

INTERIM REPORT JANUARY – MARCH 2018

First quarter of 2018 (January to March):

- Net Turnover of SEK 8.3 million (SEK 6.3 million)
- Operating Loss/EBIT of SEK -19.8 million (SEK -9 million)
- Result for the period of SEK -29.5 million (SEK -9.5 million)
- Cashflow for the period SEK 75.9 million (SEK 18.6 million)
- Earnings per share amounted to SEK -1.13 (SEK -0.55)
- Production of OXE units: 50 (27)

Significant events in the first quarter:

- 150hp OXE launched in January 2018. 150hp was well received by the market. Root cause of Turbo leakage of the 200hp has been identified.
- New US patent issued. This covers the latest design of the transmission used in production of the OXE Diesel engine today. Cimco now has 32 approved patents and 6 pending approval.
- Public share issue of 30MSEK and Corporate bond launch of 80MSEK. The share issue is considered necessary to support the corporate bond launch – the proceeds to which will be used for working capital purposes for production ramp up in 2018
- Public share issue of 30MSEK substantially oversubscribed by 70%.
- Corporate bond issue of 80MSEK oversubscribed.

Significant event after the reporting period

- Successfully list the 80MSEK Corporate Bond on Nasdaq First North Bond Market. First day of trading was 19th April 2018.
- Adjusts financial goals of 2018. The company will not reach the financial targets for 2018 being 2,000 engines sold and a turnover of 600 million SEK. The goal for 2018 is to achieve a secure production volume of 25 engines per week after the summer. The company has adequate financial resources for the medium term to continue the production ramp up. Cimco's long-term plan of achieving sales of 10% of its addressable market, equating to 7,700 engines per year, and EBITDA margin of more than 20 percent is still maintained.
- The preliminary study on the 3.0 litre six-cylinder twin turbodiesel engine from BMW was positive and will result in the development of a prototype after summer. The study was done in cooperation with Semcon AB.

CIMCO

Endurance by Engineering

CIMCO MARINE AB	1 Jan 2018 - 31 Mar 2018	1 Jan 2017 - 31 Mar 2017	1 Jan 2017 - 31 Dec 2017	1 Jan 2016 - 31 Dec 2016	1 Jan 2015 - 31 Dec 2015
(amount in KSEK)					
Net turnover	8,309	6,257	14,602	6 878	191
Net profit/loss for the period	-29,493	-9,504	-50,979	-27,088	-3,778
Total Equity	138,345	84,594	137,901	19,148	8,056
Total Assets	265,837	138,750	182,053	118,240	64,674
Equity Asset ratio	52%	61%	76%	16%	12%
Total shares outstanding	26,101,617	17,348,290	24,101,617	13,311,920	11,111,000
Average number of shares	24,320,795	13,445,045	18,905,175	11,294,410	11,111,000
Earnings per share	-1.13	-0.55	-2.70	-2.40	-0.34
Number of employees	34	31	31	14	7
OXE units produced	50	27	55	25	-



Comments by the CEO, Cecilia Anderberg:

We were delighted to have launched the 150hp OXE engine in mid-January 2018. During first quarter, we ramped up production gradually whilst at the same time working hard in maintaining the new extensive quality assurance program.

The new quality assurance program was launched in Q4 2017 which includes overseeing our design as well as our subcontractor's ability to manufacture and deliver the right quality in time. During March, we experienced disruption to our production due to a combination of quality problems with certain parts as well as receiving the right material in time from sub-contractors. Whilst we made up some of our production loss in April, we assessed that certain subcontractors were unable to meet the company's target production volumes in 2018 of 2,000+ engines and achieving a turnover of 600MSEK. As a result, Cimco decided to set a production run rate of 25 engines per week during the third quarter. Once we are consistently delivering at this stable production level, we aim to increase production further in the third and fourth quarter of 2018 and beyond.

Our customers remain supportive and have been ordering the 150hp engines. Due to variability of weekly production run-rates, we intend to hold certain engines in stock during Q2 and Q3 to ensure we can deliver our product on time to our customers.

