



Design Eyewear Group Investment II A/S

Trindsøvej 11
8000 Aarhus C
CVR No. 43315943

Annual report 2023

The Annual General Meeting adopted the annual
report on 14.05.2024

Anders Møberg Eriksen
Chairman of the General Meeting

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Entity details

Entity

Design Eyewear Group Investment II A/S
Trindsøvej 11
8000 Aarhus C

Business Registration No.: 43315943
Registered office: Aarhus
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Dion Møberg Eriksen, chairman
Jens Poulsen
Johanne Christiane Frazer Riegels Østergård

Executive Board

Anders Møberg Eriksen
Per Høholt

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Design Eyewear Group Investment II A/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 14.05.2024

Executive Board

Anders Møberg Eriksen

Per Høholt

Board of Directors

Dion Møberg Eriksen
chairman

Jens Poulsen

Johanne Christiane Frazer Riegels Østergård

Independent auditor's report

To the shareholders of Design Eyewear Group Investment II A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Design Eyewear Group Investment II A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity'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 consolidated financial statements and the parent financial statements 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 14.05.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Gade Steinmetz

State Authorised Public Accountant
Identification No (MNE) mne34145

Anders Larsen

State Authorised Public Accountant
Identification No (MNE) mne47818

Management commentary

Financial highlights

	2023	2022
	DKK'000	DKK'000
Key figures		
Revenue	502,406	240,658
Gross profit/loss	183,472	93,911
Operating profit/loss	30,220	10,988
Net financials	(26,218)	(7,592)
Profit/loss for the year	(6,497)	2,017
Balance sheet total	827,184	884,890
Investments in property, plant and equipment	2,524	28,270
Equity	490,833	433,117
Cash flows from operating activities	49,002	27,011
Cash flows from investing activities	(3,735)	(820,866)
Cash flows from financing activities	(50,780)	803,419
Ratios		
Gross margin (%)	36.52	39.02
Net margin (%)	(1.29)	0.84
Equity ratio (%)	59.34	48.95

Non-comparability

There is a non-comparability between the current fiscal year and the previous fiscal year, as the current fiscal year consists of 12 months compared to approximately 6 months for the comparative year. The financial year 2022 was the first financial year for the parent company and therefore no comparative financial highlights are stated for previous years.

Financial highlights

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

Gross profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

Design Eyewear Group Investment II A/S is the ultimate parent of Design Eyewear Group, which is a Danish group, which designs and sells eye wear worldwide under the Trademarks Pro Design, Face á Face, WOOW, Inface, Nifties, Kilsgaard, Alium, William Morris and Charles Stone.

The Group has its own sales organisations in North America and Europe. In a number of markets in the Far East, South America and Australia, Design Eyewear Group is represented by independent importers.

Development in activities and finances

The income statement of the Group for 2023 shows a loss of TDKK 6,497, and at 31 December 2023 the balance sheet of the Group shows equity of TDKK 490,833.

Profit/loss for the year in relation to expected developments

The primary focus of 2023 has been to continue the Sales related and operational integration following the acquisition of William Morris in 2022. The expected cost synergies have all been realized during 2023, while termination of contracts with former distributors in main markets of Design Eyewear Group, as well as closing of business activities not within the scope of the company's core business have resulted in revenue realized below expectations from the acquisition of William Morris. In addition, significant investments have been made in establishing an internal sales force for the new brand, which is expected to start becoming profitable in 2024. In summary, the initiatives taken have led to a reduction in the company's profitability, and consequently the result of 2023 is considered dissatisfactory

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual circumstances affecting recognition and measurement

The financial position at 31 December 2023 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023 have not been affected by any unusual events.

Outlook

The expectations for 2024 is that the company increases its profit compared with 2023.

Business risks

The main business risk of the Group relates to the ability of being strongly positioned in the markets where the Group's frames are sold. Moreover, it is important to the Group to always keep abreast of the development in retail marketing and commodity preferences etc.

