

# **Profil Optik Butikker A/S**

**Hovedgaden 451 b, 2640 Hedehusene**

**Company reg. no. 31 05 87 24**

## **Annual report**

**1 January - 31 December 2016**

The annual report have been submitted and approved by the general meeting on the 29 May 2017.



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Tina Høyer Gaardsholt  
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**

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The board of directors and the managing director have today presented the annual report of Profil Optik Butikker A/S for the financial year 1 January to 31 December 2016.

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 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

We are of the opinion that the management's review includes a fair description of the development in the company's activities and financial matters, of the results for the year and the company's financial position.

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

Hedehusene, 29 May 2017

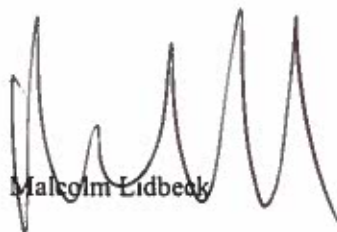
### **Managing Director**

Tina Høyer Gaardsholt

### **Board of directors**

  
Bjørn Einar Håkan Lundstedt  
Chairman

  
Martin Daniels

  
Malcolm Lidbeck

  
Tina Høyer Gaardsholt

## **Independent auditor's report**

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**To the shareholder of Profil Optik Butikker A/S**

### **Opinion**

We have audited the annual accounts of Profil Optik Butikker A/S for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity 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 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 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.

## **Independent auditor's report**

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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:

- ∞ 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.

## **Independent auditor's report**

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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.

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, 29 May 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
Company reg. no. 28 57 81 98



Jacob Lehman

State Authorised Public Accountant



Joakim Juul Larsen

State Authorised Public Accountant

## **Company data**

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<b>The company</b>	Profil Optik Butikker A/S Hovedgaden 451 b 2640 Hedehusene  Company reg. no. 31 05 87 24 Financial year: 1 January - 31 December
<b>Board of directors</b>	Björn Einar Håkan Lundstedt, Chairman Martin Daniels Malcolm Lidbeck Tina Høyer Gaardsholt
<b>Managing Director</b>	Tina Høyer Gaardsholt
<b>Auditors</b>	KPMG, Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø
<b>Parent company</b>	Synsam Nordic A/S
<b>Subsidiary</b>	Profil Optik A/S, Hedehusene

## Financial highlights

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DKK thousands.	2016	2015	2014	2013	2012
<b>Profit and loss account:</b>					
Net turnover	577.978	634.635	352.937	341.489	363.934
Gross profit	237.121	291.973	181.291	195.482	212.057
Results from operating activities	-92.945	-32.389	8.671	27.925	38.537
Net financials	-24.271	-39.650	-16.510	8.007	-55.523
Results for the year	-99.666	-68.046	-7.764	14.461	-29.745
<b>Balance sheet:</b>					
Total assets	1.168.260	1.085.885	1.038.850	999.143	982.800
Investments in tangible fixed assets represent	74.991	36.536	29.330	9.818	5.437
Equity	169.576	129.242	208.657	216.420	201.959
<b>Employees:</b>					
Average number of full time employees	542	520	294	251	264
<b>Key figures in %:</b>					
Gross margin	41,0	46,0	51,4	57,2	58,3
Profit margin	-16,1	-5,1	2,5	8,2	10,6
Solvency ratio	14,5	11,9	20,1	21,7	20,5
Return on equity	-66,7	-40,3	-3,7	6,9	-13,7

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The company has at 1 January 2016 been merged with subsidiaries and other group entities. The financial highlights for the period 2014-12 has not been adjusted to reflect the merger, and thus kept unchanged.



## **Financial highlights**

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The key figures appearing from the survey have been calculated as follows:

<b>Gross margin</b>	$\frac{\text{Gross results} \times 100}{\text{Net turnover}}$
<b>Profit margin (EBIT margin)</b>	$\frac{\text{Results from primary activities (EBIT)} \times 100}{\text{Net turnover}}$
<b>Solvency ratio</b>	$\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$
<b>Return on equity</b>	$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

## **Management's review**

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### **The principal activities of the company**

The Company's objective is to carry out optician activities and other trade activities which the Board of Directors considers related thereto, including activities carried out through subsidiaries in the Profil Optik chain.

