


Zoomability Int AB

Rights issue pro rata

Jan 2019



[Zoom](#): 4wd, electric all terrain vehicle from Sweden

A photograph of a forest path. The path is narrow and appears to be made of dirt or gravel, leading into a dense forest. The trees are tall and thin, with some green foliage and some yellowing leaves, suggesting an autumn setting. The atmosphere is misty or hazy, with sunlight filtering through the canopy, creating a soft, ethereal glow. The overall mood is serene and natural.

The environmental friendly way to get access to the world for disabled people or anyone that would like to have a fun and pleasant ride

**A FREE
MIND
IN
MOTION**

Background to the rights issue

- Zoomability has since it was founded in December 2010 produced and sold more than 650 of the patented battery operated 4WD all-terrain vehicle Zoom Uphill. During 2016 the company run into financial problems and in January 2017 the company Zoomability AB and it's subsidiary Zoomability Inc was bought by a new holding company that was named Zoomability Int AB. The former owners got shares in the new holding company which own 100 % of Zoomability AB and its daughter company in USA.
- The first year for Zoomability Int AB, was a lost year in many respects. Despite rights issues of almost 6 MSEK the business didn't take off. The sales dropped significantly to 3,7 MSEK and the operating profit was in red figures – 6,6 MSEK.
- In 2018 a new board of directors was elected including Pehr-Johan Fager who also was appointed CEO of Zoomability Int AB but also acting CEO of AB and Inc. Since then there has been a turnaround and the company has 2018 produced and shipped 68 Zoom Uphill and can now show a positive trend with much higher sales and a substantial less operating loss then 2017.

Motive for the rights issue

- In November a new business plan was presented by the CEO that stretches from 2019-2021. The basis for this is to address our shortcomings and take advantage of the market position we still have as the best of road ATV/PWC-crossover available for taking disabled and old people of the payment and into the nature – A Free Mind in Motion.
- To be able to do so we need working capital in order to ramp up production and invest in cutting production cost, make some minor enhancement on the present Zoom Uphill and register the Zoom as a medical device Class 1 according to the European Medical Directive. But also strengthen the organization, increase our marketing and sales activities and build up our distributor network and get more resellers in USA.
- The capital need has been estimated to 10,3 MSEK to be able to continue the positive trend and make Zoomability Int AB profitable in 2010 or 2021. You can see the present rights issue as a pre-IPO since the plan is to list the company first half of 2019, and by that get more capital if needed in the future, but also to give the present shareholders liquidity in the share.

Summary of the offer

- Rights issue* pro rata to present shareholders of maximum 206 M shares corresponding to 10,3 MSEK
- The subscription price shall be SEK 0.05 per share and subscription shall be made through subscription rights.
- Each owned share in Zoomability Int AB entitles to 11 subscription rights
- Subscription period January 15 - January 29, 2019
- Payment of subscribed shares shall be made no later than 3 days after notification of allocation
- Payment can be made with cash or through set-off of debt

* If the issue is not fully subscribed, leftover shares can be allocated primarily to current shareholders who have subscribed more than their pro rata and secondly to new shareholders.

Status end 2018

- Positive
 - We have cut costs
 - We have ramped up production and delivered 68 Zoom 2018 to customers
 - We have strengthened our structure capital
 - We have a much stronger balance sheet then 2017
 - Zoom is still in its own class and the demand is high worldwide
- Negative
 - Not enough capital to get the business to take off
 - Too high sales price due to too high COG which prohibit faster growth
 - Low number of staff prohibit faster growth
 - Non existing MDD Class 1 compliance prohibit faster growth

[zoom] Mission

To enable those with limited mobility to experience life without limitations and go beyond the pavement!

A FREE
MIND
IN
MOTION



[zoom]

...the choice for an active Lifestyle!

**A FREE
MIND
IN
MOTION**



[zoom] User

The Zoom user is a person, young or older, with upper body abilities, yet challenged in mobility due to injury, illness or age.

The Zoom enables freedom and joy to such people, who are craving for the outdoors, are adventurers and have a positive attitude and don't give in to their challenges.

