Q1 2024 Results

Presented by

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Key highlights Q1 2024

Q1 2024 results:

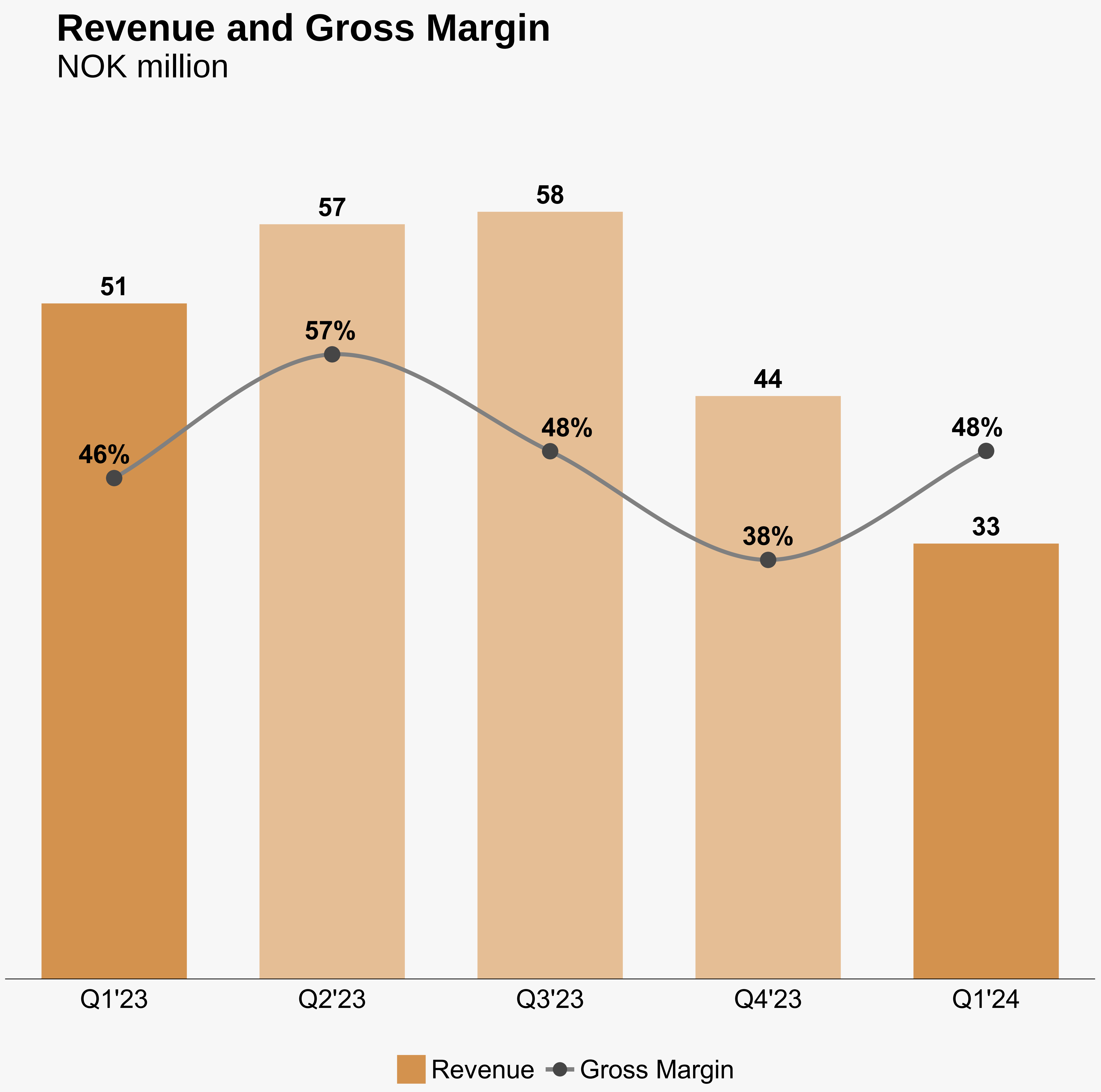
- Gross Margin of 48 % compared to 38 % in Q4 2023, and in line with guidance of ~50% for full year
- Revenue of NOK 33 million, compared to NOK 44 million in Q4 2023

Channel sales improvement - strategic partner sales still unsatisfactory:

- Revenue through Channels increased by 7 % year-on-year, growth expected to continue
- Sales through Strategic partners decreased by 65 % year-on-year due to continued inventory build-up in downstream supply chain

Re-focused go-to-market model:

- Focus shifted from Strategic partners to Channels, improving predictability and margins
- Channel Partner Program simplified to allow greater access to Huddly products
- Commenced building out hubs in the US, starting with a New York office

