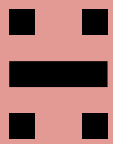


Q1 2022 Quarterly Report





Strong growth in Q1 2022

Huddly is reporting solid revenue growth in Q1 2022. The product offering and growth strategy yield results as Hybrid office work becomes the norm.

Huddly is well positioned to deliver additional growth. However, supply chain issues continued into 2022 as expected, but further amplified by recent lockdowns in China and the war in Ukraine.

The disrupted supply of components induced periodic price anomalies. Huddly managed to maintain steady supply with competitive delivery time - in a period where manufacturing halts were common. However, this came at a price and is affecting the short-term margins and earnings.

The overall demand for video collaboration solutions in the market space is getting stronger, with Huddly prioritizing growth readiness.

Huddly's view on the strong long-term macro trend is reinforced by overall growth in demand and with increased M&A activity in the market, such as HP's acquisition of Poly.

Q1 2022 Highlights

- A record revenue quarter, carrying strong momentum into the rest of the year. Revenues ended at MNOK 114.1, a growth of 36 % compared to the same quarter last year.
- Huddly prioritized revenue over margin, and thereby accepted a higher cost of goods sold than normal. Gross margin in Q1 2022 was 36 %, compared to 52 % in Q1 2021.
- Purchase price variances (PPV) for components negatively impacted gross margin percentage in Q1 2022 with approximately six percentage points. Adjusted for PPV, individual product margins are largely intact.
- Despite lower margin contribution, expected to be short term, Huddly continued to support growth with operational expenses according to plan. However, Huddly monitors the business assumptions closely and adjusts accordingly. Adjusted EBIT at negative MNOK 4.9 in Q1 2022, compared to MNOK 16.8 in Q1 2021. Adjusted EBITDA was MNOK 14.9 in Q1 2022, compared to MNOK 30.2 in Q1 2021.
- Total backlog value grew significantly, closing at MNOK 201.8 at end Q1 2022, an increase of 88 % compared to end Q4 2021.
- Q1 2022 represented a major step towards creating customer value through launching new software products, with the introduction of Huddly Speaker Framing, a powerful AI software addressing the inclusion and equity agenda.
- The Huddly meeting room series was complemented with the Huddly S1, a new networked state-of-the-art camera for small and medium sized meeting rooms.
- Huddly L1, a networked state-of-the-art camera for large sized meeting rooms, received two design awards in the quarter: The Design and Architecture Norway - DOGA Award, and the international iF design award. Achieving these recognitions is a great validator for the team's dedication to design.
- Ragnar Kjos appointed CFO of Huddly, started on April 1, 2022.



Product and R&D

With remote work, video collaboration becomes an integral part of the office toolbox. Huddly continues to push the limits of technology, to make it easier for teams working together to communicate and collaborate naturally.

To create a truly unique user experience, Huddly has researched and developed Speaker Framing, a powerful new AI feature for immersive video meetings.

Speaker Framing is addressing the static environment, typical for video experiences - where non-verbal communication, such as gestures, body language and facial expressions are hard to interpret.

Speaker Framing automatically captures these details and while focusing on the person speaking, it also brings to attention reactions and events in the room. It is the first smart experience to be launched exclusively on Huddly's networked camera platform consisting of Huddly S1 and Huddly L1. Huddly S1 is available for order now.

Launching new software on the existing hardware platform is a significant step for Huddly. It enhances customer value, increases product life and enables software-based business models which further strengthen long-term margins.

Huddly L1 has recently been certified as a Microsoft Teams room camera (May 2022). In addition, the L1 has won two design awards, the Design and Architecture Norway - DOGA Award and the international iF design award. Achieving these recognitions is a great validator for the team's dedication to design.

Increased M&A activity in the market is a reminder that intellectual property (IP) must be protected to defend Huddly's position as innovation leader. In Q1 2022, Huddly strengthened the efforts to safeguard the company's IP and has recruited an IP strategist with extensive industry experience.

