



HOYLU AB

INTERIM REPORT

Q1 2018

TABLE OF CONTENTS

This Interim Report includes:

Q1 2018 — Overview	1
Comments from the CEO	3
Financial Information	5
Financial Reports Q1 2018	8
Contact Details	14

All amounts are in thousand kr (KSEK) unless otherwise stated

Q1 2018 — Overview

REMARKS ON THE INCOME STATEMENT

- Revenues for the first quarter were MSEK 5.3 (2.0)
- Gross margin was 72 percent (80)
- Operating loss amounted to MSEK -8.2 (-6.0)
- Profit after tax amounted to MSEK -8.3 (-6.0)
- Earnings per share amounted to SEK -0.69 (-0.74)

REMARKS ON THE BALANCE SHEET AND THE STATEMENT OF CASH FLOWS

- The total assets at the end of the period was MSEK 50.4 (32.4)
- Total liabilities at the end of the period was MSEK 24.3 (8.3)
- The Equity at the end of the period amounted to MSEK 26.1 (24.2)
- The cash flow from operating activities during the period was MSEK -5.0 (-2.6)
- Cash flow from investment activities during the period was MSEK -2.9 (-14.2)
- The cash flow from financing activities during the period was 4.0 (20.0)
- The cash flow for the period was MSEK -3.9 (3.2)

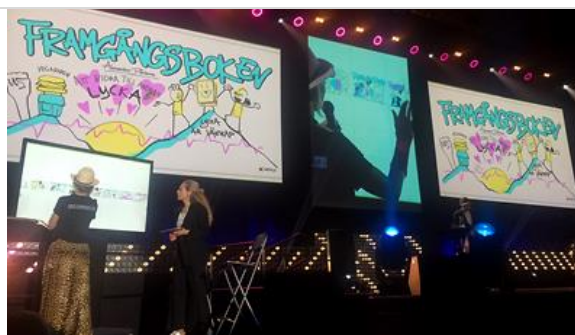
IMPORTANT EVENTS IN THE FIRST QUARTER

- Hoylu and Mevis.tv signed reseller partnership agreement
- Hoylu and Polymedia provided product solutions to growing collaboration market in Russia
- Hoylu and Atea Norway signed reseller partnership agreement
- Hoylu and Davit signed reseller partnership agreement
- Hoylu received an order from construction firm Walbridge
- Hoylu announced a multi-year, software-only agreement with Grafisch Lyceum Rotterdam (GLR), the Dutch creative college for media, design & technology and largest creative college of its kind in the Netherlands. The agreement is projected to generate a minimum of SEK 2,000,000 in SaaS licensing revenue over a 5-year period.

Q1 2018 — OVERVIEW



GRAFISCH LYCEUM ROTTERDAM (GLR), THE DUTCH CREATIVE COLLEGE FOR MEDIA, DESIGN & TECHNOLOGY.



MAY 5TH BORSHAJEN ACADEMY FINANCIAL SUMMIT EVENT IN STOCKHOLM.



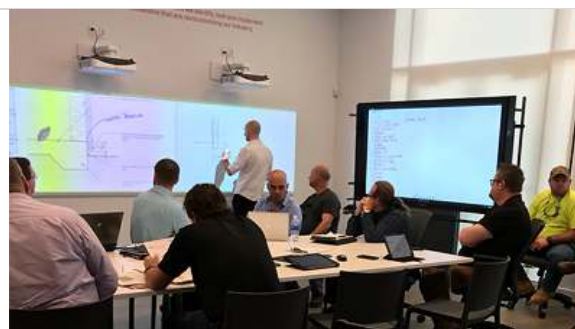
PORTABLE PROJECTION DISPLAY RUNNING HOYLU SUITE, BROADCASTING ON ANY SURFACE FIELD WITH REMOVABLE FILM.



