



**The Shard**



**Wembley Stadium**



**Cleveland Clinic Abu Dhabi**



**Hamad International Airport**

## **Invitation to subscribe for shares in Zutec Holding AB (publ)**

Please note that the subscription rights are expected to have a financial value. In order for the value of the subscription rights not to be lost, the holder must either:

- use the acquired subscription rights and subscribe for new share no later than 15 June 2020, or
- no later than 11 June 2020, sell the obtained subscription rights which the holder has no intention to utilize to subscribe new shares.

Please note that shareholders with nominee-registered shares subscribe for new shares through their respective nominee.

DISTRIBUTION OF THIS PROSPECTUS AND SUBSCRIPTION OF NEW SHARES ARE SUBJECT TO LIMITATIONS IN CERTAIN JURISDICTIONS, SEE "IMPORTANT INFORMATION".

The Swedish version of this prospectus was approved by the Swedish Financial Supervisory Authority on 28 May 2020. In accordance with article 12.1 of Regulation (EU) 2017/1129 of the European Parliament and the council, this prospectus is valid until and including 28 May 2021, provided that the prospectus is completed by any supplement required pursuant to article 23 of the above-mentioned regulation. The obligation to make supplements to a prospectus in the event of new significant factors, errors or material inaccuracy, ceases at the end of the validity of the prospectus.



## IMPORTANT INFORMATION

### General

This prospectus (the "Prospectus") has been prepared by the Board of Directors of Zutech Holding AB (publ), reg. no. 559136-0317, ("Zutech" or the "Company"), in relation to the invitation to the general public in Sweden and Ireland to subscribe for shares with pre-emption right for the shareholders in Zutech and in relation to a share issue with deviation from the shareholders' pre-emption rights in accordance with the terms and conditions in this Prospectus (jointly the "Offer"). For further definitions used in the Prospectus, please refer to the section "Certain definitions" below.

The Prospectus has been prepared in both Swedish and English language versions. In the event of any discrepancy between the two language versions, the Swedish version shall prevail. The Swedish version of the Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA") in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the council. The SFSA approves this Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency as set out in Regulation (EU) 2017/1129. This approval should not be regarded as any kind of support for the issuer referred to in the Prospectus or any kind of support for the quality of the securities referred to in the Prospectus. The Prospectus has been prepared as an EU Growth Prospectus in accordance with article 15 of the Regulation (EU) 2017/1129. Investors should make their own assessment of whether it is appropriate to invest in the securities referred to in the Prospectus. The Prospectus is governed by Swedish law. Disputes arising from this Prospectus and related legal matters shall be settled exclusively by the Swedish court.

The distribution of the Prospectus and participation in the Offer is in some jurisdictions subject to restrictions by law and other regulations. The Company has not taken and will not take any action to permit a public offering in any jurisdiction other than Sweden. The Offer is not directed to persons resident in the United States, Canada, Japan, Australia, Hong Kong, New Zealand, Switzerland, Singapore, South Africa, or any other countries where participation would require additional prospectus, registration or measures other than those pursuant to Swedish law or otherwise violate the rules of such jurisdiction. The Prospectus, application note or other documents in relation to the Offer may consequently not be distributed in or to any jurisdiction where distribution or the Offer would require such measures or would be unlawful. Subscription of shares or acquisition of securities in violation of the restrictions mentioned above may be invalid. Recipients of this Prospectus are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions may result in a violation of applicable securities regulations.

No subscription rights, paid interim shares or new shares issued by Zutech have been registered or will be registered under the United States Securities Act of 1933 in its current wording or securities law in any state or other jurisdiction of the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or to the United States, except in accordance with an applicable exception to, or through a transaction not covered by, the registration requirements of the Securities Act of 1933 and in accordance with the securities laws of the relevant state or other jurisdiction of the United States.

An investment in securities is associated with certain risks, and investors are encouraged to read the section "Risk factors" in the Prospectus in particular. When investors make an investment decision, they must rely on their own professional advisors as well as carefully evaluate and consider the investment decision. Investors may only rely on the information and any additions to this Prospectus. No person is authorized to provide any other information or make any statements other than those contained in this Prospectus. If so, such information or statements shall not be deemed to have been approved by the Company or by Eversheds Sutherland (as defined below), and none of them is responsible for such information or statements.

### Presentation of financial information

Certain financial and other information presented in the Prospectus may have been rounded for the purpose of making the Prospectus more easily accessible for the reader. As a result,

the figures in certain columns may not add up with the stated total amount. Other than as expressly stated herein, no financial information in the Prospectus has been reviewed or audited by the Company's auditor. All the financial information is listed in Swedish kronor (SEK) if not else specified.

### Forward-looking statements

This Prospectus contains certain forward-looking statements and assumptions about future market conditions, operations, and results. Such statements, some of which may be identified by the use of forward-looking terminology such as "assume", "expect", "anticipate", "may", "potential", "calculated" or, in each case, its negatives, or similar expressions, or through discussions of strategy, plans or intentions, includes a number of risks and uncertainties. Forward-looking information is inherently associated with both known and unknown risks and uncertainties, as it is dependent on future events and circumstances. Forward-looking information does not constitute a guarantee as to future results or development, and actual outcomes may differ materially from what is stated in forward-looking information. Forward-looking statements in the Prospectus apply only at the time of publication of the Prospectus. The Company does not make any commitment to publish updates or revisions to forward-looking statements as a result of new information, future events, or the like in addition to what is required by applicable law.

### Market and Industry information

The Prospectus contains statistics, forecasts, data and other information regarding markets, market size, market positions and other industry data pertaining to the Company's operations and industry. To the extent that the Company knows and has been able to ascertain by comparison with other information published by third parties, the information derived from third parties has been correctly reproduced and no information, the omission of which would render misleading or misleading information, has been omitted. Market publications and market reports regularly state that the information contained therein is from sources that are deemed to be reliable, but that the accuracy and completeness of the information cannot be guaranteed. The Company has not independently verified, and therefore cannot guarantee the accuracy of, or the completeness of, the market information contained in the Prospectus and which has been obtained or derived from external publications or reports. Consequently, potential investors should be aware that market information, as well as the forecasts and estimates of market information contained in this Prospectus, do not necessarily constitute reliable indicators of the Company's future performance.

### Certain definitions

"Eversheds Sutherland" is referring to Eversheds Sutherland Advokatbyrå AB, reg. no. 556878-2774. "Euroclear" is referring to Euroclear Sweden AB, reg. no. 556112-8074. SEK is referring to Swedish kronor, KSEK is referring to thousand SEK. USD is referring to American dollars, and EUR is referring to Euro.

### Advisors

Eversheds Sutherland is assisting the Company as legal advisor in connection with the Offer and the drafting of this Prospectus. Avanza Bank AB is the Company's issuer agent in relation to the Offer.

### Nasdaq First North Growth Market

The Nasdaq First North Growth Market ("First North") is a growth market for small and medium-sized companies run by the various stock exchanges within the Nasdaq Group. Companies at First North are not subject to the same rules as companies that are listed on a so-called regulated market but are instead subject to less extensive rules adapted for growth companies. An investment in a company traded on First North can, therefore, be riskier than an investment in a company traded on a regulated market. All companies whose shares are traded on First North have a Certified Adviser who monitors that the company complies with Nasdaq's regulations. Mangold Fondkommission AB is the Company's Certified Adviser.

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## DOCUMENTS INCORPORATED BY REFERENCE

The following parts of below financial reports are incorporated by reference and form part of the Prospectus and shall be read as part thereof. Those parts of the respective financial report that are not incorporated by reference are not deemed to be relevant to an investor or contain information contained in other parts of the Prospectus.

<b>Zutec Annual Report for 2017-07-01 – 2018-06-30<sup>1</sup></b> (Audited)	<b>Reference</b>
Group Income Statement	Appendix 1, p. 5
Group Balance Sheet	Appendix 1, p. 6-7
Group Statement on changes in Equity	Appendix 1, p. 7
Group Cash Flow Statement	Appendix 1, p. 8
Notes	Appendix 1, p. 13-25
Audit Report	Appendix 2, p. 1-2

<b>Zutec Annual Report for 2018-07-01 – 2019-06-30<sup>2</sup></b> (Audited)	<b>Reference</b>
Group Income Statement	Appendix 1, p. 6
Group Balance Sheet	Appendix 1, p. 7-8
Group Statement on changes in Equity	Appendix 1, p. 8
Group Cash Flow Statement	Appendix 1, p. 9
Notes	Appendix 1, p. 14-27
Audit Report	Appendix 2, p. 1-2

<b>Zutec Interim Report, For the period up to March 31 2020<sup>3</sup></b> (Not Audited)	<b>Reference</b>
Group Income Statement	p. 4
Group Balance Sheet	p. 6
Group Statement of changes in Equity	p. 6
Group Cash Flow Statement	p. 5

<sup>1</sup> [https://www.zutec.com/hubfs/Annual%20Report/Annual-Report-FV\\_01\\_RC02%20.pdf](https://www.zutec.com/hubfs/Annual%20Report/Annual-Report-FV_01_RC02%20.pdf)

<sup>2</sup> <https://www.zutec.com/hubfs/Year%20end%20report%20and%20Annual%20Report%2030%20June%202019.pdf>

<sup>3</sup> <https://www.zutec.com/hubfs/Zutec%20Interim%20Reports/Zutec%20Q3%20Interim%20Report%2031%20March%202020.pdf>

## SUMMARY

<b>SECTION 1 - INTRODUCTION</b>	
<b>1.1</b>	<b>Name and ISIN of the securities</b>  The Offer is relating to shares in Zutech Holding AB. The shares have the ticker name ZUTEC and ISIN SE0010869487.
<b>1.2</b>	<b>Name and contact details of the issuer</b>  Name: Zutech Holding AB Reg.no.: 559136-0317 Address: c/o Eversheds Sutherland Advokatbyrå AB, Box 140 55, 104 40 Stockholm Email address: info@zutech.com Phone number: +353 (0)1 201 3565 Website: www.zutech.com LEI-code: 549300RQDX46G5X5LF12
<b>1.3</b>	<b>Identity and contact details of the competent authority that approved the Prospectus</b>  This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen), that may be contacted by phone +46 (0)8-408 980 00, by Email finansinspektionen@fi.se, by address Box 7821, 103 97 Stockholm, Sweden and by their website <a href="http://www.fi.se">www.fi.se</a> .
<b>1.4</b>	<b>Date of approval of the Prospectus</b>  28 May 2020.
<b>1.5</b>	<b>Warning</b>  The summary should be read as an introduction to the EU Growth prospectus. Any decision to invest in the securities should be based on the investor studying the EU Growth prospectus as a whole. The investor could lose the whole or parts of the invested capital.  Where a claim relating to the information contained in the EU Growth prospectus is brought before a court, the plaintiff investor might, under the national law of the Member States, have to bear the costs of translating the EU Growth prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have presented the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the EU Growth prospectus, or where it does not provide, when read together with the other parts of the EU Growth prospectus, key information in order to aid investors when considering whether to invest in such securities.
<b>SECTION 2 – KEY INFORMATION OF THE ISSUER</b>	
<b>2.1</b>	<b>Information on the issuer</b>  Zutech Holding AB (publ) is a Swedish public limited company that was registered with the Swedish Companies Registration Office (Sw. Bolagsverket) on 29 November 2017. The Company's form of association is regulated by the Swedish Companies Act (2005:551), and the business is conducted in accordance with Swedish law. The Board has its seat in Stockholm in the municipality of Stockholm. Operations are conducted through subsidiaries, mainly in Ireland.  Zutech is a niche company within SaaS that develops and markets Zutech's software enables users to manage, store and share data as well as manage processes and workflows efficiently. This also entails cost savings, reductions in errors and helps construction companies to avoid delays, which are otherwise common in the construction industry. The Company's CEO is Gustave Geisendorf.  The Company's shareholders as of 15 May 2020 representing at least five per cent of the shares and votes in Zutech before the Offer are presented below. The Company is not directly or indirectly controlled by any shareholder.

	Shareholder	Number of shares	Percentage of votes and capital		
	Brian McGuire	1,328,130	18.8 %		
	Athanase*	1,215,222	17.2 %		
	Stephen Tarpey (Zyew Limited)	713,951	10.1 %		
	Tom Boland	621,730	8.8 %		
	Mike White	478,260	6.8 %		
	Other	2,726,051	38.5 %		
	<b>Total</b>	<b>7,083,334</b>	<b>100.00 %</b>		
	*In this context, Athanase consists of Athanase Industrial Partners II Kommanditbolag and Athanase Industrial Partners Fund II.				
2.2	<b>Key Financial Information</b>				
		2019-07-01 2020-03-31 (9 months)	2018-07-01 2019-03-31 (9 months)	2018-07-01 2019-06-30 (12 months)	2017-07-01 2018-06-30 (12 months)
	(KSEK)	Not audited	Not audited	Audited	Audited
	<b>Revenue and profitability</b>				
	Total income	19,479	15,791	22,515	35,321
	Operating loss/profit	-30,079	-19,369	-29,074	2,339
	Net income (attributable to equity holders of the parent company)	-30,499	-19,063	-28,928	1,970
	<b>Assets and capital structure</b>	<b>2020-03-31</b>	<b>2019-03-31</b>	<b>2019-06-30</b>	<b>2018-06-30</b>
	Assets	37,735	59,454	47,426	78,126
	Equity	2,960	44,378	35,244	64,157
	<b>Cash Flow</b>				
	Cash flow from operating activities	-8,985	-21,643	-24,932	-1,771
	Cash flow from investing activities	-5,077	-1,509	-7,344	-4,964
	Cash flow from investing activities	4,784	-	-	43,703
		2019-07-01 2020-03-31 (9 months)	2018-07-01 2019-03-31 (9 months)	2018-07-01 2019-06-30 (12 months)	2017-07-01 2018-06-30 (12 months)
		Not audited	Not audited	Audited	Audited
	<b>Key Figures</b>				
	Operating loss/profit (EBIT) (KSEK)	-30,079	-19,369	-29,074	2,339
	Operating loss/profit before depreciation (EBITDA) (KSEK)	-24,647	-15,896	-24,017	6,289
	Operating Margin (EBITDA) (%)	-261.27	-133.8	-111.9	-19.15
	Operating Margin (EBIT) (%)	-303.56	-155.7	-135.5	-7.12
	Gross loss/profit Margin (%)	76	81	84	88
	Net Income Margin (%)	-159	-123	-128	6
	Earnings per share (Parent company) (SEK)	-4.31 SEK	-2.69	-4.04 SEK	0.28 SEK
	Equity Ratio (%)	7.84	74.64	74.31	82.12
	Number of shares (no.)	7,083,334	7,083,334	7,083,334	7,083,334
2.3	<b>Key risks that are specific för the issuer</b>				
	<b>COVID-19</b>				
	In December 2019, a new coronavirus was identified in people who had fallen ill in pneumonia in the city of Wuhan, Hubei province, China. Coronavirus is a large family of viruses which in humans can cause mild flu-like symptoms as well as more serious illnesses, and everything in between. The new virus, which is related to SARS-coronavirus has been given the name SARS-coronavirus 2 (SARS-CoV-2) and the illness it causes, has been named Covid-19. On 11 March 2020 the World Health Organisation (WHO) declared Covid-19 a global pandemic. In an attempt to slow down the spread of Covid-19, a large number of countries have restricted travelling and larger crowds, and are encouraging or demanding citizens to work from home. Since a portion of the people affected by Covid-19 requires medical care, there is a risk for overcrowding in hospitals if the number of patients surpasses the health care capacity.				

