



OXEMARINE

ENGINEERING THE FUTURE

ANNUAL REPORT
2019

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ANNUAL REPORT FOR THE FINANCIAL YEAR 2019-01-01 - 2019-12-31

The Board of Directors and the President 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 reported in SEK thousands (TSEK).

DIRECTORS' REPORT



I am constantly reminded by those who have come across our patented belt design concept for the outboard motor, as to how clever the whole design is. I call it a recombination innovation – meaning using best in class standalone innovations that have been well developed and combining it to create a highly innovative product that the customer wants.

Our modular outboard design does away with the conventional outboard bespoke vertical mounted engine, drive shaft and bevel gears and instead uses the state-of-the-art automotive engine, which is horizontally mounted powered to an industrial gear box with hydraulic multi-friction plate clutch (used

by inboard marine engines) via off the shelf industrial carbon fibre belts. The true innovation in our concept is the lower leg design, which will allow huge level of power and torque to be delivered to the propeller - this can be powered by any motor, such as the internal combustion engine or an electric motor.

We have had our challenges along the way, as any true innovation does, but the importance of this is to learn what works and keep improving upon it. Our product, the first high powered diesel powered outboard, was well received by early adopters such as the cruise liner Hurtigruten, who wanted to reduce its carbon footprint (our engines produce 45% less CO2 than a comparable powered gasoline engine) as well as governmental services, who were keen on the safety aspects of using diesel fuel, which is less flammable than gasoline, as well as significant savings when taking into account the total life cycle cost of our product. We have come a long way since we began production in 2016 with well over 500 engines currently in operation worldwide.

2019 saw the return of the OXE200 (tropical variant) in full production mode which helped the growth of our business by more than doubling our Revenues to 91 MSEK, when compared to the previous year. It demonstrated our engineering skills and perseverance and our continued focus to develop our product to the highest quality possible. Additionally, we have also moved towards positive gross profit from Q2 2019 and have continued to maintain that trend.

Key Figures	2019	2018	2017	2016
	Jan – Dec	Jan – Dec	Jan – Dec	Jan – Dec
Net turnover, KSEK	91 100	40 578	14 602	6 878
Gross Margin %	-4 %	-41 %	-78 %	-20 %
EBITDA, KSEK	- 73 676	- 74 367	- 37 892	- 18 487
Net loss for the period, KSEK	-101 938	-108 213	-50 979	-27 088
OXE units produced	214	314	55	25
OXE units sold	309	157	55	25
Order Book Value, KSEK	43 230	n/a	n/a	n/a

We have sold our products to a variety of commercial and governmental users worldwide and believe that there is now an acceptance that our patented belt propulsor concept is a superior design to meet the demands of a high-powered diesel engine delivering high levels of torque. This has led us to develop the most powerful diesel outboard yet – the 300hp OXE300. We began marketing the OXE300 at the Genoa boat show in September, which was very well received. We subsequently developed a substantial order book by the end of the year.

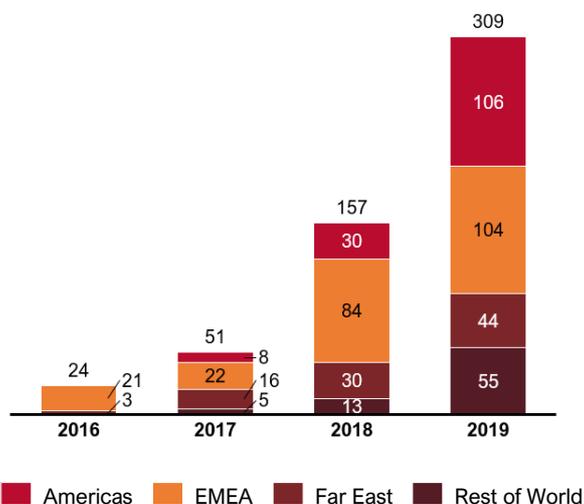
I was honoured to have been promoted to CEO of the company on 1st July 2019, to which I laid out my plans for 2020 and beyond with the basic ethos of building innovative and high-quality marine products whilst significantly reducing our carbon footprint. To execute my business strategy, I appointed a number of highly skilled and experienced senior managers during the second half of 2019.

I am also grateful of the support of our shareholders and investors alike who participated in the rights issue in April raising gross funding of 101MSEK as well as the exercise of the subsequent share warrants of 51MSEK (which included a directed share issue) in October. Amongst all this, the company secured a finance facility of €14 million with the European Investment bank in July. The first drawdown of €4 million was received in September. Since its inception in 2012, the company received funding totalling 500MSEK.

