



Ronstan Denmark ApS

Jæservænget 36
7100 Vejle
CVR No. 25941772

Annual report 01.07.2022 - 30.06.2023

The Annual General Meeting adopted the annual
report on 19.10.2023

Thomas Olufsen Meyer
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2022/23	8
Balance sheet at 30.06.2023	9
Statement of changes in equity for 2022/23	11
Notes	12
Accounting policies	15

Entity details

Entity

Ronstan Denmark ApS

Jægervænget 36

7100 Vejle

Business Registration No.: 25941772

Registered office: Vejle

Financial year: 01.07.2022 - 30.06.2023

Executive Board

Thomas Olufsen Meyer

Scot P. West

Laine Norman McCooke

Louis F Sander

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Executive Board has today considered and approved the annual report of Ronstan Denmark ApS for the financial year 01.07.2022 - 30.06.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2023 and of the results of its operations for the financial year 01.07.2022 - 30.06.2023.

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.

Vejle, 19.10.2023

Executive Board

Thomas Olufsen Meyer

Scot P. West

Laine Norman McCooke

Louis F Sander

Independent auditor's report

To the shareholders of Ronstan Denmark ApS

Opinion

We have audited the financial statements of Ronstan Denmark ApS for the financial year 01.07.2022 - 30.06.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2023 and of the results of its operations for the financial year 01.07.2022 - 30.06.2023 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 financial statements" section of this auditor's report. We are independent of the Entity 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 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 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 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 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Kolding, 19.10.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Ole Søndergaard Larsen

State Authorised Public Accountant

Identification No (MNE) mne11676

Thomas Aamand Lund

State Authorised Public Accountant

Identification No (MNE) mne47764

Management commentary

Primary activities

The Company's primary activities consist in development, production and sale of boat equipment.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022/23

	Notes	2022/23 DKK	2021/22 DKK
Gross profit/loss	1	14,055,850	14,270,059
Distribution costs		(1,036,081)	(814,205)
Administrative expenses		(9,943,584)	(8,745,560)
Operating profit/loss		3,076,185	4,710,294
Other financial income		226,948	0
Other financial expenses	4	(148,836)	(494,644)
Profit/loss before tax		3,154,297	4,215,650
Tax on profit/loss for the year	5	(699,148)	(928,197)
Profit/loss for the year		2,455,149	3,287,453
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	1,500,000
Retained earnings		2,455,149	1,787,453
Proposed distribution of profit and loss		2,455,149	3,287,453

Balance sheet at 30.06.2023

Assets

	Notes	2022/23 DKK	2021/22 DKK
Acquired patents		155,774	293,019
Acquired rights		8,265	41,289
Goodwill		0	0
Intangible assets	6	164,039	334,308
Land and buildings		7,431,952	2,167,025
Plant and machinery		3,982,162	3,132,089
Other fixtures and fittings, tools and equipment		560,973	1,075,049
Leasehold improvements		0	0
Property, plant and equipment in progress		46,964	0
Property, plant and equipment	7	12,022,051	6,374,163
Fixed assets		12,186,090	6,708,471
Raw materials and consumables		2,856,027	3,290,594
Work in progress		8,807,450	6,744,104
Manufactured goods and goods for resale		1,835,318	439,851
Inventories		13,498,795	10,474,549
Trade receivables		5,520,625	6,104,953
Receivables from group enterprises		638,583	372,026
Other receivables		136,963	348,437
Prepayments		20,292	136,041
Receivables		6,316,463	6,961,457
Cash		1,390,888	3,744,778
Current assets		21,206,146	21,180,784
Assets		33,392,236	27,889,255

