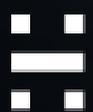


# Q4 2020 Quarterly Report



**Huddly**



## Q4 2020 highlights

A record quarter for Huddly:

- Revenue at 112.0 MNOK, up 67 % compared to Q4 2019
- EBIT at 32.4 MNOK, compared to 14.7 mNOK in Q4 2019
- Gross margin at 55% for the quarter.

Huddly launched the Work From Anywhere kit with Huddly One.  
Huddly and Shure collaborate to provide new room bundles.

## R&D and Product

Huddly released the Work From Anywhere kit in February 2021. It features the Huddly ONE camera, which is designed for usage in one-person scenarios. Huddly ONE delivers Full HD, wide-angle video and enables high-quality meetings from desktop and laptop. Made for people who value flexibility, it supports you in doing your best work from anywhere.

Huddly ONE also features Portrait Lighting, which uses AI to understand the lighting conditions in the image. The camera automatically adjusts brightness to ensure that the face is well-lit and facial expressions are visible.

Huddly Canvas is now also integrated with Zoom. Canvas is easy to use, and does not require team members to learn new technology. When you're in a video call, you can share an enhanced stream of the whiteboard simply by clicking the content camera button.

## Sales

Q4 2020 was another record quarter for Huddly.

We engaged Frost & Sullivan to quantify our Target market.

Crestron and Google continued to be strong partners and Huddly commenced sales to our new partner Shure. With Huddly ONE we are partnering with Bang & Olufsen. The partnership will begin with the bundling of the Huddly ONE camera with one of three Bang & Olufsen products: the portable Bluetooth speaker Beosound A1 2nd generation, Beoplay E8 earphones, or the Beoplay H9 headphones.

We continued to invest in our Channels Go-To-Market strategy in both EMEA and the USA.



## Financials Q4 2020

Total revenue in Q4 2020 was 111,994 TNOK, A growth of 67% from 67,041 TNOK in Q4 2019. Gross margin percentage was 55% in Q4 2020, unchanged from 55% in Q4 2019.

EBITDA for Q4 2020 was 44,882 TNOK versus 25,793 TNOK in Q4 2019.

Depreciation and Amortization is primarily comprised of depreciation on capitalized R&D costs.

EBIT for Q4 2020 was 32,384 TNOK versus 14,744 TNOK in Q4 2019.

Consolidated Profit & loss statement				
Thousands NOK	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenue	111,994	67,041	365,555	187,022
Cost of goods sold	-50,296	-30,328	-159,712	-89,218
Gross margin	61,698	36,713	205,842	97,804
Operational expenditures	-16,816	-10,920	-57,925	-56,275
EBITDA	44,882	25,793	147,917	41,529
Depreciation and Amortization	-12,498	-11,049	-42,896	-39,090
EBIT	32,384	14,744	105,020	2,439
Net finance	-5,918	97	-4,266	303
Tax expenses	-3,588			0
<b>Net Income</b>	<b>22,878</b>	<b>14,841</b>	<b>97,167</b>	<b>2,742</b>
Gross margin %	55%	55%	56%	52%

- Figures are reported in functional currency NOK
- All lines are accounted for according to IFRS

### Q4 2020 revenue (TNOK)

Total	<b>111,994</b>
YoY increase %	<b>67%</b>

### Gross margin (TNOK)

Gross margin total	<b>61,698</b>
Gross margin %	<b>55%</b>

### Revenue by customer segment

Strategic partners	70%
Channel partners	30%



## Financials Q4 2020

<b>Consolidated Balance sheet</b> Thousands NOK	At 31 Dec 2020	At 30 Sep 2020	At 31 Dec 2019
<b>ASSETS</b>			
Intangible assets	84,214	79,991	66,175
Tangible assets	9,437	6,942	6,169
<b>Total non-current assets</b>	<b>93,651</b>	<b>86,933</b>	<b>72,344</b>
Inventory	3,238	3,562	406
Trade receivables	59,315	43,199	40,014
Other receivables	18,233	10,416	15,099
Cash and cash equivalents	126,371	131,133	53,985
<b>Total current assets</b>	<b>207,156</b>	<b>188,310</b>	<b>109,503</b>
<b>Total assets</b>	<b>300,807</b>	<b>275,244</b>	<b>181,847</b>
<b>EQUITY AND LIABILITIES</b>			
Total equity	216,307	192,993	116,831
Total non-current liabilities	8,956	10,615	6,534
Trade payables	42,571	43,879	39,230
Other current liabilities	32,974	27,757	19,252
<b>Total current liabilities</b>	<b>75,545</b>	<b>71,636</b>	<b>58,482</b>
<b>Total equity and liabilities</b>	<b>300,807</b>	<b>275,244</b>	<b>181,847</b>

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## Financial Position Q4 2020

Cash and cash equivalents closed at 126,371 TNOK at year end 2020, an increase from 53,985 TNOK at year end 2019. Group equity amounted to 216,307 TNOK at year end 2020 versus 116,831 TNOK at year end 2019. The equity ratio was 72% at year end 2020, an increase from 64% at year end 2019. The group had no long-term interest-bearing debt at year end 2020.

### Cash position (TNOK)

At 31 Dec 2020	<b>126,371</b>
At 31 Dec 2019	<b>53,985</b>

### Group equity (TNOK)

At 31 Dec 2020	<b>216,307</b>
Equity ratio	<b>72%</b>



## Financials Q4 2020

<b>Consolidated Statement of cashflow</b>		
Thousands NOK	FY 2020	FY 2019
<b>Cashflow from operations</b>		
Result before tax	100,755	2,742
Share-based payments to employees	-916	2,083
Depreciation and amortization	42,896	36,149
Changes in provisions	2,422	3,670
Changes in working capital	-13,427	-2,677
<b>Net change in cash from operations</b>	<b>131,730</b>	<b>41,967</b>
<b>Cashflow from investments</b>		
Changes in other long term investments	10	55
Changes in capitalized assets	-52,309	-42,634
Purchase of tangible assets	-8,192	-1,656
<b>Net change in cash from investments</b>	<b>-60,491</b>	<b>-44,235</b>
<b>Cashflow from financing</b>		
Net proceeds own shares	1,147	5,000
Receipt of issued capital	0	1
<b>Net change in cash from financing</b>	<b>1,147</b>	<b>5,001</b>
<b>Net change in Cash</b>	<b>72,386</b>	<b>2,733</b>
Beginning balance Cash	53,985	51,252
<b>End balance Cash</b>	<b>126,371</b>	<b>53,985</b>

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## Cashflow Q4 2020

Huddly had a positive cash flow from operating activities of 131,730 TNOK for FY 2020 compared to 41,967 TNOK for FY 2019. Net change in cash from investments was minus 60,491 TNOK for FY 2020 compared to minus 44,235 TNOK for FY 2019 primarily driven by increase in capitalized research and development.



## Outlook

With our leading engineering and design, we are well positioned to take continued part in the fast growing Unified Communication and Collaboration market.

Huddly forecasts revenue to be in the range from 500 MNOK to 600 MNOK in FY 2021. The COVID-19 pandemic, causing many closed offices globally, has impacted the sales opportunities into the enterprise office market in the start of 2021. Huddly sees signs of improvements in this vertical and believe sales opportunities into the enterprise market will increase going forward, especially in second half of 2020. Huddly forecasts gross margin percentage to be around 50% in FY 2021 and costs to increase as Huddly accelerates investments in products, go-to-market and support functions to accommodate for long term growth.

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