

Update on production status and re-launch of 200hp engine

Following the interim report published on 31st August, Cimco produced 45 units for the month of September (week 36 to week 39 inclusive). The 200hp unit will be introduced back into production next week with a controlled ramp up

Cimco produced 45 engines for the month of September – the highest monthly production to date. Nevertheless, this was lower than our target due to quality deviations in a delivery from one supplier. So far, we have produced 225 units for 2018. We have already tested production at five engines per day and are aiming to meet our stated target of 25 units a week in Q4 and beyond. We will provide a further update on our production status in the beginning of November.

Our main production bottleneck is now only down to a single supplier who, after considerable planning prior to the summer holidays, have not been able to produce to the agreed volumes in time. As part of its strategic risk mitigation policy, Cimco has sought to dual source these crucial components to support its production targets. Our stated aim of achieving 25 units a week during Q4 is still intact. With regards to our 200hp unit, we expect to re-introduce this into production by the end of next week. The ramp up will be controlled and with a step by-step approach (similar to that of the 150hp at the beginning of January of this year) and initially delivered to a select group of customers.



– I am pleased that we have improved the quality of our product, the OXE 150, with minimum issues from our customers. This is a result of our ongoing quality assurance program both with our supply chain as well as assembly. Our immediate focus now is to meet our target of 25 units a week during Q4. As stated above, we have identified our production bottleneck and am confident we will resolve this in due course. I am also looking forward to the much anticipated re-launch of the 200hp unit next week – further updates will be provided shortly, says Andreas Blomdahl, CEO Cimco Marine.

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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

