

ellipticlabs

Q4 & Preliminary Full Year 2025 Report (Unaudited)

AI Virtual Smart Sensor Platform™



Seamless



Proximity



Presence



Gesture



Distance



Positioning



Connection



Occupancy



Breathing



Heartbeat

Elliptic Labs — Q4 and FY 2025

Elliptic Labs reports Revenues from contracts with customers of mNOK 42.0 (47.6) for the fourth quarter 2025. This corresponds to a decrease of -12% year-over-year. Revenues from contracts with customers for the full year 2025 was mNOK 101.3, a decrease of -23%, from mNOK 131.9 in 2024.

Elliptic Labs is scaling its portfolio by deploying new models and use-cases in accordance with its stated strategy. The company launched its AI Virtual Smart Sensor Platform on 65 new smartphone models and 25 new laptop models in 2025, increasing the total deployment to 227 smartphone models and 58 laptop models since the company's inception.

During 2025, Elliptic Labs signed two major multi-year laptop agreements with an existing customer, spanning the commercial and consumer PC segments as well as PC accessories and including an expanded licensing framework with minimum committed revenues. Both agreements were implemented as planned in Q4, underscoring the scalability of Elliptic Labs' platform and the customer's continued expansion of our technology across its device portfolio.

Following the audit process of the 2025 financial statements, the Company has revised the timing of revenue recognition for the minimum commitments under these contracts. As a result, Q3 2025 figures have been restated and approximately mNOK 16.1 of minimum commitment revenue is recognized in Q4 2025, with the remaining minimum commitment revenue of mNOK 31.8 to be recognized in subsequent periods.

EBITDA was mNOK 1.4 in the fourth quarter, and mNOK -20.7 for the full year. Loss before tax was mNOK -5.1 for the quarter and mNOK -58.2 for the full year. Following a reassessment under IAS 12, the Company has derecognized its deferred tax asset in full, resulting in a net loss of mNOK -95.1 in the fourth quarter and mNOK -138.2 for the full year 2025.

Highlights from Q4 2025:

- 6th November 2025: Elliptic Labs announces leadership transition with Ola Sandstad appointed as interim CEO
- 29th December 2025: Elliptic Labs Signs Contract Expansion with Current Top-5 Global Smartphone Manufacturer
- Launched on 11 new smartphone models in the quarter

Events after the End of the Quarter:

- 26th January 2026: Elliptic Labs announces a new license agreement with an existing Top-5 Global Smartphone Manufacturer, covering a minimum of five smartphones models scheduled to be launched in 2026.
- 27th January 2026: Elliptic Labs announces cost efficiency initiatives as part of the strategic review announced on the presentation of the third quarter 2025 results.
- 16th February 2026: Elliptic Labs signs new contract with current Laptop Customer to expand AI Virtual Human Presence Sensor across Consumer Laptop segments
- Launched on 5 new smartphone models in January 2026

Outlook

Elliptic Labs saw revenue from contracts with customers decline by 23% to mNOK 101 in 2025, reflecting lower revenue in both the Smartphone and Laptop segments. The contract inflow was stronger, and the company ended the year with a laptop contract backlog of mNOK 32. This relates to two contracts entered in the second half of 2025, which will be recognised as revenue in 2026 and 2027.

Elliptic Labs has taken active steps both to restore revenue growth and align the cost base.

In terms of revenue, the company will monetise its current contract and customer portfolio and seek growth by continuing to increase the number of units deploying Elliptic Labs technology and by increasing the value per unit by adding more sensors.

Elliptic Labs will also seek to broaden the scope of its business to other customers, products, and verticals such as smart glasses and enablement of targeted content and advertising models for smart-tvs. Furthermore, the company sees large and rapidly growing market opportunities within embedded edge AI and is in the process of productizing their AI platform to enable frictionless development and deployment of edge AI on embedded devices – a new and potentially high-margin revenue stream. The outcome and value proposition towards customers and key stakeholders is strong; faster time-to-market, lowered engineering cost, scalable production AI and empowering every edge device to become AI-capable

In terms of costs, the company has already implemented cost measures aimed to reduce personnel and other operating costs by around 15% and capitalized development costs by around 12%, using the twelve months leading up to Q3 2025 as baseline. Importantly, the company has reallocated resourced to support the new growth initiatives.

Elliptic Labs remains the only company having deployed AI Virtual Smart Sensors at scale and will execute on the large market opportunities this represents with a leaner and more efficient organisation going forward.

Message from the CEO

Dear Shareholders,

I said in my last CEO letter that leadership transitions may naturally bring new perspectives and changes. Since I took over as CEO, we have worked on validating our commercial opportunities but also revisited the ways we work. Summing up, we need to move forward with a broader scope but a leaner organization.

