

# 2023

First Half Year



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Dear valued stakeholders,

I am pleased to share with you the exciting developments and achievements Hoylu has experienced during the second quarter of 2023. Our relentless focus on the construction market has proven to be a winning strategy, as evident by our performance.

In Q2 2023, we achieved a new milestone with a record-breaking month within construction, achieving an Annual Recurring Revenue growth of 2.1M SEK, an impressive 40% month-over-month growth from May to June. Our Construction Annual Recurring Revenue for the quarter reached 3.1M SEK, representing a 35% quarter-over-quarter growth. Our Year-to-Date Construction Annual Recurring Revenue stands at 11.5M SEK, reflecting a 130% year-over-year growth. This showcases the tremendous potential and demand for our product in the sector.

Despite the ever-changing and difficult market conditions, we remain optimistic about the growth potential in the construction industry for the second half of 2023. Our innovative product has proven to empower construction companies and project teams to achieve greater efficiency and alignment. The positive Return on Investment realized by companies that have adopted Hoylu for their projects further validates the value proposition of our offerings.

Our success in the North American and Nordic markets has been fueled by strong partnerships with large construction companies. Furthermore, most of our customers are exploring expanding their usage of Hoylu across their current active projects, demonstrating the scalability and potential for growth within our customer base.



## **Driving Growth and Sales Success in the Construction Industry: Leveraging Effective Buying Personas and Customer-Centric Strategies**

At Hoylu, we take immense pride in our commitment to continuously improve and optimize our sales and growth model, particularly within the construction sector. With a clear understanding of client personas and the buying process, we have developed a winning strategy that enables us to drive revenue growth and secure a prominent position in the market.

A deep understanding of buying personas and the buying process is indispensable to succeed in the highly competitive construction industry. Through rigorous market research and customer feedback, we have gained valuable insights into the unique needs and pain points of key stakeholders.

Word-of-mouth referrals have emerged as a powerful lead source. The trust we have built with our existing customers in large construction companies has translated into enthusiastic recommendations for our solutions within their professional networks. Our satisfied customers have become our most effective advocates, creating a virtuous cycle of referrals that significantly enhance our lead-generation efforts. This organic growth validates our product's efficacy and strengthens our reputation in the industry.

Our Business Development Representatives (BDRs) play a crucial role in expanding our customer base. Instead of adopting a traditional cold-calling approach, our BDRs focus on consulting with our current customer base to explore other areas in their business they can implement Hoylu. By committing to consultative conversations, our BDRs successfully identify new opportunities paving the way for higher client conversion.

Our commitment to customer success goes beyond mere post-sale support. We have established a dedicated team that works closely with project managers to identify new projects within existing customer accounts. By understanding the evolving needs of our customers and their projects, we ensure that they derive the maximum value from our solutions. This proactive approach to customer success fosters strong relationships and opens opportunities for upselling and cross-selling, driving further growth.