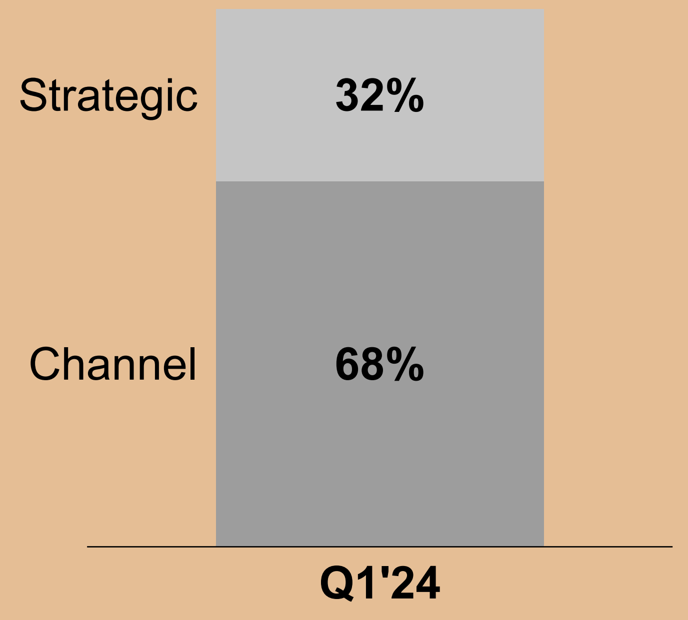


Focus areas to support long-term growth

1. Continue to lead with technology innovation

Product led growth through continued R&D investments

2. Increase revenue through re-focusing on Channel sales

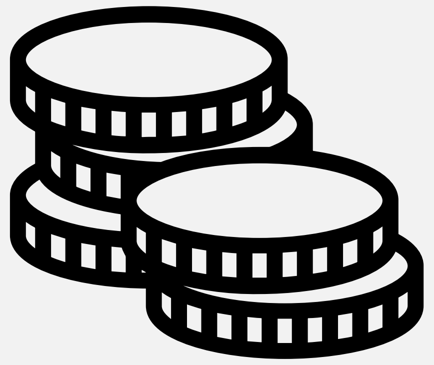


Increase revenue base

3. Maintain Gross Margin

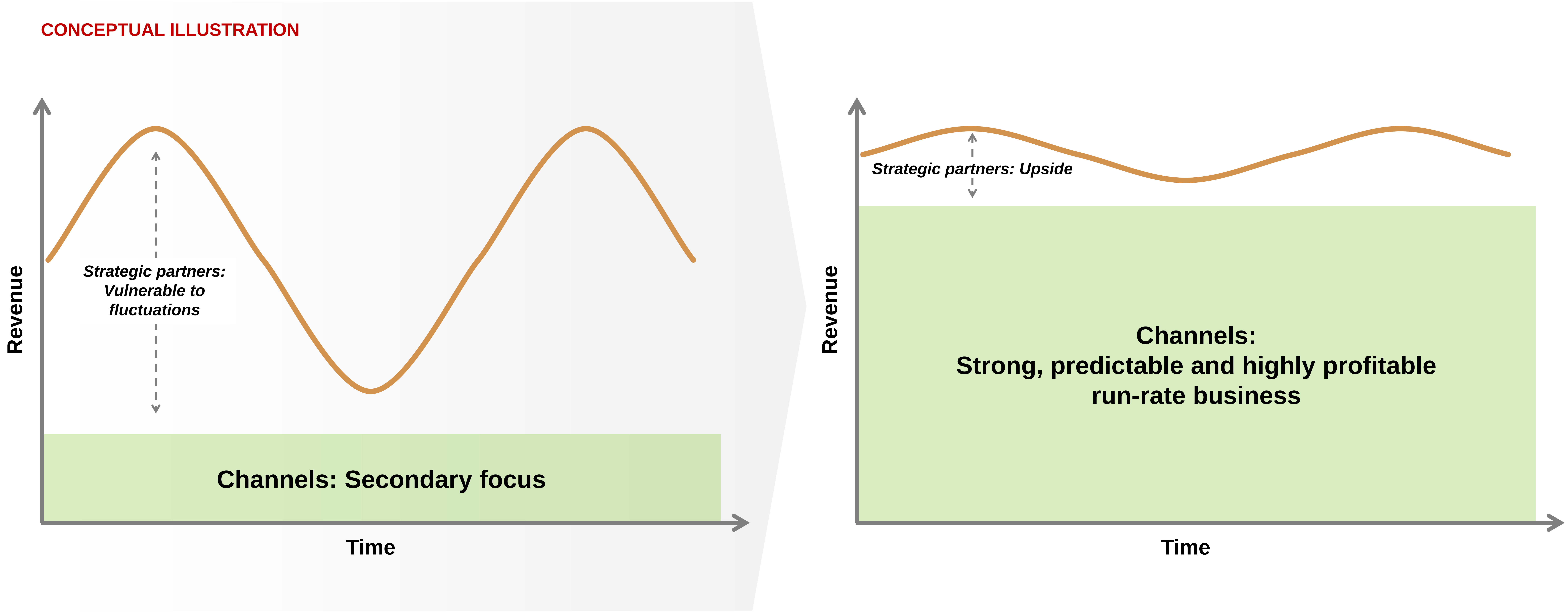
Monetization of software solutions and increase share of sales to Channels

4. Managing costs



Managing cost without jeopardizing long-term growth opportunities

Re-focused go-to-market and sales strategy



Reducing customer concentration by shifting focus to Channels:

De-risking and creating a sustainable go-to-market model

Channel strategy:
Enabling our value chain partners for success

Generate pull-demand

Huddly → Distributors → Resellers → End-customers

Huddly

- Sales Team USA
- Sales Team EMEA
- Sales Team APAC

✓ Close proximity and relations with key markets and geographies

✓ Proactively building a pipeline of customer opportunities

Distributors

Example partners

INGRAM MICRO
exertis | ALMO
BTX
midwich
STARIN a Midwich Group company

✓ Improved engagement to grow run-rate business

✓ Scalable and easy operations for Huddly: No warehousing, duties etc.

Resellers

Example partners

AVI SPL
sparkAV
Diversified
Kinly
ATEA

✓ Incentives and benefits with three levels of partners: Authorized, Premier and Platinum

End-customers

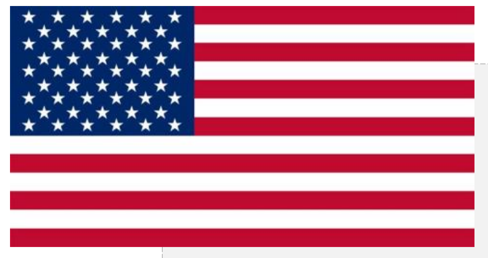
- Large enterprises
- Education
- Government

