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AI Software Platform for tapping into the seamless world
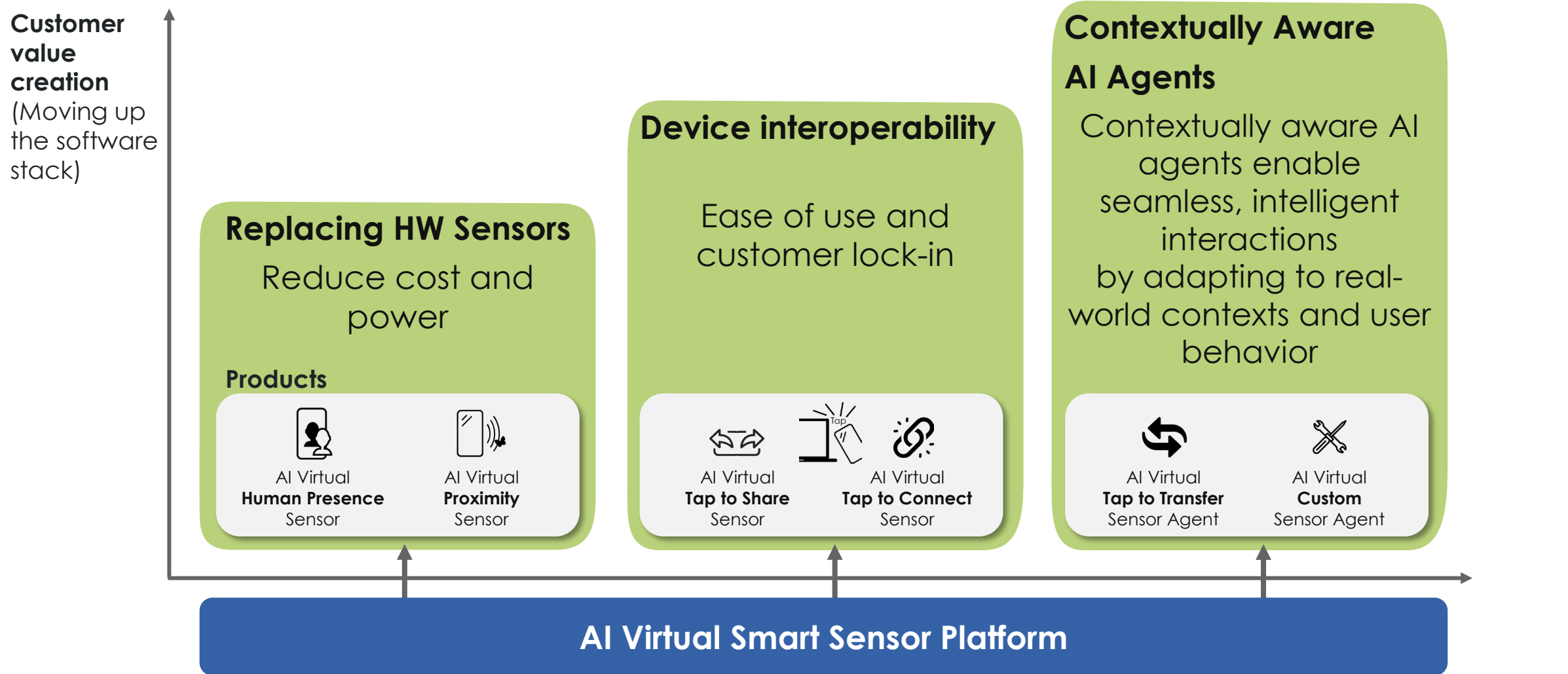
Investor Presentation| March, 2025

Elliptic Labs' AI Platform Deployed on 500M+ Devices

Our vision is to build the leading AI software platform for all user experiences, making every device smarter, interoperable, more human- and environmentally-friendly

Building on our AI Platform to Deliver More Value to End Users

Customer value creation
(Moving up the software stack)

Replacing HW Sensors
Reduce cost and power

Products

AI Virtual **Human Presence** Sensor

AI Virtual **Proximity** Sensor

Device interoperability
Ease of use and customer lock-in

AI Virtual **Tap to Share** Sensor

AI Virtual **Tap to Connect** Sensor

Contextually Aware AI Agents
Contextually aware AI agents enable seamless, intelligent interactions by adapting to real-world contexts and user behavior

AI Virtual **Tap to Transfer** Sensor Agent

AI Virtual **Custom** Sensor Agent

AI Virtual Smart Sensor Platform

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Lenovo and Elliptic Labs bringing Smart Share to life

Lenovo Smart Share

- True device-to-device interoperability with a simple tap

- Powered by AI Virtual Tap Sensor, a derivative of the AI Virtual Seamless Sensor

- Fully supporting both iOS and Android, significant step in agnostic support for cross platform sharing

- Enhances user productivity, personalization, and privacy

- Launched on multiple Lenovo Aura edition PCs

Click this link to see Elliptic Labs' AI Virtual Tap Sensor in action.

AI Virtual Tap Sensor
Example: Accessory Bluetooth Simplified Pairing - Video

<u>Click This Link to See The AI Virtual Tap Sensor Video - BT Transfer</u>

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AI Virtual Tap-to-Share Sensor
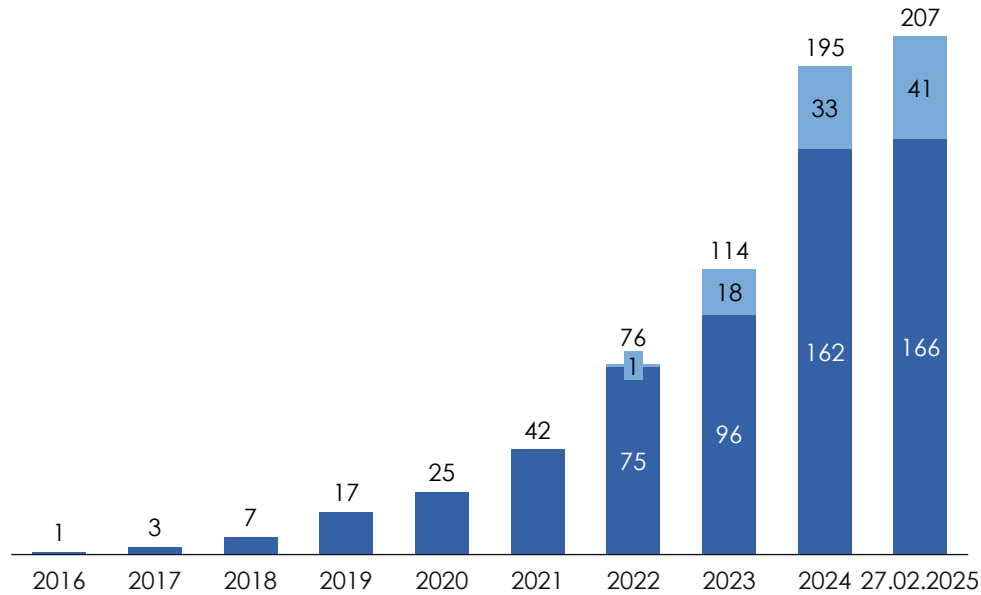## Easily share photos, contact info & more b/w iOS & Android

