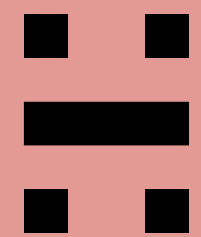


Q3 2022 Results

Presented by CEO Alexander Woxen
and CFO Ragnar Kjos



10.11.22



Q3 2022

1. Key highlights
2. Financials
3. Summary and outlook
4. Q&A
5. Appendix

Key highlights

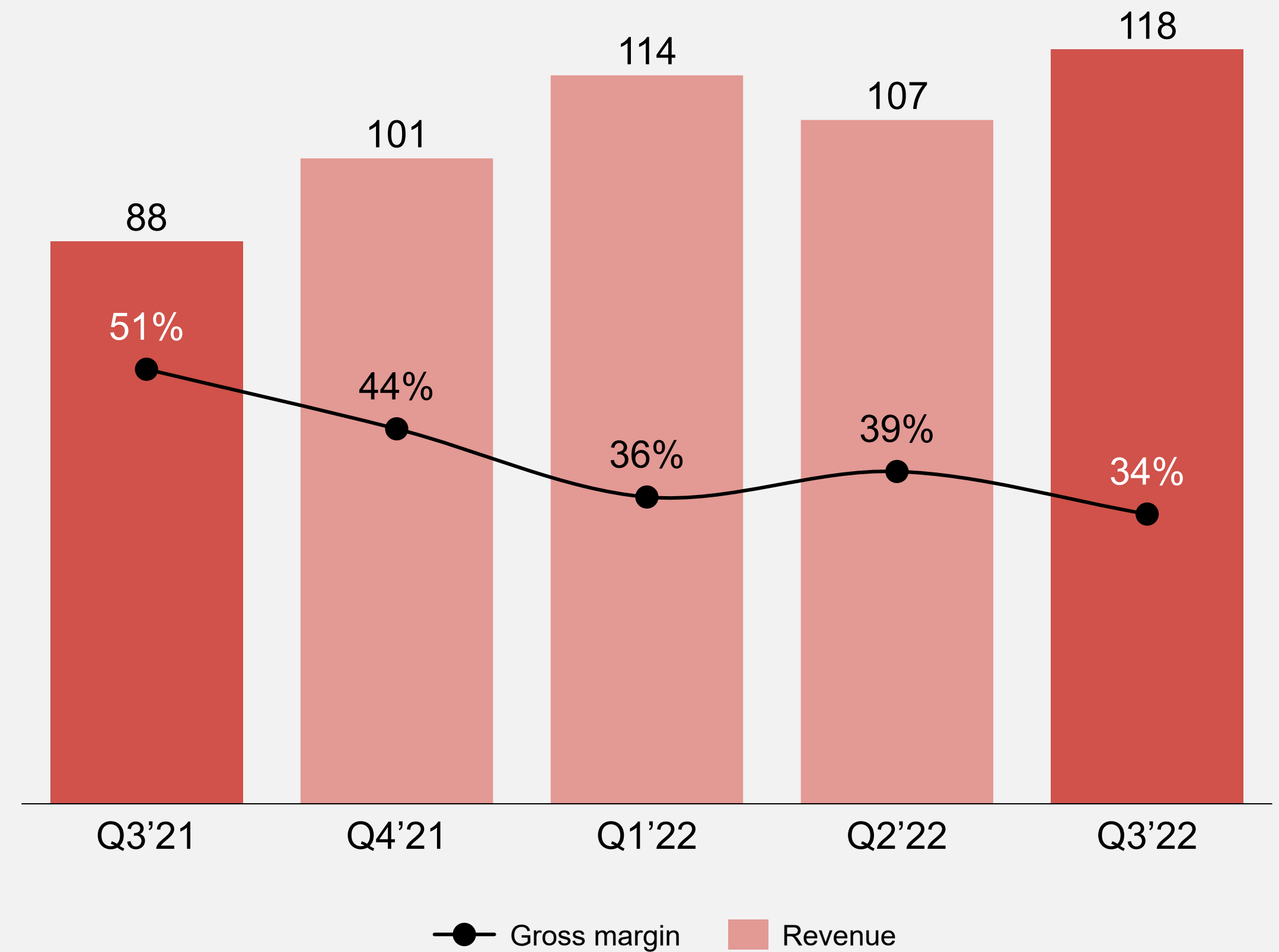
Alexander Woxen
CEO



Key highlights Q3 2022

- Revenue of NOK 118 million in Q3 2022, +34% YoY
 - Driven by increased sales through strategic partners
- Gross margin of 34% in Q3 2022 vs 51% Q3 2021
 - Margin pressure from channel and product mix and increased component cost
 - Strengthened commercial organization to revive growth in channel sales
- Monetizing on software
 - Speaker Framing software launched in Q3

