

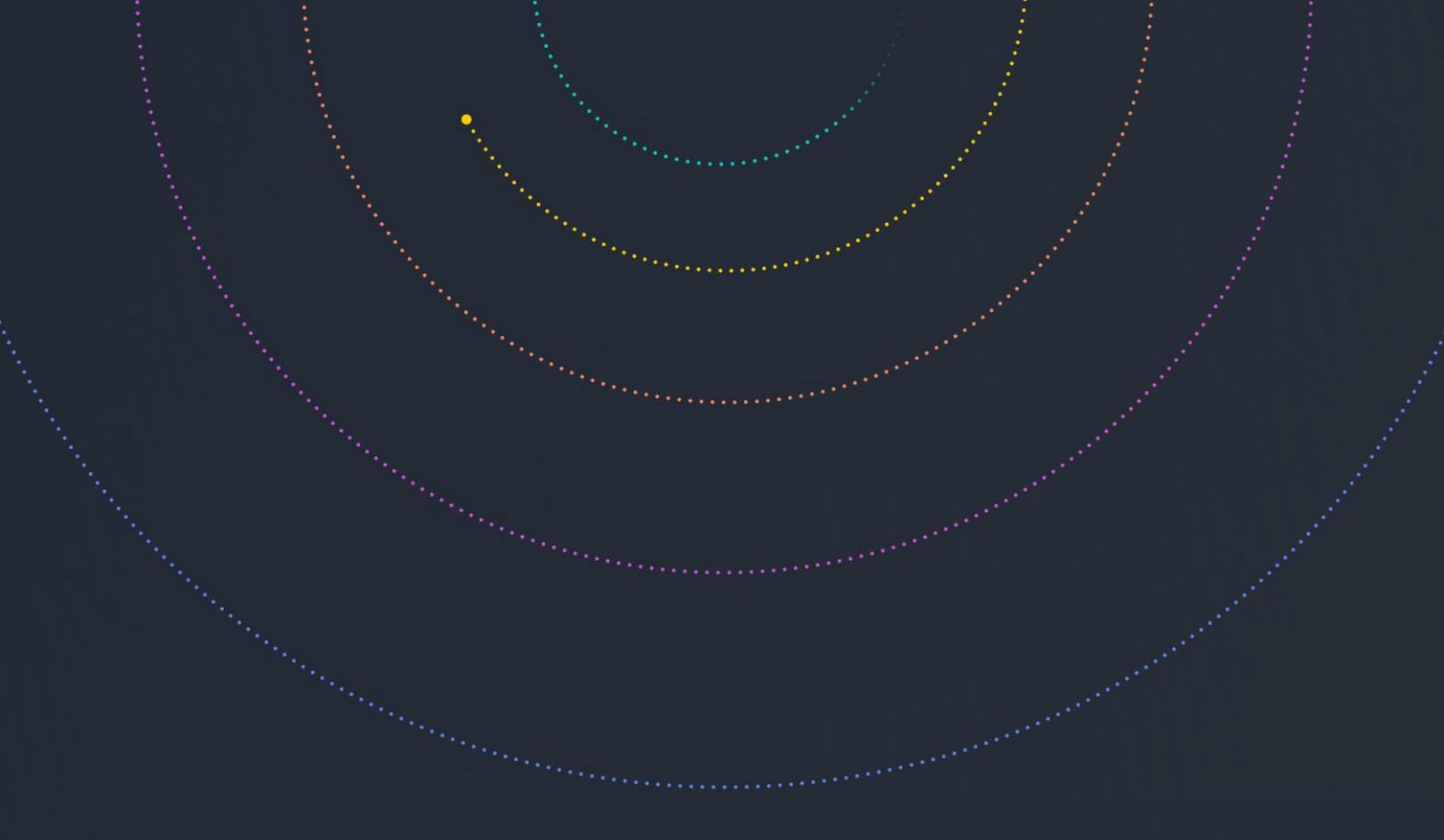


Complex Projects. **Simplified.**



2023

Q3 Interim Report



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Hoylu has achieved yet another impressive quarter marked by substantial revenue growth despite the challenging conditions in the construction market. Once more, we've showcased the strength of our strategic approach, business model, and ability to withstand market volatility as our solutions continue offering our customers a competitive advantage.

