



CONFIDENTIAL INFORMATION
MEMORANDUM

January 24, 2022

OFFERED BY





CONFIDENTIALITY and DISCLAIMER

This Offering Memorandum is being furnished by Paradise Capital only to those prospective parties that have made a specific request for information regarding Miller Marine, Inc. (or the Company) with the intention of determining any interest in submitting an offer to acquire the Company and have subsequently executed a valid Confidentiality Agreement. The Offering Memorandum is intended to provide a prospective purchaser with pertinent preliminary information regarding Miller Marine, Inc.

Pursuant to Paradise Capital's exclusive engagement by Miller Marine, Inc., the Offering Memorandum has been prepared by Paradise Capital from materials and information supplied by Miller Marine, Inc. This Offering Memorandum is being provided pursuant to a separate Confidentiality Agreement executed by parties who may be interested in acquiring the Company.

By accepting the Offering Memorandum, the recipient(s) agrees that neither it nor its agents, representatives, directors or employees will reproduce or distribute to others said document, in whole or in part, at any time without the prior written consent of Paradise Capital and that it will keep permanently confidential all information contained herein. This Offering Memorandum shall remain the property of Paradise Capital and we reserve the right to call for the return of this document at any time.

While the information contained herein is believed to be materially accurate, Paradise Capital has not conducted any audit or investigation with respect to such information. The recipient(s) acknowledges the sole responsibility to perform a due diligence review at its own cost prior to any acquisition of or merger with Miller Marine, Inc. Paradise Capital disclaims any and all liability for representations, expressed or implied, contained in, or for omissions from, this Offering Memorandum.

Specific financial information presented in the Offering Memorandum may have been adjusted to eliminate owner-related compensation, non-operating assets and associated debt and other items with the intention of understanding Miller Marine, Inc.'s true earning capacity. These adjustments are described in the footnotes to the information or are available on request. The Offering Memorandum also presents certain statements and projections provided by Miller Marine, Inc. and its management concerning its estimated future performance. Such information reflects considerable assumptions and subjective judgments by the Company's management, which may or may not prove to be correct. Therefore, there can be no guarantee that the projected financial results are achievable or will come to fruition. Moreover, Paradise Capital and its representative does not accept responsibility for verifying any information contained herein and makes no representations or warranties as to their accuracy, truthfulness or completeness.

Neither the delivery of this Offering Memorandum nor the purchase of the Company shall, under any circumstances, create any implication that there has been no change in the affairs of Miller Marine, Inc. since the date hereof. Neither the Company nor Paradise Capital and its representatives undertake any compulsion to update any of the information discussed herein.



INVESTMENT HIGHLIGHTS

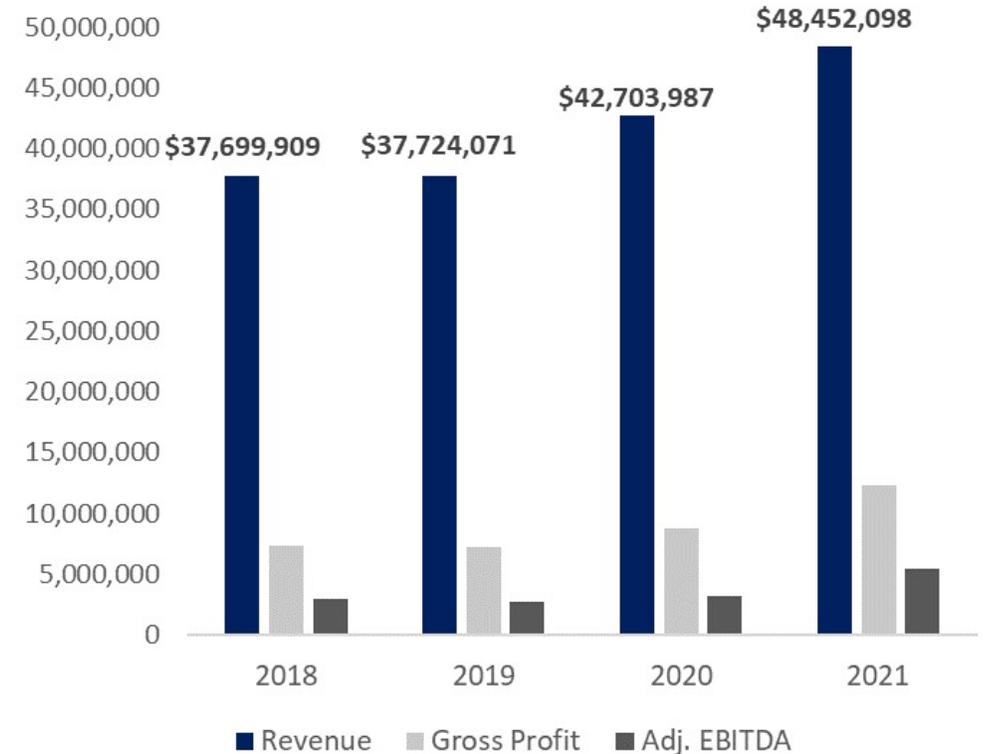
Founded in 1991, Miller Marine, Inc. is the country's largest Bennington Pontoon dealer also selling Starcraft and Smoker boat brands.

Offering new and used boats, Miller Marine, Inc. is a Yamaha Key Dealer, Ultra Legs boat lift distributor and provides Vantage Protection System coatings and Vantage Pontoon wrap and pontoon guard.

Long-term Bennington partnership assures access to inventory.

Customers are drawn from a large 5-state region and Canada, encompassing 3+ major metro areas and capitalizes on the popularity of recreational marine activities in the "Land of 10,000 Lakes" where boating is a favorite pastime throughout the summer months.

