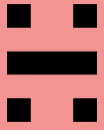


Q3 Report 2022





Inclusive and productive team collaboration

Huddly camera systems are intelligent. They understand how people communicate. Using disruptive AI, Huddly camera systems automatically spotlight the point of interest in a room, creating an authentic meeting experience.

Video meetings become more inclusive and cater for new hybrid collaboration standards - saving energy and cost while adding efficiency.



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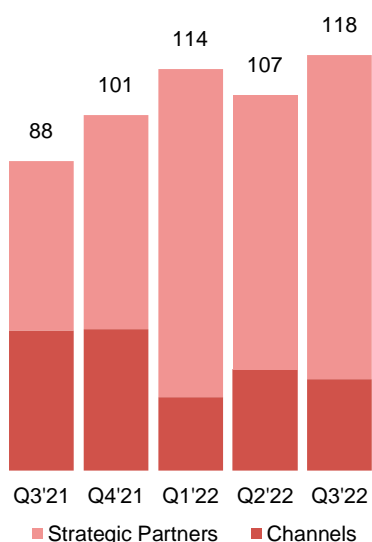
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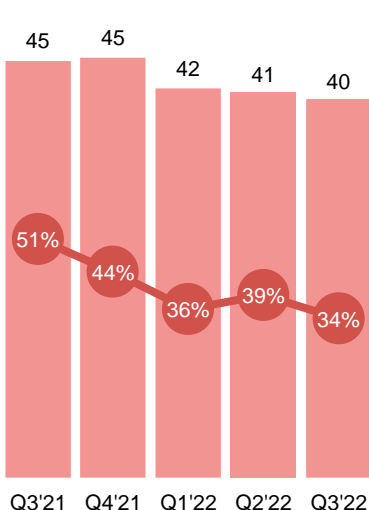
Key highlights Q3 2022

- **All time high revenue of NOK 117.9 million (+34% vs Q3'21), and YTD 2022 revenue growth of +43% vs YTD Q3 2021**
Growth driven by increased sales through strategic partnerships with Crestron and Google.
- **Gross margin of 34% (51% in Q3'21)**
The compressed margins reflect increased component prices, changes in product mix, and relatively higher sales through the strategic partners. Diminishing negative impact from PPVs and gradually more positive effect from software launches expect to improve the margins.
- **Adjusted¹ EBITDA of NOK 10.5 million (NOK 26.6 million in Q3'21)**
Increased operational expenditures representing a strengthening organization, with continued restrictive approach to hiring going forward.
- **Order backlog of NOK 138 million (-30% vs Q2'22)**
Lower backlog reflecting the adaptation to an improved supply chain and shorter duration.
- **Strengthening the position as product innovation leader**
Continued strong product innovation with the new software product, Speaker Framing launch, with first shipment expected in November, and the launch of the game changing Huddly AI Director Multi-Camera Experience System.

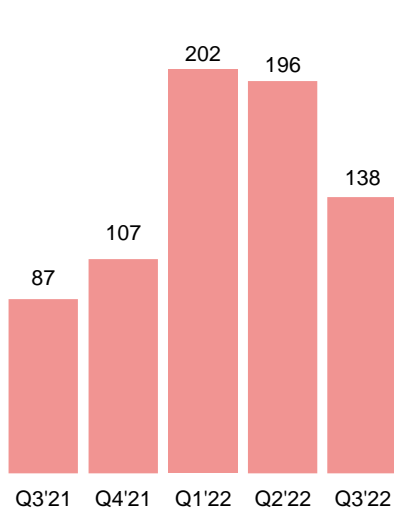
Sales revenue
NOK million



Gross profit/margin
NOK million and %



Order backlog
NOK million



¹ Adjusted EBITDA excluding non-cash option expense



Letter from the CEO

Our sale through our main strategic partners Crestron and Google is driving Huddly's revenue growth momentum to a record quarterly revenue. The revenue increased by 34% from the same period last year. We will continue to grow with our global strategic partners but also direct our commercial resources towards reviving the higher-margin channel sales. We also continue our work to develop and launch new products to position Huddly for long-term profitable growth.