Our software stands out as an attractive solution in a turbulent market. The construction industry has an enduring need to enhance efficiency and ensure timely project delivery, and our software plays a pivotal role in addressing these demands. Moreover, it's important to note that the construction market is still in its early stages of digitalization, presenting ample opportunities for growth and innovation.

Revenue grew by 24 percent to SEK 15,1 million compared to the third quarter of last year. Annual Recurring Revenue (ARR), our most important key performance indicator, grew by 26 percent to SEK 61,8 million in the same period. We increased our ARR within the construction industry to SEK 13,5 million. This represents a growth of 111 percent year over year.



We have consistently enriched our software offerings for existing and new construction customers, aligning with their digitalization objectives. We aim to enhance operational efficiency and mitigate the risks associated with project delays. A user-friendly tool that accommodates users of varying skill levels is central to our success. As part of this effort, we have successfully transitioned several customers away from conventional online whiteboard applications and planning software to Hoylu. These clients recognize the inherent value of visualization and integrated, structured planning within a single software solution.

On the product side, Q3 marked the completion of our transition to our new, more flexible workspace framework. Instead of creating different workspaces for different project phases, users can utilize all of Hoylu's functionality in a single workspace, allowing seamless transitions between different phases. We have made customizing workspaces much more accessible by centralizing workspace settings into the new Hoylu Control Center. This will enable administrators to create more tailor-made experiences and save best-practice workspaces as templates to share with the team.

This means that:

1. It is now possible to Initially focus on brainstorming, mood boarding, and mind mapping activities in the Startup Phase of a project, then
2. Shift focus onto Planning by adding a Hoylu Plan, Tables, or To-do-Boards to the workspace, and finally,
3. Start executing this plan by tracking Plan and Task progress and variances and visualizing and reporting on the progress utilizing our inbuild Charts and Workplan features.



In September, we published a partnership with the US Navy. This partnership signifies the Navy's commitment to enhancing collaboration, coordination, and communication within its teams, reflecting Hoylu's reputation as a secure, scalable, and flexible solution for complex project management. The Navy will use Hoylu for day-to-day scrums, sprint management, program evaluation and monitoring, and other programmatic information types.

The order for the initial year represents a value of SEK 2 200 000 in software and services revenue and presents ongoing opportunities to expand within the government sector.

Hoylu will be essential to the US Navy's private cloud offering built on AWS. This private cloud solution will be available for all US government users. This agreement showcases the flexibility and strength of our platform and the potential for growth within a new market.

The prospects for increasing our revenue look promising. We've observed a trend of major players in the construction industry beginning to implement Hoylu in their operations, and we anticipate that they will progressively take on additional projects with our system. By concentrating on comprehensive onboarding and training initiatives, we are laying the groundwork for success, leading to an expanded customer base.