Miller Marine, Inc. offers an amazing 120,000 sq/ft indoor showroom and service plaza. Floorplan financing terms are direct result of attractive risk/financial profile of diversified, counter-seasonal business model



Pontoon sales have grown at a CAGR of 7% from 2019 to 2021 (as of 10/31).



#1 Bennington Dealer delivers inventory advantage and rebates

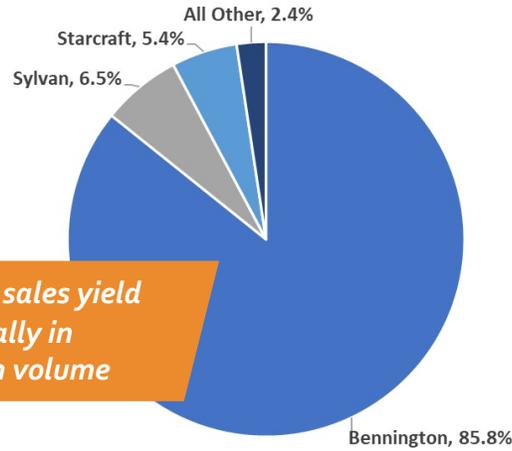
Volume purchases supported by advantageous floorplan financing.

Great growth opportunity through brand, storage, winterization and F&I focused expansion.



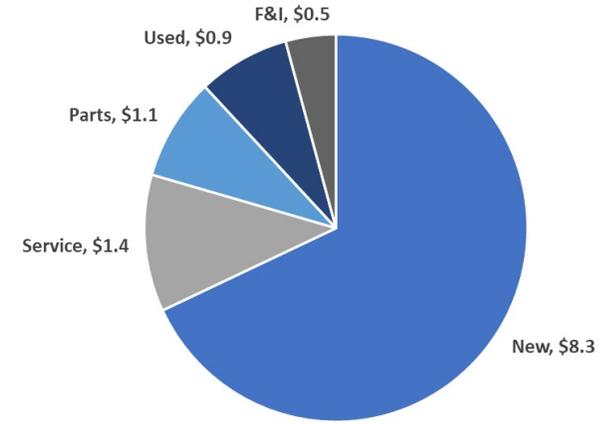
FINANCIAL OVERVIEW

New Unit Sales Dollars by Brand
2021 (\$39.5 million)

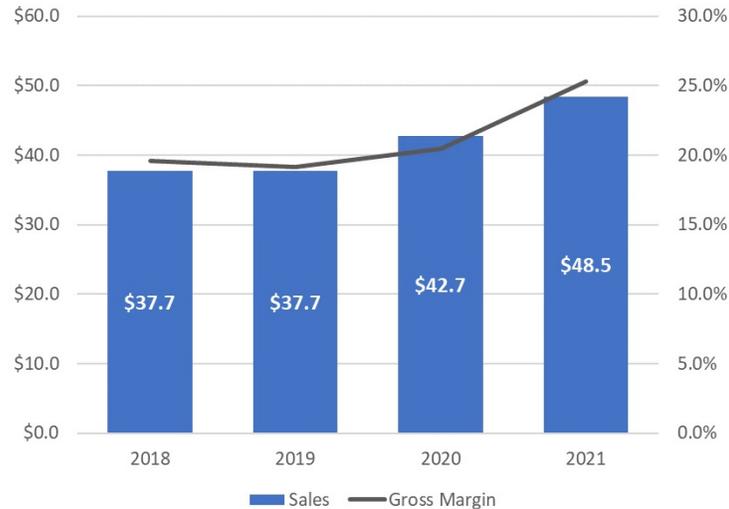


Bennington unit sales yield >\$700,000 annually in rebates based on volume

Gross Profit Contribution by Department
2021 (\$12.3 million)



Sales and Gross Margin (\$ in millions)



Adj. EBITDA and Adj. EBITDA Margin (\$ in millions)



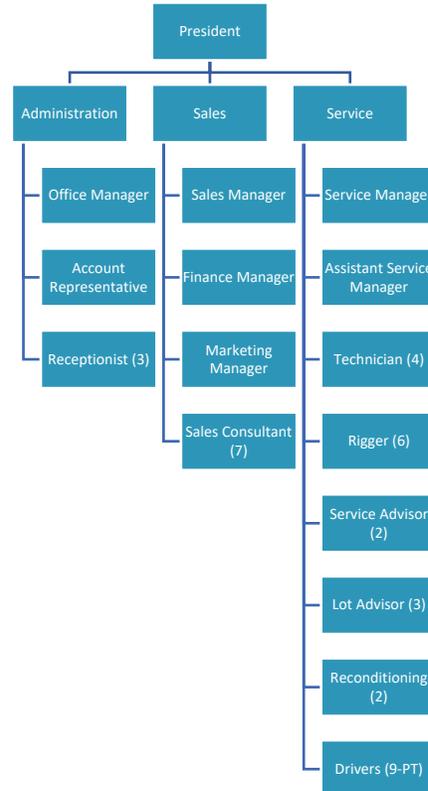


Full service new and used pontoon and fishing boats sales, parts and service, financing, and accessories.

New and Used Boat and Motors
Full-Service Parts, Service and Accessories

44 Employees

Technology



Marine vendors, especially Bennington, provide Miller with ample volume due to Miller's unmatched ability to move units.



