

2021

First Half Year 2021



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First Half Year 2021 Overview

FIRST HALF YEAR 2021

- Annual Recurring Revenue (“ARR”), including long-term service contracts, at the end of the period was MSEK 32.2, up 20% from MSEK 26.7 at the end of Q4 2020.
- Revenues for the first half year were MSEK 16.4 (16.1)
- Gross margin was 74 percent (69)
- Operating result amounted to MSEK -20.8 (-13.6)
- Profit after tax amounted to MSEK -20.9 (-15.4)
- Earnings per share amounted to SEK -0.24 (-0.42)

SECOND QUARTER 2021

- Annual Recurring Revenue (“ARR”), including long-term service contracts, at the end of the period was MSEK 32.2, up 2% from MSEK 31.5 at the end of Q1 2021.
- Revenue for the second quarter was MSEK 8.4 (8.1)
- Gross margin was 72 percent (69)
- Operating result amounted to MSEK -11.3 (-6.2)
- Profit after tax amounted to MSEK -11.3 (-7.1)
- Earnings per share amounted to SEK -0.12 (-0.16)

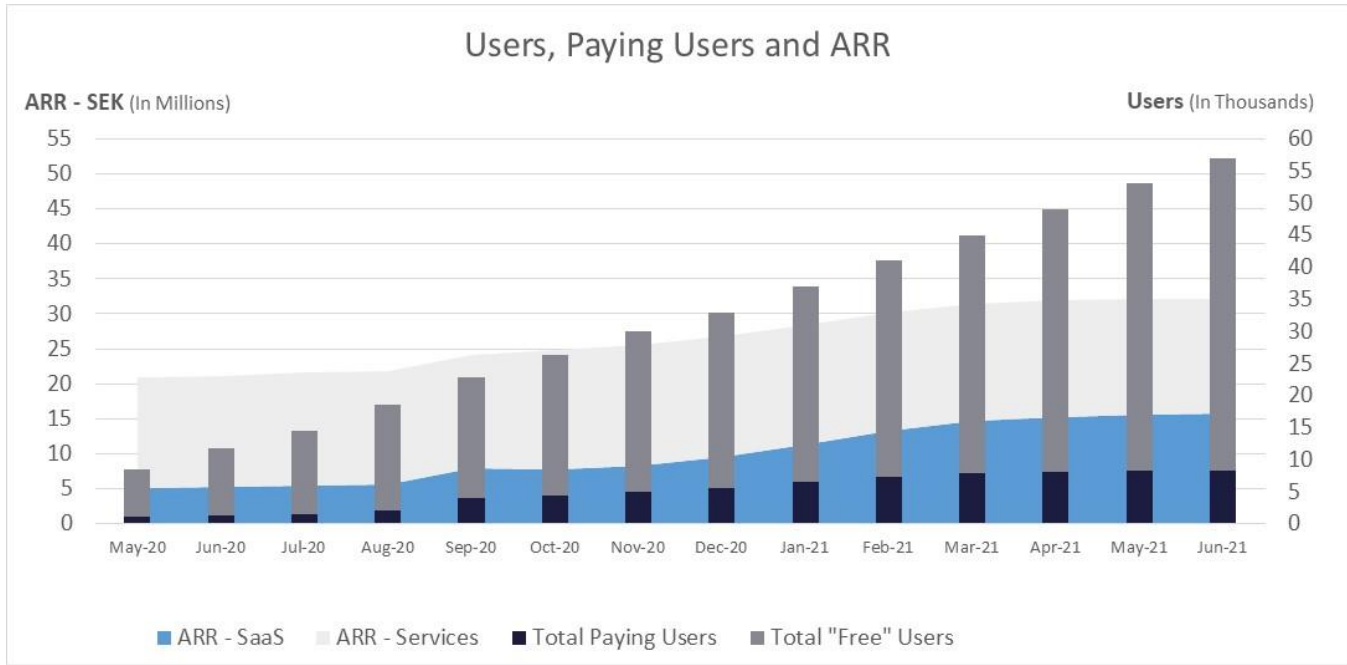
REMARKS ON THE BALANCE SHEET

- The total assets at the end of the period: MSEK 75.1 (85.1)
- Total cash at the end of the period was MSEK 8.9 (18.2)
- The total accounts receivable at the end of the period was MSEK 11.4 (15.5)
- The total accounts payable at the end of the period was MSEK 4.5 (5.2)
- Total liabilities, including Deferred Revenue, at the end of the period: MSEK 15.4 (23.9)
- The Equity at the end of the period amounted to MSEK 59.7 (61.2)