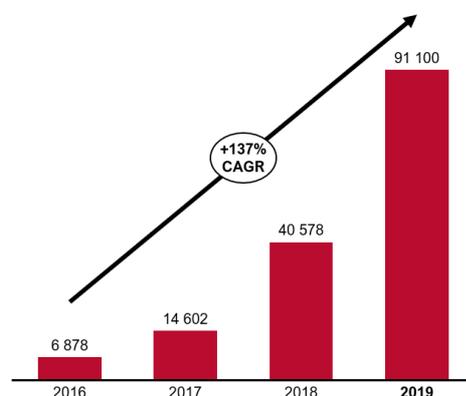
This is an incredible journey which started with a small group of engineers from Ängelholm. With continued focus and passion, I am more confident of achieving our full potential in years to come.

Myron Mahendra
CEO - OXE Marine AB

Annual net turnover by region:



Net sales growth (KSEK):



CAGR – Constant Annual Growth Rate, measured between 2016 to 2019.

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 Ängelholm where all product development takes place. Assembly, as well as final testing of the product, is carried out by Uddevalla Finmekanik AB. 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 engine and propeller. Oxe Marine's outboard engine, OXE Diesel, is the first diesel outboard that is expected to replace 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 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.

The sale of the Company's outboard, OXE Diesel, is carried out through an established distributor network with approximately 24 distributors with over 200 OXE Diesel appointed dealers.

Significant events during the financial year

- Andreas Blomdahl left his post as acting CEO and is replaced by the then CFO Myron Mahendra, who was appointed CEO on July 1st, according to a board decision.
- During the year, two new issues were completed with a capital injection of a total of SEK 152.3 million, according to the following breakdown: SEK 101.5 m through a rights issue in April and SEK 33.6 m through a rights issue in October, together with SEK 17.2 m through a directed share issue in October.
- The company is completing the validation and is currently conducting a 'design freeze' for the OXE300 - production start is expected in May 2020 with a controlled rate of increase to monitor parts and design quality. During the fourth quarter of 2019, OXE Diesel was shown at 15 international exhibitions. OXE Diesel continues to receive increasing attention.
- The company entered into a financing agreement with the European Investment Bank (EIB) in July 2019 for a loan facility of up to EUR 14 million. This consists of three tranches. Tranche A of EUR 4 m was drawn down in September. Tranche B, also at EUR 4 m, is available subject to the company fulfilling the following conditions: successful raise of SEK 50 m in October 2019; achieve net sales of at least EUR 7.5 m over the past 12 months and achieve a positive gross margin over the last three months of the reporting period. The company has fulfilled all the above conditions and is eligible for payment of Tranche B of EUR 4 m.
- The company produced 98 units during the fourth quarter of 2019, through a secure and controlled process to verify that all quality standards were met while improving the efficiency of the assembly of the parts. The stable production also helped the company to reduce its inventory of finished units (mainly 150 hp variant). The company will add additional resources in its supply chain, its quality processes and its production management.
- The company sold 142 units during Q4 2019, which contributed to 309 engines sold for 2019 - almost double the sales of previous years (157 units). Demand for OXE200 accelerated after the reintroduction of its power unit (tropical variant) at the end of May 2019.
- At the end of 2019, the company sold effectively all units from production as well as from inventory. Production continues at an evenly controlled rate. The order book for deliveries in 2020 currently stands at approximately EUR 4.1 m and represents about half of the company's net sales for 2019.

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 2020. The company also continues to develop an organisation that works in a structured and efficient way with quality as part of its core focus. To meet market demand for increasingly higher power products, the company will commence the production of the OXE 300 during 2020, which is based on BMW's 6-cylinder diesel engine.

Risks and uncertainties

OXE Marine is a relatively new company with a new product, which entails 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 the 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 production can result in unsuccessful orders to the customer, which has 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 that the company can not raise sufficient funding at a reasonable rate.

