



2023

Annual and Sustainability Report



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2023

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 Centigo. 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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Synsam AB (publ) is a Swedish company governed by the laws of Sweden. Unless otherwise stated, all values are expressed in Swedish kronor.

This is Synsam

Since its founding in 1968, Synsam has grown to become the Nordic region's leading player in optical retail, eye fashion and eye health, with more than 500 stores in Sweden, Denmark, Norway, Finland, Iceland and the Faroe Islands. Synsam's ambition is to continue to strengthen its industry-leading position through innovation and a clear sustainability perspective.

THIS IS SYNSAM

A leading lifestyle company in optical retail and eye health

Synsam is a leading and profitable lifestyle company in optical retail 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 online. The stores are operated both as directly owned stores and by franchisees. Operations are conducted under the Synsam brand in Sweden, Norway and Finland and under the Profil Optik brand in Denmark and Iceland. Since its inception, Synsam has grown to include more than 500 stores, the absolute majority of which are directly owned. The store network is complemented by a strong digital online and social media presence where customers can buy products, book eye examinations, manage their subscriptions, or try out new spectacles directly on their mobile phones. Synsam has a unique range of spectacles, sunglasses, sports eyewear and contact lenses that include both Synsam's own brands and other well-known external brands. The offering also includes spectacle and contact lens subscriptions, hearing and eye examinations, both physical and online, and personal style advice when

trying on spectacles. Synsam also provides customers with sustainable alternatives, such as recycled frames and sunglasses in the Synsam Outlet chain and as part of the product range in selected Synsam stores.

Synsam was the first player in the Nordic market to launch a subscription service, Synsam Lifestyle. For a fixed monthly fee, subscription customers can combine products and services such as spectacles, sunglasses and contact lenses, a pair of replacement spectacles every year, eye examinations, insurance against loss, theft and damage, and free replacement of lenses if their vision changes. Synsam's production and innovation centre opened in 2022. Jämtö, the first collection of frames produced at the facility, was launched in autumn 2022, and in 2023 Oscar Eide was launched as the second collection in all Nordic countries. Synsam's ambition is to drive the development of optical retailing, eye health and eye fashion in the Nordics as an innovative player.

2023

Net sales by segment



Share of total net sales
SEK 5,905 million

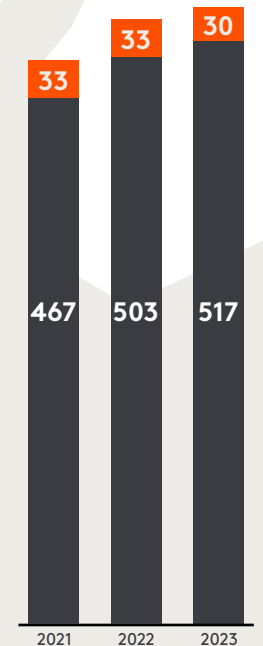
Net sales by sales category



Share of total net sales
SEK 5,905 million

Number of stores at 31 December 2023

■ Directly owned ■ Franchise



The year 2023

2023 was a successful year for Synsam. At year-end, Synsam had around 745,000 subscription customers, of whom 620,000 were Synsam Lifestyle customers. During the year, Synsam's production and innovation centre on Frösön launched another collection, Oscar Eide, 22 new stores were opened, including two hearing units, and Synsam EyeView was implemented in a number of Synsam stores in Sweden and Norway in order to increase optician capacity and availability for customers.

THE YEAR 2023

2023 in focus

SEK 5,905 million

(SEK 5,277 million) Net sales
Increase: 11.9 percent

10.3%

(10.6) Organic growth

75.5%

(75.8) Gross margin

SEK 1,440 million

(1,217) EBITDA

24.1%

(22.8) EBITDA margin

SEK 850 million

(698) EBITA

14.2%

(13.1) EBITA margin

SEK 1,150 million

(690) Cash flow from operating activities

SEK 2,720 million

(SEK 2,969 million) Net debt

SEK 311 million

(328) Profit after tax

SEK 2.08

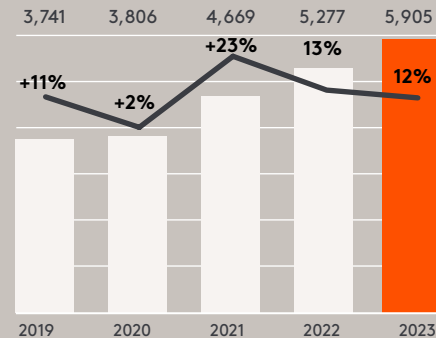
(2.19) Earnings per share, before and after dilution



Net sales by segment 2023

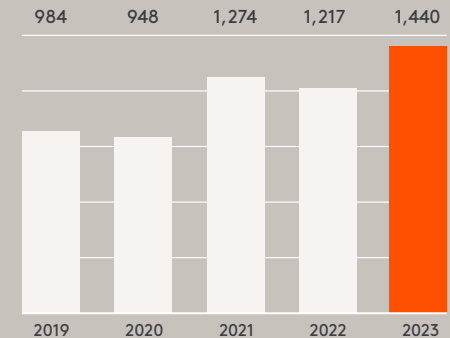
Synsam Sweden	SEK 2,835 million
Synsam Denmark	SEK 1,181 million
Synsam Norway	SEK 1,175 million
Synsam Finland	SEK 590 million
Other and central functions	SEK 124 million

Net sales growth, 2023



■ Net sales
■ Net sales growth compared to the previous year

Adjusted EBITDA, 2023¹⁾



1) Since no items affecting comparability were reported for 2023 or the preceding year, adjusted EBITDA corresponds with EBITDA

Key events in 2023

Q1

●● Synsam held a capital markets day on 20 January 2023, where the primary message was that Synsam is adhering to its financial targets and investing in innovation and improved efficiency.

●● Synsam Group was named "Business Wellness Company of the Year" for 2023. The jury highlighted Synsam's innovative power, development of new business models and customer offerings, and ability to balance commercial drivers with sustainable targets.

Q2

●● Synsam's Annual General Meeting was held on 25 April 2023. The Annual General Meeting resolved to reelect Peter Törnquist, Kenneth Bengtsson, Ann Hellenius, Helena Johnson, Terje List, Håkan Lundstedt, Gustaf Martin-Löf and Christoffer Sjöqvist, and to elect Anna Omstedt as a new Board member. Philip Røpcke had declined reelection. Peter Törnquist was also reelected as Chairman of the Board. Deloitte AB was elected as the Group's new auditor for the period until the end of the next Annual General Meeting, with Johan Telander as auditor in charge.

●● A dividend of SEK 1.70 per share was also approved. The Annual General Meeting also resolved to introduce an additional long-term incentive programme (LTIP 2023) for the company's Group management and other selected key individuals, as per the Board's proposal. No cost for LTIP 2023 was charged to the second quarter of 2023. For other resolutions and documentation from the 2023 Annual General Meeting, refer to Synsam Group's website: www.synsamgroup.com.

Q3

●● Synsam wins the "Store salesperson of the year 2023." The Retail Awards is the gala award ceremony for the entire Swedish retail sector and was established to promote individual efforts that rewards companies and to highlight the best role models in the industry. Lova Lindgren, store salesperson at Synsam Outlet in Umeå, won the Retail Awards' gold medal. Lova was recognised for her successful sales results combined with customer service that help improve the company's positive performance.

●● Participation in LTIP 2023 was subscribed for on 26 September 2023. No cost for the programme was charged to the third quarter of 2023. To ensure delivery of shares to participants in the programme, own shares will be purchased during the fourth quarter of 2023.

Q4

●● In accordance with the decision from the Board of Directors of Synsam AB (publ), with the support of the authorisation granted by the Annual General Meeting held on 25 April 2023, 686,323 own shares in Synsam were purchased to ensure delivery of shares under LTIP 2023. Own shares were purchased through Nasdaq Stockholm from 15 to 29 December 2023 for an amount of SEK 30 million.


●● The production plant's second collection, Oscar Eide, a locally produced alternative offered to customers in the Nordic market, was launched for sale in stores.

●● In October, Synsam placed first in the category "Optical Retail & Accessories" at the Swedish Market Awards for the second year in a row. The jury made the following statement: "This year's winner has continued to expand, adding new stores, new innovative concepts and first-class customer service. The results of its ambitious and deliberate work are reflected in its performance measures, which are impressive in this turbulent time for retail. Congratulations Synsam!"

FINANCIAL PERFORMANCE MEASURES

SEK million	2023	2022
Net sales	5,905	5,277
Organic growth, % ¹⁾	10.3	10.6
Gross margin, % ¹⁾	75.5	75.8
EBITDA ¹⁾	1,440	1,217
EBITDA margin, % ¹⁾	24.1	22.8
EBITA ¹⁾	850	698
EBITA margin, % ¹⁾	14.2	13.1
EBIT	696	552
Profit after tax	311	328
Earnings per share, before and after dilution, SEK	2.08	2.19
Cash flow from operating activities	1,150	690
Cash flow from operating activities/EBITDA, % ¹⁾	79.9	56.7
Net debt/EBITDA ¹⁾	1.89	2.44

¹⁾ Alternative performance measures. For information on the calculation of alternative performance measures and financial definitions, refer to page 107.



Significant increase in operating margin

Strong growth and increased profitability in 2023. Continued focus on efficiency and customers.

MESSAGE FROM THE CEO

A record year for Synsam

– great potential for our customer-centric business model amid continued expansion of store network

Synsam entered 2023 with high ambitions. As a leading Nordic lifestyle company in optical retail and eye health, we are at the forefront of driving innovation and development in our industry. During the year, we launched new offerings, opened new stores and welcomed many new customers. Our strategy is yielding results, and 2023 proved to be a record year for Synsam marked by strong growth, increased profitability and a strengthened market position. We are constantly striving to attract a wider customer base and develop purchasing behaviours in our markets while continuously raising the standard of our products and services. Always with a focus on innovation and sustainability.

2023 was a record year for Synsam marked by strong growth, increased profitability and a strengthened market position. Our market is growing structurally and is resilient to economic fluctuations, but continued economic uncertainty and cost pressure in the economy as a whole during the year also had an impact on Synsam. It is therefore with a feeling of pride that I look back at a strong 2023, a year in which Synsam captured market share in three out of its four markets and achieved organic growth of 10 percent. We have worked hard in line with our strategy, developed our service offering and opened 22 new stores. We have also optimised our operations through the cost and restructuring programme that was initiated ahead of 2023. As part of this programme, Synsam has implemented a number of innovation initiatives and efficiency measures that have significantly strengthened our profitability. We have also improved the way we use data to maximise efficiency and increase customer loyalty in Synsam Lifestyle. These efforts have established a strong foundation for our continued growth journey. Our price guarantee gives our customers peace of mind, and our ability to offer affordable solutions will be important for our continued growth

A customer-centric growth strategy – rapid store roll-out

Synsam is focusing on growing organically in its existing markets – Sweden, Norway, Denmark and Finland. The heart of our growth strategy is to put the customer first and ensure that affordable offerings as well as innovative store concepts meet the customer's needs. In our stores, customers should always be able to find the frames that suit their look and style. We are constantly developing our stores and concepts to improve availability and service for our customers.

In 2023, we opened 22 new stores, bringing the total number of store openings during the years 2021–2023 to 85, in line with our target. Synsam sees significant potential to continue increasing the number of stores in existing markets in the Nordics, which will also include continued investments in Synsam Hearing, with more than ten new hearing units planned for 2024 as part of our continued assessment of this business as a complement to our optical retail business. Our target is to open 90 new stores during 2024–2026.

Continued strong performance in Sweden and Finland

In our largest market, Sweden, Synsam continued to deliver a strong performance, with organic growth of 11 percent, an increased market share and strengthened profitability during the year. Synsam is also making strong progress in Finland, with organic growth of nearly 40 percent and strengthened profitability. During 2021–2023, 26 new stores were opened in Finland, where we are capturing significant market share and expect to become the market leader in 2026.

Our business is also growing in Norway, where we achieved organic growth of 9 percent during the year, although profitability declined slightly. A new management team has been in place for a year now and is focusing on strengthening the efficiency of our Norwegian business. In the Danish market, which is highly competitive and a weaker consumer market, sales fell slightly during the year. The Danish Credit Agreement Act was amended in the third quarter, impacting credit rating assessments for customers of the Danish Lifestyle offering. The changed legislation had both direct and indirect negative effects on sales in the second half of 2023. We have taken measures to

address the new situation in both the short and long term, such as the introduction of Lifestyle Cash, where the customer receives the benefits of the Lifestyle solution without making partial payments. We are starting to see positive effects of the measures taken.

Synsam Lifestyle – growing and resilient

Synsam's subscription business for spectacles, Synsam Lifestyle, continues to be an important part of our growth strategy. The offering has proved resilient in a more uncertain economic climate, with Synsam Lifestyle generating SEK 3 billion in sales, an increase of 15 percent on the previous year. Customer loyalty remained stable and the number of active customers increased by 109,000. The Group's sales success underlines Synsam Lifestyle's adaptability and attractiveness to consumers. The business provides added value for our customers by providing options at several price levels and predictable monthly fees, enabling costs to be spread out over time. Synsam Group's contact lens subscription was also successful, with strong growth and net sales of SEK 375 million during the year. Synsam's goal is for the total number of subscription customers (those who either have a Lifestyle subscription or who only subscribe for contact lenses) to amount to one million by the end of 2025. As of 31 December 2023, the number of subscription customers was about 745,000.

A driver of innovation in optical retail with new processes and technical advances

Synsam is driving the development of the optical retail sector by introducing new processes and technical solutions. A long-standing and ongoing shortage of opticians, especially in some parts of Sweden and Norway, has created challenges and limited our ability



Synsam EyeView enables expansion in areas which have previously had a shortage of opticians

to fully meet customer demand. We have therefore developed new, innovative solutions through Synsam EyeView. This concept combines new AI technology with changes in processes and practices, forming an industry-unique and efficient concept for conducting eye examinations. We are thus increasing the capacity of our opticians and raising the standard of our services.

Synsam EyeView has enabled Synsam to establish a presence in locations where a shortage of opticians had previously been an obstacle. By relieving our opticians of monotonous tasks and freeing up time, Synsam EyeView has also enabled Synsam to increase its presence and provide a higher level of service. The project to introduce Synsam EyeView continued throughout 2023, and the success of this project has been evident in the stores where the solution has been introduced, where it has been very positively received by our customers.

Sustainability perspective integrated throughout the value chain

Synsam conducts its operations with a clear sustainability perspective that is integrated at all stages of the value chain. We have seen that our efforts to promote sustainability are strengthening our attractiveness as an employer as well as a counterpart to our suppliers and customers.

During the year, we continued to make progress on scaling up capacity at Synsam's production and innovation centre on Frösön in Östersund, Sweden. The centre produces our Jämtö and Oscar Eide House Brand frames. Our Jämtö frames, which were launched in 2022 and contain 68 percent bio-based cellulose from wood pulp and vegetable oils, have been successful and well received by our customers. Through our Frösön centre,

we can offer locally produced frames to our customers in the Nordic market. Moving parts of the production process from Asia closer to the end customer is a key part of Synsam's sustainability strategy. It also shortens lead times, enabling us to meet our customers' needs and demand in less time. At the end of 2023, just over a year after its opening, around 100 people were working at the Frösön facility, of whom about half in production, and we are continuing to scale up the operation over time.

Regular eye examinations are the basis for good eye health and eyesight. Through Synsam EyeView, we are increasing access to examinations with high clinical quality even in locations with few opticians. Our ambition is that this will contribute to further improve eye health in the Nordics.

During the year, Synsam continued to show its commitment to promoting eye health among young people by providing free activity spectacles to children as part of its "Everyone should see!" initiative. This initiative is aimed at children aged 5 to 12 and the specially designed spectacles are adapted to cope with various sports and outdoor activities as well as rough-and-tumble play. Since its launch, Synsam has distributed approximately 55,000 pairs of spectacles to children across the Nordic region.

Aiming for continued profitable growth in 2024

During the past year, all of our employees showed tremendous commitment and made outstanding efforts, and I am proud of our continuous striving for improvement and growth. We achieved our growth target during the year and approached our medium-

term profitability target. We continued to focus on achieving profitable growth through innovative solutions and by meeting our customers' needs.

The tougher economic environment is creating opportunities for Synsam as it is increasing the availability of suitable premises in good locations. As our growth journey continues, we are aiming to open a further 90 new stores in 2024–2026, which would contribute to an expected market share of 45 percent in Sweden and a position as market leader in Finland. For Denmark and Norway our goal is to strengthen our position. We are also aiming to increase the total number of customers who have either a Lifestyle subscription or a contact lens subscription to one million by the end of 2025. Our Synsam EyeView solution is being rolled out as planned and has been received very favourably so far.

I look forward to working with all of our dedicated employees to continue shaping and developing Synsam into the leading lifestyle company in optical retail and eye health in the Nordic region. Synsam is in pole position, but we cannot afford to rest on our laurels. Our journey has just begun!

Håkan Lundstedt
President and CEO

Synsam and the market

A number of factors are driving the growth of the Nordic optical retail and eye health market. We are living longer, which creates a greater need for vision correction. We are spending more and more time in front of computer, tablet and mobile phone screens, causing an increase in near-sightedness, especially among younger people. And finally, spectacles have become a fashion accessory that is being replaced more and more frequently.

MARKET

Continued growth in the Nordic optical retail market

According to a market study commissioned by Synsam in 2022, the size of the Nordic optical retail sector as of 2023 was estimated to be just over SEK 20 billion. The optical retail market, through 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.

1. Spectacles, contact lenses and sunglasses

The industry's most important product category is spectacles, with frames and lenses together accounting for approximately 80 percent of the market. Contact lenses make up nearly 15 percent of the market, and most contact lens wearers wear spectacles 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 8 percent of the market.

2. Trends

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

Higher life expectancy

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

More time spent in front of screens

Today, we are spending 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 near-sightedness more common in all age groups, especially among younger people. By 2050, it is estimated that 50 percent of the Nordic population will be near-sighted, compared with around 34 percent today. Over time, these developments will increase the need for computer glasses, progressive spectacles and contact lenses.

Shorter lifespan

Spectacles are not only a medical necessity—they are also a fashion statement, which, according to the study, means that the number of pairs of spectacles each person owns will increase, and the time between changing spectacles will become shorter.

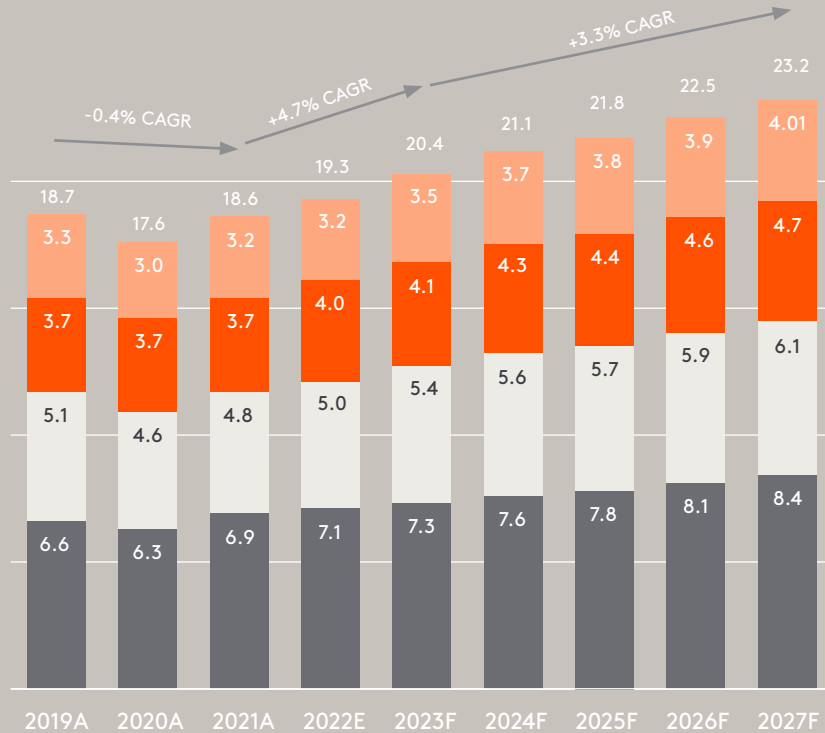
3. Channels

The vast majority of spectacles and sunglasses are purchased from traditional optical retailers, partly as a natural consequence of the need for eye examinations. Contact lenses are the product category that is mostly sold online in the optical retail sector. Around a tenth of the total volume of non-prescription sunglasses is purchased online; the share for spectacles is significantly lower.

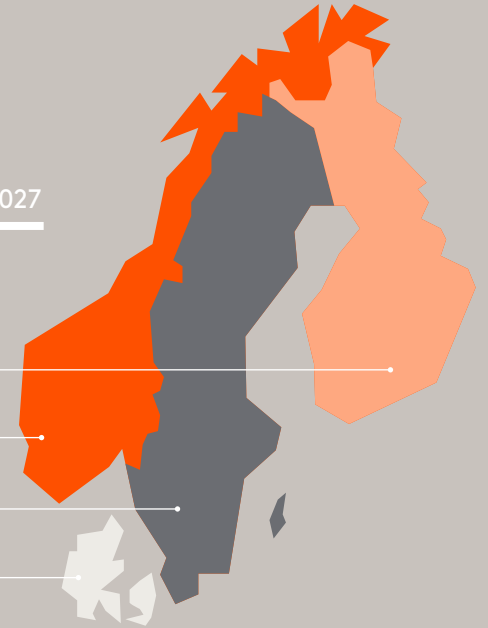


Retail value by country, SEK million

Finland Norway Denmark Sweden



CAGR	2019–2021	2021–2023	2023–2027
Finland	-2.5%	5.8%	3.1%
Norway	-0.4%	5.6%	3.6%
Sweden	2.2%	3.0%	3.3%
Denmark	-2.5%	5.6%	3.2%



Note: Sales value for eye examinations 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 rather refer to traditional cash and online sales.

Source: Market study



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. Strong business concepts coupled with innovative and clear communication through digital as well as physical channels create a platform for Synsam's Lifestyle subscription, attracting customers to physical and online stores as well as eye examinations.

STRATEGY

Success factors for Synsam's growth strategy

Synsam's growth strategy is based on underlying market growth, growth in existing stores and through the addition of new stores, and a transition from being a traditional retailer of products and services to being a leading customer-focused lifestyle company in the optical retail sector. This provides Synsam with a strong platform for continued growth.

Synsam and the omnichannel strategy

Synsam has an omnichannel strategy that aims to seamlessly meet customer preferences across different sales and service channels 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 physical stores, 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 and 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, is a high-priority aspect of the strategy. Continued growth for the Group is expected to come from a combination of Lifestyle subscriptions, e-commerce, House Brands and contact lens subscriptions.

The Lifestyle subscription service

A market study has shown that up to 60 percent of customers who have not yet taken out subscription service for spectacles may be interested in such a service. To reach these potential subscribers, Synsam focuses on identifying the needs of its existing customers and proposes solutions for them. At the same time, there is a strong focus on attracting new customers, partly by continuously developing and communicating the benefits of the service.

Built on success factors

Synsam today



Stores/store concepts



Sustainability initiatives



House Brands



Digital solutions



Subscriptions

... with growth potential in a number of areas and a focus on innovation

Organic growth

A

Growth in existing stores

- Subscriptions
- House Brands
- Online

+3 %

market growth
(2023–2027)

B

New stores

- Plan to establish 90 stores in 2024–2026

C

Clear strategic plan to leverage further growth potential

- Made in Sweden (Nordic region and exports)
- Additional health verticals
- Operational excellence
- Online

Contact lenses

Synsam's contact lens strategy is aimed at creating a more long-term relationship with customers who are currently one-off purchasers of contact lenses, but also to increase additional sales of spectacles and sunglasses as the majority of customers with contact lens subscriptions also buy such products.

Synsam Sports

Synsam is leveraging its position as the leading optical retail chain in the Nordics by building a unique niche in sports eyewear, which is increasing the breadth of Synsam's total product offering. The current range of spectacles covers about 30 of the most common sports activities under the categories of Active, Outdoor, Snow, Street and Water.

House Brands

House Brands are a key factor for Synsam's ability to meet the needs of all customers across different price segments through a broader product range. The establishment of a production and innovation centre has also enabled the company to clearly differentiate itself from its competitors by allowing Synsam to offer a product range tailored to a Nordic customer base.

Expansion of the store 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. During the period 2021–2023, 85 new stores were opened, including seven hearing units, bringing the total number of Synsam stores to over 500. An analysis of the market has identified over 200 potential locations for new stores and a target of 90 new stores has been set for the period 2024–2026.

Corporate customers

An attractive offering of computer glasses, eye examinations and other services aimed at corporate customers increases traffic to our stores and thereby also the number of private customers. The market for corporate customers is stable, and Synsam is well positioned to successfully enter into various procurement arrangements.

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 retail is well established in Europe and North America, for example, but is still undeveloped in the Nordic region.

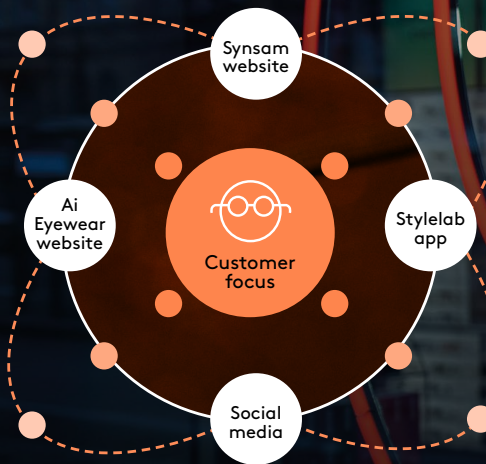
Other strategic initiatives

Synsam has identified a number of additional initiatives that may help to promote growth and efficiency over time. The implementation of AI technology, of which Synsam EyeView is an example, has the potential to increase optician capacity and efficiency and contribute to increased customer satisfaction. E-commerce is another potential growth area. The production of frames at Synsam Group's production and innovation centre creates an opportunity for exports to non-Nordic markets. In the long term, it is possible that Synsam could expand in Europe by establishing one of its own concepts or by acquiring one or several medium-sized optical retail chains.

Omnichannel strategy



Synsam Outlet



Megastores
+ eye health
centres



Synsam
Hearing



Flagship stores
+ eye health
centres

Products

Lenses
Frames
Sunglasses
Sports spectacles
Contact lenses
Eye care and accessories
Hearing aids

Services

Eye health services
Hearing tests
Lifestyle subscriptions
Contact lens subscriptions
Style advice

Synsam Lifestyle subscription service



Pay nothing today



Unlimited number of eye examinations



New lenses as vision changes



Yearly exchange of one product of your choice



Complete insurance



Cleaning products and adjustments included

CASE

Synsam Lifestyle – optimal peace-of-mind package for vision and eye health

Synsam's popular Lifestyle subscription meets clear customer needs in vision and eye health. As a subscriber, the customer receives help in choosing spectacles and frames that suit their current requirements, and gains access to Synsam's wide product range. Product combinations are tailored to each customer's unique requirements, allowing the customer to select a mix of products from all types of regular spectacles, sunglasses and sports eyewear together with a peace-of-mind package that includes free eye examinations, new spectacles when their vision changes and insurance.

For Synsam, Lifestyle is a way to build long-term customer relationships with frequent meetings as customers are invited every year for an eye examination and are given the opportunity to update their frames.