✓ Both early and late adopters with a large base of meeting rooms

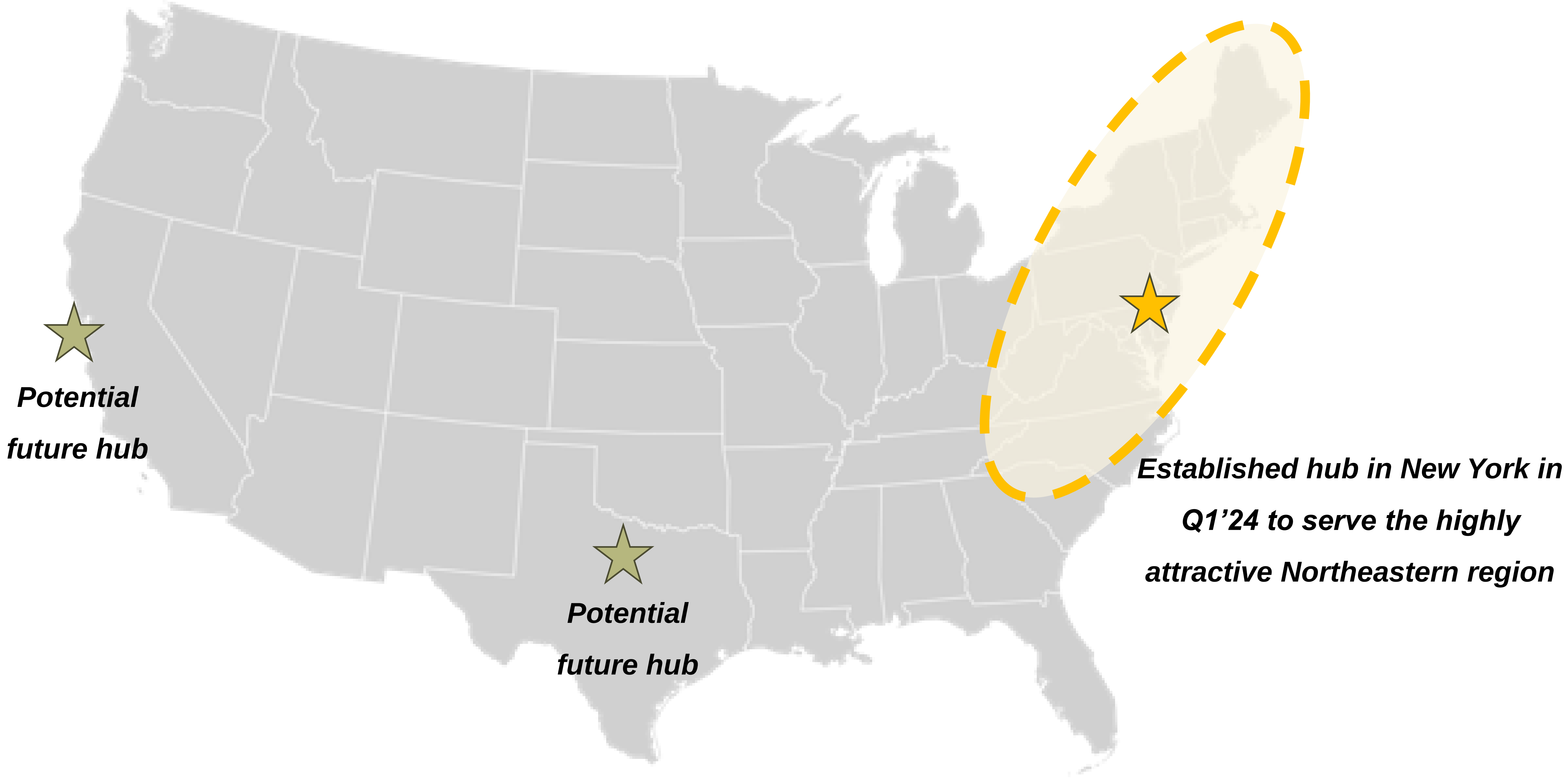
✓ Customers with willingness to pay

Channel strategy:
Building out sales hubs in key markets

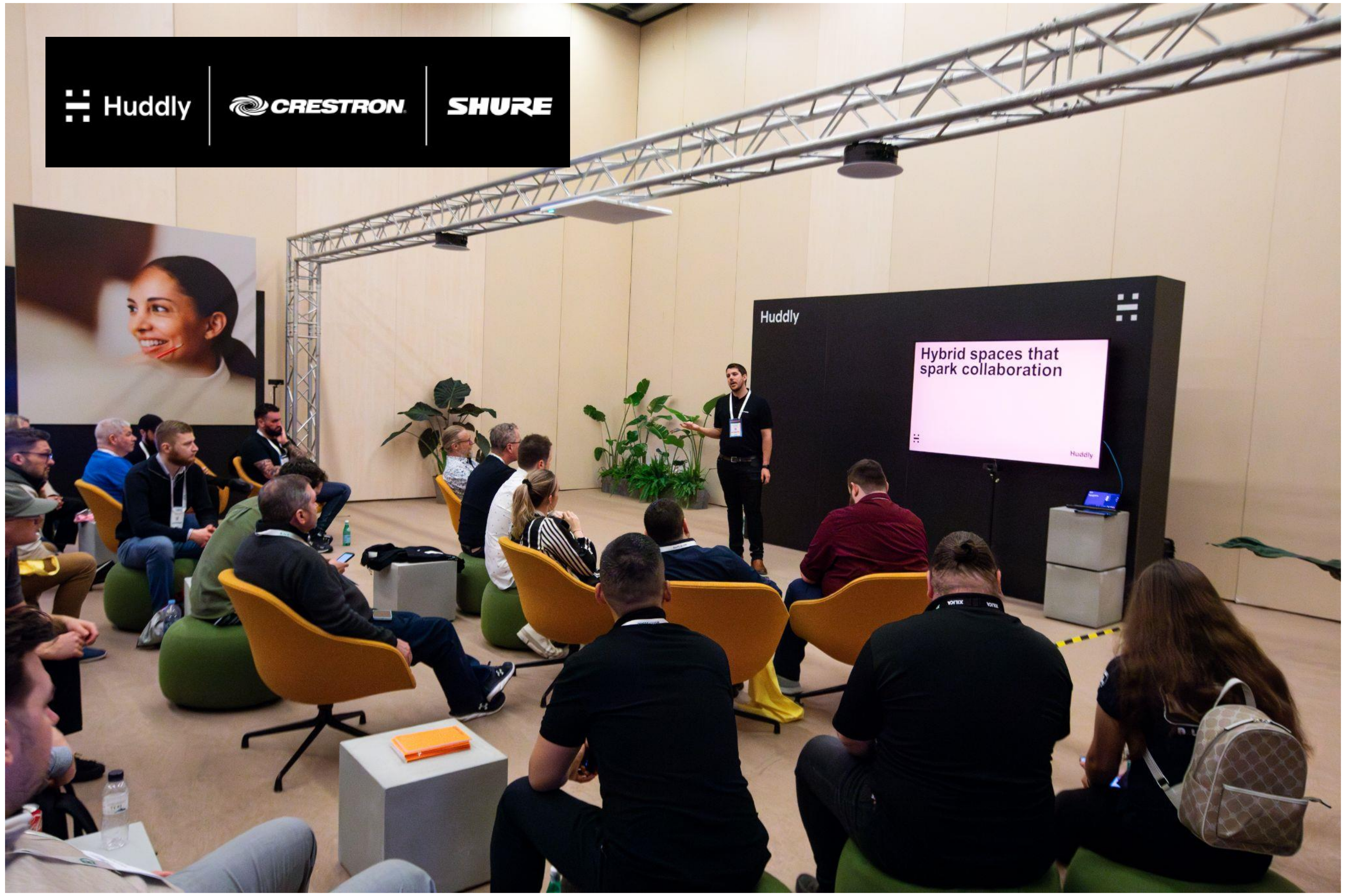
EXAMPLE



- The US is a key market for Huddly
- North America represents ~40% of a USD 4-5 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 to these customers through them rolling out Huddly cameras as standard in global meeting rooms



Channel strategy:
Joint marketing efforts with selected key partners



Example: Leveraging GTM strength and reach of partners to drive sales of Huddly Crew

- ISE is the world's leading B2B event for AV and systems integration industries
- Held in Barcelona, 30th January to 2nd February
- 800 customer and partners participating in 45 min demos, showcasing Huddly Crew and new camera modes enabled by its AI Director for different meeting types
- Marketing collaboration with Crestron and Shure

Channel strategy: Alignment with Microsoft

WHAT?

Huddly is actively engaging with Microsoft to ensure that our product development is aligned with their priorities

SO WHAT?

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

NOW WHAT?