LGE BOOTH AT SEATRade AND DSE 2018 SHOWCASING HOYLU SUITE SOFTWARE RUNNING ON LG TOUCH DISPLAYS.



VIDEO AND PHOTO SHOOT FOR HOYLU SUITE PRODUCT FEATURES AND TUTORIALS.



SUFFOLK SMARTLAB TRAINING SESSION IN TAMPA, FLORIDA.



Ett effektivt sätt att samarbeta
HOYLU
för bättre beslut

Besök hoylu.com
för att lära dig mer

Comments from the CEO

We did not reach our revenue target for Q1 which was to continue the strong growth from Q4. We underestimated the longer sales cycles within large enterprise businesses and that larger commitments normally are subject to more thorough pilot testing and proof of concept phases. We still prioritized to focus our resources on larger strategic accounts and use cases with a solid value proposition and a large potential for our company's future. Our gross margin was 72%, in line with our target, and operating expenses were at the same level as previous quarters.

Our focus on large workspaces, business and engineering processes and anytime collaboration is starting to pay off. Whilst we had two customers within the construction vertical one year ago, we had eleven active customers, fourteen ongoing opportunities and more than one hundred leads within the construction vertical at the end of the quarter. We also saw a continued strong momentum in education with more than 20% of active opportunities in higher education and distance learning. Onboarding and training of resellers and partners has progressed successfully and will contribute to growth in the coming quarters. Our partnerships with LG and NEC has generated more leads than closed deals in Q1 for the same reason as mentioned above but our joint marketing activities, trade shows in Europe and US, and larger salesforce has resulted in more than 60 active opportunities with large global enterprises at the end of Q1.

Hoylu is positioned in a high growth market of digital transformation within the Enterprise. Hoylu Suite is designed to make digital work simple, seamless and hassle free. Hoylu built a digital workspace platform focused on the holistic experience to allow users to increase their productivity while reducing their barriers to entry. Hoylu Suite is hardware agnostic, easy to use, enables access from any location all within a secure environment. Hoylu is experience driven and puts the user first in decision making instead of letting technology alone drive product decisions. This core belief maintains focus on delivering core business value with tools that are efficient and easy to use for all members of a team across multiple disciplines, not only technology experts.

Our product portfolio is continuously improving, and organizations are able to include all major steps in the enterprise information management cycle; plan, assemble, present, collaborate, act and evolve with Hoylu Suite. We offer a large and ever-growing library of templates that cover core business functions, ideation, brainstorming and reviews as well as structured processes and project management, scrum and lean planning. We work closely with our customers and partners to continuously listen and respond to feedback to ensure the product delivers the most valued features.

FUTURE OUTLOOK

Despite lower than expected sales in Q1 we still expect continued strong growth for the year and we are confident that we have built a solid product portfolio and the potential to be a market leader in a fast-growing market. We got more than 50 repeat orders from existing customers in the last 9 months, more incoming requests, and with the growing number of customers within large verticals like construction we expect sales cycles to shorten and deal sizes to go up. Our business with long-term customers within the cruise line industry continues to grow and is generating additional

COMMENTS FROM THE CEO

opportunities within maritime industries. Given all this, we therefore expect the next quarter to be significantly better than Q1. We will continue to expand our reseller and partner community and enter new markets like Japan. We stay firm on our decision to keep operating expenses stable until we reach break-even and we will continue to finance our business with the objective to minimize dilution for existing shareholders.

EVENTS AFTER THE END OF THE PERIOD

- Announced additional orders in France from its partner Wipple totaling more than SEK 835,000 for delivery in Q1 2018
- Announced additional orders from Bene totaling approximately SEK 850,000 for delivery in Q1 2018
- Announced that it has received an expansion order from Suffolk, a leading construction firm based in the US
- Received new orders within the Education vertical from the University of Connecticut and University of Washington. The orders represented continued expansion of Hoylu's global presence in the education space, enabling long-distance learning, team projects and curriculum facilitation.



