

Synsam Group Denmark A/S

Hovedgaden 451 b, 2640 Hedehusene

Company reg. no. 31 05 87 24

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the *30 June 2020*



Per Hedblom
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British 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 Group Denmark A/S for the financial year 1 January to 31 December 2019.

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 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

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, *30 June 2020*

Managing Director



Tina Høyer Gaardsholt

Board of directors



Björn Binar Håkan Lundstedt
Chairman



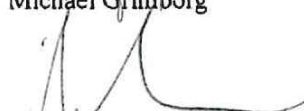
Martin Daniels



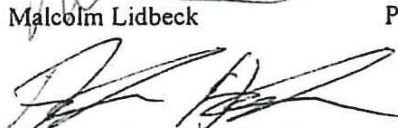
Tina Høyer Gaardsholt



Michael Grimborg



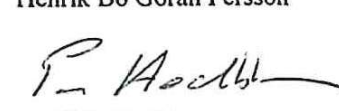
Malcolm Lidbeck



Andreas Håkan Erik Haraldsson



Henrik Bo Göran Persson



Per Erik Hedblom

Independent auditor's report

To the shareholder of Synsam Group Denmark A/S

Opinion

We have audited the financial statements of Synsam Group Denmark A/S for the financial year 1 January – 31 December 2019 comprising accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act. We have audited the financial statements of Synsam Group Denmark A/S for the financial year 1 January – 31 December 2019 comprising accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Synsam Group Denmark A/S for the financial year 1 January – 31 December 2019 comprising accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared 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, 30 June 2020

KPMG

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98



Henrik O. Larsen
State Authorised Public Accountant
mne15839

Company information

The company	Synsam Group Denmark A/S Hovedgaden 451 b 2640 Hedehusene Company reg. no. 31 05 87 24 Financial year: 1 January - 31 December
Board of directors	Björn Einar Håkan Lundstedt, Chairman Michael Grimborg Henrik Bo Göran Persson Martin Daniels Malcolm Lidbeck Per Erik Hedblom Tina Høyer Gaardsholt Andreas Håkan Erik Haraldsson
Managing Director	Tina Høyer Gaardsholt
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø
Parent company	Synsam Nordic A/S
Subsidiary	Profil Optik A/S, Hedehusene

Financial highlights

DKK in thousands.	2019	2018	2017	2016	2015
Income statement:					
Net turnover	718.202	672.129	587.595	577.979	634.635
Gross profit	383.211	342.780	258.594	237.122	291.973
EBITDA	146.970	114.025	17.352	-14.204	51.875
Profit from ordinary operating activities	62.626	15.950	-73.765	-92.944	-32.389
Net financials	-48.253	-36.725	-22.707	-24.272	-39.650
Net profit or loss for the year	658	-25.394	-83.717	-99.666	-68.046
Statement of financial position:					
Total assets	962.623	1.104.976	1.106.325	1.168.259	1.085.885
Investments in tangible assets	12.211	11.679	47.836	74.991	36.536
Equity	61.123	60.465	85.859	169.576	129.242
Employees:					
Average number of full-time employees	522	506	527	542	520
Key figures in %:					
Gross margin ratio	53,4	51,0	44,0	41,0	46,0
Profit margin (EBIT-margin)	8,7	2,4	-12,6	-16,1	-5,1
Solvency ratio	6,3	5,5	7,8	14,5	11,9
Return on equity	1,1	-34,7	-65,5	-66,7	-40,3

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

Management has identified an error in annual report for 2018, which has been adjusted in the annual report for 2019, thus some of the comparative figures for 2018 has been updated. The comparatives for 2017-2015 is unchanged.

Financial highlights

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin (EBIT margin)	$\frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization

Management commentary

Principal activities

Synsam Group Denmark A/S's activities is to provide eye examinations, sale of spectacles, contact lenses, sunglasses and other optic accessories from 117 stores as well as a franchise partnership with stores in Denmark, the Faroe Island and Iceland.

