procedure govern, among other things, the role and responsibilities of the Board, the Board's working methods and the division of work within the Board. The Board also adopts instructions for the Chief Executive Officer of Synsam, including instructions for financial reporting.

The duties of the Board include setting objectives and strategies, ensuring that there are effective systems for monitoring and controlling the company's activities and ensuring that there is adequate control of the company's compliance with laws and regulations applicable to its operations. The Board resolves on matters relating to the company's business orientation,

strategy, business plan, resources and capital structure, organisation, acquisitions, major investments, divestments and full-year and interim reports, as well as other general issues of a strategic nature. In addition, the Board of Directors discusses and decides on other matters deemed to fall outside the scope of the Chief Executive Officer's authority.

The Board of Directors is also required to ensure that the necessary guidelines are established for the company's conduct in society, with a view to ensuring its long-term value-creating capacity, and to ensure that the company's disclosure of information is transparent, accurate, reliable, relevant and not misleading. In addition, the responsibilities of the Board of Directors include appointing, evaluating and, if necessary, dismissing the Chief Executive Officer.

Composition and attendance of the Board of Directors during the financial year

Name ¹⁾²⁾³⁾	Position	Independence: Company/Major shareholders	Board meetings	Audit Committee	Remuneration Committee
Peter Törnquist	Chairman, member	Yes/No	22/23	4/6	4/4
Håkan Lundstedt	CEO, member	No/Yes	22/23		
Kenneth Bengtsson	Member	Yes/Yes	23/23		4/4 (Chairman)
Ann Hellenius	Member	Yes/Yes	22/23		
Helena Johnson	Member	Yes/Yes	23/23		
Terje List	Member	Yes/Yes	23/23	6/6	
Gustaf Martin-Löf	Member	Yes/No	23/23	6/6	
Christoffer Sjøqvist	Member	Yes/No	22/23		4/4
Philip Røpcke	Member	Yes/No	23/23		

1) For further information on Board members, see pages 53-54. The work of the Board of Directors and its committees is described on page 48.

2) For information on year of birth, work experience, appointments and shareholdings, see pages 53-54.

3) Directors' remuneration is described in Note 5, see page 76-77.

Chairman of the Board

The Chairman of the Board, Peter Törnquist, is not employed by the company and does not have any assignments for the company other than his chairmanship of the Board. It is the Board's opinion that Peter Törnquist ensures that the Board's work is carried out efficiently and that it also otherwise fulfils the duties incumbent upon it under applicable law and other provisions.

Board members, size and composition

Board members are elected annually by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the company's articles of association, the Board of Directors is required to consist of three to ten members elected by the General Meeting. The Board consists of nine members, elected by the Annual General Meeting.

The composition of the Board of Directors is considered appropriate in view of the company's business, financial position, stage of development and other circumstances. The composition of the Board is to reflect and allow for the different skills and experience that the strategic development and governance of the company may require. The company has a Group diversity policy that includes the Board and management of the company. The company's diversity policy, established in accordance with Rule 4.1 of the Code, aims to achieve an equal distribution of people in the company in terms of age, gender, education and professional background. The diversity policy is the basis for the Nomination Committee's proposal for the Board of Directors at the 2022 Annual General Meeting.

The Board of Directors fulfils the independence requirements set out in the Code. Independence in relation to the company, the company's management and major shareholders is shown in the table above.

The members of the Board of Directors are presented in more detail on page 53-54.

Procedures of the Board of Directors

Immediately after the Annual General Meeting, a first meeting of the newly elected Board is held, at which the Board's rules of procedure and instructions to the company's CEO are adopted. At this meeting, members of the audit and remuneration committees of the Board of Directors and the company's authorised signatories are also appointed. In addition to this meeting, the Board is required to hold at least six other meetings during the financial year. These are held quarterly in conjunction with the publication of the company's financial reports and in addition once in March prior to finalisation of the annual report, and once in June for strategic discussions. The strategy meeting mainly discusses issues related to the Group's objectives and strategies, including establishment strategy and major investments. Other meetings mainly deal with customary Board matters, the company's reports and reports from the Board's committees.

The Board of Directors meets the auditors once a year without senior management being present. In 2021, the extensive work on the company's initial public offering resulted in a higher frequency of Board meetings, and the Board held 23 Board meetings during the financial year. The Board of Directors evaluates its work annually.

The Board of Directors' rules of procedure specify which items on the agenda should be fixed and which may vary. Matters dealt with by the Board of Directors during the year are strategic direction, monitoring of the business plan, review of risk management, financial reporting and budget. The work of the Board of Directors' committees is an important element of the Board's work. The Board of Directors has drawn up instructions for the work of the committees. The

Remuneration Committee and the Audit Committee discuss matters falling within their areas of responsibility. Matters discussed at committee meetings are minuted and circulated to other Board members at Board meetings.

The rules of procedure also state that the Board of Directors must meet the company's auditors at least once a year. In addition, the rules of procedure govern certain formal matters such as rules on convening and confidentiality.

The Board of Directors evaluates its work each year, and it is the responsibility of the Chairman of the Board to ensure that this is done. In 2021, the Chairman conducted a written survey of all Board members. The overall opinion in the 2021 evaluation was that the Board's work had functioned well during the year and that the Board had fulfilled the Code's requirements regarding the work of the Board of Directors.

Audit Committee

The Board has established an audit committee in accordance with the Companies Act. Under the Companies Act, members of the Audit Committee may not be employed by the company and at least one member of the Audit Committee must have accounting or auditing competence. The current Audit Committee consists of three members: Peter Törnquist (Chairman of the Audit Committee), Gustaf Martin-Löf and Terje List, all of whom are independent of the company and its management. Terje List is also independent of the company's principal shareholder.

The Audit Committee is responsible for overseeing the company's financial reporting, risk management and internal control, as well as accounting and auditing. The Audit Committee also reviews and monitors the impartiality and independence of the auditors and other services provided by the company's auditor and

assists in the preparation of proposals for resolution by the General Meeting on the election of auditors.

Remuneration Committee

The Board of Directors has established a Remuneration Committee. The Remuneration Committee consists of Kenneth Bengtsson (Chairman of the Remuneration Committee), Peter Törnquist and Christoffer Sjøqvist, all of whom are independent of the company and its management. Kenneth Bengtsson is also independent of the company's principal shareholder.

The main task of the Remuneration Committee is to prepare the Board's decisions on matters concerning, among other things, the terms of employment and remuneration for the CEO and other executive management. The Remuneration Committee is required to prepare for the Board of Directors the Board's proposal for guidelines for remuneration and other terms of employment for the CEO and other executive management. The Remuneration Committee is also required to provide input on certain other remuneration matters of principle or otherwise of material importance, such as stock option programmes and profit-sharing schemes, and monitor and evaluate the application of the guidelines for remuneration of executive management to be adopted by the Annual General Meeting by law, as well as the current remuneration structures and levels in the company.

Chief Executive Officer and executive management

Division of work between the Board of Directors and the CEO

The Board of Directors appoints the CEO of the company. The division of work between the Board of Directors and the CEO is set out in the Board's rules of procedure and in the instructions to the CEO. Among

other things, these state that the Board of Directors is responsible for the company's governance, risk management, organisation, strategies, internal control and policies. The Board further resolves on major investments. The Board is also responsible for the quality of financial reporting.

Chief Executive Officer

The responsibilities of the Chief Executive Officer are regulated at several levels. The responsibilities of the Chief Executive Officer are mainly governed by the Companies Act. Under the Companies Act, the Chief Executive Officer of a company is responsible for the day-to-day management of the company in accordance with the directions and guidelines issued by the Board of Directors. The Chief Executive Officer is also required to take the measures necessary to ensure that the company's accounts are kept in accordance with applicable law and that the assets are managed in a satisfactory manner.

The Chief Executive Officer must also comply with the company's articles of association, guidelines issued by the General Meeting, instructions to the Chief Executive Officer, including instructions for financial reporting, and other internal instructions and guidelines adopted by the Board of Directors. The division of work between the Board of Directors and the CEO is described in the CEO Instructions, including the financial reporting Instructions.

The Chief Executive Officer reports to the Board of Directors and is responsible for the administration of the company's management and the implementation of the decisions taken by the Board of Directors. The Chief Executive Officer is required to control and supervise the presentation to the Board of Directors of the matters to be dealt with by the Board of Directors in accordance

with applicable law, the articles of association or internal instructions, and to keep the Chairman of the Board informed on an ongoing basis of the company's operations, results and financial position, as well as of other significant events, circumstances and conditions.

The Chief Executive Officer, Håkan Lundstedt, is presented in more detail on page 53.

Executive management

Synsam's executive management is divided into a Strategic Management Group and an Operational Management Group. The division of work between the Strategic Management Group and the Operational Management Group is defined in the Group's rules of procedure for executive management. The Strategic Management Group is responsible for medium to long-term issues, such as the status and prioritisation of business development projects, strategic assortment issues, overall establishment plans, strategic partnerships and major IT projects. The CEO and CFO, together with other members of executive management, are part of the Strategic Management Group.

The Operational Management Group is responsible for issues of a short-term nature, such as tactical marketing, campaigns, sales excellence, the Group's sales position and store communications. The Chief Executive Officer and Country Managers, together with other members of executive management, are part of the Operational Management Group. When updating the strategic plan and ahead of major decisions where the CEO from time to time deems that the entire executive management should be present, the entire executive management meets.

Members of executive management are presented in more detail on page 55-57.

Remuneration of Board members and executive management

Remuneration of Board members

Fees and other remuneration payable to the members of the Board, including the Chairman of the Board, are decided by the Annual General Meeting. The Annual General Meeting held on 30 March 2021 resolved that the total remuneration for the members of the Board of Directors, for the period until the next Annual General Meeting, would be SEK 1,850,000. SEK 650,000 is to be paid to the Chairman of the Board and SEK 300,000 each to Kenneth Bengtsson, Terje List, Helena Johnson and Ann Hellenius. In addition, SEK 150,000 is to be paid to the Chairman of the Audit Committee and SEK 100,000 each to the other members of the Audit Committee. A further SEK 100,000 is to be paid to the Chairman of the Remuneration Committee and SEK 50,000 each to the other members of the Remuneration Committee. Gustaf Martin-Löf, Philip Røpcke and Christoffer Sjøqvist have declined remuneration for their membership of the Board, the Audit Committee and the Remuneration Committee.

The above fees are based on the date on which the company's shares were listed on Nasdaq Stockholm. For the period from the election of the Board members to the company until listing of the company's shares on Nasdaq Stockholm, a Board fee is to be paid annually in the amount of SEK 800,000 to the Chairman of the Board and SEK 300,000 to each of Kenneth Bengtsson, Terje List, Helena Johnson and Ann Hellenius (with the amount being reduced in proportion to the period during which the company has not been listed). The members of the company's Board are not entitled to any benefits when they resign as Board members.

Remuneration of the Chief Executive Officer and other executive management

Remuneration to members of executive management is required to be market-based in order to ensure Synsams' ability to recruit and retain competent executive management. The remuneration is required to be based on the individual's skills, responsibilities and performance and be paid in accordance with the guidelines for remuneration to the CEO and executive management adopted by the Annual General Meeting on 30 March 2021 for the period until the Annual General Meeting in 2022.

The remuneration of the company's executive management consists of fixed salary, variable remuneration based on annual performance-based targets (up to 100 percent of base salary) and other benefits such as non-monetary benefits, pension and insurance. Non-monetary benefits may be offered in accordance with customary rules and market standards in each country. These benefits are required not to constitute a significant part of the total remuneration. In addition, the Annual General Meeting may decide to offer long-term incentive programmes such as share-related and share price-related incentive programmes. These incentive programmes are required to be designed to contribute to long-term value growth and provide common interest in value creation for shareholders and employees.

Share-related incentive programmes

The company values competitive remuneration for executives and other employees and will further develop the company's remuneration and incentive systems to contribute to the company's continued development and growth. The Remuneration Committee and the Board have discussed the need for a long-term incentive

programme and have decided to prepare a long-term, share-based incentive programme that will be presented to the Annual General Meeting in 2022. The terms of the incentive scheme are expected to be in line with market practice for listed companies of a similar size and with a similar business focus as Synsam.

Remuneration in the financial year 2021

Remuneration received by the Board of Directors and executive management for the financial year 2021 is shown in Note 5.

In Note 5, guidelines for remuneration of executive management are presented in their entirety and in which cases the Board has exercised its right to deviate from these remuneration guidelines.

Risk management

The Board of Directors has overall responsibility for the Group's risk management. Within Synsam, the Group's risk situation is regularly updated and analysed. This is done through a systematic process where risks are identified, assessed and evaluated, managed, monitored and reported. Priority is given to those risks which, on the basis of an overall assessment of potential impact and likelihood, are considered to have the most negative impact. Important aspects of this are the control activities undertaken to avoid, reduce or transfer the risk to another party, for example through insurance. This mapping has been carried out at Group level and constitutes a tool for strategic and operational governance by the Board and management. The focus can be directed through the mapping process towards reducing the company's risk exposure and reducing the impact of any risks that are realised. The CFO is responsible for Synsam Group's overall risk process and reports status and deviations to the CEO, to the executive management and to the Board of Directors.

The Group's combined risk status is reported internally to the Audit Committee and the Board once a year. See also the risk section on pages 44-45.

Sustainability

The ambitions for Synsam's sustainability work have been set high. The company aims to be, and be perceived as, a sustainable company in the long term. Synsam's vision for how it wants to work with sustainability in the Group is clear: We are the leading and most sustainable lifestyle company in optical retail and eye health. The work on environmental, social and ethical responsibility includes many different areas, which together are intended to contribute to the sustainable development of society. The Board follows up on sustainability work through the executive management's reporting.

Synsam is responsible for the sustainability value chain from start to finish, and the company sets high internal standards for employees and external standards for suppliers. The company will review all aspects of the business; from design development to raw material purchasing, production and transportation. In addition, sales through to product use and reuse and recycling are reviewed. Under each part of the Synsam value chain there are identified processes and approaches for continuous improvement. See also the Sustainability Report on pages 25-37.

Internal control regarding financial reporting

The responsibilities of the Board of Directors and the Chief Executive Officer for internal control are governed by the Companies Act and the Code. Under the Companies Act, the Board of Directors of a company is responsible for the organisation and management

of the company's affairs and must ensure that the company's organisation is such that the accounts, management of funds and financial affairs of the company are adequately controlled.

Under the Companies Act, the Managing Director of a company is responsible for the day-to-day management of the company in accordance with the instructions and guidelines of the Board of Directors. The Managing Director is also required to take the measures necessary to ensure that the company's accounts are kept in accordance with the law and that the funds are managed in a satisfactory manner.

Under the Code, it is part of the duties of the Board of Directors to ensure that there are effective systems for monitoring and controlling the company's operations. The Audit Committee is required by the Companies Act, without prejudice to the responsibilities and duties of the Board of Directors in other respects, to monitor the company's financial reporting and, with respect to financial reporting, to monitor the effectiveness of the company's risk management, internal control and internal audit functions.

Internal control is defined in practice as a process, influenced by the Board of Directors, the Audit Committee, the Chief Executive Officer, other senior management and other employees, designed to provide reasonable assurance regarding the achievement of a company's objectives in relation to: effective and efficient operations; reliable reporting and compliance with applicable laws and regulations. Synsam's internal control process is based on the control environment, which creates discipline and provides a structure for the other four components of the process: risk assessment, control structures, information and communication and monitoring.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of external financial reporting in the form of quarterly and annual reports and financial statements and that external financial reporting is prepared in accordance with applicable laws and accounting standards and other requirements applicable to listed companies. Ultimate responsibility for internal control rests with the Board, which, through the Audit Committee, continuously evaluates Synsam's risk management and internal control.

The company's internal control work follows the framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework consists of five sub-areas: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The control environment consists of the organisational structure and the values, guidelines, policies, instructions, etc. by which the organisation operates. Effective governance is the basis for good internal control, and Synsam's Board of Directors has established rules of procedure and clear instructions for its work. This also includes the Board's remuneration and audit committees.

Part of the Board's work is to develop and approve the policies that guide the Group's internal control work. The Board is also required to create the conditions for an organisational structure with clear roles and responsibilities leading to effective management of the risks of the business.

The Group has a set of rules for decision and authorisation levels that follow the Group's organisational structure. The focus has been on

clarifying who has the decision-making authority for investments, activities, signing of contracts, etc. within each function and with limitations in terms of amounts. In cases where the amount exceeds the function's mandate, the decision is referred to the next level in the organisation. This aims to maintain good corporate governance and knowledge of decisions taken at different levels of the organisation. The rules on decision and authorisation form the basis for decision-making within Synsam.

The executive management is responsible for implementing guidelines for maintaining good internal control. Work is ongoing to develop and improve internal control. The Executive Management and the Audit Committee report continuously to the Board according to established procedures. All activities are required to be conducted in accordance with the Group's Code of Conduct and Business Ethics Guidelines.

Risk assessment and control activities

In terms of risk assessment, Synsam has an established risk framework that includes identification, analysis, categorisation, grading, reporting and management of risk. Synsam assesses risks based on likelihood and impact on Synsam related to each risk. Prioritisation of actions is then based on the grading according to the risk framework and the adopted risk acceptance. Synsam continuously works on the areas deemed to be the highest priority based on materiality and risk.

The processes and control structure are documented in a financial accounting manual that is updated on an ongoing basis. Work is ongoing to evaluate the most significant processes within the Group. The main risks are identified within each process. An assessment is then made of the adequacy of the controls carried out. If necessary, additional compensatory controls are

introduced to reduce the risk to an acceptable level. Within the Group's finance function there are financial controllers and in the operational units business controllers who together ensure that the financial reporting is accurate and complete for the legal entities and segments respectively. Furthermore, they are required to ensure that legal rules are followed and that reporting takes place within the established timeframes to the operational management and to Group Reporting within the Group financial function. Group Reporting includes IFRS and group accounting expertise and is responsible for the consolidation of both internal and external financial statements. In addition, the Group Business Controller and Head of Group Tax are part of the Group Finance function with specialist expertise in their respective areas.

All companies monthly report full financial statements which form the basis for the Group's consolidated reporting.

In addition to the above control activities, Synsam also has an established whistleblowing function.

Information and communication

Key policies, guidelines, instructions and manuals relevant to internal control are updated and communicated to relevant staff on an ongoing basis. General guidelines and instructions are also available on the company's intranet. There are both formal and informal information channels to management and the Board for information from employees. Through the Audit Committee, the Board receives regular feedback from the business on internal control issues. For external communication, there are guidelines to support the requirement to provide accurate information to the stock market.

Monitoring of internal control

The Executive Management and the Audit Committee report regularly to the Board on the basis of established procedures. Each month, the Board receives ongoing information from the CEO via a monthly report for the Group. The monthly report also includes information regarding the respective segments results and development in general.

Each interim report is analysed by the Audit Committee for the accuracy of the financial information. The Audit Committee also has a key role in monitoring the adequacy of controls over the most significant financial reporting risk areas and communicating significant issues with the company's management, Board of Directors and auditors. An important element is to ensure that any comments made by the auditors are addressed.

Once a year, the entire Board meets the company's auditors to be informed about the external audit and discuss current issues. The auditors' report is part of the Board's work to form an opinion on the internal control and the accuracy of the financial information. The CEO does not participate in any issues concerning the management of the company.

Internal Audit

Following evaluation during the financial year and in previous years, the Board has not yet found it necessary to establish an internal audit function. Instead, internal control has been added under the Group's finance function. The question of setting up a specific internal audit function will be examined annually. In addition, the company has a Risk Committee that continuously evaluates material risks and control activities.

Auditing

The company's statutory auditor is appointed by the Annual General Meeting. The auditor is required to examine the annual accounts and financial statements of the company, the consolidated accounts and the accounts of its significant subsidiaries, and the administration of the Board of Directors and the Chief Executive Officer. After each financial year, the auditor is required to submit an audit report to the Annual General Meeting.

