

Q3 2024 Report





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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Key highlights Q3 2024

Q3 2024 results

- Revenue of NOK 26 million, compared to NOK 39 million in Q2 2024 and NOK 58 million in Q3 2023
- Gross margin of 40 %. Underlying gross margin of 52 % excluding accrual for one-off scrapping of components

Revenue low point, but promising signs of growth

- New strategic partner signed: Global agreement where Huddly will deliver products that are Microsoft Teams certified. Earlier revenue impact than first communicated, Q4-24 instead of Q1-25
- Significant acceleration in adoption of Crew throughout 2024: Recently received order for 90 Crew kits and 90 add-on cameras (NOK ~8 million revenue) from a large US customer, and 276 Crew kits (NOK ~15 million revenue) from a large Canadian customer
- Microsoft buys and endorses Huddly's AI technology: Rolling out Huddly Crew at its headquarter in Redmond, US

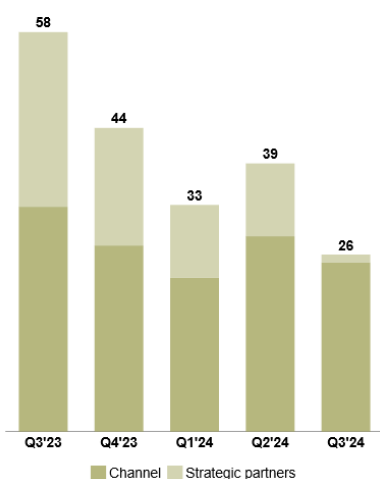
Strategic review

- 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

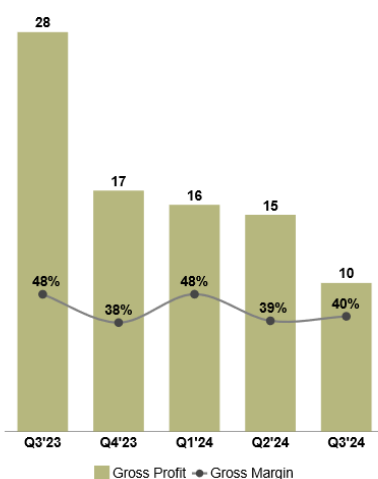
Financing

- Cash balance at 30.09.24 of NOK 49 million vs. NOK 105 million at 30.06.24
- Contemplating equity issue of NOK 130 million in a private placement, to bridge the company to cash flow positive. Huddly's ambition is to return to positive cash flow towards the end of 2025.

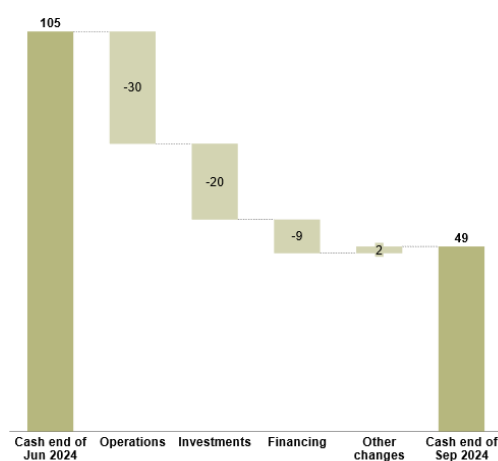
Revenue
NOK million



Gross profit and margin
NOK million and %



Cash flow
NOK million







Q3 2024 review

Revenue of NOK 26 million in Q3 2024, compared to NOK 39 million in Q2 2024 and NOK 58 million in Q3 2023. Gross Margin of 40 %, compared to 39 % in Q2 2024 and 48 % in Q3 2023. Underlying gross margin of 52 % excluding accrual for one-off scrapping of components.

Revenue low point, but promising signs of growth with a new global agreement signed with a strategic partner. In addition, significantly accelerated uptake of Huddly Crew through 2024, with a recent order worth NOK ~8 million from a large US customer and NOK ~15 million from a large Canadian customer.

Operational review

Huddly's technology enables human collaboration in the hybrid workplace and is key in creating inclusive and productive meetings.

Huddly's AI technology and products are acknowledged as groundbreaking, a result of substantial investments in research and development. Continued R&D investments will keep Huddly well ahead of the competition.

