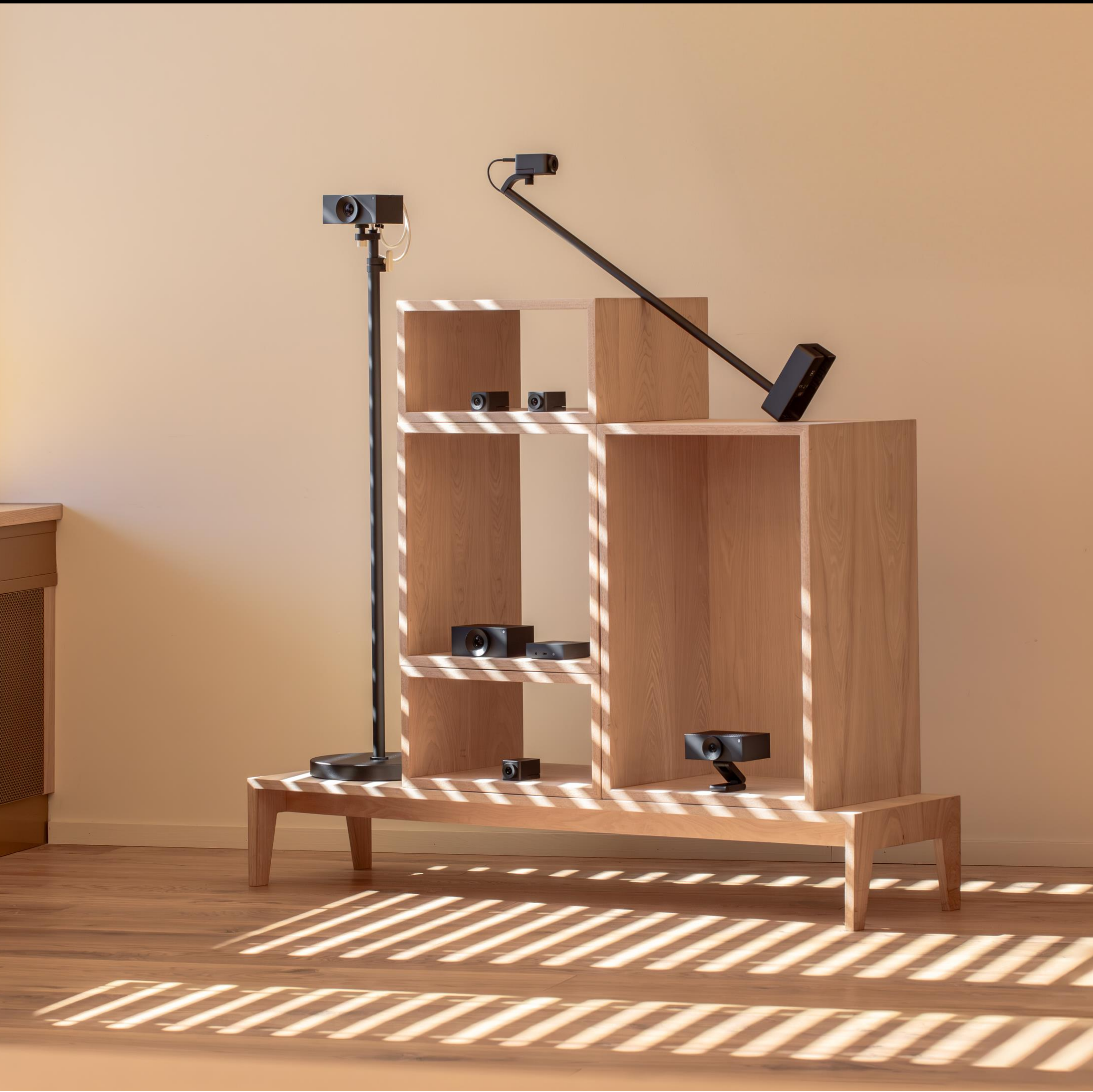
Annual Report 2024

Huddly Group and Huddly AS



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.

Content

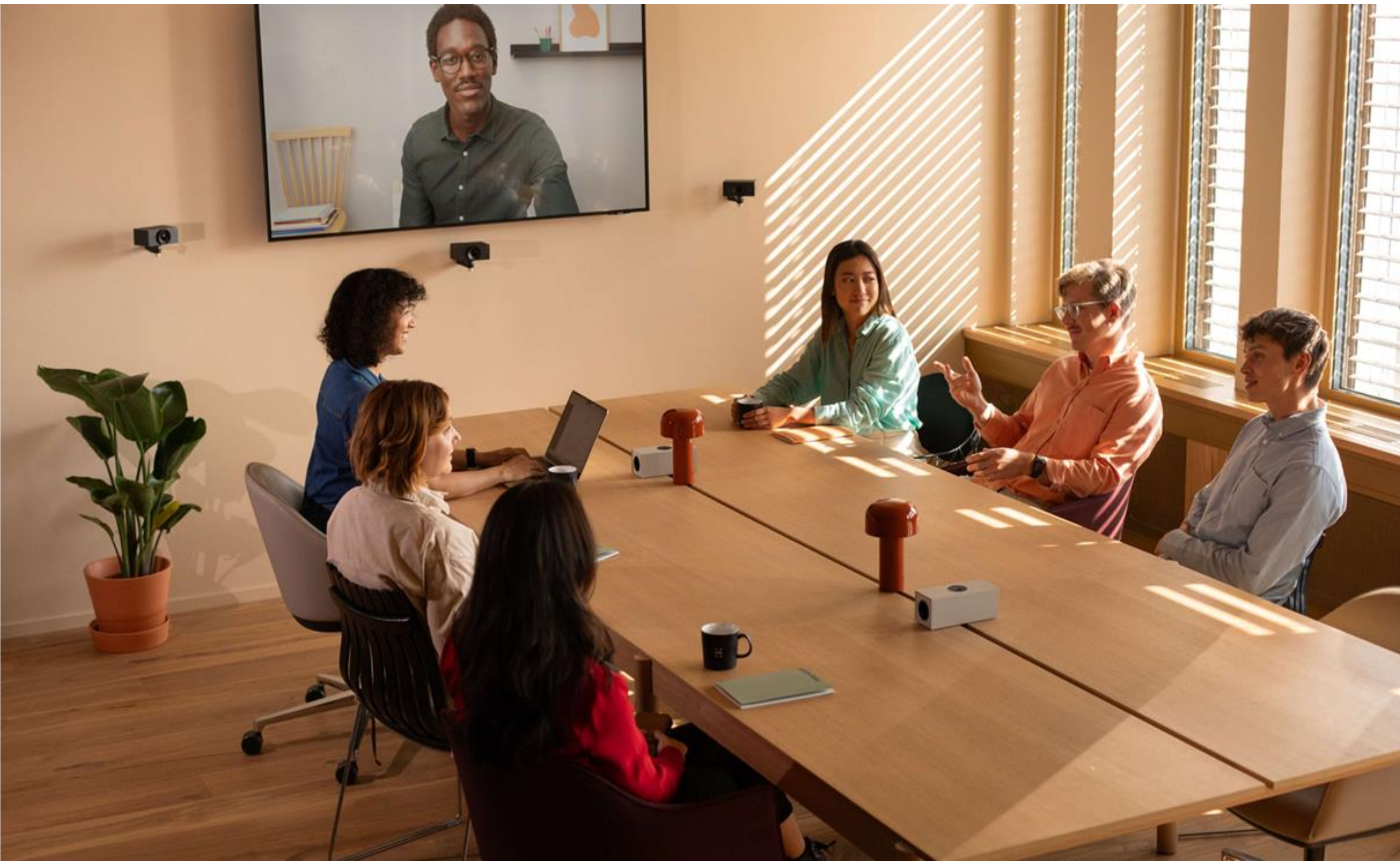
About Huddly

Disruptive innovation is our heartbeat. We're committed to pushing technology and challenging the status quo to empower human collaboration.

Combining our industry-leading expertise in artificial intelligence, software, hardware, and UX, we craft intelligent camera systems that enable inclusive and productive teamwork.

Huddly cameras are designed to provide high-quality, AI-powered video meetings on major platforms, including Microsoft Teams, Zoom, and Google Meet. With upgradable software, durable hardware, and engaging user experiences, they are the ideal choice for organizations seeking a future-proof, scalable, and sustainable solution.

Founded in 2013, Huddly is headquartered in Oslo, Norway, with presence in the US and EMEA and distribution globally.



Why Huddly is an attractive investment

1. Large and growing market with strong fundamental drivers

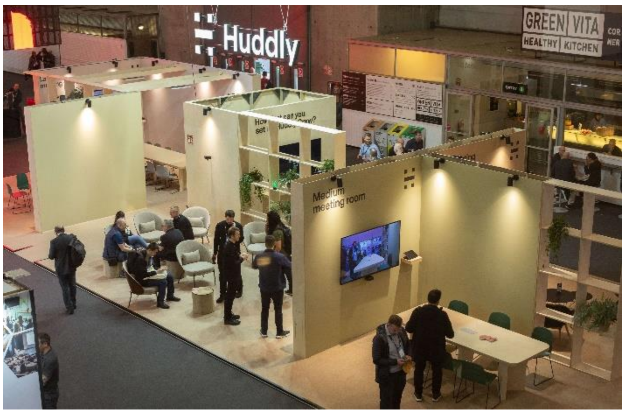
- **Hybrid work as a mega trend and new norm:** Employees typically work from home 2–3 days per week (source: WFH Research), driving increased demand for technology that enhances hybrid collaboration.
- **Vast market opportunity:** 4.3 billion USD global market, set to grow 16.4% on average per year towards 2029 (source: Frost & Sullivan). Only ~13% of about 110 million meeting rooms are equipped with video conferencing systems, leaving significant untapped potential.

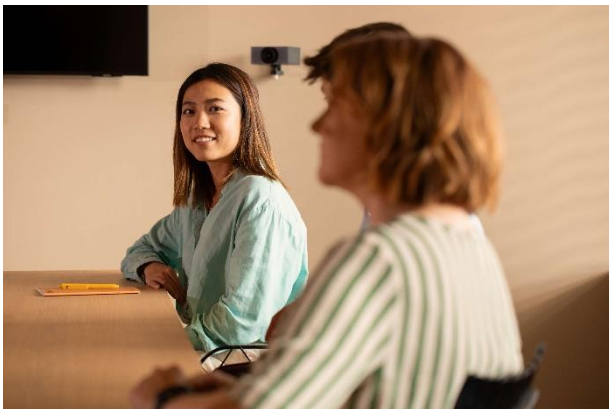
2. Product leadership: The world's first AI-directed multi-camera solution

- **Differentiated product portfolio:** A unique combination of AI and networked devices enables a scalable, plug-and-play platform adaptable to any room size and type.
- **Established barriers to entry:** Since 2013, the Company has developed advanced image-based AI and machine learning technology, a complex and highly challenging field.
- **Expanding into audio for a complete solution:** The C1 Videobar is set to launch in the second half of 2025.

3. Go-to-market: Strong partner network to drive revenue and scale

- **Endorsed by Microsoft:** Huddly cameras have been selected to enhance collaboration in Microsoft's meeting rooms.
- **Strategic partnerships:** Collaborating with Shure, Google, and Crestron to distribute cutting-edge videoconferencing solutions
- **Global distribution:** Reaching end customers through an extensive global distributor network.





Report from the Board of Directors

Report from the Board of Directors

The Board of Directors present their annual summary of consolidated financial results and Board report for Huddly AS ("Huddly" or the "Company") for the year ending 31 December 2024.

Operational review

Huddly continues to drive innovation in the hybrid workplace, enabling inclusive and productive meetings through its AI-powered video collaboration technology.

2024 presented continued financial challenges for Huddly, with a year-over-year decline in revenue primarily driven by lower-than-expected sales to Strategic partners. This underperformance was largely the result of elevated inventory levels within partner channels, a trend that originated in 2023 and persisted throughout 2024.

Despite this, Huddly showed tangible signs of growth in the latter half of 2024, driven by a strong increase in adoption of the flagship product Huddly Crew, and growing traction from new Strategic partners.

Huddly Crew has firmly established itself as a pioneering multi-camera system, gaining industry recognition as a next-generation team collaboration technology. Sales saw significant acceleration throughout 2024, with notable large orders of Crew kits from North American enterprise customers in the financial services industry and government sector. The large-scale adoption and rollout of Huddly Crew serve as a strong validation of its market acceptance.

In October 2024, Huddly signed Shure as a new Strategic partner, a world-renowned brand recognized for its expertise and quality within audio technology. The combination offers customers unmatched audio and video to their hybrid meetings, through a series of complete solutions for small to large rooms.

Microsoft Teams remains the leading collaboration platform and plays a key role in shaping the future of hybrid work. Teams certification is often a crucial purchasing factor for corporate buyers, making strong alignment with Microsoft a strategic priority. In Q4 2024, Microsoft selected Huddly Crew to enhance meeting collaboration in large spaces at its Redmond headquarters - concrete evidence that Huddly is setting new standards for video meetings in alignment with Microsoft's vision

Investments in research and development remain a top priority, ensuring the Company retains its competitive edge in the market. The next step in the product roadmap is the launch of the new videobar C1, offering a complete video and audio solution to the market. The product was first introduced and live demonstrated at ISE in February 2025 and is planned to be launched in the second half of 2025.

To enhance operational efficiency, Huddly consolidated its manufacturing operations with its partner, Flex, in Q2 2024, centralizing production at their facility in Poland. This strategic move has led to lower costs of goods sold (COGS) while maintaining high operational quality, streamlining the supply chain, and improving scalability.

Following interest from a global industry player, Huddly initiated a strategic review in Q4 2023. This process advanced throughout 2024, with discussions ongoing with multiple global industrial players. The Board expects to conclude the review in Q2 2025, though no definitive outcomes have been determined at this stage.

Results and dividends

In 2024, the Group had a net loss before tax of NOK 172 million (2023: net loss of NOK 125 million), total revenue of NOK 149 million from sales of goods (2023: NOK 211 million), total equity of NOK 390 million (2023: NOK 393 million), and total assets of NOK 631 million (2023: NOK 691 million).

Huddly AS had a net loss before tax of NOK 177 million in 2024 (2023: net loss of NOK 128 million). Total revenue from sales of goods of NOK 149 (2023: NOK 211 million), total equity of NOK 355 million (2023: NOK 375 million), and total assets of NOK 703 million (2023: NOK 765 million).

No dividend payments have been made during 2024, and the directors do not recommend payment of a final dividend for 2024.

The ending cash balance per December 31, 2024, was NOK 116.5 million, a reduction from NOK 164.2 million on December 31, 2023.

Workplace culture

The Board believes the workplace culture is satisfactory. There have been no accidents or injuries in 2024. The Company had a total of 517 days of parental leave during 2024 in Norway, which was split by 321 days of maternity leave and 196 days of paternity leave. The Company had a percentage of sick leave of 2.2%. The Working Environment Committee has worked closely with the Administration during the year and the dialogue has been constructive and positive.

Gender and equal opportunity

Huddly has 116 employees as of year-end 2024, 91 men and 25 women, and the Board is composed of four men. Two new members were appointed to the Board in January 2025, both of whom are women.

Huddly strives to have a diverse workforce with employees across the world, focusing on diversity and inclusion. Our employee bases consist of approximately 20 different nationalities, different levels of education from PhD to self-taught.

Through our values, innovative, quality oriented and collaborative we encourage everyone to be creative and curious, have integrity in all aspects of their day-to-day work and be collaborative. We encourage thinking outside of the box and give room for being different, all voices should be heard in any process.

As many technology companies we have a challenge when closing the gap between male and female employees. Through our People and Culture, we work on how to close this gap working putting it on the agenda with our Working Environment Committee and Management team. Gender and background should never be a hindrance for internal and external applicants, being part of the management team or taking on new challenges within the Company.

The Board promotes equal opportunity and has reviewed the number of employees and positions. The Board found no cause to develop additional programs to address equal opportunity.