[Click This Link to See The AI Virtual Tap-to-Share Sensor Video](#)

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Model and product expansion with leading OEMs, the foundation for upcoming revenues

of models and products launched

Legend:
- Acc. Laptops (light blue)
- Acc. Smartphones (dark blue)

Bar chart values (total above each bar):
- 2016: 1
- 2017: 3
- 2018: 7
- 2019: 17
- 2020: 25
- 2021: 42
- 2022: 76 (Smartphones 75, Laptops 1)
- 2023: 114 (Smartphones 96, Laptops 18)
- 2024: 195 (Smartphones 162, Laptops 33)
- 27.02.2025: 207 (Smartphones 166, Laptops 41)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	27.02.2025
Smartphones launched	1	2	4	10	8	17	33	21	**66**	4
Laptops launched w/1 AI Virtual Sensor	0	0	0	0	0	0	1	17	**14**	6
Laptops launched w/2 AI Virtual Sensors	0	0	0	0	0	0	0	0	**1**	2
Total Laptops	0	0	0	0	0	0	1	17	**15**	8

More products
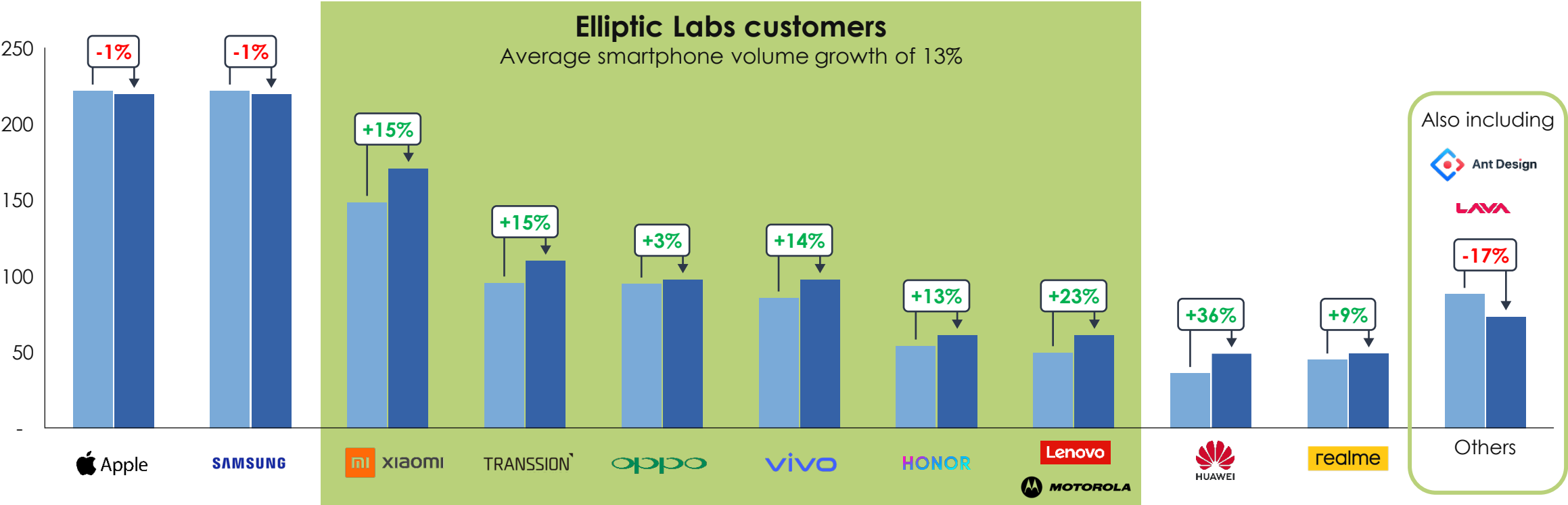
More customers

More devices
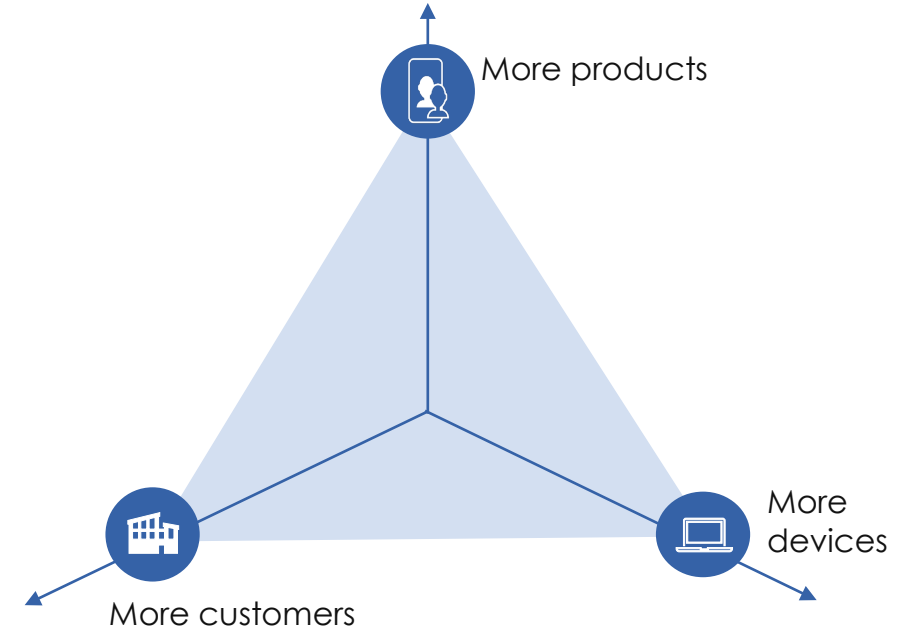
License fee per shipped device to end customers, per product

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Expanding market share in smartphones – customer growth driving ~2.5x revenue gains