We ended 2025 with revenue from customers of mNOK 101. This was a year-on-year decline of mNOK 27 and reflects a decline in Smartphone revenue from a high level in 2024 but also lower laptop revenue despite a continued strong inflow of orders.



The revenue from two large multi-year contracts we signed with our laptop OEM in the second half of 2025 will be recognized as revenue over three years, and we ended the year with an order backlog of mNOK 32. Incremental volume revenue from laptop shipments continue to be relatively modest, as the minimum commitment levels have yet to be reached for most of the contracts. The contract portfolio nevertheless holds significant business potential going forward.

Looking ahead, we see continued growth opportunities in our existing verticals. We have a well-established position with major smartphone manufacturers, and in January we signed yet another contract with our laptop customer. We still have ample room to growth both with this customer and other OEMs and are seeking both to increase the number of units with Elliptic Labs technology, and to increase the value per unit by adding more Elliptic Labs AI virtual sensors.

However, we are also going to broaden our scope to other customers, products, and verticals such as Smart Glasses and enablement of targeted content and advertising models for Smart-tvs, and aim to build new revenue streams on our AI platform.

Smartphones, tablets, PCs and connected IoT-devices are increasingly required to sense and react to their environment and user context. Industry analysts are expecting a quadrupling of the 'Context-aware computing market' to almost USD 90 billion over the next 10 years, with a shift towards software-defined sensing and platform architectures.

In more or less the same time frame, Edge AI adoption is set to create a vast and structural market opportunity, with industry analysts expecting a ten-fold increase in the global Edge AI market to USD 386 billion by 2034.

Building on more than a decade of experience we can offer customers the infrastructure to make embedded edge AI commercially viable. By introducing the Elliptic Labs Edge AI platform we can offer faster time-to-market, lower engineering costs, scalable production in AI and the ability to enable every edge device to become AI capable.

Summing up, we see that intelligence and context-awareness are fast becoming the key differentiators between devices. Edge AI is scaling rapidly, we can deliver the intelligence layer, and we have proven execution capabilities from the smartphone and laptop industries.

We saw both revenue and EBITDA decline in 2025, and it is clear to me that we need to do more with less by further excelling our focus and execution on our market opportunities with a more efficient organisational setup.

We have already taken action to reallocate resources and align the company structure, with cost efficiency initiatives designed to reduce personnel and other operating expenses by around 15% and capitalized development costs by around 12% with the twelve months leading up to Q3 2025 as the baseline. We are an organisation with highly skilled and very competent people, and I am thankful to all employees for their support through this necessary process.

Sincerely,

Ola Sandstad

Interim CEO

Financial summary for the Group's YTD Q4 2025 (unaudited)

Comparable amounts for Q4 2024 are presented in parentheses.

Operating revenue

Total revenue and other operating income shows a -12% decrease year-on-year to mNOK 42.3 (47.9) in Q4 2025. Total revenue and other operating income for Fourth Quarter 2025 included mNOK 0.4 (0.4) in Other operating income from grants. Revenues from contracts with customers decreased by -12% to mNOK 42.0 (47.6) from the Fourth Quarter 2024 to the Fourth Quarter 2025.

For 2025 mNOK 101.3 (131.9) is reported as Revenues from contracts with customers, a -23% decrease from 2024. Total revenue and other operating income in 2025 was mNOK 102.7 (133.3), a -23% decrease.

As described in Note 2, Q3 2025 has been restated following a reassessment of the timing of revenue recognition for minimum commitment revenues under two multi-year laptop contracts. Under the revised assessment, minimum commitment revenues are recognized over the contract period 2025–2027 rather than primarily in Q3 and Q4 2025.

In Q4 2025, a majority of the revenue originated from milestone revenues from contracts with minimum committed volumes. Total shipped volumes increased on a year-on-year basis. Compared to the previous quarter, smartphone shipment volumes declined, while laptop shipment volumes were slightly up.

In contrast to earlier periods in 2025, the contribution from license fees on shipped units decreased, as a larger share of this quarter's shipped volumes had already been recognized as milestone revenue in prior periods.

While shipment volumes remain at a higher level than last year, the timing of revenue recognition and volume mix may continue to create quarterly fluctuations.

Operating expenses and EBITDA

Operating expenses amounted to mNOK 41.0 (31.4) in the Fourth quarter 2025, excluding depreciation and amortization. The 2025 figures was mNOK 123.4 (108.2).

Employee benefit expenses amounted to mNOK 25.3 (25.6) in the Fourth quarter 2025, including mNOK 0.3 (1.3) in expenses related to the Groups share option program. Other operating expenses was mNOK 15.7 (5.9). For 2025 Employee benefit expenses amounted to mNOK 88.6 (87.9), including mNOK 3.3 (5.5) in expenses related to the Groups share option program. Other operating expenses in 2025 was mNOK 34.8 (20.4).