As per the requirement in the Norwegian Activity Duty for employers (Nw: Aktivitets- og redegjørelsesplikten, ARP), Huddly reports the following employee data:

Permanent employees by region, gender and payroll

(at the end of year)	2024		2023	
Region	# of employees	Payroll (NOK)	# of employees	Payroll (NOK)
Norway	**98**	**999,950**	**95**	**923,197**
Female	22	910,992	24	866,997
Male	76	1,088,908	71	941,215
Rest of the world	**18**	**1,592,925**	**19**	**1,826,540**
Female	3	1,423,887	3	1,094,625
Male	15	1,761,963	16	1,942,106

Part-time employees, turnover, and parental leave

(at the end of year)	2024			2023		
Organization	Male	Female	Total	Male	Female	Total
Nb. of employees per employee type						
Permanent employees	91	25	**116**	87	27	**114**
Temporarily hired	-	-	**-**	2	2	**4**
Interns	-	-	**-**	2	-	**2**
Newly hired						
# of newly hired employees	14	4	**18**	7	3	**10**
Employee turnover						
# of employees who have left the company	10	6	**16**	11	6	**17**
Parental leave						
# of employees on parental leave	2	2	**4**	7	7	**14**

Breakdown of employees and board members by gender

(at the end of year)	2024			2023		
Organization	Male	Female	Total	Male	Female	Total
Permanent employees	91	25	**116**	87	27	**114**
Board of Directors	4	-	**4**	4	-	**4**
Executive level management	8	1	**9**	8	1	**9**
Non-executive level management	13	4	**17**	18	4	**22**

Breakdown of employees and board members by age

(at the end of year)	2024			2023		
Organization	Under 30	30-49	50+	Under 30	30-49	50+
Permanent employees	11	88	17	11	89	14
Board of Directors	-	-	4	-	-	4
Executive level management	-	6	3	-	6	3
Non-executive level management	-	13	4	1	20	1

Average age by gender

(at the end of year)	2024			2023		
Organization	Male	Female	Total	Male	Female	Total
Permanent employees	39	38	**39**	39	39	**39**

Environment and social responsibility

Huddly actively seeks to meet its goals in a sustainable, environmentally and socially responsible way. Transparency about human rights and working conditions in our supply chain is an important focus area for Huddly.

All suppliers and parties that have a direct contractual relationship with Huddly and offer products or services to Huddly must adhere to our Supplier Conduct Principles. These principles spell out the standards that Huddly expects to see achieved and documented over time from our partners.

The Company's Transparency Act and Supplier Conduct Principles are available on the webpage www.huddly.com/sustainability/.

Currently, Huddly is conducting a CSRD-compliant Double Materiality Assessment to identify key sustainability topics by evaluating material impacts, financial risks, and opportunities. In addition to the DMA assessment, Huddly continues to perform life cycle analyses and carbon footprint calculations for its products. Huddly aims to issue a Sustainability Report in accordance with European Sustainability Reporting Standards by 2027.

Huddly recognizes that the electronics industry can have a negative impact in terms of energy consumption both in manufacturing and in use. Rare earth minerals with its complex supply chain are also an inherent part of this industry.

Addressing conditions such as carbon emissions, electronic waste, energy consumption, good health, and decent working conditions throughout Huddly's supply chain is essential for reducing the environmental footprint of any electronics and software development company, including Huddly.

The Company targets to reduce the impact of our products through product longevity, use of recycled materials, modularity and low power solutions. Huddly believes in creating technology that not only enhances collaboration but also supports a green future.

Research and development

In 2024, the Company received a grant from Skattefunn through The Research Council of Norway. The direct research and development costs are capitalized and amortized over five years.

The Company received no such grants from Skattefunn in 2023.

Directors

The Directors who served during the year were Jostein Devold (Chair), Kristian Kolberg, Michael Brandofino and Jon Øyvind Eriksen (elected 15 August 2024).

On 22 January 2025, a new Board was elected, consisting of Jon Øyvind Eriksen (Chair), Jostein Devold, Kristian Kolberg, Bente Sollid and Anika Jovik.

Basis of preparation

The consolidated financial statements of Huddly are prepared in accordance with IFRS® Accounting Standards as adopted by the EU, and additional disclosure requirements in the Norwegian Accounting Act as effective of 31 December 2024.

The consolidated financial statements are presented in Norwegian kroner (NOK), which corresponds to the functional currency of the parent company of Huddly Group and have been rounded to the nearest thousand unless otherwise stated.

Financial risk factors

Huddly is exposed to the following major groups of risks: Product risks, Market risks, Credit risks, and Liquidity risks. Some of these are outside of Huddly’s control, such as geopolitical risks and market specific cyclical risks.

Product risks

The Company's core business is to develop innovative videoconferencing solutions, thus there are inherent risks related to product development. Risks include technological complexity, rapidly evolving customer needs, shifting market trends, and the continuous need to deliver high-performance, reliable products. Failure to anticipate or respond to these changes may lead to delays in product launches, increased development costs, or products that do not meet market expectations.

In addition, dependence on third-party suppliers and partners for certain components may expose the Company to further delays or quality issues.

Market risks

Huddly faces increasing risks related to tariffs and ongoing trade tensions, which could impact supply chain costs. Escalating trade disputes may lead to higher import duties and regulatory challenges, affecting profitability and pricing flexibility. Huddly's contract manufacturer is based in Poland, and the risk exposure is mainly related to potential tariffs between Europe, North America and Asia. The Company is closely monitoring the situation and evaluating strategies to mitigate potential disruptions.

The main exposure to foreign currency is derived from accounts payable and accounts receivable in connection with the sale and purchase of goods in foreign currency, in addition to other operating expenses denominated in a foreign currency, such as foreign payroll and services.

The Company does not normally use contracts to hedge the foreign exchange exposure. The exposure is largely hedged through receipts and debts being denominated, directly or indirectly, in the same currency (a "natural hedge").

Credit risks

Huddly's credit risk is related to the sale of goods and services on credit, and working capital advance tied up at the Company's contract manufacturer. Huddly monitors the outstanding amounts and follows up closely with its customers and partners should amounts become overdue.

Liquidity risks

Huddly's liquidity strategy is to secure sufficient cash, cash equivalents and credit facilities available at any time to finance the operations and investments for the next 12 months.

Huddly manages liquidity risk by monitoring the expected future cash from operations and available cash to assess whether they are adequate to serve the operational and financial obligations. This is done by preparing cash flow forecasts on a 12-month forward rolling basis, and detailed by weekly cash monitoring, based on different sales and cost scenarios. Tied up working capital is supervised, focusing on inventory, accounts receivable, and accounts payable.

The Board notes that Huddly faced challenging market conditions in 2024, including high inventory levels within partner channels. Management has initiated several measures to improve operational efficiency and strengthen the Company's market position. Huddly remains focused on executing a business strategy aimed at achieving cash flow positivity by end of 2025.

However, it is important to acknowledge the inherent uncertainties surrounding this objective. The business plan for 2025 remains subject to various external and internal factors that may impact both revenue realization and cost structure, thereby affecting forecasted cash flows. Among these are macroeconomic volatility, tariffs and the timing and volume of revenue from channel partners and existing and new strategic partners. In response to these uncertainties, the Board of Directors is prepared to implement strategic measures to adjust the cost base and optimize cash flows as necessary.

Huddly holds no loan agreements against financial institutions and has no covenants. The Company has a loan facility of NOK 55.5 million from existing shareholders and associated companies, maturing in June 2026. The Board has initiated the process of postponing the maturity of the loan to after end of 2026. The facility is currently fully drawn, with interest exposure linked to NIBOR. Huddly considers the risk associated with interest rate fluctuations as low.

The Board's objective is to maintain a healthy capital base to retain the trust of shareholders, creditors, customers, suppliers, and the market to continually develop the Company. The Board continuously monitors the capital structure and makes appropriate actions when deemed necessary. The ultimate objective of the Board is to ensure Huddly's shareholders over time will gain a competitive return on their investment.

Refer to note 22 in financial statement for a detailed presentation of risk factors.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information; and
- This confirmation is given and should be interpreted with laws, regulations, and accounting standards in accordance with International Financial Reporting Standards valid as of December 31, 2024.

Going concern

The Board of Directors confirms that the annual financial statements for 2024 have been prepared on the basis of a going concern assumption, and that this assumption has been made in accordance with section 3-3a of the Norwegian Accounting Act.

Directors' and Officers' liability insurance

The Directors and management are covered by a standard D&O insurance policy with a liability limit deemed sufficient by the Board in relation to the risk and nature of the business of Huddly.

Events after the balance sheet date

On 22 January 2025, a new Board was elected, consisting of Jon Øyvind Eriksen (Chair), Jostein Devold, Kristian Kolberg, Bente Sollid and Anika Jovik.

On 30 January 2025, the Company completed a reverse share split, whereby 100 existing shares were consolidated to one share.

On 14 February 2025 during an Extraordinary General Meeting, the Board authorized a new share incentive program adapted to reflect the current price of the Company's shares on Euronext Growth Oslo.

On 7 March 2025 the Board of directors of Huddly issued a total of 2,500,000 offer shares related to a subsequent repair offering raising an additional NOK 25 million in gross proceeds.

In April 2025, the United States announced the introduction of new trade tariffs on certain imported goods. While the exact scope of it and its impact is still not known, the Company may be affected by the tariffs in relation to finished products exported from Europe to the US. Refer to note 23 for further information.

Auditors

Huddly has appointed PwC as Huddly's auditors for the financial year 2024.

Outlook 2025

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 intensify.

Huddly's multi-camera system, Crew, is well-positioned to capitalize on emerging trends such as AI-enabled multi-camera direction, offering a scalable, plug-and-play platform powered by a unique combination of AI and networked devices that adapts seamlessly to any room size or type.

2024 was a financially challenging year for Huddly. In the outlook from the Annual Report 2023, the Company expected to increase the revenue in 2024 compared to 2023 (NOK 211 million), however, concluded 2024 with NOK 149 million in revenue. Despite this, Q4 2024 showed a significant improvement compared to the previous three quarters, signaling promising signs of growth. Thus, Huddly expects 2024 revenue to mark a low point and remains positive in its outlook.

The Company is executing on its business plan towards 2027. 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. Shure was signed as a Strategic partner in October 2024, and the key priority for management is to add additional partners. The long-term target of a 50/50 mix between Channel and Strategic partners represents a resilient and diversified business model.

Launch of new products, such as the Huddly C1 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.

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.

At the same time, the Company acknowledges that its outlook is subject to inherent uncertainty, which is further amplified by ongoing geopolitical and macroeconomic instability, as outlined in the section on Financial Risk Factors.

Oslo, 30 April 2025

Jon Øyvind Eriksen
Chair of the Board

Anika Jovik
Board member

Kristian Kolberg
Board member

Bente Sollid
Board member

Jostein Devold
Board member

Rósa Stensen
CEO

Huddly Group financial statements

Huddly Group financial statements

Huddly Group statement of profit or loss

Amounts in NOK 1,000	Note	2024	2023
Sales of goods	4	148,781	210,722
Total revenue		**148,781**	**210,722**
Cost of goods sold		(77,230)	(109,803)
Gross profit		**71,551**	**100,919**
Other revenue	13	5,952	992
Employee benefit expenses	5	(119,483)	(101,430)
Other operating expenses	6	(50,312)	(55,114)
Amortization and depreciation	11,12,13	(61,096)	(64,554)
Total operating expenses		(230,891)	(221,098)
Operating profit/(loss)		**(153,388)**	**(119,187)**
Interest income		4,176	3,482
Interest expense		(14,430)	(6,909)
Other financial expense		(3,026)	(6,726)
Net foreign exchange gains (losses)		(5,043)	6,289
Net financial items		(18,323)	(3,863)
Profit/(loss) before income tax		**(171,711)**	**(123,051)**
Income tax	7	(468)	(2,000)
Profit/(loss) for the year		**(172,179)**	**(125,050)**
Profit/(loss) for the year is attributable to:			
Owners of Huddly AS		**(172,179)**	**(125,050)**
Earnings per share in NOK			
Basic earnings per share	10	(0.30)	(0.55)
Diluted earnings per share	10	(0.30)	(0.55)

Huddly Group statement of comprehensive income or loss

Amounts in NOK 1,000	**2024**	**2023**
Profit/(loss) for the year	**(172,179)**	**(125,050)**
Other comprehensive income:		
Items that might be subsequently reclassified to profit or loss:		
Exchange differences on translation of foreign operations	11,816	3,000
Total comprehensive income for the year	**(160,363)**	**(122,050)**
Total comprehensive income is attributable to:		
Owners of Huddly AS	**(160,363)**	**(122,050)**

Huddly Group statement of financial position at 31 December

Amounts in NOK 1,000	Note	2024	2023
ASSETS			
Non-current assets			
Goodwill	11	8,018	8,018
Intangible assets	11	215,153	190,679
Tangible assets	12	4,600	7,211
Right-of-use assets	13	55,756	65,060
Deferred tax asset	7	-	-
Other non-current receivables	14	25,852	23,397
Total non-current assets		**309,378**	**294,364**
Current assets			
Inventories	15	78,733	29,979
Consignation inventories	15	50,276	104,001
Trade receivables	16	49,061	51,706
Other current receivables	16	26,594	47,097
Cash and cash equivalents	17	116,470	164,231
Total current assets		**321,133**	**397,014**
TOTAL ASSETS		**630,512**	**691,378**

Amounts in NOK 1,000	Note	2024	2023
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,148	298
Share premium and other paid in capital		374,432	893,144
Foreign currency translation reserves		14,178	2,363
Retained earnings		-	(503,096)
Total equity		**389,758**	**392,709**
Non-current liabilities			
Long term debt	19	55,500	50,000
Lease liabilities (non-current portion)	13	53,309	62,382
Other non-current liabilities	19	2,320	4,043
Total non-current liabilities		**111,129**	**116,424**
Current liabilities			
Lease liabilities (current portion)	13	11,462	9,716
Trade payables		25,350	35,588
Current tax payables		2,643	1,926
Consignation liabilities	20	53,721	107,711
Other current liabilities	20	36,447	27,304
Total current liabilities		**129,624**	**182,245**
Total liabilities		**240,753**	**298,669**
TOTAL EQUITY AND LIABILITIES		**630,512**	**691,378**

Oslo, 30 April 2025

Jon Øyvind Eriksen
Chair of the Board

Anika Jovik
Board member

Kristian Kolberg
Board member

Bente Sollid
Board member

Jostein Devold
Board member

Rósa Stensen
CEO

Huddly Group statement of changes in equity

Amounts in NOK 1,000	Share capital	Share premium	Other Paid in Capital	Translation differences reserves	Retained earnings	Total equity
Balance at 1 January 2023	**135**	**508,285**	**266,732**	**(637)**	**(378,045)**	**396,470**
Profit/(loss) for the year					(125,050)	(125,050)
Currency translation differences				3,000		3,000
Total comprehensive income/(loss) for the year	-	-	-	3,000	(125,050)	(122,050)
Issuance of shares	163	122,201				122,363
Share-based payment to employees			(4,074)			(4,074)
Balance at 31 December 2023	**298**	**630,486**	**262,658**	**2,363**	**(503,096)**	**392,709**
Profit/(loss) for the year					(172,179)	(172,179)
Currency translation differences				11,816		11,816
Total comprehensive income/(loss) for the year	-	-	-	11,816	(172,179)	(160,363)
Issuance of shares	850	149,139				149,989
Share-based payment to employees			7,424			7,424
Transfer from Share premium to Retained earnings		(675,275)			675,275	-
Balance at 31 December 2024	**1,148**	**104,350**	**270,082**	**14,178**	**-**	**389,758**

Huddly Group statement of cash flows

Amounts in NOK 1,000	Note	2024	2023
Cash flows from operating activities			
Profit/(loss) before income tax		(171,711)	(123,051)
Adjustments for:			
Share-based payments expense	8	7,424	(4,074)
Depreciation and amortization	11,12,13	61,096	64,554
Net financial items		18,323	3,863
Change in operating assets and liabilities:			
Change in trade receivables and other receivables		2,645	10,297
Change in inventories (including consignation inventories)		4,971	(1,229)
Change in trade payables		(10,238)	179
Change in other current assets and liabilities		(24,344)	(55,024)
Taxes paid		-	-
Paid interests		(2,897)	(6,350)
Items classified as investing or financing			(1,394)
Net cash inflow/(outflow) from operating activities		**(114,731)**	**(112,229)**
Cash flows from investing activities			
Payment for property, plant and equipment	12	(1,426)	(3,256)
Payment for investments in intangible assets	11	(67,117)	(73,210)
Proceeds from disposals		-	100
Interest received		4,176	3,482
Net cash inflow/(outflow) from investing activities		**(64,367)**	**(72,884)**
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		160,000	130,000
Payments of transaction costs equity transactions		(10,011)	(7,637)
Repayments of lease liabilities	13	(10,738)	(11,550)
Loan proceeds	19	5,500	50,000
Paid interest on loan		(7,842)	(914)
Paid interest on lease liabilities	13	(7,911)	(4,484)
Net cash inflow/(outflow) from financing activities		**128,998**	**155,415**
Net increase/(decrease) in cash and cash equivalents		**(50,100)**	**(29,697)**
Cash and cash equivalents as of 1 January		164,231	183,900
Currency translation differences		87	2,864
Effects of exchange rate changes on cash and cash equivalents		2,252	7,164
Cash and cash equivalents as of 31 December		**116,470**	**164,231**

Notes to the Huddly Group financial statements

Notes to the Huddly Group financial statements

1. General information

Huddly AS (the Company), the parent company of Huddly Group (Huddly or the Group) is a private limited liability company incorporated and domiciled in Norway. The address of its registered office is Stortorvet 7, 0155 Oslo, Norway. The Company is listed on Euronext Growth (Oslo) and has the ticker “HDLY”. Subsidiary Huddly Inc. is registered in the state of Delaware in the United States of America.

