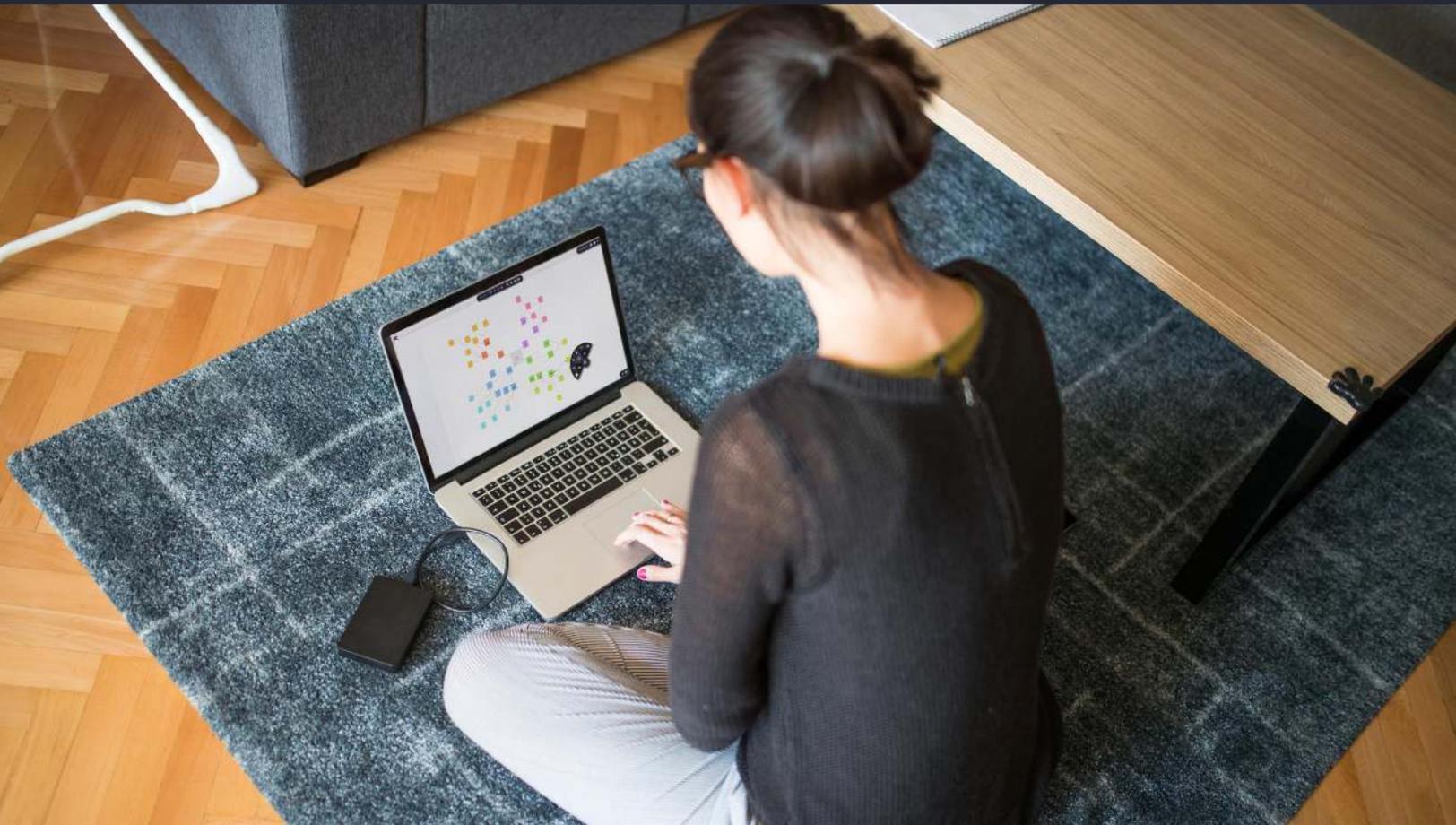


# 2021

## 2021 Q1 Interim Report



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# INTERIM REPORT Q1 2021 OVERVIEW