Continued roll-out of Huddly's camera technology such as Crew, strengthened by Microsoft alignment

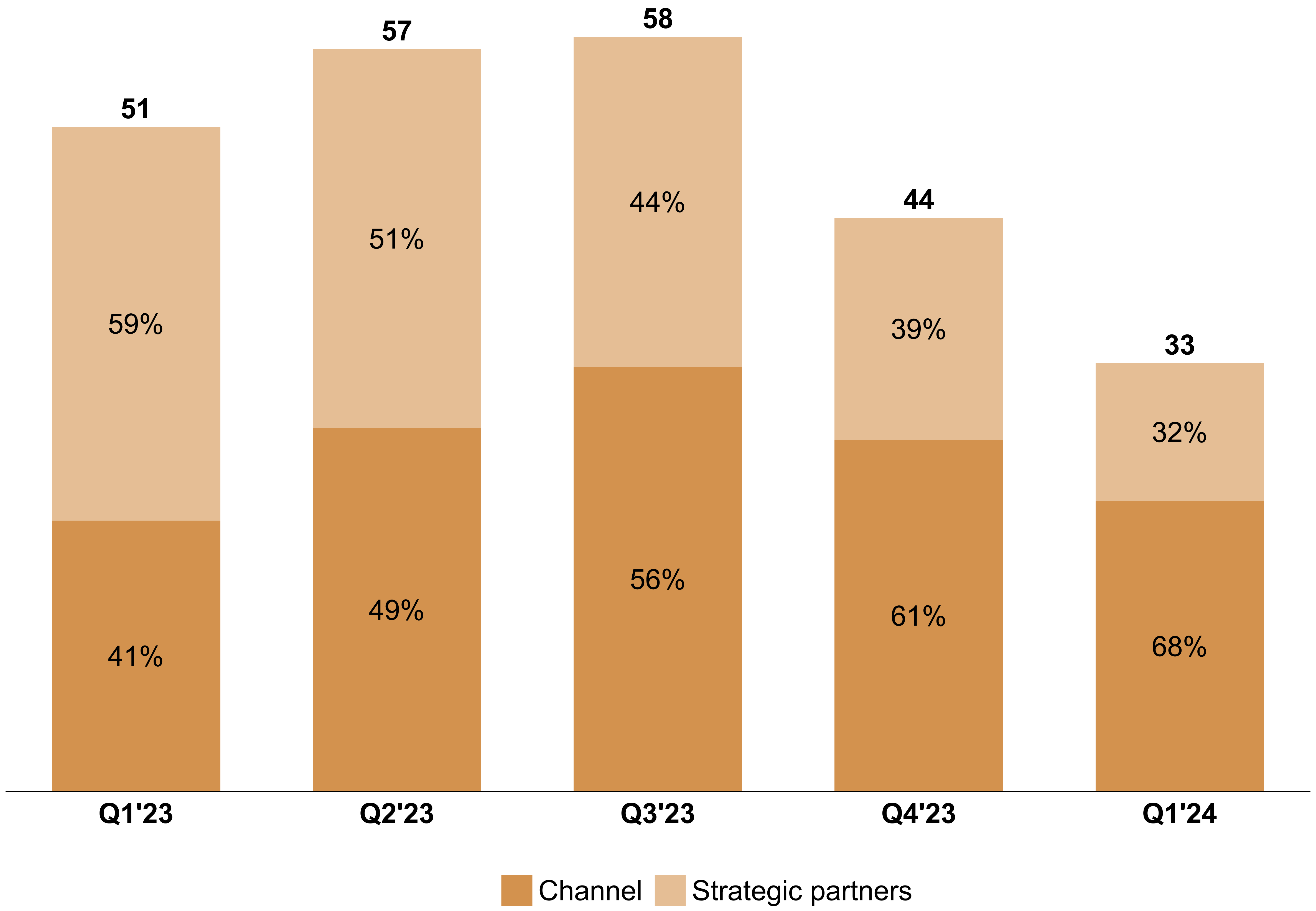
The strategic review is still ongoing

- As announced in the Q3 2023 presentation, a strategic review was initiated after receiving interest from a global industrial player
- The process is still ongoing
- Further update will be provided at the appropriate time
- The Board of Directors is assisted by Sansa Advisors