The company's auditor is KPMG, with Joakim Thilstedt as auditor in charge. KPMG has a broad organisation with specialised skills well suited to Synsam's operations. KPMG has been the company's auditor since 2014.

The total remuneration paid to KPMG during the financial year is shown in Note 4.

Insider policy

The company has drawn up an insider policy in order to inform employees and other interested parties within the Group about the laws and regulations applicable to the company's dissemination of information and the specific requirements imposed on persons active in a listed company regarding, for example, price-sensitive information. In this context, the company has established procedures for the appropriate management and restriction of the dissemination of non-published information. The company's CFO has overall responsibility for handling insider information issues and keeping an insider register.

Board of Directors



Peter Törnquist

Member and Chairman of the Board of Synsam Group since 2014.

M.Sc. in Business Administration and Economics Stockholm School of Economics, Stockholm, Sweden. MBA (Hon's). International Institute for Management Development, Switzerland.

Born 1953

Work experience: Former Chairman of the Board of ÅR Packaging AB, Vice Chairman of the board of Ahlsell AB (publ), Vice Chairman of the Board of Paroc Oy, Partner and Head of Nordics CVC, Managing Director Lehman Brothers, Senior Partner Bain&Company.

Other significant appointments: Chairman of the Board of Virtual Stores AB, member of the Board of Ahlsell AB.

Committees: Chairman of the Audit Committee. Remuneration Committee.

Independence: Independent in relation to the company but not in relation to the principal shareholder.

Shareholding: 18,000 shares.



Håkan Lundstedt

President and CEO and member of the Board of Synsam Group since 2015.

Born 1966

Work experience: Former President and CEO of Mekonomen Group and CEO of Lantmännen AXA.

Other significant appointments: Member of the Board of Rizzo Group AB and Clas Ohlson AB.

Independence: Not independent in relation to the company but independent in relation to the principal shareholder.

Shareholding: 1,548,343 shares.



Kenneth Bengtsson

Member of the Board of Synsam Group since 2014.

Born 1961

Work experience: President and various positions within ICA for more than 30 years. Former Chairman of the Boards of Ahlsell AB (publ), Mekonomen AB and Systembolaget AB.

Other significant appointments: Chairman of the Boards of Envirotainer, Ersta Diakoni, Mio AB, Clas Ohlson AB, Lyko Group AB (publ) and World Childhood Foundation. Member of the Boards of Herenco and Virtual Stores AB.

Committees: Chairman of the Remuneration Committee.

Independence: Independent in relation to the company and the principal shareholder.

Shareholding: 62,266 shares indirectly through NM 24 i Stockholm AB.



Ann Hellenius

Member of the Board of Synsam Group since 2019.

M.Sc. in Business Administration, Linköping University, Sweden. MBA. University of Bath, England.

Born 1974

Work experience: Former CIO of Scandic Group AB, Stockholm City Council and member of the boards of H&H Group, Conapto Group and HiQ International.

Other significant appointments: CEO of Capgemini Invent Sweden and Finland. Member of the boards of Volvofinans Bank AB, HSB Affärsstöd AB and Micro Systemation AB.

Independence: Independent in relation to the company and the principal shareholder.

Shareholding: None.



Helena Johnson

Member of the Board of Synsam Group since 2019.

M.Sc. in Business Administration and Economics, Stockholm School of Economics, Stockholm, Sweden.

Born 1968

Work experience: Formerly Project Manager and Marketing Director at BCG and CFO/COO at Pareto Securities AB.

Other significant appointments: Chairman of the Board of V. Vole Invest AB and Head of HR for the Large Companies and Financial Institutions Division of SEB.

Independence: Independent in relation to the company and the principal shareholder.

Shareholding: 600 shares.



Terje List

Member of the Board of Synsam Group since 2014.

M.Sc. in Economics and Business Administration, Copenhagen Business School, Denmark.

Born 1965

Work experience: Former CEO of Matas A/S and Suma Holding A/S, Retail Director of Dagrofa ApS, Head of Marketing for Enighedens Produktion A/S.

Other significant appointments: CEO of KFI Erhvervsdrivende Fond and member of the Board of 3C Retail A/S and Managing Director of List Holding ApS.

Committees: Audit Committee.

Independence: Independent in relation to the company and its principal shareholder.

Shareholding: 93,398 shares.

Board of Directors



Gustaf Martin-Löf

Member of the Board of Synsam Group since 2014.

BA. (Hons) in International Business Studies, European Business School in London, UK.

Born 1977

Work experience: Former Chairman of the Board of Etraveli Group Holding AB, Quimper AB, Ahlsell Förvaltning AB and Flugo Company AB.

Other significant appointments: Chairman of the Board of Flugo Group Holdings AB and member of the Board of Ahlsell AB (publ).

Committees: Audit Committee.

Independence: Independent in relation to the company but not in relation to the principal shareholder.

Shareholding: None.



Christoffer Sjøqvist

Member of the Board of Synsam Group since 2014.

B.Sc. in Management, London School of Economics and Political Science, England.

Born 1976

Work experience: Warburg Pincus, Lazard Private Equity and Goldman Sachs.

Other significant appointments: Member of the Board of Alvogen Lux Holdings S. à r.l., STARK Group ApS, branch manager for CVC Denmark, branch of CVC Advisers International S.à.r.l., Luxembourg

Committees: Remuneration Committee.

Independence: Independent in relation to the company but not in relation to the principal shareholder.

Shareholding: None.



Philip Røpcke

Member of the Board of Synsam Group since 2020.

MBA. in Financial Econometrics, University of Aarhus, Denmark.

Born 1984

Work experience: Director of CVC Denmark, a branch of CVC Advisers International S.à r.l., Luxembourg.

Other significant appointments: Member of the Board of STARK Group ApS.

Independence: Independent in relation to the company but not in relation to the principal shareholder.

Shareholding: None.

Executive Management



Håkan Lundstedt

President and CEO and member of the Board of Synsam Group since 2015.

For further information, see presentation under Board of Directors.



Martin Daniels

Chief Innovation Officer since 2017 (employed since 2014).

Born: 1980

Education: M.Sc. in Information Technology, Royal Institute of Technology, Sweden. M.Sc. in Business Administration and Economics, Stockholm School of Economics, Stockholm, Sweden.

Work experience: Principal at Boston Consulting Group in New York and Stockholm.

Shareholding: 321,258 shares.



Krister Duwe

Managing Director Sweden since 2016.

Born: 1969

Education: Executive Master in Strategy from M-gruppen and has completed further studies in Management Strategy, Finance and Leadership at PEAK HSE Executive Education in Helsinki, Shanghai and Amsterdam and training in leadership at MiL Institute Lund, Sweden.

Work experience: CEO of Mekonomen Sverige AB, Managing Director of MECA Sweden AB and BilXtra Sweden AB.

Shareholding: 442,201 shares.



Jimmy Engström

Chief Digital Officer since 2020 (employed since 2015).

Born: 1984

Education: M.Sc. in Business Administration and Economics, Stockholm School of Economics, Stockholm, Sweden.

Work experience: Manager at OPX Partners and consultant at Boston Consulting Group.

Shareholding: 124,531 shares.



Jenny Fridh

Chief Communications and Sustainability Officer since 2019.

Born: 1972

Education: BA. Linköping University, Sweden.

Work experience: Group Director Communications and Sustainability for Scandi Standard AB (publ), Head of Communications for Kronfågel AB and Scandi Standard AB (publ).

Shareholding: 4,693 shares held directly and indirectly by related parties (of which 4,573 shares relate to own holdings and 120 shares relate to holdings by related natural person).



Michael Grimborg

Chief Marketing Officer since 2015.

Born: 1960

Education: Upper secondary school economics.

Work experience: Member of the Board of RAG Real Agency Group AB, Pharem Biotech AB, and Plegium AB, Sales Director at Bonnier Broadcasting.

Other significant appointments: Chairman of the Board of Sveriges Annonsörer. Member of the boards of Interactive Advertising Bureau Sverige, Destination Järvsö AB and Rizzo Group AB.

Shareholding: 310,006 shares.

Executive Management



Hanna Ekstrand

Managing Director Recycling Outlet Synsam Group since 2021 (employed since 2018).

Born: 1982

Education: M.Sc. in Business and Economics, Linköping University, Sweden. IHM Business School, Sweden.

Work experience: Head of Sales B2B at Synsam Sweden. Chief Marketing Officer at Mekonomen Group. Member of the Board of Telge Tillväxt.

Shareholding: 77,252 shares held directly and indirectly by related parties (of which 54,731 shares relate to own holdings and 22,521 shares relate to holdings of related natural person).



Per Hedblom

Chief Financial Officer since 2017.

Born: 1967

Education: M.Sc. in Industrial Engineering and Management, Chalmers University of Technology, Sweden. MBA, INSEAD, France.

Work experience: CFO of Mekonomen AB, Partner Centigo, Associate Director of Arkwright and consultant for Accenture and Business Sweden.

Shareholding: 21,976 shares.



Ingrid Holm

Head of Marketing in Norway since 2017.

Born: 1986

Education: MA. Goldsmiths College, University of London, England. BA. University of the Arts London, England.

Work experience: Digital Marketing Manager for Varier Furniture AS.

Shareholding: 29,301 shares.



Tina Høyer Gaardsholt

Managing Director Denmark since 2017.

Born: 1977

Education: Degree in Economics, Niels Brock Copenhagen Business College, Denmark. Training in Business Coaching, Acuity World, Denmark.

Work experience: Head of Sales Nordic for Bang & Olufsen A/S and Retail Director for Telia Denmark.

Shareholding: 43,289 shares.



Marina Kerekliou

Creative Director since 2017 (employed since 2016).

Born: 1970

Education: BA. in Fashion Design, Beckmans School of Design, Sweden.

Work experience: Member of the Board of Marina Kerekliou AB. Stylist for 20 years in fashion. Creative Director and clothing designer for the clothing brand BUSNEL between 2011 and 2015.

Shareholding: 124,531 shares.



Jesper Koefoed

Procurement Director since 2010.

Born: 1968

Education: Higher Commercial Examination (HHX), Lyngby Business School, Denmark. Mini MBA. Probana Business School, Denmark.

Work experience: CEO of Optical Fashion Group A/S, Vice President of Filtenborg and Product Manager for Profil Optik.

Shareholding: 130,757 shares held directly and indirectly by related parties (of which 87,171 shares relate to own holdings and 43,586 shares relate to holdings of related natural person).

Executive Management



Malcolm Lidbeck

Chief Business Officer since 2017 (employed since 2015).

Born: 1963

Education: LL. M. Stockholm University, Sweden.

Work experience: Attorney at Mannheimer Swartling, CEO of J Lindeberg, Chairman of the Board of ACNE Group, and member of the Board of Filippa K Group AB.

Shareholding: 186,796 shares.



Vesa Mars

Managing Director Finland since 2012.

Born: 1961

Education: M.Sc. in Economics and Marketing, Turku School of Economics and Business Administration, Finland.

Work experience: Managing Director of SF Optical Holding Oy Ab (franchise to Synsam Group in Finland), Managing Director for Digi TV Plus, Managing Director for A-Lehdet Oy, Country Manager for Telia Finland.

Shareholding: 221,154 shares.



Henrik Persson

Deputy CEO since 2017 (employed since 2010).

Born: 1971

Education: Economics education, Blekinge Institute of Technology, Sweden.

Work experience: Previously CEO of Synsam Sweden, Chief Operating Officer and Acting CEO of Åhlens.

Shareholding: 786,913 shares.



Olav Torgersen

Chief Optical Officer since 2018 (employed since 2011).

Born: 1972

Education: Degree in optometry, University of South-Eastern Norway, Norge.

Work experience: Store Manager for Synoptik, Head of Sales for Rodenstock Norway, founder of Synsrådgivning AS and optician at Krogh Optik.

Shareholding: 12,454 shares.



Susanne Westford

HR & People Director since 2017 (employed since 2015).

Born: 1972

Education: B.Sc. in Marketing, Business and Economics, Uppsala University, Sweden. M.Sc. in Business Law, Lund University, Sweden.

Work experience: Nordic Marketing & Communication Director for Th1ing Group in London, Nordic Marketing & Communication Manager for Turner Broadcasting, Eurosport (TF1) and for Envirotainer (EMEA)

Shareholding: 151,196 shares.

Changes in the executive management

During the first quarter of 2022, Andreas Sjöharald, Heba El Sheemy and Trond Gudbrandsen left the executive management. Hanna Ekstrand, Managing Director Recycling Outlet, is a new member of the executive management.

The current executive management as per 22 March 2022 is presented above.

Consolidated statement of income and other comprehensive income

Amounts in SEK million	Note	2021	2020
Net sales	3	4,669	3,806
Other operating income	3	59	54
Total revenue		4,728	3,860
Goods for resale		-1,088	-953
Other external expenses	4, 15	-629	-468
Personnel costs	5	-1,823	-1,505
Depreciation and amortisation of tangible and intangible assets and right-of-use assets	9, 10, 11, 12	-555	-532
Operating expenses		-4,094	-3,458
Operating profit/loss (EBIT)		633	402
Financial income	6	147	99
Financial expenses	6	-618	-636
Net financial items		-470	-538
Profit/loss before tax		163	-136
Income tax	7, 13	-112	-60
Profit/loss for the year		51	-195
Other comprehensive income			
<i>Items reclassified or available for reclassification to profit or loss for the year</i>			
Translation differences for the year, foreign subsidiaries		7	-7
Comprehensive income for the year		57	-203
Profit/loss for the year attributable to Parent Company shareholders		51	-195
Comprehensive income for the year attributable to Parent Company shareholders		57	-203
Earnings per share	21		
Before and after dilution (SEK)		0.60	-2.73

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position

Amounts in SEK million	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible assets	9, 10		
Goodwill		2,536	2,477
Trademarks		1,507	1,476
Customer relations		525	613
Software and licences		97	101
Total intangible assets		4,665	4,666
Tangible assets	11		
Tangible assets		515	394
Total tangible assets		515	394
Right-of-use assets	12		
Right-of-use assets		684	511
Total right-of-use assets		684	511
Financial assets			
Other financial assets		23	16
Total financial assets		23	16
Deferred tax assets	13	61	52
Total non-current assets		5,948	5,639
Current assets			
Inventories	14	451	383
Current receivables			
Accounts receivable	15	308	313
Other receivables		35	18
Prepaid expenses and accrued income	16	107	97
Total current receivables		449	428
Cash and cash equivalents	17, 18, 19	755	809
Total current assets		1,656	1,620
Total assets		7,603	7,258

Amounts in SEK million	Note	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Equity	22		
Share capital		1	1
Other paid-in capital		4,306	310
Reserves		116	109
Retained earnings including profit/loss for the year		-1,944	-1,994
Equity attributable to Parent Company shareholders		2,479	-1,575
Non-current liabilities			
Liabilities to financial institutions	19	2,416	2,491
Shareholder loans	19, 20	-	3,629
Lease liabilities	19	443	304
Other non-current liabilities	19	29	28
Pension obligations	5, 23	5	4
Other provisions	23	5	-
Derivative instruments	17, 19	-	2
Deferred tax liabilities	13	504	491
Total non-current liabilities		3,402	6,949
Current liabilities			
Liabilities to financial institutions	17, 19	-	405
Lease liabilities	17, 19	267	222
Accounts payable	17	703	458
Current tax liabilities	2, 7	210	174
Other liabilities		184	317
Accrued expenses and deferred income	24	359	307
Total current liabilities		1,722	1,884
Total equity and liabilities		7,603	7,258

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

Amounts in SEK million	Share capital	Other paid-in capital	Translation reserve	Retained earnings including profit/loss for the year	Total equity
Opening equity 1 Jan 2020	1	310	117	-1,799	-1,372
Profit/loss for the year	-	-	-	-195	-195
Other comprehensive income for the year	-	-	-7	-	-7
Comprehensive income for the year	-	-	-7	-195	-202
Closing equity 31 Dec 2020	1	310	109	-1,994	-1,575
Opening equity 1 Jan 2021	1	310	109	-1,994	-1,575
Profit/loss for the year	-	-	-	51	51
Other comprehensive income for the year	-	-	7	-	7
Comprehensive income for the year	-	-	7	51	57
Transactions with shareholders:					
Offsetting issues	0	3,568	-	-	3,568
Non-cash issue	0	428	-	-	428
Total transactions with shareholders	1	3,996	-	-	3,996
Closing equity 31 Dec 2021	1	4,306	116	-1,944	2,479

All equity is held by the Parent Company shareholders.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

Amounts in SEK million	Note	2021	2020
Operating activities			
Profit/loss before tax		163	-136
Adjustments for non-cash items	25	826	868
Income taxes paid		-86	-19
		903	713
Change in operating receivables		59	-81
Change in inventories		-60	-56
Change in current liabilities		78	323
		76	185
Cash flow from operating activities		980	898
Investing activities			
Acquisitions of subsidiaries and operations, net of cash and cash equivalents acquired	27	-5	-4
Investments in intangible assets	9	-26	-23
Investments in tangible assets	11	-246	-137
Investments in financial assets		-6	-
Cash flow from investing activities		-283	-165
Financing activities			
Borrowings, external	25	2,392	210
Amortisation of liabilities		-3,172	-342
Cash flow from financing activities		-780	-132
Cash flow for the year		-83	601
Cash and cash equivalents at beginning of year		809	223
Exchange rate differences in cash and cash equivalents		30	-16
Cash and cash equivalents at end of year	18	755	809

The accompanying notes are an integral part of these consolidated financial statements.

Parent Company income statement

Amounts in SEK million	Note	2021	2020
Net sales	3	69	1
Operating income		69	1
Other external expenses	4	-83	-7
Personnel costs	5	-2	-2
Depreciation of tangible assets		0	-
Operating expenses		-86	-9
Operating profit/loss		-17	-8
Other interest income and similar profit/loss items	6	-	13
Interest expense and similar profit/loss items	6	-61	-9
Total profit/loss from financial items		-61	4
Profit/loss after financial items		-78	-4
Appropriations			
Tax allocation reserve		0	-1
Group contribution received		54	-
Profit/loss before tax		-24	-5
Tax on profit/loss for the year	7	-	-1
Profit/loss for the year		-24	-6

Parent Company statement of income and other comprehensive income

Amounts in SEK million	Note	2021	2020
Profit/loss for the year		-24	-6
Comprehensive income for the year		-24	-6

Parent Company balance sheet

Amounts in SEK million	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Tangible assets			
Tangible assets		0	-
Total tangible assets		0	-
Financial assets			
Participations in Group companies	26	6,927	453
Total financial assets		6,927	453
Total non-current assets		6,927	453
Current assets			
Current receivables			
Receivables from Group companies	17, 20	193	83
Other receivables		8	-
Prepaid expenses and accrued income		0	-
Total current receivables		201	83
Cash and bank balances	17, 18	0	16
Total current assets		201	99
Total assets		7,128	552

Amounts in SEK million	Note	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Equity	22		
<i>Restricted equity</i>			
Share capital		1	1
<i>Non-restricted equity</i>			
Share premium reserve		3,996	-
Retained earnings		307	313
Profit/loss for the year		-24	-6
Total equity		4,279	307
Untaxed reserves			
Tax allocation reserve		1	1
Non-current liabilities	17, 20		
Liabilities to financial institutions		2,416	-
Liabilities to Group companies		382	213
Other non-current liabilities		0	-
Total non-current liabilities		2,798	213
Current liabilities			
Accounts payable	17	20	-
Liabilities to Group companies	17, 20	7	3
Current tax liabilities		1	2
Other liabilities		11	18
Accrued expenses and deferred income	24	11	8
Total current liabilities		50	31
Total equity and liabilities		7,128	552

Parent Company statement of changes in equity

Amounts in SEK million	Restricted equity		Non-restricted equity		Total equity
	Share capital	Share premium reserve	Retained earnings incl profit/loss for the year		
Opening equity 1 Jan 2020	1	-	313		313
Profit/loss for the year	-	-	-6		-6
Other comprehensive income for the year	-	-	-		-
Comprehensive income for the year	-	-	-6		-6
Closing equity 31 Dec 2020	1	-	307		307
Opening equity 1 Jan 2021	1	-	307		307
Profit/loss for the year	-	-	-24		-24
Other comprehensive income for the year	-	-	-		-
Comprehensive income for the year	-	-	-24		-24
Transactions with shareholders:					
Offsetting issues	0	3,568	-		3,568
Non-cash issue	0	428	-		428
Total transactions with shareholders	1	3,996	-		3,996
Closing equity 31 Dec 2021	1	3,996	283		4,279

Parent Company cash flow statement

Amounts in SEK million	Note	2021	2020
Operating activities			
Profit/loss after financial items		-78	-4
Adjustments for non-cash items	25	52	-4
Income taxes paid		-1	0
		-28	-9
Change in operating receivables		-64	-26
Change in current liabilities		21	20
Cash flow from changes in working capital		-43	-5
Cash flow from operating activities		-71	-14
Investing activities			
Capital contributions paid to and new share issues in subsidiaries	26	-2,478	-84
Investments in tangible assets		0	-
Cash flow from investing activities		-2,478	-84
Financing activities			
Borrowings, external	25	2,393	-
Borrowings from Group companies	25	141	111
Cash flow from financing activities		2,534	111
Cash flow for the year		-16	13
Cash and cash equivalents at beginning of year		16	3
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at end of year	18	0	16

Notes, common to the Parent Company and the Group

NOTE 1 ACCOUNTING AND MEASUREMENT POLICIES

General information

Synsam AB (publ), and its subsidiaries (together the Group) is active in the areas of optics and eyecare and conducts operations in local stores in Sweden, Denmark, Norway and Finland, as well as through online/omnichannel sales in each of these countries. Its stores are both directly owned and operated by franchisees. The operations in Sweden, Norway and Finland are conducted under the Synsam brand and the operations in Denmark are conducted under the Profil Optik brand. We offer eye examinations, spectacles, sunglasses, sports glasses, contact lenses and accessories in optical retail as well as spectacles subscriptions with related services under the name Synsam Lifestyle™.