Huddly continued to attract talent in a challenging market and managed to increase headcount and retain talent according to plan. Headcount is up by 19 in Q1 2022, mostly within Product and R&D which now comprises around 2/3 of all employees at Huddly, bringing the total headcount to 122.

Sales

In Q1 2022 Huddly reached 300,000 units sold worldwide since the company first started shipping in 2017.

Total revenues in Q1 2022 was MNOK 114.1, a growth of 36 % compared to the same quarter the previous year. The growth was largely driven by our strategic partners representing 82 % of the revenues. The channel partners represented 18 %. The channel revenues were slightly down in Q1 2022 compared to the same quarter last year.

Strategic partners Crestron and Google are well positioned and responded swiftly to the back to office movement. They were the key drivers behind the revenue growth in Q1 2022.

The channel business has potential to further drive growth and strengthen margins. In Q1 2022 priority was given to organizational improvements and increasing presence in the EMEA region.

Huddly's L1 camera for large meeting rooms continues to be well received in the market, and in February the Huddly S1, a new networked state-of-the-art camera for small and medium meeting rooms, was launched. The S1 is now available for order.

Huddly increased the product warranty from two to three years, showing Huddly's confidence in superior product and software quality and an important step towards a sustainable product offering.



Manufacturing and Supply Chain

Huddly's sourcing and manufacturing strategy has proven successful and business continuity has been maintained. The disrupted supply of components induced periodic price anomalies. Huddly managed to maintain steady supply with competitive delivery time - in a period where manufacturing halts were common. This came at a price and is affecting the short-term margins and earnings.

Purchase price variances (PPV) for components negatively impacted gross margin percentage in Q1 2022 with approximately six percentage points. The cost of business continuity is expected to gradually normalize.

Despite the high demand for video collaboration solutions, the downstream market is struggling to complement Huddly's video collaboration cameras with other equipment required to provide a complete video collaboration solution. Hence, Huddly's ability to support the overall market demand continues to be contingent on a product ecosystem reaching a more normalized position.

Huddly's suppliers and manufacturing partners are adapting exceptionally well to the challenging market for electronic components, with unprecedented short-term price anomalies. This volatility is expected to continue into the foreseeable future.

Q1 2022 ended with no backorders and with standard lead time for all products.

Outlook

Huddly expects the overall demand for video-based collaboration solutions to remain high throughout 2022.

Supply chain challenges are expected to continue affecting the short-term revenue and margins, directly and indirectly.

Increasing cost of labor, energy, transport and raw materials, puts further pressure on gross margin and earnings. Lately, the recent COVID-19 lockdowns in China and the war in Ukraine are posing an increased challenge in maintaining stable production.

The revenue guidance remains unchanged - in the range from MNOK 450 to MNOK 550 in FY 2022. The midpoint of MNOK 500 indicates growth of approximately 50 % YoY.

Under the current circumstances Huddly forecasts gross margin percentage to be between 35-50 % in FY 2022. This is a change from the Q4 2021 report where gross margin percentage was forecasted to be 50 % in FY 2022. The updated guidance reflects the high volatility in the supply chain manifested in the Q1 2022 gross margin performance.

The opportunity space is significant and Huddly remains committed to drive revenue growth and strengthen the margin and strategic value position by continuing to invest in product innovation.



Financials Q1 2022

Q1 2022 highlights

- Q1 2022 starts the year with the record revenue quarter for Huddly. Q1 2022 revenues close at MNOK 114.1, a growth of 36 % compared to Q1 2021 of MNOK 84.1 and above the previous historic high of MNOK 112.0 in Q4 2020.
- Gross margin at 36 % in Q1 2022, compared to 52 % in Q1 2021. Purchase price variances (PPV) for components impacted gross margin percentage in Q1 2022 with approximately six percentage points.
- Adjusted EBITDA at MNOK 14.9 in Q1 2022, compared to MNOK 30.2 in Q1 2021 (excluding non-cash effect option expenses for Q1 2022 and listing expense in connection to admission to trading of the company's shares on Euronext Growth in Q1 2021).
- Adjusted EBIT at loss MNOK 4.9 in Q1 2022, compared to MNOK 16.8 in Q1 2021 (excluding non-cash effect from option expenses for Q1 2022 and listing expense in connection to admission to trading of the company's shares on Euronext Growth in Q1 2021).