The global number of smartphone shipments grew by 7% in 2024

(Million units)   ■ 2023   ■ 2024

Elliptic Labs customers
Average smartphone volume growth of 13%

Also including

Ant Design

LAVA

- Apple: **-1%**
- SAMSUNG: **-1%**
- Xiaomi: **+15%**
- TRANSSION: **+15%**
- OPPO: **+3%**
- vivo: **+14%**
- HONOR: **+13%**
- Lenovo / MOTOROLA: **+23%**
- HUAWEI: **+36%**
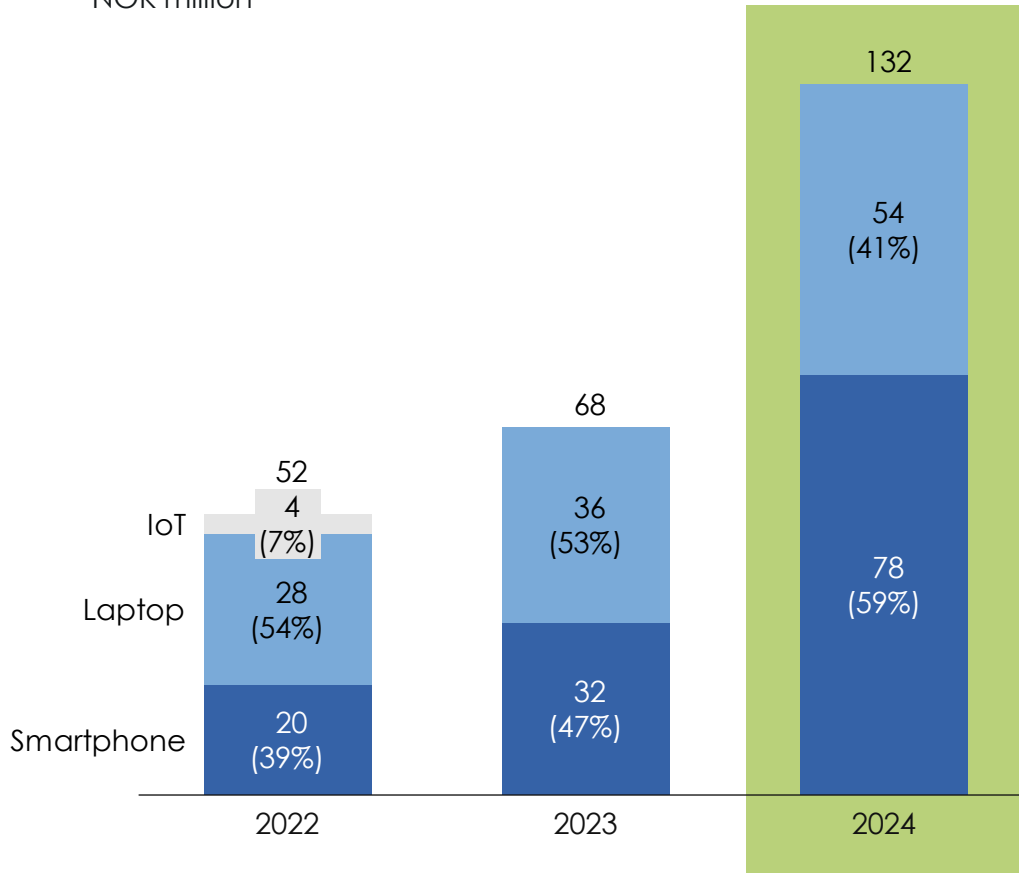- realme: **+9%**
- Others: **-17%**

Note: Xiaomi estimates include sub-brands Redmi and POCO, and Oppo includes OnePlus.
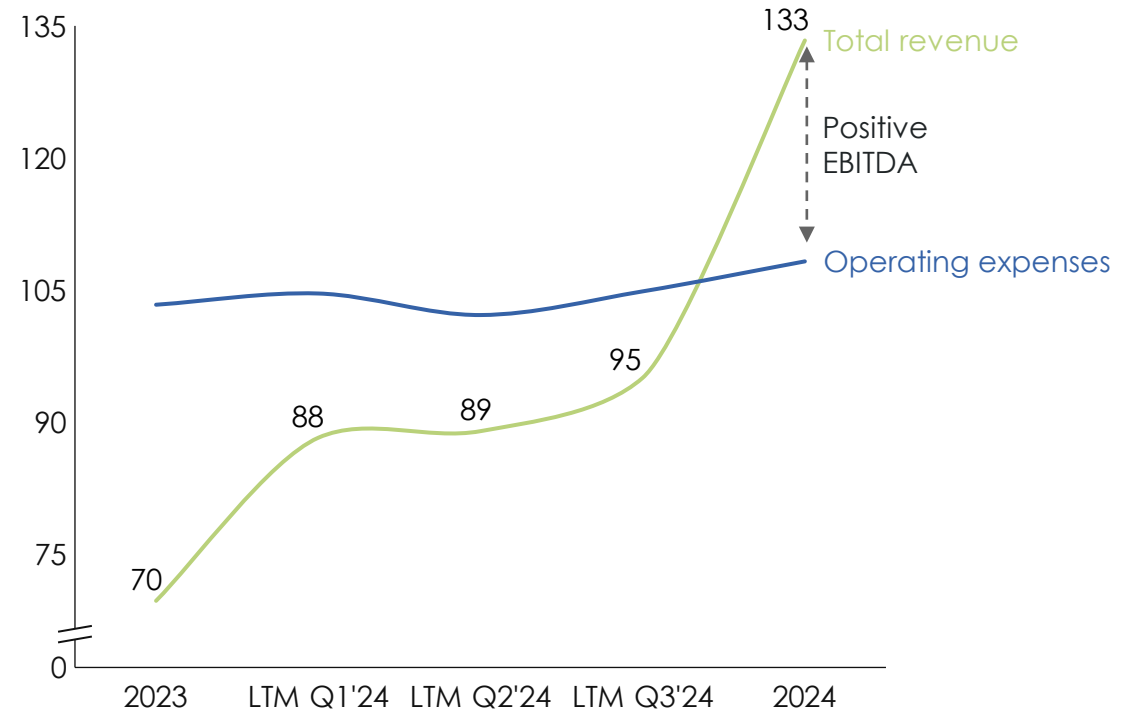Source: Canalys estimates, Smartphone Analysis, February 2025.

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Driving growth and profitability across verticals

Growing across smartphones and laptops…
NOK million

… becoming profitable from maintained cost control

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Capitalizing on market momentum

What assumptions are we building our ambition on?

Fully monetize existing contracts
Growing end-customer sales

Expand position with existing customers
Seeking significant volume commitments in new contracts

Launch multiple models with more customers
Particularly with our laptop customers

Add more AI Virtual Smart Sensors per device
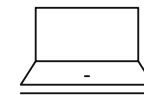Increasing value for both customers and ourselves