Huddly uses its technology to create tools for team collaboration and combines expertise across the fields of design, hardware, software, and artificial intelligence. The Company’s smart cameras are designed to make it easier and better for people to communicate with each other. Huddly’s solutions with industry-leading partners enable high-quality video experience on all major collaboration platforms.

These consolidated financial statements have been approved for issuance by the Board of Directors on 30 April 2025.

2. General accounting principles

The general accounting policies applied in the preparation of these consolidated financial statements are set out below. Specific accounting principles are described in the relevant notes.

Basis of preparation

The consolidated financial statements of Huddly are prepared in accordance with IFRS® Accounting Standards as adopted by the EU, and additional disclosure requirements in the Norwegian Accounting Act as effective of 31 December 2024.

The consolidated financial statements are presented in Norwegian kroner (NOK), which corresponds to the functional currency of the parent company of the Group and have been rounded to the nearest thousand unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

The financial statements are prepared on a going concern basis.

Principles of consolidation

Subsidiaries

Huddly Group consists of Huddly AS, as parent company, and Huddly Inc. as subsidiary.

Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. The Group has determined that the Management team is the chief operating decision makers.

The segment information is reported in accordance with the reporting to the Management team (the chief operating decision makers) and is consistent with financial information used for assessing performance and supporting the Group’s direction and strategy, resource allocation and acquisition activities. The Group has identified one segment.

Use of judgements and estimates

Estimates and assumptions

Management has used estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on historical experience and other factors that are considered to be relevant. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Management has, when preparing the financial statements, made certain significant assessments based on critical judgment when it comes to the application of accounting principles.

Material exercise of judgment and estimates relate to the following matters:

- Contract liabilities as part of Huddly's IFRS 15 assessment, refer to note 4
- Lifetime of intangible assets, refer to note 11
- Consignation inventory, refer to note 15
- Estimated credit loss for trade receivables, refer to note 16
- The recoverable amount of intangible assets, including capitalized development projects and trademarks and patents
- The fair value of share options granted

3. New and amended standards not yet adopted by the Group

As of the reporting date, the Group has reviewed all new and amended standards and interpretations issued by the International Financial Reporting Standards (IFRS) or applicable local accounting standards. Based on the Group's assessment, there are no new or amended standards that have been issued but not yet adopted by the Group for the year 2024. The Group is aware of the forthcoming IFRS 18 standard on Presentation and Disclosure in Financial Statements, effective from January 2027, and are preparing to enhance our reporting practices to ensure compliance with its requirements. The Group will continue to monitor any future changes and will adopt them in accordance with the applicable adoption timelines.

4. Revenue from sales of goods

Accounting principles

Revenue from sales of goods

The Group generates revenue from sale of various types of cameras to be used in meeting rooms, learning facilities and home offices.

Revenue from contracts with customers is recognized when persuasive evidence of an arrangement exists, delivery has occurred as well as risk and control, the fee is fixed or determinable, and collectability is reasonably assured.

The Group accrues for warranty costs, sales returns, and other allowances. Shipping and handling fees billed to customers are included in revenue, with the associated costs included in cost of sales. Revenue is shown net of value-added tax, estimated returns, rebates, and discounts and after eliminating sales within the Group.

Trade receivables

Trade receivables are initially recognized at fair value. Trade receivables are non-interest bearing and trading terms range from 30 to 60 days and therefore classified as current.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group fulfils the performance obligations under the contract. Most revenue is recognized by the Group at the point in time when control of the goods and services passes to the customer. However, the Group has identified a performance obligation to certain customers to keep cameras sold updated with the latest software, enhancing the goods controlled by the customer as part of an ongoing process, when the customer simultaneously receives and consumes the benefits, and the revenue is recognized over the same period. The Group plans to recognize deferred revenues over a three-year period, allocating them in determined proportions.

Description

Revenue from customers

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

Revenue from costumers	**2024**	**2023**
Strategic partners %	17%	48%
Channel partners %	83%	52%
Total	**100%**	**100%**

Amounts in NOK 1,000	**2024**	**2023**
Strategic partners	24,611	102,006
Channel partners	124,170	108,716
Revenue from customers	**148,781**	**210,722**

Revenue by geography

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

Amounts in NOK 1,000	2024	2023
EMEA/APAC	65,057	99,068
Americas	83,724	111,654
Revenue from customers	**148,781**	**210,722**

Information about major customers

The Group conducts its sales through one revenue segment. Of the Group's total revenue base per 2024, the three largest customers represent 47% (42% in 2023) and no other customer represents more than 10% of the Group's revenue.

Contract liabilities

The Group has recognized TNOK 594 in contract liabilities for 2024. See table below for determined proportions of current and non-current contract liabilities.

Contract assets and contract liabilities

Amounts in NOK 1,000	2024	2023
Contract assets	-	-
Contract liabilities (deferred revenue) - current	357	-
Contract liabilities (deferred revenue) - non-current	238	-
Total	**594**	**-**

5. Employee benefit expense

Accounting principles

Pension plans

The Group has a defined contribution plan for some of its employees. The Group's payments are recognized in the statement of profit or loss as employee benefit expenses for the year to which the contribution applies.

The Group's pension schemes satisfy the requirements in local country legislation regarding mandatory occupational pension act. 116 employees are registered in pension schemes as of 31 December 2024, compared to 114 employees at the end of 2023.

Specification of employee benefit expense

Employee benefit expense

Amounts in NOK 1,000	2024	2023
Wages and salaries	137,636	136,438
Share-based payment to employees	7,424	(4,074)
Share-based payment to employees, cash settlement	133	-
Social security tax	18,442	20,215
Social security tax, share-based payment to employees	(67)	(3,753)
Pension costs	6,248	6,111
Other personnel costs	5,060	4,916
Capitalization personnel cost	(55,392)	(56,544)
Total personnel cost	**119,483**	**103,308**

Total personnel cost is presented net of government grants, refer to note 9. The Group had an average of 115 full time employees on payroll in 2024, compared to 131 employees in 2023. Share-based payments to employees are equity settled and booked directly against the comprehensive statement of equity. Accrued social security is cash settled and booked directly against the statement of comprehensive income. Accrued social security on share-based payments to employees are measured per option based on the reporting period ending share price less the strike price.

Remuneration to leading personnel

Amounts in NOK 1,000	2024				2023		
	CEO (current)	CEO (former)	Other key mng.	Board	CEO (former)	Other key mng.	Board
Salaries and wages	1,742	1,500	17,147		2,956	15,455	32
Pension benefits	89		504			537	
Other benefits		750		650			700
Total key management compensation	**1,831**	**2,250**	**17,650**	**650**	**2,956**	**15,991**	**732**

The key management team in 2024 consists of the following personnel: Rosa Ingimundardóttir Stensen (COO/CEO), Abhijit Banik (CFO), Stein Ove Eriksen (CPO), Knut Helge Teppan (CDO), Vegard Hammer (CTO), Fraser Park (CCO), Håvard Alstad (EVP Engineering) and Bo Pintea (EVP Business Development).

In 2023, the key management team consisted of Graham Williams (CEO, former), Abhijit Banik (CFO), Rosa Ingimundardóttir Stensen (COO), Stein Ove Eriksen (CPO), Knut Helge Teppan (CDO), Vegard Hammer (CTO), Fraser Park (CCO), Håvard Alstad (VP Engineering) and Bo Pintea (VP Products, Growth and Solutions). The key management team did not receive reimbursement or other financial benefits outside their normal duties as leaders. Rosa Ingimundardóttir Stensen took over as CEO (from COO) on 3 July 2024, replacing Graham S. Williams. Options were granted to members of the key management in 2024. All members of the management and the Board are part of the Company's 2024 incentive plan. Refer to note 8 for key management compensation in share-based payments.

6. Other operating expenses

Other operating expenses

Amounts in NOK 1,000	2024	2023
Professional services	23,576	25,458
Advertising	6,806	8,127
Shipping	414	1,052
Rent and leases	7,450	3,723
Travel	4,701	4,669
Utilities	66	-
Other costs	7,299	12,085
Total other operating expenses	**50,312**	**55,114**

Total other operating expenses were TNOK 50,312 and TNOK 55,114 in 2024 and 2023 respectively. Total other operating expenses are presented net of government grants, refer to note 9.

Audit fee

Amounts in NOK 1,000	2024	2023
Statutory audit	995	1,770
Other assuranse services	75	74
Other non-assurance services	233	884
Tax services	50	-
Total	**1,353**	**2,728**

7. Taxes

Accounting principles

The tax expense/(income) for the period comprises of current tax and changes in deferred tax. Tax expense is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax expense is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities. Deferred tax assets are calculated with the nominal corporate tax rate in all local group countries and consolidated at group level. Carried forward tax losses in the US amount to TNOK 72,000 and Norway amount to TNOK 395 885 at 31 December 2024. Huddly has in 2024 updated historical U.S. tax filings to reflect the transfer pricing agreement established between Huddly AS and Huddly Inc. These changes are currently with the US Tax Authorities for approval, and we expect the carried forward tax losses in the US to be fully utilized in 2025, with a corresponding increase in Norway. At balance sheet date, the recognition criteria in IAS 12 were not met for Huddly AS or Huddly Inc. There is no expiration date of carried forward losses in either the US or Norway.

Description

Specification of income tax expense

Amounts in NOK 1,000	**2024**	**2023**
Income tax payable	468	2,000
Deferred tax income	-	-
Total income tax expense	**468**	**2,000**

Specification of deferred tax balances:

Amounts in NOK 1,000	**2024**	**2023**
Non-current assets	306	599
Accounts receivable	133	212
Other provisions	1,880	1,466
Other temporary differences	2,840	1,788
Tax losses carried forward	105,066	66,524
Total deferred tax assets relating to temporary differences and losses	110,225	70,589
Non-recognized deferred tax assets	(110,225)	(70,589)
Carrying value deferred tax assets	**-**	**-**
Tangible assets	-	-
Other temporary differences	-	-
Carrying value deferred tax liabilities	**-**	**-**

Changes in net deferred tax assets/liabilities

Amounts in NOK 1,000	**2024**	**2023**
As of 1 January	-	-
Recognized in the statement of profit/(loss)	-	-
Acquistions of subsidiaries	-	-
Translation differences	-	-
As of 31 December	**-**	**-**

Reconciliation of effective tax rate:

Amounts in NOK 1,000	**2024**	**2023**
Net income/(loss) before tax	(171,711)	(125,050)
Expected income tax assessed at 22 %	(37,879)	(27,511)
Adjusted for the tax effect of the following items:		
Permanent differences	968	(1,714)
Tax rate outside Norway, other then 22%	(56)	(240)
Tax rate outside Norway, adjustment from prior years	(412)	(1,760)
Changes in prior years	(158)	3,993
Other	(2,202)	-
Deferred tax asset not recognised	39,636	27,232
Income tax expense (income)	**468**	**-**
Effective tax rate	**0.3%**	**0%**

8. Share-based payments

Accounting principles

Equity-settled, share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the grant date. The vesting period is the period over which all the specified vesting conditions are to be satisfied. The fair value is expensed over the vesting period as an employee benefit expense, with a corresponding increase in equity.

The fair value at the grant date is determined by using the Black Scholes simulation option pricing model, which considers the exercise price, the life of the option, the current price of the underlying shares, the expected volatility of the share price, any dividends expected on the shares and the risk-free interest rate for the life of the option. The expected share price volatility is based on historical volatility for a selection of comparable listed companies. The risk-free interest rate is based on zero-coupon government bonds with a term equal to the expected term of the option being valued.

Social security contributions payable in connection with an option grant are considered an integral part of the grant itself. The charges are treated as cash-settled, share-based payments and measured at fair value each reporting date. The fair value measurement for the social security liability per option is based on the reporting period ending share price less the strike price. As of 31 December 2024, the Group had accrued TNOK 21 in social security contributions on share-based payments.

All vested and partially vested options that are in-the-money are included in the fair value measurement of the social security liability. The remeasurement change is recognized as an expense in the statement of profit or loss and as an adjustment to the social security liability in the statement of financial position.

When the options are exercised, the appropriate number of shares are transferred to the employee. The proceeds received from the exercise of the options (net of any directly attributable transaction costs) are credited directly to equity.

Description

Synthetic options

The Group had 5,871,111 outstanding synthetic options per 31 December 2024. Each synthetic option gives the owner the right to receive a one-time payment up to the value of one share in the Company in a change of control event, deducted by exercise price per share. No expenses or corresponding liability have been recognized for the synthetic option program. On 31 December 2024 there are five prior employees holding synthetic options.

Overview synthetic options	**2024**	**2023**
Options granted, outstanding 01.01	5,871,111	5,871,111
Options granted, outstanding 31.12	**5,871,111**	**5,871,111**

The weighted average strike price for Synthetic option program on options granted and vested was NOK 0.95 in 2024 and 2023.

Employee options

As of 31 December 2024, the Group's only active share granting incentive program is the 2024 incentive plan implemented in May 2024, directed at employees and directors. Participants are granted options to subscribe for shares in the Company based on a pre-determined strike price. The options 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. The 2021 incentive program is closed for new members. Furthermore, the options may only be exercised in a coordinated process led by the Company's board. This implies that the participant may only exercise a number of options each year equal to 20% of its total number of options.

New grants into the 2024 Incentive program have an exercise price of NOK 0.75. As of 31 December 2024, there are 103 employees participating in the 2024 incentive plan. All employees that were granted 2024 options had their 2021 options voided. As a consequence, the options granted in 2024 is seen in relation to the cancellations of the 2021 incentive plan and accounted for as a modification in accordance with IFRS 2. The weighted exercise price for all outstanding options in the 2021 Incentive plan is NOK 4.12. As of 31 December 2024, there are 41 employees and former employees participating in the 2021 incentive plan.

The fair value of the equity instruments is measured at grant date and recognized over the vesting period. All equity instruments expire five years after the grant date. Share-based payments included in salary costs are TNOK 7,424 and negative TNOK 4,074 (exclusive of accrued social security cost on option-based payments), in 2024 and 2023 respectively.

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 31.12	**10,160,073**	**23,648,873**
Options vested, closing balance 31.12	**9,951,740**	**21,458,910**

2024 incentive plan	**2024**	**2023**
Options granted, outstanding 01.01	-	-
Options granted	37,141,200	-
Options exercised	-	-
Options forfeited during the year	(2,332,500)	-
Options granted, outstanding 31.12	**34,808,700**	**-**
Options vested, closing balance 31.12	**3,500,000**	**-**

Overview of outstanding options to key management

Key management is defined as the executive management team in Huddly. Options granted to executive management under the 2021 incentive plan were cancelled upon acceptance of options granted under the 2024 incentive plan. Share-based options granted to key management and Board amount to a total of TNOK 5 922 in 2024.

Share options 2024

2024 Incentive plan	Granted in 2024	Forfeited in 2024	Exercised in 2024	Total outstanding as at 31.12	Weighted average exercise price	Remaining contractual life*
Rosa Stensen, CEO	2,000,000	-	-	2,000,000	0.75	4.34
Abhijit Saha Banik, CFO	2,000,000	-	-	2,000,000	0.75	4.34
Stein Ove Eriksen, CPO	1,500,000	-	-	1,500,000	0.75	4.34
Knut Helge Teppan, CDO	2,000,000	-	-	2,000,000	0.75	4.34
Vegard Hammer, CTO	2,000,000	-	-	2,000,000	0.75	4.34
Fraser Park, COO	2,000,000	-	-	2,000,000	0.75	4.34
Håvard Alstad, EVP Engineering	2,000,000	-	-	2,000,000	0.75	4.34
Bo Pintea, EVP Business Development	2,000,000	-	-	2,000,000	0.75	4.34
Graham Spencer Williams, CEO (Former)	1,500,000	1,500,000	-	-	-	-

Share options 2023

2021 Incentive plan	Granted in 2023	Forfeited in 2023	Exercised in 2023	Total outstanding as at 31.12	Weighted average exercise price	Remaining contractual life*
Graham Spencer Williams, CEO	-	-	-	1,560,000	4.66	2.47
Abhijit Saha Banik, CFO	130,000	-	-	160,000	2.79	4.15
Stein Ove Eriksen, CPO	-	-	-	1,344,000	2.50	2.08
Knut Helge Teppan, CDO	-	-	-	1,262,000	5.23	4.43
Vegard Hammer, CTO	-	-	-	2,350,000	1.66	2.48
Fraser Park, COO	-	-	-	1,280,000	1.65	2.08
Rosa Stensen, COO	160,000	-	-	160,000	2.31	3.75
Håvard Alstad, VP Engineering	-	-	-	320,000	2.50	2.08
Bo Pintea, VP Product, Growth and Solutions	160,000	-	-	160,000	2.31	5.42
Alexander Woxen, CEO (Former)	-	3,000,000	-	-	-	-
Ragnar Kjos, CFO (Former)	-	500,000	-	-	-	-

*Weighted average remaining contractual life of outstanding options as of the period

Black Scholes parameters of the 2024 incentive plan

The table below shows the results of the Black Scholes simulation.

