

Synsam Danmark A/S

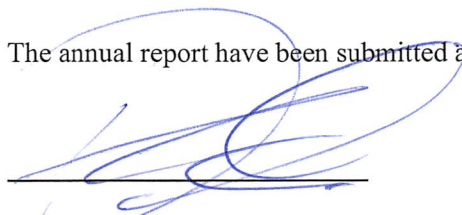
Hovedgaden 451 b, 2640 Hedehusene

Company reg. no. 31 05 86 35

Annual report

1 January - 31 December 2015

The annual report have been submitted and approved by the general meeting on the 21 June 2016.



Chairman of the meeting

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Notes:

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

Management's report

The board of directors and the managing director have today presented the annual report of Synsam Danmark A/S for the financial year 1 January to 31 December 2015.

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 as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

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, 21 June 2016

Managing Director



Pia Huusfelt

Board of directors



Bjørn Einar Håkan Lundstedt



Mikael Rahm



Pia Huusfelt

The independent auditor's reports

To the shareholder of Synsam Danmark A/S

Report on the annual accounts

We have audited the annual accounts of Synsam Danmark A/S for the financial year 1 January to 31 December 2015, 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.

The management's responsibility 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. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.

The independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.


Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the performed audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.


Copenhagen, 21 June 2016

KPMG

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98



Jacob Lehman
State Authorised Public Accountant



Joakim Juul Larsen
State Authorised Public Accountant

Company data

The company

Synsam Danmark A/S
Hovedgaden 451 b
2640 Hedehusene

Company reg. no. 31 05 86 35
Domicile: Høje Taastrup
Financial year: 1 January - 31 December

Board of directors

Bjørn Einar Håkan Lundstedt
Mikael Rahm
Pia Huusfelt

Managing Director

Pia Huusfelt

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Parent company

Synsam Nordic A/S

Subsidiaries

Profil Optik A/S, Høje Taastrup
Profil Optik Butikker A/S, Høje Taastrup
Profil Optik Butikker II A/S, Høje Taastrup

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.

Development in activities and financial matters

The gross profit for the year is DKK 10.464 thousand against DKK 11.655 thousand last year. The results from ordinary activities after tax are DKK 53.177 thousand against DKK 4.279 thousand last year. In the year the write down of DKK 63.700 thousand on equity investments in subsidiaries has been reversed as there is no longer indications of impairment. The management consider the results satisfactory.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Synsam Danmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B 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 Danmark A/S and its group enterprises are included in the consolidated annual accounts for Synsam AB, Stockholm, reg. nr. 556964-0930.

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.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

The profit and loss account

Gross profit

The company uses the regulations in the Danish Financial Statements Act §32, after which the revenue is not stated. The gross profit comprises the net turnover and other external costs.

Net turnover comprises the fair value of the consideration received or receivable for goods and services sold in the company's operating activities. Revenue is recognised excluding VAT and returns and discounts.

Other external costs comprise costs for sales, administration etc.

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.

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 concerning the financial year.

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

Accounting policies used

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

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Other securities and equity investments

Securities and equity investments recognised as current assets are measured at fair value (market price) on the balance sheet date.

Debtors

Debtors are measured at amortised cost.

Writedown is made for bad debt losses where there is an objective indication that a debtor has been impaired, a writedown is made.

Accrued income and deferred expenses

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

Available funds

Available funds comprise cash at bank and in hand.

Equity - dividend

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year (declaration date) is disclosed as a separate item under equity.

Accounting policies used

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.

Deferred tax assets, including the tax value of loss carryforwards, are recognised at the expected value of their utilisation within a foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement and equity, respectively.

Liabilities

Other liabilities are measured at net realisable value.

Profit and loss account 1 January - 31 December

DKK in thousands.

Note	2015	2014
Gross profit	10.464	11.655
1 Staff costs	-11.044	-10.404
Operating profit	-580	1.251
2 Other financial income	5.407	14.001
Reversal of write down on equity investments	63.700	0
3 Other financial costs	-16.411	-9.522
Results before tax	52.116	5.730
4 Tax on ordinary results	1.061	-1.451
Results for the year	53.177	4.279
Proposed distribution of the results:		
Allocated to results brought forward	53.177	4.279
Distribution in total	53.177	4.279

Balance sheet 31 December

DKK in thousands.

Assets			
Note		<u>2015</u>	<u>2014</u>
Fixed assets			
5	Equity investments in group enterprises	584.367	522.049
6	Other securities and equity investments	<u>0</u>	<u>600</u>
	Financial fixed assets in total	<u>584.367</u>	<u>522.649</u>
	Fixed assets in total	<u>584.367</u>	<u>522.649</u>
Current assets			
	Amounts owed by group enterprises	84.560	39.061
	Deferred tax assets	0	641
	Receivable corporate tax	3.829	2.127
	Other debtors	232	0
	Accrued income and deferred expenses	<u>0</u>	<u>98</u>
	Debtors in total	<u>88.621</u>	<u>41.927</u>
	Cash funds	<u>350</u>	<u>411</u>
	Current assets in total	<u>88.971</u>	<u>42.338</u>
	Assets in total	<u>673.338</u>	<u>564.987</u>

Balance sheet 31 December

DKK in thousands.

