

Embarking USA

Nimbus acquisition of EdgeWater PowerBoats



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EdgeWater PowerBoats in brief

COMPANY OVERVIEW

- EdgeWater is a North American boat manufacturer
- The company was founded in 1992 with the purpose of designing and manufacturing robust, safe and reliable powerboats under the premium brand *EdgeWater*
- The company sells boats to the North American market and sold in 2022 more than 300 boats in sizes of up to 37 feet
- The boats are mainly saltwater boats, of the centre console type, which are used for pleasure, fishing and transport
- All boats are equipped with outboard motors
- EdgeWater has approximately 165 employees with an experienced management team

KEY FINANCIALS¹⁾

Sales:	~47.7 MUSD
Adjusted EBIT:	~3.0 MUSD
Adjusted EBIT margin:	~6.3%



Notes: 1) Net sales and EBIT have been adjusted for floor plan interest, totaling 0.85 MUSD for the full year 2022. According to Nimbus Group’s accounting methodology, these interest expenses are accounted for under ‘Result from financial items’ in the income statement. Other adjustments to EBIT totaling 0.02 MUSD are mainly attributable to non-recurring personnel contributions and normalisation of costs for the finance function. Financial information for 2022 is retrieved from EdgeWater’s management accounts and has not been subject to audit or any other review by auditor.

Acquisition rationale and transaction overview

ACQUISITION RATIONALE

- The acquisition of EdgeWater adds a strong and successful premium brand to Nimbus Group's portfolio, expands Nimbus Group's presence in the North American market and adds an important local organisation with production capacity in the US
- Synergy effects are expected to arise through;
 - A stronger market position
 - Access to production capacity in the US
 - More efficient logistics, which is also positive from a sustainability perspective
- The market for powerboats in the US is the single largest in the world and to support Nimbus Group's expansion in the US, the Company has made large investments in recent years
- The investments have led to Nimbus Group doubling its number of locations in the North American market in 2022
- Nimbus Group has a clear growth strategy where expansion in the important North American market is one of the cornerstones

TRANSACTION OVERVIEW







- Cash consideration of 9.5 MUSD on a cash and debt free basis (approximately SEK 100m)
- EdgeWater will become a part of Nimbus Group's American organisation
- The acquisition of Edgewater is expected to close during the second quarter of 2023 and is subject to customary terms
- EdgeWater is expected be consolidated into Nimbus Group's accounts from the closing date
- The acquisition includes an industrial property which, as of February 2023, is valued to approximately 3.5 MUSD¹⁾



Notes: 1) In connection with the transaction, Colliers International Florida, LLC has issued a "Broker opinion of Value" where the value of the industrial property has been estimated to between 3.4 and 3.6 MUSD.

A global boat group has emerged built by Scandinavian design and quality

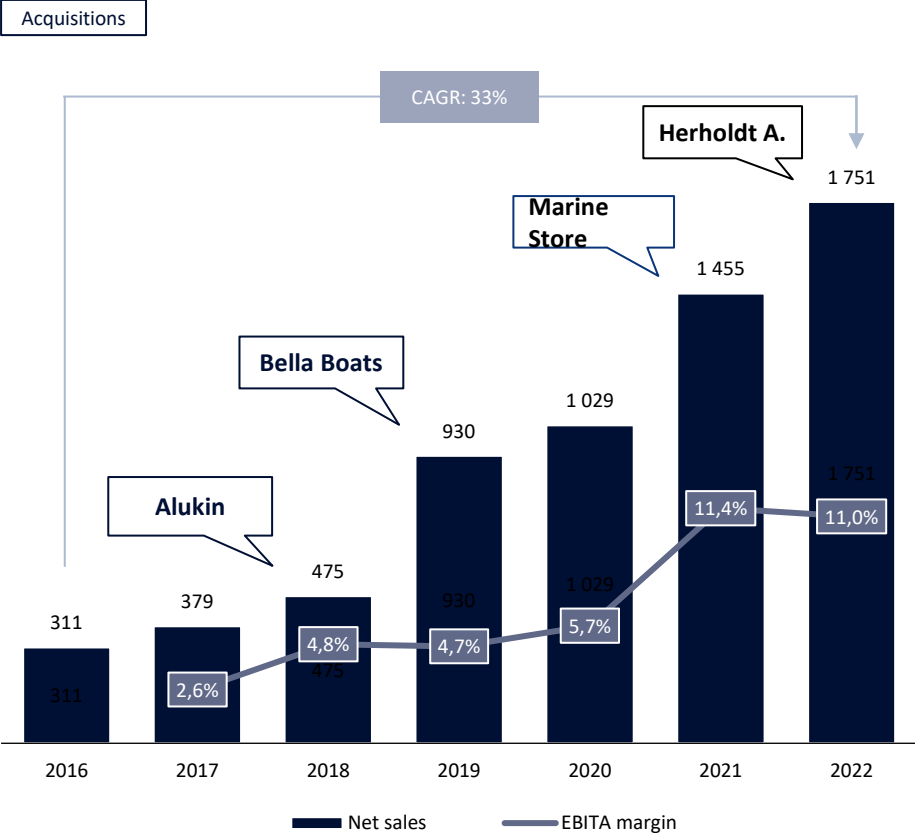
SEVERAL STRATEGIC INITIATIVES CARRIED OUT