### **Development in activities and financial matters**

On January 1, 2016 Profil Optik Butikker A/S merged with Synsam Denmark A/S (31 05 86 35), Profil Optik Butikker II A/S (31417554), Treiner Syn ApS (28 10 81 09), Profil Optik Grindsted ApS (29 91 84 81) and 3 Optik A/S (30 98 83 45). The purpose of the merger is to enable a more efficient organization and increased profitability.

The net turnover for the year is DKK 577.978 thousand against DKK 634.635 thousand last year. The results from ordinary activities after tax are DKK -99.666 thousand against DKK -68.046 thousand last year. The management consider the results unsatisfactory.

The company has in 2016 received a grant contribution from group companies of DKK 140.000 thousand.

### **The past year and follow-up on the development expectations from last year**

Profil Optik Butikker A/S is Denmark's leading optical retail chain in eye fashion. The company operates nationwide with in-house and franchise stores. Online sales account for a growing proportion of the total turnover.

Profil Optik Butikker A/S offers eye examinations, glasses, sunglasses, sports glasses, contact lenses and accessories in optics and eye fashion.

In 2016, Profil Optik Butikker A/S launched a subscription based offer called LifeStyle, where customers can subscribe monthly to glasses and services.

The brand Profil Optik was extended to Profil Optik by Synsam, as a reference to the Nordic retail chain that the company is a part of.

In 2016, Profil Optik Butikker made large investments by rebuilding store interiors to a large percentage of our stores. A section of the new interior is called StyleLab, where customers can try glasses virtually via an in-house developed app.

In January 2016, the company acquired all shares in 3 Optik A/S (30 98 83 45) and in April the business of Nyt Syn Brønshøj Aps (32 34 63 32) was acquired in an asset deal.

### **Outlook**

In 2017, Profil Optik Butikker A/S expects to capitalize on the investments made in 2016 by growing revenues and improved profitability. Investments included rebuilding shops, training staff, launching LifeStyle and new marketing activities.

## **Management's review**

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### **Special risks - Operating risks and financial risks**

#### **Operating risks:**

The Company's most significant operating risk relates to the ability to be strongly positioned in the respective markets. A strong position can be attributed to brand awareness and the ability to combine optimum customer service and competitive prices.

#### **Financial risks:**

The Company is exposed to changes in foreign exchange rates and interest rate levels. It is the Company's policy not to speculate in financial risks.

#### **Overall risks**

The Company considers effective risk management an integral part of its activities in order to reduce uncertainties, meet the Company's strategic goals and ensure value creation for all stakeholders. The Company's Management considers risks as something that can and should be managed as effective risk management may turn potential risks into possibilities. The Board of Directors regularly assesses the overall risks and the individual risk factors related to the Company's activities.

At present, the most significant risk factors identified by Management are financial risks, comprising credit risks, liquidity risks and currency risks.

#### **Strategy:**

The Company aims to ensure that customers receive the best professional standard in the market, tailored to the individual customer's needs. The Company exercises care and actively seeks out the best possible solution. The dialogue with the customer must be trusting and in an uncomplicated language. The Company has developed many professional individual solutions, e.g. reading contact lenses, glasses for children and safety glasses with strength. The Company has a network of experienced opticians in Denmark specializing in specific vision impairments and diseases of the eye who are offered competency for qualified treatment of very specific and complex vision impairments for customers in Denmark. They always have time for thorough consultation until all relevant matters have been taken into consideration. Full guarantee for the solution chosen is provided and as the solution entails a certain investment for some customers, a favorable payment plan is offered which is more favorable for the customer's than the company from an economic point of view. The outcome is growth in the number of customers and, as mentioned above, very high customer satisfaction and customer loyalty.

#### **Environmental issues**

The Company has no production, and consequently, the impact on the external environment is limited to consumption of electricity, water and heat for administration and business premises. The Company has not taken any measures to prevent or reduce its environmental impact.

