



**CIMCO**  
Endurance by Engineering

**INTERIM REPORT 1 JULY TO 30 SEPTEMBER 2019**

[www.oxe-diesel.com](http://www.oxe-diesel.com)

## INTERIM REPORT 1 JULY TO 30 SEPTEMBER 2019

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## INTERIM REPORT 1 JULY – 30 SEPTEMBER 2019

### Third quarter of 2019 (July– September 2019)

- Net Turnover of SEK 23.3 million (SEK 3.8 million)
- Operating Loss/EBIT of SEK -18.7 million (SEK -17 million)
- Result for the period of SEK -20.8 million (SEK -22.9 million)
- Cashflow for the period SEK 23.1 million (SEK 7.1 million)
- Earnings per share amounted to SEK -0.16 (SEK -0.87)
- Diluted earnings per share amounted to SEK -0.11 (SEK -0.87)
- OXE units sold: 70 (4)
- The company will not push to deliver 600+ units for 2019
- New long-term financial objectives for the years 2020-2024
  - EBITDA margin of >25% by the end of 2024;
  - Average Organic Sales growth >50% per year; and
  - Operational cashflow positive no later than 2021.

### First nine months of 2019 (January – September 2019)

- Net Turnover of SEK 51 million (SEK 31.5 million)
- Operating Loss/EBIT of SEK -65.3 million (SEK -59.8 million)
- Result for the period of SEK -76.4 million (SEK -77.7 million)
- Cashflow for the period SEK 33.4 million (SEK 34.3 million)
- Earnings per share amounted to SEK -0.91 (SEK -3.06)
- Diluted earnings per share amounted to SEK -0.54 (SEK -3.06)
- OXE units sold: 167 (130)

### Significant events in the Third quarter

- Enters into a €14 million credit facility agreement with European Investment Bank (“EIB”).
- Appoints Paul Frick as new CFO effective 9<sup>th</sup> September 2019.
- Obtains Bondholder approval for a waiver in respect to certain terms of up to SEK 200 million.
- Obtains shareholder approval following EGM in respect to issuance of share warrants to EIB for tranche A and B loan drawdown.
- Issue 13,365,367 warrants to EIB relating to tranche A.
- Receives first tranche of €4 million from EIB.
- Incentive program 2019/2022 outcome – first 5 million share warrants offered and subscribed fully by certain senior managers.
- Enters into letter of intent with African governmental supplier to supply OXE150s/200s with a total expected revenue of €5 million including accessories, service kits and spare parts.
- Marketing launch of the OXE300 and opening of order books.

### Significant events after the reporting period

- Agreed in principle with EIB that second tranche drawdown condition will include a directed issue.
- Received subscription and guarantee commitments for exercise of warrants series 2019:1.
- Received approximately SEK 33.6 million through the exercise of warrants and planed for a directed share issue of approximately SEK 17.2 million.
- The board of directors resolved on a directed share issue of SEK 17.2 million.

## COMMENTS BY THE CEO



In the third quarter the company continued with a positive sales development. The company achieved a gross profit of SEK 2.77 million and a gross margin of 12% during the period. This was primarily driven by sales of the OXE200, which has a higher gross margin as well as unit sales directly to an end user at a higher margin. Whilst I expect the trend to continue, the gross margin growth may not be linear.

Following strategic discussions and review, in order to prepare for the future, the company will continue to have a focused approach to developing sales in the shorter term and ensure it maintains delivery of quality to its end users. As a consequence, the company decided not to push for 600+ units for 2019 but instead maintain a steady and sustainable ramp-up in close collaboration with customers and continue to invest into quality and support to the customers which has given good results in the last few months. In addition, new updated long term objectives for the years 2020-2024 will be as follows:

- EBITDA margin of >25% by the end of 2024;
- Average Organic Sales growth >50% per year; and
- Operational cashflow positive no later than 2021.

