

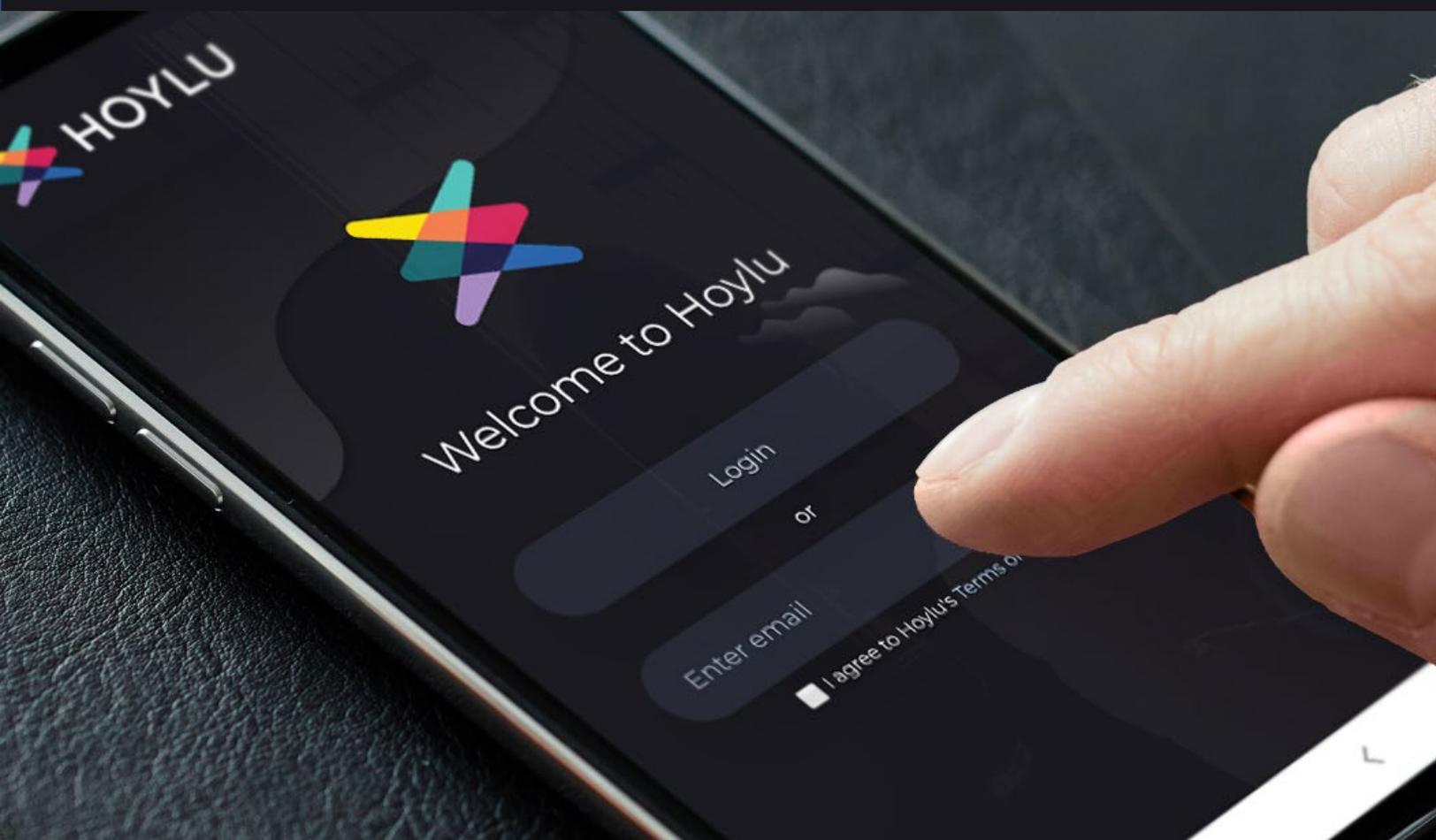
# 2020

## 2020 Q4 Interim Report



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# INTERIM REPORT Q4 2020

## Interim Report Q4 2020 Overview

### TWELVE MONTHS 2020

- Annual Recurring Revenue (“ARR”), including long-term service contracts, at the end of the period was MSEK 26.7, up 78% from the beginning of 2020.
- Revenues for the twelve months were MSEK 29.2 (26.9)
- Gross margin was 71 percent (69)
- Operating loss amounted to MSEK 33.1 (-36.8)
- Profit after tax amounted to MSEK -31.8 (-47.4)
- Earnings per share amounted to SEK -0.61 (-2.38)