Our talented people at Huddly have pioneered intelligent video conferencing and developed a strong product portfolio. Our new launches of new innovative products will fortify our position as a technology leader in a growth market.

By continuing to grow our strategic partnerships we position ourselves to capture meaningful market shares of this global market. However, we also need to expand sales through other channels to improve our margins.

Overall, our products delivered 34% revenue growth to a record quarter revenue of NOK 118 million in the third quarter, and 43% growth to NOK 339 million for the first nine months. This is testimony to the fact that demand for intelligent collaboration equipment remains solid also in a more challenging economic climate.

Our guiding for 2022 remains unchanged. As earlier communicated, we see 2022 revenue in the low-end of the indicated NOK 450-550 million range and a gross margin in the low-end of the 35%-50% range.

Our new group management and commercial team came into place in the third quarter to support Operations and Product as main pillars. We are working to evolve and improve our processes, and have started a thorough strategy process to move forward. I look forward to present the key elements of our strategic roadmap at our fourth quarter presentation in February.

As announced last quarter, we have now launched two new products: A new Speaker Framing software feature, and the game changing innovative AI Director Multi-Camera Experience. The latter was introduced to the market on Google Next in October and has generated significant interest among both SMEs as large enterprises. We expect to leverage an early adopter dialogue prior to shipping the AI Director Multi-Camera Experience in the second quarter 2023. This solution delivers exceptional user experiences and value.

Speaker Framing was launched in Channels at the end of the third quarter, with the first customer shipment expected in November. We expect the introduction of new software features in our cameras to improve the margins across our product portfolio.

Going forward, our focus will be on profitable growth within three overarching priorities; reviving channel growth, growing with strategic partners, and monetizing on software. By improving profitability and cash flow we can strengthen the platform for further innovation and expansion in this long-term growth market.

Alexander Woxen





Q3 2022 review

Revenue reached a record NOK 118 million in the third quarter 2022 and NOK 339 million for the first nine months, corresponding to year-on-year growth of 34% and 43%, respectively. The gross margin was 34% in the third quarter and 36% for the first nine months. The compressed margins reflect increased component prices, changes in product mix, and relatively higher sales through the strategic partners.

Operational review

Huddly continued to strengthen its leading position as a provider of innovative video conferencing solutions in the third quarter, as the hybrid workspace trend continues to carry momentum.

Together with its strategic partners, the company continues to position itself for long-term profitable growth. At the same time, the company is working on three levers that are expected to improve the gross margin: Reviving channel growth, growing with strategic partners, and monetizing on software. In the current economic climate the company is also working to increase prices to mitigate inflation, and also has ongoing initiatives to improve COGS.

Signs of easing supply chain constraints

Manufacturing processes and supply chains remain under pressure, with purchase price variances (PPVs) negatively impacting the gross margin. Moving into the second half of 2022 Huddly sees signs of improvement. Incoming PPVs are coming down, with a delayed effect due to inventory positions. In the third quarter 2022, PPVs reduced Huddly's gross margin by three percentage points.

Although the component situation remains a balancing act, the supply market is adapting well, with stabilizing price volatility. Provided that this trend continues the company expects to see PPVs being reduced through the fourth quarter of the year.

Enhanced organization and capabilities

In the third quarter Huddly made organizational improvements, establishing Group Management and a Commercial team to complement Operations and Product as main pillars. On the management side, the company is now introducing leadership training at all levels, starting in the fourth quarter.

The company expects a slight increase in OPEX towards the end of this year, reaching full effect on the FTE catch-up from early 2023, with a run rate in line with that cost base going forward. Huddly's restrictive approach to hiring will continue until the company regains its profitable growth position.