Financials

Revenue development

Revenue development and split
NOK million, % of total revenue

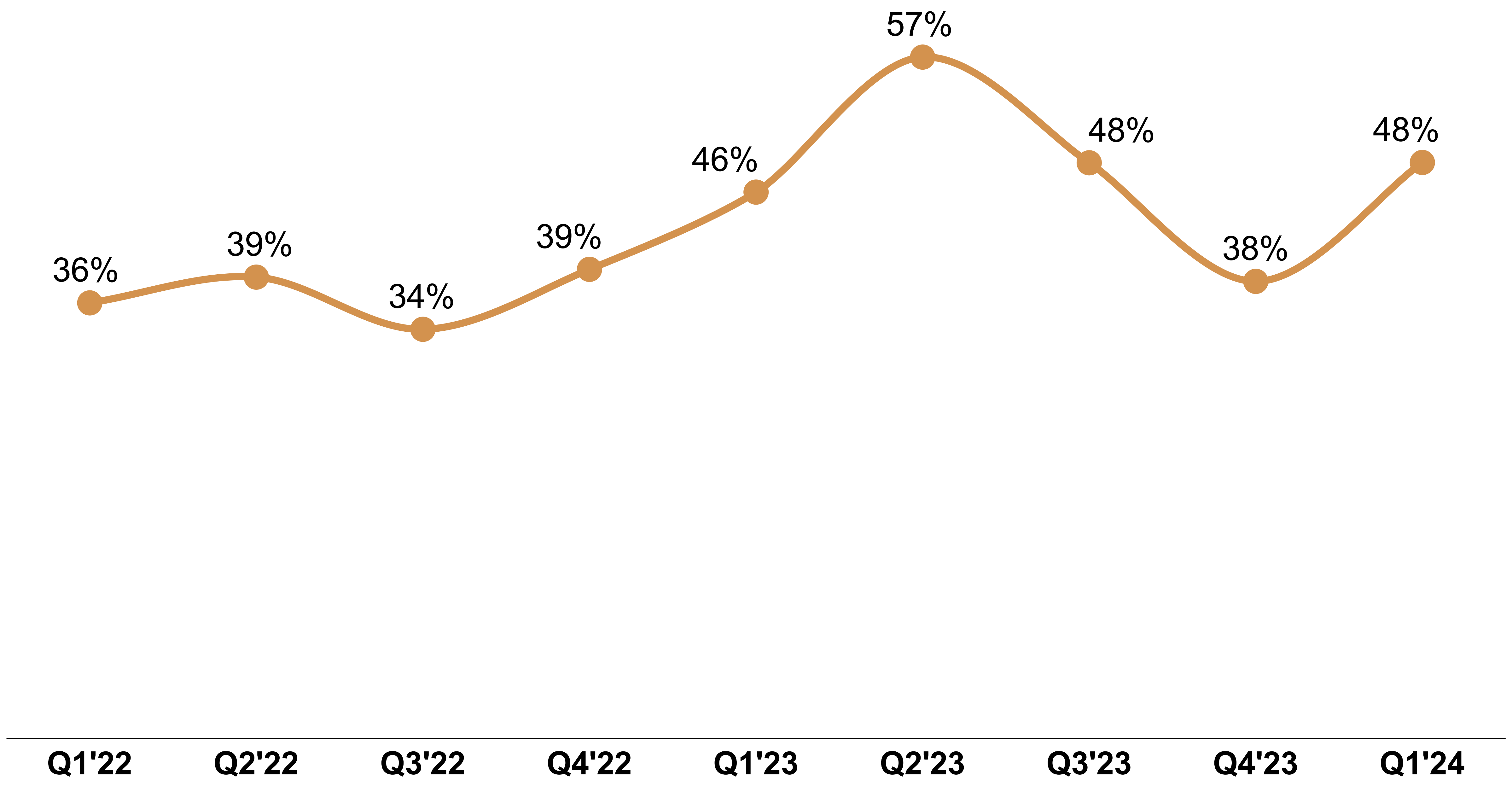


Revenue of NOK 33 million resulting in a 25 % decline compared to Q4 2023

- Sales to Channels increased by 7% vs. Q1’23, and decreased by 17 % compared to Q4’23
  - Quarter-on-quarter reduction reflects seasonal variations in the sales cycle to distributors and end-customers
  - Strategic and tactical measures implemented to improve Channel revenue
- Strategic partner sales decreased by 38 % compared to Q4’23
  - Headwind due to continued inventory build-up
  - Working proactively with existing strategic partners

Improved margins in Q1'24

Gross margin (%) development



- Gross margin for Q1'24 is 48%, an increase from 38% in Q4'23
- Gross margin of 48% in Q1'24 vs. 46% Q1'23
- Q1'24 around the guiding of ~50% for the full year
- Improvement in gross margin in 2023 and Q1'24 reflects the higher profitably in Channel sales as customer mix has changed

Profit and loss

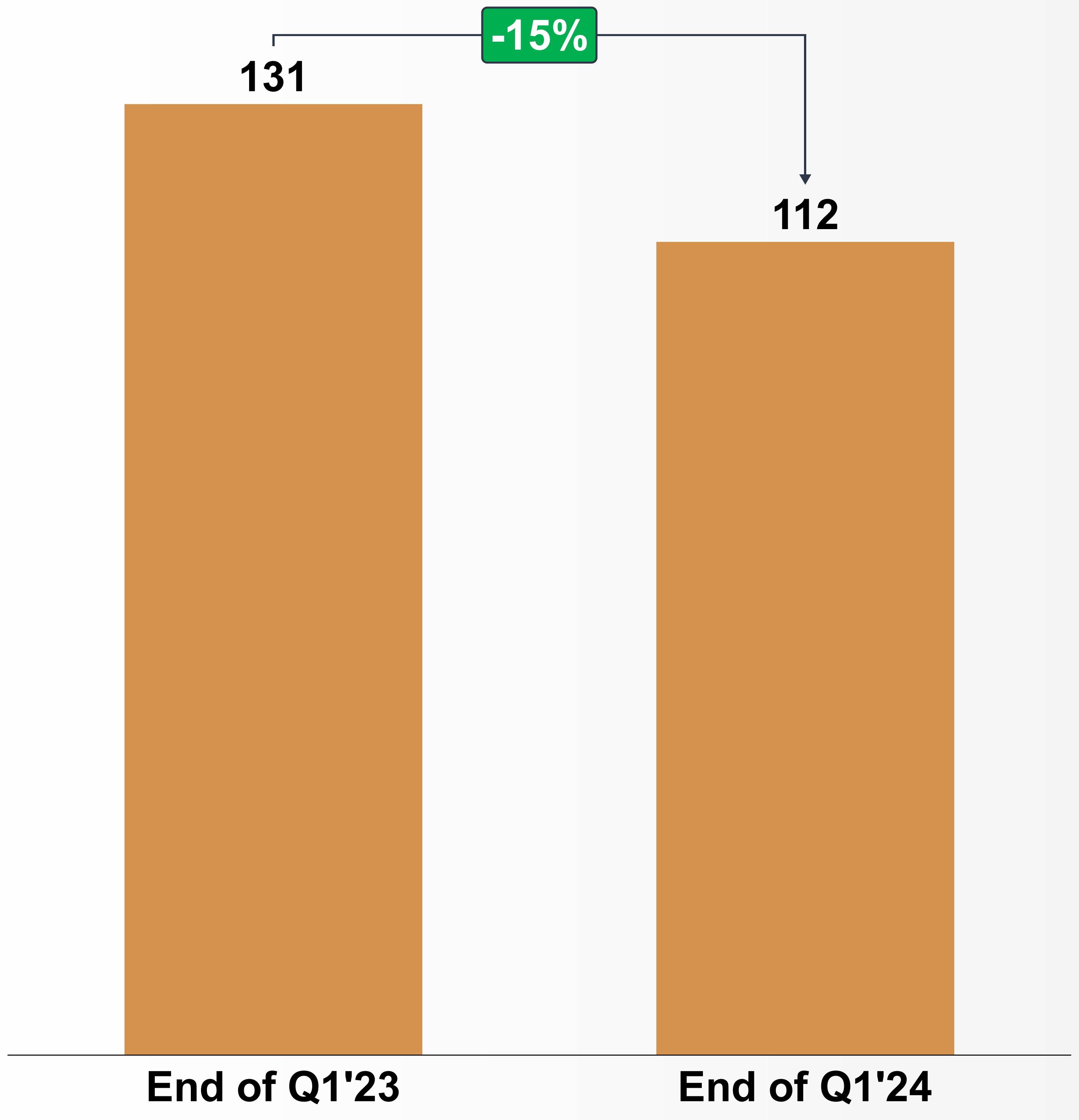
Condensed profit & loss statement
NOK million

	Q1 2024	Q1 2023	Change	2023
Revenue	33.0	51.2	-36 %	210.7
Gross profit	15.9	23.5	-32 %	100.9
Gross margin	*48 %*	*46 %*		*48 %*
Other revenue	1.5	0	100 %	1.0
Total operating expenses	-52.5	-56.5	-7 %	-221.1
Operating profit (EBIT)	-35.1	-33.0		-119.2
Net financials	-6.2	4.8		-3.9
Profit/Loss before tax	**-41.3**	**-28.2**		**-123.1**