MINNESOTA BOATING

Minnesota Boating

Boating is a highly popular pastime in Minnesota

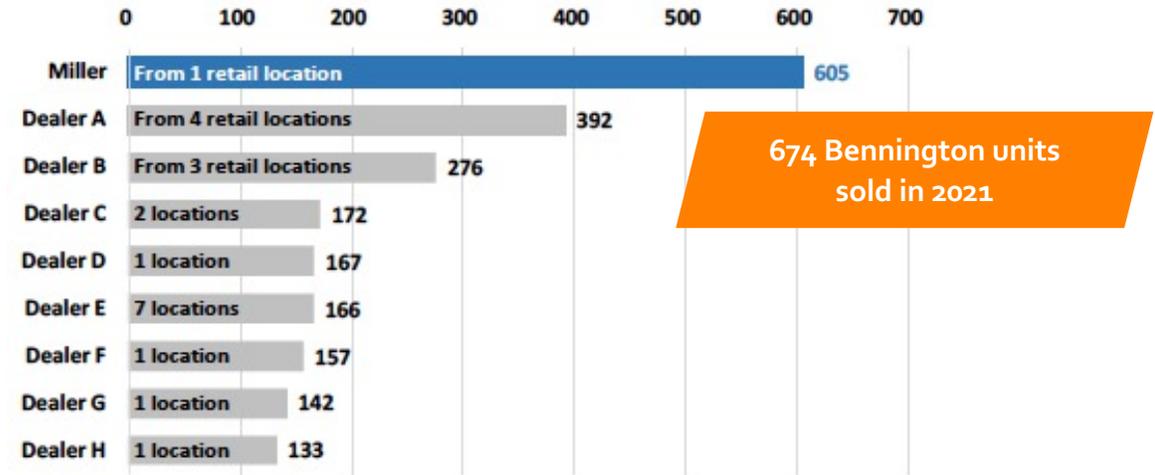
- In 2017, more than \$807 million spent on new boats, engines, and marine accessories (4th highest in U.S.)
- At 819,377, Minnesota ranks in the top 5 in number of recreational boats in US. ⁽¹⁾
- More than 11,800 lakes and 2.5 million acres of water (deep water rivers and lakes) in state

Minnesota Boating Registrations

Miller's central location serves the greater resort area of Minnesota where nearly as many pontoons and motor boats are registered as in the Minneapolis/St. Paul metro area.

The dealership's location in St. Cloud is along a central travel corridor for boaters from the Twin Cities to reach cabins and resort destinations.

Top Benning Dealers by 2019 Model year Unit orders, August 2, 2018 – May 15, 2019



Pontoons and All Other Open Motor Boats



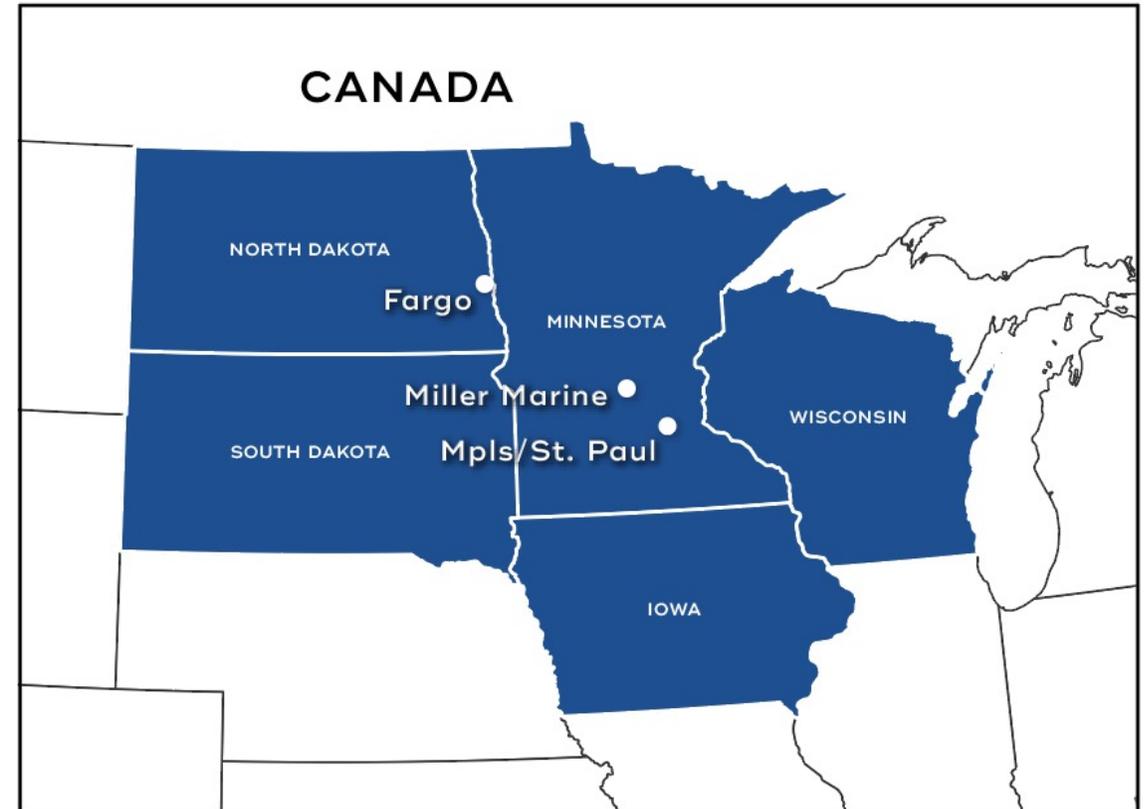
⁽¹⁾ Statista, Number of recreational boating vessels in the United States by 2020



SALES REACH

Local and Regional Sales Reach:

- St. Cloud Metro Population: approx. 195,000
- Customer reach is Minnesota and surrounding five-state area and Canada
- Located 65 miles (approx. 1 hour drive) from the downtowns of Minneapolis/St. Paul, and Brainerd, MN
 - Twin Cities metro population: >3.8M (16th largest in US by population)
 - Brainerd metro population: > 90,000
- Positioned along the 1-94 and US Highway 10 corridors providing easy access from main arteries connecting the Twin Cities to Fargo (North Dakota's largest city, population approximately 240,000)
- Marine service radius is approximately 200 miles





SERVICE and F&I

Service

- One of the largest marine service department in Minnesota
- Dedicated 21,200 SF marine service facility
- Yamaha, and Mercury master mechanics on staff
- More bays and technicians allows faster turnaround: 7-10 days vs 30-45 days market average
- Services all makes and models, even those sold by competitors
- Convenient marine service with mobile technicians dispatched to service boats on-location
- Busy year-round: winterizing in fall, servicing major repairs in winter
- Cosmetic and mechanical reconditioning of autos and boats via reconditioning department

60,000+ s/f warehouse available in the showroom building to consolidate the service department provides an opportunity to reduce rent expense.

Finance and Insurance

- Current F&I Programs include
 - Finance contracts
 - Service contracts
 - Gap coverage
 - Exterior and interior protection packages
- Experienced F&I personnel
- Dual sales and financing role: greater understanding of process end-to-end, remains busy year-round
- Greater focus on Finance and Insurance and additional offerings, such as boat protection systems and boat wraps and accessories





POPULATION DEMOGRAPHICS

Attractive Population Demographics

- Twin Cities Metro region is the 16th largest metro in the U.S. with a population of nearly 3.9 million
- Continued net inflow of population driven by attractive fundamentals: job availability, strong wages, attractive cost of living, access to healthcare and education
- Low unemployment rate: 3.8%
- 19 Fortune 500 companies are headquartered in the metro
- Number 20 highest metro area by median household income: \$83,698
- Population has strong educational background: 40.4% with a bachelor's degree or better
- Centralized location: can reach either coast in under 3 flight time

	Twin Cities Metro (includes St. Cloud)	Brainerd
Population By Year		
Population 2010	3,347,000	90,000
Population 2017 (est.)	3,868,000	92,000
Percent growth	15.6%	2.2%
General Population Characteristics		
Median age	36.8 years	45.4 years
Male	1,918,000	46,000
Female	1,950,000	46,000
General Household Characteristics		
Households	1,487,000	39,000
Families	963,000	26,000
Non-family households	524,000	13,000
Average size of household	2.55	2.32
Median value – owner occupied	\$255,600	\$185,400
Median rent	\$981 monthly	\$755 monthly
General Housing Characteristics		
Housing units	1,568,000	67,000
Owner occupied	1,042,000	30,000
Renter occupied	445,000	9,000
Vacant	81,000	27,000
General Income Characteristics		
Median household income	\$72,334	\$52,126
Per capita income	\$37,125	\$29,386

Sources for page: factfinder.census.gov; Bureau of Labor Statistics



ABOUT THE COMPANY

Miller Marine is privately held by a single owner.

Strong Corporate Culture

- 44 full and part-time employees
- Management is instrumental in success of employee team and broader business
- Top-down entrepreneurial culture: end-to-end ownership of tasks and processes
- Customer-oriented to deliver the best experience possible
- Enjoyable work environment evidenced by high average employee tenure across all departments:
- 7+ years all employees
- 8+ years non-sales employees
- 12+ years managers
- 13+ years executive management

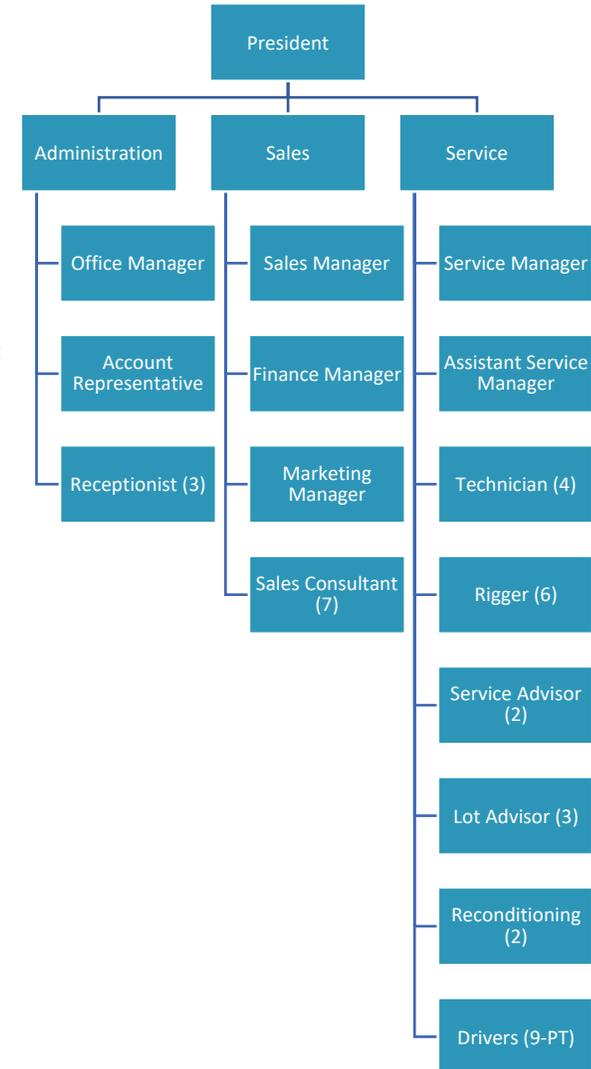
Experienced Leadership Team Established and Ready to Drive Business Under New Ownership

Benefits Overview

- Health insurance
- Dental insurance
- Medical and dependent care flex-spend accounts
- Life insurance
- 401(k) with discretionary contribution match
- Paid time off

PTO Eligibility Schedule

Effective Date	Annual PTO Hours
Upon Hire	80
3 yr anniversary	100
5 yr anniversary	120
10 yr anniversary	140
20 yr anniversary	160





380 33rd Avenue South
St. Cloud, MN 56301

Miller Marine, Inc. is in St. Cloud, MN in the heart of the upper Mid-west's booming lakes vacation areas. The location is convenient to the resort and cabin populations in Willmar, Alexandria, Little Falls, and Brainerd.