Ownership

As of 28 February 2020, the company is 19,6% held by Per Lindberg. Other owners hold less than 10% of the shares. OXE Marine's ten largest shareholders and operations in shares on February 28, 2020 are as follows:

Name	Holding	%	Change
Per Lindberg	32 234 608	19.6	
Arne Andersson	13 789 895	8.4	↑
Jonas Wikström	8 100 000	4.9	↑
Tamt AB	8 000 000	4.9	-
Magnus Linderöth	6 214 742	3.8	↓
Sven Sandberg	4 310 000	2.6	↑
Theodor Jeansson	4 100 000	2.5	↑
CBLDN-Saxo Bank A/S	4 040 660	2.5	-
Euroclear Bank S.A/N.V, W8-IMY	3 940 150	2.4	-
Andén, Philip Carl Lennart	2 879 196	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 January 31). Avanza Pension Insurance Company has been excluded from the above compilation, with approximately 8.4% and Nordnet Pension Insurance Company with approximately 1.9% of the holding, since it consists of various grouped shareholders. No further analysis has been performed.

MULTI-YEAR OVERVIEW

(amount in KSEK)	2019	2018	2017	2016	2015
Net turnover	91 100	40 578	14 602	6 878	192
Profit/loss after financial items	-101 938	-108 213	-50 979	-27 088	-3 778
Operating margin (%)	-97%	-215%	-315%	-308%	0%
Return on equity (%)	-101%	-98%	-65%	-186%	-38%
Balance sheet total	314 803	248 533	182 053	118 240	64 045
Equity/assets ratio (%)	38%	34%	76%	16%	16%
Number of employees	30	25	25	14	7

Proposals for profit allocation

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

Share Premium Reserve	355 768 251,00
Profit carried forward	-229 845 617,00
Year's loss	-101 937 892,00
	23 984 742,00

Amount carried over	23 984 742,00
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FINANCIAL STATEMENTS FOR THE PERIOD UP TO 31 DECEMBER 2019

INCOME STATEMENT

<i>(amount in KSEK)</i>	2019	2018
	Jan-Dec	Jan-Dec
<i>Summary of earnings</i>		
Net turnover	91 100	40 578
<i>Operating costs</i>		
Commodities	-94 723	-57 308
Other external costs	-36 587	-49 001
Personnel costs	-30 325	-9 308
Depreciation of material and immaterial assets	-14 410	-12 792
Other operating costs	-3 141	673
Total operating costs	-179 186	-127 736
Operating loss	-88 086	-87 158
<i>Financial items</i>		
Other interest income and similar items	1	2
Interest cost and similar items	-13 853	-21 056
Profit/loss after financial items	-101 938	-108 213
Pre-tax profit/loss	-101 938	-108 213

BALANCE SHEET

<i>(amount in KSEK)</i>	Note	31 Dec 2019	31 Dec 2018
ASSETS			
Fixed assets			
Balanced expenses for research and development	2,9	139 830	117 207
Patent	3	3 297	3 317
Equipment, tools and installations	4,5	6 312	5 911
Total fixed assets		149 440	126 435
Current assets			
Finished goods and goods for resale		56 798	96 759
Advance suppliers		13 630	2 053
Accounts receivable		39 330	13 599
Other receivables		3 165	3 258
Deferred expenses and accrued income		1 210	1 456
Cash on hand and in bank		51 232	4 972
Total current assets		165 364	122 097
TOTAL ASSETS		314 803	248 532
EQUITY AND LIABILITIES			
Equity	6		
Restricted equity			
Share capital		4 943	885
Development fund		89 918	62 921
Total restricted equity		94 861	63 806
Non-restricted equity			
Share premium reserv		355 769	222 975
Retained earnings or losses		-229 846	-94 786
Profit/loss for the year		-101 938	-108 213
Total non-restricted equity		23 985	19 976
TOTAL EQUITY		118 846	83 782
Long-term liabilities			
Other provisions	7	3 382	1 146
Bond	9	113 967	106 206
Liabilities to finance institutions	10	41 735	-
Total long-term liabilities		159 084	107 352
Current liabilities			
Advance payments from customers		4 629	15 147
Accounts payable		23 554	30 950
Current tax liabilities		413	795
Other liabilities		2 309	5 524
Accrued expense and other deferred income		5 968	4 982
Total current liabilities		36 873	57 398
TOTAL EQUITY AND LIABILITIES		314 803	248 532

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 2018	723	40 410	169 043	-21 295	-50 979	137 902
Development fund		22 511		-22 511		0
Rights issue ¹	162		53 931			54 093
Earnings per decision of AGM				-50 979	50 979	0
Profit/loss for the year					-108 213	-108 213
Amounts at the closing of 2018	885	62 921	222 974	-94 785	-108 213	83 782
Development fund		26 998		-26 998		0
Rights issue ¹	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
Amounts at the closing of 2019	4 942	89 919	355 769	-229 846	-101 938	118 846

¹ The amount is reported net after deduction of transaction costs.