Huddly Crew is a pioneering AI multi-camera system. The system changed the team collaboration game with the three-camera solution and a five-camera solution was launched in Q3 2024, opening the market for large meeting rooms.

Revenue in 2024 has so far been disappointing and represents a low point as we are seeing tangible signs of growth improvements.

In October, Huddly secured a new Strategic partner by signing a global distributor agreement with a leading global industry player in the audiovisual sector. Huddly will as part of the

agreement deliver products that are Microsoft Teams certified.

The agreement is expected to lead to significant yearly revenues for Huddly, with cash effect as early as Q4 2024, not from Q1 2025, as previously communicated. The agreement is an important milestone for Huddly and an acknowledgement of the company's superior patented technological solutions.

Sales of Huddly Crew accelerated significantly through 2024, with 150 kits sold in Q3 and forecasted sales volume in Q4 2024 at approximately 650 kits.

Huddly recently received in Q4 2024 an order for 90 Crew kits and 90 add-on cameras from a large US end-customer, with a revenue effect of approximately NOK 8 million. In addition, Huddly has received an order of 276 Crew kits with delivery in Q4 2024 from a large Canadian end-customer, equaling revenue of approximately NOK 15 million.



Channel partners are central to Huddly's market success, and a balancing factor against cyclical changes among the Strategic partners. This effect was evidenced in Q3, when revenues from Channel partners constituted 95 % of total revenues due to cyclical issues affecting Strategic partner sales. With orders already being received through the new strategic partnership announced in October, Huddly expects the revenue share from Strategic partners to increase going forward.

The market is expected to grow with increased penetration rates in existing meeting rooms, enabling the workplace transition towards hybrid. Huddly Crew is set to be the main medium to long-term growth driver, and marketing and sales of the pioneering AI-

directed camera system remain the top priority. By increasing the number of cameras available in the solution, and continuously improving the AI software embedded in the cameras, Huddly has increased the total addressable market.

Strategic review

As announced in November 2023, a strategic review was initiated in Q4 2023. The process is ongoing, and the Company has received strategic indications of interest. The Board of Directors expects to conclude the strategic review in Q1-25, but there is no certainty as to whether or when any transaction, initiative, or event will materialize. The Board of Directors is assisted by Sansa Advisors.



Financial review

NOK million	Q3 2024	Q3 2023	Change	YTD Sep 2024	YTD Sep 2023	Change
Revenue	25.8	58.1	-56%	97.9	166.5	-41%
Gross profit	10.4	28	-63%	41.5	84.0	-51%
<i>Gross margin</i>	40%	48%		42%	50%	
Sublease revenue	1.5	0	100%	4.5	0	100%
Operating expenses	-43.0	-37.3	15%	-131.4	-113.5	16%
EBITDA	-31.1	-9.3		-85.4	-29.5	
Operating profit (EBIT)	-45.8	-26.2		-130.5	-78.8	
Net financials	-3.5	-5.6		-13.8	1.2	
Profit/Loss before tax	-49.2	-31.7		-144.3	-77.6	

Income statement

Total revenue in the third quarter of 2024 amounted to NOK 25.8 million, a decrease of 34% from the second quarter of 2024 and a reduction of 56% compared to NOK 58.1 million in the same quarter, last year.

Sales through Strategic partners decreased by 95% year-on-year and revenue generated through Channels decreased by 25%. The revenue split in Q3'24 was 95% of Channel sales and 5% through Strategic partner sales. With Huddly signing a distribution agreement with a new strategic partner, revenue through Strategic partners is expected to increase in 2025.

Gross margin Q3'24 decreased to 40% vs. 48% in the same period last year. Gross profit in the third quarter of 2024 declined to NOK 10.4 million, compared to NOK 28 million in the same period last year and NOK 15.2 million in the second quarter 2024. Gross profit Q3 2024 includes a one-off increase in COGS of NOK 3.0 million related to accrual for scrapping of components. Excluding scrapping, gross profit would have been NOK 13.4 million, resulting in an underlying gross margin of 52%.

Revenue from subleasing a part of the Oslo office is reflected in Sublease revenue of NOK 1.5 million in Q3'24.