	<p>Covid-19 could affect the Company's ability to sell and market their products to the building and construction market, which would lead to lower income for the Company. The Company's business could also be affected if a large number of the Company's employees or consultants were to fall ill in Covid-19, or if a quarantine which hinders the Company's customers and employees getting to work was declared, or if travelling was heavily restricted. This could affect the Company's income, increase the administrative burden and cause delays in the development of current, and new products.</p> <p>Estimated probability that the risk will occur: High</p> <p><b>Macroeconomic factors and dependence on the construction industry</b></p> <p>The Company's core business is focused on the construction industry. The construction industry can be adversely affected by general economic, financial and political conditions, which may have a negative impact on the Company's operations by reducing the number of new projects being implemented where the Company's services are used or can be used. Negative trends in the construction industry can also reduce the amount of capital that potential customers are willing to invest in the Company's products and services. A significant downturn in the construction industry may have a material adverse effect on the Company's operations, financial position and earnings.</p> <p>Estimated probability that the risk will occur: High</p> <p><b>Competition</b></p> <p>Zutec has a number of direct competitors active within the building and construction collaboration services segment, which is a segment within the market for cloud-based software as a service (SaaS) collaboration tools and there is a risk of increased competition in the said segment. If competition increases further in the cloud-based SaaS services segment, the Company's competitors may develop products equal to or better than the Company's products. There is no guarantee that the Company's products will be preferred over competitors' future products. This uncertainty involves a risk that could have a negative impact on the Company's operations, financial position and earnings.</p> <p>In the cloud-based SaaS services segment in the construction industry, there is increasing competition from large global software companies as well as local companies in more specific market areas and which may vary between the countries in which the Company operates. Some of the Company's competitors may have longer operating histories, hold larger market shares in specific markets or have greater financial and other resources, which may mean that the competitors are better equipped to adapt to changes in the market. In addition, competitors may also have greater opportunities to expand into new markets than the Company. Such competition or market changes may cause the Company's market share to decline, which may have a negative impact on the Company's business, financial position and earnings.</p> <p>Estimated probability that the risk will occur: High</p> <p><b>Dependence on major customers and customer concentration</b></p> <p>The Company's customer agreements are entered into primarily on a project-basis. Thus, the Company frequently has several agreements with the same customers. Although the Company is not dependent on any single customer agreement, a significant part of the Company's total sales is derived from a few major customers. There is a risk that these customers will not renew existing contracts or purchase the Company's products in future projects. If Zutec fails to retain any major customer, this could have a material adverse effect on the Company's operations, financial position and earnings.</p> <p>Estimated probability that the risk will occur: High</p> <p><b>Dependence on key employees and qualified personnel</b></p> <p>The Company's success depends to a significant extent on key employees within the group and qualified staff, especially staff developing and maintaining the Company's software products and services. The ability to retain current staff as well as the ability to recruit new employees is crucial to the Company's future development. There is a risk that the Company will not be able to retain or recruit people who are or will be of importance to the group and thus that the Company will not be able to develop and maintain its software products and services. Key employees within the group have extensive experience in cloud-based SaaS in the construction</p>
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	<p>industry. If the Company or other companies within the group cannot retain or recruit key employees and qualified staff, this may adversely affect the Company's ability to develop its products or implement its business strategies, which may adversely affect its operations and future development.</p> <p>Estimated probability that the risk will occur: High</p> <p><b>Disputes</b></p> <p>The Company is involved in ongoing disputes. There is a risk that the Company, from time to time, will be involved in additional court proceedings and/or arbitration proceedings. Such legal proceedings are often time-consuming and costly, and there is a risk that they cannot be resolved in a manner advantageous to the Company. There is also a risk, in case of loss in legal proceedings, that the Company will be forced to compensate the opposing party for the costs of the proceeding. Major disputes and future disputes could thus adversely affect the Company's operations, financial position and earnings.</p> <p>Estimated probability that the risk will occur: High</p>
<b>SECTION 3 – KEY INFORMATION OF THE SECURITIES</b>	
3.1	<p><b>Information of the securities, certain rights associated with the securities and dividend policy</b></p> <p>All shares of the Company are of the same share class, carry one (1) vote at general meetings and are fully paid and freely transferable. The ISIN code of the share is SE0010869487, and the shares are denominated in SEK. The Company's share capital is SEK 1,416,666.8, and the number of shares is 7,083,334. Each share has a quotient value of SEK 0.2.</p> <p>The shares in Zutec have been issued pursuant to the Swedish Companies Act (2005:551), and the rights associated with shares issued by the Company, including those pursuant to the Company's Articles of Association, may only be amended in accordance with the procedures set forth in this Act.</p> <p>Each shareholder is entitled to vote for all shares held and represented by him or her at general meetings. If the Company resolves to issue new shares, warrants or convertible loan notes through cash or set-off issues, the shareholders have, as a rule, pre-emptive right to subscribe in relation to their existing number of shares.</p> <p>All shares carry equal rights in the Company's profits and to any surplus on liquidation. Resolutions on dividends are made by the Annual General Meeting and are paid through Euroclear's provision. Right to the dividend is entitled to each person that on the record date for the dividend is registered as a shareholder in the share register held by Euroclear.</p> <p>All shares are of the same seniority in the Company's capital structure in the event of insolvency and entitle to a part of the surplus in proportion to the number of shares held by the shareholder.</p> <p>The Company does not have a dividend policy in place and has at this date not paid any dividend to its shareholders. The Company is currently in an expansion phase, and any profit is planned to be re-invested in the continued Company development, and therefore no dividend is expected to be paid in the next few years.</p>
3.2	<p><b>Place of trading</b></p> <p>Nasdaq First North Growth Market.</p> <p>First North is a multilateral trading facility (MTF) which does not have the same legal status as a regulated market. Companies listed on First North have undertaken to comply with First North's regulations and thus do not have to meet the legal requirements for trading in a regulated market. An investment in a company traded on First North is riskier than an investment in a company traded on a regulated market.</p>

3.3	<p><b>Guarantees attached to the securities</b></p> <p>The securities are not covered by any guarantees.</p>
3.4	<p><b>Key risks that are specific to the securities</b></p> <p><b>Market place and trade frequency in the share</b>  The trading frequency in Zutech's shares have, from time to time, been characterized with low activity and the gap between bid and offer prices can from time to time be large, which has led to illiquidity in the share. The reason for the low trade frequency in the Company's share is hard to identify, but a possible reason could be the fact that most Swedish investors trade on First North and that Swedish investors are not familiar with the Company business since it is being operated from Ireland. The activity in the trade with the Company's share has also been highly affected by the current turbulent trading environment that has followed from Covid-19.</p> <p>The trading in the Company's share could be inactive and illiquid in the future as well. As a consequence, there is a risk that investors in the Company's share might not be able to sell their shares at every given moment and therefore will not be able to make sales at the desired price level. The mentioned also risk leading to a negative development of the shares' market price. The fact that the shares are listed on First North should not be viewed as a guarantee that there will be a sufficient supply and demand for the shares.</p> <p>The Company intends to conduct the Offer partly to diversify the shareholder base in order to fulfil the requirements for the number of qualified shareholders in accordance with the regulations for issuers admitted to trading on First North. In the event that the shareholder base is not sufficiently diversified, the Company might not comply with the listing requirements of First North.</p> <p>Estimated probability that the risk will occur: High</p> <p><b>Dividend</b>  It is common for growth companies like Zutech to not pay any dividends to shareholders. As of the date of this Prospectus, the Company has not paid any dividends to the Company's shareholders.</p> <p>Under Swedish law, it is the general meeting that resolves on a dividend. The board of directors proposes the time and size of eventual future dividends. When considering future dividends, the board of directors will consider factors such as expansion plans and/or the demands that the nature, extent and risks of the business activity have on the size of the Company's equity, liquidity and position in general. Thus, shareholders cannot expect to be paid any, or even a very low, dividend. If no dividend is paid, the return on the investment will only be generated by the potential increase in the share price of the Company shares, which may have a negative impact on the Company's shares and the Offer.</p> <p>Estimated probability that the risk will occur: High</p>
<b>SECTION 4 – KEY INFORMATION OF THE OFFER OF SECURITIES TO THE PUBLIC</b>	
4.1	<p><b>Terms and conditions and timetable for investing in the securities</b></p> <p><b>Record date:</b> 28 May 2020.</p> <p><b>Pre-emption right:</b> The holding of one (1) share on the Record date entitles the holder to five (5) subscription rights. One (1) subscription right entitles the holder to subscribe for one (1) share.</p> <p><b>Subscription price:</b> SEK 1.14 per share. Commission will not be charged.</p> <p><b>Subscription period:</b> 1 juni 2020 – 15 juni 2020.</p> <p><b>Trading with subscription rights:</b> Trading with subscription rights will take place on First North between the period of 1 June 2020 – 11 June 2020.</p> <p><b>Trading with interim shares (Sw. "BTA"):</b> Trading with paid subscribed interim shares ("BTA") will take place on First North from and including 1 June 2020 and until conversion of BTA into shares is made when registration has been made with the Swedish Company Registration Office (Sw. Bolagsverket). The registration is estimated to take place during week 27, 2020.</p>

	<p><b>Certain terms and conditions for a part of the Offer:</b> For about SEK 2 million of the Offer, a derogation from the pre-emption right applies. 1,754,385 shares are offered for subscription by a minimum subscription of 5,000 shares, without pre-emption rights, to the general public of Sweden and Ireland.</p> <p><b>Dilution:</b> Shareholders who choose not to participate in the Offer may have their ownership diluted with up to approximately 83.99 per cent of the total number of shares and votes in the Company. Since a part of the Offer includes 1,754,385 shares which are issued with a derogation from the shareholders' pre-emption rights, existing shareholders risk dilution of about 3.96 per cent, regardless of whether they fully exercise their pre-emptive rights on the shares that are issued with pre-emptive rights.</p> <p><b>Issue and guarantee costs:</b> The Company estimates the costs of the Offer and the guarantee undertakings to approximately SEK 4.5 million.</p>
4.2	<p><b>Reasons for the Offer and use of proceeds</b></p> <p>The Company has recently made changes in the board of directors and in parts of the management, as well as made changes in both strategic direction and initiated a savings package. The board of directors believes an injection of expansion capital and working capital would enable Zutec to once again expand and return to profitability.</p> <p>The board of directors is of the opinion that the Company does not have sufficient working capital to finance the day to day business activity for the upcoming twelve months, counting from the day of this Prospectus. Thus, the board of directors is carrying out the Offer, which at full subscription will contribute approximately SEK 42.4 million to the Company, before issue and guarantee costs. Further, a smaller portion of the Offer, approximately SEK 2 million, is carried out to diversify the shareholder base and to ensure fulfilment of the number of qualified shareholders that is required in accordance with the rules for issuers that are listed on First North.</p> <p>Upon full subscription of the Offer, the net proceeds will amount to about SEK 37.95 million and are intended to be used in accordance with the following, specified in priority order.</p> <ol style="list-style-type: none"> <li>1. Repayment of loans and due interest to Athanase (approx. 30 per cent of the net proceeds)</li> <li>2. Working and expansion capital (approx. 70 per cent of the net proceeds)</li> </ol> <p><b>Subscription commitments and guarantee undertakings</b></p> <p>The Offer includes guarantee undertakings of SEK 42.4 million, equaling a total of 100 per cent of the Offer. In addition, the Company has received subscription commitments of SEK 6.9 million, equaling approximately 16 per cent of the Offer.</p> <p><b>Conflicts of interests</b></p> <p>Athanase Industrial Partners II AB, Athanase Industrial Partners II KB, Athanase Industrial Partners Fund II (together referred to as "Athanase"), are major shareholders in the Company and have granted a credit facility of EUR 1 million to the Company, which the Company has fully utilized. Athanase is a related legal person to the Company, since the board director Stefan Charette is a shareholder in, and representative of, Athanase.</p> <p>With exception of what is stated above, there are no conflicts of interests or potential conflicts of interests between the Directors and senior executives and the Company. Furthermore, there are no conflicts of interests of potential conflicts of interest where private interests of the Directors or senior executives would conflict with the interests of the Company. However, a number of senior executives have an economic interest in the Company, either directly or indirectly, through share ownership.</p>

## PERSONS RESPONSIBLE FOR THE PROSPECTUS, INFORMATION FROM THIRD PARTIES AND APPROVAL FROM THE COMPETENT AUTHORITY

### PERSONS RESPONSIBLE

The board of directors of Zutech is responsible for the content in this Prospectus. To the best of the Board's knowledge, the information contained in the Prospectus is in accordance with the actual circumstances, and no information has been omitted that could probably affect its meaning. The Company's composition of Board of Directors as of the date of the Prospectus is set out below.

Namn	Position
Mikael Näsström	Chairman
Brian McGuire	Director
Stefan Charette	Director
Erik Gabrielson	Director
Per Åkerman	Director

### APPROVAL OF THE PROSPECTUS

The Swedish version of the Prospectus has been approved by and registered with the competent authority, the SFSA, in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the council. The SFSA approves this Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency set out in Regulation (EU) 2017/1129. This approval should not be regarded as any kind of support for the issuer referred to in this Prospectus or any kind of support for the quality of the securities referred to in this Prospectus. The Prospectus has been prepared as an EU growth prospectus in accordance with Article 15 of Regulation (EU) 2017/1129. Investors should make their own assessment of whether it is appropriate to invest in the securities referred to in the Prospectus.

### INFORMATION FROM THIRD PARTIES

The Board of Directors assures that the information from third parties has been accurately reproduced and - as far as the Company is aware and is able to ascertain from information published by that third party - no facts have been omitted which would render the reproduced information inaccurate or misleading. Statements in the Prospectus are based on the Board's or the executive management's assessments if not stated otherwise.

Certain parts of the Prospectus refer to information on websites. The information on these websites does not form a part of the Prospectus, unless the information has been incorporated by reference, and has not been reviewed or approved by the SFSA.

### References

- McKinsey & Company, McKinsey Global Institute, Reinventing Construction, (2017)
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- Deloitte, 2020 engineering and construction industry outlook, (2019)
- KPMG, Global Construction Survey 2019, Building a technology advantage, (2019)
- PwC, Global Construction 2030: A global forecast for the construction industry to 2030, (2015)
- PwC and Oxford Economics, Capital project and infrastructure spending: Outlook to 2025, (2014)

## REASONS FOR THE OFFER

### BACKGROUND AND RATIONALE

Zutec is a niche SaaS company which develops and sells cloud-based products for the construction industry. The construction industry is seen as one of the least digitized industries in the world, and productivity has developed slowly compared to GDP, especially in comparison with industries that have taken a more active approach to digitization.

Zutec's software enables the user to manage, store and share data as well as effectively manage processes and workflows. This saves costs, reduces errors and helps construction companies to avoid delays, which is otherwise common in the construction industry.

Zutec has its roots in Dublin, Ireland, through the subsidiary Zutec Inc. (Ireland) Ltd., which was founded in 1999 by Brian McGuire. Zutec software has been used in small and large building projects. Amongst the customers are some of the largest construction companies in the world, such as Multiplex, Wates, Taylor Wimpey and Mirvac, who have used Zutec's cloud-based software in projects such as Wembley Stadium and the Shard in London.

Zutec primarily offers three products for the construction industry:

- Zutec Cloud: A cloud-based web platform used by office staff to manage and store data in construction projects as well as acquire detailed reports from data management in the construction process.
- Zutec Field: An mobile application used by construction site staff for building inspections, defect management and onsite audits.
- Zutec BIM: A 3D model application, for both web and mobile, where the user can view building plans in 3D as well as manage and store data based on the 3D plans.

The Company has recently made changes in the Board of Directors and in parts of the management team, as well as made changes in both strategic direction and initiated a savings package. The Board of Directors believes an injection of expansion capital and working capital would enable Zutec to expand once again and decrease losses, which is why the Company aims to carry out the Offer. Further, a smaller portion of the Offer, approximately SEK 2 million, is carried out to diversify the shareholder base and to ensure fulfilment of the number of qualified shareholders that is required in accordance with the rules for issuers that are listed on First North.

### USE OF PROCEEDS

The Board of Directors believes that the Company's existing working capital is not enough to cover Zutec's needs in the coming twelve-month period. Working capital refers to the Company's access to liquid funds in order to fulfil its payments obligations, after which they fall due for payment. The Company's liquidity forecast of cash flows, together with available liquid funds, indicates that the existing working capital is expected to be consumed in July 2020 and the deficit excluding non-recurring items amount to approximately SEK 20 million in the coming twelve-month period.

In order to manage the liquidity shortage and to enable the Company's expansion plans, the Company intends to carry out the Offer. The Offer will, at full subscription, provide SEK 42.4million, before issue and guarantee costs. Issue and guarantee costs are estimated to amount to SEK 4.5 million and consist mainly of guarantee costs to Athanase, costs for legal advisers and costs to the issuing agent.

The net proceeds, which at full subscription will be approximately SEK 37.9 million, are intended to be used in accordance with the following, specified in priority order.

1. Repayment of loans and due interest to Athanase (approx. 30 per cent of the net proceeds)
2. Working and expansion capital (approx. 70.00 per cent of the net proceeds)

The Offer is covered by guarantee undertakings of SEK 42.4 million, equaling a total of 100 per cent of the Offer. In addition, the Company has received subscription commitments of SEK 6.9 million, corresponding to approximately 16 per cent of the Offer. If the Offer, despite the fulfilment of the subscription commitments and the guarantee undertakings, is not fully subscribed, the Company will have difficulties in conducting the business and development of the Company at a planned rate. The Company may thus be forced to seek alternative financing options, such as additional capital raising or loan financing or alternatively implement cost reductions or be forced to run the business at a slower pace than expected until alternative financing or cost reductions have the desired effect. There is a risk that unsuccessful financing or unsuccessful measures will result in the Company being restructured or, in the worst-case scenario, bankruptcy.

## **ADVISORS**

Eversheds Sutherland is assisting the Company as legal advisor in connection with the Offer and the drafting of this Prospectus. Avanza Bank AB, reg. no. 556573-5668 ("Avanza") is the Company's issuing agent in relation to the Offer.

## **INTERESTS AND CONFLICTS OF INTEREST**

Eversheds Sutherland receives ongoing remuneration for the services it provides in relation to the Offer. Eversheds Sutherland has no further interests, economic or otherwise in the Offer.

Avanza acts as the issuing agent in relation to the Offer. Avanza has an economic interest in the Company in terms of the remuneration Avanza can receive at the completion of the Offer. Avanza conducts business with securities (Sw. värdepappersrörelse), which, among other things, includes transactions for its own account. In the course of this business, Avanza may trade-in or take positions in securities which are directly or indirectly linked to the Company.

Athanase has undertaken to subscribe for shares corresponding to its pro-rata share in the part of the Offer which is a share issue with pre-emptive rights for existing shareholders, equaling approximately SEK 6.9 million, and has entered into a guarantee commitment corresponding to SEK 41.4 million. Compensation for the guarantee corresponds to approximately SEK 3.1 million. Athanase has also granted a credit facility to the Company corresponding to EUR 1 million, which the Company has fully utilized. Athanase is considered as closely related to the Company, since the Company's director Stefan Charette is a shareholder in, and representative of, Athanase.

Other than what is stated above, and what is stated below in the section "Other information regarding the Board of Directors and senior executives", there are no conflicts of interest, financial interests or other interests in the Offer.

