

Q1 2022

Interim Report



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Interim Report Q1 2022 Overview

FIRST QUARTER 2022

- Annual Recurring Revenue (“ARR”), including long-term service contracts, at the end of the period was MSEK 37.4, up from MSEK 34.6 at the end of Q4 2021.
- Revenues for the first three months were MSEK 9.2 (8.1)
- Gross margin was 72 percent (76)
- Operating result amounted to MSEK -17.0 (-9.6)
- Profit after tax amounted to MSEK -17.7 (-9.6)
- Earnings per share amounted to SEK -0.19 (-0.11)

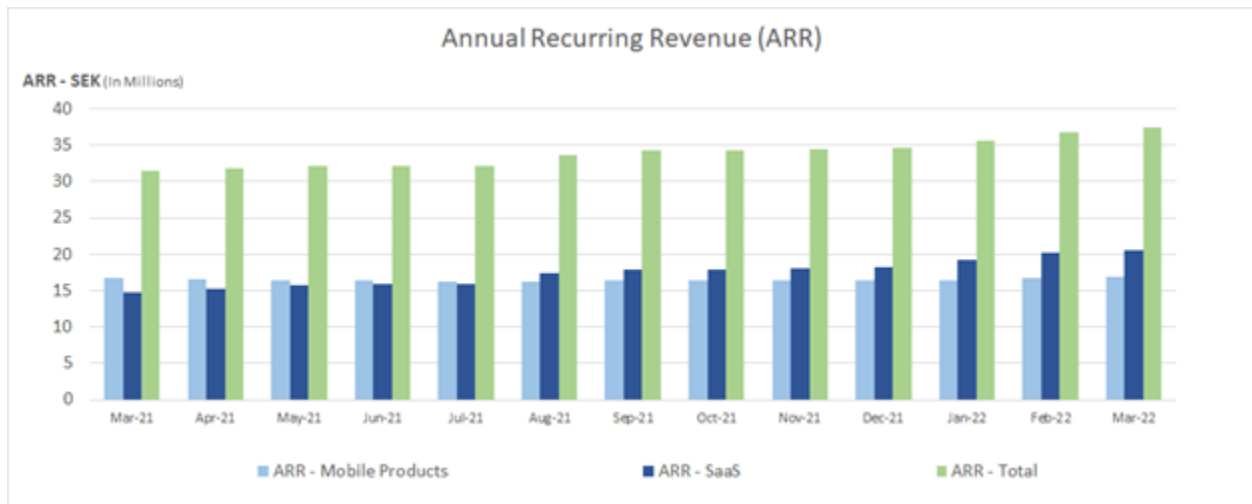
REMARKS ON THE BALANCE SHEET

- The total assets at the end of the period: MSEK 72.3 (88.5)
- Total cash at the end of the period was MSEK 6.8 (4.3)
- The total accounts receivable at the end of the period was MSEK 9.4 (2.8)
- The total accounts payable at the end of the period was MSEK 4.1 (2.8)
- Total liabilities, including Deferred Revenue, at the end of the period: MSEK 60.8 (13.8)
- The Equity at the end of the period amounted to MSEK 11.5 (74.6)

IMPORTANT EVENTS IN THE FIRST QUARTER

- Hoylu completed a directed issue of convertible notes in the amount of MSEK 15.0 and MSEK 0.8; for a total of MSEK 15.8.
- The Board of Directors of Hoylu AB appointed Truls Baklid as the new CEO of the company.

Description	Mar-21	Dec-21	Feb-22	Mar-22	Month/Month	Growth	
						Quarter/Quarter	Year/Year
ARR - SaaS	14.8	18.2	20.1	20.6	2%	13%	39%
ARR - Mobile Products	16.7	16.4	16.7	16.8	1%	3%	1%
ARR - Total	31.5	34.6	36.8	37.4	2%	8%	19%



COMMENTS FROM THE CEO

Comments from the CEO

Annual Recurring Revenue (ARR) including long-term service contracts, at the end of the period was MSEK 37.4, up 19% from MSEK 34.6 at the end of Q1 2021. Our SaaS business ended with Contracted ARR at 20.6 MSEK up 37% from 14.8 MSEK at end of Q1 2021. Hoylu's transition to be a fully SaaS business is moving in right direction.

Hoylu realigned its strategic direction in the second half of 2021. This new direction focused on the Construction and Agile project management (IT/Software Development) market segments.

In Q1 2022, this shift in strategy started to take form. Q1 growth goals were met through the relentless execution of new customer acquisition programs, as well as steady expansion into Hoylu's existing customer base. This coupled with high rates of customer retention provided a stable foundation for 2022.

We continue to grow within the Construction Industry. In Q1 we got 14 new customers (General Contractors) these customers already have 20+ active Hoylu Pull Planning projects started. Our current construction customers started 6 new construction projects. Worth mention is Whiting Turner one of top 5 US construction companies and several of Canadas largest construction companies. All these new customers give us a great base to continue our growth in Q2.