Headcount remained stable compared to Fourth Quarter 2024, and employee benefit expenses in the Fourth Quarter of 2025 included a liability of mNOK 2.3 recognized in connection with a severance agreement with the former CEO. Other operating expenses have increased compared to the Fourth Quarter 2024, mainly due to a loss on trade receivables of mNOK 7.7 (0.0).

As a result, the Group reported an EBITDA of mNOK 1.4 (16.5) in the Fourth quarter 2025, and mNOK -20.7 (25.1) for 2025.

Operating profit (EBIT)

The Group generated in the Fourth quarter 2025 an operating (loss)/profit of mNOK -5.9 (11.1), and an operating loss of mNOK -45.4 (4.7) for 2025.

Depreciation and amortization amounted to mNOK 7.2 (5.4) for the Fourth quarter 2025, and mNOK 24.8 (20.4) for 2025. The increase mainly reflects higher amortization of capitalized development intangibles, as well as a slight increase in depreciation charges on lease contracts.

Financial items

Fourth quarter 2025 net financial items amounted to mNOK 0.7 (8.3).

Financial items for 2025 was mNOK -12.8 (12.3). The primary factor explaining the negative financial items is disagio effects from unrealized foreign exchange losses on balance sheet items.

Profit/loss

Fourth Quarter profit before tax was mNOK -5.1 (19.4). The loss before tax in 2025 was mNOK -58.2 (17.0).

The tax was mNOK -90.0 (-8.4), resulting in a loss after tax of mNOK -95.1 (11.0) for the Fourth quarter 2025. The tax was mNOK -79.9 (-8.1) in 2025, resulting in a loss of mNOK -138.2 (9.0). The increase in tax expense is primarily due to a year-end reassessment of previously recognized deferred tax assets. Based on contracted revenue visibility at the reporting date, the Company has derecognized the deferred tax asset in full. The assessment is based on objective evidence according to IAS12 available at year-end and does not take into account potential growth from expanded deployments within existing verticals or new revenue streams not yet contractually secured. This is a non-cash accounting adjustment and does not affect the Group's cash position. The underlying tax losses remain available for indefinite carryforward under Norwegian tax law.

Cash flow

The Cash flow from operating activities in the Fourth Quarter was mNOK -3.3 (13.6), due mainly to the operating loss in the quarter.

Cash flow from investing activities was mNOK -6.7 (-5.8) mainly related to capitalized development costs. Cash flow from financing activities was mNOK -1.9 (0.2) due to payments and interest of lease liabilities.

The Cash flow from operating activities in 2025 was mNOK 6.0 (-10.6). Cash flow from investing activities was mNOK -26.9 (-24.6), mainly due to capitalized development costs. Cash flow from financing activities was mNOK -10.3 (-7.1)

Cash and cash equivalents at the end of the period were mNOK 43.1 (76.4). The cash flow from operations is within management expectations.

Financing and debt

The Group's equity at quarter end was mNOK 189.8 (325.3), due mainly to the derecognition of deferred tax assets and a net loss for the period. The Group had Total non-current liabilities of mNOK 8.3 (10.7 at year end 2024) at the end of Fourth quarter 2025.

Total non-current liabilities and Total current liabilities was mNOK 31.9 (35.7).

The Group's increase in current trade receivables this quarter is attributed to the varying payment terms of the groups contracts in line with IFRS 15 standard. As our revenue grows, an increase in trade receivables is anticipated. As stated in previous reports, the ratio of trade receivables to revenue is expected to decrease over time. While this quarter shows a slight decrease in ratio, it is important to note that fluctuations may occur from quarter to quarter, depending on the specific payment terms of contracts signed in previous periods and the revenue streams of the current quarter.

The Group ended 2025 with a cash position of mNOK 43.1 (76.4), with the reduction mainly reflecting capitalized development costs and net financing costs. The Group maintain a sharp focus on costs and cash flows, and has in February implemented cost measures which will reduce both personnel and other operating costs and capitalized development costs going forward.

Risks and uncertainty factors

Elliptic Labs' strategy and growth ambitions require an adequate cash position to fund the R&D activities needed to drive the technology and product roadmaps forward. The company's liquidity position is closely monitored by management and the Board of Directors.

Elliptic Labs' cash position was mNOK 43.1 at the end of Q4 2025. The company initiated a strategic review of Elliptic Labs' product and customer roadmaps, commercial opportunities, and long-term positioning at the end of 2025. As part of this review a cost cutting initiative was executed in Q1 2026. The company is carefully managing its cash position to ensure sufficient financial flexibility to execute on its strategy going forward.

Risks related to U.S. tariffs and trade policy

U.S. trade policy and tariffs may impact global demand, pricing and supply chains for consumer electronics and PCs, which in turn could affect shipment volumes for Elliptic Labs' customers. In late 2025, the U.S. extended certain Section 301 tariff exclusions through November 10, 2026¹.