### FOURTH QUARTER 2020

- ARR, including long-term service contracts, at the end of the period was MSEK 26.7, up 11% from MSEK 24.0 at the end of Q3.
- Revenue for the fourth quarter were MSEK 7.0 (8.2)
- Gross margin was 72 percent (69)
- EBITDA for the fourth quarter was MSEK -8.9 (-9.0)
- Operating loss was MSEK 11.2 (-10.2)
- Profit after tax amounted to MSEK -7.7 (-17.9)
- Earnings per share amounted to SEK -0.10 (-0.40)

### REMARKS ON THE BALANCE SHEET

- The total assets at the end of the period: MSEK 63.4 (57.8)
- Total cash at the end of the period was MSEK 4.8 (0.6) \*
- The total accounts receivable at the end of the period was MSEK 9.4 (9.3)
- The total accounts payable at the end of the period was MSEK 3.8 (10.0)
- Total liabilities, including Deferred Revenue, at the end of the period: MSEK 14.9 (53.5)
- The Equity at the end of the period amounted to MSEK 48.5 (4.3)

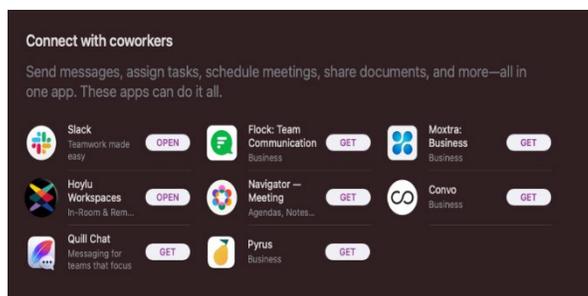
\* After the end of the period, Hoylu completed a private placement of MSEK 28.5 and the Board of Directors resolved, subject to an extraordinary general meeting’s approval, to carry out a directed share issue in the amount of approximately MSEK 1.5.

# INTERIM REPORT Q4 2020

## IMPORTANT EVENTS IN THE FOURTH QUARTER

- Announced growth in user numbers and ARR as of the end of Q4 2020:
  - Total number of users increased by 11,000 in Q4 2020, up 50% from Q3 2020.
  - The number of Paying Users grew to 5,500 during Q4 2020, up 75% from 3,200 from Q3 2020.
  - ARR, including long term service contracts were, SEK 26.7 at the end of Q4 2020, up 11% from SEK 24.0 million at the end of Q3 2020 and up 78% from January 1<sup>st</sup>.
- Received an additional order from Walbridge, a global, full-service construction firm headquartered in Detroit, MI, to implement Hoylu's Pull Planning Module to continue modernizing and improving its construction planning and workflows. The new order value was SEK 375,000.
- Joined the Lean Construction Institute (LCI) and is sponsoring the LCI's 22nd Annual Virtual Congress to showcase its brand and Hoylu's Pull Planning Module, a digital tool modernizing construction planning and workflows.

Description	Dec-19	Sep-20	Dec-20	Growth	
				Quarter/Quarter	Year/Year
ARR - Total	15.1	24.0	26.7	11%	78%
ARR -SaaS	5.0	7.9	9.6	22%	91%
ARR - Services	10.0	16.1	17.1	6%	71%
Total Users	3.5	22.0	33.0	50%	853%
Total Paying Users	0.6	3.2	5.5	75%	815%
Total "Free" Users	2.9	18.9	27.5	46%	861%



## December 2020

Hoylu was featured on the Mac App Store as one of the top five collaboration softwares!