IMPORTANT EVENTS IN THE SECOND QUARTER

- Received an order from Barton Malow, (www.bartonmalow.com), a full-service construction firm headquartered in Michigan, US. The order represents an expansion of Hoylu’s business within the construction industry with high-end architectural design and project management.
- Hoylu introduced a seamless way to collaborate on and visualize any Agile project.

Description	Jun-20	Dec-20	Mar-21	Jun-21	Growth		
					Quarter/Quarter	Half Year/Half Year	Year/Year
ARR - Total	21.2	26.7	31.5	32.2	2%	20%	52%
ARR - SaaS	5.2	9.6	14.8	15.8	7%	64%	202%
ARR - Services	15.9	17.1	16.7	16.3	-2%	-5%	2%
Total Users	11.9	33.0	45.0	57.0	27%	73%	380%
Total Paying Users	1.4	5.5	7.9	8.3	6%	50%	505%
Total "Free" Users	10.5	27.5	37.2	48.7	31%	77%	364%



COMMENTS FROM THE CEO

Comments from the CEO

Annual Recurring Revenues (ARR) including long term service contracts were SEK 32.2 million at the end of Q2, up 2% from the end of Q1 and up 20% since January 1st. The total number of users increased by 12,000 in Q2, up 27% from the end of Q1. 8,300 (15% of total) were paying users. Business activity was high in Q2 and we are seeing an increasing deal-flow and healthy pipeline, but conversions to paid subscriptions were below expectations and lead times to close enterprise license contracts remain long. We signed up and onboarded two new customers in the quarter; Egger Group (www.egger.com), a global leader within wood products with 10,000 employees, and Hoya Corporation (www.hoya.com), a global med-tech company and leader within advanced optics technologies with 36,000 employees in more than 30 countries and regions.

We continued to strengthen our product offering and launched new functionality and integration with Jira in June. Jira is the leading Agile management tool with more than 50% market share. In a hybrid work environment when distributed teams are the norm, businesses can no longer rely on spontaneous collaboration around a whiteboard to work out details around a specific task. This means that whether we are talking about issue tracking (e.g. Jira, Agility), customer relationship management (e.g. Salesforce), or enterprise resource planning (e.g. Oracle, SAP) businesses need a collaboration and visualization layer on top of these systems in order to collaborate, engage all, get feedback and maximize the potential of their teams. By combining Hoylu's infinite online whiteboard including portals and modules for project management, integrations with Jira and tools that people use every day, we believe we have a strong and unique value proposition, especially in industries like construction and engineering. We are therefore focusing our sales and marketing efforts and resources towards these industries.