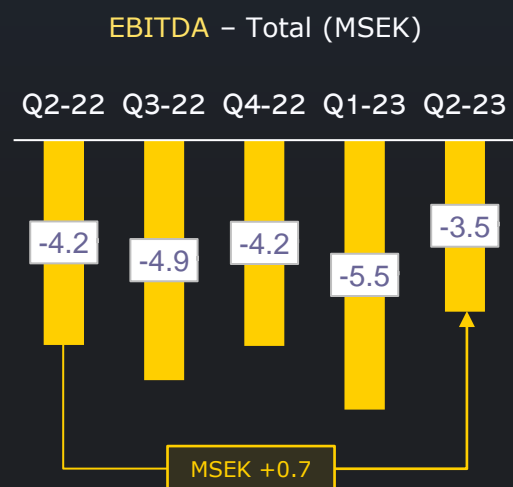
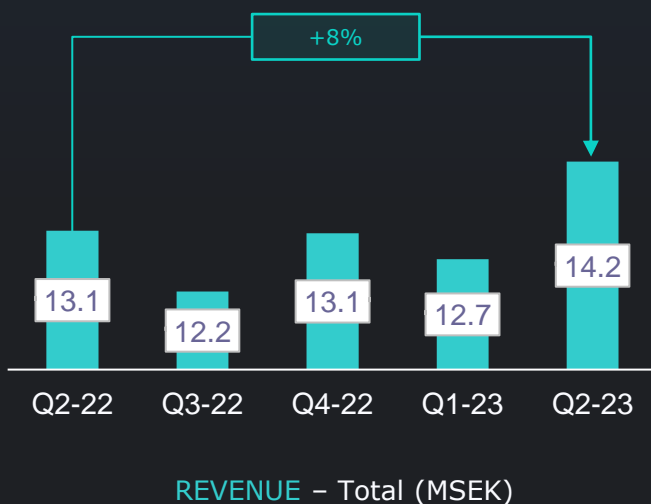
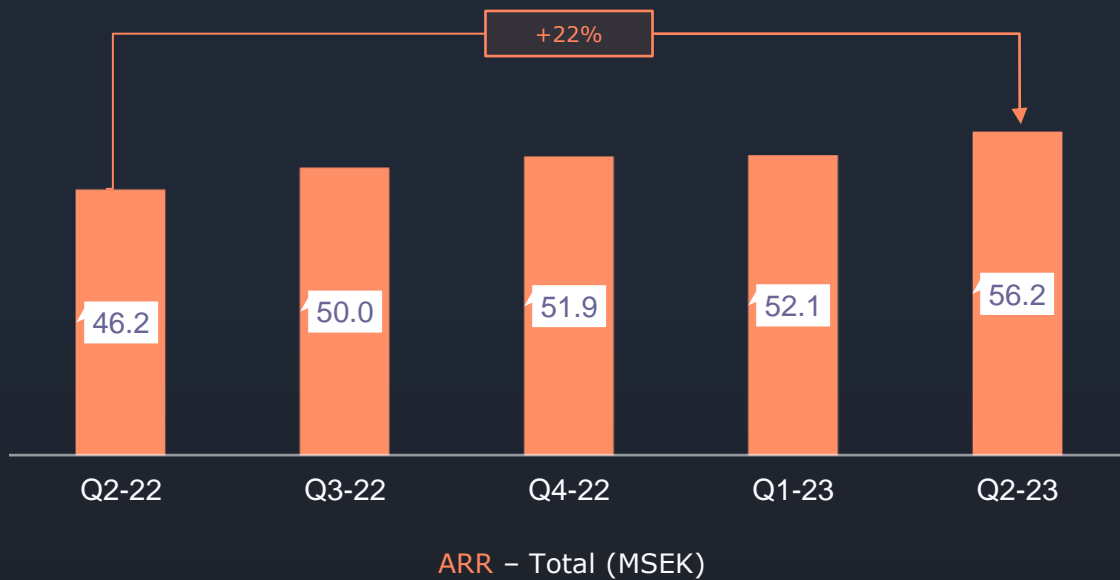
As we move forward, Hoylu is poised for even greater accomplishments. With a solid foundation in the construction market and a clear vision for the future, we are confident in our ability to drive sustainable growth and deliver exceptional value to our customers and shareholders.

Thank you for your continued support on this remarkable journey. Together, we will continue to revolutionize construction planning.



**Truls Baklid**  
Hoylu CEO

- Q2 2023 continued growth of Annual Recurring Revenue (ARR). ARR, including long-term service contracts, ended at MSEK 56.2, a Y/Y growth of 22%.
- Q2 2023 revenue was MSEK 14.2, a Y/Y growth of 8%.
- EBITDA for Q2 2023 was negative MSEK 3.5 compared to negative MSEK 5.5 in Q1 2023.