In July we announced the company entered into a €14 million credit facility with the European Investment bank ("EIB"), which over time will help support more aggressive sales and marketing initiatives, finance development projects, operational expenses and working capital needs. This is a very significant endorsement by a well-respected financial institution (backed by EU member states), who carried out detailed due diligence on the company over a twelve-month

period. We received the first tranche of €4 million from EIB in mid-September. Further funding has also been secured following the exercise of share warrants as well as directed share issue totalling SEK 50.8 million in October. If we fulfil certain conditions, this will enable us to draw the second tranche of €4 million from the EIB, most likely during Q1 2020.

With funding secured, we are fully focused on our operational performance. As described in our previous interim report, I now have completed the appointment of my senior management team, following the appointment of Jerry Ojala as Chief Operating Officer (COO) at the end of September. I am highly confident of our senior management team to deliver the full potential of the OXE.

We continue with an immense focus on quality, which includes sourcing parts from Tier 1 automotive suppliers, the meticulously testing of improvements and upgrades by our engineers, assembly improvements and after sales care with our customers. Ultimately quality drives sales and with our disruptive technology, being the only provider of commercial high-powered diesel outboard engines in the world, it is imperative we work closely with the end users and better understand their demands and requirements.

We have been very detailed with our planning of the OXE300 – we officially launched the marketing of this game changing product at the Genoa boat show in September. Start of production of the OXE300 is May 2020 and we expect to have built a significant order book just prior to start of production.

I am confident of meeting our key objectives and delivering commercial success of our patented belt propulsor system.

Myron Mahendra  
CEO - Cimco Marine AB

## Financial Review

### CIMCO MARINE AB

(amount in KSEK)

	1 Jul 2019 - 30 Sep 2019	1 Jul 2018 - 30 Sep 2018	1 Jan 2019 - 30 Sep 2019	1 Jan 2018 - 30 Sep 2018	1 Jan 2018 - 31 Dec 2018	1 Jan 2017 - 31 Dec 2017
Net turnover	23 265	3 745	50 993	31 537	40 578	14 602
Net profit/loss for the period	-20 847	-22 876	-76 400	-77 667	-108 213	-50 979
Total Equity	97 941	114 327	97 941	114 327	83 781	137 901
Total Assets	289 211	269 628	289 211	269 628	248 533	182 053
Equity Asset ratio	34%	42%	34%	42%	34%	76%
Total shares outstanding	131 006 184	29 506 173	131 006 184	29 506 173	29 506 173	24 101 617
Average number of shares	131 006 184	26 176 237	84 360 959	25 398 155	26 760 399	18 905 175
Earnings per share basic	-0.16	-0.87	-0.91	-3.06	-4.04	-2.70
Earnings per share diluted	-0.11	-0.87	-0.54	-3.06	-4.04	-2.70
Number of employees	31	23	31	23	25	31
OXE units produced	36	85	116	225	314	55
OXE units sold	70	4	167	130	157	55

## Production

Production was limited to 36 units for the quarter. The company mainly built the OXE200 with a careful ramp.

We have further organised production with UFAB, our assembly partner, to ensure we are sufficiently resourced to meet our production plan for Q4 and beyond. Our main goal is to continue to focus on “zero defects” and ensure we work closely with our customers and maintain a balanced ramp-up.

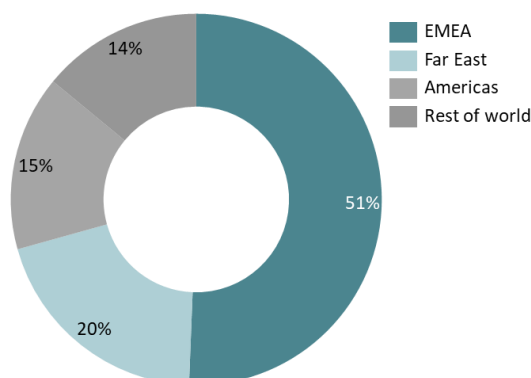
## Sales and after sales

Following the introduction of the OXE200 into production, we continue to recruit more sales and after sales staff to support our distributors. The purpose is to provide training, after sales care and to ensure our distributor partners are meeting their minimum obligations. We have noted that certain regions are performing better than others and will focus on those that need further support.