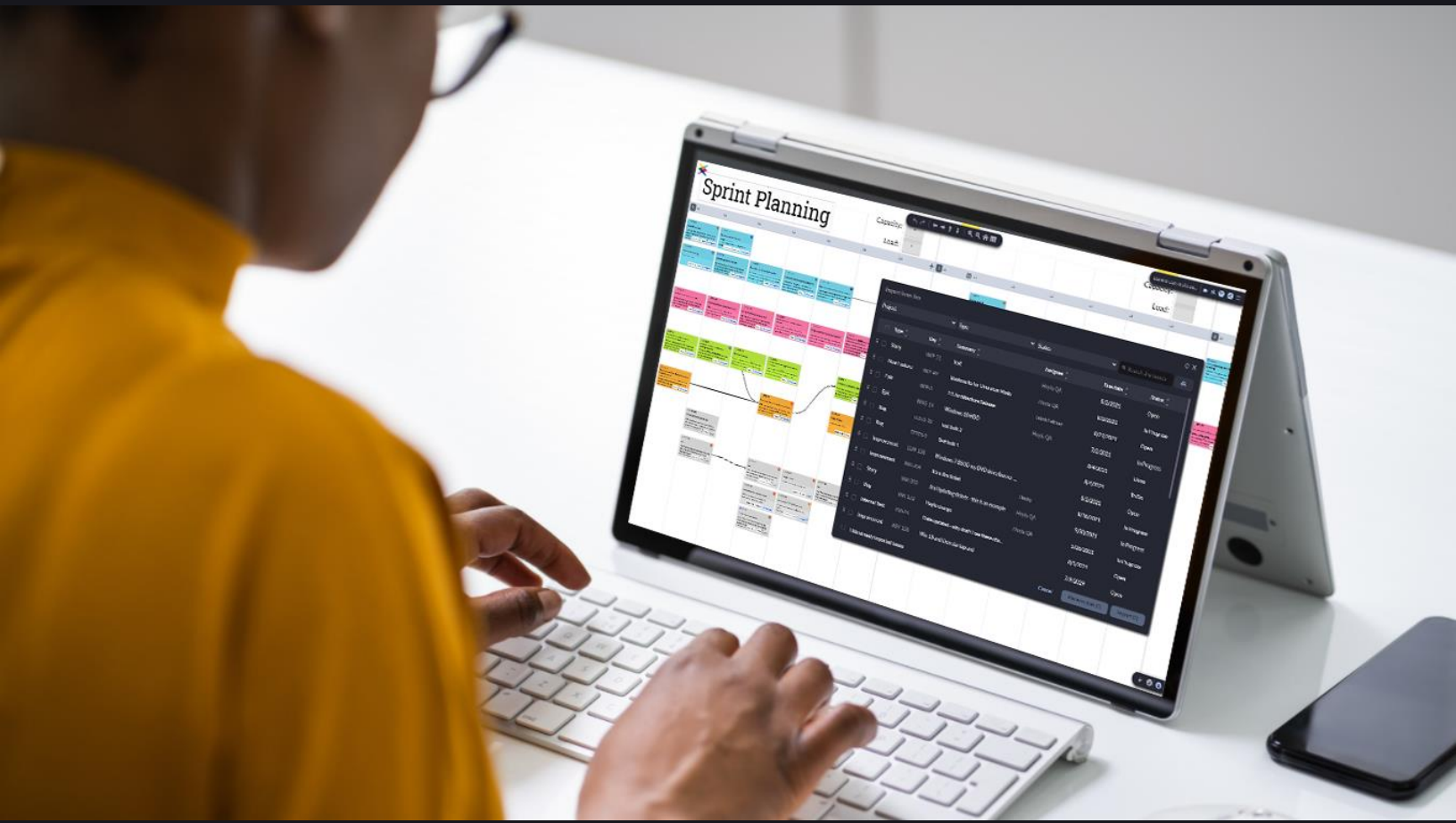
Future Outlook

Hoylu announced a partnership with Cisco WebEx in early August. The combination of Hoylu and Cisco WebEx is a way to ensure online and hybrid meetings foster better engagement, better alignment and better business decisions. As companies continue to adapt to the work-from-anywhere world, we need to think beyond video calls and screen-sharing when we want to orchestrate collaboration. An inclusive and collaborative work environment requires that everyone is heard. Allowing real-time as well as asynchronous and anonymous participation gets everyone to engage during and after meetings. We see this as a unique opportunity to build a stronger market presence and awareness. In combination with our focus on large enterprises, products that meet strict security requirements and business critical needs within project management, engineering and construction we are confident that we continue strengthen our competitive advantage in a large and fast-growing market of solutions for hybrid work and collaboration.

EVENTS AFTER THE END OF THE PERIOD

- Hoylu partnered with Cisco WebEx for Hybrid Work allowing users to launch a Cisco WebEx conference within the workspace, combining two powerful tools into one experience.

STEIN REVELSBY | CEO



FINANCIAL INFORMATION

REVENUES & PROFITABILITY

Revenues for the first half of 2021 amounted to MSEK 16.4 (16.1) and consisted of revenue from the sale of the Hoylu Connected Workspaces™ via resellers and the sale of the HoyluWall, software product, and professional services.