In February 2026, the U.S. also imposed a temporary 10% ad valorem import duty on most imported goods (subject to product and country exceptions) and indicated that additional trade actions may follow.

While these measures reduce near-term uncertainty, the risk of future policy changes, including sector-specific measures, remains.

Component supply and memory market risk

The global semiconductor ecosystem has recently experienced tightening in memory supply (including DRAM and NAND) driven by strong demand from AI-related infrastructure, with the potential to impact component availability and pricing for consumer electronics and PCs². Such developments could lead to changes in OEM product configurations, launch timing, and shipment volumes, which may affect Elliptic Labs' royalty revenues and the timing of revenue recognition.

Geopolitical risk

The war in Ukraine has currently no direct impact of Elliptic Labs current operations. The company continues to monitor the situation.

Foreign exchange risk

Elliptic Labs is exposed to foreign exchange risk, as revenues from contracts with customers almost entirely are nominated in USD whereas the largest portion of operating expenses are in NOK. Changes in the NOK/USD may result in change in profit before tax.

Please see the annual report 2024 for walkthrough of other potential operational risk and financial risk.

¹ https://ustr.gov/about/policy-offices/press-office/press-releases/2025/november/ustr-extends-exclusions-china-section-301-tariffs-related-forced-technology-transfer-investigation?utm_

² https://www.idc.com/resource-center/blog/global-memory-shortage-crisis-market-analysis-and-the-potential-impact-on-the-smartphone-and-pc-markets-in-2026/?utm_

Consolidated financial statements

Consolidated statement of comprehensive income

For the financial period ended 31 December 2025 and 2024, and 31 December 2024.

<i>(Amounts in 000 NOK)</i>	<i>Notes</i>	Q4 2025	Q4 2024	2025³	2024
		(Unaudited)	(Unaudited)	(Restated)	(Audited)
Revenues from contracts with customers		41 992	47 573	101 306	131 914
Other operating income	10	357	357	1 430	1 430
Total revenue and other operating income	3	42 349	47 931	102 736	133 343
Employee benefit expenses		-25 277	-25 551	-88 641	-87 861
Other operating expenses	4	-15 705	-5 851	-34 775	-20 365
EBITDA		1 367	16 529	-20 680	25 118
Depreciation and amortization	5,6	-7 236	-5 405	-24 763	-20 408
Operating expenses		-48 217	-36 807	-148 180	-128 633
Operating profit		-5 868	11 124	-45 444	4 710
Financial income		-4 860	9 286	-1 190	16 960
Financial expenses		5 590	-1 033	-11 601	-4 623
Net financial income/(expenses)		730	8 253	-12 791	12 337
Profit/(loss) before tax		-5 138	19 377	-58 235	17 047
Income tax expense	9	-90 004	-8 417	-79 930	-8 086
Profit/(loss)		-95 142	10 960	-138 165	8 960
Other comprehensive income:					
Foreign currency rate changes, may be reclassified to profit or loss		60	477	-838	667
Other comprehensive income, net of tax		60	477	-838	667
Total comprehensive income for the period		-95 082	11 437	-139 002	9 627
Profit/Loss for the period is attributable to:					
Equity holders of the parent company		-95 082	11 437	-139 002	9 627
Earnings per share outstanding		-0.90	0.11	-1.32	0.09
Earnings per share fully diluted		-0.90	0.10	-1.32	0.08

³ The Q3 2025 figures have been restated. See note 2 for further information.

Consolidated statement of financial position

At 31 December 2025, 31 December 2024 and 31 December 2024 respectively

<i>(Amounts in 000 NOK)</i>	<i>Notes</i>	31/12/25 <i>(Unaudited)</i>	31/12/24 <i>(Audited)</i>
Non-current assets			
Deferred tax assets	9	—	75 420
Intangible assets	5	71 454	66 252
Right of use assets	6	12 130	16 301
Property, plant and equipment	6	281	357
Non-current receivables		5 619	7 245
Total non-current assets		89 484	165 575
Current assets			
Current trade receivables		81 004	110 936
Other current receivables		8 116	8 125
Cash and cash equivalents	8	43 058	76 390
Total current assets		132 178	195 451
Total assets		221 662	361 026
Equity and liabilities			
Share capital		1 053	1 053
Other equity		188 739	324 288
Total equity		189 792	325 341
Non-current lease liabilities		8 308	10 727
Non-current borrowings		—	—
Total non-current liabilities		8 308	10 727
Current borrowings			2 000
Trade and other current payables		2 003	1 301
Current lease liabilities		4 800	6 625
Other current liabilities	11	16 760	15 032
Total current liabilities		23 562	24 958
Total equity and liabilities		221 662	361 026

Consolidated statement of changes in equity

Attributable to owners of Elliptic Laboratories ASA.