Comprehensive income

EBITDA for Q1 2022 was TNOK 9,958 in Q1 2022, compared to loss TNOK 243,022 MNOK in Q1 2021.

Adjusted EBITDA for Q1 2022 was TNOK 14,886 in Q1 2022, compared to TNOK 30,178 in Q1 2021.

EBIT for Q1 2022 was a loss of TNOK 9,791, compared to loss of TNOK 256,372 in Q1 2021.

Adjusted EBIT for Q1 2022 was loss TNOK 4,863, compared to TNOK 16,829 in Q1 2021.

Financial position

Intangible assets closed at TNOK 138,031 at end March 2022, an increase of TNOK 47,707 from TNOK 90,323 at end March 2021 primarily due to higher capitalized research and development expenses and deferred tax asset recognition.

Tangible assets increased by TNOK 20,074 from TNOK 7,875 in Q1 2021 to TNOK 27,949 at end March 2022 related to increased investment in right-of-use assets and equipment.

Cash and cash equivalents closed at TNOK 280,921 at end March 2022, a decrease of TNOK 120,534 from TNOK 401,455 at end March 2021.

Total working capital at end March 2022 was TNOK -3,917, an increase of TNOK 8,366, including translation differences, compared to end March 2021 of TNOK -12,282.

Inventory increased TNOK 18,482 to TNOK 31,991 at end March 2022, compared to end March 2021 value of TNOK 13,510 following increased investments in supply chain to further limit future component and manufacturing risk.

Trade receivables closed at TNOK 99,144 at end March 2022, an increase of TNOK 39,134 compared to end March 2021 of TNOK 60,010.

Other receivables closed at TNOK 31,721 at end March 2022, an increase of TNOK 13,475 compared to end March 2021 of TNOK 18,246, and comprises VAT receivable, governmental research and development grant, deposits on office premises and other prepaid expenses.



Trade payables closed at TNOK 87,261 at end March 2022, an increase of TNOK 37,972 compared to end March 2021 of TNOK 49,289.

Other current liabilities closed at TNOK 79,513 at end March 2022, an increase of TNOK 24,754 compared to end March 2021 of TNOK 54,759 and is comprised of accrued social security tax, accrued vacation pay, accrued social security tax on option expense, accrued settlement of synthetic option claim inclusive of associated social taxes of TNOK 26,487, office lease liabilities and other accruals.

Group equity amounted to TNOK 405,894 at end March 2022, a decrease of TNOK 72,556 compared to TNOK 478,451 at end March 2021. The equity ratio was 67 % at end March 2022, a decrease from 81 % at end March 2021.

Non-current liabilities of TNOK 37,090 at end March 2022 and includes product warrant accrual and future installment on synthetic option claim inclusive of associated social taxes compared to TNOK 8,920 at end March 2021.

The group had no long-term interest-bearing debt at the end of March 2022.

Cashflow

Cashflow from operating activities

Cashflow from operating activities was TNOK 28,366 in Q1 2022 compared to TNOK 10,192 in Q1 2021. The increase was primarily driven by the result for the period and changes in provisions and working capital.

Cashflow from investing activities

Cashflow from investing activities was negative TNOK 44,235 for Q1 2022 compared to negative TNOK 17,897 in Q1 2021. The increase was primarily due to higher research and development expenses and increased investment in right-of-use assets and equipment, primarily related to new office premises as Huddly builds a platform for growth and extended product portfolio.