In the third quarter of 2024, operating expenses increased to NOK 43.0 million, compared to

NOK 37.3 million in the same period of 2023. This increase is primarily due to lower capitalization of salary expenses and higher costs associated with the 2024 share incentive program (no cash effect).

119 FTEs were employed at the end of Q3'24 vs. 117 FTEs at the end of Q3'23.

EBITDA came in at a loss of NOK 31.1 million, compared to a loss of NOK 9.3 million in the third quarter 2023 and a loss of NOK 34.2 million in the second quarter 2024.

Net financials amounted to a negative NOK 3.5 million in the third quarter 2024, compared to a negative NOK 5.6 million in the same quarter last year due to net foreign exchange rate gains and a decrease in other financial expenses.

The third quarter 2024 ended with a loss of NOK 49.2 million before tax, compared to a loss of NOK 31.7 million in the same period last year. The profit increased by 4.6 million from the second quarter of 2024.

Cash flow

Cash flow from operating activities was negative NOK 29.5 million in the third quarter 2024 compared to positive NOK 12.3 million in the same period 2023.

Cash flow from investing activities was negative NOK 20.0 million for the third quarter 2024, compared to a negative NOK 22.9 million in the



same period 2024. Investments in development of Huddly's products were stable at NOK 20 million in the third quarter 2024, compared to NOK 21.5 million in the third quarter 2023.

The ending cash balance per September 30, 2024, was 48.8 million, a reduction from NOK 164.2 million on December 31, 2023.

Financial position

Intangible assets (including goodwill) amounted to NOK 213.8 million at the end of September 2024, an increase of NOK 22.5 million since Q3'23 primarily due to capitalization of R&D investments and capitalized cost related to intellectual property rights. Total non-current assets amounted to NOK 299.6 million, up NOK 18.5 million since Q3'23.

Excluding cash and cash equivalents, current assets declined by NOK 88.7 million to NOK 159.2 million at the end of September 2024. Inventories increased by NOK 44.6 million to NOK 72.9 million, whereas consignment inventories held by third parties declined by NOK 61.4 million to NOK 53.5 million.

Trade receivables declined by NOK 40.8 million to NOK 16.3 million at the end of September

2024, whereas other current receivables decreased by NOK 31.2 million to NOK 16.5 million compared to Q3'23.

Equity decreased by NOK 25.4 million, from NOK 315.7 million at the end of Q3 2023 to NOK 290.3 million at the end of Q3 2024. The negative earnings during this period were offset by the equity raise in Q4 2023, leading to an increase of NOK 159.8 million. The equity ratio was 57% at the end of September 2024.

Non-current liabilities increased by NOK 20.3 million to NOK 106.6 million at the end of September 2024, including office lease liabilities of NOK 54.0 and long-term debt of NOK 50 million.

Current liabilities amounted to NOK 110.8 million, down from NOK 192.7 million at the end of Q3'23. The change is primarily due to the decrease in consignment liabilities by NOK 57.9 million and trade payables by NOK 26.8 million.



Outlook

The underlying market for Huddly's products is strong, with the trend towards hybrid collaboration being a robust long-term driver.

The company addresses a vast market with significant untapped potential: Currently, only 10-15 % of roughly a hundred million meeting rooms are equipped with video conferencing systems. The penetration rate is expected to grow, as the need for technology and products addressing hybrid collaboration pain points intensifies.

Revenue in 2024 represents a low point for Huddly. The priority is to increase market share through the ongoing development of Channel partner sales as well as a close cooperation with current and new Strategic partners. A new strategic partner was signed in October 2024, and the key priority for management is to add additional partners. A rough 50/50 mix between Channel and Strategic partners represents a healthy and diversified business model.

Launch of new products, such as the Huddly Crew+ Videobar in the second half of 2025, is expected to be an important medium-term growth driver. In addition, the product roadmap towards 2026 and 2027 will further defend Huddly's leading position and attract new Strategic and Channel partners.

Furthermore, Huddly practices disciplined cost control and is implementing a plan to reduce annualized total cost by approximately 12 MNOK from 2025. The cost reduction is estimated to have limited impact on product development and launch timeline on new products.

Huddly's ambition is to return to positive cash flow towards the end of 2025. With the current business plan the company projects cash flow positive in full-year 2026, and strong cash generation from 2027.