# COMMENTS FROM THE CEO

## Comments from the CEO

Annual Recurring Revenues (ARR) including long term service contracts were SEK 26.7 million at the end of Q4, up 78% from the end of Q4 2019. The total number of users increased by 11,000 in Q4, up 50% from Q3. Several new enterprise license agreements were signed in the quarter and conversions to paying users will be based upon active usage going forward. Hoylu's two largest enterprise accounts increased more than 40% in Q4 to 1,800 and 5,500 users respectively. Going forward Hoylu will report ARR and user numbers on a monthly basis to manage expectations, provide better transparency and regularity.

Hoylu made progress in the quarter in all areas preparing for higher growth and scaling of our business. In engineering we made significant upgrades to our online whiteboard platform Connected Workspaces™ preparing for launch in Q1. Our Customer Success team made great progress working with our largest accounts to expand usage, supporting new use cases and enhance productivity, and our sales team opened new doors and managed larger opportunities to expand our portfolio of enterprise customers.

The whiteboard has for decades been the common tool for brainstorming and visualization in meeting rooms, combined with paper sticky notes for feedback, project and activity management. With Covid restrictions most people had to find new ways to connect, communicate and manage teamwork with very limited access to meeting rooms. The emerging trend with a distributed workforce that started long before Covid was accelerated and almost overnight everybody was videoconferencing, via Teams or Zoom.

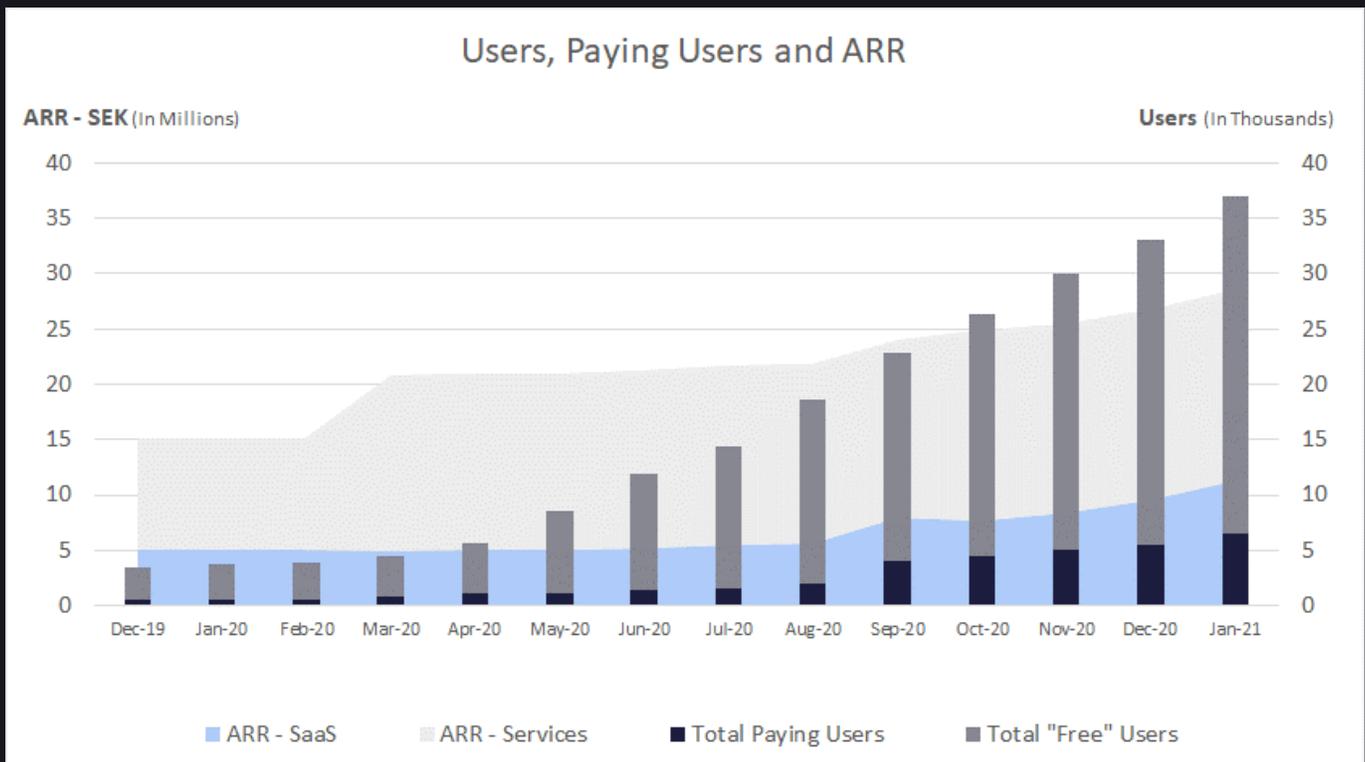
After almost a year with remote work experience the need for tools to collaborate and communicate beyond videoconference and screensharing has become apparent. The presenter or tools expert share his or her screen and dominates the meeting whilst people go on mute, turn off the camera and become passive. Managers struggle with their teams' engagement and interaction and many is looking forward to whenever they can go back to their meeting rooms again.