- The LARGEST Minnesota indoor marine showroom.
- Spacious, weather-free environment for year-round boat and pontoon shopping in Minnesota
- Easy access at the intersection of 33rd Avenue North and West St. Germain Streets in St. Cloud, MN
- Service facility located less than a mile from showroom and services Miller-purchased boats and boats from other dealers
- *Miller Marine and Miller Auto Sales had been a single entity with the auto dealership being sold in 2018. The off-site service facility serviced both the auto and marine dealerships.*

With the sale of the auto dealership the marine service can be easily consolidated into the main building. This increases efficiency and reduces real estate expense from 4 buildings to 1.

Location	St. Cloud, MN
Distance from I-94 Highway	< 5 miles
Traffic / I-94	42,000 vehicles/day
Traffic / Highway 15 & 33 rd Ave	20,300 vehicles/day
Buildings	4

REAL ESTATE

Showroom



Service Plaza and Room To Expand Storage *(incl. crane lift)*





REAL ESTATE

Current Configuration:

Marine warehouse /showroom: 11.9 acres / 519,000 sq/ft

- Building Gross sq/ft: 119,000
- Showroom: 91,200 sq/ft
- Showroom capacity: 200-250 (depending on inventory mix)
- Office/other: 27,900 sq/ft

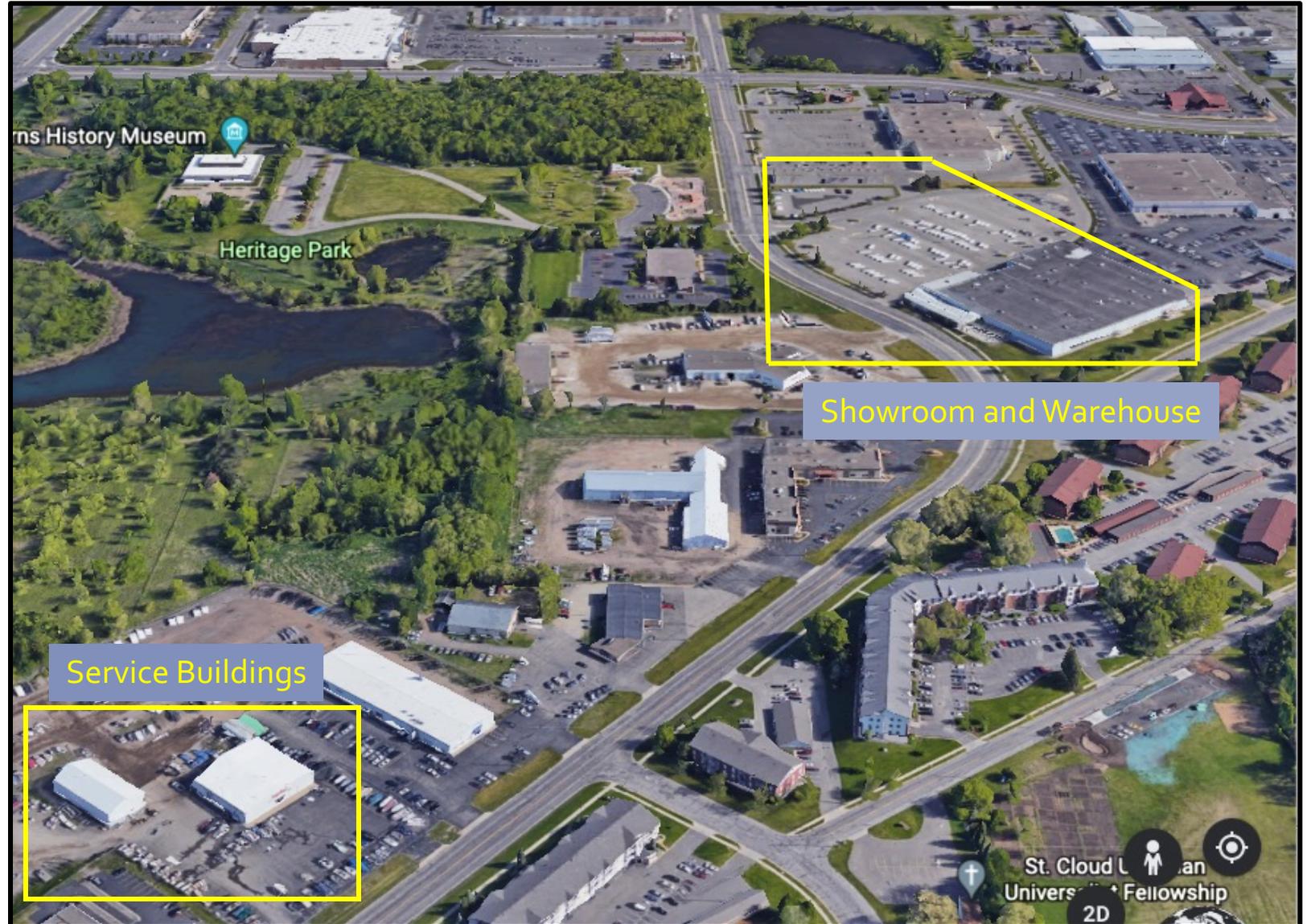
Marine service center/repair buildings: 5.1 acres / 221,900 sq/ft (secondary location)

- 3 buildings: Gross sq/ft: 21,200
- Maintenance area: 18,500 sq/ft
- Total Service bays: 18
- Other: 2,700 sq/ft

Property is owned by Tom Miller and is available for sale or lease with the acquisition of the dealership.