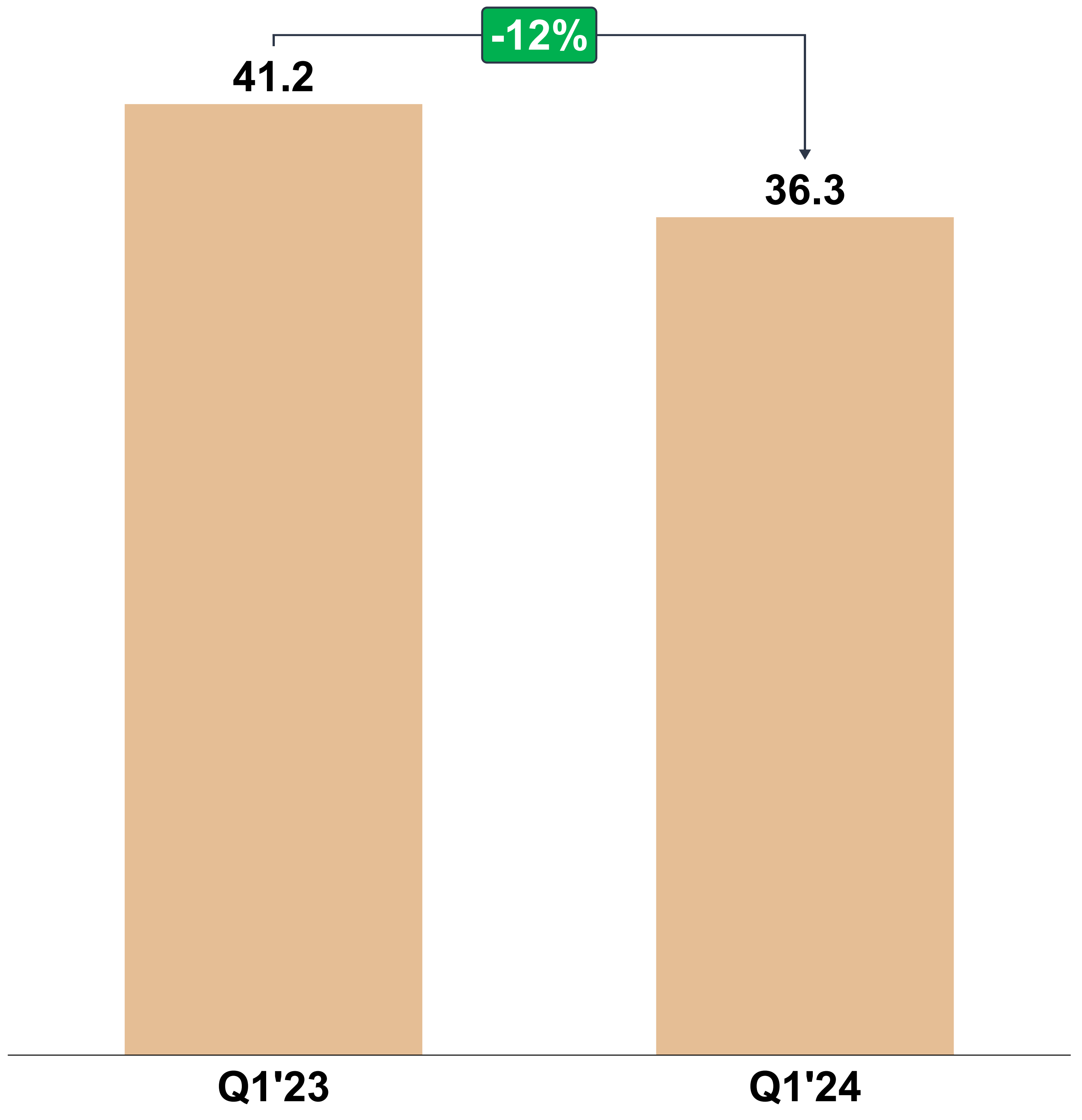
- Q1'24 revenue decline due to the continued headwind from the strategic partner revenue stream
- Actively addressing and controlling the cost base: Reduction in headcount and subleasing part of Oslo HQ office, as reflected in "Other revenue"