Cashflow from financing activities

Cashflow from financing activities was negative TNOK 40,486 in Q1 2022 in connection with the company's concluded share repurchase program, compared to TNOK 282,789 in Q1 2021. Further details on the company's share repurchase program can be found in Note 7. Equity.



Comprehensive income Q1 2022

Interim consolidated statement of comprehensive income

Interim consolidated statement of comprehensive income (Unaudited)				
Thousands NOK	Notes	Q1 2022	Q1 2021	2021
Revenue	3	114,064	84,078	336,929
Cost of goods sold		(72,500)	(40,256)	(169,209)
Gross margin		41,564	43,822	167,720
Operational expenditures	4	(31,606)	(286,844)	(435,106)
EBITDA		9,958	(243,022)	(267,386)
Depreciation and Amortization		(19,749)	(13,349)	(63,975)
EBIT		(9,791)	(256,372)	(331,361)
Net finance		(1,692)	(1,119)	(115)
Tax income/(expense)		-	-	18,365
Net Income/(loss)		(11,483)	(257,491)	(313,111)
Gross margin %		36%	52%	50%
Earnings per share				
Basic earnings per share		(0.05)	(1.19)	(1.45)
Fully diluted earnings per share		(0.05)	(1.02)	(1.30)

- All lines are accounted for according to IFRS



Comprehensive income Q1 2022

Adjusted interim consolidated statement of comprehensive income excluding option expense

Adjusted interim consolidated statement of comprehensive income (Unaudited)				
Thousands NOK	Notes	Q1 2022	Q1 2021	2021
Revenue	3	114,064	84,078	336,929
Cost of goods sold		(72,500)	(40,256)	(169,209)
Gross margin		41,564	43,822	167,720
Operational expenditures	4	(26,678)	(13,643)	(68,110)
EBITDA		14,886	30,178	99,610
Depreciation and Amortization		(19,749)	(13,349)	(63,975)
EBIT		(4,863)	16,829	35,635
Gross margin %		36%	52%	50%



Financial position Q1 2022

Interim consolidated statement of financial position

Interim consolidated statement of financial position (Unaudited)		At 31 Mar	At 31 Dec	At 31 Mar
Thousands NOK	Notes	2022	2021	2021
ASSETS				
Intangible assets		138,031	122,778	90,323
Tangible assets		27,949	18,716	7,875
Total non-current assets		165,980	141,494	98,198
Inventory		31,991	30,728	13,510
Trade receivables		99,144	97,374	60,010
Other receivables		31,721	29,513	18,246
Cash and cash equivalents	5	280,921	337,276	401,455
Total current assets		443,778	494,891	493,220
Total assets		609,758	636,385	591,419
EQUITY AND LIABILITIES				
Total equity	6,7	405,894	446,047	478,451
Total non-current liabilities		37,090	32,132	8,920
Trade payables		87,261	70,345	49,289
Other current liabilities		79,513	87,861	54,759
Total current liabilities		166,774	158,206	104,048
Total equity and liabilities		609,758	636,385	591,419

- All lines are accounted for according to IFRS



Equity Q1 2022

Interim consolidated statement of changes in equity

Interim consolidated statement of changes in equity (unaudited)		Issued	Share	Other	FX	Retained	Total
Thousands NOK	Notes	capital	premium	equity	difference	earnings	equity
Balance at 1 Jan 2022		135	508,285	278,472	(1,146)	(339,700)	446,047
Issue of share capital							
Share-based payment to employees	4,7			11,271			
Share repurchase	6,7		(40,157)	(329)			
Resale of own shares							
Result for the period						(11,483)	
Foreign exchange differences					545		
Balance at 31 Mar 2022		135	468,128	289,414	(601)	(351,183)	405,894