Cost Savings Re-Configuration:

Consolidate service department into main showroom building to increase efficiency and reduce the real estate from 4 buildings to 1, thereby reducing the rent & maintenance expense.





GROWTH OPPORUTNITIES

Growth Opportunities

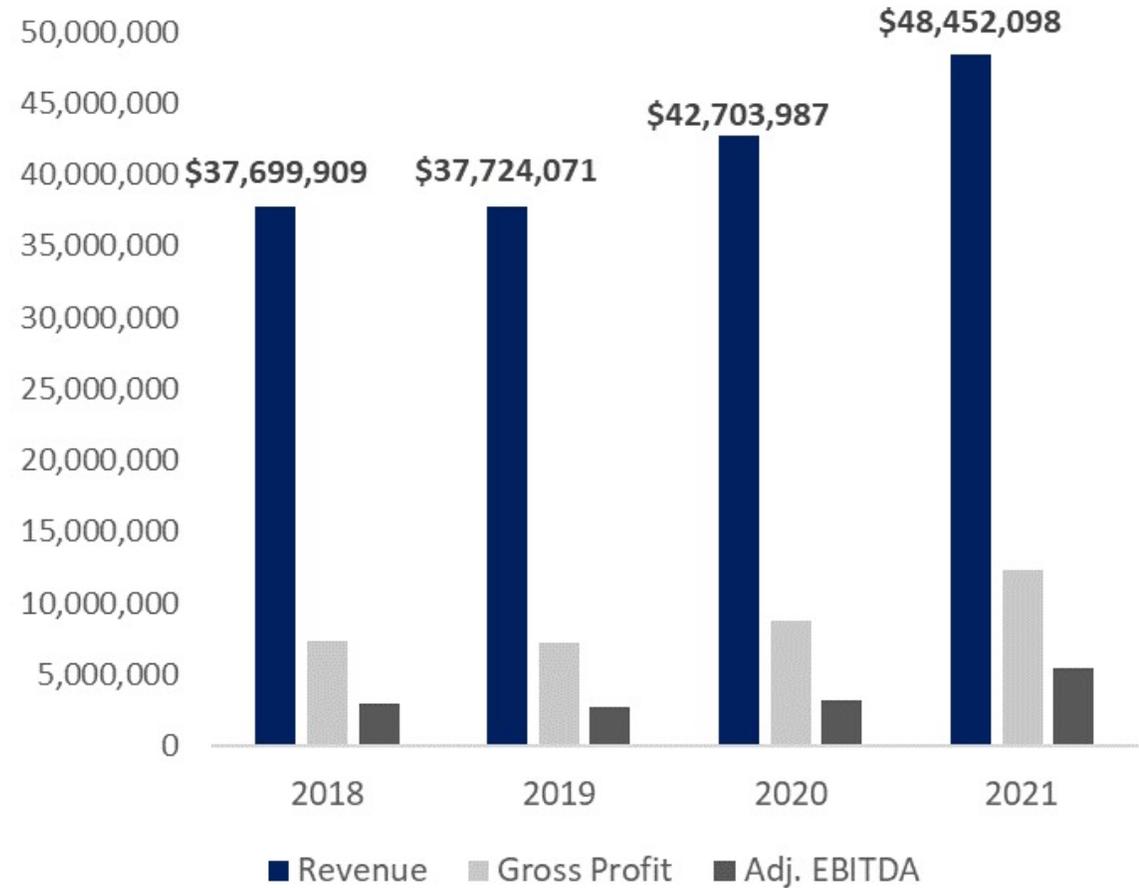
- Expand boat manufacturer offering, add ski and wake boat brands
- Add winter storage services for off-season revenue (space for racking on large showroom parking lot)
- Invest in promotional activities to get additional service and refurbishment work
- Expand marine accessories offering to include marine sound systems, dock bumpers, floating swim mats, knee boards, life jackets, and similar items
- Greater focus on Finance and Insurance and additional offerings, such as boat protection systems and boat wraps

Cost Savings Opportunities

- Consolidate service department into main showroom building increasing efficiency and reducing the real estate from 4 buildings to 1 and the rent expense.
- Realign marketing expense and reduce radio advertising spend which would not significantly impact store traffic
- Eliminate soft merchandise "freebies" (e.g. branded hats, shirts, coffee mugs, etc.) given away to customers who purchase a new vehicle or boat