Development in activities and financial position

The net turnover for the year is TDKK 718.702 against TDKK 672.129 last year, which is an increase of 7%. The net profit for 2019 is TDKK 658 compared to TDKK -25.394 last year. The balance sheet total is TDKK 1.204.691, and the equity is TDKK 61.124.

Events after the balance sheet date

After the balance sheet day 31 December 2019, Covid-19 has been declared a pandemic by the WHO, affecting large parts of the world and our society. As Covid-19 took place in 2020 Management has not made adjustments to their assumptions as at the balance sheet date, 31 December 2019.

Outlook

The consequences of the Covid-19 outbreak affect Synsam Group Denmark A/S and there is a significant risk that these can lead to a significant financial impact. 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 has not been allowed. Therefore, our store network has been closed from mid-March 2020 until mid-April 2020. Synsam Group Denmark A/S has applied furloughs, where possible. Given the uncertain situation, it is currently not possible to estimate the total impact for Synsam Group Denmark A/S. The relief we see in the restrictions from the middle of April 2020 could be cancelled and new restrictions could be introduced.

Knowledge resources

Synsam Group Denmark's authorized opticians are important for the operations. It is important to preserve and attract this profession. In cooperation with the other staff in the stores, their profession is fundamental to the business.

Particular risks

Synsam Group Denmark A/S's has no additional risks than the risks that exists in the market.

Corporate Social Responsibility

Corporate Social Responsibility is disclosed in the group financial statements for Synsam AB (publ) (Org.nr: 556946-3358) In accordance with § 99a of the Danish Financial Statement Act, we refer to the description in the group financial statements, which can be obtained:

<https://datacvr.virk.dk/data/visenhed?enhedstype=virksomhed&id=31058724&soeg=synsam%20group&type=undefined&language=da>

Management commentary

Target figures and policies for the under-represented gender

The Board of Directors in Synsam Group Denmark A/S consists of eight members and have during 2019 been extended by one member. The underrepresented gender represents 12% of the members of the Board of Directors elected by the annual general meeting. In relation to the board Synsam Group Denmark A/S has set a target at min. 29% female representation in the Board of Directors latest at 2022.

Synsam Group Denmark A/S do not fulfill the overall targets for 2022 for underrepresented gender in Board of Directors. Changes in Board of Directors are valuated as a very important task, that needs a high level of analysis and search and recruiting effort. With the priorities in all for 2019 it has not been possible to initiate the process of adding or changing further board members during 2019.

Management has adopted a policy to maintain even gender distribution at all other management levels, including the Company's heads of department and team managers. This is obtained through strategic competency development and by prioritizing even gender distribution when recruiting. The goal is that the distribution should be no lower than 40-60; i.e. no gender representation should be lower 40% in the total management team. There have been no changes during 2019 in the management team which means that the female representation is 67%. In relation to regional managers the female representation is 33%.

The above-mentioned goal is expected to be met latest by 2022.

Unexpected resignations and change of priorities in competences can lead to deviations to target.

Accounting policies

The annual report for Synsam Group Denmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (large enterprises).

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

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of Synsam AB (publ).

Changes in comparative figures

The item "Staff costs" has been reclassified so that certain types of expenses previously recognised under "Staff costs" will, in the future, be recognised under the item "Other external charges".

The change in classification has no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year, nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassification.

In connection with the preparation of the annual report for 2019, Management has identified an error in the recognized COGS for 2018 of t.DKK 8.161. Management has deemed this a substantial error and has thus made an adjustment to the 2018 figures. The total effect of the change is that the results for the year 2018 after taxes, equity and total assets has been increased with t.DKK 6.366.

Except for the above, the accounting policies remain unchanged from last year.

Comparative figures and financial highlights have been adjusted to the changed accounting policies.

Business combinations

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. The uniting of interests is considered to have been completed at the date of the acquisition, comparative figures are restated. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

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Accounting policies

Translation of foreign currency

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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Income statement

Revenue

Income from the sale of goods, comprising the sale of glasses, lenses and other related products or services, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenues from subscription fees are recognised upon delivery of the product.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of goods sold

Costs of goods sold includes costs for the purchase of goods for resale and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs

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

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Accounting policies

Other operating costs

Other operating costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investment in group enterprise is recognised in the financial year where the dividend is declared.