Equity and liabilities			
Note		<u>2015</u>	<u>2014</u>
Equity			
7	Share capital	12.396	12.396
8	Retained earnings	395.810	342.633
	Equity in total	<u>408.206</u>	<u>355.029</u>
Liabilities			
9	Debt to group enterprises	108.096	99.896
	Long-term liabilities in total	<u>108.096</u>	<u>99.896</u>
	Debt to group enterprises	155.067	106.250
	Other debts	1.969	3.812
	Short-term liabilities in total	<u>157.036</u>	<u>110.062</u>
	Liabilities in total	<u>265.132</u>	<u>209.958</u>
	Equity and liabilities in total	<u>673.338</u>	<u>564.987</u>
10	Mortgage and securities		
11	Contingencies		
12	Related parties		

Notes

DKK in thousands.

	<u>2015</u>	<u>2014</u>
1. Staff costs		
Salaries and wages	9.219	8.543
Pension costs	1.077	1.060
Other costs for social security	96	76
Other staff costs	<u>652</u>	<u>725</u>
	<u>11.044</u>	<u>10.404</u>
2. Other financial income		
Other financial income	<u>5.407</u>	<u>14.001</u>
	<u>5.407</u>	<u>14.001</u>
3. Other financial costs		
Interest paid to group companies	4.164	3.416
Other financial costs	<u>12.247</u>	<u>6.106</u>
	<u>16.411</u>	<u>9.522</u>
4. Tax on ordinary results		
Tax of the results for the year, joint taxation	-1.702	60
Adjustment for the year of deferred tax	<u>641</u>	<u>1.391</u>
	<u>-1.061</u>	<u>1.451</u>

Notes

DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
5. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2015	585.749	559.232
Additions during the year	0	26.517
Disposals during the year	<u>-1.382</u>	<u>0</u>
Cost 31 December 2015	<u>584.367</u>	<u>585.749</u>
Revaluations, opening balance 1 January 2015	-63.700	-63.700
Reversal of prior revaluations	<u>63.700</u>	<u>0</u>
Writedown 31 December 2015	<u>0</u>	<u>-63.700</u>
Book value 31 December 2015	<u>584.367</u>	<u>522.049</u>

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

	Share of ownership	Equity	Results for the year	Book value at Synsam Danmark A/S
Profil Optik A/S, Høje Taastrup	100 %	20.397	6.048	25.063
Profil Optik Butikker A/S, Høje Taastrup	100 %	140.459	-68.198	419.226
Profil Optik Butikker II A/S, Høje Taastrup	100 %	183.797	4.295	140.077

6. Other securities and equity investments

Cost 1 January 2015	600	600
Disposals during the year	<u>-600</u>	<u>0</u>
Cost 31 December 2015	<u>0</u>	<u>600</u>
Book value 31 December 2015	<u>0</u>	<u>600</u>

Notes

DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
7. Share capital		
Share capital 1 January 2015	12.396	12.417
Cash capital reduction	<u>0</u>	<u>-21</u>
	<u>12.396</u>	<u>12.396</u>

The share capital consists of 9,585,886 A shares shares, each with a nominal value of DKK 1 and 2,810,134 B shares, each with nominal value of DKK 1.

Within the latest 5 years, the following changes in the share capital have taken place:

2014: Disposal of DKK 21 thousand

2011: Addition of DKK 240 thousand

8. Retained earnings

Retained earnings 1 January 2015	342.633	313.219
Profit or loss for the year brought forward	53.177	4.279
Contribution from group enterprises	<u>0</u>	<u>25.135</u>
	<u>395.810</u>	<u>342.633</u>

9. Debt to group enterprises

Debt to group enterprises in total	108.096	99.896
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Debt to group enterprises in total	<u>108.096</u>	<u>99.896</u>
Share of liabilities due after 5 years	<u>108.096</u>	<u>99.896</u>

10. Mortgage and securities

The Company has provided its shares in subsidiaries as collateral as security for Svenska S Holding 3 AB's loan in Nordea. The Company is jointly and severally liable for the loan for an amount equal to the equity of the Company.

Notes

DKK in thousands.

11. Contingencies

Joint taxation

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

The Company is jointly taxed with other Danish companies in the Synsam Nordic A/S Group. Together with the other companies in the joint taxation, the Company has unlimited jointly and severally liability for Danish corporation taxes and withholding taxes on dividends and interest within the joint taxation.

12. Related parties

Controlling interest

The company is included in the consolidated financial statements of:

Synsam AB, org. no. 556964-0930

Box 30153

104 25 Stockholm

Sweden