

Q3 2021

Quarterly Report



Highlights Q3 2021

- **Revenue at 87.9 MNOK, down 8 % compared to Q3 2020**
- **Growing demand for Huddly's solutions, total backlog of 87 MNOK at end of Q3 2021, up 53% Q-o-Q**
- **EBIT (adjusted) at 10.2 MNOK, compared to 25.4 MNOK in Q3 2020**
- **Huddly forecasts revenue to be in the range from 350 MNOK to 370 MNOK in FY 2021**
- **Impacted by indirect and direct effects of global tightness in supply chain**
- **Huddly launched new AI software feature, Gallery View, which supports composite people feed in Microsoft Teams Rooms**

Sales

Sales

- **Q3 2021 total revenue at 87.9 MNOK, was down 8% compared to Q3 2020**
- **Revenue was also impacted by the NOK strengthening 4% versus USD in Q3 2021 versus Q3 2020**
- **Impacted by global tightness in supply chain**
- **Growing demand for Huddly's solutions, total backlog of 87 MNOK at end of Q3 2021, up 53% Q-o-Q**
- **For the first time, Huddly had a direct adverse supply chain impact, with 16 MNOK of the backlog being requested for shipment in Q3 2021**
- **Most of these orders were cleared in the 1st month of Q4 2021**

Sales

Strategic partners represented 55% of Q3 2021 revenue and channel partners represented 45%, both with solid growth quarter over quarter.



Sales

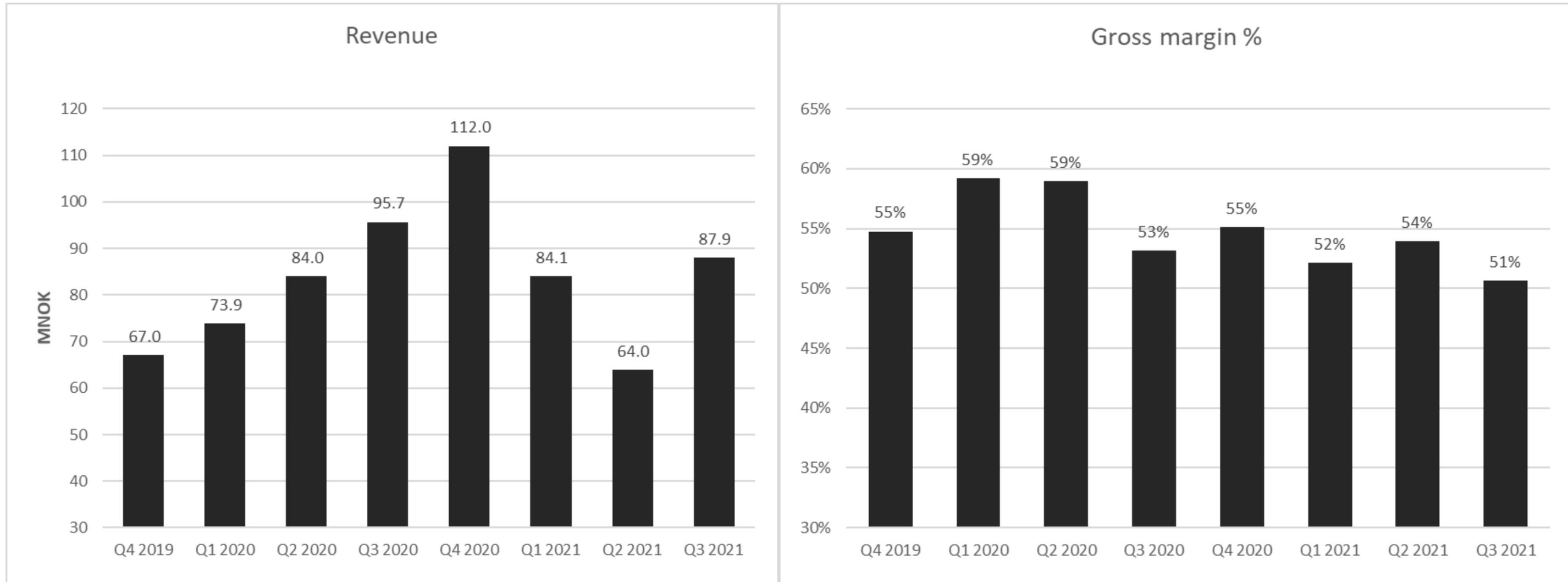
- **Crestron and Google continue to be strong partners**
- **Crestron added the Huddly L1 to the Crestron Flex camera line-up and deliveries started in October 2021**
- **Both partners cooperated closely with Huddly to mitigate supply chain risks**
- **Huddly continues to increase its investment in Channel focused Sales and Marketing during the quarter, particularly in North America**

