

The Most Powerful Construction
Management Software on the Market

Zutec Holding AB: Q3 2020/21 results update

22 April 2021





Today's agenda

- | The Zutec story
- | Q3 2020 / 21 results update
- | Createmaster acquisition
- | Summary & Investment Highlights
- | Q&A
- | Appendix





The Zutec story

Zutec Snapshot

20 years track-record

Founded in 1999 – operations in Dublin, London, Melbourne and Abu Dhabi

Listed in March 2018 on First North Nasdaq Stockholm

28 employees

Large & fast growing market

Market of USD 1.4bn expected to grow ~13% p.a.

Construction is the least digitized industry and Covid-19 has triggered acceleration

Large tail of smaller players offering consolidation opportunities

Vision

Vision to be a leading disruptive software company in the least digitized sector in the world by partnering with our customers

LTM sales of SEK 36.3m

Accelerated growth momentum of 30-50% in the last three quarters¹

No interest-bearing debt and strong cash position of SEK 37.7m

19 April, 2021 announced acquisition of Createmaster with sales of SEK 43.0m; proforma sales of SEK 78.4m

Proven products

Zutec Cloud (Web App) for document management, CDE and handover

Zutec Field and Zutec BIM (Mobile Apps) for inspections, defects, H&S

High quality customer base

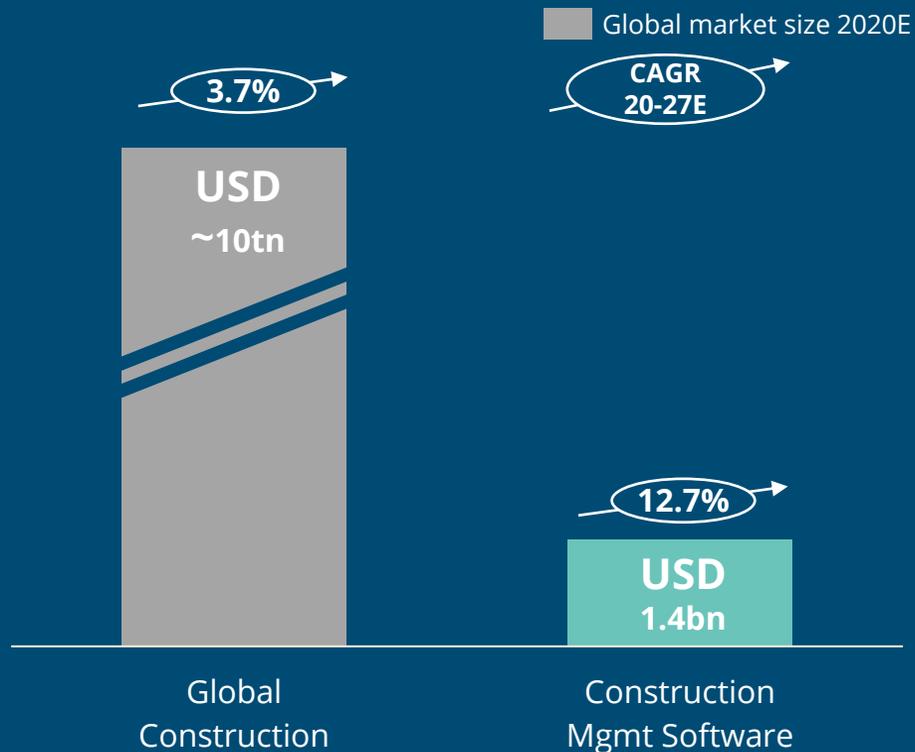
Tier 1 customers including Multiplex, Cairn Homes & Mirvac

Top class reference projects including the Shard & Wembley

Sells exclusively to construction sector

Zutec operates in a large and fast growing market

Break-down of Zutec's relevant market



Construction software growth driven by macro trends:

- Increased IT spend among construction companies
- ESG concerns, where efficient software saves both time and resources
- Growing demand for efficiency and accuracy
- Adoption of technology throughout the construction value chain

Consolidation has been driven by larger players – however market still fragmented with long tail of local providers



Zutec has a market share of less than 1%, implying significant upside from current position