Hoylu is focused on enhancing the videoconferencing experience and offers a platform that becomes the portal to all your work. Hoylu is a visual way to present, share, maintain and store all your information in context, by exposing documents, images and project plans on a single infinite canvas and link to folders or other applications for easy access and fast navigation. We strongly believe this is a disruptive and more efficient way to keep everybody engaged, informed and participating independent of location. With better communication tools that are easy to use for everybody people can enjoy the freedom to work from where they are or meet at the office as they prefer. The benefits are a more seamless process, less waste of time in traffic and travel, more efficient pre-, during and post meetings, better alignment, reduced risk of miscommunication and better decisions.

# COMMENTS FROM THE CEO

## Future Outlook

We are very excited about the ongoing upgrades we do to our product and the feedback from customers has been very positive. Our users already experience significantly faster speed and navigation, especially those who have large teams and large workspaces. We continue to add features and new functionality, smart modules and integrations whilst focusing on keeping the user interface minimalistic, intuitive and easy to use for everyone. We are very pleased to see existing users discover new ways to use Hoylu on a daily basis across departments and geographies, -in engineering, design, marketing, finance and HR, including executives who used to spend an unreasonable amount of time preparing for meetings. As we mark Hoylu's 4th year anniversary we are in a good position to capitalize on a very large opportunity, expand our footprint and user base. The recent private placement of additional MSEK 30 in capital enables us to expand marketing, sales and customer support and manage the growth going forward.



# COMMENTS FROM THE CEO

## EVENTS AFTER THE END OF THE PERIOD

- Received an additional order from Walbridge, a global, full-service construction firm headquartered in Detroit, MI, to implement Hoylu's Pull Planning Module to continue modernizing and improving its construction planning and workflows. The new order value was SEK 350,000.
- Received a new order from Polymedia, Hoylu's partner in the Russian market. The deal value is SEK 160,000 in software and product revenue.
- Hoylu carried out a Private Placement of shares that resulted in additional capital of approximately MSEK 28.5. In addition, the Board of Directors resolved, subject to an extraordinary general meeting's approval, to carry out a directed share issue to an employee and a Board of Director, in the amount of approximately MSEK 1.5.

"We are very pleased to see existing users discover new ways to use Hoylu on a daily basis across departments and geographies."

STEIN REVELSBY | CEO



# FINANCIAL INFORMATION

## Financial Information

### REVENUES & PROFITABILITY

Annual Recurring Revenue (“ARR”), including long-term service contracts, at the end of the period was MSEK 26.7, up 11% from MSEK 24.0 at the end of Q3 2020.

Revenues for the twelve months 2020 amounted to MSEK 29.2 (26.9) 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 8.6 (8.4) and EBITDA amounted to MSEK -25.8 (-31.1).

The operating result was MSEK -33.1 (-36.8).

The net result for the twelve months 2020 amounted to MSEK -31.8 (-47.4).

### FINANCIAL POSITION

Cash flow from operating activities in the twelve months 2020 amounted to MSEK -59.8 (-23.8).