Synsam AB (publ), corporate identity number 556946-3358, is a Swedish registered limited company with its registered office in Stockholm. The address of the head office is Sankt Eriksgatan 60, Stockholm. Synsam AB's (publ) main shareholder is Theia Holdings S.å.r.l.

The annual accounts and consolidated financial statements of Synsam AB (publ) (the Parent Company) and its subsidiaries (together the Group) have been approved for issue by the Board of Directors on 28 March 2022 and will be submitted to the Annual General Meeting on 26 April 2022.

Basis for the preparation of the financial reports

The consolidated financial statements have been prepared in accordance with International Financial

Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the IFRS Interpretation Committee as adopted by the EU. The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has also been applied.

The Parent Company's functional currency is Swedish kronor, which is also the reporting currency for the Parent Company and the Group. This means that the financial reports are presented in Swedish kronor. Unless otherwise stated, all amounts are rounded to SEK million.

The Parent Company applies the same accounting policies as the Group except as indicated below in the section 'Accounting policies of the Parent Company'.

Classification

Non-current assets essentially comprise amounts expected to be recovered or paid after more than twelve months from the balance sheet date, while current assets essentially comprise amounts expected to be recovered or paid within twelve months of the balance sheet date.

Non-current liabilities essentially comprise amounts that the Synsam Group, as of the end of the reporting period, has an unconditional right to choose to pay later than twelve months after the end of the reporting period. If the Synsam Group does not have such a right at the end of the reporting period – or if the liability is held for trading or is expected to be settled within the normal business cycle – the amount of the liability is recognised as a current liability.

Measurement basis

Assets and liabilities are recognised at historical cost unless otherwise stated.

Judgements and estimates in the financial statements

When preparing the financial statements in compliance with IFRS, senior management is required to make judgements and estimates as well as assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. The actual outcome may differ from these estimates and judgements. The estimates and assumptions are reviewed regularly. Changes to estimates are recognised in the period in which the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects both the period in question and future periods. The judgements made by senior management in connection with the application of IFRS that have a significant impact on the financial statements and the estimates made that could result in material adjustments to the financial statements for the following year are described in more detail in Note 2.

Changed and new accounting policies in 2021

No new standards and interpretations applied by Synsam Group as of 1 January 2021 have had a material impact on the Group's financial statements.

Change in accounting policies after January 1, 2021

A number of new standards and amendments to

interpretations and existing standards are effective for financial years beginning after 1 January 2021. None of these new standards and interpretations are expected to have a material impact on the Group's financial statements.

Consolidated financial statements

The consolidated financial statements have been prepared using the acquisition method. The acquisition date is the date on which controlling influence is obtained. Identifiable assets and liabilities are initially measured at fair value on the acquisition date. Goodwill consists of the difference between the acquired identifiable net assets on the acquisition date and the cost, including the value of non-controlling interests, and is initially measured at cost. The financial statements of subsidiaries are included in the consolidated financial statements from the acquisition date until the date when the controlling influence ceases. A controlling influence exists if Synsam AB (publ)/the Group has an influence over the investment, is exposed to or has the right to a variable return from its participation, and can exert influence over the investment to affect the return. In assessing whether there is controlling influence, potential vote-conferring shares are taken into consideration, as well as whether there is 'de facto control'.

Items eliminated

Intra-Group receivables and liabilities, revenue and expenses, and unrealised gains and losses between Group companies are eliminated in their entirety when the consolidated financial statements are prepared.

Foreign currencies

Subsidiaries in other countries prepare their

financial statements in foreign currencies. The items in these companies' balance sheets are translated into Swedish kronor at the closing rate of exchange. Revenue and expenses in foreign operations are translated into Swedish kronor at an average exchange rate representing an approximation of the exchange rates in effect on the transaction date concerned. The translation differences that arise are recognised in other comprehensive income and accumulate in equity in the translation reserve.

Business combinations and goodwill

In business combinations, an acquisition analysis is conducted during which acquired assets and assumed liabilities are identified and measured at fair value on the acquisition date (known as acquisition analysis). The acquisition analysis also involves assessing whether there are assets of an intangible nature such as trademarks, patents, customer relations or similar assets that are not recognised in the acquired entity.

Business combinations are recognised using the acquisition method. Goodwill consists of the amount by which the cost of acquisition exceeds the fair value with the net assets acquired by the Group in connection with a business combination. Goodwill is allocated to cash-generating units on acquisition and is not amortised, but tested annually to identify any need for impairment. Goodwill is recognised at cost less accumulated impairment. Impairment of goodwill is not reversed. Negative goodwill is recognised directly in the income statement on the acquisition date. The profit recognised from the divestment of Group companies includes the remaining carrying amount of the goodwill associated with the divested entity.

Net sales and other operating income

Revenue comprises the fair value received or which will be received for goods and services sold in the Group's ongoing business activities. Revenue is recognised excluding value-added tax, returns and discounts (such as temporary campaign offers), and after elimination of intra-Group sales. Revenue from Synsam Lifestyle™ is recognised after the agreement is entered into in conjunction with the customer receiving all of the spectacles ordered. From 2020, a contact lens subscription can also be included in Synsam Lifestyle™; this contact lens subscription will continue to be treated as a contact lens subscription for accounting purposes, as described below.

Net sales

Sale of goods

Revenue from the sale of goods is recognised when control of the goods has been transferred to the buyer, usually at the time of delivery.

Contact lens subscriptions

Revenue from contact lens subscriptions, which have different fixed commitment periods in different countries, is treated as a normal sale of goods. Synsam recognises this revenue upon delivery of the goods.

Sale of services

Revenue from eye examinations is recognised when the examination has been completed.

Synsam Lifestyle™

Revenue from Synsam Lifestyle™ is recognised after the agreement has been entered into, at the time when the customer has received all the spectacles they have ordered. The recognition of

Synsam Lifestyle™ means that a present value of revenue calculated over the entire contract period is recognised when the customer receives their spectacles, which takes place at one point in time.

Although differences in agreement terms arise in the Group's various companies, the same accounting policies are used as for Synsam Lifestyle™, which also includes Profil Optik Lifestyle. The agreement with the customer is a rental agreement (in Sweden, Norway and Finland) or installment purchase (in Denmark) for spectacles for 24 months or longer, which is recognised as a lease. In Sweden, Norway and Finland, ownership remains with Synsam until such time as the customer chooses to terminate the agreement. In Denmark, ownership is transferred at the time of purchase. Synsam has entered into agreements with external credit companies to sell the receivables from customers arising as a result of the agreements. Contracts sold to external credit companies are not recognised in the company's own accounts after payment has been made. Until payment is made, the receivables are recognised in the company's own accounts as accounts receivable. Receivables not sold to external credit companies are recognised as accrued income, see also Note 16. In Denmark, there is also an older subscription model where Profil Optik remains the owner of the spectacles and they are recognised as non-current assets. These assets are depreciated over 24 months and amount to SEK 4m (5).

Other operating income

Franchise fee income

Franchise fees pertain to revenue from franchisees, who pay Synsam for access to certain parts of the Synsam concept. This revenue is

recognised on a straight-line basis over time.

Other revenue

Other revenue mainly includes services performed on behalf of suppliers, for example facing fees, which are recognised in the period when the service is performed.

Operating segment reporting

An operating segment is a part of the Group that conducts business operations from which it generates revenue and incurs expenses and for which independent financial information is available. Furthermore, the earnings of an operating segment are followed up by the chief operating decision maker in order to evaluate the results and allocate resources to the operating segment.

There are four segments in the Synsam Group: Sweden, Denmark, Norway and Finland. The segments include the sales of the different geographical markets and the expenses directly attributable to sales. Certain expenses are decided at Group level and are therefore not included in the respective segment, such as certain marketing expenses and other central activities and functions such as treasury, finance and IT functions. These expenses are recognised under Other and Central functions. Net sales from external customers come from the sale of goods (mainly spectacles, sunglasses and contact lenses) as well as eye examinations (services) and revenue from Synsam Lifestyle™. Net sales in the segments are also specifically monitored for Synsam Lifestyle™. See Note 3 for further information about the classification and presentation of operating segments.

Operating expenses and financial income and expenses

Goods for resale

Goods for resale comprise expenses for the purchase of goods for the year plus the year's change in inventories of goods for resale net of discounts and bonuses received.

Other external expenses

Other external expenses mainly comprise expenses for sales, marketing, administration, rent of premises and bad debt losses. Rent of premises includes only variable costs of premises. The rent relief received in 2020 and 2021, which was directly related to COVID-19, reduced the Group's rental costs for premises in accordance with the exemption rule adopted by the EU with respect to IFRS 16 *Leases*; see also Note 8 *Recognition of government assistance and other temporary effects of COVID-19*.

Financial income and expenses

Interest income from Synsam Lifestyle™ and other interest income is recognised on the date on which the right to receive the remuneration arises. Interest expenses with respect to external credit liabilities are recognised according to the effective interest method in the periods to which they pertain.

Increases or decreases in the value of derivatives are recognised as income or expenses in operating profit or in net financial items based on the intended use of the derivative instrument and whether its use is related to an operating item or a financial item. The interest coupon on interest swaps is recognised as interest, and other changes in the value of the interest swaps are recognised as other financial income or other financial expense.

Exchange gains and exchange losses on cash and cash equivalents, accounts receivable and accounts payable are recognised in net financial items. Net financial items also includes expenses charged to Synsam for external credit companies' additional costs to cover risk for the Synsam Lifestyle™ subscription business.

Income tax

Current tax is based on the tax rates and tax rules that apply on the balance sheet date in the countries where the Group operates and has taxable income.

Deferred tax is measured in accordance with the tax rates and tax rules decided upon prior to the balance sheet date. Deferred tax is measured in accordance with the balance-sheet method based on temporary differences between carrying and tax amounts of assets and liabilities. Temporary differences are not taken into account in Group goodwill or for the differences arising on initial recognition of assets and liabilities that are not business combinations which on the transaction date do not affect either recognised or taxable profit. Deferred tax assets pertaining to temporary differences and loss carryforwards are recognised only insofar as it is probable that they can be utilised. The value of deferred tax assets is reduced when it is no longer probable that they can be utilised.

Receivables and liabilities are recognised net only when there is a legal right to set off. Like changes in deferred tax, current tax is recognised in the consolidated income statement or the statement of other comprehensive income unless the tax is attributable to an event of transaction recognised directly in equity. Tax effects of items recognised

directly in equity are recognised in equity. Tax may also be recognised in other comprehensive income, if applicable. Current tax liabilities or receivables are recognised in the consolidated statement of financial position as estimated tax on the year's taxable income adjusted for tax related to previous years and preliminary tax paid.

The classification of disputed or potentially uncertain tax positions is recognised based on the assessment of the expected outcome and, following the introduction of IFRIC 23 *Uncertainty over Income Tax Treatments*, which is an interpretation of IAS 12 *Income Taxes*, as a current tax liability. See also Note 2 and Note 23.

Accounting for government grants and disclosure of government assistance, IAS 20.

As a direct result of the COVID-19 pandemic, the Synsam Group received government assistance that has been recognised in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. The Synsam Group applies the option provided in IAS 20 to recognise the grants received against corresponding costs. In cases where grants were received for local amortisation of goodwill and where there is no corresponding cost in the Group, the grants have been recognised as Other operating income. See Note 8 *Recognition of government assistance and other temporary effects of COVID-19*.

Government assistance is recognised when there is reasonable assurance that the company will comply with the conditions attached to the grants and that the grants will be received.

The form of the government assistance received

varies between the countries in which Synsam operates and, in certain cases, Synsam has had lower personnel costs as a result of furlough. In cases where furlough grants have been paid directly to the employee, this is not considered to be government assistance.

Intangible assets

Acquired intangible assets are initially recognised separately at cost. The cost of intangible assets acquired as part of a business combination is measured at fair value on the acquisition date. Subsequently, intangible assets are measured at cost less accumulated amortisation and impairment.

The useful life of intangible assets is assessed as being either definite or indefinite.

Customer relations as well as software and licences have a definite useful life, as well as certain trademarks, see below. Intangible assets with a definite useful life are amortised over their useful life and tested for impairment when there are indications of an impairment requirement. The amortisation period and amortisation method for each kind of intangible asset with a definite useful life are reviewed at least once a year, at the end of the financial year. Changes in the estimated useful life or the expected consumption of the future economic benefits of an asset are recognised by changing the respective amortisation period or amortisation method, and are treated as a change in estimates and judgements. Amortisation of intangible assets with a definite useful life is recognised in the consolidated income statement or the statement of other comprehensive income.

The following amortisation periods are applied:
– Customer relations 5–15 years

- Software and licenses 3–7 years
- Trademarks 15 years or annual impairment testing

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually, either individually or at the level of the cash-generating asset to which they belong. An annual assessment is made to determine whether the asset's useful life remains indefinite.

The Group has trademarks that are assessed and handled in various ways. There is one trademark that is more known in a limited market – EyeQ – and more externally established trademarks – Synsam and Profil Optik. The trademark EyeQ is estimated to have a useful life of 15 years and is amortised on a straight-line basis. For the other trademarks, Synsam and Profil Optik, whose useful life is deemed to be indefinite since they are well-established brands in their respective markets and industries, annual impairment testing is carried out. Gains and losses in connection with the derecognition of an intangible asset are measured as the difference between net income on sale and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

Tangible assets

Tangible assets are recognised at cost less depreciation and any impairment. The cost includes expenditure directly attributable to the acquisition of the asset. Additional expenditure is added to the cost of the asset if it is expected to provide the company with any future economic benefits, insofar as the asset's performance increases in relation to the value of the asset on the acquisition date. Expenditure on repairs and maintenance is recognised as expenses. Capital gains or capital

losses on the divestment of tangible assets are recognised as Other operating income and Other operating expenses, respectively.

Tangible assets are depreciated systematically over the estimated useful life of the asset.

The following depreciation periods are applied:

- Equipment, tools, fixtures and fittings 3–7 years
- Cost of improvements to leased property 5–10 years

A tangible asset ceases to exist when divested or when no economic benefits are expected to be received by the Group in connection with use or divestment of the asset. The gain or loss arising on derecognition of the asset is recognised in the consolidated income statement/Parent Company income statement.

Right-of-use assets

Synsam Group as of 1 January 2019 applies *IFRS 16 Leases*. This means that Synsam Group in principle recognises all leases in the balance sheet, on the date the leased asset is available for use by the Group. Depreciation on the asset is recognised in operating profit and interest on the lease liability in net financial items. The lease payment is recognised as a payment of interest and as repayment of the lease liability. Cash flows for the repayment of the lease liability are included in financing activities. Payment for the interest component is presented as other interest payments in operating activities. The Group recognises lease liabilities and right-of-use assets on separate rows in the balance sheet.

Most of the Group's right-of-use assets comprise lease agreements linked to store premises. Leases

are normally signed for fixed periods of up to three to five years but there may be options for extension, as described below. The terms are negotiated separately for each lease, and contain a large number of different conditions. The leases do not include any special terms or conditions that would mean that the leases would be terminated if the terms were not met, but the leased assets may not be used as collateral for loans.

Leases are recognised as right-of-use assets and a corresponding liability from the date at which the leased asset is available for use by the Group. Each lease payment is distributed between repayment of the liability and financial expenses. Financial expenses are distributed over the lease term so that each reporting period is charged with an amount that corresponds to fixed interest rate for the liability recognised in each period. Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the term of the lease.

Assets and liabilities arising from leases are initially recognised at present value.

The terms used for the rental contracts for premises coincide with the actual remaining contractual lease terms, which in certain cases may be less than 12 months. Leases that pertain to assets other than rental contracts for premises and are initially shorter than 12 months are not included. Nor are leases pertaining to assets that have a low value, meaning less than SEK 50,000 in new condition, included. Payments for short-term leases and leases of low value are expensed on a straight-line basis in profit or loss.

Lease liabilities include the present value of the

following lease payments:

- future fixed payments (including in-substance fixed payments, thus also including future lease payments linked to annual index adjustments).

The right-of-use assets are measured at cost and include the following:

- the amount at which the lease liability was originally measured
- lease payments made on or before the commencement date, net of any benefits received when the lease was signed
- initial direct costs
- costs for restoring the asset to the condition prescribed in the terms of the lease.

Certain lease contracts for premises include a component of fixed payments and a component calculated on in-store sales, known as variable payments. The lease liabilities and right-of-use assets calculated above do not include the sales-based component of the rent.

The lease liability is the sum of the present value of all future lease payments, and the right-of-use asset is equal to the lease liability adjusted for prepaid and accrued lease payments. The calculation of the present value is based on a marginal lending rate determined by country, maturity and creditworthiness of the respective entity.

In 2020 and 2021, the Group's various companies also received temporary COVID-19-related rent discounts from landlords. In such cases, Synsam has chosen to account for these discounts in accordance with the exemption rule introduced in 2020, meaning that the company utilised the option to recognise this rent relief directly against

profit or loss without restating the lease liability or right-of-use asset. See also Note 8 *Recognition of government assistance and other temporary effects of COVID-19*.

Impairment of tangible assets and intangible assets and right-of-use assets

In the event of an indication that impairment is required, an estimate is made of the recoverable amount of the asset. The recoverable amount is also estimated annually for goodwill and other intangible assets with an indefinite useful life. The recoverable amount is the higher of fair value less selling expenses and value in use. In the calculation of value in use, future cash flows are discounted by a discount factor that takes into account risk-free interest and the risk associated with the specific asset. If the recoverable amount of the asset is lower than the carrying amount, it is impaired to its recoverable amount. In the assessment of impairment requirement, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). For assets that do not give rise to separate cash flows, such as right-of-use assets, value in use, and hence recoverable amount, is instead determined in total for the cash-generating unit to which the asset belongs. If the estimated recoverable amount is lower than the carrying amount, the asset is impaired to its recoverable amount. The impairment is recognised in the income statement in the period in which it has been established.