The active customer base for Synsam Lifestyle subscriptions in 2023 increased 21 percent to 620 thousand subscriptions, up from 511 thousand in the previous year. The business saw sales increase by 15.1 percent compared with the same period the previous year.

The key to the Lifestyle subscription's success lies in customer satisfaction and the added value that the service creates, especially in times of economic uncertainty, as the service gives the customer a choice of options at several price levels and predictability regarding monthly expenses. Since it is adapted to different customer groups, for example through specialised offers and collaborations, the subscription service also appeals to a broad customer base.

In 2023, the subscription business continued to invest in customer satisfaction and priority target groups such as children, young people

and seniors. The subscription offering has been adapted for children, for example by taking into account that children's heads grow and through the inclusion of flexible solutions in the Lifestyle subscription.

There is still great potential in Lifestyle and the focus is on putting the customer first and developing the offering so that the subscription service becomes even more relevant for the various customer groups. The target is to increase the total number of Synsam Lifestyle spectacles and lens subscription customers to one million by the end of 2025.



Operations

As the Nordic region's leading player in optical retail, eye fashion and eye health, Synsam offers an omnichannel concept that brings together Synsam's digital and physical sales and service channels. In addition to spectacles, contact lenses and other products, Synsam's more than 500 stores also offer services such as eye examinations and style advice. Synsam's subscription offering, comprising the Lifestyle and contact lens subscriptions, Synsam's House Brands, Synsam's production and innovation centre on Frösön and the introduction of Synsam EyeView, is a strong example of Synsam's ability to innovate.

OPERATIONS

The strongest product offering in the Nordics

The basis of Synsam's activities is its network of stores, where customers can meet an optician for an eye examination, choose spectacles, sunglasses or contact lenses, take out subscription services and receive style advice. By the end of 2023, Synsam had more than 500 stores in the Nordic region, the vast majority of which are directly owned.

Owing to its size, efficiency and innovative capacity, Synsam is able to offer its customers a comprehensive range of products and services at competitive prices. Synsam has a strong omnichannel concept and significant online presence through the Synsam and Profil Optik websites and in social media, where customers can meet and interact with Synsam when, how and where it suits them. This makes Synsam the industry leader in integrating digital channels into its customer interaction.

Spectacles

Spectacles are Synsam's original and largest product category. The Group offers

By the end of 2023, Synsam had more than 500 stores in the Nordic region, the vast majority of them directly owned.

spectacles, sunglasses and sports eyewear, both from its own brands and from well-known global brands. Prescription and non-prescription spectacles and sunglasses can be purchased both in-store and online and are included in the Lifestyle subscription service.

Recycling

Synsam is actively working to increase the recycling of old spectacle frames as material for new frames and therefore collects used frames in its stores. Through Synsam Outlet and as part of the product range in selected Synsam stores, customers also have the option of buying second-hand frames.

Sports eyewear

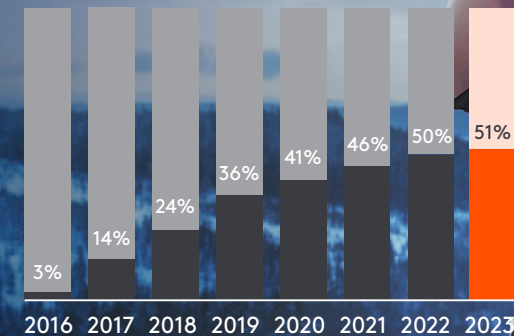
Nordic customers are becoming increasingly active in various sports, and

sports spectacles are therefore expected to be a growing part of sales. Sports eyewear products are sold both by prescription and over the counter, in-store and online. Synsam offers customers a number of brands including its own brands, Rigel and Sports Essential. The range includes spectacles adapted for some 30 different activities in the Active, Outdoor, Snow, Street and Water categories.

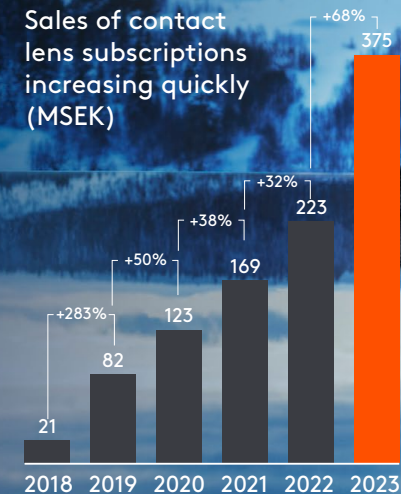
Contact lenses

Synsam offers spherical, toric and multifocal lenses. Spherical lenses correct near-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 spectacles and sunglasses. Synsam sells contact lenses from global brands and through its own EyeQ brand.

Synsam Lifestyle accounts for an increasing share of total net sales



Sales of contact lens subscriptions increasing quickly (MSEK)



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. The aim of eye health centres 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 B2B 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 its products and services. For a fixed monthly fee, the Lifestyle subscription allows customers to combine several pairs of spectacles and contact lenses, have eye examinations, change spectacles and use other services to tailor a complete solution to their individual needs. The subscription solution currently accounts for more than half of the Group's sales and there is considerable market potential for Lifestyle subscriptions. 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's subscription solution for contact lenses complements Synsam's other customer offerings and has seen strong growth since its introduction. For Synsam, the advantage of the subscription service, as with the Lifestyle subscription service for spectacles, is that the Group creates both additional

Five guiding principles for Synsam's contact lens subscription business:

- 1 High quality
- 2 Peace of mind
- 3 Simple and convenient
- 4 Flexible
- 5 Affordable

CASE

Contact lens subscriptions – covering all of the customer's needs

Synsam's contact lens subscription business is based on strong customer demand and considerable market potential. Contact lenses make up 15 percent of the entire optical market in the Nordics, where over 90 percent of contact lens customers also use spectacles.

Synsam's contact lens subscription business was launched in 2018 in Sweden, Norway and Finland to meet customers' overall needs for both spectacles and contact lenses. Synsam's contact lens subscription service is based on five basic principles: high quality; peace of mind through Synsam's Nordic-wide network of stores and opticians; simplicity and convenience through home delivery; the flexibility to customise your subscription as required; and last but not least, affordability.

Since 2020, it has been possible to link a contact lens subscription to Synsam's Lifestyle subscription, which means that contact lenses are part of the customer's Lifestyle subscription, in addition to two spectacle products. This combination of spectacles and contact lenses in the same subscription is unique in the market, and is the ideal all-in solution for Nordic contact lens wearers.

The biggest milestone during the year was the launch of Synsam's contact lens subscription in Denmark in January 2023, which means that contact lens subscriptions are now available throughout the Nordic region. Danish customers, too, have the option of linking their contact lens subscription to a Lifestyle subscription. The subscription service replaces a previous partial payment concept for contact lenses in Denmark, which had a different profile from Synsam's current customer-needs-based contact lens subscription service.

The number of contact lens subscription customers increased 40 percent in 2023 compared with the previous year. At year-end, the total number of contact lens subscription customers was 182 thousand. The business generated sales of SEK 375 million. This high level of customer satisfaction, despite the uncertain economic times, shows that Synsam has created a subscription plan that meets customers' needs. In the coming years, Synsam will be focusing on strengthening its offering for contact lens customers through new product innovations and an even better customer experience.

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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 this is not yet the case in the Nordic market. Synsam has therefore started the Synsam Hearing initiative, offering hearing and hearing aid tests, which by December 2023 were available in eight stores.

House Brands

Synsam launched its first House Brands back in 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 eleven successful House 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, Jämtö and Design by Bernadotte & Kylberg, which focuses on innovation, as well as Readers, which offers fashionable reading spectacles.

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 ensures harmonised pricing, regardless of the channel. In the period 2024–2026, the Group is planning 90 new stores. These will include Megastores, which is a larger store format for prime locations, and Outlets, which support the Group's sustainability efforts by selling second-hand spectacles or sunglasses at attractive prices, as well as



CASE

A sustainable production chain is the heart of Synsam's locally produced frames

Synsam launched its first House Brands back in 2016, and today there are 11 different brands in different market segments, price categories and applications. They account for about half of all frames sold in Synsam's stores and, together with brands from external suppliers, comprise Synsam's sales of frames.

By building up House Brands, Synsam is able to affect the design, assortment and manufacturing process to a significantly greater extent than when simply purchasing. Assuming ownership of more of the supply chain also enables Synsam to streamline its processes and thereby offer customers an attractive price.

Until 2022, Synsam's House Brands were mostly produced in Asia, but the new production and innovation facility on Frösön outside Östersund also went into operation during the year. The new facility makes it possible to test various materials and create new models faster, and to offer products that help reduce

the environmental impact. Sustainability is becoming an increasingly important factor for customers when they choose their frames, and from a sustainability perspective Synsam's Swedish-produced frames have a lower carbon footprint than frames produced in Asia. Waste is managed better in the manufacturing process, less energy is used and the packaging is more efficient. Even the general material production contributes to a lower climate impact.

The Jämtö collection, which is manufactured from material partly based on vegetable oil and FSC-certified wood pulp, is the first collection produced at the facility on Frösön. Jämtö was launched in September 2022 and has quickly achieved significant sales success, indicating strong customer demand for locally produced frames.

Synsam will continue to expand production at the Frösön facility in 2024 to include new collections under its existing brands.

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Synsam regular stores. A significant number of stores will be opened in smaller towns where Synsam does not yet have a presence.

As of December 2023, Synsam had five flagship stores, 41 Megastores and 20 Synsam Outlets. As part of its omnichannel concept, Synsam 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 app enables the customer to test spectacles digitally, directly on a mobile phone. Synsam is continuously improving its online offering to provide the best customer experience in the industry.

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, 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 House 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 spectacle frames for its House 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 drives the ability to build strong brands and provides increased export opportunities. The centre opened and production began in August 2022. Efficient logistics are crucial to any retail business. Inventory levels are kept low through 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 lenses and contact lenses come directly from the supplier's warehouse. The focus of Synsam's IT development in recent years has been to create applications that have 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 app, which allows customers to try on frames directly on their mobile phones.

Marketing

Synsam's marketing is intended to strengthen the Group's brand and profile, together with its external brands and its fast-growing House Brands. As part of this, Synsam has significantly increased its online and TV presence in recent years. Other marketing activities include a network of digital channels, consisting of nearly 3,000 in-store screens where customers encounter real-time, personalised marketing. Synsam has received several awards for its innovative marketing initiatives.

Employees and culture

In 2023, Synsam had an average of 3,413 full-time employees, the vast majority of whom were women. In professional terms, approximately 1,000 of the employees were licensed opticians. Segment Sweden had the highest number of employees, 1,646, while segment Denmark accounted for 569, segment Norway for 662 and segment Finland for 298. The Group has a strategic and an operational management team as Synsam's experience is that the decentralised management model builds stronger teams and faster information flows, and makes decision-making more efficient. Each operating segment is represented on the operations management team and is fully responsible



OPERATIONS

for the local organisational structure, its sales and also its profitability. According to the employee survey, which is conducted biannually and most recently in 2022, 91 percent of employees are motivated, proud and share the company's values.

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.

Synsam's values: the customer first, 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 retail sector. Innovation has been an important part of the transformation that 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 retail sector. They can realise their full potential with the help of shared core values, positive leadership, skills development, clear standards and the right remuneration model.

Synsam and talent

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 Synsam Academy, which provides sales training, internal sales programmes and management training. Synsam also has in-house opticians, style experts and sales coaches, ensuring that it is always able to provide the best service to its customers. Managers and employees within Synsam are regularly benchmarked against a number of key performance indicators and the number of courses completed in 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.

Stable growth

Growth in the optician 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 the optical sector. In a joint initiative with Karolinska Institutet, Synsam is offering jobs in optometry to Master's students in eye diagnostics. Synsam also organises annual opticians' forums.

Synsam takes social responsibility for its employees

Synsam is committed to offering a safe, stimulating and inclusive workplace for its employees. In the Nordic countries, a good working environment and sustainable working conditions are sometimes taken for granted, but this is a very important area for Synsam that is high on the agenda. Training, health, diversity and equal treatment are high priorities, as is an equal gender distribution at all levels in the company. In senior positions and on boards, Synsam's goal is that the proportion of women or men should not fall below 40 percent and not exceed 60 percent.

CASE

Synsam EyeView is the key to effectively meeting increased customer demand in the market

The optical retail market is growing and the number of customers is steadily increasing, driven by an increase in the number of people with visual defects, longer life expectancies and changing screen habits. The number of customers is also increasing as a result of the growth in the number of subscription customers and the fact that these customers now wish to come for an examination every year to see if their vision has changed, rather than perhaps every three years as previously. At the same time, optician capacity has been a challenge both for the industry as a whole and for Synsam. Synsam EyeView offers potential for increased growth and increases availability for customers.

In order to be able to accommodate new and existing customers and thereby protect the eye health of more customers, Synsam has introduced Synsam EyeView. The concept combines new AI technology with changed processes and working methods to create an efficient concept for eye examinations that is unique in the industry. Synsam

EyeView enables more people to come for eye examinations in Synsam's stores and thereby increases the company's capacity to receive all the customers who want to come for an examination. It also reduces the need for Synsam to engage optical consultants.

In an EyeView examination, a trained and certified optometric assistant collects all the information the optician needs to be able to make an assessment and prescription at a later stage. This is done either by an in-store optician or remotely. The arrangement is similar to solutions used in other areas of healthcare, where a hospital nurse, for example, takes samples that are then assessed by a doctor. As an optician does not need to be physically present during the actual examination, the technology makes it possible to offer more and attractive examination times, for example during weekends and evenings and in new locations where there are no opticians. It also frees up time for the in-store opticians, allowing them to devote more time to customers with

complex needs. This benefits all parties as the right care can be provided at the right level.

EyeView also helps to increase Synsam's attractiveness as an employer, among opticians as well as among customer and sales advisors who are offered a new career path and the opportunity to work closer to the customer and the optician. Synsam EyeView is currently available in nearly all Synsam stores in Norway and in approximately every third Synsam store in Sweden. The concept is also available in selected stores in Denmark and Finland.

In addition to increasing the number of EyeView examinations, Synsam's goal for 2024 and beyond is to be able to accommodate even more Synsam EyeView customers through developed and more efficient processes, technological advances in AI and a continued geographical expansion of the store network.



Sustainability

Synsam has high ambitions for its sustainability work, and in 2023 it continued its progress towards its vision of being the most sustainable lifestyle company in optical retail and eye health. The process of bringing eyewear production home from Asia to Frösön outside Östersund in Sweden continued during the year. Moving parts of production to Sweden is an important part of Synsam's sustainability agenda. With its own production in Sweden, Synsam has complete control over its employees' work environment and conditions. In addition to the social aspects, the environment has been an important driving force. Manufacturing products domestically enables an increased focus on circular, bio-based and locally produced materials as well as shorter transports and collaboration with local partners.

Highlights of Synsam's sustainability management in 2023

- Jämtö, Synsam Group's first collection manufactured in Sweden, was launched in several models.
- The second-hand and Outlet offering has been expanded to a number of selected Synsam stores with dedicated spaces in order to reach more consumers.
- 11,443 activity spectacles were distributed through Synsam's "Everyone should see!" initiative, bringing the total number of children who have received help to be active on equal terms since the launch in 2019 to 55,000.
- Synsam Sweden was named Optician of the Year at the Market Awards where sustainability management was one of the criteria.
- Climate calculations according to the GHG Protocol were performed.
- A double materiality assessment was carried out in preparation for reporting according to the EU Corporate Sustainability Reporting Directive (CSRD) and the new European Sustainability Reporting Standards (ESRS).

"There is a growing need for Synsam's medical technology services and products. Our vital public health mission is an important part of the Group's social mission. Coupled with a focus on sustainability in the workplace and our initiatives for the environment such as increased circularity, more sustainable products and the ongoing reshoring of production, this is the basis for Synsam's broad sustainability agenda."

Håkan Lundstedt, CEO Synsam Group

SUSTAINABILITY

Synsam wants to help build a better future

Taking responsibility for public health in the area of optical retail and eye health is an important mission that forms part of Synsam's sustainability agenda, as is taking responsibility for our employees in the workplace and for the environment and climate. The goal is to ensure that Synsam's customers benefit from high-quality services and products. The continued reshoring of production from Asia to Sweden was an important part of this effort in 2023. Geopolitical risks are reduced and innovation is strengthened when production takes place closer to the market. Synsam's production and innovation centre on Frösön supplies the market with products made from bio-based and other materials that contribute to circular flows and a reduced carbon footprint. We create jobs in sparsely populated areas, initiate local collaborations and provide a good work environment.

The Group constantly strives to better understand the risks and challenges of its business, including from a climate perspective. This year's climate impact assessments according to the GHG Protocol showed that the Group's biggest climate impact comes from the production of raw materials and manufacturing. The climate impact assessments include related emissions throughout the entire value chain, and provide Synsam with an even better idea of where the Group can make the greatest impact.

Our stakeholders have taken note that sustainability is an integral part of Synsam's business. Synsam was

named Optician of the Year at the Market Awards in Sweden, where sustainability management was one of the criteria.

Sustainability management in 2023

Synsam continued to work towards the Group's sustainability vision during the year as well as towards the objectives and priorities established in 2022. The most important sustainability initiatives of 2023 and their results are summarised on the following pages based on each focus area. Employee engagement is an important part of Synsam's sustainability work. A Group training programme in sustainability gives employees the opportunity to learn more about Synsam's focus areas and how the Group works on sustainability as well as how everyone can make a difference.

Double materiality assessment

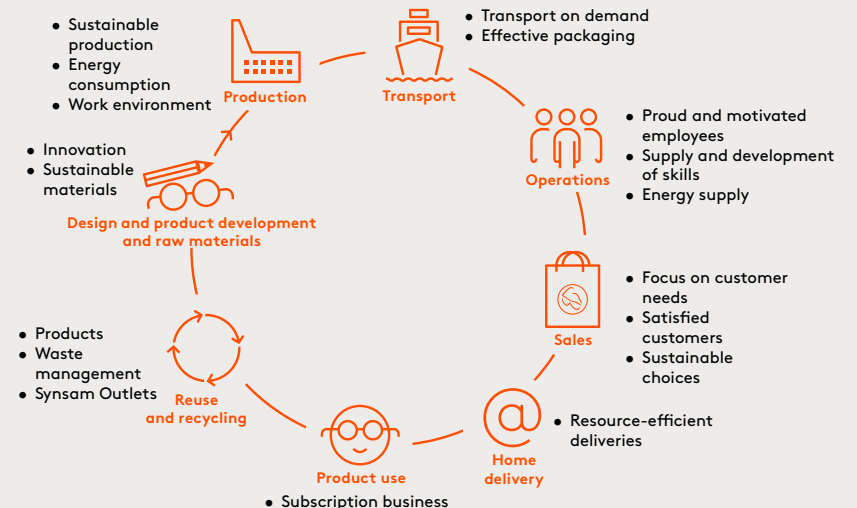
During the year, Synsam carried out the considerable work involved in conducting a double materiality assessment. The assessments and its results provide the Group with the basis for initiating the implementation of the CSRD.

Synsam's priority sustainability areas

In 2023, Synsam continued to work on the Group's three established sustainability areas: customer responsibility, social responsibility and environmental responsibility. The three areas, with their respective objectives and focus areas, are summarised in the model on the next page.

Synsam's value chain

The Group bears a great deal of responsibility as the leading optical retail chain in the Nordic region and one of Europe's leading players in the optical retail sector. Synsam's entire business is based on a value chain where the Group takes responsibility for its impact on people, society and the economy. It is Synsam's responsibility to work with its suppliers and partners to examine the various parts of the value chain from a sustainability perspective. This encompasses design, purchase of raw materials, production and transport in operations, sales, product use, and reuse and recycling. Processes and approaches have been identified for continuous improvement for each part of the value chain. Synsam strives to have a positive impact on people, society and the economy by making conscious decisions throughout the value chain.



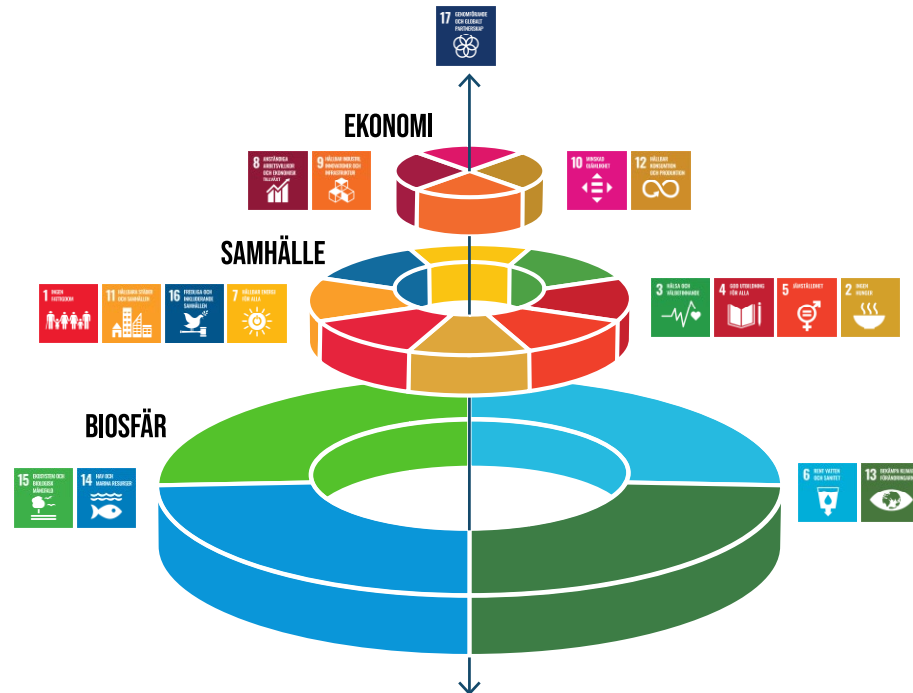
Sustainability areas

	CUSTOMER RESPONSIBILITY	SOCIAL RESPONSIBILITY	ENVIRONMENTAL RESPONSIBILITY
Ambition	Synsam should contribute to good eyesight for everyone, in all situations, throughout life.	Synsam should provide a safe, supportive and inclusive workplace, and work with our suppliers to ensure they meet the same standards.	Synsam strives for a circular business model and to minimise our environmental impact and carbon footprint.
Focus and goals	<p>We should help children to be active by handing out activity spectacles – a visual defect should never be a cause of exclusion.</p> <p>Synsam should offer the customer a range of products that includes frames made from bio-based materials or equivalent circular materials with a lower climate impact.</p> <p>We help customers to recycle their products and we offer reused products.</p>	<p>At least 85 percent of our employees should be motivated and proud and share the company's values. We have zero tolerance for discrimination and harassment.</p> <p>All management groups and boards of the Group's companies should have an even gender balance. The proportion of women or men should not fall below 40 percent and not exceed 60 percent.</p> <p>In units with in-house manufacturing, annual audits must be carried out to ensure that workers' rights are respected at the supplier level.</p>	<p>Synsam is committed to growing its circular business. We will offer more people second-hand frames and sunglasses.</p> <p>Synsam will calculate its Scope 1, 2 and 3 emissions with the aim of implementing measures.</p> <p>Synsam's production in Sweden must use only 100 percent non-fossil fuel electricity and minimise production waste.</p>
Activities	<ul style="list-style-type: none"> • Eye examinations • Everyone should see! • Sustainable choices and consumer information • Circularity of the customer's products 	<ul style="list-style-type: none"> • Training through Synsam Academy • Membership of amfori BSCI • Supplier Code of Conduct • Whistleblower policy 	<ul style="list-style-type: none"> • Expand our circular offerings • Offer a range of products made from recycled materials such as bio-based materials in Jämtö and recycled marine plastic in Sea2See.
Agenda 2030	Goals 12, 3 and 4	Goals 5, 8 and 4	Goals 12 and 9

SUSTAINABILITY

Synsam and Agenda 2030

Synsam supports the UN Sustainable Development Goals (SDGs) of the 2030 Agenda and has determined that the Group has a responsibility and the potential to contribute to several of the goals. The main focus is on Goal 12 Responsible consumption and production and Goal 3 Good health and well-being. Synsam also supports the UN Global Compact's Principles for Responsible Business.



Goal 3

Good health and well-being

Good health is fundamental to people's ability to reach their full potential and contribute to the development of society. Synsam contributes to good eye health. Through care and preventive efforts, we help people to maintain good vision throughout their lives.

Goal 4

Quality education

Education is a basic human right and the key to prosperity and a world in which everyone is able to help build a sustainable society. Good eyesight is essential to a person's ability to benefit from studies. Synsam provides visual aids for people's educational needs at all stages of life – from kindergarten through primary and secondary school to higher education.

Goal 5

Gender equality

Equality between women and men is essential for sustainable and peaceful development. Gender equality is about a fair distribution of power, influence and resources. Synsam strives for an even gender distribution at all levels of the company and seeks to maintain a 60/40 distribution in senior positions and on boards of directors.

Goal 8

Decent work and economic growth

Decent working conditions promote sustainable economic growth and are a positive force for the planet as a whole. Synsam's Supplier Code of Conduct requires the Group's suppliers to protect workers' rights and ensure decent working conditions. An internal Code of Conduct is applied within Synsam.

Goal 9

Industry, innovation and infrastructure

To respond to future challenges that we humans and our planet face, our industries and infrastructure need to become more sustainable. Innovation and technological progress are the key to finding sustainable solutions to both economic and environmental challenges. Synsam's production and innovation centre enables more sustainable production, efficient use of resources and shorter transports while also creating new jobs in a sparsely populated area.

Goal 12

Responsible consumption and production

A transition to sustainable consumption and production of goods is a necessity in order to reduce the negative impact on the climate, environment and human health. Synsam has a significant impact on Goal 12 by taking responsibility for purchased goods, producing frames in-house and contributing to the circularity of returned products. Synsam is working to reduce waste through measures to prevent, reuse and recycle waste.

SUSTAINABILITY

Customer responsibility

Good eyesight throughout life

Synsam's ambition is to contribute to good eyesight for everyone throughout their lives, with the smallest possible carbon footprint. The Group is actively engaged in offering products that allow its customers to have good vision while maintaining good eye health. This preventive work is an extremely important part of the Group's efforts in the pursuit of good eye health. Offering eye examinations and visual aids from an early age should therefore be a priority. Synsam knows that the continuous development of products and services is what enables the Group to meet the eye health challenges of today and tomorrow in order to contribute to better public health.

Keeping customers' needs in focus High clinical quality eye examinations

Regular eye examinations are the basis for good eye health and eyesight. Increased screen use, especially among children and young people, is making eye health an increasingly important public health issue. Additional factors such as a growing elderly population are also increasing the need for eye examinations. This is where Synsam wants to be at the cutting edge, contributing to the development of technology and equipment that improve access to high clinical quality eye examinations. One of the procedures performed at the Group's eye health centres is fundus photography, which can help detect and prevent eye diseases such as cataracts and glaucoma. Customers are referred to ophthalmologists if necessary.

High-quality eye examinations require highly trained opticians. Synsam's roughly 900 opticians are the heart of the business, and are an important resource that can help relieve the burden on the health service.

"Everyone should see!" Equal opportunities to be active

Sedentary behaviour in childhood is one of the biggest public health challenges of our time. For the past five years, Synsam has been running its "Everyone should see!" initiative, which promotes physical activity among children. Poor vision should never stand in the way of equal opportunities to be active. Through the initiative, Synsam offers children aged five to twelve who have visual defects a pair of prescription activity spectacles free of charge. Work on "Everyone should see!" continued throughout the year. Since its launch in 2019, Synsam has distributed more than 55,000 pairs of activity spectacles to children across the Nordic region through the initiative.