## Interim Report Q1 2021 Overview

### FIRST QUARTER 2021

- Annual Recurring Revenue (“ARR”), including long-term service contracts, at the end of the period was MSEK 31.5, up 18% from MSEK 26.7 at the end of Q4 2020.
- Revenue for the first quarter was MSEK 8.1 (8.2)
- Gross margin was 76 percent (69)
- Operating loss amounted to MSEK 9.6 million (-6.2)
- Profit after tax amounted to SEK -9.7 million (-7.1)
- Earnings per share amounted to SEK -0.11 (-0.26)

### REMARKS ON THE BALANCE SHEET

- The total assets at the end of the period: MSEK 88.5 (68.6)
- Total cash at the end of the period was MSEK 21.4 (3.0)
- The total accounts receivable at the end of the period was MSEK 13.7 (13.3)
- The total accounts payable at the end of the period was MSEK 2.8 (8.8)
- Total liabilities, including Deferred Revenue, at the end of the period: MSEK 13.8 (61.1)
- The Equity at the end of the period amounted to MSEK 74.6 (7.5)

### IMPORTANT EVENTS IN THE FOURTH QUARTER

- 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.
- Received a new order from Polymedia, Hoylu's partner in the Russian market.
- Hoylu carried out a private placement of shares that resulted in additional capital of MSEK 30.
- Announced growth in user numbers and ARR as of the end of Q4 2020:
  - The number of Total Users reached 45,000, up 40% from 32,200 at the end of December 2020.
  - The number of Paying Users grew to 7,900, up 66% from 4,700 at the end of December 2020.
  - ARR, including long term service contracts, reached MSEK 31.5 as of the end of March 2021.

| Description        | Mar-20 | Dec-20 | Mar-21 | Growth          |           |
|--------------------|--------|--------|--------|-----------------|-----------|
|                    |        |        |        | Quarter/Quarter | Year/Year |
| ARR - Total        | 20.7   | 26.7   | 31.5   | 18%             | 52%       |
| ARR - SaaS         | 5.0    | 9.6    | 14.8   | 53%             | 197%      |
| ARR - Services     | 15.8   | 17.1   | 16.7   | -2%             | 6%        |
| Total Users        | 4.5    | 32.2   | 45.0   | 40%             | 893%      |
| Total Paying Users | 0.9    | 4.7    | 7.9    | 66%             | 821%      |
| Total "Free" Users | 3.7    | 27.5   | 37.2   | 35%             | 909%      |

# COMMENTS FROM THE CEO

## Comments from the CEO

Annual Recurring Revenues (ARR) including long term service contracts were SEK 31.5 million at the end of Q1, up 18% from the end of Q4 2020. The total number of users increased by 12,000 in Q1, up 40% from the end of Q4 2020. 7,900 (18% of total) were paying users. Hoylu releases monthly ARR and user numbers since the beginning of this year. License agreements are either based upon a fixed number of user subscriptions or billing for how many users are active in a certain time period and therefore ARR growth will vary from month to month depending on when license agreements are signed and when new customers are onboarded. We are excited to see an increasing awareness in the market of challenges and benefits with hybrid work and an increasing interest in the solutions Hoylu has to offer both in enterprise and business as well as within large government institutions. The strongest growth in Q1 came from existing customers P&G and FedEx as well as customers within construction, Walbridge in the US and AF Group in Scandinavia. Hoylu closed a financing round of 30 MSEK in February and increased investments in sales and marketing, including the hire of a VP Marketing in the US.