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 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

Intangible fixed assets

Rights and goodwill

Purchased rights and goodwill is measured at cost with deduction of accumulated amortisation. Intangible assets are amortised on a straight-line basis over the residual period.

Goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. The amortisation period of 20 years is based on a strong market position and an expected earnings profile.

Rights is amortised over 7-9 years.

Goodwill is amortised over 20 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

Accounting policies

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Leasehold Improvements	5-10 years	0%
Other plants, operating assets, fixtures and furniture	3-5 years	0%

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Accounting policies

Impairment of non-current assets

The carrying amount of intangible assets and tangible fixed assets is subject to annual tests for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or group of assets when there is an indication that they may be impaired. Writedown is made to the recoverable amount if this is lower than the carrying amount.

The recoverable value is the higher of an asset's net selling price and its the value in use. The value in use is determined as the present value of the forecast cash flow from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial fixed assets

Equity investment in group enterprise

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

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

Goods for resale are measured at cost, comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

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.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Cash funds

Cash funds comprise cash at bank and in hand.

Accounting policies

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Synsam Group Denmark A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Liabilities relating to investment properties are measured at amortised cost.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Income statement 1 January - 31 December

DKK in thousands.

Note	2019	2018
2 Net turnover	718.202	672.129
Other operating income	587	1.985
Cost of goods sold	-181.500	-166.113
Other external costs	-154.078	-165.221
Gross profit	383.211	342.780
4 Staff costs	-236.164	-228.639
5 Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-84.344	-98.075
Other operating costs	-77	-116
Operating profit	62.626	15.950
Other financial income	9.897	12.883
6 Other financial costs	-58.150	-49.608
Pre-tax net profit or loss	14.373	-20.775
7 Tax on ordinary results	-13.715	-4.619
8 Net profit or loss for the year	658	-25.394

Statement of financial position 31 December

DKK in thousands.

Assets			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Non-current assets			
9	Goodwill	503.068	555.599
	Total intangible assets	503.068	555.599
10	Other fixtures and fittings, tools and equipment	25.020	36.550
11	Leasehold improvements	43.712	51.206
	Total property, plant, and equipment	68.732	87.756
12	Equity investment in group enterprise	25.063	25.063
13	Deposits	7.367	6.717
	Total investments	32.430	31.780
	Total non-current assets	604.230	675.135
Current assets			
	Assets intended for sale	59.141	63.829
	Total inventories	59.141	63.829
	Trade debtors	29.302	68.110
	Amounts owed by group enterprises	257.259	284.714
	Other debtors	984	444
14	Accrued income and deferred expenses	10.795	11.532
	Total receivables	298.340	364.800
	Available funds	912	1.212
	Total current assets	358.393	429.841
	Total assets	962.623	1.104.976

Statement of financial position 31 December

DKK in thousands.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
15	Share capital	10.000	10.000
	Retained earnings	51.123	50.465
	Total equity	61.123	60.465
Provisions			
16	Provisions for deferred tax	16.857	5.860
	Total provisions	16.857	5.860
Liabilities other than provisions			
17	Leasing liabilities	1.780	1.388
18	Debt to group enterprises	765.329	732.084
19	Other payables	8.223	0
	Total long term liabilities other than provisions	775.332	733.472
	Short-term part of long-term liabilities	855	1.291
	Prepayments received from customers	98	0
	Trade creditors	58.589	60.199
	Debt to group enterprises	8.830	196.293
	Tax payables to group enterprises	2.718	1.152
	Other debts	35.637	41.980
20	Deferred income	2.584	4.264
	Total short term liabilities other than provisions	109.311	305.179
	Total liabilities other than provisions	884.643	1.038.651
	Total equity and liabilities	962.623	1.104.976

1 Subsequent events

3 Fees, auditor

20 Rental agreements and leases

22 Mortgage and securities

23 Contingencies

24 Related parties

Statement of changes in equity

DKK thousand.