Black Scholes Option value on 2024 incentive plan	2024
Shareprice (NOK)	0.81
Strike price (NOK)	0.75
Risk-free interest rate	4%
Expected life - years	4.83
Expected dividend (NOK)	-
Volatility	44%
Option fair value (NOK)	**0.37**
Number of options granted per tranche	-
Total option fair value at grant date (NOK)	**26,736,101**

9. Government grants

Accounting principles

Government grants are recognized in the statement of profit or loss on a systematic basis over the periods in which the entity recognizes and expenses the related costs for which the grants are intended to compensate. Grants related to R&D of capitalized intangible assets are recognized as reductions in capitalized costs.

Description

The Group's project: 354060 for 2024 was approved by Norwegian Research Council as a research and development grant as per Norwegian Tax Law §16-40 (Skattefunn procedure). Payment of TNOK 4,750 is planned to be received in 2025. The deduction percentage for 2024 for all internal research and development is set at 19 percent of the allowed total project limit.

2024:

Amounts in NOK 1,000	**Amount**	**Reduced salary cost**	**Reduced other cost**
Skattefunn	4,750	4,073	677
Total	**4,750**	**4,073**	**677**

2023:

The Group did not receive any grants from Skattefunn in 2023.

10. Earnings per share

Accounting principles

The calculation of basic earnings per share is based on the profit attributable to ordinary shares, using the weighted average number of ordinary shares outstanding during the year after the deduction of the average number of treasury shares held over the period.

The potential dilutive shares are not treated as dilutive in the diluted earnings per share calculation, as the conversion of these shares would decrease the loss per share of the Company.

Description

The calculations of earnings per share attributable to the ordinary equity holders of Huddly Group are based on the following net profit/(loss) and share data:

	2024	2023
Basic earnings per share	(0.30)	(0.55)
Diluted earnings per share	(0.30)	(0.55)
Profit/(loss) for the year (Amounts in NOK 1,000)		
used for calculating basic earnings per share	(172,179)	(125,050)
used for calculating diluted earnings per share	(172,179)	(125,050)
Weighted average number of shares used as the denominator in calculating basic earnings per share	568,405,081	228,123,922
Weighted average number of shares outstanding for diluted earnings per share	568,405,081	228,123,922

11. Intangible assets

Accounting principles

Costs to develop the Group's products that are incurred after the establishment of technological feasibility are capitalized if significant, when it is probable that the expected future economic benefits that are attributable to the assets will flow to the entity, and when the cost of the asset can be measured reliably. Intangible assets are measured initially at cost and amortized using the straight-line amortization method over the estimated useful life.

Capitalized development costs include costs directly attributable to the development of the intangible, such as personnel expenses and consultancy services. Otherwise, such expenses are expensed as and when incurred.

Judgment is required in evaluating whether subsequent development expenditure is to be capitalized as an internally generated intangible asset or expensed as incurred. The key element of judgment is whether the development project will generate incremental probable future economic benefit in the form of a new product, or not.

The Group focuses on securing its intellectual property. Patents, design and trademarks are measured initially at cost and amortized using the straight-line amortization method over the estimated useful life.

Description

Capitalized development costs were TNOK 64,242 and TNOK 64,407 in 2024 and 2023 respectively. The Group estimates the economic life to be 5 years.

Amounts in NOK 1,000	Development	Patent, design and trademark	Licenses	Domains and Licenses	Goodwill	Total
Cost						
Cost at 1 January 2023	**246,379**	**-**	**6,983**	**224**	**8,018**	**261,440**
Capitalized employee benefit expense	56,544	-	-	-	-	**56,544**
Other additions	7,863	8,803	-	-	-	**16,666**
Disposals	-	-	-	(163)	-	**(163)**
Cost at 31 December 2023	**310,786**	**8,803**	**6,983**	**61**	**8,018**	**334,650**
Capitalized employee benefit expense	55,392	-	-	-	-	**55,392**
Other additions	8,850	4,893	-	-	-	**13,743**
Disposals	-	-	-	-	-	**-**
Cost at 31 December 2024	**375,028**	**13,696**	**6,983**	**61**	**8,018**	**403,786**
Amortization and impairment						
Accumulated at 1 January 2023	**87,312**	**-**	**6,983**	**-**	**-**	**94,295**
Disposals	-	-	-	-	-	**-**
Amortization for the year	41,475	184	-	-	-	**41,659**
Impairment	-	-	-	-	-	**-**
Accumulated at 31 December 2023	**128,787**	**184**	**6,983**	**-**	**-**	**135,953**
Disposals	-	-	-	-	-	**-**
Amortization for the year	42,846	1,816	-	-	-	**44,662**
Impairment	-	-	-	-	-	**-**
Accumulated at 31 December 2024	**171,632**	**2,000**	**6,983**	**-**	**-**	**180,615**
Carrying amount at 31 December 2023	**181,999**	**8,620**	**-**	**61**	**8,018**	**198,697**
Carrying amount at 31 December 2024	**203,396**	**11,697**	**-**	**61**	**8,018**	**223,171**
Amortization method	Straight-line 5 years	Straight-line 5-15 years	Straight-line 3 years	Indefinite life	Indefinite life	

12. Tangible assets

Accounting principles

Property, plant, and equipment are stated at historical cost, less accumulated depreciation, and any impairment charges. Depreciation is calculated on a straight-line basis over the assets' expected useful life and adjusted for any impairment charges. Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit. Major assets with different expected useful lives are reported as separate components.

Property, plant, and equipment are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount.

The difference between the asset's carrying amount and its recoverable amount is recognized in the income statement as an impairment loss. Property, plant, and equipment that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Description

Amounts in NOK 1,000	Machines	Office equipment	Tools	Fixtures etc.	Total
Cost at 1 January 2023	**136**	**5,953**	**11,145**	**2,099**	**19,334**
Additions	-	646	874	1,722	**3,242**
Disposals	(136)	-	-	(152)	**(288)**
Translation difference	-	17	-	-	**17**
Cost at 31 December 2023	**-**	**6,616**	**12,019**	**3,669**	**22,304**
Additions	-	583	-	844	**1,427**
Disposals	-	-	-	-	**-**
Translation difference	-	60	-	-	**60**
Cost at 31 December 2024	**-**	**7,259**	**12,019**	**4,513**	**23,792**
Depreciation and impairment					
Accumulated at 1 January 2023	**136**	**3,660**	**5,662**	**1,094**	**10,533**
Depreciation for the year	-	1,459	2,812	427	**4,699**
Impairment	-	-	-	-	**-**
Disposals	(136)	-	-	(24)	**(160)**
Translation difference	-	3	-	-	**3**
Accumulated at 31 December 2023	**-**	**5,122**	**8,474**	**1,497**	**15,093**
Depreciation for the year	-	1,172	2,227	645	**4,044**
Impairment	-	-	-	-	**-**
Disposals	-	-	-	-	**-**
Translation difference	-	55	-	-	**55**
Accumulated at 31 December 2024	**-**	**6,349**	**10,701**	**2,142**	**19,192**
Carrying amount at 31 December 2023	**-**	**1,494**	**3,545**	**2,172**	**7,211**
Carrying amount at 31 December 2024	**-**	**910**	**1,318**	**2,371**	**4,600**
Depreciation method	Straight-line	Straight-line	Straight-line	Straight-line	
Estimated useful life	3 years	3 years	3-5 years	5 years	

13. Leases

Accounting principles

The Group has recognized right-of-use assets and lease liabilities for all leases with a term of more than 12 months and where the underlying asset has a value of more than TNOK 50.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;

- variable lease payment that is based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Right-of-use assets and lease liabilities

The Group's leased assets include offices. The Group's right-of-use assets are categorized and presented in the table below.

Amounts recognized in the balance sheet

Right of use assets

Amounts in NOK 1,000	**2024**	**2023**
Offices for own use	38,026	44,371
Subleased office space	17,730	20,689
Total	**55,756**	**65,060**

Useful life	6 years	6 years
Depreciation method	Straight-line	Straight-line

Lease liabilities

Amounts in NOK 1,000		
Current	11,462	9,716
Non-Current	53,309	62,382
Total lease liability	**64,771**	**72,098**

Amounts recognized in the statement of profit or loss

Amounts in NOK 1,000	**2024**	**2023**
Depreciation of right of use asset	8,450	12,410
Depreciation of subleased office space	3,940	5,787
Interest expense	7,911	4,484
Expenses relating to short-term leases	4,900	3,938
Expenses relating to leases of low-value	385	488

Reconciliation of lease arising from financing activities

Reconciliation of lease arising from financing activities

Amounts in NOK 1,000	**2024**	**2023**
Opening balance 1 January	72,098	12,674
Lease payments during the year	(18,649)	(16,034)
New leases recongised during the year	-	70,974
Revised recognition of the lease obligation	3,411	-
Interest exepense on lease payments	7,911	4,484
Closing balance 31 December	**64,771**	**72,098**

There has been no right-of-use asset and lease liability additions during 2024. Huddly moved into new office premises at Stortorvet 7, 0155 Oslo, 1 July 2023. The lease period is 6 years. Huddly Group, as a lessee, initially measures a right-of-use asset and lease liability at the commencement date of the lease. This is the date on which a lessor makes an underlying asset available for use by a lessee. The Group has no other lease agreements recognized under IFRS 16. During the year, the Group identified and corrected an adjustment to the lease liabilities in accordance with IFRS 16, resulting in a revised recognition of the right-of-use assets and lease obligations.

The Group entered into a sublease agreement with Ernst & Young AS on 1 November 2023. The lease term ends 30 June 2029 and the sublessee can terminate the sublease agreement with 18-months' notice.

Annual rent on sublease

Amounts in NOK 1,000	2024	2025	2026	2027	2028	2029
Rent from sublease	5,952	6,090	6,236	6,386	6,539	3,348

14. Other non-current receivables

Accounting principles

The Group initially recognizes other non-current receivables at fair value and subsequently measures it at amortized cost. Interest income on the receivable is recognized as other financial income.

Description

The Group has as of 31 December 2024 other non-current receivables of in total TNOK 25,852 (TNOK 23,397 as of 31 December 2023).

The amount consists of receivables with third parties. The receivables are assessed on an ongoing basis, and the expected credit loss is accrued for. There have been no impairments of other non-current receivables as of 31 December 2024.

15. Inventories

Accounting principles

Inventory is valued at the lower of historical cost and net realizable value. The historical cost is determined using the weighted average cost method. Historical cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of conversion includes costs directly related to the units of production, as well as fixed and variable production overheads that are incurred in converting materials into finished goods.

Net realizable value is the estimated selling price in the operating activities less estimated costs that are necessary to make a sale. Selling cost includes cost of logistic (warehouse, customs, freight etc.). Goods in transit are recognized at their historical cost.

When inventories are sold, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized.

Description

Amounts in NOK 1,000	2024	2023
Inventory at stock	78,733	29,979
Consignation inventories	50,276	104,001
Total inventories	**129,099**	**133,980**

The Group buys finished goods from contract manufacturers which purchase components and produce finished goods. Normally the Group purchases finished goods for direct sale, and components comprise cameras and accessories ready for kitting and sale to customers.

During the production of finished goods, there are raw materials and components in the physical possession of the contractual manufacturers that cannot be used for any other purpose than producing Huddly products. Management has assessed whether the Group controls these raw materials, and using significant judgement management concluded that these raw materials are a present economic resource controlled by the Group based on the economic and contractual relationships between the Group and their production supplies. These raw materials are therefore recognized in the statement of financial position as consignation inventories with corresponding consignation liabilities.

Consignation inventories arise from an assessment of the accounting treatment of the ultimate ownership of risk related to the manufacturers' inventory according to IFRS. Any and all assessments related to the contractual rights and obligations to the inventory remain unchanged. Both the asset and the corresponding consignation liability will be reduced upon purchase of a finalized product. As such, the cash outflow will first occur once the finalized product is purchased. Please refer to note 20, other short-term liabilities.

16. Trade receivables and other receivables

Accounting principles

Trade receivables are initially measured at fair value. Trade receivables are non-interest bearing and trading terms range from 30 to 60 days and therefore classified as current.

Trade receivables and other receivables are reflected in the balance sheet at nominal value less provision for estimated losses.

Loss allowance and risk exposure

The Group applies the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on payments profiles, customer contracts in the previous year and historical losses.

Receivables are grouped into categories and the expected loss rates reflect the Group’s ability to collect receivables once they are overdue.

Amounts in NOK 1,000	**2024**	**2023**
Trade receivables	49,665	52,668
Loss allowance	(604)	(962)
Total	**49,061**	**51,706**

The table below summarizes the trade receivable position according to their maturity on 31 December 2024 and the basis for determining loss allowance:

Amounts in NOK 1,000	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	1.1%	3.2%	15.7%	100%	
Gross carrying amount- trade receivables	48,870	739	15	41	49,665
Loss allowance - trade receivables	**537**	**24**	**2**	**41**	**604**

The table below summarizes the trade receivable position according to their maturity on 31 December 2023 and the basis for determining loss allowance:

Amounts in NOK 1,000	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0.7%	1.5%	1.8%	35%	
Gross carrying amount- trade receivables	45,799	4,454	831	1,583	52,668
Loss allowance - trade receivables	**324**	**65**	**15**	**558**	**962**

Trade receivables are initially recognized at fair value. Trade receivables are non-interest bearing and trading terms range from 30 to 60 days and therefore classified as current. In the current fiscal year an accrual of TNOK 604 for loss on accounts receivable is made compared to TNOK 962 in 2023.

Other current receivables

Amounts in NOK 1,000	2024	2023
Other short-term receivables	19,883	41,761
Prepaid expenses	6,711	5,276
Deposits	-	60
Total other receivables	**26,594**	**47,097**

Included in other current receivables are value added tax return and other working capital positions. Deposits comprise of deposit paid for office premises.

17. Cash and cash equivalents

Accounting principles

Cash and cash equivalents include bank deposits. The Group considers all highly liquid assets with an original or remaining maturity of three months or less at the date of acquisition to be cash equivalents. The cash flow statement is presented using the indirect method.

Description

Amounts in NOK 1,000	2024	2023
Bank deposits	114,767	164,231
Cash in transit	1,703	-
Total cash and cash equivalents	**116,470**	**164,231**

Amounts in NOK 1,000	2024	2023
Restricted cash included in the above	15,980	15,654
Advance payment of social taxes	5,009	4,689
Bank deposit for office premises	10,971	10,966

Restricted cash at year end 2024 was TNOK 15,980 and included advance payment of social taxes and bank deposit for office premises. In 2023 restricted cash was TNOK 15,654 and was related to advance payment of social taxes and bank deposits for office premises.

18. Share capital and shareholder information

Ownership structure

With a total of 1,836,328,048 shares, each having a par value of NOK 0.000625, the Company's share capital amounts to NOK 1,147,705.03. At the end of 2023, there were 476,328,048 shares, with a par value of NOK 0.000625 which gave a share capital of NOK 297,705.03. There is only one class of shares, common shares, which all carry identical voting and dividend rights. As of December 31, 2024, the Company has 1,374 shareholders. Below is a list of the 20 largest shareholders.

Shareholder name	Number of shares	Ownership
SONSTAD AS	220,675,376	12%
LEIF HÜBERT AS	127,292,060	7%
MUSTANG CAPITAL AS	120,265,294	7%
KOLBERG MOTORS AS	110,628,000	6%
SOM HOLDING AS	83,970,928	5%
MP PENSJON PK	63,459,959	3%
PORTIA AS	62,400,000	3%
RBC INVESTOR SERVICES TRUST	61,518,366	3%
TTC INVEST AS	55,815,516	3%
INAK 3 AS	55,417,957	3%
SONGA CAPITAL AS	55,417,957	3%
VIOLA AS	55,000,000	3%
G&J WILLIAMS PROPERTY PTY LT	52,024,194	3%
INVEST 102 AS	50,000,000	3%
MELVER INVEST AS	48,232,054	3%
The Northern Trust Comp	45,446,005	2%
CLEARSTREAM BANKING S.A.	38,162,933	2%
SKIPS AS TUDOR	34,500,000	2%
MULTIPLIKATOR AS	32,839,453	2%
CRESSIDA AS	31,000,000	2%
All others	426,961,980	23%
Total	**1,831,028,032**	**100 %**

Huddly AS owns 5,300,016 treasury shares and has 1,831,028,032 outstanding shares in the market.