We have developed a total cost ownership tool to be used by distributors that will clearly demonstrate the economic benefit for the end user. This can be tailored for different regions with a different cost/tax base. In the meantime, we continue to work on building our order book as well as several large projects (mainly governmental related). No doubt, the OXE has now validated its “proof of concept”, after some challenging initial years, we now clearly see its versatility and economic benefits for our end users. We have just launched the marketing of the OXE300 and are taking orders from our distributors.

**The breakdown of units sold by region is as follows:**

	Total to Date	Q3 2019	Q2 2019	Q1 2019	FY 2018	FY 2017	FY 2016
Americas	61	14	5	4	30	8	-
EMEA	202	28	41	6	84	22	21
Far East	80	2	29	-	30	16	3
Rest of world	56	26	10	2	13	5	-
	<b>399</b>	<b>70</b>	<b>85</b>	<b>12</b>	<b>157</b>	<b>51</b>	<b>24</b>



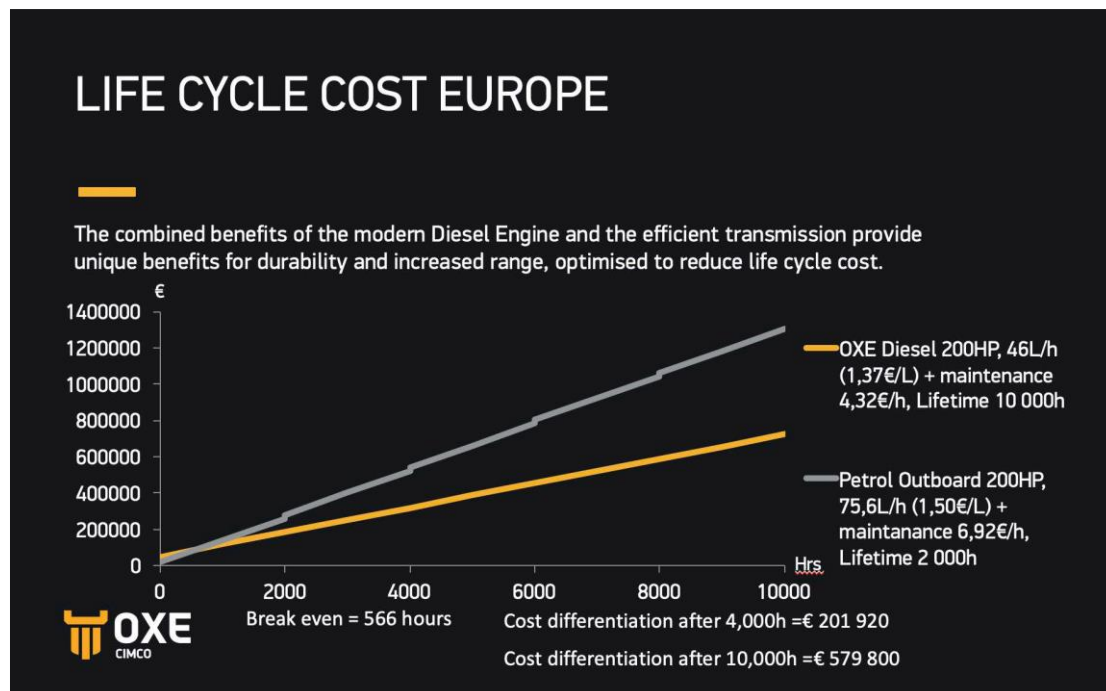


## Fairs where OXE Diesel has been displayed in Q3, 2019

July	10 - July 14:	The 9th International Maritime Defence Show (Russia)
Sept	17 - Sept 20:	The 15th International Maritime Exhibition and Conference of Russia
Sept	19 - Sept 24:	The International Boat Show Genoa (Italy)
Sept	23 - Sept 24:	Seatrade ShipTech (Dubai)
Sept	25 - Sept 28:	Monaco Yacht Show (Monaco)
Sept	30 - Oct 14:	International Boatbuilders' Exhibition & Conference (USA)



Pictures from (upper left) International Boatbuilder Exhibition & Conference (USA) where Laborde Products Inc displayed the OXE Diesel, (upper right) Genoa Boat Show where RAMA Marine in collaboration with Cimco marine displayed the OXE 300 for the first time, (Lower left and right) Monaco Yacht Show where Cimco Marine in collaboration with Euro Offshore and Baudoin displayed twin OXE 175.