We are currently testing our new specification of our 200hp engine and are working closely with our subcontractors to ensure a successful re-launch. Up to now we have been renting test equipment but from 1st of June we will take over the ownership of test equipment. That will give Cimco the possibility to improve test planning and procedures. It is also in line with our new quality assurance system which will provide a positive impact in the short and long term.

During the first quarter, we produced 50 engines of which, we sold 40 units, whilst 5 units were in exchange of prototypes that was purchased by some of our distributors, 2 to the US Navy as marketing/test units and 3 exchanged under warranty. During April and May (until end of last week), we produced a further 48 units. Our current production run rate is 18 units a week.

Our work with the BMW 6-cylinder 3.0 litre diesel engine is progressing according to plan and we completed a pre-study, together with Semcon AB, which was positive. The next stage is to develop a prototype after the summer break. Our aim is to commence production during 2020.

During the first quarter, we successfully raised 30MSEK of new equity as well as an 80MSEK corporate bond. Both issuances were oversubscribed. This should meet our working capital needs for 2018.

We are continually focused in meeting our standards of producing an engine of the highest quality and to be synonymous with reliability, strength and endurance. We have now the right staff and partners, with the right skills, experience and ambition to meet our long term stated targets.

In the last weeks, we have made great progress for both our existing and new products. Our systematic work, together with our partners, will provide the results in the second half of the year, as communicated.

Production

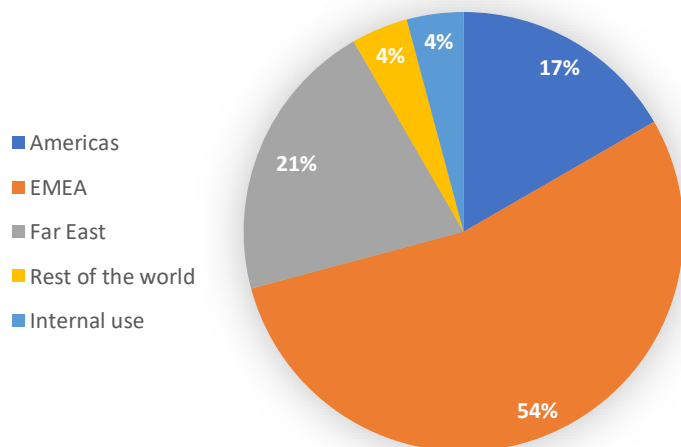
Production of the 150hp commenced in week 2 of January 2018. The company produced 50 engines in Q1 2018 and has since produced a further 48 engines to week 21 (to 25th May) giving a total of 98 units produced so far in 2018. Our current run-rate is 18 units per week.

Nevertheless, the company continues to work hard on improving its quality assurance programme, supply chain and production capacity to ensure it delivers a smooth ramp up with the aim of meeting its target of a weekly run-rate of 25 units by the end of Q3 2018.

Sales and after sales

Our key distributors continue to be supportive and we continue to market the 150hp unit. We expect to expand the order book as soon as the production ramp-up is in a phase where it can meet the demand. The cumulated sales by region until 31st March 2018 is as follows:

	TOTAL to date	Q1 2018	FY 2017	FY 2016
Americas	20	12	8	-
EMEA	65	22	22	21
Far East	25	6	16	3
Rest of the world	5	-	5	-
Internal use	5	-	4	1
TOTAL	120	40	55	25



Following the start of production of the 150hp OXE in January 2018, we have sent two units to the US Navy via our distributor.

Our key focus is to continue building on training our distributors and provide them with strong after sales support.

Product development

Cimco concluded its pre-studies on the twin turbo 6-cylinder 3 litre BMW diesel engine with Semcon AB. Its preliminary study was positive and the development of the engine prototype will commence after the summer break. Start of production for this new engine is expected to be in 2020.

Organisation

Cimco continues to seek appropriately qualified and experienced personnel to meet its long-term objectives.

Future funding requirement

Cimco has successfully secured funding for 30MSEK in equity and a further 80MSEK in Corporate bond financing. Both issuances were oversubscribed.

This funding will finance the company's working capital requirements to meet its 2018 financial targets.