Risks and uncertainties

Huddly is exposed to three major groups of risks: Product risks, Operational risks, and Market risks. Some of these are outside of Huddly's control, such as geopolitical risks and market specific cyclical risks.

Huddly is exposed to the overall demand for video conferencing equipment, and the company expects long-term growth in this market. Huddly nevertheless acknowledges an increased risk level both upstream, through its value chain, and downstream through distributors and into end-user markets. This is primarily due to an increasingly turbulent geopolitical situation and economic uncertainty.

Upstream, the company's production facility in Poland is facing increased costs in terms of labor, utilities, and components.

Downstream, Huddly sees channel distributors and strategic partners seeking to reduce inventory levels in a market with weaker

enterprise and consumer sentiment, and generally low demand visibility.

In terms of financial market risks, Huddly is exposed to foreign exchange risks as its sales revenues are largely nominated in USD while part of the costs, primarily the Operating expenses, are nominated in NOK.

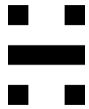
Direct costs are mainly nominated in USD, and this forms a natural currency hedge that mitigates a large part of the exposure. At the moment, Huddly is not actively engaging in currency hedging.

The Company got commitment to a loan facility of NOK 50 million from existing shareholders and associated companies in the second quarter 2023. The facility is currently fully drawn, with interest exposure linked to NIBOR. Huddly considers the risk associated with interest rate fluctuations as low.



Financial statements and notes to financials

Huddly AS
Q3 2024



Financial statements (IFRS)

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)



Consolidated Statement of Comprehensive Income/Loss Q3-2024

Amounts in NOK 1,000 (unaudited)	Q3 2024	Q3 2023	YTD Sep 2024	YTD Sep 2023	2023
Profit/(loss) for the year	(49,448)	(31,742)	(144,690)	(77,578)	(125,050)
Other comprehensive income:					
<i>Items that might be subsequently reclassified to profit or loss:</i>					
Exchange differences on translation of foreign operations	(372)	(249)	3,906	1,476	3,000
Total comprehensive income for the year	(49,820)	(31,991)	(140,784)	(76,101)	(122,050)



Interim consolidated statement of financial position Q3-2024

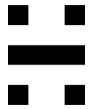
Amounts in NOK 1,000 (unaudited)	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS				
Non-current assets				
Goodwill	5	8,018	8,018	8,018
Intangible assets	5	205,734	183,223	190,679
Tangible assets		5,519	8,071	7,211
Right-of-use assets		56,188	68,017	65,060
Deferred tax asset		-	-	-
Other non-current 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
Consignment 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
Consignment 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



Interim consolidated statement of changes in equity Q3-2024

Amounts in NOK 1,000 (unaudited)	YTD Sep 2024	YTD Sep 2023	2023
Equity - Beginning of period	392,709	396,470	396,470
Total comprehensive income/(loss) for the year	(140,784)	(76,101)	(122,050)
Share issue	27,835	-	122,363
Equity change on employee options	10,546	(4,644)	(4,074)
Equity - End of period	290,306	315,724	392,709