\* Excluding the reserve for the Tax Surcharge

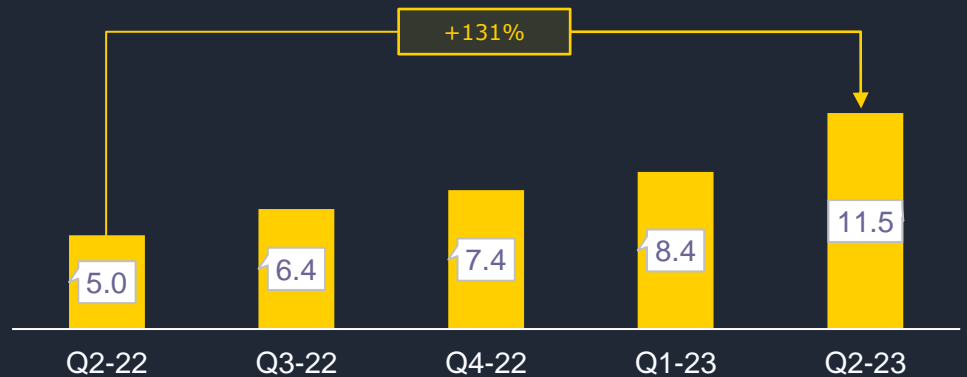


## The workspace that works for you

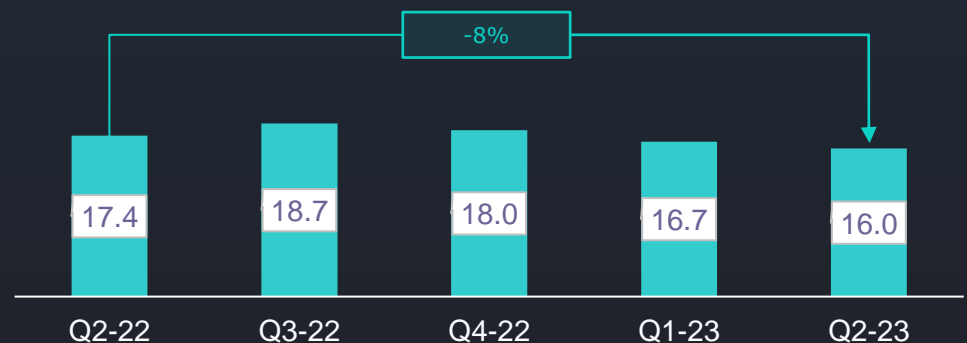
Hoylu is an easy-to-use, cloud-based, project management & whiteboarding tool that enables distributed teams to plan & visualize projects. Our **Adaptive Workspaces** take the complexity out of complex projects & adapt freely to fit any team or workflow.



Online whiteboards and digital Pull Planning tools are usually separate solutions. But we've taken it a step further to combine the two. This gives the industry their project details in one place. Our efforts have focused on **Lean Construction Methods**, including using the Last Planner System® and collaboration technology for **Pull Planning success**.



Create an engaging digital work environment with our Agile Planning software. We help the IT industry get things done more effectively, release more features in less time, and stay on budget. **Hoylu is SAFe® compliant**, integrates with **Agility & Jira**, offers PI Planning templates, and helps to eliminate duplicate work.



Online whiteboards are a great solution to increase collaboration, but Adaptive Workspaces take innovation to the next level. Our solutions help manage tasks, organize documents, facilitate brainstorming, and can **be accessed by all team members in real time**.



## First Half Year 2023 - Highlights

- Annual Recurring Revenue ("ARR"), including long-term service contracts, increased to MSEK 56.2 during the period, up 22% from Q2 2022.
- Revenue for the first half year of 2023 was MSEK 27.0, an increase of 21% compared to the first half of 2022.
- EBITDA for the first half of 2023 was negative MSEK 9.0 compared to negative MSEK 17.6 in the first half of 2022.
- Operating result for the first half of 2023 amounted to MSEK -16.4 (-25.2).
- Profit after tax for the first half of 2023 amounted to MSEK -16.5 (-26.7).
- Earnings per share for the first half of 2023 amounted to SEK -0.07 (-0.29)

## Remarks on the Balance Sheet

- The total assets at the end of the period: MSEK 83.1 (84.5)
- Total cash at the end of the period was MSEK 15.7 (13.2)
- The total accounts receivable at the end of the period was MSEK 15.5 (12.4)
- The total accounts payable at the end of the period was MSEK 2.2 (4.2)
- Total liabilities, including Deferred Revenue, but excluding Convertible Notes, at the end of the period was MSEK 25.2 (21.8)
- The Equity at the end of the period amounted to MSEK 57.8 (5.8)

## Important Events in the Second Quarter

Hoylu completed a conversion of convertible notes to equity in the amount of MSEK 72.9 and a rights issue in the amount of MSEK 15.7 (after expenses); for a total of MSEK 88.6.



## Revenues & Profitability

Revenues for the first half of 2023 amounted to MSEK 27.0 (22.3) and consisted of revenue from the sale of the Hoylu Adaptive Workspaces™ and the sale of the HoyluWall, software products, and professional services.

Cost of goods and services sold was MSEK 9.5 (6.9) and EBITDA amounted to MSEK -9.0 (-17.6).

The operating result was MSEK -16.4 (-25.2).

The net result for the first half of 2023 amounted to MSEK -16.5 (-26.7).