Above: Total cost ownership tool, indicating the effective break-even point of substituting from a 200HP petrol outboard to an OXE Diesel 200HP.

## Product development

Cimco future is with the new generation of engines powered by BMW. The Bison project which focuses on developing the OXE Diesel 300, is powered by BMW's 6-cylinder bi-turbo diesel engine. The engine is now going through the validation and verification process which will be completed at the end of this year. Production is expected to commence in May 2020.

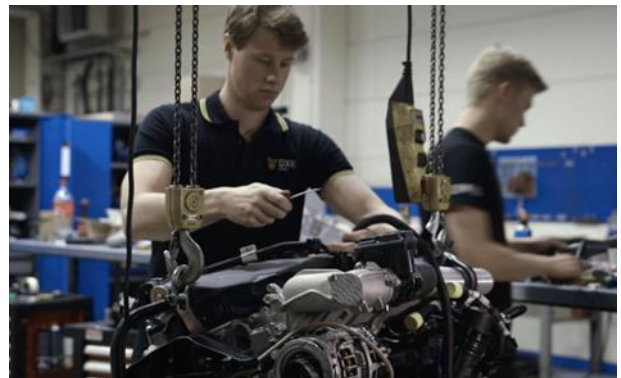
The company continues to improve the quality and performance of its current engine range – i.e. the OXE125 to OXE200 powered by GM's 2 litre 4-cylinder diesel engine.

## Organisation

Cimco has 31 employees at present. The company continues to add qualified and experienced personnel to its team to match its long-term objectives and to provide world class support to its customers.

## Future funding requirement

The company secured a credit facility of up to €14 million with the European Investment Bank. All conditions have been met and the first loan tranche of €4 million was drawn in mid-September. Cimco successfully completed the redemption of Share warrants and directed issue totalling SEK 50.8 million in October 2019



*Above: OXE 300 (The Bison project) is going through the validation and verification process which will complete at the end of this year.*

*Top image is the latest cowl design for the OXE300 and above is servicing the P1A.*



*Left: Twin installed OXE200 Kreta at the Fort Lauderdale boat show at the end of October*

## SHAREHOLDERS

Cimco's top ten shareholders and movement in shares as at 31<sup>st</sup> October 2019 are as follows:

### The ten largest shareholders as at 31 October 2019

	Holding	%	Change
Per Lindberg	30 116 889	19.63%	↑
Avanza Pension Försäkringsaktiefbolaget	12 213 683	7.96%	↑
Arne Andersson	11 650 681	7.60%	↑
Jonas Wikström	8 073 054	5.26%	↑
Tamt AB	8 000 000	5.22%	↓
Magnus Linderoth	6 550 000	4.27%	↓
Prioritet Capital AB	5 921 242	3.86%	↓
CBLDN-Saxo Bank A/S	4 040 660	2.63%	↑
Euroclear Bank S.A/N.V, W8-IMY	3 940 150	2.57%	↓
Sven Sandberg	3 850 000	2.51%	↑

### Number of Shareholders as at 31 October 2019

	Shareholders	Shares
Number of shareholders	2 838	153 388 152
New shareholders	132	2 386 237
Discontinued shareholders	101	2 232 708

Source: Euroclear.

Information presented is as per Euroclear records, without further analysis.

## FINANCIALS

### Operational and financial review

#### Third quarter 2019 compared to the Third quarter 2018

The Company's income statement for the third quarter 2019 shows a net loss of SEK 20.8 million, against a net loss of SEK 22.9 million in the corresponding period of the previous year. The company sold 70 OXE units compared to the corresponding period of only 4 units. Net turnover was higher at SEK 23.3 million compared to SEK 3.8 million for the corresponding period, mainly due to the increase in units sold.