Software-led product innovation

Successful monetization of innovative software solutions will be crucial to build strategic value and establish a more robust margin position in the future. As the first step in this monetization strategy, the company has launched two new products.

Speaker Framing is a powerful AI feature designed to make meetings feel inclusive and immersive. This was launched in Channels in the third quarter, with the first shipments scheduled for November.

Huddly's AI Director Multi-Camera Experience was introduced on Google Next and has received good interest. Launching in the second quarter 2023, the solution will be made available on the IP cameras, starting with L1.



Financial review

	Q3 2022	Q3 2021	Change	YTD 2022	YTD 2021	Change
Revenue	117.9	87.9	34 %	338.6	236.0	43 %
Gross profit	40.4	44.5	-9 %	123.1	122.9	0 %
Gross margin	34 %	51 %		36 %	52 %	
Adjusted EBITDA	10.5	26.6	-61%	37.6	76.9	-51%
EBITDA	10.7	13.6		30.1	-206.8	
Operating profit (EBIT)	-11.6	-2.8		32.9	251.5	
Net financials	4.8	1.1		13.5	0.2	
Profit/Loss for the period	-6.9	-1.7		19.4	251.3	

Profit and loss

Total revenue in the third quarter 2022 amounted to NOK 117.9 million, a growth of 34% compared to the same quarter last year. The growth was largely driven by strategic partners, which saw nearly a doubling year-on-year, whereas revenue generated in the channels was virtually flat year-on-year. Strategic partners accounted for 78% of the revenue in Q3 2022, up from 55% in Q3 2021, while channels revenue accounted for 22% of the revenue in Q3 2022, down from 45% in Q3 2021.

Gross profit in the third quarter was NOK 40.4 million compared to NOK 44.5 million in the same period last year, representing gross margins of 34% and 51% respectively. The three main factors for the negative development are channel mix, product mix, and increased component costs.

EBITDA for the third quarter was NOK 10.7 million, compared to NOK 13.6 million in the same period last year. Operating expenditures decreased to NOK 29.6 million from NOK 30.9 million in the same quarter last year. Adjusted EBITDA came in at NOK 10.5 million, excluding non-cash option adjustment of negative NOK 0.2 million.

Operating profit (EBIT) was negative NOK 11.6 million, compared to negative NOK 2.8 million in the third quarter 2021. Depreciation and amortization increased from NOK 16.5 million to NOK 22.4 million in the respective quarters due

to increased investments in R&D over the period.

Net financials amounted to NOK 4.8 million, compared to NOK 1.1 million in the same period last year. The change reflects currency gains in the period.

The third quarter 2022 ended with a net loss of NOK 6.9 million, compared to a net loss of NOK 1.7 million in the same period last year.

Revenue amounted to NOK 338.6 million for the first nine months (236.0), with a gross profit of NOK 123.1 million (122.9) and a gross margin of 36% (52%). EBITDA for the first nine months was NOK 30.1 million (-206.8), and operating loss NOK 32.9 million (-251.5). With net financials of NOK 13.5 million (0.2) the net loss for the first nine months 2022 was NOK 19.4 million (-251.3).

Cash flow

Cash flow from operating activities was a negative NOK 18.5 million in Q3 2022 compared to NOK 13.9 million in Q3 2021. The change was primarily driven by the result for the period, share based payment and changes in provisions and working capital. Included in the operational cash flow is the second of the three cash payments each of NOK 25.0 million plus employer tax, related to the option settlement from 2021.

Cash outflow from investing activities was negative NOK 32.3 million for Q3 2022, compared to negative NOK 22.6 million in



Q3 2021. The increase was primarily due to higher capitalized research and development expenses representing NOK 29.5 million in Q3 2022 and NOK 20.1 million in Q3 2021, and increased investment in right-of-use assets and equipment related to new office premises.

There was no cash flow from financing activities in Q3 2022 or Q3 2021.

