

Synsam Group Denmark A/S

Oldenburg Alle 1, 2. 2630 Høje Taastrup

Company reg. no. 31 05 87 24

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 29 June 2022.

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 statement

The Board of Directors and the Managing Director have today discussed and approved the annual report of Synsam Group Denmark A/S for the financial year 1 January – 31 December 2021.

The annual report has been 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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Taastrup, 29 June 2022

Managing Director

Tina Høyer Gaardsholt

Board of directors

Malcolm Lidbeck
Chairman

Tina Høyer Gaardsholt

Michael Grimborg

Henrik Bo Göran Persson

Hanna Catharina Helena Ekstrand Nils André Florestedt

Marina Maria Kerekliou

Susanne Maria Westford

Mats Krister Duwe

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 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities 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 as 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 applicable in Denmark 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 financial statements.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the 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.

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 Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 29 June 2022

KPMG

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98

Kim Schmidt

State Authorised Public Accountant
mne34552

Company information

The company

Synsam Group Denmark A/S
Oldenburg Alle 1, 2.
2630 Høje Taastrup

Company reg. no. 31 05 87 24

Financial year: 1 January - 31 December

Board of directors

Malcolm Lidbeck, Chairman
Tina Høyer Gaardsholt
Michael Grimborg
Henrik Bo Göran Persson
Hanna Catharina Helena Ekstrand
Nils André Florestedt
Marina Maria Kerekliou
Susanne Maria Westford
Mats Krister Duwe

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.

	2021	2020	2019	2018	2017
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Income statement:

Revenue	740.176	653.464	718.202	672.129	587.595
Gross profit	404.231	376.819	383.211	342.780	258.594
EBITDA	152.211	139.636	146.970	114.025	17.352
Profit from operating activities	78.353	62.212	62.626	15.950	-73.765
Net financials	-52.299	-47.228	-48.253	-36.725	-22.707
Net profit or loss for the year	5.777	1.285	658	-25.394	-83.717

Statement of financial position:

Total assets	1.111.257	1.019.009	962.623	1.104.976	1.106.325
Investments in tangible assets	19.758	8.977	12.211	11.679	47.836
Equity	68.186	62.409	61.123	60.465	85.859

Employees:

Average number of full-time employees	552	506	522	506	527
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Key figures in %:

Gross margin ratio	54,6	57,7	53,4	51,0	44,0
Profit margin (EBIT-margin)	10,6	9,5	8,7	2,4	-12,6
Solvency ratio	6,1	6,1	6,3	5,5	7,8
Return on equity	8,8	2,1	1,1	-34,7	-65,5

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.

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

$$\text{Gross margin ratio} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{Profit margin (EBIT margin)} = \frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$$

$$\text{Solvency ratio} = \frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

$$\text{Return on equity} = \frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

$$\text{EBITDA} = \text{Earnings Before Interest, Taxes, Depreciation and Amortization}$$

Management's review

The principal activities of the company

Synsam Group Denmark A/S's activities is to provide eye examinations, sale of spectacles, contact lenses, sunglasses and other optic accessories from 115 stores as well as a franchise partnership with stores in Denmark, the Faroe Islands and Iceland.

Development in activities and financial matters

The revenue for the year is TDKK 740.176 compared to TDKK 653.464 last year, an increase of 13,27% compared to last year. The net profit for the year is TDKK 5.777 compared to TDKK 1.285 last year. The balance sheet total is TDKK 1.111.257, and the equity is TDKK 68.186.

Events subsequent to the financial year

The spread of the Coronavirus Omicron in the end of 2021 has impacted Synsam Group Denmark A/S and specifically the availability of opticians in the start of 2022. Apart from the impact of the virus there are no specific events that had an effect on Synsam Group Denmark A/S financial result and risk management after the end of the fiscal year.

Outlook

Even if covid-19 have continued to have an impact on society and Synsam Group Denmark A/S through 2021, and the risk that the situation can still lead to a significant financial impact in 2022 remains, then it is with a sense of optimism that we have both expected and planned for network expansion and revenue growth during 2022.

In 2021 the optics market was still affected by covid-19, but as restrictions have been lifted throughout the year, we have seen improvements in the business. The full year results show that we have negotiated the covid-19 challenges successfully even including the weak 1Q where restrictions were still in place.

Since planning for 2022 the world has experienced rising inflation, and for some value chains a short of supply. The rising inflation around the world has not yet had a material impact on Synsam Group Denmark A/S. Synsam Group Denmark A/S is prepared to respond to ensure profitability if that should change. We are monitoring the situation closely, as we execute on the plan for organic growth via facelift and relocation of shops as well as expanding via new greenfield shops.

