



# OXEMARINE

ENGINEERING THE FUTURE

ANNUAL REPORT 2020

[www.oxemarine.com](http://www.oxemarine.com)

## **ANNUAL REPORT FOR THE FINANCIAL YEAR: 1 January 2020 – 31 December 2020**

*The Board of Directors and the CEO of OXE Marine AB hereby submit the following annual report.*

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The board is seated: Ängelholm

Company accounting currency: Swedish kronor (SEK Unless otherwise stated).

All amounts are (Unless otherwise stated) reported in SEK thousands (KSEK).

## DIRECTORS' REPORT



Our high-powered diesel outboards, both the four-cylinder OXE125-200 series and the latest six-cylinder OXE300, continue to set the benchmark of producing 45% less CO<sub>2</sub> and delivering over 60% increased range compared to gasoline outboards with similar power output. All our products (including the recent OXE300) have passed the stringent EPA, RCD and IMO tests – further validating its superior fuel consumption and significant reduction in emissions. The safety aspects of using diesel fuel, which is less flammable than gasoline, is another critical attraction to many users – and the engines can be operated using biofuel, a sustainable and environmentally sound solution. Governmental and Commercial users are particularly attracted to significant savings in the total life cycle cost of our product when compared to other outboards. All in all, the OXE brand continues to impress with its robust commercial products and cost saving solutions. Safer for people and our planet.

We started the year with a name change from Cimco Marine AB to OXE Marine AB – this was to create consistency with our product brand name. Our strap line “Engineering the Future” also represents the potential of our technology that will enable us to develop even more environmentally friendly products such as hybrids and fully electric OXE products. During the year, we attracted interest from several companies with electric marine propulsion applications who are keen to use our patented belt propulsor lower leg – a key corporate mission to become part of a solution to reduce our carbon footprint. Additionally, the name change was an opportunity to develop what our vision, mission and core values are and communicating with all our stakeholders about who we are and what we do, how we intend to execute our mission and what we stand for. We are still a young company but with the collective support from our employees, development partners, customers, suppliers and investors, we can realise the full potential of our disruptive technology - the belt propulsor design.

Nevertheless, the pandemic caused by COVID-19 at the end of March had led us to take appropriate action to conserve our resources and ensure continuity of business. In some ways our “asset light” business model has enabled us to scale down operations quickly without the burden of high fixed costs or legacy assets, giving us the resilience to scale down and the ability to scale back up very quickly. We strategically took the decision to stop production of the OXE125-200 series in Uddevalla and to re-start production with ONM at their assembly facility in Albany, Georgia, USA, preparation of which is now underway since the year end.

Key Figures	2020	2019	2018	2017	2016
	Jan – Dec	Jan – Dec	Jan – Dec	Jan – Dec	Jan – Dec
Net turnover, KSEK	39 742	91 100	40 578	14 602	6 878
Gross Margin %	14 %	-4 %	-41 %	-78 %	-20 %
EBITDA, KSEK	- 60 979	- 73 676	- 74 367	- 37 892	- 18 487
Net loss for the period, KSEK	-85 540	-101 938	-108 213	-50 979	-27 088
Order Book Value, KSEK	139 286	43 230	n/a	n/a	n/a
Earnings per share basic, SEK	-0.49	-0.80	-4.04	-2.70	-2.40
Earnings per share diluted* SEK	-0.41	-0.68	-4.04	-2.70	-2.40

\*See definitions

We selected PanLink as the production partner for the OXE300 – using its assembly facility in Poland. PanLink is a leading, international production solutions specialist headquartered in Malmö, Sweden. Preparation to start production of the OXE300 was delayed due to supply chain disruption as well as travel restrictions caused by COVID-19. Limited pre-series production commenced in Ängelholm during the year whilst production started in Poland in early 2021 with a deliberate slow and controlled ramp up to ensure alignment with our supply chain during this phase and ensure adequate testing is carried out.

As a result of production disruptions, our sales for 2020 was limited to 40MSEK when compared to 91MSEK from the previous year. Our order book, on the other hand, grew by 223% during the year from 43MSEK to 139MSEK – reflecting a strong interest in our products, specifically the OXE300s.