According to business analysts more than 80% of company leaders plan to adopt a hybrid work model, 30% of the global workforce will work remotely by the end of 2021 and 70% of executives plan to invest in virtual collaboration tools. The majority of employees would like to work from home at least three days per week in the future. Source:\*

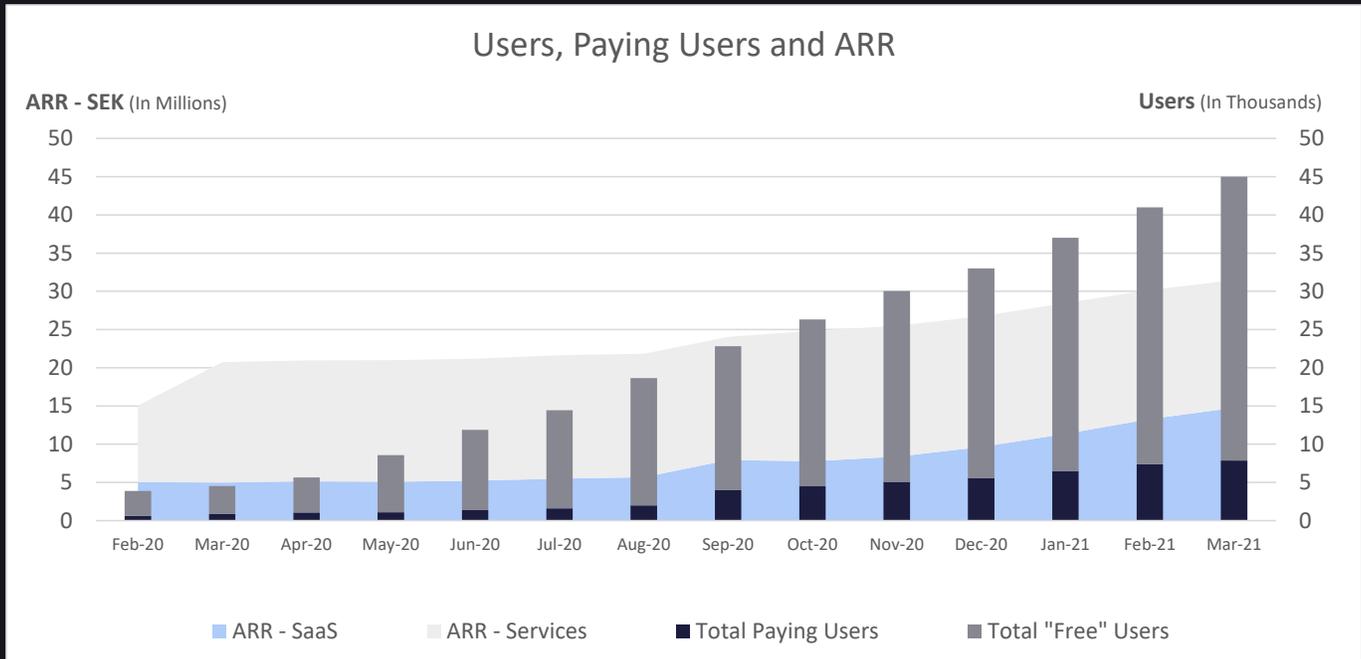
Whilst most business leaders believe that a hybrid work environment combining office and remote teams is here to stay, the next generation collaboration solutions need to enable individual contribution, engagement and active participation. Active participation and contribution from all team members results in better quality, alignment, fewer mistakes and better decisions. Videoconferencing solutions have become commodity but presents challenges and favors extroverted personalities. True collaboration requires tools that take into consideration psychological barriers and different personalities that exist. We also believe a collaboration tool should support work during the whole lifecycle of a project not only during meetings.

## Future Outlook

Hoylu's portfolio of large enterprise clients is growing, most recently with the addition of Egger Group ([www.egger.com](http://www.egger.com)) and Hoya Corporation ([www.hoya.com](http://www.hoya.com)), a global med-tech company and leader within advanced optics technologies with 36,000 employees in more than 30 countries and regions. Our market focus is to support agile methodologies, lean planning and project management. In discussions with customers, we see that there is an increasing awareness of the challenges and benefits of full digital transformation and the shift to a hybrid work model. Hoylu's smart templates ("modules") for project management, enabling all stakeholders to contribute, provide feedback and input during the whole lifecycle of a project also when they are not in the same room, are designed to meet these challenges. Project plans are kept in the same virtual workspace as images, drawings, maps and notes. All information is always available in context to the whole team.

