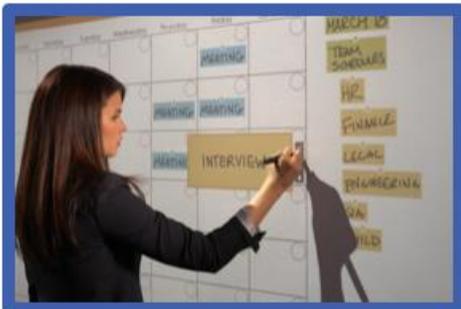




HOYLU



HOYLU AB

FIRST HALF YEAR 2018
January - June 2018

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



First Half Year 2018 Overview

FIRST HALF YEAR 2018

- Revenues for the first half year were SEK 11.4 million (9.9)
- Gross margin was 70 percent (71)
- Operating loss amounted to SEK 16.3 million (-10.9)
- Profit after tax amounted to SEK -16.7 million (-10.9)
- Earnings per share amounted to SEK -1.15 (-1.35)

SECOND QUARTER 2018

- Revenues for the second quarter were SEK 6.0 million (8.0)
- Gross margin was 68 percent
- Operating loss was SEK 8.2 million (-4.9)
- Profit after tax amounted to SEK -8.4 million (-4.9)
- Earnings per share amounted to SEK -0.56 (-0.60)

REMARKS ON THE BALANCE SHEET

- The total assets at the end of the period was MSEK 58.8 (50.4)
- Total cash at the end of the period was MSEK 3.8 (7.4)
- The total accounts receivable at the end of the period was MSEK 10.6 (4.3)
- The total accounts payable at the end of the period was MSEK 8.2 (6.4)
- Total liabilities at the end of the period was MSEK 38.6 (24.3)
- The Equity at the end of the period amounted to MSEK 20.1 (26.1)

IMPORTANT EVENTS IN THE SECOND QUARTER

- Announced that it has received an expansion order from Suffolk, a leading US based construction firm
- 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.
- Directed issue of convertible debt amounting to 15.25 MSEK

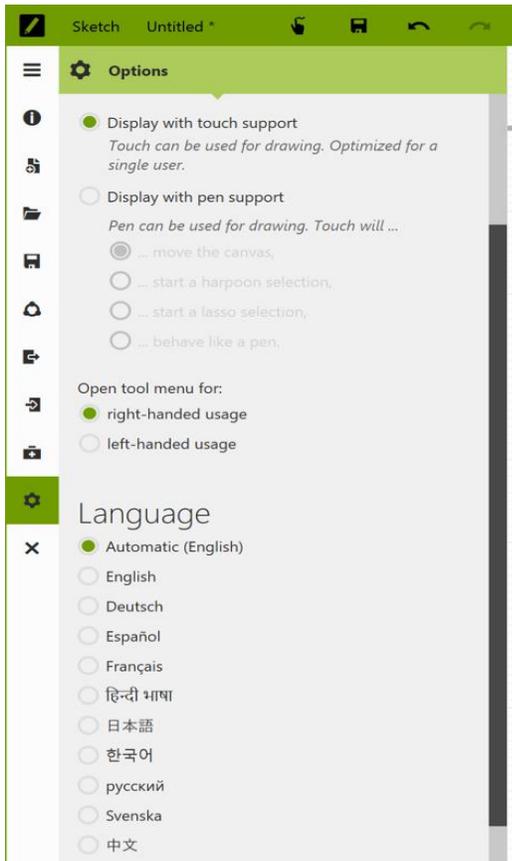
FIRST HALF YEAR 2018 OVERVIEW

We have made several important product updates to expand our reach, offer frequently requested features, and make it easier for enterprises to adopt Hoylu. Here are just a few of the highlights:

ACTIVE DIRECTORY AND SINGLE SIGN-ON SUPPORT

Hoylu Software has simplified the sign in and user management for enterprise customers who need additional security measures. Enterprises can now utilize Azure Active Directory services to authenticate users within their domain.

Users will be automatically logged in to the software, creating a fast and easy experience that company IT organizations can easily manage.



BROAD LOCALIZATION SUPPORT

With one of our recent releases we now provide native localization support for Swedish, Spanish, French, German, Japanese, Korean, Simplified Chinese, Russian and Hindi. Language support is provided across all Hoylu applications and makes Hoylu one of the most accessible collaboration products on the market.