Cimco Marine AB Shareholders

Cimco's top ten shareholders and movement in shares as at 30th April 2018 are as follows:

The ten largest shareholders 2018-04-30	Holding	%	Change
AVANZA FONDKOMMISSION AB	5 653 447	21,66%	↔
MARINEDIESEL SWEDEN AB	3 826 731	14,66%	↔
LINDBERG, PER	3 500 564	13,41%	↔
PRIORITET GROUP AB	2 641 833	10,12%	↔
FOSTER GLOBAL HOLDINGS PTY LTD	1 993 710	7,64%	↔
LINDEROTH, MAGNUS	959 000	3,67%	↑
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	892 163	3,42%	↑
PERSHING, LLC, W9	669 280	2,56%	↔
CBLDN-SAXO BANK A/S	479 022	1,84%	↑
NORDNET PENSIONS FÖRSÄKRING AB	299 074	1,15%	↓

Largest changes				Number of shareholders		
		Change	%	Holding	shareholders	shares
VALLIN, PETER	AK	-250 442	-100,00%	0		
NORD FONDKOMMISSION AB	AK	-75 000	-96,15%	3 000		
PAGINERA INVEST AB	AK	-72 000	-76,53%	22 080		
LINDEROTH, MAGNUS	AK	66 600	7,46%	959 000		
CBLDN-SAXO BANK A/S	AK	59 691	14,23%	479 022		
					Number of shareholders	2 363
						<u>26 101 617</u>
					New shareholders	81
						174 051
					Discontinued shareholders	154
						469 442

OPERATIONAL AND FINANCIAL REVIEW – first quarter 2018 compared to the first quarter 2017

Cimco's income statement for the first quarter 2018 shows a net loss of SEK 29.5 million, against a net loss of SEK 9.5 million the corresponding period the year before. Revenues was SEK 8.3 million (SEK 6.3 million). This relates to sale of 40 engines (27 sold in corresponding period). Cimco also delivered a further 10 engines to customers, 3 of which relates to warranty claims, 5 was in exchange for prototypes previously purchased by our Distributors and 2 as marketing cost.

Cimco commenced production of its 150hp in January with a slow ramp up. It has adjusted its production during this period to allow for procurement and quality issues to be resolved. Certain parts items have been written off as well as standing assembly personnel cost which is reflected in our cost of goods sold. Our operational cost has increased as this is due to a lower capitalisation of cost to R&D as Cimco did not start on its BMW marinization programme and were more focused on improving the current engine.

Cimco incurred finance cost which predominantly relate to cost of successfully raising the 80MSEK corporate bond in February.

Cimco currently has no corporation tax liability. It has accumulated losses of circa SEK 109 million which translates to tax credit of SEK 24 million (subject to ownership change rules).

ASSETS – first quarter 2018 compared to the first quarter 2017

As of the 31 March 2018, total assets amounted to SEK 266 million (SEK 139 million). The Company's non-current assets at the closing date were SEK 108 million (SEK 84 million), out of which R&D and patents total SEK 101 million (SEK 80 million).

The reason for the increase in R&D cost is that the proceeds of sale of prototypes (credited in 2016 accounts) have been re-allocated to other liabilities in the balance sheet. This is due to our recent arrangement with our distributors to repay the proceeds either as discounts or replacement of the prototypes with our production engines. The liability is circa 6.3MSEK.

Inventories relating to parts for production or in course of production total SEK 60 million (SEK 20 million). Receivables from contract works amounted to SEK 2.5 million as of 31 March 2018, in comparison a balance of SEK 4.9 million as of 31 March 2017. Deferred expenses and accrued income had increased to SEK 2.5 million (SEK 0.6 million) due to sales not yet invoiced to customers. The Company had cash and cash equivalents of SEK 90 million (SEK 28 million) at the closing date 31 March 2018 and this is mainly due to a various share equity issuance (including the IPO) during the last 12 months and a corporate bond issuance in February 2018.

EQUITY AND LIABILITIES – first quarter 2018 compared to the first quarter 2017

Total equity increased to SEK 138 million (SEK 85 million). This is due to issue of new shares to existing and new owners over the past twelve months totalling SEK 130 million offset against loss for the period. The provision relates to potential warranty claims, the balance has been reduced to SEK 0.4 million (SEK 1.3 million) due to claims made during this quarter. The non-current liabilities have increased substantially to SEK 81 million (SEK 4 million). This is due to the issuance of a corporate bond of SEK 80 million in February 2018. It is the only debt in the company. The loan is interest only at 10.75% per annum, payable quarterly in arrears and is due to be repaid in full by 14th February 2021.

