



Empowering Human Collaboration

*Huddly Company Presentation
December 2024*



 **Huddly**

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Summary of risk factors

Risks related to the Group and the industry in which the Group operates

- The Group faces risks related to going concern
- The Group is exposed to changes in the general economic situation and downturn in customer markets
- The Group may not be able to successfully implement its strategies
- The markets in which the Group operates are highly competitive
- The Group depends on existing Strategic partners
- Failure in the Group's information technology systems may have an adverse impact on its operations
- The Group is exposed to risk related to cyber-threat
- The Group is exposed to risk related to intellectual property rights
- The Company may not be successful in attracting and retaining sufficiently skilled employees
- Risks related to third parties
- The Company faces the risk of litigation or other proceedings in relation to its business
- Risks related to acquisitions
- Risk relating to the use of open-source code
- Risks related to increased operational costs

Risks related to laws, regulations and litigation

- The Group is subject to laws and regulations in several jurisdictions, including governmental export and import controls
- Changes in tax laws of any jurisdiction in which the Group operates, and/or any failure to comply with applicable tax legislation may have a material adverse effect for the Group
- The Group is exposed to risk relating to data protection and data privacy regulations, licenses, etc.

Financing and market risks

- The Group is exposed to risk related to the availability of financial funding following the Equity Offering

- The Group is exposed to the risk that counterparties are unable to fulfil their obligations
- Existing NOK 55.5 million shareholder loan with pledge in IPR entail risk for the Group and shareholders and future debt arrangements could limit the Group's liquidity and flexibility
- The Group is exposed to risks relating to volatile, negative or uncertain economic or political conditions
- The Group is exposed to foreign currency exchange risk

Risks related to the Private Placement and the Shares

- An investment in the Shares involves risk of loss of capital
- The Company does not anticipate distributing dividends in the near future
- Future issuances of shares or other securities in the Company will dilute the holdings of shareholders and could materially affect the price of the Shares
- The Share price may not be equal for all selling investors
- Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to shareholders in the United States or other countries
- The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions
- There is a risk that investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway
- Norwegian law could limit shareholders' ability to bring an action against the Company
- The Company incurs costs on a running basis as a result of being a publicly traded company
- There is no guarantee that there will be adequate liquidity in the trading of the Shares
- The Company is subject to the regulations for shares listed at Euronext Growth Oslo which may deviate from the regulations for securities trading on Oslo Børs or Euronext Expand, and which may imply a risk of lower degree of transparency and minority protection
- Shareholders outside of Norway are subject to exchange rate risk
- The Company has payment obligations on the occurrence of a change of control event or an M&A transaction

Investment highlights: Positioned for comeback

1

Positioned for product leadership

- Accelerated market adoption of Huddly Crew: Two purchase orders received in Q4-24 worth ~15 MNOK and ~8 MNOK
- Close cooperation and alignment with Microsoft: Chosen Huddly Crew to enhance collaboration at its headquarter
- New product to be introduced in February 2025: Adding audio to the portfolio and set to be the main revenue driver from H2 2025

2

Positioned for revenue growth and profitability

- Global Strategic partner recently signed with revenue from Q4-24. Working with several new opportunities
- Clear strategy to increase Channel sales: Strong growth in current Q4-24 trading
- Operational leverage: Strong upside potential as proved by historical results
- Optimize cost to maximize ROI

3

Positioned for M&A

- Strategic review announced in November 2023 and ongoing
- Received strategic indications of interest
- Expected to conclude in Q1-2025, but no certainty as to whether or when any transaction, initiative, or event will materialize

Contemplating equity issue of NOK 130 million to bridge the company to cash flow positive. Ambition to break even towards end of 2025

Products powered by a unique combination of technology capabilities

Huddly technology platform

UX and design

AI and machine learning

Understanding human communication and context

Image quality and processing

Capturing every detail

Networked devices

Cameras working together:
Easy to install & lower lifecycle cost

Result and benefit

Engaging video meetings edited in real time to seamlessly capture all participants, verbal and non-verbal communication



Product portfolio: From single- to multi-camera solutions

Product awards

2017

2018

2019

2020

2021

2022

2023

2024

Huddly Crew

Medium to large meeting rooms

Brings TV and movie magic to your video meetings

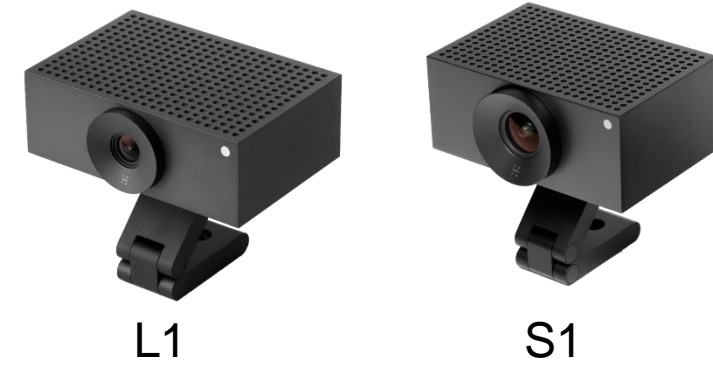


Continuous software upgrades

Huddly L1/S1

Small, medium and large meeting rooms

Next-generation AI functionality



Continuous software upgrades

Huddly Canvas

Extended video collaboration

Whiteboard camera with real-time AI content enhancement



Continuous software upgrades

Huddly GO/IQ

Small and huddle spaces

Wide-angle camera with AI functionality, the first in market



Continuous software upgrades

Huddly Crew: A new category of multi-camera systems

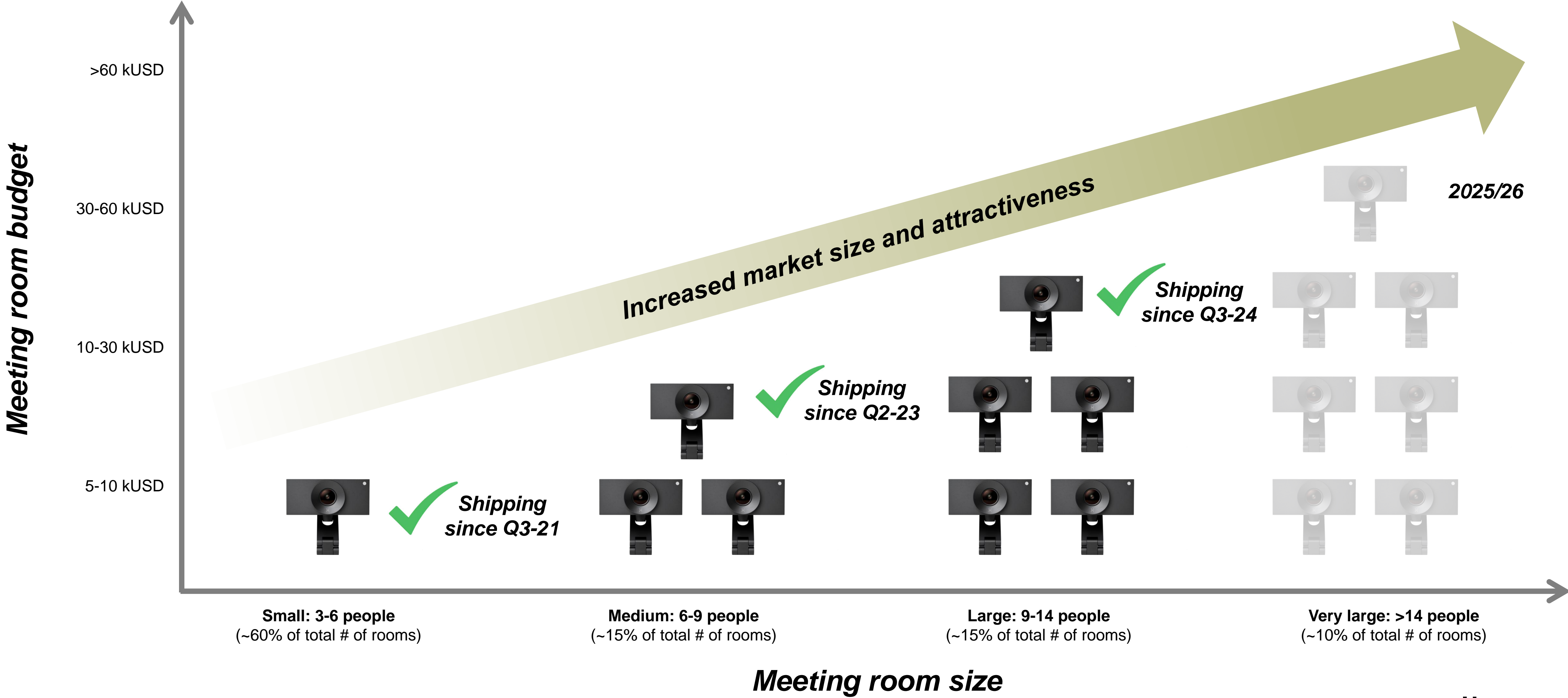
Imagine a live video crew producing your meetings...



The solution: Huddly Crew and AI technology



Huddly Crew is a flexible plug and play platform, enabling expansion into attractive market segments



Product roadmap: A complete video and audio solution

**Video:
Multi-camera solution**



2024

Huddly Crew

Huddly AI Director with user modes

**Video + Audio:
Complete solution for small-medium rooms**



2025

Huddly Crew+ Videobar (introducing Feb 25)

Huddly AI Director with user modes

Huddly Machine Learning Audio

**Video + Audio:
Complete solution for all rooms**



2026-27

Huddly Crew+ Satellite device (modularity)

Huddly AI Director with user modes

Huddly Machine Learning Audio

A complete solution enhances product-market fit

1

Customers prefer complete solutions

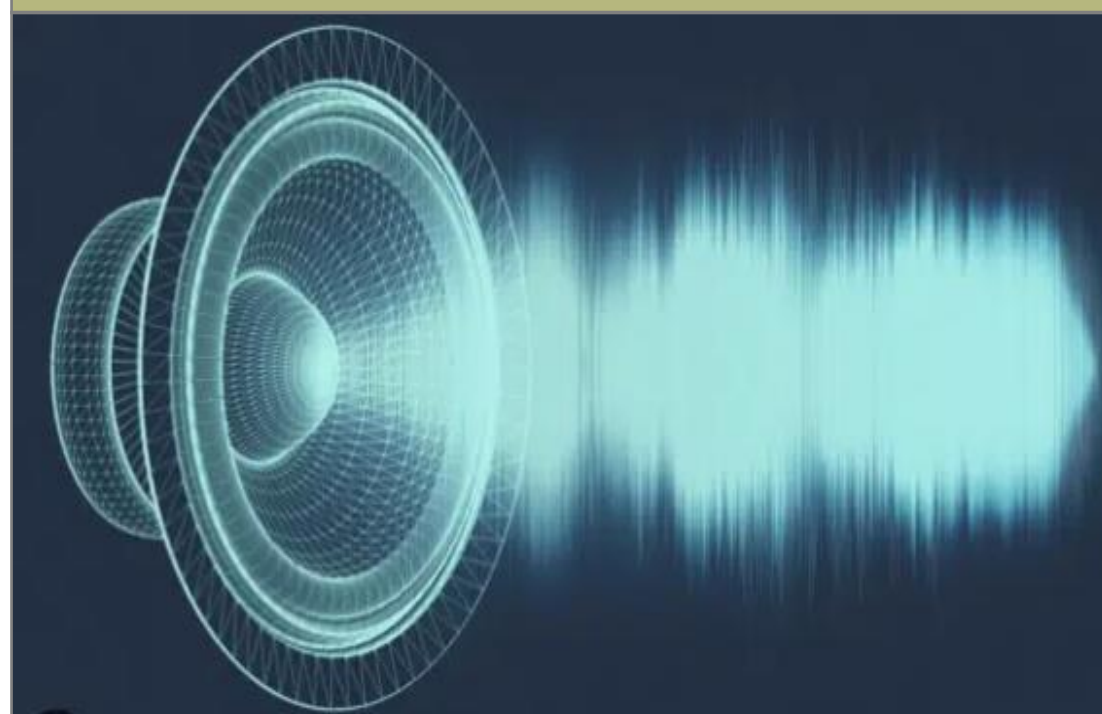


Customers increasingly value...