Interim consolidated statement of cashflow Q3-2024

Amounts in NOK 1,000 (unaudited)	Note	Q3 2024	Q3 2023	YTD Sep 2024	YTD Sep 2023	2023
Cash flows from operating activities						
Profit/(loss) before income tax		(49,205)	(31,742)	(144,297)	(77,578)	(123,051)
<i>Adjustments for:</i>						
Share-based payments expense	4,8	3,090	536	10,546	(4,644)	(4,074)
Depreciation and amortization		14,663	16,837	45,117	49,308	64,554
Net financial items		3,454	5,558	13,810	(1,215)	3,863
<i>Change in operating assets and liabilities:</i>						
Change in trade receivables and other receivables		11,409	19,793	64,881	13,825	10,297
Change in inventories (including consignment inventories)		1,902	(13,834)	7,581	(10,355)	(1,229)
Change in trade payables		(11,676)	6,531	(17,360)	9,580	179
Change in other current assets and liabilities		(6,488)	13,517	(53,945)	(56,717)	(55,024)
Taxes paid		-	-	-	-	-
Paid interests		(706)	(2,179)	(2,376)	(5,059)	(6,350)
Items classified as investing or financing		3,998	(2,700)	3,147	791	(1,394)
Net cash inflow/(outflow) from operating activities		(29,559)	12,318	(72,896)	(82,064)	(112,229)
Cash flows from investing activities						
Payment for property, plant and equipment		(38)	(1,430)	(957)	(2,909)	(3,256)
Payment for investments in intangible assets		(19,962)	(21,543)	(48,212)	(54,381)	(73,210)
Proceeds from disposals		-	-	-	-	100
Interest received		-	60	22	60	3,482
Net cash inflow/(outflow) from investing activities		(20,000)	(22,914)	(49,148)	(57,230)	(72,884)
Cash flows from financing activities						
Proceeds from issuance of ordinary shares		-	-	30,000	-	130,000
Payments of transaction costs equity transactions		-	-	(2,164)	-	(7,637)
Repayments of lease liabilities		(5,082)	(124)	(13,940)	(10,973)	(11,550)
Loan proceeds		-	25,000	-	25,000	50,000
Paid interest on loan		(1,627)	-	(6,164)	-	(914)
Paid interest on lease liabilities		(2,151)	(2,199)	(6,163)	(2,306)	(4,484)
Net cash inflow/(outflow) from financing activities		(8,860)	22,677	1,569	11,721	155,415
Net increase/(decrease) in cash and cash equivalents		(58,418)	12,081	(120,474)	(127,573)	(29,697)
Cash and cash equivalents, start of period		105,457	53,690	164,231	183,900	183,900
Currency translation differences		1,461	(204)	3,716	1,463	2,864
Effects of exchange rate changes on cash and cash equivalents		302	48	1,330	7,825	7,164
Cash and cash equivalents, end of period		48,802	65,615	48,802	65,615	164,231



Notes to the financial statements

1. General information

Huddly AS (the “Company”) and its subsidiary Huddly Inc. (together referred to as 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 enables high-quality video experiences on all major collaboration platforms.

Huddly AS is a public limited liability company incorporated and domiciled in Norway. The address of its registered office is Stortorvet 7, 0155 Oslo, Norway. Huddly AS is listed on Euronext Growth.

The unaudited consolidated condensed interim financial statements comprise of the financial statements to the parent company and its subsidiary at end September 2024, authorized for issue by the board of directors on December 05, 2024.

2. Accounting policies

The unaudited interim consolidated financial statements for the nine-month period ending September 30, 2024, 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 2023. 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, 2023. The Group has not adopted any standard, interpretation or amendment that has been issued but is not yet mandatory.

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

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. Sales of goods 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. Other information is measured in a manner consistent with that in the Annual Report for 2023. Principles of revenue recognition are outlined in the accounting principles section of the Annual Report for 2023.

Sales of goods by customer segment

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

Sales of goods by customer segment, %	Q3 2024	Q3 2023	YTD Sep 2024	YTD Sep 2023	2023
Strategic partners %	5%	44%	23%	51%	48%
Channel partners %	95%	56%	77%	49%	52%
Total sales of goods	100%	100%	100%	100%	100%

Amounts in NOK 1,000					
Sales of goods by customer segment	Q3 2024	Q3 2023	YTD Sep 2024	YTD Sep 2023	2023
Strategic partners	1,160	25,412	22,423	84,908	102,006
Channel partners	24,619	32,733	75,478	81,632	108,716
Total sales of goods	25,779	58,145	97,901	166,540	210,722

Sales of goods by Geography

In presenting the geographic information, revenue has been based on the geographic location of customers.

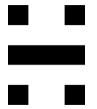
Sales of goods by customer geography, %	Q3 2024	Q3 2023	YTD Sep 2024	YTD Sep 2023	2023
EMEA / APAC	48%	29%	60%	41%	47%
Americas	52%	71%	40%	59%	53%
Total sales of goods	100%	100%	100%	100%	100%

Amounts in NOK 1,000					
Sales of goods by customer geography	Q3 2024	Q3 2023	YTD Sep 2024	YTD Sep 2023	2023
EMEA / APAC	12,325	16,700	58,719	67,850	99,068
Americas	13,454	41,445	39,182	98,690	111,654
Total sales of goods	25,779	58,145	97,901	166,540	210,722

4. Employee benefit expenses and option programs

The Company's active incentive program is the 2021 Incentive Plan implemented in January 2021, directed at employees and directors and the 2024 Incentive Plan, implemented in May 2024.