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 has no additional risks than the risks that exists in the market, for instance financial risks, business risk and IT-system.

Management's review

Financial risks

Synsam Group Denmark A/S is exposed to various types of financial risks through its business activities. Financial risks relate to fluctuations in earnings and cash flow due, for example, to change exchange rates and interest rates, as well as the customers ability to pay and the possibility of refinancing the business. Known financial risks are managed in the finance policy, which consists of guidelines and rules describing the risk management mandate for financial business.

Business risk

The Company's most significant business risk is linked to a strong position in the market. 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 the market. The state of the economy has an impact on customer's purchasing power and propensity to purchase. Macroeconomic exposure is managed by actively addressing the market. The ambition is to understand the customers wishes as well as possible in order to actively develop and adapt the customer ordering to meet the customer's needs and expectations.

IT-system

Synsam Group Denmark A/S is dependent on IT systems that works smoothly to collect, process, and communicate information securely and efficiently. 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.

Corporate social responsibility report

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://www.synsamgroup.com/en/investor-relations/reports-and-presentations>

Target figures and policies for the under-represented gender

The Board of Directors in Synsam Group Denmark A/S consists of nine members. The underrepresented gender represents 44% 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, which has been fulfilled in March 2022.

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 current gender distribution is 61% female, and the underrepresented gender represents 39% of the management level. 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.

Data ethics statement

This data ethics statement sets out Synsam Group Denmark A/S' ("Synsam" or "Company") position on data ethics pursuant to section 99 d of the Danish Financial Statements Act and is part of the management report in Synsam Group Denmark A/S' annual report for 2021 covering the period 1 January to 31 December 2021.

Synsam has in 2022 supplemented the existing data protection efforts with a policy on data ethics, which reflects Synsam's commitment to manage data responsibly based on principles of transparency, data quality, fairness and non-discrimination bias, autonomy, ethics by design, responsible data sharing and accountability.

Synsam adheres to these principles in addition to applicable legislation to ensure that job applicants, employees, customers, patients, and business relations feel safe when entrusting Synsam with their data. Synsam primarily processes personal data about job applicants, employees, customers, patients, and business relations and non-personal data about operating assets and other operations. Furthermore, Synsam enters into data processor agreements with third parties and does not sell data.

Synsam controls that data is collected for explicit and legitimate purposes and processed legally and fairly, including that data processing only comprises the data necessary to realise the purpose of the processing. Synsam will not retain personal data beyond what is necessary to fulfil the purposes for which it was collected, or to comply with applicable laws or regulations. Retention of personal data ceases by effective deletion or by aggregation and full anonymization.

The policy on data ethics is approved by the board of directors of Synsam Group Denmark A/S annually and revised on an ongoing basis.

Accounting policies

The annual report for Synsam Group Denmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

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

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

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.

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.

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.

Accounting policies

Profiloptik Lifestyle™

The presentation of Profiloptik Lifestyle™ means that a present value calculated income for the entire contract period is reported when the customer receives their glasses, which happens at one point. The economic meaning that lies The basis of the report is that several pairs of glasses sold in installments when the agreement was entered into. The agreement with the customer is one lease agreement or an installment purchase of glasses for 24 months or longer, which is reported as leasing. The ownership remains with Profiloptik until the customer decides to terminate the agreement.

From the middle of 2017, Profiloptik entered into agreements with external credit companies to sell the receivables from the customer that arise as a result of the agreement. Contracts sold to external credit companies are not listed in their own books, after payment happened. Until payment is made, the receivables are there included in own books as accounts receivable. Receivables not sold to an external credit company are found as accrued income.

In Denmark, there is also an older subscription model where Profil Optik is still the owner of the glasseand these reported in tangible fixed assets. These assets are depreciated over 24 months.

Lens subscription

Revenue from lens subscriptions, with partly different lock-in periods in the different countries, are handled as one normal sales of goods. Profiloptik reports the income at delivery of the goods.

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 comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Government grants

Government grants are recognized when there is reasonable assurance that the firm complies with the conditionsassociated with the grants and contributions with reasonable certainty will be received.

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Accounting policies

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

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 investment in subsidiaries

Dividend from investment in subsidiaries is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Balance sheet

Intangible 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.

Accounting policies

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

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

The cost comprises acquisition cost and costs directly associated with 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, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Leasehold Improvements	5-10 years	0%
Other fixtures and fittings, tools and equipment	3-5 years	0%

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Property, plant, and equipment under construction

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5-10 years.

Accounting policies

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.

Investments in subsidiaries

Investments in subsidiaries is recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Deposits

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

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investment in subsidiaries 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.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale comprise acquisition costs plus delivery costs.