They seek independence, connection to family and other people and want to break out of limitations to become:

“a free mind in motion”



- Light and strong – Easy transportable
- Permanent 4-wheel drive – Superior off-road capabilities
- Fast and fun – Enhancing self-esteem
- Low center of gravity for safe driving
- Electrical powered – Close to nature in all respects

- Patented two-divided mechanical frame and non-parallel leaning wheel pairs
- Patented design



Key success factors

Installed base of 650+ Zoom's, Europe and US
Best ATV on the market for a fun and pleasant ride
US subsidiary since 2014 – Independence found
Established production at FeRex AB
IP-portfolio: 2 PTC, 5 TM and 1 Design





Specifications

Permanent symmetrical 4-wheel drive

Hub motors: 4 three phase 0-vxl, forward/reverse

Steel frame, aluminum wheels

Maximum speed: [12,6 mph, 20 km/h]

Acceleration: 0-12,6 mph [less than 2 seconds]

Maximum range: [25 miles, 40 km]

Charging time: approx. 2-4 hours

Weight: [220 pounds, 100 kg]

Overview of the market

People in a wheel chair or have difficulties walking around (Approx. 7 % of any population)

- Spinal cord injuries: 250.000 – 500.000 new cases every year in the world
 - About 6.000 in Sweden lives with a spinal cord injury
- About 185.000 new amputees due to illness or accidents each year only in US
 - About 2.200 persons in Sweden get a leg amputation each year.
- Multiple Sclerosis more than 2,3 M worldwide
 - about 20.000 in Sweden
- War Veterans, 2.5 M wounded only in US
- Knee and Hip replacement (7 M US)
- Other muscular diseases
- Aging people

The total market for the Zoom is many million users world wide just in three areas; Spinal cord injuries, amputees and MS.

Market niches

Powered Wheel Chair (PWC)



All Terrain Vehicle (ATV)



ATV/PWC cross-over



Competitors ATV/PWC cross-over



X8 Extreme, \$ 12.400



Freedom 6x6, \$ 15.000

ATV/PWC cross-over



Action Trackchair, \$ 14.125 (\$ 11.300)



TracFab Chair, \$ 12.995

Competitors ATV/PWC cross-over



Genny 2.0 Urban Deluxe Segway Wheelchair

£ 14.500



AddSeat from Add Movement AB

Zoomability PTC-patent, Europe, US, Japan

Diveded frame – that give traction to all four wheels in rough terrain
Used in the present Zoom Uphill