In the meantime, the company achieved a positive gross margin of 14% for the full financial year (-4% for the previous year) – the first time in its corporate history and this was mainly due to cost reductions and higher selling price as well as a focus on product mix. We expect better margins for 2021, as the OXE300 attracts a higher margin when compared to the OXE125-200 series.

During the year we awarded the Mainland China distribution rights to Parsun – China’s largest outboard manufacturer– we believe the market to be significant with potential for substantial growth in years to come from governmental and commercial users. We also signed up with Diesel Outboards LLC ("ODN"), to become the Distributor for Florida and the US Gulf Coast. Also during the year, we received the first formal order from the US Coast Guard, following years of validation and testing of the OXE200s – the US represents the

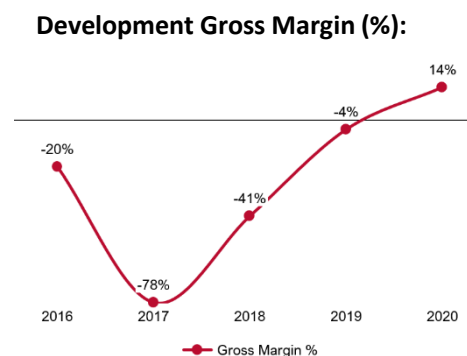
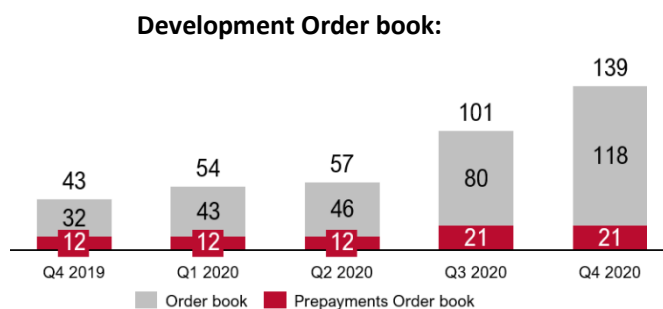
largest governmental consumer, with engine demand in our power range expected to be in the thousands. This was further vindicated in October when we received order confirmation for more than 50 OXE300s from the US Government for deployment in Central America - we will continue to work with our US distributors to further develop this market segment for our products.

We announced that the OXE300 will be co-branded with the BMW group to assist with marketing of our product. We also signed a preliminary development agreement with the BMW group to assess their 4-cylinder two litre diesel engine as a replacement for the outgoing GM engine to power the next generation OXE125-200 series.

Financially, the company satisfied all conditions to enable draw down of Tranche B of the European Investment Bank ("EIB") Loan facility of €4million which was completed at the end of March. This was followed by a successful directed share issue in October for 65.9MSEK. As ever, I am thankful for the continuous support of our shareholders and investors on our journey to deliver a world class product to our customers.

I am full of anticipation for an exciting 2021 - driving our production, sales and profit margin and continually improving our products and services. In 2021, my role will change but I look forward to continue to serve the company to the best of my ability, with passion and purpose, as will our employees and partners.

Myron Mahendra  
CEO - OXE Marine AB





## MANAGEMENT REPORT

### Information about the business

OXE Marine AB (publ) was formed in 2012 and after several years of development has developed a diesel outboard for the marine market. The head office is located in Helsingborg with product development, part assembly, as well as testing of the product, carried out in Ängelholm. OXE Marine AB is listed on Nasdaq First North, ISIN SE0009888613. The global outboard market has long been dominated by gasoline engines, but with a diesel engine you get a stronger and, above all, a more fuel-efficient engine.

Several attempts have been made to develop outboard engines for diesel fuel, but the difficulty lies in developing a sufficiently strong design for power transmission between the engine and the propeller. OXE Marine's outboard engine, OXE Diesel, is the first diesel outboard that is capable of replacing the well-established gasoline outboards in the higher power levels, in commercial and governmental operations. The engine is a modular platform that has been configured for a horizontally mounted engine, unlike traditional outboards that have vertical engine installations. OXE Marine's unique solution has led to great international demand for the company's engines. Among other things, in 2015 the North Atlantic Treaty Organisation ("NATO") introduced a directive, Single Fuel, which stipulates that all NATO equipment must be run on diesel if this is an available alternative in the market.

