

Optical Fashion Group A/S

Hovedgaden 451 b, 2640 Hedehusene

Company reg. no. 30 06 59 21

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 28 May 2019.



Per Hedblom
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146 940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Optical Fashion Group A/S for the financial year 1 January to 31 December 2018.

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 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

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

The annual report is recommended for approval by the general meeting.

Hedehusene, 28 May 2019


Managing Director

Tina Hoyer Gaardsholt

Board of directors


Björn Einar Håkan Lundstedt


Martin Daniels


Malcolm Lidbeck


Tina Hoyer Gaardsholt


Per Erik Hedblom

Independent auditor's report

To the shareholder of Optical Fashion Group A/S

Opinion

We have audited the annual accounts of Optical Fashion Group A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 28 May 2019

KPMG

Statsautoriseret Revisionspartnerselskab
Company Reg. no. 25 57 81 78



Henrik O. Larsen
State Authorised Public Accountant
mne15839



Joakim Juul Larsen
State Authorised Public Accountant
mne32803

Company data

| | |
|---------------------------|---|
| The company | Optical Fashion Group A/S Hovedgaden 451 b 2640 Hedehusene |
| | Company reg. no. 30 06 59 21 Established: 1 October 2006 Domicile: Høje Taastrup Financial year: 1 January - 31 December |
| Board of directors | Björn Einar Håkan Lundstedt Martin Daniels Malcolm Lidbeck Tina Høyer Gaardsholt Per Erik Hedblom |
| Managing Director | Tina Høyer Gaardsholt |
| Auditors | KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø |

Management's review

The principal activities of the company

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

In the financial year, there has been no activity in the company.

Development in activities and financial matters

The results after tax are DKK 73 thousand against DKK 47 last year.

The Company has a negative equity. In the opinion of Management, the Company is included as strategic investment in the Synsam Group and will therefore secure the necessary capital and ongoing funding requirements. The capital resource is necessary to ensure continued operations

Accounting policies used

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

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

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.

The profit and loss account

Other external costs

Other external costs comprise costs for administration.

Net financials

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

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).

Accounting policies used

The balance sheet

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Equity

Dividend

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

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Tax receivables from group enterprises" or "Tax payable to group enterprises"

According to the rules of joint taxation, Optical Fashion Group 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

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

Profit and loss account 1 January - 31 December

DKK in thousands.

| <u>Note</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|
| Other external costs | -5 | -11 |
| Other financial income | 100 | 72 |
| Other financial costs | -1 | -1 |
| Results before tax | 94 | 60 |
| 2 Tax on ordinary results | -21 | -13 |
| Results for the year | 73 | 47 |
| Proposed distribution of the results: | | |
| Allocated to results brought forward | 73 | 47 |
| Distribution in total | 73 | 47 |

Balance sheet 31 December

DKK in thousands.

| <u>Note</u> | <u>2018</u> | <u>2017</u> |
|-----------------------------------|-------------|-------------|
| Assets | | |
| Current assets | | |
| Amounts owed by group enterprises | 549 | 549 |
| Debtors in total | 549 | 549 |
| Current assets in total | <u>549</u> | <u>549</u> |
| Assets in total | <u>549</u> | <u>549</u> |

Balance sheet 31 December

DKK in thousands.

| Equity and liabilities | | | |
|-------------------------------|--|---------------|---------------|
| <u>Note</u> | | <u>2018</u> | <u>2017</u> |
| | Equity | | |
| 3 | Share capital | 500 | 500 |
| 4 | Retained earnings | -3.362 | -3.435 |
| | Equity in total | <u>-2.862</u> | <u>-2.935</u> |
| | Liabilities | | |
| | Debt to group enterprises | 3.380 | 3.461 |
| | Tax payables to group enterprises | 21 | 13 |
| | Other debts | 10 | 10 |
| | Short-term liabilities in total | <u>3.411</u> | <u>3.484</u> |
| | Liabilities in total | <u>3.411</u> | <u>3.484</u> |
| | Equity and liabilities in total | <u>549</u> | <u>549</u> |

- 1 **Uncertainties concerning the enterprise's ability to continue as a going concern**
- 5 **Contingencies**
- 6 **Related parties**

Notes

DKK in thousands.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The Company has a negative equity. In the opinion of Management, the Company is included as strategic investment in the Synsam Group and will therefore secure the necessary capital and ongoing funding requirements. The capital resource is necessary to ensure continued operations.

| | <u>2018</u> | <u>2017</u> |
|---|-------------|-------------|
| 2. Tax on ordinary results | | |
| Tax of the results for the year, joint taxation | <u>21</u> | <u>13</u> |
| | <u>21</u> | <u>13</u> |
| 3. Share capital | | |
| Share capital 1 January 2018 | <u>500</u> | <u>500</u> |
| | <u>500</u> | <u>500</u> |

The share capital consists of 500,000 shares, each with nominal value of DKK 1. No shares hold particular rights. There have been no changes in the share capital during the last 5 years.

4. Retained earnings

| | | |
|-----------------------------------|---------------|---------------|
| Retained earnings 1 January 2018 | -3.435 | -3.482 |
| Loss for the year brought forward | <u>73</u> | <u>47</u> |
| | <u>-3.362</u> | <u>-3.435</u> |

Notes

DKK in thousands.

5. Contingencies

Contingent liabilities

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

Joint taxation

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

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

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

6. Related parties

Optical Fashion Group A/S' related parties comprise the following:

Control

Profil Optik A/S, Hovedgaden 451 b, 2620 Hedehusene, Denmark

Profil Optik A/S holds the majority of the share capital in the Company

Optical Fashion Group A/S is part of the consolidated financial statements of Synsam AB, reg. no 556964-0930, Box 30153, 104 25 Stockholm, Sweden, which is the smallest and largest group in which the Company is included as a subsidiary.