STEIN REVELSBY
CHIEF EXECUTIVE OFFICER
MAY 2018



Financial Information

REVENUES & PROFITABILITY

Revenues in the first quarter amounted to MSEK 5.3 (2.0) and consisted of revenue from the sale of the Hoylu Suite via resellers and the sale of Huddlewall product as well as professional services.

Cost of goods and services sold was MSEK 1.5 (0.4) and EBITDA amounted to MSEK -6.8 (-6.0).

The operating result was MSEK -8,2 (-6.0).

The net result for the first quarter amounted to MSEK -8.3 (-6.0).

FINANCIAL POSITION

Cash flow from operating activities in the first quarter amounted to MSEK -5.0 (-2.6).

Cash flow from investment activities amounted to MSEK -2.9 (-14.2) and the cash flow from financing activities was MSEK 4.0 as a result of an ongoing private placement that was completed in January (20.0).

The cash-flow for the quarter was MSEK -3.9 (3.2) and the liquid assets at the end of the quarter was MSEK 0.7 (3.3).

Hoylu will consider strengthening its working capital through share issues 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 quarter Hoylu capitalized research and development costs in the amount of SEK 2.6 million, which represents 18% of the Company's total operating costs.

EMPLOYEES & ORGANIZATION

Hoylu has a total headcount of 29; 20 in the US, 8 in the EU, and 1 in Japan. Hoylu's headquarter is in Malmo, Sweden.

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

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

FINANCIAL INFORMATION

MARKET

The global enterprise collaboration market size is estimated to grow from USD 26.7 billion in 2016 to USD 49.5 billion by 2021, at a compound annual growth rate of 13.2%.¹

The worldwide market for collaboration software used in the enterprise is estimated to grow from USD 7.1 billion in 2015 to USD 8.4 billion in 2020.²

While Hoylu's main market is Europe and the US, Hoylu has also established relationships with resellers for the Asian market.

The Company believes enterprises with more than 50 employees will be the main buyers of Hoylu's enterprise collaboration solutions. Data from OECD SDBS database shows a total of approximately 640,000 enterprises with at least 50 employees each and more in Hoylu's main markets with a total of 150,000 enterprises in the US alone.

<http://www.marketsandmarkets.com/PressReleases/enterprise-collaboration.asp>

<https://www.appsruntheworld.com/top-10-collaboration-software-vendors-and-market-forecast-2015-2020/>

FINANCIAL CALENDAR

Interim Report – Q2 2018	10 Aug. 2018
Interim Report – Q3 2018	9 Nov. 2018

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 in Stockholm.

The total number of shares at the end of the period amounted to 14,865,711.

ABOUT HOYLU

Hoylu delivers innovative solutions to allow global collaborative teams plan, create and share information that will enrich the user experience in the virtual office. The Hoylu Suite delivers a comprehensive set of personalized digital workspaces to enable teams across locations, on any device, to work smarter and with more fun across major industries including Engineering, Education, Pharmaceutical, Construction, Manufacturing, Graphic Design and many more.

For more information visit: www.hoylu.com or www.introduce.se/foretag/hoylu

Financial Reports Q1 2018

CONSOLIDATED INCOME STATEMENT IN SUMMARY

KSEK	2018	2017	2017
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales	5,344	1,953	27,322
Cost of goods and services sold	-1,502	-383	-8,632
Gross profit	3,842	1,570	18,690
Development, Sales, and Administrative Costs	-10,615	-5,042	-34,809
Other operating income/cost *	0	-2,529	-2,529
Depreciation/Amortization	-1,381	-3	-2,888
Operating profit/loss	-8,154	-6,004	-21,536
Other financial items	-138	-5	-375
Profit before taxes	-8,292	-6,008	-21,911
Taxes	-8	0	-28
Profit/loss for the period	-8,300	-6,008	-21,938
Key ratios:			
Gross margin	71.9%	80.4%	68.4%
Operating margin	Neg	Neg	Neg
Earnings per share before and after dilution	-0.69	-0.74	-2.35
Average number of shares before and after dilution	12,009,551	8,065,556	9,334,444