FIRST HALF YEAR 2018 OVERVIEW

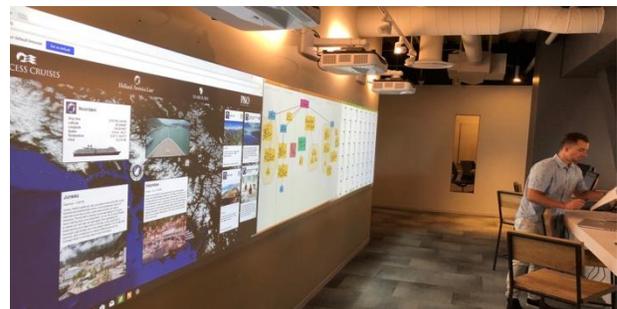
EVENTS AND CUSTOMER ACTIVITIES



SUFFOLK CONSTRUCTION



INFOCOMM



HOLLAND AMERICA LINE



LG ROADSHOW SERIES



BORS HAJEN ACADEMY



NEC SHOWCASE



DAVIT EXECUTIVE SESSION

Comments from the CEO

Our Q2 results fell short of our strong growth revenue targets. Our larger customers typically require an in-depth assessment prior to final purchase decisions and we did not estimate the duration of this phase correctly. We are being aggressive and ambitious on each step but also realize that enterprise business lead times and decision processes are longer than SMB and direct-to-consumer businesses. Despite the long sales cycle for these larger commitments we have made great progress on several fronts to build momentum for the future.

Our product team is focused on providing maximum customer value and delivering new software every 6-8 weeks with new features and requested functionality. We have been able to expand our reach and improve our favorability to enterprise accounts through a few key changes. Hoylu Suite is now available in more than 10 languages making it one of the most accessible collaboration products on the market. Another important change for enterprise accounts was the integration into their ecosystems via Amazon Web Services and Microsoft Azure Cloud. Data security and privacy measures are mission critical to businesses today and this unlocks several opportunities.



We continue to strengthen our relationships and business potential with both existing customers and new prospects. We are very pleased that our largest customers continue to expand their business with Hoylu. We have received repeat orders from Proctor & Gamble, Holland America Line, Skanska, Daimler and Suffolk. We continue to add new partners and resellers and we have ongoing discussions with large brands who want to include Hoylu Suite in their portfolio. Also, our business in education has continued to expand with more universities including new expansion into United Kingdom and Japan. We are encouraged by the potential we see in each of these areas. We have made several changes to the organization in order to streamline and improve sales, customer service and partner management. The net effect of these efforts, starting July 1st, is a more performance based compensation model and a reduction of fixed operating expenses of approximately SEK 1 million per quarter.

Hoylu is focused on our long-term growth and partnerships. Our product portfolio is continuously improving, and organizations are able to include all major steps in the enterprise information management cycle; plan, design, collaborate, execute and evolve with Hoylu Suite. We consistently hear from large enterprises that Hoylu's Connected Workspace™ brings value to their organization and helps them to be more efficient, even reduce their need for travel. Many customers use our products daily for planning, process flows, mind maps,

COMMENTS FROM THE CEO

document reviews, brainstorming, scheduling, and more. We have expanded our reach with connection from nearly every web-enabled device: from large scale projection walls to laptops to smartphones, all combined to activate anytime collaboration on a large selection of languages for a personalized experience. We are continuing to invest in ways that improve and personalize the experience for our global customers.



FUTURE OUTLOOK

Despite our lower than expected sales in Q2, we expect strong growth for the remainder of the year. As of August 9th we have already received written orders and verbal commitments for delivery in Q3 and Q4 of SEK 11 million. Our momentum continues to build in construction where companies have discovered Hoylu Suite for use in Lean and Pull planning. With the additional data security improvements, we are ready for larger deployments of enterprise users. As we look to the future, we are changing our business model to Software-as-a-Service (SaaS), customers will pay a monthly or annual subscription fee. HoyluWall bundles will be sold with a minimum number of users to cover for hardware components with a sufficient margin for the first twelve months. We have several larger opportunities with existing customers as well as new opportunities within government institutions, education and global brands and we are therefore confident that we have a market leading product. Our goal is to reach cash flow break even this fall.



EVENTS AFTER THE END OF THE PERIOD

- Signed reseller agreement with Diversified US
- HAL Leadership Summit, Whistler, BC, Canada: August 19-24
- P&G Leadership Week Switzerland: September 16-20
- Finalist, AV Awards 2018: September 28, 2018, London



STEIN REVELSBY
CHIEF EXECUTIVE OFFICER
AUGUST 2018

Financial Information

REVENUES & PROFITABILITY

Revenues in the first half of 2018 amounted to MSEK 11.4 (9.9) and consisted of revenue from the sale of the Hoylu Suite via resellers and the sale of the Hoyluwall, software product, and professional services.