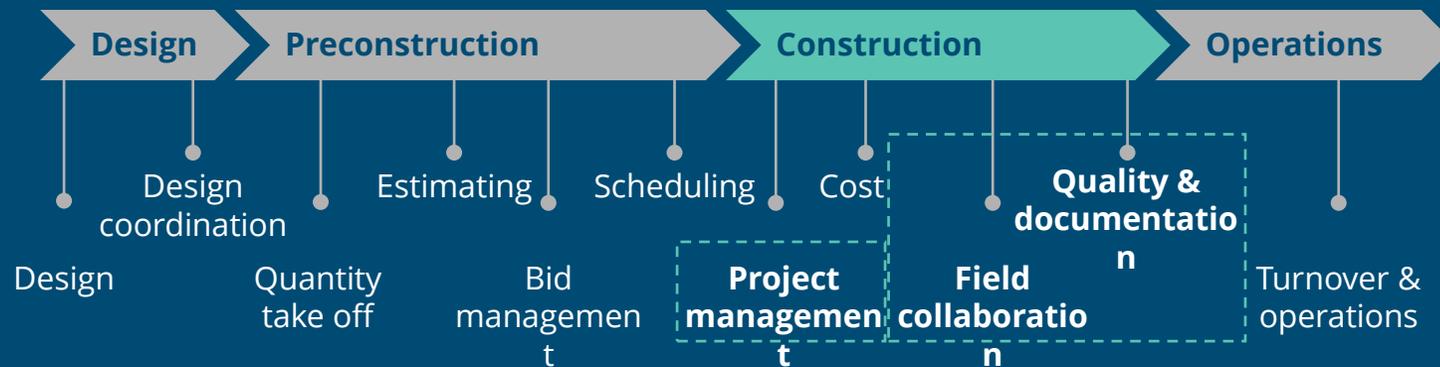
Significantly outpacing growth of addressable market, with Q2 2020/21

net sales growth of c. 50% compared to Q2 2019/20

Construction is the least digitised industry, leaving significant room for software penetration

Zutec primarily targets the later stages of the construction phase

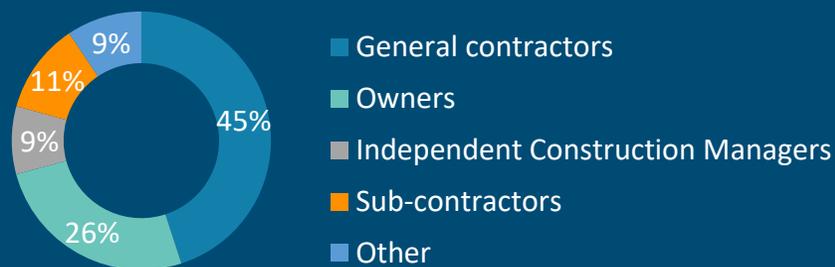
Overview of construction phases



There are four distinct phases in a construction project

While Zutec's product can technically be included in every stage – Zutec primarily targets the later stages of the construction phase