For the first nine months, cash flow from operating activities was positive NOK 8.8 million (29.1). Cash flow from investing activities was a negative NOK 99.5 million (56.6) and cash flow from financing activities a negative NOK 40.5 million (282.8).

The ending cash balance as at September 30, 2022 was NOK 206.1 million, a reduction of NOK 50.9 million in Q3 2022 and NOK 131.2 million in the first nine months of 2022.

Financial position

Intangible assets amounted to NOK 155.5 million at the end September 2022, an increase of NOK 55.8 million from NOK 99.6 million at end September 2021, primarily due to higher capitalized research and development expenses.

Tangible assets increased by NOK 16.6 million year-on-year, to NOK 22.5 million at the end of September 2022, related to recognition of right-of-use assets and investments in equipment.

Cash and cash equivalents closed at NOK 206.1 million at end September 2022, a decrease of NOK 175.6 million from NOK 381.7 million at end September 2021.

Total working capital at end September 2022 was NOK 26.7 million, an increase of NOK 4.0 million, including translation differences, compared to end September 2021 of NOK 22.7 million.

Inventory increased by NOK 32.5 million to NOK 51.7 million at end September 2022, compared

to end September 2021 of NOK 19.2 million following increased investments in the supply chain to further limit component and manufacturing risk.

Trade receivables was NOK 90.6 million at end September 2022, an increase of NOK 7.4 million compared to end September 2021 of NOK 83.2 million.

Other receivables closed at NOK 26.1 million at end September 2022, an increase of NOK 12.5 million compared to end September 2021 of NOK 13.7 million and comprise of VAT receivable, governmental research and development grant, deposits on office premises, and other prepaid expenses.

Trade payables closed at NOK 78.9 million at end September 2022, an increase of NOK 23.2 million compared to end September 2021 of NOK 55.7 million.

Other current liabilities closed at NOK 62.8 million at end September 2022, an increase of NOK 25.1 million compared to end September 2021 of NOK 37.7 million, 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, office lease liabilities and other accruals.

Group equity amounted to NOK 405.3 million at end September 2022, a decrease of NOK 96.9 million compared to NOK 502.2 million at end September 2021. The equity ratio was 73% at end September 2022, a decrease from 83% at end September 2021.

Non-current liabilities of NOK 5.5 million at end September 2022 includes product warranty accrual and long-term lease liability recognition.

The group had no long-term interest-bearing debt at end September 2022.



Risks and uncertainties

Huddly is exposed to three major groups of risks: Product and Operational, Market and Financial risks, some of which are outside of Huddly's control. This includes geopolitical risks and market specific cyclical risks. The company does not see any significant change to the risks as described in the report for the first half 2022.

With high inflation and higher interest rates, it is expected that increased cost of capital will impact Huddly's value chain in 2023, both downstream and upstream. Despite the overall market growth and momentum towards the end of 2022, Huddly remains cautious when planning ahead. It is crucial to maintain a resilient fallback position while working to generate profitable growth.

Huddly is dependent on partners, suppliers, and other third parties to supply certain products and services. Globally the economy is facing an exceptional degree of uncertainty with an increased risk of a global recession. This could affect the supply of energy and raw materials and directly or indirectly impact Huddly's operations.

Huddly is exposed to the overall demand for video conferencing equipment. In isolation, a potential global recession and low business confidence could reduce product demand and thereby Huddly's revenues and profits.

However, changes in business models and ways of working (e.g. hybrid work and more online meetings in lieu of business travel) could impact demand positively, irrespective, or potentially because of, a potential global recession.

Huddly is exposed to foreign exchange risks, as sales revenues are largely nominated in USD while part of the costs, primarily the Operating expenses, are nominated in NOK. Direct costs are mainly nominated in USD, and this forms a natural currency hedge that mitigates a large part of the exposure. At the moment, Huddly is not actively engaging in currency hedging.

Huddly holds no long-term interest-bearing debt, and the direct risk associated with interest rate fluctuations is considered low.