Cost of goods and services sold was MSEK 4.3 (5.0) and EBITDA amounted to MSEK -16.4 (-10.6).

The operating result was MSEK -20.8 (-13.6).

The net result for the first three months of 2021 amounted to MSEK -20.9 (-15.4).

FINANCIAL POSITION

Cash flow from operating activities the first half of 2021 amounted to MSEK -17.7 (-33.2).

Cash flow from investment activities amounted to MSEK -7.0 (-6.9) and the cash flow from financing activities was MSEK 28.7 (57.6).

Cash-flow for the first half of 2021 was MSEK 4.0 (17.6) and the liquid assets at the end of the period was MSEK 8.9 (18.2).

Hoylu will consider strengthening its working capital through share issues or bridge financing when necessary to finance its growth and with the objective to maximize value creation and minimize dilution for existing shareholders.

CAPITALIZED EXPENSES

Hoylu continues to capitalize its investments in research and development efforts associated with Hoylu's Anytime Collaboration and Insight products.

During the first half 2021 Hoylu capitalized product development costs in the amount of MSEK 6.8, which represents 20% of the Company's total operating costs.

Amortization expense associated with capitalized product development costs amounted to MSEK 1.2 in the first half of 2021.

DEPRECIATION & AMORTIZATION

Intangible and tangible assets are stated at cost less amortization and depreciation. Expenditures directly attributable to the cost of the asset is included in the cost of the asset.

Amortization and Depreciation is linear as follows:

Goodwill	10 years
Other Intangible Assets	5 years
Machinery Equipment	3 years
Furniture & Fixtures	5 years

EMPLOYEES & ORGANIZATION

Hoylu had a total 47 employees as of June 30, 2021. 39 in the US and 8 in the EU. Hoylu's headquarters is in Stockholm, Sweden.

Product management and software development activities are based in Seattle, US.

FINANCIAL INFORMATION

RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

FINANCIAL CALENDAR

Interim Report – Q3 2021	November 19, 2021
Interim Report – Q4 2021	February 18, 2022
Interim Report – Q1 2022	May 13, 2022
Interim Report – Q2 2022	August 19, 2022

RISKS AND UNCERTAINTIES

An investment in Hoylu's shares is associated with certain risks.

Hoylu's business is affected, and may be affected, by numerous factors which are not possible for Hoylu at all, or in part, to control.

Such factors may adversely affect the Company's business, financial position and profits in the future or may lead to a decrease of the share price and that the investors could lose part or all of their investment.

Certain risks are associated with the Company and other do not have any specific connection to the Company. Investors should carefully analyze the specific risk factors as well as other information in the Company Description prior to deciding whether to make an investment in the Company or not.

ACCOUNTING PRINCIPLES

The interim report for Hoylu has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board on annual report, and consolidated financial statements BFNAR 2012: 1 (K3) as well as the Swedish Securities Market Act.

The K3 financial reporting framework is comparable to International Financial Reporting Standard's (IFRS) for Small and Medium enterprises. The parent company has in preparation of this interim report applied the same accounting and valuation principles as Hoylu.

AUDITORS REVIEW

This report has not been subject to review by the Company's auditor.

SHARE DATA

The Hoylu share is listed on the Nasdaq First North Growth Market in Stockholm.

The total number of shares at the end of the period amounted to 91,743,922.

ABOUT HOYLU

Hoylu's mission is to empower distributed teams to collaborate easily and seamlessly while always staying in sync. Hoylu's Connected Workspaces™ helps enterprises as well as small and medium companies run projects, programs, and initiatives across time zones and continents with the same level of engagement and clarity as if everyone were working in the same room.

For more information: www.hoylu.com.