- All lines are accounted for according to IFRS



Cashflow Q1 2022

Interim consolidated statement of cashflow

Interim consolidated statement of cash flow (Unaudited)				
Thousands NOK	Notes	Q1 2022	Q1 2021	2021
Cashflow from operations				
Result before tax		(11,483)	(257,491)	(331,475)
Share-based payments to employees	4,7	11,271	236,812	261,891
Depreciation and amortization		19,749	13,349	63,975
Changes in provisions		4,958	(35)	23,177
Changes in working capital		3,872	17,557	4,002
Net change in cash from operations		28,366	10,192	21,570
Cashflow from investments				
Changes in capitalized assets		(30,162)	(17,792)	(76,074)
Purchase of tangible assets		(14,072)	(105)	(17,379)
Net change in cash from investments		(44,235)	(17,897)	(93,453)
Cashflow from financing				
Net proceeds own shares	7	(40,157)	4,990	4,990
Receipt of issued capital	7	(329)	277,799	277,799
Net change in cash from financing		(40,486)	282,789	282,789
Net change in Cash		(56,354)	275,084	210,905
Beginning balance Cash		337,276	126,371	126,371
End balance Cash		280,921	401,455	337,276

- All lines are accounted for according to IFRS



Notes to consolidated Financials Q1 2022

1. General information

Huddly AS (the “Company”) and its subsidiary Huddly Inc. (the “Group” or “Huddly”) uses its technology to create tools for team collaboration. Huddly combines expertise across the fields of design, hardware, software, and artificial intelligence. Huddly’s smart cameras are designed to make it easier and better for people to communicate with each other. Huddly’s solutions with industry-leading partners enable high-quality video experiences on all major collaboration platforms.

Huddly Inc. is included in the consolidated financial statements as the control criteria in IFRS 10 are met.

Huddly AS is a public limited liability Company incorporated and domiciled in Norway. The address of its registered office is Haakon VIIIs Gate 5, 0161 Oslo, Norway. Huddly AS is listed on Euronext Growth.

The consolidated condensed interim financial statements comprise of the financial statements to the parent company and its subsidiary at end March 2022, authorized for issue by the board of directors on 11 May 2022.

2. Accounting policies

The interim consolidated financial statements for the three-month period ending 31 March 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for 2021. The accounting policies applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended 31 December 2021. The group has not adopted any standard, interpretation or amendment that has been issued but is not yet mandatory.

The presentation currency of the Group is NOK which corresponds to the functional currency of the main entity in the Group.

All numbers are in NOK thousands unless otherwise stated. The condensed interim financial statements are unaudited.

3. Revenue and Segment information

The market for Huddly’s smart cameras is global. The Management team has therefore determined the operating segments on this basis. The Group considers the business as one operational segment.

The Group’s operating profit arises from activities in this segment which is the only revenue generating segment across the entire operation irrespective of geographic location.

Performance is measured by the Management team based on the operating segment’s revenue and profitability on a global basis.

The Management team allocates resources in assessing performance as well as making strategic decisions. This is consistent with the internal reporting submitted to the chief operating decision maker, as defined by the Management team.

Other information is measured in a manner consistent with that in the Annual Report for 2021. Principles of revenue recognition are stated in the accounting principles to the Annual Report for 2021.

Revenue by customer segment

In the following table, revenue is disaggregated by customer segment, as defined by the Management team.



Revenue by customer segment						
Thousands NOK	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Strategic partners %	82%	60%	55%	56%	73%	70%
Channel partners %	18%	40%	45%	44%	27%	30%
Total Revenue	114,064	100,938	87,932	63,981	84,078	111,994
Strategic partners	93,251	60,752	48,107	35,951	61,551	78,644
Channel partners	20,812	40,186	39,824	28,031	22,527	33,349
Total Revenue	114,064	100,938	87,932	63,981	84,078	111,994

4. Operational expenses and option programs

The Company's only active incentive program is the 2021 Incentive Plan implemented in January 2021, directed at employees and directors. Participants are granted options to subscribe for Shares in the Company based on a pre-determined strike price. The options are as a general rule subject to a three-year vesting schedule. Further, the options may only be exercised in a coordinated process lead by the Company's board of directors. This implies that the participant may only exercise a number of options each year equal to 20 % of its total number of options.

