

Synsam Group Denmark A/S

Hovedgaden 451 b, 2640 Hedehusene

Company reg. no. 31 05 87 24

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 Group Denmark 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

Tina Høyer Gaardsholt

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 Sjöharald

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 2020 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.

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 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 Sjöharald

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.	2020	2019	2018	2017	2016
Income statement:					
Net turnover	653.464	718.202	672.129	587.595	577.979
Gross profit	376.819	383.211	342.780	258.594	237.122
EBITDA	139.636	146.970	114.025	17.352	-14.204
Profit from operating activities	62.212	62.626	15.950	-73.765	-92.944
Net financials	-47.228	-48.253	-36.725	-22.707	-24.272
Net profit or loss for the year	1.285	658	-25.394	-83.717	-99.666
Statement of financial position:					
Total assets	1.019.009	962.623	1.104.976	1.106.325	1.168.259
Investments in tangible assets	8.977	12.211	11.679	47.836	74.991
Equity	62.409	61.123	60.465	85.859	169.576
Employees:					
Average number of full-time employees	506	522	506	527	542
Key figures in %:					
Gross margin ratio	57,7	53,4	51,0	44,0	41,0
Profit margin (EBIT-margin)	9,5	8,7	2,4	-12,6	-16,1
Solvency ratio	6,1	6,3	5,5	7,8	14,5
Return on equity	2,1	1,1	-34,7	-65,5	-66,7

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.

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 111 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 653.464 against TDKK 718.202 last year, which is a decrease of 9%. The net profit for 2020 is TDKK 1.285 compared to TDKK 658 last year. The balance sheet total is TDKK 1.019.009, and the equity is TDKK 62.409.

Events after the balance sheet date

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

Outlook

The consequences of the covid-19 outbreak affect Synsam Group 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.

In 2020, the optics market was strongly affected by covid-19 throughout the Nordic region. The industry's growth in 2020 has been negative in the Nordic region. The negative market effect was greatest during the second quarter of 2020. In summary, however, we can state that parts of 2020 had a weaker development, but that the full year still shows that together we have managed the situation satisfactorily.

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 2021 could be cancelled and new restrictions could be introduced.

The company has observed that covid-19 negatively affected the revenue for 2020 compared to 2019. Meanwhile net profit has an increase in 2020 compared to 2019.

The management expects continued growth in revenue 2021.

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.

Management commentary

Particular risks

Synsam Group Denmark A/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>

Target figures and policies for the under-represented gender

The Board of Directors in Synsam Group Denmark A/S consists of eight members. 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 2020 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 2020 it has not been possible to initiate the process of adding or changing further board members during 2020.

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 2020 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).

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 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).

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.

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 In 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 glasses and 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 conditions associated with the grants and contributions with reasonable certainty will be received.

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.

Accounting policies

Depreciation, amortisation and writedown

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

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.

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 investment in group enterprise

Dividend from equity investment in group enterprise is recognised in the financial year in which 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 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.

Accounting policies

Rights is amortised over 7-9 years.

Goodwill is amortised over 20 years.

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 fixed assets 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.

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.

Accounting policies

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.

Impairment loss relating to non-current assets

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

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 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.

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 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.

Accounting policies

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.

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.

Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

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.

Accounting policies

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.

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 thousand.

Note	2020	2019
2 Net turnover	653.464	718.202
3 Other operating income	25.998	587
Cost of goods sold	-157.395	-181.500
Other external costs	-145.248	-154.078
Gross profit	376.819	383.211
5 Staff costs	-237.185	-236.164
6 Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-77.422	-84.344
Other operating costs	0	-77
Operating profit	62.212	62.626
Other financial income	9.541	9.897
7 Other financial costs	-56.769	-58.150
Pre-tax net profit or loss	14.984	14.373
8 Tax on ordinary results	-13.699	-13.715
9 Net profit or loss for the year	1.285	658

Statement of financial position at 31 December

DKK thousand.

Assets			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Non-current assets			
10	Goodwill	450.309	503.068
	Total intangible assets	450.309	503.068
11	Other fixtures and fittings, tools and equipment	20.657	25.020
12	Leasehold improvements	32.388	43.712
	Total property, plant, and equipment	53.045	68.732
13	Equity investment in group enterprise	25.063	25.063
14	Deposits	7.480	7.367
	Total investments	32.543	32.430
	Total non-current assets	535.897	604.230
Current assets			
	Goods for resale	65.669	59.141
	Total inventories	65.669	59.141
	Trade debtors	27.000	29.302
	Amounts owed by group enterprises	379.181	257.259
	Other debtors	324	984
15	Accrued income and deferred expenses	9.947	10.795
	Total receivables	416.452	298.340
	Available funds	991	912
	Total current assets	483.112	358.393
	Total assets	1.019.009	962.623

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Statement of financial position at 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Equity			
16	Share capital	10.000	10.000
	Retained earnings	52.409	51.123
	Total equity	62.409	61.123
Provisions			
17	Provisions for deferred tax	17.776	16.857
	Total provisions	17.776	16.857
Liabilities other than provisions			
18	Leasing liabilities	1.083	1.780
19	Debt to group enterprises	791.407	765.329
20	Other payables	20.971	8.223
	Total long term liabilities other than provisions	813.461	775.332
	Short-term part of long-term liabilities	697	855
	Prepayments received from customers	0	98
	Trade creditors	58.452	58.589
	Debt to group enterprises	1.979	8.830
	Tax payables to group enterprises	12.780	2.718
	Short part of other payables	47.682	35.637
21	Deferred income	3.773	2.584
	Total short term liabilities other than provisions	125.363	109.311
	Total liabilities other than provisions	938.824	884.643
	Total equity and liabilities	1.019.009	962.623

- 1 Subsequent events
- 4 Fees, auditor
- 23 Charges and security
- 24 Contingencies
- 25 Related parties

Statement of changes in equity

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	10.000	51.124	61.124
Profit or loss for the year brought forward	<u>0</u>	<u>1.285</u>	<u>1.285</u>
	<u>10.000</u>	<u>52.409</u>	<u>62.409</u>

Notes

DKK thousand.