Conscious choices lead to satisfied customers Synsam's innovative spectacles subscription service

Synsam's spectacles subscription service allows customers to rent spectacles rather than buying them. Through a Synsam Lifestyle subscription, customers can have their eyesight tested regularly and replace their spectacle lenses when necessary, among other benefits. Once a year, the customer can exchange a

pair of spectacles and return a pair at the same time. All frames that are handed in are either recycled or reused. The subscription allows Synsam's customers to learn about new innovative products, while at the same time contributing to a circular flow where the products can be reused by other customers through the Group's second-hand offerings.

Synsam Outlet is the Nordic region's first purely commercial retailer of recycled frames and sunglasses. Synsam Outlet was born out of Synsam's vision that the customer wants to consume more sustainably and that the Group can promote more sustainable consumption through attractive offerings. Synsam Outlet stores sell fault-free products that customers have returned through the Group's subscription model. The stores also sell collections that have been discontinued from the regular range and that are thus given a new, second chance.

At the end of 2023, the Group had 20 Synsam Outlet stores. During the year, the Group also expanded its second-hand and Outlet offering to a number of selected Synsam stores with dedicated spaces in order to reach more consumers.



SUSTAINABILITY

Social responsibility

An attractive employer and partner

The Group's employees are one of Synsam's most important assets. Being able to attract, develop and retain employees is a critical success factor. Motivated employees with the right qualifications and insight into the needs of our customers are crucial to Synsam's continued development as the leading optical retail chain in the Nordic region. Synsam aims to be the most attractive company in the optical retail sector. The Group strives to offer a safe, inspiring and inclusive workplace.

Motivated and skilled employees

Synsam takes an active approach to designing and refining its work approach in order to achieve a good work environment for its employees, with skills development, health, diversity and equal treatment receiving priority. Synsam has a zero tolerance policy for harassment. The Group's objective is for at least 85 percent of employees to be motivated and proud, and to share the company's values. The result was 91 percent according to the employee survey conducted in 2022. No Group-wide employee survey was conducted in 2023.

As an employer, Synsam also has a responsibility to uphold fair social conditions throughout its entire supply chain. Synsam engages in dialogue with its largest suppliers to ensure good social conditions.

Supply and development of skills

Today, Synsam has approximately 1,000 licensed opticians. There is a shortage of opticians, and they perform an important social function by improving public health. Due to an ageing population and increased use of screens from an early age, the demand for opticians will likely continue to grow, and the role will become more crucial to society over time. Synsam is working actively to encourage more people to train as opticians, but also to retain the opticians we have. Ensuring that our opticians are motivated and have a good work environment is an important part of this effort. In order to offer more flexibility, Synsam offers the position of Remote Examination Optician. The service allows opticians to work remotely by performing eye examinations digitally. In brief, it means that the optician participates digitally via a screen in the examination room at the store. On site in the room and physically present throughout the session is a trained optometric assistant with some clinical expertise who assists the customer in the examination room as well as the optician remotely. The quality is just as high as for a traditional eye examination, and tests that have been conducted show that the customer satisfaction results are at the same high level.

CASE

Synsam's Future Leaders

Synsam's growth journey requires that talented and motivated individuals be appointed to leadership positions. During the year, the Group implemented a skills development programme called "Synsam's Future Leaders". The aim is to secure leadership succession, retain talent and strengthen Synsam's employer brand. The programme trains and coaches Sales and Customer Advisors so that they will succeed in a future role as store manager at Synsam.

During the year, 35 selected employees completed the programme.

"The programme is based on a Group-wide leadership platform. It provides support so that I as a future leader can lead, motivate and manage my team in such a way that we enjoy working together to achieve the set goals. The programme includes physical meetings combined with team training sessions and workshops. I feel very motivated to now assume the role of Synsam's next leader."

Trine Nguyen, Sales and Customer Advisor,
Synsam Moss Amfi, Norway



SUSTAINABILITY

Several webinars were organised during the year as part of the effort to offer continued skills development to the Group's opticians. A number of different courses are offered on the internal training platform Synsam Academy, including the opportunity to specialise in various optical subject areas such as the treatment of myopia. Other employees also have the opportunity to develop their skills through Synsam Academy. Courses in subjects ranging from optics to contact lens webinars, driver's licence checks and product knowledge are provided on an ongoing basis as part of the training programme.

Safe workplaces throughout the value chain

Synsam is a member of the Business Social Compliance Initiative (BSCI). The collaborative initiative BSCI helps the Group to ensure a high level of responsibility throughout its supply chain, and Synsam also uses the amfori BSCI Code of Conduct. It is based on 11 principles that include the prohibition of child labour, forced labour and corruption. The principles also include requirements for safety and reasonable working hours. The Group's membership in BSCI means that regular inspections are performed at Synsam's production units in Asia. Full-day inspections were performed by independent auditors during the year to ensure compliance with BSCI's requirements. No serious deviations were reported in 2023. In addition to the BSCI principles, Synsam also requires all carriers and freight forwarders to have collective agreements for their employees.

Anti-corruption

Synsam has a strict zero tolerance policy against corruption. There is zero tolerance for 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. Synsam informs its employees about the policy. No attempts at or suspicions of corruption or bribery among employees were recorded during the year.

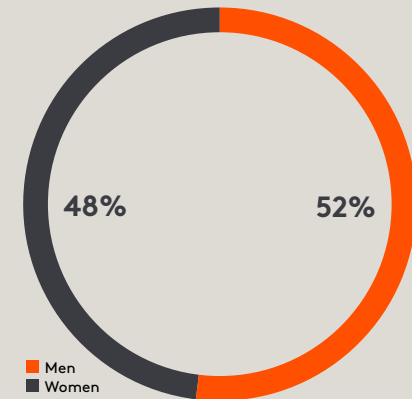
Whistleblower policy

Synsam has a whistleblower policy that is available both internally and externally. The policy was developed in line with Synsam's core values and Code of Conduct. Synsam believes 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. In 2023, one case was reported (0).

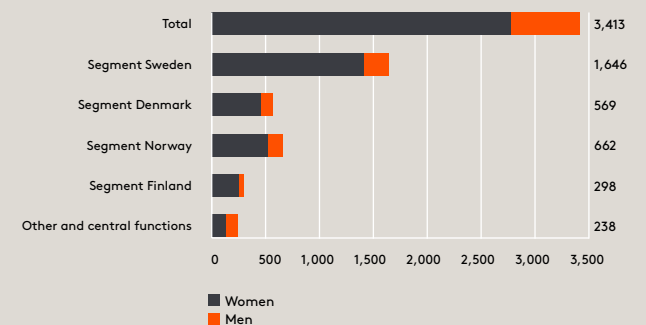
Equal and inclusive

Synsam's ambition is to offer an equal and inclusive workplace. Synsam strives for an even gender distribution at all levels of the company. All management groups and boards of the Group's companies should have an even gender balance. The proportion of women or men should not fall below 40 percent and not exceed 60 percent.

Total breakdown women/men all management groups and boards Synsam Group 2023



Average number of employees 2023



SUSTAINABILITY

Environmental responsibility

A responsible business

The ambition to introduce circular flows in the operations is an important cornerstone of Synsam's environmental work. Production, consumption and reuse must be interlinked and transparent. Synsam works continually to identify and improve processes in its value chain by setting high demands for both its own organisation and its suppliers. An important part of this effort in 2023 was the continued development of bio-based materials at Synsam's production and innovation centre on Frösön in Sweden.

Scope 1 and 2 climate impact assessments

The reported Scope 1 and 2 climate data cover fuel and electricity consumption in leased company cars, energy consumption (electricity and heat) in all stores owned by Synsam (excluding franchise stores) and offices as well as energy consumption (electricity and district heating) at Synsam Group's production and innovation centre in Östersund.

For company cars in Sweden, Norway and Finland, actual electricity and fuel consumption and/or mileage data has been collected. In Sweden, electricity and fuel consumption for November to December was estimated based on collected data for January to October. Electricity and fuel consumption in Denmark has been estimated based on assumptions about the number of cars, car type and mileage per car.

Synsam's GHG emissions in 2023 and 2022, in tonnes of CO₂ equivalents (tCO₂e)

	SCOPE 1	SCOPE 2 – location-based method ¹	SCOPE 2 – market-based method ²
2023	201.7	1,065.0	3,602
2022	265	1,112.3	3,525.1
% change	-24%	-4%	2%

Energy consumption in 2023 and 2022 (MWh)

	SCOPE 1 MWh	SCOPE 2 – electricity, MWh	SCOPE 2 – district heating, MWh	SCOPE 2 – total, MWh	SCOPE 1+2, MWh
2023	835.4	15,533.8	11,507.3	27,041.1	54,917.6
2022	1,214	14,260.9	12,088.2	26,349.1	53,911.8
% change	-31%	9%	-5%	3%	2%

Synsam's climate impact assessments are largely based on collected economic activity data as well as on estimates where actual data was not available. Emission figures for 2022 have been revised since the publication of last year's sustainability report after inaccuracies were discovered regarding electricity consumption in stores in Denmark and regarding fuel consumption in company cars in Norway.

Scope 1 encompasses all direct emissions generated by assets owned or operationally controlled by Synsam. Emissions from burning of fuels in leased company cars are calculated using emissions factors published by the UK environmental department (DEFRA, 2023). In Sweden and Norway, the approximate level of bio-admixture in regular petrol and diesel has been factored in.

Scope 2 encompasses indirect emissions related to the production of purchased energy (electricity and heating) in facilities where Synsam has control over the operations (not including franchise stores). The emission factors used to calculate the climate impact of electricity using the location-based method are based on national gross electricity production mixes for 2021 published by the International Energy Agency (IEA, 2023) as well as the emission factor published by Energinet in Denmark for the Danish electricity mix in 2022 (Energinet, 2023). The emission factors used for electricity not covered by guarantees of origin, known as the "residual mix", are published by AIB (2023) and refer to 2022. Emission factors for district heating in Sweden, Norway, Denmark and Finland are based on national figures for the latest available year published by local industry organisations and/or national statistics offices (Swedenergy, 2023; Statistics Norway, 2023; Danish Energy Agency, 2023; Finnish Energy, 2023).

In Sweden, actual (full-year) data has been collected for electricity consumption in 70 percent of all stores. For the Östersund facility, actual electricity consumption data for January to November and heat use data for January to October has been collected. In Norway, data has been collected for 83 percent of all stores (full-year) and in Denmark for approximately 97 percent of all stores (full-year 2023). In Finland, data for the majority of stores has been collected for January to October. For stores and months that were not included in the collected data, estimates have been made based on the available figures. Heating is usually included in the store rent and has therefore in most cases been estimated based on floor area and energy statistics for commercial premises produced by the Swedish Energy Agency (2022). The heating method has been assumed to be district heating for all premises.

Scope 1 emissions decreased by 24 percent in 2023 compared with 2022 (-63.3 tCO₂e), largely due to a switch to electric cars in Sweden and Norway.

Electricity consumption in stores accounts for the absolute majority of the Group's Scope 2 emissions. Scope 2 emissions – location-based approach (emission factors based on national electricity mixes) decreased by around 4 percent in 2023, despite an estimated increase in total electricity and heat consumption of approximately 3 percent. Synsam's assessment is that this is due to increased use of renewable electricity in countries with lower emissions of greenhouse gases per kWh and/or to natural variations in national emission figures due to varying weather conditions.

Scope 2 emissions – market-based approach (emission factors based on financial instruments such as guarantees of origin) increased marginally in 2023 (by around 2

percent), in line with the increase in electricity and heat consumption (3 percent). The share of purchased renewable electricity increased from 2022 to 2023, from approximately 34 percent to 49 percent, representing an increase of approximately 2,600 MWh in 2023.

As part of an effort initiated in 2022, data was also collected on Scope 3 emissions, which are those that occur in Synsam's value chain. Scope 3 emissions are generated mainly from purchased raw materials and products, and transport of finished goods between factories, warehouses and stores. The amount of purchased materials and products is based on a combination of purchasing data from Synsam and supplier-specific data for material and energy consumption. The available data indicates that Synsam's greatest climate impact is in Scope 3, where emissions from the manufacture of purchased materials and products account for the absolute majority of the estimated Scope 3 emissions. Synsam is continuing its efforts to collect comprehensive and reliable Scope 3 data through the use of requirements specifications and by engaging in active dialogue with suppliers.

Design and product development with raw materials

The work of developing long-lasting products that can be recycled starts at the design table and with the sourcing of raw materials. Synsam integrates sustainability into the design of its frames through its innovation and development process. The Group continually tests potential new designs and materials in its search for improvements.

Spectacles made from bio-materials

An important part of the effort to reduce the Group's environmental impact is to constantly increase the

share of bio-materials and to create products with long life spans. During the year, Synsam increased the proportion of frames and cases made from eco-materials as the Swedish-made Jämtö collection was expanded. Synsam is preparing to expand the use of recycled and biological materials and production through its production and innovation centre on Frösön. New sustainable materials for future production are tested at the centre. Synsam actively engages in its own sustainability initiatives such as Synsam Outlet and the Sea2See collection in order to encourage reuse and recycling. In this way, Synsam makes it easier for customers to buy second-hand frames and frames made from reused and recycled materials.

Customers help to recycle and reuse spectacles

Customers can return their spectacles for reuse and recycling in Synsam's stores. Synsam accepts all types of spectacles and sunglasses from all brands, even those that were not sold or made by the Group. The volume is sorted and products that the store perceives to be fault-free are then sent to Synsam's own workshop. During the year, the workshop received 133,623 pairs of spectacles and sunglasses. After going through and preparing the items, the workshop then forwarded 52,710 products to Synsam Outlet.

The Sea2See collection

100 percent recycled plastic from the ocean is used in the production of Synsam's Sea2See spectacle collection. The frames have been developed in collaboration with the Spanish organisation Sea2See which, with the help of local fishermen, collects, sorts and manufactures new products from the growing amount of plastic floating in the world's oceans.



CASE

Synsam Outlet gives frames a second life – a circular business model for Synsam

The Synsam Outlet store concept is based on changed customer buying habits. The launch of Synsam's Lifestyle subscription concept in 2016 has had an impact on customers' buying habits as they are offered an opportunity to rent their spectacles rather than own them, allowing them to cover all their needs as spectacles wearers.

Synsam's Lifestyle peace-of-mind package includes one pair of replacement spectacles a year, enabling the customer to stay up to date with their needs and style. Since many of the frames received in exchange each year were in very good condition, the idea was born to extend the life of the frames by cleaning them, replacing any worn parts such as nose pads and offering them as second-hand frames at a lower price. The concept benefits the customer as well as the environment.

Synsam Outlet provides an arena where spectacle frames can receive a new lease of life with new customers. The frames are rented out again to the new customer as part of a peace-of-mind package with lenses tailored to the customer's needs and vision. By reusing an already manufactured product, Synsam Outlet extends the life of the frames, which makes the

concept one of the fundamental pillars of the Synsam Group's efforts to promote sustainability. In addition to Synsam's bestsellers, which arrive as second-hand frames from Lifestyle subscribers, the Synsam Outlet stores also offer Outlet frames, which are discontinued frames from Synsam's stores, also at attractive low prices.

Through Synsam Outlet, which gives a new lease of life to second-hand and Outlet frames, Synsam's business model becomes more circular as the Lifestyle subscription bestsellers are collected and sold on or rented to a new customer while discontinued products are sold or rented as Outlet products. From a customer perspective, Synsam Outlet is a response to the demand for sustainable alternatives at low prices. Through this store concept, Synsam has succeeded in reaching completely new target groups who want to make informed choices and find bargains.

The focus in 2021 and 2022, in connection with the launch of the concept, was to open several stores, expand and test the concept with customers. In 2023, the focus was on developing the concept and listening to the customers' response. An example of this is the name change from Synsam Recycling Outlet to Synsam

Outlet in response to a demand from customers for clarity on what the stores offer – low-cost branded frames – which is what is signalled by the name Outlet. At the end of 2023, there were 20 stores forming part of the Synsam Outlet concept in the Nordic region.

In 2023, the Synsam Outlet range was also pilot-tested in selected Synsam stores in Sweden, Finland and Norway with the aim of increasing the availability of the concept and giving even more customers the opportunity to shop more sustainably, which will benefit the environment as well as customers' wallets. Another development in 2023 was the introduction of Synsam EyeView in all Synsam Outlet stores. EyeView involves using technical solutions to carry out eye examinations, which enables Synsam to help more customers, with more flexibility and based on the customers' needs.

The goal for 2024 is to further improve the Synsam Outlet concept and further increase its availability, and thus reuse and give more frames a second lease of life with new customers.



SUSTAINABILITY

Synsam takes responsibility for all parts of the production process

The production of Synsam's own spectacle brands currently takes place at the Group's production and innovation centre on Frösön as well as with the help of suppliers in Asia and Europe. Regardless of where production takes place, Synsam always strives towards production that takes responsibility for all parts of the production process. The greatest environmental impact in the production of spectacle frames and lenses comes from the use of chemicals, water consumption and energy supply.

Chemicals

In accordance with the product choice principle in Chapter 2 of the Swedish Environmental Code, Synsam is working to phase out chemical products that contain substances of very high concern. Every year, Synsam performs a review of all chemicals in line with the EU REACH Regulation. The review identifies substances that must or should be phased out according to the national environmental quality objective "Non-toxic environment".

Water management

Only a small amount of water is used in the production of spectacle frames. The greatest water consumption comes during the grinding of lenses, which is the part of the value chain that Synsam's suppliers are responsible for. Water is important when grinding lenses for frames. It is also a resource that must be cared for as it is a finite resource that is essential to human survival.

LCA calculations

Synsam has performed a life cycle analysis (LCA) that calculated the climate impact (CO₂e) of two of

the Group's frames. Five stages in the life cycle were analysed and calculated in the analysis: raw material extraction, incoming transport, manufacture, outgoing transport and waste management*. The purpose of the analysis is to increase the comparability of Synsam's products' climate impact over time, in order to determine where in the production process Synsam can make the greatest difference and improvements. The analysis was performed by an independent third party.

The calculations show that Synsam's Swedish-produced frame has a lower climate impact than the frame produced in Asia. Waste is managed better in the Swedish manufacturing process, less energy is used and the packaging is more efficient. Even the general material production contributes to a lower climate impact. Performing an LCA requires data collection and precision in the processing of the data. The LCA results improve our ability to identify where in the value chain we can reduce our climate impact. The results give us comparative figures for our development work.

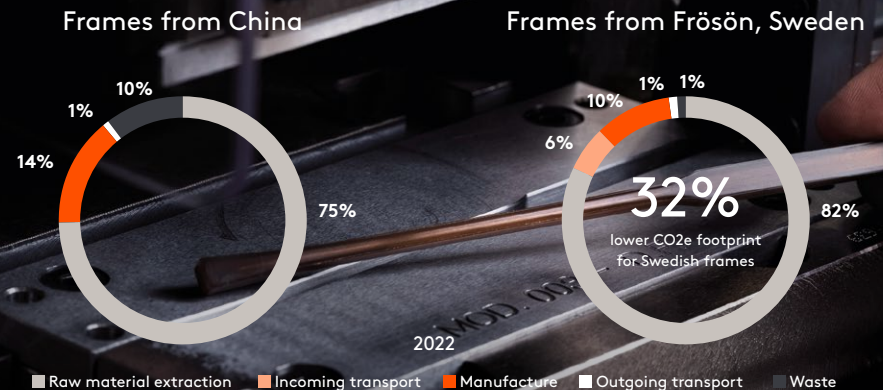
Energy consumption in production and operations

Synsam endeavours to conserve energy as much as possible and not to use more electricity than necessary. The stores' energy consumption is another focal point and our ambition is to make our stores more energy-efficient. For offices and stores, Synsam has requirements for landlords and property managers to use electricity from non-fossil fuel sources to the greatest extent, where possible. The Group also uses LED bulbs, which use less energy than other technologies, in all of its store windows.

LCA calculations

Synsam has performed a life cycle analysis (LCA) that calculated the climate impact (CO₂e) of two of the Group's frames. Five stages in the life cycle were analysed and calculated in the analysis: raw material extraction, incoming transport, manufacture, outgoing transport and waste management*. The purpose of the analysis is to be able to increase the comparability of Synsam's products' climate impact over time, in order to see where in the production process Synsam can make the greatest difference and improvements. The analysis was performed by an independent third party.

The calculations show that Synsam's Swedish-produced frame has a lower climate impact than the frame produced in Asia. Waste is managed better in the manufacturing process, less energy is used and the packaging is more efficient. Even the general material production contributes to a lower climate impact. The LCA's requirements for data collection and to use precision when working with our data as well as to strengthen our opportunities to identify where in the value chain we can reduce our climate impact will be important in the next step. Right now, the result provides a comparative figure for our own development work.



*The calculations relating to manufacturing processes performed at production facilities in Asia, Europe and Sweden were based on primary data. Only data from the first months of production in 2022 was used for production in Sweden. Data from 2021 was used for production in Asia. Specific data from material suppliers has been included to the extent it was available. Other processes have been based on generic data.

SUSTAINABILITY

Waste management with a focus on recycling and reuse

Synsam is actively working to minimise use of materials to the greatest extent possible. The Group's ambition is to ensure that all consumables in the operation are primarily reused, recycled or recovered.

There are guidelines for all employees, in stores and offices and at the new production and innovation centre on Frösön, to ensure that separation is done properly. In Sweden, it is the store manager in each store who is ultimately responsible for ensuring that there are containers for sorting and that these are emptied correctly.

Transport

An important part of the Group's sustainability management aimed at reducing our environmental impact is a well-thought-out and consolidated logistics chain. One element of this is the reshoring of production to Sweden, which has resulted in a growing share of locally produced products. Continuous optimisation of the store replenishment flow and an active choice of responsible packaging also help to reduce the environmental impact. Synsam is also continuing to reduce its business travel and to use digital technology instead for meetings wherever possible.

Fewer transports and optimised goods flows

In our efforts to reduce the Group's environmental impact, the logistics chain plays an important role. During the year, new system support was introduced to further optimise transport to stores. Through a focus on continuous improvements, Synsam's efforts to manage its goods supply resulted in a reduced delivery frequency to stores in 2023. The fact that a gradually increasing

number of Synsam products are now produced in Sweden further reduces the impact of transport emissions.

Climate-smart transport

The Group's goal is to always transport products in the most climate-friendly way. The majority of long-distance transport is therefore done by sea, and transshipments are avoided. Carbon emissions from freight with Synsam's new sea transport partner are fully offset by the supplier. Air transport is only accepted in exceptional circumstances, for example in the event of a major delay where customers are at risk of being affected.

PostNord is an important transport partner for the Group. Since September 2023, PostNord's transports to Synsam's customers have been Nordic Swan Ecolabelled. The Nordic Swan Ecolabel e-commerce transport label covers criteria such as climate and efficiency requirements for the transport, social requirements and requirements regarding the agreement between the carrier and online retailer.

Responsible packaging

Synsam has streamlined the use of packaging in transport between central warehouses and stores. Reducing the ratio of empty space in the packaging is also a focus area at other stages of the supply chain. One step in this direction is Synsam's transition to flat spectacle cases, which has increased the filling ratio in transports. The corrugated cardboard used in transport packaging for end consumers is made from 100 percent recycled material. When the stores send future second-hand frames to Synsam's workshop, the transport packaging in which they received the goods is reused.





CASE

A sustainable production chain – the heart of Synsam’s locally produced frames

Following the start of production of House Brands in Asia in 2016, Synsam has steadily increased the share of House Brands. The in-house production and innovation centre that opened in 2022 on Frösön outside Östersund in Sweden is a cornerstone of the company’s sustainability management. The in-house production facility also enables the company to offer frames adapted to the Nordic market.

Synsam’s first collection made at the Frösön facility, Jämtö, was successfully launched in 2022 in all the Group’s stores across the Nordic region. The Jämtö frames are made from materials based on FSC-certified wood pulp and vegetable oil. The collection’s success is based on environmental awareness among customers who want locally produced frames. In autumn 2023, a new collection, also produced at the Frösön facility, was

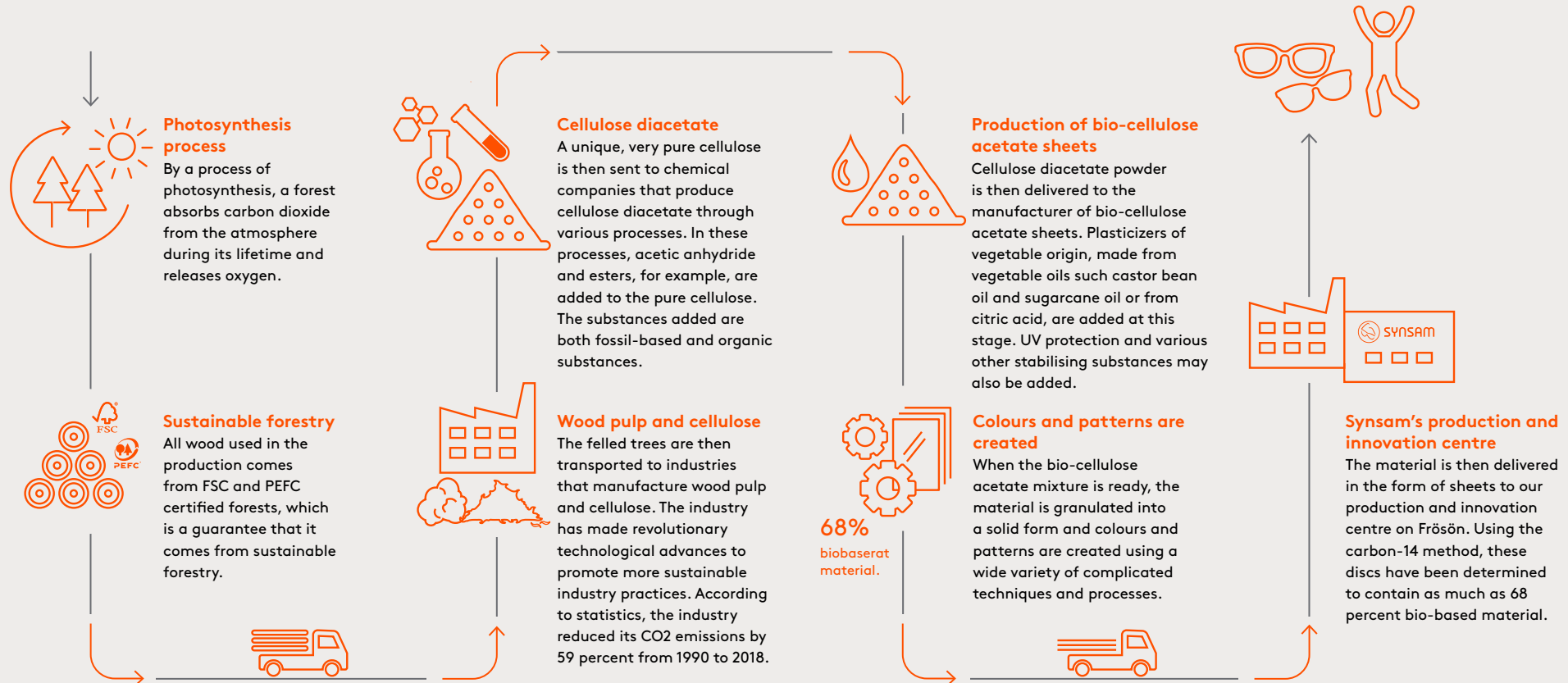
launched throughout the Nordic region – the House Brand Oscar Eide.