## INDUSTRY AND BUSINESS OVERVIEW

### INDUSTRY OVERVIEW

This section includes certain market and industry information and data related to the Company's business. All information and data about market, growth, trends and size as specified in this Prospectus is Zutec's overall assessment based on both internal and external sources. Although the information has been reproduced correctly and the Company believes the sources to be reliable, the Company has not independently verified the information and it cannot be guaranteed that this information is accurate or complete, as Zutec does not have access to the facts and assumptions underlying such market data, or statistical information and economic indicators contained in these third-party sources. As far as Zutec is aware and is able to assure itself through comparison with other information published by third-parties, and to the Company's knowledge, no facts have been omitted in a way that would render the reproduced information inaccurate or misleading.

### Introduction

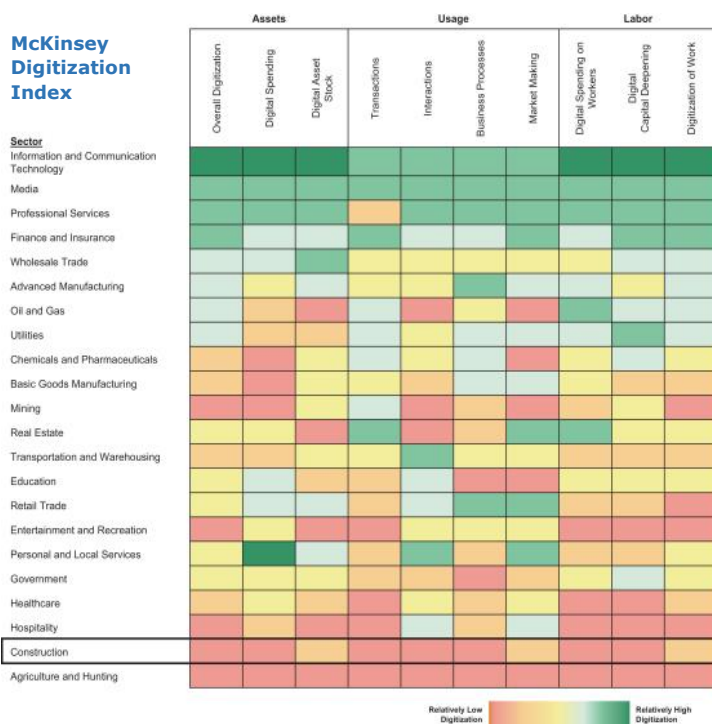
Zutec is a niche provider of cloud-based construction management software, and are helping transform one of the oldest, largest, and least digitized industries in the world. Zutec focuses exclusively on construction, encompassing all the industry's key stakeholders, such as owners, general contractors, specialty contractors, architects, and engineers, to collaborate from any location, on any Internet-connected device.

Zutec operates in the cloud-based construction software market in general and in particular within software as a service ("SaaS") data management and collaboration tools within the building and construction segment. The construction market is quickly adapting to new services and is aiming to help enterprises become more effective and cost efficient.

### The construction industry and technology

Annual worldwide construction spends in the construction industry, which includes new construction and maintenance and modifications, is expected to grow 2.0 per cent yearly from approximately USD 10 trillion in 2017 to approximately USD 14 trillion by 2025, according to McKinsey.<sup>4</sup> Despite that the construction industry is one of the largest in the world, it has historically lagged behind nearly every other industry in digitization. According to McKinsey's "Industry Digitization Index", construction ranks second from last in digitization across all major sectors, ahead of only agriculture and hunting.

The Company believe that a principal reason for this is that, prior to the proliferation of the Internet, Wi-Fi, and mobile devices, this field-based industry faced technology adoption



<sup>4</sup> McKinsey & Company, McKinsey Global Institute, Reinventing Construction, Februari 2017

barriers that other industries did not have to overcome.

Investments in technology within the construction sector are expected to increase significantly. In a survey from 2018 on the subject of digital strategy and readiness of the construction industry, over 98 per cent of the respondents agree that digital solutions will be critical to the future viability of their company. Of the companies surveyed, 28 per cent of respondents have a digital strategy and agenda in place, while 56 per cent are in the process of designing their strategy.<sup>5</sup> As a SaaS solution provider in the segment, the

### About cloud-computing and SaaS

The cloud model itself, according to the National Institute of Standards and Technology, is composed of

- Five essential characteristics; measured service, on-demand service, resource pooling, rapid elasticity and broad network access,
- Four deployment models; private cloud, public cloud, community cloud and hybrid cloud, and
- Three service models; Infrastructure-as-a-Service ("IaaS"), Platform-as-a-Service ("PaaS") and Software-as-a-Service ("SaaS").

Essentially, SaaS is a subset of cloud computing. However, it is important to note that not all SaaS models are built-in the cloud. SaaS products or applications can be built on a local terminal and deployed to a cloud-based server. The applications are accessible from various client devices through either a thin client interface, such as a web browser (e.g., web-based email), or a program interface. The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, storage,

Company believes that Zutec's tools are apt to capture this market.

Boston Consulting Group also estimates that, within ten years from 2017, full scale digitization in commercial construction will globally save between USD 0.7 and 1.2 trillion in the construction phase and USD 0.3 to 0.5 trillion in the operations phase.<sup>6</sup> Accordingly, industry actors need to increase their efforts within digitization to exploit the potential that can fundamentally revolutionize the sector. Those who fail to do so risk being outpaced by their competitors.

or even individual application capabilities, with the possible exception of limited user- specific application configuration settings. Zutec's product is cloud-based and is accessed and utilized through a web browser or mobile application.

The idea of cloud-based SaaS is for providers to deliver software which is centrally hosted and accessible from anywhere with Internet connection. The service is often licensed on a subscription basis and has grown popular during recent years as an alternative to traditional local service software. SaaS offers organizations tangible benefits; they can efficiently collaborate and share workflow and content no matter the size or location of it. As the service is hosted through the provider, clients benefit from lower hardware and IT support costs. Updates can easily be pushed out to all users simultaneously to keep up with their need, which improves the stickiness of the software. Due to connectivity, work within SaaS platforms can be monitored in real-time.

The market for SaaS amounted to USD 99.5 billion globally in 2019. It is estimated to reach a market value of USD 151.1 billion in 2022, growing at a compound annual growth rate ("CAGR") of 17.3 per cent.<sup>7</sup>

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<sup>5</sup> EY, "How are engineering and construction companies adapting digital to their businesses?", [https://www.ey.com/Publication/vwLUAssets/EY-Digital-survey/\\$File/EY-Digital-survey.pdf](https://www.ey.com/Publication/vwLUAssets/EY-Digital-survey/$File/EY-Digital-survey.pdf)

<sup>6</sup> Boston Consulting Group, "Shaping the Future of Construction: Inspiring Innovators Redefine the Industry", March 2017

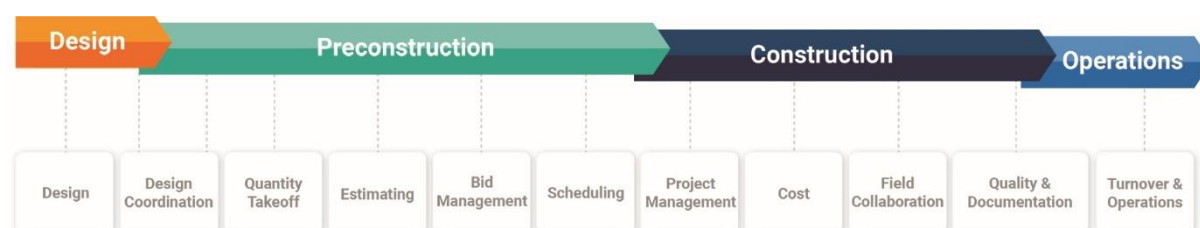
<sup>7</sup> Pressmeddelande från Gartner, Inc., ([www.gartner.com/en/newsroom/press-releases/2019-11-13-gartner-forecasts-worldwide-public-cloud-revenue-to-grow-17-percent-in-2020](http://www.gartner.com/en/newsroom/press-releases/2019-11-13-gartner-forecasts-worldwide-public-cloud-revenue-to-grow-17-percent-in-2020)), november 2019

## The market for construction software

Construction software refers to the segment of collaboration solutions that is tailored towards the building and construction industry, which is the field Zutech serves. The market for the construction software segment, as defined by the Company, encompasses the entire construction cycle from design to operations. Whereas Zutech's product can technically be included in every stage of the construction cycle, Zutech is specifically focused on the later stages of the Construction Phase which includes applications around Field Collaboration and Quality and Safety (commonly also referred to as Handover)

whereby the contractor returns the building back to the property owner after the completion of the construction phase. Zutech also to a lesser extent provides a BIM application which technically serves the entire construction cycle from Design to Operations.

The market value can vary depending on the estimation method. The Company estimates the market value of the construction software sector was USD 18 billion in 2019, and that the market will grow by 15 per cent annually. The Company notes that it is hard to estimate the growth in the short-term given the prevailing market conditions.



## Significant industry trends and drivers

The Company believes that this generation's greatest technological advancement is the Internet. The driving forces behind digitization are many. This section presents the Company's view of significant trends related to the software market in the construction sector.

### 1. Increasing digitization within building and construction

The Company believes that the information technology paradigm shift, which includes the Internet, the Internet of things ("IoT") and digital technology, is the largest and most important in recent time in terms of digitization, but the building and construction industry is yet in the early stages of adopting these technologies.

There are different project management methods used in a building and construction process depending on where in the building lifecycle the asset is. While pen and paper have been the most prevalent way of documenting snags and defects, project management is today often handled through spreadsheets and physical files. Even if the sector is under-digitized there are positive developments. Deloitte published a report on the engineering and construction industry outlook for 2020 and suggests that building a solid digital roadmap can help with operational challenges in the industry while also delivering competitive advantage for the early adopters. While the industry still trails broader digital adoption maturity, the continued adoption of digital technologies could alleviate some of

these issues. It can also present additional hurdles in terms of successful implementations and upskilling the workforce to absorb the technologies.<sup>8</sup>

Investments in technology within the sector are expected to increase significantly. The KPMG CIO Survey indicated that 90 per cent of the top 20 per cent of the participants in survey have a technology vision and a road map. Executives at infrastructure companies overwhelmingly agree that technology will transform their business over the next five years. 83 per cent of all participants in the survey feel organizations will be data-driven, including routine use of data analytics and predictive modelling for project planning and monitoring.<sup>9</sup>

<sup>8</sup> Deloitte, "2020 engineering and construction industry outlook", 2019

<sup>9</sup> Global Construction Survey 2019, Building a technology advantage, KPMG

## **2. Increasing use of Building Information Modelling ("BIM") Technology**

BIM is the production and management of digital representations of buildings and related objects. The digital models are infused with data and can be utilized by all stakeholders throughout the entire building life cycle. BIM solutions help in detecting and averting potential interferences in buildings while optimizing the constructability. There are major issues with today's building processes as project teams struggle to keep information up to date among different groups in a construction project. With BIM, teams can collect, share and review data and models. All parties, such as suppliers; subcontractors and on-site crew can update data and work at the right time and place. Due to increased mobility and connectivity, cloud solutions allow all this to be shared among parties in real time.

As populations and economies grow, so too does the need for housing and infrastructure, fuelling growth forecasts in the global construction industry of up to 85 per cent – or USD 15.5 trillion – by 2030.<sup>10</sup> More construction means a greater need for efficient ways of working, which is why the 3D model-based approach of BIM in delivering construction projects is gaining traction worldwide.

## **3. Continued regulation and standards will promote the use of technology in the construction**

There is an emergence of more and increasingly stringent regulation and standards in the construction industry, in particular driven by fire regulations. This trend the Company believes will further drive the construction industry to digitalize and create additional demand for Zutec's products given that Zutec's offering is particularly attractive within data and documentation management.

A selection of important regulations include:

- **BIM standards:** The first truly global Building Information Modeling ("BIM") standard ISO 19650 was published in January 2019. A new standard, ISO 23386, was published in February 2020, which replaces a previous French standard PPBIM (XP P07-150). The main objective of ISO 23386 is to allow quality exchange of construction data between industry players for multiple uses within different digital tools.
- **Fire regulations:** With fire and life safety regulations there are multiple differing standards and regulatory bodies globally. In e.g. the UK, all fire and life safety standards<sup>3</sup> and various approved codes of practice require field or desktop inspections and ongoing tests to maintain certification and therefore all will need to be considered for digitisation through construction into operations. The Company believe there will be more fire regulations that impose additional harmonization of data requirements and data quality.

## **4. Continued public sector infrastructure spend<sup>11</sup>**

Global spending on infrastructure was severely depressed over the years following the financial crisis. Many countries ended up with backlogs of needed investments that were not made. However, most parts of the world have recovered, and infrastructure spending is accelerating. PwC estimates that global spending will amount to USD 9 trillion by 2025, which represents an increase of 125 per cent from the 2012 level. The main drivers are an overall positive economic environment and growth in emerging markets. PwC lists a number of key sectors within infrastructure, these are presented below.<sup>12</sup> Within Zutec's business area, Zutec has worked on several projects that relate to these sectors, especially within the transport and social sectors.

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<sup>10</sup> PwC, "Global Construction 2030: A global forecast for the construction industry to 2030"

<sup>11</sup> Capital project and infrastructure spending: Outlook to 2025 PwC and Oxford Economics, 2014

<sup>12</sup> Capital project and infrastructure spending: Outlook to 2025 PwC and Oxford Economics, 2014

## Five key infrastructure sectors



### 1. Extraction

- Oil and gas
- Other extraction (coal, metals, minerals)



### 2. Utilities

- Power generation
- Electricity T&D
- Gas
- Water
- Telecoms



### 3. Manufacturing

- Petroleum refining
- Chemical
- Heavy metals



### 4. Transport

- Rail
- Roads
- Airports
- Ports



### 5. Social

- Hospitals
- Schools

## 5. Improved connectivity and remote working

Due to the rapid development and proliferation of smartphones and mobile bandwidth, clients expect to access all the information they need wherever they are located. This development also can also be discerned in the otherwise lagging

construction sector. Zutec's solution that uses data, rather than documents, along with increased bandwidth enables the Company to fulfil the expectations of the clients and win additional market shares. This is expected to be a powerful driving force behind the potential for digitization that exists within the sector.

## Competitors in the construction software market

Even if paper and pencil often are the most prevalent substitute – which are gradually phased out due to digitization – there are competitors who offer products that overlap with Zutec's products in functionality. In addition, a large amount of projects in the construction sector also rely on document sharing tools such as DropBox, especially in smaller construction projects.

Zutec's competitors in the construction software market include large, global, publicly traded companies; small, geographically focused firms; startup firms; and solutions produced in-house by their users. The construction software sector has been characterized by meaningful consolidation which has resulted in a number of large and global companies with a portfolio of construction software brands serving different stages of the construction cycle and different geographical markets. A large number of construction software companies are based or originated in the U.S.

## Selected publicly listed competitors

- **Trimble:** Trimble Inc., is a provider of technology solutions that enable professionals and field mobile workers to improve or transform their work processes. In 2018, Trimble acquired Viewpoint, a provider of scalable construction management software, which integrates a contractor's financial and resource management to their project operations and to their jobsite and field, for USD 1.2 billion. Trimble expected Viewpoint to contribute approximately USD 200 million of non-GAAP revenue in 2019.
- **Autodesk:** Autodesk Inc., is a global leader in 3D design, engineering and entertainment software and services, offering customers productive business solutions through powerful technology products and services. Autodesk has a large array of brands in the construction software sector including PlanGrid, BIM360, Forge etc. In 2018, Autodesk acquired PlanGrid, a construction productivity software for field use, for USD 875 million.
- **Nemetscheck:** Nemetschek SE, headquartered in Munich, is a strategic holding company with 16 brands operating in four segments in the construction software sector and adjacent industries. In 2014, Nemetschek acquired Bluebeam, a software provider for collaboration tools for designing, editing and sharing PDF documents, for USD 100 million. In 2013 Bluebeam generated revenues of approx. USD 22.4 million.
- **Oracle:** Aconex is an Australian construction software company founded in 2000. Aconex focuses on document management and is a system to which externally created modules can be connected. Aconex was listed on the Australian Securities Exchange (ASX) and turned

over AUD 161 million in the full financial year of 2017. In December 2017, Oracle Corporation announced a public takeover offer of AUD 1.56 billion for Aconex, which the shareholders approved in March 2018.

### **Selected private competitors**

- **Procore:** Procore was founded in California in 2003 and began by launching software for construction project management. The company has also developed solutions for the sharing of documentation, planning and data. In 2019 Procore generated revenues of approx. USD 289 million and in 2020 Procore announced it was planning to go public.
- **Bentley Systems:** Bentley Systems was founded in 1984 is a global provider of software solutions to engineers, architects, geospatial professionals, constructors, and owner-operators for the design, construction, and operations of infrastructure. Bentley has revenues of approx. USD 700 million.
- **Fieldwire:** Fieldwire, a construction field management software, is based in San Francisco and was founded in 2013. Fieldwire had approximately 65 employees in 2019. In September 2019, Fieldwire raised USD 33.5 million in a series C funding.

## BUSINESS OVERVIEW

### Introduction

Zutec is a niche provider of cloud-based construction management software, and are helping transform one of the oldest, largest, and least digitized industries in the world. Zutec focuses exclusively on construction, connecting and empowering the industry's key stakeholders, such as owners, general contractors, specialty contractors, architects, and engineers, to collaborate from any location, on any internet-connected device. The Zutec cloud-based platform is modernizing and digitizing construction management by enabling real-time access to critical project information, simplifying complex workflows, and facilitating seamless communication among key stakeholders. Adoption of the Company's platform helps customers increase productivity and efficiency, reduce rework and costly delays, improve safety and compliance, and enhance transparency and accountability.