## **Management's review**

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### **Intellectual capital resources**

The continued development of the Company requires the ability to maintain and attract skilled employees with specialized competency as opticians. The Company focuses highly on professional competence and customer service.

It is the Company's aim to develop its employees into competent, passionate professionals providing the customers with the best customized solution. The Company has set up nationally tailored training programs providing both continuing education within optics as well as management and customer service training. For the entire chain, a mutual trainee foundation has been established ensuring that the individual shops can hire and train trainees from the professional bachelor course with the wage subsidies. The outcome is highly skilled and satisfied employees as well as satisfied customers.

### **The expected development**

A part of the Company's strategy is continuously seeking opportunities to acquire entities in existing and new markets to strengthen the Company's overall business position. Furthermore, the Company will continue the effort to further strengthen its position as Denmark's leading chain of eye fashion through unique customer offerings.

### **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

### **Statement of corporate social responsibility**

The Company has not adopted any policies for Corporate Social Responsibility, including on climate, environment and human rights.

### **Target figures and policies for the under-represented sex**

The Board of Directors in Profil Optik Butikker A/S consists of four members. In 2016, the underrepresented gender represented 25 % of the members of the Board of Directors elected by the annual general meeting. 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 not be lower than 40 – 60; i. e. no gender representation should be below 40 % of the total management teams. For 2016, the actual representation of women is 50 % and men 50 %.

## **Accounting policies used**

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

As from 1 January 2016, the Group has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- 1     Going forward, dividends from equity investments in subsidiaries recognised at cost are always recognised in the income statement. In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in subsidiaries. Previously, cost was reduced to the extent that distributed dividend exceeded accumulated earnings after the acquisition date.
- 2     Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.
- 3     Going forward, intangible assets will be amortised over the useful life. Previously, the maximum period of amortisation was 20 years.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Profil Optik Butikker A/S and its group enterprises are included in the consolidated annual accounts for Synsam AB, Stockholm, Sverige, reg. no 556964-0930.

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.

### **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.

## **Accounting policies used**

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Gains or losses on the divestment of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment or winding-up.

The accounting policies used are unchanged compared to last year.

### **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**

### **Revenue**

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

Revenues from subscription fees are recognised over the subscription period.

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 sales**

Cost of sales include costs of the purchase of goods for resale and consumables less discounts and changes in inventories.

### **Other operating income/costs**

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

### **Other external costs**

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

## **Accounting policies used**

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### **Staff costs**

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

### **Depreciation, amortisation and writedown**

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

### **Net financials**

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

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

### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

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

## **The balance sheet**

### **Intangible fixed assets**

#### **Rights and goodwill**

Purchased rights and goodwill are 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 determined on the basis of the managements experience with the individual business areas. The amortisation period of 20 years is based on a strong market position and an expected long earnings profile.

Rights is amortised over 7-9 years.

Goodwill is amortised over 20 years.

## **Accounting policies used**

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### **Tangible fixed assets**

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

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

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

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

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

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

Leasehold	5-10 years
Fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are assessed annually. Changes are treated as accounting estimates and the effect on depreciation is recognised prospectively.

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

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

As regards assets of own production, the cost comprises direct and indirect costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs form specific and general borrowing concerning the construction of each individual asset.

### **Leasing contracts**

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.



## **Accounting policies used**

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The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

### **Impairment of non-current assets**

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

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

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

### **Financial fixed assets**

#### **Equity investment in group enterprise**

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

### **Inventories**

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

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

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

### **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.

### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

## **Accounting policies used**

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### **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 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.

According to the rules of joint taxation, Profil Optik Butikker 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 is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities**

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

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

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.

Note	2016	2015
1 Net turnover	577.978	634.635
Cost of goods sold	-148.276	-180.229
Other external costs	-192.581	-162.433
<b>Gross results</b>	<b>237.121</b>	<b>291.973</b>
2 Staff costs	-242.992	-239.932
3 Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-78.741	-84.264
Other operating costs	-8.333	-166
<b>Operating profit</b>	<b>-92.945</b>	<b>-32.389</b>
Other financial income	68.978	34.626
4 Other financial costs	-93.249	-74.276
<b>Results before tax</b>	<b>-117.216</b>	<b>-72.039</b>
5 Tax on ordinary results	17.550	3.993
<b>6 Results for the year</b>	<b>-99.666</b>	<b>-68.046</b>

## Balance sheet 31 December

DKK in thousands.

