

# Q3 2021

## Interim Report



# TABLE OF CONTENTS

First Nine Months 2021 Overview .....	1
Comments from the CEO .....	2
Financial Information.....	4
Financial Reports First Nine Months 2021.....	6
Contact Details .....	11



# First Nine Months 2021 Overview

## FIRST NINE MONTHS 2021

- Annual Recurring Revenue (“ARR”), including long-term service contracts, at the end of the period was MSEK 34.2, up 42% from MSEK 24.0 at the end of Q3 2020.
- Revenues for the first nine months were MSEK 24.6 (22.2)
- Gross margin was 75 percent (70)
- Operating result amounted to MSEK -33.9 (-21.9)
- Profit after tax amounted to MSEK -34.2 (-24.1)
- Earnings per share amounted to SEK -0.38 (-0.48)

## THIRD QUARTER 2021

- Annual Recurring Revenue (“ARR”), including long-term service contracts, at the end of the period was MSEK 34.2, up 6% from MSEK 32.2 at the end of Q2 2021.
- Revenue for the third quarter was MSEK 8.1 (6.1)
- Gross margin was 76 percent (73)
- Operating result amounted to MSEK -13.1 (-8.3)
- Profit after tax amounted to MSEK -13.3 (-8.5)
- Earnings per share amounted to SEK -0.15 (-0.11)