The benefit of in-house production is that Synsam owns the entire chain, from idea to the customer wearing the spectacles. Synsam’s sustainable production chain takes account of everything from a well-functioning work environment and efficient transport to technology choices that minimise the use of chemicals and recovery of residual materials in production. In-house production also enables the company to test smaller volumes and achieve faster time to market. To ensure that it is able to respond rapidly to the customers’ wishes and changes in the market, Synsam is constantly developing the technology, for example through automation, and by bringing together insights and knowledge from different industries in planning and production.

The purpose of the production and innovation centre is not only to be a production operation but also to serve as a hub for sustainable innovation for the entire industry. Recovery of residual materials, new alternative production methods and skills development are at the core of the business. Production at Synsam’s in-house facility on Frösön started in 2022, and in 2023 Synsam followed the ramp-up plan initially adopted for the project in order to gradually scale up the volumes, continue digitising production, increase productivity and automation, and provide an attractive workplace for the employees.

CASE

Jämtö is made from bio-material



SUSTAINABILITY

Synsam's sustainability management

Sustainability governance

Synsam's sustainability governance is part of the Group's corporate governance model. Sustainability work at Synsam is governed by the Group's sustainability framework and other policies. Group management has the ultimate responsibility for goals, implementation and follow-up. Synsam's values – customer focus, responsibility and innovation – together with the company's Code of Conduct, set the framework and provide guidance in decision-making and actions for the entire Group. The Code applies to all employees and is part of the on-boarding programme for all new employees. Synsam's Supplier 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. Synsam is able to guarantee safe, high-quality customer interactions by always following rules and guidelines to ensure clinical quality. The use of certifications is an important part of ensuring an offering of high clinical quality. As an example of clinical quality, the Swedish stores are certified according to the quality standards of the optical trade association Optikbranschen. This certification is based on the rules governing the clinical aspects of the optician's activity and summarises the National Board of Health and Welfare's regulation for opticians and the Patient Data Act (PDL) in a certification that is regularly checked and audited through in-store visits. Processing customers' personal data in a safe and secure manner is extremely important to Synsam.

Synsam works actively to ensure compliance with data protection legislation such as local patient data laws and the General Data Protection Regulation (GDPR). Synsam has a number of Group-wide and country-specific policies to support its sustainability efforts. These include the Code of Conduct, Supplier Code of Conduct, whistleblower policy, health and safety policy, equal treatment policy and anti-corruption policy. The Group's policies are available on its intranet.

Materiality assessment

During the year, Synsam prepared for the upcoming EU CSRD. A double materiality assessment was conducted. The results form the basis for those parts of the ESRS that the Group is required to report on.

An ongoing dialogue with stakeholders

Dialogue with internal and external stakeholders is an important tool in the development of Synsam's sustainability work and its priority areas. Stakeholder dialogues enable the Group to clarify and explain its sustainability strategy on a detailed level, while gaining valuable feedback from stakeholders.

Synsam's main external stakeholders are its customers, owners and partners, while internal stakeholders include Board members and employees. Employees are the Group's most important ambassadors, and their opinions are an important requirement for continuous improvement efforts in the area of sustainability as

well as for the business as a whole. Employees are encouraged to take initiatives within the framework of sustainability work, which also helps to create a sense of commitment and knowledge about what sustainability work entails at the Group.

Data collection

In 2023, Synsam developed its methods and procedures for expanded data collection. The Group uses a digital system that compiles and can compare sustainability data over the years. Work to further improve and expand data collection will continue in 2024.

Synsam Group's reporting in accordance with the EU Taxonomy Regulation

Application of the Taxonomy Regulation commenced on 1 January 2022 for two climate-related environmental objectives. From 1 January 2023, it also applies to the following four environmental objectives: water and marine resources, transition to a circular economy, pollution prevention and control, and biodiversity. The EU Taxonomy Regulation (EU 2020/852) aims to facilitate the identification and comparison of environmentally sustainable investments through a common classification system. Large public-interest entities that are subject to the sustainability reporting requirements of the Non-Financial Reporting Directive (NFRD) are to disclose the proportion of their Taxonomy-eligible activities. The Taxonomy is based on activities that, according to research, account for a large share of

GHG emissions and which the EU believes have a crucial role to play in the transition to a low-carbon, climate-resilient and resource-efficient economy. Synsam Group's main economic activity, optical and eye health retailing, as well as Synsam's manufacturing of eyewear frames at the innovation centre on Frösön, are not yet included in the Taxonomy, which means that only a limited proportion of its activities are Taxonomy-eligible. Synsam Group reports on environmental objective 1: climate change mitigation.

Assessment of alignment with the Taxonomy Regulation

Synsam's property holdings (leased premises)
Synsam Group conducts Taxonomy-eligible activity 7.7 Acquisition and ownership of buildings in accordance with the environmental objective "climate change mitigation". The premises that Synsam leases are recognised as right-of-use assets in accordance with IFRS 16, which means that they are Taxonomy-eligible. Synsam's investments in adapting leased premises and repairs and maintenance of leased premises are also Taxonomy-eligible. The proportion of Synsam's turnover, CapEx and OpEx that is Taxonomy-eligible and meets the criteria to be classified as sustainable is presented on the following pages.

Synsam's sales of second-hand goods

Synsam Group's Synsam Outlet store concept sells second-hand goods, which qualifies as Taxonomy-

eligible activity 5.4 Sale of second-hand goods in accordance with the environmental objective “circular economy”. However, only the spectacle frames, and not the lenses, are a second-hand good and thus Taxonomy-eligible. Synsam Group’s sales of second-hand goods in 2023 do not meet the materiality criteria and the Group has chosen not to report these sales as turnover of Taxonomy-eligible activities.

Reporting policies

The proportion of activities that are environmentally sustainable according to the Taxonomy is to be reported through three key performance indicators (KPIs) broken down for each of the EU’s six environmental objectives. Synsam Group’s approach to calculating the three KPIs is described below. The risk of double counting is mitigated as Synsam Group only reports in accordance with one environmental objective: climate change mitigation. The other environmental objectives are not currently considered relevant to the Group’s economic activities.

Turnover

Total turnover corresponds to reported net sales for the financial year (see net sales for the Group on page 65 and in Note 3). The accounting policies for the Group’s revenue recognition are presented in further detail in Note 1.

CapEx

Synsam Group’s non-current assets include right-of-use assets for store premises. Synsam Group mainly leases store premises, and the majority of the Group’s recognised non-current assets are thus attributable to right-of-use assets for the leases signed by the Group. Other investments in non-current assets include shop fittings, machinery, IT equipment and vehicles. The value of the Taxonomy-eligible assets corresponds to the cost

of the assets divided by the total non-current assets, including right-of-use assets, acquired during the current reporting period (see Notes 8, 10 and 11). Total CapEx refers to additions to tangible and intangible non-current assets during the year before depreciation, amortisation and impairment and excluding changes in fair value. Total CapEx also includes additions and revaluations of right-of-use assets and tangible and intangible non-current assets related to business combinations. Goodwill is not included.

OpEx

According to the Taxonomy, Taxonomy-eligible OpEx corresponds to direct, non-capitalised costs that relate to day-to-day servicing that may be or may become environmentally sustainable. More specifically, this includes building renovation measures, short-term leases, maintenance and repair. For Synsam Group, this includes repair and maintenance costs for premises and equipment.

Nuclear and fossil gas related activities

On 1 January 2023, a supplementary delegated regulation entered into force which aims to require companies to declare Taxonomy alignment for certain nuclear and fossil gas related activities. Nuclear power and fossil gas are considered by the European Parliament to be environmentally sustainable on a temporary basis as they are seen as important elements in the transition to reduced GHG emissions. Synsam Group does not currently conduct activities in any of these areas.

Nuclear and fossil gas related activities

	Yes/No
Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Turnover

Turnover	2023		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")					Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)	
	Code (2)	Turnover (3)	Proportion of turnover (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)					Biodiversity (16)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which Enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	E	
Of which Transitional		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
																		EL; N/EL	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		5,905	100%																
Total		5,905	100%																

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

N/EL = Not eligible, Taxonomy non-eligible activity for the relevant environmental objective

EL = Taxonomy eligible activity for the relevant objective

T = Transitional activity

E = Enabling activity

CCM = Climate Change Mitigation

CCA = Climate Change Adaptation

WTR = Water and Marine Resources

CE = Circular Economy

PPC = Pollution Prevention and Control

BIO = Biodiversity and Ecosystems

CapEx

CapEx	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which Enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	E	
Of which Transitional		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
																		74%	
Acquisition and ownership of buildings (leased premises and leasehold investments)	CCM 7.7	362	67%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		362	67%	67%	-	-	-	-	-									74%	
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		362	67%	67%	-	-	-	-	-									74%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		180	33%																
Total		541	100%																

1) All percentages are stated relative to Synsam Group's total CapEx for the period.
CapEx of taxonomy-eligible activities refers to leased premises and leasehold investments

N/EL = Not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL = Taxonomy eligible activity for the relevant objective
T = Transitional activity
E = Enabling activity
CCM = Climate Change Mitigation
CCA = Climate Change Adaptation
WTR = Water and Marine Resources
CE = Circular Economy
PPC = Pollution Prevention and Control
BIO = Biodiversity and Ecosystems

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	67%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

OpEx

OpEx	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which Enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	E	
Of which Transitional		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Acquisition and ownership of buildings (leased premises)	CCM 7.7	66	88%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								82%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		66	88%	-	-	-	-	-	-								82%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		66	88%	-	-	-	-	-	-								82%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		9	12%																
Total (A+B)		74	100%																

1) All percentages are stated relative to Synsam Group's total OpEx related to tangible non-current assets during the period. CapEx of taxonomy-eligible activities refers to variable costs for leased premises, which does not include CapEx for leased premises, as well as repairs and maintenance of leased premises.

N/EL = Not eligible, Taxonomy non-eligible activity for the relevant environmental objective
 EL = Taxonomy eligible activity for the relevant objective
 T = Transitional activity
 E = Enabling activity
 CCM = Climate Change Mitigation
 CCA = Climate Change Adaptation
 WTR = Water and Marine Resources
 CE = Circular Economy
 PPC = Pollution Prevention and Control
 BIO = Biodiversity and Ecosystems

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	88%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Synsam AB (publ), corporate identity number 556946-3358.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2023 on pages 25-44 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the audit

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.

Opinion

A statutory sustainability report has been prepared.

Stockholm March 26, 2024
Deloitte AB

Johan Telander
Authorized Public Accountant

For signature please see Swedish version of the report.



A photograph of an elderly woman with white curly hair and glasses, adjusting her glasses. She is wearing a white top. The background shows shelves with various pairs of glasses in an optician's shop. A large orange diagonal graphic is on the left side of the page.

Financial statements

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Annual accounts and consolidated financial statements for the 2023 financial year

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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 2023 financial year.

Operations

Synsam is a leading and profitable lifestyle company in optical retail 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 operated both as directly owned stores and by franchisees, which also exist in Iceland and the Faroe Islands. The stores in Sweden, Norway and Finland are operated under the Synsam brand and under the Profil Optik brand in Denmark and Iceland, except Synsam Outlets which are always operated under the Synsam brand. Synsam has a unique offering of eye examinations, spectacles, sunglasses, sports spectacles, contact lenses and accessories in optical retail as well as spectacles subscriptions and 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 optical retail and eye health.

Business concept

Synsam is a customer-driven and sustainable lifestyle company that offers affordable eyewear, fashion and eye health solutions for the whole family through unique and innovative concepts for all moments of life.

Financial targets

- **Growth rate** – Synsam Group targets annual organic growth of 8–12 percent in the medium term, depending on pace of greenfield expansion
- **Profitability** – Synsam Group targets an annual adjusted EBITDA margin of 25 percent 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 percent of the net profit for the year

Significant events during the year

First quarter

- Synsam held a capital markets day on 20 January 2023, where the primary message was that Synsam is adhering to its financial targets and investing in innovation and improved efficiency.
- Synsam Group was named “Business Wellness Company of the Year” for 2023. The jury highlighted Synsam’s innovative power, development of new business models and customer offerings, and ability to balance commercial drivers with sustainable targets.

Second quarter

- Synsam’s Annual General Meeting was held on 25 April 2023. The Annual General Meeting resolved to reelect Peter Törnquist, Kenneth Bengtsson, Ann Hellenius, Helena Johnson, Terje List, Håkan Lundstedt, Gustaf Martin-Löf and Christoffer Sjøqvist, and to elect Anna Omstedt as a new Board member. Philip Røpcke had declined reelection. Peter Törnquist was also reelected as Chairman of the Board. Deloitte AB was elected as the Group’s new auditor for the period until the end of the next Annual General Meeting, with Johan Telander as auditor in charge.
- A dividend of SEK 1.70 per share was also approved. The Annual General Meeting also resolved to introduce an additional long-term incentive programme (LTIP 2023) for the company’s Group management and other selected key individuals, as per the Board’s proposal. No cost for LTIP 2023 was charged to the second quarter of 2023. For other resolutions and documentation from the 2023 Annual General Meeting, refer to Synsam Group’s website: www.synsamgroup.com.
- Synsam wins the “Store salesperson of the year 2023.” The Retail Awards is the gala award ceremony for the entire Swedish retail sector and was established to promote individual efforts that rewards companies and to highlight the best role models in the industry. Lova Lindgren, store salesperson at Synsam Outlet in Umeå, won the Retail Awards’ gold medal. Lova was recognised for her successful sales results combined with customer service that help improve the company’s positive performance.

Third quarter

- Participation in LTIP 2023 was subscribed for on 26 September 2023. No cost for the programme was charged to the third quarter of 2023. To ensure delivery of shares to participants in the programme, own shares will be purchased during the fourth quarter of 2023.

Fourth quarter

- In accordance with the decision from the Board of Directors of Synsam AB (publ), with the support of the authorisation granted by the Annual General Meeting held on 25 April 2023, 686,323 own shares in Synsam were purchased to ensure delivery of shares under LTIP 2023. Own shares were purchased through Nasdaq Stockholm from 15 to 29 December 2023 for an amount of SEK 30 million.
- The production plant’s second collection, Oscar Eide, a locally produced alternative offered to customers in the Nordic market, was launched for sale in stores.
- In October, Synsam placed first in the category “Optical Retail & Accessories” at the Swedish Market Awards for the second year in a row. The jury made the following statement: “This year’s winner has continued to expand, adding new stores, new innovative concepts and first-class customer service. The results of its ambitious and deliberate work are reflected in its performance measures, which are impressive in this turbulent time for retail. Congratulations Synsam!”

FINANCIAL DEVELOPMENT

Group net sales

Net sales increased 11.9 percent to SEK 5,905 million (5,277). Organic growth was 10.3 percent (10.6) and like-for-like growth was 7.1 percent (6.7). The net effect of acquisitions is estimated to have had an impact on sales of SEK 11 million (2), equivalent to 0.2 of a percentage point (0.0). Currency translation effects had a positive impact of SEK 74 million (126) on net sales, corresponding to 1.4 percentage points (2.7).

The active customer base for Synsam Lifestyle subscriptions increased 21 percent to 620 thousand customers (511 thousand) compared with 31 December 2022. The annual churn rate for 2023 declined to 9.09 percent (9.45).

Net sales from spectacles subscriptions rose 15.1 percent to SEK 3,008 million (2,614), an increase attributable to all segments.

Net sales from Synsam Group's contact lens subscriptions increased to SEK 375 million (223), equivalent to growth of 68 percent. The introduction of contact lens subscriptions in Denmark is having a positive impact on growth. Synsam Group's contact lens subscription is a recurring purchase agreement with the right to cancel at least one week before the next delivery.

Synsam Group's net sales online increased to SEK 174 million (149), corresponding to 17 percent.

Group earnings

EBIT before depreciation and amortisation of tangible and intangible non-current assets (EBITDA)

EBITDA rose to SEK 1,440 million (1,217) and the EBITDA margin was 24.1 percent (22.8). This increase in earnings was largely a result of higher sales supported by Synsam's comprehensive offering including its attractive store concepts, own House Brands, digital solutions and Synsam Lifestyle subscriptions. The gross margin was somewhat lower compared with the year-earlier period due to increased purchase prices. Earnings were positively impacted by phase one of the ongoing cost and restructuring programme.

The start-up phase of production at Synsam Group's production and innovation centre in Östersund had a negative effect of SEK 19 million (27) on EBITDA.

EBIT before amortisation of intangible non-current assets (EBITA)

EBITA rose to SEK 850 million (698), corresponding to an EBITA margin of 14.2 percent (13.1). The increase in earnings was due to the same factors that impacted EBITDA, which were partially counteracted by higher depreciation as a result of accumulated higher investments in the last few years.

Additional earnings information

EBIT increased to SEK 696 million (552) in 2023 as a result of the same factors that impacted EBITDA, which were partially counteracted by higher depreciation and amortisation as a result of accumulated higher investments in the last few years.

Profit before tax was SEK 415 million (415) and profit after tax was SEK 311 million (328), of which tax

amounted to SEK -105 million (-87), corresponding to an effective tax rate of 25 percent (21). A decision from the Swedish Tax Agency resulted in a positive effect on tax of SEK 7 million (15). Non-deductible interest expense had a negative impact on tax.

Net financial items amounted to SEK -281 million (-137) for the full year. Exchange rate changes impacted net financial items by SEK -2 million compared with a positive impact of SEK 38 million in the year-earlier period. The Group recognises exchange rate adjustments for accounts receivable and accounts payable in net financial items. Interest income from Synsam Lifestyle amounted to SEK 249 million (135) and related credit costs amounted to SEK 352 million (206).

Synsam Group's annual churn rate

Synsam Group's annual churn rate, Synsam Lifestyle is a measure used to express the share of customers who terminated their spectacles subscriptions. The annual churn rate for 2023 declined to 9.09 percent (9.45). For definitions, see the section "Glossary and definitions" on page 107.

Cash flow

Operating activities

Cash flow from operating activities amounted to SEK 1,150 million (690). Tax paid totalled SEK -144 million (-153).

Investing activities

In 2023, investments in tangible and intangible non-current assets totalled SEK 247 million (382).

Financing activities

Cash and cash equivalents totalled SEK 582 million (444) at the end of the year. Exchange rate differences in cash and cash equivalents amounted to SEK -30 million (14). The existing bank loans, which were raised in connection with the Group's refinancing during the fourth quarter of 2021, are payable in full upon maturity and run for three and five years, respectively. No new bank loans were raised and no repayments took place during the year. In 2023, a dividend of SEK 253 million (255) was paid to Synsam's shareholders. In the fourth quarter, own shares were repurchased for SEK 30 million (47).

Financial position

Loans from financial institutions amounted to SEK 2,493 million (2,488) on 31 December 2023, of which current liabilities amounted to SEK 464 million (-). Unutilised credit lines amounted to SEK 940 million (940). Lease liabilities totalled SEK 762 million (909) on 31 December 2023. Net debt totalled SEK 2,720 million¹⁾ (2,969) at year-end.

In 2023, a dividend of SEK 253 million (255) was paid to Synsam's shareholders, which negatively impacted net debt. The repurchase of shares of SEK 30 million (47) negatively impacted net debt while currency effects on loans from financial institutions had a positive impact this year of SEK 2 million (-65) due to certain loans being raised in a currency other than SEK.

If net debt had been calculated not taking IFRS 16 in account, it would have amounted to SEK 1,971 million¹⁾ (2,073) on 31 December 2023.

1) As of the balance sheet date, cash and cash equivalents linked to holding accounts with financial institutions for the repurchase of shares as collateral for LTIP 2023 were pledged in an amount of SEK 37 million (-) and were therefore added back in the calculation of net debt.

Acquisitions and establishments

First quarter

During the first quarter, five directly owned stores were opened, four stores merged with other stores and one store was converted from the Synsam Outlet concept to a regular store.

Synsam Sweden opened a new store in Söderköping in the first quarter. At the same time, two stores merged with other stores: one in Hallunda Centrum and the Synsam Outlet on Drottninggatan in Stockholm.

Synsam Norway opened two new stores in the first quarter: one in Trondheim (Sirkus) and one in Molde.

Synsam Finland opened two new stores: one in Järvenpää and one in Riihimäki. Synsam Erottaja merged with another store at the beginning of the year, while the store Synsam Ideapark Lempäälä was converted from the Synsam Outlet concept to a regular store.

In Other and central functions, one Ai store in Sweden merged with another store.

No changes were made to the store portfolio in Synsam Denmark in the first quarter.

Second quarter

On 1 April 2023, Synsam acquired the operations of a former franchisee: the Synsam store at Järntorget in Gothenburg.

Synsam Sweden opened one new store in Tidaholm during the quarter, while Synsam Helsingborg Söder and Synsam Uppsala Trend merged with one store in each location.

Synsam Finland opened one new store – Synsam Kaari.

In Other and central functions, one Ai store in Sweden merged with another Synsam store.

The acquisition had a marginal impact on the Group's sales and earnings.

Third quarter

Synsam Sweden opened two new stores during the quarter, Synsam Hyllinge and Synsam Giraffen, Kalmar. Synsam Giraffen is the first Synsam store to offer a Synsam Outlet range in addition to the regular Synsam range.

In Synsam Denmark, the franchise store Profil Optik Akureyri closed.

In Synsam Norway, a new store opened in Egersund during the third quarter.

Synsam Finland opened two new stores during the quarter, Synsam Maxinge in Turku and Synsam Skanssi in Jomala, Åland.

Two new Synsam Hearing stores opened under Other and central functions in Sweden: one in Östersund and one in Luleå.

Fourth quarter

Synsam Sweden opened four new stores during the quarter, Synsam Frösön, Synsam Sigtuna, Synsam Åre and Synsam Askersund. The former franchise store Synsam Lysekil was purchased and became a wholly owned Synsam store during the quarter.

In Synsam Denmark, Profil Optik Kolding merged with Profil Optik Optikjær.

In Synsam Norway, two new stores were opened in the fourth quarter in Kristiansund and Narvik. Synsam Alta Brillehuset merged with Synsam Alta.

Synsam Finland opened two new stores in the fourth quarter, Synsam Myyrmanni in Helsinki and Synsam Zeppelin in Oulu, and Synsam Outlet Itis merged with Synsam Optilook Itäkeskus.

In Other and central functions, no changes occurred during the quarter.

One minor acquisition was completed, but this only had a marginal impact on the Group's sales and earnings.

Number of stores and omni concept

The total number of stores at the end of the year was 547 (536), of which 517 (503) were directly owned stores.

Synsam opened a total of 22 new stores in 2023, bringing the total number of new stores opened during the three-year period 2021–2023 to 85.

Synsam has created an integrated omni-concept that weaves together Synsam's digital and physical sales and service channels to provide the best product and service offering and purchasing and service experience for customers.

Five-year review

The table below summarises financial information for the financial years 2019–2023. Amounts in SEK million unless otherwise stated.

Group	2023	2022	2021	2020	2019
Net sales	5,905	5,277	4,669	3,806	3,741
Operating profit (EBIT)	696	552	633	402	397
Profit/loss before tax	415	415	163	-136	-129
Profit/loss after tax	311	328	51	-195	-178
Balance sheet total	8,036	8,019	7,603	7,258	6,893
EBITDA ¹⁾	1,440	1,217	1,189	934	925
Adjusted EBITDA ¹⁾	1,440	1,217	1,274	948	984
Earnings per share, before and after dilution, SEK ²⁾	2.08	2.19	0.60	-2.73	-2.48
Cash flow for the year	168	-326	-83	601	-62
Average number of employees	3,413	3,145	2,671	2,281	2,095

1) Alternative performance measures (APM), for definitions see the section "Financial definitions" on page 107.

2) For information on changes in the number of shares and average number of shares, see Notes 20 and 21.

DEVELOPMENT BY SEGMENT

Synsam Group comprises four segments: Sweden, Denmark, Norway and Finland. The segments include the sales derived from the various geographic markets, excluding sales that belong to Other and central functions, and the costs directly attributable to these sales. Certain costs are decided at the Group level and are therefore not included in the individual segments, including certain marketing expenses and other central activities and functions, such as the treasury, finance and IT functions. These costs are recognised in Other and central functions.

Net sales from external customers come from sales of goods (primarily sales of 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 for 2023 increased 11.9 percent to SEK 2,835 million (2,534). Organic growth was 11.5 percent (11.6) and like-for-like growth was 8.9 percent (8.5). EBITDA amounted to SEK 895 million (758).

Synsam has a strong brand and market position in Sweden, which was strengthened considerably in 2023. This increase in sales was a result of Synsam's comprehensive offering including its attractive store concepts, own House Brands, digital solutions and Synsam Lifestyle subscriptions. An increase in the number of new stores also contributed to growth.

The gross margin was somewhat lower than the preceding year, partially as a result of measures to ensure value for money. The mix effect in terms of gross margin was positively impacted by a higher share of Synsam Lifestyle subscription renewals but negatively affected by a higher share of online sales. The cost programme provided positive effects in 2023 and increased efficiency reduced personnel costs as a share of sales, which was partially offset by expenses for securing optician capacity in the short and long term, with Synsam EyeView now established in more than one third of Synsam Sweden's stores. The EBITDA margin strengthened in 2023.

Synsam Sweden's annual churn rate for Synsam Lifestyle was 8.36 percent (8.13).

Synsam Denmark

Net sales for 2023 increased 8.1 percent to SEK 1,181 million (1,093). Organic growth was 0.3 percent (3.9) and like-for-like growth was 0.2 percent (2.8). DKK currency effects had a positive impact of SEK 85 million (50) on net sales. EBITDA amounted to SEK 281 million (277).

Organic growth declined compared with the preceding year in a deeply competitive and weaker consumer market. The Danish Credit Agreement Act was amended on 1 July 2023, impacting credit rating assessments for customers of the Danish Lifestyle offering, which negatively impacted sales both directly and indirectly during the second half of 2023.

The gross margin was lower than in the preceding year as a result of more intense competition. As a result of the weaker sales trend combined with cost increases due to inflation, the EBITDA margin was lower in 2023 than in the preceding year. Measures have been taken and are expected to have an effect over both the short and long term, such as the introduction of Lifestyle Cash in the second half of the year, where the customer receives the benefits of the Lifestyle solution without making partial payments. A pilot test of Synsam EyeView has commenced in Denmark.

Synsam Denmark's annual churn rate for Synsam Lifestyle was 11.96 percent (13.82).

Synsam Norway

Net sales for 2023 increased 4.1 percent to SEK 1,175 million (1,128). Organic growth amounted to 8.9 percent (4.9), and like-for-like growth was also positive at 5.9 percent (3.6). NOK currency effects had a negative impact of SEK -55 million (58) on net sales. EBITDA amounted to SEK 236 million (239).

Sales growth was weaker in the fourth quarter than in previous quarters but was strong for full-year 2023. The action programme initiated at the start of 2023 led to reduced operating expenses as a share of sales. However, a lower gross margin resulted in a lower EBITDA margin. The market position improved in 2023, and in 2024, the focus is on enhancing efficiency.

New management has been in place for a year, which is beginning to have an impact on the results. The introduction of Synsam EyeView also aims to strengthen growth through increased optician capacity.

Synsam Norway's annual churn rate for Synsam Lifestyle was 9.05 percent (9.06).

Synsam Finland

Net sales for 2023 increased 50.2 percent to SEK 590 million (393). Organic growth was 39.1 percent (41.0). Like-for-like growth amounted to 22.3 percent (11.0). EUR currency effects had a positive impact of SEK 43 million (18) on net sales. EBITDA amounted to SEK 75 million (35).