The company produced gross profit of SEK 2.77 million in the third quarter of 2019 against a gross profit of SEK 119k. The higher gross margin, which amounts to 12% (3%) and is due to the following:

- Higher unit price - increase in prices since November 2018
- Improved product mix with an increase in sales of spare parts and accessories
- Certain unit sales direct to an end user at closer to retail price
- Lower unit cost - achieved savings through replacing of expensive components

Operationally, the company has been increasing its marketing activities. R&D activities around the development of the OXE300 is now tailing off as we finalise the verification and validation process - SEK 3.8 million of these costs (in Q3 2019) have been capitalised to intangible assets relative to SEK 8.6 million capitalised in the comparative period of the previous year.

#### First nine months of 2019 compared to the first nine months of 2018

The Company's income statement for the first nine months 2019 shows a net loss of SEK 76.4 million, against a net loss of SEK 77.7 million in the corresponding period the year before. The company sold more OXE units (167) compared to the corresponding period (130 units) - which is more units sold than the entire calendar year of 2018 (157 units). Net turnover was SEK 51.0 million compared to SEK 31.5 million for the corresponding period of the



previous year. This is mainly due to sales of the OXE200 variants, increased prices of the OXE product range (effected from November 2018) as well as increased sales in spare parts, servicing kits and accessories. The company's Cost of goods sold (COGS) was SEK 58.6 million compared to SEK 41.6 million for the corresponding period - however the trend in COGS per unit during the first nine months of 2019 has been improving. Other external costs decreased and amounted to SEK 23.1 million (SEK 32 million) whilst personnel costs increased to SEK 21 million (SEK 7.8 million). This was mainly due to employing senior employees from previous consultant positions within the company as well as the capitalisation of SEK 10 million of personnel costs in the corresponding period to Intangible fixed assets (no capitalisation of personnel cost in 2019). Overall the company capitalised SEK 24 million of costs in the first nine months of 2019 to intangible assets relating to development work of the OXE200 and OXE300 (SEK 18 million was capitalised in the corresponding period). Interest expenses is down to SEK 11.1 million (SEK 17.9 million) and this is due to initial financing cost of raising the corporate bond in February and September 2018 as well as lower interest rate (from 10.75% pa down to 7% pa) since February 2019.

## Assets

### Third quarter 2019 compared to the Third quarter 2018

As of the 30<sup>th</sup> September 2019, total assets amounted to SEK 289 million (SEK 270 million). The Company's non-current assets at the closing date were SEK 143 million (SEK 120 million), out of which R&D and patents total SEK 137 million (SEK 114 million). The increase relates mainly to product development (in particular the 300hp 'Bison' project).

Inventories relating to parts for production, in course of production and finished goods total SEK 77.8 million (SEK 85.7 million). 27% of stock relates to Opel engine powerhead as we have around 618 units in stock due to meeting our supply agreement obligations. This will be reduced accordingly as we ramp up production from Q3 onwards. We have also completed units that makes up 13% of the stock value.

Receivables from contract works amounted to SEK 26.5 million as of 30<sup>th</sup> September 2019, in comparison to SEK 10.5 million as of 30<sup>th</sup> September 2018. The increase reflects extended credit terms offered to customers. The Company had cash and cash equivalents of SEK 38 million (SEK 48 million) at the closing date 30<sup>th</sup> September 2019.

## Equity and liabilities

### Third quarter 2019 compared to the Third quarter 2018

Total equity has been reduced to SEK 98 million (SEK 114 million). Even though the company continues to incur losses, it continues to maintain its equity base through equity funding from its shareholders. The non-current liabilities & provisions have increased to SEK 157.7 million (SEK 111.1 million). This is mainly due to the drawdown of the first tranche of €4 million from the EIB in September 2019 and accumulated interest on the corporate bond loan since February 2019.

Current liabilities have reduced to SEK 33.6 million (SEK 44.2 million). This is mainly due to reduction in advance payment to customers as sales have further reduced this liability as well as a reduction in accounts payable.

## Cash flow

### Third quarter 2019 compared to the Third quarter 2018

#### *Cash flow from operating activities*

Cash flow from operations for the period was SEK -21.2 million (SEK -33.4 million). The decline in cash flow from operations is related to support for operational activities and increases in accounts receivable, whilst the decrease in inventories had a favourable effect on working capital. The significant movements within that has been the change in inventory SEK 6.8 million (SEK -20.8 million) and changes in other current receivables of SEK 1.3 million (SEK 8 million).