2025 (Amounts in 000 NOK)	Share capital	Other paid in capital	Other equity	Translation reserve	Total equity
Shareholders' equity at 01.01.2025	1 053	359 833	-36 537	993	325 341
Profit (loss) for the period	—	—	-138 165	—	-138 165
Other comprehensive income for the period	—	—	—	-838	-838
Total comprehensive income for the period	—	—	-138 165	-838	-139 002
<i>Transactions with owners:</i>					
Capital increase through issuance of ordinary shares	—	123	—	—	123
Employee share schemes	—	—	3 330	—	3 330
Shareholders' equity at 31.12.2025	1 053	359 956	-171 372	155	189 792

2024 (Amounts in 000 NOK)	Share capital	Other paid in capital	Other equity	Translation reserve	Total equity
Shareholders' equity at 01.01.2024 (Restated)	1 048	355 002	-50 973	326	305 404
Profit (loss) for the period	—	—	8 960	—	8 960
Other comprehensive income for the period	—	—	—	667	667
Total comprehensive income for the period	—	—	8 960	667	9 627
Transactions with owners:					
Capital increase through issuance of ordinary shares	4	4 831	—	—	4 835
Employee share schemes	—	—	5 475	—	5 475
Shareholders' equity at 31.12.2024	1 053	359 833	-36 537	993	325 341

Consolidated statement of cash flows

For the financial period ended 31 December 2025 and 2024, and 31 December 2024.
(Unaudited) (Unaudited) (Restated) (Audited)

(Amounts in 000 NOK)	Q4 2025	Q4 2024 ⁴	2025 ⁵	2024
Cash flow from operating activities				
Profit/(loss) before tax	-5 138	19 377	-58 235	17 047
Adjustment for:				
Taxes paid in the period	-3 664	-1 755	-6 093	-2 203
Depreciation, amortization and impairment	7 427	5 405	25 325	21 860
Share-based payment expense	346	1 304	3 330	5 475
Net finance items	-1 281	-495	3 023	-795
Other non cash items	3 929		8 274	-388
Items classified as investing or financing activities	—	-2 382	—	—
Change in current trade receivable	-10 817	-14 044	29 932	-50 324
Change in trade payables	-170	-2 137	702	-2 554
Change in other current assets and liabilities	6 046	8 377	-264	1 275
Net cash flows from operating activities	-3 321	13 649	5 994	-10 607
Cash flow from investing activities				
Payments of property, plant and equipment	—	—	-31	—
Payments of intangible assets	-7 093	-6 919	-29 052	-30 502
Interest received	373	1 155	1 986	4 367
Proceeds from repayment of deposits	—	—	323	1 816
Payment of deposits	—	—	-81	-237
Net cash flows from investing activities	-6 720	-5 764	-26 855	-24 555
Cash flow from financing activities				
Repayments of lease liabilities	-1 677	-1 602	-6 895	-6 138
Repayments of current borrowings	—	-1 000	-2 000	-4 000
Proceeds from issuing shares	—	—	123	4 835
Paid interest on borrowings	—	-71	-52	-367
Paid interest on lease liabilities	-238	-118	-1 487	-1 466
Proceeds from government grants	—	3 011	—	—
Net cash flows from financing activities	-1 915	220	-10 311	-7 135
Net Change in Cash and Cash Equivalents	-11 956	8 105	-31 172	-42 297
Cash and cash equivalents at the beginning of the period	54 806	67 119	76 390	115 582
Translation differences	208	1 166	-2 160	3 105
Cash and cash equivalents at the end of period	43 058	76 390	43 058	76 390

⁴ In the Annual Report 2024, the cash flow model was updated to a more detailed version. Consequently, some cash flow items have been reclassified under different activities compared to prior reports. However, the Q4 2024 figures are presented as previously disclosed.

⁵ The Q3 2025 figures have been restated. See note 2 for further information.

Notes to the consolidated financial accounts

Note 1 – Accounting principles

1.1 General information

Elliptic Laboratories ASA and its subsidiaries, Elliptic Laboratories Inc and Healthy Pointers AS (together "Elliptic Labs" or the "Group") develop and sell technical solutions, which enable the interaction and information exchanges between individuals and technical devices, based on ultrasound software technology. Such devices are mobile phones, laptops, devices within the IoT-market and various other devices that could deploy the Group's software technology to enhance the user experience. Investments in and cooperation with other companies are also part of the Group's purpose.

The domicile of the Group is Oslo, Norway. The Group's head office is at Hausmannsgate 21, 0182 Oslo.

1.2 Summary of material accounting principles

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2.1 Basis of preparation

The Fourth quarter consolidated financial statements of the Group have been prepared in accordance with IAS 34 for the financial reporting of the Fourth quarter of 2025 and 2024.

The consolidated financial statements have been prepared under the historical cost convention, as modified by derivatives at fair value through profit or loss. This report has not been subject to audit.