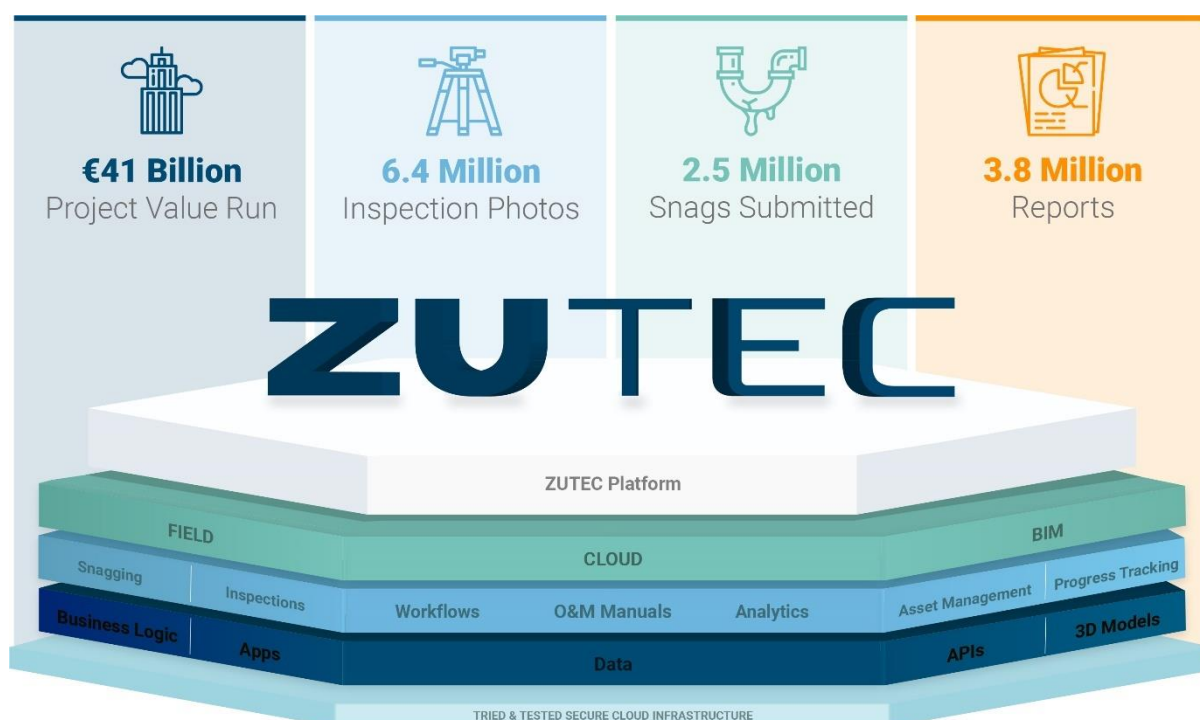
The Company's products have applications for the entire life cycle of a construction process; from design to planning to construction and operations. The clients of the Company are some of the world's largest construction firms. Zutec's solutions have helped these firms with a large number of construction projects in eight countries across three continents.

Zutec Inc. (Ireland) Ltd. was founded in Ireland in 1999 by Brian McGuire, whose experience with designing and managing multi-million projects gave him an unrivalled understanding of the challenges the sector faced. This allowed Zutec and its team to develop solutions that solved real problems, and to win the confidence of their clients. The original vision was to eliminate paper from the construction handover process by storing the operations and maintenance manuals on CDs. Today, this process is entirely digital through Zutec's cloud-based software, which also allows contractors to coordinate processes and share data with builders, architects, project owners and other stakeholders through web and mobile interfaces.

### Vision

The aim of the Company is to pave the way for the construction industry to finally embrace the digital age by providing leading niche cloud-based construction software, a wide field of industry knowledge and a willingness to grow and learn at all times.

By connecting all stakeholders and enabling a collaborative work environment in an otherwise traditionally siloed industry, Zutec can become a leader in its niche segments.



## Business Areas and Business Model

Zutec generates revenue from subscriptions to access our products and the Company have a user model that is designed to facilitate adoption and maximize usage of our platform by all project stakeholders. The Company principally sell products on a subscription basis for a monthly fee with pricing generally based on the number users and mix of products as well as the annual construction volume contracted to run on the platform. As the customers subscribe to additional products or increase the annual construction volume contracted to run on the platform, it generates more revenue.

Zutec's operates its business according to two business areas, Enterprise and Infrastructure Solutions.

- **Enterprise:** The Enterprise business area includes commercial and residential development projects and any similar construction project that has the need for a cloud-based software management tool. Zutec configures the system according to the customer specifications followed by training. Thereafter Zutec provides ongoing software support as part of the license fee during the duration of the project period.

Enterprise construction projects range from 9 up to 24 months. Enterprise projects have a wide range of users per project ranging from 10 to 400 with most projects having 30 to 75 users. The Company sell software products based on either per user pricing or unlimited users combined with implementation and configuration related services at the start of the project. On some projects the Company provided ongoing dedicated customer support when the customer requests that which could include working with both Office and Field teams onsite for training and efficiency purposes.

Example of some Zutec Enterprise projects that have changed the London skyline are buildings such as Broadgate 22 and the Shard.

- **Infrastructure Solutions:** Infrastructure Solutions includes infrastructure projects and any large building projects that involves a meaningful element of bespoke configuration and in some instances bespoke development. Zutec has defined Infrastructure Solutions as large construction projects with a total design value between USD 250 million up to several billion for the entire project.

Infrastructure Solutions projects range from 24 months up to 5 years, sometimes longer. The number of users of the Company's software on one of these projects can be in excess of 1,500 users with data in excess of 15 TB saved on the cloud at the end of the project. Zutec has historically had individual contracts and the Company continues to focus on individual contracts that can generate more than USD 0.5 million in average annual revenues under multi-year agreements, where a significant portion of the revenues under the agreement are generated in the start-up phase, which affects the Company's short-term revenue and results. In Infrastructure Solutions Zutec typically sell software products based on unlimited users combined with implementation and configuration related services at the start of the project. In addition, since the Infrastructure projects are normally complex and bespoke, the Company provide continuous both off- and onsite support for either portions or the entirety of the construction project which are charged based on time allocated.

Many Infrastructure Solutions projects also come with bespoke development requires which the Company scope and work with customers to support their specific needs. It has always been central to Zutec's offering that the products can be customized beyond their inbuilt customisation tools for larger projects and clients. While working on large projects it is essential to deliver a product that is suitable for that project's particular needs because no two projects are the same. Infrastructure Solutions typically includes all products; Zutec Cloud, Zutec Field and Zutec BIM, since the technical requirements of customers specify that.

Example of projects where Infrastructure Solutions has been used is the National Children Hospital in Dublin and Midfield Terminal at the airport in UAE.

Zutec provides customers with tangible benefits such as increased efficiency, greater project control, reduced cost, fewer errors and easier access and sharing of project data amongst all stakeholders. Zutec provides audit trails, automated updates and the handover of fully commissioned projects online. It also allows for cost savings in terms of physical storage as most project data is cloud based and accessible remotely on the Zutec platform. It was estimated that by using Zutec's software for the Shard in London, 50,000,000 sheets of A4 pages were not printed, these would otherwise have required approximately 550 trees to produce.

## Strategy

### Sales and Marketing

Depending on the product and project, Zutec mainly targets key decision makers and gatekeepers at the following types of organizations:

- **General contractors:** General contractors coordinate the construction project and fulfill the demands of owners while simultaneously maintaining oversight and responsibility for specialty contractors and other vendors.
- **Owners:** Owners initiate construction projects, secure financing, work with architects, engineers, and consultants on building design, hire general contractors to manage the construction process, and are the ultimate decision-makers throughout a project. Owners include corporations, universities, government entities, and commercial and residential real estate developers.
- **Subcontractors:** Subcontractors are hired by general contractors for their specialized skills, such as mechanical, electrical, plumbing, roofing, or concrete trades, and perform the vast majority of construction work.
- **Architects and engineers:** Architects and engineers work together to develop building plans and designs, collaborating directly with owners and general contractors. Typically architects are responsible for designing the aesthetic look and feel of a structure, while engineers focus on safety and functionality, materials, and structural design.

Zutec normally enters into software license agreements with Contractors and also to a lesser extent with owners. However, the procurement process is often handled by architects, engineers or other consultants. Zutec does therefore have to maintain good relationship with all stakeholders on a construction project.



The Company's strategy is to leverage its current high-profile projects to acquire new clients. Zutec will consider establishing partnerships for sales and marketing in certain regions and will continue to focus on large infrastructure projects such as hospitals, ports, airports and large commercial developments in new regions as this is where the Company's experience lies. The Company will also increasingly target smaller projects and clients, especially with the Company's Cloud and Field products.

Zutec's current salesforce is currently under expansion. The majority of the sales personnel has worked as client consultants and thereby know the product well. Zutec also has dual roles where client consultants assist the sales process by performing demonstrations and client meetings.

Our growth strategy is formed around the following pillars:

- Maintain and advance our technology leadership;
- Acquire new customers;
- Focus on profitable contracts and projects;
- Acquire new customers;
- Increase spend within our customer base;
- Introduction of new products and features;
- Expand regionally in the countries where we have an established presence; and
- Make top talent hires to increase sales productivity.

Zutec normally uses traditional digital marketing methods to sell its products. The Company's goal is to enter into the building life cycle as early as possible to convert the entire project and ongoing facilities management to Zutec solutions. The Company's software is licensed to one entity for each project, the facilities manager can opt to continue hosting their data with Zutec and to use the Company's products.

#### **Direct sales and partnership model**

Zutec's sales are primarily made through two different channels; direct sales conducted by the Company, and through partnerships with select partners. The vast majority of sales is through direct sales although the Company will in future more proactively evaluate partnerships depending on the appropriate circumstances.

Partnerships are generally engaged in specific countries or regions. The Company currently carries out direct sales in Ireland, the U.K. and Australia through employees in majority owned entities, while partnerships are used in Italy and the Middle East.

Two key factors in deciding whether to engage partnerships are:

1. Geographical obstacles, which inhibit the Company from carrying out sales directly, and/or
2. Language barriers, where the Company is more prone to use partners in markets in which English is not a business standard.

Partnerships provide income in two ways:

1. A royalty for the use of the Zutec name and brand, and/or
2. A percentage of the software licenses sold by the partner.

Zutec will provide the partners with technical support, along with information and material for sales and marketing and training. Partners will be important for Zutec to rapidly scale in new regions. The partners bring a local expertise that is essential when opening new markets. The Company is working with partners who are currently resellers or partners with other systems, such as energy performance systems or building management systems.

## Zutec's platform and products

The Company aims to provide products that become so necessary for the clients that they will continue to employ them on future projects. Zutec offers the following three key products.

- **Zutec Cloud** is the Company's core product. It is a web-based database with various functions. The functionality can be extended through the various modules that the Company offers. All the data and documents related to a project or building are stored on the platform, from where they can be managed and distributed.
- **Zutec Field** is the Company's onsite mobile application that allows users to collect and review data while onsite. Information is synchronized with the Zutec platform where reports can be automatically generated and distributed. Zutec Field can be used throughout the construction, handover and facilities management phases of a building.
- **Zutec BIM** is the Company's 3D model viewer that allows users to view their project or building in a 3D environment on their mobile device and desktop. It links directly to the Zutec web-based platform allowing any information in the database to be linked to the model. As the 3D model does not hold any data it is quick to load, easy to use and has small file sizes.



Produkt	Användningsområden
<b>Zutec Cloud</b>	<ul style="list-style-type: none"> <li>- Asset Register</li> <li>- Digital Health &amp; Safety Files</li> <li>- Digital O&amp;M Manuals</li> <li>- Document Management</li> <li>- Workflow Management</li> <li>- Smart Data &amp; Content Search</li> <li>- Submittals &amp; Transmittals</li> <li>- RFI Management</li> <li>- Standard Reports</li> <li>- Bespoke Reports</li> </ul>
<b>Zutec Field</b>	<ul style="list-style-type: none"> <li>- QA/QC Inspections</li> <li>- Snagging &amp; Defect Management</li> <li>- 2D/3D Drawings</li> <li>- Site Diaries</li> <li>- Safety Inspections</li> <li>- Construction Activity Progress Tracking</li> <li>- Firewall Penetrations</li> </ul>
<b>Zutec BIM</b>	<ul style="list-style-type: none"> <li>- Field BIM</li> <li>- 4D Progress Tracking</li> <li>- 6D Asset Information Model</li> </ul>



### Future development and products

Zutec is considering a number of potential new features to introduce to the market. Several of these can easily be integrated into the current software with simple updates. Simplifications

of the user interface will aid remote deployment and allow the Company to provide remote support. Zutec continuously updates its products and has approximately four major releases every year, while releasing numerous small updates in between.

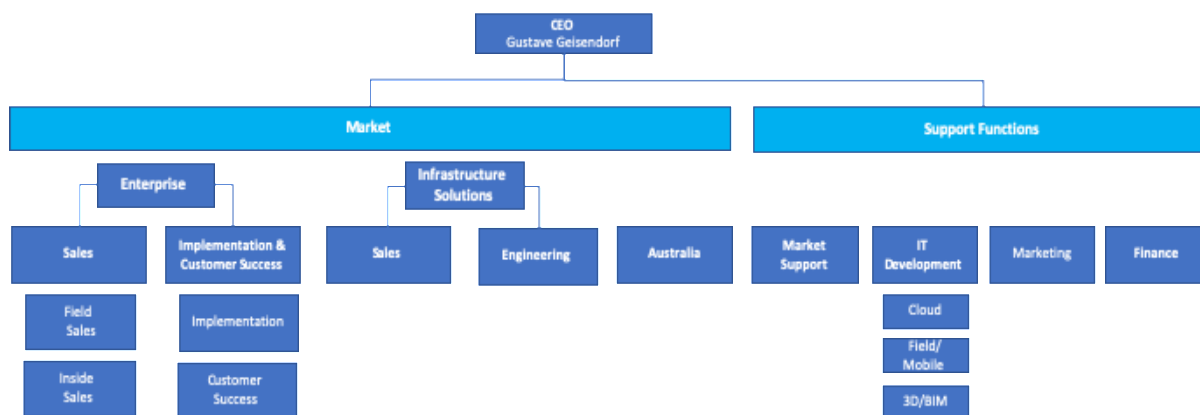
### Group structure

At the date of this Prospectus, the group consists of five (5) companies. All of the subsidiaries are directly or indirectly owned by the Company, which is the parent company of the group. The Company's subsidiaries (both through direct and indirect ownership) are listed in the table below.

Direct owned subsidiaries	Registration number	Office	Percentage of capital/votes
Zutec Inc. (Ireland) Ltd.	313471	Ireland	100 %
Indirekt ägda dotterbolag			
Zutec Inc. (UK) Ltd.	04363905	UK	100 %
Zutec (Asia) Ltd.	1257208	Hong Kong	100 %
Zutec (Australia) Pty Ltd.	ACN 129531531	Australia	56 %

## Organisation

The management is responsible for, among other things, strategy, business development, investments and performance monitoring. The Company's CEO is Gustave Geisendorf. For more information about the management, please refer to the section "Board of Directors and Senior Executives".



## Employees

Zutec's operations are headquartered in Dublin, Ireland. The number of employees during the financial year 2018/2019 was 35. Eleven of these were employed in R&D, three in sales and marketing, four in upper management and the remainder working in technical support or as client consultants.

Currently, the Company have 27 people employed, distributed as follows: five people in Enterprise and Infrastructure Solutions Sales, nine people in Implementation/Customer Success and Engineering, three people in Australia, one person in Market Support, seven people in IT Development and two people in Finance.

## General information about Zutec

The Company's business name, as well as commercial designation, is Zutec Holding AB with reg. no 559136-0317 and LEI code 549300RQDX46G5X5LF12. The Company is a Swedish public limited company (Sw. publikt aktiebolag) with its registered office in the municipality of Stockholm, Sweden. The Company was founded on 27 October 2017 and was registered with the Swedish Companies Registration Office on 29 November 2017. The Company's form of association is governed by, and shareholders' rights can only be changed in accordance with the Swedish Companies Act. The Company's registered address is c/o Eversheds Sutherland Advokatbyrå AB, Box 140 55, 104 40 Stockholm, Sweden. The Company's operations are primarily conducted by the Company's subsidiary Zutec Inc. (Ireland) Ltd. at the Company's headquarters with

address 3rd Floor Adelphi Plaza, Georges Street Upper, Dun Laoghaire, Co. Dublin. A96 T927 and can be reached on telephone number +353 1 201 35 65 and the website [www.zutec.com](http://www.zutec.com).

The information on the Company's website, or other websites to which the Prospectus refers, are not part of the Prospectus and have not been reviewed by the SFSA unless the information from the website has been incorporated in the Prospectus through reference, see section "Documents incorporated by reference" above.

## Financing

The operations, including product developments and expansion, will mainly be financed by the Company's revenue stream and external capital, such as by new issues and credits. The Company's goal with the expansion and establishment of new projects where the Company's products are used to in the future be able to sustain the operations solely through revenue streams.

## Investments

Since 31 March 2020 until the date of this Prospectus, the Company has made no material investments. Neither does the Company have any ongoing material investments or planned investments for which undertakings have been made.

**Material changes in the Company's loan and financing structure since 31 March 2020**

On 14 April 2020, the Company withdrew the final EUR 400,000 of the EUR 1 million loan facility from Athanase. Other than that the Company has made no material changes to the Company's loan and financing structure Since 31 March 2020 until the date of this Prospectus.