## Financial Position

Cash flow from operating activities the first half of 2023 amounted to MSEK -15.0 (-22.6).

Cash flow from investment activities amounted to MSEK -3.1 (-5.4) and the cash flow from financing activities was MSEK 16.9 (36.9). Cash-flow for the first half of 2023 was MSEK -1.2 (9.0) and the liquid assets at the end of the period was MSEK 15.7 (13.2).

Hoylu will continue to 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 Adaptive Workspaces products.

During the first half of 2023 Hoylu capitalized product development costs in the amount of MSEK 3.1, which represents 9.0% of the Company's total operating costs.

Amortization expense associated with capitalized product development costs amounted to MSEK 6.7 in the first half of 2023.

## 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 36 employees as of June 30, 2023. 28 in the US and 8 in the EU.

Hoylu's headquarter is in Stockholm, Sweden.

Product management and software development activities are based in Linz, Austria.

## Related Party Transactions

There were no related party transactions during the period.

## Financial Calendar

Interim Report – Q3 2023 November 17, 2023

Interim Report – Q4 2023 February 16, 2024

Interim Report – Q1 2024 May 17, 2024

Interim Report – Q2 2024 August 16, 2024

**Nov 17**

**Q3 2023**

**Feb 16**

**Q4 2024**

**May 17**

**Q1 2024**

**Aug 16**

**Q2 2024**

## 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 984,196,680.

## About Hoylu

Hoylu's Adaptive Workspace opens up a new way for teams to plan, build and engage –so they get the impact they want no matter the industry, department or time. Whatever your management or planning style, Hoylu fits the way you structure your team and integrates all the productivity tools you're already using. So, you easily plan and complete any project. And when it comes to the work itself, Hoylu gives your team the freedom to drag and drop anything from documents to presentations, and even video conferences. So, anyone can easily share and embed live files for the entire team to work on – all from anywhere, on any device.

## Consolidated Income Statement in Summary

KSEK	2023	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	14,234	13,128	26,982	22,330	47,637
Cost of goods and services sold	-4,737	-4,295	-9,469	-6,913	-15,782
<b>Gross profit</b>	<b>9,497</b>	<b>8,833</b>	<b>17,513</b>	<b>15,417</b>	<b>31,855</b>
Development, Sales, and Administrative Costs	-13,037	-13,001	-26,505	-33,051	-63,135
Depreciation/Amortization	-3,737	-3,975	-7,400	-7,551	-15,007
<b>Operating profit/loss</b>	<b>-7,277</b>	<b>-8,143</b>	<b>-16,392</b>	<b>-25,185</b>	<b>-46,287</b>
Other financial items	597	-892	-54	-1,521	-3,258
<b>Profit before taxes</b>	<b>-6,680</b>	<b>-9,035</b>	<b>-16,446</b>	<b>-26,705</b>	<b>-49,545</b>
Taxes	-36	-9	-56	-13	-26
<b>Profit/loss for the period</b>	<b>-6,716</b>	<b>-9,044</b>	<b>-16,502</b>	<b>-26,719</b>	<b>-49,571</b>
<b>Key ratios:</b>					
Gross margin	66.7%	67.3%	64.9%	69.0%	66.9%
Operating margin	Neg	Neg	Neg	Neg	Neg
Earnings per share before and after dilution	-0.02	-0.10	-0.07	-0.29	-0.54
Average number of shares before and after dilution	399,144,316	91,743,922	245,444,119	91,743,922	91,743,922

## Consolidated Balance Sheet in Summary

KSEK	6/30/2023	6/30/2022	12/31/2022
Intangible fixed assets	103,407	92,626	97,274
Cumulative Amortization	-54,891	-38,471	-46,201
<b>Intangible fixed assets</b>	<b>48,516</b>	<b>54,155</b>	<b>51,073</b>
Tangible assets	4,218	4,274	4,411
Cumulative Depreciation	-4,110	-3,638	-3,799
<b>Tangible assets</b>	<b>108</b>	<b>636</b>	<b>612</b>
Financial fixed assets	151	432	144
<b>Total fixed assets</b>	<b>48,775</b>	<b>55,223</b>	<b>51,829</b>
Inventories	1,748	1,851	1,657
Accounts receivable	15,544	12,405	10,367
Other current assets	1,358	1,834	1,759
Liquid assets, including current investments	15,697	13,250	16,856
<b>Total current assets</b>	<b>34,347</b>	<b>29,340</b>	<b>30,639</b>
<b>Total assets</b>	<b>83,122</b>	<b>84,563</b>	<b>82,468</b>
<b>Total equity</b>	<b>57,778</b>	<b>5,800</b>	<b>-14,878</b>
Other long term liabilities	95	95	95
<b>Total long-term liabilities</b>	<b>95</b>	<b>95</b>	<b>95</b>
Accounts payable	2,194	4,228	4,381
Other current liabilities	23,055	17,472	21,219
Convertible Notes	0	56,968	71,651
<b>Total current liabilities</b>	<b>25,249</b>	<b>78,668</b>	<b>97,251</b>
<b>Total liabilities and shareholders equity</b>	<b>83,122</b>	<b>84,563</b>	<b>82,468</b>