- ...easy to use solutions
- ...ease and low cost of installation
- ...integrated user experience
- ...seamless tech integration

2

Solve audio customer pain points



- Bad audio quality is a major source of meeting fatigue
- Intelligent audio features such as background noise suppression are highly demanded

3

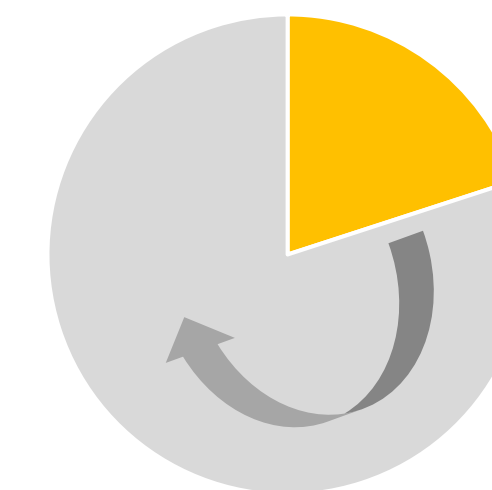
Simplified distribution



- No need for distributors to bundle together different video and audio vendors: Increased ease of sales and operations

4

Increased share of wallet



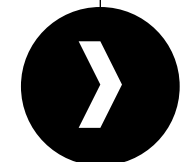
- Cameras represent ~10-20% share of the total room budget to enable video conferencing: Increased share with audio as part of the solution

Touching inflection point with appealing growth outlook

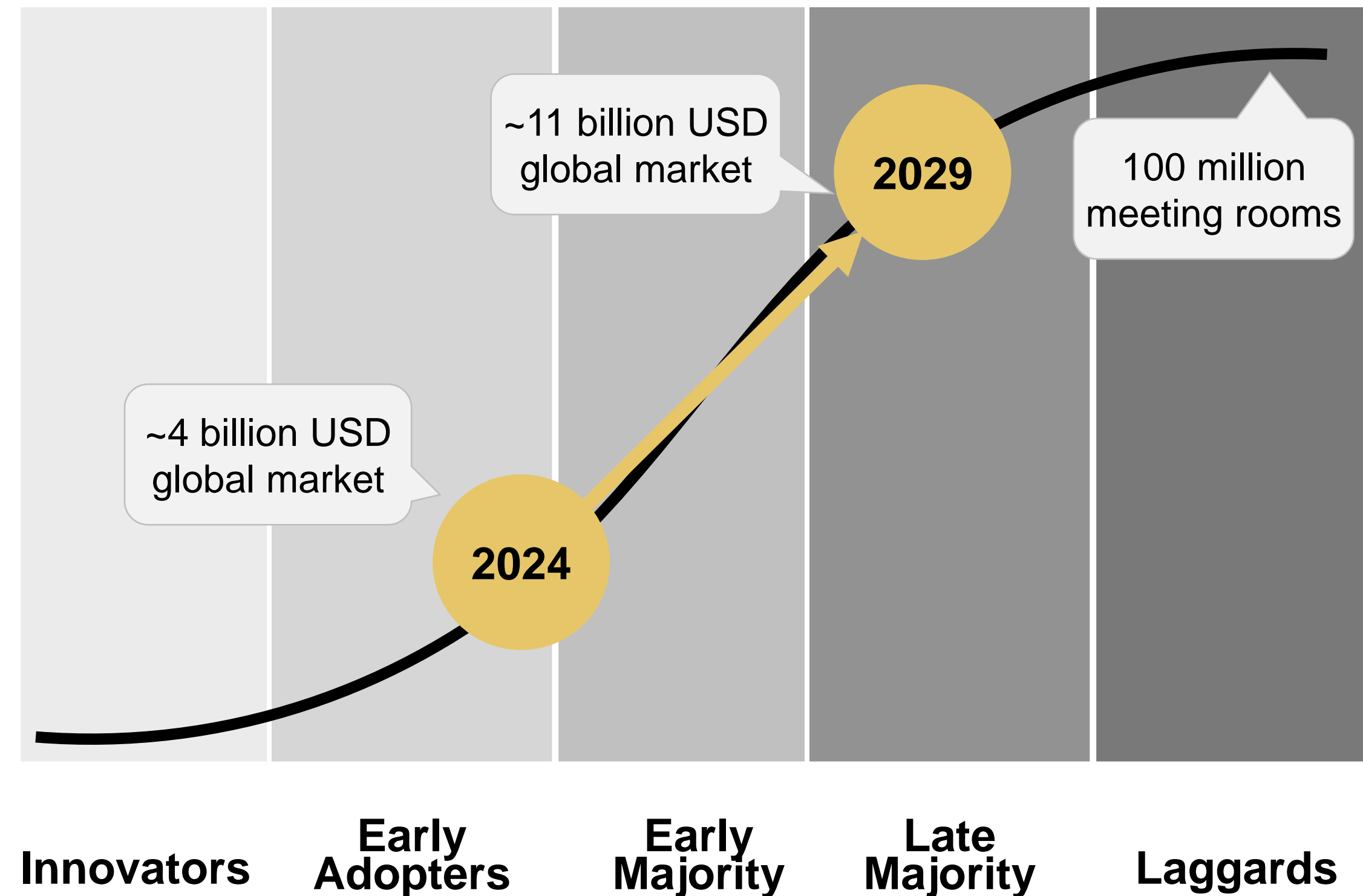


No more than 10-15% of meeting rooms are equipped with video conferencing

Frost & Sullivan



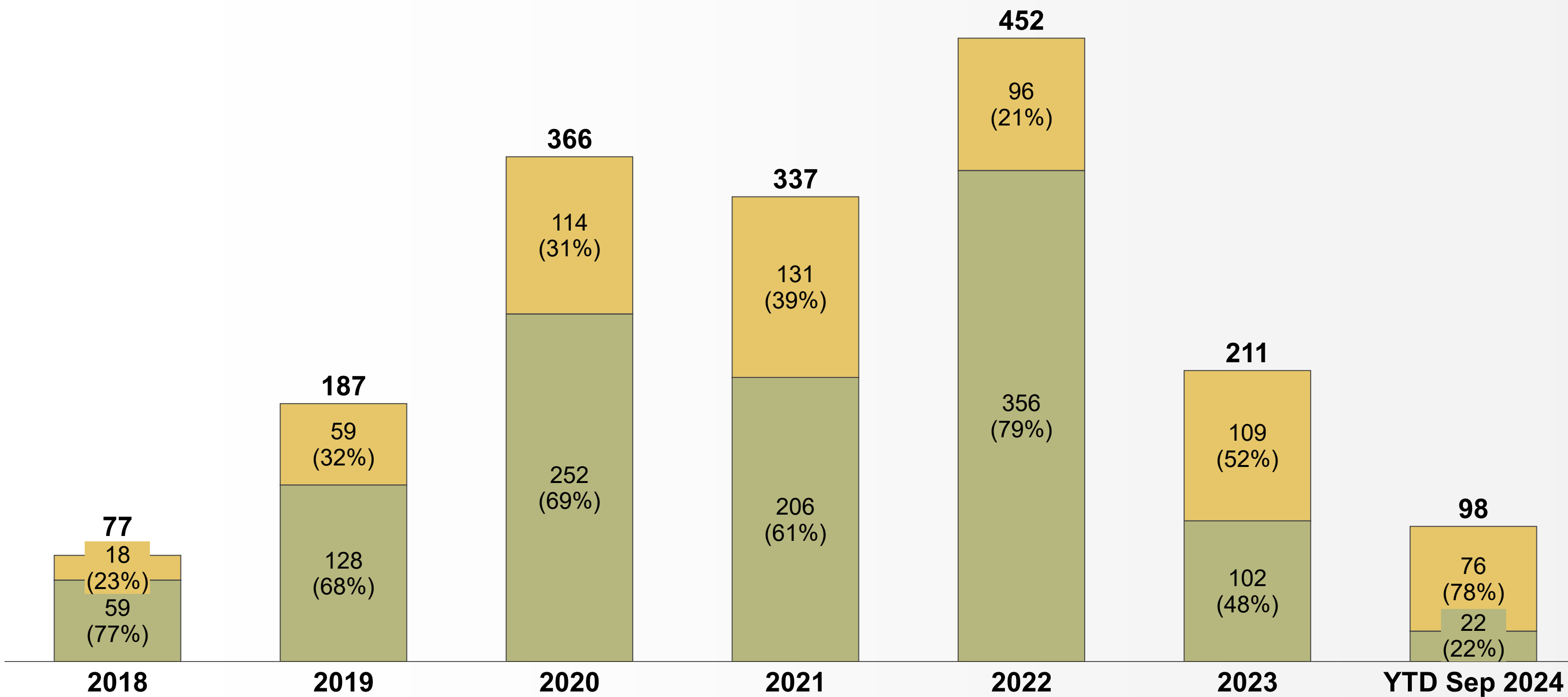
Adoption curve | Percentage adoption



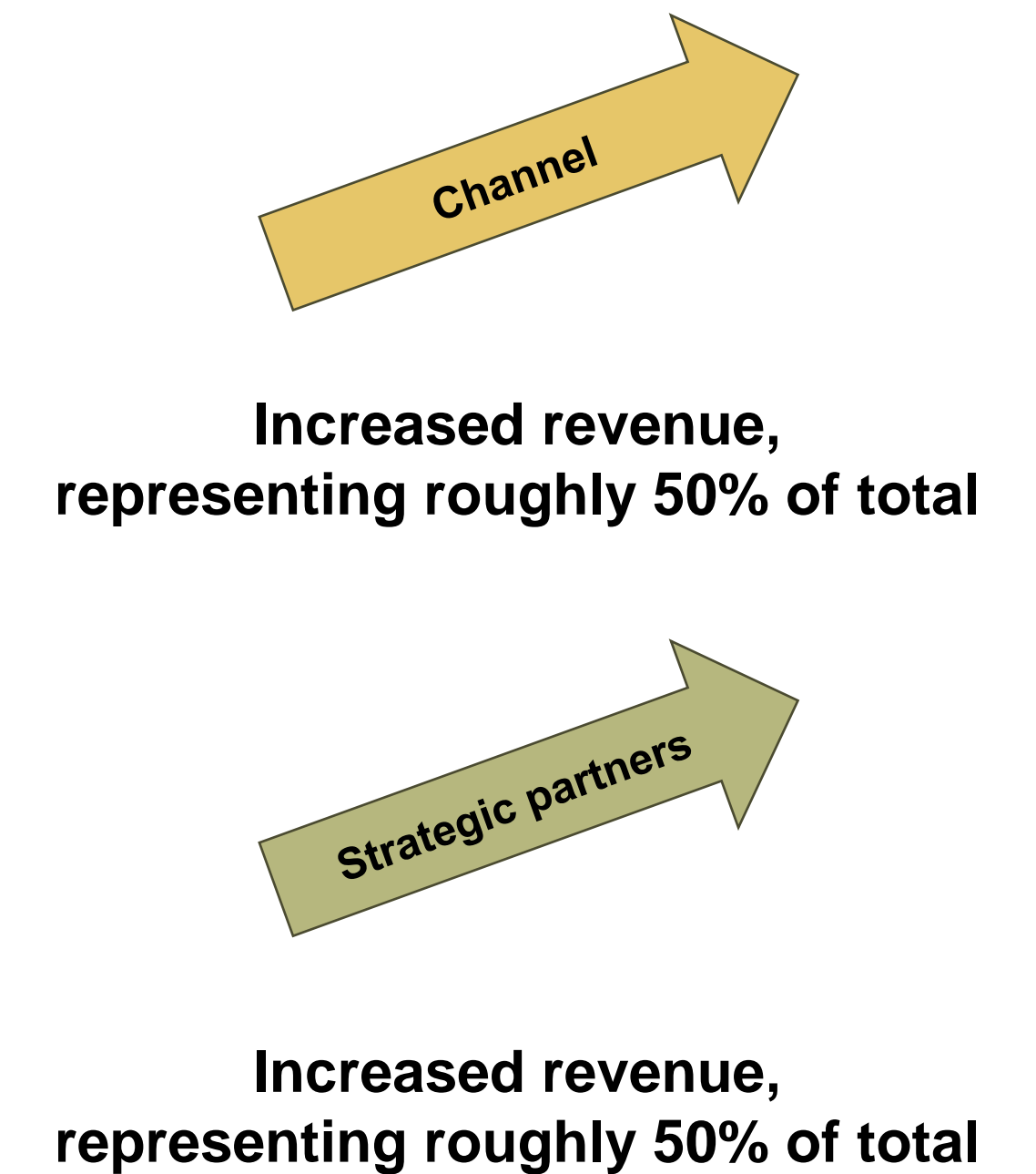
Diversified market approach by strengthening Channel and repeating past success with Strategic partners