We believe Hoylu is well positioned for future strong growth. Hoylu's prospect pipeline is growing, we add more resources to marketing and sales, and we will in the near future announce new product integrations that will further open up large market opportunities and help solve challenges that many project teams face today.

# COMMENTS FROM THE CEO



## EVENTS AFTER THE END OF THE PERIOD

- Received an order from Barton Malow, ([www.bartonmalow.com](http://www.bartonmalow.com)), a full-service construction firm headquartered in Michigan, US. The order represents an expansion of Hoylu’s business within the construction industry with high-end architectural design and project management.

STEIN REVELSBY | CEO



**Source:\***

- 1)Reimagine Work: Employee Survey McKinsey & Company,
- 2)Market Size Source: <https://www.grandviewresearch.com/industry-analysis/team-collaboration-software-market>
- 3)Hybrid work source: Gartner Article
- 4)% remote work source: <https://globalworkplaceanalytics.com/work-at-home-after-covid-19-our-forecast>
- 5)Virtual collaboration investment: <https://www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html>
- 6)Gartner prediction: <https://www.gartner.com/en/conferences/na/digital-workplace-us/featured-topics/future-of-work>

# FINANCIAL INFORMATION

## Financial Information

### REVENUES & PROFITABILITY

Revenues for the first three months of 2021 amounted to MSEK 8.1 (8.2) and consisted of revenue from the sale of the Hoylu Connected Workspaces™ via resellers and the sale of the HoyluWall, software product, and professional services.

Cost of goods and services sold was MSEK 1.9 (2.5) and EBITDA amounted to MSEK -7.5 (-4.9).

The operating result was MSEK -9.6 (-6.2).

The net result for the first three months of 2021 amounted to MSEK -9.7 (-7.1).

### FINANCIAL POSITION

Cash flow from operating activities the first three months of 2021 amounted to MSEK -8.5 (-13.1).

Cash flow from investment activities amounted to MSEK -3.6 (-3.1) and the cash flow from financing activities was MSEK 28.7 (18.6).

Cash-flow for the first three months of 2021 was MSEK 16.5 (2.3) and the liquid assets at the end of the period was MSEK 21.4 (3.0).

### 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 2021 Hoylu capitalized product development costs in the amount of SEK 3.5 million, which represents 20% of the Company's total operating costs.

Amortization expense associated with capitalized product development costs amounted to SEK 1.2 million in the first three months of 2021.

### 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 March 31, 2021. 33 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.

# FINANCIAL INFORMATION

## RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

## FINANCIAL CALENDAR

|                          |                   |
|--------------------------|-------------------|
| Interim Report – Q2 2021 | August 20, 2021   |
| Interim Report – Q3 2021 | November 19, 2021 |
| Interim Report – Q4 2021 | February 18, 2022 |

## 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 91,208,209.

## ABOUT HOYLU

Hoylu's mission is to empower distributed teams to collaborate easily and seamlessly while always staying in sync. Hoylu's Connected Workspaces™ helps enterprises as well as small and medium companies run projects, programs, and initiatives across time zones and continents with the same level of engagement and clarity as if everyone were working in the same room.

For more information: [www.hoylu.com](http://www.hoylu.com).