Mid-term target

500
NOK million
revenue

>50%
EBITDA
margin

Laptops key
growth vertical

Continued
Smartphone
expansion

Building position
in the Accessories/
IoT market

Drive growth through continuous innovation
leveraging our solid AI Platform with existing customers to build new products
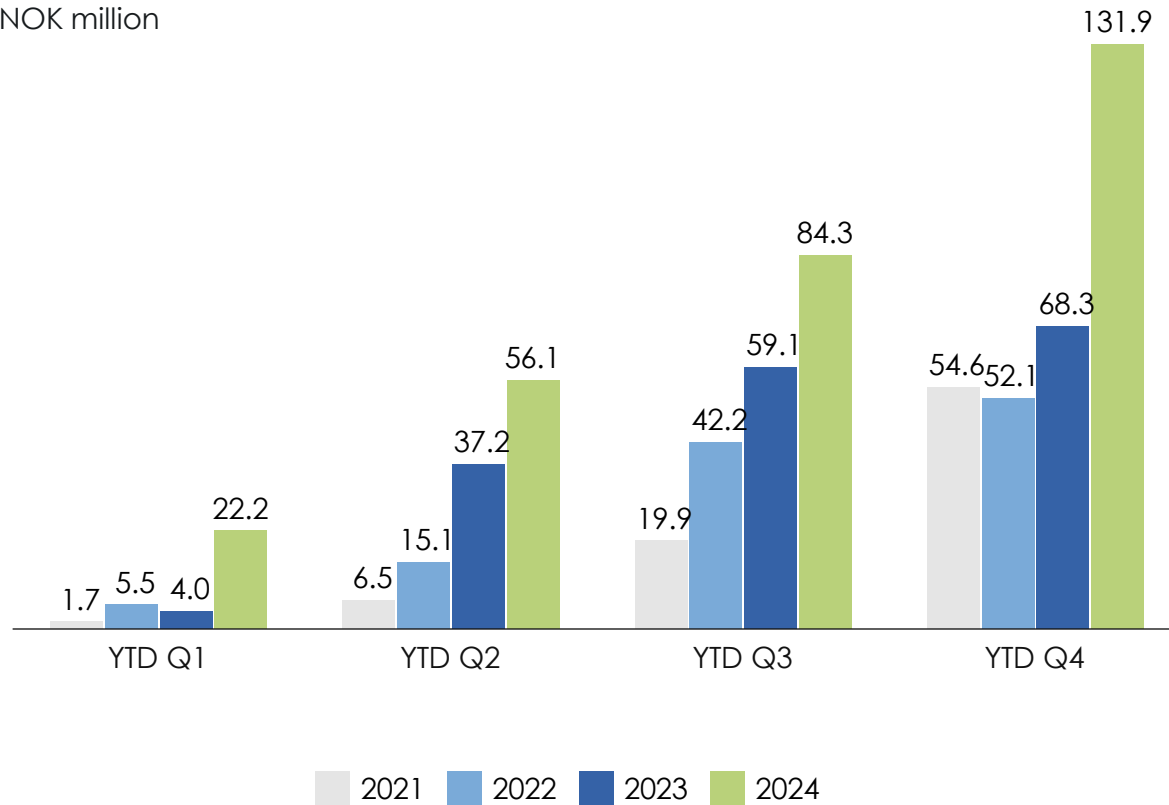
Q&A

Thank you!

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Appendix

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93% revenue growth and 18% EBITDA margin in 2024

YTD revenue from contracts with customers
NOK million

Chart data (NOK million):

|	2021	2022	2023	2024
YTD Q1	1.7	5.5	4.0	22.2
YTD Q2	6.5	15.1	37.2	56.1
YTD Q3	19.9	42.2	59.1	84.3
YTD Q4	54.6	52.1	68.3	131.9

- Revenue from customers for 2024 of NOK 131.9m from NOK 68.3m in 2023

- 2024 first profitable year with EBITDA NOK 25.1m (NOK -33.5m) and EBITDA margin 18.8% (-48.1%)

- Q4'24 revenues from customers NOK 47.6m

For complete figures and excel-sheet please visit https://ellipticlabs.com/reports-presentations

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Becoming profitable from highly scalable business model

High revenue growth while maintaining cost control
NOK million
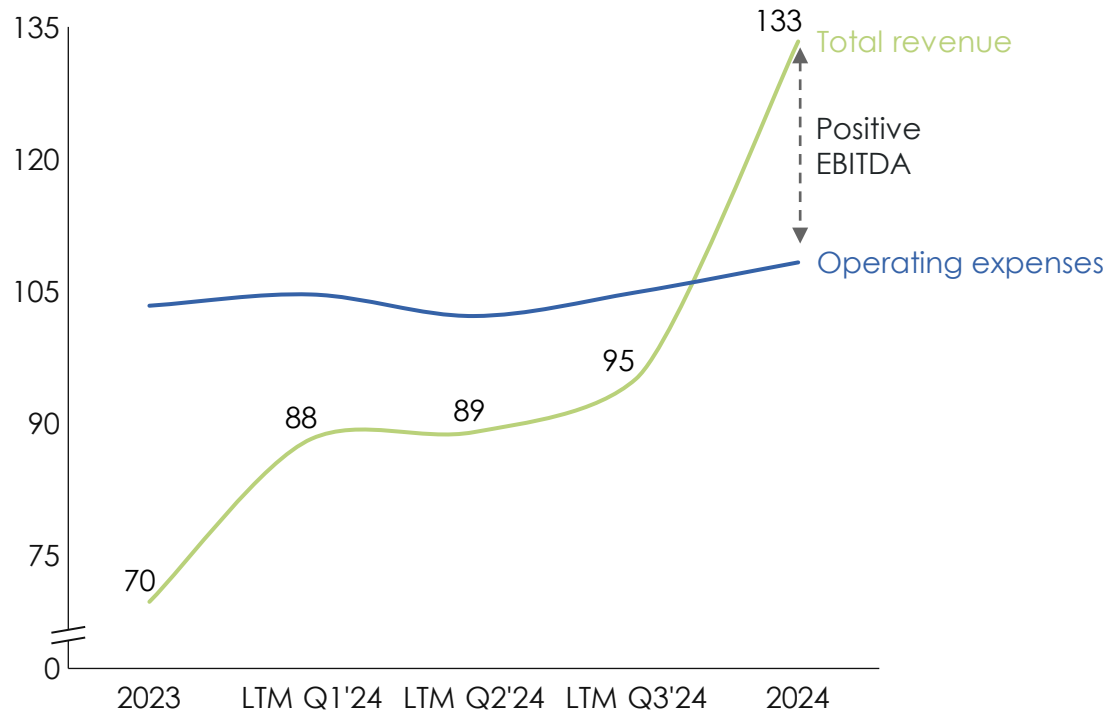
- Growing revenues with stable cost levels
  - Total revenues increased 91.5% from 2023 to 2024
  - Total operating expenses only increased by 4.8% over the same period
- Positive EBITDA from revenues outgrowing costs
- Set to continue revenue growth with low cost increase, thereby delivering higher profitability
- Revenue fluctuations between quarters to be expected due to timing of contracts, launches and shipments

Note: LTM – Last twelve months.