Reversal of impairment

An impairment of assets included in the area of application of IAS 36 is reversed if there is an indication that there is no longer a requirement for impairment and that a change has taken place in

the assumption on which the calculation of the recoverable amount was based. The recoverable amount is the higher of fair value less selling expenses and value in use. In the calculation of value in use, future cash flows are discounted by a discount factor that takes into account risk-free interest and the risk associated with the specific asset. However, impairment of goodwill is never reversed. A reversal is made only to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, net of depreciation/ amortisation, if no impairment had been made.

Financial instruments

A financial instrument is classified on initial recognition based on its nature (equity instrument, debt instrument, derivative instrument) and whether it represents a debt instrument that repays principal and interest based on the Synsam Group's business model.

IFRS 9 encompasses three measurement categories, whereby measurement is either carried out at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss. The classification of financial assets is determined by the business model for the holdings and the characteristics of the cash flows generated by the assets. The classification determines how the financial instrument is to be measured after initial recognition, as described below.

Recognition in and derecognition from the statement of financial position

A financial asset or financial liability is recognised in the statement of financial position when the company becomes a party in accordance with the instrument's financial terms and conditions. A

receivable is recognised when the company has performed and there is a contractual obligation for the counterparty to pay, even if an invoice has not yet been sent. Accounts receivable are recognised in the statement of financial position when an invoice has been sent. Liabilities are recognised when the counterparty has performed and the company has a contractual obligation to pay, even if the invoice has not yet been received. Accounts payable are recognised when an invoice has been received.

A financial asset is derecognised from the statement of financial position when the rights under the contract have been realised, mature or the company loses control of them. The same applies to part of a financial asset. A financial liability is derecognised from the statement of financial position when the contractual obligation is performed or otherwise extinguished. The same applies to part of a financial liability.

A financial asset and financial liability are set off and recognised in a net amount in the statement of financial position only when there is a legal right to set off the amounts and there is an intention to settle the items in a net amount or to simultaneously realise the asset and settle the liability.

Acquisitions and divestments of financial assets are recognised on the transaction date. The transaction date is the date when the company undertakes to acquire or divest the asset.

Receivables, cash and cash equivalents

The Group's financial assets primarily comprise accounts receivable, receivables for delivered but

not yet invoiced goods, and cash and cash equivalents. These items have been classified as measured at amortised cost. Since receivables from customers have short maturity periods, these amounts are not calculated at present value.

Other liabilities

Borrowings and accounts payable are initially recognised at cost net of transaction costs. Accounts payable are recognised at a nominal amount since their maturity period is short. Borrowings are measured at amortised cost, applying the effective interest method.

Derivative instruments

The Group uses derivative instruments, such as interest swaps. Derivative instruments are measured on initial recognition at fair value on the date on which the contract is entered into and subsequently measured continuously at fair value through net financial items. The interest coupon is recognised as interest, and other changes in value are recognised as other financial income or expenses. Derivative instruments are recognised as financial assets when their fair value is positive and as liabilities when their fair value is negative.

Impairment of financial assets

With respect to impairment of financial assets, IFRS 9 contains a basic approach based on monitoring the credit risk associated with the receivables. For accounts receivable without significant financing components, provisions are always made based on expected loss events over the lifetime of the receivable. However, as such claims tend to be shorter than one year, there is no significant difference between their lifetime and 12 months. For accounts receivable within Synsam Lifestyle™, the company has a limited credit risk since most of the

receivables have been transferred to an external party. The expected remaining risk of bad debt losses for older Synsam Lifestyle™ agreements is assessed according to the same model as for accounts receivable without financing components.

A reserve is made for expected bad losses and is established on the basis of historical experiences of bad debts and similar receivables. When accounts receivable are past due and Synsam judges the probability of receiving payment to be low (receivable in default), the reserve is evaluated based on an age analysis and individual assessment. The reserve for the year is recognised as an expense in profit or loss.

Cash and cash equivalents are only deposited in banks with a high credit rating, which entails that expected credit losses are immaterial.

Inventories

Inventories are recognised at the lower of cost and net realisable value. Cost is established using the first-in, first-out (FIFO) method. Net realisable value is the estimated sales price in operating activities net of applicable variable selling expenses.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and immediately available bank deposits.

Borrowing expenses

Borrowing costs are charged to profit or loss in the periods to which they are attributable in accordance with the effective interest method. No borrowing expenses are capitalised on assets.

Transactions in foreign currency

Foreign currency transactions are translated into

the functional currency at the exchange rate prevailing on the date of the transaction. The functional currency is the currency of the primary financial environment in which the companies conduct their operations. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange rate differences arising on translation are recognised in net financial items and included in profit/loss for the year. Non-monetary assets and liabilities recognised at historical cost are translated at the exchange rate applicable on the transaction date. Non-monetary assets and liabilities recognised at fair value are translated into the functional currency at the rate prevailing at the time of measurement at fair value.

Employee benefits

Defined contribution pension plans

Defined contribution plans are classified as pension schemes where the company's obligation is limited to the contributions the company has undertaken to pay. The company's obligations concerning contributions to defined contribution plans are recognised as an expense in profit/loss for the year at the rate they are earned by the employees performing services for the company during a period. Defined benefit pension obligations according to ITP2 exist in Swedish Group companies and are insured through Alecta. See Note 23.

Short-term benefits

Short-term benefits in the Group consist of salary, social security contributions, paid holidays, paid sick leave, medical care and bonuses. Short-term employee benefits are calculated without discounting and are recognised as an expense when the related services are received.

A provision is recognised for the expected cost of profit share and bonus payments when the Group has a current legal or informal obligation to make such payments due to services being received from employees and the obligation can be reliably calculated.

Benefits on termination of employment

An expense for payments in connection with termination of employment is recognised at the earlier time of when the company can no longer withdraw the offer to employees or when the company recognises restructuring costs. Payments expected to be made after 12 months are recognised at their present value.

Provisions

Provisions are recognised when the Group has a legal or informal obligation, the amount can be reliably calculated and it is probable that an outflow of resources will be required to settle the obligation.

Obligations that are expected to be settled after more than 12 months are calculated at present value. Any increase in the provision due to the passage of time is recognised as an interest expense.

Restructuring

A provision for restructuring is recognised if a detailed and formal restructuring plan has been established and the restructuring has either commenced or has been publicly announced. No provision is made for future operating expenses.

Contingent liabilities

Disclosures on contingent liabilities are made if there is an undertaking that cannot be recognised as a liability or a provision since an outflow of

resources will not likely be required or cannot be calculated with sufficient reliability.

Statement of cash flows

The indirect method is used in the preparation of the statement of cash flows. The statement of cash flows shows the cash flow from operating activities, investing activities and financing activities during the year as well as the change for the year in cash and cash equivalents. The cash flow effect of acquisitions and sales of operations is recognised separately in investing activities. The statement of cash flows includes acquired operations as from the acquisition date.

Cash flow from operating activities

Cash flow from operating activities is calculated in accordance with the indirect method as profit/loss before tax adjusted for non-cash items, changes in working capital, interest received and paid, dividends received, and taxes paid.

Cash flow from investing activities

Cash flow from investing activities consists of payments in connection with acquisition of companies and operations, purchases and sales of intangible assets, tangible assets and other non-current assets, but excluding right-of-use assets.

Cash flow from financing activities

Cash flow from financing activities includes changes in the size or composition of share capital and associated expenses, as well as raising loans, excluding the increase in lease liabilities related to IFRS 16, repayment of interest-bearing liabilities and cash flow related to the repayment of lease liabilities under IFRS 16 and dividends to shareholders.

Parent Company accounting and valuation policies

The same accounting and valuation policies are applied in the Parent Company as in the Group, except in those cases indicated below. The Parent Company has prepared its annual accounts in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

Classification and format

For the Parent Company, an income statement and a statement of income and other comprehensive income are presented, unlike the Group which has one statement. In addition, the Parent Company uses the terms balance sheet and cash flow statement for the reports which, in the Group, have the titles statement of financial position and statement of cash flows respectively. The income statement and balance sheet for the Parent Company are prepared in accordance with the schedules of the Annual Accounts Act, while the statement of income loss and other comprehensive income, statement of financial position, statement of changes in equity and cash flow statement are based on IAS 1 *Presentation of financial statements* and IAS 7 *Statement of cash flows*, respectively. The differences between the Parent Company's income statement and balance sheet and the consolidated financial statements are mainly due to the designation of financial income and expenses as interest income and interest expense and the breakdown of equity.

Untaxed reserves

Untaxed reserves are recognised at their gross amount in the balance sheet, including the deferred tax liability attributable to the reserves.

Appropriations

Changes in untaxed reserves are recognised as appropriations in the income statement. Group contributions are recognised as appropriations in the income statement.

Shares and participations in subsidiaries

Participations in subsidiaries are recognised at cost net of any impairments. When there is an indication that the value of participations in subsidiaries has decreased, a calculation of the recoverable amount is made. If this is lower than the carrying amount, an impairment is made. Impairments are recognised in financial expenses in the income statement. Cost includes the purchase price paid for the shares and acquisition costs. Any capital contributions are added to the acquisition cost as they arise. Dividends from subsidiaries are recognised as income.

Leases

The Parent Company recognises all leases, to the extent that they exist, in accordance with RFR2. In accordance with RFR2, lease payments are accrued on a straight-line basis over the lease term. IFRS 16 *Leases* is not applied, which means that right-of-use assets and lease liabilities are not recognised in the Parent Company's balance sheet.

NOTE 2 ESTIMATES AND JUDGEMENTS

Significant estimates and judgements

The information in this note affects the areas where there is the greatest risk of future adjustments of carrying amounts and where the impact on liquidity is greatest.

Tax matters

One of the subsidiaries in the Group has an ongoing tax dispute with the Swedish Tax Agency related to the deductibility of intra-Group interest for 2014 and 2015 income tax returns. The legal process is ongoing, but a provision has been made since 2018 in an amount corresponding to the assessment notice of a total of SEK 70.0 million, plus penalty interest. Synsam's assessment is that full provision has been made for the dispute, and no further change in the size of the provision has been made other than updating the interest rate on the liability. The residual risk relates to a possible cash outflow in the event that the subsidiary loses the tax dispute.

The Group is also engaged in a tax dispute in Finland regarding VAT and arrears of an amount totalling approximately SEK 4.4 million for the tax years 2015 and 2016. The Finnish subsidiary appealed the Finnish Tax Administration's decision to the Administrative Court, but the appeal was denied on 9 June 2021. An application for leave to appeal and the appeal were submitted to the Supreme Administrative Court on 5 August 2021. The Group has made a provision of SEK 1.9 million in the accounts, including interest on overdue payments.

The Finnish subsidiary has corrected its VAT accounting for the year 2017 and onwards in

accordance with the Group's interpretation of the Finnish Tax Authority's new guidelines concerning the matter of VAT audits for the financial years 2015 and 2016. The subsidiary's amendments are in line with the positions adopted by the Finnish Association of Vision and Eyecare (NÄE ry). If the subsidiary were to correct its VAT accounting for 2015 and onwards in accordance with the tax authority's interpretation of these guidelines, for example as a result of an unfavourable legally binding ruling in the tax dispute in Finland described above, this would result in a possible negative impact on the Group's income statement amounting to SEK 10.8 million.

Business combinations

In connection with acquisition of new businesses, acquired assets, liabilities and contingencies are identified using the acquisition method. Material assets comprise trademarks and customer relations. There is no active market for most of the acquired assets and liabilities, in particular the acquired intangible assets. The senior management therefore has to estimate the fair value of the acquired assets. Depending on the type of asset or liability, some uncertainty may be attached to the estimated amount. The non-allocated portion of the purchase consideration is recognised in the balance sheet as goodwill.

Goodwill

Goodwill is measured at cost less any accumulated impairment.

Trademarks

The value of trademarks and their expected lifetime is estimated based on the brands' market position and status, expected development and profitability. The estimate is based in the relief from royalty

method, according to which the value is estimated based on expected revenue associated with the trademark, the royalty rate, the growth rate and the tax effect, and is estimated with a suitable discount rate. The trademark EyeQ is estimated to have a useful life of 15 years and is amortised on a straight-line basis. An annual assessment of impairment is made for other trademarks.

Impairment testing of goodwill and trademarks

In calculating the recoverable amount of cash-generating units in order to assess whether an impairment requirement exists for goodwill or trademarks, several assumptions regarding future conditions and estimates have been made. These are presented in Note 10. As explained in the description in Note 10, changes to the conditions on which these assumptions and estimates are based could have a material impact on the value of goodwill or trademarks.

Customer relations

The value of customer relations and the expected lifetime are assessed based on the stability of the customer relationship and the expected return. The calculation is based on the multi-period excess method, where the value is calculated on the basis of expected cash flows from the customer relations and costs of invested capital. Profit or loss is calculated with an appropriate discount rate. Customer relations are amortised on a straight-line basis over 5–15 years.

Right-of-use assets and lease liabilities

The Group has a significant number of lease and rental contracts that are subject to IFRS 16 Leases, which means that they are recognised in the Group's balance sheet as right-of-use assets and lease liabilities respectively. The value of the asset or liability depends on several assumptions, such as the rate used to discount the liability to present value and the assessment of extension options. Changes in assumptions and estimates of extension options and discount rate may result in significant differences in the Group's value of right-of-use assets and lease liability. Additional information about leases can be found in Note 12.

NOTE 3 BREAKDOWN OF NET SALES BY GEOGRAPHICAL MARKETS, OPERATING ACTIVITIES AND SEGMENTS

	Group	
	2021	2020
Breakdown of net sales by operating activities:		
Synsam Lifestyle™	2,136	1,555
Other sales of goods and services	2,533	2,251
Total net sales	4,669	3,806
Other revenue is broken down as follows:		
Franchise fee income	10	11
Other revenue	49	43
Total other revenue	59	54

The Group's chief operating decision-maker monitors operations in the Group by tracking, among other performance measures, the segments' external net sales, EBITDA and adjusted EBITDA (and EBITDA margin). Segments include the sales derived from the various geographical markets and the costs directly attributable to these sales, such as the cost of goods sold and direct premises and personnel costs, etc. Certain marketing expenses and activities decided at Group level are not included in the segments Sweden, Denmark, Norway and Finland but are recognised in Other and Central functions, which comprises some Group-wide and head office functions, such as the treasury, finance and IT functions. Head office functions are also part of various legal units in each country to a certain extent but are not included in the segments. Expenses generated with respect to Group-wide

and head office functions are distributed and invoiced to the various segments through a management fee.

All revenue in the segments is recognised at a specific point in time when the goods have been delivered or the service has been performed, meaning when control is considered to have been transferred to the customer. However, franchise fee revenue is recognised on a straight-line basis over time.

Intra-Group sales between segments do not comprise material amounts. The Group's inventory supply of spectacle frames, sunglasses and accessories (not spectacle lenses) is largely managed by the central warehouse under Synsam Group One AB, which is not included in the segments.

The chief operating decision-maker does not continuously monitor the balance sheet for each segment. Net sales from external customers come from sales of goods (primarily spectacles, sunglasses and contact lenses) as well as eye examinations (services) and revenue from Synsam Lifestyle™. The segments are divided based on where their external customers carry out their purchasing. No individual customer accounts for a significant portion of the segment's or Group's net sales.

The external net sales in Other and Central functions mainly comprise sales in Ai stores and Synsam Hearing stores, sales of goods from the central warehouse to Synsam franchise stores and a central component of sales for Synsam Lifestyle™.

Parent Company sales are shown in the table below;

	Parent Company	
	2021	2020
Net sales:		
Intra-Group sales	69	1
External sales	–	–
Total net sales	69	1

Segment information	Sweden		Denmark		Norway		Finland		Other and Central functions		Eliminations		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net sales, Synsam Lifestyle™	1,120	812	430	349	409	290	121	69	56	35	-	-	2,136	1,555
Net sales, other	1,146	1,007	589	582	611	512	145	131	42	20	-	-	2,533	2,251
Total Net sales	2,266	1,820	1,018	931	1,020	801	266	200	98	55	-	-	4,669	3,806
Net sales, internal	-	-	-	-	-	-	-	-	881	699	-881	-699	-	-
Other operating income	10	14	2	9	2	4	0	-	45	27	-	-	59	54
Gross profit ¹⁾	1,792	1,414	766	705	770	580	185	140	127	68	-	-	3,640	2,907
Gross margin ¹⁾	78.6%	76.9%	75.0%	74.8%	75.3%	71.9%	69.4%	70.0%	83.9%	73.9%	-	-	76.7%	75.0%
Profit/loss (EBITDA) ¹⁾	758	576	280	259	274	164	37	21	-161	-87	-	-	1,189	934
<i>(of which COVID-19 grants²⁾</i>	<i>(9)</i>	<i>(9)</i>	<i>(6)</i>	<i>(30)</i>	<i>(0)</i>	<i>(5)</i>	<i>-</i>	<i>(2)</i>	<i>(0)</i>	<i>(1)</i>	-	-	<i>(15)</i>	<i>(48)</i>
Depreciation of tangible assets including right-of-use assets	-188	-167	-79	-87	-95	-89	-35	-29	-20	-19	-	-	-416	-391
EBITA ¹⁾	570	410	201	172	180	75	2	-8	-181	-106	-	-	773	543
Amortisation of intangible assets	-4	-5	-1	-1	-1	-1	0	0	-134	-134	-	-	-140	-141
EBIT	567	405	201	172	179	74	2	-8	-315	-240	-	-	633	402
Net financial items	-	-	-	-	-	-	-	-	-	-	-	-	-470	-538
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	163	-136
Adjusted profit/loss (EBITDA) ¹⁾	758	576	280	259	274	164	37	21	-76	-73	-	-	1,274	948
Depreciation of tangible assets including right-of-use assets	-188	-167	-79	-87	-95	-89	-35	-29	-20	-19	-	-	-416	-391
Adjusted EBITA ¹⁾	570	410	201	172	180	75	2	-8	-96	-92	-	-	858	557
Items affecting comparability ¹⁾	-	-	-	-	-	-	-	-	-85	-14	-	-	-85	-14
EBITA ¹⁾	570	410	201	172	180	75	2	-8	-181	-106	-	-	773	543
Amortisation of intangible assets	-4	-5	-1	-1	-1	-1	0	-	-134	-134	-	-	-140	-141
EBIT	567	405	201	171	179	-	2	-8	-315	-240	-	-	633	402
Net financial items	-	-	-	-	-	-	-	-	-	-	-	-	-470	-538
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	163	-136

Segment information	Sweden		Denmark		Norway		Finland		Other and Central functions		Eliminations		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
EBITDA margin, % ¹⁾	33.3%	31.4%	27.5%	27.6%	26.8%	20.4%	14.0%	10.6%	n/a	n/a			25.1%	24.2%
EBITA margin, % ¹⁾	25.1%	22.3%	19.7%	18.4%	17.6%	9.3%	0.9%	-3.8%	n/a	n/a			16.3%	14.1%
Adjusted EBITDA-margin, % ¹⁾	33.3%	31.4%	27.5%	27.6%	26.8%	20.4%	14.0%	10.6%	n/a	n/a			26.9%	24.6%
Adjusted EBITA margin, % ¹⁾	25.1%	22.3%	19.7%	18.4%	17.6%	9.3%	0.9%	-3.8%	n/a	n/a			18.1%	14.4%
Items affecting comparability ¹⁾	-	-	-	-	-	-	-	-	85	14			85	14
<i>Of which:</i>														
<i>IPO preparation expenses</i>									85	7			85	7
<i>IT attack</i>									-	6			-	6

1) Relates to alternative performance measures. EBITDA is defined as operating profit before depreciation and amortisation of tangible and intangible assets as well as right-of-use assets. EBITDA margin is defined and calculated as EBITDA as a percentage of total revenue. Adjusted earnings (EBITDA) is defined as EBITDA adjusted for items affecting comparability. For definitions of other alternative performance measures, see the section 'Financial definitions' on page 104 and further information in Note 28 and Note 32.