Construction Software Market by Customer Type

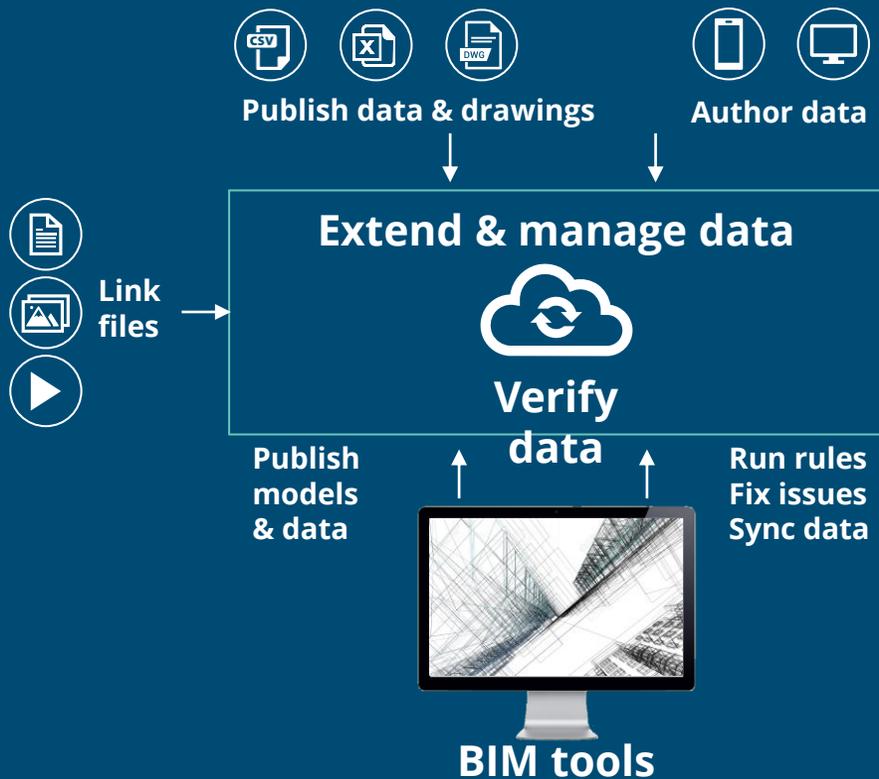


Zutec's primary target customers are General Contractors – accounting for almost 50% of the total construction software market

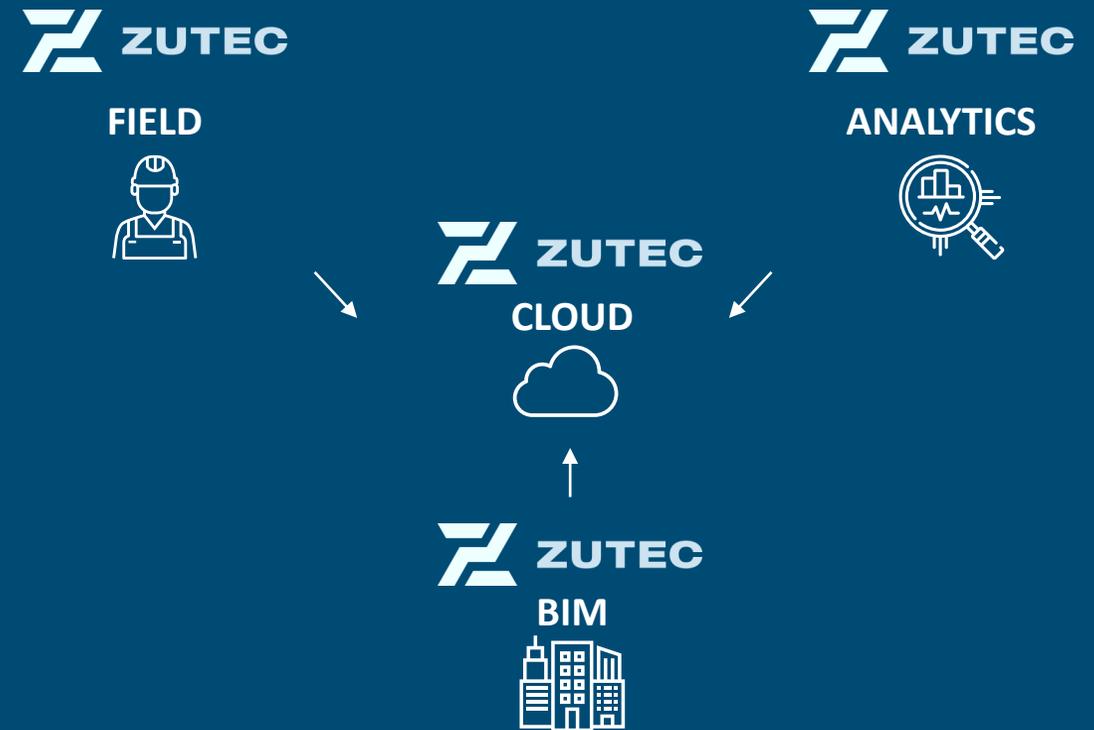
Zutec has recently also enjoyed success with Owners (Developers)

Zutec offers a single platform for all construction documentation

Illustration of design & construction work flow



Zutec's Solution(s)



Zutec's cloud-based (SaaS) offering and benefits

Product	Format	Customer type	Primary use
Cloud 	Web app	Contractors Developers Homebuilders Subcontractors	Office
Field 	Mobile app	Contractors Subcontractors	On-site
BIM 	Web/Mobile app	Contractors Developers	Office / on-site
Analytics 	Web app	Contractors Developers Homebuilders Subcontractors	Office



