

Profil Optik Butikker II A/S

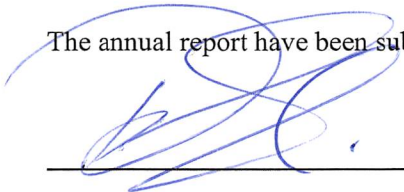
Hovedgaden 451 B, 2640 Hedehusene

Company reg. no. 31 41 75 54

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 Profil Optik Butikker II 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.

Further, in our opinion, the management's review gives a fair review of the development in the company's activities and financial matters, of the results for the year and of the company's financial position.

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

Hedehusene, 21 June 2016

Managing Director



Pia Huusfelt

Board of directors



Björn Einar Håkan Lundstedt



Mikael Rahm



Pia Huusfelt

The independent auditor's reports

To the shareholder of Profil Optik Butikker II A/S

Report on the annual accounts

We have audited the annual accounts of Profil Optik Butikker II A/S for the financial year 1 January to 31 December 2015, 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.

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

Profil Optik Butikker II A/S
Hovedgaden 451 B
2640 Hedehusene

Company reg. no. 31 41 75 54
Established: 2 May 2008
Domicile: Høje Taastrup
Financial year: 1 January - 31 December

Board of directors

Björn Einar Håkan Lundstedt
Mikael Rahm
Pia Huusfelt

Managing Director

Pia Huusfelt

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Financial highlights

DKK in thousands.	2015	2014	2013	2012	2011
Profit and loss account:					
Gross profit	46.827	52.370	47.031	46.554	45.403
Results from operating activities	5.847	7.698	3.183	2.929	-1.609
Net financials	-2	-2.466	-13	679	-976
Results for the year	4.295	2.058	1.150	1.449	-5.913
Balance sheet:					
Balance sheet sum	222.007	193.719	188.562	195.808	193.582
Investments in tangible fixed assets represent	6.048	2.512	0	262	2.347
Equity	183.797	179.502	177.444	176.294	174.845
Employees:					
Average number of full time employees	72	71	74	75	81
Key figures in %: *)					
Solvency ratio	82,8	92,7	94,1	90,0	90,3
Return on equity	2,4	1,2	0,7	0,8	-3,3

*) The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the Danish Association of Finance Analysts. As to definitions, please see the section on accounting policies used.

Management's review

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

The gross profit for the year is DKK 46.827 thousand against DKK 52.370 thousand last year. The results from ordinary activities after tax are DKK 4.295 thousand against DKK 2.058 thousand last year. The result exceeds the expectations for the year which the management considers satisfactory.

Outlook

Profil Optik Butikker II A/S expects profit before net financials for 2016 in line with the profit for 2015, and it is also expected that the Company will maintain its market shares in the optics market in Denmark.

Special risks - operating 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.

Management's review

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.

External environment

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.

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.

Research and development activities

The Company has no research and development activities.

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 Profil Optik Butikker II A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized 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.

Receivables, payable and other monetary items denominated in foreign currencies are translated at the exchange rates at the date of the balance sheet. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised 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 company's revenue is not stated. The gross profit comprises the net turnover, cost of goods sold and other external costs.

The 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.

Expenses for goods sold for resale include costs of goods for resale used in generating the year's revenue.

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

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

Depreciation, amortisation and writedown

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

Accounting policies used

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.

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

Goodwill

Purchased goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated financial life which is 20 years. The amortisation period of 20 years is based on a strong market position and an expected long earnings profile.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognized as operating income and operating costs, respectively, in the income statement.

Tangible fixed assets

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

The basis of depreciation is cost with deduction of expected residual value after the end of the useful life of the asset.

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

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 - 7 years

Accounting policies used

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.

Leases

Leases are considered operating leases. Payments under operating leases are recognized in the income statement over the term of the lease. The Company's aggregate commitment to operating leases is disclosed under contingencies, etc.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment 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 value in use. The value in use is determined as the present value of the forecast cash flows from disposal of the asset or the group of assets after the end of the useful life.