Participants in the incentive plans are granted options to subscribe for shares in the Company based on a pre-determined strike price. The options in the 2024 option program are subject to a three and a half year vesting schedule and the remaining options in the 2021 option program have a three-year vesting period. Further, the options may only be exercised in a coordinated process led by the Company's Board of Directors. The participant may only exercise 1/3 of vested options each year. In Q3'24, MNOK 3.1 is included as operational expenses related to the option program. No new options were granted in Q3'24.



Overview outstanding options

2021 incentive plan	2024	2023
Options granted, outstanding 01.01	23,648,873	26,424,811
Options granted	-	1,020,000
Options exercised	-	-
Options cancelled	(13,486,300)	-
Options forfeited during the year	(2,500)	(3,795,938)
Options granted, outstanding at of period	10,160,073	23,648,873
Options vested, at end of period	9,909,240	21,458,910
2024 incentive plan	2024	2023
Options granted, outstanding 01.01	-	-
Options granted	38,558,300	-
Options exercised	-	-
Options forfeited during the year	(2,070,000)	-
Options granted, outstanding at of period	36,488,300	-
Options vested, at end of period	3,500,000	-
Overview synthetic options	2024	2023
Options granted, outstanding 01.01	5,871,111	5,871,111
Options granted	-	-
Options exercised	-	-
Options forfeited during the year	-	-
Options granted, outstanding at end of period	5,871,111	5,871,111
Options vested, at end of period	5,871,111	5,871,111

5. Intangible assets

Development projects are constantly reviewed in terms of potential future earnings and only capitalized as intangible assets if the project is likely to create future revenue, and costs incurred can be measured reliably. Capitalized costs include expenses directly attributable to development of the intangible asset, such as personnel, prototyping and consultancy services.

Huddly is constantly working on securing its intellectual property. All intangible assets are measured initially at cost and amortized using the straight-line amortization method over the estimated useful life.

Amounts in NOK 1,000 (unaudited)	30 Sep 2024	30 Sep 2023	31 Dec 2023
Development	196,108	182,998	181,999
Patents, design and trademark	9,565	-	8,620
Domains and licenses	61	224	61
Goodwill	8,018	8,018	8,018
Total	213,751	191,240	198,697



6. Cash and cash equivalents

Restricted cash at end September 2024 was TNOK 14,363. This relates to the advance payment of social security tax and bank deposit for office premises.

Total closing cash and cash equivalents at end September 2024 was TNOK 48,802.

Amounts in NOK 1,000 (unaudited)	30 Sep 2024	30 Sep 2023	2023
Bank deposits	48,802	65,615	164,231
Total cash and cash equivalents	48,802	65,615	164,231

Amounts in NOK 1,000 (unaudited)	30 Sep 2024	30 Sep 2023	2023
Restricted cash included in the above:	14,363	19,249	15,654
Advance payment of social taxes	3,398	3,190	4,689
Bank deposit for office premises	10,966	16,059	10,966

7. Shareholders and share capital

The parent company, Huddly AS, has 536,328,048 shares with a par value of NOK 0.000625, providing a total share capital of NOK 297,705.

The Company has one share class, common shares, which all have the same voting and dividend rights. The Company has 1,430 shareholders as of 30 September 2024. Listed below are the 20 largest shareholders.

Shareholder name	Number of shares	Ownership
G&J WILLIAMS PROPERTY PTY LT	51,993,139	10%
SONSTAD AS	39,288,000	7%
MERTOUN CAPITAL AS	37,845,471	7%
CLEARSTREAM BANKING S.A.	36,626,457	7%
SOM HOLDING AS	23,970,928	5%
KOLBERG MOTORS AS	20,628,000	4%
MP PENSJON PK	17,380,959	3%
VIOLA AS	16,000,000	3%
The Northern Trust Comp	15,446,005	3%
KAP AS	14,204,543	3%
MULTIPLIKATOR AS	12,839,453	2%
PORTIA AS	12,400,000	2%
HØYLANDET BYGGUTLEIE AS	11,041,264	2%
MELVER INVEST AS	10,832,054	2%
SKIPS AS TUDOR	10,000,000	2%
TTC INVEST AS	10,000,000	2%
RIVERTOWN TRADING AS	8,300,000	2%
KORINVEST AS	8,216,832	2%
JAHATT AS	7,944,636	1%
HPA HOLDING AS	7,400,000	1%
All others	158,670,291	30%
Total	531,028,032	100%



The parent company, Huddly AS, owns 5,300,016 treasury shares and has 531,028,032 outstanding shares in the market.