Equity and liabilities

	Notes	2022/23 DKK	2021/22 DKK
Contributed capital		2,000,000	2,000,000
Retained earnings		15,179,744	12,724,595
Proposed dividend		0	1,500,000
Equity		17,179,744	16,224,595
Deferred tax		381,772	552,688
Provisions		381,772	552,688
Lease liabilities		6,024,744	356,039
Other payables		1,088,331	1,010,485
Non-current liabilities other than provisions	8	7,113,075	1,366,524
Current portion of non-current liabilities other than provisions	8	1,373,698	1,394,676
Bank loans		0	326,018
Prepayments received from customers		0	491,064
Trade payables		1,838,115	1,897,214
Payables to group enterprises		2,304,608	2,407,502
Income tax payable		708,157	863,659
Other payables		2,493,067	2,365,315
Current liabilities other than provisions		8,717,645	9,745,448
Liabilities other than provisions		15,830,720	11,111,972
Equity and liabilities		33,392,236	27,889,255
Staff costs	2		
Amortisation, depreciation and impairment losses	3		
Assets charged and collateral	9		
Group relations	10		

Statement of changes in equity for 2022/23

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	2,000,000	12,724,595	1,500,000	16,224,595
Ordinary dividend paid	0	0	(1,500,000)	(1,500,000)
Profit/loss for the year	0	2,455,149	0	2,455,149
Equity end of year	2,000,000	15,179,744	0	17,179,744

Notes

1 Gross profit/loss

Gross profit/loss include other operating items which include wage reimbursement. The total amount applied for in 2022/23 is 187K DKK compared to 56K in 2021/22.

2 Staff costs

	2022/23	2021/22
	DKK	DKK
Wages and salaries	13,517,552	11,983,815
Pension costs	1,387,360	1,218,483
Other social security costs	383,771	425,266
	15,288,683	13,627,564
Average number of full-time employees	31	28

3 Depreciation, amortisation and impairment losses

	2022/23	2021/22
	DKK	DKK
Amortisation of intangible assets	170,269	188,587
Depreciation of property, plant and equipment	2,825,961	2,434,823
	2,996,230	2,623,410

4 Other financial expenses

	2022/23	2021/22
	DKK	DKK
Financial expenses from group enterprises	135,562	58,707
Other interest expenses	10,282	41,550
Exchange rate adjustments	0	387,233
Other financial expenses	2,992	7,154
	148,836	494,644

5 Tax on profit/loss for the year

	2022/23	2021/22
	DKK	DKK
Current tax	865,157	1,005,643
Change in deferred tax	(170,916)	(77,446)
Adjustment concerning previous years	4,907	0
	699,148	928,197

6 Intangible assets

	Acquired patents DKK	Acquired rights DKK	Goodwill DKK
Cost beginning of year	5,522,550	12,410,921	10,000,000
Cost end of year	5,522,550	12,410,921	10,000,000
Amortisation and impairment losses beginning of year	(5,229,531)	(12,369,632)	(10,000,000)
Amortisation for the year	(137,245)	(33,024)	0
Amortisation and impairment losses end of year	(5,366,776)	(12,402,656)	(10,000,000)
Carrying amount end of year	155,774	8,265	0

7 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	7,366,911	25,748,651	3,730,718	2,335,960	0
Additions	6,997,631	1,335,000	94,254	0	46,964
Disposals	0	(35,000)	0	0	0
Cost end of year	14,364,542	27,048,651	3,824,972	2,335,960	46,964
Depreciation and impairment losses beginning of year	(5,199,886)	(22,616,562)	(2,655,669)	(2,335,960)	0
Depreciation for the year	(1,732,704)	(484,927)	(608,330)	0	0
Reversal regarding disposals	0	35,000	0	0	0
Depreciation and impairment losses end of year	(6,932,590)	(23,066,489)	(3,263,999)	(2,335,960)	0
Carrying amount end of year	7,431,952	3,982,162	560,973	0	46,964
Recognised assets not owned by entity	7,431,952	0	0	0	0

8 Non-current liabilities other than provisions

	Due within 12 months 2022/23 DKK	Due within 12 months 2021/22 DKK	Due after more than 12 months 2022/23 DKK	Outstanding after 5 years 2022/23 DKK
Lease liabilities	1,326,331	1,394,676	6,024,744	0
Other payables	47,367	0	1,088,331	833,975
	1,373,698	1,394,676	7,113,075	833,975

9 Assets charged and collateral

The Company's bank has issued a guarantee of DKK 844k as security for rental obligations.

