

Tuco Group ApS

Krogsbjergvej 2, 5600 Faaborg

CVR-nr. 25 32 85 23

**Annual report for the period
1. January til 31. December 2016**

The annual report was submitted to
and approved by the company's
annual general meeting on 06/06
2017



Jakob Styrbæk Frost
Dirigent

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Statement by Management on the annual report

The Executive and Supervisory Boards have today discussed and approved the annual report of Tuco Group ApS for the financial year 1 January - 31 December 2016.

The annual report has been 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 2016 and of the results of the the Company's operations for the financial year 1 January - 31 December 2016.

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

We recommend the adoption of the annual report at the annual general meeting.

Faaborg, 6 June 2017

Executive Board



Jonas Pedersen

Supervisory Board



Johan Blach Petersen
formand



Jakob Styrbæk Frost
menigt medlem



Jonas Pedersen
menigt medlem

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 2016, which comprise an income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies, including a 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 2016 and of the results of the Company's operations for the financial year 1 January - 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 (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. 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 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.

Independent auditor's report

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

Independent auditor's report 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.

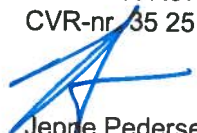
In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially 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 Statement Act. We did not identify any material misstatement of Management's Review.

Odense, 6 June 2017

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR-nr. 35 25 76 91



Jeppe Pedersen
registreret revisor

Company details

The Company

Tuco Group ApS
Krogsbjergvej 2
5600 Faaborg

CVR no.: 25 32 85 23
Reporting period: 1 January - 31 December
Incorporated: 6. April 2000
Domicile: Faaborg-Midtfyn

Supervisory Board

Johan Blach Petersen, Chairman, Chairman
Jakob Styrbæk Frost
Jonas Pedersen

Executive Board

Jonas Pedersen

Auditors

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
Hjallesevej 126
5230 Odense M

Management's review

Business activities

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.

Business review

The Company's income statement for the year ended 31 December shows a profit of DKK 857.077, and the balance sheet at 31 December 2016 shows equity of DKK 6.856.478.

Tuco Group specialization in lightweight hulls and fast boats for professional users is well supported by latest year's positive trends in the commercial maritime industry for the lightweight segment. The groups development activities and the launch of the ProZero vessel line pursued these trends.

Sales and development of vessels In the ProZero line of fast and easy boats now constitute the major share of the group's revenue.

In 1 quarter 2016, the business group received a grant from the EU Horizon 2020 program for research and development support, totaling approximately 13.8 million Danish kroner over the next 24 months and the company's strategy focusing on the further development of the ProZero range of fast boats for professional users is by this well supported during the coming years.

The year has therefore also been influenced by significant development activities, as the group has worked intensively with the launch of the ProZero line of fast boats for professional users. Development activities have resulted in a natural decline in the overhead-contributing activities in Tuco Yacht Værft ApS, which is reflected in the group's results.

In connection with the company's development activities, the company has received, and in previous financial years completed a project that includes a non-insignificant support from the Danish Market Receipts Fund. This support is also not recognized as income but intended to be recognized as income later as future depreciation.

The group's other activities have all contributed to a generally positive development during the year.

Significant events occurring after end of reporting period

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

Income statement 1 January - 31 December

	Note	2016 DKK	2015 DKK
Gross profit		1.594.408	1.375
Staff costs	1	-822.527	-638
Earnings Before Interest Taxes Depreciation and Amortization		771.881	737
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-336.107	-336
Profit/loss before financial income and expenses		435.774	401
Income from investments in subsidiaries		357.300	533
Income from investments in associates		0	27
		0	15
Financial income	2	342.981	127
Financial costs	3	-133.770	-201
Profit/loss before tax		1.002.285	902
Tax on profit/loss for the year	4	-145.208	-54
Net profit/loss for the year		857.077	848
Reserve for net revaluation under the equity method		288.657	622
Retained earnings		568.420	226
		857.077	848

Balance sheet 31 December

	Note	2016 DKK	2015 DKK
Assets			
Land and buildings		7.210.353	7.545
Tangible assets	5	7.210.353	7.545
Investments in subsidiaries	6	1.534.985	1.322
Investments in associates	7	35.702	37
Other fixed asset investments		146.048	145
Fixed asset investments		1.716.735	1.504
Fixed assets total		8.927.088	9.049
Receivables from subsidiaries		3.424.449	2.605
Receivables from associates		101.000	101
Other receivables		35.050	43
Prepayments		55.862	8
Receivables		3.616.361	2.757
Cash at bank and in hand		78.261	78
Currents assets total		3.694.622	2.835
Assets total		12.621.710	11.884