**Information on trends**

Apart from what is mentioned about market trends, Zutech's assessment is that there are no known material trends or developments regarding production, sales, storage, costs and sales prices for the period from the end of the accounting year 2018/2019 until the date of the Prospectus.

## STATEMENT OF WORKING CAPITAL

The Board is of the opinion that the current working capital is not sufficient for the current needs for the next twelve-month period, calculated from the date of the Prospectus. The Company's liquidity forecast over expected cash flows, with the available liquid funds, indicates that the available cash flow from operating activities expects to be depleted by July 2020 and the deficit including one-off items amount to approximately SEK 20 million during the next twelve-month period. In order to increase the working capital, the Board has proposed to, and the extraordinary general meeting has resolved, to conduct the Offer of approximately SEK 42.4 million. The Offer is covered to 100 per cent by guarantee undertakings. The Company has also received subscription commitments of SEK 6.9 million, corresponding to 16 per cent of the Offer.

At full subscription, the Company will receive SEK 37.9 million after issue and guarantee

costs. If the Company receives SEK 24.0 million after issue and guarantee costs the working capital, according to the Board's assessment, is sufficient to cover the ongoing business operations at the desired pace during the next twelve-month period, calculated from the date of the Prospectus.

In case that the guarantors do not fulfil their undertakings, and/or if the respective Offer is not subscribed of such an amount that will cover the Company's need for working capital the following twelve-month period, it is the Board's intention to seek alternative external financing, such as through a directed share issue, bank loans and/or other credit facilities. If such alternative external financing is not available, the Company will consider other solutions such as reducing the Company's costs, dispose of assets alternatively conduct certain changes to the Company's business plan or organization.

## RISK FACTORS

*Before making an investment decision, it is important to thoroughly analyse the risk factors related to the Company and its operations. The assessment of the materiality of each risk factor is based on the probability of its occurrence and the expected extent of its adverse effects. In accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the council, the risk factors presented below are limited to those risks specific to the Company and/or the securities in the Offer and are material for a well-informed investment decision.*

*The statements below are based on the information that is available on the day of this Prospectus. The risk factors that are currently considered as the most material is presented first in each category, while the risk factors are then presented without any particular order.*

### RISKS RELATED TO THE COMPANY AND ITS OPERATIONS

#### COVID-19

In December 2019, a new coronavirus was identified in people who had fallen ill in pneumonia in the city of Wuhan, Hubei province, China. Coronavirus is a large family of viruses which in humans can cause mild flu-like symptoms as well as more serious illnesses, and everything in between. The new virus, which is related to SARS-coronavirus has been given the name SARS-coronavirus 2 (SARS-CoV-2) and the illness it causes, has been named Covid-19. On March 11, 2020 the World Health Organisation (WHO) declared Covid-19 a global pandemic. In an attempt to slow down the spread of Covid-19, a large number of countries have restricted travelling and larger crowds, and are encouraging or demanding citizens to work from home. Since a portion of the people affected by Covid-19 requires medical care, there is a risk for overcrowding in hospitals if the number of patients surpasses the health care capacity.

Covid-19 could affect the Company's ability to sell and market their products to the building and construction market, which would lead to lower income for the Company. The Company's business could also be affected if a large number of the Company's employees or consultants were to fall ill in Covid-19, or if a quarantine which hinders the Company's customers and employees getting to work was declared, or if travelling was heavily restricted. This could affect the Company's income, increase the administrative burden and cause delays in the development of current, and new products.

Estimated probability that the risk will occur:  
High

#### Macroeconomic factors and dependence on the construction industry

The Company's core business is focused on the construction industry. The construction industry can be adversely affected by general economic, financial and political conditions, which may have a negative impact on the Company's operations by reducing the number of new projects being implemented where the Company's services are used or can be used. Negative trends in the construction industry can also reduce the amount of capital that potential customers are willing to invest in the Company's products and services. A significant downturn in the construction industry may have a material adverse effect on the Company's operations, financial position and earnings, since the Company's income would decrease.

Estimated probability that the risk will occur:  
High

#### Competition

Zutec has a number of direct competitors active within the building and construction collaboration services segment, which is a segment within the market for cloud-based software as a service (SaaS) collaboration tools and there is a risk of increased competition in the said segment. If competition increases further in the cloud-based SaaS services segment, the Company's competitors may develop products equal to or better than the Company's products. There is no guarantee that the Company's products will be preferred over competitors' future products. This uncertainty involves a risk that could have a negative impact on the Company's operations, financial position and earnings.

In the cloud-based SaaS services segment in the construction industry, there is increasing

competition from large global software companies as well as local companies in more specific market areas and which may vary between the countries in which the Company operates. Some of the Company's competitors may have longer operating histories, hold larger market shares in specific markets or have greater financial and other resources, which may mean that the competitors are better equipped to adapt to changes in the market. In addition, competitors may also have greater opportunities to expand into new markets than the Company. Such competition or market changes may cause the Company's market share to decline, which may have a negative impact on the Company's future growth.

Estimated probability that the risk will occur:  
High

#### **Dependence on major customers and customer concentration**

The Company's customer agreements are entered into on a project-basis. Thus, the Company frequently has several agreements with the same customers. Although the Company is not dependent on any single customer agreement, a significant part of the Company's total sales is derived from a few major customers. There is a risk that these customers will not renew existing contracts or purchase the Company's products in future projects. If Zutec fails to retain any major customer, this could have a material adverse effect on the Company's operations, financial position and earnings.

Estimated probability that the risk will occur:  
High

#### **Dependence on key employees and qualified personnel**

The Company's success depends to a significant extent on key employees within the group and qualified staff, especially staff developing and maintaining the Company's software products and services. The ability to retain current staff as well as the ability to recruit new employees is crucial to the Company's future development. There is a risk that the Company will not be able to retain or recruit people who are or will be of importance to the group and thus that the Company will not be able to develop and maintain its software products and services. Key employees within the group have extensive experience in cloud-based SaaS in the construction industry. If the Company or other

companies within the group cannot retain or recruit key employees and qualified staff, this may adversely affect the company's ability to develop its products or implement its business strategies, which may adversely affect its operations and future development.

Estimated probability that the risk will occur:  
High

#### **Disputes**

The company is involved in ongoing disputes. There is a risk that the Company, from time to time, will be involved in additional court proceedings and/or arbitration proceedings. Such legal proceedings are often time-consuming and costly, and there is a risk that they cannot be resolved in a manner advantageous to the Company. There is also a risk, in case of loss in legal proceedings, that the Company will be forced to compensate the opposing party for the costs of the proceeding. Major disputes and future disputes could thus adversely affect the Company's operations, financial position and earnings because of increased costs.

Estimated probability that the risk will occur:  
High

#### **Product development**

The Company's operations demand continuous Research and Development (R&D). The market for cloud-based SaaS collaboration tools is characterised by rapid changes in technology, new evolving standards and new product and service introductions. The Company's future business prospects will depend on its ability to anticipate and respond to technological changes. R&D may be necessary to a greater extent to broaden the Company's market offering and safeguard competitiveness and growth. In addition, the Company's efforts to respond to technological innovations may require significant capital investments and resources. If Zutec is unable to successfully respond to new technological developments or to identify and respond to new market opportunities, products or services offered by its competitors, this could have a material adverse effect on the Company's sales and ability to generate income.

Estimated probability that the risk will occur:  
Medium

## **Funding and capital requirements**

The Board of Directors and the management are actively and continually working with the Company's governance and control, including profit, liquidity and financial position. The Board of Directors continually tests the prerequisites for the continued operations of the Company. However, since Zutec is currently in a phase of expansion with relatively large capital requirements, the Company may need to raise additional funds in the future in order to address expansion costs or increased demands on the Company's products. There is a risk that such funding may not be obtained when needed or that funding may not be obtained on acceptable terms. If the Company is unable to obtain financing when required, additional costs could arise and the Company could be forced to significantly reduce its activities or, ultimately, suspend its operations. If any of the risks described above arise, this could have a material adverse effect on the Company's growth and earnings.

Estimated probability that the risk will occur:  
Medium

## **Debt and interest risk**

The Company has among other things entered into an agreement regarding a credit facility with Athanase, where all shares in the subsidiary Zutec Inc. (Ireland) Ltd. has been used as security and may raise additional credits to finance the business. Financing through credit can generate interest expenses that are higher than the income from the Company's investment to which the financing is used. Borrowing credit to make investments increase the Company's exposure to capital losses and increased interest costs. Furthermore, the company is exposed to changes in interest rates for its financing arrangements with variable interest rates. There is a risk that the Company's exposure to capital losses and interest expenses will have a material adverse effect on the Company's financial position and earnings.

Estimated probability that the risk will occur:  
Medium

## **Pledge of subsidiary**

The Company has entered into an agreement regarding a credit facility of EUR 1 million with Athanase, where all shares in the subsidiary Zutec Inc. (Ireland) Ltd. has been used as security. There is a risk that the Company will

be unable to repay the credit to Athanase and that Athanase thereby uses the pledge. The Company conducts its operations through the subsidiary Zutec Inc. (Ireland) Ltd. Thus, in a scenario like above, there is a risk that the Company will be unable to continue its business.

Estimated probability that the risk will occur:  
Medium

## **Foreign currency exchange risk**

The Company has revenues and expenses in multiple currencies. This exposes the Company to two main foreign currency risks.

First, transactions in currencies other than SEK (which is the Company's accounting currency) expose the Company to risks related to short-term currency fluctuations. Unfavourable exchange rate fluctuations will result in outstanding receivables or liabilities being reduced or increased in relation to the Company's functional currencies, and thus impact the conversion to SEK, which could have a material adverse effect on the Company's operations, financial position and earnings.

Second, the use of different functional and accounting currencies imposes long-term currency risks. A long-term weakening of the Company's functional currencies against the SEK results in revenues, expenses and income, including monetary assets, being reported at lower amounts in SEK which could have a material adverse effect on the Company's operations, financial position and earnings.

Estimated probability that the risk will occur:  
Medium

## **Guarantees and indemnifications**

Within the SaaS-segment in the construction industry, it is common for suppliers to deliver parent warranties or in other ways, guarantees or deliver indemnifications to customers as security for delivering. Zutec Inc. (Ireland) Ltd. can, from time to time, guarantee its subsidiary's deliveries or give similar undertakings in relation to delivery contracts. If one of these guarantees or undertakings is used by the customer after a failed delivery, it could have a negative impact on the Company's business, financial position and revenue.

Estimated probability that the risk will occur:  
Low

### **Disruption or failure of technology systems**

Zutec is, as a provider of cloud-based SaaS solutions, primarily within the building and construction industry, dependent on the performance, reliability and availability of its technology platforms, communications systems, servers, the Internet, hosting services and the cloud-based environment in which it provides its products. Zutec relies on third-party service providers for the delivery of its products, and accordingly, many potential operational issues are outside the Company's control. There is a risk that these systems will be adversely affected by cybercrime or disruption, failure, service outages or corruption of Company's information technology network and information systems that may occur as a result of bugs, computer viruses and other destructive or disruptive software as well as natural disasters, power outages, and similar events.

Operational or business delays, and damage to reputation, may result from any disruption, failure to maintain adequate IT protection or failure of the Company's information systems and product delivery platforms, which may be caused by events outside the Company's control. This could damage the Company's reputation and lead to claims against the Company by its customers and termination of customer contracts. There is a risk that Zutec will not be able to recover possible losses from third-party service providers. In addition, certain material agreements with third-party service providers may be terminated at short notice. In such situations, there is a risk that the Company will be unable to enter into agreements with replacement providers in a timely manner and at equivalent terms and cost.

If any of the risks described above arise, this could have a material adverse effect on the Company's operations, sales and earnings.

Estimated probability that the risk will occur: Medium

### **Loss or theft of data and failure of data security systems**

The Company provides cloud-based SaaS solutions to the building and construction industry. The Company's products are designed to maintain the confidentiality and security of its customers' confidential and proprietary information that is stored on the

Company's systems, including highly valuable intellectual property, strategic business information and other confidential information. The Company is vulnerable to various types of cybercrime and disruption such as unauthorised system access and viruses, and there is a risk that outsiders could hack the Company's IT systems. The Company's business may be adversely affected by such cybercrime, disruption, theft, destruction, loss, misappropriation or release of confidential customer data or intellectual property, and the networks and information systems of the Company's third-party service providers and customers may also be vulnerable to loss or theft. These activities may cause significant disruption to the Company's systems and render its services unavailable for a period of time while data is restored. It may also lead to the unauthorised disclosure of the data of Zutec's customers which may subject the Company to reputational damage, claims by its customers, termination of contracts, regulatory scrutiny and fines.

Zutec may be unable to anticipate theft or disruption of data security systems or to implement adequate preventative or reactionary measures in order to maintain adequate IT protection. Any accidental or willful security breaches or other unauthorised access to Zutec's clients' data could have a material adverse effect on the Company's operations, sales and earnings.

Estimated probability that the risk will occur: Medium

### **IT security and data protection**

In addition to the risk described above under "Loss or theft of data and failure of data security systems", system failure or other disruption in the Company or its suppliers IT-systems could affect the Company's ability to run the business, fulfil undertakings towards customers and ensure non-disclosure. Zutec is obligated to run the business while taking applicable data protection legislation into consideration. Data protection legislation includes Regulation (EU) 2016/679 of the European Parliament and of the Council ("GDPR"). There is a risk that personal information and other sensitive information about employees, customers or company secrets that the Company manages is used in an unlawful way or is stolen in a cyberattack on the Company. GDPR compliance means increased costs and large administrative sanction fees can be imposed on those who do

not comply. In case unlawful proliferation or management and sorting of personal information are done in violation of GDPR, the Company can be liable to administrative sanction fees, damages and orders from supervisory authorities to correct the mistakes. If this risk occurs, it could have a material adverse effect on the Company's business, financial position and earnings.

Estimated probability that the risk will occur:  
Medium

### **Intellectual property rights**

The Company has not applied for any patents to protect its proprietary software products. Instead, the Company's proprietary software products are protected by way of copyrights and trade secrets. Copyright and trade secrets do not provide the same level of predictability in the scope of protection as patent protection and may, therefore, be insufficient. There is a risk that competitors and customers, current or future, may in various ways infringe the Company's intellectual property protection, which could negatively affect the operations of the Company. Similarly, if the Company fails to protect its proprietary intellectual property rights and/or company secrets in its contracts, this could have a material adverse effect on the Company's operations, financial position and earnings.

In the Board's opinion, the Company does not infringe the intellectual property rights of any third party. However, there is a risk that the Company, for instance as a result of expansion into new geographical markets, could infringe, or be accused of infringing, the intellectual property rights of a third party. In such case, the Company may get involved in disputes regarding those intellectual property rights. The same applies when any third party could infringe, or be accused of infringing, intellectual property rights within the Group. The outcomes in such disputes are often difficult to predict, and the costs may be significant. In the event that protection of its intellectual property rights within the group is insufficient, or if the Group infringes the intellectual property rights of any third party, or if a third party infringes the intellectual property rights of the group, this could lead to increased costs and have a material adverse effect on the Company's operations.

Estimated probability that the risk will occur:  
Medium

### **Reputation and brands**

The Company is dependent upon its reputation and the strength of its reputation and brands. Reputation and the brand are important components for both new and existing customers in the customer's choice of supplier. The Company's brand is not protected, which is why there is a risk that other players use the brand. Operational and technical problems, as well as loss of existing customers, can damage the Company's brand and reputation. Furthermore, the Company's reputation and brand may be adversely affected if the Company's employees or persons related to the Company commit unethical or criminal acts or violate the Company's internal guidelines and policies. Damage to the Company's brand and reputation may have a negative impact on the Company's position on the market and net turnover.

Estimated probability that the risk will occur:  
Medium

### **Sales and marketing channels**

The Company's sales are primarily done through direct sales made by the Company and through partnerships with select partners. The Company's growth strategy is dependent on the establishment of collaborations with sales and marketing partners and other distribution channels. There is a risk that the Company's agreements with sales and marketing partners and other distribution channels cannot be entered into on beneficial terms, or that agreements that have been entered into will not be observed by contracting parties. If important sales and marketing channels collaborations cannot be entered, are terminated or work unsatisfactorily, this could have a negative impact on the Company's net turnover and future.

Estimated probability that the risk will occur:  
Medium

### **Legal risks**

The Company has operations in a number of overseas jurisdictions and is exposed to a range of different legal and regulatory regimes. This gives rise to risks relating to labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regime and other issues in foreign jurisdictions in which the Company operates. Any of these

risks may, if they arise, adversely affect the Company's operations, financial position and earnings.

Estimated probability that the risk will occur:  
Medium

### **Tax risks**

The Company conducts business in a number of jurisdictions. The business of the Company, including intra-group transactions, are conducted in accordance with the Company's interpretation of applicable tax laws, including regulations of value-added tax and social fees, tax treaties, other tax provisions and requirements of the concerned tax authorities. There is a risk that the Company's knowledge, interpretation and application of such laws, treaties, provisions and requirements are not correct in all respects. There is a risk that the concerned tax authorities will come to decisions that deviate from the Company's interpretation. Due to decisions by the concerned tax authorities, amendments of laws, treaties or other tax provisions, the Company's tax position could change for the current as well as future fiscal years. Such decisions or amendments could, potentially with retroactive effect, have a significant negative impact on the Company's financial position and earnings.