1. Subsequent events

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

2. Net turnover

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

3. Other operating income

	2020	2019
Other operating income	1.100	587
Government grants	24.898	0
	<u>25.998</u>	<u>587</u>

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	215.362	213.146
Pension costs	17.738	17.825
Other costs for social security	4.085	5.193
	<u>237.185</u>	<u>236.164</u>
Average number of employees	<u>506</u>	<u>522</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 thousand.

	2020	2019
6. Depreciation, amortisation and writedown relating to tangible and intangible fixed assets		
Amortisation of goodwill	52.759	52.723
Depreciation on plants, operating assets, fixtures and furniture	23.808	30.113
Depreciation on leased assets	855	1.508
	77.422	84.344
7. Other financial costs		
Financial costs, group enterprises	37.486	38.298
Other financial costs	19.283	19.852
	56.769	58.150
8. Tax on ordinary results		
Tax of the results for the year, joint taxation	12.780	2.718
Adjustment for the year of deferred tax	919	10.997
	13.699	13.715
9. Proposed distribution of the results		
Transfere to retained earnings	1.285	658
Distribution in total	1.285	658

Notes

DKK thousand.

	31/12 2020	31/12 2019
10. Goodwill		
Cost 1 January 2020	1.108.048	1.107.856
Additions during the year	0	192
Cost 31 December 2020	1.108.048	1.108.048
Amortisation and writedown 1 January 2020	-604.980	-552.257
Amortisation for the year	-52.759	-52.723
Amortisation and writedown 31 December 2020	-657.739	-604.980
Carrying amount, 31 December 2020	450.309	503.068

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 2020	245.864	238.197
Additions during the year	8.763	9.195
Disposals during the year	-8.232	-1.528
Cost 31 December 2020	246.395	245.864
Amortisation and writedown 1 January 2020	-220.844	-201.647
Depreciation for the year	-13.126	-21.182
Depreciation, amortisation and writedown for the year, assets disposed of	8.232	1.985
Amortisation and writedown 31 December 2020	-225.738	-220.844
Carrying amount, 31 December 2020	20.657	25.020
Lease assets are recognised at a carrying amount of	1.780	2.635

Notes

DKK thousand.

	31/12 2020	31/12 2019
12. Leasehold improvements		
Cost 1 January 2020	121.729	119.213
Additions during the year	214	3.016
Disposals during the year	-4.226	-500
Cost 31 December 2020	117.717	121.729
Depreciation and writedown 1 January 2020	-78.017	-68.007
Depreciation for the year	-11.538	-10.439
Depreciation, amortisation and writedown for the year, assets disposed of	4.226	429
Depreciation and writedown 31 December 2020	-85.329	-78.017
Carrying amount, 31 December 2020	32.388	43.712
13. Equity investment in group enterprise		
Acquisition sum, opening balance 1 January 2020	25.063	25.063
Book value 31 December 2020	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 %	16.960	525	25.063
		16.960	525	25.063

	31/12 2020	31/12 2019
14. Deposits		
Cost 1 January 2020	7.367	6.717
Additions during the year	113	650
Cost 31 December 2020	7.480	7.367
Book value 31 December 2020	7.480	7.367

Notes

DKK thousand.

	31/12 2020	31/12 2019
15. Accrued income and deferred expenses		
Prepaid rent	2.600	4.004
Prepaid IT-costs	5.374	3.674
Deferred income	965	1.882
Other prepayments	1.008	1.235
	9.947	10.795
16. 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.		
17. Provisions for deferred tax		
Provisions for deferred tax 1 January 2020	16.857	5.860
Deferred tax of the results for the year	919	10.997
	17.776	16.857
18. Leasing liabilities		
Leasing liabilities in total	1.780	2.635
Share of amount due within 1 year	-697	-855
	1.083	1.780
Share of liabilities due after 5 years	0	0
19. Debt to group enterprises		
Debt to group enterprises in total	791.407	765.329
Share of amount due within 1 year	0	0
Debt to group enterprises in total	791.407	765.329
Share of liabilities due after 5 years	0	765.329

Notes

DKK thousand.

	31/12 2020	31/12 2019
20. Other payables		
Total other payables	20.971	8.223
Share of amount due within 1 year	0	0
Total other payables	20.971	8.223
Share of liabilities due after 5 years	0	0
21. Deferred income		
Prepayments/deferred income	3.773	2.584
	3.773	2.584
22. Rental agreements and leases		
Rent and lease payments within 1 year	24.196	23.445
Rent and lease payments between 1-5 years	17.869	11.963
Rent and lease payments after 5 years	0	0
	42.065	35.408
23. 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.		
24. 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.		

Notes

DKK thousand.

24. Contingencies (continued)

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.

25. Related parties

Controlling interest

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:

	2020	2019
Intercompany sales of goods	0	2.842
Intercompany sales of services	25.871	34.159
Intercompany purchase of goods	48.558	40.092
Intercompany purchase of services	51.872	53.487
	<u>126.301</u>	<u>130.580</u>

Payables to associates and subsidiaries are disclosed in the balance sheet/note 19, and expensed interest is disclosed in note 7.

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Tina Høyer Gaardsholt

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Kurt Michael Grimborg

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Per Hedblom

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On behalf of: KPMG P/S

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