10 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Ronstan International Pty. Ltd., 19 Park Way, Braeside, Victoria, Australia.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

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. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production: Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

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

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.

Balance sheet**Goodwill**

Goodwill in connection with the take-over of the activity is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is 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 on an annual basis. The amortisation periods used are 7 years.

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

Intellectual property rights etc.

Acquired patents are measured at cost less accumulated amortization and impairment losses. The amortization period for patents exceeds 5 years as the patents are amortized over the remaining term of the patent which is normally 7-15 years.

Patents are written down to the lower of recoverable amount and carrying amount.

Acquired similar rights comprise acquired rights, trademark and know-how. The acquired similar rights are measured at cost less accumulated amortisation and impairment losses. The amortisation period is 3-7 years. Management evaluated that the useful life of the trademark and know-how exceeds 5 years for which reason the amortization period is 7 years.

Acquired similar rights are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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
Buildings	4 years
Plant and machinery	3-13 years
Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	3-8 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.

Leased assets

On initial recognition, leased assets are measured at an amount equal to the sum of the calculated lease liability, payments made before the commencement of the lease term with deduction of incentive benefits from the lessor and direct costs incurred at the inception of the lease.

Leased assets are depreciated over the shorter of the lease terms and the useful lives of the underlying assets. In leases where the ownership of leased assets is transferred upon expiry or a purchase option is expected to be exercised, the leased assets are depreciated over their useful lives. Depreciation is initiated at the commencement of the lease term.

Leased assets are written down to the lower of recoverable amount and carrying amount.

Leased assets are adjusted by remeasuring lease liabilities, see below under lease liabilities.

Leased assets are recognised under fixed assets in the items under which the underlying assets of the leases would be presented had they been owned by the Company.

Inventories

Inventories are measured at the lower of cost using the standard cost price and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

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.

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.

Lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

On initial recognition, lease liabilities are measured at the present value of lease payments that have not been paid at the commencement of the lease term, discounted using the internal rate of the lease. If this rate cannot be calculated, the marginal borrowing rate of the Company is used.

Lease payments included in the measurement of lease liabilities comprise:

- Fixed lease payments with deduction of incentive benefits from lessor to lessee.
- Variable lease payments based on an indexation or a percentage rate. On initial recognition of the liability, this is measured based on the index or rate at the commencement of the lease term.
- The amount expected to be paid under residual value guarantees.
- The exercise price of purchase options if it is reasonably certain that such options will be exercised.

- The price of exercising the option for early termination of the lease if the lease term reflects that the option is expected to be exercised.

Variable lease payments that are not dependent on an indexation or a percentage rate are recognised in the income statement in the item "Other external expenses" in the period of the occurrence of the event or the matter triggering these payments.

At the subsequent measurement, the lease liabilities are adjusted for interest accrued and instalments paid applying the effective interest method.

Lease liabilities are remeasured, and an equal adjustment of the related leased assets is made when:

- The lease term changes, e.g. due to a change in the assessment as to whether an extension option or a purchase option will be exercised. Remeasurement takes place by discounting the changed lease payments using a discount rate which is updated at the time of the change of the lease.
- Lease payments change due to changes in an index or a rate or a change in expected payment under a guaranteed residual value. Remeasurement takes place by discounting the revised lease payments using the original discount rate; however, an updated discount rate is used if the change is due to a change in the floating interest rate.
- There is a modification of the lease which is not to be treated as a separate lease for accounting purposes.

Remeasurement takes place by discounting the revised lease payments using an updated discount rate.

If the remeasurement results in a reduction of a lease liability that exceeds the carrying amount of the related leased asset, the excess amount is recognised in the income statement.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax receivable or payable

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