2) For a summary of the payments received in connection with COVID-19, see Note 8 Accounting for government support and other temporary effects of COVID-19.

Net sales by geographical market are broken down as follows:

	Group	
	2021	2020
Sweden	2,344	1,862
Denmark	1,025	937
Norway	1,030	807
Finland	270	201
Total net sales	4,669	3,806

The breakdown of tangible and intangible non-current assets by geographical markets is as follows:

	Group	
	2021	2020
Sweden	2,823	2,667
Denmark	1,619	1,621
Norway	1,224	1,156
Finland	199	127
Total net sales	5,864	5,571

NOTE 4 AUDIT FEES

KPMG	Group		Parent Company	
	2021	2020	2021	2020
Audit engagement	5	5	1	1
Tax advice	2	3	2	3
Other engagements	7	2	7	1
Total audit fees	15	10	11	5

Audit engagement refers to the audit of the annual report and accounting records and the administration by the Board of Directors and the Chief Executive Officer, other tasks performed by the company's auditor and advice or other

assistance occasioned by findings made during such audits or the implementation of other such tasks. Everything else falls under other engagements.

NOTE 5 EMPLOYEES, AVERAGE NUMBER OF EMPLOYEES, SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY CONTRIBUTIONS

Average number of employees	Group		Parent Company	
	2021	2020	2021	2020
Sweden total	1,404	1,144	1	1
Of whom women	1,172	956	-	-
Denmark total	535	506	-	-
Of whom women	426	396	-	-
Norway total	581	505	-	-
Of whom women	463	398	-	-
Finland total	151	126	-	-
Of whom women	123	106	-	-
Total	2,671	2,281	1	1
Of whom women	2,184	1,855	-	-

Salaries, remuneration, social security contributions and pension expenses	Group		Parent Company ¹⁾	
	2021	2020	2021	2020
Salaries and remuneration to Board and CEO	18	15	2	2
Salaries and remuneration to other employees	1,312	1,095	-	-
Statutory and contractual social security contributions	249	202	0	0
Pension costs, defined contribution plans for Board and CEO	3	2	-	-
Pension costs, defined contribution plans for other employees	95	83	-	-
Total	1,677	1,396	2	2

1) The CEO's wages, other remuneration and pension expenses are expensed in a different Swedish company in the Group.

Remuneration of Board members and executive management

Remuneration of Board members

Fees and other remuneration payable to the members of the Board, including the Chairman of the Board, are decided by the Annual General Meeting. The Annual General Meeting held on 30 March 2021 resolved that the total remuneration

for the members of the Board of Directors, for the period until the next Annual General Meeting, would be SEK 1,850,000. SEK 650,000 is to be paid to the Chairman of the Board and SEK 300,000 each to Kenneth Bengtsson, Terje List, Helena Johnson and Ann Hellenius. In addition, SEK 150,000 is to be paid to the Chair of the Audit Committee and SEK 100,000 each to the other

members of the Audit Committee. A further SEK 100,000 is to be paid to the Chair of the Remuneration Committee and SEK 50,000 each to the other members of the Remuneration Committee. Gustaf Martin-Löf, Philip Røpcke and Christoffer Sjøqvist have declined remuneration for their membership of the Board, the Audit Committee and the Remuneration Committee.

The above fees are based on the date on which the company's shares were listed on Nasdaq Stockholm. For the period from the election of the Board members to the company until listing of the company's shares on Nasdaq Stockholm, a Board fee is to be paid annually in the amount of SEK 800,000 to the Chairman of the Board and SEK 300,000 to each of Kenneth Bengtsson, Terje List, Helena Johnson and Ann Hellenius (with the amount being reduced in proportion to the period during which the company has not been listed). The members of the company's Board are not entitled to any benefits when they resign as Board members.

Remuneration of the Chief Executive Officer and other executive management

Remuneration to members of executive management is required to be market-based in order to ensure Synsams' ability to recruit and retain competent executive management. The remuneration is required to be based on the individual's skills, responsibilities and performance and be paid in accordance with the guidelines for remuneration to the CEO and executive management adopted by the Annual General Meeting on 30 March 2021 for the period until the Annual General Meeting in 2022.

The remuneration of the company's executive management consists of fixed salary, variable remuneration based on annual performance-based targets and other benefits such as non-monetary benefits, pension and insurance.

Fixed salary

Fixed salary forms the basis of the total remuneration. Fixed salary is to be based on the skills, responsibilities and performance of the member of the executive management and is to be competitive with prevailing market standards. Fixed salary is to be reviewed annually by the Remuneration Committee.

Principles for variable remuneration

Variable remuneration is mainly based on the Group's financial performance for each year. Variable remuneration is to be based on pre-defined individual and Group-wide targets, and may, for example, be a combination of sales growth, profitability, cash flow and activity targets. The targets are to be set annually by the Remuneration Committee on the basis of the company's business strategy and the long-term business plan approved by the Board of Directors. These targets are to be set and documented annually. Variable remuneration is also to be designed to achieve greater common interest between the executive and the company's shareholders in order to contribute to the long-term interests of the company. Variable remuneration paid in cash is not to exceed 100% of fixed salary. The company does not have any deferral periods or the ability to limit or waive variable compensation that has vested. Furthermore, the company has no right to claw back variable remuneration under the agreement.

The General Meeting of Shareholders may resolve that variable remuneration may be paid in the form of long-term share-based incentive programmes.

Other benefits

Other benefits, such as non-monetary benefits, pension, insurance and, where applicable, a company car, may be offered in accordance with customary rules and market standards in the country concerned. Pensions should be designed to reflect normally accepted levels and practices in the country where the member of executive management is employed. Pension premiums for defined contribution pensions are not to exceed 35% of the fixed annual basic salary. For benefits such as a company car allowance and health insurance, the value must not exceed 15% of the fixed annual basic salary. These benefits are required not to constitute a significant part of the total remuneration.

Deviations from the guidelines for remuneration

The board has exercised its right to deviate from the guidelines for remuneration adopted by the 2021 Annual General Meeting regarding the exceptions stated below, with the assessment that issuing the remuneration – and the deviations from the guidelines for remuneration it entailed – was necessary to meet the company's long-term interests and financial viability. In 2021, the company otherwise followed the guidelines for remuneration adopted by the 2021 Annual General Meeting without deviations.

During the second half-year of 2021, each member of the company's Executive Management team received a performance-based one-time cash compensation (in addition to regular variable remuneration) corresponding to their monthly salary,

Senior executives/category	Basic salary/Board fees		Variable remuneration		Other benefits		Pension expenses		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Peter Törnquist, Chairman of the Board	0.8	0.8							0.8	0.8
Kenneth Bengtsson, Board member	0.3	0.3							0.3	0.3
Ann Hellenius, Board member	0.3	0.3							0.3	0.3
Helena Johnson, Board member	0.3	0.3							0.3	0.3
Terje List, Board member	0.3	0.3							0.3	0.3
Gustaf Martin-Löf, Board member	–	–							–	–
Philip Røpcke, Board member (from 26 March 2020)	–	–							–	–
Christoffer Sjøqvist, Board member	–	–							–	–
Håkan Lundstedt, CEO and Board member ^{1) 2)}	7.8	6.6	8.5	6.6	0.2	0.1	2.7	2.2	19.1	15.6
Other senior executives, average 18 (18) ^{1) 2)}	31.8	30.7	21.7	15.9	0.8	0.8	6.6	7.1	61.1	54.5
Total	41.6	39.3	30.2	22.5	1.0	1.0	9.3	9.3	82.1	72.1

1) Additional holiday pay is expensed continuously according to local agreements and regulations, which differ between countries. The expensed additional holiday pay is not included in the amounts in the tables for remuneration of senior executives.

2) Other senior executives refers to the 18 (18) persons who, together with the CEO, make up executive management. Remuneration of persons in executive management is included in the table above from the month in which they were first included in the group until they leave the group. Executive management was unchanged in 2021 and amounted to 19 persons at year-end, and an average of 19 persons for the year, see the presentation of executive management on pages 55–57 for further information.

as a compensation for considerable work efforts and a strong outcome during the first half-year of 2021.

In addition to the one-time compensation issued as stated above, the company's CFO received a performance-based one-time cash compensation (in addition to regular variable remuneration) corresponding to a one-year salary, due to the further significant work effort required when listing the company in addition to regular duties. The payment of the compensation was conditional to the company's shares admission to trading on Nasdaq Stockholm.

Issuing of the one-time cash compensations entailed deviation from the guidelines for remuneration partly due to the compensations not being based on individual and group-wide targets defined in advance, and partly due to that they resulted in the company's CEO and CFO receiving total variable remunerations, referring to performance during 2021, exceeding 100 percent of their fixed salary for 2021.

No deviation from the decision-making process which, in accordance with the guidelines, should be applied to define compensations was conducted.

The board has not reduced or reclaimed any of the paid compensations during 2021.

The auditor's opinion regarding the company's compliance with the guidelines of remuneration is available on www.synsamgroup.com.

Period of notice and remuneration after termination of employment

The Group applies a maximum notice period of twelve months. In case of termination by the employee, a period of notice of six months applies. No severance pay will be payable in any case.

	Group		Parent Company	
	2021	2020	2021	2020
Gender distribution in senior management on the balance sheet date				
Men	13	13	1	1
Women	6	6	-	-
Total	19	19	1	1

	Group		Parent Company	
	2021	2020	2021	2020
Number of Board members on the balance sheet date				
Men	7	7	7	7
Women	2	2	2	2
Total	9	9	9	9

NOTE 6 FINANCIAL INCOME AND EXPENSES

Financial income from assets recognised at cost

	Group		Parent Company	
	2021	2020	2021	2020
Exchange gains ¹⁾	49	20	-	13
Interest income leases/Synsam Lifestyle™	96	75	-	-
Interest income, financial institutions	-	-	-	-
Interest income, other external	2	1	-	0
Sub-total financial income	147	97	-	13

Financial income and expenses attributable to financial liabilities measured at fair value through profit or loss

	Group		Parent Company	
	2021	2020	2021	2020
Fair value changes, derivative instruments	1	2	-	-
Sub-total financial income	1	2	-	-
Total financial income	147	99	-	13
Fair value changes, derivative instruments	-	-	-	-
Sub-total financial income	-	-	-	-

Financial expenses from financial liabilities measured at amortised cost

	Group		Parent Company	
	2021	2020	2021	2020
Exchange losses ¹⁾	-	-	-38	-
Interest expenses, financial institutions	-110	-139	-8	0
Interest expenses, shareholder loans	-307	-338	-	-
Other interest expenses, intra-Group	-	-	-13	-9
Interest expenses, IFRS 16 Leases	-35	-31	-	-
Other financial expenses ²⁾	-165	-129	-2	-
Sub-total financial expenses	-618	-636	-61	-9
Total financial expenses	-618	-636	-61	-9
Total net financial items	-470	-538	-61	4

1) The Group's exchange differences pertaining to accounts receivable and accounts payable are recognised in net financial items and amounted to SEK 0 million (1) in 2021.

2) This item includes the Group's credit costs related to Synsam Lifestyle™ of SEK 148 million (112)

NOTE 7 TAXES

Group	Group		Parent Company	
	2021	2020	2021	2020
Current tax	-118	-64	-	-1
Deferred tax	6	4	-	-
Tax on profit/loss for the year	-112	-60	-	-1
Recognised profit before tax	163	-136	-24	-5
Tax recognised in net profit/loss for the year				
Tax at the current rate in Sweden	-34	29	5	1
Effect of different tax rates in foreign subsidiaries	-2	0	-	-
Tax effect of non-deductible expenses & non-taxable income ¹⁾	-78	-56	0	0
Increase in loss carryforwards without corresponding capitalisation of deferred tax	0	-25	-	-
Utilisation of loss carryforwards, not previously capitalised	0	-1	-	-
Restatement of deferred tax; - change of tax rate in Sweden and Norway	0	0	-	-
Tax effect related to previous years' assessment	0	-1	-	-
Other	1	-6	-5	-1
Total tax recognised in net profit or loss	-112	-60	-	-1

1) Consists mainly of effects due to interest deduction limitation rules and IPO preparation costs.

Current tax in Sweden is calculated at 20.6 percent (21.4). When the corporate tax rate in Sweden was reduced as of 1 January 2019, deduction limits for interest expenses linked to 'EBITDA for tax' were introduced at the same time.

NOTE 8 RECOGNITION OF GOVERNMENT ASSISTANCE AND OTHER TEMPORARY EFFECTS OF COVID-19

IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* allows Synsam Group to recognise government payments against the corresponding costs. Government assistance differs in the different countries where Synsam operates, and it can be mentioned as an example that in Norway, furlough payments are made directly to the employee and not to Synsam, and the amounts are therefore not included below.

In respect of IFRS 16 *Leases*, the EU has adopted relief rules that allow for COVID-19 related rent reductions received directly from the lessor to be recognised in the income statement in the period to which the rent reduction relates. Accordingly, right-of-use assets and lease liabilities are not affected.

Temporary rental reductions, which are not covered by government assistance, and government assistance received are recognised in the consolidated income statement as a reduction in expenses. In some cases, government assistance also includes reimbursement of depreciation and amortisation, including amortisation of goodwill locally in Denmark, and where there are no corresponding goodwill amortisation costs in the Group, these are recognised under Other operating income.

Group	Effect on earnings in respect of temporary rent reductions		Effect of government support, IAS 20, on the income statement	
	2021	2020	2021	2020
Net sales	-	-	-	-
Other operating income	-	-	-	5
Total revenue	-	-	-	5
Goods for resale	-	-	-	-
Other external expenses	1	12	0	13
Personnel costs	-	-	15	30
EBITDA ¹⁾	1	12	15	48
Amortisation and depreciation of intangible and tangible assets	-	-	-	2
Operating profit/loss, EBIT	1	12	15	50
Financial income	-	-	-	4
Financial expenses	-	-	-2	-2
Profit before tax	1	12	13	51

1) EBITDA is an alternative performance measure (APM), see the section 'Financial definitions' on page 104 and in Note 32. For the breakdown of government assistance at EBITDA level by segment, see Note 3.

In 2020, the Synsam Group took advantage of the option offered by the Swedish and Danish governments to defer payments of taxes and VAT. The liability totalled SEK 196 million at the end of the year on 31 December 2020, and allowed

liquidity to be maintained at a more secure level. The liability was settled in full in the first half of 2021. In Sweden, interest was charged on the deferred amount and, after a period of time, a fee was also added to the deferred amount.

NOTE 9 INTANGIBLE ASSETS

	Goodwill		Trademarks		Customer relations		Software and licences		Total Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Cost at beginning of year	2,477	2,546	1,512	1,569	1,273	1,315	225	201	5,486	5,632
Investments	-	-	-	-	-	-	26	23	26	23
Business combinations	14	3	-	-	4	-	-	-	19	3
Disposals and retirements	-	-	-	-	-	-	-	-1	-	-1
Reclassifications	-	-1	-	-	-	-	-	2	-	1
Translation differences	45	-72	37	-58	27	-43	0	-1	110	-173
Cost at beginning of year	2,536	2,477	1,549	1,512	1,304	1,273	250	225	5,639	5,486
Amortisation at the beginning of the year	-	-	-35	-31	-660	-576	-124	-92	-819	-700
Amortisation for the year	-	-	-5	-5	-104	-104	-30	-32	-140	-141
Disposals and retirements	-	-	-	-	-	-	-	1	-	1
Reclassifications	-	-	-	-	-	-	-	-1	-	-1
Translation differences	-	-	-1	1	-15	21	0	0	-16	22
Amortisation at the end of the year	-	-	-42	-35	-779	-660	-154	-124	-974	-819
Carrying amount	2,536	2,477	1,507	1,476	525	613	97	101	4,665	4,666

'Software and licences' includes internally generated own work, which at the end of the year had a carrying amount of SEK 39 million (33).

The remaining amortisation period for customer relations that rose when originally acquired is 5.5 years.

The Parent Company does not own any intangible non-current assets.

NOTE 10 IMPAIRMENT TESTING OF INTANGIBLE ASSETS

The Group conducts impairment testing for goodwill and trademarks with indefinite useful lives. The recoverable amounts for cash-generating units have been determined by estimating value in use.

All intangible assets except goodwill and trademarks with an indefinite period of use are amortised on an ongoing basis. Goodwill and trademarks with an indefinite period of use are tested for impairment annually or as soon as there are indications of a decrease in value. This assessment has been based in 2021, as in previous years, on a five-year present value computed cash flow statement per cash-generating unit. For calculation of value in use, lease payments are treated as cash flow in operating activities. An assessment of need for impairment was made for four cash-generating units, one for each country; Sweden, Denmark, Norway and Finland. The cash flows for the first four years were based on a budget approved by executive management, with anticipated average annual growth of approximately 15 percent but with variation between the years. For the last year, the calculation is based on a preliminary business plan and growth of approximately 2.5 percent. In order to extrapolate earnings performance beyond the planning horizon, a growth rate of 2.5 percent has been used for 2027 onward. The growth rate of 2.5 percent is based on management's combined assessment.

The sales trend is projected on the basis of the Synsam executive management's assessment of capacity to generate growth based on estimated market development, the competitive situation and the Synsam Group's own growth-driving initiatives. An assessment of future gross margin is made based on product mix and estimated competitive situation. Costs in other respects are estimated mainly to follow the trend in sales, but some operational leverage is taken into account. Investments in tangible and intangible non-current assets are estimated on the basis of what Synsam Group needs to invest to maintain its competitive position.

In the discounted statements of cash flows for the four cash-generating units, a weighted average cost of capital (WACC) for the Group after tax of 7.60 percent (7.08) for Sweden, 7.07 percent (6.64) for Denmark, 8.94 percent (7.98) for Norway and 6.99 percent (6.52) for Finland, has been used, depending on the interest rate levels and other circumstances in the various countries, corresponding to a WACC range of 8.4 to 10.8 percent in WACC before tax (7.4 to 9.6).

2021 testing has shown that there is no impairment requirement, and no reasonable changes in assumptions would lead to an impairment requirement.

Trademarks

The 'Synsam' and 'Profil Optik' trademarks are calculated as having an indefinite period of use and are tested for impairment annually. The trademark 'Profil Optik' is only used in Denmark and is therefore tested for impairment only for Denmark, while 'Synsam' is tested for impairment

for Denmark, Sweden and Norway. No portion of the trademark is attributable to Finland.

Carrying amounts relating to trademarks with indefinite periods of use broken down by cash-generating unit. Changes in value during the year have been impacted by changes in exchange rates.

	Group	
	2021	2020
Sweden	620	620
Denmark	451	443
Norway	395	368
Finland	–	–
Total	1,467	1,431

Goodwill

The Group's goodwill has arisen in connection with business combinations and store acquisitions. Most of this goodwill has arisen in connection with the acquisition of the Synsam Nordic A/S Group.

Goodwill is allocated to cash-generating units or to the smallest group of cash-generating units in the

Group for which goodwill is monitored by management and which is not larger than the Group's segments. Goodwill is allocated to four independent groups of cash-generating units: Sweden, Denmark, Norway and Finland. Total goodwill amounts to SEK 2,536m (2,477). Changes for the year have been impacted by exchange differences and minor acquisitions.

