

The board of directors' of Synsam AB (publ) remuneration report 2023

Introduction

This remuneration report describes how the guidelines for remuneration to the executive management (the so-called guidelines for remuneration) for Synsam AB (publ), reg. no. 556946-3358, which were adopted by the annual general meeting 2021, have been applied during 2023. The report also includes specific information regarding remuneration to the company's CEO. The report has been prepared in accordance with the Swedish Companies Act (2005:551) (*Sw. aktiebolagslagen (2005:551)*) as well as the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes (*Sw. Regler om ersättningar till ledande befattningshavare och om incitamentsprogram*) adopted by the Swedish Corporate Governance Board (*Sw. Kollegiet för svensk bolagsstyrning*).

Additional information regarding remuneration to senior executives can be found in note 5 on pages 81–83 in the annual report for 2023.

Information regarding the work of the People Committee during 2023 can be found in the corporate governance report on pages 55–60 in the annual report for 2023.

The report does not cover board fees. Such fees are resolved by the annual general meeting and presented in note 5 on pages 81–83 in the annual report for 2023.

Development during 2023

The CEO summarizes the overall results for the company and the group in his statement on pages 8–10 in the annual report for 2023.

The company's guidelines for remuneration

The scope and purpose of the guidelines for remuneration

The company's guidelines for remuneration cover the CEO, deputy CEOs (if any) and other members of the group management, as well as other remuneration than board fees to board members in the company.

For information regarding the company's business strategy, reference is made to the annual report for 2023 and the company's website. A prerequisite for the company to be able to successfully implement its business strategy and accommodate the company's long-term interests, including sustainability, is that the company can attract and retain competent and engaged employees. In order to achieve that, the overall annual remuneration must be market-based and competitive in the employment market in which the executive is situated and taking into account the individual's qualifications and experience and that exceptional performance shall be reflected in the total remuneration, which the company's guidelines for remuneration shall contribute to. The company's guidelines for remuneration shall stimulate an increased interest for the overall business and earnings trend as well as increase the motivation for the senior executives and increase the belonging within the company. The purpose of the guidelines is further to increase the community of interest between the senior executives and the company's shareholders. Furthermore, the guidelines shall contribute to good ethics and culture within the company.

According to the guidelines for remuneration, the total remuneration may consist of the components fixed salary, variable remuneration and other benefits. Fixed salary constitutes the basis of the total remuneration, and the fixed salary shall be based on the executive's competence, responsibility and performance and shall be competitive relative to prevailing market standards. Variable remuneration covered by the guidelines for remuneration shall aim to promote the company's business strategy and long-term interests, including sustainability, and shall mainly be based on the group's financial outcome for each year. Other benefits, e.g. pension and insurance, can be offered in accordance with customary rules and market standards in each country.

The complete guidelines for remuneration can be found on www.synsamgroup.com.

Deviations from the guidelines for remuneration

The board of directors has exercised its right to deviate from the guidelines for remuneration adopted by the 2021 annual general meeting regarding the exception stated below, with the assessment that the deviations from the guidelines for remuneration were necessary to serve the company's long-term interests and ensure its financial viability. In 2023, the company otherwise followed the guidelines for remuneration adopted by the 2021 annual general meeting without deviations.

In 2023, the company had one programme for variable cash remuneration (bonuses) for the group management. According to the terms of the programme, bonuses were to be determined based on the degree of fulfilment of individual, pre-defined targets. One of the financial targets was related to the group's EBITDA in 2023. In the fourth quarter of 2023, EBITDA was charged with SEK 10 million for extra costs related to the implementation of a new cost programme effective 2024. Following an assessment the achievement of this financial target, the effect of these additional costs has been reversed. This new cost programme is an

important component for the company to be able to counteract inflation-related cost increases in 2024. In light of this, the board of directors is of the opinion that there are special reasons to reverse these costs, and not to burden the group management, in accordance with Synsam's long-term interests. The company's board of directors therefore decided that the assessment for the financial target in question would apply to each member of the group management. The payment of bonuses thus entails a deviation from the remuneration guidelines since the bonuses were not based on pre-defined targets.

No deviations have been made from the decision-making process which, in accordance with the guidelines, is to be applied when determining remuneration, and the board of directors has not reduced or clawed back any remuneration paid during 2023.

The auditor's statement regarding the company's compliance with the guidelines for remuneration can be found on www.synsamgroup.com.