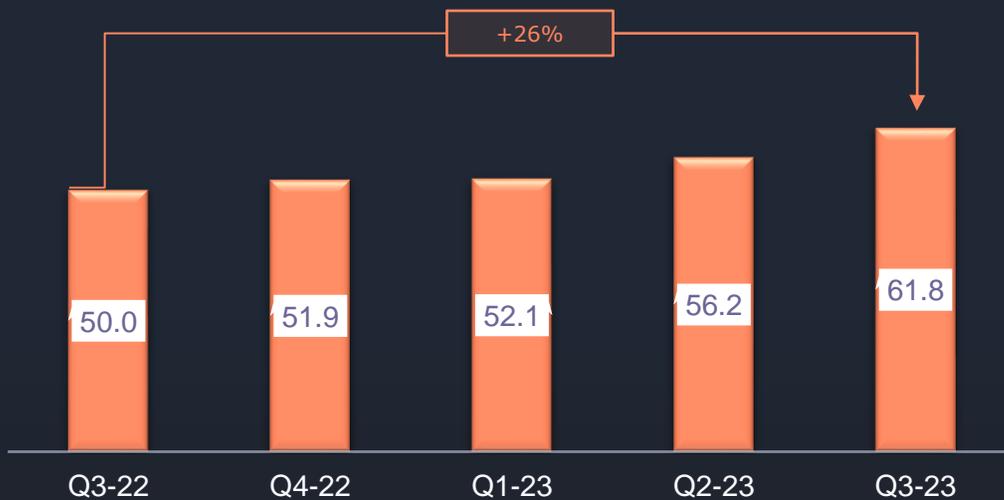
In addition, we more closely aligned our user interface with industry standards to make onboarding users switching from other platforms easier. As part of this UI update, we added some much-sought-after features like tables and additional annotation tools. These help us further differentiate the platform from other planning solutions and strengthen our unique pairing of Whiteboarding and planning capabilities within a single workspace.

These latest product enhancements are aligned with our growth strategy, which involves transitioning customers from project-based subscriptions to more long-term enterprise agreements.



Truls Baklid
Hoylu CEO

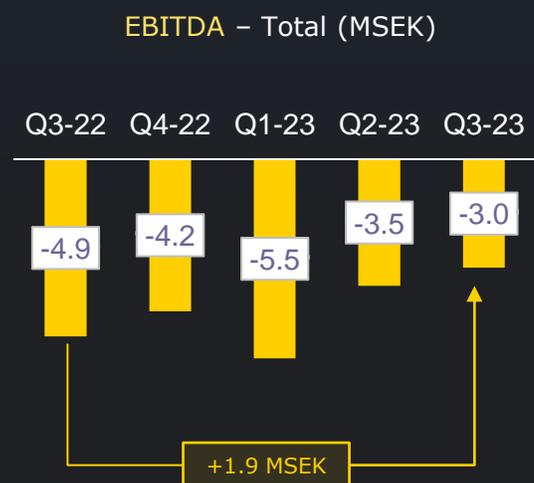
- Q3 2023 continued growth of Annual Recurring Revenue (ARR). ARR, including long-term service contracts, ended at MSEK 61.8, a Y/Y growth of 26%.
- Q3 2023 revenue was MSEK 15.1, a Y/Y growth of 24%.
- EBITDA for Q3 2023 was negative MSEK 3.0 compared to negative MSEK 4.9 in Q3 2022.



ARR – Total (MSEK)



REVENUE – Total (MSEK)



