

Q1 2019 Quarterly Report





R&D and Product

We continued to focus on building user-driven experiences that run on the Huddly AI platform. A significant update to our Genius Framing feature was released that enabled the IQ camera to zoom smoothly and naturally in the meeting room environment.

Huddly was a 2019 Red Dot design winner for the IQ camera, it's third design award.

Sales

Q1 2019 was a record quarter for both revenue and gross margin. Google and Crestron continued to be strong partners.

We are starting to see momentum in our reseller and distribution activities, growing interest from potential new strategic partners and healthy pipeline development.



Financials Q1 2019 (unaudited)

Total revenue in Q1 2019 was 32.621 mNOK versus 31.231 mNOK in Q4 2018 and 76.931 mNOK for full year 2018. Gross margin percentage was 47% in Q1 2019 versus 38% in Q4 2018 and 34% for full year 2018.

EBITDA for Q1 2019 was negative 0.704 mNOK versus negative 11.194 mNOK in Q4 2018 and negative NOK 37.948 mNOK for full year 2019. EBITDA for Q1 2019 increased with 0.724 mNOK due to the implementation of IFRS 16.

The vast majority of Depreciation and Amortization is depreciation of capitalized R&D costs.

Consolidated Profit & loss statement (unaudited)

Thousands NOK	Q1 2019	Q4 2018	2018
Revenue	32,621	31,231	76,931
Cost of goods sold	(17,237)	(19,304)	(50,717)
Gross margin	15,385	11,926	26,214
Operational expenditures	(16,088)	(23,120)	(64,162)
EBITDA	(704)	(11,194)	(37,948)
Depreciation and Amortization	(8,281)	(5,232)	(22,844)
EBIT	(8,984)	(16,426)	(60,792)
Net Finance	(266)		1,768
Tax expenses			
Net Income	(9,250)		(59,023)
Gross margin %	47%	38%	34%

- Figures are reported in functional currency NOK
- All lines are accounted for according to IFRS
- According to implementation of IFRS 16, 724 kNOK in office rent is moved from Operational expenditures to Depreciation



Financials Q1 2019 (unaudited)

Consolidated Balance sheet (unaudited)		
Thousands NOK	Q1 2019	Q4 2018
ASSETS		
Intangible assets	66,676	63,271
Tangible assets	7,961	2,686
Total non-current assets	74,637	65,958
Inventory	2,971	4,068
Trade receivables	15,493	19,975
Other receivables	8,246	13,993
Bank deposits	44,854	51,252
Total current assets	71,565	89,288
Total assets	146,202	155,246
EQUITY AND LIABILITIES		
Total equity	104,152	107,196
Total non-current liabilities	6,187	2,864
Trade payables	23,218	28,469
Other current liabilities	12,645	16,717
Total current liabilities	35,863	45,186
Total equity and liabilities	146,202	155,246

- Figures are reported in functional currency NOK
- All lines are accounted for according to IFRS
- According to implementation of IFRS 16, 5,371 kNOK is included in Tangible assets, 3,198 kNOK is included in Non-current liabilities and 2,173 kNOK is included in Other current liabilities in Q1 2019

Outlook

With our leading engineering and design, we are well positioned to take part in the fast growing Unified Communication and Collaboration market in 2019 and beyond.

We forecast revenue to be in the range from 165 mNOK to 235 mNOK in 2019 and gross margin percentage to improve significantly in 2019 versus 2018. Quarterly volatility in gross margin percentage is likely.

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