Historical revenue (MNOK) shows potential with Strategic partners

■ Strategic partners
 ■ Channel



Top priority on how to return to positive cash flow

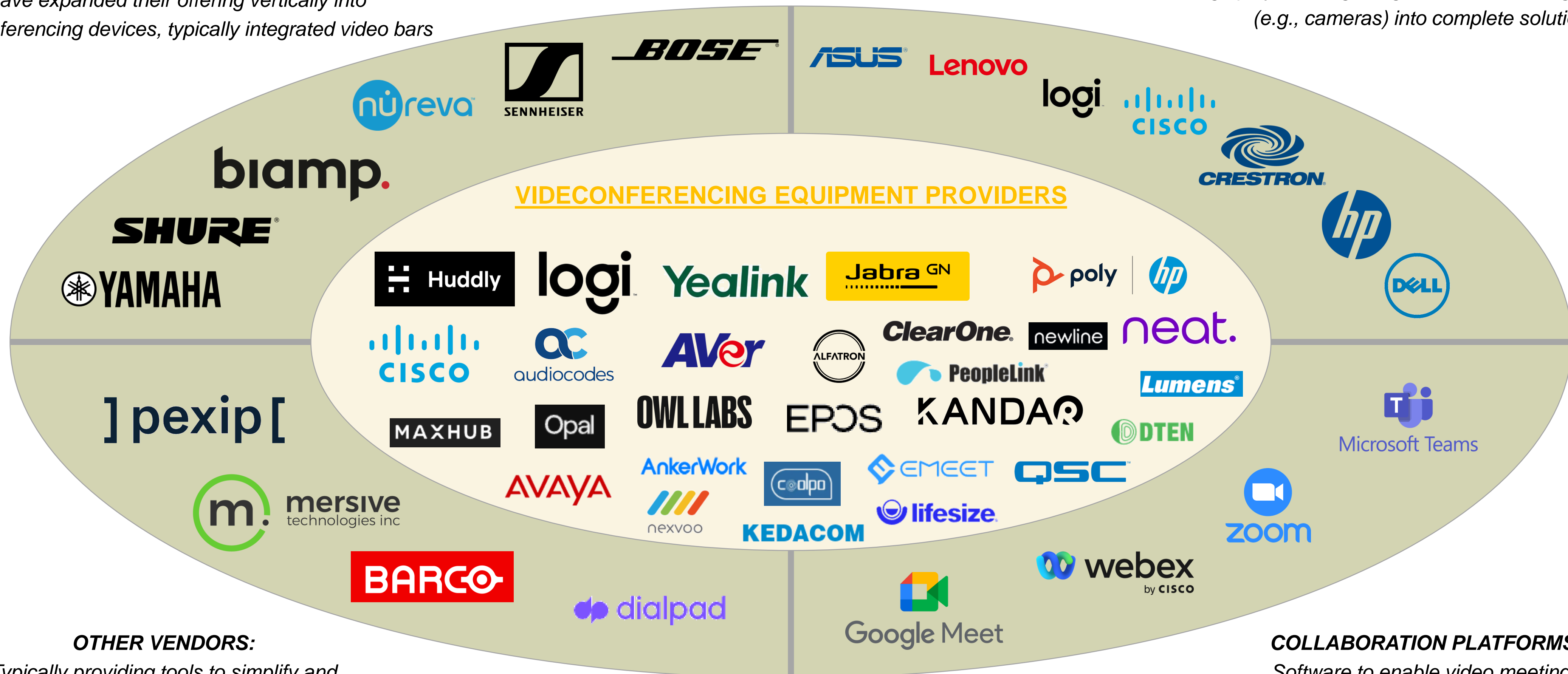


Large industrial ecosystem – many partner opportunities

AUDIO SPECIALISTS:
Have expanded their offering vertically into videoconferencing devices, typically integrated video bars

ECOSYSTEM PLAYERS: POSSIBLE PARTNERS

MAJOR INTEGRATORS:
Large players integrating videoconferencing equipment (e.g., cameras) into complete solutions



OTHER VENDORS:
Typically providing tools to simplify and enhance the video meeting experience

COLLABORATION PLATFORMS:
Software to enable video meetings

Leveraging existing and new products to establish new Strategic partnerships

Generating pull

Existing offering



Differentiated and AI enabled video

Broad portfolio requiring minimal investments to roll-out to new Strategic partners at scale

New offering



Integrated solutions

With the launch of Crew+, Huddly will become a provider of a complete AI video and audio system

Strategic partners

Existing



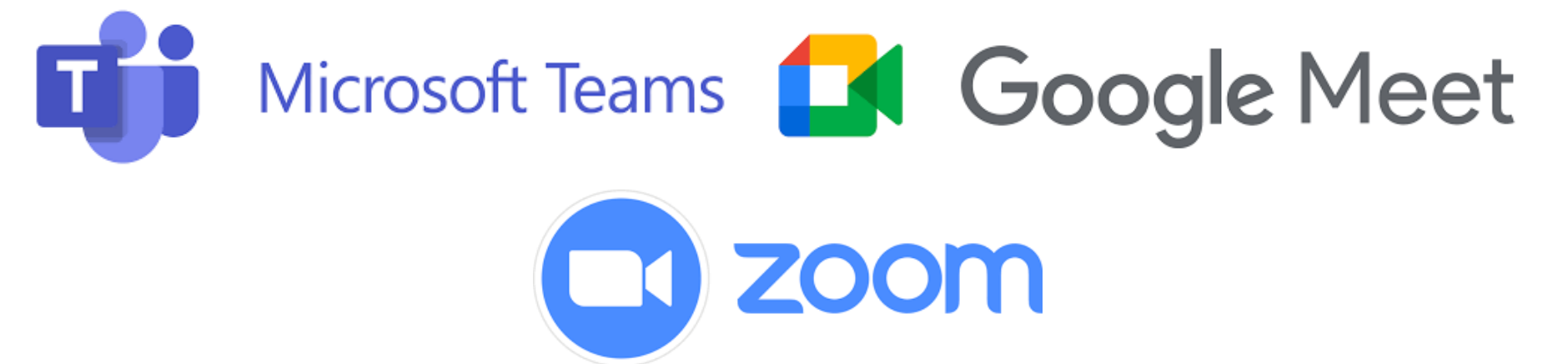
New and signed

Confidential
Distributor agreement signed in Oct 24 with a leading global industry player in the audiovisual sector. Revenue from Q4 2024

Pending

Confidential
Top management priority. Working on several opportunities

Collaboration platforms



Channel partners



Microsoft partners with Huddly to transform meeting experiences



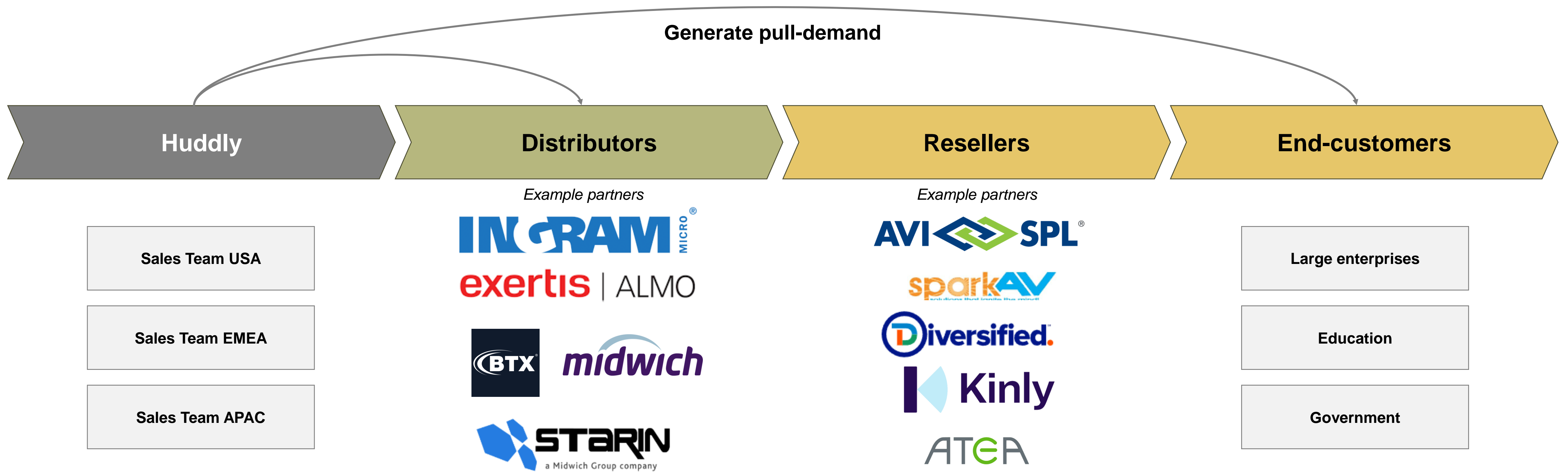
- **Microsoft has chosen Huddly Crew** to enhance collaboration in large meeting spaces at its Redmond Headquarter
- With **Edge AI** and **scalable technology**, it ensures inclusivity for all participants and supports Microsoft's vision for flexible, next-gen hybrid workspaces
- Microsoft Teams is the **leading collaboration platform**, and a prominent voice in how the future of hybrid collaboration is shaped. Teams-certification is often a purchasing criterion for corporate buyers
- With Teams-certification and purchase and roll-out at Microsoft's own headquarter, Huddly is **well aligned with Microsoft's vision**



*We wanted a better hybrid experience in our large conference rooms. With more cameras, we can **capture the best angle for everyone** in the space. But **scalability** is still an important concern - we have many rooms to deploy and manage, and the traditional set up process can be resource and time-intensive. When we explored the Huddly Crew solution, it **checked all of our boxes**. It provided a great video experience, was **simple to install**, and best of all, it **didn't need any complex configuration or programming**.*