Estimated probability that the risk will occur:  
Medium

## RISKS RELATED TO THE OFFER AND THE SHARES

### Market place and trade frequency in the share

The trading frequency in Zutech's shares have, from time to time, been characterized with low activity and the gap between bid and offer prices can from time to time be large, which has led to illiquidity in the share. The reason for the low trade frequency in the Company's share is hard to identify, but a possible reason could be the fact that most Swedish investors trade on First North and that Swedish investors are not familiar with the Company business, since it is being operated from Ireland. The activity in the trade with the Company's share has also been highly affected by the current turbulent trading environment that has followed from Covid-19.

The trading in the Company's share could be inactive and illiquid in the future as well. As a consequence, there is a risk that investors in the Company's share might not be able to sell their shares at every given moment and therefore will not be able to make sales at the desired price level. The mentioned also risk leading to a negative development of the shares' market price. The fact that the shares are listed on First North should not be viewed as a guarantee that there will be a sufficient supply and demand for the shares.

The Company intends to conduct the Offer partly to diversify the shareholder base in order to fulfil the requirements for the number of qualified shareholders in accordance with the regulations for issuers admitted to trading on First North. In the event that the shareholder base is not sufficiently diversified, the Company might not comply with the listing requirements of First North.

Estimated probability that the risk will occur: High

### Dividend

It is common for development companies like Zutech to not pay any dividends to shareholders. As of the date of this Prospectus, the Company has not paid any dividends to the Company's shareholders.

Under Swedish law, it is the general meeting that resolves on a dividend. The time and size of eventual future dividends are proposed by the board of directors. When considering future dividends, the board of directors will consider factors such as expansion plans and/or the demands that the nature, extent and risks of the business activity have on the

size of the Company's equity, liquidity and position in general. Thus, shareholders cannot expect to be paid any, or even a very low, dividend. If no dividend is paid, the return on the investment will only be generated by the potential increase in the share price of the Company shares, which may have a negative impact on the Company's shares and on the Offer.

Estimated probability that the risk will occur: High

### Dilution through future share issues

The Company is in a phase where the need for capital is high and the Company may decide in the future to issue new shares or issue of share-related or convertible securities to raise additional capital for the financing of the Company's operations. New issues may also be directed to investors other than existing shareholders. All such additional rights issues risk reducing the proportionate ownership and voting share of holders of shares in the Company as well as earnings per share. If new issues must be carried out at a low subscription price, for example in unfavourable market conditions, or amount to large amounts, such dilution effects may be significant. New share issues may also occur at a discounted price compared to the share price of the Company's share, which may have a negative effect on the development of the share price.

Estimated probability that the risk will occur: Medium

### Trading subscription rights and interim shares (Sw. BTA)

Subscription rights will be traded on First North during the period from 1 June 2020 until and including 11 June 2020 and BTA will be traded on First North during the period from June 1, 2020 until registration has been made by the Swedish Company Registration Office (Sw. Bolagsverket) (which is estimated around week 27, 2020). There is a risk that no active trade will develop for the subscription rights or BTA or that there will not be a sufficiently liquid market for the subscription rights, which can lead to dilution for investors who are unable to use or sell their subscription rights. This risk should be read together with the risk described under "Market place and trade frequency in the share".

Estimated probability that the risk will occur: Medium

### **Future sale of shares and concentration of ownership**

At the date of the Prospectus, 17.2 per cent of the shares are owned by Athanase and 18.8 per cent of the shares are owned by Brian McGuire. If these shareholders subscribe for their pro rata share with pre-emption rights, they will hold major positions in the Company after the Offer as well. Should Athanase need to fulfil its entire guarantee undertaking, Athanase would instead own approximately 86.7 per cent of the shares in the Company.<sup>13</sup> Thus, Athanase and/or Brian McGuire is likely to continue to exercise significant influence over all matters requiring the shareholders' approval, including the appointment of directors, amendment to the Company's Articles of Association, issuance of shares and the payment of dividends or dispose of a significant part of the Company's assets. Furthermore, Athanase and/or Brian McGuire will also be able to prevent a change in control of the Company or take other measures that may benefit Athanase and/or Brian McGuire but which may put other shareholders at a disadvantage. Conflicts of interest between

Athanase or Brian McGuire on the one hand and the interest of the Company or its other shareholders, on the other hand, could have a material adverse effect on the Company's business, financial position and earnings. Furthermore, the market price of the Company's share may fall if there is a significant sale of shares in the Company, especially if such sale is made by Athanase and/or Brian McGuire.

Estimated probability that the risk will occur:  
Medium

### **Guarantee undertakings and subscription undertakings are not secured**

The subscription undertakings and guarantee undertakings which cover the Offer are not secured via transactions on beforehand, bank guarantee or such. If the parties which have agreed to the guarantee undertakings and subscription undertakings do not fulfil their undertakings, it can negatively affect the outcome of the Offer.

Estimated probability that the risk will occur:  
Medium

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<sup>13</sup> As Erik Gabrielson, director in the Company, is deemed a related party to Athanase, his guarantee undertaking has been included in this regard.

## TERMS AND CONDITIONS FOR THE SECURITIES

### General

Zutec is a Swedish publicly traded limited liability company and the Company's shares are registered in an CSD system in accordance with the Central Securities Depositories and Financial Instruments (Accounts) Act (SFS 1998:1479). The register is managed by Euroclear Sweden AB, Box 191, 101 23 Stockholm. Thus, no physical share certificates are issued. The Company's shares are denominated in SEK, are issued to the holder and issued pursuant to Swedish law and the regulations pursuant to the Swedish Companies Act (SFS 2005:551). All of the Company's shares are fully paid, freely transferable and of the same share class. The Company's share capital is SEK 1,416,666.8, and the number of shares is 7,083,334. Each share has a quotient value of SEK 0.2. The ISIN code of the share is SE0010869487.

### Certain rights associated with the shares

The rights associated with the shares issued by the Company, including the rights in accordance with the Articles of Association, may only be amended in accordance with the procedure laid out in the Swedish Companies Act.

There is one (1) class of shares in the Company. Each share carries equal rights to the Company's assets and profits and carries one vote at a general meeting, equal rights to dividends and eventual surplus in the Company's liquidation. When new shares are issued, the shareholders normally have a preferential right to the shares. However, the general meeting may decide on exceptions to the preferential right. Changes in shareholders' rights require resolution from the general meeting. The conditions for changing shareholders' rights correspond to what follows by law. The shares are freely transferable, so there are no restrictions or reservations regarding the transferability of the shares.

### Participation and voting rights at general meetings

Notices to attend general meetings is carried out via announcement in the Swedish Official Gazette and on the Company's website. The Company shall announce that the notice has been issued by publication in the Swedish newspaper Dagens Industri. Shareholders that want to attend the general meeting shall

be registered in the share register managed by Euroclear five days before the general meeting, and notify attendance to the general meeting to the Company at the latest on the day specified in the notice.

Each share carries one vote at the Company's general meeting. Each shareholder is entitled to vote for each share the shareholder owns in the Company.

### Right to dividend, the share of the Company's profit and rights in the event of liquidation

The right to dividend accrues to the person who is entered in the share register and recorded in the record register on the record date set by the general meeting. This register is kept by Euroclear. Dividends are normally paid as a cash amount per share through Euroclear's provision, but can also be paid out in another form. If a shareholder cannot be reached, his claim regarding the amount of payment to the Company remains for ten years. At the end of the ten-year period, the dividend will accrue to the Company.

There are no restrictions on dividends being paid out to shareholders residing outside of Sweden, with the exception for possible limitations following from the bank- and clearing system. Payment of dividends to shareholders residing outside of Sweden are carried out in the same way as payments to shareholders residing in Sweden. Shareholders not residing in Sweden will usually have to pay withholding taxes on the dividend payment. The Company is, however not obligated to pay any such tax.

Zutec has no dividend policy and has so far not paid any dividends. Zutec is in a development phase, and any revenue is planned to be re-invested in the Company's continued development.

Each share carries equal rights to the Company's assets and profits. In the event of liquidation of the Company, shareholders are entitled to a share of the surplus in proportion to the number of shares held by the shareholder.

### Central Securities Depository

Zutec is affiliated with Euroclear's account-based securities system in accordance with the Central Securities Depositories and Financial Instruments (Accounts) Act (SFS 1998:1479). Shareholders that are registered

in the share register and noted in the electronic securities system are entitled to all rights associated with the shares.

### **Issue authorization**

On 14 November 2019 the Annual General Meeting resolved to authorise the Board of Directors to, on one or several occasions, for the time until the next Annual General Meeting, with or without derogation from the shareholders pre-emptive right, resolve to issue new shares, warrants or convertibles to the extent that is allowed in accordance with the Company's Articles of Association. The authorization was registered with the Swedish Company Registration Office on 22 November 2019.

The reason for the authorization is to increase the Company's financial flexibility and the Board of Directors' scope for action. If the Board decides to issue new shares with derogation from the shareholders pre-emptive right, the reason for this should be to enable external capital gain (through new shareholders of strategic importance for the Company or otherwise) for the financing of the Company business, commercialization and development of the Company's products and intellectual property and/or acquisitions of other companies or businesses.

### **Public takeover bids and squeeze out**

During public takeover bids, the rules applied are Takeover rules for certain trading platforms (the "Takeover rules") and the Swedish Securities Council decisions and notifications regarding interpretation and enforcement of the Industry and Commerce Stock Exchange Committee's previously valid rules "Rules regarding public takeover bids on the stock market". If the Board of Directors or the CEO, because of information from the party who is considering leaving a public takeover bid on the Company's shares, have a valid reason to believe that such a bid will be left in the near future, or if such a bid already has been announced, the Company can only act after a resolution has been made by the general meeting, so-called defense measures, which are aimed at worsening the pre-conditions for leaving or completing the offer. This does not, however, prevent the Company from looking for alternative bids. In the Takeover rules, there are also regulations on mandatory public takeover bids because of obligations to make a bid, which in summary stipulates the following regarding the shareholders' rights and obligations. The bid

shall include all shares in the Company and include one payment alternative, which means all shareholders have the right to cash payment. The bidder is obligated to treat all shareholders with identical rights equally. The Shareholders acceptance period cannot be less than three weeks. A shareholder who has accepted a bid is generally bound by the acceptance.

Squeeze out of shares is not regulated in the Articles of Association but regulated by the Swedish Companies Act, which in summary stipulates the following regarding the shareholders' rights and obligations. A shareholder holding at least nine-tenths (9/10) of the shares (the majority shareholder) has the right to squeeze out the remaining shares from the other shareholders. The shareholders whose shares can be squeezed out, have the right to have their share redeemed by the majority shareholder. If the redemption price is not agreed upon, it shall be decided to be the price for which the shares could be sold under normal circumstances. If the majority shareholder requests squeeze out of the remaining shares after a public takeover bid has been announced, and the takeover bid has been accepted by more than nine-tenths (9/10) of the shares which are included in the takeover bid, the redemption price shall be at least equal to the share price included in the takeover bid, unless special circumstances call for another solution.

Zutec's shares are not subject to any offers made because of an obligation to make a bid, squeeze out or redemption obligation. There have not been any public takeover bids regarding the Company's shares during the current or the previous financial year.

### **Tax related questions**

The tax regulation in the investors home country and in Sweden can affect the eventual return made on the share investment. Taxation of an eventual dividend, and taxation on capital gain and rules regarding capital losses in sales of securities, depend on each individual shareholder's specific situation. Certain tax rules apply for some types of taxable persons and some types of investment forms. Hence, each holder of shares, interim shares (Sw. BTA) and subscription rights should consult a tax consultant to get additional information regarding the consequences that can arise in the individual case, including the applicability and the effect of foreign tax regulations and tax agreements.

## **TERMS AND CONDITIONS FOR THE OFFER**

### **The Offer**

An extraordinary general meeting on 22 May 2020 resolved to carry out a new issue of 35,416,670 shares with pre-emptive rights for the Company's shareholders. It was also decided to carry out a new issue of an additional 1,754,385 shares, with a derogation from the pre-emptive rights of the shareholders. Thus, the Offer contains a new issue of shares subscribed with pre-emptive rights as well as a new issue of shares subscribed with a derogation from the pre-emptive rights of the shareholders.

The Offer includes a total of 37,171,055 new shares maximum. At full subscription, the Company gains about SEK 42.4 million before costs for the share issue and guarantees.

### **Subscription with pre-emption rights**

Those who are registered as shareholders in Zutech on the record date 28 May 2020 receives pre-emptive rights to subscribe for shares in the part of the Offer which can be subscribed with pre-emptive rights in relation to current holdings. One (1) share owned on the record date entitles the holder to five (5) subscription rights. One (1) subscription right entitles the holder to subscribe for one (1) share.

### **Subscription without pre-emptive rights**

An application to subscribe for shares without pre-emptive rights is made through the application form "Application form for a subscription without subscription rights" (Sw. Anmälningssedel för teckning utan stöd av teckningsrätter). Subscription without pre-emptive right shall be made during the same subscription period as with pre-emptive right, i.e. from and including 1 June 2020 until and including 15 June 2020. In the part of the Offer which can not be subscribed with pre-emptive rights, 5,000 shares is the minimum amount needed for subscription.

### **Subscription price**

The subscription price is SEK 1.14 per share. No commission will be charged.

### **Record date**

The record date at Euroclear for the right to participate in the Offer with pre-emptive rights is 28 May 2020. The last day of trading in the Zutech share, including the right to receive subscription rights, is 26 May 2020. The first day of trading, excluding the right to receive subscription rights is 27 May 2020.

### **Trading in subscription rights**

Trading in subscription rights will take place on First North during the period from and including 1 June 2020 until and including 11 June 2020 with the ticker Zutech TR. The ISIN-code for the subscription rights is SE0014428140. Shareholders should contact either their bank or other brokers with the necessary permits in order to conduct trade with the subscription rights. Subscription rights that are acquired during said trading period grant the holder the same rights to new shares as the subscription rights the shareholders acquire based on their holdings on the record date.

### **Subscription period**

Subscription of shares using subscription rights shall be made during the period from, and including 1 June 2020, until and including 15 June 2020. After the end of the subscription period, unused subscription rights become invalid and thereafter loses their value. Unused subscription rights are deregistered from the shareholders VP-account without notice from Euroclear. To prevent the loss of value in subscription rights, these must be used for subscription on 15 June 2020, at the latest, or be sold on 11 June 2020, at the latest. The Board of Directors are able to extend the period of time during which notice of subscription and payment can be made.

Dispatch of settlement notes regarding the part of the Offer which is not subscribed with pre-emptive rights is estimated to be made around 17 June 2020. Payment shall be made in accordance with the instructions on the settlement notes and be submitted to Avanza no later than on 23 June 2020.

An eventual extension of the time for subscription and payment shall be resolved before the end of the subscription period and be made public through a press release.

### **Unused subscription rights**

Subscription rights that are not sold on 11 June 2020 at the latest or used for subscription on 15 June 2020 at the latest will be deemed disposed. In order to prevent a loss of value of the subscription rights the holder is required to either sell the subscription rights on 11 June 2020 at the latest or use the subscription right to subscribe for new shares at 15 June 2020 at the latest.

### **Changes in share capital and number of shares and dilution**

If the Offer is fully subscribed the number of shares in the Company will increase with 37,171,055 shares from 7,083,334 shares to 44,254,389 shares, and the share capital in the Company will increase with SEK 7,434,211 from SEK 1,416,666.8 to SEK 8,850,877.8, corresponding to a dilutive effect of approximately 83.99 per cent. Shareholders that choose to not participate in the Offer can partly compensate for the dilution economically by selling their subscription rights. Since a part of the Offer includes 1,754,385 shares which are issued with a derogation from the shareholders' pre-emptive rights, existing shareholders risk a dilution of about 3.96 per cent, regardless of whether they exercise their pre-emptive rights fully to subscribe for the shares which are issued with pre-emptive rights.

### **Issue reports and application forms**

#### **Directly registered shareholders**

A pre-printed issue statement with an attached payment slip will be sent to directly registered shareholders and representatives of shareholders who, on the record date, were registered in the share register maintained by Euroclear on behalf of the Company. The issue statement includes, among other things, the number of subscription rights received and the full number of new shares which may be subscribed for. Shareholders who are included in the special list of pledge holders and trustees which is maintained in connection with the share register will not receive an issue statement but will be informed separately. Any separate securities form that reports the registration of subscription rights in the shareholders' securities account will not be sent out.

#### **Nominee registered shareholders**

Shareholders whose holdings of shares in the Company are nominee-registered with a bank or other nominee on the record date will not receive issue reports or special notification forms from Euroclear. Notification of subscription should instead be made in accordance with instructions from the respective trustee.

### **Subscription by exercise of subscription rights**

Subscription for new shares by exercise of subscription rights will be made by way of cash payment during the period from and including June 1, 2020 until and including June 15, 2020. Please note that a subscription is irrevocable. Subscription and cash payment will be made either by using the pre-printed payment slip or the special application form with the alternatives below:

#### **1) Payment slip**

In the event that all subscription rights received on the record date are used for subscription of new shares, only the pre-printed payment receipt shall be used as a basis for notification of subscription

through cash payment. Special application forms should not be used. No additions or changes may be made to the text printed on the payment window.

*Please note that an application to subscribe is binding.*

## **2) Special application form**

If a different number of subscription rights than those stated in the pre-printed issue report are used for subscription, the special application form must be used as a basis for subscription through cash payment. Notification of subscription by payment must be made in accordance with the instructions on the special application form. The pre-printed payment slip must, therefore, not be used. An incomplete or incorrectly completed application form may be left without consideration. Special application forms can be obtained from Avanza by telephone, e-mail or by downloading it from Avanza's website. The completed application form must be sent by mail or delivered to the address below and be delivered to Avanza no later than 15.00 on 15 June 2020. Application forms sent by post should be sent in due time to ensure delivery before the specified deadline. Only one (1) special application form is allowed to be submitted. If more than one (1) special application form is submitted, only the last received will be considered. Other special application forms will therefore not be considered.