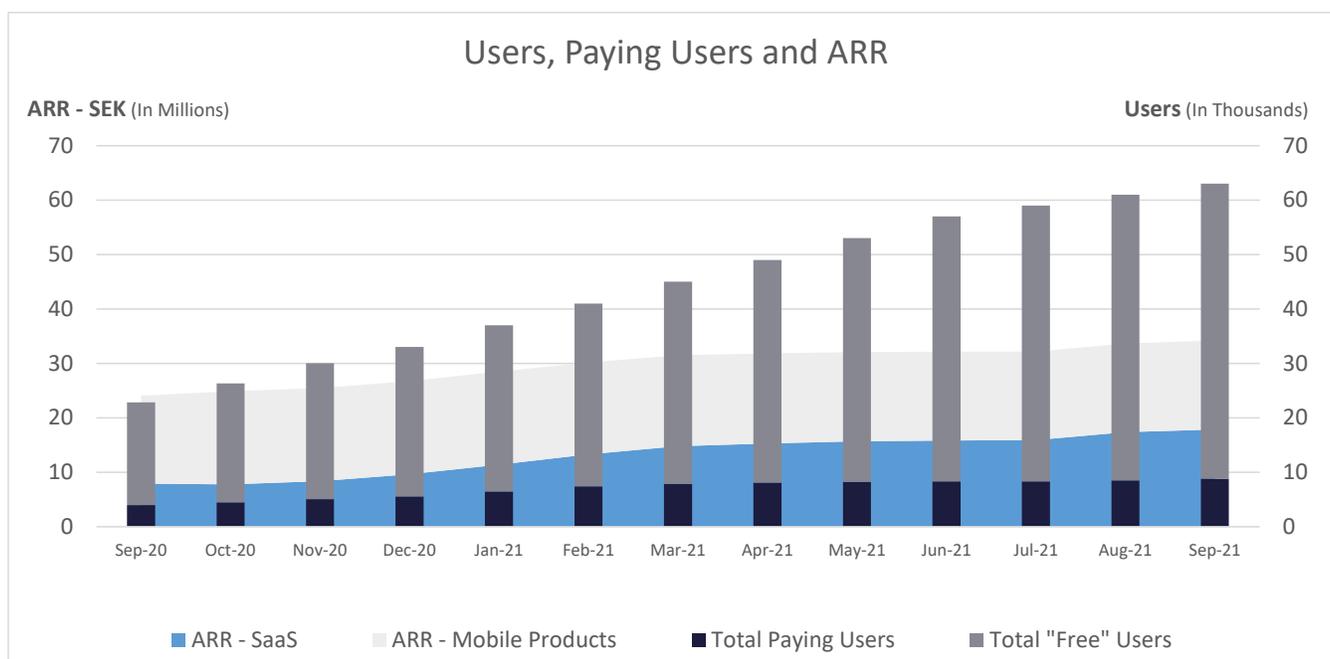
## REMARKS ON THE BALANCE SHEET

- The total assets at the end of the period: MSEK 70.5 (81.1)
- Total cash at the end of the period was MSEK 2.5 (13.9)
- The total accounts receivable at the end of the period was MSEK 13.0 (15.8)
- The total accounts payable at the end of the period was MSEK 5.0 (2.6)
- Total liabilities, including Deferred Revenue, at the end of the period: MSEK 23.1 (18.6)
- The Equity at the end of the period amounted to MSEK 47.3 (62.4)

## IMPORTANT EVENTS IN THE THIRD QUARTER

- Hoylu partnered with Cisco WebEx for Hybrid Work allowing users to launch a Cisco WebEx conference within the workspace, combining two powerful tools into one experience.
- Hoylu secured a loan of SEK 5 million in September 2021.

Description	Sep-20	Jun-21	Sep-21	Growth	
				Quarter/Quarter	Year/Year
ARR - Total	24.0	32.2	34.2	6%	42%
ARR - SaaS	7.9	15.8	17.9	13%	126%
ARR - Mobile Products	16.1	16.3	16.3	0%	1%
Total Users	22.8	57.0	63.0	11%	176%
Total Paying Users	4.0	8.3	8.8	6%	122%
Total "Free" Users	18.9	48.7	54.2	11%	187%



# COMMENTS FROM THE CEO

## Comments from the CEO

Annual Recurring Revenues (ARR) including long term service contracts were SEK 34.2 million at the end of Q3, up 6% from the end of Q2 and up 28% since January 1st. As companies adapt to the work-from anywhere world the general demand for better collaboration solutions that go beyond video, screen-sharing and a simple whiteboard is high. At the same time there is a large variety of solutions, many of which offer little value beyond what you get with the larger platforms like MS Teams, Zoom and Webex. Rather than chasing the general online whiteboard market Hoylu made an early decision to go after opportunities within construction, engineering, process, and workflows related to project management where we have a stronger value proposition and a unique product offering.

We finalized a larger market study in the quarter and asked project managers and team leaders what were their challenges based upon more than a year experience with remote and hybrid work. A majority of those asked answered that participation is a big issue. Whilst teamwork is supposed to be collaborative; a shared activity where everyone has an equal chance to contribute, in the age of Zoom it has become one-sided, an activity where only the most dominant people contribute, and the introverts disappear in the noise. When managing large projects that involve many teams, companies struggle with the complexity of collecting feedback, drive involvement and participation and keep everybody aligned and up to date. Project managers also struggle to avoid disconnect between stages in the workflow, from planning to execution.

At Hoylu we have strived to solve these challenges by developing tools that people are comfortable with and can be used by all team members, opposed to tools that are used by a smaller number of specialists with screen sharing. Hoylu's Adaptive Workspaces™ combines the infinite online whiteboard with specific modules for project management and true integrations with systems of records that are broadly used, like Jira and Agility. Project managers can involve all stakeholders early in the process, collect feedback, manage activities, highlight dependencies, issues and keep all in context. A good example is the construction industry. On the one side there is a wide variety of point solutions and more advanced technology platforms in use, but on the other side there are still parts of the workflow where a majority of the industry still uses sticky notes, paper printouts and analog whiteboards.

Important events in the 3rd quarter were the signing of an enterprise license contract with one of the larger general contractors in the US and multiple orders from one of the largest general contractors in Scandinavia. Hoylu's business model for construction is a fixed price per project with unlimited use for all project members, including sub-contractors and consultants. The revenue impact in the beginning is small, but we get the marketing effect when people are invited to a project and once the solution is accepted for one project the sales cycle for the next projects are shorter.