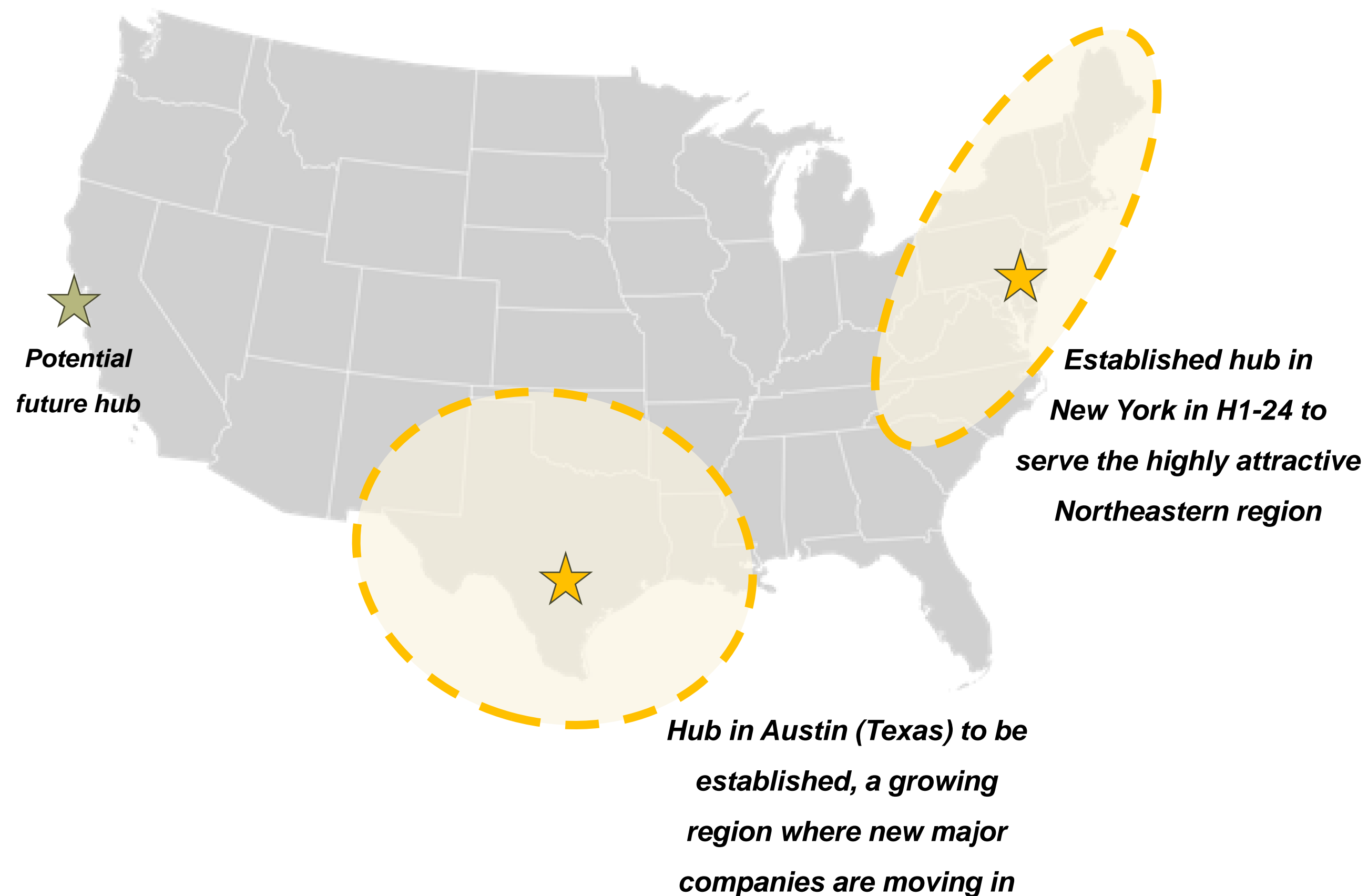
- Sam Albert, Principal Product Manager at Microsoft

Channel strategy: Driving sales growth through partnerships with distributors and resellers



- ✓ Close proximity and relations with key markets and geographies
- ✓ Proactively building a pipeline of customer opportunities
- ✓ Improved engagement to grow run-rate business
- ✓ Scalable and easy operations for Huddly: No warehousing, duties etc.
- ✓ Incentives and benefits with three levels of partners: Authorized, Premier and Platinum
- ✓ Both early and late adopters with a large base of meeting rooms
- ✓ Customers with willingness to pay

Channel strategy: Building out sales hubs in key markets

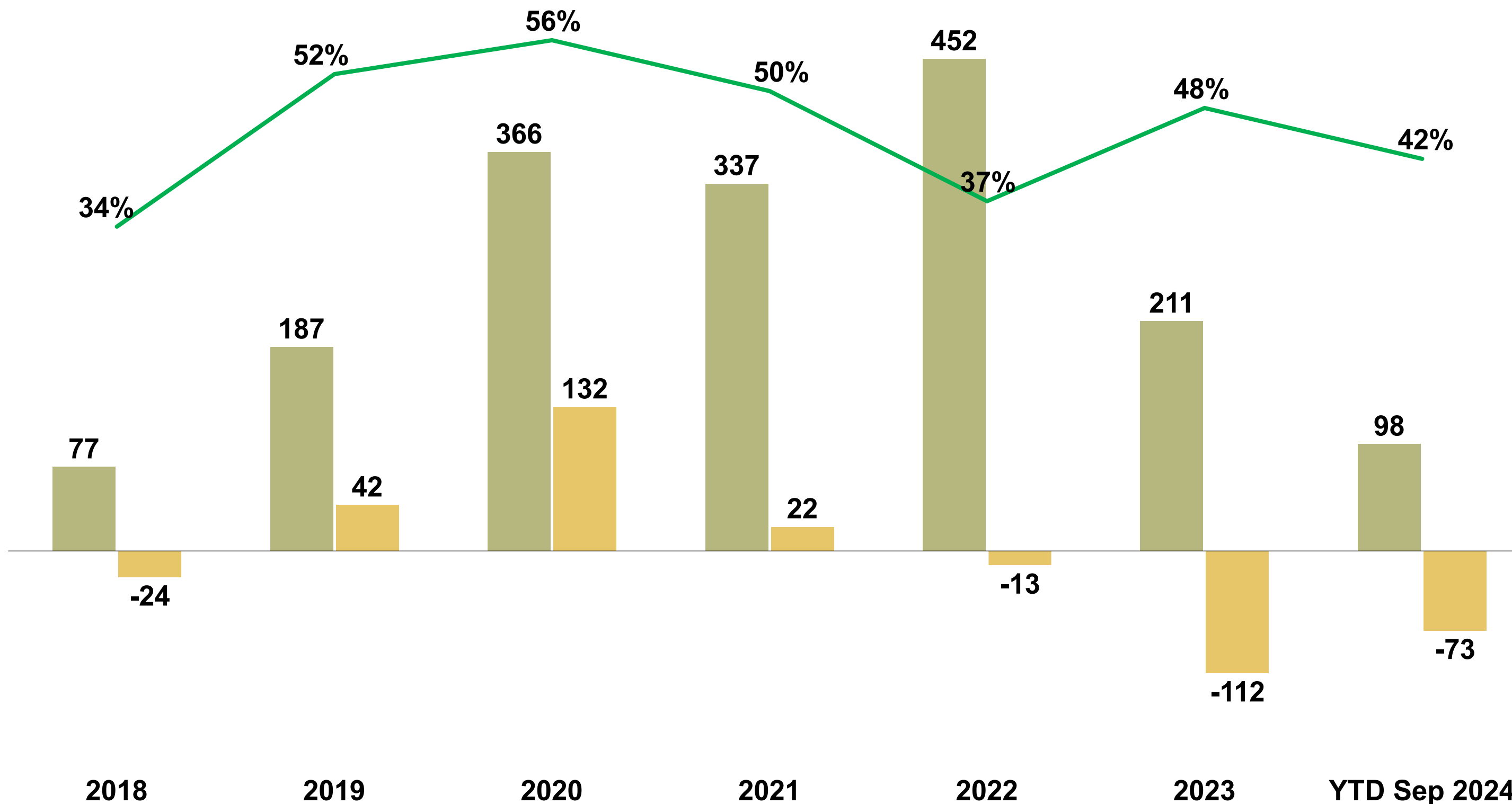


- A particular strong focus on the US market: Successful establishment of hub in New York, model to be scaled to Austin (Texas)
- North America represents ~40% of a USD 4 billion global market of meeting room devices (source: Frost & Sullivan)
- Numerous Fortune 1,000 companies and other highly attractive prospective customers
- Potential to scale sales with these customers through them rolling out Huddly cameras as standard in global meeting rooms

Revenue low point reached, we see promising signs of sales growth and path to historical profitability

Key historical performance (MNOK)