Financial risks

As a consequence of its operations, investments and financing, the Group is exposed to changes in the level of interest and exchange rates. The Parent Company manages the financial risks of the Group centrally and also coordinates the cash management of the Group, including funding and investment of surplus liquidity. The Group pursues a Board-approved finance policy operating with a low risk profile so that currency exposure, interest rate exposure and credit risks arise only on the basis of commercial matters.

Foreign exchange risks

The Group is affected by changes in exchange rates as foreign subsidiaries' results and equity at year-end are translated into DKK on the basis of average exchange rates and the exchange rate at the balance sheet date, respectively. The Group's currency exposure is primarily covered by an internal cash pool.

Credit risks

Credit risks related to financial assets equal the values recognised in the balance sheet. The Group is not exposed to major risks relating to a single customer or co-operator.

Knowledge resources

To maintain and develop the position among the leading suppliers of frames it is of decisive importance that the Company and the Group continue to attract and retain the most talented and most serviceminded staff.

Environmental performance

The Group does not assess that it has any special environmental impact.

Statement of corporate social responsibility

Design Eyewear Group focuses on carrying out business and meeting strategic challenges in a financially and socially sound matter, and Corporate Social Responsibility (CSR) has always been top of mind for the group. Design Eyewear Group is a global eyewear design corporation, with activities in multiple countries spread across the world. The Group's products are designed internally but produced, either in full or to a semifinished state, by external suppliers in Asia and in Europe, and later sold to individual opticians and optician chains in most parts of the world. CSR plays an important role in the way Design Eyewear Group does business.

Climate- and Environment supporting activities

Overall, the environmental impact of the Group's internal activities is assessed as very limited. However, Design Eyewear Group will always strive to reduce the impact of its activities on the environment. The policy of the group is to reduce the energy expenditure of the company offices- and warehouses. In addition, we are making use of other means of transportation than air freight whenever possible to reduce the expenditure of CO₂. Further risks identified are primarily resulting from the actions of external partners. In order to manage those risks, Design Eyewear Group requires all external suppliers to act under the EU order, REACH (1), which every supplier has to confirm by signing the supplier contract with Design Eyewear Group. To ensure that suppliers meet these requirements, Design Eyewear Group conducts yearly audits/visits at the production facilities. In 2023, a majority of suppliers in both Europe and Asia have been visited/audited. In 2024, we are aiming to visit and audit the remaining suppliers as well as re-visit parts of the other suppliers. However, as the size of the Group, compared to other players in the industry, is relatively small, Design Eyewear Group is not able to conduct such audits unannounced, but can only choose to do announced audits.

(1) <https://echa.europa.eu/da/regulations/reach/understandingreach>

Social- and staff matters, internally

It is important that the Group continues to be able to recruit and retain employees with a high educational and competency level. The risk of not being able to maintain the current knowledge level is limited as new competencies are updated and acquired continuously. Existence of the necessary knowledge in all employee groups is ensured at the employment and through continuous training, among other initiatives. The training is planned on a general as well as an individual basis. Additionally, a yearly working environment survey (APV) is conducted, focusing on bullying, work-life balance, work safety, etc. in the organization. The employees are informed about the outcome of the survey, which resulted in noise reducing walls being set up along with fans being installed to increase air flow in the office and at our logistics center. In 2024, we will continue our focus on employee training and development to preserve a high knowledge level in our organization. As a diverse workplace is part of DEG's culture, we want to give our employees the best conditions to be included both in the workplace and in society.

We are therefore starting Danish lessons during working hours for our international colleagues based in the Danish office. In addition, we want to ensure that requirements to a safe and healthy work environment are met, hence we are conducting employment satisfaction surveys.

Social- and staff matters, externally

For all external supplier contracts, involved parties sign a declaration stating that: 1) No workers may risk having their health damaged due to work with production of Design Eyewear Group products; 2) No workers may have their safety compromised by the work with production of Design Eyewear Group products; 3) No minors (Child labor) must be used for production of Design Eyewear Group products. In 2023, we have not found any reason to suspect that our suppliers don't live up to the above, therefore we haven't had any reason to either ask for an improvement from the suppliers or stop cooperation with them.