All Integrated Platform

Singular, central data storage for all project data



Live Analytics and Data

User-friendly web and mobile applications to make fact-based decisions



Built for Construction

Cloud-Based Software built exclusively for Construction



Secure Data Handling

Your cloud-based data is secure in a private cloud

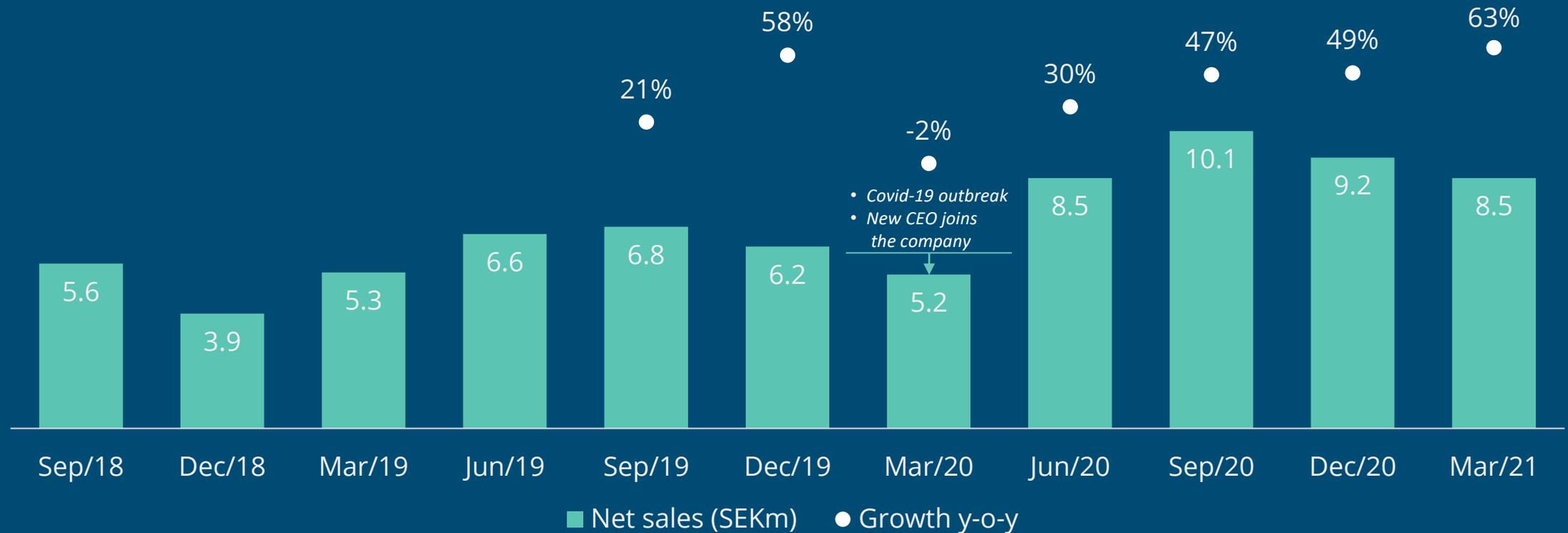


Digital Construction Experts

Over 150 years of combined Digital Construction Experience

Attractive growth profile

Quarterly net sales development 2018/19 – YTD (SEKm)





Q3 2020 / 21 results update

Financial summary

Q3 – January to March 2021

- Net sales of SEK 8.5m
- Reported EBITDA of SEK 3.1m (SEK 13.7m), EBITDA margin of 36.3%
- EBITDA before FX-translation of SEK 0.7m (SEK -16.0m), EBITDA margin of 7.9%
- Net profit of SEK 0.9m
- Basic earnings per share amounted to SEK 0.02 (-2.26)
- Cash inflow from operating activities of SEK 2.4m
- Cash position of SEK 37.7m

SEK million	Q4		YTD		FY	LTM
	Jan-Mar 21	Jan-Mar 20	Mar-21	Mar-20	Jul-Jun 20	Apr 20-Mar 21
Net sales	8.5	5.2	27.8	18.3	26.7	36.3
EBITDA	3.1	-13.7	3.4	-24.6	-28.0	0.1
Operating profit/(loss)	0.9	-15.9	-2.9	-30.1	-35.5	-8.2
Net profit/(loss)	0.9	-16.1	-3.0	-30.9	-36.7	-8.8
Op. cash flow	2.4	-0.7	-7.7	-9.0	4.2	5.9
Cash	37.7	5.8	37.7	5.8	57.6	37.7
Net Cash/(Debt)	37.7	-0.5	37.7	-0.5	47.1	37.7
EPS before dilution	0.02	-2.26	-0.07	-4.31	-4.67	-0.19