	Group	
	2021	2020
Sweden	1,235	1,221
Denmark	837	821
Norway	411	383
Finland	53	52
Total	2,536	2,477

NOTE 11 TANGIBLE NON-CURRENT ASSETS

	Cost of leasehold improvement		Equipment		Total	
	2021	2020	2021	2020	2021	2020
Cost at beginning of year	497	481	919	863	1,416	1,344
Investments	70	46	176	91	246	137
Business combinations	0	1	-	-	-	1
Disposals and retirements	-4	-12	-4	-3	-8	-15
Translation differences	13	-19	23	-33	36	-52
At the end of the year	576	497	1,114	919	1,690	1,416
Depreciation at the beginning of the year	-310	-279	-712	-666	-1,022	-944
Depreciation for the year	-58	-53	-78	-73	-136	-126
Disposals and retirements	4	12	4	3	8	14
Translation differences	-8	10	-17	24	-25	34
At the end of the year	-371	-310	-804	-712	-1,175	-1,022
Carrying amount at end of year	205	187	310	207	515	394

NOTE 12 RIGHT-OF-USE ASSETS

	Leases for premises		Tangible non-current assets, leases		Total Right-of-use assets	
	2021	2020	2021	2020	2021	2020
Carrying amount at beginning of year	486	528	25	35	511	563
Additional right-of-use assets	436	232	4	3	439	235
Depreciation for the year	-268	-252	-12	-13	-280	-265
Translation differences	14	-22	0	-1	15	-23
Carrying amount at end of year	668	486	17	25	684	511

Most of the Group's right-of-use assets comprise leasing agreements linked to store premises.

Tangible non-current assets refer to lease assets that are rented and mainly comprise vehicles and optical equipment.

Lease liabilities are disclosed in the balance sheet. For information on the maturity structure of lease liabilities, see Note 19 Financial risks.

Amounts recognised in the consolidated income statement	Group	
	2021	2020
Depreciation of right-of-use assets	-280	-265
Interest expense for lease liability	-35	-31
Costs attributable to short-term leases	-	-
Expenses related to low-value leases	-1	-2
Costs attributable to variable lease expenses not included in the measurement of the lease liability	-31	-25
Total	-347	-322

The total cash outflow for leases in 2021 was approximately SEK 340m (approximately SEK 300m).

Some of the Group's leases for premises include turnover-based rent. The Group anticipates that the split between turnover-based rent and fixed rent will not change significantly in the next few years. An increase in sales may therefore increase the Group's variable costs by a corresponding percentage. The variable lease payments are linked to sales for some stores and may have a major impact on the individual store's rental costs, but are not considered to have a material impact on the Group's costs as a whole.

In July 2021, the Group company Synsam Innovationscenter AB signed a lease agreement with Frösö Park Fastighets AB for a production and innovation centre to be built in Östersund. During the fourth quarter, an additional agreement was signed that provides further secured space for the duration of the agreement. The term of the agreement is 15 years and involves future rental obligations that have been provisionally estimated to have a present value of SEK 64 million. In the Group, the present value of the lease liability and the corresponding right-of-use asset will be recognised upon completion, in spring 2022.

The Parent Company has only entered into leases of low value.

NOTE 13 DEFERRED TAX

2021	Group				
	Opening balance	Business combinations	Recognised in net profit/loss for the year	Other/Exchange rate change	Closing balance
Deferred tax asset					
Non-current assets	27	-	7	1	35
Loss carryforwards	-	-	-	-	-
Derivative instruments	0	-	0	-	-
Other	25	-	1	0	26
Total deferred tax asset	52	-	8	1	61
Deferred tax liabilities					
Non-current assets	-491	-1	-2	-10	-504
Derivative instruments	-	-	-	-	-
Other	-	-	-	-	-
Total deferred tax liabilities	-491	-1	-2	-10	-504

2020	Group				
	Opening balance	Business combinations	Recognised in net profit/loss for the year	Other/Exchange rate change	Closing balance
Deferred tax asset					
Non-current assets	35	-	-7	-1	27
Loss carryforwards	3	-	-3	-	-
Derivative instruments	1	-	0	-	1
Other	19	-	5	0	24
Total deferred tax asset	59	-	-5	-1	52
Deferred tax liabilities					
Non-current assets	-517	-	9	16	-491
Derivative instruments	-	-	-	-	-
Other	-	-	-	-	-
Total deferred tax liabilities	-517	-	9	16	-491

No deferred tax assets have been recognised in respect of companies where the loss carryforwards are not expected to be utilised in the foreseeable future. Non-capitalised deferred tax assets exist in

Finland and amount to a total of SEK 61 million (49). Of this amount, SEK 5 million (-) falls due within 1 year, SEK 18 million (14) between 1 and 5 years and SEK 38 million (35) within 6-10 years.

NOTE 14 INVENTORIES

	Group	
	2021	2020
Inventories before impairment	463	395
Impaired inventories	-12	-12
Value of inventories	451	383

NOTE 15 ACCOUNTS RECEIVABLE

	Group	
	2021	2020
Accounts receivable	324	330
Credit loss reserve	-16	-17
Total accounts receivable	308	313

The carrying amount of accounts receivable corresponds to their fair value as the discounting effect is insignificant. As the Parent Company does not have any external accounts receivable, the tables are shown for the Group only.

Age analysis, 2021	Group			
	Gross	Reserve	Net	Reserve %
Accounts receivable not yet due	262	-	262	0.0%
Past due accounts receivable 1-30 days	26	-	26	0.0%
Past due accounts receivable >= 31-90 days	8	-	8	0.0%
Past due accounts receivable >= 91-180 days	5	-1	4	19.9%
Past due accounts receivable >= 181-360 days	8	-3	5	39.9%
Past due accounts receivable >= 361 days	15	-12	3	80.0%
Total	324	-16	308	4.9%

Age analysis, 2020	Group			
	Gross	Reserve	Net	Reserve %
Accounts receivable not yet due	264	-	264	0.0%
Past due accounts receivable 1-30 days	40	-	40	0.0%
Past due accounts receivable >= 31-90 days	2	-	2	0.0%
Past due accounts receivable >= 91-180 days	4	0	4	4.7%
Past due accounts receivable >= 181-360 days	3	-2	1	68.5%
Past due accounts receivable >= 361 days	16	-14	2	90.0%
Total	330	-17	313	5.0%

Credit loss reserve	Group	
	2021	2020
Opening balance 1 January	-17	-23
Provision for anticipated losses	-4	-2
Actual losses	5	9
Reversed provisions, payments	0	0
Closing balance 31 December	-16	-17
Reported bad debt losses in 'Other external expenses' amounted to	-3	-1

Accounts receivable, broken down by currency	Group	
	2021	2020
SEK	164	206
DKK	36	36
NOK	48	28
EUR	60	42
Other currencies	0	0
Total	308	313

Credit risk

Accounts receivable are broken down into currencies corresponding to the Group's operations in the Nordic markets. Accounts receivable are broken down by corporate customer and, to a certain extent, by instalment payment customers. The most important indicator of future, not yet

realised bad debt losses is information from the maturity structure of accounts receivable. An allowance is accordingly made taking into consideration the age distribution and other significant external indicators as and when Synsam becomes aware of them.

NOTE 16 PREPAID EXPENSES AND ACCRUED INCOME

	Group	
	2021	2020
Prepaid rents	54	49
Prepaid IT expenses	11	10
Accrued income	20	21
Other items	22	17
Total prepaid expenses and accrued income	107	97

The value of accrued revenue for goods delivered but not invoiced relating to the Synsam Lifestyle™ subscription is SEK 15m (14).

The Synsam Lifestyle™ subscription is recognised as a finance lease where Synsam is the lessor.

NOTE 17 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities include cash and cash equivalents, financial receivables, accounts receivable, accounts payable, lease obligations, derivative instruments, contingent consideration and borrowings.

measured at fair value through profit or loss, and hedge accounting is not applied. In connection with the bank loan refinancing during the year, the previous interest swap was also terminated and no interest rate derivatives are held as at 31 December 2021.

The Group's holdings of interest rate derivatives are

	Group		Parent Company	
	2021	2020	2021	2020
Receivables measured at amortised cost				
Other financial assets	23	16	-	-
Accounts receivable	308	313	-	-
Receivables for goods delivered but not invoiced	15	17	-	-
Receivables from Group companies	-	-	193	83
Cash and cash equivalents	755	809	0	16
Receivables measured at amortised cost	1,101	1,155	193	99
Financial receivables, total	1,101	1,155	193	99

	Group		Parent Company	
	2021	2020	2021	2020
Financial liabilities at fair value through the consolidated income statement				
Derivative instruments	-	2	-	-
Contingent consideration	8	-	-	-
Financial liabilities at fair value through the consolidated income statement	8	2	-	-

	Group		Parent Company	
	2021	2020	2021	2020
Liabilities measured at amortised cost				
Accrued interest	-	-	-	-
Accounts payable	703	458	20	-
Interest-bearing liabilities	2,416	6,697	2,416	-
Lease liabilities ¹⁾	710	526	-	-
Liabilities to Group companies	-	-	389	216
Liabilities measured at amortised cost	3,829	7,681	2,825	216
Financial liabilities, total	3,837	7,683	2,825	216

1) Recognised in accordance with IFRS 16 Leases and not in accordance with IFRS 9 Financial Instruments. Recognised as financial liability.

Assets and liabilities measured at amortised cost consist of a reasonable approximation of fair value as these assets and liabilities have short maturities. The carrying amount and fair value of interest-bearing liabilities do not differ materially since they carry variable interest, which does not differ noticeably from the market interest rate of the liabilities as of the balance sheet date. Book value therefore coincides with fair value. Without notice

of termination, the loans fall due within 3 or 5 years.

Determination of fair value takes place according to a fair value hierarchy consisting of three levels. The levels reflect the extent to which fair value is based on observable market data or own assumptions.

Level 1) fair value is determined on the basis of observable (unadjusted) listed prices on an active market for identical assets and liabilities.

Level 2) fair value is determined on the basis of valuation models based on other observable data for the asset or liability than listed prices included in Level 1.

Level 3) fair value is determined on the basis of valuation models where significant input data is based on non-observable data.

The valuation of contingent considerations for business combinations that are financial liabilities is based on level 3 of the IFRS 13 fair value hierarchy.

The material factors that impact the valuation are the formulation of the agreements, including a set cap for additional considerations.

Change level 3 Contingent consideration	Group	
	2021	2020
Opening balance	-	1
Additional	9	-
Settled liabilities	-	-1
Reversed	-1	-
Closing balance	8	-

NOTE 18 CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2021	2020	2021	2020
The following sub-components are included in cash and cash equivalents:				
Cash and bank balances	755	809	0	16
Total according to statement of cash flows	755	809	0	16

NOTE 19 FINANCIAL RISKS

Due to its business activities, investments and financing, the Group is exposed to various financial risks, mainly related to changes in interest rate levels and exchange rates. The Group's financial governance is focused on control and reduction of the financial risks that are a direct consequence of the Group's business activities, investments and financing.

Capital management

Capital management refers to how equity is managed and is to be viewed along with the Group's financing. When the Synsam Group was formed in 2014, it was financed through shareholder loans instead of equity contributions. Shareholder loans have been denominated in SEK and NOK. In connection with the company's initial public offering on 29 October 2021, the historical shareholder loans, including accrued interest, totalling SEK 3,996 million have been converted into equity, see further information in Note 20.

Financing is also secured through external bank loans. Interest and repayments on bank loans are settled in accordance with agreements. External borrowing is linked to covenants, which cover performance measures related to indebtedness and interest coverage. The Synsam Group is obliged to fulfil these covenants on a quarterly basis.

New financial targets were set in the second quarter of 2021. Synsam Group's financial targets

include a net debt to adjusted EBITDA ratio of 2.5x, excluding temporary variances. The financial targets also include the payment of a dividend of 40-60 percent of the net profit for the year. For further information on Synsam Group's financial targets, see page 40.

Financial risks

Responsibility for the Group's financial transactions and risks is regulated centrally, through a financial policy established by the Board of Directors, which is updated at least annually. The Group's CFO and, in some respects, the Board of Directors ensure compliance with the policy. The Treasury Department, which is part of the Group, is responsible for compiling decision-making documentation and implementing the decisions taken. The Group minimises the borrowing requirement by using surplus liquidity within the Group in cash pools managed by the Treasury Department.

The Group's financial risks can be divided into refinancing risk, credit risk, liquidity risk, interest rate risk and exchange rate risk.

Refinancing risk

Financing risk is the risk of not being able to meet future financing requirements. The Group's sources of financing mainly comprise equity, external loans and cash flows.

In the fourth quarter of 2021, the Group's bank

loans were refinanced. Existing bank loans, totalling SEK 2,605 million, under the previous loan facility have been repaid and a new long-term bank loan financing of SEK 2,430 million has been agreed under a new loan facility. The loans are interest-only and have terms of three and five years. Interest is paid quarterly and the interest rate on the new loans is around 1.5 - 2.0 percent, excluding fees. Fixed interest rates are available with a maturity of less than one year.

The assessment is that the Group currently has access to the necessary credit facilities.

Credit risk

The Group's credit risk relates to receivables from the sale of goods and services and cash and cash equivalents. Creditworthiness and risk are assessed in the individual stores in accordance with set guidelines which are controlled by executive management. Historically, the Group has not had any significant credit losses on receivables from the sale of goods and services. Receivables normally fall due with market-based terms of payment, i.e. within 30–60 days. See also Note 15. The Group's outstanding credit is spread over a large number of customers and no single customer accounts for a material share. Cash and cash equivalents are invested in financial institutions with a minimum rating of A, as defined by Standard and Poor's, in accordance with the Group's financial policy.

Interest rate risk

The Group can manage the risk of additional costs resulting from interest rate fluctuations (interest rate risk) by controlling the interest rate structure of interest-bearing liability and through the use of financial instruments. The interest rate risk is primarily associated with the Group's liability to financial institutions. The senior facilities run with variable interest, and the interest rate on the new loans is around 1.5–2.0 percent, excluding fees. Fixed interest rates are available with a maturity of less than one year. In connection with the refinancing, the previous interest rate swap was also terminated. The Group does not hold any interest rate swaps as at 31 December 2021.

The nominal amount of interest rate swaps is SEK – million (1,400).

No hedge accounting is applied.

Sensitivity analysis – interest rate risk

The impact on profit before tax for the net amount interest income and interest expense over the next 12 months of a 1 percentage point rise/fall in interest rates at the balance sheet date is SEK -19 million and SEK +0 million respectively (previous year: SEK -24 million and SEK +0 million respectively), taking into account the existing interest rate floor and given the interest-bearing assets and liabilities existing on the balance sheet date.

Liquidity risk

The Group monitors the liquidity reserve on an ongoing basis by assessing maturity dates for current term assets and liabilities and the impact of expected cash flows from the Group's business activities. The purpose of the liquidity management is to retain an optimal liquidity reserve for financing of the Group's business activities at any given time, to minimise interest and bank expenses and to avoid financial difficulties. The Group's liquidity reserve is primarily monitored by the CFO, who is responsible for managing the Group's liquidity situation. The Group's liquidity reserve consists of

cash and cash equivalents and unutilised credit facilities. The assessment is that the Group's liquidity preparedness is sufficient.

The Group is not exposed to any material liquidity risk due to the lease liabilities that have arisen on the implementation of IFRS 16 Leases.

The Group's external financing agreements include a revolving credit facility. The facilities are connected with financial undertakings, covenants, which the Group is obliged to achieve on a quarterly basis.

Credit facilities, Group	31 Dec 2021			31 Dec 2020		
	Nominal	Used	Available	Nominal	Used	Available
Revolving facility	1,000	-60	940	217	-210	7
Acquisition facility	-	-	-	431	-431	-
Total	1,000	-60	940	647	-641	7
Overdraft facility	-	-	-	43	-	43
Available cash and cash equivalents	755	-	755	809	-	809
Liquidity reserve	1,755	-60	1,695	1,499	-641	859

Maturity structures for financial liabilities – undiscounted cash flows

31 Dec 2021	Interest rate	Group			Total
		Less than 1 year	1-5 years	More than 5 years	
Liabilities to financial institutions	1.45 – 1.95%	45	2,587	–	2,632
Accounts payable	–	703	–	–	703
Lease obligations	3.5 – 4.1%	295	513	4	811
		1,043	3,100	4	4,147

31 Dec 2020	Interest rate	Group			Total
		Less than 1 year	1-5 years	More than 5 years	
Derivative instruments (interest)	0.12%	2	2	–	4
Liabilities to financial institutions	4.00 – 4.50%	539	2,637	–	3,176
Shareholder loans	10.21%	–	5,047	–	5,047
Accounts payable	–	458	–	–	458
Lease obligations	3.2 – 4.5%	237	317	1	555
Total		1,235	8,003	1	9,239

Leases in which the Synsam Group is the lessee and the non-current assets linked to the leases mainly pertain to leasing agreements for store premises as well as optical equipment and vehicles. See also Note 1 and Note 12.

Exchange rate risk

The Group has holdings in foreign operations, the net assets of which are subject to translation exposure. The Group's presentation currency is Swedish kronor.

The Group has business activities in Sweden, Denmark, Norway and Finland, from which the majority of the Group's revenue and expenses are derived. Foreign exchange fluctuations have an impact on translated earnings for business

activities in Denmark, Norway and Finland, as well as the translation of assets and liabilities in the Danish, Norwegian and Finnish subsidiaries.

As the Group has external liabilities denominated in EUR, a certain hedge is in place, but the Group does not otherwise apply currency hedging through financial instruments.

For information on liabilities to financial institutions broken down by currency, see the table below.

Sensitivity analysis – exchange rate risk The Group's currency exposure on translation of assets and liabilities in foreign currencies (excluding translation of foreign subsidiaries and net investments in foreign business activities) at the balance sheet date is mainly to EUR. A 10 percent increase (+)/decrease (-) in the exchange rate of the Swedish krona against the EUR would entail a change in profit before tax of SEK +/-74 million (+/-84), mainly as a result of the translation of

liabilities to financial institutions. The sensitivity analysis is based on all other factors (e.g. interest rate) remaining unchanged. The net amount of foreign currency exposure the accounts receivable and accounts payable of each Group company and trade payables does not represent material amounts and has short terms, and these are therefore not taken into consideration in the above sensitivity analysis.

Liabilities to financial institutions by currency

	Group	
	2021	2020
SEK	1,710	2,066
NOK	–	6
EUR	739	836
Liabilities to financial institutions	2,449	2,907

External net liability

	Group	
	2021	2020
Liabilities to financial institutions	2,449	2,907
+ Leases	710	526
+ Bank guarantees	20	22
– Capitalised borrowing costs, recognised as a liability	-33	-11
– Cash and cash equivalents	-755	-809
Total External net liability	2,390	2,636

Other non-current liabilities

The Danish Holiday Act was amended in 2020, and as a result, any holidays accrued during the transition period from 1 September 2019 to 31 August 2020 have been frozen and cannot be used or paid until the employee leaves the labour market. A fund, known as the Holiday Allowance Fund, will administer the employees' claims to holidays accrued during the transition period. The employer's liability to the Fund carries interest at an annual rate corresponding to average increase in pay. The increase in level of pay ranged between 1.5 and 2.0 percent in 2021.

Employers who have not settled their liability to the Fund by the end of the transition period are to treat this as a non-current liability. Settlement of the liability to the Fund takes place annually by an amount equal to what is paid out from the fund, starting in the summer of 2021.

As an element in reducing the negative financial impact of COVID-19 for individuals, the rules were amended in the autumn of 2020 so that the holiday allowance recipient could apply for early payment of portions of the earned funds in 2020 and the remainder in the spring of 2021. However, these COVID-19-related withdrawals do not alter Synsam's liability to the Fund.

NOTE 20 TRANSACTIONS WITH RELATED PARTIES**Information on the Parent Company**

Synsam AB (publ), corporate identity number 556946-3358, is a Swedish registered limited company with its registered office in Stockholm. The address of the head office is Sankt Eriksgatan 60, Stockholm.

The consolidated financial statements consist of the Parent Company and its subsidiaries, together referred to as the Group.

For information on the ownership structure of Synsam AB (publ), see the section Synsam share on page 107.