# FINANCIAL REPORTS FIRST THREE MONTHS 2021

## Financial Reports First Three Months 2021

### CONSOLIDATED INCOME STATEMENT IN SUMMARY

| KSEK   | 2021          | 2020          | 2020           |
|--|---------------|---------------|----------------|
|  | Jan-Mar       | Jan-Mar       | Jan-Dec        |
| Net sales  | 8,066         | 8,152         | 29,168         |
| Cost of goods and services sold                    | -1,918        | -2,499        | -8,652         |
| <b>Gross profit</b>                                | <b>6,148</b>  | <b>5,653</b>  | <b>20,516</b>  |
| Development, Sales, and Administrative Costs       | -13,685       | -10,512       | -46,434        |
| Other Income (Expenses)                            | 0             | 0             | 3,533          |
| Depreciation/Amortization                          | -2,031        | -1,334        | -7,329         |
| <b>Operating profit/loss</b>                       | <b>-9,568</b> | <b>-6,194</b> | <b>-29,714</b> |
| Other financial items                              | -102          | -911          | -2,356         |
| <b>Profit before taxes</b>                         | <b>-9,670</b> | <b>-7,105</b> | <b>-32,070</b> |
| Taxes  | 20            | -4            | -12            |
| <b>Profit/loss for the period</b>                  | <b>-9,650</b> | <b>-7,109</b> | <b>-32,082</b> |
| <b>Key ratios:</b>                                 |               |               |                |
| Gross margin                                       | 76.2%         | 69.3%         | 70.3%          |
| Operating margin                                   | Neg           | Neg           | Neg            |
| Earnings per share before and after dilution       | -0.11         | -0.26         | -0.55          |
| Average number of shares before and after dilution | 85,440,352    | 27,693,489    | 58,011,673     |

# FINANCIAL REPORTS FIRST THREE MONTHS 2021

## CONSOLIDATED BALANCE SHEET IN SUMMARY

| KSEK   | 3/31/2021     | 3/31/2020     | 12/31/2020    |
|--|---------------|---------------|---------------|
| Intangible fixed assets                          | 65,836        | 56,868        | 59,413        |
| Cumulative Amortization                          | -19,327       | -12,669       | -16,884       |
| <b>Intangible fixed assets</b>                   | <b>46,509</b> | <b>44,199</b> | <b>42,529</b> |
| Tangible assets                                  | 3,761         | 3,543         | 3,581         |
| Cumulative Depreciation                          | -2,975        | -2,646        | -2,765        |
| <b>Tangible assets</b>                           | <b>786</b>    | <b>897</b>    | <b>816</b>    |
| Financial fixed assets                           | 610           | 588           | 722           |
| <b>Total fixed assets</b>                        | <b>47,905</b> | <b>45,684</b> | <b>44,067</b> |
| Inventories                                      | 2,024         | 1,942         | 1,776         |
| Accounts receivable                              | 13,663        | 13,290        | 9,342         |
| Other current assets                             | 3,482         | 4,650         | 3,503         |
| Liquid assets, including current investments     | 21,377        | 2,998         | 4,868         |
| <b>Total current assets</b>                      | <b>40,546</b> | <b>22,880</b> | <b>19,489</b> |
| <b>Total assets</b>                              | <b>88,451</b> | <b>68,564</b> | <b>63,557</b> |
| <b>Total equity</b>                              | <b>74,568</b> | <b>7,459</b>  | <b>48,602</b> |
| Other long term liabilities                      | 91            | 82            | 82            |
| <b>Total long-term liabilities</b>               | <b>91</b>     | <b>82</b>     | <b>82</b>     |
| Accounts payable                                 | 2,806         | 8,801         | 3,777         |
| Other current liabilities                        | 10,986        | 28,360        | 11,096        |
| Convertible Notes                                | 0             | 23,862        | 0             |
| <b>Total current liabilities</b>                 | <b>13,792</b> | <b>61,023</b> | <b>14,873</b> |
| <b>Total liabilities and shareholders equity</b> | <b>88,451</b> | <b>68,564</b> | <b>63,557</b> |