The preparation of financial statements in conformity with IFRS® Accounting Standards as adopted by the EU, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

These consolidated financial statements have been prepared under the assumption of a going concern.

Changes to Opening Balance 2024

The opening balance as of 1 January 2024 has been restated from what was presented in the Q4 2024 report due to an error identified during the preparation of the Q4 2024 figures. The correction relates to previously unrecognized losses on abandoned patent applications. See note on Prior Period Errors in the 2024 Annual Report for details.

Change in accounting estimate and restatement of Q3 2025

In connection with the audit of the 2025 annual financial statements, the Group reassessed the timing of revenue recognition under IFRS 15 for two laptop contracts entered into in the second half of 2025.

The reassessment relates to updated judgments concerning the timing of transfer of value and the enforceable right to consideration related to minimum committed volumes.

This change represents a change in accounting estimate in accordance with IAS 8 and has been applied in the current reporting period. Comparative quarterly information for Q3 2025 has been restated accordingly.

The change does not affect the Group's revenue recognition principles under IFRS 15. See Note 2 for further details.

Note 2 – Revision of revenue recognition and restatement of Q3 2025

In connection with the audit of the 2025 financial statements, the Company reassessed the timing of revenue recognition under IFRS 15 for the minimum commitment revenue under two multi-year laptop contracts entered into in the second half of 2025.

In connection with the audit process and related dialogue with the Company's auditors, management refined its contract-specific assessment of the timing of revenue recognition and allocation of the minimum commitment consideration between reporting periods. Under the revised assessment, the minimum commitment is recognized over the period 2025–2027 in line with the launch and delivery of the relevant device models, rather than in full in 2025.

This represents a revised application of IFRS 15 to these specific contracts and does not constitute a change in accounting policy under IAS 8.

As a consequence, revenue previously recognized in Q3 2025 has been reversed and Q3 2025 has been restated as follows:

Restated consolidated income statement

(Amounts in 000 NOK	Q3 2025 As reported	Adjustment	Q3 2025 Restated
Total revenue and other operating income	42 617	-34 164	8 453
EBITDA	12 691	-34 164	-21 473
Profit/(loss) before tax	5 512	-34 164	-28 652
Income tax expense	-1 647	7 516	5 869
Profit/(loss)	3 865	-26 648	-22 783

Restated consolidated statement of financial position

(Amounts in 000 NOK	Q3 2025 As reported	Adjustment	Q3 2025 Restated
Deferred tax assets	79 624	7 516	87 141
Total non-current assets	169 953	7 516	177 469
Current trade receivables	104 352	-34 164	70 188
Total current assets	166 966	-34 164	132 802
Total assets	336 919	-26 648	310 271
Other equity	310 123	-26 648	283 475
Total equity	311 176	-26 648	284 528
Total equity and liabilities	336 919	-26 648	310 271

Restated consolidated statement of cash flow

(Amounts in 000 NOK	Q3 2025 As reported	Adjustment	Q3 2025 Restated
Profit/(loss) before tax	5 512	-34 164	-28 652
Change in current trade receivable	-10 654	34 164	23 510
Net cash flows from operating activities	6 528	—	6 528
Net cash flows from investing activities	-6 518	—	-6 518
Net cash flows from financing activities	-2 053	—	-2 053
Net Change in Cash and Cash Equivalents	-2 043	—	-2 043
Cash and cash equivalents at the beginning of the period	56 955	—	56 955
Translation differences	-105	—	-105
Cash and cash equivalents at the end of period	54 806	—	54 806

Note 3 – Total revenue and other operating income

Revenues from contracts with customers are recognized at point in time:

(Amounts in 000 NOK)	Q4 2025	Q4 2024	2025	2024
Revenue recognized over time	—	—	12 622	—
Revenue recognized at point in time	41 992	47 573	88 684	131 914
Total revenue	41 992	47 573	101 306	131 914

License for IP and subsequent royalties are recognized at point in time when the software has been made available to the customer and the customer obtains control of the license, and subsequently in increments as minimum production thresholds are met, to the extent that royalty-based revenue exceeds any minimum fixed fee. For the financial year 2024 and 2025, the majority of the contracts from which revenue was recognized were of the minimum fixed fee character.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by Elliptic Laboratories exceed the payment, a contract asset or a receivable is recognized. If the payments exceed the services rendered, a contract liability is recognized.

Payment terms typically vary depending on type of contract. For fixed-fee license contracts, fees are partly invoiced upon delivery of the software and signature of the agreement. The remaining contracted amounts are invoiced either upon the commercial launch of the end products covered by the contract or according to a predetermined payment schedule in the period between the signature date and the market launch. For royalty-based contracts, payments are invoiced quarterly, based on actual shipment data received from the customer. Where minimum fixed fees are included in the contract, a portion is typically invoiced upon contract signature, while the remaining minimum fixed is offset against future royalty payments.