## Consolidated Cash Flow Statement in Summary

KSEK	2023	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
<b>Operating Profit (Loss)</b>	<b>-7,277</b>	<b>-8,143</b>	<b>-16,392</b>	<b>-25,185</b>	<b>-46,287</b>
Depreciation, amortisation	3,737	3,975	7,400	7,551	15,007
Interest Paid	0	-653	-705	-1,141	-3,137
Taxes and Tax Surcharge	-36	-9	-56	-13	4,449
Incentive Programs	-11	-11	-11	290	0
Foreign exchange rate differences	-1,720	-1,446	-1,676	-7,250	-5,554
<b>Adjustments for items not included in cash flow</b>	<b>1,970</b>	<b>1,856</b>	<b>4,952</b>	<b>-564</b>	<b>10,765</b>
<b>Cash flow from operating activities before changes in working capital</b>	<b>-5,307</b>	<b>-6,287</b>	<b>-11,440</b>	<b>-25,749</b>	<b>-35,522</b>
Change in operating receivables	-1,393	-2,756	-4,776	-2,199	-86
Change in inventory	4	-45	-91	-76	118
Change in operating liabilities	741	-3,147	1,291	5,447	4,873
<b>Cash flow from operating activities</b>	<b>-5,955</b>	<b>-12,235</b>	<b>-15,016</b>	<b>-22,577</b>	<b>-30,617</b>
Intangible assets	-1,539	-2,250	-3,063	-5,295	-8,344
Fixed assets	0	0	0	-90	-78
<b>Cash flow from net capital expenditures</b>	<b>-1,539</b>	<b>-2,250</b>	<b>-3,063</b>	<b>-5,385</b>	<b>-8,422</b>
<b>Total cash flow before financing activities</b>	<b>-7,494</b>	<b>-14,485</b>	<b>-18,079</b>	<b>-27,962</b>	<b>-39,039</b>
New share issue	88,571	0	88,571	0	0
Change in financial liabilities	-71,651	20,978	-71,651	36,924	51,607
<b>Cash flow from financing activities</b>	<b>16,920</b>	<b>20,978</b>	<b>16,920</b>	<b>36,924</b>	<b>51,607</b>
<b>Cash flow for the period</b>	<b>9,426</b>	<b>6,493</b>	<b>-1,159</b>	<b>8,962</b>	<b>12,568</b>
Liquid assets at the beginning of the period	6,271	6,757	16,856	4,288	4,288
<b>Liquid assets at the end of the period</b>	<b>15,697</b>	<b>13,250</b>	<b>15,697</b>	<b>13,250</b>	<b>16,856</b>



## Consolidated Statement of Changes in Equity

KSEK	Share Capital	Ongoing Share Issue	Other Capital Contributed	Translation Reserves	Profit/(Loss) Brought Forward	Shareholders Equity
<b>Closing balance December 31, 2021</b>	<b>7,562</b>	<b>0</b>	<b>208,506</b>	<b>-3,284</b>	<b>-184,408</b>	<b>28,377</b>
Profit/loss from Jan 1, 2022 to December 31, 2022					-49,571	-49,571
Incentive Program					267	267
Translation Differences				6,049		6,049
<b>Closing balance December 31, 2022</b>	<b>7,562</b>	<b>0</b>	<b>208,506</b>	<b>2,765</b>	<b>-233,712</b>	<b>-14,878</b>
Profit/loss from Jan 1, 2023 to June 30, 2023					-16,502	-16,502
Translation Differences				587		587
Private Placement/Rights Issue	2,279		87,019			89,298
Financing Expenses			-727			-727
<b>Closing balance June 30, 2023</b>	<b>9,841</b>	<b>0</b>	<b>294,798</b>	<b>3,352</b>	<b>-250,214</b>	<b>57,778</b>