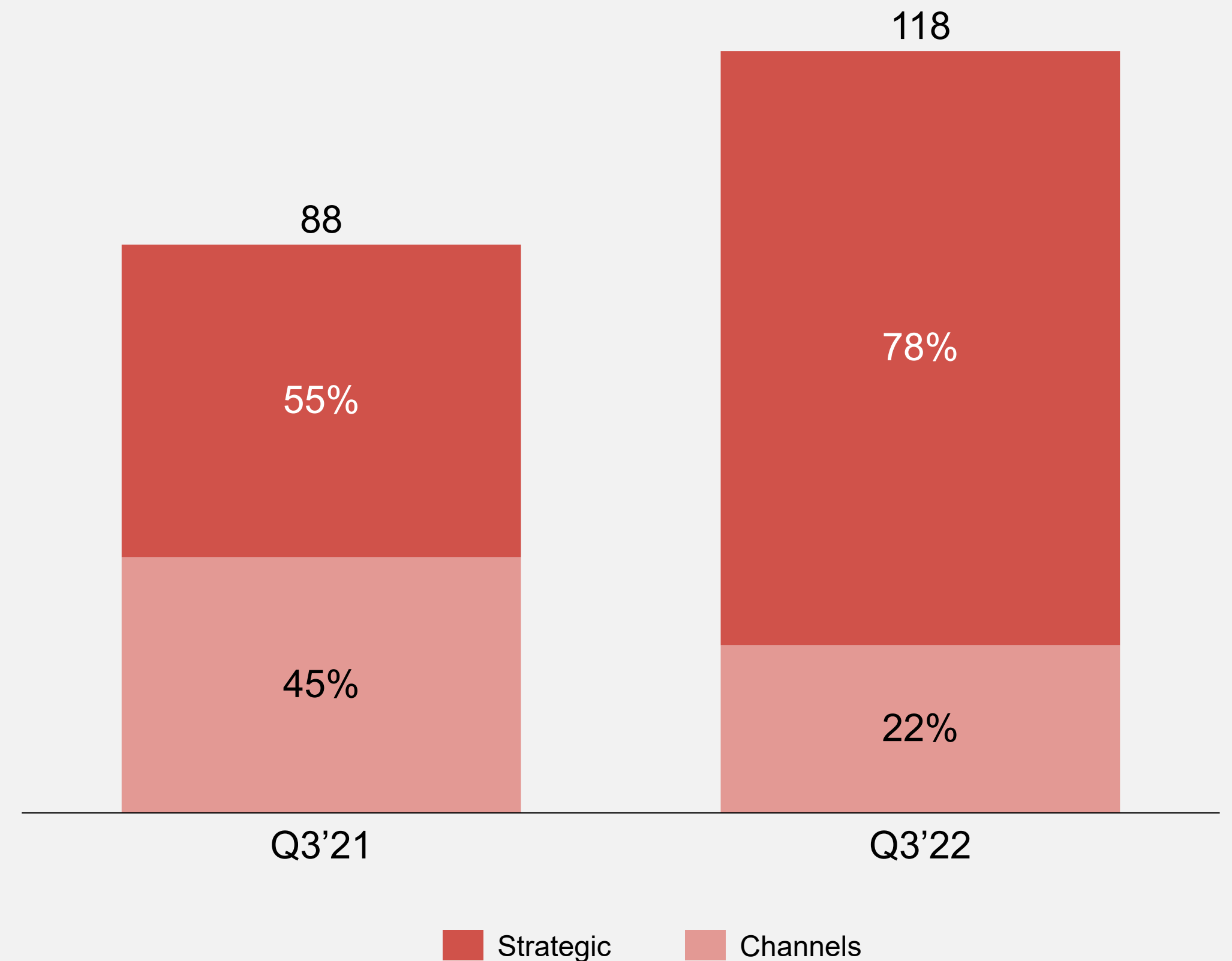
Revenue and gross margin
NOK million



Strong momentum in strategic sales – weak in channels

- **+92% strategic partner sales growth YoY**
 - Growing alongside strong global strategic partners to capture market shares in a growing video conferencing market
 - Increasing potential for sales of software solutions
- **-36% channel sales decline YoY**
 - Commercial efforts in place to revive growth in high-margin sales through channels

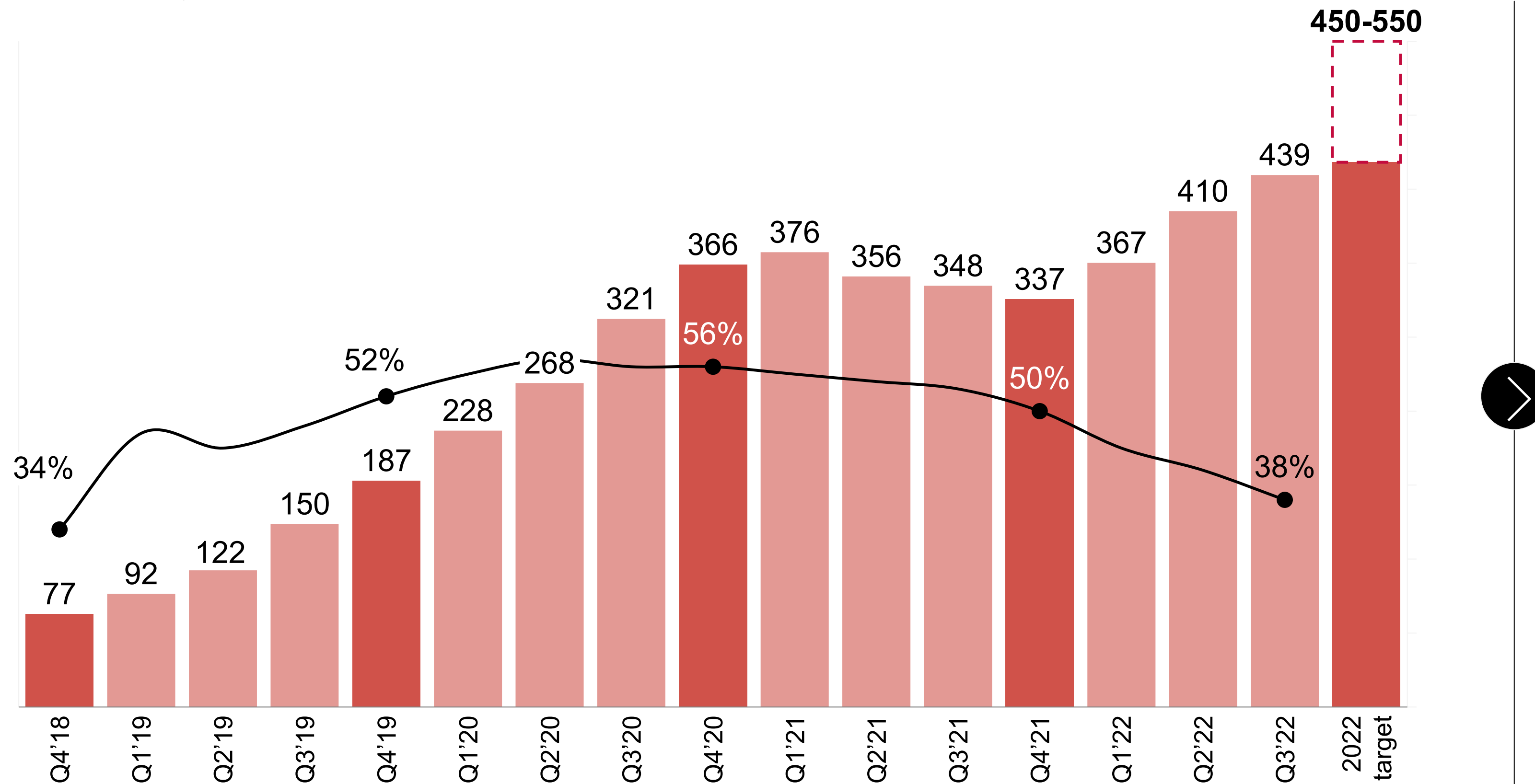
Revenue split
NOK million



Huddly on the path to meet 2022 guidance

Revenue and gross margin development (LTM)