Sales review

Q3 – January to March 2021

- YoY sales growth of 63.2% in Q3, 70.0% on a constant currency basis
- LTM sales of SEK 36.3m
- More than 50 new agreements signed during the quarter – maintains momentum from Q2
- Strong progress in sales with recurring revenues increasing, longer duration agreements and improved sales velocity

Rolling 12 months net sales (SEKm)



Quarterly net sales development 2018/19 – YTD (SEKm)



Cost review

Commentary

Personnel costs

- Personnel costs (incl. Share based payments) reduced to SEK 5.6m this quarter
- FTE of 28 end of this quarter
- Continued expansion of our executive leadership team with new hire of COO to streamline processes and bring best in market operational processes.

Other external costs

- Other external costs reduced to SEK 2.4m in this quarter
- We will be increasing our marketing spend going forwards to further drive growth

Quarterly opex development

Mar-19 – YTD (SEKm) □ Other external costs □ Personnel costs



Q3 2020/21 highlights

- | Strong net sales growth of 63.2% compared to the same period last year. 70.0% on a constant currency basis
- | EBITDA margin (before FX-translation) of 7.9%
- | More than 50 new agreements were signed in FY 2021 Q3 – Maintaining momentum from FY 2021 Q2
- | New customer wins with leading contractors and developers including McGarrell Reilly, Durkan Enterprises and Quintain Ireland
- | Continued expansion of our Executive team with the hire of our new COO
- | First to the market to be awarded a new BSI Kitemark™ certification for Building Information Modelling (BIM) software
- | New marketing investment and initiatives to promote new certifications and promoting recent changes in Zutec



Createmaster acquisition

Introduction to Createmaster

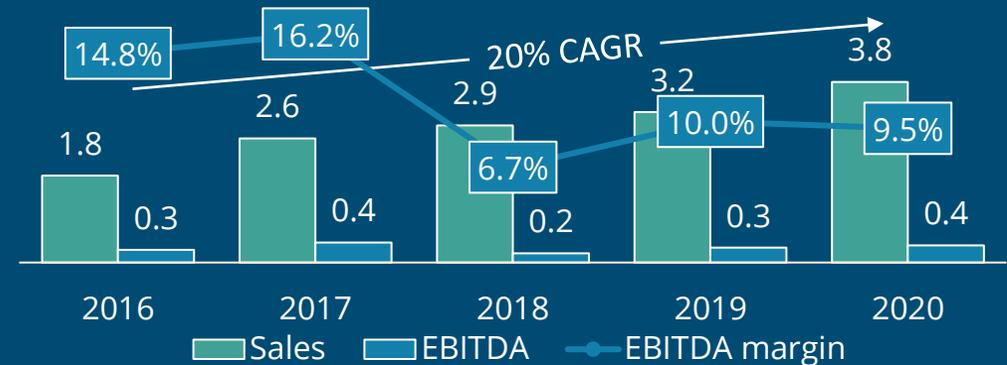
Company overview

- Leading cloud-based construction software platform with a ~10% share of the UK new construction market
- Focuses primarily on cloud solutions for the handover and documentation phase of the value chain, with key deliverables including O&M¹ manuals, building user guides and log books
- Caters exclusively to the UK market

Select projects



Financial performance 2016-20² (GBPm)



Founded
in 2002



Based in
London, UK



70+
employees



Transaction rationale and highlights

- 1 >> Providing Zutec with a leading UK platform market, increasing Zutec's UK market share from below 1% to over 10%
- 2 >> Substantially increasing the scale of Zutec to proforma net sales of SEK 78.4 million
- 3 >> Addition of two established cloud-based products; DocumentPark and Resi-Sense
- 4 >> Ability for Zutec and Createmaster to cross-sell each platform, providing complimentary functionality and benefits

Creating a joint construction software platform



Combined

	ZUTEC	createmaster	Combined
Net sales, LQA (SEKm) ¹	34.0	43.2	77.2
EBITDA, LQA (SEKm) ¹	2.8	5.2	8.0
Employees	28	70	98