The Company has historically issued a limited number of options to employees and directors under the 2017 Incentive Plan. These options are subject to a three-year vesting schedule, and the strike price payable when exercising the options is set to NOK 0.000625 per option.

In Q1 2022, Operational expenses include TNOK 4,928 in expenses related to the option programs after IFRS 2, thereof TNOK 11,271 accrued versus Other equity (valuation of vested 2021 Incentive Plan and vested 2017 Incentive Plan during Q1 2022) and TNOK -6,343 accrued versus Other current liabilities (accrued social security tax on unexercised options measured at end March 2022 market price per share).

At end March 2022 remaining option expenses for outstanding options are TNOK 24,163 under the 2021 plan and zero under the 2017 plan, to be booked versus Other Equity in future quarters. Adjusted statement of comprehensive income excludes option expenses after IFRS 2, as described in this note.

It has been granted 6,929,000 options under the 2021 options program and forfeited 90,000 options during Q1 2022.

See table below for outstanding instruments as of end March 2022.			
	2021 plan	2017 plan	Synthetic options
Options granted, outstanding 31.12.21	18,992,588	266,672	5,871,111
Options granted	6,929,000	-	-
Options exercised	-	-	-
Options forfeited	(90,000)	-	-
Options granted, outstanding 31.03.22	25,831,588	266,672	5,871,111
Percent of outstanding shares	11.9%	0.1%	2.7%

5. Cash and cash equivalents

Restricted cash at end March 2022 was TNOK 3,549, compared to TNOK 4,820 at end March 2021. This relates to advance payment of social security tax and deposit for office premises.

Total closing cash and cash equivalents at end March 2022 was TNOK 280,921, compared to TNOK 401,455 at end March 2021. This is a decrease of TNOK 120,534.



Cash and cash equivalents Thousands NOK	At 31 Mar 2022	At 31 Dec 2021	At 31 Mar 2021
Cash and cash equivalents	280,921	337,276	401,455
Ending cash and equivalents	280,921	337,276	401,455

6. Shareholders and share capital

The Company has 216,328,048 outstanding shares, with par value NOK 0.000625, which give a total share capital of NOK 135,205.

The Company has one share class, common shares, which all have the same voting and dividend rights.

The Company has 1,806 shareholders at end March 2022. Below are the 20 largest shareholders.

Shareholder name	Number of shares	Ownership
CLEARSTREAM BANKING S.A.	19,390,408	9.0%
GJEH Pty Ltd ATF GJEH Family Trust	14,324,839	6.6%
MERTOUN CAPITAL AS	13,845,471	6.4%
STAFF HOLDING AS	9,066,000	4.2%
SOM HOLDING AS	7,970,928	3.7%
MP PENSJON PK	7,143,959	3.3%
ATF G+J Williams Super Fund	6,858,272	3.2%
State Street Bank and Trust Comp	6,812,511	3.1%
KOLBERG MOTORS AS	6,628,000	3.1%
PORTIA AS	6,400,000	3.0%
The Bank of New York Mellon SA/NV	6,283,639	2.9%
HUDDLY AS	5,300,016	2.4%
HØYLANDET BYGGUTLEIE AS	5,041,264	2.3%
SKIPS AS TUDOR	4,950,000	2.3%
BJØBERG EIENDOM AS	4,042,080	1.9%
MULTIPLIKATOR AS	3,915,000	1.8%
The Northern Trust Comp, London Br	3,500,000	1.6%
KORINVEST AS	3,216,832	1.5%
SALAMANDER HOLDING AS	2,627,300	1.2%
HPA HOLDING AS	2,560,000	1.2%
All others	76,451,529	35.3%
Total	216,328,048	100%



7. Equity

Share repurchase

In Q1 2022, the board of directors resolved a programme for repurchase of own shares as authorized from the Extraordinary General Meeting held on 29 January 2021.

