

**Profil Optik A/S**  
Hovedgaden 451 b, 2640 Hedehusene

Company reg. no. 43 48 91 19

**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 Hoyer 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 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 issues dealt with.

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

Hedehusene, 29 May 2017

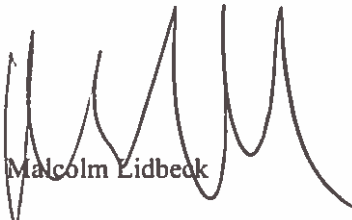
### **Managing Director**

Tina Høyer Gaardsholt

### **Board of directors**

  
Björn Einar Hakan Lundstedt

  
Martin Daniels

  
Malcolm Lidbeck

  
Tina Høyer Gaardsholt

## **Independent auditor's report**

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

### **Opinion**

We have audited the annual accounts of Profil Optik A/S for the financial year 1 January to 31 December 2016, 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 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.

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**

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- ∞ 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**

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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. 25 57 81 98



Jacob Lehman  
State Authorised Public Accountant



Joakim Junil Larsen  
State Authorised Public Accountant

## **Company data**

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<b>The company</b>	Profil Optik A/S Hovedgaden 451 b 2640 Hedehusene
	Company reg. no. 43 48 91 19 Financial year: 1 January - 31 December
<b>Board of directors</b>	Björn Einar Håkan Lundstedt 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>Subsidiary</b>	Optical Fashion Group A/S, Høje Taastrup

## **Management's review**

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

The objective of the company is to promote the stakes of the company and the franchisees of the Profil Optik chain by means of joint purchase and sales activities as well as marketing, training and business activities.

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

The gross loss for the year is DKK -1.187 thousand against DKK 9.145 thousand last year. The results from ordinary activities after tax are DKK -950 against DKK 6.048 last year.



## **Accounting policies used**

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

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015.

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 Profil Optik A/S and its group enterprises are included in the consolidated annual accounts for Synsam AB, Stockholm, reg. no 556964-0930.

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **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.

## **Accounting policies used**

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### **The profit and loss account**

#### **Gross loss**

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 netturnover, cost of goods sold and other external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials 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.

#### **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 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).

## **Accounting policies used**

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### **The balance sheet**

#### **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.

##### **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**

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.

According to the rules of joint taxation, Profil Optik 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.

##### **Other provisions**

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

##### **Liabilities**

Trade payables and amounts owed to group enterprises are recognised at amortised cost.

Other liabilities are measured at net realisable value.

## Profit and loss account 1 January - 31 December

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DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Gross loss</b>	<b>-1.187</b>	<b>9.145</b>
1 Staff costs	0	-1.177
<b>Operating profit</b>	<b>-1.187</b>	<b>7.968</b>
Income from equity investment in group enterprise	-24	-101
<b>Results before tax</b>	<b>-1.211</b>	<b>7.867</b>
2 Tax on ordinary results	261	-1.819
<b>Results for the year</b>	<b>-950</b>	<b>6.048</b>
<b>Proposed distribution of the results:</b>		
Disposed to retained earnings	0	6.048
Disposed from retained earnings	-950	0
<b>Distribution in total</b>	<b>-950</b>	<b>6.048</b>

## Balance sheet 31 December

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DKK in thousands.

Assets	2016	2015
Note	<u>          </u>	<u>          </u>
<b>Fixed assets</b>		
3 Equity investment in group enterprise	0	0
Deposits	<u>199</u>	<u>199</u>
Financial fixed assets in total	<u>199</u>	<u>199</u>
<b>Fixed assets in total</b>	<u>199</u>	<u>199</u>
<b>Current assets</b>		
Trade debtors	403	2.323
Amounts owed by group enterprises	92.094	55.375
Deferred tax assets	312	52
Receivable corporate tax	<u>190</u>	<u>189</u>
Debtors in total	<u>92.999</u>	<u>57.939</u>
<b>Current assets in total</b>	<u>92.999</u>	<u>57.939</u>
<b>Assets in total</b>	<u>93.198</u>	<u>58.138</u>

## Balance sheet 31 December

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DKK in thousands.

Note	2016	2015
<b>Equity and liabilities</b>		
<b>Equity</b>		
4 Share capital	9.842	9.842
5 Retained earnings	9.605	10.555
<b>Equity in total</b>	<b>19.447</b>	<b>20.397</b>
<b>Provisions</b>		
Provisions concerning equity investments in group enterprises	2.982	2.957
<b>Provisions in total</b>	<b>2.982</b>	<b>2.957</b>
<b>Liabilities</b>		
Payables to group enterprises	70.641	34.407
Other debts	128	377
<b>Short-term liabilities in total</b>	<b>70.769</b>	<b>34.784</b>
<b>Liabilities in total</b>	<b>70.769</b>	<b>34.784</b>
<b>Equity and liabilities in total</b>	<b>93.198</b>	<b>58.138</b>
6 Mortgage and securities		
7 Contingencies		
8 Related parties		

## Notes

DKK in thousands.

	<u>2016</u>	<u>2015</u>
<b>1. Staff costs</b>		
Salaries and wages	0	969
Pension costs	0	129
Other costs for social security	0	33
Other staff costs	0	46
	<u>0</u>	<u>1.177</u>
Average number of employees	<u>0</u>	<u>3</u>
<b>2. Tax on ordinary results</b>		
Tax of the results for the year	-1	1.779
Adjustment for the year of deferred tax	-260	40
	<u>-261</u>	<u>1.819</u>
<b>3. Equity investment in group enterprise</b>		
Acquisition sum, opening balance 1 January 2016	<u>648</u>	<u>648</u>
Cost 31 December 2016	<u>648</u>	<u>648</u>
Revaluations, opening balance 1 January 2016	<u>-648</u>	<u>-648</u>
Writedown 31 December 2016	<u>-648</u>	<u>-648</u>
Book value 31 December 2016	<u>0</u>	<u>0</u>

### 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 A/S
Optical Fashion Group A/S, Høje Taastrup	100 %	-2.982	-25	0

The provision relating to investments in subsidiaries of DKK 2.982 thousand (2015: DKK 2.957 thousand) corresponds to the negative equity in Optical Fashion Group A/S, since Profil Optik A/S has issued a letter of support to the subsidiary.

## Notes

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DKK in thousands.

	<u>31/12 2016</u>	<u>31/12 2015</u>
<b>4. Share capital</b>		
Share capital 1 January 2016	<u>9.842</u>	<u>9.842</u>
	<u><b>9.842</b></u>	<u><b>9.842</b></u>

The share capital consists of 98.422 share, each with a nominal value of DKK 1 hundred. No shares hold particular rights. There have been no changes in the share capital during the last 5 years.

<b>5. Retained earnings</b>		
Retained earnings 1 January 2016	10.555	4.507
Profit or loss for the year brought forward	<u>-950</u>	<u>6.048</u>
	<u><b>9.605</b></u>	<u><b>10.555</b></u>



## Notes

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DKK in thousands.

### 6. 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.

### 7. Contingencies

#### Contingent liabilities

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

The Company was previously subject to cooperation tax until the Company was converted into a public limited company effective from 2001. Upon conversion, a tax liability arose that is triggered when the Company distributes dividends. Tax amounts to 50% of dividend distributions until a balance of DKK 11.6 milion has been settled.

No provision has been made in respect of tax liability as there are no plans to distribute dividends that will trigger such tax.

#### 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.

### 8. Related parties

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

#### Control

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

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

Profil Optik 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.