<b>Assets</b>			
Note		<u>2016</u>	<u>2015</u>
<b>Fixed assets</b>			
7	Rights	0	51
8	Goodwill	<u>659.785</u>	<u>704.561</u>
	Intangible fixed assets in total	<u>659.785</u>	<u>704.612</u>
9	Fixtures and fittings, tools and equipment	55.433	39.257
10	Tangible assets under construction	2.344	2.326
11	Leasehold improvements	<u>56.862</u>	<u>26.394</u>
	Tangible fixed assets in total	<u>114.639</u>	<u>67.977</u>
12	Equity investment in subsidiaries	25.063	25.063
13	Deposits	<u>12.512</u>	<u>10.458</u>
	Financial fixed assets in total	<u>37.575</u>	<u>35.521</u>
	<b>Fixed assets in total</b>	<u><b>811.999</b></u>	<u><b>808.110</b></u>
<b>Current assets</b>			
	Goods for resale	<u>64.255</u>	<u>54.555</u>
	Inventories in total	<u>64.255</u>	<u>54.555</u>
	Trade debtors	19.489	18.629
	Amounts owed by group enterprises	263.316	189.026
	Other debtors	1.402	1.668
14	Prepayments	<u>4.026</u>	<u>6.240</u>
	Debtors in total	<u>288.233</u>	<u>215.563</u>
	Cash funds	<u>3.773</u>	<u>7.657</u>
	<b>Current assets in total</b>	<u><b>356.261</b></u>	<u><b>277.775</b></u>
	<b>Assets in total</b>	<u><b>1.168.260</b></u>	<u><b>1.085.885</b></u>

## Balance sheet 31 December

DKK in thousands.

<b>Equity and liabilities</b>			
Note		<u>2016</u>	<u>2015</u>
<b>Equity</b>			
15	Share capital	10.000	10.000
	Retained earnings	<u>159.576</u>	<u>119.242</u>
	<b>Equity in total</b>	<u><b>169.576</b></u>	<u><b>129.242</b></u>
<b>Provisions</b>			
16	Provisions for deferred tax	<u>15.136</u>	<u>32.424</u>
	<b>Provisions in total</b>	<u><b>15.136</b></u>	<u><b>32.424</b></u>
<b>Liabilities</b>			
17	Leasing liabilities	1.085	2.408
18	Payables to group enterprises	<u>693.777</u>	<u>665.511</u>
	<b>Long-term liabilities in total</b>	<u><b>694.862</b></u>	<u><b>667.919</b></u>
	Short-term part of long-term liabilities	1.318	1.634
	Bank debts	4.870	0
	Prepayments received from customers	6.256	0
	Trade creditors	56.796	45.730
	Payables to group enterprises	156.365	143.130
	Corporate tax	8.456	8.481
	Other debts	<u>54.625</u>	<u>57.325</u>
	<b>Short-term liabilities in total</b>	<u><b>288.686</b></u>	<u><b>256.300</b></u>
	<b>Liabilities in total</b>	<u><b>983.548</b></u>	<u><b>924.219</b></u>
	<b>Equity and liabilities in total</b>	<u><b>1.168.260</b></u>	<u><b>1.085.885</b></u>
19	<b>Rental agreements and leases</b>		
20	<b>Fee, auditor</b>		
21	<b>Mortgage and securities</b>		
22	<b>Contingencies</b>		
23	<b>Related parties</b>		

## Statement of changes in equity

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DKK in thousands.

	<u>Share capital</u>	<u>Retained earnings</u>	<u>In total</u>
Equity 1 January 2015	10.000	187.288	197.288
Profit or loss for the year brought forward	<u>0</u>	<u>-68.046</u>	<u>-68.046</u>
Equity 1 January 2016	10.000	119.242	129.242
Profit or loss for the year brought forward	0	-99.666	-99.666
Contribution from group enterprises	<u>0</u>	<u>140.000</u>	<u>140.000</u>
	<u>10.000</u>	<u>159.576</u>	<u>169.576</u>

## Notes

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DKK in thousands.