Shares held by the Board and the Management

Shares owned / controlled by Management, Board, and their related parties at 31 December 2024	Number	Ownership
Jon Øyvind Eriksen, Chairman (Sonstad AS and Aidiom AS)	220,677,376	12%
Jostein Devold, Board member (Mertoun Capital AS and Leif Hübert)	158,620,691	9%
Kristian Kolberg, Board member (Kolberg Motors AS, Multiplikator AS and children)	145,469,453	8%
Stein Ove Eriksen, Co-Founder and Chief Product Officer (SOM Holding AS)	83,970,928	5%
Håvard Alstad, VP Engineering (HPA Holding AS)	27,400,000	1%
Abhijit Banik, CFO	5,030,000	0%
Knut Helge Teppan, CDO (Knut Teppan Design AS)	2,900,000	0%
Vegard Hammer, CTO	500,000	0%
Total	**644,568,448**	**35%**

Changes in share capital

The share capital on 31 December 2023 was NOK 297,705.

In 2024, the Company issued 1,360,000,000 new shares, with a par value NOK 0.000625 which increased the share capital by NOK 850,000. This was done in two rounds during the year. In February 2024, a repair offering in relation to the Private Placement in 2023, 60,000,000 new shares with a par value of NOK 0.000625 were issued, increasing the share capital by NOK 37,500.

A new Private Placement took place in December 2024. The Company issued 1,300,000,000 new shares, with a par value NOK 0.000625 which increased the share capital by NOK 812,500.

The primary insiders and employees of the Company (or people closely associated with them) were allocated Offer Shares for a total of approx. NOK 49.5 million (approx. 38.1% of the Private Placement) at the Offer Price in the Private Placement.

In relation to the Private Placement, the Company, members of the Board and the Company's management as well as the pre-committing employees in the Company entered into customary lock-up undertakings with the Manager that restricts, subject to certain exceptions, their ability to issue, sell or dispose of shares in the Company, as applicable, for a period of six months from the date hereof without the prior written consent from the Manager.

The share capital on 31 December 2024 was NOK 1,147,705.03.

	Number of shares	Share capital
	Ordinary	**Share capital**
1 January 2023	**211,028,032**	**135**
Issuance of shares	260,000,000	**163**
31 December 2023	**471,028,032**	**298**
Issuance of shares	1,360,000,000	**850**
31 December 2024	**1,831,028,032**	**1,148**

19. Long-term liabilities

The Group has a three-year product warranty on all products and has recognized a provision of 3 % on all direct manufacturing costs over the last three years on 31 December 2024. The Group also has deferred revenue of TNOK 238 in accordance with IFRS 15 which will be periodized over the next three years.

Amounts in NOK 1,000	2024	2023
Other long-term liabilities	55,500	50,000
Product warranty provision	2,082	4,043
Contract liabilities (Deferred revenue)	238	-
Total long-term liabilities	**57,820**	**54,043**

In June 2023, the Group set up a revolving credit facility of NOK 50 million, with a maturity of three years. The facility is at a floating interest rate of NIBOR + 8 %, with interest paid quarterly. The loan is secured to the extent legally possible to intellectual property rights in Huddly AS. Please refer to note 11, Intangible Assets, for further details. The loan facility increased with MNOK 5.5 in November 2024. The creditors participating in the revolving credit facility as of 31 December 2024 are listed in the table below.

Amounts in NOK 1,000

Related party	Relationship	2024	2023
GJEH PTY LTD	CEO (Former)	25,000	25,000
KOLBERG MOTORS A/S	Board member	11,250	10,000
Mertoun Capital AS	Board member	861	10,000
Leif Hübert AS	Shareholder	10,389	-
SOM Holding AS	CPO	5,750	5,000
Sonstad AS	Chairman	1,000	-
Michael Brandofino	Board member	1,250	-
Total		**55,500**	**50,000**

20. Other short-term liabilities

Amounts in NOK 1,000	2024	2023
Other short-term liabilities	15,491	8,184
Consignation liabilities	53,721	107,711
Contract liabilities (Deferred revenue)	357	-
Public dues	9,689	9,137
Accrued vacation pay	10,910	9,984
Total other short-term liabilities	**90,168**	**135,015**

Other short-term liabilities include accrued social security tax, deferred revenue and accrued social security on shared-based option payments.

Consignation liabilities arise from an assessment of the accounting treatment of the ultimate ownership of risk related to the manufacturers' inventory according to IFRS. Any and all assessments related to the contractual rights and obligations to the inventory remain unchanged. Both the liability and the corresponding consignation inventory will be reduced upon purchase of a finalized product. As such, the cash outflow will first occur once the finalized product is purchased. Please refer to note 15 for more information on consignation inventory.

21. Related party transactions

The Group's related parties are key management personnel and members of the Board, close members of the family of these, entities that are controlled or jointly controlled by any of these, and owners with significant influence. All transactions with related parties are priced at market conditions and there are no special conditions attached to them. Transactions with subsidiaries have been eliminated in consolidated statements and do not represent transactions with related parties for the Group. As of 31 December 2024, there are no related party balance items, except borrowings, referring to note 19. There has also been a private placement, involving related parties, referring to note 18.

22. Financial risk and capital management

Huddly Group's financial risk and capital management is predominantly controlled by the finance department. Huddly Group is mainly exposed to the following risks: market risk, credit risk and liquidity risk.

Huddly Group has interest-bearing debt. The Group is not actively engaged in hedging financial risk. Excess liquidity is invested in bank deposits. Huddly Group operates with several currencies, whereof the main currencies are NOK, USD and PLN. There is no active exchange rate risk hedging. The focus is on securing operational funding, and currency exchanges are conducted when liquidity in a certain currency is needed. In general, cash in foreign currencies is exchanged to NOK on a regular basis when deemed beneficial, meaning that Huddly Group's cash deposits mainly consist of NOK amounts.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions; Recognized financial assets and liabilities not denominated in NOK; Intercompany balances	Cash flow forecasting; Sensitivity analysis	Continuous assessment of whether to engage in forwards and/or options hedging of FX
Market risk – interest rate	Long-term borrowings	Sensitivity analysis	Continuous assessment of whether to engage in any interest rate swap arrangements
Credit risk	Trade receivables; Cash and cash equivalents; Working capital advance tied up at the Group's contract manufacturer	Aging analysis, credit ratings; Rolling cash flow forecasts	Credit assessment, regular following up of the outstanding balances
Liquidity risk	Other liabilities; Long-term borrowings	Rolling cash flow forecasts; sensitivity analysis	Continuous monitoring of liquidity and assessment of potential need for capital; Process of postponing maturity of long-term borrowing initiated

Market risk - foreign exchange

Huddly Group holds bank deposits mainly in the following currencies: NOK, USD and PLN. The main exposure to foreign currency is derived from accounts payable and accounts receivable in connection with the sale and purchase of goods in foreign currency, in addition to other operating expenses denominated in a foreign currency, such as foreign payroll and services. Finally, the exposure relates to foreign indirect tax receivables exposure.

Huddly Group does not normally use contracts to hedge the foreign exchange exposure. The exposure is largely hedged through receipts and debts being denominated, directly or indirectly, in the same currency (a "natural hedge").

Pre-tax effect from a 10% change of exchange rate per year end

Amounts in NOK 1,000

Sensitivity, currency exposure	2024	2023
NOK depreciated 10% against USD	2,021	4,173
NOK depreciated 10% against PLN	857	1,663

Market risk – interest rate

During 2023 Huddly Group entered into a revolving credit facility arrangement with a group of related parties, and at end of 2024 the total borrowings on this arrangement are TNOK 55,500. The related interests are calculated based on NIBOR + 8 percentage points. Management is on a continuous basis following up the development of the interest rate. Huddly Group has not entered into any interest swap arrangements.

Pre-tax expense effect from change of interest rate per year

Amounts in NOK 1,000

Sensitivity, interest rate exposure	2024	2023
Interest rate - increase by 70 basis points*	(92)	(65)
Interest rate - decrease by 100 basis points*	132	93

** -Holding all other variables constant*

Credit risk

Huddly Group's credit risk is related to the sale of goods and services on credit, and working capital advance tied up the Company’s contract manufacturer. Huddly Group monitors the outstanding amounts and follows up closely with its customers and partners should amounts become overdue.

As of 31 December 2024, Huddly Group had TNOK 49,061 in outstanding accounts receivables, of which TNOK 795 were more than 30 days overdue. Traditionally, overdue amounts are paid in full, and Huddly Group has historically had a low rate of loss on receivables. Huddly Group had no expenses on bad debt during 2024. A small decrease in provision for bad debt was recognized in 2024, but no material changes.

Net interest-bearing debt

Amounts in NOK 1,000	2024	2023
Total interest-bearing debt	55,500	50,000
Cash and cash equivalents	116,470	164,231
Net interest-bearing debt	**(60,970)**	**(114,231)**

Liquidity risk

Huddly Group manages liquidity risk by monitoring the expected future cash from operations and available cash and are adequate to serve the operational and financial obligations. This is done by preparing cash flow forecasts on a 12 month forward rolling basis, and by weekly cash monitoring, based on different sales and cost scenarios. Tied up working capital is supervised, focusing on inventory, accounts receivable, and accounts payable.

Huddly Group's liquidity strategy is to secure sufficient cash, cash equivalents and credit facilities available at any time to finance the operations and investments for the next 12 months.

Excess liquidity sits on Huddly Group's bank accounts. Except for the revolving credit facility, which is fully drawn up, Huddly Group holds no credit facilities as of 31 December 2024.

Huddly Group holds no loan agreements against financial institutions and has no covenants.

The following table discloses the maturity analysis for non-derivative liabilities, showing its undiscounted remaining contractual liabilities.

Overview of maturity structure of financial liabilities

	2024				
Amounts in NOK 1,000	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
Borrowings	55,500	-	55,500	-	55,500
Lease liabilities	64,771	11,462	53,309	-	64,771
Trade payables	27,054	27,054	-	-	27,054
Other current liabilities	36,447	36,447	-	-	36,447
Total	**183,772**	**74,963**	**108,809**	**-**	**183,772**

	2023				
Amounts in NOK 1,000	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
Borrowings	50,000	-	50,000	-	50,000
Lease liabilities	72,098	9,716	48,582	13,799	72,098
Trade payables	35,588	35,588	-	-	35,588
Other current liabilities	27,304	27,304	-	-	27,304
Total	**184,990**	**72,609**	**98,582**	**13,799**	**184,990**

The payment of financial obligations is intended to be covered by the payment of accounts receivable, sale of goods and services, and available cash. The borrowing of NOK 55.5 million is related to a revolving credit facility provided by existing shareholders and associated companies, and matures in June 2026. The Board has initiated the process of postponing the maturity of the loan to after end of 2026.

At the end of the reporting period Huddly Group held deposits at call to manage liquidity risk.

Deposits

Amounts in NOK 1,000	2024	2023
Deposits at the end of the period	116,470	164,231
-of which restricted	15,980	15,654

Capital Management

The Board's objective is to maintain a healthy capital base to retain the trust of shareholders, creditors, customers, suppliers, and the market to continually develop Huddly Group. The Board continuously monitors the capital structure and makes appropriate actions when deemed necessary. The ultimate objective of the Board is to ensure Huddly's shareholders over time will gain a competitive return on their investment. Huddly Group did not pay any dividend in 2024 and 2023.

23. Events after the reporting period

On 22 January 2025, a new Board was elected, consisting of Jon Øyvind Eriksen (Chair), Jostein Devold, Kristian Kolberg, Bente Sollid and Anika Jovik.

On 30 January 2025, the Company completed a reverse share split, whereby 100 existing shares are consolidated to one share. The Company's new share capital is NOK 1,147,705.0625, divided into 18,363,281 shares, each with a nominal value of NOK 0.0625.

On 14 February 2025, during an Extraordinary General Meeting, the Board authorized a new share incentive program. This program is adapted to reflect the current price of the Company's shares on Euronext Growth Oslo. The goal is to ensure that the option program's relative size is proportionate to the Company's share capital. The maximum number of new options to be awarded is 1,556,000, corresponding to approximately 7.5% of the Company's share capital.

On 7 March 2025 the Board of directors of Huddly AS issued a total of 2,500,000 offer shares related to the subsequent repair offering raising an additional NOK 25 million in gross proceeds. The Company's new share capital is NOK 1,303,955.0625, divided into 20,863,281 shares, each with a nominal value of NOK 0.0625.

In April 2025, the United States announced the introduction of new trade tariffs on certain imported goods. While the exact scope of it and its impact is still not known, the Group may be affected by the tariffs in relation to finished products exported from Europe to the US. This may influence future profitability and cash flows. These developments were not reflected in the impairment tests performed as of 31 December 2024. As these tariffs were introduced after the reporting date, they are classified as non-adjusting events and have not been reflected in the financial statements for the year ending at 31 December 2024.

Huddly AS financial statements

Huddly AS financial statements

Statement of profit or loss

Statement of profit or loss

Amounts in NOK 1,000	**Note**	**2024**	**2023**
Sales of goods	4	148,781	210,722
Total revenue		**148,781**	**210,722**
Cost of goods sold		(77,230)	(109,803)
Gross profit		**71,551**	**100,919**
Other revenue	13	5,952	992
Employee benefit expenses	5	(99,355)	(81,450)
Other operating expenses	6	(70,993)	(76,532)
Amortization and depreciation	11,12, 13	(60,999)	(64,401)
Total operating expenses		(231,347)	(222,383)
Operating profit/(loss)		**(153,844)**	**(120,472)**
Interest income		4,176	3,482
Interest expense		(19,374)	(10,891)
Other financial expense		(3,025)	(6,719)
Net foreign exchange gains (losses)		(4,778)	6,356
Net financial items		(23,001)	(7,771)
Profit/(loss) before income tax		**(176,845)**	**(128,243)**
Income tax	7	-	-
Profit/(loss) for the year		**(176,845)**	**(128,243)**
Profit/(loss) for the year is attributable to:			
Owners of Huddly AS		**(176,845)**	**(128,243)**

Statement of comprehensive income or loss

Amounts in NOK 1,000	2024	2023
Profit/(loss) for the year	**(176,845)**	**(128,243)**
Other comprehensive income:		
Total comprehensive income for the year	**(176,845)**	**(128,243)**
Total comprehensive income is attributable to:		
Owners of Huddly AS	**(176,845)**	**(128,243)**

Statement of financial position at 31 December

Amounts in NOK 1,000	Note	2024	2023
ASSETS			
Non-current assets			
Goodwill	11	8,018	8,018
Intangible assets	11	215,153	190,679
Tangible assets	12	4,586	7,106
Right-of-use assets	13	55,756	65,060
Investment in subsidiary	21	74,107	74,107
Deferred tax asset	7	-	-
Other non-current receivables	14	25,852	23,397
Total non-current assets		**383,471**	**368,367**
Current assets			
Inventories	15	78,733	29,979
Consignation inventories	15	50,276	104,001
Trade receivables	16	48,860	51,706
Other current receivables	16	26,488	47,044
Cash and cash equivalents	17	114,840	163,581
Total current assets		**319,197**	**396,311**
TOTAL ASSETS		**702,668**	**764,677**

Amounts in NOK 1,000	Note	2024	2023
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,148	298
Share premium and other paid in capital		354,021	893,144
Retained earnings		-	(518,841)
Total equity		**355,168**	**374,601**
Non-current liabilities			
Long term debt	19	55,500	50,000
Lease liabilities (non-current portion)	13	53,309	62,382
Other non-current liabilities	19	92,507	4,043
Total non-current liabilities		**201,316**	**116,424**
Current liabilities			
Lease liabilities (current portion)	13	11,462	9,716
Trade payables		25,252	35,568
Consignation liabilities	20	53,721	107,711
Other current liabilities	20	55,748	120,658
Total current liabilities		**146,184**	**273,652**
Total liabilities		**347,499**	**390,076**
TOTAL EQUITY AND LIABILITIES		**702,668**	**764,677**

