Tuco Group ApS

Mørkebjergvej 3, 5600 Faaborg

CVR no. 25 32 85 23

Annual report for the period

1 January to 31 December 2023

Adopted at the annual general meeting on 11 July 2024

Jakob Styrbæk Frost
Chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Tuco Group ApS for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Faaborg, 11 July 2024

Executive board

Jonas Pedersen

Supervisory board

Jakob Styrbæk Frost chairman	Jonas Pedersen

Independent auditor's report

To the shareholder of Tuco Group ApS

Opinion

We have audited the financial statements of Tuco Group ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 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 the 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 financial statements” section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 financial statements

Management is responsible for the preparation of 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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

Independent auditor's report

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 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 company'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 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 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 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent 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 internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

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

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Odense, 11 July 2024

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Jeppe Pedersen
State Authorized Public Accountant
mne33677

Company details

The company	Tuco Group ApS Mørkebjergvej 3 5600 Faaborg	
	CVR no.:	25 32 85 23
	Reporting period: Incorporated:	1 January - 31 December 2023 6 April 2000
	Domicile:	Faaborg-Midtfyn
Supervisory board	Jakob Styrbæk Frost, chairman Jonas Pedersen	
Executive board	Jonas Pedersen	
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Hjallesevej 126 5230 Odense M	

Management's review

Business review

Tuco Group’s objective is to hold shares in related companies and to provide administrative services to subsidiaries.

Furthermore, the company own and rent out properties to associated companies.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 2.212.383, and the balance sheet at 31 December 2023 shows equity of DKK 18.520.218.

Building on the positive developments from 2022, Tuco Group has experienced a significant year in 2023. The group’s specialization in lightweight hulls and fast boats for professional users continues to be well-supported by trends in the commercial maritime industry, emphasizing lightweight and low-emission solutions.

In 2023, Tuco Group has seen a strong surge in demand for its unmanned surface vessels (USVs), which now constitute a considerable portion of the group's revenue. This shift reflects the growing market need for advanced maritime technologies and autonomous solutions.

The geopolitical landscape has also influenced the company's strategic focus. The heightened emphasis on defense has led to an increase in defense-related projects within Tuco Group’s pipeline. This, combined with ongoing developments in the workboats and offshore energy sectors, has provided further validation for the group's core objectives.

The ProZero vessel line has continued to thrive, with expanded international presence and partnerships further enhancing market reach. The group’s efforts in market development and innovation have paid off, positioning Tuco Group as a leader in its niche markets.

Overall, Tuco Group has demonstrated robust financial performance, capitalizing on industry trends and expanding its market presence. The company remains committed to its core objectives and is poised for continued growth and success in the future.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	TDKK
Gross profit		**2.068.792**	**2.316**
Staff costs	1	-692.078	-654
Profit/loss before amortisation/depreciation and impairment losses		**1.376.714**	**1.662**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-339.669	-341
Profit/loss before net financials		**1.037.045**	**1.321**
Income from investments in subsidiares		1.411.382	917
Financial income	2	300.155	246
Financial costs	3	-271.651	-198
Profit/loss before tax		**2.476.931**	**2.286**
Tax on profit/loss for the year	4	-264.548	-307
Profit/loss for the year		**2.212.383**	**1.979**

Recommended appropriation of profit/loss

Proposed dividend for the year	340.000	340
Reserve for net revaluation under the equity method	1.421.919	928
Retained earnings	450.464	711
	2.212.383	**1.979**

Balance sheet 31 December

	Note	2023 DKK	2022 TDKK
Assets			
Land and buildings	5	4.886.658	5.225
Tangible assets		**4.886.658**	**5.225**
Investments in subsidiaries	6	10.395.880	8.974
Other fixed asset investments	7	163.423	164
Fixed asset investments		**10.559.303**	**9.138**
Total non-current assets		**15.445.961**	**14.363**
Finished goods and goods for resale		2.340.328	2.340
Stocks		**2.340.328**	**2.340**
Trade receivables		11.920	12
Receivables from subsidiaries		8.086.117	6.890
Receivables from Participating interests		0	1
Other receivables		138.599	34
Joint taxation contributions receivable		0	582
Receivables		**8.236.636**	**7.519**
Cash at bank and in hand		**5.997**	**0**
Total current assets		**10.582.961**	**9.859**
Total assets		**26.028.922**	**24.222**

Balance sheet 31 December

	Note	2023	2022
		DKK	TDKK
Equity and liabilities			
Share capital		358.000	358
Revaluation reserve		1.911.569	1.912
Reserve for net revaluation under the equity method		8.645.880	7.224
Retained earnings		7.264.769	6.814
Proposed dividend for the year		340.000	340
Equity		**18.520.218**	**16.648**
Provision for deferred tax		714.800	735
Provisions relating to investments in subsidiaries		30.228	20
Total provisions		**745.028**	**755**
Mortgage loans		1.816.171	1.940
Other payables		0	121
Total non-current liabilities	8	**1.816.171**	**2.061**
Short-term part of long-term debet	8	123.335	194
Banks		397	483
Other credit institutions		472.551	0
Trade payables		366.939	444
Payables to subsidiaries		2.792.503	2.025
Payables to participating interests		3.247	3
Payables to associates		460.862	0
Payables to shareholders and management		0	223
Joint taxation contributions payable		282.194	905
Other payables		395.477	431
Deferred income		50.000	50
Total current liabilities		**4.947.505**	**4.758**
Total liabilities		**6.763.676**	**6.819**
Total equity and liabilities		**26.028.922**	**24.222**
Rent and lease liabilities	9		
Contingent liabilities	10		
Mortgages and collateral	11		