Current liabilities have decreased slightly to SEK 46 million (SEK 49 million). This was primarily due to reduction in our short-term debt to Almi Bank of SEK 6.8 million as well as advance payments to customer of SEK 4 million. Other liabilities increased by SEK 6.5 million due to the re-allocation of prototype sales proceeds from intangible fixed assets as it will be repaid to our distributors as discounts or in exchange of our production engines.

CASH FLOW – first quarter 2018 compared to the first quarter 2017

Cash flow from operating activities:

Cash flow from operations for the period was SEK -27.6 million (SEK -6.9 million). The increase in negative cash flow from operations is related to commitments to our operating overheads, production costs and finance cost relating to the corporate bond issuance. A reduction in working capital by SEK 3.5million (SEK -9 million) is due to reduction in inventories and an increase in other liabilities.

Cash flow from investing activities:

Cash flow from investing in the period was SEK -6.2 million (SEK -4.9 million). This is primarily due to increased investments in intangible fixed assets of SEK -5 million (SEK -4.8 million).

Cash flow from financing activities:

Cash flow from financing for the period was SEK 106 million (SEK 39.2 million). This is due to new equity and corporate bond issuance.

FINANCIAL OBJECTIVES

Cimco has communicated in separate press release on 19th of April, that it will no longer meet its 2018 target of unit sales of 2,000+ for the full year and turnover of 600MSEK. Instead it will target a production run-rate of 25 units a week by Q3 2018.

Its longer-term targets, described in its IPO prospectus, will remain the same as follows:

- Long term EBITDA margin of >20%
- Long term market share of 10% (7 700 units per year)

OUTLOOK

Whilst the Board is disappointed in the company being unable to meet its 2018 targets due to production delays as described above, they remain highly optimistic of the future of the company and in meeting its longer-term targets.

RISKS AND UNCERTAINTIES

The Risk and uncertainties of Cimco's business is explained in detail within the risk section of the Company's IPO prospectus issued in June 2017 as well as in its bond presentation in February 2018 – both documents are 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 CALENDER

- Q2 2018 interim report due on 31st August 2018;
- Q3 2018 interim report due on 30th November 2018.

Income statement

CIMCO MARINE AB

	1 Jan 2018 - 31 Mar 2018	1 Jan 2017 - 31 Mar 2017	1 Jan 2017 - 31 Dec 2017
(amount in KSEK)			
Income			
Net turnover	8,309	6,257	14,602
Other operating income	-	-	-
Total income	8,309	6,257	14,602
Goods for resale			
Goods for resale	-13,001	-8,108	-25,982
Other external costs			
Other external costs	-7,885	-2,696	-14,496
Personnel costs			
Personnel costs	-4,182	-2,169	-10,468
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets			
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-2,905	-2,181	-8,967
Other operating expenses			
Other operating expenses	-117	-93	-1,548
Total operating costs	-28,090	-15,247	-61,461
Operating profit/loss	-19,781	-8,990	-46,859
Other interest income and similar profit/loss items			
Other interest income and similar profit/loss items	-	-	2
Interest expenses and similar profit/loss items			
Interest expenses and similar profit/loss items	-9,712	-515	-4,122
Profit/loss after financial items	-29,493	-9,505	-50,978
Pre-tax profit/loss			
Pre-tax profit/loss	-	-	-
Net profit/loss for the period	-29,493	-9,505	-50,978