#### *Cash flow from investing activities*

Cash flow from investing in the period was SEK -4.9 million (SEK -12.1 million). This is primarily due to increased investments in intangible fixed assets of SEK -4.4 million (SEK -11.9 million), relating to R&D and patents.

#### *Cash flow from financing activities*

Cash flow from financing for the period was SEK 49 million (SEK 53 million). This relates to funding from the EIB in September 2019 whilst the corresponding period relates to a rights issue and corporate bond issuance in September 2018.

## First nine months of 2019 compared to the first nine months of 2018

### *Cash flow from operating activities*

Cash flow from operations for the period was SEK -83.3 million (SEK -92.7 million). The decline in cash flow from operations is related to support for operational activities, an increase in the change in accounts receivable, a reduction in trade payable and other current liabilities, whilst inventories has decreased. The significant movements within that has been changes in inventory of SEK 21.1 million (SEK -23.0 million) and changes in trade payables of SEK -15.8 million (SEK 6.9 million). Other current liabilities were reduced by SEK -12.1 million (SEK -0.3 million).

### *Cash flow from investing activities*

Cash flow from investing in the period was SEK -26.9 million (SEK -31.8 million). This is primarily due to increased investments in intangible fixed assets of SEK -25.5 million (SEK -22.5 million), relating to R&D and patents.

### *Cash flow from financing activities*

Cash flow from financing for the period was SEK 143.6 million (SEK 158.8 million). This relates to funding from the rights issue and EIB loan drawdown whilst the comparative period relates to directed and rights share issue and corporate bond issuances.

## Financial objectives

Cimco will no longer target sales of 600+units for 2019 and the long term goal of 7 700 units by 2023 will be replaced with the objectives mentioned below. It will continue to aim to meet positive gross margin for Q4 2019. The company focus on long term objectives for the years 2020-2024 is on the following basis:

- EBITDA margin of >25% by the end of 2024;
- Average Organic Sales growth >50% per year; and
- Operational cashflow positive no later than 2021.

## Outlook

The Board remains highly optimistic of the future of the company and in meeting its revised longer-term targets and value the step-by-step developments being made, fully supporting the organization and management of the company.

Its financial targets for 2019 and longer-term targets are as follows:

- Gross margin positive during Q4 2019;
- Average Organic Sales growth >50% per year;
- Long term EBITDA margin of >25% by the end of 2024; and
- Operational cashflow positive no later than 2021.

## Risks and uncertainties

The Risk and uncertainties of Cimco's business is explained in detail within the risk section of the Company's rights issue prospectus issued in March 2019 – the document is available on the company's website. The main risks facing the company are production risk, technical development risk and financial risk. As explained in this report, Cimco has identified certain risks and uncertainties pertaining to its production capabilities and is confident in containing those issues.

## Financial calendar

- Q4 2019 Interim report due on 21<sup>st</sup> February 2020;
- 2019 Annual report due on 26<sup>th</sup> March 2020;
- Annual General meeting on 16<sup>th</sup> April 2020;
- Q1 2020 interim report due on 22<sup>nd</sup> May 2020;
- Q2 2020 interim report due on 25<sup>th</sup> August 2020;
- Q3 2020 interim report due on 24<sup>th</sup> November 2020.