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2019	10.000	50.465	60.465
Profit or loss for the year brought forward	<u>0</u>	<u>658</u>	<u>658</u>
	<u>10.000</u>	<u>51.123</u>	<u>61.123</u>

Notes

DKK in thousands.

1. Subsequent events

The outbreak of COVID-19 occurred during 2020 and did not exist balance sheet date December 31, 2019. This event therefore does not affect the financial reporting for the fiscal year ending December 31, 2019.

The consequences of the Covid-19 outbreak affect Synsam Group Denmark A/S and there is a significant risk that these can lead to a significant financial impact in 2020. 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 has not been allowed. Therefore, our store network has been closed from mid-March 2020 until mid-April 2020. Synsam Group Denmark A/S has applied short-term permits, where possible. Given the uncertain situation, it is currently not possible to estimate the total impact for Synsam Group Denmark A/S. The relief we see in the restrictions from the middle of April 2020 can be cancelled and new restrictions executed.

2. Net turnover

The Company has one geographic and one business segment, and segment information is therefore not disclosed in the financial statements.

3. Fees, auditor

Fee to the auditor are not disclosed pursuant to section 96 (3) of the Danish Financial Statements Act. The fee are specified in the consolidated financial statements of Synsam AB (publ).

4. Staff costs

	2019	2018
Salaries and wages	213.146	204.538
Pension costs	17.825	17.615
Other costs for social security	5.193	6.486
	<u>236.164</u>	<u>228.639</u>
Average number of employees	<u>522</u>	<u>506</u>

According to section 98B (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

No remuneration or bonus has been paid to the Board of Directors.

Notes

DKK in thousands.

	2019	2018
5. Depreciation, amortisation and writedown relating to tangible and intangible fixed assets		
Amortisation of goodwill	52.723	52.720
Depreciation on plants, operating assets, fixtures and furniture	30.113	43.278
Depreciation on leased assets	1.508	2.077
	84.344	98.075
6. Other financial costs		
Financial costs, group enterprises	38.298	45.275
Other financial costs	19.852	4.333
	58.150	49.608
7. Tax on ordinary results		
Tax of the results for the year, joint taxation	2.718	1.152
Adjustment for the year of deferred tax	10.997	3.480
Adjustment of tax for previous years	0	-13
	13.715	4.619
8. Proposed distribution of the results		
Allocated to/from retained earnings	658	-25.394
Distribution in total	658	-25.394

Notes

DKK in thousands.

	31/12 2019	31/12 2018
9. Goodwill		
Cost 1 January 2019	1.107.856	1.107.856
Additions during the year	192	0
Cost 31 December 2019	1.108.048	1.107.856
Amortisation and writedown 1 January 2019	-552.257	-499.538
Amortisation for the year	-52.723	-52.719
Amortisation and writedown 31 December 2019	-604.980	-552.257
Book value 31 December 2019	503.068	555.599
Management has prepared an impairment test of the carrying amount of goodwill that shows that there is no need for impairment. The test is based on an expectation of an improvement of the Company's future revenues and earnings, and the measurement of goodwill is therefor associated with uncertainty.		
10. Other fixtures and fittings, tools and equipment		
Cost 1 January 2019	238.197	239.981
Additions during the year	9.195	10.344
Disposals during the year	-1.528	-12.128
Cost 31 December 2019	245.864	238.197
Amortisation and writedown 1 January 2019	-201.647	-178.216
Depreciation for the year	-21.182	-35.462
Depreciation, amortisation and writedown for the year, assets disposed of	1.985	12.031
Amortisation and writedown 31 December 2019	-220.844	-201.647
Carrying amount, 31 December 2019	25.020	36.550
Lease assets are recognised at a carrying amount of	2.635	2.679

Notes

DKK in thousands.