■ Revenue ■ Operating cash flow — Gross margin

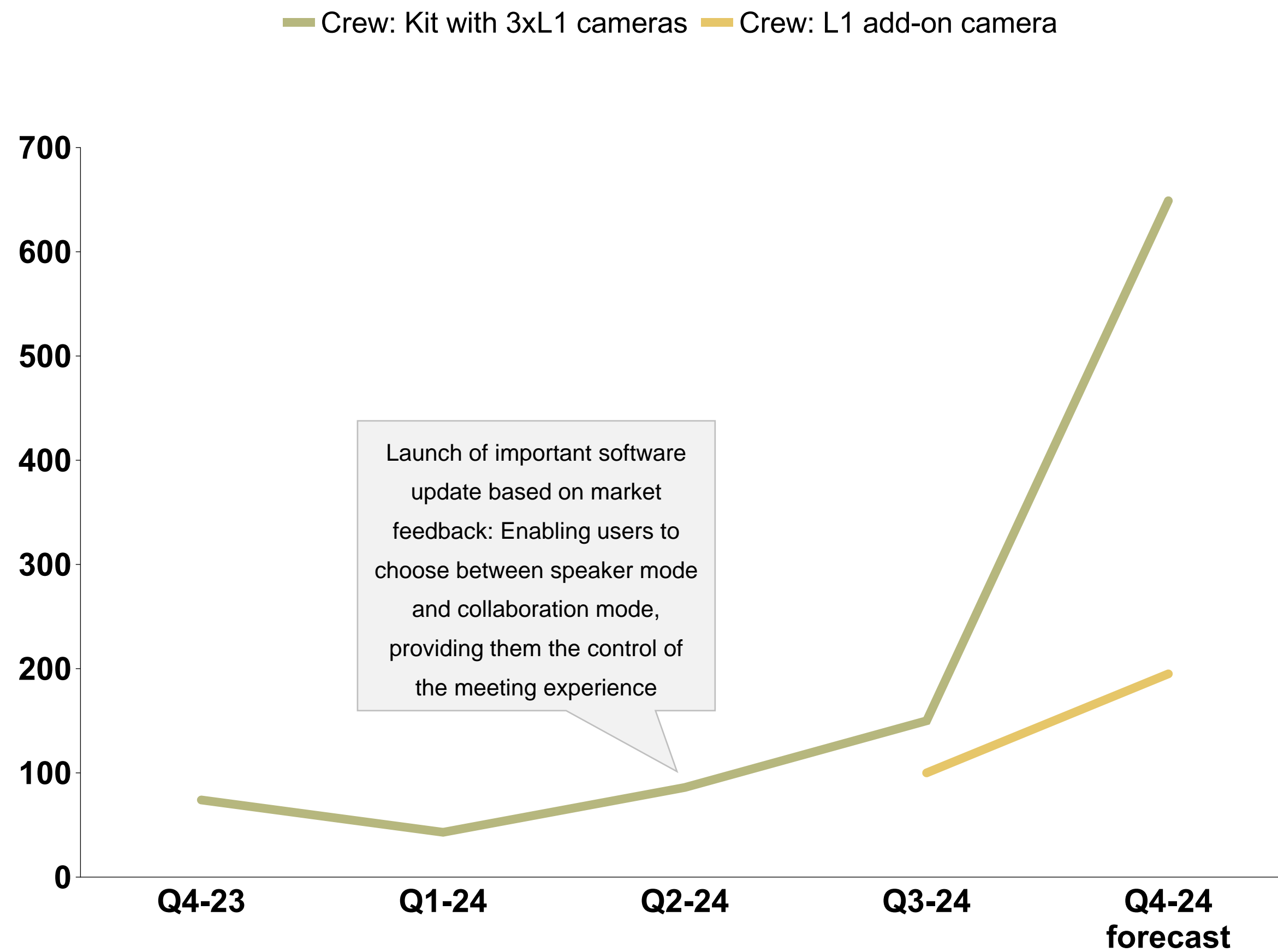


Comments

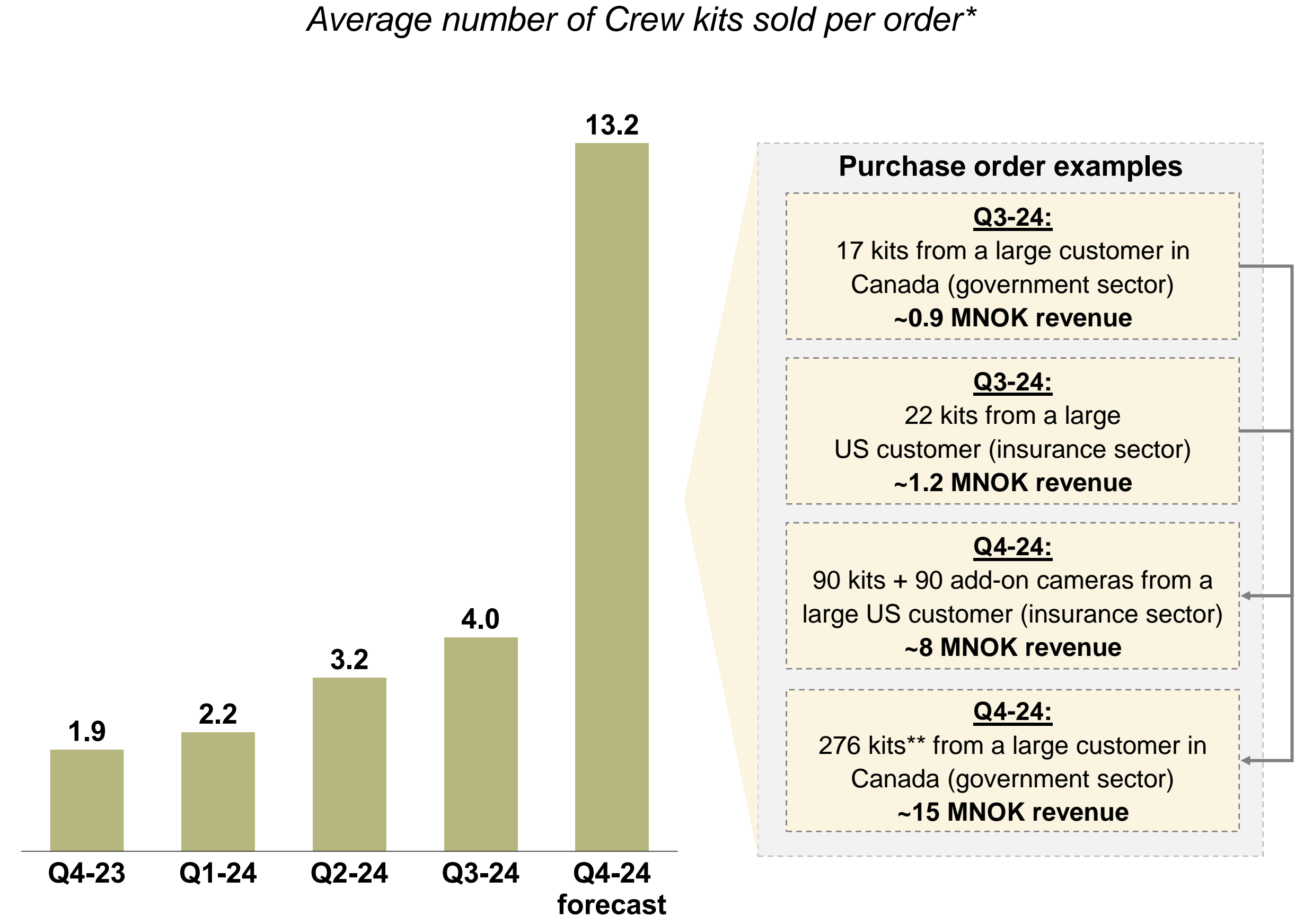
- Proven ability to generate positive cash flow
- Due to relatively high fixed cost base, the company generated significant negative cash flow in 2023 and 2024 in parallel with the revenue decline
- Currently at a trough. With expectations of revenue increase in the coming years, operating leverage provides a foundation for strong future cash flow
- In addition, increase of volumes is expected to drive gross margins to a long-term level of ~50%: Improved ability to generate positive cash flow

Significant acceleration in adoption of Crew throughout 2024

Kits sold per quarter

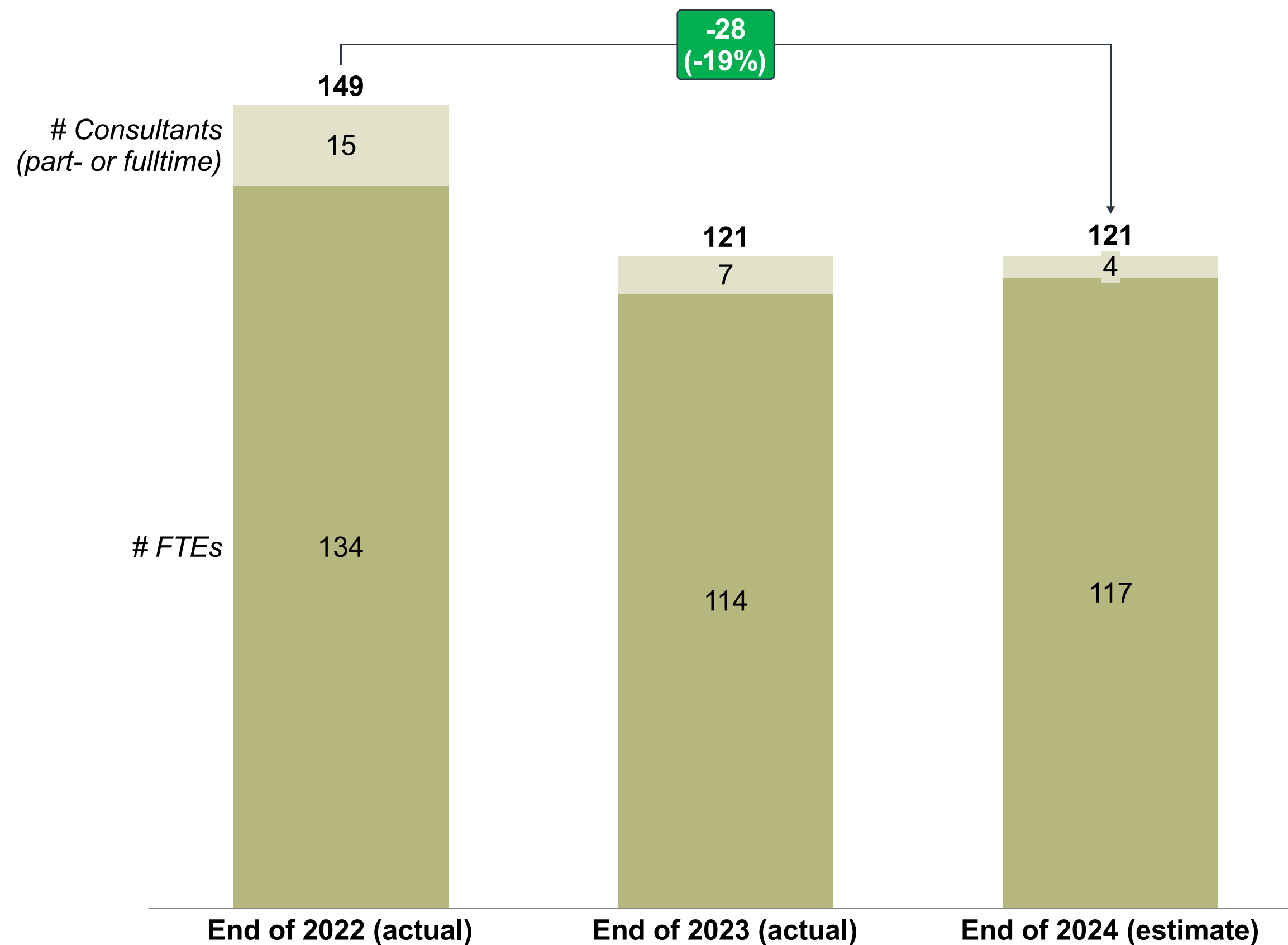


Market validation with increasing average order size



Continuing to optimize cost to maximize ROI

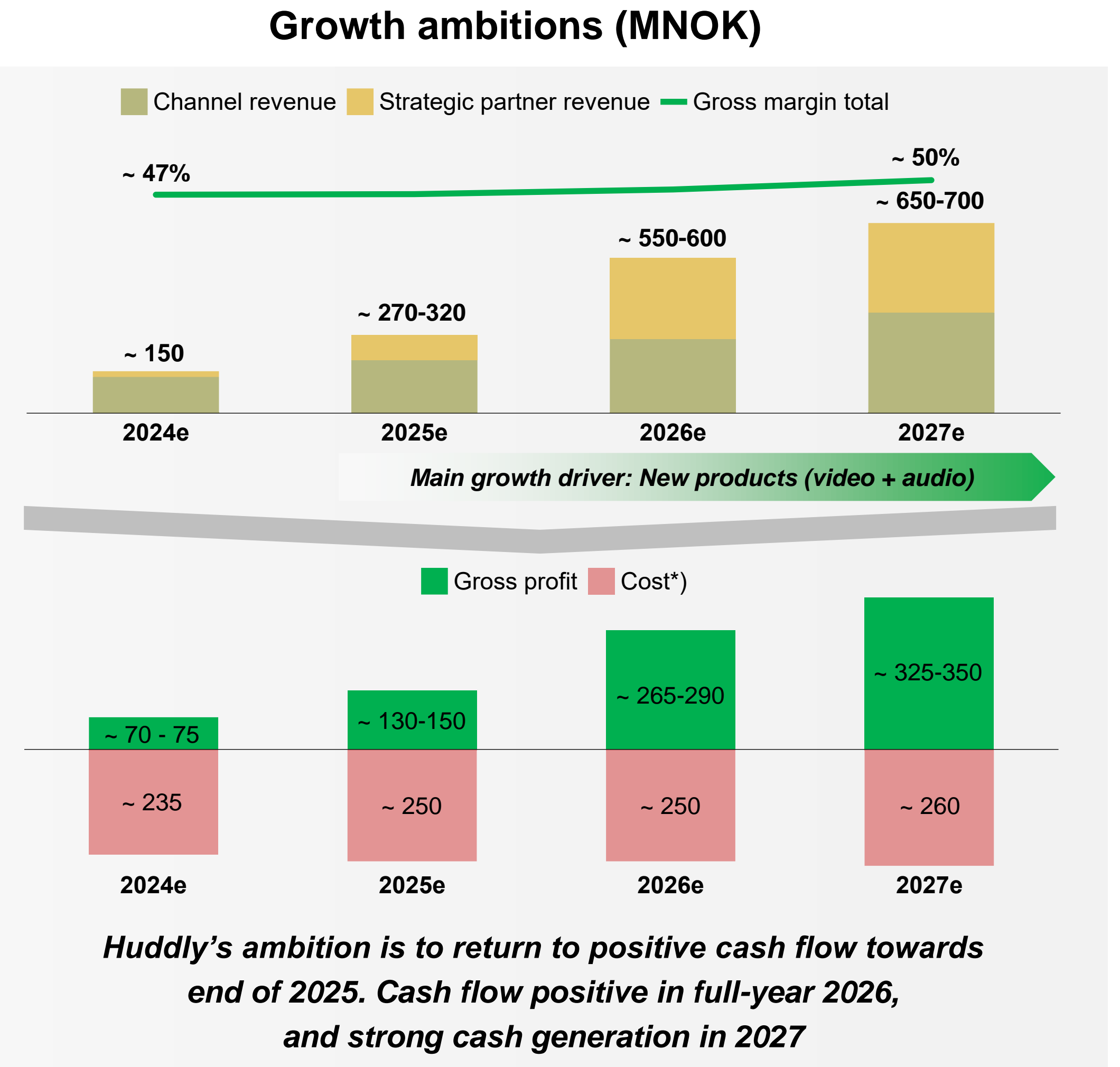
Organization has streamlined over the past years



Further cost reduction measures

- Disciplined cost control: Planning to reduce annualized total cost by approximately 12 MNOK from 2025
- Cost reduction is estimated to have limited impact on product development and launch timeline on new products due to reprioritization: Maximizing ROI on product development to support profitable growth
- Increased operational efficiency: Simplifying processes and reducing complexity
- Increased sales efficiency: Proactively leveraging data and insights to generate and close customer leads