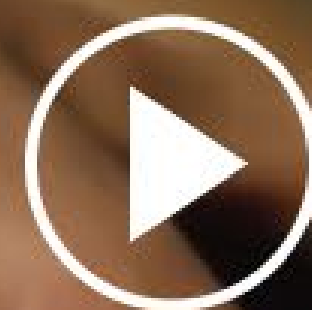
NOK million, %



Long-term priorities

- Continue to grow strategic partnerships
- Expanding channel sales through a strengthened team
- Monetizing on R&D and software investments

**Official Teaser | The world's first AI-directed short film |
Coming in 2023**



Financials

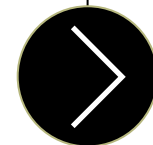
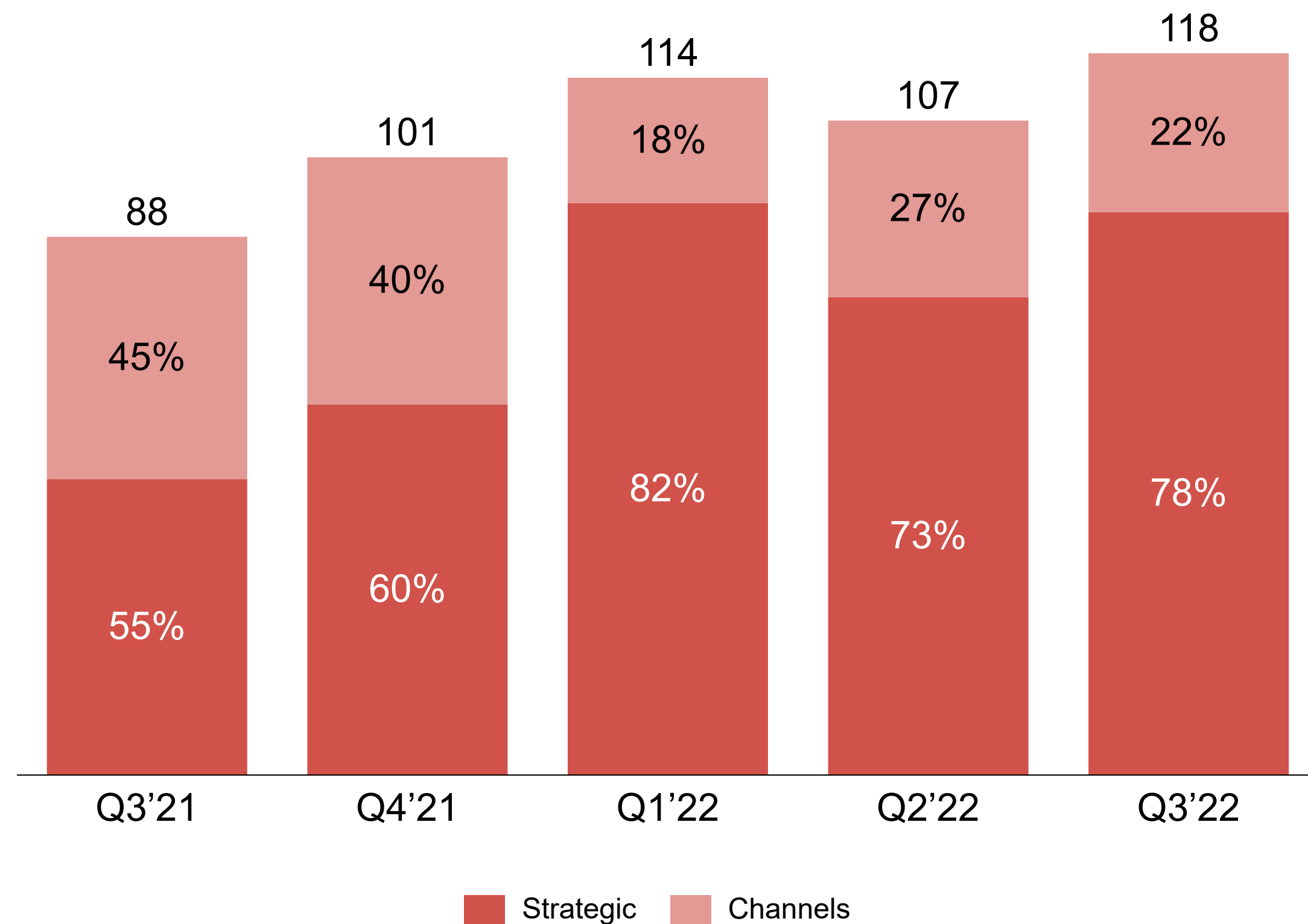
Ragnar Kjos
CFO



Stable revenue growth

Revenue development and split

NOK million, % of total revenue



Revenue of NOK 118 million resulting in a 34% increase compared to Q3 2021

- Strategic partner sales increased 92% YoY
- Sales to channels decreased by 36% YoY