	31/12 2019	31/12 2018
11. Leasehold improvements		
Cost 1 January 2019	119.213	119.950
Additions during the year	3.016	1.335
Disposals during the year	-500	-2.072
Cost 31 December 2019	121.729	119.213
Depreciation and writedown 1 January 2019	-68.007	-60.166
Depreciation for the year	-10.439	-9.893
Depreciation, amortisation and writedown for the year, assets disposed of	429	2.052
Depreciation and writedown 31 December 2019	-78.017	-68.007
Carrying amount, 31 December 2019	43.712	51.206
12. Equity investment in group enterprise		
Acquisition sum, opening balance 1 January 2019	25.063	25.063
Book value 31 December 2019	25.063	25.063

The financial highlights for the enterprise according to the latest approved annual report

	Share of ownership	Equity	Results for the year	Book value at Synsam Group Denmark A/S
Profil Optik A/S, Hedehusene	100 %	16.435	1.040	25.063
		16.435	1.040	25.063

	31/12 2019	31/12 2018
13. Deposits		
Cost 1 January 2019	6.717	6.196
Additions during the year	650	521
Cost 31 December 2019	7.367	6.717
Book value 31 December 2019	7.367	6.717

Notes

DKK in thousands.

	<u>31/12 2019</u>	<u>31/12 2018</u>
14. Accrued income and deferred expenses		
Prepaid rent	4.004	5.511
Prepaid IT-costs	3.674	946
Deferred income	1.882	2.782
Other prepayments	<u>1.235</u>	<u>2.293</u>
	<u>10.795</u>	<u>11.532</u>
 15. Share capital		
The share capital consists of 100.001 shares, each with a nominal value of DKK 100. The share capital was in 2016 increased with 1 share, there has been no other changes in the last 5 years.		
 16. Provisions for deferred tax		
Provisions for deferred tax 1 January 2019	5.860	2.380
Deferred tax of the results for the year	<u>10.997</u>	<u>3.480</u>
	<u>16.857</u>	<u>5.860</u>
 17. Leasing liabilities		
Leasing liabilities in total	2.635	2.679
Share of amount due within 1 year	<u>-855</u>	<u>-1.291</u>
	<u>1.780</u>	<u>1.388</u>
 Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
 18. Debt to group enterprises		
Debt to group enterprises in total	765.329	732.084
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Debt to group enterprises in total	<u>765.329</u>	<u>732.084</u>
 Share of liabilities due after 5 years	<u>765.329</u>	<u>732.084</u>

Notes

DKK in thousands.

	31/12 2019	31/12 2018
19. Other payables		
Total other payables	8.223	0
Share of amount due within 1 year	0	0
Total other payables	8.223	0
Share of liabilities due after 5 years	0	0
20. Deferred income		
Prepayments/deferred income	2.584	4.264
	2.584	4.264
21. Rental agreements and leases		
Rent and lease payments within 1 year	23.445	25.951
Rent and lease payments between 1-5 years	11.963	15.802
Rent and lease payments after 5 years	0	507
	35.408	42.260

22. Mortgage and securities

The Company has provided its shares in subsidiaries 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.

23. Contingencies

Contingent liabilities

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

Joint taxation

With Synsam Nordic A/S as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

Notes

DKK in thousands.

23. Contingencies (continued)

Joint taxation (continued)

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 jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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

24. Related parties

Synsam Group Denmark A/S' related parties comprise the following:

Synsam Nordic A/S, Hovedgaden 451 b, 2620 Hedehusene, Denmark

Synsam Nordic A/S holds the majority of the share capital in the Company

Synsam Group Denmark A/S is part of the consolidated financial statements of Synsam AB (publ), reg. no. 556964-3358, Box 30153, 104 25 Stockholm, Sweden, 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.

Transactions

The company has the following related party transactions:

	2019	2018
Intercompany sales of goods	2.842	0
Intercompany sales of services	34.159	22.846
Intercompany purchase of goods	40.092	25.595
Intercompany purchase of services	53.487	54.320
	<u>130.580</u>	<u>102.761</u>

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 4.

Payables to associates and subsidiaries are disclosed in the balance sheet/note 18, and expensed interest is disclosed in note 6.