Human rights

Design Eyewear Group primarily works together with suppliers outside of Europe and is therefore exposed to the risk of poor working conditions. The Group strives to protect human rights of internal employees, as well as the employees of external suppliers. All external suppliers are signing a declaration to follow the REACH order, thus protecting the human rights of all people involved with the products of Design Eyewear Group. Internal employees are protected by personnel policies applied across the Group, irrespective of location of employment. Design Eyewear Group is not aware of any breach on human rights neither within the Group nor by suppliers in 2023. The Group will continue to carefully monitor that human rights are respected and upheld.

Anti-Corruption and Bribery

Design Eyewear Group is only to a very limited extent affected by corruption and bribery, because of the business model. The Group's activities in countries characterized by corruption is mostly related to the supplier end of the value chain, allowing Design Eyewear Group to better control the transactions. Simultaneously, the sales are mostly done to industrialized countries, where the level of corruption is low. Consequently, no active policies on anti-corruption and bribery exist.

Research and development activities

The Group continuously develops and designs new frames. This is done with focus on innovation and high quality, and the Group has also developed complementary niche frames, which will contribute to growth over the next few years.

Statutory report on the underrepresented gender

Design Eyewear Group has been working to increase the number of female managers on the Group's top management and has therefore set target figures for the quota of the underrepresented gender.

	2023
Members in Board of Directors *	5
Female Members in Board of Directors	40%
Target of Female Members in Board of Directors	N/A **
Members at Other Management levels	5
Female Members at Other Management levels	40%
Target of Female Members at Other Management levels	N/A **

* Board of Directors does not reflect the current composition, as changes were made in April 2024

** as current level reflects an equal representation of the genders, no further target is required

A target of 20 % was set for 2023, which was the level at the beginning of the year, however during 2023 the level increased to 40%, as two of five Board members are women.

The Design Eyewear Group is also working to increase the number of female managers in the other management levels of the enterprise. The target is that 20% of other executive positions must be filled by women.

The Group turns its policy into action with the target that there are always female candidates among the relevant candidates when recruiting.

At present, there is 40% female managers on the Group's other management levels.

As the current gender composition in both management levels are reflecting what is considered an even distribution (40%/60%), the requirement for setting a target of development becomes obsolete.

Statutory report on data ethics policy

Design Eyewear Group does not have a formal data ethics policy. This is because the data risk exposure is considered to be limited as the Group does not operate in the technology sector and mainly uses data only to support its own business. There is no development or use of technological products and services based on data used on individuals meaning no sensitive personal information that affects the individuals processed. Furthermore, no data is sold to third parties.

Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Consolidated income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Revenue	1	502,406	240,658
Other operating income		2,281	1,872
Costs of raw materials and consumables		(263,453)	(121,502)
Other external expenses	2	(57,762)	(27,117)
Gross profit/loss		183,472	93,911
Staff costs	3	(110,670)	(62,116)
Depreciation, amortisation and impairment losses	4	(42,582)	(20,807)
Operating profit/loss		30,220	10,988
Other financial income	5	794	6,414
Other financial expenses	6	(27,012)	(14,006)
Profit/loss before tax		4,002	3,396
Tax on profit/loss for the year	7	(10,499)	(1,379)
Profit/loss for the year	8	(6,497)	2,017

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Completed development projects	10	1,399	2,185
Acquired trademarks		46,869	48,986
Goodwill		597,065	632,856
Intangible assets	9	645,333	684,027
Other fixtures and fittings, tools and equipment		6,604	7,039
Leasehold improvements		0	9
Property, plant and equipment	11	6,604	7,048
Other investments		1	1
Deposits		3,471	3,180
Financial assets	12	3,472	3,181
Fixed assets		655,409	694,256
Manufactured goods and goods for resale		109,585	114,199
Prepayments for goods		2,029	8,284
Inventories		111,614	122,483
Trade receivables		48,310	53,208
Deferred tax	13	1,332	774
Other receivables		10	1,515
Tax receivable		1,669	1,228
Prepayments	14	4,789	1,862
Receivables		56,110	58,587
Cash		4,051	9,564
Current assets		171,775	190,634
Assets		827,184	884,890