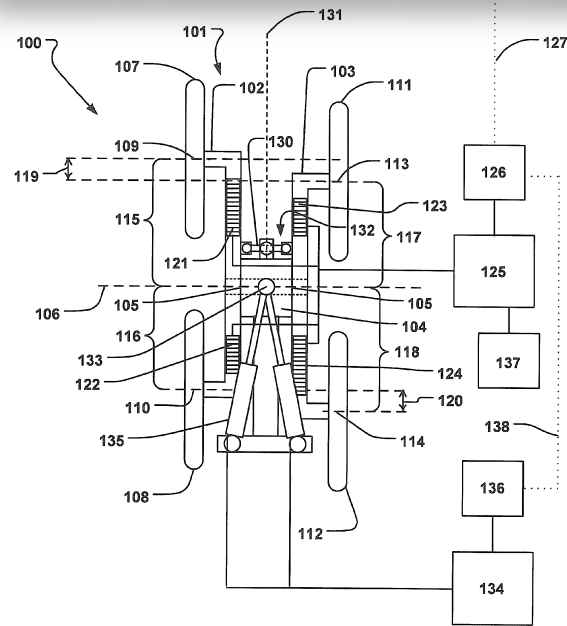


Fig. 1

Stair Climber – not used at the moment but a prototype has been produced

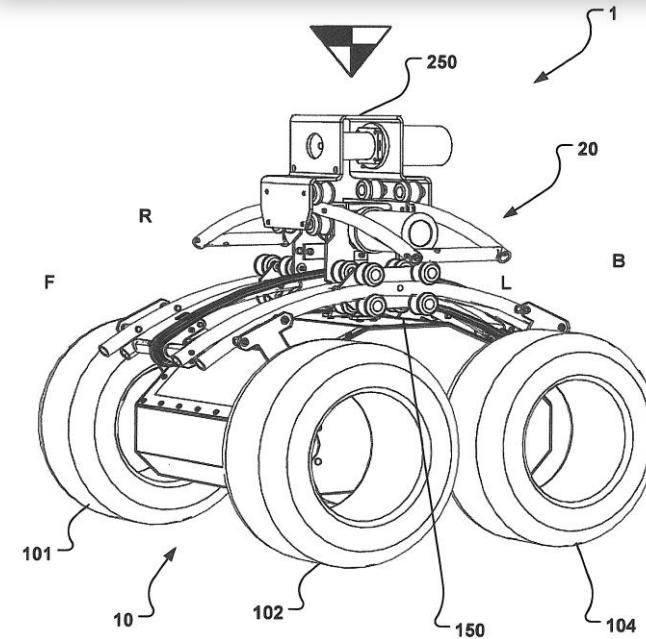


Fig. 2

Trademarks

Zoomcamp in Sweden, Europe US

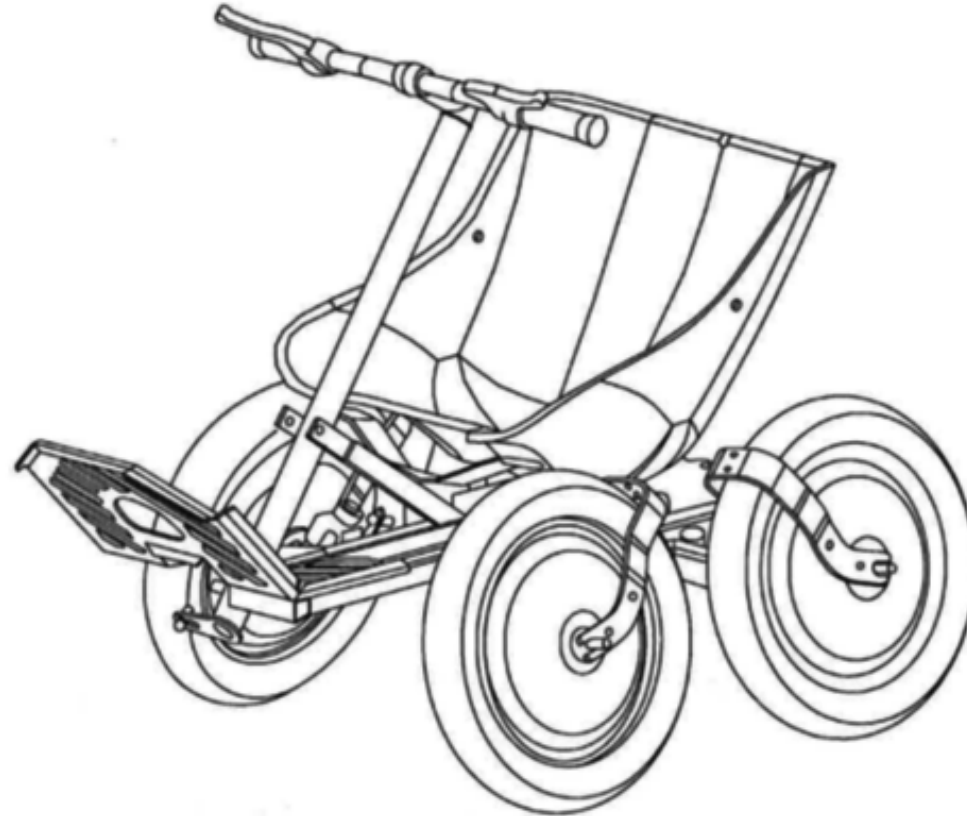
Zoom Uphill in Sweden, Europe US

A Free Mind in Motion in Europe, US (pending)

[ZOOM] (white text) US (pending)

[ZOOM] (black text) US (pending)

Design





**A FREE
MIND
IN
MOTION**

[zoom]

Zoomability Int AB

Summary of business plan 2019-2021

Investments needed 2019

MDD class 1 registration	500.000 kr
Some reengineering	300.000 kr
Zoomability China*	1.700.000 kr
IT and web -marketing	300.000 kr
<hr/>	
	2.800.000 kr