Transaction structure & details

Transaction structure & consideration

- Total consideration: SEK 50.2m
- Initial consideration:
 - Cash consideration of GBP 2.4 million (SEK 28.2m)
 - 1,836,229 newly issued Zutec shares, equivalent to GBP 0.95 (SEK 11.0) million, of which 50% will be subject to a lock-up agreement for 12 months and 50% subject to a lock-up agreement for 24 months. Subscription price of SEK 6.00
- Sales based earn-out consideration:
 - Earn-out consideration to be a maximum of GBP 0.95 (SEK 11.1) million in case sales growth of Createmaster exceeds 10% p.a.
 - Earn-out period is for the period starting July 1, 2021 and two years thereafter
 - Earn out will be paid in one instalment in cash after year 2

Integration details

- Createmaster will be operating as a subsidiary under Zutec Holding AB after the transaction





Summary & Investment Highlights



We believe the market is ripe for growth

3-year growth plan and key pillars



1
Increase share in home markets

Increase new customer inflows

Increase duration of agreements

Increase recurring revenues

Reduce churn rates and increase customer retention



2
Enter new geographic markets

Focus on select English-speaking countries

Direct presence or through reseller / partner



3
Sub-vertical expansion

Infrastructure construction and adjacent markets

Expand customer focus from contractors to developers and homebuilders

Expand into the built environment



4
M&A

Technology add-ons

Increase market share in home markets

Cross-fertilize and sharing of best practices

Entrepreneurial partnership

Summary investment highlights

Market

- ✓ Substantial addressable construction software market
- ✓ The construction industry is the world's largest industry
- ✓ Ongoing technology penetration, where construction software solutions are outpacing the growth of construction itself
- ✓ Digitization trend is accelerating and market is well underway to become disrupted
- ✓ Competitive market with moderate level of saturation, however meaningful amount of white spots in product, customer type and geography



- ✓ Disrupting a traditional industry characterised by complex stakeholder dynamics, asymmetric risks and rewards and conflicting interests
- ✓ Best-in-class cloud platforms; Zutec, DocumentPark, Resi-sense and Createmaster
- ✓ Scalable business model
- ✓ High customer satisfaction
- ✓ On course for continued strong growth
 - Outpacing market growth and capturing larger share of construction software spending
 - Strong customer inflow in contract portfolio
 - High customer stickiness
 - Increasing recurring revenues
- ✓ Management in place to deliver on continued growth and strategy
- ✓ Continue executing on M&A strategy
- ✓ Targeting sales of SEK 200m in 3 years

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Q&A



Appendix



Board of Directors and CEO

Board of Directors



Mikael Näsström
Chairman of the Board

Board member since 2019
Shareholding: 130,000



Stefan Charette
Board member

Board member since 2020
Shareholding: 21,561,960

CEO



Gustave Geisendorf
Chief Executive Officer

Joined in 2020
Shareholdings in the company: 0
Warrants in the company: 11,800,000



Per Åkerman
Board member

Board member since 2020
Shareholding: 875,000



Erik Gabrielson
Board member

Board member since 2020
Shareholding: 866,620

Top 25 shareholder overview

#	Shareholder	# of shares	% of capital
1	Athanase Industrial Partners	21,561,960	48.7%
2	Brian McGuire	4,177,160	9.4%
3	BNY Mellon SA	3,454,000	7.8%
4	Nordea Livförsäkring Sverige Ab	2,799,109	6.3%
5	Forsakringskassan	2,268,793	5.1%
6	Per Åkerman	875,000	2.0%
7	Six Sis Ag	866,620	2.0%
8	Magnus Oppenstam	700,000	1.6%
9	Marcus Schiller	652,595	1.5%
10	Societe Generale, Securities Services	600,000	1.4%
11	Scott, Ann-Margret Maria	416,000	0.9%
12	Seb Pension Och Försäkring Ab	400,000	0.9%
13	Cayjay Holding Ab	320,000	0.7%
14	Kebeo Invest Ab	277,738	0.6%
15	Nicklas Widenberg	255,000	0.6%
16	Stefan Lanefelt	250,000	0.6%
17	Cbny-National Financial Services LI	197,897	0.4%
18	Nordnet Pensionsforsakring AB	194,310	0.4%
19	Seb Life International	192,929	0.4%
20	Morgan Stanley & Co Intl Plc	169,282	0.4%
21	Golden Bronze Productions Ab	137,401	0.3%
22	Mikael Näsström	130,000	0.3%
23	Skandia forsakrings	115,175	0.3%
24	Banque Internationale A Lux	102,000	0.2%
25	Marcus Schiller	80,000	0.2%
	Other	3,061,420	6.9%
	Total	44,254,389	100%