Total remuneration to the CEO during 2023

Name and position of the executive	Fixed salary (SEKm)		Variable remuneration (SEKm)		Pension (SEKm)	Total remuneration (SEKm)	Proportion of fixed salary out of total remuneration (%) ⁴⁾	Proportion of variable remuneration out of total remuneration (%) ⁴⁾
	Base salary	Other benefits ¹⁾	One year or shorter ²⁾	Multi-year ³⁾				
Håkan Lundstedt, CEO ⁵⁾	8.32	0.41	6.37	0	2.83	17.93	64	36

1) Other benefits refer to car benefit, health care benefit, broadband, accident and travel insurance as well as cellphone subscription.

2) Variable cash remuneration based on performance/performance targets in respect of 2023, but which are paid during 2024.

3) Multi-year variable remuneration for the CEO is applied only in the form of share-related incentive programs, and is reported only to the extent that allotment of performance shares has taken place in 2023 (within the meaning of the column "Information for 2023" – "During the year" – "Allotted performance shares" in the table "Share-related incentive programs: the CEO" below).

4) Pension, which is premium based with a premium corresponding to 34 per cent of the base salary (excluding vacation pay and other benefits), has been reported as fixed salary.

5) Håkan Lundstedt is also a member of the board of directors of the company.

Share-related incentive programs

During 2023, Synsam had two outstanding long-term share-related incentive programs: LTIP 2022 and LTIP 2023. No share-related incentive programs expired during the year.

LTIP 2022

The 2022 annual general meeting resolved to implement LTIP 2022, a share-related incentive program directed to senior executives and other selected key individuals in the Synsam group. LTIP 2022 comprises approximately 80 participants divided between three categories: one category consisting of members of the company's group management, one category consisting of selected key individuals with extensive responsibilities within important areas/functions or who otherwise have a significant impact on the growth and profitability of the Synsam group, and one category consisting of other selected key individuals who have impact on the success of the Synsam group. The background for the division between different categories is that the participants' rights to allotment of performance shares within the framework of LTIP 2022 has been differentiated with reference to, *inter alia*, position, responsibility and performance. The overall purpose of LTIP 2022 is to, by giving the participants the opportunity to build up a shareholding in Synsam, establish conditions to recruit and maintain competent staff in the group, increase motivation among the staff as well as to increase the community of interest between the employees and the shareholders.

A precondition for participating in LTIP 2022 was that those who were offered participation made own investments in shares in Synsam and/or that they already held shares in Synsam since before (so-called "investment shares"), and that the investment shares were allocated to LTIP 2022. Each participant has been granted a so-called performance share award free of charge, which in turn gives the participant an opportunity to be allotted a number of shares in Synsam free of charge (so-called performance shares) during the second quarter of 2024, provided that certain conditions are met. Whether and to what extent a participant's performance share award entitle to the grant of performance shares is determined on the basis of the

degree of fulfilment of predetermined performance conditions. Furthermore, the allotment of performance shares to the participant is conditional upon that the participant has retained the investment shares that have been allocated to LTIP 2022 and, with certain specific exceptions, that the participant has been permanently employed (*Sw. fast anställd*) within the Synsam group until the expiry of the vesting period.

The performance conditions of LTIP 2022 are related to pre-defined targets for (1) organic growth, (2) adjusted EBITDA and (3) relative TSR development, respectively. Of the total number of performance shares that may be granted, 40 percent is dependent on the fulfilment of the target connected to performance condition (1), 40 percent is dependent on fulfilment of the target connected to performance condition (2) and 20 percent is dependent on the fulfilment of the target connected to performance condition (3). Between the minimum and maximum levels, allotment of performance shares dependent on a given performance condition shall be proportioned linearly. As regards performance conditions (1) and (2), target levels have been determined for the financial years 2022 and 2023, respectively, and fulfilment of a given target level for a financial year entitles to allotment of performance shares for that financial year, even if the minimum level for allotment is not reached for the other financial year. If the outcome measured as an average over the two financial years that constitute the measurement period gives a better outcome than annual measurement, allotment of performance shares shall be based on the average outcome.

As regards performance condition (3), calculation of target fulfilment is instead based on the relative TSR development for Synsam, compared to certain pre-defined comparable companies, during the entire vesting period (based on a comparison between the volume-weighted average share prices during the period 01-03-2022–31-03-2022 and volume-weighted average share prices during the period 01-03-2024–31-03-2024; however, adjusted for dividends, if any, during the measurement period).