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Q4'24 Highlights: All-time high revenues and EBITDA margin

Condensed Profit & Loss statement

NOK million

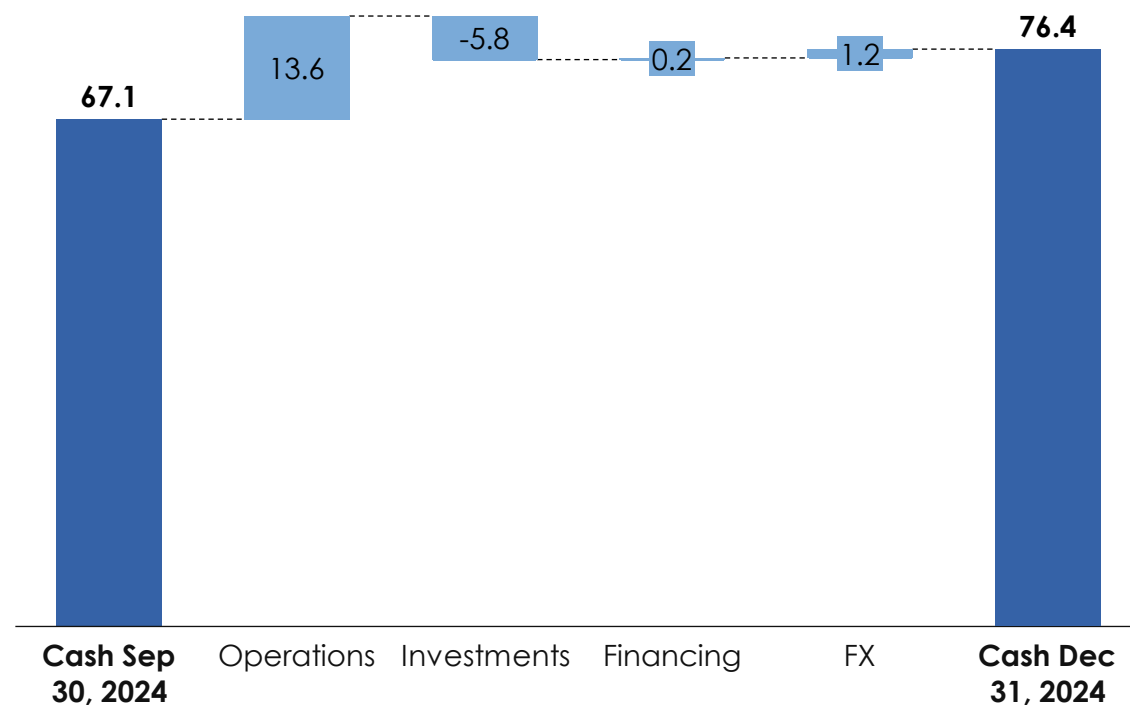|	Q4'24	Q4'23	%YoY	2024	2023	%YoY	Q3'24
Revenues from contracts with customers	47.6	9.2	416 %	131.9	68.3	93 %	28.2
Other operating income	0.4	0.4		1.4	1.3	-	0.4
Total revenue	**47.9**	**9.6**	**401 %**	**133.3**	**69.6**	**91 %**	**28.6**
Employee benefits expenses	25.6	21.8	17 %	87.9	80.6	9 %	23.6
Other operating expenses	5.9	6.2	-6 %	20.4	22.7	-10 %	4.5
EBITDA	**16.5**	**-18.4**		**25.1**	**-33.7**		**0.5**
Depreciation and amortisation	5.4	4.3		20.4	16.2		5.1
EBIT	**11.1**	**-22.7**		**4.7**	**-49.9**		**-4.6**
Net financials	8.3	-3.1		12.3	2.9		-0.8
Pre-tax-profit	**19.4**	**-25.8**		**17.0**	**-47.0**		**-5.4**
Income tax expense	-8.4	5.6		-8.1	8.9		1.2
Profit/loss	**11.0**	**-20.2**		**9.0**	**-38.1**		**-4.1**

- Q4'24 revenue from contracts with customers NOK 47.6m (+416%)
  - Relatively even mix between milestone revenue from smartphone contracts and shipments in the smartphone and PC segment

- Total operating costs NOK 31.4m (NOK 28.0m)
  - Employee benefit expenses of NOK 25.6m, up from NOK 21.8m in Q4'23 and NOK 23.6m in Q3'24, mainly due to the addition of 3 FTEs compared to Q4'23 and the full-time effect of 2023 hires, and salary adjustments
  - Stable other operating expenses NOK 5.9m, down from NOK 6.2m in Q4'23

- EBITDA NOK 16.5m and EBITDA margin 34.5%

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Positive operating cash flow and stabilizing cash position

Q4 2024 cash flow
NOK million

Waterfall chart:
- Cash Sep 30, 2024: 67.1
- Operations: 13.6
- Investments: -5.8
- Financing: 0.2
- FX: 1.2
- Cash Dec 31, 2024: 76.4

- Operating cash flow positive NOK 13.6m
  (NOK -19.1m in Q3'24)
  - NOK 19.4m profit before tax
  - NOK 14.0m net increase in accounts receivables from new contracts
  - Net NOK 6.2m increase in trade payables and other accruals

- Investments reflecting R&D of Elliptic Labs´ AI Virtual Smart Sensor Platform

- Financing mainly reflects repayment of borrowings and government proceeds
  - NOK 1.6m repayment of lease liabilities
  - NOK 1.0 million repayment of short-term debt
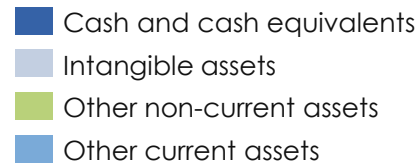 - NOK 3.0m proceeds from government grants

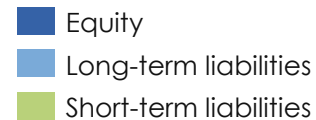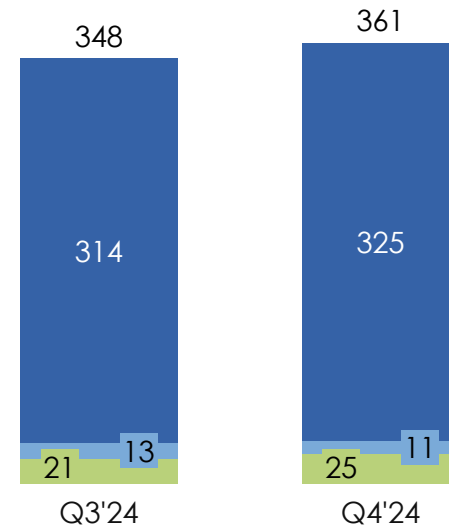ellipticlabs

Funded to execute on growth plans

Balance sheet
NOK million

Assets

	Q3'24	Q4'24
Cash and cash equivalents	67	76
Intangible assets	68	66
Other non-current assets	103	99
Other current assets	111	119
Total	348	361

Equity & liabilities

	Q3'24	Q4'24
Equity	314	325
Long-term liabilities	13	11
Short-term liabilities	21	25
Total	348	361

Legend:
- Cash and cash equivalents
- Intangible assets
- Other non-current assets
- Other current assets
- Equity
- Long-term liabilities
- Short-term liabilities

- Cash position improved to NOK 76.4m, NOK 9.3m increase from Q3'24

- Current assets reflect NOK 14.0m increase in trade receivables and NOK 5.9m reduction of other receivables

- Reduced short-term liabilities mainly reflect repayment of borrowings and lease liabilities with reduced trade payables