Financials

Financials Q3 2021

- **Revenue at 87.9 MNOK, down 8 % compared to Q3 2020**
- **Backlog of 87 MNOK, with 16 MNOK of the backlog being requested for shipment in Q3 2021**
- **EBIT at loss 2.8 MNOK, compared to 25.1 MNOK in Q3 2020**
- **Adjusted EBIT at 10.2 MNOK, compared to 25.4 MNOK in Q3 2020 (excluding option expenses / IFRS 2)**

Financials – Revenue and Gross margin

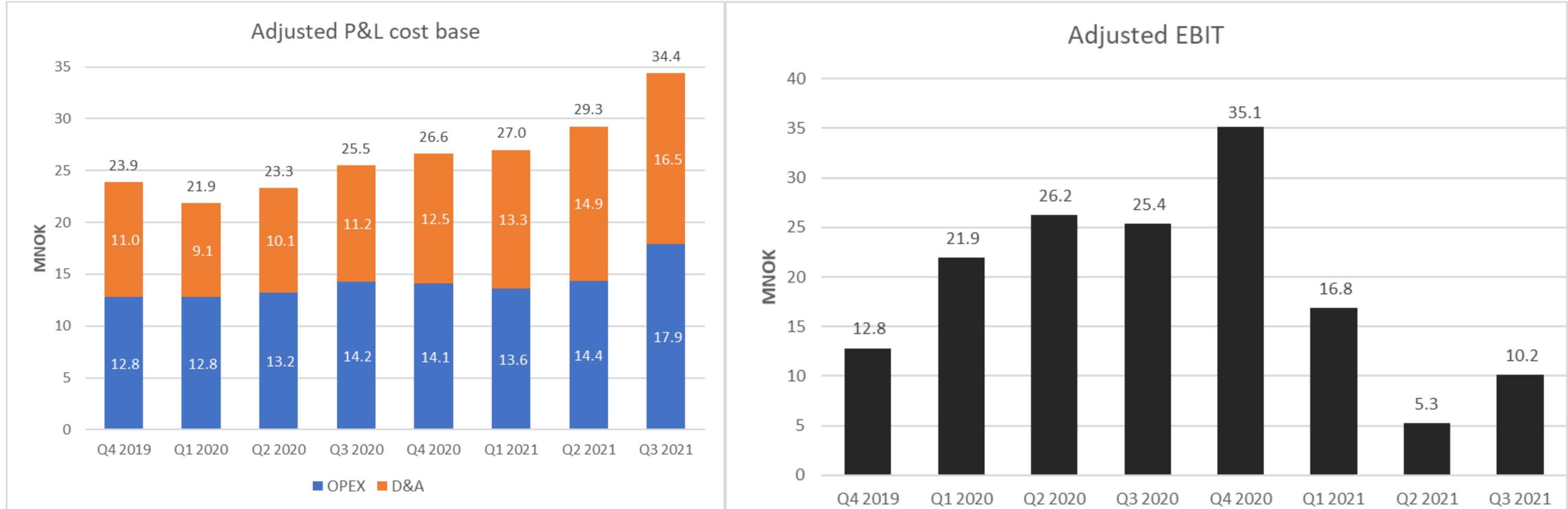


- **Revenue down 8% YoY in Q3 2021**
- **Q3 2021 revenue: 55% strategic partners and 45% channel partners**
- **Q3 2021 gross margin percentage: 51%, impacted by PPVs**

Global Supply Chain

- **Supply chain resiliency program, dual or multiple sourcing and manufacturing**
- **Safety stock on components and finished goods**
- **Mitigate supply chain risks through early engagement with suppliers and sub-suppliers**
- **Long term planning horizon, 12 months rolling forecast to contract manufacturers and key suppliers**

