

INTERIM STATEMENT JANUARY – MARCH 2018

PERIOD JANUARY – MARCH 2018

- Sales for the third quarter (10,182,901SEK) 20% higher than forecasted (8,240,789SEK)
- On track for 42% fiscal year on year turnover growth
- Contracted sales for the current financial year (July 1st 2017 – June 30th 2018) of SEK35,644,000
- Contracted Sales to 2021 of SEK62,565,638
- EBITDA (Before IPO costs) SEK1,821,996 for Quarter 3
- EBITDA (Before IPO costs) SEK5,574,760 for year to date for 3 quarters with a combined 12% increase
- 8% increase in project numbers (6% in previous 2 Quarters)
- Company Certified for ISO27001
- Global Construction Industry growing at 3% per annum
- Key hires in Management, Sales and Development
- Recurring annual hosting revenue in line to be 20% of revenues for the current financial year.

COMMENTS FROM GROUP CEO

BACK TO THE DAY JOB

We are now back to the day job after an exciting 6 months ending with an oversubscribed successful IPO on March 15th. The IPO process was incredibly interesting, fulfilling and without a doubt challenging. The whole experience will benefit not only the executive team but also the entire Zutec staff. Everyone had a role to play and everyone in Zutec can be proud that we are now a NASDAQ First North listed company.

Having showcased the size of the market to so many investors and the opportunities open to Zutec along with Zutec's capabilities and track record, we have to continue to build a successful profitable company that our investors can get an excellent return from their initial investment.

PERFORMANCE

We have had a very positive quarter with new clients such as Cairn homes and Ethos Engineering in Ireland, Quintain and Sir Robert McAlpine in the UK and some significant projects with companies such as Walls construction, Multiplex construction Europe, Lendlease Australia and Mirvac Australia.

We have increased revenues both year on year and quarter on quarter. We are currently on target to make a 42% increase in turnover compared to our last financial year with current Contracted revenue for the year ending June 30th 2018 of SEK35,644,000.

Turnover for financial Quarter 3 reached Sek10,182,901 which is 20% higher than the forecasted 8,240,789SEK. These positive results are largely down to the Irish and Australian market and a concentration on volume over value.

CURRENT SALES AND PRODUCT FOCUS

The he coming few months are going to be the most progressive, rewarding and exciting in the company's history. We are implementing a new approach to sales as detailed shortly and to aid this we are creating easier products to deploy. Our entire company has historically been aimed at large projects and clients. We believe however that the more individuals using the system the easier it will be to secure those large contracts with the added benefit of much higher revenues from increased user numbers.

Take an average commercial project in any city centre around the world. There will be a client, a design team and a main contractor. Traditionally our company has looked towards the main contractor or the client for our business. However these are only two elements of a very large chain which includes multiple design companies, Architects, Engineers and Fire Safety consultants among others. If you then include the construction element, there could be anywhere between 20 and 100 subcontractors working directly for the main contractor.

Over the last 12 months we have been working with small design and construction firms in Ireland to provide solutions for their business and not their projects. We now intend to roll this locally proved sales model into all our sale channels globally. The consequences of this changed strategy should include:

1. Instead of having one large license on a project we could have multiple companies paying us smaller licenses resulting in a massive uplift in revenue per project
2. When we are contracted on a project at main contractor level we are not as likely to receive resistance from sub contractors who are using Zutec for their internal data management.
3. We will not have to train as many people on large projects as they will have had their own in-house training thus reducing our time on site.

We intend to implement Hubspot, a developer and marketer of software products for inbound marketing and sales. This we see as central to our changed strategy. We have already engaged a specialist consultant for six months to ensure that we maximise our implementation efforts.

The quickest, most efficient way to scale is to increase our volume sales. We will segment our growing sales team into high functioning units for different sales channels, adopting in time an e-commerce element to our sales channels. This approach is already boosting our recurring sales revenues and increasing the hosting portion of revenue and therefore reducing our reliance on the aforementioned large projects.