### Significant events during the financial year

OXE Marine AB ("The Company") announced the following significant events during the year:

- The company name changed from Cimco Marine AB (publ) to OXE Marine AB (publ)
- The company received EUR 4 m in funding, relating to Tranche B of the EIB facility.
- PanLink in Tczew, Poland selected as the production partner for the OXE300 and Outdoor Network Manufacturing ("ONM") in Albany, USA selected as the new manufacturing partner for the 125hp to 200hp series.
- Following the successful collaboration with the BMW Group of marinizing their 3 liter, 6 cylinder bi-turbo engine for use in the OXE300s, OXE Marine AB and BMW agreed to co-brand the OXE300.
- The Company received first commercial order from the US Coast Guard following testing and validation.
- The Company entered into a cooperation agreement with Evoy AS, an electric marine propulsion company based in Norway, to assess the technical and market viability of a high-powered electric outboard.
- The Company announced that the European Patent Office intends to grant OXE Marine AB (publ) a European patent for an electric duoprop outboard.
- The Company carried out a directed share issue of SEK 65.9m to strategic and qualified investors to finance an accelerated growth strategy. The directed share issue increased the number of ordinary shares in OXE Marine by 32 950 000, from 164 839 521 to 197 789 521, and the share capital increased by SEK 987 993.18 from SEK 4 942 650.17 to SEK 5 930 643.35. The subscription price amounted to SEK 2.0 SEK per share and has been determined through a traditional book-building procedure with a large number of qualified investors. The Board assessed that the subscription price was market-based.
- The Company received the official approval and issuance of the United States Environmental Protection Agency ("EPA") Tier 3 certificate for OXE300.
- The Company's distributor Diesel Outboards LLC confirmed order for more than 50 OXE300 from US government for deployment in Central America.
- **COVID-19:** The company was impacted by COVID-19 in several ways, including delay in the preparations to start production of the OXE300 due to supply chain disruption. The Company also took appropriate action to conserve resources and ensure continuity of business and put certain employees on short term furlough and received funding from Tillväxtverket of SEK 0.5m for the period April to June 2020. The Management team took a voluntary 20% pay cut during this period.

## Future Prospects

OXE Marine's future growth is dependent on the company developing and producing sustainable products. Work on quality assurance of the product and the supply chain will continue during 2021. The Company continues to develop an organisation that works in a structured and efficient way with quality. Based on the recent development in the Order Book, Management's assessment is that demand will continue to be strong from the market.

## Risk and uncertainties

OXE Marine is a relatively new company with a new product, which includes a number of risks. The product is the first of its kind on the market, with previously untested technology. Development and quality assurance of products and subcontractors is time-consuming and very costly. Thus, there is a risk that a planned product development and quality assurance will be more costly and will take longer to adapt to market needs than planned. There is also a risk that delays in supply or production can result in cancelled orders from customers, which may have a material adverse effect.

The Company's Management has a continuous focus on risks and uncertainties. The company's operations are dependent on certifications and compliance with regulatory requirements, applicable to the marine engine market. If these are delayed, it could have an impact on OXE Marine's operations, earnings, and financial position.

Exchange rate fluctuations affect OXE Marine's earnings, as sales are mainly in EUR. Since the company is in a development phase, financing is also a significant risk, in the event of that the company cannot raise sufficient funding at a reasonable cost. The Company closely manages its cashflow and continues according to its budgeted plan, but there is always an uncertainty about events beyond the company's control that may require additional financing.

## Ownership

As of February 26 2021, the Company is 16.3% owned by Per Lindberg and 10.1% by Arne Andersson. Other owners hold less than 10% of the shares. OXE Marine's top ten shareholders and movement in shares as at 26 February 2021 are as follows:

Shareholder	Holding	%	Change
Per Lindberg	32 303 699	16.3	-
Arne Andersson	20 000 000	10.1	-
Tamt AB	13 000 000	6.6	-
Försäkringsaktiebolaget, Avanza pension	11 470 015	5.8	↓
Jonas Wikström	10 500 000	5.3	-
H&A FK AB Emissionskonto	5 000 000	2.5	-
Theodor Jeansson	5 000 000	2.5	↓
CBLDN-Saxo Bank A/S	4 669 290	2.4	↑
Euroclear Bank S.A/N.V, W8-IMY	4 353 225	2.2	↑
Sven Sandberg	3 585 000	1.8	↑

Source: Euroclear.