As at 31 December 2025, recognized revenues are unconditional and the Group has no contract liabilities. The Group has remaining minimum commitment revenue under multi-year contracts that will be recognized in subsequent periods. The remaining minimum commitment revenue (backlog) as at 31 December 2025 was approximately NOK 31.8 million. This amount is not recognized as a contract liability, as invoicing and payments are received upon shipment in accordance with the contracts.

Revenues from contracts with customers have the following distributions between the different market verticals:

(Amounts in 000 NOK)	2025	2024
Smartphones	60 080	78 061
PC/Laptops	41 226	53 853
Total revenue	101 306	131 914

Other operating income consists in total of government grants, which are recognized over time on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate.

Note 4 – Other operating expenses

(Amounts in 000 NOK)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Q4 2025	Q4 2024	2025	2024
Sales and marketing expenses	1 667	1 626	6 503	6 919
Short-term lease expenses	306	381	1 554	1 844
Electricity, heating and other property expenses	626	447	2 291	2 128
Consultants	1 241	908	4 036	3 686
Auditor	652	324	1 942	973
Legal	611	19	1 015	1 033
Patents	2 330	1 780	3 828	2 663
IT/Software	977	1 234	3 415	4 195
Other expenses	613	102	2 350	1 514
Impairment of trade receivables, ECL provision	-832	—	629	939
Write-offs of trade receivables	7 692	—	7 692	—
Recoveries of previously written-off receivables in 2018	—	-750	—	-5 018
Government grants recognized as other cost reduction	-177	-221	-478	-512
Total other operating expenses	15 705	5 851	34 775	20 365

Note 5 - Intangible assets

2025 (Amounts in 000 NOK)	Patents	Trademark	Capitalized development	Total intangible assets
Cost at 01.01.2025	23 550	24	99 996	123 569
Additions	1 943	172	22 904	25 019
Disposals	-734			-734
Cost at 31.12.2025	24 760	196	122 900	147 855
Accumulated amortization charges 01.01.2025	13 386	6	43 925	57 317
Amortization charges	1 047		18 034	19 081
Accumulated amortization charges 31.12.2025	14 433	6	61 959	76 398
Net booked value as at 31.12.2025	10 326	190	60 941	71 454
Useful life:	5	5	5	
Amortization method:	Straight-line	Straight-line	Straight-line	

2024 (Amounts in 000 NOK)	Patents	Trademark	Capitalized development	Total intangible assets
Cost at 01.01.2024 (Restated)	20 227	24	77 636	97 887
Additions	4 774		22 360	27 133
Disposals	-1 451			-1 451
Cost at 31.12.2024	23 550	24	99 996	123 569
Accumulated amortization charges 01.01.2024	12 475	6	29 778	42 258
Amortization charges	911		14 146	15 057
Accumulated amortization charges 31.12.2024	13 386	6	43 924	57 316
Net booked value as at 31.12.2024	10 164	18	56 072	66 252
Useful life:	5	5	5	
Amortization method:	Straight-line	Straight-line	Straight-line	

Note 6 - Property, plant and equipment

2025 (Amounts in 000 NOK)	Right-of-use assets	Furniture and fixtures	Total tangible assets
Cost at 01.01.2025	23 433	514	23 948
Additions	1 447	31	1 478
Disposals	-194		-194
Cost at 31.12.2025	24 686	545	25 231
Accumulated depreciation charges 01.01.2025	7 132	157	7 290
Current year depreciation	5 575	107	5 682
Disposables	-151	—	-151
Accumulated depreciation charges at 31.12.2025	12 556	264	12 820
Net booked value as at 31.12.2025	12 130	281	12 411
Useful life:	1-5	5	
Amortization method:	Straight-line	Straight-line	

2024 (Amounts in 000 NOK)	Right-of-use assets	Furniture and fixtures	Total tangible assets
Cost at 01.01.2024	22 427	514	22 941
Additions	2 353		2 353
Disposals	-1 346		-1 346
Cost at 31.12.2024	23 433	514	23 948
Accumulated depreciation charges 01.01.2024	2 980	54	3 034
Current year depreciation	5 248	103	5 351
Disposals	-1 095	—	-1 095
Accumulated depreciation charges at 31.12.2024	7 132	157	7 290
Net booked value as at 31.12.2024	16 301	357	16 658
Useful life:	1-5	5	
Amortization method:	Straight-line	Straight-line	

Note 7 – Share option programs

As of 31 December 2025, the Group has option programs that includes a total of 84 employees and 4 board members in parent and subsidiary companies. The employees must work in the Group to be entitled to exercise the options at the time of vesting. If a Board member resigns or is not re-elected prior to the Vesting Date, the Options will be forfeited except a number of Options representing the period served since the 2025 AGM until the date of resignation pro rata in relation to the period from the 2025 AGM until the Vesting Date.