Cash flow from investment activities amounted to MSEK -8.3 (-11.9) and the cash flow from financing activities was MSEK 72.4 (35.9).

Cash-flow for the twelve months 2020 was MSEK 4.8 (-0.2) and the liquid assets at the end of the period was MSEK 4.8 (0.6).

### CAPITALIZED EXPENSES

Hoylu continues to capitalize its investments in research and development efforts associated with Hoylu’s Anytime Collaboration and Insight products.

During the twelve months 2020 Hoylu capitalized product development costs in the amount of SEK 14.0 million, which represents 21% of the Company’s total operating costs.

Amortization expense associated with capitalized product development costs amounted to SEK 3.9 million in the twelve months 2020.

# FINANCIAL INFORMATION

## 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 December 31, 2020. 30 in the US and 6 in the EU. Hoylu's headquarters is in Stockholm, Sweden.

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

## RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

## FINANCIAL CALENDAR

Interim Report – Q1 2021      14 May 2021

## 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.

# FINANCIAL INFORMATION

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 81,029,637.

## **ABOUT HOYLU**

Hoylu's mission is to make remote work and information sharing easy. Hoylu's Connected Workspaces™ help enterprise clients manage activities, visualize work and motivate people to perform their best by avoiding miscommunication and secure success.

# FINANCIAL REPORTS TWELVE MONTHS

## Financial Reports Twelve Months 2020

### CONSOLIDATED INCOME STATEMENT IN SUMMARY

KSEK	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	6,967	8,173	29,169	26,903
Cost of goods and services sold	-1,926	-2,512	-8,599	-8,373
<b>Gross profit</b>	<b>5,041</b>	<b>5,661</b>	<b>20,570</b>	<b>18,530</b>
Development, Sales, and Administrative Costs	-13,949	-14,627	-46,357	-47,548
Administrative Assessment	0	0	0	-2,100
Depreciation/Amortization	-2,315	-1,283	-7,330	-5,690
<b>Operating profit/loss</b>	<b>-11,223</b>	<b>-10,249</b>	<b>-33,118</b>	<b>-36,808</b>
Other financial items	3,513	-7,690	1,317	-10,535
<b>Profit before taxes</b>	<b>-7,710</b>	<b>-17,939</b>	<b>-31,800</b>	<b>-47,343</b>
Taxes	-3	-8	-12	-40
<b>Profit/loss for the period</b>	<b>-7,713</b>	<b>-17,947</b>	<b>-31,812</b>	<b>-47,383</b>
<b>Key ratios:</b>				
Gross margin	72.4%	69.3%	70.5%	68.9%
Operating margin	Neg	Neg	Neg	Neg
Earnings per share before and after dilution	-0.10	-0.40	-0.61	-2.38
Average number of shares before and after dilution	81,029,637	25,144,010	52,372,522	19,938,194

# FINANCIAL REPORTS TWELVE MONTHS

## CONSOLIDATED BALANCE SHEET IN SUMMARY

<b>KSEK</b>	<b>12/31/2020</b>	<b>12/31/2019</b>
Intangible fixed assets	59,413	51,069
Cumulative Amortization	-16,884	-11,257
<b>Intangible fixed assets</b>	<b>42,529</b>	<b>39,812</b>
Tangible assets	3,580	3,300
Cumulative Depreciation	-2,765	-2,261
<b>Tangible assets</b>	<b>815</b>	<b>1,039</b>
Financial fixed assets	577	544
<b>Total fixed assets</b>	<b>43,921</b>	<b>41,395</b>
Inventories	1,776	2,617
Accounts receivable	9,426	9,286
Other current assets	3,495	3,858
Liquid assets, including current investments	4,821	637
<b>Total current assets</b>	<b>19,518</b>	<b>16,398</b>
<b>Total assets</b>	<b>63,439</b>	<b>57,793</b>
<b>Total equity</b>	<b>48,493</b>	<b>4,334</b>
Other long term liabilities	82	0
<b>Total long-term liabilities</b>	<b>82</b>	<b>0</b>
Accounts payable	3,769	10,035
Other current liabilities	11,095	29,699
Convertible Notes	0	13,725
<b>Total current liabilities</b>	<b>14,864</b>	<b>53,459</b>
<b>Total liabilities and shareholders equity</b>	<b>63,439</b>	<b>57,793</b>