FINANCIAL REPORTS FIRST HALF YEAR 2021

CONSOLIDATED INCOME STATEMENT IN SUMMARY

KSEK	2021	2020	2021	2020	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	8,366	8,152	16,432	16,139	29,168
Cost of goods and services sold	-2,331	-2,499	-4,249	-5,028	-8,652
Gross profit	6,035	5,653	12,183	11,111	20,516
Development, Sales, and Administrative Costs	-15,243	-10,512	-28,928	-21,698	-46,434
Other Income (Expenses)	0	0	0	0	3,533
Depreciation/Amortization	-2,052	-1,334	-4,083	-2,980	-7,329
Operating profit/loss	-11,260	-6,194	-20,828	-13,568	-29,714
Other financial items	-1	-911	-103	-1,823	-2,356
Profit before taxes	-11,261	-7,105	-20,931	-15,390	-32,070
Taxes	-11	-4	9	-7	-12
Profit/loss for the period	-11,272	-7,109	-20,922	-15,398	-32,082
Key ratios:					
Gross margin	72.1%	69.3%	74.1%	68.8%	70.3%
Operating margin	Neg	Neg	Neg	Neg	Neg
Earnings per share before and after dilution	-0.12	-0.16	-0.24	-0.42	-0.55
Average number of shares before and after dilution	91,702,255	45,109,571	88,514,756	36,392,009	58,011,673

FINANCIAL REPORTS FIRST HALF YEAR 2021

CONSOLIDATED BALANCE SHEET IN SUMMARY

KSEK	6/30/2021	6/30/2020	12/31/2020
Intangible fixed assets	68,893	58,027	59,413
Cumulative Amortization	-21,018	-13,672	-16,884
Intangible fixed assets	47,875	44,355	42,529
Tangible assets	3,785	3,504	3,581
Cumulative Depreciation	-3,074	-2,836	-2,765
Tangible assets	711	668	816
Financial fixed assets	597	656	722
Total fixed assets	49,183	45,679	44,067
Inventories	2,081	1,069	1,776
Accounts receivable	11,438	15,539	9,342
Other current assets	3,524	4,652	3,503
Liquid assets, including current investments	8,906	18,216	4,868
Total current assets	25,949	39,476	19,489
Total assets	75,132	85,155	63,557
Total equity	59,683	61,221	48,602
Other long term liabilities	92	82	82
Total long-term liabilities	92	82	82
Accounts payable	4,492	5,180	3,777
Other current liabilities	10,865	18,672	11,096
Total current liabilities	15,357	23,852	14,873
Total liabilities and shareholders equity	75,132	85,155	63,557

FINANCIAL REPORTS FIRST HALF YEAR 2021

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

KSEK	2021	2020	2021	2020	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating Profit (Loss)	-11,260	-7,297	-20,828	-13,491	-29,792
Depreciation, amortisation	2,052	1,646	4,083	2,980	7,329
Interest Paid	-1	-1,078	-103	-1,980	-2,153
Taxes	-11	-3	9	-6	-12
Foreign exchange Gain or Loss	0	-54	0	-64	-4,265
Incentive Programs	301	0	610	0	0
Translation differences	-3,894	1,437	-722	794	899
Cash flow from operating activities before changes in working capital	-12,813	-5,349	-16,951	-11,767	-28,893
Change in operating receivables	2,183	-2,251	-2,117	-7,048	274
Change in inventory	-57	873	-305	1,548	841
Change in operating liabilities	1,565	-13,309	1,714	-15,882	-15,288
Cash flow from operating activities	-9,122	-20,035	-17,659	-33,148	-43,066
Intangible assets	-3,325	-3,747	-6,786	-6,632	-14,093
Fixed assets	-24	0	-205	-243	-279
Cash flow from net capital expenditures	-3,349	-3,747	-6,991	-6,875	-14,372
Total cash flow before financing activities	-12,471	-23,782	-24,649	-40,023	-57,438
New share issue	0	62,862	30,000	71,327	53,660
Change in financial liabilities	0	-23,862	-1,313	-13,725	8,009
Cash flow from financing activities	0	39,000	28,687	57,602	61,669
Cash flow for the period	-12,471	15,218	4,038	17,579	4,231
Liquid assets at the beginning of the period	21,377	2,998	4,868	637	637
Liquid assets at the end of the period	8,906	18,216	8,906	18,216	4,868

FINANCIAL REPORTS FIRST HALF YEAR 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