Information presented is according to Euroclear's register. Change of holdings based on the number of shares presented in the fourth quarter report (as of 29 January 2021).

## MULTI-YEAR OVERVIEW

<i>(amount in KSEK)</i>	2020	2019	2018	2017	2016
Net turnover (KSEK)	39 742	91 100	40 578	14 602	6 878
Profit/loss after financial items (KSEK)	-85 540	-101 938	-108 213	-50 979	-27 088
Operating margin (%)	-194%	-97%	-215%	-315%	-308%
Return on equity (%)	-89%	-101%	-98%	-65%	-186%
Balance sheet total (KSEK)	359 801	314 803	248 533	182 053	118 240
Equity/assets ratio (%)	27%	38%	34%	76%	16%
Average number of employees	36	30	25	25	14

### Proposal for profit allocation

The board of directors recommends that the profit/loss and brought forward profits available for distribution:

Share premium reserve	417 126 258
Profit carried forward	-359 767 750
Year's loss	-85 539 998
	-28 181 490

Amount carried over -28 181 490

## FINANCIAL STATEMENTS FOR THE PERIOD UP TO 31 DECEMBER 2020

### INCOME STATEMENT

<i>(Amount in KSEK)</i>	<i>Note</i>	<b>2020</b>	<b>2019</b>
		<b>Jan-Dec</b>	<b>Jan-Dec</b>
Net turnover		39 742	91 100
Capitalised R&D expenditure		35 760	33 775
Other operating income	<b>2</b>	6 088	0
		<b>81 590</b>	<b>124 875</b>
Goods for resale		-34 242	-94 723
Other external costs (including R&D expenditure)		-73 326	-70 362
Personnel costs	<b>3</b>	-35 001	-30 325
Depreciation of material and immaterial assets		-16 182	-14 410
Other operating costs		0	-3 141
Total operating costs		<b>-158 751</b>	<b>-212 961</b>
Operating loss		<b>-77 161</b>	<b>-88 086</b>
Interest cost and similar items		-8 379	-13 852
Profit/loss after financial items		<b>-85 540</b>	<b>-101 938</b>
Pre-tax profit/loss		<b>-85 540</b>	<b>-101 938</b>
Profit/loss for the year		<b>-85 540</b>	<b>-101 938</b>



## BALANCE SHEET

<i>(amount in KSEK)</i>	<i>Note</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Capitalised expenditure on research and development work and related work	<b>4</b>	162 719	139 830
Patent	<b>5</b>	2 834	3 298
Improvement expenditure on leaseholds	<b>6</b>	177	109
Equipment, tools and installations	<b>7</b>	7 479	6 203
<b>Total fixed assets</b>		<b>173 209</b>	<b>149 440</b>
<b>Current assets</b>			
Finished goods and goods for resale		100 163	56 798
Advance suppliers		5 402	13 629
Accounts receivable		35 527	39 329
Other receivables		2 274	3 165
Deferred expenses and accrued income		1 818	1 210
Cash on hand and in bank		41 408	51 232
<b>Total current assets</b>		<b>185 592</b>	<b>165 363</b>
<b>TOTAL ASSETS</b>		<b>359 801</b>	<b>314 803</b>

## BALANCE SHEET (continued)

<i>(amount in KSEK)</i>	<i>Note</i>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>8</b>		
<b>Restricted equity</b>			
Share capital		5 931	4 943
Development fund		117 903	89 918
<b>Total restricted equity</b>		<b>123 834</b>	<b>94 861</b>
<b>Non-restricted equity</b>			
Share premium reserve		417 126	355 769
Retained earnings or losses		-359 768	-229 845
Profit/loss for the year		-85 540	-101 938
<b>Total non-restricted equity</b>		<b>-28 182</b>	<b>23 986</b>
<b>TOTAL EQUITY</b>		<b>95 652</b>	<b>118 847</b>
<b>Long-term liabilities</b>			
Other provisions	<b>9</b>	1 416	3 382
Bond	<b>11</b>	119 565	113 967
Liabilities to finance institutions	<b>12</b>	80 300	41 735
<b>Total long-term liabilities</b>		<b>201 281</b>	<b>159 084</b>
<b>Current liabilities</b>			
Liabilities to finance institutions		5 000	0
Advance payments from customers		24 725	4 629
Accounts payable		20 735	23 554
Current tax liabilities		966	413
Other liabilities		1 744	2 309
Accrued expense and other deferred income		9 698	5 968
<b>Total current liabilities</b>		<b>62 868</b>	<b>36 872</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>359 801</b>	<b>314 803</b>