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		911	800
Translation reserve		228	124
Retained earnings		489,694	432,193
Equity		490,833	433,117
Subordinate loan capital		8,567	74,497
Bank loans		112,499	157,483
Other payables	15	2,565	2,480
Non-current liabilities other than provisions	16	123,631	234,460
Current portion of non-current liabilities other than provisions	16	15,000	42,500
Bank loans		119,475	95,839
Trade payables		40,263	48,335
Tax payable		5,341	1,982
Other payables		32,641	28,657
Current liabilities other than provisions		212,720	217,313
Liabilities other than provisions		336,351	451,773
Equity and liabilities		827,184	884,890
Unrecognised rental and lease commitments	18		
Assets charged and collateral	19		
Non-arm's length related party transactions	20		
Group relations	21		
Subsidiaries	22		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK'000	Share premium DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	800	0	124	432,193	433,117
Increase of capital	111	63,998	0	0	64,109
Transferred from share premium	0	(63,998)	0	63,998	0
Exchange rate adjustments	0	0	104	0	104
Profit/loss for the year	0	0	0	(6,497)	(6,497)
Equity end of year	911	0	228	489,694	490,833

Consolidated cash flow statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/loss		30,220	10,988
Amortisation, depreciation and impairment losses		42,582	20,807
Working capital changes	17	9,702	4,207
Cash flow from ordinary operating activities		82,504	36,002
Financial income received		764	6,414
Financial expenses paid		(26,724)	(14,006)
Taxes refunded/(paid)		(7,542)	(1,399)
Cash flows from operating activities		49,002	27,011
Acquisition etc. of intangible assets		(920)	(20)
Acquisition etc. of property, plant and equipment		(2,524)	(1,246)
Acquisition of enterprises		0	(819,600)
Deposit paid		(291)	0
Cash flows from investing activities		(3,735)	(820,866)
Free cash flows generated from operations and investments before financing		45,267	(793,855)
Cash capital increase		63,998	431,100
Subordinate capital raised/(paid)		(65,930)	74,497
Loans raised/(paid)		(48,848)	297,822
Cash flows from financing activities		(50,780)	803,419
Increase/decrease in cash and cash equivalents		(5,513)	9,564
Cash and cash equivalents beginning of year		9,564	0
Cash and cash equivalents end of year		4,051	9,564
Cash and cash equivalents at year-end are composed of:			
Cash		4,051	9,564
Cash and cash equivalents end of year		4,051	9,564

Notes to consolidated financial statements

1 Revenue

	2023	2022
	DKK'000	DKK'000
Europe	274,359	117,032
Export	228,047	123,626
Total revenue by geographical market	502,406	240,658

2 Fees to the auditor appointed by the Annual General Meeting

	2023	2022
	DKK'000	DKK'000
Statutory audit services	352	275
Other assurance engagements	33	62
Tax services	5	60
	390	397

3 Staff costs

	2023	2022
	DKK'000	DKK'000
Wages and salaries	89,833	53,833
Pension costs	5,129	2,445
Other social security costs	11,721	4,142
Other staff costs	3,987	1,696
	110,670	62,116

Average number of full-time employees	186	175
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	Remuneration of management 2023 DKK'000	Remuneration of management 2022 DKK'000
Board of Directors	500	375
	500	375

4 Depreciation, amortisation and impairment losses

	2023	2022
	DKK'000	DKK'000
Amortisation of intangible assets	39,614	19,017
Depreciation on property, plant and equipment	2,968	1,790
	42,582	20,807

5 Other financial income

	2023	2022
	DKK'000	DKK'000
Other interest income	794	25
Exchange rate adjustments	0	6,389
	794	6,414

6 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Other interest expenses	21,365	14,006
Exchange rate adjustments	5,647	0
	27,012	14,006

7 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Current tax	10,273	2,123
Change in deferred tax	(558)	(744)
Adjustment concerning previous years	784	0
	10,499	1,379