Enterprise Ireland recently hosted an inward event with some large American companies including Gensler, Sterling Bay and Clayco. In tandem with this, we have some very strong possibilities in the US region and have made the decision to attend Construct Canada and Greenbuild in Chicago both of which take place next November. In addition, we will have a stand and speaking spots at Digital Construction week and London Build in October.

We will continue to leverage Enterprise Irelands global network to generate leads and help with new regional market penetration particularly North America, Scandinavia and the Far East.

DIGITAL CONSTRUCTION INDUSTRY

The construction industry is currently growing at a rate of 3% per annum and adoption of digital tools is ever increasing. There is an expectation that digital tools are becoming the norm across the industry from the small projects right up to the mega projects.

NEW FACES

We have welcomed Tom Boland as UK General Manager. Tom was the second largest shareholder up until the IPO and for the last few years has been working with Bechtel as the commissioning and handover manager for the new airport project in Muscat, Oman. He was managing a team of 250 people on site. Tom brings a wealth of experience to the group and has already made some big changes for the UK team and operations with a new office in Borough, south London along with one new member of staff in an admin roll and another in account management and sales support.

In Ireland we have two new sales team members, one in technical sales and another working to build overseas networks. In the product development section, we have appointed three product developers working on mobile technology focussing on user interface and our 3D application.

Our current premises at Mounttown which has served us well for the last six years has been outgrown by our current and future needs. We are in negotiations for a new office

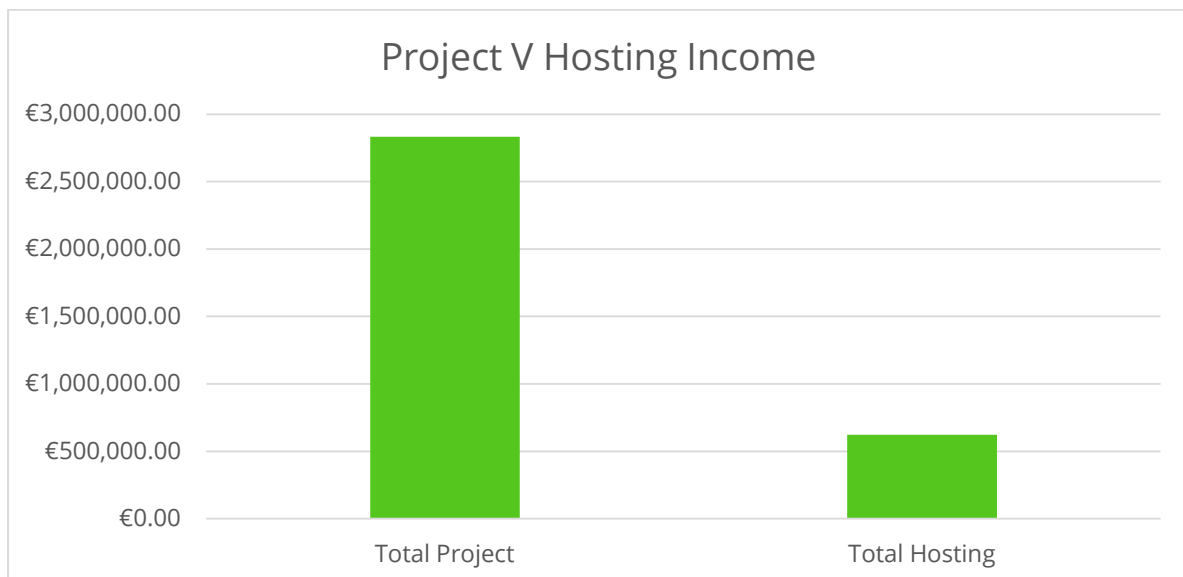
which overlooks Dun Laoghaire harbour and Dublin Bay not far from our existing premises. Moving to new premises gives everyone a lift and we are looking forward to making the move.

We have also engaged a consultant to build a staff and client on boarding and training process. This is an area which needs attention especially as revenues and customer numbers grow.

We have also engaged a consultant to build a staff and client onboarding and training process, we have identified this area as one that needs work especially as revenues and customer numbers grow so it is great to get the process started.