Synsam Finland experienced very strong growth in 2023. Synsam Finland continued to capture significant market shares in 2023 after climbing to fourth place in the Finnish market in 2022. This increase in sales was a result of Synsam's comprehensive offering including its attractive store concepts, own House Brands, digital solutions and Synsam Lifestyle subscriptions. Store expansion in 2022 and new establishments in 2023 resulted in a higher cost base. However, increased sales resulted in benefits of scale, leading to a higher year-on-year EBITDA margin.

Synsam Finland's annual churn rate for Synsam Lifestyle was 7.64 percent (7.82).

OTHER INFORMATION

Other and central functions

External net sales for Other and central functions primarily comprise sales in the Ai Eyewear webshop, Synsam Hearing stores, sales of goods from the central warehouse to Synsam's franchise stores and a central component of sales for Synsam Lifestyle.

External net sales for Other and central functions totalled SEK 124 million (129). EBITDA amounted to SEK -46 million (-92). The EBITDA improvement in Other and central functions for full-year 2023 is almost equally attributable to efficiency improvements and increased cost recovery for central services for the segments. Further more, internal inventory gains for the central warehouse and the production unit are recognised in Other and central functions and had a negative impact of SEK 40 million (14) on EBITDA.

Material risks and uncertainties Risks related to the current geopolitical situation

Synsam has no direct or indirect exposure to Russia or Ukraine. Aside from the impact the war has had on the business environment in general, it has not had any material financial impact on Synsam. Synsam is monitoring the geopolitical and international security situation.

The ongoing Red Sea conflict will not significantly affect Synsam in the short or medium term.

Inflation

The rising inflation around the world has impacted Synsam in the form of higher costs. Synsam is continuing to take action to ensure profitability.

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. Known financial risks are managed in the financial policy, which consists of guidelines and rules describing the risk management mandate for the financial business.

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 swaps. Synsam Group does not apply hedge accounting.

For further information on change in the number of shares during the year, see Note 18.

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, customers tend to buy cheaper products and less frequently, but also appreciate having predictable expenses. 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. The Group has a strategic and an operational management team as Synsam's experience is that the decentralised

management model builds stronger teams and faster information flows, and makes decision-making more efficient. 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.

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 principal 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

The optical retail sector 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. Synsam also uses new technology, processes and ways of working when carrying out eye examinations, which increases optician capacity and improves customer accessibility.

Sustainability

The Group has prepared a sustainability report in accordance with the Annual Accounts Act and refers to pages 25-45. Neither the Parent Company nor any other company in the Group carries out activities subject to licensing.

The Parent Company

Synsam AB (publ), corporate identity number 556946-3358, is the Parent Company of the Group. The Parent Company's operations comprise the ownership and management of shares in subsidiaries and certain management activities.

Revenue for 2023 amounted to SEK 16 million (15) and profit after net financial items to SEK -166 million (-177). Net financial items in 2023 were affected by higher interest expenses compared with the preceding year, which was also offset by positive currency effects.

During the year, the Parent Company's equity was impacted by the dividend to Synsam's shareholders of SEK 253 million (255) and by the repurchase of own shares for SEK 30 million (47). For more information, see the Parent Company statement of changes in equity on page 70 and Note 21.

Employees

The average number of full-time employees in 2023 was 3,413, of whom 2,776 were women (3,145, of whom 2,539 were women).

Remuneration of senior executives

Guidelines on remuneration of senior executives are set out in Note 5. The current guidelines were adopted by the Annual General Meeting on 30 March 2021. No changes were proposed ahead of the 2024 Annual General Meeting. The 2023 Annual General Meeting resolved to introduce a long-term share-based incentive programme (LTIP 2023) for the company's Group management and other selected key individuals, as per the Board's proposal. A new share-based long-term programme, LTIP 2024, has been proposed ahead of the 2024 Annual General Meeting.

Events after the end of the year

- In accordance with the decision from the Board of Directors of Synsam AB (publ), with the support of the authorisation granted by the Annual General Meeting held on 25 April 2023, 768,677 own shares in Synsam were purchased to ensure delivery of shares under LTIP 2023. Own shares were purchased through Nasdaq Stockholm from 2 to 17 January 2024 for an amount of SEK 36 million.

Dividend

The Board proposes a dividend of SEK 1.80 (1.70) 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 profitable growth and seizing the opportunities for expansion we see in the market to continue to capture market share while maintaining profitability in line with our financial targets. Our assessment is that by investing in and prioritising growth in combination with innovation and efficiency, we are creating greater shareholder value for the future.

Proposed appropriation of profit

Amounts below are stated in Swedish kronor.

According to the balance sheet of Synsam AB (publ), the following non-restricted equity is at the disposal of the Annual General Meeting:

Retained earnings	3,631,256,162
Loss for the year	-148,754,498
Total	3,482,501,664

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

Dividend paid to shareholders	
SEK 1.80 SEK per share	265,680,000
Carried forward to new account	3,216,821,664
Total	3,482,501,664

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 1.80 per share or a total of SEK 265.7 million. The Group's equity/assets ratio is expected afterwards to be approximately 29 percent. The proposed cash dividend amounts to approximately 86 percent of net profit for the year per share for the Group, which is slightly 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.

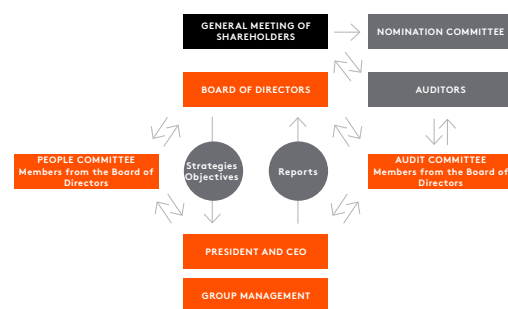
The Board of Directors estimates that the company's and the Group's equity, after the proposed dividend, will be sufficient in relation to the nature, scope, risks and the lenders' terms. The Board has also taken into account the Group's performance, liquidity, investment plan and economic situation.

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 governance of Synsam is based on the rules set out in the Swedish Companies Act (2005:551), the Swedish 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") as well as other applicable Swedish and foreign laws and regulations. The corporate governance report has been prepared in accordance with the Code.

The primary goal of Synsam's corporate governance is to create a framework outlining rules, areas of responsibility, and processes and procedures that protect the interests of the shareholders and other parties by minimising risks and creating the conditions for the secure expansion of the company's operations.



Swedish Corporate Governance Code

The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden. 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 deviations from the Code are permitted if they can be explained. Synsam did not deviate from the Code during the financial year.

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 Council or the Disciplinary Committee of Nasdaq Stockholm AB.

The share and shareholders

The Synsam share is listed on Nasdaq Stockholm, Mid Cap segment. The share capital on 31 December 2023 totalled SEK 1 million, distributed between 150,000,000 shares. At the end of the year, Synsam AB held 1,631,323 treasury shares. The total market capitalisation of the company as of 31 December 2023, based on the closing price of SEK 45.80, was SEK 6.87 billion. All shares (excluding treasury shares) carry equal voting rights and equal rights to the company's profit 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 as of 31 December 2023 was 9,410. On the same date, the ten largest shareholders

controlled 87.49 percent of the capital and votes, while foreign shareholders accounted for 71.83 percent 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 2023 was 55.95 percent. For further information on the Synsam share and shareholders, see pages 110–111.

General meeting of shareholders

Under the Swedish Companies Act, the general meeting of shareholders is the highest decision-making body of the company. The general meeting can decide on any company matter that does not expressly fall within the exclusive area of expertise of another corporate body. At the Annual General Meeting, which is 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 profit, discharge of the members of the Board of Directors and the CEO from liability for 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, notice of the Annual General Meeting is to be given through an 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 to be placed simultaneously in Dagens Nyheter stating that the meeting has been convened.

Right to attend the Annual General Meeting

All shareholders who are directly registered in the share register maintained by Euroclear six business days prior to the Annual General Meeting, and who have notified the company of their intention to attend the Annual General Meeting no later than the date specified in the notice of the meeting, are entitled to attend the Annual General Meeting and to vote according to the number of shares they hold. Shareholders may attend the Annual 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 Annual General Meeting must submit a written request in this regard to the Board of Directors. The request must normally be received by the Board of Directors at least seven weeks before the Annual General Meeting.

Nomination Committee

According to its instructions, 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 Chairman is to be appointed from among the committee members.

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

The main tasks of the Nomination Committee are to nominate candidates for Chairman of the Board and other members of the Board and to submit proposals for fees and other remuneration payable to each Board member. The committee also nominates candidates for the post of auditor and proposes the auditor's fee.

2023 Annual General Meeting

The 2023 Annual General Meeting of Synsam AB (publ) was held on Tuesday, 25 April 2023 at 11:00 a.m. (CEST) at Synsam AB's (publ) head office at Sankt Eriksgatan 60 in Stockholm, Sweden. The full minutes from the Annual General Meeting are available on the company's website, www.synsamgroup.com. In brief, the Annual General Meeting resolved as follows:

- to adopt the income statement and balance sheet and the consolidated accounts and consolidated balance sheet.
- to pay a dividend to shareholders of SEK 1.70 per share.
- to discharge the members of the Board of Directors and the CEO from liability.
- that Board fees are to amount to SEK 750,000 for the Chairman of the Board and SEK 325,000 for each of the other members elected by the general meeting who is not an employee of the Group; that fees for work on the Board's Audit Committee are to amount to SEK 160,000 for the Chairman of the Audit Committee and SEK 100,000 for each of the other members; and that fees for work on the Board's People Committee are to amount to SEK 100,000 for the Chairman of the People Committee and SEK 50,000 for each of the other members. It was noted

that proposed Board members Gustaf Martin-Löf and Christoffer Sjøqvist, who are employees of CVC, as in the past, had declined fees for their work on the Board and committees.

- that, for the period until the end of the next Annual General Meeting, Board members Peter Törnquist, Kenneth Bengtsson, Ann Hellenius, Helena Johnson, Terje List, Håkan Lundstedt, Gustaf Martin-Löf and Christoffer Sjøqvist be reelected, and Anna Omstedt be elected as a new Board member. Philip Røpcke had declined reelection. Peter Törnquist was also reelected as Chairman of the Board. Deloitte AB was elected as the Group's new auditor for the period until the end of the next Annual General Meeting, with Johan Telander as auditor in charge.
- to approve the Board's remuneration report for 2022.
- to authorise the Board, for the period until the next Annual General Meeting, to decide on issues of shares and/or warrants and/or convertibles in accordance with the Board's proposal.
- to authorise the Board, in accordance with the Board's proposal, to decide on the purchase of own shares on one or more occasions before the next Annual General Meeting.
- to adopt the Board's proposal to introduce a long-term share-based incentive programme (LTIP 2023) and, in connection therewith, to authorise the Board to decide on the purchase and transfer of own shares.
- to amend the Articles of Association in accordance with the Board's proposal.

Nomination Committee prior to the 2024 Annual General Meeting

Ahead of the 2024 Annual General Meeting, the Nomination Committee comprises Tomas Ekman, Committee Chairman (representing CVC/Theia Holdings S.å r.l.), Karin Eliasson (representing Handelsbanken Fonder), Lovisa Runge (representing the Fourth Swedish National Pension Fund), Henrik Söderberg (representing

C WorldWide Asset Management) and Peter Törnquist, Chairman of the Board.

2024 Annual General Meeting

The 2024 Annual General Meeting of Synsam AB (publ) is to be held on Friday, 26 April 2024 at 11:00 a.m. (CEST) at Synsam Group's head office at Sankt Eriksgatan 60 in Stockholm, Sweden. For further information, refer to the notice of the Annual General Meeting published 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 as well as the highest executive body. The responsibilities of the Board are governed at several levels. The responsibilities of the Board are mainly governed by the Swedish Companies Act. Under the Swedish Companies Act, the Board is responsible for the organisation of the company and the administration of its affairs. The Board of Directors also continuously assesses the company's financial situation and ensures that the company's organisation is structured in such a way that the accounting, management of funds and the company's other financial conditions are controlled in a satisfactory manner.

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, the instructions of the general meeting and the rules of procedure adopted by the Board. The rules of procedure govern, among other things, the Board's role and responsibilities, working methods and division of work. The Board also adopts instructions for the CEO 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 operations, and ensuring that there is adequate control of the company's compliance with the 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 discusses and decides on other matters deemed to fall outside the scope of the CEO's authority.

The Board is also responsible for ensuring that the necessary guidelines are established for the company's conduct in society, with a view to ensuring its long-term ability to create value, and for ensuring that the company's disclosure of information is transparent, accurate, reliable, relevant and not misleading. In addition, the responsibilities of the Board include appointing, evaluating and, if necessary, dismissing the CEO.

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 the Board under applicable laws 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 is to consist of three to ten members elected by the general meeting, with no

deputies. The Board consists of nine members elected by the Annual General Meeting.

The composition of the Board 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 proposals.

The Board 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 below. Board members are presented in more detail on pages 61–62.

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	People Committee
Peter Törnquist	Chairman, member	Yes/No	11/11	4/4 (Chairman)	9/9
Håkan Lundstedt	CEO, member	No/Yes	11/11		
Kenneth Bengtsson	Member	Yes/Yes	11/11		9/9 (Chairman)
Ann Hellenius	Member	Yes/Yes	11/11		
Helena Johnson	Member	Yes/Yes	10/11		
Terje List	Member	Yes/Yes	11/11	4/4	
Gustaf Martin-Löf	Member	Yes/No	9/11	4/4	
Christoffer Sjøqvist	Member	Yes/No	11/11		9/9
Anna Omstedt ⁴⁾	Member	Yes/No	7/7		
Philip Røpcke ⁴⁾	Member	Yes/No	4/4		

1) For further information on Board members, see pages 61–62. The work of the Board of Directors and its committees is described on page 56.

2) For information on year of birth, work experience, appointments and shareholdings, see pages 61–62.

3) Remuneration to members is described in Note 5, see pages 81–83.

4) Anna Omstedt was elected as a new Board member at the 2023 Annual General Meeting and Philip Røpcke declined reelection.

Board procedures

Immediately after the Annual General Meeting, the statutory 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, the members of the Audit Committee and People Committee 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, once in March prior to finalisation of the annual report, and once in June for strategic discussions. At the strategy meeting, the Board mainly discusses issues related to the Group's objectives and strategies, including its 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 meets the auditors once a year without senior management being present. The Board held 11 meetings in 2023.

The Board's rules of procedure specify which items on the agenda are fixed and which may vary. During the year, the Board addressed matters such as the Group's strategic direction, monitoring of the business plan, review of risk management, financial reporting and budget. Important business matters included growth areas such as Synsam Lifestyle, the handling of the optician situation and implementation of Synsam EyeView, measures in connection with the weak economic situation and higher inflation, the capital markets day, the strategy plan, and the focus on ear health. Committee work is an important element of the Board's work. The Board has drawn up instructions for the work of the committees. The People Committee and the Audit Committee discuss matters falling within their

areas of responsibility. Matters discussed at committee meetings are minuted and circulated to the other Board members at Board meetings.

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

The Board evaluates its work each year, and it is the responsibility of the Chairman of the Board to ensure that this is done. In 2023, the Chairman conducted a written survey of all Board members. The overall opinion in the 2023 evaluation was that the Board's work had functioned well during the year and that the Board had fulfilled the Code's requirements regarding its work.

Audit Committee

The Board has established an Audit Committee in accordance with the Swedish Companies Act. Under the Swedish Companies Act, the members of the committee may not be employed by the company and at least one member of the committee must have accounting or auditing expertise. The current 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 committee is responsible for overseeing the company's financial reporting, risk management and internal control as well as its accounting and auditing. It 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 on the election of auditors for resolution by the Annual General Meeting.

People Committee

The Board has established a People Committee. The committee consists of Kenneth Bengtsson (Chairman of the People 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 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 senior executives. The committee is responsible for preparing the Board's proposal for guidelines for remuneration and other terms of employment for the CEO and other senior executives. The committee is also responsible for providing input on certain other remuneration matters of principle or otherwise of material importance, such as stock option programmes and profit-sharing schemes, and for monitoring and evaluating the application of the guidelines for remuneration of senior executives 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 and the CEO
The Board appoints the CEO of the company. The division of work between the Board 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 is responsible for the company's governance, risk management, organisation, strategies, internal control and policies. The Board also resolves on major investments. In addition, the Board is responsible for the quality of the financial reporting.

Chief Executive Officer

The responsibilities of the CEO are governed at several levels. The responsibilities of the CEO are mainly governed by the Swedish Companies Act. Under the Swedish Companies Act, the CEO of a company is responsible for the day-to-day management of the company in accordance with the instructions and guidelines issued by the Board. The CEO is also responsible for taking the measures necessary to ensure that the company's accounts are kept in accordance with applicable laws and regulations and that the funds are managed in a satisfactory manner.

The CEO must also comply with the company's Articles of Association, guidelines issued by the general meeting, the instructions to the CEO including instructions for financial reporting, and other internal instructions and guidelines adopted by the Board. The division of work between the Board and the CEO is described in the instructions to the CEO including the instructions for financial reporting.

The CEO reports to the Board and is responsible for the administration of the company's management and the implementation of the decisions made by the Board. The CEO controls and supervises the presentation to the Board of the matters to be addressed by the Board in accordance with applicable laws, the Articles of Association or internal instructions, and is responsible for keeping 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 CEO, Håkan Lundstedt, is presented in more detail on page 61.

Senior executives

Synsam's Group 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 Group 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 Group management, are part of the strategic management group.

The operational management group is responsible for short-term issues, such as tactical marketing, campaigns, sales excellence, the Group's sales position and store communications. The CEO and the Managing Directors of each country, together with other members of Group 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 Group management should be present, the entire Group management meets.

Senior executives are presented in more detail on page 63–64.

Remuneration of Board members and senior executives

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 25 April 2023 resolved that the total remuneration for the members of the Board for the period until the next Annual General Meeting would be SEK 2,785,000.

SEK 750,000 is to be paid to the Chairman of the Board and SEK 325,000 each to Kenneth Bengtsson, Terje List, Helena Johnson, Ann Hellenius and Anna Omstedt. In addition, SEK 160,000 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 People Committee and SEK 50,000 each to the other members of the People Committee. Gustaf Martin-Löf and Christoffer Sjøqvist have declined remuneration for their membership of the Board, the Audit Committee and the People Committee. The members of the company's Board are not entitled to any benefits when they resign as Board members.

Remuneration of the CEO and other senior executives

Remuneration to senior executives is to be market-based in order to ensure Synsam's ability to recruit and retain competent executive management. The remuneration is 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 senior executives adopted by the Annual General Meeting on 30 March 2021.

Remuneration of the company's senior executives consists of fixed salary, variable remuneration based on annual performance-based targets (up to 100 percent of base salary), a long-term share-based incentive program (LTIP) 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 not permitted to constitute a significant part of the total remuneration.

Share-based incentive programmes

The 2023 Annual General Meeting resolved to introduce a long-term share-based incentive programme (LTIP

2023) for the company's Group management and other selected key individuals, as per the Board's proposal. In connection with this, the Annual General Meeting also resolved to authorise the Board to decide on the purchase and transfer of own shares. The overall purpose of LTIP 2023 is to establish the conditions to recruit and maintain competent staff in the Synsam Group, to increase the motivation of the staff, and to further align the interests of the employees and the company's shareholders. Participation in LTIP 2023 is conditional on the employees making own investments in shares in Synsam on Nasdaq Stockholm and/or the employees already holding shares in Synsam ("investment shares") and the investment shares being allocated to LTIP 2023. For information about the complete proposal, refer to the agenda for the 2023 Annual General Meeting on the company's website and Note 5.

The share-based incentive programme LTIP 2022 also remains in place.

Remuneration in the 2023 financial year

The remuneration received by the Board and senior executives for the 2023 financial year and the full guidelines are presented in Note 5.

Risk management

The Board 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. Through the mapping process, focus can be directed 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 the status and deviations to the CEO, Group management and the Board. 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 52–53.

Sustainability

Synsam has ambitious goals for its sustainability work. 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 Group's work related to 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 Group management's reporting.

Synsam is responsible for the sustainability of the value chain from start to finish, and the company has established high internal standards for employees and external standards for suppliers. The social responsibility of Synsam's own workforce is a very important aspect/ the most important aspect of the Group's sustainability work. The environment is also important, and the company reviews all aspects of the business, from design development to raw material purchasing, production and transportation. All aspects from sales through to product use and reuse and recycling are also reviewed. For each stage of Synsam's value chain,

processes and approaches for continuous improvement have been identified. See also the Sustainability Report on pages 25–45.

Internal control regarding financial reporting

The Swedish Companies Act and the Code govern the internal control responsibilities of the Board and the CEO. Under the Swedish Companies Act, the Board 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 Swedish Companies Act, the CEO of a company is responsible for the day-to-day management of the company in accordance with the instructions and guidelines of the Board. The CEO 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, the duties of the Board include ensuring that there are effective systems for monitoring and controlling the company's operations. Under the Swedish Companies Act, the Audit Committee is required, without prejudice to the responsibilities and duties of the Board 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, the Audit Committee, the CEO, other senior executives and other employees, that is 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 to ensure 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 over financial reporting.

The company's internal control 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 company's control environment consists of the organisational structure and the values, guidelines, policies, instructions, etc. that the organisation follows. Efficient Board work is the foundation for good internal control, and Synsam Group's Board has established rules of procedure and clear instructions for its work. This also includes the Board's People and Audit Committees.

One aspect of the Board's work is to prepare and approve the policies that govern the Group's internal

control. The Board is also to create the conditions for an organisational structure with clear roles and responsibilities that enable effective management of operating risks.

The Group has regulations in place governing levels of decision-making and authority that follow the Group's organisational structure. The aim of these regulations is to clarify who has the decision-making authority for investments, activities, signing agreements, etc. in each function as well as the limits on their amount. If the amount exceeds the function's mandate, the decision is made by the next level in the organisation. This is intended to maintain sound corporate governance and an awareness of decisions made at various levels in the organisation. The decision-making and authority framework forms the basis for Synsam's decision-making.

Executive management is responsible for implementing guidelines for maintaining sound internal control. The Group's internal control is continuously developed and improved. The executive management and the Audit Committee report regularly to the Board according to established procedures. All operations are to be conducted in accordance with the Group's Code of Conduct and business ethics guidelines.

Risk assessment and control activities

Synsam Group has an established a framework for risk management that includes identifying, analysing, categorising, rating, reporting and managing risk. Synsam Group evaluates each risk based on its likelihood and its impact on Synsam Group. The prioritisation of actions is then based on the grading according to the risk framework and the adopted risk acceptance. Synsam Group works continuously in various areas that have been deemed top priorities based on materiality and risk.

The processes and control structure are documented in a financial handbook that is updated regularly. The most material processes in the Group are continuously evaluated. The main risks are identified within each process. An assessment is then made of the adequacy of the controls carried out. Additional controls are introduced as necessary to reduce the risk to an acceptable level. There are financial controllers within the Group's finance function and business controllers in the operational units, and together they 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 time frames 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 report full financial statements every month, 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

The key policies, guidelines, instructions and manuals that are significant for the Group's internal control are updated regularly and communicated to the relevant employees. General guidelines and instructions are also available on the company's intranet. There are also formal and informal information channels where information from employees can be passed on to management and the Board. The Board receives

regular feedback on internal control issues from the operations through the Audit Committee. For external communication, there are guidelines in place to help meet the requirement that all information to the stock market is accurate.

Monitoring of internal control

Management and the Audit Committee report regularly to the Board according to established procedures. The Board receives updated information from the CEO through a monthly report for the Group. The monthly report also includes information regarding each segment's earnings and development in general.

Each interim report is analysed by the Audit Committee to ensure that the financial information is accurate. The Audit Committee also plays a central role in ensuring that there are sufficient control activities for the most material risk areas when it comes to financial reporting and in communicating material issues to the company's management, Board and auditors. An important part of this involves ensuring that any issues raised by the auditors are addressed.

Once per year, the entire Board meets with the auditors to review the external audit and discuss current issues. The auditors' report is part of the Board's work to form an opinion on the Group's internal control and the accuracy of the financial information. The CEO does not participate in any questions pertaining to management.

Internal audit

Following evaluations 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 whether to introduce a special internal audit function will be reviewed annually. In addition, the company has a Risk Committee that

continuously evaluates material risks and control activities.

Audit

The company's statutory auditor is appointed by the Annual General Meeting. The auditor examines the annual accounts and financial statements of the company, the consolidated financial statements and the accounts of its significant subsidiaries, and the administration of the Board and the CEO. After each financial year, the auditor submits an audit report to the Annual General Meeting.

The company's auditor is Deloitte, with Johan Telander as auditor in charge. Deloitte has a broad organisation with specialised skills well suited to Synsam's operations. Deloitte has been the company's auditor since 2023.

The total remuneration paid to auditors 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 maintaining 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 (Hons). International Institute for Management Development, Switzerland. Born 1953

Work experience: Former Chairman of the Board of ÅR Packaging AB, Board member and 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: Member of the Board of tt2 Aktieföretag and Quimper AB. **Committees:** Chairman of the Audit Committee. People Committee.

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

Shareholding: 57,000 shares held directly and indirectly by related parties (of which 55,000 shares relate to own holdings and 2,000 shares relate to holdings of a related party).



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: Chairman of the Board of XXL ASA. Member of the Board of Clas Ohlson AB.

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

Shareholding: 1,644,443 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 Board of Ahlsell AB (publ), Eurocommerce, Mekonomen AB, the Confederation of Swedish Enterprise, Swedish Commerce and Systembolaget AB.

Other significant appointments: Chairman of the Board of Clas Ohlson AB, Ersta Diakoni, JY Holding AB (publ), Lyko Group AB (publ), Mio AB, SJ AB and World Childhood Foundation.

Committees: Chairman of the People Committee.

Independence: Independent in relation to the company and its 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 Board of H&H Group, Conapto Group, HiQ International and Micro Systemation AB.

Other significant appointments: Managing Director of Capgemini Invent Sweden, Denmark and Finland. Member of the Board of JY Holding AB (publ), Volvofinans Bank AB and HSB Affärsstöd AB.

Independence: Independent in relation to the company and its 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: Previously HO HR of the SEB division LC&FI & IM, 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 Truepenny Capital Management AB, and Founder/CEO of Harmonica AB.

Independence: Independent in relation to the company and its 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 Enigheden Produktion A/S.

Other significant appointments: CEO of KFI Erhvervsdrivende Fond, 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, Ahlsell Förvaltning AB, Cary Group Holding 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, SGL Group ApS, Kirkeholmen ApS and Twoday Holding Denmark ApS, Branch Manager for CVC Denmark, branch of CVC Advisers International S.à.r.l., Luxembourg.

Committees: People Committee.

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

Shareholding: None.



Anna Omstedt

Member of the Board of Synsam Group since 2023.

M.Sc., Stockholm School of Economics, Sweden and Hitotsubashi Daigaku, Tokyo.

Born 1974

Work experience: Co-founder and CEO of Tasteline, Vice President of Svenska Dagbladet Digital Media and member of the Board of Tasteline, Sportamore and Swedish Radio.

Other significant appointments: Co-founder and CEO of Med Universe AB, board assignments in Praktikertjänst AB, Hemfrid AB and the Swedish Heart Lung Foundation.

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

Shareholding: None.

Changes to the Board of Directors since the 2023 Annual General Meeting

Anna Omstedt was elected as a new Board member at the 2023 Annual General Meeting. Former Board member Philip Røpcke declined reelection.