# FINANCIAL REPORTS TWELVE MONTHS

## CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

KSEK	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>Operating Profit (Loss)</b>	<b>-11,223</b>	<b>-10,249</b>	<b>-33,118</b>	<b>-36,740</b>
Depreciation, amortisation	2,315	1,283	7,330	5,690
Impairment	0	0	0	0
Interest Paid	-21	0	-2,207	0
Other Income	3,533	-669	3,533	-3,704
Taxes	-3	-8	-12	-40
Foreign exchange Gain or Loss	-6	4	-80	127
Incentive Programs	0	0	0	0
Translation differences	-6,962	2,304	-11,489	857
<b>Cash flow from operating activities before changes in working capital</b>	<b>-12,366</b>	<b>-7,335</b>	<b>-36,042</b>	<b>-33,878</b>
Change in operating receivables	6,917	-4,292	223	1,405
Change in inventory	-363	-562	841	-1,189
Change in operating liabilities	-3,746	8,520	-24,869	9,826
<b>Cash flow from operating activities</b>	<b>-9,558</b>	<b>-3,668</b>	<b>-59,847</b>	<b>-23,837</b>
Intangible assets	419	-3,013	-8,018	-11,609
Fixed assets	108	63	-319	-322
Financial fixed assets	0	0	0	0
<b>Cash flow from net capital expenditures</b>	<b>527</b>	<b>-2,950</b>	<b>-8,337</b>	<b>-11,931</b>
<b>Total cash flow before financing activities</b>	<b>-9,031</b>	<b>-6,619</b>	<b>-68,184</b>	<b>-35,768</b>
New share issue	0	1,710	86,093	43,052
Change in financial liabilities	0	3,826	-13,725	-7,122
<b>Cash flow from financing activities</b>	<b>0</b>	<b>5,536</b>	<b>72,368</b>	<b>35,930</b>
<b>Cash flow for the period</b>	<b>-9,031</b>	<b>-1,083</b>	<b>4,184</b>	<b>162</b>
Liquid assets at the beginning of the period	13,851	1,720	637	475
<b>Liquid assets at the end of the period</b>	<b>4,821</b>	<b>637</b>	<b>4,821</b>	<b>637</b>

# FINANCIAL REPORTS TWELVE MONTHS

## 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, 2018</b>	<b>1,226</b>	<b>0</b>	<b>57,134</b>	<b>-70</b>	<b>-50,847</b>	<b>7,443</b>
Profit/loss from Jan 1, 2019 to Dec. 31, 2019					-47,384	-47,384
Translation Differences				1,222		1,222
Convertible Note Conversion	527		25,053			25,580
Private Placement	309		13,191			13,500
Private Placement	49		1,661			1,710
Ongoing Share Issue		2,263				2,263
<b>Closing balance December 31, 2019</b>	<b>2,111</b>	<b>2,263</b>	<b>97,039</b>	<b>1,152</b>	<b>-98,231</b>	<b>4,334</b>
Profit/loss from Jan 1, 2020 to Dec. 31, 2020					-31,813	-31,813
Translation Differences				-10,121		-10,121
Ongoing Share Issue		-2,263				-2,263
Convertible Note Conversion	84		2,178			2,263
Private Placement	161		6,089			6,250
Rights Issue	57		2,158			2,215
Private Placement	3,455		59,407			62,862
Rights Issue	603		10,376			10,979
Private Placement	208		3,579			3,787
<b>Closing balance December 31, 2020</b>	<b>6,680</b>	<b>0</b>	<b>180,827</b>	<b>-8,969</b>	<b>-130,044</b>	<b>48,493</b>

## KEY RATIOS

KSEK	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>Cash flow for the period</b>	-9,031	-1,083	4,184	162
Cashflow / share before and after dilution (SEK) <sup>1</sup>	-0.17	-0.04	0.08	0.01
	12/31/2020	12/31/2019		
Equity/assets ratio	71.8%	9.5%		
Number of shares	81,029,637	25,610,678		
Shareholders equity per share (kr)	0.75	0.85		