## FINANCIAL STATEMENTS FOR THE PERIOD TO 30<sup>th</sup> SEPTEMBER 2019

<b>Income statement</b> <b>CIMCO MARINE AB</b>	1 Jul 2019 - 30 Sep 2019	1 Jul 2018 - 30 Sep 2018	1 Jan 2019 - 30 Sep 2019	1 Jan 2018 - 30 Sep 2018	1 Jan 2018 - 31 Dec 2018
(amount in KSEK)					
Income					
Net turnover	23 265	3 745	50 993	31 537	40 578
Other operating income					673
<b>Total income</b>	<b>23 265</b>	<b>3 745</b>	<b>50 993</b>	<b>31 537</b>	<b>41 251</b>
Goods for resale	-20 493	-3 625	-58 571	-41 629	-57 308
Other external costs	-9 204	-13 516	-23 136	-31 950	-49 001
Personnel costs	-7 610	-1 110	-21 066	-7 762	-9 308
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-3 891	-3 386	-10 500	-9 489	-12 792
Other operating expenses	-727	882	-3 031	-504	-
<b>Total operating costs</b>	<b>-41 927</b>	<b>-20 755</b>	<b>-116 303</b>	<b>-91 335</b>	<b>-128 409</b>
<b>Operating profit/loss</b>	<b>-18 662</b>	<b>-17 010</b>	<b>-65 311</b>	<b>-59 797</b>	<b>-87 158</b>
Interest expenses and similar profit/loss items	-2 185	-5 865	-11 090	-17 870	-21 054
<b>Profit/loss after financial items</b>	<b>-20 847</b>	<b>-22 876</b>	<b>-76 400</b>	<b>-77 667</b>	<b>-108 213</b>
Pre-tax profit/loss					
<b>Net profit/loss for the period</b>	<b>-20 847</b>	<b>-22 876</b>	<b>-76 400</b>	<b>-77 667</b>	<b>-108 213</b>

**Balance sheet statement – Cimco Marine AB**

(amount in KSEK)	30-Sep-19	30-Sep-18	31-Dec-18
Intangible fixed assets			
Capitalised expenses for research and development and similar works	133 731	110 730	117 207
Patent	3 368	3 418	3 317
<b>Total intangible assets</b>	<b>137 098</b>	<b>114 148</b>	<b>120 525</b>
Tangible fixed assets			
Equipment, tools and installations	5 748	6 084	5 912
<b>Total fixed assets</b>	<b>5 748</b>	<b>6 084</b>	<b>5 912</b>
Total tangible	142 846	120 231	126 436
Currents assets			
Inventories etc			
Finished goods and goods for resale	75 421	80 724	96 759
Advance payments to suppliers	2 333	4 950	2 053
Total current assets	77 754	85 674	98 812
Currents receivables			
Accounts receivables	26 462	10 538	13 599
Other receivables	2 326	3 633	3 258
Deferred expenses and accrued income	1 446	1 103	1 456
<b>Total current receivables</b>	<b>30 234</b>	<b>15 273</b>	<b>18 313</b>
Cash on hand and in bank	38 376	48 449	4 972
<b>Total current assets</b>	<b>146 364</b>	<b>149 397</b>	<b>122 097</b>
<b>Total assets</b>	<b>289 211</b>	<b>269 628</b>	<b>248 533</b>
Equity and liabilities			
Equity			
Restricted reserves			
Share capital	3 930	885	885
Reserve for development expenditure	67 218	55 160	62 921
<b>Total restricted equity</b>	<b>71 149</b>	<b>56 045</b>	<b>63 805</b>
Non-restricted equity			
Share Premium	310 489	222 975	222 975
Retained earnings or losses	-207 296	-87 026	-94 786
Profit/loss for the year	-76 400	-77 667	-108 213
Total non-restricted equity	26 792	58 282	19 976
<b>Total equity</b>	<b>97 941</b>	<b>114 327</b>	<b>83 781</b>
Provisions			
Other provisions	2 500	1 133	1 146
<b>Total provisions</b>	<b>2 500</b>	<b>1 133</b>	<b>1 146</b>
Long-term liabilities			
Liabilities to finance institutions	155 217	109 943	106 206
<b>Total long-term liabilities</b>	<b>155 217</b>	<b>109 943</b>	<b>106 206</b>
Current liabilities			
Liabilities to finance institutions	-	-	1 431
Advance payments from customers	5 526	14 445	15 147
Accounts payable	15 167	22 364	30 950
Current tax liabilities	399	398	795
Other liabilities	7 727	4 301	5 524
Accrued expenses and other deferred income	4 735	2 718	3 552
<b>Total current liabilities</b>	<b>33 553</b>	<b>44 226</b>	<b>57 399</b>
<b>Total equity and liabilities</b>	<b>289 211</b>	<b>269 628</b>	<b>248 533</b>