NOTES

NOTE 1 ACCOUNTING POLICIES

General accounting polices

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.

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 agreement

If the financial risks and benefits associated with the asset have not passed to the lessee, the lease is classified as an operational leasing. The assets of which the company is the lessor 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. The company recognizes all leasing agreements, both financial and operational, as well as operating leases. Operational leases are recognized as an expense on a straight-line basis over the lease term.

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. 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

Intangible assets

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

Patent 10 years

Fixed assets

Improvement expenditure on leaseholds 2 years

Equipment 5 years

Stock 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 in the corresponding amount as reported under 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.

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 amortisation 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.

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.

Note 2 Capitalised Research and Development

	31 Dec 2019	31 Dec 2018
Opening value	139 171	98 629
Additions for the year	34 514	31 667
Reclassifications		8 875
Closing accumulated value	173 685	139 171
Opening amortisation	-21 964	-9 948
Amortisation for the year	-11 891	-12 016
Closing accumulated value	-33 855	-21 964
Closing reported value	139 830	117 207

Note 3 Patent

	31 Dec 2019	31 Dec 2018
Opening value	4 207	4 092
Additions for the year	425	115
Closing accumulated value	4 632	4 207
Opening amortisation	-890	-474
Amortisation for the year	-445	-416
Closing accumulated value	-1 335	-890
Closing reported value	3 297	3 317

Note 4 Leasehold Improvements

	31 Dec 2019	31 Dec 2018
Opening value	410	394
Additions for the year	156	16
Closing accumulated value	566	410
Opening depreciation	-263	-64
Depreciations for the year	-194	-199
Closing accumulated acquisition value	-457	-263
Closing reported value	109	147

Note 5 Equipment, tools and installations

	31 Dec 2019	31 Dec 2018
Opening value	8 678	6 695
Additions for the year	2 319	1 983
Closing accumulated value	10 997	8 678
Opening depreciation	-2 914	-1 388
Depreciations for the year	-1 880	-1 526
Closing accumulated acquisition value	-4 794	-2 914
Closing reported value	6 203	5 764

Note 6 Proposed distribution of the company's profit or loss

The board of directors proposes that the company's unrestricted equity, SEK 23 984 742, is distributed as follows:

Held in new account	23 984 742
	23 984 742

Note 7 Other provisions

	31 Dec 2019	31 Dec 2018
Guarantees	3 382	1 146
	3 382	1 146

Note 8 Average Employees

	31 Dec 2019	31 Dec 2018
Average number of employees	30	25
	30	25

Note 9 Pledged assets

	31 Dec 2019	31 Dec 2018
Corporate Bonds	102 456	102 456
Ownership reservation fixed assets	100	1 750
Mortgage on bank account	50	50
	102 606	104 256

Corporate Bonds

Senior Secured Callable Fixed Rate Bonds with ISIN SE0010831545, SE0010831594 and NO0010815442. The bonds are capitalised quarterly and added to the Bonds' nominal amount, which means that no current interest payments are made, the interest rate on the Bonds will amount to 7 per cent annual interest rate. OXE Marine is allowed to finance their operations by raising credits and placing collateral under credit guarantees for accounts receivable provided by government agencies and other organisations that promote exports and by raising and pledging collateral for such subordinated loans. The maturity date of the bonds is 15 February 2023.

Note 10 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 up to EUR 14 million. This consists of three tranches. Tranche A of EUR 4 m was drawn down in September and was based on OXE Marine delivering share warrants to the EIB entitling the EIB to 7.5 percent of the fully-diluted share capital of OXE Marine. The loan is interest free.

Note 11 Employee Share Warrants

In 2017, employees were allotted warrants at a price of SEK 1.06 per subscription option. The option holder has the right to subscribe for a new share in the company from 1 June 2020 to 14 June 2020 at a price of 41.70 per share. The subscription price may never be lower than the share's quota value.

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 12 Significant events after the financial year

Shareholders agreed to change the company name from Cimco Marine AB (publ) to OXE Marine AB (publ).
OXE Marine AB (publ) announced a change of name, vision, assignments and core values.