SYSTEM USAGE

We are currently on target to have the hosting portion of our income reaching 20% of our overall revenues.



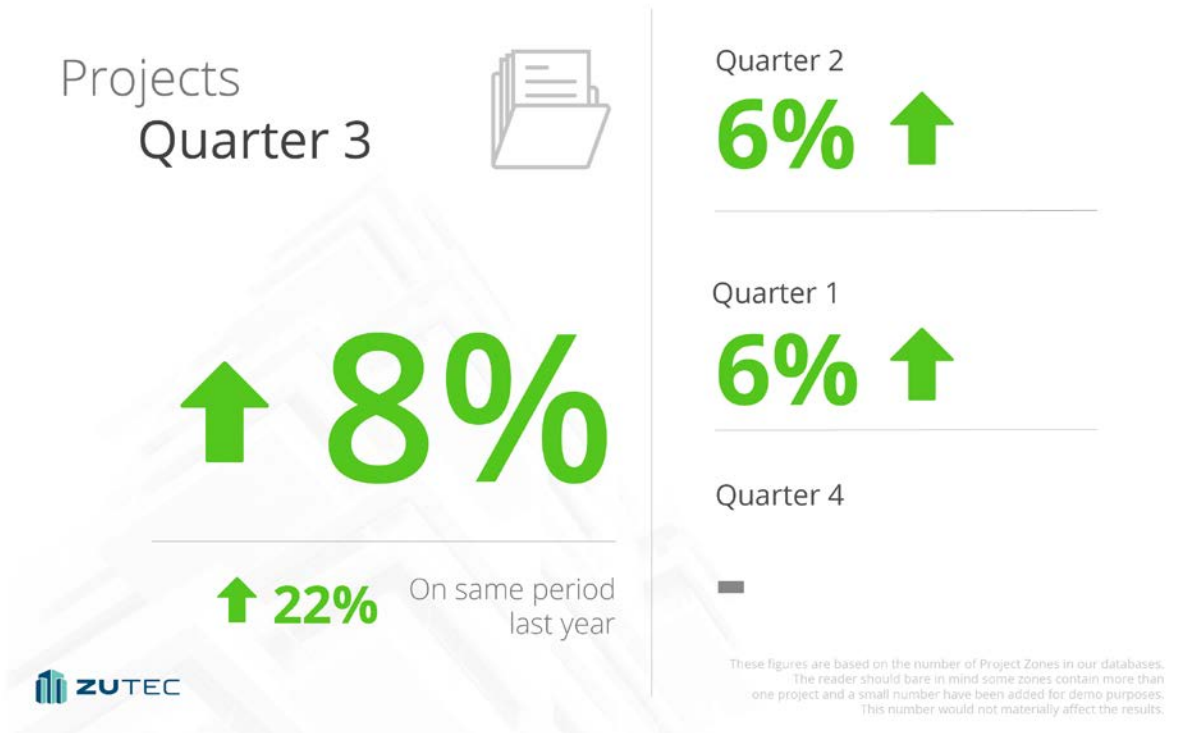


Fig.1

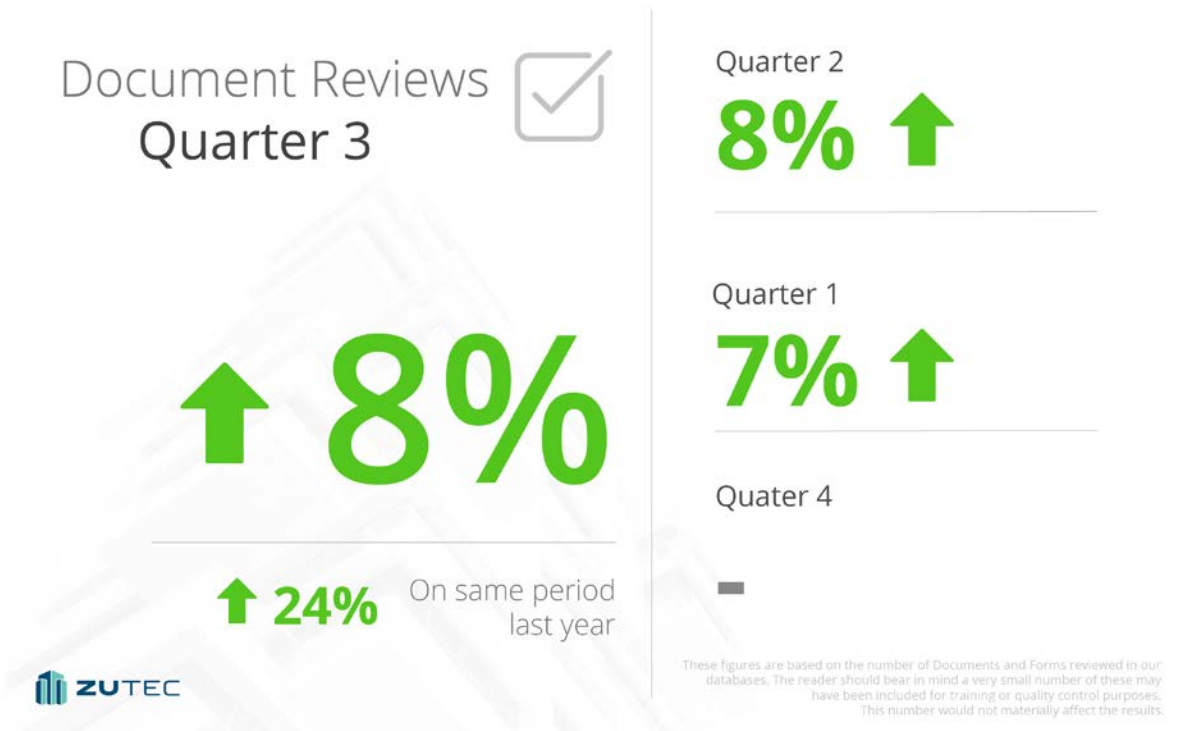


Fig.2

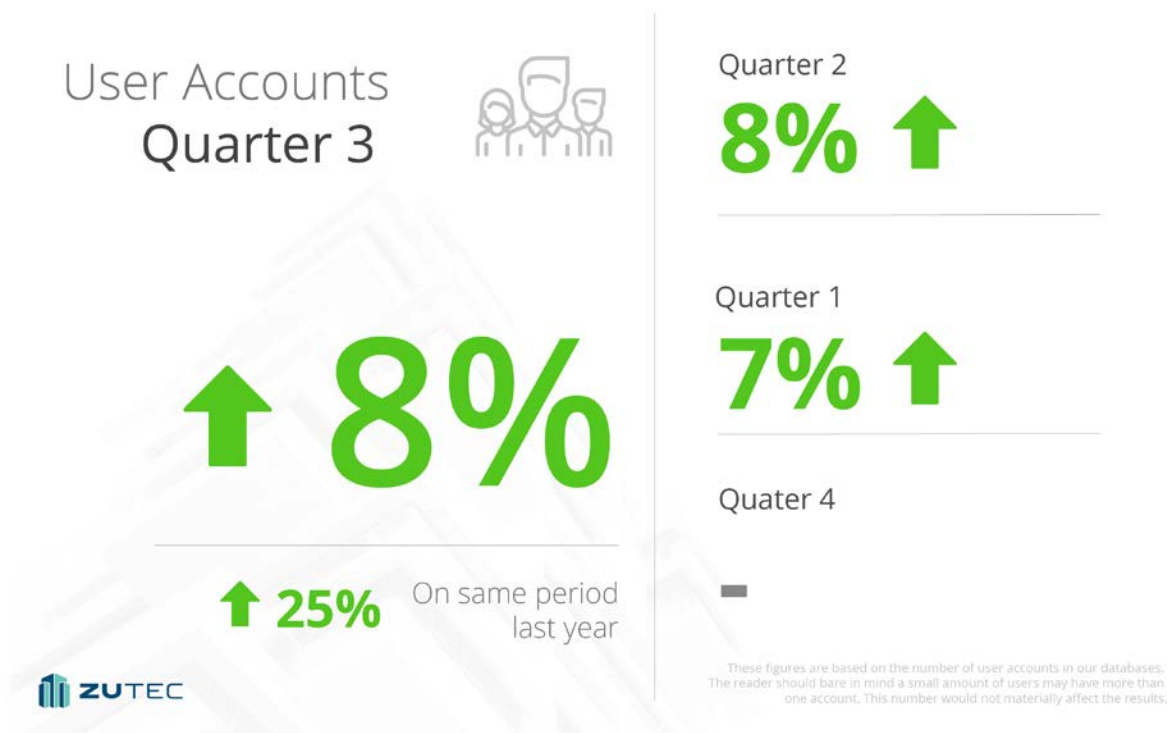


Fig.3

INVESTOR RELATIONS

As a recently listed Nasdaq North Company, we are conscious of the need to invest time in communicating with our new shareholders. Our role is to build shareholder value for our shareholders and to this end we need to communicate with all our shareholders beyond what is required by regulations.

Zutec is now covered under Introduce.se, the Swedish based equity analyst service which is available to all subscribers free of charge.

In addition I will be presenting at the following shareholder events:

- Introduce.se lunch presentation: May 23rd 12.00 Remium offices
- SMÅBOLAGSDAGEN 11 JUNI 2018

If you wish to attend any of these events or future events please contact our Investor Relations Team.

Finally, If you have any queries please contact our Investor relations team at Brendan.oriordan@Zutec.com

CERTIFIED ADVISORS

REMIUM NORDIC HOLDING AB PHONE 08 454 32 50

COMPANY DESCRIPTION