Synsam AB (publ) has a related-party relationship with its subsidiaries, see Note 26 for specification

of subsidiaries. Synsam AB (publ) has also had related-party relationships in the form of borrowings from, and capitalised interest to, companies within CVC Capital Partners. Shareholder loans have been denominated in SEK and NOK and the loans have carried a fixed annual interest rate of 10.21 percent. In connection with the company's initial public offering on 29 October 2021, the historical shareholder loans, including accrued interest, totalling SEK 3,996 million, have been converted to equity, see table below.

Purchases and sales between Group companies

The share of the year's purchases and sales relating to Group companies in the Parent Company is shown below.

	2021	2020
Purchases and sales by the Parent Company between Group companies		
Purchases (%)	-	-
Sales (%)	100%	100%
Parent Company receivables from subsidiaries	193	83
Parent Company's liabilities to subsidiaries	-389	-216
Group liabilities to related parties	2021	2020
Loan from Theia Holdings S.á.r.l.		
At the beginning of the year	-3,629	-3,373
Capitalised interest	-307	-338
Currency translation difference	-60	82
Conversion to equity	3,996	-
At the end of the year	-	-3,629

Other

Separate notes provide disclosures for the Parent Company and the Group regarding

- salaries etc. of the Board of Directors and the CEO, Note 5,
- assets pledged for Group companies, Note 29, and
- contingent liabilities for Group companies, Note 29.

NOTE 21 EARNINGS PER SHARE

	2021	2020
Profit for the year attributable to Parent Company shareholders, SEK million	51	-195
Earnings per share, basic and diluted, SEK	0.60	-2.73
Average number of shares during the year	85,141,752	71,611,720

The number of shares is 150,000,000 (37,181,942). There are no issued securities or similar that dilute earnings per share. The calculation above takes place on net profit for the year attributable to Parent Company shareholders.

As part of preparations for an initial public offering, a 1.93:1 share split was carried out in October 2021 which increased the number of shares from 37,181,942 to 71,611,720. Earnings per share are

retroactively restated to reflect this split for all years presented. In connection with the company's IPO at the end of October, two offset issues and a non-cash issue were also carried out, increasing the total number of shares from 71 611 720 to 150,000,000. This change has not affected the calculation of the average number of shares retroactively. For further information on change in the number of shares during the year, see Note 22.

NOTE 22 TOTAL EQUITY

For a breakdown of changes in equity, see page 60 and page 63 of the Consolidated and Parent Company Statement of Changes in Equity respectively.

Share capital and number of shares

	Number of shares		Share capital, SEK	
	2021	2020	2021	2020
Opening as of 1 January	37,181,942	37,181,942	500,000	500,000
Share split (1.93:1)	34,429,778	-	-	-
Offsetting issue 1	39,960,867	-	279,011	-
Offsetting issue 2	29,867,323	-	208,537	-
Non-cash issue	8,560,090	-	59,767	-
Outstanding at 31 December	150,000,000	37,181,942	1,047,315	500,000

Synsam's share capital as at 31 December 2021 was SEK 1,047,315, divided into 150,000,000 shares with a quotient value of SEK 0.006982 per share. Share capital relates to the share capital of the Parent Company. Each share confers one vote, and each person entitled to vote may vote at a general meeting of shareholders for the full number of shares owned and represented without limitation in voting rights. All shares confer equal rights to a share in the company's assets and profit and to any surplus in the event of liquidation.

As part of preparations for an initial public offering, a 1.93:1 share split was carried out in October 2021 which increased the number of shares from 37,181,942 to 71,611,720. In connection with the company's IPO at the end of October, two offset issues and a non-cash issue were also carried out, increasing the total number of shares from 71 611 720 to 150,000,000.

Other paid-in capital in the Group

Other paid-in capital includes contributions received from shareholders which are not recognised as share capital.

	2021	2020
As of 1 January	310	310
Offsetting issue 1	1,998	-
Offsetting issue 2	1,570	-
Non-cash issue	428	-
As of 31 December	4,306	310

Translation reserve in the group

The translation reserve includes all exchange differences arising on the translation of the financial statements of foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented. The Parent Company and the Group present their financial statements in Swedish kronor.

Retained earnings including profit/loss for the year in the Group

Retained earnings, including profit/loss for the year, consists of earned profits of the Parent Company and its subsidiaries.

In the Parent Company, equity is divided into restricted and unrestricted equity. In the Parent Company, restricted equity consists of share capital. The remaining components of equity are unrestricted equity and consist of retained earnings, share premium reserve and unconditional shareholder contributions. Restricted equity is not permitted to be reduced by payment of dividend.

NOTE 23 OTHER PROVISIONS AND PENSION OBLIGATIONS

Group 31 Dec 2021	Opening balance	Additional provision	Reclassification ¹⁾	Recognised in net profit/loss for the year	Provisions paid	Closing balance
Pension obligations	4	-	-	0	-	5
Contingent consideration	-	9	-3	-1	-	5
Total provisions 31 Dec 2021	4	9	-3	0	-	10

1) During the year, a reclassification of SEK 3 million was made to current liability as it matures within 12 months.

Group 31 Dec 2020	Opening balance	Additional provision	Reclassification	Recognised in net profit/loss for the year	Provisions paid	Closing balance
Pension obligations	13	-	-9	-	-	4
Other provisions	1	-	-	-	-1	-
Total provisions 31 Dec 2020	14	-	-9	-	-1	4

Provision for tax dispute

One of the subsidiaries in the Group has an ongoing tax dispute related to the deductibility of intra-Group interest for 2014 and 2015 income tax returns. The legal process is ongoing, but a provision has been made since 2018 in an amount corresponding to the assessment notice of a total of SEK 70 million, plus penalty interest, for further information see Note 2 Estimates and judgements. As a result of the introduction of IFRIC 23, the amount is recognised from the end of 2019 as a current tax liability pending resolution of the dispute.

Pension obligations

Recognised pension obligations have largely been hedged through endowment insurance and are recognised including a provision for special employer's contribution. As of 2020, the fair value of pension obligations, including special employer's contributions for pensions, and the fair value of

company-owned endowment insurance are recognised in a net amount.

The fair value of the Group's endowment insurance at year-end amounts to SEK 8 million (9) and the fair value of the pension obligations, including special payroll tax on pensions and pension obligations in Norway, which are not covered by endowment insurance, amounts to SEK 13 million (13), net SEK 5 million (4).

For salaried employees in Sweden, defined-benefit pension commitments for retirement and family pensions under the ITP 2 plan are covered through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Classification of ITP 2 plan financed by insurance in Alecta, this is a multi-employer defined-benefit pension plan. For the financial year 2021, the company did not have access to sufficient information to enable it to recognise its pro-

portional share of the plan commitments, plan assets and expenses, which meant that the plan could not be recognised as a defined-benefit plan. The ITP 2 pension plan, which is secured through insurance in Alecta, is accordingly recognised as a defined contribution plan. The contribution for the defined benefit old-age and family pension is calculated individually and depends, among other things, on salary, previous vested pension and expected remaining period of service. Expected fees for the next reporting period for ITP 2 plans underwritten by Alecta total SEK 13 million (12).

The Group's share of the total contributions to the plan was 0.05% in 2021 (0.03).

The collective consolidation level is the market value of Alecta's assets as a percentage of the insurance

commitments calculated according to Alecta's actuarial methods and assumptions, which are not in agreement with IAS 19. The collective consolidation level is normally to be permitted to vary between 125 and 175 percent. Should Alecta's collective consolidation level be below 125% or above 175%, measures are to be taken to create the necessary conditions to ensure that the consolidation level returns to the normal range. In the event of a low consolidation level, one such measure may be to raise the contracted price for taking out new insurance or extending existing benefits. In the event of a high consolidation level, it may be necessary to implement reductions in contributions. At the end of 2021, Alecta's surplus in the form of the collective consolidation level was 172 percent (148 percent).

NOTE 24 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
	2021	2020	2021	2020
Accrued interest expense	0	0	-	-
Accrued salaries	62	60	1	-
Accrued holiday pay	151	145	3	2
Accrued social security contributions	37	18	1	1
Advance from customer	46	22	-	-
Other items	58	58	6	5
Deferred income	6	4	-	-
Total accrued expenses and deferred income	359	307	11	8

NOTE 25 ADJUSTMENTS FOR NON-CASH ITEMS AND OTHER ADDITIONAL DISCLOSURES

	Group		Parent Company	
	2021	2020	2021	2020
Amortisation	555	532	0	-
Capitalised interest expense	324	338	13	9
Unrealised changes in exchange rates	-50	-21	38	-13
Other items	-4	19	0	-
Total non-cash items	826	868	52	-4

Supplementary disclosures to the cash flow statement

	Group		Parent Company	
	2021	2020	2021	2020
Interest received	98	76	0	0
Interest paid	-110	-139	-8	0
Interest paid attributable to IFRS 16 Leases	-35	-31	-	-

Reconciliation of liabilities in financing activities

Group	Cash flow					Non-cash items				
	31 Dec 2020	Borrowings/ repayment	Repayment, Lease ²⁾	Lease liabilities ²⁾	Currency translation	Accrued borrowing costs	Change in fair value	Capitalised interest	Other non- cash items changes ³⁾	31 Dec 2021
Financial institutions ¹⁾	2,896	-508	-	-	16	12	-	-	-	2,416
Shareholder loans	3,629	-	-	-	60	-	-	307	-3,996	-
Derivative interest rate swap	2	-1	-	-	-	-	-1	-	-	-
Lease liability ²⁾	526	-	-271	436	19	-	-	-	-	710
	7,052	-509	-271	436	95	12	-1	307	-3,996	3,126

Group	Cash flow					Non-cash items				
	31 Dec 2019	Borrowings/ repayment	Repayment, Lease ²⁾	Lease liabilities ²⁾	Currency translation	Accrued borrowing costs	Change in fair value	Capitalised interest	Other non- cash items changes ³⁾	31 Dec 2020
Financial institutions ¹⁾	2,854	125	-	-	-96	13	-	-	-	2,896
Shareholder loans	3,373	-	-	-	-82	-	-	338	-	3,629
Derivative interest rate swap	4	-	-	-	-	-	-2	-	-	2
Lease liability ²⁾	572	-	-257	235	-24	-	-	-	-	526
	6,802	125	-257	235	-202	13	-2	338	-	7,052

1) The item liabilities to financial institutions includes initial borrowing costs (capitalised fees), and at the end of 2021 these totalled SEK -33 million (-11).

2) Ongoing repayments of the lease liability (the portion of the lease payment that is not allocated to interest paid) is classified as cash flow in financing activities. Increase in lease liabilities due to new leases is not classified as cash flow, hence it is split into two different columns.

3) Relates to the conversion of shareholder loans to equity in connection with the company's IPO.

	Cash flow		Non-cash items				31 Dec 2021
	31 Dec 2020	Borrowings/ repayment	Currency translation	Accrued borrowing costs	Capitalised interest		
Parent Company							
Liabilities to: Financial institutions ¹⁾	-	2,393	22	0	-		2,416
Group companies	213	141	15	-	13		382
	213	2,534	38	0	13		2,798

	Cash flow		Non-cash items				31 Dec 2020
	31 Dec 2019	Borrowings/ repayment	Currency translation	Accrued borrowing costs	Capitalised interest		
Parent Company							
Liabilities to: Group companies	106	111	-13	-	9		213
	106	111	-13	-	9		213

1) The item liabilities to financial institutions includes initial borrowing costs (capitalised fees), and at the end of 2021 these totalled SEK -33 million (-).

NOTE 26 SHARES AND PARTICIPATIONS IN GROUP COMPANIES

Participations in Group companies

Company	Corp. ID number	Reg. office	Capital share	
Norske S Holding AS	913 460 642	Oslo	100%	
Svenska S Holding 2 AB	556964-0948	Stockholm	100%	
Synsam Group AB	556964-0930	Stockholm	100%	
Synsam Nordic A/S	31 05 84 81	Taastrup	100%	
Synsam Group Denmark A/S	31 05 87 24	Taastrup	100%	
Profil Optik A/S	43 48 91 19	Taastrup	100%	
Optical Fashion Group A/S	30 06 59 21	Taastrup	100%	
Synsam Norge Holding AS	992 584 904	Oslo	100%	
Synsam Group Norway AS	994 496 093	Oslo	100%	
Synsam Group One AB	556762 - 7244	Stockholm	100%	
Synsam Group Sweden AB	556768 - 7248	Stockholm	100%	
Optikerna i Amhult AB	556715 - 9222	Stockholm	100%	
Leg. Optiker Ingvar Ohlsson AB	556142 - 0893	Stockholm	100%	
Käger 1 AB	556543 - 0179	Stockholm	100%	
Synsam Personal AB	556762 - 7251	Stockholm	100%	
Audionomkliniken Sverige AB	559146 - 8193	Stockholm	100%	
Synsam Group Innovationscenter AB	559272-3018	Stockholm	100%	
Synsam Group Finland Oy	2446347 - 2	Helsinki	100%	
Wickströms Optik Ab	2212514 - 6	Mariehamn	100%	
Theia Management S.A.	B 186.658	Luxembourg	100%	
Parent Company	Corp. ID number	Reg. office	Capital share	Book value
Norske S Holding AS	913 460 642	Oslo	100%	6,927
Theia Management S.A.	B 186.658	Luxembourg	100%	0
				6,927

Participations in subsidiaries	Parent Company	
	2021	2020
Opening cost	453	369
New issues ¹⁾	6,388	-
Shareholder contribution	86	84
Closing carrying amount	6,927	453

1) Relates to new issues in connection with the conversion of shareholder loans of SEK 3,996 million and in connection with the refinancing of the Group of SEK 2,392 million.

NOTE 27 BUSINESS COMBINATIONS

2021

On 1 March 2021, 100 percent of Audionomkliniken Sverige AB, referred to below as Audionomkliniken, was acquired. The total purchase consideration was SEK 21 million and is divided into a portion determined at the time of acquisition, SEK 13 million, of which amount already settled in cash is SEK 9 million, and a contingent consideration of SEK 9 million.

The acquisition analysis shows that acquired surplus values amounted to SEK 18 million and have been allocated to goodwill, SEK 14 million, and to customer relations, SEK 4 million, net of deferred tax. This goodwill is not expected to be tax deductible.

Acquisition costs have amounted to SEK 0 million. The contingent consideration is divided into two different portions and conditions and has been recognised at probable outcome, one of which also represents the maximum amount under the agreement, and these fall due, if the conditions are met, after 2-3 years from the date of acquisition.

The acquisition is expected to provide Synsam with

synergies through the possibility of offering both vision and hearing tests in common facilities. Audionomkliniken is recognised under Other and Central functions.

In addition, Theia Management S.A. has been acquired in connection with a phase-out of the previous ownership structure in preparation for the company's IPO. This resulted in negative goodwill of SEK 4 million, which has been recognised directly in profit and loss.

The impact of the acquisitions on the Group's net sales and earnings has been marginal.

For information on all assets and liabilities acquired in 2021, see table below.

2020

In 2020, the Group has made two separate acquisitions of the assets and liabilities of two franchise stores, both in Sweden, one in Arvika and the other in Saltsjöbaden. The total consideration for Arvika and Saltsjöbaden was SEK 4.3 million. Goodwill arising from purchase of the net assets of

a business is assessed as being tax-deductible. The impact of the acquisitions on the Group's net sales and earnings has been marginal. Transaction costs for advisers total SEK 0 million.

A newly formed Swedish company, Synsam Lagerbolag 1 AB (renamed Synsam Group Innovationscenter AB), was acquired in September 2020. Its total equity amounted to SEK 25,000, of

which share capital was SEK 25,000.

For information on all assets and liabilities acquired in 2020, see table below.

The assets and liabilities of the acquired companies at the dates of acquisition in each case were as follows:

Acquisitions by year	Group	
	2021	2020
Intangible assets	-	-
Tangible assets	0	1
Financial assets	-	-
Inventories	-	-
Other current assets	11	-
Cash and cash equivalents and current receivables	4	-
Total assets	15	1
Non-current liabilities	0	-
Current liabilities	11	-
Total equity and liabilities	12	-
Carrying amount of net assets	4	1
Customer relations	4	1
Goodwill	14	3
Deferred tax	-1	-
Negative goodwill	-4	-
Purchase consideration	18	4
Liquidity effect in the Group		
Cash transfers		
Purchase price	-18	-4
Transaction expenses	-	-
Cash and cash equivalents, net, taken over with subsidiaries	4	-
Contingent consideration on acquisition	9	-
Liquidity effect on takeover	-5	-4

NOTE 28 ITEMS AFFECTING COMPARABILITY

In order to improve comparability and clarify development in the underlying business between years, EBITDA and EBITA and their margin excluding items affecting comparability are also presented as adjusted key performance indicators (adjusted EBITDA, adjusted EBITA and their margins).

Items affecting comparability are major items that affect comparability in that they do not recur with the same regularity as other items. These major items include restructuring costs due to major reorganisation of the business, transaction and related costs related to acquisitions, disposals or changes in ownership, and impairment of non-current assets.

Costs of restructuring or conversion of the business may cover a period of several years provided they are part of a well-defined project with a start and end date.

During 2021 and parts of 2020, preparations for a listing project, an IPO, were ongoing and the costs related to this are treated as an item affecting comparability in 2021 and 2020 respectively, with reference to the non-recurring nature of the majority of the costs.

In the autumn of 2020, Synsam was exposed to an IT attack and external efforts were deployed to minimise its impact.

Items affecting comparability	Group	
	2021	2020
IPO preparation expenses	85	7
IT attack	-	6
Total	85	14
<i>of which Goods for resale</i>	-	-
<i>of which Personnel costs</i>	-	-
<i>of which Other external expenses</i>	85	14

NOTE 29 CONTINGENT LIABILITIES AND PLEDGED ASSETS

Contingent liabilities

The subsidiary Profil Optik A/S might need to pay transitional tax of SEK 16 million (15) if it distributes surplus transferred in a previous corporate transformation. The obligation is not recognised in Profil Optik A/S or the Group as no such transfer is planned to be implemented. The change in amount is attributable to the exchange rate.

In one subsidiary there is an agreement with an external warehouse keeper for the repurchase of sold goods, spectacle frames. The value was SEK 5 million (5). The obligation is not recognised in the subsidiary or in the Group as repurchase is not considered likely.

Assets pledged to financial institutions	Group		Parent Company	
	2021	2020	2021	2020
Trademarks	-	1,476	-	-
Floating charges	-	195	-	-
Accounts receivable	-	225	-	-
Intra-Group items	-	1,471	-	-
Other receivables	-	88	-	-
Shares in subsidiaries	5,123	-	6,927	-
Total	5,123	3,455	6,927	-

A refinancing of the Group's bank loans took place in 2021. Synsam AB (publ)'s holdings of shares in its subsidiary Norske S Holding AS are pledged for the external borrowing from financial institutions, and

there are restrictions on the disposal of holdings.

All assets pledged are pledged as security for external borrowing.

Bank guarantees for contracts concluded	Group		Parent Company	
	2021	2020	2021	2020
Within 1 year	0	4	-	-
Between 1 and 5 years	12	12	-	-
After more than 5 years	7	6	-	-
Total	19	22	-	-

In addition to the above, the Group has issued a bank guarantee to the Norwegian tax authorities.

The total amount of the obligation is SEK 14 million (13).

NOTE 30 PROPOSED APPROPRIATION OF PROFITS

Proposed appropriation of profits Parent Company

Amounts below are stated in Swedish kronor

According to the balance sheet of Synsam AB (publ), unrestricted equity is available to the Annual General Meeting as follows

Retained earnings	306,834,971
Share premium reserve	3,995,539,390
Profit/loss for the year	-24,210,357
Total	4,278,164,004
The Board of Directors proposes that the profit be appropriated as follows:	
Dividend paid to shareholders (SEK 1.70/share)	255,000,000
Carried forward to new account	4,023,164,004
Total	4,278,164,004

NOTE 31 EVENTS AFTER THE BALANCE SHEET DATE

During the first quarter of 2022, Andreas Sjöharald, Heba El Sheemy and Trond Gudbrandsen left the executive management. Hanna Ekstrand, Managing Director Recycling Outlet, is a new member of executive management.