### 1. Net turnover

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

	<u>2016</u>	<u>2015</u>
<b>2. Staff costs</b>		
Salaries and wages	213.742	210.898
Pension costs	18.589	17.225
Other costs for social security	6.410	6.221
Other staff costs	4.251	5.588
	<u>242.992</u>	<u>239.932</u>
 Average number of employees	 <u>542</u>	 <u>520</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.

### 3. Depreciation, amortisation and writedown relating to tangible and intangible fixed assets

Amortisation and writedown of goodwill	53.352	61.376
Depreciation on plants, operating assets, fixtures and furniture	23.761	21.350
Depreciation on leased assets	1.628	1.538
	<u>78.741</u>	<u>84.264</u>

### 4. Other financial costs

Financial costs, group enterprises	29.768	28.109
Other financial costs	63.481	46.167
	<u>93.249</u>	<u>74.276</u>

## Notes

DKK in thousands.

	<u>2016</u>	<u>2015</u>
<b>5. Tax on ordinary results</b>		
Tax of the results for the year, joint taxation	-25	2.115
Adjustment for the year of deferred tax	-17.525	-6.104
Adjustment of tax for previous years	<u>0</u>	<u>-4</u>
	<u><b>-17.550</b></u>	<u><b>-3.993</b></u>
 <b>6. Proposed distribution of the results</b>		
Disposed from retained earnings	<u>-99.666</u>	<u>-68.046</u>
<b>Distribution in total</b>	<u><b>-99.666</b></u>	<u><b>-68.046</b></u>
	 <u>31/12 2016</u>	 <u>31/12 2015</u>
<b>7. Rights</b>		
Cost 1 January 2016	13.719	13.719
Disposals during the year	<u>-13.719</u>	<u>0</u>
<b>Cost 31 December 2016</b>	<u><b>0</b></u>	<u><b>13.719</b></u>
Amortisation and writedown 1 January 2016	-13.668	-13.668
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>13.668</u>	<u>0</u>
<b>Amortisation and writedown 31 December 2016</b>	<u><b>0</b></u>	<u><b>-13.668</b></u>
 <b>Book value 31 December 2016</b>	 <u><b>0</b></u>	 <u><b>51</b></u>



## Notes

DKK in thousands.

	31/12 2016	31/12 2015
<b>8. Goodwill</b>		
Cost 1 January 2016	1.112.097	1.096.700
Additions during the year	23.394	15.397
Disposals during the year	-29.962	0
<b>Cost 31 December 2016</b>	<b>1.105.529</b>	<b>1.112.097</b>
Amortisation and writedown 1 January 2016	-407.536	-346.160
Amortisation for the year	-52.331	-60.414
Writedown for the year	-1.020	-962
Reversal of depreciation, amortisation and writedown, assets disposed of	15.143	0
<b>Amortisation and writedown 31 December 2016</b>	<b>-445.744</b>	<b>-407.536</b>
<b>Book value 31 December 2016</b>	<b>659.785</b>	<b>704.561</b>
<b>9. Fixtures and fittings, tools and equipment</b>		
Cost 1 January 2016	175.654	150.890
Additions during the year	34.966	24.764
Disposals during the year	-5.478	0
<b>Cost 31 December 2016</b>	<b>205.142</b>	<b>175.654</b>
Amortisation and writedown 1 January 2016	-136.397	-120.726
Depreciation for the year	-18.672	-15.671
Depreciation, amortisation and writedown for the year, assets disposed of	5.360	0
<b>Amortisation and writedown 31 December 2016</b>	<b>-149.709</b>	<b>-136.397</b>
<b>Book value 31 December 2016</b>	<b>55.433</b>	<b>39.257</b>
Leased assets are included with a book value of	1.452	3.248

## Notes

DKK in thousands.