Zutec develops and markets cloud-based software solutions, primarily directed to companies within the building and construction industry. The Company's products help clients to increase their productivity and cost efficiency. Zutec provides solutions within project management, data and document collaboration tools, data enriched 3D-models, defect management, project handover and the operations and maintenance of buildings..

CALENDER FOR FINANCIAL INFORMATION

September 19th 2018

September 20th 2018

November 21st 2018

Annual Report July – June 2018

Annual General Meeting

Interim Report July-Sept 2018

FINANCIALS

The company has pleasure in presenting its first interim report for the three months ending 31st March 2018. This initial report is principally for the purpose of enabling future comparisons as the company was only listed on the Nasdaq First North on 15th March 2018 and technically only sixteen days of the quarter relate to the post IPO period.

For the purpose of this report therefore, we are deeming the opening date as 1st January 2018 and using the pro forma Balance Sheet as at 31st December 2017 as prepared for the prospectus as the comparative period Balance Sheet. The six months income statements to 31st December 2017 are also included for income comparative purposes.

It should also be noted that the attached interim financial reports have been prepared by the company internally and as such have not been subjected to audit.

HIGHLIGHTS:

i. Income

	6 Months to 31.12.17 Unaudited SEK	3 Months to 31.03.18 Unaudited SEK	9 Months to 31.03.18 Unaudited SEK
Turnover	14,806,960	10,182,901	24,989,861

On an annualised basis, the turnover in SEK for the first six months has increased by 37% in the three months to 31st March 2018. When accounting for the decline in the value of the SEK against the €uro in the period, the real increase is in the order of 32%.

(ii) Operating Income

	6 Months to 31.12.17 Unaudited SEK	3 Months to 31.03.18 Unaudited SEK	9 Months to 31.03.18 Unaudited SEK
OPERATING INCOME (before listing costs)	3,752,794	1,821,996	5,574,790

income for the 3 months is in line with the opening six months. Operating costs increased in line with turnover. The company has quantified the IPO listing costs at SEK10,462,062 which included legal and financial due diligence, consulting fees and advices, prospectus design and print, marketing costs, placing fees, Nasdaq fees, FSA fees and also all relevant travel and hotel costs. Due to the nature of the cross border transaction, the company also had to incur both Irish and Swedish legal, financial and consulting fees which increased the overall listing costs. Operating income after listing costs are deducted were as follows:

	6 Months to 31.12.17 Unaudited	3 Months to 31.03.18 Unaudited	9 Months to 31.03.18 Unaudited
	SEK	SEK	SEK
OPERATING INCOME (EBITDA) after listing costs	2,446,912	(7,334,184)	(4,887,272)

(iii) Balance Sheet

DEBTORS RECEIVABLES

	Unaudited Actual	Unaudited From Pro-forma
	SEK	SEK
	31/03/2018	31/12/2017
Receivables	14,793,616	10,310,686
Turnover	10,182,901	14,806,960
Sales period in days	90	183
Average credit period in days	130.75	127.43

LIABILITIES

	Unaudited Actual	Unaudited From Pro-forma
	SEK	SEK
Liabilities	31/03/2018	31/12/2017
Trade payables	11,237,587	1,928,203
Interest bearing loans	0	5,169,513

Payables increased significantly at the end of the financial period due to the quantification and full provision for the company's liability to any remaining IPO fees.

The interest bearing loan represented an amount of €525,000 due to the Irish State agency Enterprise Ireland at 31.12.17. This liability was fully discharged ahead of the IPO in exchange for 3.07% equity in the new holding company.

As stated earlier, the main purpose of this short report is to set out a base quarter for future comparison. The opening cut off point was deemed to be 1st January 2018 for meaningful analysis.

The company is well capitalised as it moves forward in meeting its future targets and strategic objectives.

Zutec Holding AB (publ) Income Statement Q1-Q3 Periods to 2018-03-31	Zutec Holding 6 Months to 31.12.17 Unaudited SEK	Zutec Holding 3 Months to 31.03.18 Unaudited SEK	Zutec Holding 9 Months to 31.03.18 Unaudited SEK
Turnover	14,806,960	10,182,901	24,989,861
Other Operating Income	1,068,427	278,384	1,346,811
Total Income	15,875,387	10,461,284	26,336,671
Cost of goods sold	(1,905,123)	(1,682,818)	(3,587,941)
Sales and Administrative expenses	(10,868,360)	(6,977,599)	(17,845,959)
Net Financial income	650,890	21,129	672,019
OPERATING INCOME	3,752,794	1,821,996	5,574,790
EBITDA before once off extraordinary costs			
Costs associated with the offering and listing	(1,305,882)	(9,156,180)	(10,462,062)
Profit (Loss) before taxes	2,446,912	(7,334,184)	(4,887,272)
Taxes	(111,474)	111,474	-
Profit/(Loss) for the period	2,335,438	(7,222,710)	(4,887,272)
Share of profit/(loss) attributable to:			
..shareholders of the parent company	2,062,566	(7,419,059)	(5,356,493)
..non controlling interest	272,872	196,349	469,221
	2,335,438	(7,222,710)	(4,887,272)

Unaudited

Unaudited

Zutec Holding AB (publ)
Balance Sheet as at 2018-03-31

	Actual	From Pro-forma
	SEK	SEK
	31/03/2018	31/12/2017
Fixed Assets		
Tangible Assets	215,615	229,300
Financial Assets	539,255	16,759
Goodwill	87,745,225	91,989,505
Software	22,300,485	22,300,485
	110,800,580	114,536,049
Current Assets		
Receivables	14,793,616	10,310,686
Other receivables	3,647,880	-
Cash and cash equivalents	51,568,272	9,744,910
	70,009,768	20,055,596
	180,810,348	134,591,645
Shareholders' Equity		
Share Capital	170,000,000	120,500,000
Retained earnings	(5,356,493)	0
	164,643,507	120,500,000
Long Term Liabilities		
Interest bearing loans	0	5,169,513
Deferred taxes	2,787,560	2,787,560
	2,787,560	7,957,073
Current Liabilities		
Trade payables	11,237,587	1,928,203
Other short term debt	2,141,694	4,206,368
	13,379,281	6,134,571
	16,166,841	14,091,644
	180,810,348	134,591,644