*Please note that an application to subscribe is binding.*

### **Avanza Bank AB**

Matter: Zutec  
Box 1399  
111 93 Stockholm  
Visiting address: Regeringsgatan 103  
E-mail: [corpemissioner@avanza.se](mailto:corpemissioner@avanza.se)  
Phone: +46(0)8-409 421 22  
Website: [www.avanza.se](http://www.avanza.se)

### **Subscription without pre-emptive right (notice of interest)**

Subscription of new shares without pre-emptive right shall be made during the same period as subscription of shares with pre-emptive right, meaning the period from 1 June 2020 until and including 15 June 2020. The Board of Directors of Zutec retain the right to extend the subscription period, provided that they announce the extension on 15 June 2020 at the latest. An application to subscribe without pre-emptive right is made by filling in and signing the application form for a subscription without pre-emptive right and send the application form to Avanza in accordance with the contact information above. The application form can be ordered from Avanza through telephone, E-mail or be downloaded from Avanza's website. Individuals can also fill out and send the application form electronically to Avanza via their website, [www.avanza.se](http://www.avanza.se). The application form can also be downloaded from Zutec's website, [www.zutec.com](http://www.zutec.com) and via E-mail from Avanza: [corpemissioner@avanza.se](mailto:corpemissioner@avanza.se).

The application form must reach Avanza 15:00 on 15 June 2020 at the latest. An application form sent by post should, therefore, be sent in due time before the last subscription day. Only one (1) application form for a subscription without subscription rights is allowed. If there are multiple application forms sent, only the last arriving application form will be considered. An incomplete or incorrectly filled out application form can be left without consideration. An application is binding. Please note that shareholders with nominee registered holdings shall apply for a subscription without pre-emptive right to their nominee in accordance with its routines. Subscription can also be made electronically with BankID. Enter [www.avanza.se](http://www.avanza.se) and follow the instructions or contact [corpemissioner@avanza.se](mailto:corpemissioner@avanza.se) for more information. When subscribing for shares without pre-emptive right and in other corporate events where participation is voluntary, and the subscriber can choose to participate, Avanza must gather information from the subscriber regarding citizenship and identification codes. This is in accordance with the legislation for stock exchange which effective on 3 January 2018. For physical persons, national ID ("NID") must be gathered if the person has another or an additional citizenship apart from Swedish citizenship. NID is different from country to country and is the equivalent to a national identification code for the country. For legal entities, Avanza must gather a Legal Entity Identifier (LEI). Avanza could be unable to manage transactions unless all obligatory information has been gathered.

*Please note that an application to subscribe is binding.*

## **Allotment principles**

### *Shares issued with pre-emptive rights*

In the event that not all shares which are issued with pre-emptive rights are subscribed by the exercise of subscription rights, the allocation of the remaining shares shall be made in the following manner. Allotment of the new shares shall firstly be made to those who also subscribed for new shares through the use of subscription rights (irrespective of whether the subscriber was registered as a shareholder on the record date or not), and that has notified interest in subscription of shares without the support of subscription rights, and in the event that allotment cannot be made in full to those, allotment shall be made pro rata in relation to the number of subscription rights that have been used for subscription of new shares. Secondly, allotment of new shares shall be made to those who have subscribed for new shares without subscription rights, and in the event that allotment cannot be made in full to those, allotment shall be made pro rata in relation to the number of shares that each of them have subscribed for. Thirdly, any remaining new shares shall be allotted to investors acting as guarantors, pro rata in relation to such guarantee commitments. In the event that any part above is not possible, allotment shall be made by drawing lots.

### *Shares issued without pre-emptive rights*

Allotment of shares within the scope of the maximum amount in the share issue without pre-emptive rights is resolved by the board of directors in Zutec. If this part of the Offer is over-subscribed, allotment will firstly be made to as many investors as possible with minimum subscriptions of 5,000 shares each, thereafter allotment will be made in pro-rata in relation to the number of shares each investor has applied for. In addition, allotment can be prioritised in favor of those who are not shareholders in the Company on 28 May 2020, and to strategic investors. If the share issue is not fully subscribed, allotment will be made to those who have left share issue guarantees regarding subscription of shares, in relation to such guarantee undertakings.

## **Notice of allotment of shares without pre-emptive rights**

Notice of eventual allotment of shares subscribed without pre-emptive right is left through the delivery of an allotment notification in the form of a settlement note. Payment shall be made, at the latest, three (3) banking days after the settlement note has been issued. However, the Board of Directors in Zutec have the right to extend the period of time during which payment can be made. The notice is sent out to everyone who has been allotted shares. If payment is not made on time, shares can be allotted to someone else. If the consideration for the shares in such a case is less than the price that is set out in the Offer, the one who has been allotted, these shares might have to answer for all, or parts of the difference. An allotment is not dependent on when, during the application period, the application was received. In case of oversubscription, the allotment may not be made, or be made with a lower number of shares than what the application set out. Those who subscribe to shares without pre-emptive rights through their nominee will receive word on the subscription in accordance with the routines of their nominee.

## **Investors residing outside of Sweden**

Investors who reside outside of Sweden and wishes to participate in the Offer can contact Avanza via the contact information above for information regarding subscription and payment. Due to restrictions in securities law, the Offer is not addressed to persons residing or registered in the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa or other countries where participation requires additional prospectus, registration or other measures than those that follow from Swedish law. As a result, investors with a registered address in one of these countries will not receive an issue report. Such shareholders will also not receive any

subscription rights in their respective securities accounts. The subscription right that would otherwise have been delivered to such shareholders will be sold and the sales proceeds, after deduction of costs, will then be paid to the relevant shareholders. Amounts below SEK 50 per shareholder will not be paid.

### **Paid interim shares (Sw. Betald tecknad aktier) ("BTA")**

Subscription by payment is registered with Euroclear as soon as this can be done, which usually means a few banking days after payment. Subsequently, the subscriber receives a securities notification with confirmation that BTA has been entered into the subscriber's securities account. The newly subscribed shares are recorded as BTA in the securities account until the share issue has been registered with the Swedish Companies Registration Office, which is expected to take place during week 27, 2020.

### **Trading with BTA**

Trading with BTA is expected to take place on First North from June 1, 2020 until the share issue is registered with the Swedish Companies Registration Office, which is expected to take place during week 27, 2020. The ISIN code for BTA is SE0014428157.

### **Delivery of shares**

When registration has been made with the Swedish Companies Registration Office, which is expected to take place on or about week 27, 2020, BTAs are converted to shares without notice from Euroclear. Shareholders whose holdings are on a securities depository account in a bank or are nominee-registered will be notified in accordance with the procedures of the respective bank or nominee.

### **Announcement of the outcome of the Offer**

On or around 17 June 2020 the Company is expected to announce the outcome of the Offer. The announcement will be made through a press release which will be available on the Company's website.

### **Trading with the shares**

The shares in Zutec are traded on First North. The shares are traded under the ticker ZUTEC and have ISIN code SE0010869487. The new shares will be admitted to trading in conjunction with the conversion of BTA to shares, which is expected to take place during week 27, 2020.

### **The right to dividends**

The shares issued within the frame of the Offer entitle the holder to a dividend as of the record date for the dividend that falls closest after the newly issued shares have been registered with the Swedish Companies Registration Office and entered in the share register kept by Euroclear.

### **Subscription on Investment Savings Account (Sw. investeringssparkonto) ("ISK"), endowment insurance or individual pension saving (Sw. individuellt pensionssparande) ("IPS")**

Subscriptions can be made via different types of securities accounts. If the shares are subscribed through an IPS account, endowment insurance or ISK, certain rules apply. The subscriber should contact its bank/nominee and follow its instructions regarding how subscription/payment should be made. If the subscription is not correctly made, delivery of allotted securities will not be possible to the types of securities accounts mentioned above. It is the responsibility of the subscriber to present the documents related to the allotment (appendixes, certified copy of ID, LEI-code and such) in a way that makes sure delivery can be made to the right securities account.

### **Other information**

The Board of Directors is not authorized to cancel the Offer but is entitled to extend the time during which notification of subscription and payment can be made. Any extension of the subscription and payment period must be decided no later than the end of the subscription period and published through a press release.

In case of excess payment, the Company will arrange for the exceeding amount to be repaid to the subscriber. No interest will be paid for the exceeding amount. A subscription of new shares is irrevocable, and thus the subscriber may not cancel or alter a statement to subscribe for shares. Incomplete or a not correctly filled application form may not be valid or may result in a subscription of a lower amount.

In case of late payment or if the payment is insufficient or incorrect, the subscription application may be left without consideration or subscription may be deemed to have been made for a lower amount. In such case, any subscription payment not accepted for payment will be refunded. No interest will be paid on any excess amount.

### **Important information regarding LEI and NID at subscription without subscription rights**

In accordance with Directive 2011/61/EU of the European parliament and of the council (MiFID II) all investors shall from 3 January 2018 be able to present a global identification code to be able to make a transaction of securities. These requirements also mean that legal entities need to apply for registration of a LEI-code (Legal Entity Identifier) and physical need to be able to present their NID-number (National ID or National Client Identifier) to be able to subscribe for shares in the Company. Please observe that the subscriber's legal status is what decides whether a LEI-code or NPID-number (if applicable) needs to be presented. Legal entities in need of a LEI-code can turn to one of the suppliers available on the market. For natural persons having only a Swedish citizenship, the NID-number is the national code SE followed by their personal identification number. If the person has multiple citizenships or does not have a Swedish citizenship, the NID-number can be another type of number. Those who intend to announce their interest in subscribing for shares in the Company should apply for registration of a LEI-code (legal entities) or find out what their NID-number is (natural persons) beforehand since this information needs to be noted in the application form used for subscription.

### **Subscription commitments and guarantee undertakings**

The Company has received subscription commitments of approximately SEK 6.9 million corresponding to approximately 16 per cent of the Offer, as well as a guarantee undertaking of approximately SEK 42.4 million, corresponding to 100 per cent of the Offer.

Should the Offer be subscribed by more than 100 per cent, the guarantee undertaking will not be exercised. The guarantee fee is 7.5 per cent of the guaranteed amount in the form of cash payment. The subscription commitments do not entitle to any compensation.

Abovementioned subscription commitments and guarantee undertaking were entered into in April 2020. Neither the subscription commitments nor the guarantee undertaking is secured by means of bank guarantees, restricted funds, pledging or any similar arrangement. Accordingly, there is a risk that the commitments, in whole or in part, will not be fulfilled. Please refer to the section "Risk Factors - Subscription commitments and guarantee undertakings are not secured" for additional information.

The table below covers the subscription commitments and guarantee undertaking that have been entered into as of the date of this Prospectus, including commitments by the members of the Board and the executive management.

#### **Subscription commitments**

<b>Name</b>	<b>Amount</b>	<b>Percentage of the Offer</b>
Athanase (innefattande Athanase Industrial Partners II Kommanditbolag och Athanase Industrial Partners Fund II)	6,926,765.4 SEK	16 %
<b>Total</b>	6,926,765.4 SEK	16 %

### Guarantee undertakings

Name	Guarantee amount	Address
Athanase (including Athanase Industrial Partners II Kommanditbolag and Athanase Industrial Partners Fund II)	SEK 41,375,004	Athanase Industrial Partners II Kommanditbolag, reg. no 969789-9582, Nybrogatan 3, 114 34 Stockholm, Sweden  Athanase Industrial Partners Fund II, Landmark Square, West Bay Road, PO Box 775, Grand Cayman Island, KY1-9006, Cayman Islands
Erik Gabrielson	SEK 1,000,000	Zutec Holding AB, c/o Eversheds Sutherland Advokatbyrå AB, Box 14055, 104 40 Stockholm
<b>Total</b>	<b>SEK 42,375,004</b>	

### Lock-up agreements

The shareholders Brian McGuire, Athanase, Tom Boland and Mike White have undertaken against the Company not to transfer, pledge or otherwise divest existing shares in Zutec in the Company (the "Lock-up commitment"). The lock-up commitment is valid up to and including the date six (6) months from the date of completion of the issue of shares with pre-emptive rights. The Lock-up commitment is subject to customary exemptions, for example, in the event that a public takeover offer is submitted for all shares in the Company. In total, approximately 51.44 per cent of the shares in the Company at the date of the Prospectus is covered by the Lock-up commitment.

### Liquidity provider

Mangold Fondkommission AB acts as Zutec's liquidity provider with the purpose of providing liquidity in the trading of the Company's share. The liquidity providing began on 22 February 2019.

Mangold Fondkommission AB will fulfil its mandate as a liquidity provider to continuously place the trading posts on each buy and sell-side in the Zutec share booklet and ensure that a predetermined spread is held in the share. The purpose of the liquidity is to promote good liquidity and ensure a low spread between buy and sell in current trading.

## BOARD OF DIRECTORS AND SENIOR EXECUTIVES

### Board of Directors

Name	Position	Year of birth	Independent in relation to	
			The Company and management	The Company's major shareholders
Mikael Näsström	Chairman	1972	Yes	Yes
Stefan Charette	Director	1972	Yes	No
Brian McGuire	Director	1954	Yes	No
Erik Gabrielson	Director	1962	Yes	No
Per Åkerman	Director	1964	Yes	Yes

### MIKAEL NÄSSTRÖM

Chairman since 2020.

**Experience:** Mikael Näsström has an MBA from Edinburgh Business School from 2018 and a DIHM (Bachelor) in marketing from IHM Business School from 2002. Michael has experience as office sales manager and head of marketing and his current role as Vice President for Commercial Excellence and marketing in AMETEK.

**Holdings:** -

**Other assignments:** Chairman of the board in AMETEK Finland Oy and external managing director of AMETEK Nordic AB.

### STEFAN CHARETTE

Director since 2020.

**Experience:** Stefan Charette has a degree in financial mathematics and a degree in computer science from KTH Royal Institute of Technology in Stockholm (Sw. Kungliga Tekniska Högskolan). Charette is a Swedish businessman, and previous CEO of publicly traded companies, including AB Custos, investment AB Öresund, Creades AB and Brokk Group. Current appointments as director includes the various companies in the Athanase Industrial Partners Group and appointments as director in the publicly traded companies DistIt AB (chairman), Alcadon Group AB and Actic Group AB.

**Holdings:** 1,215,222 shares in the Company (own and/or related party's holding).

**Other assignments :** Chairman of the board in DistIT AB, board director in Charette Capital AB, Athanase Capital Partners AB, Actic Group AB, Alcadon Group AB and external managing director in Athanase Industrial Partner AB.

### BRIAN MCGUIRE

Director since 2020 and founder of the Company

**Experience:** Brian has a Higher National Diploma (HND) in Environmental Engineering from Dublin Institute of Technology. Brian has been Project Director on major infrastructure projects in the U.K., Suntech city in Singapore and Petronas Towers in Kuala Lumpur in Malaysia and Major Financial

Centre MEP Project for Swedish contractor NCC. Furthermore, McGuire is the founder of the Company and was previously the CEO of Zutec Inc. (Ireland) Ltd. between the years of 1999 and 2015 as well as Chairman of the Board in the Company between the years of 2018 - 2019.

**Holdings:** 1,328,130 shares in the Company (own and/or related party's holding).

**Other assignments:** -

## **ERIK GABRIELSON**

Director since 2020.

**Experience:** Erik Gabrielson has a master of laws from Lund University and has experience from board work in several private and listed software companies.

**Holdings:** -

**Other assignments:** Director in Elanders AB, Carl Bennet AB, Lifco AB, ECG Vininvest AB, ECG Vignoble AB, Allegresse AB, Athanase Industrial Partners II AB, Chairman in Redoma Recycling AB, and Eldan Recycling AS, extern firmatecknare i Advokatfirman Vinge Aktiebolag och Advokatfirman Vinge Skåne AB.

## **Senior executives**

Name	Position	Year of birth
Gustave Geisendorf	CEO	1974

## **GUSTAVE GEISENDORF**

CEO since 2020.

**Experience:** Gustave Geisendorf has a bachelor in international economics and company administration from Uppsala University and an engineering degree in finance from Cass Business School. Geisendorf has meaningful experience of business turnarounds and has had operative roles, including CEO of Domino's Pizza Scandinavia. Previously, Geisendorf had consulting roles regarding business financing and private equity as, e.g. director of Citigroup and Lehman Brothers, and as a portfolio manager at Folksam.

**Holdings:** 0 shares and 2,950,000 warrants issued within the Company's incentive program for the CEO and other employees, and additional 8,850,000 Warrants in the Company. For more information on the warrants, see the section "Information on shareholders and legal information – Convertibles and warrants".

**Other assignments:** -

## **Additional information relating to the Board of Directors and senior executives**

All directors and senior executives can be contacted via the Company's registered address, c/o Eversheds Sutherland Advokatbyrå AB, Box 14055, 104 40 Stockholm, Sweden.

None of the directors or senior executives has any family ties to other directors or senior executives. With the exception for the related party transactions and conflicts of interest that are stated in section "Legal considerations and supplementary information" there are no conflicts of interest or potential conflicts of interest between the directors and senior executives commitments towards the Company and their private interests and/or other commitments.

None of the directors or senior executives has been convicted of fraud-related court cases during the past five years. During the past five years, none of the Company's directors or senior executives has been subject of accusations or penalties by authorities authorized by law or regulation or prohibited by court from being a member of an issuer's management, operational or control body or from having a leading or overall function of an issuer. No director or senior executive has been involved in any bankruptcy, bankruptcy management or liquidation over the past five years, except as noted below.