Group 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.



Krister Duwe

Managing Director Sweden since 2016 and COO of Synsam Group since 2022.

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 BiXtra Sweden AB.

Shareholding: 447,801 shares.



Hanna Ekstrand

Managing Director of Synsam Outlet 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: 78,952 shares held directly and indirectly by related parties (of which 56,431 shares relate to own holdings and 22,521 shares relate to holdings of a related legal entity).



Jimmy Engström

Chief Commercial Officer since 2022 (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: 127,031 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 of a 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: 37,901 shares.



Ingrid Holm

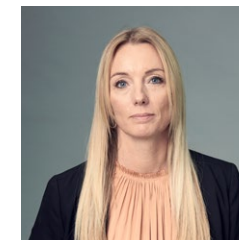
Managing Director Norway since 2023 (employed since 2017).

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: 30,630 shares.



Tina Høyer Gaardsholt

Managing Director Denmark since 2017.

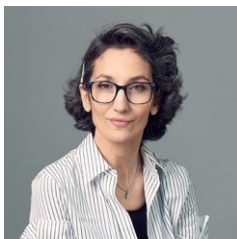
Born: 1977

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: 46,273 shares.

Group management



Marina Kerekliidou

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 Kerekliidou AB. Fashion stylist for 20 years. 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, Prohana 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 a related natural person).



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: 228,154 shares.



Olav Torgersen

Chief Optical Officer since 2018 (employed since 2011).

Born: 1961

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

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

Chief Marketing and People & HR Officer since 2023 (employed since 2015).

Born: 1972

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

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

Shareholding: 152,696 shares.

Changes in Group management

The following individuals left Group management in 2023: Michael Grimborg in the first quarter, Malcolm Lidbeck in the third quarter and Martin Daniels in the fourth quarter.

Consolidated statement of income and other comprehensive income

Amounts in SEK million	Note	2023	2022
Net sales	3	5,905	5,277
Other operating income	3	79	72
Total revenue		5,985	5,349
Goods for resale		-1,447	-1,279
Other external expenses	4, 14	-682	-667
Personnel costs	5	-2,415	-2,186
Depreciation and amortisation of tangible and intangible assets and right-of-use assets	8, 9, 10, 11	-744	-665
Operating expenses		-5,289	-4,797
Operating profit (EBIT)		696	552
Financial income	6	273	184
Financial expenses	6	-554	-322
Net financial items		-281	-137
Profit before tax		415	415
Income tax	7, 12	-105	-87
Profit for the year		311	328
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		-95	75
Comprehensive income for the year		215	402
Profit for the year attributable to Parent Company shareholders		311	328
Comprehensive income for the year attributable to Parent Company shareholders		215	402
Earnings per share	20		
Before and after dilution (SEK)		2.08	2.19

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

Consolidated statement of financial position

Amounts in SEK million	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	8, 9		
Goodwill		2,609	2,627
Trademarks		1,520	1,555
Customer relations		325	436
Software and licences		87	94
Total intangible assets		4,541	4,712
Tangible assets	10		
Tangible assets		680	699
Total tangible assets		680	699
Right-of-use assets	11		
Right-of-use assets		779	878
Total right-of-use assets		779	878
Financial assets			
Other financial assets		32	27
Total financial assets		32	27
Deferred tax assets	12	72	60
Total non-current assets		6,104	6,375
Current assets			
Inventories	13	707	597
Current receivables			
Accounts receivable	14	486	414
Other receivables		39	47
Prepaid expenses and accrued income	15	119	142
Total current receivables		643	603
Cash and cash equivalents	16, 17, 18	582	444
Total current assets		1,932	1,644
Total assets		8,036	8,019

Amounts in SEK million	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity	21		
Share capital		1	1
Other paid-in capital		4,306	4,306
Reserves		95	191
Retained earnings including profit/loss for the year		-1,886	-1,913
Equity attributable to Parent Company shareholders		2,516	2,584
Non-current liabilities			
Loans from financial institutions	18	2,029	2,488
Lease liabilities	18	440	592
Other non-current liabilities	18	46	42
Pension obligations	5, 22	4	5
Other provisions	22	-	1
Deferred tax liabilities	12	513	514
Total non-current liabilities		3,032	3,641
Current liabilities			
Loans from financial institutions	16, 18	464	-
Lease liabilities	16, 18	322	317
Accounts payable	16	892	728
Current tax liabilities	7	117	156
Other liabilities		286	225
Accrued expenses and deferred income	23	408	367
Total current liabilities		2,489	1,794
Total equity and liabilities		8,036	8,019

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 2022	1	4,306	116	-1,944	2,479
Profit for the year	-	-	-	328	328
Other comprehensive income for the year	-	-	75	-	75
Comprehensive income for the year	-	-	75	328	402
Transactions with shareholders:					
Repurchase of own shares	-	-	-	-47	-47
Share savings programme	-	-	-	5	5
Dividend ¹⁾	-	-	-	-255	-255
Total transactions with shareholders	-	-	-	-297	-297
Closing equity 31 Dec 2022	1	4,306	191	-1,913	2,584
Opening equity 1 Jan 2023	1	4,306	191	-1,913	2,584
Profit for the year	-	-	-	311	311
Other comprehensive income for the year	-	-	-95	-	-95
Comprehensive income for the year	-	-	-95	311	215
Translation IFRS 16	-	-	-	-12	-12
Transactions with shareholders:					
Repurchase of own shares	-	-	-	-30	-30
Share savings programme	-	-	-	11	11
Dividend ¹⁾	-	-	-	-253	-253
Total transactions with shareholders	-	-	-	-272	-272
Closing equity 31 Dec 2023	1	4,306	95	-1,886	2,516

1) A dividend of SEK 1.70 (1.70) per share has been paid.

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	2023	2022
Operating activities			
Profit before tax		415	415
Adjustments for non-cash items	24	804	631
Income taxes paid		-144	-153
		1,076	893
Change in operating receivables		-53	20
Change in inventories		-118	-148
Change in operating liabilities		246	-75
		74	-203
Cash flow from operating activities		1,150	690
Investing activities			
Acquisitions of subsidiaries and operations	26	-23	-1
Investments in intangible assets	8	-32	-30
Investments in tangible assets	10	-216	-352
Investments in financial assets		0	-2
Cash flow from investing activities		-270	-385
Financing activities	24		
Repurchase of own shares		-30	-47
Repayment of lease liabilities		-429	-328
Dividend		-253	-255
Cash flow from financing activities		-712	-631
Cash flow for the year		168	-326
Cash and cash equivalents at the beginning of the year		444	755
Exchange rate differences in cash and cash equivalents		-30	14
Cash and cash equivalents at the end of the year	17	582	444

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

Parent Company income statement

Amounts in SEK million	Note	2023	2022
Net sales	3	16	15
Operating income		16	15
Other external expenses	4	-9	-11
Personnel costs	5	-26	-25
Depreciation of tangible assets		0	0
Operating expenses		-35	-36
Operating loss		-19	-21
Other interest income and similar profit/loss items	6	22	0
Interest expense and similar profit/loss items	6	-169	-155
Total loss from financial items		-147	-155
Loss after financial items		-166	-177
Appropriations			
Tax allocation reserve		-6	-2
Group contribution received		27	102
Loss before tax		-145	-77
Tax on profit/loss for the year	7	-4	-1
Loss for the year		-149	-78

Parent Company statement of income and other comprehensive income

Amounts in SEK million	Note	2023	2022
Loss for the year		-149	-78
Comprehensive income for the year		-149	-78

Parent Company balance sheet

Amounts in SEK million	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Tangible assets			
Tangible assets		–	0
Total tangible assets		–	0
Financial assets			
Participations in Group companies	25	6,927	6,927
Total financial assets		6,927	6,927
Total non-current assets		6,927	6,927
Current assets			
Current receivables			
Receivables from Group companies	16, 19	47	110
Other receivables		0	0
Prepaid expenses and accrued income		1	1
Total current receivables		48	111
Cash and bank balances	16, 17	37	0
Total current assets		85	111
Total assets		7,012	7,038

Amounts in SEK million	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity	21		
<i>Restricted equity</i>			
Share capital		1	1
<i>Non-restricted equity</i>			
Retained earnings		3,631	3,981
Loss for the year		-149	-78
Total equity		3,484	3,904
Untaxed reserves			
Tax allocation reserve		9	3
Non-current liabilities	16, 19		
Loans from financial institutions		2,029	2,488
Liabilities to Group companies		400	398
Other non-current liabilities		–	0
Total non-current liabilities		2,429	2,886
Current liabilities			
Loans from financial institutions	16, 19	464	–
Accounts payable	16	1	1
Liabilities to Group companies	16, 19	589	213
Current tax liabilities		6	1
Other liabilities		14	14
Accrued expenses and deferred income	23	16	16
Total current liabilities		1,090	245
Total equity and liabilities		7,012	7,038

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 2022	1	3,996	283		4,279
Profit/loss for the year	-	-	-78		-78
Other comprehensive income for the year	-	-	-		-
Comprehensive income for the year	-	-	-78		-78
Transfer according to appropriation of profit	-	-3,996	3,996		-
Transactions with shareholders:					
Repurchase of own shares	-	-	-47		-47
Share savings programme	-	-	5		5
Dividend	-	-	-255		-255
Total transactions with shareholders	-	-	-297		-297
Closing equity 31 Dec 2022	1	-	3,903		3,904
Opening equity 1 Jan 2023	1	-	3,903		3,904
Profit/loss for the year	-	-	-149		-149
Other comprehensive income for the year	-	-	-		-
Comprehensive income for the year	-	-	-149		-149
Transactions with shareholders:					
Repurchase of own shares	-	-	-30		-30
Share savings programme	-	-	11		11
Dividend	-	-	-253		-253
Total transactions with shareholders	-	-	-272		-272
Closing equity 31 Dec 2023	1	-	3,483		3,484

Parent Company cash flow statement

Amounts in SEK million	Note	2023	2022
Operating activities			
Loss after financial items		-166	-177
Adjustments for non-cash items	24	8	88
Income taxes paid		-	-1
		-158	-89
Change in operating receivables		101	198
Change in operating liabilities		378	194
Cash flow from changes in working capital		479	392
Cash flow from operating activities		320	302
Cash flow from investing activities		-	-
Financing activities			
Repurchase of own shares		-30	-47
Dividend		-253	-255
Cash flow from financing activities		-283	-302
Cash flow for the year		37	0
Cash and cash equivalents at the beginning of the year		0	0
Exchange rate differences in cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year	17	37	0

Notes for the Parent Company and the Group

NOTE 1 ACCOUNTING AND MEASUREMENT POLICIES

General information

Synsam AB (publ) and its subsidiaries (jointly the "Group") are active in the areas of optical retail eye health and conducts operations in local stores in Sweden, Denmark, Norway and Finland as well as through online/omnichannel sales in each of these countries. Stores are operated both as directly owned stores and as franchises, which also exist in Iceland and the Faroe Islands. The stores are operated under the Synsam brand in Sweden, Norway and Finland and under the Profil Optik brand in Denmark and Iceland, except for Synsam Outlets which are always operated under the Synsam brand. Synsam offers eye examinations, spectacles, sunglasses, sports spectacles, contact lenses and accessories in optical retail as well as spectacles subscriptions and related services under the name Synsam Lifestyle. Synsam offers a mix of well-known external brands as well as House Brands.

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 (publ) is listed on Nasdaq Stockholm and the principal shareholder is Theia Holdings S.à.r.l.

The annual accounts and consolidated financial statements of Synsam AB (publ) (the "Parent Company") and its subsidiaries (jointly the "Group") were approved for issue by the Board of Directors on 26 March 2024 and will be submitted to the Annual General Meeting on 26 April 2024.

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 12 months from the balance sheet date, while current assets essentially comprise amounts expected to be recovered or paid within 12 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 12 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 in which 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 2023

No new standards and interpretations applied by Synsam Group as of 1 January 2023 have had a material impact on the Group's financial statements.

Changed accounting policies in 2023 and later

A number of new standards and amendments to interpretations and existing standards are effective for financial years beginning after 1 January 2023. 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 an influence over the investment to affect the return. In assessing whether a controlling influence exists, potential vote-conferring shares are taken into consideration, in addition to whether de facto control exists. The composition of the Group is presented in Note 25.

Translation of foreign subsidiaries

Subsidiaries in other countries prepare their financial statements in foreign currencies. The items in these companies' balance sheets are translated into SEK at the closing rate of exchange. Revenue and expenses in foreign operations are translated into SEK 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, acquired assets and assumed liabilities are identified and measured at fair value on the acquisition date (known as an acquisition analysis). The acquisition analysis also involves assessing whether there are intangible assets 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 of 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 profit or loss 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.

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 differences arising on translation are recognised in net financial items and included in profit or 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.

Net sales

Revenue is measured based on the contract with the customer and represents the consideration to which the Group expects to be entitled in exchange for transferring promised goods and services. Revenue is recognised excluding value-added tax, returns and discounts (such as temporary campaign offers), and after elimination of intra-Group 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.

Sale of services

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

Synsam Lifestyle

Synsam Lifestyle involves a subscription contract with a customer for spectacles and contact lenses. Although differences in contract 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 contract with the customer is a rental agreement (in Sweden, Norway and Finland) or instalment purchase (in Denmark) for spectacles for 24 months or longer. In Sweden, Norway and Finland, ownership remains with Synsam until such time as the customer chooses to terminate the contract. In Denmark, ownership is transferred at the time of purchase. Under the terms of the Synsam Lifestyle subscriptions, Synsam applies the

principles of for finance leases for manufacturers or retailers.

Synsam has entered into agreements with external credit companies to sell most of the receivables from customers that arise as a result of the Synsam Lifestyle contracts. For sold Synsam Lifestyle subscriptions, revenue calculated at present value (net sales) and the opening interest component (financial income) for the entire contract period is recognised when the customer receives their spectacles. In cases where a customer receives spectacles on multiple occasions, the revenue calculated at present value and the opening interest component for the entire contract period are recognised for each pair as the customer receives them.

Receivables sold to external credit companies are not recognised in the company's own accounts after payment from the credit company has been made. Until payment is made, the receivables are recognised in the company's own accounts as accounts receivable. Synsam therefore receives payment for the entire subscription period with very short lead times. Receivables not yet sold to external credit companies are recognised as accrued income, see also Note 15.

Lifestyle Cash without partial payments

Since 1 July 2023, Synsam Lifestyle subscriptions are also sold in Denmark without partial payments under the name Lifestyle Cash. Revenue from Lifestyle Cash is recognised as a normal sale of goods.

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 revenue on the date the goods are delivered.

A contact lens subscription can also be included as a product in Synsam Lifestyle. This contact lens subscription is recognised under contact lens subscriptions, meaning that revenue is recognised upon the delivery of contact lenses. Revenue from contact lens subscriptions is not included in revenue from Synsam Lifestyle.

Other operating income

Franchise fee revenue

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.

Synsam Group comprises four segments: Sweden, Denmark, Norway and Finland. The segments include the sales derived from the various geographic markets, excluding sales that belong to Other and central functions, and the costs directly attributable to these sales. Certain costs are decided at the Group level and are therefore not included in the individual segments, including certain marketing expenses and Other central activities and functions, such as the treasury, finance and IT functions.

These costs are recognised in Other and central functions. Net sales from external customers come from sales of goods (primarily sales of 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. As of the third quarter of 2022, the item goods for resale in the consolidated income statement also includes smaller amounts for raw materials and consumables as well as changes in inventories of finished goods and products in progress. The amounts are not recognised separately on the basis of materiality.

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 22.

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.

Remuneration upon termination

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.

Share-based incentive programmes

Synsam has share-based incentive programmes in the form of a share savings programme.

The cost for the programmes is recognised based on the fair value per share right at the time of allocation, calculated by an independent third party using the Monte Carlo model, and the number of shares expected to be earned. This remuneration is recognised as a personnel cost during the vesting period, with an equivalent increase in equity. To the extent the vesting terms in the programme are connected to market-related performance conditions (total shareholder return, TSR), these are taken into consideration when calculating the fair value of the share rights. Performance conditions (see also Note 5) as well as employment conditions (continued employment)

impact personnel costs during the vesting period through changes in the number of shares expected at the end of the programme. At the end of each reporting period, the Group reviews its assessment of the number of shares that are expected to be earned based on the performance conditions and employment conditions.

When shares are allocated, social security contributions are recognised in certain countries for the value of the employee benefit. The Group continuously recognises a liability for social security contributions for this remuneration. The liability is revalued continuously based on the fair value of the share-based remuneration on the balance sheet date accrued over the vesting period.

Other external expenses

Other external expenses mainly comprise expenses for sales, marketing, administration, rent for premises and bad debt losses. Rent for premises includes only variable costs for premises.

Financial income and expenses

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

During the 2022 and 2023 financial years, the Group did not hold any derivatives.

Exchange gains and exchange losses on cash and cash equivalents, internal balances, accounts receivable and accounts payable are recognised in net financial items. Net financial items also include 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 on 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 statement of income and other comprehensive income unless the tax is attributable to an event or 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 (or the Parent Company's balance sheet) 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 the amount is recognised as a current tax liability pending the resolution of the dispute. See also Note 2 and Note 7.

Accounting for government grants and disclosure of government assistance

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.

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 do 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 statement of income and other comprehensive income.

The following amortisation periods are applied:

- Customer relations 5–15 years
- Software and licences 3–7 years
- Trademarks 15 years or indefinite useful life (see below)

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 unit to which the assets 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. 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 non-current assets

Tangible non-current 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 and capital losses on the divestment of non-current assets are recognised as other operating income and other operating expenses, respectively.

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

The following depreciation periods are applied:

- Equipment, tools, fixtures and fittings 3–15 years
- Cost of leasehold improvements 5–15 years

A tangible non-current 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 recognises in principle all leases in the statement of financial position, on the date the leased asset is available for use by the Group. Depreciation of the asset is recognised in EBIT 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 statement of financial position.

Most of the Group's right-of-use assets comprise leases for premises 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. However, the lease term for the production and innovation centre in Östersund is 15 years. The terms are negotiated

separately for each lease, and contain several 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 on which the leased asset is available for use by the Group. Each lease payment is distributed between amortisation of liabilities and financial expenses. Financial expenses are distributed over the lease term so that each reporting period is charged with an amount that corresponds to a 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 calculation of the present value is based on an incremental borrowing rate determined by country, maturity and creditworthiness of the respective entity.

The terms used for the leases 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 leases 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 indexation).

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

- the amount at which the lease liability was originally measured
- any lease payments made on or before the commencement date less any lease incentives received in conjunction with signing the lease
- any initial direct costs, and
- fees for restoring the asset to the condition stated in the terms of the lease.

Certain leases 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.

Impairment of tangible and intangible non-current 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 profit or loss in the period in which it has been established.

Reversal of impairment

An impairment 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 assumptions 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. In addition to contingent considerations, which are measured at fair value through profit or loss, all of Synsam's financial instruments are measured at amortised cost. 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.

Impairment of financial assets

Impairment of financial assets is carried out using a basic approach based on monitoring of 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 receivables 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 and Synsam therefore receives payment for the entire subscription period with very short lead times. The expected remaining risk of bad debt losses for Synsam Lifestyle agreements is assessed according to the same model as for accounts receivable without financing components.

A reserve is made for expected bad debt losses and is established on the basis of historical experiences of bad debt losses on 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. In addition to goods for resale, the Group's inventories include minor amounts pertaining to inventories of finished goods and products in progress as well as raw materials and consumables. The cost of finished goods and products in progress comprises direct material costs, direct salaries and attributable indirect manufacturing costs (based on normal manufacturing capacity).

Cash and cash equivalents

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

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.

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 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 acquisitions 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 the share capital and associated expenses, the repurchase of own shares, raising loans (excluding increases in lease liabilities related to IFRS 16),

repayment of interest-bearing liabilities, cash flow related to the repayment of lease liabilities under IFRS 16 and dividends to shareholders.

Parent Company accounting and measurement policies

The same accounting and measurement 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 Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

For the Parent Company, an income statement and a statement of 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 stipulations of the Swedish Annual Accounts Act, while the statement of income 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 impairment. 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. Impairment is recognised in financial expenses in the income statement. Cost includes the purchase consideration paid for the shares and acquisition costs. Any capital contributions are added to the cost as they arise. Dividends from subsidiaries are recognised as revenue.

Leases

The Parent Company recognises all leases, to the extent that they exist, in accordance with RFR 2. In accordance with RFR 2, 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. Note references in brackets.

Impairment testing of goodwill and trademarks with indefinite useful lives (Notes 8–9)

When testing goodwill and trademarks for impairment, the carrying amount is compared with the recoverable amount. Recoverable amount refers to the higher of an asset's net realisable value and value in use. As there are normally no quoted prices that can be used to assess the net realisable value of the asset, the value in use is normally the value with which the carrying amount is compared. The calculation of the value in use is based on assumptions and judgements. Key assumptions include the future development of revenue and margins, including price and volume development and required rates of return, which are used to discount future cash flows. In accordance with the description provided, changes to the conditions on which these assumptions and estimates are based could have a material impact on the value of goodwill or trademarks.

Impairment testing of other intangible non-current assets (Notes 8–9)

Carrying amounts for Synsam's other intangible non-current assets are tested for impairment whenever events or changes in conditions indicate that the carrying amount cannot be recovered. The asset's recoverable amount is established when such analysis indicates that the carrying amount is too high. The recoverable amount is the higher of an asset's fair value less selling expenses and value in

use. The value in use is calculated as the expected future discounted cash flow from the asset or alternatively the cash-generating unit to which the asset belongs.

Right-of-use assets and lease liabilities (Notes 11 and 18)

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.

Income tax (Notes 7 and 12)

Significant judgements are made in determining both current and deferred tax liabilities and assets, particularly the value of deferred tax assets. Actual results may differ from these judgements, partly due to changes in the future business climate and tax rules or due to the outcome of public authorities' or tax courts' as yet uncompleted examinations of tax declarations.

Climate change

When preparing the financial statements, the impact of climate risks and the Group's sustainability strategy have been taken into account. Management does not believe that the considerations made have had any material impact on the judgements and estimates in the financial statements. The measurement of the Group's assets and liabilities had therefore not been significantly affected by these risks as of 31 December 2023.

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

	Group	
	2023	2022
Breakdown of net sales by operating activities:		
Synsam Lifestyle	3,008	2,614
Other sales of goods and services	2,897	2,663
Total net sales	5,905	5,277
Other revenue is broken down as follows:		
Franchise fee revenue	10	10
Other revenue	69	62
Total other revenue	79	72

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.

The chief operating decision-maker does not continuously monitor the balance sheet for each segment. 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. 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.

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 central warehouse is a part of Other and central functions. The segments continuously utilise about 96 percent of the central warehouse's profit to reduce the cost of goods for resale based on the segments' actual purchasing volumes for the period. The warehouse's internal profit that arises from sales to the stores is recognised in Other and central functions. The central warehouse is operated as a separate profit centre, but is not sufficiently material to be presented as a

separate segment in the financial statements and is not continuously monitored by the chief operating decision maker. As of the third quarter of 2022, frames are manufactured at Synsam Group's production and innovation centre in Östersund and are sold internally to the central warehouse and then on to the stores.

External net sales for Other and central functions primarily comprise sales in physical Ai stores and Ai Eyewear webshop, Synsam Hearing stores, sales of goods from the central warehouse to Synsam's franchise stores and a central component of sales for Synsam Lifestyle.

Parent Company sales are shown in the table below:

	Parent Company	
	2023	2022
Net sales:		
Intra-Group sales	16	15
External sales	–	–
Total net sales	16	15

Segment information	Sweden		Denmark		Norway		Finland		Other and central functions		Eliminations		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales, Synsam Lifestyle	1,586	1,374	558	495	546	507	290	187	28	52	-	-	3,008	2,614
Net sales, other	1,250	1,160	623	598	629	622	299	206	96	77	-	-	2,897	2,663
Total net sales	2,835	2,534	1,181	1,093	1,175	1,128	590	393	124	129	-	-	5,905	5,277
Net sales, internal	-	-	-	-	-	-	-	-	1,231	1,070	-1,231	-1,070	-	-
Other operating income	11	12	1	2	2	4	0	0	65	54			79	72
Gross profit ¹⁾	2,194	1,977	892	835	861	848	408	275	182	135			4,538	4,070
Gross margin ¹⁾	77.0%	77.5%	75.5%	76.3%	73.1%	74.8%	69.1%	70.0%	94.2%	62.4%			75.5%	75.8%
EBITDA ¹⁾	895	758	281	277	236	239	75	35	-46	-92			1,440	1,217
Depreciation of tangible assets including right-of-use assets	-247	-226	-103	-90	-106	-105	-98	-69	-37	-29			-591	-519
EBITA ¹⁾	648	533	178	187	130	134	-24	-34	-83	-121			850	698
Amortisation of intangible assets	-4	-4	-1	-1	-1	-1	0	0	-148	-139			-154	-146
EBIT	644	528	177	186	129	133	-24	-35	-231	-261			696	552
Net financial items													-281	-137
Profit before tax													415	415
EBITDA margin, % ¹⁾	31.5%	29.8%	23.7%	25.3%	20.1%	21.1%	12.6%	8.9%	n/a	n/a			24.1%	22.8%
EBITA margin, % ¹⁾	22.8%	20.9%	15.1%	17.1%	11.0%	11.8%	-4.0%	-8.7%	n/a	n/a			14.2%	13.1%
Average number of employees	1,646	1,533	569	564	662	632	298	228	238	187			3,413	3,145
Number of stores														
Directly owned	224	218	112	113	118	114	55	50	8	8			517	503
Franchise	26	28	2	3	2	2	-	-	-	-			30	33
Total number of stores	250	246	114	116	120	116	55	50	8	8			547	536

1) Relates to alternative performance measures. EBITDA is defined as operating profit before depreciation and amortisation of tangible non-current assets and intangible non-current assets as well as right-of-use assets. EBITDA margin is defined and calculated as EBITDA as a percentage of total revenue. For definitions of other alternative performance measures, see the section "Financial definitions" on page 107.

Net sales by geographical market are broken down as follows:

	Group	
	2023	2022
Sweden	2,937	2,638
Denmark	1,173	1,095
Norway	1,198	1,145
Finland	597	399
Total net sales	5,905	5,277

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

	Group	
	2023	2022
Sweden	2,835	2,943
Denmark	1,702	1,763
Norway	1,152	1,275
Finland	311	307
Total	6,000	6,289

NOTE 4 AUDIT FEES

	Group		Parent Company	
	2023	2022	2023	2022
Deloitte				
Audit engagement	4	-	2	-
Tax advice	0	-	-	-
Other engagements	1	-	-	-
Total Deloitte	5	-	2	-
KPMG				
Audit engagement	-	6	-	2
Tax advice	-	1	-	0
Other engagements	-	1	-	-
Total KPMG	-	7	-	2
Total audit fees	5	7	2	2

Audit engagement refers to the audit of the annual report and accounting records and the administration by the Board of Directors and the CEO, 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

	Group		Parent Company	
	2023	2022	2023	2022
Average number of employees				
Sweden total	1,877	1,713	1	1
Of whom women	1,539	1,402	-	-
Denmark total	575	570	-	-
Of whom women	458	448	-	-
Norway total	663	633	-	-
Of whom women	524	499	-	-
Finland total	298	228	-	-
Of whom women	255	191	-	-
Total	3,413	3,145	1	1
Of whom women	2,776	2,539	-	-

	Group		Parent Company	
	2023	2022	2023	2022
Salaries, remuneration, social security contributions and pension expenses				
Salaries and remuneration to Board and CEO	16	18	16	18
Salaries and remuneration to other employees	1,689	1,578	-	-
Statutory and contractual social security contributions	342	299	6	5
Pension expenses, defined contribution plans for Board and CEO	3	3	3	3
Pension expenses, defined contribution plans for other employees	148	125	-	-
Total	2,198	2,023	25	26

Remuneration of Board members and senior executives

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 25 April 2023 resolved that the total remuneration for the members of the Board for the

period until the next Annual General Meeting would be SEK 2,785,000. SEK 750,000 is to be paid to the Chairman of the Board and SEK 325,000 each to Kenneth Bengtsson, Terje List, Helena Johnson, Ann Hellenius and Anna Omstedt. In addition, SEK 160,000 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 Chairman of the People

Committee and SEK 50,000 each to the other members of the People Committee. Gustaf Martin-Löf and Christoffer Sjøqvist have declined remuneration for their membership of the Board, the Audit Committee and the People Committee.