Accounting policies

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

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.

Prepayments recognised

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash funds

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

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.

According to the rules of joint taxation, Synsam Group Denmark A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, 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. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

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

Deferred income

Payments received concerning future income are recognised under deferred income.

Income statement 1 January - 31 December

DKK thousand.

Note	2021	2020
2 Revenue	740.176	653.464
3 Other operating income	5.825	25.998
Cost of goods sold	-180.039	-157.395
Other external expenses	-161.731	-145.248
Gross profit	404.231	376.819
5 Staff costs	-252.019	-237.185
6 Depreciation, amortisation, and impairment	-73.859	-77.422
Operating profit	78.353	62.212
Other financial income	10.697	9.541
7 Other financial expenses	-62.996	-56.769
Pre-tax net profit or loss	26.054	14.984
8 Tax on net profit or loss for the year	-20.277	-13.699
9 Net profit or loss for the year	5.777	1.285

Balance sheet at 31 December

DKK thousand.

Assets			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Non-current assets			
10	Goodwill	397.549	450.309
	Total intangible assets	397.549	450.309
11	Other fixtures and fittings, tools and equipment	23.799	20.657
12	Property, plant, and equipment under construction and prepayments for property, plant, and equipment	2.393	0
13	Leasehold improvements	25.512	32.388
	Total property, plant, and equipment	51.704	53.045
14	Investment in subsidiary	25.063	25.063
15	Deposits	9.217	7.480
	Total investments	34.280	32.543
	Total non-current assets	483.533	535.897
Current assets			
	Manufactured goods and goods for resale	76.206	65.669
	Total inventories	76.206	65.669
	Trade receivables	25.826	27.000
	Receivables from subsidiaries	505.836	379.181
	Other receivables	7.931	324
16	Prepayments	10.974	9.947
	Total receivables	550.567	416.452
	Cash and cash equivalents	951	991
	Total current assets	627.724	483.112
	Total assets	1.111.257	1.019.009

Balance sheet at 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Equity			
17	Contributed capital	10.000	10.000
	Retained earnings	58.186	52.409
	Total equity	68.186	62.409
Provisions			
18	Provisions for deferred tax	18.576	17.776
	Total provisions	18.576	17.776
Long term liabilities other than provisions			
19	Lease liabilities	502	1.083
20	Payables to subsidiaries	828.406	791.407
21	Other payables	21.292	20.971
	Total long term liabilities other than provisions	850.200	813.461
	Short-term part of long-term liabilities	697	697
	Prepayments received from customers	6.206	0
	Trade payables	79.322	58.452
	Payables to subsidiaries	16.845	1.979
	Income tax payable to subsidiaries	19.476	12.780
	Other payables	46.755	47.682
22	Deferred income	4.994	3.773
	Total short term liabilities other than provisions	174.295	125.363
	Total liabilities other than provisions	1.024.495	938.824
	Total equity and liabilities	1.111.257	1.019.009
1 Subsequent events			
4 Fees, auditor			
23 Rental agreements and leases			
24 Charges and security			
25 Contingencies			
26 Related parties			

Statement of changes in equity

DKK thousand.

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	10.000	51.124	61.124
Profit or loss for the year brought forward	0	1.285	1.285
Equity 1 January 2021	10.000	52.409	62.409
Profit or loss for the year brought forward	0	5.777	5.777
	10.000	58.186	68.186

Notes

DKK thousand.

1. Subsequent events

The spread of the Coronavirus Omicron in the end of 2021 has impacted Synsam Group Denmark A/S and specifically the availability of opticians in the start of 2022. Apart from the impact of the virus there are no specific events that had an effect on Synsam Group Denmark A/S financial result and risk management after the end of the fiscal year.

2. Revenue

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

3. Other operating income

	2021	2020
Other operating income	1.472	1.100
Government grants	4.353	24.898
	5.825	25.998

4. Fees, auditor

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

5. Staff costs

Salaries and wages	227.574	215.362
Pension costs	19.025	17.738
Other costs for social security	5.420	4.085
	252.019	237.185
Average number of employees	552	506

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 thousand.

	2021	2020
6. Depreciation, amortisation, and impairment		
Amortisation of goodwill	52.759	52.759
Depreciation on plants, operating assets, fixtures and furniture	20.403	23.808
Depreciation on leased assets	697	855
	73.859	77.422
7. Other financial expenses		
Financial costs, group enterprises	42.112	37.486
Other financial costs	20.884	19.283
	62.996	56.769
8. Tax on net profit or loss for the year		
Tax of the results for the year, joint taxation	19.476	12.780
Adjustment for the year of deferred tax	801	919
	20.277	13.699
9. Proposed appropriation of net profit		
Transferred to retained earnings	5.777	1.285
Total allocations and transfers	5.777	1.285

Notes

DKK thousand.