* Excluding the reserve for the Tax Surcharge

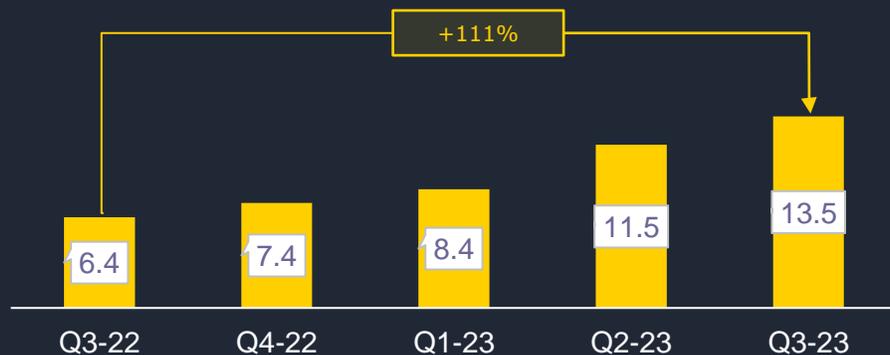


The workspace that works for you

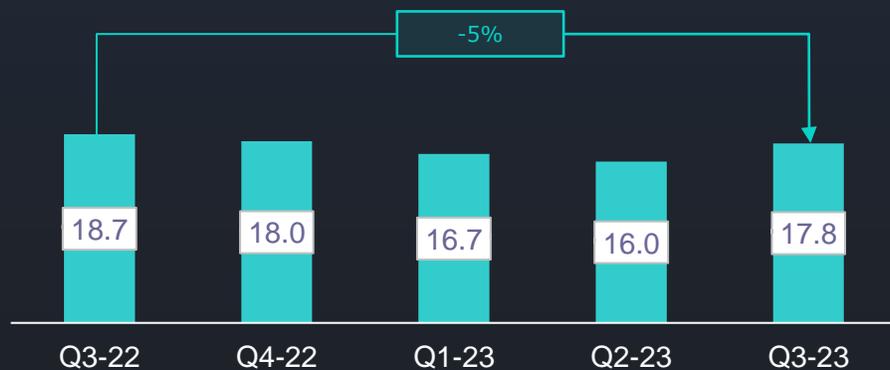
Hoylu is an easy-to-use, cloud-based, project management & whiteboarding tool that enables distributed teams to plan & visualize projects. Our **Adaptive Workspaces** take the complexity out of complex projects & adapt freely to fit any team or workflow.



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.



First Nine Months of 2023 - Highlights

- Annual Recurring Revenue (ARR), including long-term service contracts, increased to MSEK 61.8 during the period, up 26% from Q3 2022.
- Revenue for the first nine months of 2023 was MSEK 42.0, an increase of 22% compared to the first nine months of 2022.
- EBITDA for the nine months of 2023 was negative MSEK 12.0 compared to negative MSEK 22.5 in the first nine months of 2022.
- Operating result for the first nine months of 2023 amounted to MSEK -23.3 (-33.5).
- Profit after tax for the first nine months of 2023 amounted to MSEK -24.2 (-36.2).
- Earnings per share for the first nine months of 2023 amounted to SEK -0.98 (-7.88)

Remarks on the Balance Sheet

- The total assets at the end of the period: MSEK 76.2 (85.8)
- Total cash at the end of the period was MSEK 9.1 (7.2)
- The total accounts receivable at the end of the period was MSEK 17.9 (17.7)
- The total accounts payable at the end of the period was MSEK 1.5 (3.3)
- Total liabilities, including Deferred Revenue, but excluding Convertible Notes, at the end of the period was MSEK 26.2 (27.2)
- Total Convertible Notes, at the end of the period was MSEK 0.0 (57.0)
- The Equity at the end of the period amounted to MSEK 50.0 (1.6)

Revenues & Profitability

Revenues for the first nine months of 2023 amounted to MSEK 42.0 (34.5) and consisted of revenue from the sale of the Hoylu Adaptive Workspaces™, software products, and professional services.

Cost of goods and services sold for the first nine months of 2023 was MSEK 14.5 (11.0) and EBITDA amounted to MSEK -12.0 (-22.5).

The operating result was MSEK -23.3 (-33.5).

The net result for the first nine months of 2023 amounted to MSEK -24.6 (-36.2).

Financial Position

Cash flow from operating activities the first nine months of 2023 amounted to MSEK -20.0 (-26.8).

Cash flow from investment activities amounted to MSEK -4.7 (-7.2) and the cash flow from financing activities was MSEK 16.9 (36.9). Cash-flow for the first nine months of 2023 was MSEK -7.8 (2.9) and the liquid assets at the end of the period was MSEK 9.1 (7.2).

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 Adaptive Workspaces products.

During the first nine months of 2023 Hoylu capitalized product development costs in the amount of MSEK 4.7, which represents 8% of the Company's total operating costs.