Reduced headcount has yielded 12% savings in personnel cost

Number of FTEs

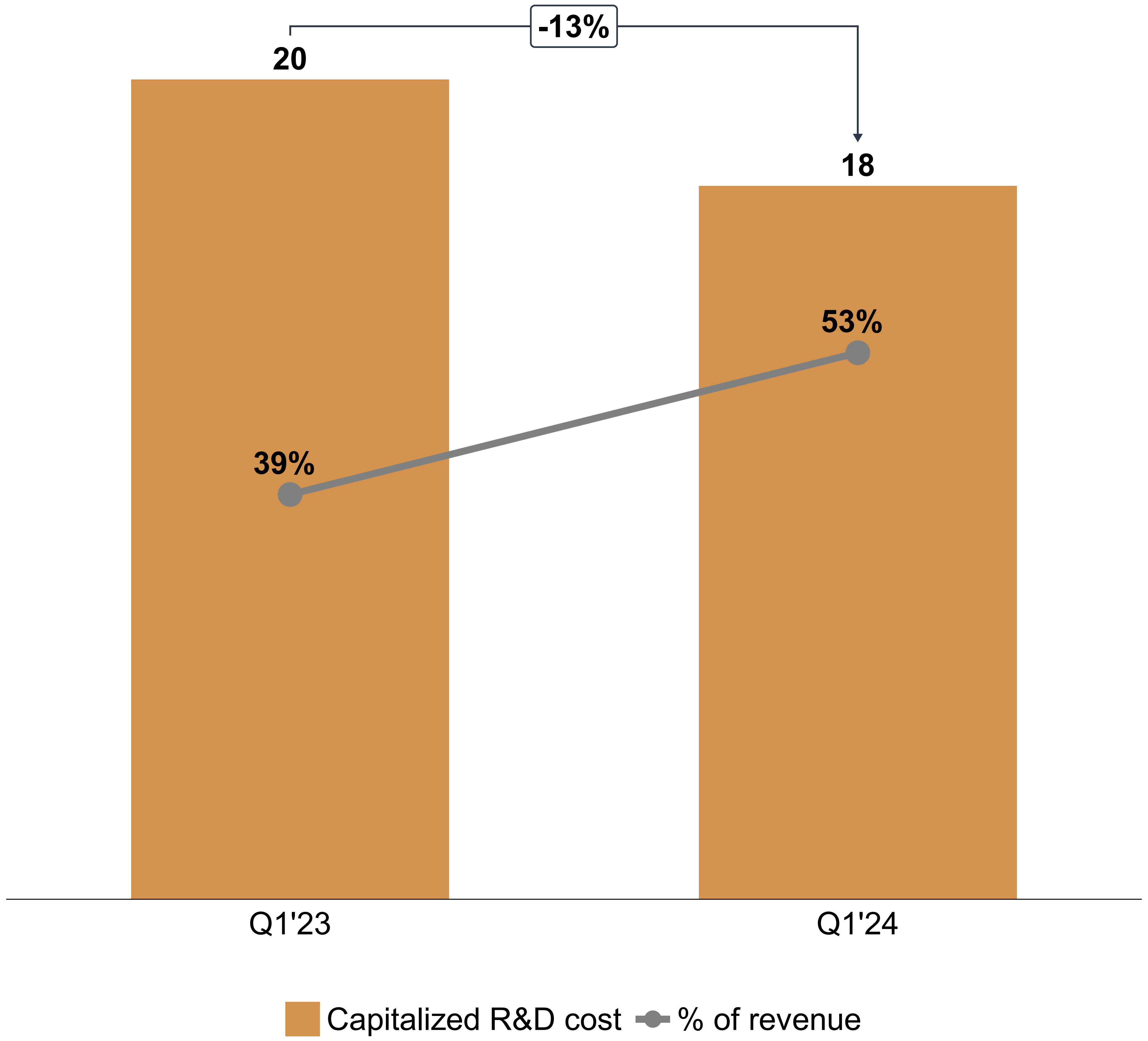


Payroll, incl. salaries, pension and tax
NOK million



R&D investments to drive long-term growth

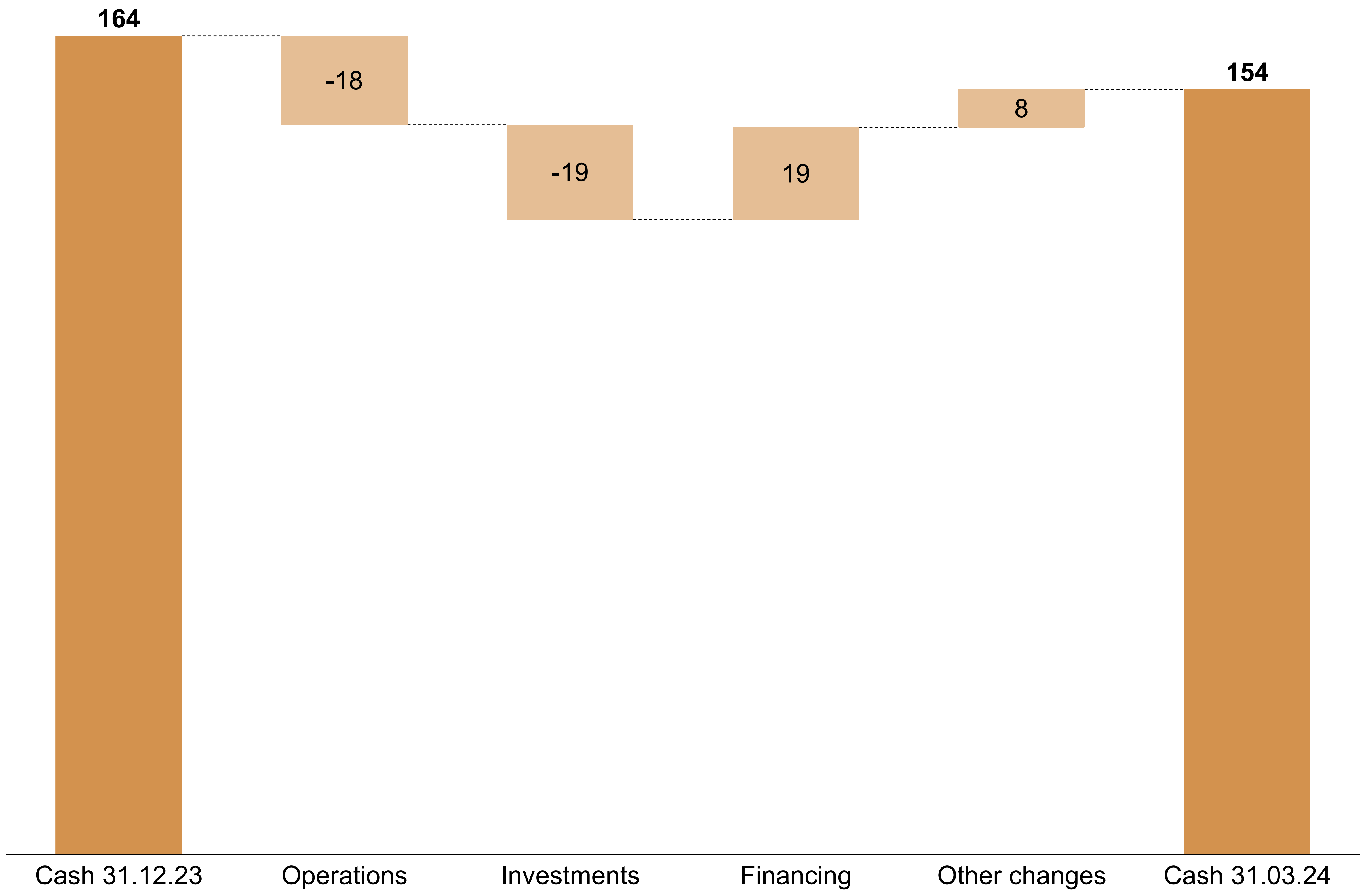
Capitalized R&D cost
NOK million, % of revenue



- Capitalized R&D cost of NOK 18 million in Q1 2024
- Continued investments to defend Huddly's leading technological position in the market
  - 60 engineers, with deep and extensive experience in AI, machine learning, software development and hardware
- Successful monetization of the innovative software solutions is crucial to build strategic value and establish a robust margin position