Statement of changes in equity

	Share capital	Revalua-tion reserve	Reserve for net re-valuation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	358.000	1.911.569	7.223.961	6.814.305	340.000	16.647.835
Ordinary dividend paid	0	0	0	0	-340.000	-340.000
Net profit/loss for the year	0	0	1.421.919	450.464	340.000	2.212.383
Equity at 31 December	**358.000**	**1.911.569**	**8.645.880**	**7.264.769**	**340.000**	**18.520.218**

Notes

		2023	2022
		DKK	TDKK
1	**Staff costs**		
	Wages and salaries	585.754	554
	Pensions	47.520	40
	Other social security costs	3.203	5
	Other staff costs	55.601	55
		692.078	**654**
	Number of fulltime employees on average	1	1

2	**Financial income**		
	Interest received from subsidiaries	300.053	228
	Other financial income	102	18
		300.155	**246**

3	**Financial costs**		
	Interest paid to subsidiaries	98.192	80
	Other financial costs	173.459	118
		271.651	**198**

4	**Tax on profit/loss for the year**		
	Current tax for the year	282.194	323
	Deferred tax for the year	-20.385	0
	Adjustment of tax concerning previous years	2.739	-16
		264.548	**307**

Notes

5 Tangible assets

	Land and buildings DKK
Cost at 1 January	8.083.241
Cost at 31 December	8.083.241
Revaluations at 1 January	2.450.730
Revaluations at 31 December	2.450.730
Impairment losses and depreciation at 1 January	5.307.644
Depreciation for the year	339.669
Impairment losses and depreciation at 31 December	5.647.313
Carrying amount at 31 December	**4.886.658**

Notes

		2023	2022
		DKK	TDKK
6	**Investments in subsidiaries**		
	Cost at 1 January	1.750.000	1.750
	Cost at 31 December	1.750.000	1.750
	Revaluations at 1 January	7.223.961	6.296
	Revaluations for the year, net	1.411.382	908
	Equity investments with negative net asset value transferred to provisions	10.537	20
	Revaluations at 31 December	8.645.880	7.224
	Carrying amount at 31 December	**10.395.880**	**8.974**

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
ProZero International ApS	Faaborg-Midtfyn	100%
Sea Charter A/S	Faaborg-Midtfyn	100%
Tuco Yacht Værft ApS	Faaborg-Midtfyn	100%

Notes

7 Fixed asset investments

	Other fixed asset investments
	DKK
Cost at 1 January	163.423
Cost at 31 December	163.423
Carrying amount at 31 December	**163.423**

8 Long term debt

	Debt at 1 January	Debt at 31 December	Instalment next year	Debt outstanding after 5 years
	DKK	DKK	DKK	DKK
Mortgage loans	2.132.951	1.939.506	123.335	465.024
Other payables	121.304	0	0	0
	2.254.255	**1.939.506**	**123.335**	**465.024**

	2023	2022
	DKK	TDKK
9 Rent and lease liabilities		
Operating lease liabilities. Total future lease payments:		
Within 1 year	308.760	223
Between 1 and 5 years	352.680	251
	661.440	**474**
Instruction obligation regarding operational leasing. Expectedresidual values at the end of the contracts	104.000	24

Notes

10 Contingent liabilities

The parent company is jointly taxed with its danish group entities. The entities are jointly and severally liable for danish income taxes as well as withholding taxes on dividends, interest and royalties payable by the group of jointly taxed entities. Any subsequent corrections of income taxes and withholding taxes may increase the tax payable by the entities. The group as such is not liable to any third parties.

11 Mortgages and collateral

As security regarding to mortgage institution, t.kr. 1.940 the company has issued security in land and buildings, with an accounting value pr. 31/12-2023 at t.kr. 4.887.

As security to the engagement with the bank the company has given transport in any cash flow in connection to a sale of the properties Krogsbjergvej 1 and 1A.

Furthermore the company has issued floating charge in total of t.kr. 5.000 in the property Krogsbjergvej 1, 1A and 2 in connection as a security regarding the subsidiary Tuco Yacht Værft ApS bank engagement.

The company has made an unlimited self-confidentual quarantee regarding the bank engagement in the subsidiaries Tuco Yacht Værft ApS, ProZero International ApS and Sea Charter A/S.

As security for the engagements with the bank, Vækstfonden, Kompasbank and the other Group companies they haves secured it in floating charge in the company's assets in the amount of t.kr. 16.000.

The floating charge are also used as security in relation to the bank in Tuco Yacht Værft ApS and Tuco Composites ApS.

Accounting policies

The annual report of Tuco Group ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Expenses for property management and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year’s revenue.

Other operating income

The item Other operating income includes items of a secondary nature relative to the company’s activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

Accounting policies

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost added revaluations and less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Buildings	25 years	1.103 t.kr.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Accounting policies

Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Tuco Group ApS is adopted are not taken to the net revaluation reserve.

Acquirees are accounted for using the purchase method, see the above description of consolidated financial statements and calculation of goodwill.

Other securities and investments, fixed assets

Investments are measured at cost.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Accounting policies

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries, participating interests and associates relative to the cost.

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

As management company, Tuco Group ApS is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Accounting policies

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.