Balance sheet statement

Cimco Marine AB

	31-Mar-18	31-Mar-17	31-Dec-17	31-Dec-16
(amount in KSEK)				
Intangible fixed assets				
Capitalised expenses for reseach and development and similar works	97,767	76,479	88,681	73 879
Patent	3,523	3,319	3,618	3 069
Total intangible assets	101,290	79,798	92,299	76,948
Tangible fixed assets				
Equipment, tools and installations	6,275	3,876	5,637	4 057
Total fixed assets	6,275	3,876	5,637	4 057
Total tangible	107,566	83,674	97,936	81 005
Currents assets				
Inventories etc				
Finished goods and goods for resale	52,090	17,819	45,761	14 543
Advance payments to suppliers	8,186	2,382	16,887	5 212
Total current assets	60,276	20,201	62,647	19 755
Currents receivables				
Accounts receivables	2,540	4,930	2,935	2 769
Other receivables	2,937	2,183	3,764	5 385
Deferred expenses and accrued income	2,457	138	601	285
Total current receivables	7,933	7,251	7,300	8 439
Cash on hand and in bank	90,062	27,624	14,170	9 041
Total current assets	158,271	55,076	84,118	37 235
Total assets	265,837	138,750	182,054	118 240

Continue of balance sheet statement

Cimco Marine AB

	31-Mar-18	31-Mar-17	31-Dec-17	31-Dec-16
(amount in KSEK)				
Equity and liabilities				
Equity				
Restricted reserves				
Share capital	783	87	723	67
Reserve for development expenditure	42,910	20,451	40,409	20 451
Total restricted equity	43,693	20,538	41,132	20 518
Non-restricted equity				
Share Premium	198,920	107,815	169,044	32 889
Retained earnings or losses	-74,776	-34,259	-21,296	-7,171
Profit/loss for the year	-29,493	-9,500	-50,979	-27,088
Total non-restricted equity	94,652	64,056	96,769	-370
Total equity	138,345	84,594	137,901	19,148
Provisions				
Other provisions	327	919	1,336	481
Total provisions	327	919	1,336	481
Long-term liabilities				
Liabilities to finance institutions	81,242	4,000	2,876	4 000
Other liabilities	-	-	-	35 659
Total long-term liabilities	81,242	4,000	2,876	39 659
Current liabilities				
Liabilities to finance institutions	-	6,803	1,195	6,338
Advance payments from customers	19,857	24,012	19,328	24,345
Accounts payable	16,437	14,647	15,440	23,477
Current tax liabilities	398	167	130	167
Other liabilities	6,901	765	980	2,464
Accrued expenses and other deferred income	2,330	2,843	2,868	2,161
Total current liabilities	45,923	49,237	39,941	58,952
Total equity and liabilities	265,837	138,750	182,054	118 240

Changes in Equity Statement

Cimco Marine AB

	31-Mar-18	31-Mar-17	31-Dec-17
(amount in KSEK)			
Opening balance equity (1 Jan 18/1 Jan 17)	137,901	19,148	19,148
Loss for the period	-29,493	-9,500	-50,979
Issuance of shares	30,000	76,266	142,964
Less cost of issuance	-63	-1,320	-7,090
Shareholder loan conversion to equity	-	-	33,391
Option premium	-	-	467
Closing balance equity	138,345	84,594	137,901

Statement of Cash Flows

Cimco Marine AB

	1 Jan 2018 - 31 Mar 2018	1 Jan 2017 - 31 Mar 2017	1 Jan 2017 - 31 Dec 2017	1 Jan 2016 - 31 Dec 2016
Operating Activities				
Results after financial items	-29,493	-9,504	-51,042	-27,088
Adjustments for items not included in cash flow	1,895	2,619	9,818	3,389
Tax paid	0		0	111
Cash flow from operating activities before changes in working capital	-27,598	-6,885	-41,225	-23,588
Cash flow from changes in working capital				
Change in Inventories	2,371	-446	-42,892	-17,809
Change in accounts receivable	396	-2,161	-50	-2,111
Change in other current receivables	-1,029	3,349	1,305	-3,056
Change in Trade payables	-997	-8,830	-8,037	19,944
Change in other current liabilities	2,811	-885	-11,028	25,580
Cash flow from operating activities	3,551	-8,973	-60,702	-1,040
Investing Activities				
Investments in property, plant and equipment	-1,032	-37	-2,739	-4,348
Investments in intangible fixed assets	-5,175	-4,813	-23,155	-22,118
Cash flow from Investing activities	-6,207	-4,850	-25,894	-26,467
Financing activities				
New share issue	29,937	74,950	169,266	32,900
Option premium		0	467	
Change of loan	76,208	-35,659	-36,783	-1,011
shareholder contribution	0	0	0	3,277
Cash flow from financing activities	106,145	39,291	132,950	35,167
Cash flow for the period	75,891	18,583	5,130	7,660
Cash and bank balances at the beginning of the period	14,170	9,041	9,041	1,381
Cash and bank balances at the end of the period	90,062	27,624	14,170	9,041