8. Equity

Summary of statement of changes in share capital and share premium

Amounts in NOK 1,000 (unaudited)	YTD Sep 2024	YTD Sep 2023	2023
Equity - Beginning of period	392,709	396,470	396,470
Total comprehensive income/(loss) for the year	(140,784)	(76,101)	(122,050)
Share issue	27,835	-	122,363
Equity change on employee options	10,546	(4,644)	(4,074)
Equity - End of period	290,306	315,724	392,709

9. Related parties

For detailed information on related party transactions, please refer to Note 20 (Related party transactions) in the Annual Report to Huddly AS for 2023. There have been no significant transactions with related parties for the three-month period ending on 30 September 2024. All transactions with related parties are considered priced on an arm's length basis.

10. 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.

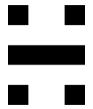
EBITDA: Earnings for the period before net financial items, income tax expense, depreciation, and amortization as a measure of the company's operating performance. EBITDA is calculated as revenue less expenses (including cost of goods sold) excluding depreciation and amortization, interest, and tax.

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.

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.

11. Events after the reporting date

On October 29th, 2024, Huddly entered into a Distributor Agreement with a global player in the audiovisual sector. The agreement is anticipated to generate substantial annual revenues for



Huddly, with a cash impact starting from Q4 2024. The Agreement covers global operations and has an initial term of 12 months, with an option to extend for an additional 12 months.

As reported in the Q2 2023 Report, Huddly in Q2 2023 established a loan from existing shareholders and associated companies in the maximum amount of NOK 100 million of which NOK 50 million was committed and paid to the company. In November 2024, Huddly increased the loan through new commitments from primary insiders and close associates with another NOK 5.5 million which immediately were paid to the company. Thus, the total loan is currently in the amount of NOK 55.5 million. As explained in Huddly's prospectus dated 10 January 2024, the loan is secured in pledge in certain of the company's intellectual property rights including patents, trademarks and designs already registered, and applied for but not yet registered. The interest exposure is linked to NIBOR.

12. Going concern assumption

The Board of Directors has, at the time of its approval of the Q3 2024 Report, made a going concern assessment.

The combination of the Q3 results, the fact that the Company will need some time to capitalize on a renewed business plan, the ongoing and prolonged strategic review process, cost of ongoing operations, coupled with forecasted working capital requirements, has put the Company in need of additional equity to support the new strategy.

The Company obtained a short-term liquidity loan in the total amount of NOK 5.5 million from certain primary insiders and their close associates on 22 November 2024.

The Board of Directors is, in order to ensure long-term financing, currently in process with a contemplated private placement in the amount of NOK 130 million directed towards members of the Board of Directors and management including their close associates, existing large shareholders and certain external investors (the "Contemplated Private Placement"). The capital need and the Contemplated Private Placement will be made public on 5 December 2024. At such time, the Company expects to have obtained pre-commitments from primary insiders, members of management and other large shareholders in the total amount of NOK 105 million. The subscription price per share is expected to be in the range between the nominal value of the share (NOK 0.000625) and NOK 0.50. Pareto will in the period from 5 December 2024 work to obtain pre-commitments from investors with a planned book-building prior to 19 December 2024. Provided that sufficient funds have been committed, the Company will hold an extraordinary general meeting on 19 December 2024 to resolve the capital raising connected to the Contemplated Private Placement.

The Board of Directors has considered the matter and finds it realistic that the Contemplated Private Placement will succeed. The proceeds from the Contemplated Private Placement are expected to provide the Company with sufficient equity and liquidity until expected break-even towards the end of 2025.

Based on the above, the Board of Directors assumes that the Company has sufficient equity and liquidity to continue as a going concern.



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