## CHANGE IN EQUITY

	Restricted equity			Non-restricted equity		
	Share capital	Development fund	Share premium	Retained profit/loss	Profit/loss this year	Total
Amounts at the opening of 2019	886	62 920	222 974	-94 784	-108 213	83 783
Development fund		26 998		-26 998		0
Rights issue <sup>1</sup>	4 057		132 795			136 852
Earnings per decision of AGM				-108 213	108 213	0
Option premium				150		150
Profit/loss for the year					-101 938	-101 938
<b>Amounts at the closing of 2019</b>	<b>4 943</b>	<b>89 918</b>	<b>355 769</b>	<b>-229 845</b>	<b>-101 938</b>	<b>118 847</b>
Development fund		27 985		-27 985		0
Rights issue <sup>1</sup>	988		61 357			62 345
Earnings per decision of AGM				-101 938	101 938	0
Profit/loss for the year					-85 540	-85 540
<b>Amounts at the closing of 2020</b>	<b>5 931</b>	<b>117 903</b>	<b>417 126</b>	<b>-359 768</b>	<b>-85 540</b>	<b>95 652</b>

<sup>1</sup> The amount is reported net after deduction of transaction costs.

## NOTES

### Note 1 Accounting policies

#### General accounting policies

The Annual Report has been prepared in accordance with the Swedish Annual Accounts Act (1995: 1554) and Accounts (K3). BFNAR 2012: 1 Annual Report and Consolidated Financial Statements (K3). The company is a small company according to Chapter 1. § 3 ÅRL and has chosen to apply relief rules in the K3 regulations.

#### Revenue recognition

##### Sale of goods

Revenue is recognised at the fair value of what the company has received or will receive. This means that the company reports revenue at the nominal value (invoiced amount) if the company receives compensation in cash or cash equivalent upon delivery. Deductions are made for discounts granted. Revenue is recognised when the significant benefits and risks associated with the ownership of the goods has been transferred from the company to the buyer, which according to shipping terms is on an 'Ex Works' (free at factory) basis.

##### Interest, royalty and dividends

Remuneration in the form of interest, royalty or dividend is reported as income when the company is likely to receive the financial benefits associated with the transaction and when income can be reliably calculated. Interest is reported as revenue according to the so-called effective rate method.

#### Lease agreements

If the financial risks and benefits associated with the asset do not pass to the lessee at the end of the lease period, the lease is classified as an operational lease. Operational leases are recognized as an expense on a straight-line basis over the lease term. If the financial risks and benefits associated with the assets pass to the lessee at the end of the lease period, the lease is considered a financial lease and the assets are reported as fixed assets or as current assets, depending on when the lease period expires. The lease fee is determined annually and is reported on a straight-line basis over the lease period.

#### Employee benefits

Employee benefits refers to all types of remuneration the company provides to its employees. The remuneration includes, among other things, salaries, paid leave, paid absences, bonuses, and post-employment benefits (pensions). Reporting occurs when benefits are accrued. Remuneration for retired employees derives from defined-contribution or defined benefit pension plans. Plans are classified as defined-contribution plans when fixed contributions are paid and there are no bonds, whether legal or informal, to pay anything over and above these contributions. All other plans are classified as defined-benefit pension plans, of which the company has none. The company has no other long-term employee benefits.

#### Conversion of foreign-currency amounts

Receivables and liabilities in foreign currencies have been converted at the exchange rate at Balance Sheet date. Exchange rate gains and losses on operating receivables and operating liabilities are reported under operating income, while exchange rate gains and losses on financial receivables and liabilities are reported as financial items.

#### Fixed assets

Property, plant and equipment (PPE) and intangible assets are reported at acquisition value less accumulated depreciation and any impairment losses. PPE has been broken down into significant components where components have substantially different useful lives. Depreciable amount consists of the acquisition value less an estimated residual value if this is significant. Depreciation takes place on a straight-line basis over the expected useful life.