## Future Outlook

Hoylu participated recently at the Lean Construction Institute's Annual Congress in Phoenix, USA. More than 1,100 project managers, executives and consultants were present. The event was the first of several major marketing initiatives to build awareness in the construction industry and position Hoylu as a leader within solutions for Lean Planning. Hoylu was also presented as one of several partners at WebEx One, Cisco's global launch of their new collaboration platform for hybrid work. We are currently in similar discussions with potential partners to further increase our footprint and presence in the market segments we are targeting, project management within large enterprise in engineering and construction. These activities in combination with a growing portfolio of customers having gone through proof of concept, security reviews and user validation give us confidence in a stronger business momentum and higher growth in the coming quarters.

### EVENTS AFTER THE END OF THE PERIOD

- Hoylu carried out a directed issue of convertible loan notes corresponding to a value of SEK 19.2 million in October 2021.

STEIN REVELSBY | CEO



Hoylu at the Lean Construction Congress 2021.

# FINANCIAL INFORMATION

## REVENUES & PROFITABILITY

Revenues for the first nine months of 2021 amounted to MSEK 24.5 (22.2) and consisted of revenue from the sale of the Hoylu Connected Workspaces™ and the Pull Planning Module, and the sale of the HoyluWall, software product, and professional services.

Cost of goods and services sold was MSEK 6.2 (6.7) and EBITDA amounted to MSEK -26.5 (-16.9).

The operating result was MSEK -33.9 (-21.9).

The net result for the first nine months of 2021 amounted to MSEK -34.2 (-24.1).

## FINANCIAL POSITION

Cash flow from operating activities for the first nine months of 2021 amounted to MSEK -30.7 (-50.3).

Cash flow from investment activities for the first nine months amounted to MSEK -10.4 (-8.8) and the cash flow from financing activities was MSEK 38.7 (72.4). Cash-flow for the first nine months of 2021 was MSEK -2.4 (13.2) and the liquid assets at the end of the period was MSEK 2.5 (13.9).

Hoylu will continue to 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 Anytime Collaboration and Insight products.

During the first nine months of 2021 Hoylu capitalized product development costs in the amount of MSEK 10.1, which represents 19% of the Company's total operating costs.

Amortization expense associated with capitalized product development costs amounted to MSEK 5.2 in the first nine 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 45 employees as of September 30, 2021. 37 in the US and 8 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 – Q4 2021	February 18, 2022
Interim Report – Q1 2022	May 13, 2022
Interim Report – Q2 2022	August 19, 2022
Interim Report – Q3 2022	November 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 91,743,922.

## 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 NINE MONTHS 2021

## CONSOLIDATED INCOME STATEMENT IN SUMMARY

KSEK	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	8,121	6,063	24,553	22,202	29,168
Cost of goods and services sold	-1,935	-1,645	-6,184	-6,673	-8,652
<b>Gross profit</b>	<b>6,186</b>	<b>4,418</b>	<b>18,369</b>	<b>15,529</b>	<b>20,516</b>
Development, Sales, and Administrative Costs	-15,926	-10,710	-44,854	-32,408	-46,434
Other Income (Expenses)	0	0	0	0	3,533
Depreciation/Amortization	-3,394	-2,035	-7,477	-5,015	-7,329
<b>Operating profit/loss</b>	<b>-13,134</b>	<b>-8,327</b>	<b>-33,962</b>	<b>-21,895</b>	<b>-29,714</b>
Other financial items	-95	-206	-198	-2,195	-2,356
<b>Profit before taxes</b>	<b>-13,229</b>	<b>-8,533</b>	<b>-34,160</b>	<b>-24,090</b>	<b>-32,070</b>
Taxes	-81	-3	-72	-9	-12
<b>Profit/loss for the period</b>	<b>-13,310</b>	<b>-8,536</b>	<b>-34,232</b>	<b>-24,099</b>	<b>-32,082</b>
<b>Key ratios:</b>					
Gross margin	76.2%	72.9%	74.8%	69.9%	70.3%
Operating margin	Neg	Neg	Neg	Neg	Neg
Earnings per share before and after dilution	-0.15	-0.11	-0.38	-0.48	-0.55
Average number of shares before and after dilution	91,743,922	77,748,347	89,591,145	50,177,455	58,011,673