Preparations have intensified in the first quarter of 2022, ahead of the start of production in Synsam Group's manufacturing and innovation centre.

The omicron virus variant that spread from the end of 2021 has affected business activity in the early part of 2022, and more specifically the capacity of available opticians.

Synsam named Sweden's most sustainable brand in optical retail for the fourth year in a row.

NOTE 32 CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES

Synsam applies the guidelines for alternative performance measures issued by ESMA. An alternative measure is a financial measure of past or future performance, financial position or cash flow that is not defined or specified in IFRS standards. Organic growth, like-for-like growth, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, EBITA, adjusted EBITA, EBITA margin, adjusted EBITA margin, gross profit, gross margin and net external debt are alternative performance measures. The alternative performance measures are used by management to monitor operations. Synsam believes that these measures provide valuable additional information to the company's management, investors and other stakeholders to assess the company's performance. EBIT contains information on the operating profit or loss of the business. EBITDA and EBITA also include information on the operating profit or loss of the business but before non-cash depreciation and amortisation of tangible and

intangible assets for EBITDA and before amortisation of intangible assets for EBITA. Adjusted EBITDA and adjusted EBITA provide better information on the Group's capacity to generate profit than EBITDA and EBITA, as the adjusted measures are adjusted for items affecting comparability. Gross profit is a performance measure that shows profit in the form of total revenue less cost of goods sold. Organic growth provides information on the Group's ability to generate growth in its concepts, adjusted for acquisitions, currency effects and franchise sales, but including new store openings. Like-for-like growth provides information on the Group's ability to generate growth in comparable stores. Churn - Synsam Lifestyle™ is an important measure to gauge customer loyalty in the subscription business.

For information on financial definitions and alternative performance measures, see page 104.

EBITDA/Adjusted EBITDA and margin, %	Group			
	2021	%	2020	%
EBIT/EBIT margin, %	633	13.4%	402	10.4%
Amortisation of intangible assets	140	3.0%	141	3.7%
Depreciation of tangible assets	416	8.8%	391	10.1%
(Of which, Depreciation of right-of-use assets) ¹⁾	280	5.9%	265	6.9%
EBITDA and margin, %	1,189	25.1%	934	24.2%
Items affecting comparability ²⁾	85	1.8%	14	0.4%
Adjusted EBITDA and margin, %	1,274	26.9%	948	24.6%

	Group			
	2021	%	2020	%
EBITA/Adjusted EBITA, and margin, %				
EBIT/EBIT margin, %	633	13.4%	402	10.4%
Amortisation of intangible assets	140	3.0%	141	3.7%
EBITA and margin, %	773	16.3%	543	14.1%
Items affecting comparability ²⁾	85	1.8%	14	0.4%
Adjusted EBITA and margin, %	858	18.1%	557	14.4%

1) See additional information on right-of-use assets in Note 1 and Note 12.

2) For a breakdown of items affecting comparability, refer to Note 28.

	Group	
	2021	2020
Gross profit		
Net sales	4,669	3,806
Other operating income	59	54
Operating income	4,728	3,860
Goods for resale	-1,088	-953
Gross profit	3,640	2,907

	Group	
	2021	2020
Gross margin		
Net sales	4,669	3,806
Goods for resale	-1,088	-953
Total	3,581	2,853
Gross margin	76.7%	75.0%

Signing of the annual accounts

The Board of Directors and the CEO declare that the annual accounts, including the sustainability report, have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated accounts give a true and fair view of the position and performance of the Parent Company and the Group.

The Directors' Report for the Parent Company and the Group gives a true and fair view of the

development of the Parent Company's and the Group's business, position and profit or loss, and of the principal risks and uncertainties that the Parent Company and the companies in the Group face.

The annual accounts and consolidated financial statements were approved by the Board of Directors on 28 March 2022. The Group's statement of income and other comprehensive income and statement of financial position and the Parent Company's income statement and balance sheet will be subject to approval at the Annual General Meeting to be held on 26 April 2022.

Stockholm March 28, 2022

Peter Törnquist
Chairman of the Board

Håkan Lundstedt
CEO, Board member

Kenneth Bengtsson
Board member

Ann Hellenius
Board member

Helena Johnson
Board member

Terje List
Board member

Gustaf Martin-Löf
Board member

Philip Røpcke
Board member

Christoffer Sjøqvist
Board member

Our Auditor's Report was submitted on March 28, 2022
KPMG AB

Joakim Thilstedt
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of Synsam AB (publ), corp. id 556946-3358

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Synsam AB (publ) for the year 2021, except for the sustainability report on pages 25-37. The annual accounts and consolidated accounts of the company are included on pages 40-99 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the sustainability report on pages 25-37.

A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most

significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of goodwill, trademarks and customer relations and parent company's shares in subsidiaries

See disclosure 10 and accounting principles on pages 66-68 and 70 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The book value of goodwill, trademarks and customer relations amount to SEK 4,568 million as of 31 December 2021, representing 60% of total assets. Goodwill and trademarks with an indefinite useful life should be subject to an annual impairment test. Other intangible assets are tested when impairment indicators are identified.

Impairment tests are complex and include significant levels of judgments. The calculation of the assets' recoverable amount is based on forecasts and discounted future cash flow projections, which are established with reference to factors such as estimated discount rates, revenue- and profit forecasts and predicted long-term growth that may be influenced by management's assessments.

The parent company's interests in group companies amount to SEK 6,927 million as of 31 December 2021. If the book value of the interests exceeds the equity in the respective group company, an

impairment test is performed following the same methodology and using the same assumptions as for the tests in the consolidated accounts.

Response in the audit

We have obtained and assessed the group's and parent company's impairment tests to ensure they have been carried out in accordance with the technique stipulated in IFRS.

Furthermore, we have evaluated management's future cash flow forecasts and the underlying assumptions, which includes the long-term growth rate and the assumed discount rate, by obtaining and evaluating the group's written documentation and plans. We have also considered previous years' forecasts in relation to the actual outcome.

An important part of our work has also been to evaluate how changes to the assumptions may impact the valuation. The evaluation has been carried out by obtaining and assessing the group's sensitivity analysis.

We have also analysed the disclosures in the Annual Report and considered whether they accurately reflect the assumptions that executive management apply in their valuation and whether they, in all material respects, are in line with the disclosures required by IFRS.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-24 and 104-108. The other information comprises also of the remuneration report which we obtained prior to the

date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, 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 Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and

consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. 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 annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, 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 the company's internal control relevant to our audit 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 the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and 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 our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. 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 a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable,

measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Synsam AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden.

Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill

the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the

proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Synsam AB (publ) for year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report 0mXP+hnxce7G7Q= has been prepared in a format that, in all material

respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Synsam AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef

report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing

Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 25-37, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted

auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Synsam AB (publ) by the general meeting of the shareholders on the 30 March 2021. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2014.

Stockholm 28 March 2022

KPMG AB

Joakim Thilstedt
Authorized Public Accountant

FINANCIAL DEFINITIONS

Gross margin ¹	Net sales less the cost of goods for resale as a percentage of net sales.
Gross profit ¹	Total revenue less the cost of goods for resale.
EBIT margin ¹	EBIT as a percentage of total revenue.
EBITA ¹	EBIT after depreciation of tangible non-current assets, including right-of-use assets, but before amortisation of intangible non-current assets.
Adjusted EBITA ¹	EBITA adjusted for items affecting comparability.
EBITA margin ¹	EBITA as a percentage of total revenue.
EBITDA ¹	EBIT before depreciation of tangible non-current assets, including right-of-use assets, and amortisation of intangible non-current assets.
Adjusted EBITDA ¹	EBITDA adjusted for items affecting comparability.
EBITDA margin ¹	EBITDA as a percentage of total revenue.
Equity per share	Equity in relation to the number of shares at the end of the period.
External net debt ¹	Loans from financial institutions plus lease liabilities plus bank guarantees less capitalised borrowing costs less cash and cash equivalents.
Items affecting comparability	In order to improve comparability and clarify the development of the underlying operations between years, different performance measures are presented excluding items affecting comparability. Items affecting comparability refer to major items that impact comparability insofar as they do not recur with the same regularity as other items. These items include restructuring costs due to a major change in the operations, transaction costs and related costs in conjunction with acquisitions, divestments or changes in ownership, and impairment of non-current assets. In addition, owner-related expenses that would not exist in a new ownership structure have been recognised as items affecting comparability since 2014. Costs related to restructuring or changes to the operations may pertain to a period of several years, provided they are included in a clearly defined project with a start and end date.

Like-for-like growth ¹	Growth in net sales adjusted for the sales of recently opened stores in the current year for the months in which these stores were not open in the preceding year and for currency, franchise stores and acquisitions.
Cash and cash equivalents	Cash and cash equivalents includes cash, cash equivalents and bank deposits.
Organic growth ¹	Organic growth in directly owned stores: Growth in net sales adjusted for the net effect of acquisitions, currency and franchise stores.
Earnings per share	Profit/loss for the period in relation to the average number of shares. The average number of shares is calculated as the number of shares at the end of the period multiplied by the number of days this number existed during the period plus any other number of shares during the period multiplied by the number of days this number existed during the period. The total is then divided by the number of days during the period.
Equity/assets ratio	Equity as a percentage of total assets.

1) Alternative key figures

Alternative performance measures

Synsam applies the ESMA Alternative Performance Measures Guidelines. An alternative performance measure is a financial measure of a company's past or future earnings performance, financial position or cash flow that is not defined in accordance with IFRS. These alternative performance measures are used by management to monitor the Group's operations. Synsam is of the opinion that these performance measures provide

valuable supplementary information to enable management, investors and other stakeholders to assess the company's performance. For relevant reconciliations of the alternative performance measures that cannot be read directly or derived from the financial statements, see complete reconciliations and detailed calculations in Synsam's year-end report for 2021 on our website <https://www.synsamgroup.com/investor-relations/reports-and-presentations/>

COMPANY-SPECIFIC GLOSSARY AND DEFINITIONS

Accumulated number of Lifestyle subscriptions ordered	Accumulated number of Lifestyle subscriptions ordered since the Lifestyle offering started. This is a gross measure and does not include the effect of terminated subscriptions, but pertains to unique customers, meaning that individuals who have terminated their subscriptions and later ordered again are not counted twice.
Ai	Ai complements Synsam's current customer offering by clearly addressing a younger target group with high demands in terms of flexibility, availability and choice.
Active customer base	The number of Lifestyle subscription customers including Lifestyle subscription customers in franchise stores, excluding cancelled orders, customers who terminated their subscription and later ordered again, and customers who terminated their orders within 30 days (right of withdrawal).
Frames	Frames for spectacles and sunglasses.
Facing fee	Facing fee refers to payments from certain suppliers for the products included in Synsam Group's central range, which are displayed on store shelves.
Flagship Stores	Flagship Stores are Synsam's largest stores. They are centrally and attractively located in so-called AAA locations in major cities. They have a floor space of at least 400 square metres, offer approximately 3,000–5,000 different products and are fully equipped, modern eye health centres. Flagship Stores offer a range of more exclusive products that cannot be found in other Synsam stores. Customers have access to a complete optical retail and eye health range.
Franchise stores	Stores that are not directly-owned, but operate under the Group's brands/store concepts.
Glass	The glass used for spectacles or sunglasses, with or without corrective properties.
House Brands	Brands designed in house.
Investments	Investments, excluding acquisitions, are divided into maintenance investments, strategic investments and expansion investments, with maintenance investments pertaining to the maintenance of operating activities. Strategic investments pertain to investments related to strategic initiatives, including but not limited to the refurbishment of the majority of stores to reflect Synsam's new concept and investments in new IT systems to support the strategic plan. Expansion investments pertain to investments related to the establishment of new stores, referred to as greenfields.
Contact lens subscriptions	A contact lens subscription is a contract involving recurring purchases with the right to terminate the contract at the latest one week before the next delivery.

Contact lenses	Contact lenses that are placed directly on the eye.
Market share	Share of the optical retail market, based on external market information in Sweden and management's assessment in other countries.
Online sales	Sales to end customers that are carried out entirely online where delivery takes place directly to end customers. However, online sales of contact lens subscriptions are categorised as contact lens subscriptions, i.e. not as online sales.
Synsam Group's quarterly churn rate, Synsam Lifestyle™	The number of customers in Synsam Group who terminated their Lifestyle subscriptions during the quarter divided by the active customer base in Synsam Group at the beginning of the quarter.
Synsam Group's annual churn rate, Synsam Lifestyle™	The number of customers in Synsam Group who terminated their Lifestyle subscriptions during the year divided by the active customer base in Synsam Group at the beginning of the year.
Synsam Lifestyle™	Spectacles subscription and related services, including both Synsam Lifestyle and Profil Optik Lifestyle.
Synsam Megastores	Synsam Megastores are one step down from Flagship Stores in terms of size but are larger than ordinary stores. Megastores are situated in highly attractive areas for optical retail stores in the local market, known as AA locations. Megastores have a broader range, approximately 2,700 different products compared with about 1,000 different products in normal stores, and extra rooms for eye examinations.
Synsam Recycling Outlets	Synsam Recycling Outlet stores offer a smaller, simpler business concept. The stores are part of Synsam's sustainability agenda and primarily offer second-hand and recycled spectacles from Synsam's Lifestyle subscriptions and recycling boxes.
Eye examinations	Examination of the customer's eyesight to identify potential visual defects, changes in visual defects or eye diseases.

Share

Share

Synsam's share has been listed on Nasdaq Stockholm, Mid Cap segment, since 29 October 2021 and trades under the ticker SYNSAM.

The offer price at the time of Synsam's initial public offering was SEK 50 per share and the closing price on 30 December 2021 was SEK 77.00, corresponding to a market capitalisation of SEK 11,550 billion. The highest price paid was SEK 79.20 on 13 December 2021.

The number of known shareholders as at 31 December 2021 was 11,911. Synsam's share capital as at 31 December 2021 amounted to SEK 1,047,315 divided into 150,000,000 shares with a quotient value of SEK 0.006982 per share. Each share entitles the holder to one vote at the General Meeting of Shareholders, and all shares carry equal rights to participate in the profits and assets of the company. Each shareholder may vote for all their shares without restriction.

Dividend policy and distribution

The Synsam Group's objective is to pay a dividend of 40–60% of the net profit for the year. The Board of Directors proposes a dividend of SEK 1.70 (0.00) per share to the 2022 Annual General Meeting.

Analyst coverage

Currently, there are analysts from six banks who follow and analyse the Synsam Group and provide recommendations on the stock.

List of owners – top 15

#	Owner	SYNSAM	Capital	Voting rights	Verified
1	CVC Capital Partners	91,425,957	61.0%	61.0%	31 December 2021
2	Essilorluxottica SA	9,950,000	6.6%	6.6%	31 December 2021
3	Fjärde AP-fonden (AP4)	9,000,000	6.0%	6.0%	31 December 2021
4	Handelsbanken Fonder	7,073,542	4.7%	4.7%	31 December 2021
5	C WorldWide Asset Management	5,170,000	3.4%	3.4%	31 December 2021
6	Mawer Investment Management	1,869,014	1.2%	1.2%	31 December 2021
7	Håkan Lundstedt	1,534,093	1.0%	1.0%	31 December 2021
8	Fondita Fonder	1,273,380	0.8%	0.8%	31 December 2021
9	FE Fonder	982,741	0.7%	0.7%	31 December 2021
10	SEB Fonder	833,966	0.6%	0.6%	31 December 2021
11	Henrik Persson	786,913	0.5%	0.5%	31 December 2021
12	Norges Bank	757,253	0.5%	0.5%	31 December 2021
13	Evli Fonder	662,000	0.4%	0.4%	31 December 2021
14	Nordnet Pensionsförsäkring	618,957	0.4%	0.4%	31 December 2021
15	Varma Mutual Pension Insurance Company	581,317	0.4%	0.4%	31 December 2021
Total top 15		132,519,133	88.3%	88.3%	
Other		17,480,867	11.7%	11.7%	
Total		150,000,000	100.0%	100.0%	

Types of ownership

Size class	Number of shares	Capital	Voting of known rights	Number of known owners	Proportion of known owners
Swedish Institutional Owners	19,162,388	12.8%	12.8%	20	0.2%
Foreign Institutional Owners	103,137,673	68.8%	68.8%	17	0.1%
Other	11,455,357	7.6%	7.6%	1,438	12.1%
Swedish Private Individuals	10,023,607	6.7%	6.7%	10,436	87.6%
Anonymous ownership	6,220,975	4.1%	4.1%		
Total	150,000,000	100.0%	100.0%	11,911	100.0%

Ownership breakdown by holding

Size class	Number of shares	Capital	Voting of known rights	Number of known owners	Proportion of known owners
1–500	1,113,097	0.7%	0.7%	10,647	89.4%
501–2,000	871,692	0.6%	0.6%	967	8.1%
2,001–5,000	444,889	0.3%	0.3%	136	1.1%
5,001–20,000	733,900	0.5%	0.5%	70	0.6%
20,001–50,000	1,343,406	0.9%	0.9%	39	0.3%
50,001–100,000	927,105	0.6%	0.6%	13	0.1%
100,001–500,000	5,825,803	3.9%	3.9%	24	0.2%
500,001–1,000,000	5,223,147	3.5%	3.5%	7	0.1%
1,000,001–5,000,000	4,676,487	3.1%	3.1%	3	0.0%
5,000,001–	122,619,499	81.7%	81.7%	5	0.0%
Anonymous ownership	6,220,975	4.1%	4.1%		
Total	150,000,000	100.0%	100.0%	11,911	100.0%

Source List of owners, Types of ownership, Ownership breakdown by holding: Modular Finance

The Synsam history – over 50 years of development

Synsam's journey began in 1968, when ten independent opticians decided to merge into one chain under the common brand name Synsam. The local venture soon took off, and the business grew with both directly-owned stores and franchise stores around Sweden.

In 1971, three years after the start, the Danish optical chain Profil Optik was founded, initially named Optik Køb, and in the following years more and more stores joined Synsam, both in Sweden and in the Danish operations. Expansion continued in the 1990s, not only in the first two markets, but also in Norway and Finland. The local optical chain grew into a nationwide player in Sweden, Denmark, Finland and Norway.

From 2007, Synsam began to focus on becoming a consolidated group where stores shared working methods and experience. Efforts began to centralise purchasing, marketing, IT and finance functions, in parallel with continued acquisitions and new stores.

In 2014, Synsam was acquired by CVC Capital Partners. New owners, a new management team and a new CEO in Håkan Lundstedt, who became CEO in 2015, led to a new strategy being developed. The strategy, based on customer and employee surveys, questionnaires and interviews, focused on the customer experience and on building a lifestyle concept. A more affordable glasses

offering and a new store concept were introduced, and Synsam made major investments in many of its stores.

In 2016, Synsam launched its Lifestyle subscription, allowing customers to combine glasses, sunglasses, lenses and services for a fixed monthly fee. Synsam was the first of the major Nordic optical chains to launch such a service. To complement the constantly evolving subscription offer, the Group has since introduced its own brands, including Synsam Sport, which brings together the sports glasses offering, and Circular Collection, which is made from recycled glasses. 2018 also saw the launch of the Ai Eyewear store concept, which allows customers to create their own unique glasses. Ai Eyewear is aimed at all age groups, but especially at those somewhat younger than the typical Synsam customer. In 2020, the store concept Synsam Recycling Outlet was established.

Today, Synsam has 500 stores and over 900 opticians, and focuses on developing and maintaining its leading position in the Swedish market and on strengthening its positions in Denmark, Finland and Norway. An important part of this is further development of Synsam's Omnichannel platform, which aims to provide the customer with the same overall experience of Synsam, whether the contact is made physically or digitally.

In 2021, Synsam also reached a further milestone, namely its listing on Nasdaq Stockholm's Mid Cap list on 29 October.







SYNSAM
GROUP