Business plan and ambitions



Huddly has several attractive strategic characteristics

1

Technology capabilities and IP



Added competitive edge and differentiation on the back of Huddly's software/AI know-how, capabilities and IP portfolio

2

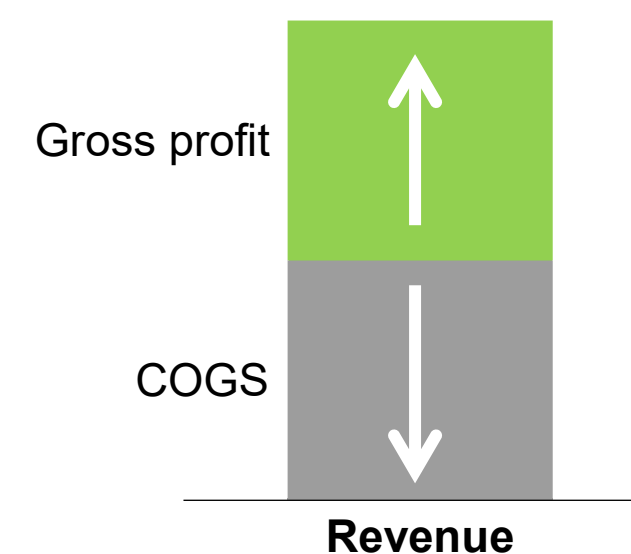
Product offering and bundling



Strengthening or creating a complete videoconference offering by adding Huddly's innovative portfolio of video solutions

3

Scale and gross margin expansion



*Attractive gross margins.
Room to further improve through economies of scale*

4

SaaS and software monetization



Potential to build a recurring revenue model based on Huddly's AI and software portfolio

Strategic buyer rationale: Unlock synergies and long-term value in an attractive, but competitive market

Sources and uses

- The size of the offering is based on the Board’s best understanding of the financial development and liquidity projections going forward and is deemed sufficient to bridge the capital requirement into 2025, and complete final tech development for expansion of offering into 2025, while allowing onboarding new Strategic partners and re-establishing existing strategic go-to-market partnerships
- The business plan implies cost and organizational streamlining necessary to reach cash flow break even, including:
 - Planning to reduce annualized total cost by 12 MNOK from 2025
 - Secure product roadmap for development of Crew+
 - Ensure sufficient financial flexibility and confidence from suppliers

Uses

Bridge deficit until cash flow positive approximately towards end of 2025: Continued investments in R&D for roll-out of new products, onboarding of new Strategic partners, expansion of Channel sales and interest on shareholder loan ¹⁾	NOK ~100m
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Working capital requirements to fund product launches and growth until cash flow positive approximately towards end of 2025	NOK ~30m
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Total uses	NOK 130m
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Sources

Private placement, exclusive subsequent repair offering	NOK 130m
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Total sources	NOK 130m
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Share capital and largest shareholders

Share capital

- Before the private placement, Huddly AS has 536,328,048 shares with a par value of NOK 0.000625, providing a total share capital of NOK 297,705

Dilutive instruments at end of Q3 2024

- The **“2024 Share Incentive Plan”** is active and available for management, key employees and Board members. 116 individuals currently hold options under this program
 - Outstanding options: 36,488,300
 - Weighted average strike price of outstanding options: 0.75 NOK
 - Weighted average years to expire: 4.6
 - Number of vested options: 3,500,000
 - Number of options with vesting before 2028: 36,488,300
- In addition, the **“2021 Share Incentive Plan”** currently has 41 individuals currently holding options. However, the program is not active and closed for new grants
 - Outstanding options: 10,160,073
 - Weighted average strike price of outstanding options: 4.12 NOK
 - Weighted average years to expire: 1.6
 - Number of vested options: 9,909,240
 - Number of options with vesting before 2028: 10,160,073
- There are 5,871,111 outstanding synthetic options with a strike price of NOK 0.95 that can be exercised in a change of control event. A change of control event is defined as a sale of more than 50% of the ordinary shares in Huddly AS to a single buyer or two or more buyers acting in concert, over a continuous period of 12 months

Top 25 shareholders as of 31st October 2024

Rank	Shareholders	Shares	Shares %
1	G&J WILLIAMS PROPERTY PTY LT	52,024,194	9.70
2	SONSTAD AS	39,288,000	7.33
3	MERTOUN CAPITAL AS	37,845,471	7.06
4	CLEARSTREAM BANKING S.A.	37,358,340	6.97
5	SOM HOLDING AS	23,970,928	4.47
6	KOLBERG MOTORS AS	20,628,000	3.85
7	MP PENSJON PK	17,380,959	3.24
8	VIOLA AS	16,000,000	2.98
9	The Northern Trust Comp	15,446,005	2.88
10	KAP AS	14,204,543	2.65
11	MULTIPLIKATOR AS	12,839,453	2.39
12	PORTIA AS	12,400,000	2.31
13	HØYLANDET BYGGUTLEIE AS	11,041,264	2.06
14	MELVER INVEST AS	10,832,054	2.02
15	TTC INVEST AS	10,000,000	1.86
16	SKIPS AS TUDOR	10,000,000	1.86
17	RIVERTOWN TRADING AS	8,300,000	1.55
18	KORINVEST AS	8,216,832	1.53
19	JAHATT AS	7,944,636	1.48
20	HPA HOLDING AS	7,400,000	1.38
21	ATF G+J Williams Super Fund	6,858,272	1.28
22	The Dromoland Capital Trust	6,360,000	1.19
23	GRESSIDA AS	6,000,000	1.12
24	RAUMA INVEST AS	5,762,832	1.07
25	KRANSTAD INVEST AS	5,500,000	1.03

Interim consolidated statement of profit or loss Q3-2024

Amounts in NOK 1,000 (unaudited)	Note	Q3 2024	Q3 2023	YTD Sep 2024	YTD Sep 2023	2023
Sales of goods	3	25,779	58,145	97,901	166,540	210,722
Total revenue from sales of goods		25,779	58,145	97,901	166,540	210,722
Cost of goods sold		(15,356)	(30,146)	(56,377)	(82,515)	(109,803)
Gross profit		10,423	27,999	41,524	84,025	100,919
Sublease revenue		1,488	-	4,464	-	992
Employee benefit expenses	4	(31,946)	(26,689)	(93,619)	(71,601)	(101,430)
Other operating expenses		(11,053)	(10,657)	(37,740)	(41,908)	(55,114)
Amortization and depreciation		(14,664)	(16,837)	(45,117)	(49,308)	(64,554)
Total operating expenses		(57,663)	(54,183)	(176,476)	(162,817)	(221,098)
Operating profit/(loss)		(45,752)	(26,184)	(130,487)	(78,793)	(119,187)
Interest income		-	60	22	60	3,482
Interest expense		(3,778)	(3,133)	(11,004)	(3,404)	(6,909)
Other financial expense		(433)	(2,232)	(2,358)	(5,396)	(6,726)
Net foreign exchange gains (losses)		758	(253)	(470)	9,955	6,289
Net financial items		(3,453)	(5,558)	(13,810)	1,215	(3,863)
Profit/(loss) before income tax		(49,205)	(31,742)	(144,297)	(77,578)	(123,051)
Income tax		(243)	-	(393)	-	(2,000)
Profit/(loss) for the year		(49,448)	(31,742)	(144,690)	(77,578)	(125,050)
Profit/(loss) for the year is attributable to:						
Owners of Huddly AS		(49,448)	(31,742)	(144,690)	(77,578)	(125,050)
Earnings per share in NOK						
Basic earnings per share		(0.09)	(0.15)	(0.28)	(0.37)	(0.55)
Diluted earnings per share		(0.09)	(0.15)	(0.28)	(0.37)	(0.55)

Interim consolidated statement of financial position Q3-2024

Amounts in NOK 1,000 (unaudited)	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS				
Non-current assets				
Goodwill	5	8,018	8,018	8,018
Intangible assets	5	205,734	183,223	190,679
Tangible assets		5,519	8,071	7,211
Right-of-use assets		56,188	68,017	65,060
Deferred tax asset		-	-	-
Other non-current receivables		24,168	13,809	23,397
Total non-current assets		299,626	281,138	294,364
Current assets				
Inventories		72,943	28,295	29,979
Consignation inventories		53,456	114,811	104,001
Trade receivables		16,335	57,153	51,706
Other current receivables		16,498	47,715	47,097
Cash and cash equivalents	6	48,802	65,615	164,231
Total current assets		208,034	313,590	397,014
TOTAL ASSETS		507,660	594,728	691,378

Amounts in NOK 1,000 (unaudited)	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
EQUITY AND LIABILITIES				
Equity (condensed)				
Shareholder's equity		290,306	315,724	392,709
Total equity	7,8	290,306	315,724	392,709
Non-current liabilities				
Long term debt		50,000	25,000	50,000
Lease liabilities (non-current)		53,988	56,457	62,382
Other non-current liabilities		2,581	4,830	4,043
Total non-current liabilities		106,569	86,287	116,424
Current liabilities				
Lease liabilities (current portion)		10,657	16,057	9,716
Trade payables		18,229	44,998	35,588
Current tax payables		2,377	-	1,926
Consignation liabilities		56,902	114,811	107,711
Other current liabilities		22,621	16,850	27,304
Total current liabilities		110,785	192,716	182,245
Total liabilities		217,354	279,003	298,669
TOTAL EQUITY AND LIABILITIES		507,660	594,728	691,378

Long term debt is per 5 December NOK 55.5 million consisting of shareholder loan due June 2026 with coupon NIBOR 3m + 8% pa.

Risk factors (1/8)

Investing in the Shares involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Presentation.

The risks and uncertainties described herein are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialize, individually or together with other circumstances, it could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are not the only risks the Group may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Group's business, financial condition, results of operations and cash flow.

The Risk Factors described in this section are sorted into a limited number of categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. The risks mentioned herein could materialize individually or cumulatively.

1.1 Risks related to the Group and the industry in which the Group operates

1.1.1 The Group faces risks related to going concern

Since the listing of the Company's shares on Euronext Growth in 2021 and also after the private placement conducted by the Company in November 2023, the Group has incurred significant operating losses and negative cash flows. The Group will need to increase its revenues significantly in order to achieve profitability and is dependent on implementing measures to reduce operating expenses without losing its market-leading position and technological advantage. The existing cash is insufficient to fund the Group's operating expenses going forward and there is currently doubt about the Group's ability to continue as a going concern. If the Group is unable to raise capital when needed, the Company may be forced to delay, reduce, or terminate certain development activities or undertake other cost-reduction steps, including termination of employees, which may result in the Company being unable to become profitable within the timeframe currently projected or at all, being unable to maintain its operations or even to go bankrupt.

1.1.2 The Group is exposed to changes in the general economic situation and downturn in customer markets

The Group is exposed to fluctuations in the global economy in general, including with regards to the spending of end consumers, which could result in difficulties for the Group in selling its products and services, which could in turn have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

1.1.3 The Group may not be able to successfully implement its strategies

Achieving the Group's objectives involves inherent costs and uncertainties. There is no assurance that the Group will be able to achieve its objectives within the expected timeframe or at all, that the costs related to any of the Group's objectives will be at expected levels or that the benefits of its objectives will be achieved within the expected timeframe or at all. The Group's strategies may also be affected by factors beyond its control, such as volatility in the world economy and in its markets, the capital expenditure and investment by customers and the availability of acquisition opportunities in a market. Any failures, material delays or unexpected costs related to the implementation of the Group's strategies could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

1.1.4 The markets in which the Group operates are highly competitive

The Group operates in a highly competitive and rapidly changing global marketplace, including in the United States. The Group's success depends on numerous factors, including its ability to successfully market and sell its products and services to businesses, its ability to develop and introduce new products and services to meet customer demand and its ability to identify and develop market opportunities. The market in which the Group operates may be exposed to rapid technological changes, and new players and competitors may enter the market and could introduce products and services that are similar to those offered by the Group. Should the Group be unable to compete successfully, the Group could lose market share and customers to competitors, which could adversely affect the Group's business, results of operations, financial condition, cash flows and/or prospects.