The members of the company's Board are not entitled to any benefits when they resign as Board members.

Remuneration of the CEO and other senior executives

Remuneration to senior executives is to be market-based in order to ensure Synsam's ability to recruit and retain competent executive management. The remuneration is 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 senior executives adopted by the Annual General Meeting on 30 March 2021.

The remuneration of the company's senior executives consists of fixed salary, variable remuneration based on annual performance-based targets, the long-term incentive programme (LTIP) and other benefits such as non-monetary benefits, pension and insurance.

Matters regarding remuneration of management are resolved by the Board's People Committee. Remuneration of the CEO is decided on by the Board in its entirety. However, long-term share-based incentive programmes are resolved by the Annual General Meeting.

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 Group management and is to be competitive with prevailing market standards. Fixed salary is to be reviewed annually by the People 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 People 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 further align the interests of 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 percent of fixed salary. The company does not have any deferral periods or the ability to limit or waive variable compensation that has been 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 Group management is employed. Pension premiums for defined contribution pensions are not to exceed 35 percent of the fixed annual basic salary. For benefits such as a company car allowance and health insurance, the value must not exceed 15 percent of the fixed annual basic salary. These benefits are not permitted to constitute a significant part of the total remuneration.

Share-based incentive programmes

The 2023 Annual General Meeting resolved to introduce a long-term share-based incentive programme (LTIP 2023) for the company's Group management and other selected key individuals, as per the Board's proposal. In connection with this, the Annual General Meeting also resolved to authorise the Board to decide on the purchase and transfer of own shares. The share-based incentive programme LTIP 2022 also remains in place. The overall purpose of LTIP 2023 and LTIP 2022 is to establish the conditions to recruit and maintain competent staff in the Synsam Group, to increase the motivation of the staff, and to further align the interests of the employees and the company's shareholders. Participation in LTIP 2023 and LTIP 2022 is conditional on the employees making own investments in shares in Synsam on Nasdaq Stockholm and/or the employees already holding shares in Synsam ("investment shares") and the investment shares being allocated to LTIP 2023 and LTIP 2022, respectively.

LTIP 2022

Each participant in LTIP 2022 will receive one performance share right ("Performance Share Right") free of charge that entitles the participant to be allocated a number of shares in Synsam ("Performance Shares") free of charge by Synsam or by a specified third party, provided that the conditions for receiving Performance Shares are met. The vesting period for LTIP 2022 began on the allocation date, which was in June 2022, and extends until the publication of the interim report for 1 January–31 March 2024. Allocation under LTIP 2022 after the end of the vesting period will be determined based on the degree of fulfilment of the performance conditions described below.

Of the total number of Performance Shares that may be allocated:

– 40 percent will depend on organic growth in directly owned stores at the Group level ("Organic Growth")

Senior executives/category	Basic salary/Board fees ¹⁾		Variable remuneration ³⁾		Other benefits		Pension expenses		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Peter Törnquist, Chairman of the Board	0.9	0.9							0.9	0.9
Kenneth Bengtsson, Board member	0.4	0.4							0.4	0.4
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	0.4	0.4							0.4	0.4
Gustaf Martin-Löf, Board member	–	–							–	–
Anna Omstedt, Board member, as of 25 April 2023	0.2	–							0.2	–
Philip Røpcke, Board member, until 25 April 2023	–	–							–	–
Christoffer Sjøqvist, Board member	–	–							–	–
Håkan Lundstedt, CEO and Board member	8.3	8.0	4.9	8.2	0.4	0.2	2.8	2.7	16.5	19.1
Other senior executives, average 14 (16) ²⁾	29.3	31.4	10.5	15.6	1.6	0.9	5.3	6.5	46.7	54.5
Total	40.2	41.7	15.4	23.8	2.0	1.1	8.2	9.3	65.8	75.8

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. Board fees include fees for members of the Board's committees.

2) Other senior executives refers to the 12 (15) persons who, together with the CEO, make up Group management. Remuneration of individuals in Group management is included in the table above from the month in which they were first included in the group until they leave the Group. Group management, including the CEO, comprised 13 people at year-end and an average of 15 during the year. For a presentation of Group management and changes to its composition, refer to pages 63–64.

3) Bonuses to the President and CEO and other senior executives include costs for the long-term share-based incentive programmes (LTIP).

reaching the target level established by the Board for the 2022 and 2023 financial years.

– 40 percent will depend on adjusted EBITDA at the Group level ("Adjusted EBITDA") reaching the target level established by the Board for the 2022 and 2023 financial years.

– 20 percent will depend on the relative total return ("TSR") during the vesting period for Synsam's shareholders compared with the corresponding TSR for shareholders in other companies included in a group predetermined by the Board.

The Board has established a minimum level and maximum level during the measurement period, and the outcome will

be measured according to a linear scale. The outcome for each category of performance conditions will be determined individually, which entails that the minimum levels for allocation in all categories of performance conditions will need to be fulfilled for the allocation of Performance Shares to take place.

In accordance with the conditions, Synsam's Group management and other key individuals in the Group (a total of 76 individuals) purchased or already held 83,400 shares. LTIP 2022 may encompass a maximum of 945,000 shares in Synsam. To ensure delivery of shares under LTIP 2022, the company repurchased 548,483 and 396,517 shares during the periods 7–14 October and 17–28

November 2022, respectively, corresponding to a total of 945,000 shares for a total price of SEK 47 million. Given that the total number of shares in Synsam is 150,000,000, this corresponds to 0.63 percent. The cost for the programme, excluding social security contributions, is recognised based on the fair value per share right at the time of allocation (SEK 59.60) and the calculated number of shares expected to be earned. The total cost for the year amounted to SEK 11 million, of which social security contributions accounted for SEK 2 million.

LTIP 2023

Each participant in LTIP 2023 will receive one performance share right ("Performance Share Right") free of charge that entitles the participant to be allocated a number of shares in Synsam ("Performance Shares") free of charge by Synsam or by a specified third party, provided that the conditions for receiving Performance Shares are met. The vesting period for LTIP 2023 began on the allocation date, which was in June 2023, and extends until the publication of the interim report for 1 January – 31 March 2026.

Allocation under LTIP 2023 after the end of the vesting period will be determined based on the degree of fulfilment of the performance conditions described below.

Of the total number of Performance Shares that may be allocated:

- 30 percent will depend on organic growth in directly owned stores at the Group level ("Organic Growth") reaching the target level established by the Board for the 2023, 2024 and 2025 financial years.
- 30 percent will depend on adjusted EBITDA at the Group level ("Adjusted EBITDA") reaching the target levels established by the Board for the 2023, 2024 and 2025 financial years.
- 20 percent will depend on the number of frames sold in Synsam Outlet stores as well as the number of second hand frames sold in Synsam's other stores reaching the target levels established by the Board during the period from 1 April 2023 to 31 March 2026.
- 20 percent will depend on the relative total return ("TSR") during the vesting period for Synsam's shareholders compared with the corresponding TSR for shareholders in other companies included in a group predetermined by the Board.

The Board has established a minimum level and maximum level during the measurement period, and the outcome will be measured according to a linear scale. The outcome for each category of performance conditions will be

determined individually, which entails that the minimum levels for allocation in all categories of performance conditions will need to be fulfilled for the allocation of Performance Shares to take place.

In accordance with the conditions, Synsam's Group management and other key individuals in the Group (a total of 76 individuals) purchased or already held 90,700 shares.

LTIP 2023 may encompass a maximum of 1,455,000 shares in Synsam. To ensure delivery of shares under LTIP 2023, the company repurchased 686,323 shares during the period 15–19 December 2023 for a price of SEK 30 million. After the end of the financial year, the company repurchased a further 768,677 shares during the period 2–17 January 2024 for a price of SEK 36 million. Thereafter, the total number of shares repurchased to ensure delivery under LTIP 2023 amounts to 1,455,000, for a total price of SEK 65 million, corresponding to 0.98 percent of the number of shares outstanding. The cost for the programme, excluding social security contributions, is recognised based on the fair value per share right at the time of allocation (SEK 37.40) and the calculated number of shares expected to be earned. The total cost for the year amounted to SEK 3 million, of which social security contributions accounted for SEK 1 million.

There are currently no other share-based incentive programmes.

Period of notice and remuneration after termination of employment

For the CEO and senior executives, 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.

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 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 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 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 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 has not reduced or clawed back any remuneration paid in 2023.

Gender distribution in senior management on the balance sheet date	Group		Parent Company	
	2023	2022	2023	2022
Men	7	10	1	1
Women	6	6	–	–
Total	13	16	1	1

Number of Board members on the balance sheet date	Group		Parent Company	
	2023	2022	2023	2022
Men	6	7	6	7
Women	3	2	3	2
Total	9	9	9	9

NOTE 6 FINANCIAL INCOME AND EXPENSES

Financial income from assets recognised at amortised cost

	Group		Parent Company	
	2023	2022	2023	2022
Exchange gains ¹⁾	-	38	22	-
Interest income leases/Synsam Lifestyle	249	135	-	-
Interest income, other external	25	11	0	0
Total financial income	273	184	22	0

Financial expenses from financial liabilities measured at amortised cost

	Group		Parent Company	
	2023	2022	2023	2022
Exchange losses ¹⁾	-2	-	-	-73
Interest expenses, financial institutions	-149	-68	-133	-59
Other interest expenses, intra-Group	-	-	-23	-9
Interest expenses, IFRS 16 Leases	-38	-34	-	-
Other financial expenses ²⁾	-366	-220	-14	-14
Sub-total financial expenses	-554	-322	-169	-155
Total financial expenses	-554	-322	-169	-155
Total net financial items	-281	-137	-147	-155

1) The Group's exchange differences pertaining to accounts receivable and accounts payable are recognised in net financial items.

2) This item includes the Group's credit costs related to Synsam Lifestyle of SEK 352 million (206).

NOTE 7 TAXES

	Group		Parent Company	
	2023	2022	2023	2022
Current tax	-109	-90	-4	-1
Deferred tax	5	3	-	-
Tax on profit/loss for the year	-105	-87	-4	-1
Recognised profit/loss before tax	415	415	-145	-77
Tax recognised in profit/loss for the year				
Tax at the current rate in Sweden	-86	-85	30	16
Effect of different tax rates in foreign subsidiaries	-1	-3	-	-
Tax effect of non-deductible expenses and non-taxable income ¹⁾	5	-9	-34	-17
Increase in loss carryforwards without corresponding capitalisation of deferred tax	-25	-5	-	-
Utilisation of loss carryforwards, not previously capitalised	-	0	-	-
Tax effect attributable to previous year's taxation ²⁾	4	15	-	0
Other	-2	2	-	-
Total tax recognised in profit or loss for the year	-105	-87	-4	-1

1) For the Parent Company, this mainly comprises the effect of interest expense distributed within the Group in accordance with interest deduction limitation rules.

2) Mainly pertains to a reversed provision for a tax dispute. For further information, see below:

The Synsam Group is not covered by the new OECD Pillar Two Model Rules.

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. At the beginning of 2023, a provision corresponding to the reconsideration decision was reserved for a total of SEK 60 million, including penalty interest. In 2023, after a decision from the Swedish Tax Agency, a

portion of the provision was reversed, which had a positive earnings effect totalling SEK 7 million (16), of which SEK 7 million (15) was recognised as a reduction in costs for tax and SEK 0 million (1) was recognised as a reduction in financial expenses. At the end of 2023, the remaining provision plus penalty interest amounted to SEK 53 million (60). The legal process is ongoing, and Synsam's assessment is that the provision is sufficient to fully cover the dispute and the remaining risk pertains to a possible liquidity flow 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 2.7 million for the tax years 2015 and 2016. The Finnish subsidiary appealed the Finnish tax authority's decision to the administrative court, but the appeal was rejected on 9 June 2021.

An application for leave to appeal as well as the appeal was then submitted to the Supreme Administrative Court of Finland on 5 August 2021. In November 2022, the Supreme Administrative Court of Finland handed down a judgement, leading the Tax Agency to submit questions to Synsam in December 2022 that the company was asked to answer. Synsam submitted its answers to the Tax Agency in January 2023. In March 2023, Synsam received a proposed decision from the Tax Agency in which Synsam received a certain degree of support for its reasoning. Synsam submitted its answers to the Tax Agency in May 2023. Also in May, Synsam received a decision from the Tax Agency that did not differ from the proposed decision. The decision led to a decline in exposure for the second quarter of 2023. In July 2023, Synsam submitted an appeal of the decision to the Tax Agency. The Group has made a provision of SEK 2.1 million in the accounts for 2015 and 2016, including interest on overdue payments.

In addition, the Group has made a provision of SEK 0.7 million in the accounts for 2017 and onwards, including interest on overdue payments. The Finnish subsidiary has adjusted its VAT reporting for 2017 and the following years according to the Group's interpretation of the tax authority's new guidelines on the matter pertaining to the VAT audit of the 2015 and 2016 financial years. The subsidiary's adjustment is in line with the position advocated for by the vision and eye health sector organisation in Finland (NÄE ry). If the subsidiary were to adjust its VAT reporting for 2017 and the following years

according to the tax authority's interpretation of these guidelines, for example due to a disadvantageous outcome in the aforementioned tax dispute in Finland, this could have a negative effect of SEK 1.1 million on the Group's profit or loss. The total possible negative effect on the Group's income statement, including 2015 and 2016, amounts to SEK 1.7 million.

NOTE 8 INTANGIBLE NON-CURRENT ASSETS

	Goodwill		Trademarks		Customer relations		Software and licences		Total Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Cost at the beginning of the year	2,627	2,536	1,604	1,549	1,354	1,304	281	250	5,866	5,639
Investments	-	-	-	-	-	-	32	30	32	30
Business combinations	15	-	-	-	4	0	-	-	19	0
Reclassification	-1	-	-	-	1	-	-	-	-	-
Translation differences	-33	91	-31	55	-20	49	0	1	-84	196
Cost at the end of the year	2,609	2,627	1,573	1,604	1,338	1,354	312	281	5,832	5,866
Amortisation at the beginning of the year	-	-	-49	-42	-918	-779	-187	-154	-1,154	-974
Amortisation for the year	-	-	-6	-6	-110	-107	-38	-33	-154	-146
Translation differences	-	-	1	-2	16	-31	0	-1	16	-34
Amortisation at the end of the year	-	-	-54	-49	-1,012	-918	-225	-187	-1,291	-1,154
Carrying amount	2,609	2,627	1,520	1,555	325	436	87	94	4,541	4,712

“Software and licences” includes internally generated own work, which at the end of the year had a carrying amount of SEK 45 million (51). The remaining amortisation period for customer relations that rose when originally acquired is 3.5 years.

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

NOTE 9 IMPAIRMENT TESTING OF INTANGIBLE ASSETS

The Group conducts impairment testing annually for goodwill and trademarks with indefinite useful lives. The recoverable amounts for cash-generating units have been determined by estimating value in use. Estimated values in use are most sensitive to changes in the assumptions pertaining to growth rate, EBITDA margin and the relevant discount rate (weighted average cost of capital, WACC), which is used to discount future cash flows. Significant assumptions used for calculating the value in use in 2023 and 2022 are summarised as described below.

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 2023, 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 impairment was carried out for four cash-generating units, one for each country: Sweden, Denmark, Norway and Finland. The cash flows for the first three years were based on a budget and business plan approved by the Board. For the last two years, the calculation is based on a preliminary business plan. In order to extrapolate earnings performance beyond the planning horizon, a growth rate of 2.5 percent has been used for 2029 and onwards. 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 WACC for the Group after tax of 8.54 percent (7.96) for Sweden, 8.72 percent (8.30) for Denmark, 9.58 percent (8.69) for Norway and 9.01 percent (8.08) for Finland, has been used, depending on the interest rate levels and other circumstances in the various countries, corresponding to a WACC range of 10.1 to 11.7 percent in WACC before tax (9.4 to 10.4).

Sensitivity analysis

2023 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 are presented in the table

	Group	
	2023	2022
Sweden	620	620
Denmark	489	491
Norway	381	408
Finland	-	-
Total	1,490	1,519

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

below. Changes in value during the year have been impacted by changes in exchange rates.

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 2,609 million (2,627). Changes for the year have been impacted by exchange differences.

	Group	
	2023	2022
Sweden	1,250	1,235
Denmark	906	910
Norway	396	424
Finland	58	58
Total	2,609	2,627

NOTE 10 TANGIBLE NON-CURRENT ASSETS

	Cost of leasehold improvement		Equipment		Total Group	
	2023	2022	2023	2022	2023	2022
Cost at the beginning of the year	757	576	1,356	1,114	2,113	1,690
Investments	99	155	117	197	216	352
Business combinations	0	0	1	0	1	0
Disposals and retirements	0	-1	0	-2	-1	-3
Translation differences	-14	27	-22	46	-36	73
Cost at the end of the year	842	757	1,450	1,356	2,292	2,113
Depreciation at the beginning of the year	-468	-371	-946	-804	-1,414	-1,175
Depreciation for the year	-99	-80	-125	-106	-224	-186
Disposals and retirements	0	1	0	2	1	3
Translation differences	9	-18	16	-38	25	-56
Depreciation at the end of the year	-558	-468	-1,055	-946	-1,612	-1,414
Carrying amount	284	289	396	410	680	699

NOTE 11 RIGHT-OF-USE ASSETS

	Leases for premises		Tangible non-current assets, leases		Total Group	
	2023	2022	2023	2022	2023	2022
Carrying amount at the beginning of the year	865	668	13	17	878	684
Additional right-of-use assets	263	497	11	7	274	504
Translation IFRS 16	6	-	-	-	6	-
Depreciation for the year	-355	-322	-11	-11	-366	-333
Translation differences	-12	22	0	0	-13	22
Carrying amount at the end of the year	767	865	12	13	779	878

Most of the Group's right-of-use assets comprise leases for premises 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 18 Financial risks.

Amounts recognised in the consolidated income statement	Group	
	2023	2022
Depreciation of right-of-use assets	-366	-333
Interest expense for lease liability	-38	-34
Costs attributable to short-term leases	-	-
Costs attributable to low-value leases	0	-1
Costs attributable to variable lease expenses not included in the measurement of the lease liability	-58	-30
Total	-463	-398

The total cash outflow for leases in 2023 was approximately SEK 525 million (approximately SEK 390 million).

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.

The terms used for the leases coincide with the actual remaining contractual lease terms, which normally means that extension options are not taken into account.

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

NOTE 12 DEFERRED TAX

2023	Group				
	Opening balance	Business combinations	Recognised in profit/loss for the year	Other/Exchange rate change	Closing balance
Deferred tax asset					
Non-current assets	36	-	0	5	40
Other	24	-	10	-2	32
Total deferred tax asset	60	-	10	2	72
Deferred tax liabilities					
Non-current assets	-514	-	-5	7	-513
Total deferred tax liabilities	-514	-	-5	7	-513

2022	Group				
	Opening balance	Business combinations	Recognised in profit/loss for the year	Other/Exchange rate change	Closing balance
Deferred tax asset					
Non-current assets	35	-	0	1	36
Other	26	-	-2	0	24
Total deferred tax asset	61	-	-2	1	60
Deferred tax liabilities					
Non-current assets	-504	-	5	-15	-514
Total deferred tax liabilities	-504	-	5	-15	-514

The deferred tax assets and deferred tax liabilities arising as a result of leases entered into are recognised net in the balance sheet provided the conditions for set off have been fulfilled. As of 31 December 2023, deferred tax liabilities attributable to right-of-use assets amounted to SEK 160 million (181) and deferred tax assets attributable to lease liabilities amounted to SEK 169 million (188).

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 101 million (78). Of this amount, SEK 2 million (2) falls due within one year, SEK 30 million (24) between one and five years, and SEK 70 million (53) between six and ten years.

NOTE 13 INVENTORIES

	Group	
	2023	2022
Inventories before impairment	728	614
Impaired inventories	-22	-17
Value of inventories	707	597

As of 31 December 2023, inventories comprised SEK 692 million (593) in goods for resale, SEK 5 million (2) in finished goods, SEK 2 million (1) in products in progress, and SEK 8 million (2) in raw materials and consumables.

The reserve for obsolescence is included in the value of the inventories. Apart from the normal reserve for obsolescence, no significant impairment took place in 2023 or 2022.

NOTE 14 ACCOUNTS RECEIVABLE

	Group	
	2023	2022
Accounts receivable	502	431
Credit loss reserve	-16	-17
Total accounts receivable	486	414

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, 2023	Group			
	Gross	Reserve	Net	Reserve %
Accounts receivable not yet due	423	-	423	0.0%
Past due accounts receivable 1-30 days	19	-	19	0.0%
Past due accounts receivable >= 31-90 days	23	-	23	0.0%
Past due accounts receivable >= 91-180 days	10	-1	9	6.6%
Past due accounts receivable >= 181-360 days	9	-3	6	29.5%
Past due accounts receivable >= 361 days	18	-13	5	70.8%
Total	502	-16	486	3.2%

Age analysis, 2022	Group			
	Gross	Reserve	Net	Reserve %
Accounts receivable not yet due	190	-	190	0.0%
Past due accounts receivable 1-30 days	86	-	86	0.0%
Past due accounts receivable >= 31-90 days	130	-	130	0.0%
Past due accounts receivable >= 91-180 days	3	-1	3	20.3%
Past due accounts receivable >= 181-360 days	5	-2	3	40.0%
Past due accounts receivable >= 361 days	17	-14	3	79.9%
Total	431	-17	414	3.8%

Credit loss reserve	Group	
	2023	2022
Opening balance 1 January	-17	-16
Provision for expected credit losses	-2	-2
Actual losses	3	2
Reversed provisions, payments	0	1
Translation differences	0	-1
Closing balance 31 December	-16	-17

Bad debt losses for the year recognised in "Other external expenses" amounted to -2 -1

Accounts receivable, broken down by currency	Group	
	2023	2022
SEK	279	246
DKK	53	43
NOK	67	53
EUR	88	73
Other currencies	0	0
Total	486	414

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.

Synsam has entered into agreements with external credit companies to sell most of the receivables from customers that arise as a result of the Synsam Lifestyle contracts. 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 Synsam Lifestyle agreements is assessed according to the same model as for accounts receivable without financing components.

NOTE 15 PREPAID EXPENSES AND ACCRUED INCOME

	Group	
	2023	2022
Prepaid rents	15	68
Prepaid IT expenses	18	13
Accrued income	65	36
Other items	21	25
Total prepaid expenses and accrued income	119	142

The value of accrued revenue for goods delivered but not invoiced relating to the Synsam Lifestyle subscription is SEK 15 million (16).

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

NOTE 16 FINANCIAL ASSETS AND LIABILITIES

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

	Group		Parent Company	
	2023	2022	2023	2022
Receivables measured at amortised cost				
Other financial assets	32	27	–	–
Accounts receivable	486	414	–	–
Receivables for goods delivered but not invoiced	23	17	–	–
Receivables from Group companies	–	–	47	110
Cash and cash equivalents	582	444	37	0
Receivables measured at amortised cost	1,123	902	84	110
Financial receivables, total	1,123	902	84	110

	Group		Parent Company	
	2023	2022	2023	2022
Financial liabilities at fair value through the consolidated income statement				
Contingent consideration	0	3	–	–
Financial liabilities at fair value through the consolidated income statement, total	0	3	–	–

	Group		Parent Company	
	2023	2022	2023	2022
Liabilities measured at amortised cost				
Accounts payable	892	728	1	1
Interest-bearing liabilities	2,493	2,488	2,493	2,488
Lease liabilities ¹⁾	762	909	–	–
Liabilities to Group companies	–	–	989	611
Liabilities measured at amortised cost	4,147	4,125	3,484	3,099
Financial liabilities, total	4,147	4,129	3,484	3,099

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. The existing bank loans, which were raised in connection with the Group's refinancing during the fourth quarter of 2021, are payable in full upon maturity and run for three and five years, respectively. 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.

	Group	
	2023	2022
Change Level 3		
Contingent consideration		
Opening balance	3	8
Settled liabilities	-3	–
Reversed	0	-5
Closing balance	0	3

NOTE 17 CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2023	2022	2023	2022
The following sub-components are included in cash and cash equivalents:				
Cash and bank balances ¹⁾	582	444	37	0
Total according to statement of cash flows	582	444	37	0

1) The item includes cash and cash equivalents of SEK 37 million (-) linked to holding accounts with financial institutions which, as of the balance sheet date, were pledged for the repurchase of shares as collateral for LTIP 2023 and were therefore added back in the calculation of net debt.

NOTE 18 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.

Financing is 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.

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 48.

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.

The existing bank loans of SEK 2,493 million, which were raised in connection with the Group's refinancing during the fourth quarter of 2021, are payable in full upon maturity and run for three and five years, respectively. Interest is paid quarterly, and the interest rate during the year ranged between 3.9 and 5.9 percent, excluding fees. The average interest rate for 2023 was approximately 5.0 percent. Fixed interest rates are available with a maturity of less than one year.

Unutilised credit lines amounted to SEK 940 million (940) as of 31 December 2023. 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 Group 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 commercial terms of payment, meaning in 30–60 days. See also Note 14. 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 loans as of 31 December 2023 was approximately 5.2–5.9 percent, excluding fees. The average interest rate for 2023 was approximately 5.0 percent. Fixed interest rates are available with a maturity of less than one year. The Group did not hold any interest rate swaps as of 31 December 2023.

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 -25 million and SEK +24 million

respectively (previous year: SEK -25 million and SEK +25 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.

Aside from recurring rent payments, 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 2023			31 Dec 2022		
	Nominal	Used	Available	Nominal	Used	Available
Revolving facility	1,000	-60	940	1,000	-60	940
Total	1,000	-60	940	1,000	-60	940
Available cash and cash equivalents ¹⁾	582	-	582	444	-	444
Liquidity reserve	1,582	-60	1,522	1,444	-60	1,384

1) Cash and cash equivalents of SEK 37 million (-) are linked to holding accounts with financial institutions which, as of the balance sheet date, were pledged for the repurchase of shares as collateral for LTIP 2023 and were therefore added back in the calculation of net debt.

