

Synsam Nordic A/S

Hovedgaden 451 b, 2640 Hedehusene

Company reg. no. 31 05 84 81

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 9 June 2021.

Per Hedblom
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Synsam Nordic A/S for the financial year 1 January to 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2020 and of the company's results of its activities in the financial year 1 January to 31 December 2020.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Hedehusene, 9 June 2021

Managing Director

Per Erik Hedblom

Board of directors

Björn Einar Håkan Lundstedt

Martin Jonas Daniels

Per Erik Hedblom

Independent auditor's report

To the shareholder of Synsam Nordic A/S

Opinion

We have audited the financial statements of Synsam Nordic A/S for the financial year 1 January – 31 December 2020, comprising accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 9 June 2021

KPMG

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98

Kim Schmidt

State Authorised Public Accountant
mne34552

Company information

The company	Synsam Nordic A/S Hovedgaden 451 b 2640 Hedehusene Company reg. no. 31 05 84 81 Financial year: 1 January - 31 December
Board of directors	Björn Einar Håkan Lundstedt Martin Jonas Daniels Per Erik Hedblom
Managing Director	Per Erik Hedblom
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø
Parent company	Synsam AB (publ)
Subsidiaries	Synsam Group Denmark A/S, Denmark Synsam Norge Holding AS, Norway Synsam Group One AB, Sweden

Management commentary

The principal activities of the company

The Company's principal activity is to conduct business and development in the optics industry. In addition, the Company's activity also includes through subsidiaries to operate and finance indirectly through investments in other companies operating in the optical industry or in any ancillary activities thereafter the Board of Directors decision is related here to.

Development in activities and financial matters

The results from ordinary activities after tax are DKK 206 thousand against DKK 673 thousand last year.

Events subsequent to the financial year

After year-end, the second wave of covid-19 outbreak led to increasing restrictions with the shutdown of retail, except to the health-critical operations such as Synsam shops.

Outlook

The consequences of the Covid-19 outbreak affect Synsam Nordic A/S and there is a significant risk that these can lead to a significant financial impact in 2021. The financial impact is related to the general situation and decisions by authorities that have led to, among other things, reduced operations, including that eye examinations have not been allowed. Given the uncertain situation, it is currently not possible to estimate the total impact for Synsam Nordic A/S. The relief we see in the restrictions from the middle of April 2021 can be cancelled, and new restrictions executed.

Accounting policies

The annual report for Synsam Nordic A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Synsam Nordic A/S and its group enterprises are included in the consolidated annual accounts for Synsam AB (publ), Stockholm, reg. nr. 556964-3358.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprises

Dividend from equity investments in group enterprises is recognised in the financial year in which the dividend is declared.

Accounting policies

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Impairment loss relating to non-current assets

The carrying amount of equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accounting policies

Cash funds

Cash funds comprise cash at bank and in hand.

Income tax and deferred tax

As administration company, Synsam Nordic A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Other external costs	-165	-324
2 Other financial income	8.696	9.224
3 Other financial costs	<u>-8.233</u>	<u>-8.037</u>
Pre-tax net profit or loss	298	863
4 Tax on ordinary results	<u>-92</u>	<u>-190</u>
Net profit or loss for the year	<u>206</u>	<u>673</u>
Proposed appropriation of net profit:		
Transferred to retained earnings	<u>206</u>	<u>673</u>
Total allocations and transfers	<u>206</u>	<u>673</u>

Statement of financial position at 31 December

DKK thousand.