## Intangible assets

OXE Marine AB's intangible assets consist primarily of patents, staffing costs, as well as the purchasing of consultancy services and materials necessary for the development of the product OXE.

The following depreciation periods are applied:

### Intangible assets

Capitalised expenditure on research and development work and related work	10 years
Patents	10 years

### Fixed assets

Improvement expenditure on leaseholds	2 years
Equipment	5 years
Tools	7 years

### Internally developed intangible assets

The company applies the so-called "activation model" for internally developed intangible assets. This method involves capitalisation of all expenditure fulfilling the BFNAR 2012: 1 criterion as an intangible asset to be amortised over the estimated useful life of the asset. A transfer from non-restricted equity into the development costs fund within restricted equity has been made for the corresponding amount capitalised during the year. A transfer from the fund back to unrestricted equity has been made for the corresponding amount reported under depreciation and impairment.

## Financial instruments

The company reports and values financial instruments at acquisition value. Accounts receivable and other short-term receivables are reported at the lower of acquisition cost and net realisable value at the Balance Sheet date. Accounts payable and other current liabilities are reported at the expected settlement amount. Long-term receivables and long-term liabilities are valued after initial reporting at amortised cost.

## Inventory

Inventory has been valued at the lower of acquisition cost and net realisable value at the Balance Sheet date. Net realisable value refers to the estimated selling price of goods less selling costs. The chosen valuation method takes into account any impairment of inventory.

## Tax

Total tax consists of current tax and deferred tax. Taxes are recognised in the income statement, except when the underlying transaction is recognized directly in equity, whereby the associated tax effect is recognised in equity.

### Current Tax

Current tax refers to income tax for the current fiscal year and the part of the previous fiscal year's income tax that has not yet been reported. Current tax is calculated on the basis of the tax rate applicable on the balance sheet date.

### Deferred tax

Deferred tax assets are reported net against deferred tax liabilities only if they can be paid with a net amount. Deferred tax is calculated on the basis of the determined tax rate on the balance sheet date. Effects of changes in the applicable tax rates are recognised in the income statement during the period the change has been legislated. Deferred tax assets are reduced to the extent that it is unlikely that the underlying tax asset will be realised in the foreseeable future. Deferred tax assets are reported as financial fixed assets and deferred tax liabilities as provisions. The Company has unutilised carry forward tax losses in Sweden amounting to SEK 261.3 million as of 31 December 2020. These are based on the cumulative assessment years running up to 31 December 2019. The tax effect has not been recognized as a deferred tax asset in the balance sheet. The ability to utilise these tax losses in the future is also influenced by changes in company shareholding.

## Other provisions

Other provisions are reported when the company has a formal or informal obligation resulting from past events and where it is probable that an outflow of resources will be required to settle such an obligation. Provisions are valued at the best estimate of the amount required to settle the obligation. If the expected payment date has a significant effect on the value of the obligation, the obligation is reported at its net present value.

### Note 2 Other operating income

	31 Dec 2020	31 Dec 2019
Exchange rate gains on receivables / liabilities of an operating nature	5 601	0
Support received from Tillväxtverket	487	0
	6 088	0

### Note 3 Employees and personnel costs

	31 Dec 2020	31 Dec 2019
Average number of employees		
Women	4	5
Men	32	25
	36	30
Salaries and other remuneration		
The Board of Directors and the CEO	3 986 855	2 708 868*
Other employees	21 259 950	19 315 705
	25 246 805	22 024 573

\* For 6 months of 2019, the CEO was contracted as opposed to being a salaried employee.

#### Social costs

Pension cost for the Board of Directors and the CEO	0**	0**
Pension costs for Other employees	2 470 235	1 737 942
Other social costs according to law and agreement	6 400 722	5 701 719
	8 870 957	7 439 661
Total salaries, remuneration, social costs, and pension cost	34 117 762	29 464 234

\*\* CEO residing abroad and therefore no pension costs in Sweden. Pension contributions were paid out via normal salary.