LTIP 2023

The 2023 annual general meeting resolved to implement LTIP 2023, a share-related incentive program directed to senior executives and other selected key individuals in the Synsam group. LTIP 2023 comprises approximately 80 participants divided between three categories: one category consisting of members of the company's group management, one category consisting of selected key individuals with extensive responsibilities within important areas/functions or who otherwise have a significant impact on the growth and profitability of the Synsam group, and one category consisting of other selected key individuals who have impact on the success of the Synsam group. The background for the division between different categories is that the participants' rights to allotment of performance shares within the framework of LTIP 2023 has been differentiated with reference to, *inter alia*, position, responsibility and performance. The overall purpose of LTIP 2023 is to, by giving the participants the opportunity to build up a shareholding in Synsam, establish conditions to recruit and maintain competent staff in the group, increase motivation among the staff as well as to increase the community of interest between the employees and the shareholders.

A precondition for participating in LTIP 2023 was that those who were offered participation made own investments in shares in Synsam and/or that they already held shares in Synsam since before (so-called "investment shares"), and that the investment shares were allocated to LTIP 2023. Each participant has been granted a so-called performance share award free of charge, which in turn gives the participant an opportunity to be allotted a number of shares in Synsam free of charge (so-called performance shares) during the second quarter of 2026, provided that certain conditions are met. Whether and to what extent a participant's performance share award entitle to the grant of performance shares is determined on the basis of the degree of fulfilment of predetermined performance conditions. Furthermore, the allotment of performance shares to the participant is conditional upon that the participant has retained the investment shares that have been allocated to LTIP 2023 and, with certain specific exceptions, that the participant has been permanently employed (Sw. *fast anställd*) within the

Synsam group until the expiry of the vesting period.

The performance conditions of LTIP 2023 are related to pre-defined targets for (1) organic growth, (2) adjusted EBITDA, (3) sustainability target and (4) relative TSR development, respectively. Of the total number of performance shares that may be granted, 30 percent is dependent on the fulfilment of the target connected to performance condition (1), 30 percent is dependent on fulfilment of the target connected to performance condition (2), 20 percent is dependent on the fulfilment of the target connected to performance condition (3), and 20 percent is dependent on the fulfilment of the target connected to performance condition (4). Between the minimum and maximum levels, allotment of performance shares dependent on a given performance condition shall be proportioned linearly. As regards performance conditions (1) and (2), target levels have been determined for the financial years 2023, 2024, and 2025, respectively, and fulfilment of a given target level for a financial year entitles to allotment of performance shares for that financial year, even if the minimum level for allotment is not reached for the other financial years. If the outcome measured as an average over the other financial years that constitute the measurement period gives a better outcome than annual measurement, allotment of performance shares shall be based on the average outcome.

As regards performance condition (3), calculation of target fulfilment is instead based on that the number of frames sold in Synsam Outlet stores as well as the number of second hand frames sold in other Synsam stores reaches certain target levels determined by the board of directors during the period 01-04-2023–31-03-2026. Furthermore, with regard to performance condition (4) calculation of target fulfilment is based on the relative TSR development for Synsam, compared to certain pre-defined comparable companies, during the entire vesting period (based on a comparison between the volume-weighted average share prices during the period 01-03-2023–31-03-2023 and volume-weighted average share prices during the period 01-03-2026–31-03-2026; however, adjusted for dividends, if any, during the measurement period).

Further information about outstanding long-term incentive programs may be found in note 5 in Synsam's annual report for 2023.

Share-related incentive programs: the CEO

		Information for 2023									
		Main terms and conditions for incentive programs				Opening balance at the beginning of the year		During the year		Closing balance at the end of the year	
Name and position of the executive	Program	Performance period	Date of allotment of performance share award ¹⁾	Time of allotment of performance shares ²⁾	Maximum number of performance shares ³⁾	Vested (but not allotted) performance shares ⁴⁾	Allotted performance shares ⁵⁾	Vested (but not allotted) performance shares ⁴⁾	Allotted performance shares ⁵⁾	Vested (but not allotted) performance shares ⁴⁾	Allotted performance shares ⁵⁾
Håkan Lundstedt, VD ⁶⁾	LTIP 2022	01-01-2022–31-03-2024 ⁷⁾	10-05-2022	Q2 2024 ⁸⁾	66,738 ⁹⁾	8,327 ¹⁰⁾	0	19,317 ^{14), 15)}	0	27,644 ¹⁴⁾	0
	LTIP 2023	01-01-2023-31-03-2026 ¹¹⁾	21-08-2023	Q2 2026 ¹²⁾	104,221 ¹³⁾	0	0	11,186 ¹⁴⁾	0	11,186 ¹⁴⁾	0

1) Refers to the date on which the board of directors of Synsam decided to offer the executive an opportunity to be allotted a performance share award (provided that the terms and conditions for participation in the incentive program are met).