Risk factors (2/8)

1.1.5 The Group depends on existing Strategic partners

One of the Group's go-to-market models is a Strategic partner model, where the Strategic partner bundles the Group's products and services with its own products and services for onwards sales to its own customers. The Group currently has three such Strategic partnerships. One of these partners has historically generated approximately 60-70% of all sales in the Group. In 2023 & 2024, this declined dramatically due to a combination of a difficult market and high inventory levels of the Group's products with its partners. The Group is now continuing to further strengthen the Strategic partner GTM route with a new partner signed in 2024. Changes in forecasts or ability to attract additional partners can significantly impact the financial position & cash flow of the Group.

Any inability to build the new sales channel and retain the Group's current sales channels and Strategic partners may result in a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

With declining sales there is a risk of lowered credit line from the Contract Manufacturer (CM), and as well for termination for convenience (120 days) from the CM, for instance due to a combination of Huddly's declining market value, decreasing sales volumes and corresponding risk of increasing inventory. The Group currently has inventory in the balance sheet ("consignation inventories") valued at approximately NOK 50 million at its CM. A termination by the CM would trigger a payment of inventory of approximately the same amount (minus sales up until termination date) which must be assumed to have a material adverse effect on the Group's financial position.

1.1.6 Failure in the Group's information technology systems may have an adverse impact on its operations

The Group, as many other businesses, relies on IT systems and is exposed to the risk of failure or inadequacy in these systems, related processes and/or interfaces. The Group's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the business of the Group. Any failure, inadequacy, interruption or security failure of those systems, or the failure to seamlessly maintain, upgrade or introduce new systems, could harm the Group's ability to effectively operate its business and increase its expenses and harm its reputation. It is, hereunder, of high importance that the Group has sufficient maintenance measures in place and redundancy strategies to reduce the Group's vulnerability to internal and external technical errors, limits in capacity, breaches in routines, acts of vandalism, human errors, or other similar events. These risks may in turn have a material adverse effect on the Group's business, results of operations, financial condition, cash flows, and/or prospects.

1.1.7 The Group is exposed to risk related to cyber-threat

As a technology group that delivers AI-powered video conference hardware and software, the Group and its customers may be subject to cyber-attacks from cybercriminals. Rapid changes in attack vectors make it difficult to stop attacks and adapt to new threats. The Group must comply with severe security obligations, including maintaining network and system security, providing security patching, antivirus and malware detection and prevention services and intrusion detection and prevention as well as ensuring the credentials of those employees who work with the Group's customers. IT security breaches could lead to shutdowns or disruptions of the Group's systems and potential unauthorized disclosure of confidential information or data, including personal data. The Group may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. The theft or unauthorized use or publication of confidential information or other proprietary business information, or any compromise of security that results in an unauthorized release, transfer or use of personally identifiable information or other customer data, could adversely affect the Group's competitive position and reputation, and reduce the market's acceptance of the Group's services and solutions. If the Group is unable to protect its digital structure from cyber-threats, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

1.1.8 The Group is exposed to risk related to intellectual property rights

As a technology group that delivers AI-powered video conference hardware and software, the Group depends highly on its copyright, trademark, patent, industrial design, trade secret and other related laws and confidentiality procedures and contractual provisions to protect, maintain and enforce its proprietary technology and intellectual property rights. In particular, the Group's international operations provide for a significant exposure of the Group to differences in foreign patent, trademark, copyright and other laws concerning proprietary rights and degree of protection. Moreover, there can be no assurance that the Group will successfully prevent or restrict infringing activities by third parties. Cost incurred in bringing or defending infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Group may result in royalties or damages payable and/or the Group being required to cease the use of infringing intellectual property or embodiments of such intellectual property. There is also a risk that the Group has entered into and/or will enter into unfavorable agreements where intellectual property rights, for example deliverables (e.g. software) provided by the Group, may be transferred to the contracting party or its customers or that such parties may use the Group's intellectual property rights independently of the Group. Should the Group be unable to process, obtain, maintain, or enforce adequate protection on its intellectual property rights, or unable to develop or obtain alternative non-infringing intellectual property, this could adversely affect the Group's operations, competitiveness, financial performance, reputation and/or future prospects.

Risk factors (3/8)

1.1.9 The Company may not be successful in attracting and retaining sufficiently skilled employees, inter alia due to possible lay-offs caused by its financial condition

The Group's operations depend highly on its ability to retain or replace its founders, management, certain highly qualified information technology professionals and its presidents of sales. The Group believes that there is shortage of, and intense competition for, relevant management personnel and highly qualified information technology professionals with experience and relevant skill sets within the videoconferencing and collaboration industry. This shortage of, and competition for, personnel has increased in recent years due to the acquisitions of Norwegian businesses within the sector by large international businesses, as well as Norwegian businesses flagging out. Retaining the founders and management is vital due to their extensive experience and skill sets within the videoconferencing and collaboration industry, which is required to support and develop the Group's projects. It is also vital for the Group's operations to retain or replace certain information technology professionals with expertise within information security and privacy. The Group also believes that there is shortage of, and intense competition for, sales and marketing professionals with ability and expertise to sell products and services to large worldwide businesses and organizations with lengthy procurement cycles and severe evaluation and negotiation processes. If the Group is unable to retain or replace its founders, management, certain highly qualified information technology professionals and/or presidents of sales, it will be difficult for the Group to achieve desired profitable growth, to keep pace with continuing changes in information technology, evolving industry standards and changing customer preferences and/or to maintain and renew existing customer relationships this including business critical Collaboration Platform (Teams, Meet, Zoom) relationships, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

1.1.10 Risks related to third parties

The Group is dependent on partners, suppliers, and other third parties to supply certain products and services in order to successfully conduct its operations. If the supply of such products and services is delayed, not given priority or does not meet the required quality, this could have a material adverse effect on the Group's results, financial condition, cash flows and prospects.

Further, there can be no assurance that the Group will be able to enter into or maintain satisfactory agreements or relationships with third-party providers in the future, or be able to maintain its arrangements with its current or new suppliers and distributors on same or other commercially reasonable terms in the future, or at all, which in each case could have a material adverse effect on the Group's results, financial condition, cash flows and prospects.

The Group is to a certain extent dependent upon background law and product liability regulations for determining its rights and obligations in relation to suppliers and customers. If liability was to be imposed, this could have a material adverse effect on the Group's results, financial condition, cash flows and prospects if such claims are not covered by the Group's insurances.

1.1.11 The Company faces the risk of litigation or other proceedings in relation to its business

The Group may be involved from time to time in litigation, disputes and claims in various jurisdictions. The operating hazards inherent in the Group's business may expose the Group to, amongst other things, litigation and disputes, including product liability litigation, employment related litigation and disputes (e.g. in relation to claims for overtime payment), personal injury litigation, intellectual property litigation, contractual litigation, environmental litigation, tax or securities litigation, as well as other litigation that arises in the ordinary course of business. In particular, the Company may become exposed to claims for costs, losses and damages incurred by a purchaser, distributor and their respective end customers under vendor agreements and distribution agreements. No assurance can be given that the Group will not be exposed to claims, litigation and compliance risks, which could expose the Group to material losses and liabilities. Such claims, disputes and proceedings are subject to uncertainty, and their outcomes are often difficult to predict. Adverse regulatory action or judgment in litigation could result in sanctions of various types for the Group, including, but not limited to, the payment of fines, damages or other amounts, the invalidation of contracts, restrictions or limitations on the Group's operations, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. The Group will be exposed to such claims, litigation and compliance risks in several different jurisdictions, including in the United States where product liability claims may have significant adverse consequences with respect to both cost of defense and any imposed liability.

1.1.12 Risks related to acquisitions

The Company may consider making strategic acquisitions to support its strategy and business plans. Successful growth through acquisitions is dependent upon i.e. the Company's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favorable terms, obtain required licenses and authorizations and successfully integrate acquired entities. The integration of acquired businesses may require management effort, time and resources, which could divert management's focus from other strategic opportunities and operational matters. There can be no assurance that the Company will be able to successfully integrate any businesses acquired, or otherwise realize anticipated benefits of any acquisition made.

Risk factors (4/8)

1.1.13 Risk relating to the use of open-source code

The Group uses open-source code in parts of the software distributed with its products. When using open-source code, it is on condition of full compliance with the terms of the relevant open-source licenses. Given the scope and complexity of the open-source terms, the Group is not currently in full compliance but is in the progress of working towards full compliance. Further, there can be no assurance that the Group will be able to comply with open-source license terms at all times, nor that the Group's procedures and routines for ensuring compliance with such terms are adequate. Non-compliance with open-source license terms could, inter alia, lead to cease and desist claims and claims for damages, which in turn could have a material adverse effect on the Group.

1.1.14 Risks related to increased operational costs

The prevailing general economic conditions, interest rates, currency exchange rates, political uncertainty, inflation and taxation rates, may result in increased operational costs for the Group, included but not limited to increased costs in term of labor and employee benefit costs, utilities and components.

1.2 Risks related to laws, regulations and litigation

1.2.1 The Group is subject to laws and regulations in several jurisdictions, including governmental export and import controls

The Group is subject to laws and regulations in multiple jurisdictions as it serves customers in countries all over the world. The Group's products and services are subject to governmental export and import controls that could impair the Group's ability to compete in international and/or national markets due to specific licensing requirements. Export control laws include restrictions or prohibitions on the sale or supply of certain products and services to embargoed or sanctioned countries, governments, persons and entities, and require authorization for the export of certain encryption items. Any failure to comply with applicable national and/or international laws and regulations could lead to costly litigations, penalties and other sanctions, and thus adversely affect the overall performance of the Group.

1.2.2 Changes in tax laws of any jurisdiction in which the Group operates or potential new duties imposed in an increasingly protectionist global market, and/or any failure to comply with applicable tax legislation may have a material adverse effect for the Group

The Group is and will be subject to prevailing tax legislation, treaties, and regulations in the jurisdictions in which it operates, and the interpretation and enforcement thereof. The Group's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If applicable laws, treaties or regulations change for instance through new duties imposed in an increasingly protectionist global market, or if the Group's interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Group's business, results of operations or financial condition. If any tax authority successfully challenges the Group's operational structure, pricing policies or if taxing authorities do not agree with the Group's assessment of the effects of applicable laws, treaties and regulations, or the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, the Group's effective tax rate on its earnings could increase substantially and the Group's business, earnings and cash flows from operations and financial condition could be materially and adversely affected.

1.2.3 The Group is exposed to risk relating to data protection and data privacy regulations, licenses, etc.

The Group receives, stores and processes personal information and other user data through its business and operations in multiple jurisdictions. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which all impose stringent data protection requirements and provide high possible penalties for non-compliance, in particular relating to storing, sharing, use, processing, disclosure and protection of personal information and other user data. The main regulations are the GDPR, the Norwegian Data Protection Act of 15 June 2018 No. 38 and United States privacy acts such as the California Consumer Privacy Act of 2018 and Shield Frameworks with regard to transfer of certain personal data from the European Union (the "EU") and Switzerland to the United States and the UK Data Protection Act of May 2018. As a result, the Group's reputation may be harmed, substantial costs may incur and consumers, customers and/or revenues may be lost. Further, given the scope and complexity of the GDPR regulation, the measures imposed by the GDPR are not fully implemented by the Group. The Group is however working towards achieving full compliance with the GDPR.

Risk factors (5/8)

Any failure to comply with data protection and data privacy policies, privacy-related obligations to customers or third parties, privacy-related legal obligations, or any compromise of security that results in an unauthorized release, transfer or use of personally identifiable information or other customer data, may result in governmental enforcement actions, litigation or public statements against the Group. Any such failure could cause customers and vendors to lose their trust in the Group. If third parties violate applicable laws or its policies, such violations may also put users of the Group's products at risk and could in turn have an adverse effect on the Group's business. Any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security or disclosure of users' content, or regarding the manner in which the express or implied consent of users for the collection, use, retention or disclosure of such content is obtained, could increase the Group's costs and require the Group to modify its services and features, possibly in a material manner, which the Group may be unable to complete and may limit its ability to store and process user data or develop new services and features. Recent legal developments regarding transfer of personal data to countries such as the United States will likely require action to ensure that the Group is compliant with applicable regulations. This may have cost implications and other consequences not currently known. This is, however, not a unique situation for the Group, but applicable to many companies.