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 the deduction of completion costs and selling costs, and it is determined by taking negotiability, obsolescence, and the development of the expected market price into consideration.

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.

Accounting policies used

Cash funds

Cash 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.

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 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 loss carryforwards, are recognised at the expected value of their utilisation within the 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 tax 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 or equity, respectively.

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.

Other liabilities are measured at net realisable value.

Accounting policies used

The key figures

The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the Danish Association of Finance Analysts.

The key figures in the survey appear as follows:

Equity share

$$\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$$

Return on equity

$$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$$

Profit and loss account 1 January - 31 December

DKK in thousands.

Note		<u>2015</u>	<u>2014</u>
	Gross profit	46.827	52.370
1	Staff costs	-29.297	-33.508
2	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-11.683	-11.164
	Operating profit	5.847	7.698
	Other financial costs	-2	-2.466
	Results before tax	5.845	5.232
3	Tax on ordinary results	-1.550	-3.174
	Results for the year	4.295	2.058
 Proposed distribution of the results:			
	Allocated to results brought forward	4.295	2.058
	Distribution in total	4.295	2.058

Balance sheet 31 December

DKK in thousands.

Assets		2015	2014
Note		<u> </u>	<u> </u>
Fixed assets			
4	Goodwill	137.425	147.518
	Intangible fixed assets in total	<u>137.425</u>	<u>147.518</u>
5	Other plants, operating assets, and fixtures and furniture	3.951	1.392
6	Leasehold improvements	5.081	3.182
	Tangible fixed assets in total	<u>9.032</u>	<u>4.574</u>
7	Other debtors	741	558
	Financial fixed assets in total	<u>741</u>	<u>558</u>
	Fixed assets in total	<u>147.198</u>	<u>152.650</u>
Current assets			
	Goods for resale	8.054	6.967
	Inventories in total	<u>8.054</u>	<u>6.967</u>
	Trade debtors	1.803	2.064
	Amounts owed by group enterprises	64.013	31.233
	Other debtors	0	70
	Accrued income and deferred expenses	28	75
	Debtors in total	<u>65.844</u>	<u>33.442</u>
	Cash funds	911	660
	Current assets in total	<u>74.809</u>	<u>41.069</u>
	Assets in total	<u>222.007</u>	<u>193.719</u>

Balance sheet 31 December

DKK in thousands.

Equity and liabilities			
Note		<u>2015</u>	<u>2014</u>
Equity			
8	Share capital	6.875	6.875
9	Retained earnings	<u>176.922</u>	<u>172.627</u>
	Equity in total	<u>183.797</u>	<u>179.502</u>
Provisions			
10	Provisions for deferred tax	<u>3.149</u>	<u>5.719</u>
	Provisions in total	<u>3.149</u>	<u>5.719</u>
Liabilities			
11	Debt to group enterprises	<u>442</u>	<u>442</u>
	Long-term liabilities in total	<u>442</u>	<u>442</u>
	Trade creditors	5.205	0
	Debt to group enterprises	15.245	0
	Corporate tax	11.326	7.207
	Other debts	<u>2.843</u>	<u>849</u>
	Short-term liabilities in total	<u>34.619</u>	<u>8.056</u>
	Liabilities in total	<u>35.061</u>	<u>8.498</u>
	Equity and liabilities in total	<u>222.007</u>	<u>193.719</u>
12	Rental agreements and leases		
13	Mortgage and securities		
14	Contingencies		
15	Related parties		

Statement of changes in equity

DKK in thousands.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>In total</u>
Equity 1 January 2014	6.875	170.569	177.444
Profit or loss for the year brought forward	0	2.058	2.058
Equity 1 January 2015	6.875	172.627	179.502
Profit or loss for the year brought forward	0	4.295	4.295
Equity 31 December 2015	6.875	176.922	183.797

Notes

DKK in thousands.