2) Refers to the point in time when vested performance shares are allotted (transferred) to participants in incentive programs.

3) Refers to the maximum possible number of performance shares that may be allocated to the executive within the framework of the incentive program (subject to re-calculation).

4) "Vested (but not allotted) performance shares" refers to performance shares that have vested based on the fulfilment of performance conditions, but which have not yet been allotted (transferred) to executives. In addition to the fulfilment of performance conditions, a precondition for the allotment (transfer) of performance shares is that the CEO, until the end of the vesting period, (i) retains the investment shares allocated to the respective program and (ii), with certain specific exceptions, continues to be the CEO of Synsam.

5) "Allotted performance shares" refers to performance shares that have been allotted (transferred) to executives.

6) Håkan Lundstedt is also a member of the board of directors of the company.

7) The performance conditions and performance period for LTIP 2022 is further described under "Share-related incentive programs" – "LTIP 2022" above.

8) Allotment of vested performance shares will take place after the end of the vesting period, which expires on the day during the second quarter of 2024 when Synsam publishes its interim report for the first quarter of 2024.

9) The maximum number of performance shares that may be allocated to the CEO has been re-calculated due to the cash dividend resolved at the 2022 and 2023 annual general meeting, respectively. The maximum number of performance shares before the re-calculation amounted to 62,451, and increased by 4,287 shares – to 66,738 shares - due to the re-calculation.

10) After re-calculation due to the cash dividend resolved at the 2022 annual general meeting.

11) The performance conditions and performance period for LTIP 2023 is further described under "Share-related incentive programs" – "LTIP 2023" above.

12) Allotment of vested performance shares will take place after the end of the vesting period, which expires on the day during the second quarter of 2026 when Synsam publishes its interim report for the first quarter of 2026.

13) The maximum number of performance shares that may be allocated to the CEO has been re-calculated due to the cash dividend resolved at the 2023 annual general meeting. The maximum number of performance shares prior to the re-calculation amounted to 100,038, and increased by 4,183 shares – to 104,221 shares – due to the re-calculation.

14) After re-calculation due to the cash dividend resolved at the 2023 annual general meeting.

15) Of which 897 performance shares refers to compensation for vesting in 2022 due to adjustment in 2023.

The CEO's performance during 2023: share-related remuneration

Name of the program	Description of performance conditions in respect of 2023	Relative weighting of performance conditions (%)	Measured performance (%)	Actual remuneration outcome (SEKm)
LTIP 2022	Organic growth, % (for the group, annual) Organic growth in directly owned stores: Growth in net sales adjusted for the net effect of acquisitions, currency, franchise stores and items affecting comparability that have affected net sales.	40	58	0.88 ^{1), 2)}
	Adjusted EBITDA (for the group, annual) EBITDA adjusted for items affecting comparability.	40	0	0.00
	Relative TSR development Relative development in total shareholder return ("TSR") for Synsam's shareholders compared to the corresponding TSR development for shareholders in pre-defined comparable companies ³⁾ , where the TSR development is calculated based on a comparison between the volume-weighted average share prices during the period 01-03-2022–31-03-2022 and volume-weighted average share prices during the period 01-03-2024–01-03-2024 (adjusted for dividends, if any, during the measurement period).	20	Determined during the second quarter of 2024	Determined during the second quarter of 2024
LTIP 2023	Organic growth, % (for the group, annual) Organic growth in directly owned stores: Growth in net sales adjusted for the net effect of acquisitions, currency, franchise stores and items affecting comparability that have affected net sales.	30	58	0.32 ⁴⁾
	Adjusted EBITDA (for the group, annual) EBITDA adjusted for items affecting comparability.	30	27	0.20 ⁵⁾
	Sustainability target The number of sold frames in Synsam Outlet stores as well as the number of second hand frames sold in other Synsam stores during the period 01-04-2023–31-03-2026	20	Determined during the second quarter of 2026	Determined during the second quarter of 2026
	Relative TSR development Relative development in total shareholder return ("TSR") for Synsam's shareholders compared to the corresponding TSR development for shareholders in pre-defined comparable companies ³⁾ , where the TSR development is calculated based on a comparison between the volume-weighted average share prices during the period 01-03-2023–31-03-2023 and volume-weighted average share prices during the period 01-03-2026–01-03-2026 (adjusted for dividends, if any, during the measurement period).	20	Determined during the second quarter of 2026	Determined during the second quarter of 2026