In January we signed an agreement with Draexlmaier. Draexlmaier is a globally operating automotive supplier with more than 75.000 Employees. We see a positive trend and interest from our larger Enterprise customers. They continue to use Hoylu and add new users. One of our key targets going forward will be to work closely together with these companies to identify new important business processes, where our unique modules could support and provide business value.

We have started to restructure and trim our organization to align with our growth strategy, and as a result we have identified several areas where we can reduce our operating cost. These cost reduction initiatives will have a positive impact on our Q2 financial numbers.

Project management software offers untapped growth potential. Only 1 in 4 organizations have invested in a tool. The majority are using Excel, sticky notes, or several different tools that don't integrate with one another. As a result, more than half can't track KPIs in real time. As a part of our growth strategy, we will continue to build project management modules focused on simplicity and affordability.

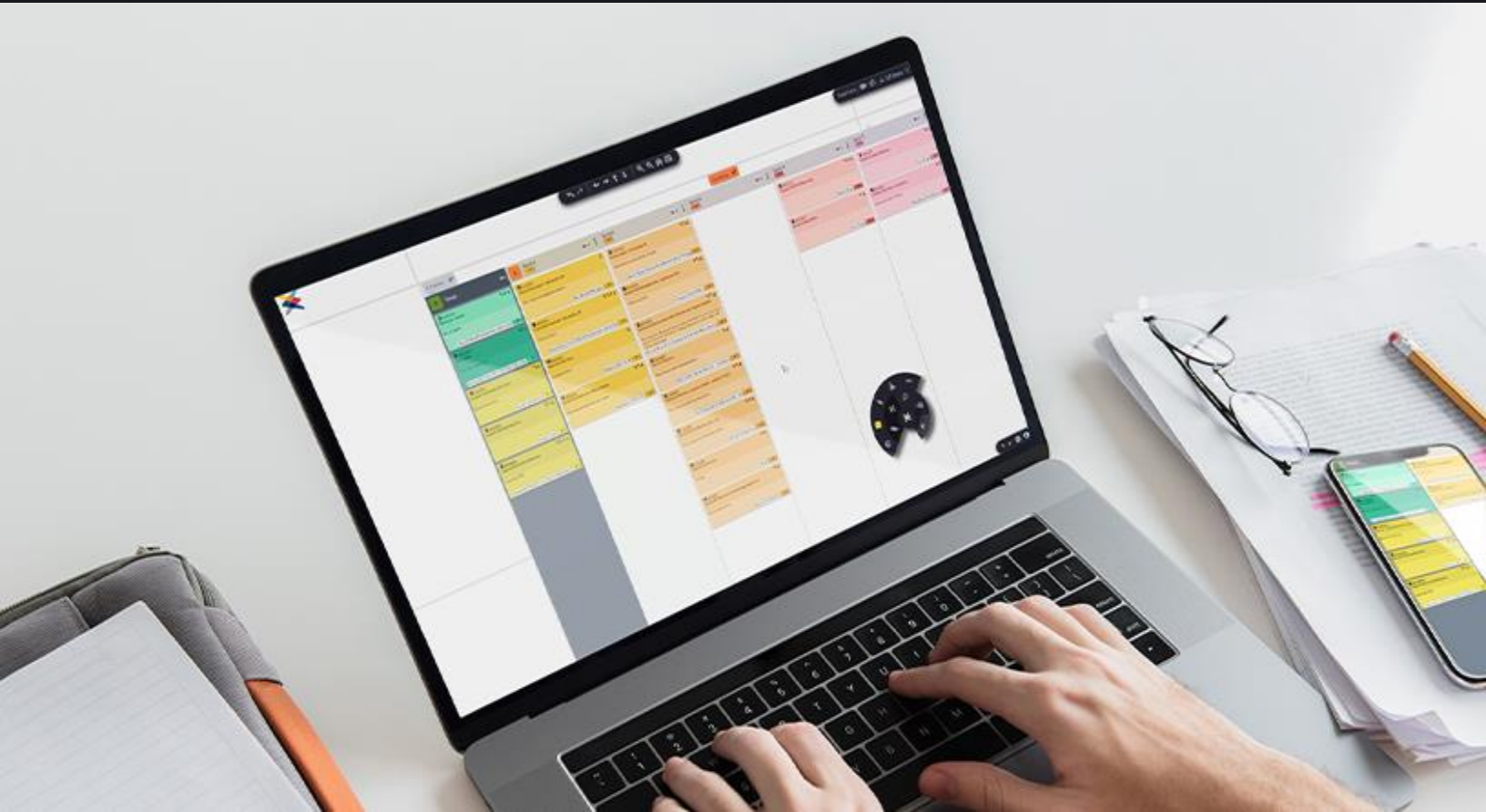
- **Simplicity:** Complex projects are the new normal, but the solutions that flood the market haven't kept up. Our Adaptive Workspaces open a new way for teams to plan, build and engage — so they get the impact they want no matter the industry, department or time zone. We will continue to offer a solution that's easy to use and we will expand our integration partnerships throughout 2022.
- **Affordability:** Budget is a top limiting factor to trying and/or adopting new technology. Our solutions are built for companies of all sizes. We keep our price point competitive and offer Enterprise and by-Project prices. We will continue to refine our pricing model throughout 2022.

