

# Q1 2020 Quarterly Report





## Q1 2020 highlights

A record quarter for Huddly:

- Revenue at 73.9 mNOK, up 127 % compared to Q1 2019
- EBITDA at 30.7 mNOK, compared to negative 0,7 mNOK in Q1 2019

Prepared launch of «Huddly GO – Work from home kit» at MSRP 349 USD, making high-quality video accessible to more users.

New distributor agreement signed with Starin, Zoom’s largest hardware distributor in North America.

## R&D and Product

**Work from home kit.** We have launched the “Huddly GO - Work from home kit”.

With the kit we have lowered the price from \$499 to \$349 to make high-quality video available to as many people as possible. The kit is designed to make the video experience better in a home office scenario. It consists of a Huddly GO camera with wide angle video, and a selection of cables that work with all common home office set-ups.

**Huddly IQ range.** We have in response to feedback from our customers, expanded our selection of Huddly IQ cameras by making the microphone array an optional. The new range consists of Huddly IQ and Huddly IQ with mic. For our customers, this expanded portfolio means more choice and flexibility. Now, you can choose the Huddly IQ configuration that best responds to your needs.

## Sales

Q1 2020 was another record quarter for Huddly.

Google and Crestron continue to be strong partners. We continued to progress both NEC and Lenovo.

Huddly signed a new distributor agreement with Starin. Starin is Zoom’s largest hardware distributor in North America.

Covid-19 created strong interest for video services in general.



## Operations and Financials Q1 2020 (unaudited)

Huddly signed a contract manufacturer (CM) agreement with Flextronics Industrial in Poland in Q1 2020 and is expected to be ready for manufacturing during Q3 2020, as Huddly's second CM. The CM agreement with Hapro Electronics will be continued.

Total revenue in Q1 2020 was 73.924 mNOK versus 32.621 mNOK in Q1 2019. Gross margin percentage was 59% in Q1 2020 versus 47% in Q1 2019.

EBITDA for Q1 2020 was 30.686 mNOK versus negative 0.704 mNOK in Q1 2019.

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

EBIT in Q1 2020 was 21.627 mNOK versus negative 8.984 mNOK in Q1 2019.

<b>Consolidated Profit &amp; Loss statement (unaudited)</b>				
Thousands NOK	Q1 2020	Q1 2019	FY 2019	FY 2018
Revenue	73,924	32,621	187,022	76,931
Cost of goods sold	(30,161)	(17,237)	(89,218)	(50,717)
Gross margin	43,762	15,385	97,804	26,214
Operational expenditures	(13,076)	(16,088)	(56,275)	(64,162)
EBITDA	30,686	(704)	41,529	(37,948)
Depreciation and Amortization	(9,059)	(8,281)	(39,090)	(22,844)
EBIT	21,627	(8,984)	2,439	(60,792)
Net Finance	5,086	(266)	303	1,768
Tax expenses			-	
Net Income	26,713	(9,250)	2,742	(59,023)
Gross margin %	59%	47%	52%	34%

- Figures are reported in functional currency NOK
- All lines are accounted for according to IFRS
- 1025 kNOK is reclassified from Depreciation & Amortization to Net Finance for 2019, Net Income is unchanged



## Financials Q1 2020 (unaudited)

<b>Consolidated Balance sheet (unaudited)</b>	At 31 Mar	At 31 Mar	At 31 Dec	At 31 Dec
Thousands NOK	2020	2019	2019	2018
<b>ASSETS</b>				
Intangible assets	72,241	66,676	66,175	63,271
Tangible assets	5,230	7,961	6,169	2,686
<b>Total non-current assets</b>	<b>77,471</b>	<b>74,637</b>	<b>72,344</b>	<b>65,958</b>
Inventory	778	2,971	406	4,068
Trade receivables	37,481	15,493	40,014	19,975
Other receivables	9,583	8,246	15,099	13,993
Bank deposits	75,101	44,854	53,985	51,252
<b>Total current assets</b>	<b>122,943</b>	<b>71,565</b>	<b>109,503</b>	<b>89,288</b>
<b>Total assets</b>	<b>200,414</b>	<b>146,202</b>	<b>181,847</b>	<b>155,246</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>	<b>142,651</b>	<b>104,152</b>	<b>116,831</b>	<b>107,196</b>
<b>Total non-current liabilities</b>	<b>7,402</b>	<b>6,187</b>	<b>6,534</b>	<b>2,864</b>
Trade payables	30,682	23,218	39,230	28,469
Other current liabilities	19,678	12,645	19,252	16,717
<b>Total current liabilities</b>	<b>50,361</b>	<b>35,863</b>	<b>58,482</b>	<b>45,186</b>
<b>Total equity and liabilities</b>	<b>200,414</b>	<b>146,202</b>	<b>181,847</b>	<b>155,246</b>

- Figures are reported in functional currency NOK
- All lines are accounted for according to IFRS
- According to IFRS 16, 2476 kNOK is included in Tangible assets and liabilities 31 Mar 2020

## Outlook

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

We forecast revenue to be in the range from 250 mNOK to 350 mNOK in 2020 and gross margin percentage to decrease in second half 2020. We forecast operational expenditures and investment in intangible assets (R&D) to increase in line with growth scaling of the organization.

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