Outlook

Huddly delivered 34% revenue growth to a record NOK 118 million in the third quarter 2022, and 43% growth to NOK 339 million for the first nine months. The demand for innovative video conferencing solutions remain strong and growing.

Huddly will meet this demand with innovative additions to its product portfolio. The company has started to monetize its software solutions with the first customer shipment of Speaker Framing in November this year, and the launch of its game changing Huddly AI Director Multi-Camera System in the second quarter 2023.

The company recognizes the current uncertainty with regards to the inflationary pressures, higher interest rates, weaker enterprise investment sentiment, supply chain issues, and global recession fears. Demand for intelligent collaboration equipment has so far remained resilient, and the company believes investments into this area remains a valuable proposition for companies focusing on productivity, equity, engagement, and staff retention.

Huddly maintains its full-year revenue and margin guidance. As previously communicated, the company expects revenue to end in the low-end of the indicated NOK 450-550 million revenue range.

Gross margins continue to be negatively affected by cost inflation, product mix, and relatively higher sales through strategic partners. The gross margin for the first nine months was 36% and the company reiterates its expectation that the gross margin for the full year will be in the low-end of the indicated 35%-50% range.

Huddly has continued growing through 2022 and is working to strengthen profitability through initiatives to improve gross margins and constrain costs. The company will present the results of an ongoing strategy review in the connection with the interim results presentation for the fourth quarter in February 2023. The company has a solid financial position, and the Board of Directors considers the current liquidity position to be more than sufficient to fund ongoing operations.





Financial statements (IFRS)

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

Adjusted interim consolidated statement of comprehensive income excluding option expense

Adjusted 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	(29,855)	(17,917)	(85,448)	(45,918)	(68,110)
EBITDA		10,495	26,603	37,610	76,944	99,610
Depreciation and Amortization		(22,358)	(16,452)	(63,041)	(44,709)	(63,975)
EBIT		(11,863)	10,151	(25,430)	32,235	35,635
Gross margin %		34%	51%	36%	52%	50%



Interim consolidated statement of financial position

Interim consolidated statement of financial position (Unaudited)		At 30 Sep	At 31 Dec	At 30 Sep
Thousands NOK		2022	2021	2021
	Notes			
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



Interim consolidated statement of changes in equity

Interim consolidated statement of changes in equity (unaudited)		Issued capital	Share premium	Other equity	FX difference	Retained earnings	Total equity
Thousands NOK	Notes						
Balance at 1 Jan 2021		120	230,502	11,591	684	(26,589)	216,307
Issue of share capital		16	277,783				
Share-based payment to employees				261,891			
Share repurchase				4,990			
Resale of own shares							
Result for the period						(313,111)	
Foreign exchange differences					(1,830)		
Balance at 31 Dec 2021		135	508,285	278,472	(1,146)	(339,700)	446,047

Interim consolidated statement of changes in equity (unaudited)		Issued capital	Share premium	Other equity	FX difference	Retained earnings	Total equity
Thousands NOK	Notes						
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			20,000			
Share repurchase	6, 7		(40,157)	(329)			
Resale of own shares							
Result for the period						(19,424)	
Foreign exchange differences					(797)		
Balance at 30 September 2022		135	468,128	298,143	(1,943)	(359,124)	405,340



Interim consolidated statement of cashflow

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



Notes to the financial statements

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 collaboration 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 VII's 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 September 2022, authorized for issue by the board of directors on November 9, 2022.

2. Accounting policies

The interim consolidated financial statements for the nine-month period ending September 30, 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 December 31, 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	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Strategic partners %	78%	73%	82%	60%	55%	56%
Channel partners %	22%	27%	18%	40%	45%	44%
Total Revenue	117,884	106,612	114,064	100,938	87,932	63,981
Strategic partners	92,492	77,817	93,251	60,752	48,107	35,951
Channel partners	25,392	28,795	20,812	40,186	39,824	28,031
Total Revenue	117,884	106,612	114,064	100,938	87,932	63,981

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 Q3 2022, Operational expenses include TNOK 218 in expenses related to the option programs after IFRS 2, thereof TNOK 3,617 accrued versus Other equity (valuation of vested 2021 Incentive Plan during Q3 2022) and TNOK 3,835 accrued versus Other current liabilities (accrued social security tax on unexercised options measured at end September 2022 market price per share).