Oslo, 30 April 2025

Jon Øyvind Eriksen
Chair of the Board

Anika Jovik
Board member

Kristian Kolberg
Board member

Bente Sollid
Board member

Jostein Devold
Board member

Rósa Stensen
CEO

Statement of changes in equity

Amounts in NOK 1,000	Share capital	Share premium	Other Paid in Capital	Retained earnings	Total equity
Balance at 1 January 2023	**135**	**508,285**	**266,732**	**(390,599)**	**384,554**
Profit/(loss) for the year				(128,243)	(128,243)
Total comprehensive income/(loss) for the year	-	-	-	(128,243)	(128,243)
Issuance of shares	163	122,201			122,363
Share-based payment to employees			(4,074)		(4,074)
Balance at 31 December 2023	**298**	**630,486**	**262,658**	**(518,842)**	**374,601**
Profit/(loss) for the year				(176,845)	(176,845)
Total comprehensive income/(loss) for the year				(176,845)	(176,845)
Issuance of shares	850	149,139			149,989
Share-based payment to employees			7,424		7,424
Transfer from Share premium to Retained earnings		(695,687)		695,687	-
Balance at 31 December 2024	**1,148**	**83,938**	**270,082**	**-**	**355,168**

Statement of cash flows

Amounts in NOK 1,000	Note	2024	2023
Cash flows from operating activities			
Profit/(loss) before income tax		(176,845)	(128,243)
Adjustments for:			
Share-based payments expense	8	7,424	(4,074)
Depreciation and amortization	11,12,13	60,999	64,401
Net financial items		24,084	7,771
Other adjustments for non-cash items		72,394	
Change in operating assets and liabilities:			
Change in trade receivables and other receivables		2,846	10,191
Change in inventories (including consignation inventories)		4,971	(1,229)
Change in trade payables		(10,316)	349
Change in other current assets and liabilities		(98,344)	(46,719)
Taxes paid		-	-
Paid interests		(2,893)	(6,343)
Items classified as investing or financing			(5,309)
Net cash inflow/(outflow) from operating activities		**(115,680)**	**(109,206)**
Cash flows from investing activities			
Payment for property, plant and equipment	12	(1,426)	(3,242)
Payment for investments in intangible assets	11	(67,117)	(73,210)
Proceeds from disposals		-	100
Interest received		4,176	3,482
Net cash inflow/(outflow) from investing activities		**(64,367)**	**(72,870)**
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		160,000	130,000
Payments of transaction costs equity transactions		(10,011)	(7,637)
Repayments of lease liabilities	13	(10,738)	(11,550)
Loan proceeds	19	5,500	50,000
Paid interest on loan		(7,842)	(914)
Paid interest on lease liabilities	13	(7,911)	(4,484)
Net cash inflow/(outflow) from financing activities		**128,998**	**155,415**
Net increase/(decrease) in cash and cash equivalents		**(51,049)**	**(26,660)**
Cash and cash equivalents as of 1 January		163,581	183,077
Effects of exchange rate changes on cash and cash equivalents		2,308	7,164
Cash and cash equivalents as of 31 December		**114,840**	**163,581**

Notes to the Huddly AS financial statements

Notes to the Huddly AS financial statements

1. General information

Huddly AS (the Company), the parent company of Huddly Group (Huddly or the Group) is a private limited liability company incorporated and domiciled in Norway. The address of its registered office is Stortorvet 7, 0155 Oslo, Norway. The company is listed on Euronext Growth (Oslo) and has the ticker "HDLY". Subsidiary Huddly Inc is registered in the state of Delaware in the United States of America.

Huddly uses its technology to create tools for team collaboration, and combines expertise across the fields of design, hardware, software, and artificial intelligence. The Company's smart cameras are designed to make it easier and better for people to communicate with each other. Huddly's solutions with industry-leading partners enable high-quality video experience on all major collaboration platforms.

These financial statements have been approved for issuance by the Board of Directors on 30 April 2025.

2. General accounting principles

The general accounting policies applied in the preparation of these financial statements are set out below. Specific accounting principles are described in the relevant notes.

Basis of preparation

The financial statements of Huddly AS are prepared in accordance with IFRS® Accounting Standards as adopted by the EU (IFRS), and additional disclosure requirements in the Norwegian Accounting Act as effective of 31 December 2024.

The financial statements are presented in Norwegian kroner (NOK), which corresponds to the functional currency of the Company and have been rounded to the nearest thousand unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

The financial statements are prepared on a going concern basis.

Subsidiaries

Shares in the subsidiary Huddly Inc. are valued at cost and tested for impairment. The cost includes debt to equity conversions.

Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. The Company has determined that the Management team is the chief operating decision makers.

The segment information is reported in accordance with the reporting to the Management team (the chief operating decision makers) and is consistent with financial information used for assessing performance and supporting the Company's direction and strategy, resource allocation and acquisition activities. The Company has identified one segment. The Company is monitored at consolidated income statement, balance sheet and cash flow.

Use of judgements and estimates

Estimates and assumptions

Management has used estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on historical experience and other factors that are considered to be relevant. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Management has, when preparing the financial statements, made certain significant assessments based on critical judgment when it comes to application of the accounting principles.

Material exercise of judgment and estimates relate to the following matters:

- Contract liabilities as part of Huddly's IFRS 15 assessment, refer to note 4
- Lifetime of intangible assets, refer to note 11
- Consignation inventory, refer to note 15
- Estimated credit loss for trade receivables, refer to note 16
- The recoverable amount of intangible assets, including capitalized development projects and trademarks and patents
- The fair value of share options granted

3. New and amended standards not yet adopted by the Company

As of the reporting date, the Company has reviewed all new and amended standards and interpretations issued by the International Financial Reporting Standards (IFRS) or applicable local accounting standards. Based on the Company's assessment, there are no new or amended standards that have been issued but not yet adopted by the Company. The Company is aware of the forthcoming IFRS 18 standard on Presentation and Disclosure in Financial Statements, effective from January 2027, and are preparing to enhance our reporting practices to ensure compliance with its requirements. The Company will continue to monitor any future changes and will adopt them in accordance with the applicable adoption timelines.

4. Revenue from sales of goods

Accounting principles

Revenue from sales of goods

The Company has revenue from sale of various types of cameras to be used in meeting rooms, learning facilities and home offices.

Revenue from contracts with customers is recognized when persuasive evidence of an arrangement exists, delivery has occurred as well as risk and control, the fee is fixed or determinable, and collectability is reasonably assured.

The Company accrues warranty costs, sales returns, and other allowances. Shipping and handling fees billed to customers are included in revenue, with the associated costs included in cost of sales. Revenue is shown net of value-added tax, estimated returns, rebates and discounts.

Trade receivables

Trade receivables are initially recognized at fair value. Trade receivables are non-interest bearing and trading terms range from 30 to 60 days and therefore classified as current.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company fulfils the performance obligations under the contract. Most revenue is recognized by the Company at the point in time when control of the goods and services passes to the customer. However, the Company has identified a performance obligation to certain customers to keep cameras sold updated with the latest software, enhancing the goods controlled by the customer as part of an ongoing process, when the customer simultaneously receives and consumes the benefits, and the revenue is recognized over the same period. The Company plans to recognize deferred revenues over a three-year period, allocating them in determined proportions.

Description

Revenue from customers

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

Revenue from costumers	**2024**	**2023**
Strategic partners %	17%	48%
Channel partners %	83%	52%
Total	**100%**	**100%**

Amounts in NOK 1,000	**2024**	**2023**
Strategic partners	24,611	102,006
Channel partners	124,170	108,716
Revenue from customers	**148,781**	**210,722**

Revenue by geography

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

Amounts in NOK 1,000	2024	2023
EMEA/APAC	65,057	99,068
Americas	83,724	111,654
Revenue from customers	**148,781**	**210,722**

Information about major customers

The Company conducts its sales through one revenue segment. Of the Company's total revenue base per 2024, the three largest customers represent 47% (42% in 2023) and no other customer represents more than 10% of the Company's revenue.

Contract liabilities

The Company has recognized TNOK 594 in contract liabilities for 2024. See table below for determined proportions of current and non-current contract liabilities.

Contract assets and contract liabilities

Amounts in NOK 1,000	2024	2023
Contract assets	-	-
Contract liabilities (deferred revenue) - current	357	-
Contract liabilities (deferred revenue) - non-current	238	-
Total	**594**	**-**

5. Employee benefit expense

Accounting principles

Pension plans

The Company has a defined contribution plan for some of its employees. The Company's payments are recognized in the statement of profit or loss as employee benefit expenses for the year to which the contribution applies.

The Company's pension schemes satisfy the requirements in local country legislation regarding mandatory occupational pension act. 116 employees are registered in pension schemes as of 31 December 2024, compared to 114 employees at the end of 2023.

Specification of employee benefit expense

Employee benefit expense

Amounts in NOK 1,000	**2024**	**2023**
Wages and salaries	120,954	119,959
Share-based payment to employees	7,424	(4,074)
Share-based payment to employees, cash settlement	133	-
Social security tax	17,120	18,944
Social security tax, share-based payment to employees	(67)	(3,753)
Pension costs	6,248	6,111
Other personnel costs	2,935	2,686
Capitalization personnel cost	(55,392)	(56,544)
Total personnel cost	**99,355**	**83,328**

Total personnel cost is presented net of government grants, refer to note 9. The Company had an average of 115 full time employees on payroll in 2024, compared to 116 employees in 2023. Share-based payments to employees are equity settled and booked directly against the comprehensive statement of equity. Accrued social security is cash settled and booked directly against the statement of comprehensive income. Accrued social security on share-based payments to employees are measured per option based on the reporting period ending share price less the strike price.

Remuneration to leading personnel

Amounts in NOK 1,000	**2024**				**2023**		
	CEO (current)	**CEO (former)**	**Other key mng.**	**Board**	**CEO (former)**	**Other key mng.**	**Board**
Salaries and wages	1,742	1,500	17,147		2,956	15,455	32
Pension benefits	89		504			537	
Other benefits		750		650			700
Total key management compensation	**1,831**	**2,250**	**17,650**	**650**	**2,956**	**15,991**	**732**

The key management team in 2024 consists of the following personnel: Rosa Ingimundardóttir Stensen (COO/CEO), Abhijit Banik (CFO), Stein Ove Eriksen (CPO), Knut Helge Teppan (CDO), Vegard Hammer (CTO), Fraser Park (CCO), Håvard Alstad (EVP Engineering) and Bo Pintea (EVP Business Development).

In 2023, the key management team consisted of Graham Williams (CEO, former), Abhijit Banik (CFO), Rosa Ingimundardóttir Stensen (COO), Stein Ove Eriksen (CPO), Knut Helge Teppan (CDO), Vegard Hammer (CTO), Fraser Park (CCO), Håvard Alstad (VP Engineering) and Bo Pintea (VP Products, Growth and Solutions). The key management team did not receive reimbursement or other financial benefits outside their normal duties as leaders. Rosa Ingimundardóttir Stensen took over as CEO (from COO) on 3 July 2024, replacing Graham S. Williams. Options were granted to members of the key management in 2024. All members of the management and the Board are part of the Company's 2024 incentive plan. Refer to note 8 for key management compensation in share-based payments.

6. Other operating expenses

Other operating expenses

Amounts in NOK 1,000	2024	2023
Professional services	21,124	26,427
Advertising	5,892	8,084
Shipping	415	1,121
Rent and leases	7,478	3,965
Travel	2,335	2,448
Other costs	33,748	34,488
Total other operating expenses	**70,993**	**76,532**

In 2024, Other costs include TNOK 27,599 relating to Inter-company Marketing service agreement invoiced from Huddly Inc. to Huddly AS (TNOK 27,002 in 2023). Total other operating expenses are presented net of government grants, refer to note 9.

Audit fee

Amounts in NOK 1,000	2024	2023
Statutory audit	995	1,770
Other assuranse services	75	74
Other non-assurance services	233	884
Tax services	50	-
Total	**1,353**	**2,728**

7. Taxes

Accounting principles

The tax expense/(income) for the period comprises of current tax and changes in deferred tax. Tax expense is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax expense is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Deferred tax assets are calculated with the nominal corporate tax rate in all local group countries and consolidated at group level. At balance sheet date, the recognition criteria in IAS 12 were not met for Huddly AS. Carried forward tax losses in Norway amount to TNOK 395 885 at 31 December 2024. There is no expiration date of carried forward losses in Norway.

Description

Specification of income tax expense

Amounts in NOK 1,000	**2024**	**2023**
Income tax payable	-	-
Deferred tax income	-	-
Total income tax expense	**-**	**-**

Specification of deferred tax balances:

Amounts in NOK 1,000	**2024**	**2023**
Non-current assets	306	599
Accounts receivable	133	212
Other provisions	21,722	18,269
Other temporary differences	2,840	1,788
Tax losses carried forward	87,095	50,744
Total deferred tax assets relating to temporary differences and losses	112,095	71,612
Non-recognized deferred tax assets	(112,095)	(71,612)
Carrying value deferred tax assets	**-**	**-**
Tangible assets	-	-
Other temporary differences	-	-
Carrying value deferred tax liabilities	**-**	**-**

Changes in net deferred tax assets/liabilities

Amounts in NOK 1,000	**2024**	**2023**
As of 1 January	-	-
Recognized in the statement of profit/(loss)	-	-
Acquistions of subsidiaries	-	-
Translation differences	-	-
As of 31 December	**-**	**-**

Reconciliation of effective tax rate:

Amounts in NOK 1,000	**2024**	**2023**
Net income/(loss) before tax	176,845	128,232
Expected income tax assessed at 22 %	(38,906)	(28,213)
Adjusted for the tax effect of the following items:		
Permanent differences	635	(1,714)
Changes in prior years		3,993
Other	(2,202)	-
Deferred tax asset not recognised	40,473	25,935
Income tax expense (income)	**-**	**-**
Effective tax rate	**0%**	**0%**

8. Share-based payments

Accounting principles

Equity-settled, share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the grant date. The vesting period is the period over which all the specified vesting conditions are to be satisfied. The fair value is expensed over the vesting period as an employee benefit expense, with a corresponding increase in equity.

The fair value at the grant date is determined using the Monte Carlo simulation option pricing model, which considers the exercise price, the life of the option, the current price of the underlying shares, the expected volatility of the share price, any dividends expected on the shares and the risk-free interest rate for the life of the option. The expected share price volatility is based on historical volatility for a selection of comparable listed companies. The risk-free interest rate is based on zero-coupon government bonds with a term equal to the expected term of the option being valued.

Social security contributions payable in connection with an option grant are considered an integral part of the grant itself. The charges are treated as cash-settled, share-based payments and measured at fair value each reporting date. The fair value measurement for the social security liability per option is based on the reporting period ending share price less the strike price. As of 31 December 2024, the Company had accrued TNOK 21 in social security contributions on share-based payments.

All vested and partially vested options that are in-the-money are included in the fair value measurement of the social security liability. The remeasurement change is recognized as an expense in the statement of profit or loss and as an adjustment to the social security liability in the statement of financial position.

When the options are exercised, the appropriate number of shares are transferred to the employee. The proceeds received from the exercise of the options (net of any directly attributable transaction costs) are credited directly to equity.

Description

Synthetic options

The Company had 5,871,111 outstanding synthetic options per 31 December 2024. Each synthetic option gives the owner the right to receive a one-time payment up to the value of one share in the Company in a change of control event, deducted by exercise price per share. No expenses or corresponding liability have been recognized for the synthetic option program. On 31 December 2024 there are five prior employees holding synthetic options.

Overview synthetic options	**2024**	**2023**
Options granted, outstanding 01.01	5,871,111	5,871,111
Options granted, outstanding 31.12	**5,871,111**	**5,871,111**

The weighted average strike price for Synthetic option program on options granted and vested was NOK 0.95 in 2024 and 2023.

Employee options

As of 31 December 2024, the Company's only active share granting incentive program is the 2024 incentive plan implemented in May 2024, directed at employees and directors. Participants are granted options to subscribe for shares in the Company based on a pre-determined strike price. The options 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. The 2021 incentive program is closed for new members. Furthermore, the options may only be exercised in a coordinated process led by the Company's board. This implies that the participant may only exercise a number of options each year equal to 20% of its total number of options.

New grants into the 2024 Incentive program have an exercise price of NOK 0.75. As of 31 December, there are 116 employees and former employees participating in the 2024 incentive plan. All employees that were granted 2024 options had their 2021 options voided. As a consequence, the options granted in 2024 are seen in relation to the cancellations of the 2021 incentive plan and accounted for as a modification in accordance with IFRS 2. The weighted exercise price for all outstanding options in the 2021 Incentive plan is NOK 4.12. As of 31 December, there are 137 employees and former employees participating in the 2021 incentive plan.

Fair value of the equity instruments is measured at grant date and recognized over the vesting period. All equity instruments expire five years after the grant date. Share-based payments included in salary costs are TNOK 7 424 and TNOK -4 074 (exclusive of accrued social security cost on option-based payments), in 2024 and 2023 respectively.