# FINANCIAL REPORTS FIRST THREE MONTHS 2021

## CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

| KSEK   | 2021           | 2020           | 2020           |
|--|----------------|----------------|----------------|
|  | Jan-Mar        | Jan-Mar        | Jan-Dec        |
| <b>Operating Profit (Loss)</b>   | <b>-9,568</b>  | <b>-6,194</b>  | <b>-29,792</b> |
| Depreciation, amortisation   | 2,031          | 1,334          | 7,329          |
| Interest Paid  | -102           | -902           | -2,153         |
| Taxes  | 20             | -4             | -12            |
| Foreign exchange Gain or Loss  | 0              | -10            | -4,265         |
| Incentive Programs   | 309            | 0              | 0              |
| Translation differences  | 3,172          | -643           | 899            |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>-4,138</b>  | <b>-6,418</b>  | <b>-28,893</b> |
| Change in operating receivables  | -4,300         | -4,797         | 274            |
| Change in inventory  | -248           | 675            | 841            |
| Change in operating liabilities  | 149            | -2,574         | -15,288        |
| <b>Cash flow from operating activities</b>                                   | <b>-8,537</b>  | <b>-13,113</b> | <b>-43,066</b> |
| Intangible assets  | -3,461         | -2,885         | -14,093        |
| Fixed assets   | -181           | -243           | -279           |
| <b>Cash flow from net capital expenditures</b>                               | <b>-3,642</b>  | <b>-3,128</b>  | <b>-14,372</b> |
| <b>Total cash flow before financing activities</b>                           | <b>-12,178</b> | <b>-16,241</b> | <b>-57,438</b> |
| New share issue  | 30,000         | 8,465          | 53,660         |
| Change in financial liabilities  | -1,313         | 10,137         | 8,009          |
| <b>Cash flow from financing activities</b>                                   | <b>28,687</b>  | <b>18,602</b>  | <b>61,669</b>  |
| <b>Cash flow for the period</b>  | <b>16,509</b>  | <b>2,361</b>   | <b>4,231</b>   |
| Liquid assets at the beginning of the period                                 | 4,868          | 637            | 637            |
| <b>Liquid assets at the end of the period</b>                                | <b>21,377</b>  | <b>2,998</b>   | <b>4,868</b>   |

# FINANCIAL REPORTS FIRST THREE MONTHS 2021

## 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, 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 |               |                     |                           |                      | -32,082                       | -32,082             |
| Translation Differences                       |               |                     |                           | -8,509               |                               | -8,509              |
| Ongoing Share Issue                           |               | -2,263              |                           |                      |                               | -2,263              |
| Convertible Note Conversion                   | 1,153         |                     | 22,843                    |                      |                               | 23,996              |
| Private Placement/Rights Issue                | 3,415         |                     | 60,944                    |                      |                               | 64,359              |
| Financing Expenses                            |               |                     | -1,233                    |                      |                               | -1,233              |
| <b>Closing balance December 31, 2020</b>      | <b>6,679</b>  | <b>0</b>            | <b>179,593</b>            | <b>-7,357</b>        | <b>-130,313</b>               | <b>48,602</b>       |
| Profit/loss from Jan 1, 2021 to Mar. 31, 2021 |               |                     |                           |                      | -9,650                        | -9,650              |
| Incentive Program                             |               |                     |                           |                      | 300                           | 300                 |
| Translation Differences                       |               |                     |                           | 5,317                |                               | 5,317               |
| Private Placement/Rights Issue                | 839           |                     | 27,661                    |                      |                               | 28,500              |
| Ongoing Share Issue                           |               | 1,500               |                           |                      |                               | 1,500               |
| <b>Closing balance March 31, 2021</b>         | <b>7,519</b>  | <b>1,500</b>        | <b>207,254</b>            | <b>-2,040</b>        | <b>-139,663</b>               | <b>74,568</b>       |