### Note 4 Capitalised expenditure on research and development work and related work

	31 Dec 2020	31 Dec 2019
Opening value	173 685	139 171
Additions for the year	35 759	34 514
Closing accumulated value	209 444	173 685
Opening amortisation	-33 855	-21 964
Amortisation for the year	-12 870	-11 891
Closing accumulated value	-46 725	-33 855
Closing reported value	162 719	139 830



## Note 5 Patent

	31 Dec 2020	31 Dec 2019
Opening value	4 632	4 207
Additions for the year	0	425
Closing accumulated value	4 632	4 632
Opening amortisation	-1 334	-890
Amortisation for the year	-464	-444
Closing accumulated value	-1 798	-1 334
Closing reported value	2 834	3 298

## Note 6 Improvement expenditure on leaseholds

	31 Dec 2019	31 Dec 2019
Opening value	566	410
Additions for the year	176	156
Closing accumulated value	742	566
Opening amortisation	-457	-263
Amortisation for the year	-108	-194
Closing accumulated value	-565	-457
Closing reported value	177	109

## Note 7 Equipment, tools and installations

	31 Dec 2020	31 Dec 2019
Opening value	10 997	8 678
Additions for the year	4 016	2 319
Closing accumulated value	15 013	10 997
Opening amortisation	-4 794	-2 914
Amortisation for the year	-2 740	-1 880
Closing accumulated value	-7 534	-4 794
Closing reported value	7 479	6 203

## Note 8 Proposed distribution of the company's profit or loss

The board of directors proposes that the company's unrestricted equity, SEK -28 181 490, is distributed as follows:

Share premium reserve	417 126 258
Profit carried forward	-359 767 750
Year's loss	-85 539 998
Held in new account	-28 181 490

## Note 9 Other provisions

	31 Dec 2020	31 Dec 2019
Guarantees	1 416	3 382
	1 416	3 382

## Note 10 Pledged assets

	31 Dec 2020	31 Dec 2019
Company mortgage	106 572	102 456
Ownership reservation fixed assets	0	100
Mortgage on bank account	600	50
	107 172	102 606

## Note 11 Corporate Bonds

Senior Secured Callable Fixed Rate Bonds with ISIN SE0010831545, SE0010831594 and NO0010815442. Interest on the Bonds amounts to 7 per cent per annum. Interest is capitalised quarterly and added to the Bonds' nominal amount, which means that no current interest payments are made. The Corporate Bonds are secured by Company Mortgages mentioned in Note 10. The maturity date of the bonds is 15 February 2023. In accordance with the terms of the Corporate Bonds, OXE Marine is restricted in what types of debt financing it may pursue but is allowed to finance its operations through certain types of short-term credit such as credit guarantees for accounts receivable provided by EKN ("Exportkreditnämnden") pledged as collateral.

## Note 12 Liabilities to finance institutions

The company entered into a financing agreement with the European Investment Bank (EIB) in July 2019 for a loan facility of EUR 14 million. This consists of three tranches. Tranche A of EUR 4 m was drawn down in September 2019 and was based on OXE Marine delivering share warrants to the EIB entitling the EIB to 7.4 percent of the fully-diluted share capital of OXE Marine. Tranche B of EUR 4 m was drawn down in March 2020 and was based on OXE Marine delivering share warrants to the EIB entitling the EIB to 7.6 percent of the fully-diluted share capital of OXE Marine. The total number of warrants issued to the EIB for the exercise of Tranches A and B corresponds to 15 percent of the fully-diluted share capital in OXE Marine. Both Tranches A and B are interest free and repayable after 5 years. Tranche C of EUR 6 m is undrawn on 31 December 2020 and is subject to various criteria being fulfilled.

## Note 13 Employee Share Warrants

During 2019, employees and consultants were offered warrants calculated according to Black & Scholes valuation model. The warrants are exercisable during the period from 1 December 2022 to 31 December 2022, where the holder of the warrant has the right to subscribe for a new share in the company for each subscription warrant at a price of SEK 4 per share. The subscription price may never be lower than the share's quota value. Of the 10,000,000 warrants, 8,450,000 are subscribed, 1,550,000 remain outstanding.

## Note 14 Significant events after the financial year

### **OXE Marine AB (publ) appoints Magnus Grönborg as CEO and Myron Mahendra as EVP Business Development, Sales and Marketing**

The board of directors of OXE Marine AB (publ) (the "Company") resolved to appoint Magnus Grönborg as CEO and to reorganize its management team by appointing the current CEO Myron Mahendra as EVP Business Development, Sales and Marketing. In addition, the chairman of the board Anders Berg will increase his operational focus on the company by assuming a supportive operational role with the management team. Magnus Grönborg will replace Myron Mahendra as CEO in a few months, with the closer date yet to be agreed.