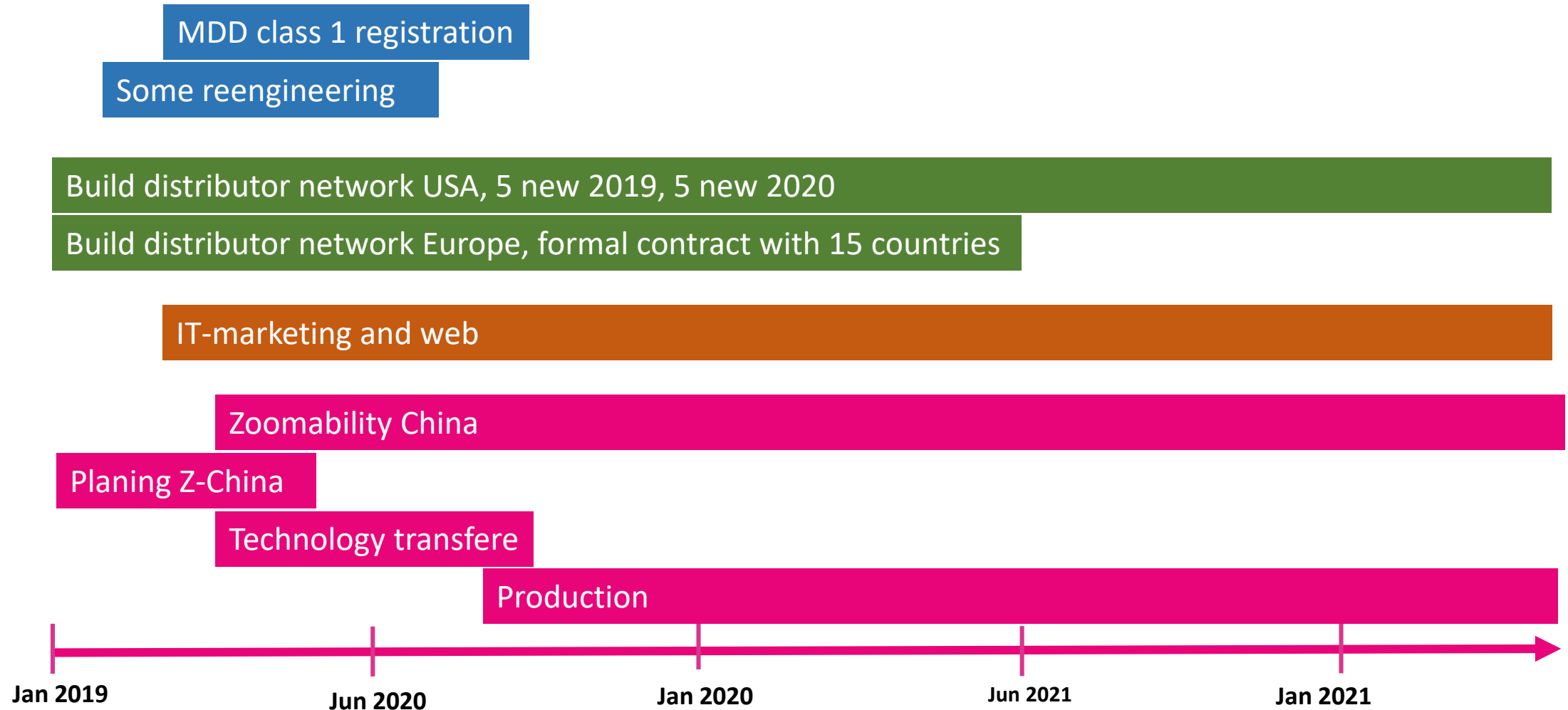
*Not decided yet

Capital need 2019*

	Q1	Q2	Q3	Q4	2019
Listing cost		1 000 000 kr			
Amortization loans 2016	1 100 000 kr				
Amortization loans 2017	820 000 kr				
Amortization loans 2018	1 615 500 kr				
Zoomability China	300 000 kr	800 000 kr	600 000 kr		
MDD Class 1/reengineering	600 000 kr	200 000 kr			
IT/Web	150 000 kr	150 000 kr			
Extra working capital	1 500 000 kr	1 000 000 kr	500 000 kr		
TOTAL	6 085 500 kr	3 150 000 kr	1 100 000 kr		10 335 500 kr

* No decision taken yet and all will be postponed 1 month due to a delayed rights issue (was supposed to take place in December 2018)

Key Activities to reduce COG and increase sales 2019-2021



Why China?

- Fastest way to get reduction in COG by 50 %
- Skilled candidate (Bandara Diss) in China that can run the business as CEO with partnership as compensation
 - Can set up a company in special economic region
 - Knows the market and regulations
 - Have big contact network and experience to build business in China
- Possible to ramp up production without too high cost since we intent to buy Zooms as finished products
- Huge market with a lot of wealthy individuals that would like to have “A FREE MIND IN MOTION”



Company structure - 2019

Zoomability Int AB

CEO Pehr-Johan Fager

- General Management - Zoom Int, Zoom AB, Zoom Inc
- Finance
- HR, IT, Social media
- Sales&Marketng

CFO

Anna Jansson

- Controller
- Accounting

Zoomability AB

PM N.N.

- S&M, Nordic, EU,
- Order & Invoice
- Production planning
- Product delivery

Christer Hermansson*

Mickael Larsson

- Supply chain, OC
- Development
- Service/Support

Consults

*discussion i progress

Zoomability INC

VP S&M Stefan Sandberg

Lisa Hurtado

Diego Hurtado

- S&M, North America
- Finance (SRC)
- Product delivery

Zoomability China Ltd

CEO Bandara Diss

PM

SM

- S&M, China ?
- Order & Invoice
- Production planning
- Product delivery