1) Based on the share's market price on the balance sheet date of 31 December 2023 (closing price on 29 December 2023, i.e. SEK 45.80) multiplied by the number of vested (but not allotted) performance shares at the balance sheet date (19,317 shares, after recalculation due to the cash dividend decided at the 2023 annual general meeting). Allotment of vested performance shares will take place during the second quarter of 2024,

after the end of the vesting period (provided that other conditions for allotment are met). The value as of the balance sheet date of 31 December 2023 shall not be equated with the cost for Synsam for the year presented in the annual report for 2023.

2) Based on all of the performance shares specified in the column "Information for 2023" – "During the year" in the table "Share-related incentive programs: the CEO" above.

3) The pre-defined comparable companies: EssilorLuxottica, Fielmann, Mister Spex, National Vision, Warby Parker, Clas Ohlson, Mekonomen, Axfood, Bygghem and Hoya.

4) Based on the share's market price on the balance sheet date of 31 December 2023 (closing price on 29 December 2023, i.e. SEK 45.80) multiplied by the number of vested (but not allotted) performance shares at the balance sheet date (6,878 shares, after recalculation due to the cash dividend decided at the 2023 annual general meeting). Allotment of vested performance shares will take place during the second quarter of 2026, after the end of the vesting period (provided that other conditions for allotment are met). The value as of the balance sheet date of 31 December 2023 shall not be equated with the cost for Synsam for the year presented in the annual report for 2023.

5) Based on the share's market price on the balance sheet date of 31 December 2023 (closing price on 29 December 2023, i.e. SEK 45.80) multiplied by the number of vested (but not allotted) performance shares at the balance sheet date (4,308 shares, after recalculation due to the cash dividend decided at the 2023 annual general meeting). Allotment of vested performance shares will take place during the second quarter of 2026, after the end of the vesting period (provided that other conditions for allotment are met). The value as of the balance sheet date of 31 December 2023 shall not be equated with the cost for Synsam for the year presented in the annual report for 2023.

Variable cash remuneration to the CEO during 2023

The performance criteria for the CEO's variable remuneration have been selected based on the company's business strategy and long-term business plan, with the purpose of accommodating the company's long-term

interests, including its sustainability. The performance criteria comprise a combination of financial targets and activity targets, where activity targets are targets related to projects that are of importance for the group.

The CEO's performance during 2023: variable cash remuneration

Description of the performance criteria in respect of 2023	Relative weighting of the performance criteria (%)	Measured performance (%)	Actual remuneration outcome (SEKm)
Organic growth, % (for the group, annual) Organic growth in directly owned stores: Growth in net sales adjusted for the net effect of acquisitions, currency, franchise stores and items affecting comparability that have affected net sales.	20	14	0.23
EBITDA (for the group, annual)	40	84	2.81
Operational targets related to important projects (annual)	40	100	3.33

Remuneration to the CEO compared to the company's results and remuneration to other employees during 2023¹⁾

	2021 (SEKm)	2022 (SEKm)	2023 (SEKm)
Total remuneration Håkan Lundstedt, CEO ²⁾	19.11	14.92 (-22%)	17.93 ³⁾ (+20%)
Adjusted EBITDA (for the group)	1,274	1,217 (-4%)	1,440 (+18%)
Average remuneration for other employees ⁴⁾	0.43	0.42 (-2%)	0.43(+3%)

1) The table will be extended over time to eventually include a five-year comparison.

2) Håkan Lundstedt is also a member of the board of directors of the company.

3) Total remuneration as specified in the column "Total remuneration (SEKm)" in the table "Total remuneration to the CEO during 2023" above.

4) Refers to employees (full time equivalents) in segment Synsam Sweden (which does not include the CEO). The average remuneration includes the total remuneration, *inter alia* including variable cash remuneration (one year or less). The amount of the variable cash remuneration which has been included in the table was finally approved and paid during the first quarter of 2024.

Stockholm in March 2024

Synsam AB (publ)

The board of directors