Increased Q3 2022 revenue compared to Q2 2022

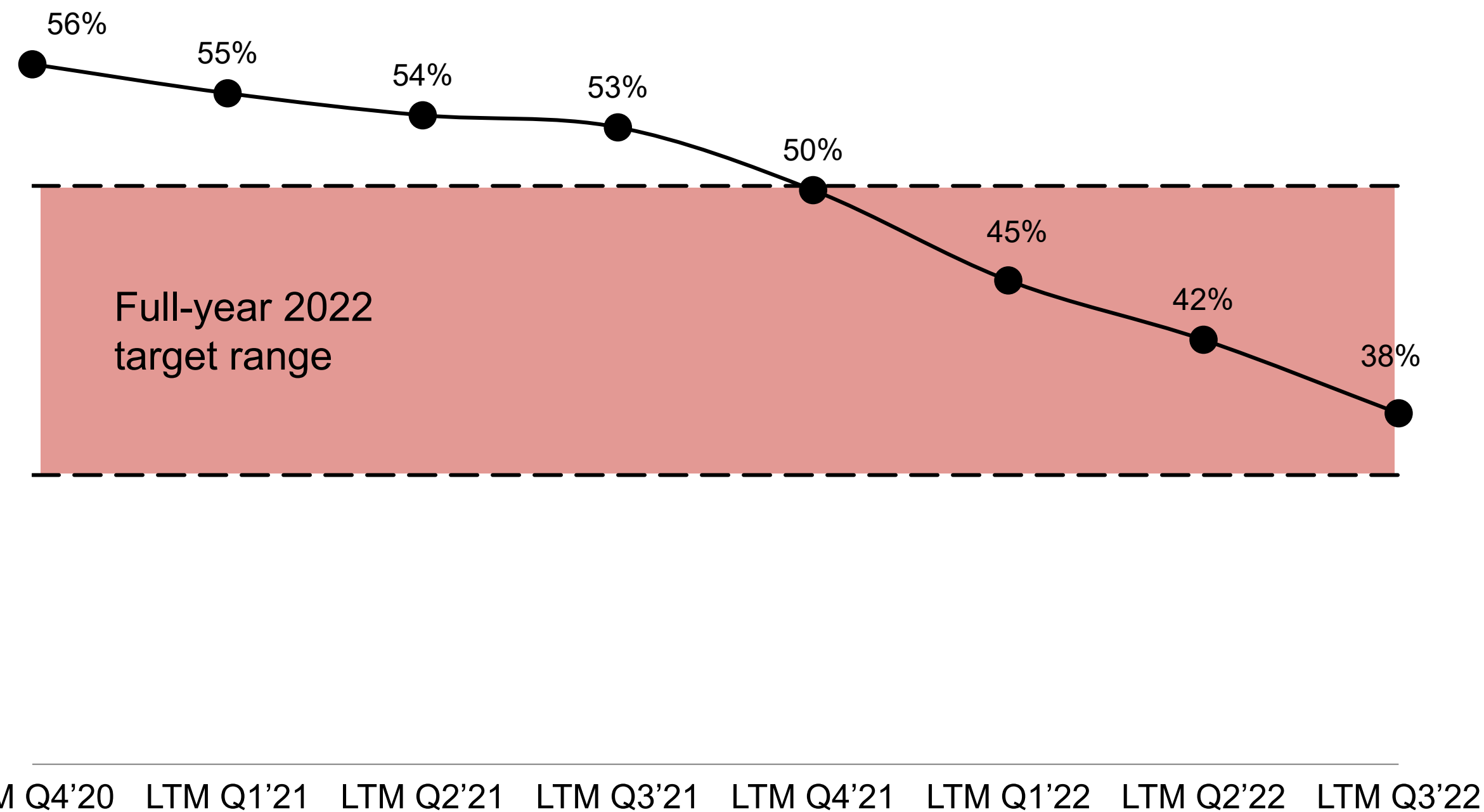
- Strategic partner sales increased 19% QoQ
- Sales to channels decreased by 12% QoQ

Increased focus on Channel sales going forward on the back of the strengthened commercial organization

Margins are under pressure due to weaker channel sales

Gross margin development (LTM)

Gross margin (%)



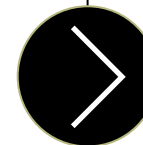
- Gross margin of 34% in Q3 2022 vs 51% Q3 2021
- LTM gross margin decreased to 38%
- Growth in strategic partner sales pressuring gross margin
 - Strategic partner sales accounting for 78% of sales in Q3 2022
 - Manufacturing and supply chain remains under pressure with purchase price variances (PPVs) negatively impacting the gross margins
- In line with the target of low-end of 35-50% for the full year 2022