* Costs related to the IPO (legal and finance)

FINANCIAL REPORTS Q1 2018

CONSOLIDATED BALANCE SHEET IN SUMMARY

KSEK	3/31/2018	3/31/2017	12/31/2017
Intangible fixed assets	29,187	16,949	27,481
Tangible assets	1,775	1,244	1,960
Financial fixed assets	6,558	7,018	6,482
Total fixed assets	37,520	25,211	35,923
Inventories	1,537	1,112	1,826
Accounts receivable	8,425	1,630	10,819
Other current assets	2,225	1,258	2,332
Liquid assets, including current investments	680	3,261	4,529
Total current assets	12,867	7,261	19,506
Total assets	50,387	32,472	55,429
Total equity	26,052	24,176	27,278
Other long term liabilities	2,088	0	5,015
Total long-term liabilities	2,088	0	5,015
Accounts payable	8,181	3,653	9,428
Other current liabilities	14,066	4,644	13,707
Total current liabilities	22,247	8,296	23,136
Total liabilities and shareholders equity	50,387	32,472	55,429

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

KSEK	2018	2017	2017
	Jan-Mar	Jan-Mar	Jan-Dec
Operating Profit (Loss)	-8,154	-6,000	-21,560
Depreciation, amortisation	1,381	3	2,841
Interest Paid	-133	0	-435
Taxes	-7	-3	-31
Foreign exchange Gain or Loss	-5	-5	66
Incentive Programs	0	0	124
Translation differences	43	-459	-1,553
Cash flow from operating activities before changes in working capital	-6,875	-6,464	-20,548
Change in operating receivables	2,501	-2,888	-13,151
Change in inventory	289	-1,112	-1,426
Change in operating liabilities	-888	7,834	22,136
Cash flow from operating activities	-4,973	-2,630	-12,989
Intangible assets	-2,895	-5,933	-14,052
Fixed assets	-24	-1,244	-1,941
Financial fixed assets	0	-7,018	-6,482
Cash flow from net capital expenditures	-2,919	-14,195	-22,476
Total cash flow before financing activities	-7,892	-16,825	-35,465
New share issue	18,276	22,800	33,920
Change in financial liabilities	-14,233	-2,813	5,975
Cash flow from financing activities	4,043	19,987	39,895
Cash flow for the period	-3,849	3,162	4,430
Liquid assets at the beginning of the period	4,529	99	99
Liquid assets at the end of the period	680	3,261	4,529

FINANCIAL REPORTS Q1 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

KSEK	Share Capital	Ongoing Share Issue	Other Capital Contributed	Translation Reserves	Profit/(Loss) Brought Forward	Shareholders Equity
Opening balance October 18, 2016	0	0	0		0	0
Profit/loss from 1 Oct 2016 to 31 Dec 2017					-22,638	-22,638
Incentive Program					124	124
Translation Differences				-1,553		-1,553
Private Placement	100		0			100
Private Placement	200		24,680			24,880
Acquisition - We-Inspire	24		3,416			3,440
Convertible Note Conversion - Nada Yada	352		148			500
Acquisition - Creative Minds	33		2,047			2,080
Private Placement	140		5,330			5,470
Private Placement	82		3,488			3,570
Private Placement		11,306				11,306
Closing balance 31 December 2017	932	11,306	39,108	-1,553	-22,513	27,279
Profit/loss from jan 1, 2018 to Mar 31, 2018					-8,299	-8,299
Translation Differences				102		102
Private Placement	234	-11,306	15,129			4,058
Convertible Note Conversion	60	0	2,853			2,913
Closing balance March 31, 2018	1,226	0	57,090	-1,451	-30,813	26,052