Balance sheet 31 December

	Note	2016 DKK	2015 DKK
Liabilities and equity			
Share capital		358.000	358
Revaluation reserve		1.911.569	1.912
Reserve for net revaluation under the equity method		910.985	622
Retained earnings		3.675.924	3.108
Equity		6.856.478	6.000
Provision for deferred tax		833.978	851
Total provisions		833.978	851
Mortgage loans		3.057.557	3.235
Payables to associates		0	14
Long-term debt	8	3.057.557	3.249
Short-term part of lon-term debt	8	174.315	171
Banks		439.719	340
Trade payables		341.517	390
Payables to subsidiaries		98.453	407
Payables to associates		8.178	0
Corporation tax		144.783	106
Other payables		666.732	370
Short-term debt		1.873.697	1.784
Total liabilities other than provisions		4.931.254	5.033
Total equity and liabilities		12.621.710	11.884
Contingent assets, liabilities and other financial obligations	9		
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Equity

	Share capital	Revaluation reserve	Reserve for net revalua- tion under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	358.000	1.911.569	622.328	3.107.504	5.999.401
Net profit/loss for the year	0	0	288.657	568.420	857.077
Equity at 31 December	358.000	1.911.569	910.985	3.675.924	6.856.478

Notes to the Annual Report

1 Staff costs

	2016 DKK	2015 DKK
Wages and salaries	657.215	445
Pensions	61.064	61
Other social security costs	13.387	15
Other staff costs	90.861	117
	822.527	638

Average number of employees	1	1
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2 Financial income

Interest received from subsidiaries	340.990	125
Interest received from associates	1.991	2
	342.981	127

3 Financial costs

Interest paid to subsidiaries	0	19
Other financial costs	133.770	182
	133.770	201

Notes to the Annual Report

4 Tax on profit/loss for the year

	2016 DKK	2015 DKK
Current tax for the year	162.536	106
Deferred tax for the year	-17.328	-89
	145.208	17

which breaks down as follows

Tax on profit/loss for the year	145.208	54
Tax on changes in equity	0	-37
	145.208	17

5 Tangible assets

	Land and buildings DKK
Cost at 1 January	8.044.360
Cost at 31 December	8.044.360
Revaluations at 1 January	2.450.730
Revaluations at 31 December	2.450.730
Impairment losses and depreciation at 1 January	2.948.630
Impairment losses for the year	336.107
Impairment losses and depreciation at 31 December	3.284.737
Carrying amount at 31 December	7.210.353

Notes to the Annual Report

6 Investments in subsidiaries

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Tuco Composites ApS	Faaborg-Midtfyn	100%	-616.848	146.153
Sea Charter A/S	Faaborg-Midtfyn	100%	638.394	-181.285
Tuco Yacht Værft ApS	Faaborg-Midtfyn	100%	1.186.570	374.433

7 Investments in associates

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Triple Marine ApS	Ærø	50%	71.405	-2.390
Carbon Cat Line ApS	Aarhus	25%	0	0

8 Long term debt

	Debt at 1 January DKK	Debt at 31 December DKK	Payment within 1 year DKK	Debt after 5 years DKK
Mortgage loans	3.406.210	3.231.872	174.315	2.329.424
Payables to associates	14.032	0	0	0
	3.420.242	3.231.872	174.315	2.329.424

9 Contingent assets, liabilities and other financial obligations

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

Notes to the Annual Report

10 Charges and securities

As security regarding debt to mortgage institution, t.kr. 3.231, the company has issued security in land and buildings, with an accounting value pr. 31/12 2016 at t.kr. 7.210.

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

Furthermore the company has issued mortgage deed in total of t.kr. 2.000 in the property Krogsbjergvej 1A in connection as a security regarding the subsidiary Tuco Yacht Værft ApS bankengagement.

The company has made an unlimited self-confidential guarantee regarding the bank engagement in the subsidiaries Tuco Yacht Værft ApS, Tuco Composites ApS and Sea Charter A/S.

As security for the engagement with the bank, the bank are secures for their engagements, by floating charge in the companies assets in the amount of DKK 5.000.000.

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

Accounting policies

The annual report of Tuco Group ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities.

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

The annual report for 2016 is presented in DKK

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's 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's 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 instalments 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 are presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

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.

Other external costs

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

Accounting policies

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. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation 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 relating 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 and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

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, including changes arising from changes in tax rates, is recognised in the income statement 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.

Accounting policies

Where individual parts of an item of property, plant and equipment have different useful lives, the cost is divided into separate parts, which are depreciated separately.

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

Buildings	25	years
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Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, less or plus unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill made up according to the purchase method.

Investments in subsidiaries and associates 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 and associates are taken to the net revaluation reserve according to the equity method to the extent 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.

Acquisitions are accounted for using the purchase method, cf. the description of the statement of goodwill above.

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.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, reconstructions, etc. Provisions are recognised when as a result of a past event the company's has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at fair value.

Accounting policies

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 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.

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 proceeds and the nominal value is recognised in the income statement over the term of the loan.

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