- Equity ratio increased to 90%

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Reported financials

Profit and loss

(Amounts in 000 NOK)	Notes	Q4 2024 (Unaudited)	Q4 2023 (Unaudited)	2024 (Unaudited)	2023 (restated)
Revenues from contracts with customers		47 573	9 216	131 914	68 321
Other operating income	9	357	357	1 430	1 312
Total revenue and other operating income	**2**	**47 931**	**9 574**	**133 343**	**69 632**
Employee benefits expenses		-25 551	-21 761	-87 861	-80 552
Other operating expenses	3	-5 851	-6 232	-20 365	-22 744
EBITDA		**16 529**	**-18 419**	**25 118**	**-33 664**
Depreciation and amortization	5	-5 405	-4 302	-20 408	-16 224
Operating expenses		**-36 807**	**-32 294**	**-128 633**	**-119 521**
Operating profit		**11 124**	**-22 720**	**4 710**	**-49 889**
Financial income		9 286	3 023	16 960	12 191
Financial expenses		-1 033	-6 119	-4 623	-9 306
Net financial income/(expenses)		**8 253**	**-3 097**	**12 337**	**2 886**
Profit/(loss) before tax		**19 377**	**-25 817**	**17 047**	**-47 003**
Income tax expense		-8 417	5 644	-8 086	8 888
Profit/(loss)		**10 960**	**-20 173**	**8 960**	**-38 114**
Other comprehensive income:					
Foreign currency rate changes, may be reclassified to profit or loss		477	-215	667	151
Other comprehensive income, net of tax		477	-215	667	151
Total comprehensive income for the period		**11 437**	**-20 388**	**9 627**	**-37 964**

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Reported financials

Cash flow

(Amounts in 000 NOK)	(Unaudited) Q4 2024	(Unaudited) Q4 2023	(Unaudited) 2024	(restated) 2023
Cash flow from operating activities				
Profit/(loss) before tax	19 377	-25 817	17 047	-47 003
Adjustment for:				
Taxes paid in the period	-1 755	0	-1 761	9
Depreciation and amortization	5 405	4 302	20 408	16 224
Share-based payments	1 304	1 428	5 475	9 842
Net finance items	-495	0	-4 964	-3 369
Items classified as investing or financing activities	-2 382	135	571	-885
Change in current trade receivable	-14 044	16 118	-50 324	-20 118
Change in trade payables	-2 137	173	-2 554	2 187
Change in other accruals	8 377	6 216	4 286	-2 396
Net cash flows from operating activities	**13 649**	**2 554**	**-11 815**	**-45 509**
Cash flow from investing activities				
Purchase of property, plant and equipment	0	-71	0	-514
Capitalized development costs	-6 919	-6 849	-30 716	-25 099
Interest received	1 155	0	4 367	4 642
Net cash flows from investing activities	**-5 764**	**-6 920**	**-26 349**	**-20 971**
Cash flow from financing activities				
Payments of lease liabilities, classified as financing activities	-1 602	-1 210	-6 138	-5 007
Repayments of current borrowings	-1 000	-1 000	-4 000	-4 000
Proceeds from issuing shares	0	2 981	4 835	9 495
Paid interest on loan	-71	-135	-376	-589
Paid interest on lease liabilities	-118	0	-1 466	-1 356
Proceeds from government grants	3 011	0	3 011	3 663
Net cash flow from financing	**220**	**637**	**-4 133**	**2 206**
Net Change in Cash and Cash Equivalents	8 105	-3 729	-42 297	-64 274
Cash and cash equivalents at the beginning of the period	67 119	119 527	115 582	178 219
Effect of foreign currency rate changes on cash and cash equivalents	477	-215	667	151
Exchange rate effects bank	688	0	2 439	1 486
Cash and cash equivalents at the end of period	**76 390**	**115 582**	**76 390**	**115 582**

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Reported financials

Balance sheet

Assets

(Amounts in 000 NOK)	Notes	31.12.2024 (Unaudited)	31.12.2023 (restated)
Non-current assets			
Deferred tax assets	8	75 420	78 166
Intangible assets	4	66 252	55 628
Right of use assets		16 301	19 447
Property, plant and equipment	5	357	460
Other non-current receivables		7 245	8 861
Total non-current assets		**165 575**	**162 561**
Current assets			
Current trade receivables		110 936	60 612
Other current receivables		8 125	9 448
Cash and cash equivalents	7	76 390	115 582
Total current assets		**195 451**	**185 642**
Total assets		**361 026**	**348 203**

Equity & liabilities

(Amounts in 000 NOK)	Notes	31.12.2024 (Unaudited)	31.12.2023 (restated)
Equity and liabilities			
Share capital		1 053	1 048
Other equity		324 288	304 355
Total equity		**325 341**	**305 404**
Non-current lease liabilities		10 727	15 874
Non-current borrowings		0	2 000
Total non-current liabilities		**10 727**	**17 874**
Current borrowings		2 000	4 000
Trade and other current payables		1 301	3 855
Current lease liabilities		6 625	3 990
Other current liabilities		15 032	13 080
Total current liabilities		**24 958**	**24 926**
Total equity and liabilities		**361 026**	**348 203**

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Shareholder information

Top 20 shareholders as of 18. Feb. 2025

		Number of shares	% of total shares
1	MP PENSJON PK	9 663 913	9.2%
2	ALDEN AS	7 403 330	7.0%
3	VERDIPAPIRFONDET DNB SMB	5 495 376	5.2%
4	PASSESTA AS	5 299 994	5.0%
5	HORNE	4 665 455	4.4%
6	DANIELSEN	4 374 150	4.2%
7	J.P. Morgan SE	3 638 163	3.5%
8	Bank Pictet & Cie (Europe) AG	3 530 705	3.4%
9	SIX SIS AG	2 820 000	2.7%
10	VERDIPAPIRFONDET FONDSFINANS NORGE	2 600 000	2.5%
10	State Street Bank and Trust Comp	2 500 000	2.4%
12	GHIBLI AS	2 100 000	2.0%
13	FABRES SCALER	1 600 000	1.5%
14	NUNATAK AS	1 585 447	1.5%
15	J.P. Morgan SE	1 574 503	1.5%
16	AMFIBIEN AS	1 535 000	1.5%
17	INVEN2 AS	1 441 670	1.4%
18	NORDNET LIVSFORSIKRING AS	1 379 363	1.3%
19	Nordnet Bank AB	1 364 170	1.3%
20	Danske Invest Norge Vekst	1 355 099	1.3%
	Top 20 shareholders	**65 926 338**	**62.3%**
	Other	39 348 630	37.4%
	Total	**105 274 968**	**100.0%**

Shares and options owned by BoD, mgmt, and employees as of 18. Feb 2025 (fully diluted)

	Number of shares	Percent of fully diluted shares
Shares owned by Board of Directors	7 421 330	6.7%
Shares owned by Management	4 606 240	4.1%
Allocated Options to Employees and management in shares	6 018 739	5.4%
Allocated Options to Board of Directors	158 000	0.1%
Other shareholders	93 247 398	83.7%
Total	**111 451 707**	**100%**

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Smartphone and Laptop launch overview