Cost of goods and services sold was MSEK 3.7 (2.9) and EBITDA amounted to MSEK -13.5 (-10.1).

The operating result was MSEK -16,3 (-10.9).

The net result for the first half of 2018 amounted to MSEK -16.7 (-10.9).

FINANCIAL POSITION

Cash flow from operating activities in the first half of 2018 amounted to MSEK -9.0 (-7.5).

Cash flow from investment activities amounted to MSEK -5.2 (-20.5) and the cash flow from financing activities was MSEK 13.5.

Cash-flow for the first half of 2018 was MSEK -0.8 (7.3) and the liquid assets at the end of the quarter was MSEK 3.8 (7.3).

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 first half of 2018 Hoylu capitalized product development costs in the amount of SEK 5.2 million, which represents 19% of the Company's total operating costs.

EMPLOYEES & ORGANIZATION

Hoylu has a total headcount of 29; 22 in the US, 6 in the EU, and 1 in Japan. Hoylu's headquarters 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/>

RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

FINANCIAL CALENDAR

Interim Report – Q2 2018	10 Aug. 2018
Interim Report – Q3 2018	9 Nov. 2018
Interim Report – Q4 2018	8 Feb. 2019

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 First Half 2018

CONSOLIDATED INCOME STATEMENT IN SUMMARY

KSEK	2018	2017	2018	2017	2017
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	6,083	7,936	11,427	9,889	27,322
Cost of goods and services sold	-1,927	-2,498	-3,428	-2,880	-8,632
Gross profit	4,156	5,439	7,998	7,009	18,690
Development, Sales, and Administrative Costs	-10,858	-9,556	-21,474	-14,598	-34,589
Other operating income/cost *	0	0	0	-2,529	-2,749
Depreciation/Amortization	-1,469	-770	-2,851	-773	-2,888
Operating profit/loss	-8,172	-4,888	-16,326	-10,891	-21,536
Other financial items	-189	-6	-327	-10	-375
Profit before taxes	-8,361	-4,893	-16,653	-10,902	-21,911
Taxes	-19	-4	-26	-4	-28
Profit/loss for the period	-8,379	-4,898	-16,679	-10,906	-21,938
Key ratios:					
Gross margin	68.3%	68.5%	70.0%	70.9%	68.4%
Operating margin	Neg	Neg	Neg	Neg	Neg
Earnings per share before and after dilution	-0.56	-0.60	-1.15	-1.35	-2.35
Average number of shares before and after dilution	14,865,711	8,208,889	14,482,150	8,105,556	9,334,444

* Costs related to the IPO (legal and finance)

FINANCIAL REPORTS FIRST HALF 2018

CONSOLIDATED BALANCE SHEET IN SUMMARY

KSEK	6/30/2018	6/30/2017	12/31/2017
Intangible fixed assets	31,643	20,663	27,481
Tangible assets	1,601	1,687	1,960
Financial fixed assets	7,084	6,762	6,482
Total fixed assets	40,329	29,112	35,923
Inventories	1,724	1,180	1,826
Accounts receivable	10,584	4,321	10,819
Other current assets	2,360	2,169	2,332
Liquid assets, including current investments	3,782	7,397	4,529
Total current assets	18,451	15,067	19,506
Total assets	58,780	44,179	55,429
Total equity	20,142	23,961	27,278
Other long term liabilities	0	5,000	5,015
Total long-term liabilities	0	5,000	5,015
Accounts payable	8,158	6,436	9,428
Other current liabilities **	30,480	8,782	13,707
Total current liabilities	38,638	15,218	23,136
Total liabilities and shareholders equity	58,780	44,179	55,429