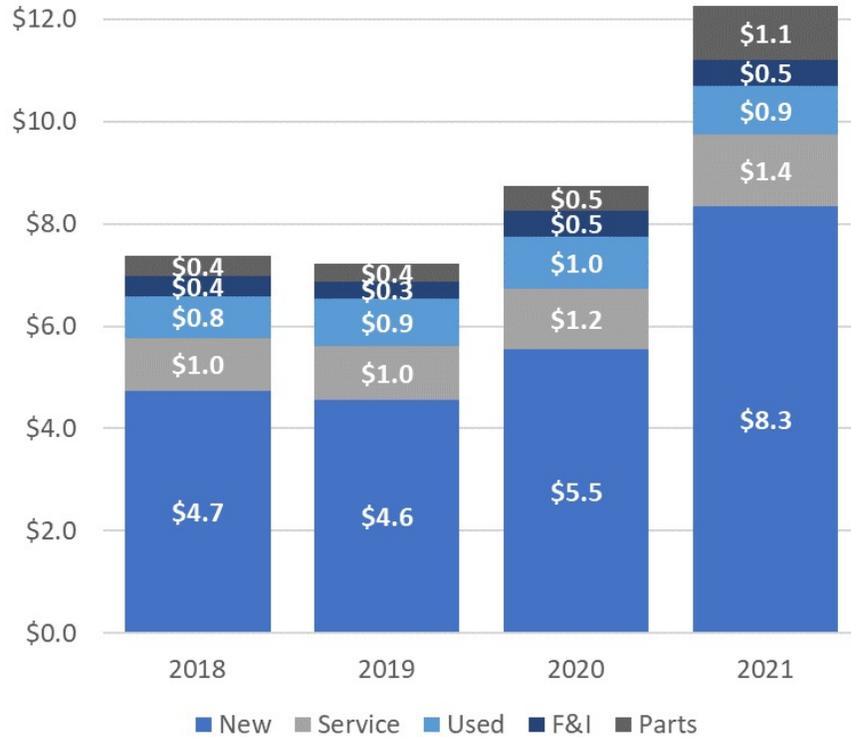
FINANCIAL SUMMARY



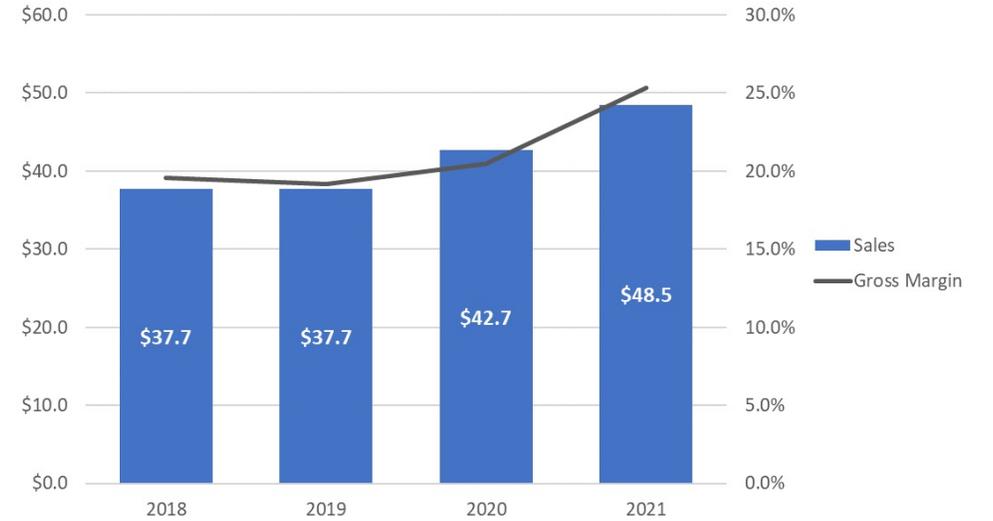


FINANCIAL PROFILE

Gross Profit by Department, 2018 - 2021
(\$ in millions)



Sales and Gross Margin (\$ in millions)



Adj. EBITDA (\$ in millions)



CONSOLIDATED INCOME STATEMENT

2018 – 2021



Miller Marine Income Statement

	Total Year			
	CY 18	CY 19	CY 20	CY 21
Revenue:				
New Boats	29,607,665	28,603,058	32,830,436	38,772,192
New Trailers	164,735	146,123	175,907	195,338
New Motors	174,749	180,799	328,505	502,237
Used Boat/Motor/Trailer	3,728,233	4,741,076	4,734,031	3,810,139
F&I	408,503	335,345	518,225	551,909
Service	1,584,418	1,675,785	1,772,792	2,081,019
Parts and Accessories	2,025,562	2,035,518	2,337,755	2,536,389
Other	6,045	6,368	6,336	2,875
Revenue Total	37,699,910	37,724,072	42,703,987	48,452,098
Cost of Goods Sold:				
New Boats	24,945,469	24,078,820	27,368,719	30,547,864
New Trailers	135,710	127,756	146,974	147,047
New Motors	126,916	158,816	272,828	432,799
Used Boat/Motor/Trailer	2,928,517	3,815,999	3,718,999	2,860,563
F&I	-	-	7,126	31,664
Service	544,609	630,745	587,541	679,055
Parts and Accessories	1,639,299	1,678,826	1,854,038	1,485,135
Other	-	-	-	-
COGS Total	30,320,520	30,490,962	33,956,225	36,184,127
Gross Profit	7,379,390	7,233,110	8,747,762	12,267,971
% of Revenue	19.57%	19.17%	20.48%	25.32%

CONSOLIDATED INCOME STATEMENT

2018 – 2021 (cont.)