Launches since Q3'24

Device type	Month	OEM	Model	AI Virtual Smart Sensors launched
Q4 2024				
Laptop	November	Lenovo	Thinkpad X1 Carbon Gen 13 Aura edition commercial	AI Virtual Human Presence Sensor, AI Virtual Seamless Sensor
Smartphone	November	VIVO	V40e	AI Virtual Proximity Sensor
Smartphone	November	RedMI	Note 14 Pro Plus	AI Virtual Proximity Sensor
Smartphone	November	RedMI	Note 14 Pro	AI Virtual Proximity Sensor
Smartphone	November	Infinix	Zero Flip	AI Virtual Proximity Sensor
Smartphone	November	Lava International	AGNI 3	AI Virtual Proximity Sensor
Smartphone	December	HONOR	X60	AI Virtual Proximity Sensor
Smartphone	December	HONOR	X60 Pro	AI Virtual Proximity Sensor
Smartphone	December	Tecno	Camon 30S	AI Virtual Proximity Sensor
Smartphone	December	VIVO	Y300 Plus	AI Virtual Proximity Sensor
Smartphone	December	Infinix	HOT 50 Pro+	AI Virtual Proximity Sensor
Smartphone	December	Honor	X7c	AI Virtual Proximity Sensor
Smartphone	December	Honor	300	AI Virtual Proximity Sensor
Smartphone	December	Honor	300 Pro	AI Virtual Proximity Sensor
Smartphone	December	Honor	300 Ultra	AI Virtual Proximity Sensor
Smartphone	December	Honor	GT	AI Virtual Proximity Sensor
Smartphone	December	VIVO	S20	AI Virtual Proximity Sensor
Smartphone	December	VIVO	S20 Pro	AI Virtual Proximity Sensor
Smartphone	December	Honor	Play 9T Pro	AI Virtual Proximity Sensor
Events after the quarter				
Laptop	January	Lenovo	X9 14" Aura Edition	AI Virtual Human Presence Sensor, AI Virtual Seamless Sensor
Laptop	January	Lenovo	X9 15" Aura Edition	AI Virtual Seamless Sensor
Laptop	January	Undisclosed	Undisclosed	AI Virtual Human Presence Sensor, AI Virtual Seamless Sensor
Laptop	January	Undisclosed	Undisclosed	AI Virtual Seamless Sensor
Laptop	January	Undisclosed	Undisclosed	AI Virtual Human Presence Sensor
Laptop	January	Undisclosed	Undisclosed	AI Virtual Human Presence Sensor
Laptop	January	Undisclosed	Undisclosed	AI Virtual Human Presence Sensor
Laptop	January	Undisclosed	Undisclosed	AI Virtual Human Presence Sensor
Smartphone	January	Redmi	Turbo 4	AI Virtual Proximity Sensor
Smartphone	January	Honor	X8c	AI Virtual Proximity Sensor
Smartphone	February	VIVO	V50	AI Virtual Proximity Sensor
Smartphone	February	VIVO	V50e	AI Virtual Proximity Sensor

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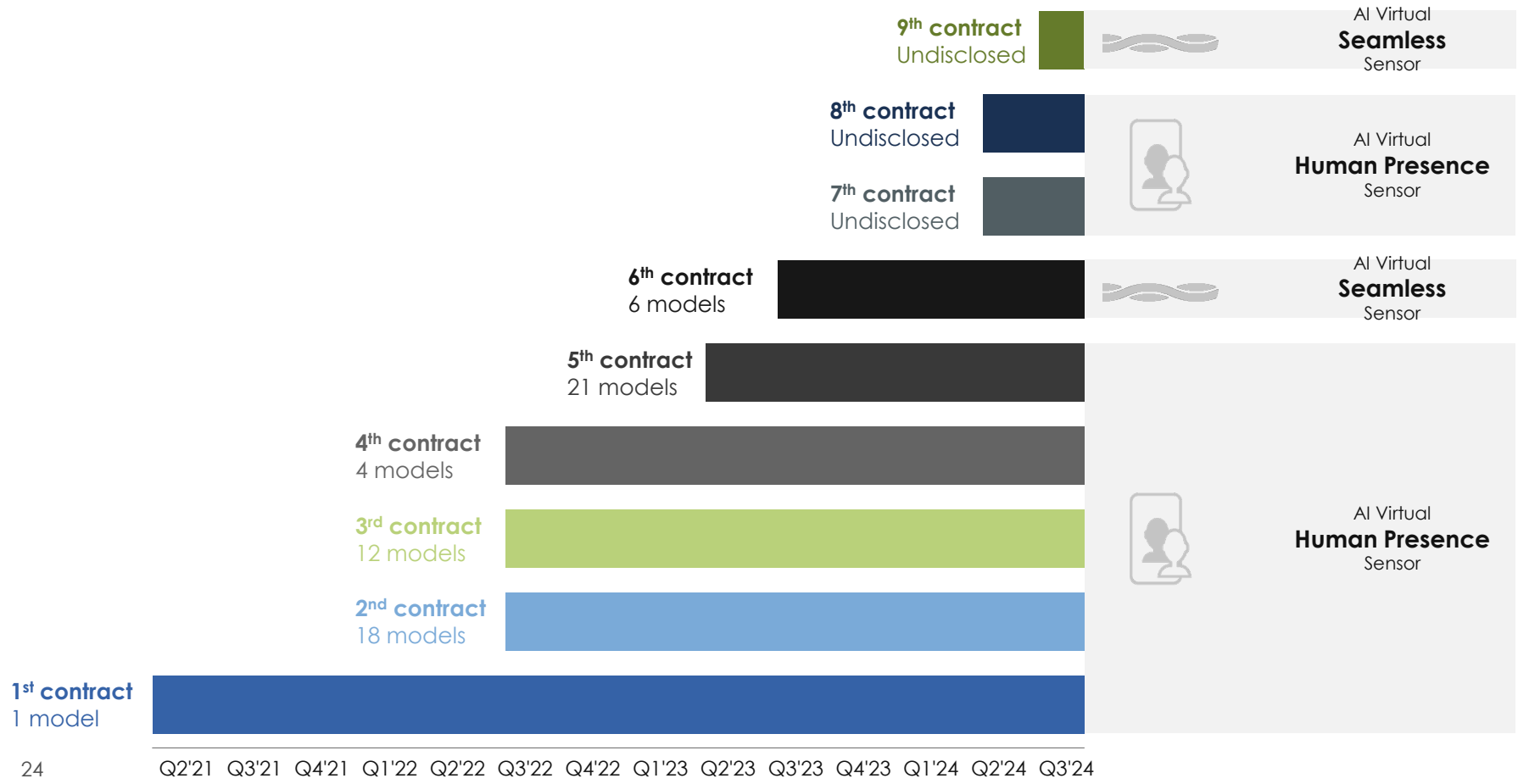# Illustrative laptop customer with Enterprise license agreement

Revenue journey for 1 laptop model

■ Milestone revenue (revenue for minimum volume)

■ Pay-as-you-go (above minimum committed volume)

5 quarters from milestone revenue to revenue per unit shipped

| Q2'21 | Q3'21 | Q4'21 | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 | Q3'23 | Q4'23 | Q1'24 | Revenue recognized |