Gustave Geisendorf was a director in Domino's Pizza Scandinavia A/S when the company's Danish operations, and its parent company with subsidiaries, declared bankruptcy on 2 March 2019.

Brian McGuire was a director in Zutec Gulf LLC when the company entered into voluntary liquidation during 2018.

### Remuneration to Board of Directors and senior executives

Remuneration to board directors is decided by a general meeting. The Annual General Meeting on 14 November 2019 resolved that remuneration to the chairman shall be SEK 186,000 and that remuneration to the other directors shall be SEK 93,000 for the time until the next Annual General Meeting in November 2020. No director has entered into any agreements that entitle the director to any payment should the assignment be terminated. None of the current directors has received any remuneration during the accounting year 2018/2019.

The table below shows the remuneration which has been paid out to board directors and senior executives in the Company for the accounting year 2018/2019. The Company has no set-aside or accrued amounts for pensions or similar benefits following the resignation of a director or senior executive.

SEK	Board remuneration	Salary*** / Consultancy fee	Variable remuneration	Pension provisions	Total
<b>Board of Directors</b>					
Mikael Näsström	-	-	-	-	-
Stefan Charette	-	-	-	-	-
Brian McGuire	186,000	1,043,940	-	25,055	1,254,995
Erik Gabrielson	-	-	-	-	-
Per Åkerman	-	-	-	-	-
Brendan O'Riordan*	93,000	1,418,018	208,788	65,072	1,784,878
Conor O'Brien*	93,000	1,560,858	208,788	52,347	1,914,993
Gerard Jones*	93,000	-	-	-	93,000
Hans Schedin*	93,000	-	-	-	93,000
Daniel Nyhrén*	65,227	-	-	-	65,227
<b>Senior executives</b>					
Gustave Geisendorf, VD	-	-	-	-	-
Cliona Farrelly, acting CEO**	-	865,165	-	19,574	884,739
<p>* This person is no longer part of the Company's board/management.</p> <p>** Cliona Farrelly was the acting CEO of the Company until March 2020.</p> <p>*** The amount includes social contributions and taxes.</p>					

## FINANCIAL INFORMATION AND KEY FIGURES

The Company's financial figures for the financial years 2017/2018 and 2018/2019, and the period of July 2019 – March 2020 and the corresponding period for the previous accounting year are presented below. The Financial information presented below is taken from the audited annual reports of the Company for the financial years 2017/2018 and 2018/2019 and the interim reports for the period July – March 2020. The interim report for the period July – March 2020 have not been reviewed or audited by the Company's auditor.

The accounting on group level in the Company's audited annual reports for the financial years 2017/2018 and 2018/2019 have been made in accordance with the Swedish Accounts Act, RFR 1 Additional accounting regulations for groups (Sw. Kompletterande redovisningsregler för koncerner), International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as they have been adopted by the EU. The accounting on parent company level in the Company's revised annual reports for the financial years 2017/2018 and 2018/2019 have been made in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities (Sw. Redovisning för juridiska personer). The recommendation means that the parent company does not apply the same accounting principles as the group, except in cases where the Swedish Annual Accounts Act or applicable tax law limit the possibilities of applying IFRS. The Company's interim reports have been prepared in accordance with IAS 34 Interim Financial Reporting.

The Financial information is incorporated by reference in accordance with the following:

<b>Zutec Annual Report for 2017-07-01 – 2018-06-30<sup>14</sup></b> (audited)	<b>Reference</b>
Group Income Statement	Appendix 1, p. 5
Group Balance Sheet	Appendix 1, p. 6-7
Group Statement on changes in Equity	Appendix 1, p. 7
Group Cash Flow Statement	Appendix 1, p. 8
Notes	Appendix 1, p. 13-25
Audit Report	Appendix 2, p. 1-2

<b>Zutec Annual Report for 2018-07-01 – 2019-06-30<sup>15</sup></b> (audited)	<b>Reference</b>
Group Income Statement	Appendix 1, p. 6
Group Balance Sheet	Appendix 1, p. 7-8
Group Statement on changes in Equity	Appendix 1, p. 8
Group Cash Flow Statement	Appendix 1, p. 9
Notes	Appendix 1, p. 14-27
Audit Report	Appendix 2, p. 1-2

<b>Zutec Interim Report for the period up to 31 mars 2020<sup>16</sup></b> (Not audited)	<b>Reference</b>
Group Income Statement	p. 4
Group Balance Sheet	p. 6
Group Statement of Equity	p. 6
Group Cash Flow Statement	p. 5

<sup>14</sup>[https://www.zutec.com/hubfs/Annual%20Report/Annual-Report-FV\\_01\\_RC02%20.pdf](https://www.zutec.com/hubfs/Annual%20Report/Annual-Report-FV_01_RC02%20.pdf)

<sup>15</sup><https://www.zutec.com/hubfs/Year%20end%20report%20and%20Annual%20Report%2030%20June%202019.pdf>

<sup>16</sup><https://www.zutec.com/hubfs/Zutec%20Interim%20Reports/Zutec%20Q3%20Interim%20Report%2031%20March%202020.pdf>

Other than where it is expressly stated, no financial information in this section has been reviewed or audited by the Company's auditor. The Company's auditor has not made any notes on the annual accounts for the accounting years of 2017/2018 or 2018/2019. In the auditor's statement for the accounting year 2018/2019, the following information of material importance is included:

*"Information of material importance*

Without affecting the statements I have made above I want to notify the reader of the writing made in the auditors statement under the heading Material events after the end of the accounting year regarding the company's finances in the accounting year of 2019/2020. "Utan att det påverkar mina uttalanden enligt ovan vill jag göra läsaren uppmärksam på skrivningen i förvaltningsberättelsen på under rubriken Väsentliga händelser efter räkenskapsårets utgång angående bolagets finansiering under räkenskapsåret 2019/2020."

## Key figures

	2019-07-01 2020-03-31 (9 months)	2018-07-01 2019-03-31 (9 months)	2018-07-01 2019-06-30 (12 months)	2017-07-01 2018-06-30 (12 months)
	Not audited	Not audited	Audited	Audited
Operating loss/profit (EBIT) (KSEK)	-30,079	-19,369	-29,074	2,339
Operating loss/profit before depreciation (EBITDA) (KSEK)	-24,647	-15,896	-24,017	6,289
Operating margin (EBITDA) (%)	-261.27	-133.8	-111.9	-19.15
Operating margin (EBIT) (%)	-303.56	-155.7	-135.5	-7.12
Gross loss/profit margin (%)	76	81	84	88
Net income margin (%)	-159	-123	-128	6
Earnings per share <sup>17</sup> (parent company) (SEK)	-4.31	-2.69	-4.04	0.28
Equity ratio (%)	7.84	74.64	74.31	82.12
Number of shares <sup>18</sup> (no.)	7,083,334	7,083,334	7,083,334	7,083,334

## Definition and usage of key figures

### Operating loss/profit (EBIT)

Operating loss/profit consists of profit before financial items and tax (EBIT). The purpose of the key figure is to show the Company's income in relation to operating expenses independently in relation to financing and tax.

### Operating loss/profit before depreciation (EBITDA)

Operating profit consists of profit before planned depreciation and before depreciation on consolidated intangible assets (EBITDA). The purpose of the key figure is to demonstrate profit generation before investing in intangible assets.

### Operating margin (EBITDA)

Operating margin has been calculated as profit before planned depreciation and

before amortization of consolidated surplus values in intangible assets (EBITDA), expressed as a percentage of net sales for the period. The purpose of the key figure is to show the percentage of profit generated before investing in intangible assets.

### Operating margin (EBIT)

The operating margin has been calculated as profit before financial items and tax (EBIT), expressed as a percentage of net sales for the period. The purpose of the key figure is to show on the Company's income generation after operating expenses have been deducted.

### Gross loss/profit margin

The gross loss/profit margin has been calculated as the gross loss/profit in percentage of the net sales for the period. The purpose of the key figure is to show the

<sup>17</sup> Defined in applicable accounting principles and is therefore not considered an alternative performance measure according to ESMA's guidelines.

<sup>18</sup> Non-financial measure – ESMA's guidelines does not apply.

percentage surplus left over from sales revenue after costs for services sold has been deducted.

#### **Net income margin**

The net profit margin has been calculated as net profit in relation to sales, expressed as a percentage. The purpose of the key figures is to show how much of the net sales remain after deduction of financial items..

#### **Equity ratio**

The equity ratio has been calculated as equity in percentage of total assets on the balance sheet date according to the balance sheet. The purpose of the key figure is to show the Company's financial sustainability and the proportion of equity financed.

#### **Material changes of the Company's financial position after 31 March 2020 until the date of this Prospectus**

There have been no material changes regarding the Company's financial position after 31 March 2020 until the date of this Prospectus.

#### **Dividend policy**

Zutec does not have a specific dividend policy in place and has at this date not paid any dividend to the Company's shareholders. The Company is in an expansion phase and all revenue is planned to be re-invested in the Company.

## INFORMATION ON SHAREHOLDERS AND LEGAL INFORMATION

### Ownership structure

The table below presents the Company's shareholders, including holdings of five per cent or more of the voting rights of all shares, according to records from Euroclear as of 15 May 2020, including changes known to the Company thereafter. All of the Company's shares have the same voting rights.

Shareholders	Number of shares	Percentage of votes and capital
Brian McGuire	1,328,130	18.8 %
Athanase*	1,215,222	17.2 %
Stephen Tarpey (Zyew Limited)	713,951	10.1 %
Tom Boland	621,730	8.8 %
Mike White	478,260	6.8 %
Övriga	2,726,051	38.5 %
<b>Total</b>	<b>7,083,334</b>	<b>100.0 %</b>

\* In this context, Athanase consists of Athanase Industrial Partners II AB and Athanase Industrial Partners Fund II.

### Shareholders agreement

To the Company's knowledge, there are no shareholder agreements or other agreements between any of the Company's shareholders that seek to have joint influence over the Company. As far as the Board of Zutech is aware, there are no agreements or corresponding agreements that may lead to a change in control of the Company.

### Shares and share capital

In accordance with Zutech's articles of association as of the date of approval of the Prospectus, the share capital shall be no less than SEK 1,400,000 and no more than SEK 5,600,000, distributed in no less than 7,000,000 shares and no more than 28,000,000 shares. During the accounting year of 2018/2019 and before the Offer, the share capital is SEK 1,416,666.8 allocated in 7,083,334 shares. The shares are denominated in SEK and have a quotient value per share of SEK 0.2. The Company has one share class and all issued shares are fully paid and transferable.

On the extraordinary general meeting on 22 May 2020 it was resolved, under the condition of the Offer being carried out, to amend the articles of association. According to the new articles of association, the share capital shall be no less than SEK 5,600,000 and no more than SEK 22,400,000, distributed in no less than 28,000,000 shares and no more than 112,000,000 shares.

### Convertibles and warrants

On the extraordinary general meeting on 22 May 2020 it was resolved to implement an incentive program of warrants consisting of 5,900,000 warrants for the managing director and certain employees, where the managing director has the right to subscribe for 50 per cent of the warrants. One (1) warrant entitles the holder to subscribe for one (1) share against a subscription price of SEK 2.28 per share. Subscription of shares by exercising the warrants is possible during the period from and including 1 September 2023 until and including 31 December 2023. Complete terms and conditions are available on the Company's website.

The extraordinary general meeting also resolved on to issue 8,850,000 warrants to the CEO of the Company, Gustave Geisendorf. Subscription of the warrants shall take place at a price corresponding to the market value of the warrants calculated as of the date of subscription according to the Black & Scholes valuation method. One (1) warrant entitles the holder to subscribe for one (1) share against a subscription price of SEK 1.14 per share. Subscription of shares by exercising the warrants is possible during the period from and including 1 September 2020 until and including 31 December 2025. Complete terms and conditions are available at the Company's website.

Except what is stated above, the Company has as per the date of the Prospectus not issued any convertibles, warrants or other securities-related instruments.

## **Transactions with related parties**

### *Credit facility with Athanase*

In September 2019, the Company entered into an EUR 1 million credit facility with Athanase. The facility carries a fixed interest rate of 12 per cent and 15 per cent, respectively, for a maximum loan period of two years with November 30, 2021 as the last repayment date and with a set-up fee of 2 per cent. All shares in Zutec Inc. (Ireland) Ltd. has been pledged as collateral for the loan. Athanase is a shareholder in the Company, corresponding to 17.2 per cent of the total number of shares and votes in the Company before completion of the respective Offer. Because the Company's Chairman of the Board, Stefan Charette, is a shareholder in Athanase, the transaction is considered a related transaction in accordance with the Swedish Companies Act. The Annual General Meeting on 14 November 2019 gave its approval to the related party transaction.

Athanase has also entered into a subscription commitment corresponding to 16 per cent of the Offer and entered into guarantee commitments corresponding to about 98 per cent of the Offer. In the event that Athanase subscribes for shares corresponding to the subscription obligation and together with the additional guarantor Erik Gabrielson (related to Athanase) fulfils the entire guarantee commitment, Athanase's ownership will together with Erik Gabrielson's ownership amount to 86.7 per cent of the total number of shares and votes in the Company after completion of the Offer. The ownership share exceeds 30 per cent, which means that Athanase will be obliged to leave a takeover bid of all shares in the Company. However, Athanase has received an exemption from the mandatory bid obligation from the Swedish Securities Council.

### *Consulting agreement in the Company's wholly-owned subsidiary Zutec (Ireland) Ltd.*

On 1 January 2019 Zutec Inc. (Ireland) Ltd. entered into an agreement with the director Brian McGuire regarding consulting services, under which Brian, among other things performed services involving business developments. The fee for the services was EUR 10 000 per month and the agreement was terminated on 29 April 2019.

## **Material agreements**

Other than the credit facility described above under the section "Transactions with related parties", the Board of Directors of the Company deems that no agreements of material importance have been entered into outside the framework of the Company's day-to-day business. However, the Company has entered into several customer agreements etc. within the scope of the ongoing business which, taken together, are considered to be of material importance.

## **Legal proceedings and arbitrations**

Zutec has been engaged in ongoing discussions in relation to a significant outstanding receivable in Qatar. After receiving appropriate legal advice, Zutec decided on 3 February 2020 to refer the matter to an arbitration process for adjudication. Zutec claims the original debt along with all incurred costs, both historical and future in relation to the said contract. On 14 May 2020 the parties entered into a settlement agreement, according to which Zutec has undertaken to withdraw its claim, conditioned upon receiving payments of approximately SEK 2 million, divided into one payment in May 2020 and one payment in June 2020.

In November 2016 the Company's wholly-owned subsidiary Zutec Inc. (Ireland) Ltd. was, by way of service, brought to legal proceedings before the High Court in Ireland, where the plaintiff claims damages, as a consequence of suffering severe personal injuries, loss, damage, inconvenience and expense together with losses in respect of consequential damages. The proceedings are being defended by the Company and are at the date of this Prospectus still ongoing. The Company's insurance brokers have advised the Company that the Company's insurers have confirmed that indemnity will be provided to the Company in respect of these claims, subject to the policy terms

and conditions and based on what the insurers and their lawyers knew at the time of the confirmation of the insurance payment.

In addition to above, the Company has not been a party to any governmental proceedings, legal proceedings or arbitration proceedings (including pending cases or such as the Board of Directors of the Company is aware may arise) during the last twelve months immediately prior to the date of the Prospectus and which recently had or could have significant effects on the Company's financial position or earnings.

### **Interests and conflicts of interests**

Eversheds Sutherland receives compensation for services rendered in connection with the respective Offer according to the current account. In addition, Eversheds Sutherland has no financial or other interests in the respective Offer.

Avanza acts as the issuing agent in relation to the respective Offer. Avanza has an economic interest in the Company in terms of the remuneration Avanza can receive at the completion of the Offer. Avanza conducts business with securities (Sw. värdepappersrörelse), which, among other things includes transactions for its own account. In the course of this business, Avanza may trade-in or take positions in securities which are directly or indirectly linked to the Company.

Athanase has undertaken to subscribe for shares corresponding to its pro-rata share in the part of the offer which includes a share issue with pre-emptive rights for existing shareholders, equaling approximately SEK 6.9 million, and has entered into a guarantee undertaking corresponding to SEK 41.4 million. Compensation for the guarantee corresponds to approximately SEK 3.1 million. Athanase has also granted a credit facility to the Company corresponding to EUR 1 million, which the Company has fully utilized. Athanase is considered as closely related to the Company, since the director of the Board in the Company, Stefan Charette, is a shareholder in, and representative of, Athanase.

A number of directors and senior executives have a financial interest in the Company through shareholding. In addition to what is described above under the section "Transactions with related parties", there are no conflicts of interests in the administrative, management, and executive body, or in any other natural or legal entities involved in the Offer which has any financial or other relevant interests in the Company. Neither are there any other special agreements with major shareholders, customers, suppliers, members of the administrative, management, or executive body or other parties that include directors or other senior executives other than what has already been described in the Prospectus.

## **AVAILABLE DOCUMENTS**

The Company's updated certificate of registration and Articles of Association are available for inspection during the whole validity period of the Prospectus on the Company's address c/o Eversheds Sutherland Advokatbyrå AB, Strandvägen 1, 114 51 Stockholm during normal office hours. The documents are also available electronically on the Company's website, [www.zutec.com](http://www.zutec.com). The Prospectus is also available on the SFSA's website, [www.fi.se](http://www.fi.se).