Profits and loss

Condensed profit & loss statement

NOK million

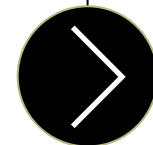
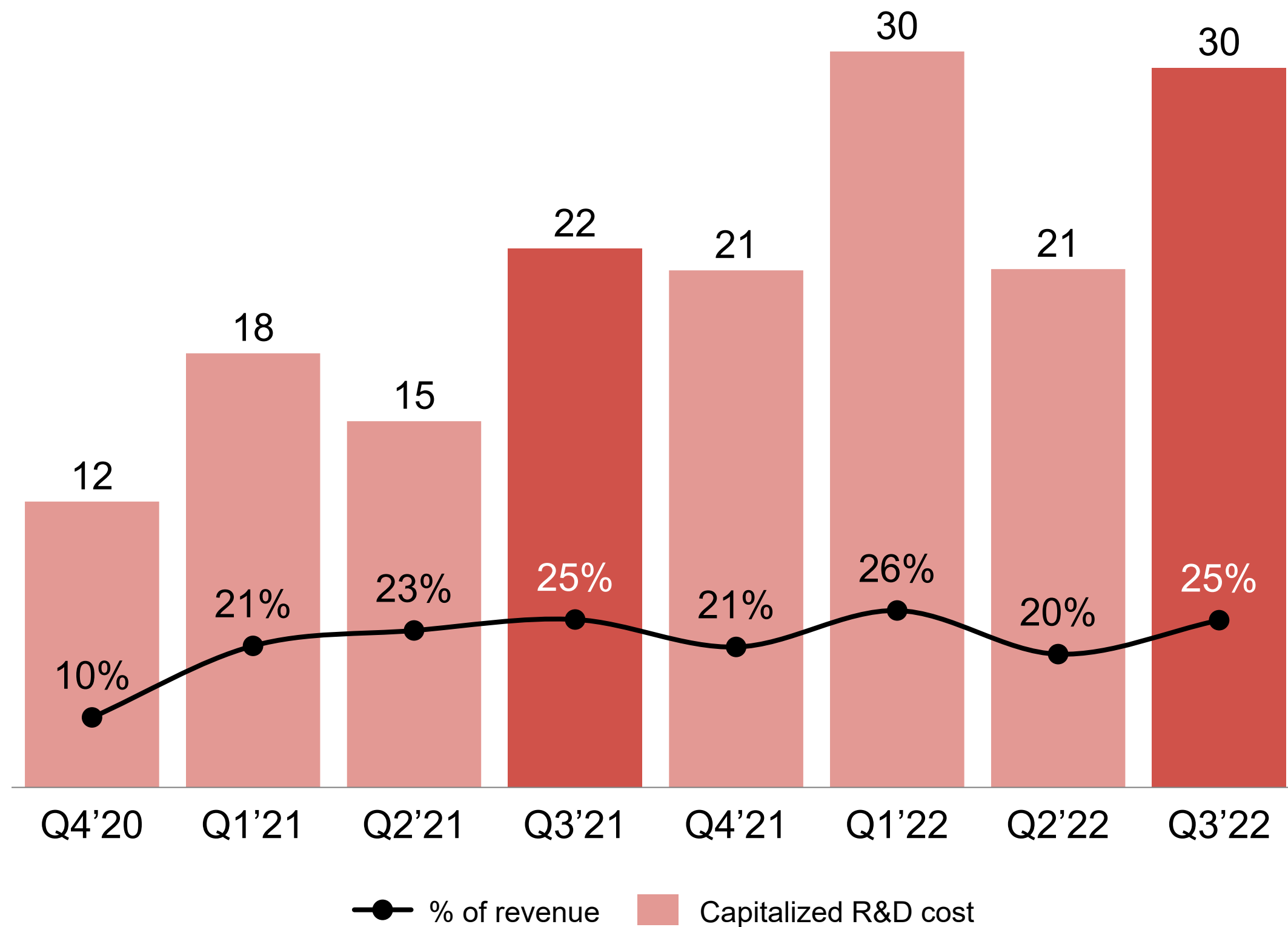
	Q3'22	Q3'21	YoY%	Q2'22
Revenue	117.9	87.9	34%	106.6
Cost of goods sold	77.5	43.4	79%	65.5
Gross profit	40.4	44.5	-9%	41.1
<i>Gross margin(%)</i>	<i>34%</i>	<i>51%</i>		<i>39 %</i>
Operational expenditures (OPEX)	29.6	30.9	-4%	31.7
of which extraordinary items	0.2	-13.0		-2.8
Adjusted EBITDA	10.5	26.6	-61%	12.2
<i>EBITDA(%)</i>	<i>9%</i>	<i>30%</i>		<i>11 %</i>
Depreciation and amortization	22.4	16.5	36%	20.9
EBIT	-11.6	2.8		-11.5
Net finance	4.8	1.1		10.4
Tax	0.0	0.0		0.0
Net profit	-6.9	-1.7		-1.1



- Revenue increase of 34% year over year, with a COGS increasing 79% in the same period
 - Signs of improvements in purchase price variances in the second half of 2022
- OPEX of NOK 29.6 million in Q3 2022
 - Expecting slight increase in OPEX towards the end of this year, reflecting Huddly's run-rate going forward
 - Restrictive hiring approach continues
- Adj. EBITDA of NOK 10.5 million
 - Reflecting an EBITDA-margin of 9%

R&D investments to drive long-term growth

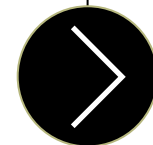
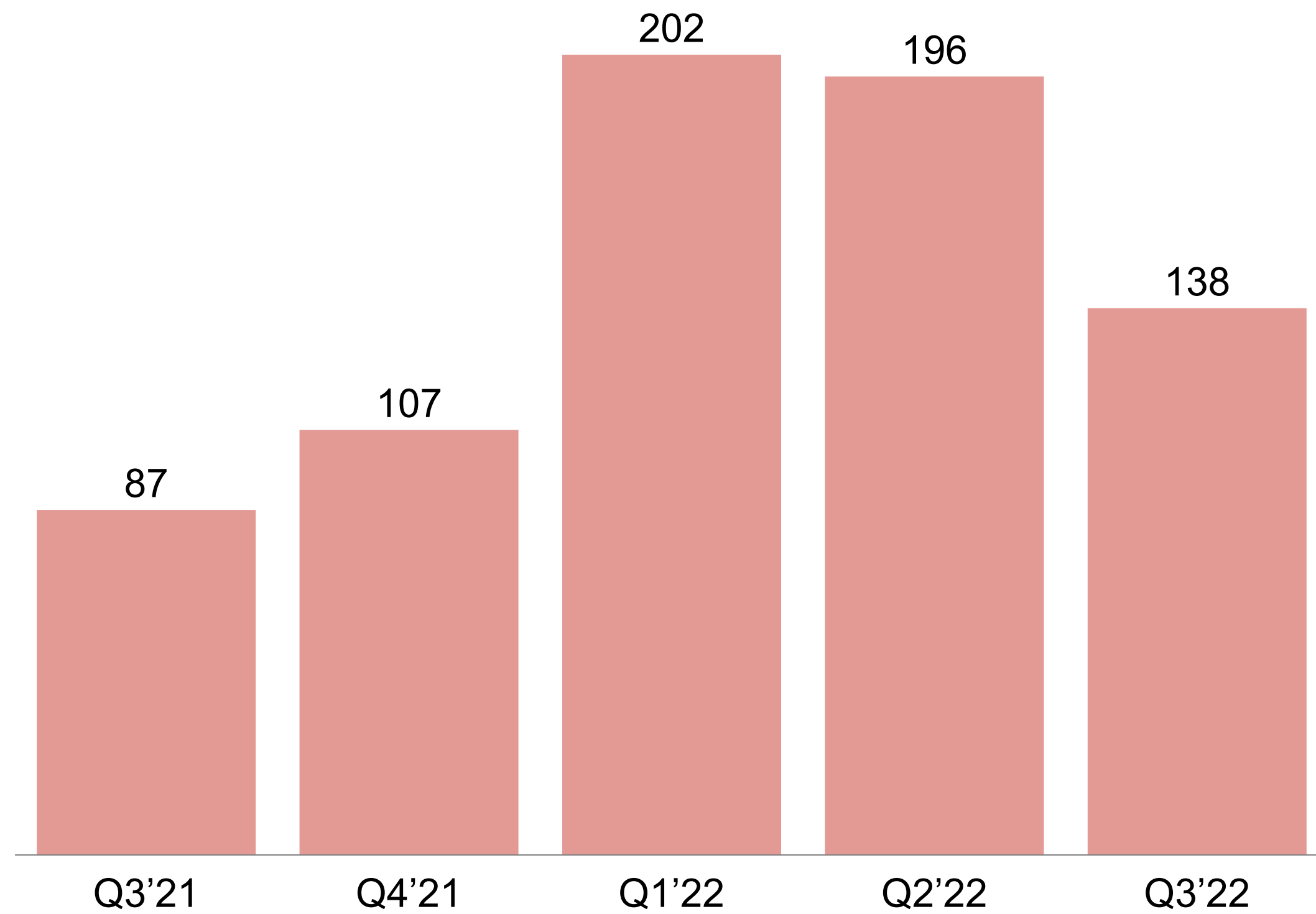
Capitalized R&D cost
NOK million, % of revenue



