

NIMBUS GROUP

PRESS RELEASE

08 March 2023 22:45:00 CET

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NIMBUS GROUP ACQUIRES AMERICAN BOAT MANUFACTURER EDGEWATER POWERBOATS, LLC

Nimbus Group AB (publ) ("Nimbus Group" or the "Company") has today signed an agreement to acquire all of the shares in the American company EdgeWater Power Boats, LLC ("EdgeWater") for a cash consideration of USD 9.5 million on a cash and debt free basis. The acquisition is financed with equity and the Company intends to carry out a directed share issue of up to 1,937,781 shares. The acquisition of Edgewater is expected to close during the second quarter of 2023. In light of the acquisition and the intended directed share issue, the Board of Directors of Nimbus Group has also decided to withdraw the previous proposal for a dividend.

EdgeWater was founded in 1992 with the purpose of designing and manufacturing robust, safe and reliable powerboats under the premium brand *EdgeWater*. EdgeWater sells boats to the North American market and sold in 2022 more than 300 boats in sizes of up to 37 feet. The boats are mainly saltwater boats, of the centre console type, which are used for pleasure, fishing and transport. All boats are equipped with outboard motors. EdgeWater has approximately 165 employees with an experienced management team and had sales of approximately USD 47.7 million in 2022 [1], had an adjusted EBIT of approximately USD 3.0 million [1], and had an adjusted EBIT margin of approximately 6.3% [1].

The cash consideration amounts to USD 9.5 million on a cash and debt free basis, corresponding to approximately SEK 100 million. Synergy effects are expected to arise through a stronger market position, access to production capacity in the US and through more efficient logistics, which is also positive from a sustainability perspective. The acquisition includes an industrial property which, as of February 2023, is valued at approximately USD 3.5 million [2]. The acquisition is financed with equity and the Company intends to carry out a directed share issue of up to 1,937,781 shares. The Company will announce a press release with more information about the intended directed share issue. EdgeWater will become a part of Nimbus Group's American organisation. The acquisition of EdgeWater is expected to close during the second quarter of 2023 and is subject to customary terms. EdgeWater is expected to be consolidated into Nimbus Group's accounts from the closing date.

"Through the development of new boat models, global expansion, densification of the dealership network and acquisitions, we have delivered on our clear growth strategy. In that strategy, an expansion in the important North American market is one of the cornerstones. The acquisition of EdgeWater adds a strong and successful brand to our portfolio, expands our presence in the North American market and adds an important local organisation with production capacity in the US", says Jan-Erik Lindström, President and CEO of Nimbus Group.

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The market for powerboats in the US is the single largest in the world and to support Nimbus Group's expansion in the US, the Company has made large investments in recent years. In 2022, the Company established its own local organisation at the same time as the Company announced the establishment of its new US sales office and headquarters in Annapolis, Maryland, located on the east coast of the US. The investments have led to Nimbus Group doubling its number of locations in the North American market in 2022.

The Board of Directors of Nimbus Group has also decided to withdraw the previous proposal for a dividend of SEK 1.50 per share for 2022. While current liquidity is sufficient to support the previously suggested dividend proposal, the Board of Directors prefers to strengthen the financial buffer and stability for the Company. In accordance with the financial targets, Nimbus Group shall not have any long-term financial debt (excluding real estate related debt).

[1] Net sales and EBIT have been adjusted for floor plan interest, totaling USD 0.85 million for the full year 2022. According to Nimbus Group's accounting methodology, these interest expenses are accounted for under 'Result from financial items' in the income statement. Other adjustments to EBIT totaling USD 0.02 million are mainly attributable to non-recurring personnel contributions and normalisation of costs for the finance function. Financial information for 2022 is retrieved from EdgeWater's management accounts and has not been subject to audit or any other review by auditor.

[2] In connection with the transaction, Colliers International Florida, LLC has issued a "Broker opinion of Value" where the value of the industrial property has been estimated to between USD 3.4 and 3.6 million.

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Conference call

A webcast telephone conference will be held on Thursday 9 March at 11:00 CET during which President and CEO Jan-Erik Lindström will present the acquisition of EdgeWater together with CFO Rasmus Alvemyr. The presentation will be followed by a Q&A session. The presentation will be held in English. If you wish to participate via telephone conference, please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the telephone conference.

Call Access (financialhearings.com)

If you wish to participate via webcast, please use the link below.

Press conference March 2023 (financialhearings.com)

About Nimbus Group

Nimbus Group produces and markets powerboats which includes the brands Alukin, Aquador, Bella, Falcon, Flipper, Nimbus and Paragon Yachts. Sales are made through dealer networks and the largest markets are the Nordic region, Europe and the US. In 2022, the Group had sales of SEK 1,751 million and 423 employees. Operations are conducted in Sweden, Finland, Poland, England, Norway and the US. Nimbus Group has been listed on Nasdaq First North Growth Market since February 2021. For more information, see www.nimbusgroup.se

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. Nimbus Group has not authorised any offer to the public of shares or other securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Issue. In any member state of the EEA, this communication is only addressed to and is only directed at qualified investors in that member state within the meaning of the Prospectus Regulation.

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Forward-looking statements

This press release contains certain forward-looking statements that reflect Nimbus Group's current beliefs or expectations about future events and financial and operational performance, including statements about guidance, planning, prospects and strategies. Words like "intend", "estimate", "expect", "plan", "can" and similar expressions about indications or predictions about future development or trends which are not based on historical facts constitutes forward-looking information. The forward-looking statements in this press release are based on various assumptions, in several instances based on additional assumptions. Even if Nimbus Group believes that the assumptions reflected in these forward-looking statements are reasonable, Nimbus Group cannot give any warranties that any such forward-looking statements will be materialised. Since these forward-looking statements involve both known and unknown risks and uncertainties, the actual outcome can be essentially different compared to the forward-looking information. Such risks and uncertainties include but are not limited to the Acquisition contributing to the fulfilment of Nimbus Group's operational and financial targets. The Company does not provide any warranty that the assumptions which constitute the basis for the forward-looking statements in this press release are correct and each reader of the press release should not without reason trust the forward-looking statements in this press release. Forward-looking statements in this press release are only valid at the time of this press release and may be amended without notice. Neither Nimbus Group nor anyone else undertakes any obligation to review, update or confirm or publicly announce any amendment of any forward-looking statement to reflect events that have occurred or circumstances occurring regarding the contents of this press release, unless required by law or the Nasdaq First North Growth Market rulebook.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014 /65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Nimbus Group have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Nimbus Group may decline and investors could lose all or part of their investment; the shares in Nimbus Group offer no guaranteed income and no capital protection; and an investment in the shares in Nimbus Group is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Issue. Furthermore, it should be noted that notwithstanding the Target Market Assessment, Carnegie will only procure investors who meet the criteria of professional clients and eligible counterparties.

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For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Nimbus Group.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Nimbus Group and determining appropriate distribution channels.

This information is inside information that Nimbus Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-03-08 22:45 CET.

Attachments

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