At end September 2022 remaining option expenses for outstanding options are TNOK 15,140 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 zero options under the 2021 options program and forfeited 229,442 options during Q3 2022. See table below for outstanding instruments as of end September 2022.

	2021 plan	2017 plan	Synthetic options
Options granted, outstanding 31.12.21	18,992,588	266,672	5,871,111
Options granted	7,429,000	-	-
Options exercised	-	-	-
Options forfeited	(492,777)	-	-
Options granted, outstanding 30.09.22	25,928,811	266,672	5,871,111
Percent of outstanding shares	12.0%	0.1%	2.7%



5. Cash and cash equivalents

Restricted cash at end September 2022 was TNOK 3,385, compared to TNOK 2,212 at end September 2021. This relates to advance payment of social security tax.

Total closing cash and cash equivalents at end September 2022 was TNOK 206,117 compared to TNOK 381,670 at end September 2021, a decrease of TNOK 175,553.

Cash and cash equivalents Thousands NOK	At 30 Sep 2022	At 31 Dec 2021	At 30 Sep 2021
Cash and cash equivalents	206,117	337,276	381,670
Ending cash and equivalents	206,117	337,276	381,670

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 1,690 shareholders at end September 2022. Below are the 20 largest shareholders.

Shareholder name	Number of shares	Ownership
CLEARSTREAM BANKING S.A.	20,356,881	9.4%
GJEH Pty Ltd ATF GJEH Family Trust	14,324,839	6.6%
MERTOUN CAPITAL AS	13,845,471	6.4%
STAFF HOLDING AS	8,665,000	4.0%
SOM HOLDING AS	7,970,928	3.7%
MP PENSJON PK	7,030,959	3.3%
ATF G+J Williams Super Fund	6,858,272	3.2%
KOLBERG MOTORS AS	6,628,000	3.1%
State Street Bank and Trust Comp	6,445,573	3.0%
PORTIA AS	6,400,000	3.0%
The Bank of New York Mellon SA/NV	5,900,941	2.7%
HUDDLY AS	5,300,016	2.4%
HØYLANDET BYGGUTLEIE AS	5,041,264	2.3%
SKIPS AS TUDOR	4,950,000	2.3%
The Northern Trust Comp	4,329,864	2.0%
BJØBERG EIENDOM AS	4,042,080	1.9%
MULTIPLIKATOR AS	3,915,000	1.8%
KORINVEST AS	3,216,832	1.5%
SALAMANDER HOLDING AS	2,627,300	1.2%
HPA HOLDING AS	2,600,000	1.2%
All others	75,878,828	35.1%
Total	216,328,048	100.0%



7. Equity

Shares repurchase

In 2022, the board of directors resolved a programme for repurchase of own shares as authorized from the Extraordinary General Meeting held on January 29, 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 2022, 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 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 January 2022	135,205	508,284,986	278,472,493
Share-based payment to employees	-		19,999,901
Share repurchase	-	(40,156,891)	(329,135)
Total change in period	-	(40,156,891)	19,670,766
Balance at 30 September 2022	135,205	468,128,095	298,143,259

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 recognized as a liability, up to the modification date, and immediately reclassify it to equity giving the NOK value of TNOK 19,999 at end September 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 nine-month period ending on 30 September 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 profit: 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 EBITDA: EBITDA adjusted for non-recurring costs as a measure of profitability from core operations before the impact of capital structure. Adjusted EBITDA is EBITDA less various one-time, irregular, and non-recurring items.

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.

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