	31/12 2021	31/12 2020
10. Goodwill		
Cost 1 January 2021	1.108.048	1.108.048
Cost 31 December 2021	1.108.048	1.108.048
Amortisation and writedown 1 January 2021	-657.739	-604.980
Amortisation for the year	-52.760	-52.759
Amortisation and writedown 31 December 2021	-710.499	-657.739
Carrying amount, 31 December 2021	397.549	450.309
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.		
11. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	246.395	245.864
Additions during the year	13.825	8.763
Disposals during the year	-1.540	-8.232
Cost 31 December 2021	258.680	246.395
Amortisation and writedown 1 January 2021	-225.738	-220.844
Depreciation for the year	-10.683	-13.126
Depreciation, amortisation and writedown for the year, assets disposed of	1.540	8.232
Amortisation and writedown 31 December 2021	-234.881	-225.738
Carrying amount, 31 December 2021	23.799	20.657
Lease assets are recognised at a carrying amount of	1.084	1.780
12. Property, plant, and equipment under construction and prepayments for property, plant, and equipment		
Additions during the year	2.393	0
Cost 31 December 2021	2.393	0
Carrying amount, 31 December 2021	2.393	0

Notes

DKK thousand.

	31/12 2021	31/12 2020
13. Leasehold improvements		
Cost 1 January 2021	117.717	121.729
Additions during the year	3.540	214
Disposals during the year	-1.075	-4.226
Cost 31 December 2021	120.182	117.717
Depreciation and writedown 1 January 2021	-85.329	-78.017
Depreciation for the year	-10.416	-11.538
Depreciation, amortisation and writedown for the year, assets disposed of	1.075	4.226
Depreciation and writedown 31 December 2021	-94.670	-85.329
Carrying amount, 31 December 2021	25.512	32.388
14. Investment in subsidiary		
Acquisition sum, opening balance 1 January 2021	25.063	25.063
Carrying amount, 31 December 2021	25.063	25.063

Financial highlights for the enterprise according to the latest approved annual report

	Equity interest	Equity	Results for the year	Carrying amount, Synsam Group Denmark A/S
Profil Optik A/S, Hedehusene	100 %	17.316	356	25.063

Notes

DKK thousand.

	31/12 2021	31/12 2020
15. Deposits		
Cost 1 January 2021	7.480	7.367
Additions during the year	1.737	113
Cost 31 December 2021	9.217	7.480
Carrying amount, 31 December 2021	9.217	7.480
16. Prepayments		
Prepaid rent	3.903	2.600
Prepaid IT-costs	5.557	5.374
Deferred income	821	965
Other prepayments	693	1.008
	10.974	9.947
17. Contributed capital		
The share capital consists of 100.001 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.		
18. Provisions for deferred tax		
Provisions for deferred tax 1 January 2021	17.775	16.857
Deferred tax of the results for the year	801	919
	18.576	17.776
19. Lease liabilities		
Total lease liabilities	1.084	1.780
Share of amount due within 1 year	-582	-697
	502	1.083
Share of liabilities due after 5 years	0	0

Notes

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
20. Payables to subsidiaries		
Total payables to subsidiaries	828.406	791.407
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Total payables to subsidiaries	<u>828.406</u>	<u>791.407</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
21. Other payables		
Total other payables	21.407	20.971
Share of amount due within 1 year	<u>-115</u>	<u>0</u>
Total other payables	<u>21.292</u>	<u>20.971</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
22. Deferred income		
Prepayments/deferred income	<u>4.994</u>	<u>3.773</u>
	<u>4.994</u>	<u>3.773</u>
23. Rental agreements and leases		
Rent and lease payments within 1 year	27.427	24.196
Rent and lease payments between 1-5 years	22.854	17.869
Rent and lease payments after 5 years	<u>243</u>	<u>0</u>
	<u>50.524</u>	<u>42.065</u>

Notes

DKK thousand.

24. Charges and security

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.

25. 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.

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.

Notes

DKK thousand.

26. Related parties

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

Synsam Nordic A/S, Oldenburg Alle 1, 2, 2630 Taastrup, Denmark

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

Transactions

The company has the following related party transactions:

	2021	2020
Intercompany sales of services	30.887	25.871
Intercompany purchase of goods	49.419	48.558
Intercompany purchase of services	55.201	51.872

Payables to associates and subsidiaries are disclosed in the balance sheet/note 20, and expensed interest is disclosed in note 7.

Consolidated financial statements

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.

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Hanna Catharina Helena Ekstrand

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