Amortization expense associated with capitalized product development costs amounted to MSEK 10.3 in the first nine months 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 39 employees as of September 30, 2023. 30 in the US and 9 in the EU. Hoylu's headquarters 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 – Q4 2023 February 16, 2024

Interim Report – Q1 2024 May 17, 2024

Interim Report – Q2 2024 August 16, 2024

Interim Report – Q3 2024 November 15, 2024

Feb 16

Q4 2023

May 17

Q1 2024

Aug 16

Q2 2024

Nov 15

Q3 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 49,209,834.

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
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	15,050	12,209	42,032	34,539	47,672
Cost of goods and services sold	-5,026	-4,130	-14,495	-11,043	-15,782
Gross profit	10,024	8,079	27,537	23,496	31,890
Development, Sales, and Administrative Costs	-13,017	-12,958	-39,522	-46,009	-63,186
Depreciation/Amortization	-3,890	-3,411	-11,290	-10,962	-15,007
Operating profit/loss	-6,883	-8,290	-23,275	-33,475	-46,303
Other financial items	-690	-1,146	-744	-2,666	-3,332
Profit before taxes	-7,573	-9,436	-24,019	-36,141	-49,635
Taxes	-74	-10	-130	-23	-26
Profit/loss for the period	-7,647	-9,446	-24,149	-36,164	-49,661
Key ratios:					
Gross margin	66.6%	66.2%	65.5%	68.0%	66.9%
Operating margin	Neg	Neg	Neg	Neg	Neg
Earnings per share before and after dilution	-0.16	-2.06	-0.98	-7.88	-10.83
Average number of shares before and after dilution - **	49,209,834	4,587,196	24,584,749	4,587,196	4,587,196

** Adjusted for the reverse split of 20 to 1 that was approved at the AGM on June 26, 2023 and completed on July 21, 2023.

Consolidated Balance Sheet in Summary

KSEK	9/30/2023	9/30/2022	12/31/2022
Intangible fixed assets	104,928	101,079	97,274
Cumulative Amortization	-58,704	-44,242	-46,202
Intangible fixed assets	46,224	56,837	51,072
Tangible assets	4,226	4,538	4,411
Cumulative Depreciation	-4,147	-3,904	-3,799
Tangible assets	79	634	612
Financial fixed assets	148	130	144
Total fixed assets	46,451	57,601	51,828
Inventories	1,749	1,838	1,657
Accounts receivable	17,857	17,745	10,367
Other current assets	999	1,422	1,759
Liquid assets, including current investments	9,094	7,220	16,874
Total current assets	29,699	28,225	30,657
Total assets	76,150	85,826	82,485
Total equity	49,985	1,616	-14,874
Other long term liabilities	95	95	95
Total long-term liabilities	95	95	95
Accounts payable	1,546	3,308	4,380
Other current liabilities	20,049	23,839	16,224
Tax Provision	4,475	0	4,475
Convertible Notes	0	56,968	72,185
Total current liabilities	26,070	84,115	97,264
Total liabilities and shareholders equity	76,150	85,826	82,485

Consolidated Cash Flow Statement in Summary

KSEK	2023	2022	2023	2022	2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Operating Profit (Loss)	-6,883	-8,290	-23,275	-33,475	-46,303
Depreciation, amortisation	3,890	3,411	11,290	10,962	15,007
Interest Paid	0	-855	-705	-1,996	-115
Taxes and Tax Surcharge	-74	-10	-130	-23	-26
Tax Provision	0	0	0	0	4,475
Incentive Programs	-11	-11	-22	278	0
Foreign exchange rate differences	-798	999	-832	-6,251	-533
Adjustments for items not included in cash flow	3,007	3,534	9,601	2,970	18,808
Cash flow from operating activities before changes in working capital	-3,876	-4,756	-13,674	-30,505	-27,495
Change in operating receivables	-1,954	-4,928	-6,730	-7,127	-87
Change in inventory	-1	13	-92	-63	118
Change in operating liabilities	821	5,447	987	10,895	-412
Cash flow from operating activities	-5,010	-4,224	-19,509	-26,800	-27,876
Intangible assets	-1,593	-1,772	-4,657	-7,067	-8,344
Fixed assets	0	-35	0	-125	-78
Cash flow from net capital expenditures	-1,593	-1,807	-4,657	-7,192	-8,422
Total cash flow before financing activities	-6,603	-6,030	-24,165	-33,992	-36,298
New share issue	0	0	88,571	0	0
Change in financial liabilities	0	0	-72,185	36,924	48,884
Cash flow from financing activities	0	0	16,386	36,924	48,884
Cash flow for the period	-6,603	-6,030	-7,779	2,932	12,586
Liquid assets at the beginning of the period	15,697	13,250	16,874	4,288	4,288
Liquid assets at the end of the period	9,094	7,220	9,094	7,220	16,874