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

# FINANCIAL REPORTS TWELVE MONTHS

## PARENT COMPANY - INCOME STATEMENT IN SUMMARY

TSEK	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	602	2,981	6,378	7,894
Cost of goods and services sold	-168	-736	-1,666	-1,929
<b>Gross profit</b>	<b>433</b>	<b>2,245</b>	<b>4,712</b>	<b>5,965</b>
Development, Sales, and Administrative Costs	-7,415	-8,525	-16,608	-14,688
Administrative Assessment	0	0	0	-2,100
Depreciation/Amortization/Impairment	-447	-213	-919	-1,092
<b>Operating profit/loss</b>	<b>-7,429</b>	<b>-6,494</b>	<b>-12,815</b>	<b>-11,915</b>
Other financial items	-196	293	-938	-2,643
<b>Profit before taxes</b>	<b>-7,625</b>	<b>-6,200</b>	<b>-13,753</b>	<b>-14,558</b>
Taxes	0	0	0	0
<b>Profit/loss for the period</b>	<b>-7,625</b>	<b>-6,200</b>	<b>-13,753</b>	<b>-14,558</b>

# FINANCIAL REPORTS TWELVE MONTHS

## PARENT COMPANY -BALANCE SHEET IN SUMMARY

KSEK	12/31/2020	12/31/2019
Intangible fixed assets	6,270	6,270
Cumulative Amortization	-2,497	-1,789
<b>Intangible fixed assets</b>	<b>3,773</b>	<b>4,481</b>
Tangible assets	1,388	1,441
Cumulative Depreciation	-1,386	-1,176
<b>Tangible assets</b>	<b>2</b>	<b>265</b>
Financial fixed assets	14,130	14,130
<b>Total fixed assets</b>	<b>17,904</b>	<b>18,876</b>
Inventories	1,616	2,058
Accounts receivable	1,431	3,076
Other current assets	120,878	83,007
Liquid assets, including current investments	332	180
<b>Total current assets</b>	<b>124,258</b>	<b>88,321</b>
<b>Total assets</b>	<b>142,162</b>	<b>107,197</b>
<b>Total equity</b>	<b>135,842</b>	<b>64,736</b>
Other long term liabilities	0	0
<b>Total long-term liabilities</b>	<b>0</b>	<b>0</b>
Accounts payable	1,296	5,257
Convertible Notes	0	23,479
Other current liabilities	5,024	13,725
<b>Total current liabilities</b>	<b>6,320</b>	<b>42,461</b>
<b>Total liabilities and shareholders equity</b>	<b>142,162</b>	<b>107,197</b>

## Contact Details

### HOYLU AB

#### REGISTERED ADDRESS:

Tunnbindaregatan 37C  
602 21 Norrköping Sweden

#### POSTAL:

Tunnbindaregatan 37C  
602 21 Norrköping Sweden

#### US ADDRESS: SEATTLE

Hoylu, Inc.  
720 4th Ave. Suite 120  
Kirkland, WA 98033

#### AUSTRIA ADDRESS:

Hoylu GmbH  
  
Peter-Behrens-Platz 2  
4020 Linz Austria  
www.hoylu.com  
info@hoylu.com

### BOARD OF DIRECTORS

Bjorn Wallin, Chairman of the Board  
Stein Revelsby, Member of the Board, CEO  
Hans Othar Blix, Member of the Board  
Ian Sandmael, Member of the Board

### EXECUTIVE OFFICERS

Stein Revelsby, Member of the Board, CEO  
Truls Baklid, COO and Deputy CEO  
Karl Wiersholm, CFO  
Travis Beaven, CPO  
John D'Costa, CTO

### AUDITOR

Henrik Ekstrom, Deloitte AB

### CERTIFIED ADVISOR

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### MARKETPLACE

Nasdaq First North Growth Market, Stockholm  
Ticker: HOYLU.

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### 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.