	Total Year			
	CY 18	CY 19	CY 20	CY 21
Expenses:				
Compensation - Salespeople	1,217,287	1,215,479	1,421,906	1,903,114
Delivery Expenses	62,729	70,808	67,430	103,391
Policy Work	152,699	114,448	209,202	92,411
Salaries-Owners & GM	-	-	240,000	360,000
Salaries-Supervision	157,878	309,187	213,438	95,000
Salaries-Clerical	45,331	45,718	165,495	195,382
Other Salaries & Wages	472,423	494,469	591,058	948,433
Payroll - Other Exp	137,034	171,243	200,960	186,067
Taxes - Payroll	194,543	204,817	233,701	283,028
Employee Benefits	98,710	118,481	169,614	178,379
Profit Sharing	-	44,039	60,000	60,000
Company Vehicle	50,668	51,083	67,994	53,225
Office Supplies	192,629	213,566	215,778	218,347
Advertising	534,857	587,002	592,734	497,428
Contributions	764	743	3,000	12,150
Outside Services-Other	129,752	141,835	247,290	277,323
Travel & Entertainment	26,734	15,418	20,459	10,847
Membership & Dues	7,254	2,051	7,168	15,972
Legal & Auditing	-	100	20,083	44,701
Telephone	2,689	7,119	29,894	35,561
Training Expense	2,523	12,132	16,432	5,737
Floor Plan Interest	60,440	154,625	73,115	7,591
Miscellaneous Expense	1,671	29,301	(8,826)	6,280
Bank Charges	-	-	12	-
Freight	46,781	42,930	28,901	35,883
Rent	384,000	384,000	582,000	780,000
Repairs-Real Estate	66,820	48,023	88,942	43,760
Depreciation-Bldgs & Improvement	8,599	6,879	10,804	40,711
Taxes-Real Estate	88,800	85,200	98,336	117,140
Insurance-Bldgs & Improvements	14,773	16,066	29,731	77,645
Heat, Light, Power, & Water	113,678	105,104	60,105	138,500
Insurance-Other	-	-	49,150	35,029
Taxes-Other	-	200,000	(54,106)	1,143
Repairs-Equip	7,334	8,116	24,026	9,510
Depreciation-Equip	117,546	85,830	104,721	197,786
Equipment Rental	-	1,631	534	-
Total Expenses	4,396,946	4,987,443	5,881,081	7,067,474
% of Revenue	11.66%	13.22%	13.77%	14.59%
Net Additions/(Deductions)	98,151	89,669	299,813	99,132
Bonuses-Employees	387,689	246,076	484,484	631,200
Net Income	2,692,906	2,089,260	2,682,010	4,668,429
% of Revenue	7.14%	5.54%	6.28%	9.64%

CONSOLIDATED BALANCE SHEET

2018 – 2021



Miller Marine Balance Sheet

	As of			
	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>
Assets				
Cash & Equivalents	1,349,336	3,952,280	2,191,046	2,743,267
Accounts Receivable	219,137	194,830	286,454	332,919
Inventory	13,608,969	15,750,049	11,481,224	7,794,890
Other Current Assets	197,202	99,323	(22,234)	(125,949)
Current Assets	<u>15,374,644</u>	<u>19,996,482</u>	<u>13,936,490</u>	<u>10,745,127</u>
Furniture & Equipment	431,209	391,991	1,022,293	1,738,146
Total Assets	<u><u>15,805,853</u></u>	<u><u>20,388,473</u></u>	<u><u>14,958,783</u></u>	<u><u>12,483,273</u></u>
Liabilities				
Accounts Payable	614,892	221,486	19,215	(1,389)
Customer Deposits	684,973	492,806	812,614	1,228,799
Short-Term Note Payable	4,848,379	9,372,638	2,900,195	-
Other Current Liabilities	635,079	379,008	709,805	990,428
Current Liabilities	<u>6,783,323</u>	<u>10,465,938</u>	<u>4,441,829</u>	<u>2,217,838</u>
Long-Term Debt	52,022	-	-	-
Total Liabilities	<u>6,835,345</u>	<u>10,465,938</u>	<u>4,441,829</u>	<u>2,217,838</u>
Equity				
Retained Earnings	8,002,602	8,983,275	9,259,944	12,022,006
Dividends	(1,725,000)	(1,150,000)	(1,425,000)	(6,425,000)
Net Income	2,692,906	2,089,260	2,682,010	4,668,429
Total Equity	<u>8,970,508</u>	<u>9,922,535</u>	<u>10,516,954</u>	<u>10,265,435</u>
Total Equity and Liabilities	<u><u>15,805,853</u></u>	<u><u>20,388,473</u></u>	<u><u>14,958,783</u></u>	<u><u>12,483,273</u></u>



ABOUT PARADISE CAPITAL

Paradise Capital is a business growth firm in the middle market assisting clients in mergers, acquisitions, and strategic growth with professional advisors located in offices throughout the United States. Paradise Capital is headquartered in Minnesota.

As a leading firm specializing in middle-market growth strategies, mergers and acquisitions Paradise Capital provides a valuable resource for sellers seeking to divest their business. Paradise Capital's client companies represent a diverse range of industry sectors throughout the US. Paradise Capital's experience in valuing and selling private middle-market companies brings buyers and sellers together in achieving their divesting and acquisition goals.

INQUIRIES AND NEXT STEPS

Paradise Capital is acting as Miller Marine, Inc.'s exclusive advisor in the proposed transaction and its fees are paid entirely by the seller. Accordingly, please note that all inquiries and follow-up must be coordinated through Paradise Capital and its representatives. Whereas neither Miller Marine, Inc.'s employees nor its clients or competitors are aware of this transaction, no contact with the industry or the Miller Marine is permitted without the express written consent of Paradise Capital and Miller Marine, Inc.'s shareholders. All buyer visits will be arranged and hosted by a Paradise Capital representative.

Those interested in pursuing this transaction should contact Paradise Capital at the contact information listed below. All interested parties may be required to submit a short, non-binding term sheet detailing preliminary valuation for Company and a suggested deal structure. As appropriate, more detailed discussions involving the seller and a visit will be scheduled at a later date. This process is designed to minimize wasted time for all parties.

www.paradisecapital.biz

All questions, inquiries, and proposals should be directed to:

PAUL NICCUM

CEO, Advisor

Telephone: 612-877-1709

Email: pniccum@paradisecapital.biz

For those not interested in this transaction, please immediately return or destroy this and any other copies of the Offering Memorandum. However, Paradise Capital would nonetheless appreciate your honest feedback and assessment so that Paradise Capital may share your insights with the seller.