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 31.12	**10,160,073**	**23,648,873**
Options vested, closing balance 31.12	**9,951,740**	**21,458,910**

2024 incentive plan	**2024**	**2023**
Options granted, outstanding 01.01	-	-
Options granted	37,141,200	-
Options exercised	-	-
Options forfeited during the year	(2,332,500)	-
Options granted, outstanding 31.12	**34,808,700**	**-**
Options vested, closing balance 31.12	**3,500,000**	**-**

Black Scholes parameters of the 2024 incentive plan

The table below shows the results of the Black Scholes simulation.

Black Scholes Option value on 2024 incentive plan	**2024**
Shareprice (NOK)	0.81
Strike price (NOK)	0.75
Risk-free interest rate	4%
Expected life - years	4.83
Expected dividend (NOK)	-
Volatility	44%
Option fair value (NOK)	**0.37**
Number of options granted per tranche	**-**
Total option fair value at grant date (NOK)	**26,736,101**

Overview of outstanding options to key management

Key management is defined as the executive management team in Huddly AS. Share-based options granted to key management and Board amount to a total of TNOK 5 922 in 2024.

Share options 2024

2024 Incentive plan	**Granted in 2024**	**Forfeited in 2024**	**Exercised in 2024**	**Total outstanding as at 31.12**	**Weighted average exercise price**	**Remaining contractual life***
Rosa Stensen, CEO	2,000,000	-	-	2,000,000	0.75	4.34
Abhijit Saha Banik, CFO	2,000,000	-	-	2,000,000	0.75	4.34
Stein Ove Eriksen, CPO	1,500,000	-	-	1,500,000	0.75	4.34
Knut Helge Teppan, CDO	2,000,000	-	-	2,000,000	0.75	4.34
Vegard Hammer, CTO	2,000,000	-	-	2,000,000	0.75	4.34
Fraser Park, COO	2,000,000	-	-	2,000,000	0.75	4.34
Håvard Alstad, EVP Engineering	2,000,000	-	-	2,000,000	0.75	4.34
Bo Pintea, EVP Business Development	2,000,000	-	-	2,000,000	0.75	4.34
Graham Spencer Williams, CEO (Former)	1,500,000	1,500,000	-	-	-	-

Share options 2023

2021 Incentive plan	**Granted in 2023**	**Forfeited in 2023**	**Exercised in 2023**	**Total outstanding as at 31.12**	**Weighted average exercise price**	**Remaining contractual life***
Graham Spencer Williams, CEO	-	-	-	1,560,000	4.66	2.47
Abhijit Saha Banik, CFO	130,000	-	-	160,000	2.79	4.15
Stein Ove Eriksen, CPO	-	-	-	1,344,000	2.50	2.08
Knut Helge Teppan, CDO	-	-	-	1,262,000	5.23	4.43
Vegard Hammer, CTO	-	-	-	2,350,000	1.66	2.48
Fraser Park, COO	-	-	-	1,280,000	1.65	2.08
Rosa Stensen, COO	160,000	-	-	160,000	2.31	3.75
Håvard Alstad, VP Engineering	-	-	-	320,000	2.50	2.08
Bo Pintea, VP Product, Growth and Solutions	160,000	-	-	160,000	2.31	5.42
Alexander Woxen, CEO (Former)	-	3,000,000	-	-	-	-
Ragnar Kjos, CFO (Former)	-	500,000	-	-	-	-

*Weighted average remaining contractual life of outstanding options as of the period

9. Government grants

Accounting principles

Government grants are recognized in the statement of profit or loss on a systematic basis over the periods in which the entity recognizes and expenses the related costs for which the grants are intended to compensate. Grants related to R&D of capitalized intangible assets are recognized as reductions in capitalized costs.

Description

The Company's project 354060 for 2024 was approved by Norwegian Research Council as a research and development grant as per Norwegian Tax Law §16-40 (Skattefunn procedure). Payment of TNOK 4,750 is planned to be received in 2025. The deduction percentage for 2024 for all internal research and development is set at 19 percent of the allowed total project limit.

2024:

Amounts in NOK 1,000	Amount	Reduced salary cost	Reduced other cost
Skattefunn	4,750	4,073	677
Total	**4,750**	**4,073**	**677**

2023:

The Company did not receive any grants from Skattefunn in 2023.

10. Earnings per share

Accounting principles

The calculation of basic earnings per share is based on the profit attributable to ordinary shares, using the weighted average number of ordinary shares outstanding during the year after the deduction of the average number of treasury shares held over the period.

The potential dilutive shares are not treated as dilutive in the diluted earnings per share calculation, as the conversion of these shares would decrease the loss per share of the Company.

Description

The calculations of earnings per share attributable to the ordinary equity holders of the Company are based on the following net profit/(loss) and share data:

	2024	2023
Basic earnings per share	(0.30)	(0.55)
Diluted earnings per share	(0.30)	(0.55)
Profit/(loss) for the year (Amounts in NOK 1,000)		
used for calculating basic earnings per share	(172,179)	(125,050)
used for calculating diluted earnings per share	(172,179)	(125,050)
Weighted average number of shares used as the denominator in calculating basic earnings per share	568,405,081	228,123,922
Weighted average number of shares outstanding for diluted earnings per share	568,405,081	228,123,922

11. Intangible assets

Accounting principles

Costs to develop the Company's products that are incurred after the establishment of technological feasibility are capitalized if significant, when it is probable that the expected future economic benefits that are attributable to the assets will flow to the entity, and when the cost of the asset can be measured reliably. Intangible assets are measured initially at cost and amortized using the straight-line amortization method over the estimated useful life.

Capitalized development costs include costs directly attributable to the development of the intangible, such as personnel expenses and consultancy services. Otherwise, such expenses are expensed as and when incurred.

Judgment is required in evaluating whether subsequent development expenditure is to be capitalized as an internally generated intangible asset or expensed as incurred. The key element of judgment is whether the development project will generate incremental probable future economic benefit in the form of a new product, or not.

The Company focuses on securing its intellectual property. Patents, design and trademarks are measured initially at cost and amortized using the straight-line amortization method over the estimated useful life.

Description

Capitalized development costs were TNOK 64,242 and TNOK 64,407 in 2024 and 2023 respectively. The Company estimates the economic life to be 5 years.

Amounts in NOK 1,000	Development	Patent, design and trademark	Licenses	Domains and Licenses	Goodwill	Total
Cost						
Cost at 1 January 2023	**246,379**	**-**	**6,983**	**224**	**8,018**	**261,440**
Capitalized employee benefit expense	56,544	-	-	-	-	**56,544**
Other additions	7,863	8,803	-	-	-	**16,666**
Disposals	-	-	-	(163)	-	**(163)**
Cost at 31 December 2023	**310,786**	**8,803**	**6,983**	**61**	**8,018**	**334,650**
Capitalized employee benefit expense	55,392	-	-	-	-	**55,392**
Other additions	8,850	4,893	-	-	-	**13,743**
Disposals	-	-	-	-	-	**-**
Cost at 31 December 2024	**375,028**	**13,696**	**6,983**	**61**	**8,018**	**403,786**
Amortization and impairment						
Accumulated at 1 January 2023	**87,312**	**-**	**6,983**	**-**	**-**	**94,295**
Disposals	-	-	-	-	-	**-**
Amortization for the year	41,475	184	-	-	-	**41,659**
Impairment	-	-	-	-	-	**-**
Accumulated at 31 December 2023	**128,787**	**184**	**6,983**	**-**	**-**	**135,953**
Disposals	-	-	-	-	-	**-**
Amortization for the year	42,846	1,816	-	-	-	**44,662**
Impairment	-	-	-	-	-	**-**
Accumulated at 31 December 2024	**171,632**	**2,000**	**6,983**	**-**	**-**	**180,615**
Carrying amount at 31 December 2023	**181,999**	**8,620**	**-**	**61**	**8,018**	**198,697**
Carrying amount at 31 December 2024	**203,396**	**11,697**	**-**	**61**	**8,018**	**223,171**
Amortization method	Straight-line 5 years	Straight-line 5-15 years	Straight-line 3 years	Indefinite life	Indefinite life	

12. Tangible assets

Accounting principles

Property, plant, and equipment are stated at historical cost, less accumulated depreciation, and any impairment charges. Depreciation is calculated on a straight-line basis over the assets' expected useful life and adjusted for any impairment charges. Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit. Major assets with different expected useful lives are reported as separate components.

Property, plant, and equipment are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount.

The difference between the asset's carrying amount and its recoverable amount is recognized in the income statement as an impairment loss. Property, plant, and equipment that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Description

Amounts in NOK 1,000	Machines	Office equipment	Tools	Fixtures etc.	Total
Cost at 1 January 2023	**136**	**5,297**	**11,145**	**2,099**	**18,678**
Additions	-	646	874	1,722	**3,242**
Disposals	(136)	-	-	(152)	**(288)**
Translation difference	-	-	-	-	**-**
Cost at 31 December 2023	**-**	**5,943**	**12,019**	**3,669**	**21,631**
Additions	-	583	-	844	**1,427**
Disposals	-	-	-	-	**-**
Translation difference	-	-	-	-	**-**
Cost at 31 December 2024	**-**	**6,526**	**12,019**	**4,512**	**23,057**
Depreciation and impairment					
Accumulated at 1 January 2023	**136**	**3,248**	**5,662**	**1,094**	**10,141**
Depreciation for the year	-	1,306	2,812	427	**4,545**
Impairment	-	-	-	-	**-**
Disposals	(136)	-	-	(24)	**(160)**
Translation difference	-	-	-	-	**-**
Accumulated at 31 December 2023	**-**	**4,554**	**8,474**	**1,497**	**14,525**
Depreciation for the year	-	1,074	2,227	645	**3,947**
Impairment	-	-	-	-	**-**
Disposals	-	-	-	-	**-**
Translation difference	-	-	-	-	**-**
Accumulated at 31 December 2024	**-**	**5,628**	**10,701**	**2,142**	**18,471**
Carrying amount at 31 December 2023	**-**	**1,388**	**3,545**	**2,172**	**7,106**
Carrying amount at 31 December 2024	**-**	**897**	**1,318**	**2,370**	**4,586**
Depreciation method	Straight-line	Straight-line	Straight-line	Straight-line	
Estimated useful life	3 years	3 years	3-5 years	5 years	

13. Leases

Accounting principles

The Company has recognized right-of-use assets and lease liabilities for all leases with a term of more than 12 months and where the underlying asset has a value of more than TNOK 50.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;

- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Right-of-use assets and lease liabilities

The Company's leased assets include offices. The Company's right-of-use assets are categorized and presented in the table below.

Amounts recognized in the balance sheet

Right of use assets

Amounts in NOK 1,000	**2024**	**2023**
Offices for own use	38,026	44,371
Subleased office space	17,730	20,689
Total	**55,756**	**65,060**
Useful life	6 years	6 years
Depreciation method	Straight-line	Straight-line

Lease liabilities

Amounts in NOK 1,000		
Current	11,462	9,716
Non-Current	53,309	62,382
Total lease liability	**64,771**	**72,098**

Amounts recognized in the statement of profit or loss

Amounts in NOK 1,000	**2024**	**2023**
Depreciation of right of use asset	8,450	12,410
Depreciation of subleased office space	3,940	5,787
Interest expense	7,911	4,484
Expenses relating to short-term leases	4,900	3,938
Expenses relating to leases of low-value	385	488

Reconciliation of lease arising from financing activities

Reconciliation of lease arising from financing activities

Amounts in NOK 1,000	**2024**	**2023**
Opening balance 1 January	72,098	12,674
Lease payments during the year	(18,649)	(16,034)
New leases recongised during the year	-	70,974
Revised recognition of the lease obligation	3,411	-
Interest exepense on lease payments	7,911	4,484
Closing balance 31 December	**64,771**	**72,098**

There has been no right-of-use asset and lease liability additions during 2024. Huddly moved into new office premises at Stortorvet 7, 0155 Oslo, 1 July 2023. The lease period is 6 years. Huddly AS, as a lessee, initially measures a right-of-use asset and lease liability at the commencement date of the lease. This is the date on which a lessor makes an underlying asset available for use by a lessee. The Company has no other lease agreements recognized under IFRS 16. During the year, the Company identified and corrected an adjustment to the lease liabilities in accordance with IFRS 16, resulting in a revised recognition of the right-of-use assets and lease obligations.

The Company entered into a sublease agreement with Ernst & Young AS on 1 November 2023. The lease term ends 30 June 2029 and the sublessee can terminate the sublease agreement with 18 months’ notice.

Annual rent on sublease

Amounts in NOK 1,000	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Rent from sublease	5,952	6,090	6,236	6,386	6,539	3,348

14. Other non-current receivables

Accounting principles

The Company initially recognizes other non-current receivables at fair value and subsequently measures it at amortized cost. Interest income on the receivable is recognized as other financial income.

Description

The Company has as of 31 December 2024 other non-current receivables of in total TNOK 25,852 (TNOK 23,397 as of 31 December 2023).

The amount consists of receivables with third parties. The receivables are reviewed for impairment on an ongoing basis based on the 3-stage expected credit loss model. There have been no impairments of other non-current receivables as of 31 December 2024.

15. Inventories

Accounting principles

Inventory is valued at the lower of historical cost and net realizable value. The historical cost is determined using the weighted average cost method. Historical cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of conversion includes costs directly related to the units of production, as well as fixed and variable production overheads that are incurred in converting materials into finished goods.

Net realizable value is the estimated selling price in the operating activities less estimated costs that are necessary to make a sale. Selling cost includes cost of logistic (warehouse, customs, freight etc.). Goods in transit are recognized at their historical cost.

When inventories are sold, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized.

Description

Amounts in NOK 1,000	2024	2023
Inventory at stock	78,733	29,979
Consignation inventories	50,276	104,001
Total inventories	**129,099**	**133,980**

The Company buys finished goods from contract manufacturers which purchase components and produce finished goods. Normally the Company purchases finished goods for direct sale, and components comprise cameras and accessories ready for kitting and sale to customers.

During the production of finished goods, there are raw materials and components in the physical possession of the contractual manufacturers that cannot be used for any other purpose than producing Huddly products. Management has assessed whether the Group controls these raw materials, and using significant judgement management concluded that these raw materials are a present economic resource controlled by the Company based on the economic and contractual relationships between the Company and their production supplies. These raw materials are therefore recognized in the statement of financial position as consignation inventories with corresponding consignation liabilities.

Consignation inventories arise from an assessment of the accounting treatment of the ultimate ownership of risk related to the manufacturers' inventory according to IFRS. Any and all assessments related to the contractual rights and obligations to the inventory remain unchanged. Both the asset and the corresponding consignation liability will be reduced upon purchase of a finalized product. As such, the cash outflow will first occur once the finalized product is purchased. Please refer to note 20, other short-term liabilities.

16. Trade receivables and other receivables

Accounting principles

Trade receivables are initially measured at fair value. Trade receivables are non-interest bearing and trading terms range from 30 to 60 days and therefore classified as current.

Trade receivables and other receivables are reflected in the balance sheet at nominal value less provision for estimated losses.

Loss allowance and risk exposure

The Company applies the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on payments profiles, customer contracts in the previous year and historical losses.

Receivables are grouped into categories and the expected loss rates reflect the Company’s ability to collect receivables once they are overdue.

Amounts in NOK 1,000	2024	2023
Trade receivables	49,464	52,668
Loss allowance	(604)	(962)
Total	**48,860**	**51,706**

The table below summarizes the trade receivable position according to their maturity on 31 December 2024 and the basis for determining loss allowance.

Amounts in NOK 1,000	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	1.1%	3.2%	15.7%	100%	
Gross carrying amount- trade receivables	48,870	739	15	41	49,665
Loss allowance - trade receivables	**537**	**24**	**2**	**41**	**604**

The table below summarizes the trade receivable position according to their maturity on 31 December 2023 and the basis for determining loss allowance.

Amounts in NOK 1,000	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0.7%	1.5%	1.8%	35%	
Gross carrying amount- trade receivables	45,799	4,454	831	1,583	52,668
Loss allowance - trade receivables	**324**	**65**	**15**	**558**	**962**

Trade receivables are initially recognized at fair value. Trade receivables are non-interest bearing and trading terms range from 30 to 60 days and therefore classified as current. In the current fiscal year an accrual of TNOK 604 for loss on accounts receivable is made compared to TNOK 962 in 2023.

Other short-term receivables

Amounts in NOK 1,000	2024	2023
Other short-term receivables	19,883	41,707
Prepaid expenses	6,605	5,276
Deposits	-	60
Total other receivables	**26,488**	**47,044**

Included in other short-term receivables are value added tax return and other working capital positions. Deposits comprise of deposit paid for office premises.