- Capitalized R&D cost of NOK 30 million in Q3 2022 representing 25% of revenue in the quarter
- Increased capitalized R&D cost in Q3 2022 compared to Q3 2021
 - Reflecting increased R&D capabilities through new hires
- >70 FTEs in R&D organization
 - ~60% of overall personnel expenses capitalized
- Successful monetization of the innovative software solutions will be crucial to build strategic value and establish a more robust margin position in the future

Backlog development

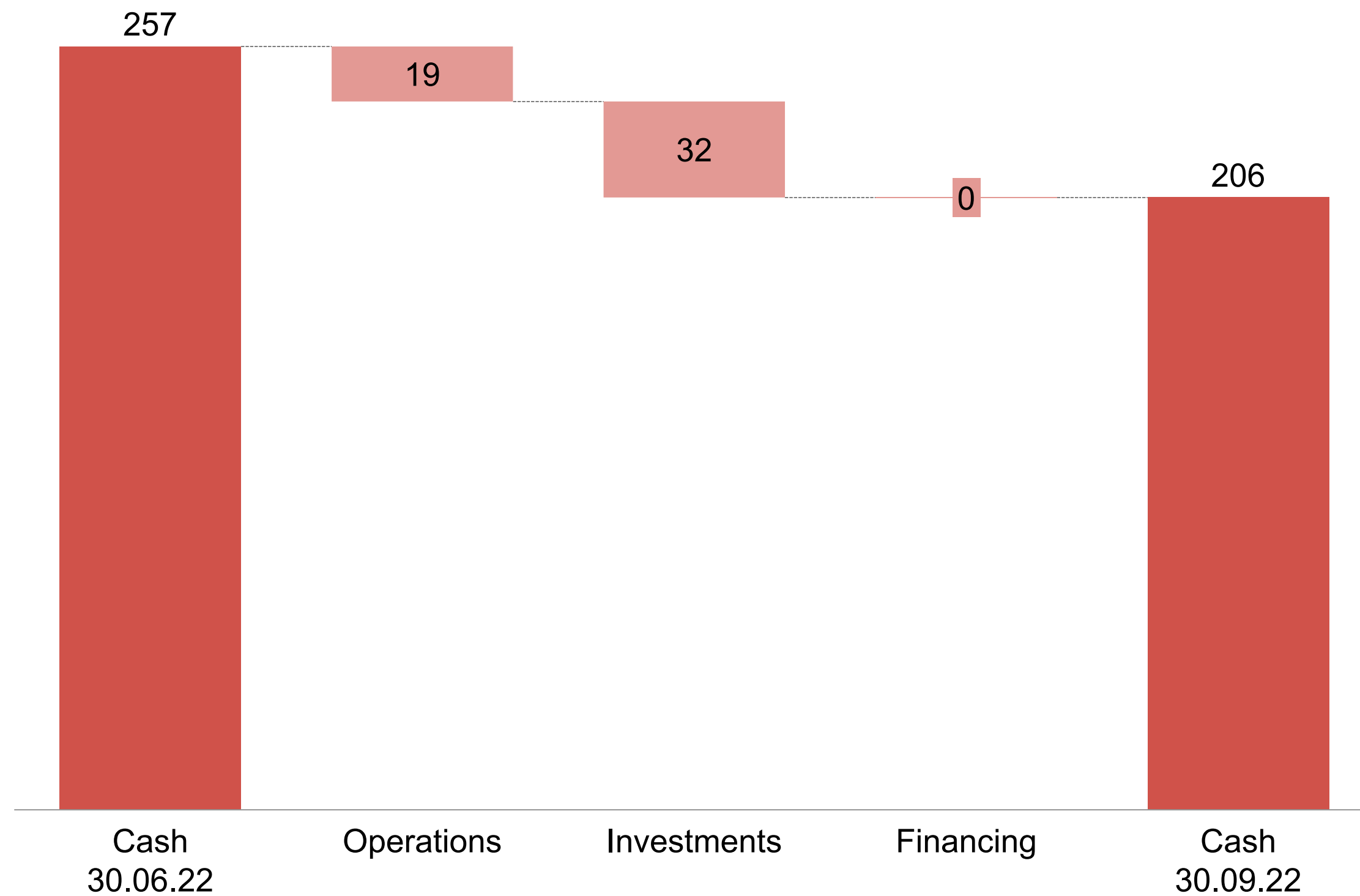
Order backlog development
NOK million



- High order backlog in 2022, stretching beyond six months
- Easing supply chain constraints normalizing the backlog