	31/12 2016	31/12 2015
<b>10. Tangible assets under construction</b>		
Cost 1 January 2016	2.326	0
Additions during the year	2.344	2.326
Disposals during the year	-2.326	0
<b>Cost 31 December 2016</b>	<b>2.344</b>	<b>2.326</b>
<b>Book value 31 December 2016</b>	<b>2.344</b>	<b>2.326</b>
<b>11. Leasehold improvements</b>		
Cost 1 January 2016	82.041	72.594
Additions during the year	37.681	9.447
Disposals during the year	-3.372	0
<b>Cost 31 December 2016</b>	<b>116.350</b>	<b>82.041</b>
Depreciation and writedown 1 January 2016	-55.647	-49.968
Depreciation for the year	-6.717	-5.679
Depreciation, amortisation and writedown for the year, assets disposed of	2.876	0
<b>Depreciation and writedown 31 December 2016</b>	<b>-59.488</b>	<b>-55.647</b>
<b>Book value 31 December 2016</b>	<b>56.862</b>	<b>26.394</b>
<b>12. Equity investment in subsidiaries</b>		
Acquisition sum, opening balance 1 January 2016	25.063	25.063
<b>Book value 31 December 2016</b>	<b>25.063</b>	<b>25.063</b>

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

	Share of ownership	Equity	Results for the year	Book value at Profil Optik Butikker A/S
Profil Optik A/S, Hedehusene	100 %	19.447	-950	25.063

## Notes

DKK in thousands.

	<u>31/12 2016</u>	<u>31/12 2015</u>
<b>13. Deposits</b>		
Cost 1 January 2016	10.458	10.458
Additions during the year	<u>2.054</u>	<u>0</u>
<b>Cost 31 December 2016</b>	<u><b>12.512</b></u>	<u><b>10.458</b></u>
<b>Book value 31 December 2016</b>	<u><b>12.512</b></u>	<u><b>10.458</b></u>
<b>14. Prepayments</b>		
Other prepayments	<u>4.026</u>	<u>6.240</u>
	<u><b>4.026</b></u>	<u><b>6.240</b></u>
<b>15. Share capital</b>		
The share capital consists of 10.000.100 shares, each with a nominal value of DKK 1. No shares carry any special rights.		
The share capital was in 2016 increased with 100 shares, there has been no other changes in the last 5 years.		
	<u>31/12 2016</u>	<u>31/12 2015</u>
<b>16. Provisions for deferred tax</b>		
Provisions for deferred tax 1 January 2016	32.424	6.104
Deferred tax of the results for the year	-17.579	26.320
Adjustment of deferred tax, opening account	<u>291</u>	<u>0</u>
	<u><b>15.136</b></u>	<u><b>32.424</b></u>
<b>17. Leasing liabilities</b>		
Leasing liabilities in total	2.403	4.042
Share of amount due within 1 year	<u>-1.318</u>	<u>-1.634</u>
	<u><b>1.085</b></u>	<u><b>2.408</b></u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

## Notes

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DKK in thousands.

	<u>31/12 2016</u>	<u>31/12 2015</u>
<b>18. Payables to group enterprises</b>		
Payables to group enterprises in total	693.777	665.511
Share of amount due within 1 year	<u>0</u>	<u>0</u>
<b>Payables to group enterprises in total</b>	<u><b>693.777</b></u>	<u><b>665.511</b></u>
Share of liabilities due after 5 years	<u>693.777</u>	<u>665.511</u>
<b>19. Rental agreements and leases</b>		
Rent and lease payments within 1 year	27.838	24.560
Rent and lease payments between 1 and 5 years	17.679	10.878
Rent and lease payments after 5 years	<u>3.734</u>	<u>387</u>
	<u><b>49.251</b></u>	<u><b>35.825</b></u>
<b>20. Fee, auditor</b>		
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.		
<b>21. Mortgage and securities</b>		
The Company has provided its shares in subsidiaries as collateral as security for Synsam 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

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DKK in thousands.

### 22. Contingencies

#### **Contingent assets**

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**

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.

### 23. Related parties

Profil Optik Butikker A/S' related parties comprise the following:

#### **Control**

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

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

Profil Optik Butikker 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.

The consolidated financial statements of Synsam AB can be obtained by contacting the Company.

#### **Related party transactions**

The company was chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.