17. Cash and cash equivalents

Accounting principles

Cash and cash equivalents include bank deposits for office premises. The Company considers all highly liquid assets with an original or remaining maturity of three months or less at the date of acquisition to be cash equivalents. The cash flow statement is presented using the indirect method.

Description

Amounts in NOK 1,000	2024	2023
Bank deposits	114,840	163,581
Total cash and cash equivalents	**114,840**	**163,581**

Amounts in NOK 1,000	2024	2023
Restricted cash included in the above	15,980	15,654
Advance payment of social taxes	5,009	4,689
Bank deposit for office premises	10,971	10,966

Restricted cash at year end 2024 was TNOK 15,980 and included advance payment of social taxes and bank deposit for office premises. In 2023 restricted cash was TNOK 15,654 and was related to advance payment of social taxes.

18. Share capital and shareholder information

Ownership structure

With a total of 1,836,328,048 shares, each having a par value of NOK 0.000625, the Company's share capital amounts to NOK 1,147,705.03. At the end of 2023, there were 476,328,048 shares, with a par value of NOK 0.000625 which gave a share capital of NOK 297,705.03. There is only one class of shares, common shares, which all carry identical voting and dividend rights. As of December 31, 2024, the Company has 1,374 shareholders. Below is a list of the 20 largest shareholders.

Shareholder name	Number of shares	Ownership
SONSTAD AS	220,675,376	12%
LEIF HÜBERT AS	127,292,060	7%
MUSTANG CAPITAL AS	120,265,294	7%
KOLBERG MOTORS AS	110,628,000	6%
SOM HOLDING AS	83,970,928	5%
MP PENSJON PK	63,459,959	3%
PORTIA AS	62,400,000	3%
RBC INVESTOR SERVICES TRUST	61,518,366	3%
TTC INVEST AS	55,815,516	3%
INAK 3 AS	55,417,957	3%
SONGA CAPITAL AS	55,417,957	3%
VIOLA AS	55,000,000	3%
G&J WILLIAMS PROPERTY PTY LT	52,024,194	3%
INVEST 102 AS	50,000,000	3%
MELVER INVEST AS	48,232,054	3%
The Northern Trust Comp	45,446,005	2%
CLEARSTREAM BANKING S.A.	38,162,933	2%
SKIPS AS TUDOR	34,500,000	2%
MULTIPLIKATOR AS	32,839,453	2%
CRESSIDA AS	31,000,000	2%
All others	426,961,980	23%
Total	**1,831,028,032**	**100 %**

Huddly AS owns 5,300,016 treasury shares and has 1,831,028,032 outstanding shares in the market.

Shares held by the Board and the management

Shares owned / controlled by Management, Board, and their related parties at 31 December 2024	Number	Ownership
Jon Øyvind Eriksen, Chairman (Sonstad AS and Aidiom AS)	220,677,376	12%
Jostein Devold, Board member (Mertoun Capital AS and Leif Hübert)	158,620,691	9%
Kristian Kolberg, Board member (Kolberg Motors AS, Multiplikator AS and children)	145,469,453	8%
Stein Ove Eriksen, Co-Founder and Chief Product Officer (SOM Holding AS)	83,970,928	5%
Håvard Alstad, VP Engineering (HPA Holding AS)	27,400,000	1%
Abhijit Banik, CFO	5,030,000	0%
Knut Helge Teppan, CDO (Knut Teppan Design AS)	2,900,000	0%
Vegard Hammer, CTO	500,000	0%
Total	**644,568,448**	**35%**

Changes in share capital

The share capital on 31 December 2023 was NOK 297,705.

In 2024, the Company issued 1,360,000,000 new shares, with a par value NOK 0.000625 which increased the share capital by NOK 850,000. This was done in two round during the year. In February 2024, a repair offering in relation to the Private Placement in 2023, 60,000,000 new shares with a par value of NOK 0.000625 were issued, increasing the share capital by NOK 37,500.

A new Private Placement took place in December 2024. The Company issued 1,300,000,000 new shares, with a par value NOK 0.000625 which increased the share capital by NOK 812,500.

The primary insiders and employees of the Company (or people closely associated with them) have been allocated Offer Shares for a total of approx. NOK 49.5 million (approx. 38.1% of the Private Placement) at the Offer Price in the Private Placement.

In relation to the Private Placement, the Company, members of the Board and the Company's management as well as the pre-committing employees in the Company have entered into customary lock-up undertakings with the Manager that will restrict, subject to certain exceptions, their ability to issue, sell or dispose of shares in the Company, as applicable, for a period of six months from the date hereof without the prior written consent from the Manager.

The share capital on 31 December 2024 was NOK 1,147,705.03.

	Number of shares	Share capital
	Ordinary	**Share capital**
1 January 2023	**211,028,032**	**135**
Issuance of shares	260,000,000	**163**
31 December 2023	**471,028,032**	**298**
Issuance of shares	1,360,000,000	**850**
31 December 2024	**1,831,028,032**	**1,148**

19. Long-term liabilities

The Company has a three-year product warranty on all products and has recognized a provision of 3% on all direct manufacturing costs occurred over the last three years on 31 December 2024. The Company also has long-term deferred revenue of TNOK 238 in accordance with IFRS 15 which will be released over a three-year period.

Amounts in NOK 1,000	2024	2023
Other long-term liabilities	55,500	50,000
Product warranty provision	2,082	4,043
Contract liabilities (Deferred revenue)	238	-
Intercompany debt	90,187	-
Total long-term liabilities	**148,007**	**54,043**

In June 2023, the Company entered a revolving credit facility of NOK 50 MNOK, with a maturity of three years. The facility is at a floating interest rate of NIBOR + 8 %, with interest paid quarterly. The loan is secured to the extent legally possible to intellectual property rights in Huddly AS. Please refer to note 11, Intangible Assets, for further details. The loan facility increased with MNOK 5.5 in November 2024. The creditors participating in the revolving credit facility as of 31 December 2024 are listed in the table below.

Amounts in NOK 1,000

Related party	Relationship	2024	2023
GJEH PTY LTD	CEO (Former)	25,000	25,000
KOLBERG MOTORS A/S	Board member	11,250	10,000
Mertoun Capital AS	Board member	861	10,000
Leif Hübert AS	Shareholder	10,389	-
SOM Holding AS	CPO	5,750	5,000
Sonstad AS	Chairman	1,000	-
Michael Brandofino	Board member	1,250	-
Total		**55,500**	**50,000**

20. Other short-term liabilities

Amounts in NOK 1,000	2024	2023
Other short-term liabilities	14,582	8,025
Consignation liabilities	53,721	107,711
Contract liabilities (Deferred revenue)	357	-
Public dues	9,689	9,137
Accrued vacation pay	10,910	9,984
Intercompany payable	20,211	93,512
Total other short-term liabilities	**109,470**	**228,369**

Other short-term liabilities include accrued social security tax, deferred revenue and accrued social security on shared-based option payments.

Consignation liabilities arise from an assessment of the accounting treatment of the ultimate ownership of risk related to the manufacturers' inventory according to IFRS. Any and all assessments related to the contractual rights and obligations to the inventory remain unchanged. Both the liability and the corresponding consignation inventory will be reduced upon purchase of a finalized product. As such, the cash outflow will first occur once the finalized product is purchased. Please refer to note 15 for more information on consignation inventory.

21. Related party transactions

The Company's related parties are key management personnel and members of the Board, close members of the family of these, entities that are controlled or jointly controlled by any of these, and owners with significant influence. All transactions with related parties are priced at market conditions and there are no special conditions attached to them. Transactions with subsidiaries have been eliminated in consolidated statements and do not represent transactions with related parties for the Group. As of 31 December 2024, there are no related party balance items, except from borrowings, referring to note 19. There has also been a private placement, involving related parties, referring to note 18.

Subsidiaries

Huddly AS is a 100% owner of Huddly Inc., based in the USA. In 2022, AS entered into a marketing service agreement with Huddly Inc. As a result, Huddly AS had a cost of TNOK 27,599 in 2024 and TNOK 27,002 in 2023. As of 31 December 2024, the Company had an intercompany payable towards INC of TNOK 20,211, compared to TNOK 17,136 in 2023. The investment in Huddly Inc. amounts to NOK 74,106,916 as at the end of December 2024.

Transactions with related parties

Amounts in NOK 1,000

Related party	Relationship	Transaction type	2024	2023
Huddly INC	Subsidiary	Marketing service agreement	27,599	27,002
			27,599	**27,002**

22. Financial Risk and Capital Management

The Company's financial risk and capital management is predominantly controlled by the finance department.

The Company is mainly exposed to the following risks: market risk, credit risk and liquidity risk.

The Company has interest-bearing debt. The Company is not actively engaged in hedging financial risk. Excess liquidity is invested in bank deposits. The Company operates with several currencies, of which the main currencies are NOK, USD and PLN. There is no active exchange rate risk hedging. The focus is on securing operational funding, and currency exchanges are conducted when liquidity in a certain currency is needed. In general, cash in foreign currencies is exchanged to NOK on a regular basis when deemed beneficial, meaning that the Company's cash deposits mainly consist of NOK amounts.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions; Recognized financial assets and liabilities not denominated in NOK; Intercompany balances	Cash flow forecasting; Sensitivity analysis	Continuous assessment of whether to engage in forwards and/or options hedging of FX
Market risk – interest rate	Long-term borrowings	Sensitivity analysis	Continuous assessment of whether to engage in any interest rate swap arrangements
Credit risk	Trade receivables; Cash and cash equivalents; Working capital advance tied up at the Company's contract manufacturer	Aging analysis, credit ratings; Rolling cash flow forecasts	Credit assessment, regular following up of the outstanding balances
Liquidity risk	Other liabilities; Long-term borrowings	Rolling cash flow forecasts; sensitivity analysis	Continuous monitoring of liquidity and assessment of potential need for capital; Process of postponing maturity of long-term borrowing initiated

Market risk - foreign exchange

The Company holds bank deposits mainly in the following currencies: NOK, USD and PLN. The main exposure to foreign currency is derived from accounts payable and accounts receivable in connection with the sale and purchase of goods in foreign currency, in addition to other operating expenses denominated in a foreign currency, such as foreign payroll and services. Finally, the exposure relates to foreign indirect tax receivables exposure.

The Company does not normally use contracts to hedge the foreign exchange exposure. The exposure is largely hedged through receipts and debts being denominated, directly or indirectly, in the same currency (a "natural hedge").

Pre-tax effect from a 10% change of exchange rate per year end

Amounts in NOK 1,000

Sensitivity, currency exposure	2024	2023
NOK depreciated 10% against USD	1,860	4,110
NOK depreciated 10% against PLN	857	1,663

Market risk – interest rate

During 2024 the Company entered into a revolving credit facility arrangement with a group of related parties, and at end 2024 the total borrowings on this arrangement are TNOK 55,500. The related interests are calculated based on NIBOR + 8 percentage points. Management is on a continuous basis following up the development of the interest rate. The Company has not entered into any interest swap arrangements.

Pre-tax expense effect from change of interest rate per year

Amounts in NOK 1,000

Sensitivity, interest rate exposure	**2024**	**2023**
Interest rate - increase by 70 basis points*	(92)	(65)
Interest rate - decrease by 100 basis points*	132	93

** -Holding all other variables constant*

Credit risk

The Company's credit risk is related to the sale of goods and services on credit, and working capital advance tied up the Company's contract manufacturer. The Company monitors the outstanding amounts and follows up closely with its customers and partners should amounts become overdue.

As of 31 December 2024, the Company had TNOK 49,464 in outstanding accounts receivables, of which TNOK 795 were more than 30 days overdue. Traditionally, overdue amounts are paid in full and the Company has historically had a low rate of loss on receivables. The Company had no expenses on bad debt during 2024. A small increase in provision for bad debt was recognized in 2024 but no material changes.

Net interest-bearing debt

Amounts in NOK 1,000	**2024**	**2023**
Total interest-bearing debt	55,500	50,000
Cash and cash equivalents	114,840	163,581
Net interest-bearing debt	**(59,340)**	**(113,581)**

Liquidity risk

The Company manages liquidity risk by monitoring that the expected future cash from operations and available cash are adequate to serve the operational and financial obligations. This is done by preparing cash flow forecasts on a 12 month forward rolling basis and by weekly cash monitoring based on different sales and cost scenarios. Tied up working capital is supervised, focusing on inventory, accounts receivable, and accounts payable.

The Company's liquidity strategy is to secure sufficient cash, cash equivalents and credit facilities available at any time to finance the operations and investments for the next 12 months.

Excess liquidity sits on the Company's bank accounts. Except for the revolving credit facility, which is fully drawn up, the Company holds no credit facilities as of 31 December 2024.

The Company holds no loan agreements against financial institutions and has no covenants.

The following table discloses the maturity analysis for non-derivative liabilities, showing its undiscounted remaining contractual liabilities.

Overview of maturity structure of financial liabilities

	2024				
Amounts in NOK 1,000	**Carrying Amount**	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Borrowings	55,500	-	55,500	-	55,500
Lease liabilities	64,771	11,462	53,309	-	64,771
Trade payables	26,525	26,525	-	-	26,525
Other current liabilities	145,935	145,935	-	-	145,935
Total	**292,731**	**183,922**	**108,809**	**-**	**292,731**

	2023				
Amounts in NOK 1,000	**Carrying Amount**	**< 1 year**	**1-5 years**	**> 5 years**	**Total**
Borrowings	50,000	-	50,000	-	50,000
Lease liabilities	72,098	9,716	48,582	13,799	72,098
Trade payables	35,568	35,568	-	-	35,568
Other current liabilities	120,658	120,658	-	-	120,658
Total	**278,324**	**165,942**	**98,582**	**13,799**	**278,324**

The payment of financial obligations is intended to be covered by the payment of accounts receivable, sale of goods and services, and available cash. The borrowing of NOK 55.5 million is related to a revolving credit facility provided by existing shareholders and associated companies, and matures in June 2026. The Board has initiated the process of postponing the maturity of the loan to after end of 2026.

At the end of the reporting period the Company held deposits at call to manage liquidity risk.

Deposits

Amounts in NOK 1,000	**2024**	**2023**
Deposits at the end of the period	114,840	163,581
-of which restricted	15,980	15,654

Capital Management

The Board's objective is to maintain a healthy capital base to retain the trust of shareholders, creditors, customers, suppliers, and the market to continually develop the Company. The Board continuously monitors the capital structure and makes appropriate actions when deemed necessary. The ultimate objective of the Board is to ensure Huddly's shareholders over time will gain a competitive return on their investment. The Company did not pay any dividend in 2024 and 2023.

23. Events after the reporting period

On 22 January 2025, a new Board was elected, consisting of Jon Øyvind Eriksen (Chair), Jostein Devold, Kristian Kolberg, Bente Sollid and Anika Jovik.

On 30 January 2025, the Company completed a reverse share split, whereby 100 existing shares are consolidated to one share. The Company's new share capital is NOK 1,147,705.0625, divided into 18,363,281 shares, each with a nominal value of NOK 0.0625.

On 14 February 2025, during an Extraordinary General Meeting, the Board authorized a new share incentive program. This program is adapted to reflect the current price of the Company's shares on Euronext Growth Oslo. The goal is to ensure that the option program's relative size is proportionate to the Company's share capital. The maximum number of new options to be awarded is 1,556,000, corresponding to approximately 7.5% of the Company's share capital.

On 7 March 2025 the Board of directors of Huddly AS issued a total of 2,500,000 offer shares related to the subsequent repair offering raising an additional NOK 25 million in gross proceeds. The Company's new share capital is NOK 1,303,955.0625, divided into 20,863,281 shares, each with a nominal value of NOK 0.0625.

In April 2025, the United States announced the introduction of new trade tariffs on certain imported goods. While the exact scope of it and its impact is still not known, the Company may be affected by the tariffs in relation to finished products exported from Europe to the US. This may influence future profitability and cash flows. These developments were not reflected in the impairment tests performed as of 31 December 2024. As these tariffs were introduced after the reporting date, they are classified as non-adjusting events and have not been in the financial statements for the year ending at 31 December 2024.

Auditor’s report

To the General Meeting of Huddly AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Huddly AS, which comprise:

- the financial statements of the parent company Huddly AS (the Company), which comprise the statement of financial position at 31 December 2024, statement of profit or loss, statement of comprehensive income or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Huddly AS and its subsidiaries (the Group), which comprise the statement of financial position at 31 December 2024, statement of profit or loss, statement of comprehensive income or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo, 30 April 2025
PricewaterhouseCoopers AS

Audun Bakke Andersen
State Authorised Public Accountant
(This document is signed electronically)

Revisjonsberetning - Huddly AS 2024

Signers:

Name	Method	Date
Andersen, Audun Bakke	BANKID	2025-04-30 21:23