# FINANCIAL REPORTS FIRST NINE MONTHS 2021

## CONSOLIDATED BALANCE SHEET IN SUMMARY

KSEK	9/30/2021	9/30/2020	12/31/2020
Intangible fixed assets	72,702	59,832	59,413
Cumulative Amortization	-24,465	-15,357	-16,884
<b>Intangible fixed assets</b>	<b>48,237</b>	<b>44,475</b>	<b>42,529</b>
Tangible assets	3,825	3,688	3,581
Cumulative Depreciation	-3,103	-2,803	-2,765
<b>Tangible assets</b>	<b>722</b>	<b>885</b>	<b>816</b>
Financial fixed assets	602	629	722
<b>Total fixed assets</b>	<b>49,561</b>	<b>45,989</b>	<b>44,067</b>
Inventories	2,039	1,413	1,776
Accounts receivable	13,023	15,777	9,342
Other current assets	3,357	4,061	3,503
Liquid assets, including current investments	2,500	13,851	4,868
<b>Total current assets</b>	<b>20,919</b>	<b>35,102</b>	<b>19,489</b>
<b>Total assets</b>	<b>70,480</b>	<b>81,091</b>	<b>63,557</b>
<b>Total equity</b>	<b>47,271</b>	<b>62,399</b>	<b>48,602</b>
Other long term liabilities	93	82	82
<b>Total long-term liabilities</b>	<b>93</b>	<b>82</b>	<b>82</b>
Accounts payable	5,032	2,631	3,777
Other current liabilities	18,084	15,979	11,096
<b>Total current liabilities</b>	<b>23,116</b>	<b>18,610</b>	<b>14,873</b>
<b>Total liabilities and shareholders equity</b>	<b>70,480</b>	<b>81,091</b>	<b>63,557</b>

# FINANCIAL REPORTS FIRST NINE MONTHS 2021

## CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

KSEK	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
<b>Operating Profit (Loss)</b>	<b>-13,134</b>	<b>-8,327</b>	<b>-33,962</b>	<b>-21,895</b>	<b>-29,792</b>
Depreciation, amortisation	3,394	2,035	7,477	5,015	7,329
Interest Paid	-95	-206	-198	-2,186	-2,153
Taxes	-81	-3	-72	-9	-12
Foreign exchange Gain or Loss	8	-10	8	-74	-4,265
Incentive Programs	301	0	911	0	0
Translation differences	182	-5,397	-539	-4,527	899
<b>Cash flow from operating activities before changes in working capital</b>	<b>-9,425</b>	<b>-11,908</b>	<b>-26,375</b>	<b>-23,676</b>	<b>-28,893</b>
Change in operating receivables	-1,418	353	-3,535	-6,695	274
Change in inventory	42	-344	-263	1,204	841
Change in operating liabilities	2,760	-5,242	-526	-21,124	-15,288
<b>Cash flow from operating activities</b>	<b>-8,041</b>	<b>-17,141</b>	<b>-30,699</b>	<b>-50,290</b>	<b>-43,066</b>
Intangible assets	-3,325	-1,805	-10,111	-8,437	-14,093
Fixed assets	-40	-184	-245	-427	-279
<b>Cash flow from net capital expenditures</b>	<b>-3,365</b>	<b>-1,989</b>	<b>-10,356</b>	<b>-8,864</b>	<b>-14,372</b>
<b>Total cash flow before financing activities</b>	<b>-11,406</b>	<b>-19,130</b>	<b>-41,055</b>	<b>-59,154</b>	<b>-57,438</b>
New share issue	0	14,766	30,000	86,093	53,660
Change in financial liabilities	5,000	0	8,687	-13,725	8,009
<b>Cash flow from financing activities</b>	<b>5,000</b>	<b>14,766</b>	<b>38,687</b>	<b>72,368</b>	<b>61,669</b>
<b>Cash flow for the period</b>	<b>-6,406</b>	<b>-4,364</b>	<b>-2,368</b>	<b>13,214</b>	<b>4,231</b>
Liquid assets at the beginning of the period	8,906	18,216	4,868	637	637
<b>Liquid assets at the end of the period</b>	<b>2,500</b>	<b>13,851</b>	<b>2,500</b>	<b>13,851</b>	<b>4,868</b>