** Primarily consists of various note payables, including the convertible notes of 15.25M that was recently issued

FINANCIAL REPORTS FIRST HALF 2018

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

KSEK	2018	2017	2018	2017	2017
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating Profit (Loss)	-8,172	-4,888	-16,326	-10,891	-21,536
Depreciation, amortisation	1,469	770	2,851	773	2,841
Interest Received	0	0	0	0	0
Interest Paid	-215	-1	-348	-1	-435
Taxes	-19	-5	-26	-8	-28
Foreign exchange Gain or Loss	9	-5	4	-10	66
Incentive Programs	0	0	0	0	124
Translation differences	810	2,333	1,485	2,201	-1,553
Cash flow from operating activities before changes in working capital	-6,117	-1,796	-12,360	-7,936	-20,520
Change in operating receivables	-2,295	-3,603	0	-6,091	-13,151
Change in inventory	-187	-68	102	-1,180	-1,426
Change in operating liabilities	4,140	1,474	3,252	7,668	22,674
Cash flow from operating activities	-4,458	-3,992	-9,005	-7,539	-12,424
Intangible assets	-2,602	-2,279	-5,196	-11,956	-14,014
Fixed assets	0	-62	0	-1,794	-1,941
Financial fixed assets	0	0	0	-6,762	-6,762
Cash flow from net capital expenditures	-2,602	-2,342	-5,196	-20,513	-22,718
Total cash flow before financing activities	-7,060	-6,334	-14,201	-28,052	-35,142
New share issue	0	0	10,031	24,880	33,920
Change in financial liabilities	10,163	10,469	3,424	10,469	5,652
Cash flow from financing activities	10,163	10,469	13,455	35,349	39,572
Cash flow for the period	3,102	4,135	-746	7,297	4,430
Liquid assets at the beginning of the period	680	3,261	4,529	99	99
Liquid assets at the end of the period	3,782	7,396	3,782	7,396	4,529

FINANCIAL REPORTS FIRST HALF 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 Jun 30, 2018					-16,679	-16,679
Translation Differences				2,571		2,571
Private Placement	234	-11,306	15,129			4,058
Convertible Note Conversion	60	0	2,853			2,913
Closing balance June 30, 2018	1,226	0	57,090	1,018	-39,192	20,142

KEY RATIOS

KEY RATIOS

TSEK	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Jan-Dec
Cash flow for the period	3,102	4,135	-746	7,297	4,430
Cashflow / share before and after dilution (SEK) ¹	0.21	0.50	-0.05	0.90	0.47
	6/30/2018	12/31/2017			
Equity/assets ratio	34.3%	49.2%			
Number of shares	14,865,711	11,299,999			
Shareholders equity per share (kr)	1.35	2.41			

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

FINANCIAL REPORTS FIRST HALF 2018

PARENT COMPANY – INCOME STATEMENT IN SUMMARY

TSEK	2018	2017	2018	2017	2017
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net sales	2,112	917	5,644	917	13,430
Cost of goods and services sold	-882	-182	-1,814	-182	-4,289
Gross profit	1,230	736	3,830	736	9,140
Development, Sales, and Administrative Costs	-3,762	-3,398	-7,238	-5,811	-14,146
Other operating income/cost ***	0	0	0	-2,529	-2,749
Depreciation/Amortization	-384	-208	-768	-208	-988
Operating profit/loss	-2,917	-2,870	-4,176	-7,812	-8,743
Other financial items	21	-2	59	-6	-30
Profit before taxes	-2,896	-2,872	-4,117	-7,818	-8,773
Taxes	0	-5	0	-5	0
Profit/loss for the period	-2,896	-2,877	-4,117	-7,823	-8,773

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

FINANCIAL REPORTS FIRST HALF 2018

PARENT COMPANY –BALANCE SHEET IN SUMMARY

KSEK	6/30/2018	6/30/2017	12/31/2017
Intangible fixed assets	6,894	4,450	7,438
Tangible assets	837	994	1,060
Financial fixed assets	12,459	12,459	12,459
Total fixed assets	20,189	17,902	20,957
Inventories	1,400	659	1,409
Accounts receivable	6,272	842	7,519
Other current assets	47,314	22,065	32,755
Liquid assets, including current investments	2,865	5,791	3,990
Total current assets	57,850	29,358	45,673
Total assets	78,039	47,260	66,630
Total equity	45,263	28,287	42,293
Other long term liabilities	0	5,000	5,000
Total long-term liabilities	0	5,000	5,000
Accounts payable	6,553	5,031	7,191
Other current liabilities ****	26,224	8,943	12,146
Total current liabilities	32,777	13,974	19,337
Total liabilities and shareholders equity	78,039	47,260	66,630

**** Primarily consists of various note payables, including the convertible notes of 15.25M that was recently issued

CONTACT DETAILS

Contact Details

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BOARD OF DIRECTORS

Mats Andersson, Chairman of the Board
Stein Revelsby, Member of the Board, CEO
Jon Ullmark, Member of the Board
Ian Sandmael, Member of the Board

EXECUTIVE OFFICERS

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

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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.