8 Proposed distribution of profit/loss

	2023	2022
	DKK'000	DKK'000
Retained earnings	(6,497)	2,017
	(6,497)	2,017

9 Intangible assets

	Completed development projects DKK'000	Acquired trademarks DKK'000	Goodwill DKK'000
Cost beginning of year	3,313	53,270	715,812
Additions	373	547	0
Disposals	0	(1,103)	0
Cost end of year	3,686	52,714	715,812
Amortisation and impairment losses beginning of year	(1,128)	(4,284)	(82,956)
Amortisation for the year	(1,159)	(2,664)	(35,791)
Reversal regarding disposals	0	1,103	0
Amortisation and impairment losses end of year	(2,287)	(5,845)	(118,747)
Carrying amount end of year	1,399	46,869	597,065

10 Development projects

Development project consist of the development of online solutions to facilitate sales as well as platforms for internal optimization and streamlining of workflows, etc. The projects were completed in previous fiscal years with subsequent additions from further development, and management has high expectations for the future synergies resulting from the project.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	25,530	2,740
Additions	2,438	86
Cost end of year	27,968	2,826
Depreciation and impairment losses beginning of year	(18,491)	(2,731)
Depreciation for the year	(2,873)	(95)
Depreciation and impairment losses end of year	(21,364)	(2,826)
Carrying amount end of year	6,604	0

12 Financial assets

	Other investments DKK'000	Deposits DKK'000
Cost beginning of year	1	3,180
Additions	0	291
Cost end of year	1	3,471
Carrying amount end of year	1	3,471

13 Deferred tax

	2023	2022
	DKK'000	DKK'000
Changes during the year		
Beginning of year	774	0
Recognised in the income statement	558	774
End of year	1,332	774

Deferred tax assets

Deferred tax asset consists of temporary differences between carrying amount and tax value on trade receivables completed development projects and other fixtures and fittings, tools and equipment.

14 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

15 Other payables

	2023	2022
	DKK'000	DKK'000
Holiday pay obligation	2,565	2,480
	2,565	2,480

Other long-term payables consists of vacation pay obligations during the deferral period. The obligation is interest-bearing.

16 Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months	Outstanding after 5 years
	2023	2022	2023	2023
	DKK'000	DKK'000	DKK'000	DKK'000
Subordinate loan capital	0	0	8,567	0
Bank loans	15,000	42,500	112,499	0
Other payables	0	0	2,565	2,565
	15,000	42,500	123,631	2,565

17 Changes in working capital

	2023	2022
	DKK'000	DKK'000
Increase/decrease in inventories	10,869	(31,464)
Increase/decrease in receivables	2,928	5,643
Increase/decrease in trade payables etc.	(4,095)	30,028
	9,702	4,207

18 Unrecognised rental and lease commitments

	2023	2022
	DKK'000	DKK'000
Total liabilities under rental or lease agreements until maturity	36,365	27,846

19 Assets charged and collateral

Bank debt is secured by a business mortgage of DKK 20,000,000 with collateral in a subsidiary's trade receivables, operating equipment and machinery, inventory, intangible assets DKK 211,891,000.

20 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

21 Group relations

No consolidated financial statements are prepared in the parent company Erhvervsinvest Sileo K/S, Charlottenlund (Denmark), with reference to IFRS 10 and IAS 27.

22 Subsidiaries

	Registered in	Ownership %
Design Eyewear Group Inc.	USA	100.00
Design Eyewear Group Germany GmbH	Germany	100.00
Design Eyewear Group Limited	UK	100.00
Design Eyewear Group France SAS	France	100.00
Design Eyewear Group Ibèrica, SL	Spain	100.00
Design Eyewear Group Investment A/S	Denmark	100.00
Design Eyewear Group International A/S	Denmark	100.00

Parent income statement for 2023

		2023	2022
	Notes	DKK'000	DKK'000
Gross profit/loss		(49)	(203)
Income from investments in group enterprises		(685)	5,651
Other financial income	1	1,624	703
Other financial expenses	2	(9,374)	(5,159)
Profit/loss before tax		(8,484)	992
Tax on profit/loss for the year	3	1,987	1,025
Profit/loss for the year	4	(6,497)	2,017