1.3 Financing and market risks

1.3.1 The Group is exposed to risk related to the availability of financial funding

As further described herein, the Group has over the last quarters reported a negative free cashflow, and with current outlook this is expected to continue up until at least Q4 2025. The background for the contemplated equity raise is to bridge the financing need until the Group obtains positive cashflow from operations. There can however be no assurances that the Group will become cash positive in Q4 2025 or Q1 2026, or at all, and the Group is dependent on generating sufficient cash flow from its operations going forward. To the extent the Group does not generate sufficient cash from operations, the Group may need to raise additional funds through public or private debt or equity financing to execute the Group's strategy and to fund capital expenditures. Adequate sources of capital funding might not be available on favorable terms. If funding is insufficient at any time in the future, the Group may be unable to, inter alia, fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's financial condition and results of operations.

1.3.2 The Group is exposed to the risk that counterparties are unable to fulfil their obligations

The ability of each counterparty to perform its obligations under a contract with the Group will depend on a number of factors that are beyond the Group's control including, for example, factors such as general economic conditions, the condition of the industry to which the counterparty is exposed, and the overall financial condition of the counterparty. Should a counterparty fail to honor its obligations under its agreements with the Group, this could impair the Group's liquidity and cause significant losses, which in turn could have a material adverse effect on the Group's business, result of operations, cash flows, financial condition and/or prospects.

1.3.3 Existing NOK 55.5 million shareholder loan with pledge in IPR entails risk for the Group and shareholders and future debt arrangements could limit the Group's liquidity and flexibility

In June 2023, the Company obtained a loan from certain shareholders and parties closely associated with shareholders in the amount of NOK 50 million which will be due after three years. As security for the loan, the Company has pledged certain of its intellectual property rights including patents, trademarks and designs. Any default by the Company with respect to repayment of the loan in part or full on the maturity date and any exercise by the lenders of the pledge due to such default could have a material adverse effect on the Group's business and assets, result of operations, cash flows, financial condition and/or prospects.

Any future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing and/or in pursuing other business opportunities. Further, the Group's future ability to obtain bank financing or to access the capital markets for any future debt or equity offerings may be limited by the Group's financial condition at the time of such financing or offering, as well as by adverse market conditions related to, for example, general economic conditions and contingencies and uncertainties that are beyond the Group's control. Failure by the Group to obtain funds for future capital expenditures could impact the Group's results, financial condition, cash flows and prospects.

1.3.4 The Group is exposed to risks relating to volatile, negative or uncertain economic or political conditions

Global macroeconomic conditions affect the Group's customers' businesses, which may have a consequential effect on their IT spending and demand for the Group's solutions and services. Volatile, negative or uncertain economic conditions in the Group's customers' markets, have undermined, and could in the future undermine, business confidence and cause the Group's customers to reduce or defer their spending on new initiatives and technologies, or may result in customers reducing, delaying or eliminating spending under existing contracts with the Group or putting pressure on the Group's pricing. In addition, international, national or local political volatility, have negatively impacted, and could in the future negatively impact, the Group and its employees. Volatile, negative or uncertain economic or political conditions may adversely impact the Group's customers or the Group's employees and could therefore negatively affect the Group's business, results of operations, financial condition, cash flow and/or prospects.

Risk factors (6/8)

1.3.5 The Group is exposed to foreign currency exchange risk

Because a significant part of the Group's business is conducted in currencies other than its functional reporting currency (NOK) and the Group has its majority of annual revenue in contracts denominated in foreign currency, the Group will be exposed to volatility associated with foreign currency exchange rates. The Group is invoiced in other currencies than its functional currency, thus resulting in currency exposure from both a customer and supplier position. Currency exposure is the result of purchases of goods and services in other currencies than the Group's functional currency (transaction exposure). Additionally, changes in exchange rates can affect the Group's customers and suppliers, and for instance result in a reduction of customers' willingness to pay or increase suppliers' costs, and as such indirectly affect the Group's profitability. The Group does not currently use financial instruments to hedge its exposure to foreign exchange rate risks, and there is no guarantee that the Group's financial results will not be adversely affected by currency exchange rate fluctuations or that any efforts by the Group to engage in currency hedging activities will be effective. Currency exchange rate fluctuations, thus, could have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

1.4 Risks related to the Private Placement and the Shares

1.4.1 An investment in the Shares involves risk of loss of capital

Risk and risk taking is inevitably linked to shareholding. Since shares may increase or decrease in value, there is a risk that investors will not recover a significant, or any, part of their invested capital. The price of the Shares may be volatile, which could cause investors to lose all or a significant part of their investment. Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Shares will be subject to market trends generally and the quoted price of the Shares on Euronext Growth Oslo may be affected by such volatility in response to numerous factors. Factors unrelated to the financial performance or prospects of the Group include macroeconomic developments, and market perceptions of the attractiveness of particular industries. Because of any of these factors, the market price of the Shares at any given point in time may not accurately reflect the underlying or long-term value of the Company.

1.4.2 The Company does not anticipate distributing dividends in the near future

The Company does not expect to pay dividends in the near future, and the Company may in the foreseeable future be unwilling or unable to pay dividends and it has committed not to make any distributions to its shareholders for as long as any amounts (including interest and commitments fees) under the NOK 50 million shareholder loan issued in June 2023 are outstanding. Norwegian law provides that any declaration of dividends must be adopted by the shareholders at a general meeting or, within certain limits, by the board of directors based on an authorization from the general meeting. Dividends may only be declared to the extent that the Company has distributable funds and the Company's board of directors finds such a declaration to be prudent in consideration of the size, nature, scope, and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, the Company is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiary. As a general rule, the general meeting may not declare higher dividends than the board of directors has proposed. If, for any reason, the general meeting does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will have no obligation to pay any dividend in respect of the relevant period. Distributions from the Company, if any, will normally be made in cash. Any distributions will not be predictable, and investors should not expect any, or any level of, distributions from the Company.

1.4.3 Future issuances of shares or other securities in the Company will dilute the holdings of shareholders and could materially affect the price of the Shares

The Company expects to offer and issue additional Shares connected to the option programs for employees and may also in the future decide to offer and issue new Shares or other securities in order to finance its operations or new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

1.4.4 The Share price may not be equal for all selling investors

The Norwegian rules on takeover bids for Norwegian companies listed on a regulated market in Norway do not apply to the Company, hence the minority protection of voluntary and mandatory bids for the Shares does not apply. There is a risk that smaller shareholders will not achieve the same price as larger shareholders when selling their Shares. In addition, future sales of major shareholdings or by the Company's founding shareholders or key members of the Company's board of directors and/or management could have an adverse effect on the share price.

Risk factors (7/8)

1.4.5 Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to shareholders in the United States or other countries

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate in the issuance of new shares for cash consideration. Shareholders in the United States as well as in certain other countries may be unable to participate in an offer of new shares unless the Company decides to comply with local requirements in such jurisdictions, and in the case of the United States, unless a registration statement under the US Securities Act is effective with respect to such rights and shares or an exemption from the registration requirements is available. In such cases, shareholders resident in such non-Norwegian jurisdictions may experience a dilution of their holding of the Shares, possibly without such dilution being offset by any compensation received in exchange for subscription rights. In addition, the Company's general meeting may resolve to waive the pre-emptive right of all existing shareholders. Furthermore, the shareholders may resolve to grant the board of directors an authorization to increase the share capital of the Company and set aside any pre-emptive rights for the shareholders, without the prior approval of the shareholders. Such authorization may also result in dilution of the shareholders' holding of Shares.

The Company is under no obligation to file a registration statement under the US Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and is expected to be costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

1.4.6 The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

None of the Shares have been registered under the US Securities Act of 1933 (as amended) (the "US Securities Act") or any US state securities laws or any other jurisdiction outside of Norway and are not expected to be so registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and other applicable securities laws. In addition, there are no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings. Further, investors in the United States may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers in Norway.

1.4.7 There is a risk that investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Company is a private limited liability company organized under the laws of Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon the Company, to enforce against the Company's judgments obtained in non-Norwegian courts, or to enforce judgments on the Company in other jurisdictions.

1.4.8 Norwegian law could limit the shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

1.4.9 The Company incurs costs on a running basis as a result of being a publicly traded company

As a publicly traded company with the Shares listed on Euronext Growth Oslo, the Company is required to comply with Euronext Growth Oslo's reporting and disclosure requirements. The Company has additional legal, accounting, management and other expenses to comply with these and other applicable rules and regulations.

1.4.10 There is no guarantee that there will be adequate liquidity in the trading of the Shares

Although the Shares are and will be listed on Euronext Growth Oslo, there can be no assurance that there will be adequate liquidity in the trading of the Shares. The market value of the Shares could be substantially affected by the extent to which such adequate liquidity exists. Shares trading on Euronext Growth Oslo may have significantly lower liquidity than shares trading on Oslo Børs or Euronext Expand.

Risk factors (8/8)

1.4.11 The Company is subject to the regulations for shares listed at Euronext Growth Oslo which may deviate from the regulations for securities trading on Oslo Børs or Euronext Expand, and which may imply a risk of lower degree of transparency and minority protection

Generally, an investment in a company traded on Euronext Growth Oslo involves higher risk than an investment in a company traded on a regulated market and an investment in the Shares is suitable only for investors who understand such increased risk. This risk relates to inter alia the market rules and relevant securities legislation which the issuers are subject to, the supervision of the marketplaces, and to the volatility of the trading on the marketplaces.

The Company is subject to the rules of the EU Market Abuse Regulation (EU) 2014/596 and the Norwegian Securities Trading Act applicable to securities admitted to trading on a multilateral trading facility and the Euronext Growth Rule Book – Part I and Part II and related notices and regulations. Such obligations may differ from the obligations imposed on companies whose securities are listed on Oslo Børs or Euronext Expand. As explained, the Company is not subject to any takeover regulations meaning that an acquirer may purchase a stake in the Shares exceeding the applicable thresholds for a mandatory offer for a company listed on Oslo Børs or Euronext Expand without triggering a mandatory offer obligation for the remaining Shares. Furthermore, there is no requirement to disclose large shareholdings in the Company (Nw.: flaggeplikt). As explained, such deviations from the regulations applicable to securities trading on Oslo Børs or Euronext Expand may, alone or together, impose a risk to transparency and the protection of minority shareholders.

1.4.12 Shareholders outside of Norway are subject to exchange rate risk

All of the Shares will be priced in Norwegian Kroner (NOK), the lawful currency of Norway and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially impacted upon by adverse currency movements.

1.4.13 The Company has payment obligations on the occurrence of a change of control event or an M&A transaction

The Company has historically awarded synthetic options to employees whereby the holders are entitled to a bonus payment triggered by a sale of more than 50% of the Shares in the Company to a single buyer or two or more buyers acting in concert, over a continuous period of 12 months. If triggered, the amount payable to the relevant participant per synthetic option equals the sale price per share in the change of control event less a specific individually agreed strike price. As of the date of this Presentation, the number of such synthetic options outstanding are 5,871,111 and the weighted average strike price is NOK 0.95. Provided a change of control event at the share price in the Private Placement of NOK 0.5, and that all outstanding synthetic options have vested, the Company will be obligated to pay approximately NOK 1 million to the holders of synthetic options, not including any taxes or fees such as employer's national insurance contribution. There is a risk that this payment obligation may have an adverse effect on the offer price in future takeovers of the Company.

The Company has a significant payment obligation to a financial advisor in the case of an M&A transaction (or a related series or combination of such transactions) whereby over 51% of the Company's equity or assets are transferred or exchanged by Huddly or its owners to a potential transaction counterparty.