-  Strategic decision to create a “house of brands”
-  Increased market focus
-  Strengthened market positions through acquisitions of key dealers
-  Improved product development process
-  Increased modularity in both product and processes
-  Variable cost base through e.g. outsourcing of significant share of production and R&D



STRONG FINANCIAL DEVELOPMENT

Net sales (SEKm) and EBITA margin (%)



Overview of the directed share issue

THE DIRECTED SHARE ISSUE

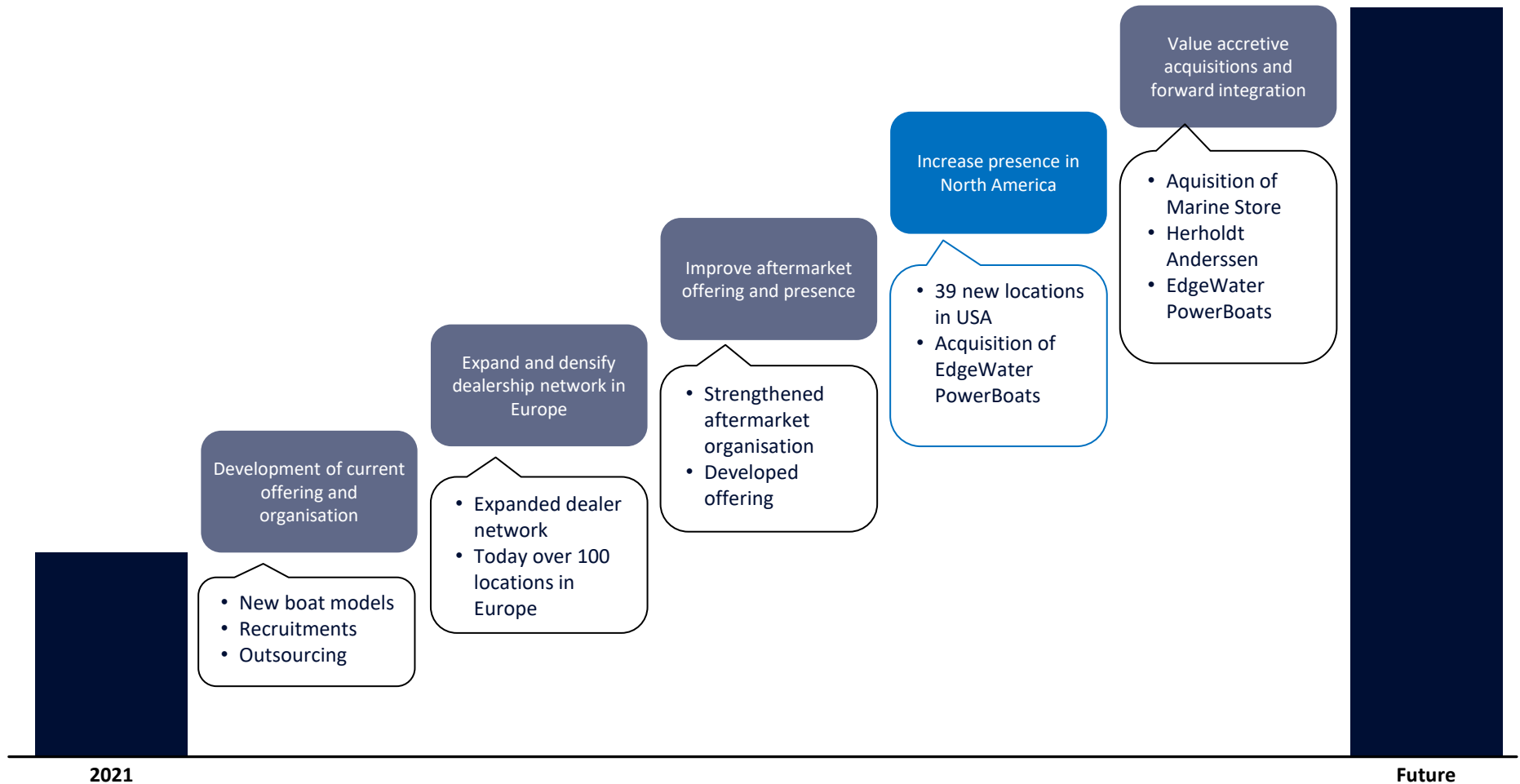
- Nimbus Group has completed a directed share issue of approximately 1.94 million shares at a subscription price of SEK 41.00
- Through the directed share issue, the Company will receive approximately SEK 79m before transaction costs
- Nimbus Group intends to use the net proceeds to finance the acquisition of EdgeWater
- The directed share issue entails a dilution of approximately 9.1 percent of the number of shares and votes in the Company

WITHDRAWN PROPOSAL FOR DIVIDEND

- The Board of Directors of Nimbus Group has decided to withdraw the previous proposal for a dividend of SEK 1.50 per share for 2022
- While current liquidity is sufficient to support the previously suggested dividend proposal, the Board of Directors prefers to strengthen the financial buffer and stability for the Company
- In accordance with the financial targets, Nimbus Group shall not have any long-term financial debt (excluding real estate related debt)



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