As of 31 December 2025, the total number of outstanding options for both employees, management and BoD when converted into shares, was 6 007 271 of which 4 937 621 were already vested. The option program entitles the employees to approximately 5.40% of the fully diluted outstanding shares, which includes all outstanding options. The fully diluted outstanding share count on 31 December 2025 was 111 294 036.

The purpose of the establishment of the option programs is to attract and retain key personnel. The fair value of the options is calculated at the grant date, based on the Black-Scholes model, and expensed over the vesting period of 4 years.

The board of directors has decided that a long-term share option program whereas upward to 2.5% of outstanding shares may be distributed yearly to the employees and management. outstanding options shall not exceed 7.5% of the total outstanding shares.

Note 8 – Cash and cash equivalents

<i>(Amounts in 000 NOK)</i>	31.12.2025	31.12.2024
Cash and cash equivalents	43 058	76 390
Of which are restricted cash:		
Restricted bank deposits	5 290	2 193
Not restricted cash	37 768	74 198

Note 9 – Estimates

As of 31 December 2025, the Group has reassessed the recoverability of its deferred tax asset in accordance with IAS 12. Recognition of deferred tax assets requires that it is probable that sufficient future taxable profits will be available against which the tax losses can be utilized.

The assessment is based on objective evidence available at the reporting date, including contracted revenue visibility, current earnings profile, and approved financial forecasts. In accordance with IAS 12, the evaluation is limited to taxable profits that can be supported by sufficient and objectively verifiable evidence at year-end. The calculation does not include potential upside from expanded deployments within existing verticals or revenue streams that are not contractually secured at the reporting date.

Based on this reassessment, management has concluded that the recognition criteria were not met as of 31 December 2025.

Accordingly, the deferred tax asset has been derecognized in full. The derecognition resulted in a non-cash deferred tax expense of mNOK 87.1 in the fourth quarter of 2025. For the full year 2025, the net deferred tax expense related to the reassessment amounts to mNOK 75.4, reflecting quarterly remeasurements during the year.

The underlying tax losses remain available for indefinite carryforward under Norwegian tax law and may be recognized in future periods if the recognition criteria are met.

Note 10 – Government grants

The table below sets forth the treatment of government grants.

<i>(Amounts in 000 NOK)</i>	Q4 2025	Q4 2024	2025	2024
Recognized as income from other sources	357	357	1 430	1 430
Reduction of capitalized development	260	677	2 990	2 967
Recognized as payroll cost reduction	757	290	1 282	1 271
Recognized as other cost reduction	177	221	478	512
Total government grants	1 552	1 545	6 180	6 180

Note 11 - Commitments and contingencies

Elliptic Labs entered into a severance agreement with the former CEO in the Fourth Quarter 2025. A liability of mNOK 2.3 has been recognized as of year-end 2025. The agreement also includes conditional payments of up to mNOK 1.8, the settlement of which depends on conditions set out in the severance agreement. No liability has been recognized for the conditional element as of year-end 2025.

Note 12 – Alternative performance measures (APMs)

Earnings before interest, taxes, depreciation and amortizations. EBITDA is a key performance indicator that the Group considers relevant for understanding the generation of profit before investments in fixed assets.

<i>(Amounts in 000 NOK)</i>	Notes	Q4 2025 (Unaudited)	Q4 2024 (Unaudited)	2025 (Restated)	2024 (Unaudited)
Revenues from contracts with customers		41 992	47 573	101 306	131 914
Other operating income	9	357	357	1 430	1 430
Total revenue and other operating income	2	42 349	47 931	102 736	133 343
Employee benefits expenses		-25 277	-25 551	-88 641	-87 861
Other operating expenses	3	-15 705	-5 851	-34 775	-20 365
EBITDA		1 367	16 529	-20 680	25 118

Last twelve months (LTM) refers to the timeframe of the immediately preceding 12 months.

<i>(Amounts in 000 NOK)</i>	Q4 2025	Q3 2025	Q2 2025	Q1 2025	LTM
Revenues from contracts with customers	41 992	8 095	24 601	26 618	101 306
EBITDA	1 367	-21 473	1 070	-1 645	-20 680

Note 13 – Subsequent events

On the 26th of January 2026, Elliptic Labs announced it had signed a new license agreement with an existing Top-5 global smartphone manufacturer, covering a minimum of five smartphones models scheduled to be launched in 2026.

On the 27th of January 2026, Elliptic Labs announced cost efficiency initiatives as part of the strategic review announced on the third quarter 2025 disclosure.

On the 10th of February 2026, Elliptic Labs announced that it had shipped the AI Virtual Smart Sensor Platform TM on five smartphone models with Vivo and Honor for January 2026

On the 16th of February 2026, Elliptic Labs announced it had signed a agreement with current laptop consumer to expand AI Virtual Human Presence Sensor across consumer laptop segments.

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