## KEY RATIOS

| KSEK  | 2021             | 2020              | 2020    |
|---|------------------|-------------------|---------|
|   | Jan-Mar          | Jan-Mar           | Jan-Dec |
| <b>Cash flow for the period</b>                               | 16,509           | 2,361             | 4,231   |
| Cashflow / share before and after dilution (SEK) <sup>1</sup> | 0.19             | 0.09              | 0.07    |
|   | <b>3/31/2021</b> | <b>12/31/2020</b> |         |
| Equity/assets ratio   | 84.3%            | 10.9%             |         |
| Number of shares  | 85,440,352       | 58,011,673        |         |
| Shareholders equity per share (kr)                            | 0.87             | 0.84              |         |

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

# FINANCIAL REPORTS FIRST THREE MONTHS 2021

## PARENT COMPANY – INCOME STATEMENT IN SUMMARY

| TSEK   | 2021          | 2020          | 2020           |
|--|---------------|---------------|----------------|
|  | Jan-Mar       | Jan-Mar       | Jan-Dec        |
| Net sales                                    | 926           | 2,352         | 6,378          |
| Cost of goods and services sold              | -43           | -825          | -1,666         |
| <b>Gross profit</b>                          | <b>883</b>    | <b>1,527</b>  | <b>4,712</b>   |
| Development, Sales, and Administrative Costs | -7,618        | -2,660        | -17,526        |
| Depreciation/Amortization/Impairment         | -176          | -160          | -250           |
| <b>Operating profit/loss</b>                 | <b>-6,912</b> | <b>-1,293</b> | <b>-13,064</b> |
| Other financial items                        | 361           | -523          | -690           |
| <b>Profit before taxes</b>                   | <b>-6,550</b> | <b>-1,816</b> | <b>-13,754</b> |
| Taxes  | 0             | 0             | 0              |
| <b>Profit/loss for the period</b>            | <b>-6,550</b> | <b>-1,816</b> | <b>-13,754</b> |

# FINANCIAL REPORTS FIRST THREE MONTHS 2021

## PARENT COMPANY –BALANCE SHEET IN SUMMARY

| KSEK   | 3/31/2021      | 3/31/2020      | 12/31/2020     |
|--|----------------|----------------|----------------|
| Intangible fixed assets                          | 3,596          | 4,433          | 3,773          |
| Tangible assets                                  | 2              | 153            | 0              |
| Financial fixed assets                           | 14,130         | 14,130         | 14,130         |
| <b>Total fixed assets</b>                        | <b>17,728</b>  | <b>18,716</b>  | <b>17,904</b>  |
| Inventories                                      | 1,900          | 1,370          | 1,616          |
| Accounts receivable                              | 2,097          | 4,816          | 1,431          |
| Other current assets                             | 123,067        | 96,642         | 120,887        |
| Liquid assets, including current investments     | 19,906         | 120            | 332            |
| <b>Total current assets</b>                      | <b>146,971</b> | <b>102,948</b> | <b>124,266</b> |
| <b>Total assets</b>                              | <b>164,698</b> | <b>121,664</b> | <b>142,170</b> |
| <b>Total equity</b>                              | <b>159,292</b> | <b>71,384</b>  | <b>135,842</b> |
| Other long term liabilities                      | 0              | 0              | 0              |
| <b>Total long-term liabilities</b>               | <b>0</b>       | <b>0</b>       | <b>0</b>       |
| Accounts payable                                 | 1,274          | 4,716          | 1,313          |
| Convertible Notes                                | 0              | 23,862         | 0              |
| Other current liabilities                        | 4,132          | 21,702         | 5,015          |
| <b>Total current liabilities</b>                 | <b>5,406</b>   | <b>50,280</b>  | <b>6,328</b>   |
| <b>Total liabilities and shareholders equity</b> | <b>164,698</b> | <b>121,664</b> | <b>142,170</b> |

# CONTACT DETAIL

## Contact Details

### **HOYLU AB**

REGISTERED ADDRESS:  
Hoylu AB  
Tunnbindaregatan 37C  
602 21 Norrköping Sweden

POSTAL:  
Hoylu AB  
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**

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

### **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.