## SIGNATURES

The report was signed by the Board of Directors, Ängelholm, 26 March 2021.

Anders Berg  
Chairman of the Board

Magnus Folin  
Board Memeber

Magnus Grönborg  
Board Memeber

Andreas Blomdahl  
Board Memeber

Jon Lind  
Board Memeber

Mikael Mellberg  
Board Memeber

Myron Mahendra  
CEO

Our audit report was submitted and signed by Ernst & Young AB, Ängelholm, 26 March 2021

Karoline Tedevall  
Authorised auditor

## Auditor's report

To the general meeting of the shareholders of Oxé Marine AB, corporate identity number 556889-7226

### Report on the annual accounts

#### Opinions

We have audited the annual accounts of Oxé Marine AB for the year 2020-01-01 - 2020-12-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Oxé Marine AB as of December 31, 2020 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

#### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the Oxé Marine AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinions. 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 the company's internal control relevant to our 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 the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any 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 annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. 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 a company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## Report on other legal and regulatory requirements

### *Opinions*

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Oxe Marine AB for the year 2020-01-01 - 2020-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### *Basis for Opinions*

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the Oxe Marine AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### *Auditor's responsibility*

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Helsingborg March 26, 2021

Ernst & Young AB

Karoline Tedevall  
Authorized Public Accountant

## Definition of Key Business Ratios

### **Net turnover**

Main operating revenues, invoiced expenses, side income and revenue adjustments.

### **Gross Margin / Gross Margin %**

Total turnover less goods for resale. Gross margin (%) is the calculated gross margin expressed as a percentage of total turnover.

### **EBITDA**

Earnings before interest tax, depreciation and amortisation and after the capitalisation of research and development and patent costs.

### **Earnings Per Share, Basic**

Net Profit/Loss for the period to average number of shares outstanding as at 31 December 2020.

### **Diluted Earnings Per Share**

Net Profit/Loss for the period to average number of shares and total share warrants outstanding as at 31 December 2020. In the case of diluted losses, this is calculated on a mathematical basis.

### **Profit/loss after financial items**

Profits after financial items and costs, but before taxes.

### **Operating margin (%)**

Operating profit/loss in relation to net turnover.

### **Return on equity (%)**

Profit/loss for the year in relation to average equity

### **Equity/assets ratio (%)**

Adjusted equity (equity and untaxed reserves with deductions for deferred tax) as a percent of the balance sheet total. This is to show the company's long-term solvency.

### **Order Book**

Confirmed customer orders as at 31 December 2020.

### **Geographical Regions**

EMEA – Europe Middle East and Africa (excluding Russia and former Soviet Union states); APAC – Asia-Pacific Group of Countries; Americas – North, Central and South America; Rest of World – all other countries.

### **Estimates and judgments**

Preparation of financial statements and application of accounting policies, are often based on assessments, estimates and assumptions that is reasonable at the time when the assessment is made. Estimates are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The results of these are used to assess the carrying values of assets and liabilities, which are not otherwise apparent from other sources. The actual outcome may differ from these estimates. Estimates and assumptions are reviewed regularly.

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**NOTE: The English version is a translation of the Swedish version, for any inconsistencies in the translation refer to the Swedish version.**

### **For further information, please contact:**

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[www.oxemarine.com](http://www.oxemarine.com)

### **Certified Adviser**

FNCA Sweden AB is Certified Adviser for OXE Marine AB (publ). Contact details to FNCA Sweden AB: tel. +46 8 528 00 399, e-mail [info@fnca.se](mailto:info@fnca.se).

*OXE Marine AB (publ) is obligated to make this information public pursuant to the EU Market Abuse Regulation. The information was provided by the contacts above to be submitted for publication on 26 March 2021, 11:00 CET.*





All products developed by OXE Marine AB is built on the core value Engineering the Future. The OXE Diesel product line is no exception. Utilizing modern Diesel powerheads from the automotive industry, heavy duty gearbox design and patented belt transmission system provides for robust outboards with inboard features and high torque capacity.

**OXEMARINE**   
ENGINEERING THE FUTURE

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