	<u>2015</u>	<u>2014</u>
1. Staff costs		
Salaries and wages	26.155	29.871
Pension costs	2.266	2.581
Other costs for social security	241	135
Other staff costs	<u>635</u>	<u>921</u>
	<u>29.297</u>	<u>33.508</u>
Average number of employees	<u>72</u>	<u>75</u>
According to section 98 B(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.		
2. Depreciation, amortisation and writedown relating to tangible and intangible fixed assets		
Amortisation of goodwill	10.093	10.093
Depreciation on leasehold improvements	762	399
Depreciation on plants, operating assets, fixtures and furniture	<u>828</u>	<u>672</u>
	<u>11.683</u>	<u>11.164</u>
3. Tax on ordinary results		
Tax of the results for the year, joint taxation	4.120	3.604
Adjustment for the year of deferred tax	<u>-2.570</u>	<u>-430</u>
	<u>1.550</u>	<u>3.174</u>

Notes

DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
4. Goodwill		
Cost 1 January 2015	208.480	208.480
Cost 31 December 2015	<u>208.480</u>	<u>208.480</u>
Amortisation and writedown 1 January 2015	-60.962	-50.869
Amortisation for the year	-10.093	-10.093
Amortisation and writedown 31 December 2015	<u>-71.055</u>	<u>-60.962</u>
Book value 31 December 2015	<u>137.425</u>	<u>147.518</u>
5. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2015	15.460	15.170
Additions during the year	3.387	290
Cost 31 December 2015	<u>18.847</u>	<u>15.460</u>
Amortisation and writedown 1 January 2015	-14.068	-13.396
Amortisation for the year	-828	-672
Amortisation and writedown 31 December 2015	<u>-14.896</u>	<u>-14.068</u>
Book value 31 December 2015	<u>3.951</u>	<u>1.392</u>
6. Leasehold improvements		
Cost 1 January 2015	16.137	13.915
Additions during the year	2.661	2.222
Cost 31 December 2015	<u>18.798</u>	<u>16.137</u>
Depreciation and writedown 1 January 2015	-12.955	-12.556
Depreciation and writedown for the year	-762	-399
Depreciation and writedown 31 December 2015	<u>-13.717</u>	<u>-12.955</u>
Book value 31 December 2015	<u>5.081</u>	<u>3.182</u>

Notes

DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
7. Other debtors		
Cost 1 January 2015	558	558
Additions during the year	<u>183</u>	<u>0</u>
Cost 31 December 2015	<u>741</u>	<u>558</u>
Book value 31 December 2015	<u>741</u>	<u>558</u>

8. Share capital

Share capital 1 January 2015	<u>6.875</u>	<u>6.875</u>
	<u>6.875</u>	<u>6.875</u>

The share capital consists of 6.173.167 A shares, each with a nominal value of DKK 1. and 701.510 B shares, each with a nominal value of DKK 1.

There have been no changes in the share capital within the last 5 years.

9. Retained earnings

Retained earnings 1 January 2015	172.627	170.569
Profit or loss for the year brought forward	<u>4.295</u>	<u>2.058</u>
	<u>176.922</u>	<u>172.627</u>

10. Provisions for deferred tax

Provisions for deferred tax 1 January 2015	5.719	6.059
Deferred tax of the results for the year	<u>-2.570</u>	<u>-340</u>
	<u>3.149</u>	<u>5.719</u>

Deferred tax liability relates to timing differences between the accounting and tax values of intangible and tangible fixed assets.

Notes

DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
11. Debt to group enterprises		
Debt to group enterprises in total	442	442
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Debt to group enterprises in total	<u>442</u>	<u>442</u>
Share of liabilities due after 5 years	<u>442</u>	<u>442</u>
12. Rental agreements and leases		
Rent and lease payments within 1 year	2.504	2.360
Rent and lease payments between 1 and 5 years	115	196
Rent and lease payments after 5 years	<u>0</u>	<u>0</u>
	<u>2.619</u>	<u>2.556</u>

13. Mortgage and securities

The Company is jointly and severally liable for a loan in Synsam AB for an amount equal to the equity of the Company.

14. Contingencies

Contingent liabilities

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

Joint taxation

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.

Notes

DKK in thousands.

15. Related parties

The company is included in the consolidated financial statements of:

Synsam AB, Org.no. 556964-0930

Box 30153

104 25 Stockholm

Sweden