

# Q3 2019 Quarterly Report



**Huddly**



## R&D and Product

Huddly is strengthening its relationship with Google through the launch of Huddly IQ kit for Jamboard.

Google Jamboard is a cloud-based digital whiteboard that enables local and remote teams to share ideas effectively.

The Huddly IQ kit for Jamboard is a new add-on for Google's digital, collaborative whiteboard. It consists of a Huddly IQ camera and a custom-made mounting bracket.

This kit was specially made to enhance the Jamboard experience and to let you enjoy the clarity of face-to-face interaction, when you're not in the same place. With everyone seen and heard, teams can be more productive.

## Sales

Q3 2019 was another solid quarter.

Google and Crestron continue to be strong partners. We are seeing increased traction with our new partner Lenovo.

It was a record quarter for our distributors, providing balance between our revenue streams.

We experienced increased traction in the Americas and several Fortune 500 wins.

The Huddly IQ camera was awarded "Communication Technology of the Year" at the 2019 AV Awards held in London UK. Nominees for the award included products by Logitech, Poly, Jabra, StarLeaf, AtalsIED and Bosh Security Systems.



## Financials Q3 2019 (unaudited)

Huddly has signed a 3 mUSD working capital facility. Huddly has not drawn on the facility.

Total revenue in Q3 2019 was 42.661 mNOK versus 44.698 mNOK in Q2 2019 and 76.931 mNOK for full year 2018. Gross margin percentage was 54% in Q3 2019 versus 50% in Q2 2019 and 34% for full year 2018.

EBITDA for Q3 2019 was 9.630 mNOK versus 6.809 mNOK in Q2 2019 and negative NOK 37.948 mNOK for full year 2018.

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

Consolidated Profit & Loss statement (unaudited)					
Thousands NOK	Q3 2019	Q2 2019	Q1 2019	YTD 2019	2018
Revenue	42,661	44,698	32,621	119,980	76,931
Cost of goods sold	(19,499)	(22,154)	(17,237)	(58,890)	(50,717)
Gross margin	23,162	22,544	15,385	61,091	26,214
Operational expenditures	(13,532)	(15,735)	(16,088)	(45,355)	(64,162)
EBITDA	9,630	6,809	(704)	15,736	(37,948)
Depreciation and Amortization	(10,306)	(9,455)	(8,281)	(28,041)	(22,844)
EBIT	(676)	(2,645)	(8,984)	(12,306)	(60,792)
Net Finance	456	16	(266)	206	1,768
Tax expenses					
Net Income	(220)	(2,629)	(9,250)	(12,099)	(59,023)
Gross margin %	54%	50%	47%	51%	34%

- Figures are reported in functional currency NOK
- All lines are accounted for according to IFRS



## Financials Q3 2019 (unaudited)

Consolidated Balance sheet (unaudited)				
Thousands NOK	Q3 2019	Q2 2019	Q1 2019	Q4 2018
<b>ASSETS</b>				
Intangible assets	72,523	69,833	66,676	63,271
Tangible assets	6,862	7,537	7,961	2,686
<b>Total non-current assets</b>	<b>79,385</b>	<b>77,371</b>	<b>74,637</b>	<b>65,958</b>
Inventory	1,386	1,595	2,971	4,068
Trade receivables	24,267	30,519	15,493	19,975
Other receivables	8,659	10,920	8,246	13,993
Bank deposits	34,211	34,100	44,854	51,252
<b>Total current assets</b>	<b>68,523</b>	<b>77,134</b>	<b>71,565</b>	<b>89,288</b>
<b>Total assets</b>	<b>147,908</b>	<b>154,505</b>	<b>146,202</b>	<b>155,246</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>	<b>101,821</b>	<b>102,769</b>	<b>104,152</b>	<b>107,196</b>
<b>Total non-current liabilities</b>	<b>5,943</b>	<b>6,151</b>	<b>6,187</b>	<b>2,864</b>
Trade payables	21,539	30,616	23,218	28,469
Other current liabilities	18,605	14,969	12,645	16,717
<b>Total current liabilities</b>	<b>40,144</b>	<b>45,585</b>	<b>35,863</b>	<b>45,186</b>
<b>Total equity and liabilities</b>	<b>147,908</b>	<b>154,505</b>	<b>146,202</b>	<b>155,246</b>

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- According to implementation of IFRS 16, 3,836 kNOK is included in assets and liabilities in Q3 2019

## Outlook

We forecast revenue to be in the range from 180 mNOK to 190 mNOK in 2019 and gross margin percentage to improve significantly in 2019 versus 2018. Volatility in gross margin percentage is likely in future quarters.

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