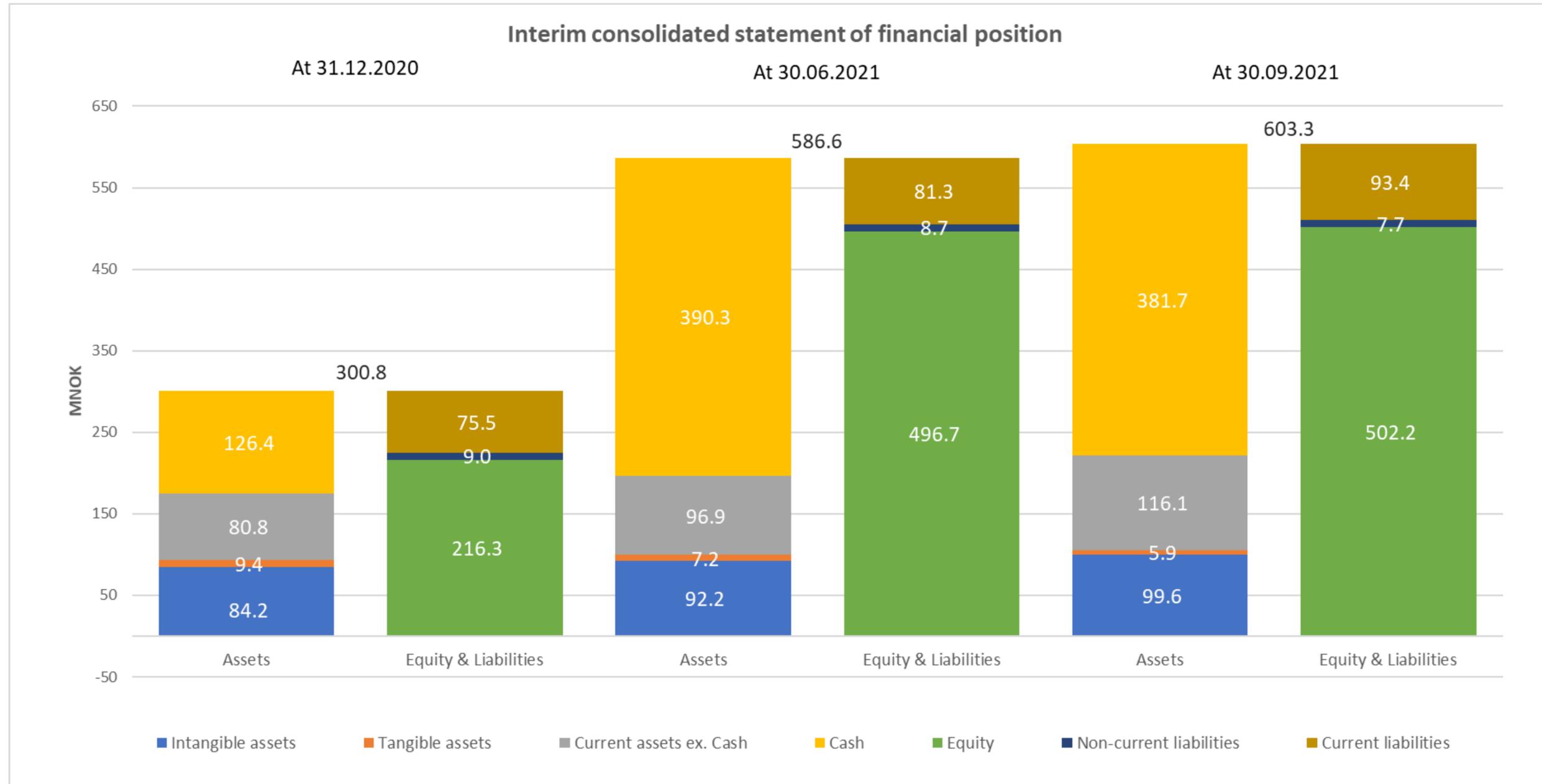
Financials – Adjusted P&L cost and Adjusted EBIT



- **P&L cost base increasing in line with scaling of organization**
- **Costs and EBIT adjusted* for 13.0 MNOK in IFRS 2 option expenses in Q3 2021**

* See Huddly Q3 2021 Report, Note 4 for further details

Financials – Balance sheet



- Capitalized R&D the majority of intangible assets
- Working capital, increased investments in supply chain
- Equity ratio of 83%

Financials – Outlook 2021

- **Revenue of 350 MNOK to 370 MNOK in FY 2021**
- **Gross margin percentage around 50% in Q4 2021**
- **Continued investments in products, go-to-market and support functions to accommodate for long term growth**
- **Product roadmap and Go-to-market strategy designed to take advantage of future growth opportunities**
- **Strong signs of improvements in the enterprise office market, supporting growth in 2022 and beyond**

R&D and products



The problem

In video calls, you lose important social cues like facial expressions and gestures. This makes working together more cumbersome and frustrating than it has to be.

The solution

Intelligent cameras understand how people communicate with each other. Video meetings become engaging, and the team feels more connected and present. It's easier to have natural conversations and do great work together.

Gallery view



Gallery view

With Gallery View, participants at the back of a room get more visual space on the screen, making it easier for the team to engage in productive conversations with everyone.

Gallery View supports composite people feed in Microsoft Teams Rooms.

Huddly IQ will be the first of our cameras to offer Gallery View, with a software update coming before the end of the year.



Huddly L1 for Crestron

Crestron has added the Huddly L1 to the Crestron Flex camera lineup. L1 will enable smart video collaboration in medium and large rooms.

It joins Huddly IQ, which has been providing smart video in small to medium spaces as part of Flex's Mini Tabletop, Tabletop, and Soundbar solutions since 2018.



Q&A

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