### Changes in Equity Statement

<b>Cimco Marine AB</b>	30-Sep-19	30-Sep-18	31-Dec-18
(amount in KSEK)			
Opening balance equity (1 Jan 19)	83 781	137 901	137 901
Loss for the period	-76 400	-77 667	-108 213
Issuance of shares	101 500	55 575	55 575
Less cost of issuance	-10 941	-1 482	-1 482
<b>Closing balance equity</b>	<b>97 940</b>	<b>114 327</b>	<b>83 781</b>

### Statement of Cash Flows

<b>Cimco Marine AB</b>	1 Jul 2019 - 30 Sep 2019	1 Jul 2018 - 30 Sep 2018	1 Jan 2019 - 30 Sep 2019	1 Jan 2018 - 30 Sep 2018	1 Jan 2018 - 31 Dec 2018
<b>Operating Activities</b>					
Results before financial items	-18 662	-17 011	-65 311	-59 797	-87 159
Adjustments for items not included in cash flow	2 126	-3 705	770	-8 584	-8 455
<b>Cash flow from operating activities before changes in working capital</b>	<b>-16 536</b>	<b>-20 716</b>	<b>-64 541</b>	<b>-68 381</b>	<b>-95 614</b>
<b>Cash flow from changes in working capital</b>					
Change in Inventories	6 834	-20 846	21 058	-23 027	-36 165
Change in accounts receivable	-8 474	-3 321	-12 862	-7 602	-10 664
Change in other current receivables	1 328	8 077	941	-371	-350
Change in Trade payables	-2 114	4 879	-15 783	6 924	15 510
Change in other current liabilities	-2 271	-1 432	-12 090	-274	1 944
<b>Cash flow from operating activities</b>	<b>-21 233</b>	<b>-33 359</b>	<b>-83 277</b>	<b>-92 731</b>	<b>-125 339</b>
<b>Investing Activities</b>					
Investments in property, plant and equipment	-435	-180	-1 367	-1 752	-1 999
Investments in intangible fixed assets	-4 436	-11 909	-25 548	-22 537	-31 782
Divestments in intangible fixed assets	-	-	-	-7 496	-7 509
<b>Cash flow from Investing activities</b>	<b>-4 871</b>	<b>-12 089</b>	<b>-26 915</b>	<b>-31 785</b>	<b>-41 290</b>
<b>Financing activities</b>					
New share issue	-	24 052	90 559	54 093	54 093
Change of loan	49 236	28 496	53 036	104 704	103 337
<b>Cash flow from financing activities</b>	<b>49 236</b>	<b>52 548</b>	<b>143 595</b>	<b>158 797</b>	<b>157 430</b>
<b>Cash flow for the period</b>	<b>23 132</b>	<b>7 100</b>	<b>33 403</b>	<b>34 281</b>	<b>-9 199</b>
<b>Cash and bank balances at the beginning of the period</b>	<b>15 243</b>	<b>41 348</b>	<b>4 972</b>	<b>14 170</b>	<b>14 170</b>
<b>Cash and bank balances at the end of the period</b>	<b>38 376</b>	<b>48 448</b>	<b>38 376</b>	<b>48 451</b>	<b>4 972</b>

## NOTES

The interim report is unaudited and is drawn up in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Reports and consolidated financial statements (K3).

### **Definition of Key Business Ratios**

#### *Net turnover*

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

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

Profits after financial items and costs, but before taxes.

#### *Equity total*

Company's 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.

#### *Number of employees*

Number of employees at the end of the financial period.

### **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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#### **Certified Adviser**

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***Cimco 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 November 15<sup>th</sup>, 2019, 07:30 CET.***

Cimco Marine AB (publ) has, after several years of development, constructed the OXE Diesel, the world's first diesel outboard engine in the high-power segment. OXE Diesel has a unique belt driven propulsion system that allows a hydraulic multi-friction gearbox to be mounted. This means that the engine can handle significantly higher loads than a traditional outboard engine. Cimco's OXE diesel has a horizontally mounted engine as opposed to a traditional outboard with a vertically mounted engine.



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

# CIMCO

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