Q1 2024 cash flow

Cash flow
NOK million

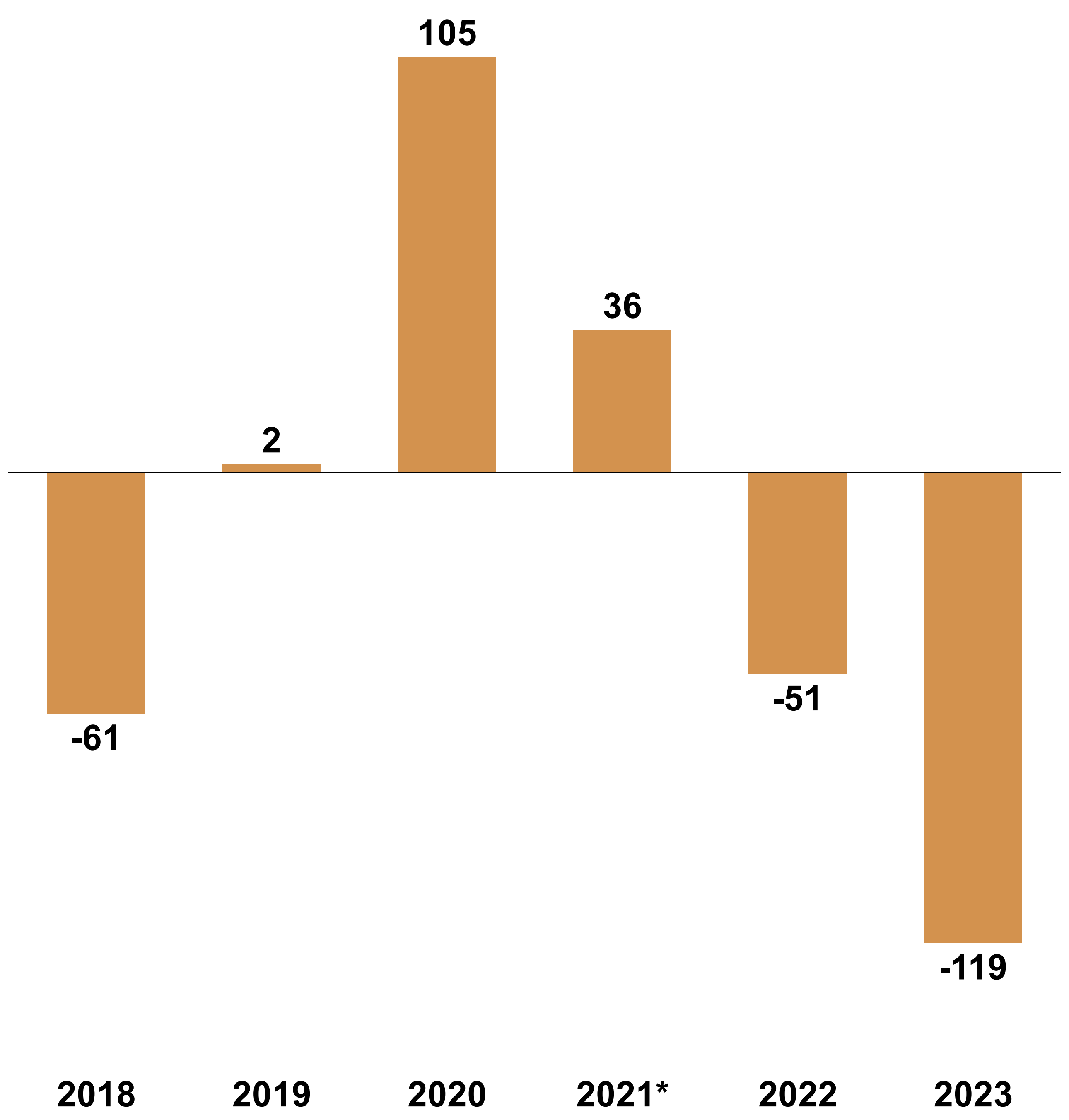


- Cash flow from operations of NOK -18 million compared to NOK -38 million in Q1'23
- Cash flow from investments of NOK -19 million mainly related to capitalized R&D cost
- Cash flow from financing activities of NOK +19 million, of NOK 28.5 million is related to equity repair issue
- Other changes related to currency translation differences and exchange rate changes
- Cash balance at 31.03.24 of NOK 154 million

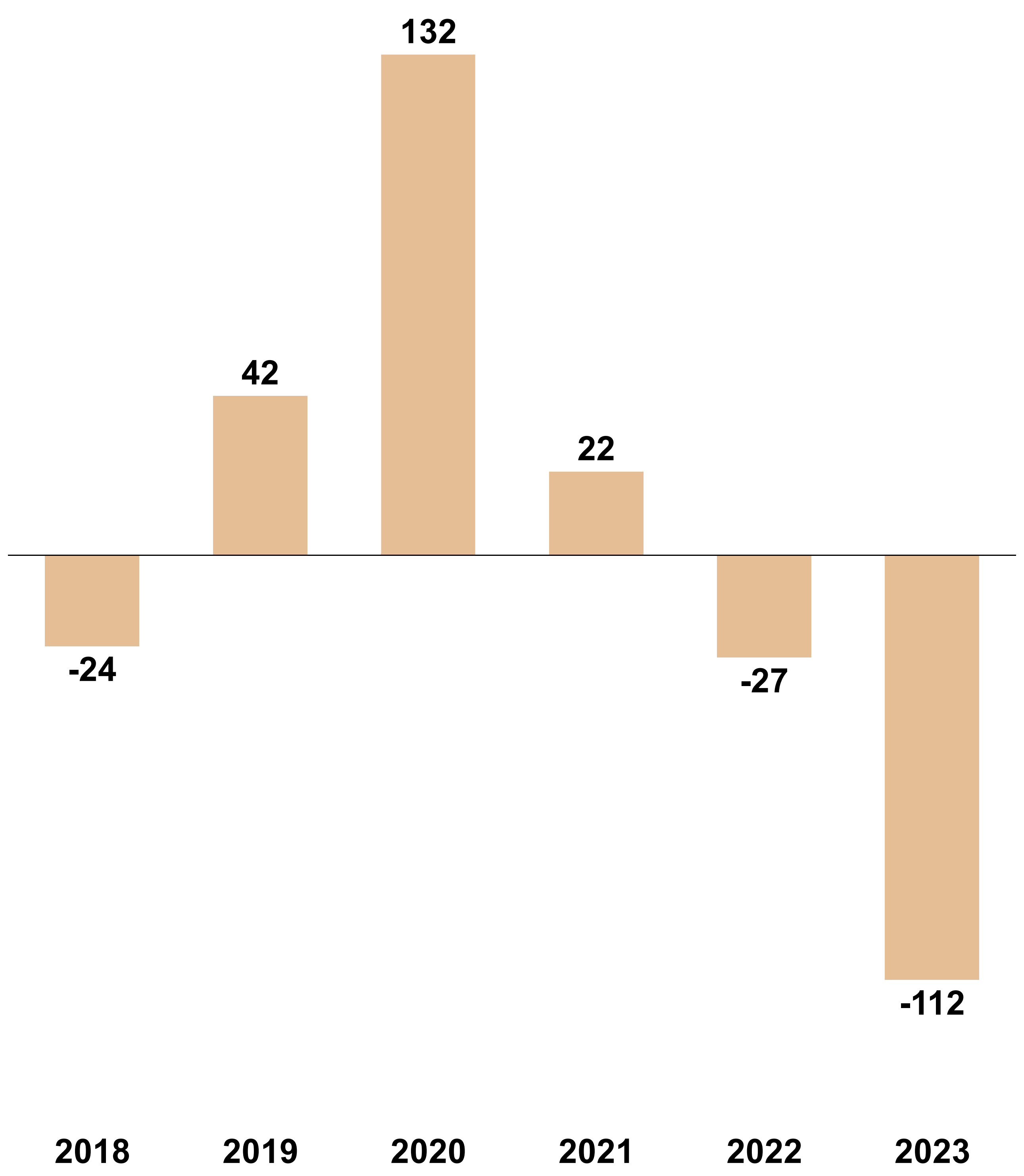
Outlook

Financial outlook

Operating profit/loss (NOK million, 2018 – 2023)



Operating cash flow (NOK million, 2018 – 2023)



- Proven ability to generate cash
- Expecting stable cost base to meet future demand and continued product development
- Financial guiding
  - Revenue 2024 at a comparable level to 2023. Increase in Channel revenue
  - Gross margin ~50 %
  - Positive cash flow during H2 2025

Note: Simplified IFRS 2018-21 and full IFRS 2022-23
*) Excluding P&L-effects related to options

Q&A

CEO, Graham Williams

CFO, Abhijit Banik

Chair of the Board, Jostein Devold