Notes

Accounting and Valuation Principles

General Information

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

Revenue recognition

Revenue is reported as the actual value of what the company has received or will receive. This means the company will report its revenue at nominal value

(invoiced amount) if the company receives remuneration directly in the form of liquid funds upon delivery. Deductions are made for discounts given.

Regarding product sales, revenue is normally reported when the significant benefits and risks associated with ownership of the product have transferred from the company to the purchaser.

Interest, royalties and dividends

Interest is reported as income using the so-called effective interest method.

Borrowing costs

The borrowing costs incurred from the company's capital borrowing to finance the manufacture of stock with a significant lead time are included in the acquisition cost of the stock. The interest costs included in the cost of the stock are determined using the effective interest method.

Lease agreements

Where the financial risks and benefits associated with the asset have not been passed on to the lessee, the lease is classified as an operational lease. Assets for which the company is the lessor are reported as fixed assets or as current assets depending on when the lease expires. The leasing fee is calculated annually and is reported linearly over the lease period.

The company reports all lease agreements, both financial and operational, as operational lease agreements. Operational lease agreements are reported linearly as a cost over the lease period.

Employee benefits

Employee benefits refers to all types of remuneration the company provides to its employees. The company's remuneration includes, among other things, salaries, paid leave, paid absences, bonuses and post-employment benefits (pensions). Reporting occurs as 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 obligations, whether legal or informal, to pay anything over and above these contributions. All other plans are classified as defined-benefit pension plans. 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 on the 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.

Valuation Principles etc.

Receivables have been valued to the lowest of acquisition value and the amount with which they are expected to be adjusted. Other assets and liabilities have been valued to the acquisition value unless otherwise stated. Receivables and payables in foreign currencies are valued at the closing rate.

Revenue Recognition

Revenue has been raised to the fair value of consideration received or receivable and is recognised to the extent that it is probable that the economic benefits will be available to be used by the company and the revenue can be measured reliably.

Accounting Principles for individual balance sheet items

Intangible fixed assets

Cimco 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

Tangible 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.

The depreciable amount is the cost of the acquisition less the estimated residual value if this is significant. Depreciation is linear over the expected useful life.

The following depreciation periods are applied:

Intangible assets

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

PPE

Improvement expenditure on leaseholds	2 years
Tools	5 years
Equipment	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 BFNAR 2012:1 criteria as intangible assets with depreciation 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 in the corresponding amount as reported depreciation/impairment.

Financial instruments

The company reports and values financial instruments at acquisition value. Accounts receivable and other short-term receivables are reported at acquisition value or expected settled amount, whichever is lower, i.e. less expected losses. 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.

Accounts receivables/current receivables

Accounts receivables and current receivables are reported as current assets at the amount expected to be paid after deduction of individually assessed impaired loans.

Loan-liabilities and account payables

Loan liabilities and accounts payables are recognised initially at cost after deduction of transaction costs. If the carrying amount differs from the amount that will be repaid at maturity date interest expense is accrued, the difference that over the term of the loan using the effective interest rate of the instrument. This is consistent with the due date the carrying amount and the amount to be reimbursed.

Inventory

Inventory has been valued at the lesser of its acquisition cost and its net realisable value on the balance sheet date. Net realisable value refers to the estimated sale price of the goods less the selling costs. The chosen valuation method takes into account any amortisation of inventory.

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 current value.

The company has provided for liabilities due to certain Distributors following recent arrangement to repay the sale of its prototypes. The original proceeds were capitalised against Intangible assets in 2016. This has now been transferred to other short-term liabilities. The repayment will be in the form of sale of production units and or discounts.

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

Average number of employees during the financial year.

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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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 May 31st 2018, 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.