Q3 2022 cash flow

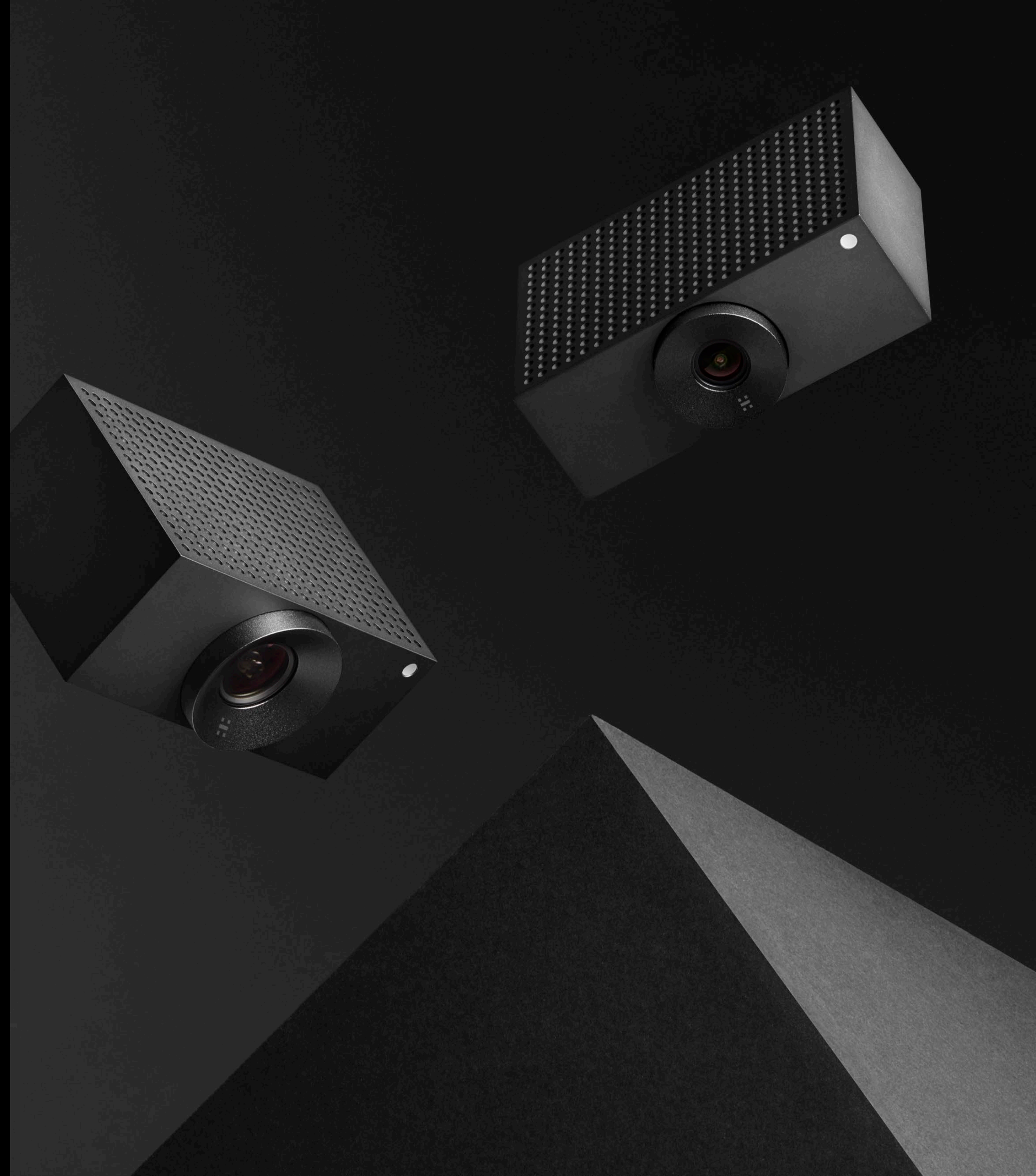
Cash flow NOK million



- Cash flow from operating activities negative NOK 18.5 million compared to NOK 13.9 million in Q3 2021
 - Primarily driven by the result for the period, share based payment and changes in provisions and working capital
- Cash outflow from investing activities was negative NOK 32.3 million for Q3 2022, compared to NOK 22.6 million in Q3 2021
 - Higher capitalized research and development expenses representing NOK 29.5 million
 - Increased investment in right-of-use assets and equipment related to new office premises
- There was no cash flow from financing activities