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in group enterprises		622,570	665,650
Financial assets	5	622,570	665,650
Fixed assets		622,570	665,650
Receivables from group enterprises		13,718	11,417
Joint taxation contribution receivable		5,851	5,234
Receivables		19,569	16,651
Current assets		19,569	16,651
Assets		642,139	682,301

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		911	800
Translation reserve		228	0
Retained earnings		489,694	432,317
Equity		490,833	433,117
Subordinate loan capital		8,567	74,497
Bank loans		112,499	127,483
Non-current liabilities other than provisions	6	121,066	201,980
Current portion of non-current liabilities other than provisions	6	15,000	42,500
Trade payables		37	37
Payables to group enterprises		11,068	458
Tax payable		4,131	4,209
Joint taxation contribution payable		4	0
Current liabilities other than provisions		30,240	47,204
Liabilities other than provisions		151,306	249,184
Equity and liabilities		642,139	682,301
Employees	7		
Contingent liabilities	8		
Assets charged and collateral	9		
Related parties with controlling interest	10		
Non-arm's length related party transactions	11		

Parent statement of changes in equity for 2023

	Contributed capital DKK'000	Share premium DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	800	0	0	432,317	433,117
Increase of capital	111	63,998	0	0	64,109
Transferred from share premium	0	(63,998)	0	63,998	0
Exchange rate adjustments	0	0	104	0	104
Transfer to reserves	0	0	124	(124)	0
Profit/loss for the year	0	0	0	(6,497)	(6,497)
Equity end of year	911	0	228	489,694	490,833

Notes to parent financial statements

1 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	1,624	703
	1,624	703

2 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Other interest expenses	9,374	5,159
	9,374	5,159

3 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Adjustment concerning previous years	(271)	0
Refund in joint taxation arrangement	(1,716)	(1,025)
	(1,987)	(1,025)

4 Proposed distribution of profit and loss

	2023	2022
	DKK'000	DKK'000
Retained earnings	(6,497)	2,017
	(6,497)	2,017

5 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	750,000
Cost end of year	750,000
Impairment losses beginning of year	(84,350)
Exchange rate adjustments	104
Amortisation of goodwill	(26,858)
Share of profit/loss for the year	26,174
Dividend	(42,500)
Impairment losses end of year	(127,430)
Carrying amount end of year	622,570

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

6 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK'000	Due within 12 months 2022 DKK'000	Due after more than 12 months 2023 DKK'000
Subordinate loan capital	0	0	8,567
Bank loans	15,000	42,500	112,499
	15,000	42,500	121,066

All long-term obligations are due within 5 years from the balance sheet date.

7 Employees

The Entity has no employees other than the Executive Board. Management has received remuneration as outlined in the group note.

8 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

9 Assets charged and collateral

The company is liable as unlimited guarantor for a subsidiary's debt to the subsidiary's financial institution. The debt amounts to DKK 120,399,000 as of the balance sheet date. Simultaneously, the company has provided its shares in the same subsidiary as security for the aforementioned debt.

Collateral provided for group enterprises

The company is liable as unlimited guarantor for a subsidiary's debt to the subsidiary's financial institution. The debt amounts to DKK 120,399,000 as of the balance sheet date. Simultaneously, the company has provided its shares in the same subsidiary as security for the aforementioned debt.

10 Related parties with controlling interest

Erhvervsinvest Sileo K/S, Charlottenlund (Denmark) owns the majority of shares and votes in the Entity throughout the year and at the balance sheet date, thus exercising control. From 25th of April 2024, K/S Visus is the majority shareholder, exercising control from this date.

11 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year, however with few reclassifications.

Non-comparability

There is a non-comparability between the current fiscal year and the previous fiscal year, as the current fiscal year consists of 12 months compared to approximately 6 months for the comparative year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, costs of raw materials and consumables and other external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including salary refunds.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and acquired trademarks.

Acquired trademarks are amortised using a period of 5 - 20 years.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. The amortisation periods used are 3-5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 20 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise unlisted equity investments measured at the lower of cost and net realisable value.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.