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, 2021	7,562	0	208,506	-3,284	-184,408	28,377
Profit/loss from Jan 1, 2022 to December 31, 2022					-49,662	-49,662
Incentive Program					267	267
Translation Differences				6,144		6,144
Closing balance December 31, 2022	7,562	0	208,506	2,860	-233,803	-14,874
Profit/loss from Jan 1, 2023 to September 30, 2023					-24,149	-24,149
Translation Differences				437		437
Private Placement/Rights Issue	2,279		87,019			89,298
Financing Expenses			-727			-727
Closing balance September 30, 2023	9,841	0	294,798	3,297	-257,952	49,985

Key Ratios

KSEK	2023	2022	2023	2022	2022
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Cash flow for the period	-6,603	-6,030	-7,779	2,932	12,586
Cashflow / share before and after dilution (SEK) ¹	-0.13	-1.31	-0.32	0.64	2.74
	6/30/2023	12/31/2022			
Equity/assets ratio	65.6%	-18.0%			
Number of shares ²	49,209,834	4,587,196			
Shareholders equity per share (kr)	1.02	(3.24)			

¹ Based on the weighted average number of shares and outstanding warrants for each period, adjusted for the reverse split that took place in 2023.

² Adjusted for the reverse split that took place in 2023.

Parent Company – Income Statement in Summary

TSEK	2023	2022	2023	2022	2022
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	831	538	2,001	1,921	3,223
Cost of goods and services sold	0	-26	-30	-65	-69
Gross profit	831	512	1,972	1,856	3,154
Development, Sales, and Administrative Costs	-3,013	-1,008	-10,767	-10,475	-24,911
Write off group receivables	0	0	0	0	-23,000
Depreciation/Amortization/Impairment	-393	-143	-866	-494	-638
Operating profit/loss	-2,575	-640	-9,662	-9,113	-45,396
Other financial items	135	-987	1,653	-1,318	-625
Profit before taxes	-2,440	-1,627	-8,008	-10,431	-46,021
Taxes	0	0	0	0	0
Profit/loss for the period	-2,440	-1,627	-8,008	-10,431	-46,021

Parent Company – Balance Sheet in Summary

KSEK	9/30/2023	9/30/2022	12/31/2022
Intangible fixed assets	9,683	4,741	5,876
Tangible assets	0	0	17
Financial fixed assets	14,144	14,144	14,144
Total fixed assets	23,827	18,885	20,037
Inventories	1,462	1,538	1,462
Accounts receivable	825	938	673
Group Receivable	117,623	130,634	112,396
Other current assets	561	907	205
Liquid assets, including current investments	6,163	2,487	8,527
Total current assets	126,634	136,504	123,263
Total assets	150,462	155,389	143,300
Total equity	134,975	85,717	54,484
Accounts payable	1,048	1,199	2,382
Convertible Notes	0	56,968	72,185
Tax Provision	0	0	4,475
Other current liabilities	14,440	11,505	9,774
Total current liabilities	15,487	69,672	88,816
Total liabilities and shareholders equity	150,462	155,389	143,300

HOYLU AB

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BOARD OF DIRECTORS

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

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Truls Baklid, CEO
Karl Wiersholm, CFO

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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.