Maturity structures for financial liabilities – undiscounted cash flows

31 Dec 2023	Group				
	Interest rate	Less than 1 year	1–5 years	More than 5 years	Total
Loans from financial institutions	5.13–5.74%	582	2,187	-	2,769
Accounts payable	-	892	-	-	892
Lease obligations ¹⁾	3.2–6.9%	340	442	55	837
		1,814	2,629	55	4,498

31 Dec 2022	Group				
	Interest rate	Less than 1 year	1–5 years	More than 5 years	Total
Loans from financial institutions	3.65–4.61%	107	2,696	-	2,803
Accounts payable	-	728	-	-	728
Lease obligations ¹⁾	3.1–5.1%	340	595	64	999
		1,175	3,291	64	4,530

1) Leases in which the Synsam Group is the lessee and the right-of-use assets linked to the leases mainly pertain to leases for premises linked to store premises as well as optical equipment and vehicles. See also Note 1 and Note 11.

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 loans from 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 +/-80 million (+/-80), mainly as a result of the translation of loans from 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.

Loans from financial institutions by currency

	Group	
	2023	2022
SEK	1,710	1,710
EUR	802	804
Loans from financial institutions	2,512	2,514

External net debt

	Group	
	2023	2022
Loans from financial institutions	2,512	2,514
+ Leases	762	909
+ Bank guarantees	11	16
- Capitalised borrowing costs, recognised as a liability	-19	-26
- Cash and cash equivalents	-582	-444
+ Pledged cash and cash equivalents ¹⁾	37	-
Total external net debt	2,720	2,969

1) As of the balance sheet date, cash and cash equivalents linked to holding accounts with financial institutions the repurchase of shares as collateral for LTIP 2023 were pledged and added back in the calculation of net debt.

Other non-current liabilities

Other non-current liabilities consist mainly of holiday debt in Denmark. 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 interest rate in 2023 varied around approximately 3.5 percent. 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.

NOTE 19 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, jointly referred to as the Group.

For information on the ownership structure of Synsam AB (publ), see the section "The Synsam share" on pages 110-111.

Synsam AB (publ) has a related-party relationship with its subsidiaries. See Note 25 for a specification of subsidiaries.

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.

	2023	2022
Purchases and sales by the Parent Company between Group companies		
Purchases (%)	1%	1%
Sales (%)	100%	100%
Parent Company receivables from subsidiaries	47	110
Parent Company liabilities to subsidiaries	-989	-611

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 27, and
- contingent liabilities for Group companies, Note 27.

NOTE 20 EARNINGS PER SHARE

	Group	
	2023	2022
Profit for the year attributable to Parent Company shareholders, SEK million	311	328
Earnings per share, before and after dilution, SEK	2.08	2.19
Average number of shares during the year	149,027,561	149,834,372

The number of shares is 150,000,000 (150,000,000), of which 1,631,323 shares (945,000) are held in treasury at the end of the year. There are no issued securities or similar that dilute earnings per share. The calculation above takes place on profit for the year attributable to Parent Company shareholders.

For further information on change in the number of shares during the year, see Note 21.

NOTE 21 TOTAL EQUITY

For a breakdown of changes in equity, see page 67 and page 70 of the consolidated and parent company statement of changes in equity, respectively.

Share capital and number of shares	Number of shares		Share capital, SEK	
	2023	2022	2023	2022
Opening amount 1 January	150,000,000	150,000,000	1,047,315	1,047,315
Outstanding 31 December	150,000,000	150,000,000	1,047,315	1,047,315
Quotient value per share, SEK			0.006982	0.006982
Treasury shares			2023	2022
Opening amount 1 January			945,000	–
Purchases during the year ¹⁾			686,323	945,000
Outstanding 31 December			1,631,323	945,000

1) To ensure delivery of shares under the long-term incentive programme resolved on by the Annual General Meeting (LTIP 2023), the company repurchased 686,323 shares during the period 15–19 December 2023 for a price of SEK 30 million. After the end of the financial year, the company repurchased a further 768,677 shares during the period 2–17 January 2024 for a price of SEK 36 million. Thereafter, the total number of shares repurchased to ensure the delivery of shares under LTIP 2023 amounts to 1,455,000, for a total price of SEK 65 million, corresponding to 0.98 percent of the number of shares outstanding. The company already held 945,000 shares in treasury to ensure the delivery of shares under LTIP 2022.

Number of shares outstanding ¹⁾	2023	2022
Total number of shares	149,055,000	150,000,000
Treasury shares	-1,631,323	-945,000
Total	147,423,677	149,055,000

1) There was no dilutive effect on the shares as of 31 December 2023 or 31 December 2022.

Synsam's share capital as of 31 December 2023 was SEK 1,047,315, distributed between 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 (excluding treasury shares) entitles the holder to one vote at the General Meeting of Shareholders, and all shares carry equal rights to participate in the profit and assets of the company. Each shareholder may vote for all their

shares without restriction, and the shares are not subject to any transfer restrictions. Treasury shares do not carry entitlement to dividends and or voting rights.

Other paid-in capital in the Group

Other paid-in capital includes contributions received from shareholders which are not recognised as share capital.

	2023	2022
As of 1 January	4,306	4,306
As of 31 December	4,306	4,306

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, consist of profit in the Parent Company and its subsidiaries.

In the Parent Company, equity is divided into restricted and non-restricted equity. In the Parent Company, restricted equity consists of share capital. The remaining components of equity are non-restricted equity and consist of retained earnings, share premium reserve and unconditional shareholder's contributions. Restricted equity is not permitted to be reduced through the payment of dividend.

NOTE 22 OTHER PROVISIONS AND PENSION OBLIGATIONS

Group 31 Dec 2023	Opening balance	Additional provision	Reclassification	Recognised in profit/loss for the year	Provisions paid	Closing balance
Pension obligations	5	-	-	0	-	4
Contingent consideration ¹⁾	1	-	0	0	-	-
Total provisions	5	-	0	-1	-	4

Group 31 Dec 2022

Pension obligations	5	-	-	0	-	5
Contingent consideration	5	-	-	-4	-	1
Total provisions	10	-	-	-4	-	5

1) Total liabilities for contingent considerations as of 31 December 2023 amount to SEK 0 million (3), of which SEK 0 million (2) is recognised as a current liability.

Pension obligations

Recognised pension obligations have largely been hedged through endowment insurance and are recognised including a provision for special employer's contribution. 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 (8) 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 12 million (13), net SEK 4 million (5).

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 2023, the company did not have access to sufficient information to enable it to recognise its proportional 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 retirement 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 15 million (12). The Group's share of the total contributions to the plan was 0.08 percent (0.06).

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 percent or above 175 percent, 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 2023, Alecta's surplus in the form of the collective consolidation level was 157 percent (172).

NOTE 23 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
	2023	2022	2023	2022
Accrued salaries	37	40	8	7
Accrued holiday pay	200	182	4	4
Accrued social security contributions	59	45	2	1
Advances from customer	56	43	-	-
Other items	49	52	1	3
Deferred income	7	5	2	1
Total accrued expenses and deferred income	408	367	16	16

NOTE 24 ADJUSTMENTS FOR NON-CASH ITEMS AND OTHER ADDITIONAL DISCLOSURES

	Group		Parent Company	
	2023	2022	2023	2022
Depreciation and amortisation	744	665	0	0
Capitalised interest expense	9	8	27	15
Unrealised changes in exchange rates	45	-42	-20	73
Other items	6	0	-	-
Total non-cash items	804	631	8	88

Supplementary disclosures to the cash flow statement

	Group		Parent Company	
	2023	2022	2023	2022
Interest received	273	146	0	0
Interest paid	-147	-67	-133	-59
Interest paid attributable to IFRS 16 Leases	-38	-34	-	-

Reconciliation of liabilities in financing activities

Group	Cash flow					Non-cash items				
	31 Dec 2022	Borrowings/ repayment	Repayment, leases ²⁾	Recognised lease liabilities ²⁾	Currency translation	Accrued borrowing costs	Change in fair value	Capitalised interest	Other non- cash changes ³⁾	31 Dec 2023
Financial institutions ¹⁾	2,488	-	-	-	-2	8	-	-	-	2,493
Lease liability ²⁾	909	-	-429	273	-14	-	-	-	22	762
	3,397	-	-429	273	-17	8	-	-	22	3,255

Group	Cash flow					Non-cash items				
	31 Dec 2021	Borrowings/ repayment	Repayment, leases ²⁾	Recognised lease liabilities ²⁾	Currency translation	Accrued borrowing costs	Change in fair value	Capitalised interest	Other non- cash changes ³⁾	31 Dec 2022
Financial institutions ¹⁾	2,416	-	-	-	65	7	-	-	-	2,488
Lease liability ²⁾	710	-	-328	504	23	-	-	-	-	909
	3,126	-	-328	504	88	7	-	-	-	3,397

1) The item loans from financial institutions includes initial borrowing costs (capitalised fees), and at the end of 2023 these totalled SEK -19 million (-26).

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) Translation IFRS 16

Parent Company	Cash flow		Non-cash items			
	31 Dec 2022	Borrowings/ repayment	Currency translation	Accrued borrowing costs	Capitalised interest	31 Dec 2023
Liabilities to:						
Financial institutions ¹⁾	2,488	–	-2	8	–	2,493
Group companies	398	–	-17	–	19	400
	2,886	–	-20	8	19	2,893

Parent Company	Cash flow		Non-cash items			
	31 Dec 2021	Borrowings/ repayment	Currency translation	Accrued borrowing costs	Capitalised interest	31 Dec 2022
Liabilities to:						
Financial institutions ¹⁾	2,416	–	65	7	–	2,488
Group companies	382	–	8	–	8	398
	2,798	–	73	7	8	2,886

1) The item loans from financial institutions includes initial borrowing costs (capitalised fees), and at the end of 2023 these totalled SEK -19 million (-26).

NOTE 25 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%
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%

During the financial year, the wholly owned company Synsam Personal AB (556762-7251) was merged with the Parent Company Synsam Group Sweden AB

Parent Company	Corp. ID number	Reg. office	Capital share	Carrying amount
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	
	2023	2022
Opening cost	6,927	6,927
Closing carrying amount	6,927	6,927

NOTE 26 BUSINESS COMBINATIONS

2023

The operations of a former franchisee in Gothenburg were acquired in the second quarter, and the operations of a former franchise store in Lysekil were acquired in the fourth quarter.

2022

During the second quarter of 2022, the Group conducted a minor acquisition of assets and liabilities in Finland in which the operations were incorporated into an existing Synsam store. The purchase consideration was less than SEK 1 million. Monitoring and governance take place only at the new combined level. Taking this into account and

the highly limited effect of the acquisition, the acquisition has not been taken into account in the calculation of alternative performance measures such as organic growth.

The impact of the acquisitions in 2023 and 2022 on the Group's net sales and earnings has been marginal.

For information on all assets and liabilities acquired in 2023 and 2022, see the table below.

The assets and liabilities of the acquired companies at the dates of acquisition in each case were as follows:

	Group	
	2023	2022
Acquisitions by year		
Tangible assets	1	0
Inventories	1	0
Other current assets	0	-
Cash and cash equivalents and current receivables	0	-
Total assets	2	0
Current liabilities	1	-
Total equity and liabilities	1	-
Carrying amount of net assets	1	0
Customer relations	4	0
Goodwill	15	-
Purchase consideration	20	1
Liquidity effect in the Group		
Cash transfers		
Purchase price	-20	-1
Cash and cash equivalents, net, taken over with subsidiaries	0	-
Additional purchase considerations paid in previous years	-3	-
Liquidity effect on takeover	-23	-1

NOTE 27 CONTINGENT LIABILITIES AND PLEDGED ASSETS

Contingent liabilities

In one subsidiary there is an agreement with an external party for the repurchase of sold goods, spectacle frames. The value was SEK 7 million (5). The obligation is not recognised in the subsidiary or in the Group as repurchase is not considered likely.

Synsam Group Sweden AB has entered into an agreement for annual computer purchases with an external supplier. The maximum obligation amounted to SEK 3 million (2) as of 31 December 2023.

	Group		Parent Company	
	2023	2022	2023	2022
Assets pledged to financial institutions				
Shares in subsidiaries	5,950	5,601	6,927	6,927
Cash and cash equivalents	37	-	37	-
Total	5,987	5,601	6,964	6,927

Synsam AB's (publ) 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. Shares in subsidiaries are fully pledged as collateral for external borrowings.

As of 31 December 2023, Synsam AB (publ) had cash and cash equivalents in an account linked to holding accounts with financial institutions for the repurchase of shares as collateral for the long-term, share-based incentive programme LTIP 2023. The account had a standard pledge clause. In January 2024, the repurchases were completed and no cash and cash equivalents remained in the pledged account.

	Group		Parent Company	
	2023	2022	2023	2022
Bank guarantees for contracts concluded				
Within 1 year	2	1	-	-
Between 1 and 5 years	2	7	-	-
After more than 5 years	7	7	-	-
Total	11	15	-	-

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 17 million (17).

NOTE 28 PROPOSED APPROPRIATION OF PROFIT

Proposed appropriation of profit Parent Company

Retained earnings	3,631,256,162
Loss for the year	-148,754,498
Total	3,482,501,664

Amounts below are stated in Swedish kronor

According to the balance sheet of Synsam AB (publ), non-restricted equity is available to the Annual General Meeting as follows.

The Board of Directors proposes that the profit be appropriated as follows:	
Dividend paid to shareholders (SEK 1.80/share)	265,680,000
Carried forward to new account	3,216,821,664
Total	3,482,501,664

NOTE 29 EVENTS AFTER THE BALANCE SHEET DATE

In accordance with the decision from the Board of Directors of Synsam AB (publ), with the support of the authorisation granted by the Annual General Meeting held on 25 April 2023, 768,677 own shares in Synsam were purchased to ensure delivery of shares under LTIP 2023. Own shares were purchased through Nasdaq Stockholm from 2 to 17 January 2024 for an amount of SEK 36 million.

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 26 March 2024. The consolidated 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 2024.

Stockholm, 26 March 2024

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

Anna Omstedt
Board member

Christoffer Sjøqvist
Board member

Our Auditors' Report was submitted on 26 March 2024
Deloitte AB

Johan Telander
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Synsam AB (publ) corporate identity number 556946-3358

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Synsam AB (publ) (publ) for the financial year 2023-01-01 - 2023-12-31 except for the corporate governance statement on pages 55-64. The annual accounts and consolidated accounts of the company are included on pages 46-101 and 107-108 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 2023 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 2023 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 corporate governance statement on pages 55-64. The statutory

administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on 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. Except for one service with an immaterial extent which has been reported to the audit committee, 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.

Other matter

The audit of the annual report for the financial year 2022-01-01-2022-12-31 has been performed by another auditor, who has issued an auditor's report dated 28 March 2023, with unqualified opinions in the Report of annual accounts and consolidated accounts.

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.

Key Audit Matter

The Group's net sales during the fiscal year amounts to SEK 5,905 million, of which Synsam Lifestyle accounted for SEK 3,008 million and other sales of goods and services accounted for SEK 2,897 million. Revenue recognition is based on agreements with customers, and revenue corresponds to the compensation expected in exchange for promised goods and services transferred to the customer. For Synsam Lifestyle, Synsam has entered into agreements with external credit companies

to sell the majority of the receivables from customers that arise. The accounting for Synsam Lifestyle involves recognizing the present value of revenue and the imputed interest component for the entire contract period when the customer receives their spectacles.

In our audit, we have focused on revenue recognition as the Group's net sales represent a significant transaction flow consisting of a large number of smaller transactions through own stores and online, and because there are elements of complexity in the accounting regarding lease agreements and factoring. For further information, refer to note 1 on the Group's revenue recognition principles and note 3 on the distribution of net sales by geographical markets, business segments, and segments.

Our audit procedures

Our audit procedures included, but were not limited to:

- Testing Synsam's control environment for revenue recognition processes, with an evaluation of selected internal controls, including the effectiveness of controls for data transfers between IT systems.
- Analytical review of reported sales using data analytics tools to verify the correlation between revenue recognition, cost of goods sold, and inventory movements, primarily through deviation-based sample testing.
- Review of revenue from Synsam Lifestyle through counterparty confirmations of sales to external credit companies regarding sold receivables as well as control of financial items.

- Evaluating the adequacy of applied accounting principles and relevant disclosures.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and includes the remuneration report and the pages 1-45 and 109-112. 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 intends 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.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: <https://www.revisorsinspektionen.se/revisornsansvar>. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

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) (publ) for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to 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.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: <https://www.revisorsinspektionen.se/revisornsansvar>. This description forms part of the auditor's report.

Auditor's Statement on the ESEF Report

Statement

In addition to our audit of the annual report and consolidated financial statements, we have also conducted a review to ensure that the board of directors and the CEO have prepared the annual report and consolidated financial statements in a format enabling uniform electronic reporting (the ESEF report) in accordance with Chapter 16, Section 4 a of the Securities Market Act for Synsam AB (publ) for the financial year 2023-01-01 - 2023-12-31.

Our review and our statement relate solely to the statutory requirement.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for the statement

We have conducted the review in accordance with FAR's recommendation RevR 18 Auditor's Review of the ESEF Report. Our responsibilities under this recommendation are described in more detail in the Auditor's Responsibilities section. We are independent of Synsam AB (publ) in accordance with the Code of Conduct for Auditors in Sweden and have otherwise fulfilled our professional ethical responsibilities under these requirements.

We believe that the evidence we have obtained is sufficient and appropriate as a basis for our statement.

Responsibility of the Board of Directors and the CEO

It is the responsibility of the board of directors and the CEO to ensure that the ESEF report has been prepared in accordance with Chapter 16, Section 4 a of the Securities Market Act, and that there is such internal control as the board of directors and the CEO consider necessary to prepare the ESEF report without material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our task is to express a reasonable assurance opinion that the ESEF report has been prepared, in all material respects, in a format that meets the requirements of Chapter 16, Section 4 a of the Securities Market Act, based on our review.

RevR 18 requires us to plan and perform our review procedures to obtain reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance but is not a guarantee that a review conducted in accordance with RevR 18 and the auditing standards in Sweden will always detect a material misstatement if one exists. Misstatements can arise from fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions that users make based on the ESEF report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement, and manage a quality control system including policies or procedures regarding compliance with professional ethical requirements, standards of practice, and applicable requirements of laws and regulations.

The review involves obtaining evidence through various procedures to ensure that the ESEF report has been prepared in a format enabling uniform electronic reporting of the annual report and consolidated financial statements. The auditor chooses which procedures to perform, including assessing the risks of material misstatements in the reporting, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the board of directors and the CEO compile the information, in order to design review procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. The review also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the board of directors and the CEO.

The review procedures mainly include validating that the ESEF report has been prepared in a valid XHTML format and reconciling that the ESEF report corresponds to the audited annual report and consolidated financial statements.

Furthermore, the review also includes an assessment of whether the group's income statement, balance sheet, statement of cash flows, and notes in the ESEF report have been tagged with iXBRL in accordance with the requirements of the ESEF Regulation.

Auditor's Review of the Corporate Governance Report

The responsibility for the corporate governance report on pages 55-64 lies with the board of directors and is responsible for ensuring that it is prepared in accordance with the Companies Act.

Our review has been conducted in accordance with FAR's recommendation RevR 16 Auditor's Review of the Corporate Governance Report. This means that our review of the corporate governance report has a different focus and significantly less scope compared to the focus and scope of an audit conducted in accordance with International Standards on Auditing and good auditing practice in Sweden. We believe that this review provides us with sufficient basis for our statements.

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, Subsections 2-6 of the Companies Act and Chapter 7, Section 31, Subsection 2 of the same Act are consistent with the other parts of the annual report

and consolidated financial statements and are in accordance with the Companies Act.

Deloitte AB, was appointed auditor of Synsam AB (publ) by the general meeting of the shareholders on the 2023-04-25 and has been the company's auditor since 2023-04-25.

Stockholm March 26, 2024
Deloitte AB

Johan Telander
Authorized public accountant

FINANCIAL DEFINITIONS

Return on equity ¹⁾	Profit/loss for the period as a percentage of average equity. Average equity is calculated as total equity for the five most recent quarters divided by five.
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 ¹⁾	Equity in relation to the number of shares at the end of the period.
Net debt ¹⁾	Loans from financial institutions plus lease liabilities plus bank guarantees less capitalised borrowing costs less cash and cash equivalents plus any pledged cash and cash equivalents.

Items affecting comparability ¹⁾	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, for example, 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, in the group, 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 and items affecting comparability that impact net sales.
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 ¹⁾	Equity as a percentage of total assets.

1) Alternative performance measures

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 2023 on our website <https://www.synsamgroup.com/en/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.
Synsam EyeView	Software and hardware, in combination with changes to processes and ways of working, for carrying out eye examinations, which increase optician capacity and improve customer accessibility.
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 ¹⁾	Investments, excluding acquisitions, are divided into maintenance investments, strategic investments and expansion investments, with maintenance investments pertaining to the maintenance of operating activities, and also include investments related to moving stores. 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.

Lifestyle Cash	Synsam Lifestyle subscriptions in Denmark that are sold without partial payments. Revenue from Lifestyle Cash is recognised as a normal sale of goods.
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.
LTIP	Long-term incentive programme that allows members of Group management and other select key individuals to participate in shareholding in Synsam.
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 ¹⁾	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 ¹⁾	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 Hearing	Synsam Hearing includes hearing exams and the opportunity to try out hearing aids in selected stores.
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 regular 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 Outlet	Synsam 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.

1) Alternative performance measures

The share

The share

Synsam's share is listed on Nasdaq Stockholm, Mid Cap segment, and trades under the ticker SYNSAM.

The share price as of 31 December 2023 amounted to SEK 45.80, corresponding to a market capitalisation of SEK 6.87 billion. The share's highest closing price in 2023 was quoted at 48.05 SEK on 1 June. The lowest closing price was quoted at SEK 33.40 on 26 October.

The number of known shareholders as of 31 December 2023 was 9,410 (10,395). Synsam's share capital as of 31 December 2023 was SEK 1,047,315 (1,047,315), distributed between 150,000,000 shares (150,000,000) with a quotient value of SEK 0.006982 per share (0.006982). Each share (excluding treasury shares) entitles the holder to one vote at the General Meeting of Shareholders, and all shares carry equal rights to participate in the profit and assets of the company. Each shareholder may vote for all their shares without restriction, and the shares are not subject to any transfer restrictions.

Repurchase of own shares

During the autumn, Synsam AB (publ) conducted a repurchase of 686,323 own shares to cover the company's obligation under LTIP 2023, which was

Share price development 2023



*shares traded on Nasdaq Stockholm

resolved on by the Annual General Meeting on 25 April 2023. After the end of the financial year, the company repurchased a further 768,677 shares. Thereafter, the total number of shares repurchased to ensure the delivery of shares under LTIP 2023 amounts to 1,455,000. The company already held 945,000 shares in treasury to ensure the delivery of shares under LTIP 2022.

Treasury shares do not carry entitlement to dividends and or voting rights. For more information, see Note 21.

List of owners – top 15¹⁾

#	Owner	SYNSAM	Capital	Voting rights	Verified
1	CVC Capital Partners	83,925,957	55.95%	55.95%	27 Dec 2023
2	Essilorluxottica SA	9,950,000	6.63%	6.63%	27 Dec 2023
3	Handelsbanken Fonder	8,306,282	5.54%	5.54%	31 Dec 2023
4	Fourth Swedish National Pension Fund	7,541,873	5.03%	5.03%	27 Dec 2023
5	Mawer Investment Management	6,764,226	4.51%	4.51%	30 Nov 2023
6	C WorldWide Asset Management	6,385,000	4.26%	4.26%	31 Dec 2023
7	Candriam	2,750,080	1.83%	1.83%	30 Sep 2023
8	Synsam AB	1,631,323	1.09%	1.09%	29 Dec 2023
9	Håkan Lundstedt	1,626,143	1.08%	1.08%	27 Dec 2023
10	Investering & Trygghed A/S	1,250,000	0.83%	0.83%	17 Apr 2023
11	LGT Capital Partners	1,242,331	0.83%	0.83%	31 Oct 2023
12	Svenska Handelsbanken AB For PB	931,926	0.62%	0.62%	27 Dec 2023
13	Fondita Fund Management	915,598	0.61%	0.61%	27 Dec 2023
14	SEB Fonder	787,608	0.53%	0.53%	31 Dec 2023
15	MediumInvest A/S	675,000	0.45%	0.45%	27 Dec 2023
Total top 15		133,584,354	89.06%	89.06%	
Other		16,415,646	10.94%	10.94%	
Total		150,000,000	100.00%	100.00%	

1) After the end of the financial year on 6 March 2024, CVC Capital Partners sold 21 million shares in Synsam, corresponding to 14 percent of the capital and votes. One of the largest buyers was Carnegie Fonder, which purchased shares corresponding to a 5.5 percent stake in Synsam.

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 1.80 (1.70) per share to the 2024 Annual General Meeting.

Analyst coverage

Currently, there are analysts from five banks who follow and analyse the Synsam Group and provide recommendations on the stock.

Types of ownership

Types of ownership	Number of shares	Capital	Voting rights	Number of known owners	Proportion of known owners
Other	14,318,681	9.55%	9.55%	1,007	10.70%
Swedish institutional owners	17,482,607	11.66%	11.66%	18	0.19%
Foreign institutional owners	107,739,740	71.83%	71.83%	45	0.48%
Swedish private individuals	8,663,028	5.78%	5.78%	8,341	88.63%
Unknown types of ownership	1,795,944	1.20%	1.20%	0	0.00%
Total	150,000,000	100.00%	100.00%	9,411	100.00%

Ownership breakdown by holding

Size class	Number of shares	Capital	Voting rights	Number of known owners	Proportion of known owners
1–500	879,941	0.59%	0.59%	8,093	86.00%
501–2,000	926,600	0.62%	0.62%	968	10.29%
2,001–5,000	509,504	0.34%	0.34%	160	1.70%
5,001–20,000	944,157	0.63%	0.63%	94	1.00%
20,001–50,000	1,089,791	0.73%	0.73%	33	0.35%
50,001–100,000	1,416,453	0.94%	0.94%	19	0.20%
100,001–500,000	5,952,533	3.97%	3.97%	26	0.28%
500,001–1,000,000	5,039,770	3.36%	3.36%	7	0.07%
1,000,001–5,000,000	8,499,877	5.67%	5.67%	5	0.05%
5,000,001–	122,945,430	81.96%	81.96%	6	0.06%
Unknown holding size	1,795,944	1.20%	1.20%	0	0.00%
Total	150,000,000	100.00%	100.00%	9,411	100.00%

Ownership breakdown by country

Country	Number of shares	Capital	Voting rights	Number of known owners	Proportion of known owners
Luxembourg	84,868,654	56.58%	56.58%	3	0.03%
Sweden	28,172,940	18.78%	18.78%	8,493	90.25%
France	11,622,154	7.75%	7.75%	9	0.10%
Denmark	8,604,879	5.74%	5.74%	204	2.17%
Canada	6,836,318	4.56%	4.56%	1	0.01%
Other countries	8,099,111	5.40%	5.40%	701	7.45%
Unknown countries	1,795,944	1.20%	1.20%	0	0.00%
Total	150,000,000	100.00%	100.00%	9,411	100.00%

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 offering of spectacles

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 spectacles, sunglasses, contact 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 spectacle offering, and Circular Collection, which is made from recycled spectacles. 2018 also saw the launch of the Ai store concept, which allows customers to create their own unique spectacles. Ai 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, which changed its name to Synsam Outlet in 2023.

Today, Synsam has more than 500 stores and approximately 1,000 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.

In 2022, Synsam opened its own production unit and innovation centre in Östersund. In connection with the opening, the first collection produced in the facility was also presented – Jämtö. In 2023, another collection produced in the plant, Oscar Eide, was launched.







SYNSAM
GROUP