## Key Ratios

KSEK	2023	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
<b>Cash flow for the period</b>	9,426	6,493	-1,159	8,962	12,568
Cashflow / share before and after dilution (SEK) <sup>1</sup>	0.02	0.07	0.00	0.10	0.14
	<b>6/30/2023</b>	<b>12/31/2022</b>			
Equity/assets ratio	69.5%	-18.0%			
Number of shares	984,196,680	91,743,922			
Shareholders equity per share (kr)	0.06	(0.16)			

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

## Parent Company – Income Statement in Summary

TSEK	2023	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	558	508	1,170	1,383	3,223
Cost of goods and services sold	0	-4	-30	-39	-69
<b>Gross profit</b>	<b>558</b>	<b>504</b>	<b>1,141</b>	<b>1,344</b>	<b>3,154</b>
Development, Sales, and Administrative Costs	-3,516	-4,268	-7,754	-9,467	-24,911
Write off group receivables	0	0	0	0	-23,000
Depreciation/Amortization/Impairment	-317	-161	-473	-351	-638
<b>Operating profit/loss</b>	<b>-3,275</b>	<b>-3,924</b>	<b>-7,087</b>	<b>-8,473</b>	<b>-45,396</b>
Other financial items	1,277	-205	1,518	-331	-625
<b>Profit before taxes</b>	<b>-1,998</b>	<b>-4,130</b>	<b>-5,568</b>	<b>-8,804</b>	<b>-46,021</b>
Taxes	0	0	0	0	0
<b>Profit/loss for the period</b>	<b>-1,998</b>	<b>-4,130</b>	<b>-5,568</b>	<b>-8,804</b>	<b>-46,021</b>

## Parent Company – Balance Sheet in Summary

KSEK	6/30/2023	6/30/2022	12/31/2022
Intangible fixed assets	12,775	7,190	9,711
Cumulative Amortization	-4,294	-3,549	-3,835
<b>Intangible fixed assets</b>	<b>8,481</b>	<b>3,642</b>	<b>5,876</b>
Tangible assets	1,405	1,388	1,405
Cumulative Depreciation	-1,403	-1,388	-1,389
<b>Tangible assets</b>	<b>2</b>	<b>0</b>	<b>17</b>
Financial fixed assets	129,554	137,934	124,905
<b>Total fixed assets</b>	<b>138,038</b>	<b>141,575</b>	<b>130,798</b>
Inventories	1,462	1,546	1,462
Accounts receivable	1,541	1,554	673
Other current assets	468	732	205
Liquid assets, including current investments	13,316	10,802	8,527
<b>Total current assets</b>	<b>16,787</b>	<b>14,634</b>	<b>10,867</b>
<b>Total assets</b>	<b>154,824</b>	<b>156,209</b>	<b>141,665</b>
<b>Total equity</b>	<b>137,486</b>	<b>90,764</b>	<b>53,548</b>
Accounts payable	1,736	1,847	2,382
Convertible Notes	0	56,968	0
Other current liabilities	15,602	6,630	85,735
<b>Total current liabilities</b>	<b>17,338</b>	<b>65,445</b>	<b>88,117</b>
<b>Total liabilities and shareholders equity</b>	<b>154,824</b>	<b>156,209</b>	<b>141,665</b>

## **HOYLU AB**

### REGISTERED ADDRESS:

Hoylu AB  
Stockholm  
Sweden

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Sweden

### US ADDRESS: SEATTLE

Hoylu, Inc.  
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Kirkland, WA 98034

### AUSTRIA ADDRESS:

Hoylu GmbH  
Peter-Behrens-Platz 2  
4020 Linz Austria



## **BOARD OF DIRECTORS**

Johan Lindqvist, Chairman of the Board  
Reidar Fougner, Member of the Board  
Fredrik Urbanski, Member of the Board  
Hans Othar Blix, Member of the Board

## **EXECUTIVE OFFICERS**

Truls Baklid, CEO  
Karl Wiersholm, CFO

## **AUDITOR**

Henrik Ekstrom, Deloitte AB

## **CERTIFIED ADVISOR**

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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.