# FINANCIAL REPORTS FIRST NINE 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 Sep. 30, 2021					-34,232	-34,232
Incentive Program					911	911
Translation Differences				1,990		1,990
Private Placement/Rights Issue	883		29,117			30,000
<b>Closing balance September 30, 2021</b>	<b>7,562</b>	<b>0</b>	<b>208,710</b>	<b>-5,367</b>	<b>-163,634</b>	<b>47,271</b>

## KEY RATIOS

KSEK	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
<b>Cash flow for the period</b>	-6,406	-4,364	-2,368	13,214	4,231
Cashflow / share before and after dilution (SEK) <sup>1</sup>	-0.07	-0.10	-0.03	0.36	0.07
	6/30/2021	12/31/2020			
Equity/assets ratio	67.1%	76.5%			
Number of shares	89,591,145	58,011,673			
Shareholders equity per share (kr)	0.67	0.84			

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

# FINANCIAL REPORTS FIRST NINE MONTHS 2021

## PARENT COMPANY – INCOME STATEMENT IN SUMMARY

TSEK	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales	723	740	2,609	5,776	6,378
Cost of goods and services sold	-3	-101	-44	-1,498	-1,666
<b>Gross profit</b>	<b>720</b>	<b>639</b>	<b>2,565</b>	<b>4,279</b>	<b>4,712</b>
Development, Sales, and Administrative Costs	-3,056	-3,074	-14,622	-9,194	-17,526
Depreciation/Amortization/Impairment	-176	-166	-529	-472	-250
<b>Operating profit/loss</b>	<b>-2,512</b>	<b>-2,601</b>	<b>-12,586</b>	<b>-5,386</b>	<b>-13,064</b>
Other financial items	383	375	1,138	-743	-690
<b>Profit before taxes</b>	<b>-2,129</b>	<b>-2,226</b>	<b>-11,449</b>	<b>-6,129</b>	<b>-13,754</b>
Taxes	0	0	0	0	0
<b>Profit/loss for the period</b>	<b>-2,129</b>	<b>-2,226</b>	<b>-11,449</b>	<b>-6,129</b>	<b>-13,754</b>

## PARENT COMPANY – BALANCE SHEET IN SUMMARY

KSEK	9/30/2021	9/30/2020	12/31/2020
Intangible fixed assets	3,244	4,219	3,773
Tangible assets	2	2	0
Financial fixed assets	14,130	14,130	14,130
<b>Total fixed assets</b>	<b>17,376</b>	<b>18,351</b>	<b>17,904</b>
Inventories	1,928	1,421	1,616
Accounts receivable	1,516	4,338	1,431
Other current assets	144,016	116,224	120,887
Liquid assets, including current investments	852	12,681	332
<b>Total current assets</b>	<b>148,312</b>	<b>134,664</b>	<b>124,266</b>
<b>Total assets</b>	<b>165,688</b>	<b>153,015</b>	<b>142,170</b>
<b>Total equity</b>	<b>154,197</b>	<b>144,700</b>	<b>135,842</b>
Accounts payable	1,700	1,085	1,313
Other current liabilities	9,791	7,230	5,015
<b>Total current liabilities</b>	<b>11,491</b>	<b>8,315</b>	<b>6,328</b>
<b>Total liabilities and shareholders equity</b>	<b>165,688</b>	<b>153,015</b>	<b>142,170</b>

# 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**

Johan Lindqvist, Chairman of the Board  
Bjorn Wallin, Member of the Board  
Stein Revelsby, Member of the Board, CEO  
Hans Othar Blix, 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  
Engelbrektsplan2114 34 Stockholm Sweden  
+46 (0) 503 01 550  
info@mangold.se

## **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.