KSEK	Share Capital	Ongoing Share Issue	Other Capital Contributed	Translation Reserves	Profit/(Loss) Brought Forward	Shareholders Equity
Closing balance December 31, 2019	2,111	2,263	97,039	1,152	-98,231	4,334
Profit/loss from Jan 1, 2020 to Dec. 31, 2020					-32,082	-32,082
Translation Differences				-8,509		-8,509
Ongoing Share Issue		-2,263				-2,263
Convertible Note Conversion	1,153		22,843			23,996
Private Placement/Rights Issue	3,415		60,944			64,359
Financing Expenses			-1,233			-1,233
Closing balance December 31, 2020	6,679	0	179,593	-7,357	-130,313	48,602
Profit/loss from Jan 1, 2021 to Jun. 30, 2021					-20,922	-20,922
Incentive Program					609	609
Translation Differences				1,394		1,394
Private Placement/Rights Issue	883		29,117			30,000
Closing balance June 30, 2021	7,563	0	208,710	-5,963	-150,626	59,683

KEY RATIOS

KSEK	2021	2020	2021	2020	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Cash flow for the period	-12,471	15,218	4,038	17,579	4,231
Cashflow / share before and after dilution (SEK)	-0.14	0.34	0.05	0.48	0.07
	6/30/2021	12/31/2020			
Equity/assets ratio	79.4%	76.5%			
Number of shares	88,514,756	58,011,673			
Shareholders equity per share (kr)	0.67	0.84			

¹ Based on the weighted average number of shares and outstanding warrants for each period.

FINANCIAL REPORTS FIRST HALF YEAR 2021

PARENT COMPANY – INCOME STATEMENT IN SUMMARY

TSEK	2021	2020	2021	2020	2020
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	960	2,352	1,886	5,037	6,378
Cost of goods and services sold	2	-825	-41	-1,397	-1,666
Gross profit	962	1,527	1,845	3,640	4,712
Development, Sales, and Administrative Costs	-3,948	-2,660	-11,566	-6,119	-17,526
Depreciation/Amortization/Impairment	-176	-160	-353	-305	-250
Operating profit/loss	-3,163	-1,293	-10,074	-2,785	-13,064
Other financial items	394	-523	755	-1,117	-690
Profit before taxes	-2,769	-1,816	-9,320	-3,902	-13,754
Taxes	0	0	0	0	0
Profit/loss for the period	-2,769	-1,816	-9,320	-3,902	-13,754

PARENT COMPANY – BALANCE SHEET IN SUMMARY

KSEK	6/30/2021	6/30/2020	12/31/2020
Intangible fixed assets	6,270	6,270	6,270
Cumulative Amortization	-2,850	-1,885	-2,497
Intangible fixed assets	3,420	4,385	3,773
Tangible assets	1,388	1,441	1,388
Cumulative Depreciation	-1,386	-1,386	-1,386
Tangible assets	2	55	0
Financial fixed assets	14,130	14,130	14,130
Total fixed assets	17,552	18,570	17,904
Inventories	1,931	1,082	1,616
Accounts receivable	1,957	5,438	1,431
Other current assets	135,641	102,632	120,887
Liquid assets, including current investments	4,989	17,948	332
Total current assets	144,518	127,101	124,266
Total assets	162,070	145,671	142,170
Total equity	156,326	134,546	135,842
Accounts payable	1,332	2,168	1,313
Other current liabilities	4,412	8,957	5,015
Total current liabilities	5,744	11,125	6,328
Total liabilities and shareholders equity	162,070	145,671	142,170

CONTACT DETAILS

HOYLU AB

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www.hoylu.com
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BOARD OF DIRECTORS

Johan Lindqvist, Chairman of the Board
Bjorn Wallin, Member of the Board
Stein Revelsby, Member of the Board, CEO
Hans Othar Blix, Member of the Board

EXECUTIVE OFFICERS

Stein Revelsby, Member of the Board, CEO
Truls Baklid, COO and Deputy CEO
Karl Wiersholm, CFO
Travis Beaven, CPO
John D'Costa, CTO

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MARKETPLACE

Nasdaq First North Growth Market, Stockholm Ticker:
HOYLU.

LEGAL DISCLAIMER

Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes.

Such factors include developments for customers, competitors, the impact of economic and market conditions, regulations, technological developments, exchange rates fluctuations and market conditions and political risks.