Assets			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Non-current assets			
5	Equity investments in group enterprises	1.265.563	1.265.563
6	Amounts owed by group enterprises	182.347	169.343
	Total investments	<u>1.447.910</u>	<u>1.434.906</u>
	Total non-current assets	<u>1.447.910</u>	<u>1.434.906</u>
Current assets			
	Amounts owed by group enterprises	3.008	35.187
	Receivable corporate tax	0	139
	Total receivables	<u>3.008</u>	<u>35.326</u>
	Cash funds	<u>36.705</u>	<u>6.334</u>
	Total current assets	<u>39.713</u>	<u>41.660</u>
	Total assets	<u>1.487.623</u>	<u>1.476.566</u>

Statement of financial position at 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Equity			
7	Share capital	28.582	28.582
	Retained earnings	1.106.730	1.106.524
	Total equity	1.135.312	1.135.106
Liabilities other than provisions			
8	Debt to group enterprises	171.048	158.603
	Total long term liabilities other than provisions	171.048	158.603
	Debt to group enterprises	181.130	182.834
	Corporate tax	92	0
	Other debts	41	23
	Total short term liabilities other than provisions	181.263	182.857
	Total liabilities other than provisions	352.311	341.460
	Total equity and liabilities	1.487.623	1.476.566
9 Charges and security			
10 Contingencies			
11 Related parties			

Statement of changes in equity

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	28.582	1.106.524	1.135.106
Results for the year brought forward	<u>0</u>	<u>206</u>	<u>206</u>
	<u>28.582</u>	<u>1.106.730</u>	<u>1.135.312</u>

Notes

DKK thousand.

	<u>2020</u>	<u>2019</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
2. Other financial income		
Financial income, group enterprises	8.693	8.899
Other financial income	<u>3</u>	<u>325</u>
	<u>8.696</u>	<u>9.224</u>
3. Other financial costs		
Financial costs, group enterprises	6.598	6.314
Other financial costs	<u>1.635</u>	<u>1.723</u>
	<u>8.233</u>	<u>8.037</u>
4. Tax on ordinary results		
Tax of the results for the year, joint taxation	92	98
Adjustment for the year of deferred tax	<u>0</u>	<u>92</u>
	<u>92</u>	<u>190</u>

Notes

DKK thousand.

	<u>31/12 2020</u>	<u>31/12 2019</u>
5. Equity investments in group enterprises		
Cost, opening balance 1 January 2020	<u>1.265.563</u>	<u>1.265.563</u>
Book value 31 December 2020	<u>1.265.563</u>	<u>1.265.563</u>

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	Equity	Results for the year	Book value at Synsam Nordic A/S
Synsam Group Denmark A/S, Denmark	100 %	62.409	1.285	565.610
Synsam Norge Holding AS, Norway	100 %	142.714	-3.337	200.826
Synsam Group One AB, Sweden	100 %	<u>261.228</u>	<u>10.261</u>	<u>499.127</u>
		<u>466.351</u>	<u>8.209</u>	<u>1.265.563</u>

	<u>31/12 2020</u>	<u>31/12 2019</u>
6. Amounts owed by group enterprises		
Cost 1 January 2020	169.343	165.204
Additions during the year	<u>13.004</u>	<u>4.139</u>
Cost 31 December 2020	<u>182.347</u>	<u>169.343</u>
Book value 31 December 2020	<u>182.347</u>	<u>169.343</u>

7. Share capital

The share capital consists of 285.822 shares, each with a nominal value of DKK 100. No shares hold particular rights.

There have been no changes in the share capital during the last 5 years.

8. Debt to group enterprises

Debt to group enterprises in total	171.048	158.603
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Debt to group enterprises in total	<u>171.048</u>	<u>158.603</u>
Share of liabilities due after 5 years	<u>171.048</u>	<u>158.603</u>

Notes

DKK thousand.

9. Charges and security

The Company has provided its shares in subsidiaries as collateral as security for Synsam AB (publ)'s loan in Nordea. The Company is jointly and severally liable for the loan for an amount equal to the equity of the Company.

10. Contingencies

Contingent liabilities

The Company is jointly registered with the group entities Synsam Group Denmark A/S, Profil Optik A/S and Optical Fashion Group A/S for VAT and payroll tax and is jointly severally liable in this respect.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

11. Related parties

Synsam Nordic A/S' related parties comprise the following:

Synsam AB (publ), reg. no 556964-3358, Box 30153, 104 25 Stockholm, Sweden

Synsam AB (publ) holds the majority of the share capital in the Company

Synsam Nordic A/S is part of the consolidated financial statements of Synsam AB (publ), which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Synsam AB (publ) can be obtained by contacting the company.