In accordance with the company's share repurchase program, the company repurchased a total of 5,000,000 own shares for a value of NOK 40,486,026. Following completion of the program at end March, the company owns a total of 5,300,016 shares (300,016 at end December 2021) as treasury shares, corresponding to 2.45 % (0.14 % at end December 2021) of the share capital in Huddly AS.

There have been no other changes in share capital, share premium and other equity in Q1 2022.

Summary of statement of changes in share capital and share premium

Summary of statement of changes in share capital and share premium			
NOK	Share Capital	Share premium	Other equity
Balance at 1 Jan 2022	135,205	508,285,175	278,472,493
Share-based payments to employees	-	-	11,270,712
Repurchase of own shares	-	(40,156,891)	(329,135)
Total change in period	-	(40,156,891)	10,941,577
Balance at 31 March 2022	135,205	468,128,284	289,414,070

Other equity

Regarding the valuation of the options exercised, IFRS 2 states that where an award is modified, the classification changes from cash-settled to equity-settled, the entity should then take the amount recognised as a liability, up to the modification date, and immediately reclassify it to equity giving the NOK value of TNOK 11,271 at end March 2022, as included in the consolidated statement of changes in equity.

The remaining cost on options granted, not vested, will be amortized over the vesting period in future accounting periods and is based on the award's fair value. Further details on all share-based payments to employees can be found in Note 4. Operational expenses and option programs.

8. Related parties

For detailed information on related party transactions, please refer to Note 12 (Overview of subsidiary) in the Annual Report to Huddly AS for 2021. There have been no other significant transactions with related parties for the three-month period ending on 31 March 2022. All transactions with related parties are considered priced on an arm's length basis.

9. Alternative performance measures

The following alternative performance measures (APMs) are used in addition and to provide enhanced insight into the Groups operations, financing, and prospects in this report.

Definition of Huddly's financial APM's

Gross margin: The company's net sales revenue less its cost of goods sold. The net sales figure is simply gross revenue, less the credit returns, allowances, and or discounts.

EBITDA: Earnings for the period before net financial items, income tax expense, depreciation, and amortization as a measure of the company's operating performance. EBITDA is calculated as revenue less expenses (including cost of goods sold) excluding depreciation and amortization, interest, and tax.

EBIT: Earnings before interest and income taxes as an indicator of a company's profitability. EBIT is calculated as revenue less expenses (including cost of goods sold) excluding interest and tax.



Adjusted EBIT: EBIT adjusted for non-recurring costs as a measure of profitability from core operations before the impact of capital structure. Adjusted EBIT is EBIT less various one-time, irregular, and non-recurring items.

Working capital: The companies operating liquidity and includes inventory, trade and other short-term receivables minus trade payables, other short-term liabilities, and currency translation differences.



Disclaimer

This document (the “Report”) has been produced by Huddly AS (the “Company”, “Huddly”), to provide information to authorized recipients of this document (“Recipient”). An authorized recipient is a person to whom Huddly has directly provided a copy of this document or to whom Huddly has made available via a third party authorized by Huddly. The Recipient acknowledges and agrees that all intellectual property rights in the Report vests in the Company. The Recipient may only use this Report for the sole and exclusive purpose of considering potential investment in the Company. No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including but not limited to projections, estimates, targets, and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein. This Report is current at end 2022, however, relates to Q1 2022. There may have been changes in matters which affect the Company subsequent to the date of this Report. Neither the issue nor delivery of this Report shall under any circumstance create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that the affairs of the Company have not since changed. This Report is subject to Norwegian law, and any dispute or claim arising in respect of this Report is subject to the exclusive jurisdiction of Norwegian courts.