Future Outlook

Continued Growth

Collaboration software was the only software segment that posted a positive 6% growth during the onset of COVID-19. As organizations further embrace hybrid work, collaboration software trends continue to signal that growth is unstoppable as it is redefined the future of work teams. As a result, we expect we will continue to grow our ARR business with our largest customers and make significant inroads in Construction and Agile.

This focus will enable us to expand and refine our solutions in two growing segments. This ensures quality before diluting our efforts in new markets.



TRULS BAKLID | CEO

May 2022



FINANCIAL INFORMATION

REVENUES & PROFITABILITY

Revenues for the first three months of 2022 amounted to MSEK 9.2 (8.1) and consisted of revenue from the sale of the Hoylu Connected Workspaces™ and the Pull Planning Module, and the sale of the HoyluWall, software product, and professional services.

Cost of goods and services sold was MSEK 2.6 (1.9) and EBITDA amounted to MSEK -13.5 (-7.5).

The operating result was MSEK -17.0 (-9.6).

The net result for the first three months of 2022 amounted to MSEK -17.7 (-9.6).

FINANCIAL POSITION

Cash flow from operating activities for the first three months of 2022 amounted to MSEK -7.1 (-9.9).

Cash flow from investment activities for the first three months amounted to MSEK -4.6 (-3.6) and the cash flow from financing activities was MSEK 15.9 (30.0). Cash-flow for the first three months of 2022 was MSEK 4.3 (16.5) and the liquid assets at the end of the period was MSEK 6.8 (21.3).

Hoylu will continue to strengthen 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 three months of 2022 Hoylu capitalized product development costs in the amount of MSEK 3.0, which represents 13% of the Company's total operating costs.

Amortization expense associated with capitalized product development costs amounted to MSEK 2.7 in the first three months of 2022.

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 39 employees as of December 31, 2021. 31 in the US and 8 in the EU. Hoylu's headquarters is in Stockholm, Sweden. Product management and software development activities are based in Linz, Austria.

FINANCIAL INFORMATION

RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

FINANCIAL CALENDAR

Interim Report – Q2 2022	August 19, 2022
Interim Report – Q3 2022	November 18, 2022
Interim Report – Q4 2022	February 17, 2023
Interim Report – Q1 2023	May 19, 2023

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 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.

FINANCIAL REPORTS FIRST THREE MONTHS 2022

CONSOLIDATED INCOME STATEMENT IN SUMMARY

KSEK	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales	9,202	8,066	33,319
Cost of goods and services sold	-2,618	-1,918	-8,587
Gross profit	6,584	6,148	24,732
Development, Sales, and Administrative Costs	-20,049	-13,685	-63,733
Other Operating Income	0	0	0
Depreciation/Amortization	-3,576	-2,031	-10,872
Operating profit/loss	-17,041	-9,568	-49,873
Other financial items	-629	-102	-2,378
Profit before taxes	-17,670	-9,670	-52,251
Taxes	-5	20	-74
Profit/loss for the period	-17,675	-9,650	-52,325
Key ratios:			
Gross margin	71.5%	76.2%	74.2%
Operating margin	Neg	Neg	Neg
Earnings per share before and after dilution	-0.19	-0.11	-0.58
Average number of shares before and after dilution	91,743,922	85,440,352	90,159,101

FINANCIAL REPORTS FIRST THREE MONTHS 2022

CONSOLIDATED BALANCE SHEET IN SUMMARY

KSEK	3/31/2022	3/31/2021	12/31/2021
Intangible fixed assets	83,417	65,836	78,867
Cumulative Amortization	-32,317	-19,327	-28,503
Intangible fixed assets	51,100	46,509	50,364
Tangible assets	4,039	3,761	3,949
Cumulative Depreciation	-3,451	-2,975	-3,277
Tangible assets	588	786	672
Financial fixed assets	643	610	629
Total fixed assets	52,331	47,905	51,665
Inventories	1,806	2,024	1,775
Accounts receivable	9,358	13,663	9,741
Other current assets	2,125	3,482	2,299
Liquid assets, including current investments	6,757	21,377	4,288
Total current assets	20,046	40,546	18,103
Total assets	72,377	88,451	69,768
Total equity	11,445	74,568	28,376
Other long term liabilities	95	91	95
Total long-term liabilities	95	91	95
Accounts payable	4,071	2,806	5,900
Other current liabilities	20,776	10,986	15,353
Convertible Notes	35,990	0	20,044
Total current liabilities	60,837	13,792	41,297
Total liabilities and shareholders equity	72,377	88,451	69,768