KEY RATIOS

TSEK	2018	2017
	Jan-Mar	Jan-Mar
Cash flow for the period	-3,849	3,162
Cashflow / share before and after dilution (SEK) ¹	-0.32	0.39
	3/31/2018	12/31/2017
Equity/assets ratio	51.7%	49.2%
Number of shares	14,865,711	11,299,999
Shareholders equity per share (kr)	1.75	2.41

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

FINANCIAL REPORTS Q1 2018

PARENT COMPANY – INCOME STATEMENT IN SUMMARY

TSEK	2018	2017	2017
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales	3,532	0	13,430
Cost of goods and services sold	-931	0	-4,289
Gross profit	2,601	0	9,140
Development, Sales, and Administrative Costs	-3,476	-2,413	-14,366
Other operating income/cost ***	0	-2,529	-2,529
Depreciation/Amortization	-384	0	-988
Operating profit/loss	-1,259	-4,942	-8,743
Other financial items	38	-4	-30
Profit before taxes	-1,221	-4,947	-8,773
Taxes	0	0	0
Profit/loss for the period	-1,221	-4,947	-8,773

*** Costs related to the IPO (legal and finance)

FINANCIAL REPORTS Q1 2018

PARENT COMPANY –BALANCE SHEET IN SUMMARY

KSEK	3/31/2018	3/31/2017	12/31/2017
Intangible fixed assets	8,147	2,567	8,147
Cumulative Amortization	-981	0	-708
Intangible fixed assets	7,166	2,567	7,438
Tangible assets	1,339	929	1,339
Cumulative Depreciation	-391	0	-280
Tangible assets	948	929	1,060
Financial fixed assets	12,459	12,409	12,459
Total fixed assets	20,573	15,905	20,957
Inventories	1,254	0	1,409
Accounts receivable	6,541	0	7,519
Other current assets	39,033	12,796	32,755
Current investments	0	0	0
Liquid assets, including current investments	459	1,804	3,990
Total current assets	47,287	14,600	45,673
Total assets	67,860	30,505	66,630
Total equity	48,159	23,693	42,293
Other long term liabilities	2,088	0	5,000
Total long-term liabilities	2,088	0	5,000
Accounts payable	6,433	2,884	7,191
Other current liabilities	11,180	3,928	12,146
Total current liabilities	17,613	6,812	19,337
Total liabilities and shareholders equity	67,860	30,505	66,630

CONTACT DETAILS

Contact Details

HOYLU AB

VISITING:

Nordenskiöldsgatan24
211 19 Malmö
Sweden

REGISTERED ADDRESS:

Tunnbindaregatan37
602 21 Norrköping
Sweden

POSTAL:

Tunnbindaregatan37
602 21 Norrköping
Sweden

US ADDRESSES:

SEATTLE
Hoylu, Inc.
720 4th Ave.
Suite 220
Kirkland, WA 98033

LOS ANGELES

Hoylu, Inc.6121 Sunset Blvd.
Los Angeles, CA 90028

AUSTRIA ADDRESS:

w'inspire GmbH
Peter-Behrens-Platz2
4020 Linz
Austria

www.hoylu.com

info@hoylu.com

BOARD OF DIRECTORS

Mats Andersson, Chairman of the Board
Stein Revelsby, Member of the Board, CEO
Jon Ullmark, Member of the Board
Anna Anderberg, Member of the Board

EXECUTIVE OFFICERS

Stein Revelsby, Member of the Board, CEO
Karl Wiersholm, CFO
Travis Beaven, CPO
Neil Fishman, Chief Engineer
John Cary, CIO
Christi McCorkle, CMO

AUDITOR

Per-Arne Pettersson, Deloitte AB

CERTIFIED ADVISOR

Mangold Fondskommission AB
Engelbrektsplan2
114 34 Stockholm
Sweden
+46 (0) 503 01 550
info@mangold.se

MARKETPLACE

Nasdaq First North 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.