The Board of Directors of OXE Marine AB (publ) ("the Company") has, with the support of the authorization decided at the Extraordinary General Meeting on 30 July 2019, decided on a directed issue of a total of 14,726,154 warrants to the European Investment Bank ("EIB").

The EIB has subscribed for all issued warrants, to the European Investment Bank ("EIB"). The EIB has subscribed for all issued warrants. In the issue, 14,726,154 warrants 2020/2039 Series 1 have been issued with deviation from the shareholders' preferential rights. The reason for the deviation from the shareholders' preferential rights. The reason for the deviation from the shareholders' preferential right is to fulfill the conditions to be able to exercise Tranche B in accordance with the credit facility agreement reached by the Company on 5 July 2019. The warrants are issued free of charge and each option entitles to subscribe for a new share in the Company at a subscription price. at the time the quotient value per share The subscription price was determined after negotiation between the parties on the said credit facility agreement, as part of the compensation for the exercise of Tranche B. The number of warrants issued corresponds to 7.59 per cent of the Company's fully diluted share capital, excluding the previously agreed incentive programs. in the Company, as of March 12, 2020. The total number of warrants issued to the EIB for the exercise of Tranche A and B corresponds to 15 percent of the Company's fully diluted share capital, excluding the previously decided incentive programs in the Company, as of March 12, 2020. The redemption price has been determined after negotiation between the parties on the said credit facility agreement, as part of the compensation for the exercise of Tranche B. The number of issued warrants corresponds to 7.59 percent of the Company's fully diluted share capital, excluding the previously decided incentive programs in the Company, as of March 12 2020. The total number of warrants issued to the EIB for the exercise of Tranche A and B corresponds to 15 percent of the Company's fully diluted share capital, excluding the previously decided incentive programs in the Company, as of March 12, 2020. Exercise of the warrants for subscription of shares may take place. during the period from the date of registration of the warrants with the Swedish Companies Registration Office until December 31, 2039. Upon full exercise of the warrants, the Company's registered share capital will increase by SEK 441,559 and the number of shares by 14,726,154.

Update on the business and COVID-19

The declaration of intent between OXE Marine AB (publ) and an African state supplier regarding the first phase of a multi-phase program with an African state communicated by OXE Marine through a press release on September 24, 2019, will not lead to further negotiations due to a long delay by the boat builder. on a final agreement. The delay was mainly due to the boatbuilder being forced to close his facility as a result of COVID-19. This means that OXE Marine will not deliver to phase one of the African state project, but will instead focus on delivering to phase two and subsequent phases. The schedule for delivery to this phase will be confirmed later. After OXE Marine released its latest quarterly report, COVID-19 is spreading faster in Western Europe and the United States. This has not affected OXE Marine's order book, this will increase at the same time as the company's supply chain is intact. Production of the OXE300 will continue to commence in May 2020, as OXE Marine has secured enough components for this. Production of OXE200 is currently continuing uninterrupted. OXE Marine nevertheless monitors the situation closely and takes steps to avoid any significant disruptions. OXE Marine's policy on COVID-19 aims to ensure that the company's employees are well-off and OXE Marine follows advice from WHO and national and local authorities where the employees live and work. . With the upcoming utilization of Tranche B of the EIB credit facility of EUR 4 million at the end of March 2020, OXE Marine's financial position remains stable. OXE Marine prepares for different scenarios, but at the same time continuously evaluates its position taking into account the COVID-19 crisis and flexibly adjusts to changes in the current situation to ensure staff welfare and business continuity.

The report was signed by the Board of Directors, Ängelholm, 26 March 2020.

Anders Berg
Chairman of the Board

Magnus Folin
Board Memeber

Magnus Grönborg
Board Member

Andreas Blomdahl
Board Member

Jon Lind
Board Member

Myron Mahendra
CEO

Our audit report was submitted and signed by Ernst & Young AB, Ängelholm, 26 March 2020

Henrik Nilsson
Authorised auditor

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.

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.

Order Book

Confirmed customer orders as at 31 December 2019 to be delivered during 2020.

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.

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

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OXE 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. OXE Marine's OXE diesel has a horizontally mounted engine as opposed to a traditional outboard with a vertically mounted engine.



All products developed by OXE Marine AB are based on the core value Engineering the Future. The OXE Diesel product range is no exception. By using modern Diesel powerheads from the automotive industry, powerful gearbox design and patented belt transmission system provide robust outboards with inboard functions and high torque capacity.

OXEMARINE 
ENGINEERING THE FUTURE

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