FINANCIAL REPORTS FIRST THREE MONTHS 2022

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

KSEK	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Operating Profit (Loss)	-17,041	-9,568	-49,873
Depreciation, amortisation	3,576	2,031	10,872
Interest Paid	-640	-102	-852
Taxes	-5	0	-74
Incentive Programs	301	309	1,212
Foreign exchange rate differences	-2,360	3,172	-2,369
Adjustments for items not included in cash flow	872	5,430	8,789
Cash flow from operating activities before changes in working capital	-16,169	-4,138	-41,085
Change in operating receivables	557	-4,300	805
Change in inventory	-31	-248	1
Change in operating liabilities	8,594	-1,164	6,299
Cash flow from operating activities	-7,049	-9,850	-33,980
Intangible assets	-4,550	-3,461	-16,276
Fixed assets	-90	-181	-369
Cash flow from net capital expenditures	-4,640	-3,642	-16,645
Total cash flow before financing activities	-11,689	-13,491	-50,625
New share issue	0	30,000	30,000
Change in financial liabilities	15,946	0	20,044
Cash flow from financing activities	15,946	30,000	50,044
Cash flow for the period	4,257	16,509	-581
Liquid assets at the beginning of the period	2,500	4,868	4,868
Liquid assets at the end of the period	6,757	21,377	4,288

FINANCIAL REPORTS FIRST THREE MONTHS 2022

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, 2020	6,679	0	179,593	-7,357	-130,313	48,602
Beginning balance January 1, 2021	6,679	0	179,593	-7,357	-133,295	45,620
Following Prior Period Adjustment *						
Profit/loss from Jan 1, 2021 to Dec. 31, 2021					-52,325	-52,325
Incentive Program					1,211	1,211
Translation Differences				4,072		4,072
Private Placement/Rights Issue	883		29,117			30,000
Financing Expenses			-203			-203
Closing balance December 31, 2021	7,562	0	208,506	-3,285	-184,408	28,376
Profit/loss from Jan 1, 2022 to Mar. 31, 2022					-17,674	-17,674
Incentive Program					301	301
Translation Differences				443		443
Closing balance March 31, 2022	7,562	0	208,506	-2,842	-201,781	11,445

* Adjusted for Accrued Vacation in subsidiaries

KEY RATIOS

KSEK	2022	2021	2021
	Jan-Mar	Jan-Mar	Jan-Dec
Cash flow for the period	4,257	16,509	-581
Cashflow / share before and after dilution (SEK) ¹	0.05	0.19	-0.01
	3/31/2022	12/31/2021	
Equity/assets ratio	15.8%	40.7%	
Number of shares	91,743,922	91,743,922	
Shareholders equity per share (kr)	0.12	0.31	

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

FINANCIAL REPORTS FIRST THREE MONTHS 2022

PARENT COMPANY – INCOME STATEMENT IN SUMMARY

TSEK	2022	2021	2022
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales	874	602	3,911
Cost of goods and services sold	-34	-168	-228
Gross profit	840	433	3,683
Development, Sales, and Administrative Costs	-5,199	-7,415	-24,195
Write off none-current group receivables	0	0	-44,750
Depreciation/Amortization/Impairment	-190	-447	-703
Operating profit/loss	-4,549	-7,429	-65,964
Other financial items	-126	-196	-106
Profit before taxes	-4,674	-7,625	-66,071
Taxes	0	0	0
Profit/loss for the period	-4,674	-7,625	-66,071

PARENT COMPANY – BALANCE SHEET IN SUMMARY

KSEK	3/31/2022	3/31/2021	12/31/2021
Intangible fixed assets	2,880	3,596	3,070
Tangible assets	2	2	2
Financial fixed assets	127,904	14,130	116,975
Total fixed assets	130,786	17,728	120,047
Inventories	1,550	1,900	1,585
Accounts receivable	1,729	2,097	1,561
Other current assets	558	123,067	184
Liquid assets, including current investments	2,943	19,906	1,748
Total current assets	6,781	146,971	5,078
Total assets	137,567	164,698	125,125
Total equity	94,894	159,292	99,568
Total long-term liabilities	0	0	0
Accounts payable	1,338	1,274	1,464
Convertible Notes	35,990	0	20,044
Other current liabilities	5,346	4,132	4,049
Total current liabilities	42,673	5,406	25,557
Total liabilities and shareholders equity	137,567	164,698	125,125

CONTACT DETAILS

HOYLU AB

REGISTERED ADDRESS:

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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.