Summary and outlook

Alexander Woxen
CEO

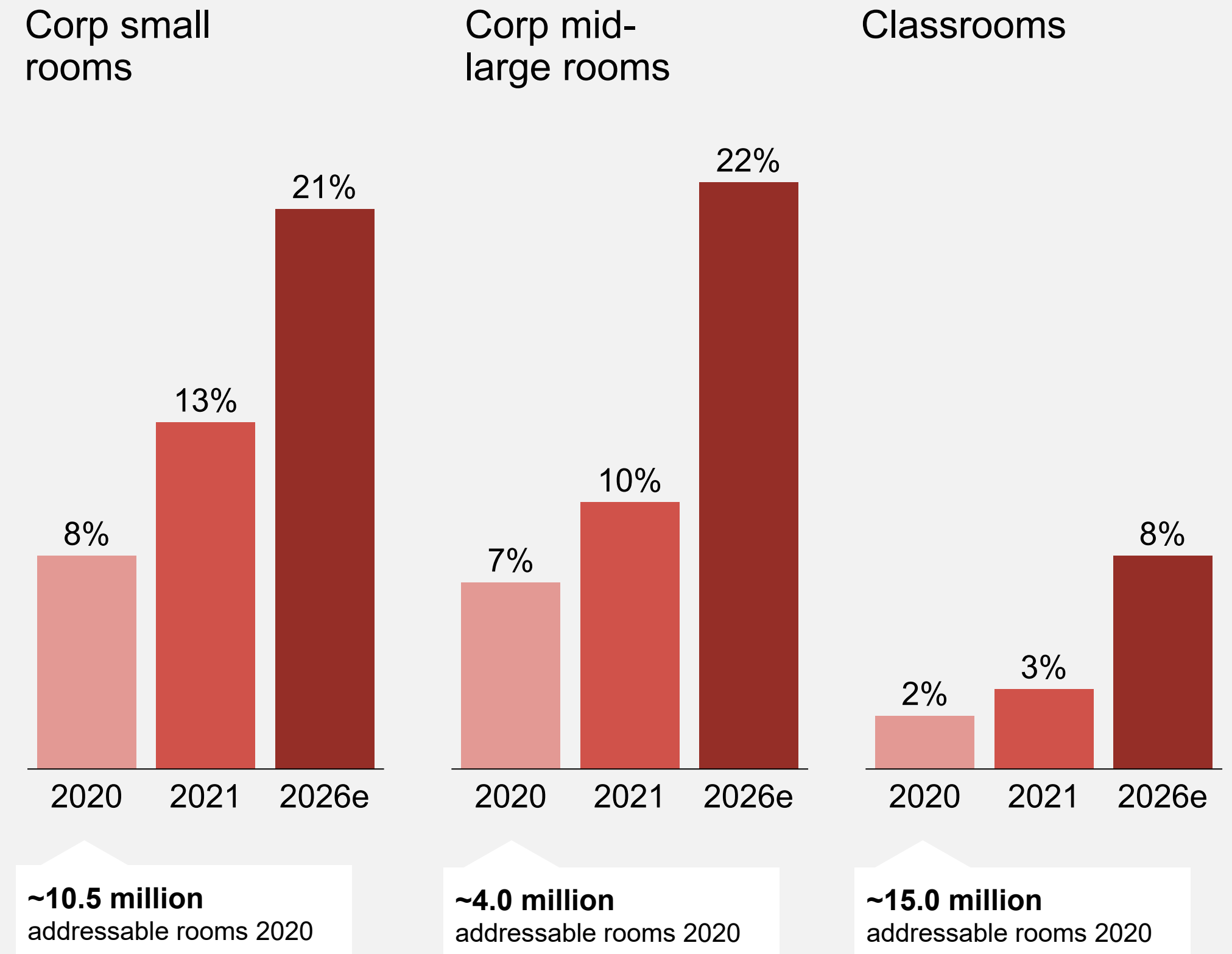


Penetration rate in Huddly target markets set to increase rapidly

Hybrid ways of collaborating drive companies and institutions to optimize video conferencing solutions

- Integrated bar systems are preferred for **small rooms** with smaller budgets. Affordable and compact cameras such as Huddly IQ and S1, are well positioned
- Huddly L1 caters **corporate mid-large rooms**
- **Classrooms** represent an attractive market as institutions such as high schools, universities and colleges are increasingly offering online learning. Huddly L1, Multi-Camera and Canvas are suitable

Penetration rate Percent of rooms video-enabled



Source: Frost & Sullivan "State of the Global Video Conferencing Devices Market - Forecast to 2027"

Our priorities are unchanged

1

Improve gross margin

2

Support growth

- Software monetization
- Strengthening channel sales
- Increase prices to accommodate inflation
- Procurement initiatives to improve COGS
- Further strengthening management

Outlook

	2021 Actuals	2022 YTD	2022 Guiding
Revenue NOK million	337	339	450-550 Low-end of range
Gross Margin	~50%	36%	35-50% Low-end of range

Q&A



Appendix



Reported financials

Interim consolidated statement of comprehensive income

Interim consolidated statement of comprehensive income (Unaudited)						
Thousands NOK	Notes	Q3 2022	Q3 2021	YTD Sep 2022	YTD Sep 2021	2021
Revenue	3	117,884	87,932	338,560	235,991	336,929
Cost of goods sold		(77,534)	(43,412)	(215,501)	(113,129)	(169,209)
Gross margin		40,350	44,520	123,058	122,862	167,720
Operational expenditures	4	(29,637)	(30,912)	(92,966)	(329,618)	(435,106)
EBITDA		10,713	13,608	30,093	(206,756)	(267,386)
Depreciation and Amortization		(22,358)	(16,452)	(63,041)	(44,709)	(63,975)
EBIT		(11,644)	(2,844)	(32,948)	(251,465)	(331,361)
Net finance		4,767	1,114	13,524	167	(115)
Tax income/(expense)		-	-	-	-	18,365
Net Income/(loss)		(6,877)	(1,730)	(19,424)	(251,298)	(313,111)
Gross margin %		34%	51%	36%	52%	50%
Earnings per share						
Basic earnings per share		(0.03)	(0.01)	(0.09)	(1.16)	1.45
Fully diluted earnings per share		(0.03)	(0.01)	(0.08)	(1.00)	1.30

Reported financials

Interim consolidated statement of cash flow

Interim consolidated statement of cash flow (Unaudited)						
Thousands NOK	Notes	Q3 2022	Q3 2021	YTD Sep 2022	YTD Sep 2021	2021
Cashflow from operations						
Result before tax		(6,877)	(1,730)	(19,424)	(251,298)	(331,475)
Share-based payments to employees	4, 7	3,617	8,558	20,000	255,910	261,891
Depreciation and amortization		22,358	16,452	63,041	44,709	63,975
Changes in provisions		(1,565)	(957)	(26,656)	(1,238)	23,177
Changes in working capital		(36,046)	(8,378)	(28,124)	(18,956)	4,002
Net change in cash from operations		(18,513)	13,945	8,836	29,127	21,570
Cashflow from investments						
Changes in capitalized assets		(29,492)	(22,078)	(80,896)	(54,881)	(76,074)
Purchase of tangible assets		(2,846)	(525)	(18,613)	(1,736)	(17,379)
Net change in cash from investments		(32,338)	(22,602)	(99,509)	(56,617)	(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		(50,851)	(8,657)	(131,159)	255,299	210,905
Beginning balance Cash		256,967	390,327	337,276	126,371	126,371
End balance Cash		206,117	381,670	206,117	381,670	337,276

Reported financials

Interim consolidated statement of financial position

Interim consolidated statement of financial position (Unaudited)		At 30 Sep	At 31 Dec	At 30 Sep
Thousands NOK	Notes	2022	2021	2021
ASSETS				
Intangible assets		155,469	122,778	99,645
Tangible assets		22,494	18,716	5,914
Total non-current assets		177,963	141,494	105,559
Inventory		51,703	30,728	19,190
Trade receivables		90,592	97,374	83,213
Other receivables		26,137	29,513	13,673
Cash and cash equivalents	5	206,117	337,276	381,670
Total current assets		374,549	494,891	497,746
Total assets		552,512	636,385	603,305
EQUITY AND LIABILITIES				
Total equity	6, 7	405,340	446,047	502,231
Total non-current liabilities		5,476	32,132	7,718
Trade payables		78,919	70,345	55,678
Other current liabilities		62,776	87,861	37,678
Total current liabilities		141,695	158,206	93,356
Total equity and liabilities		552,512	636,385	603,305