Contract announced

Market launch

Volume exceeding minimum commitment

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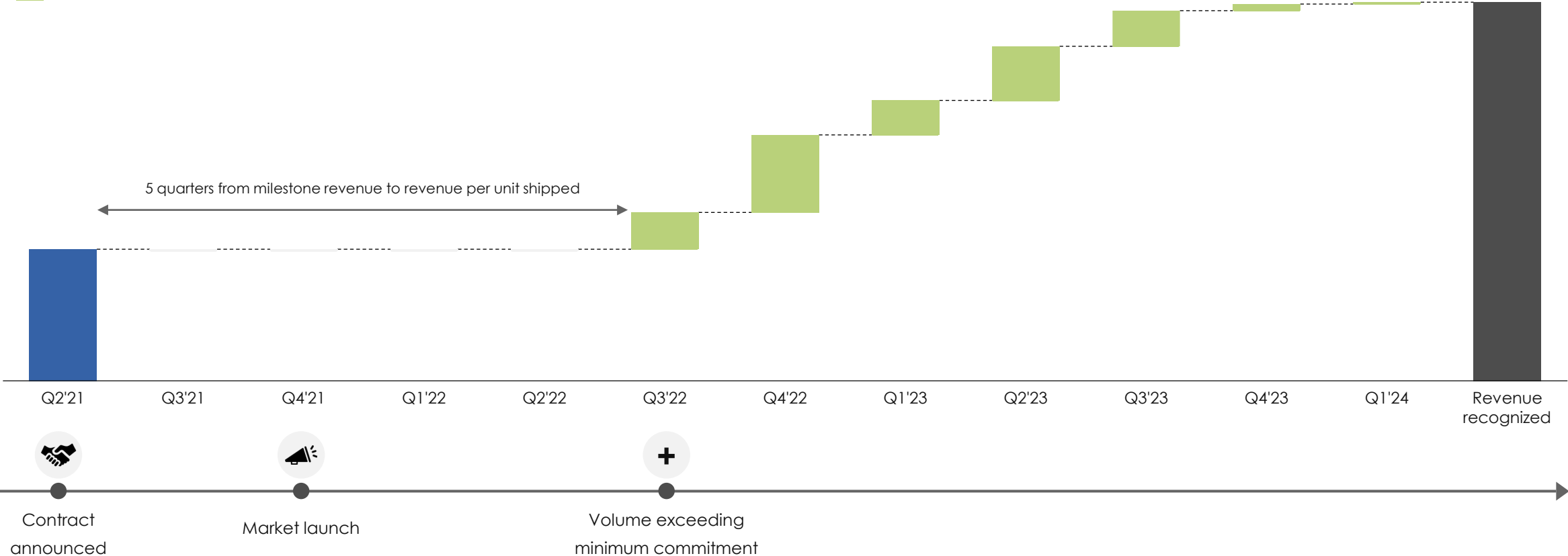
Moving up the Software Stack Boosts Value

Contract journey for **one laptop customer** with Enterprise license agreement (ELA)

9th contract
Undisclosed
— AI Virtual **Seamless** Sensor

8th contract
Undisclosed

7th contract
Undisclosed
— AI Virtual **Human Presence** Sensor

6th contract
6 models
— AI Virtual **Seamless** Sensor

5th contract
21 models

4th contract
4 models

3rd contract
12 models
— AI Virtual **Human Presence** Sensor

2nd contract
18 models

1st contract
1 model

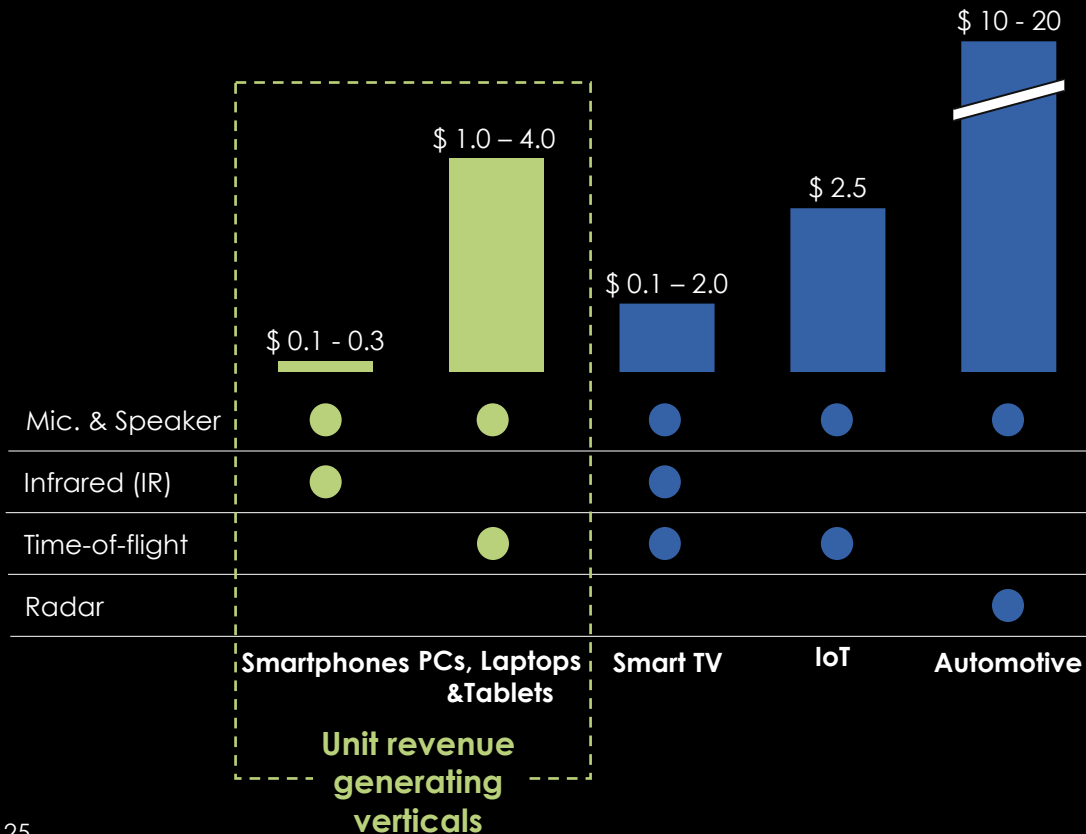Q2'21 Q3'21 Q4'21 Q1'22 Q2'22 Q3'22 Q4'22 Q1'23 Q2'23 Q3'23 Q4'23 Q1'24 Q2'24 Q3'24

Increasing customer value & price point, moving up the software stack

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The AI software sensor platform delivers valuable AI use cases across multiple verticals

Single purpose hardware sensors unit cost
Cost per unit (USD)

$ 10 - 20

$ 1.0 – 4.0

$ 2.5

$ 0.1 – 2.0

$ 0.1 - 0.3

	Smartphones	PCs, Laptops &Tablets	Smart TV	IoT	Automotive
Mic. & Speaker	●	●	●	●	●
Infrared (IR)	●		●		
Time-of-flight		●	●	●	
Radar					●

Unit revenue generating verticals

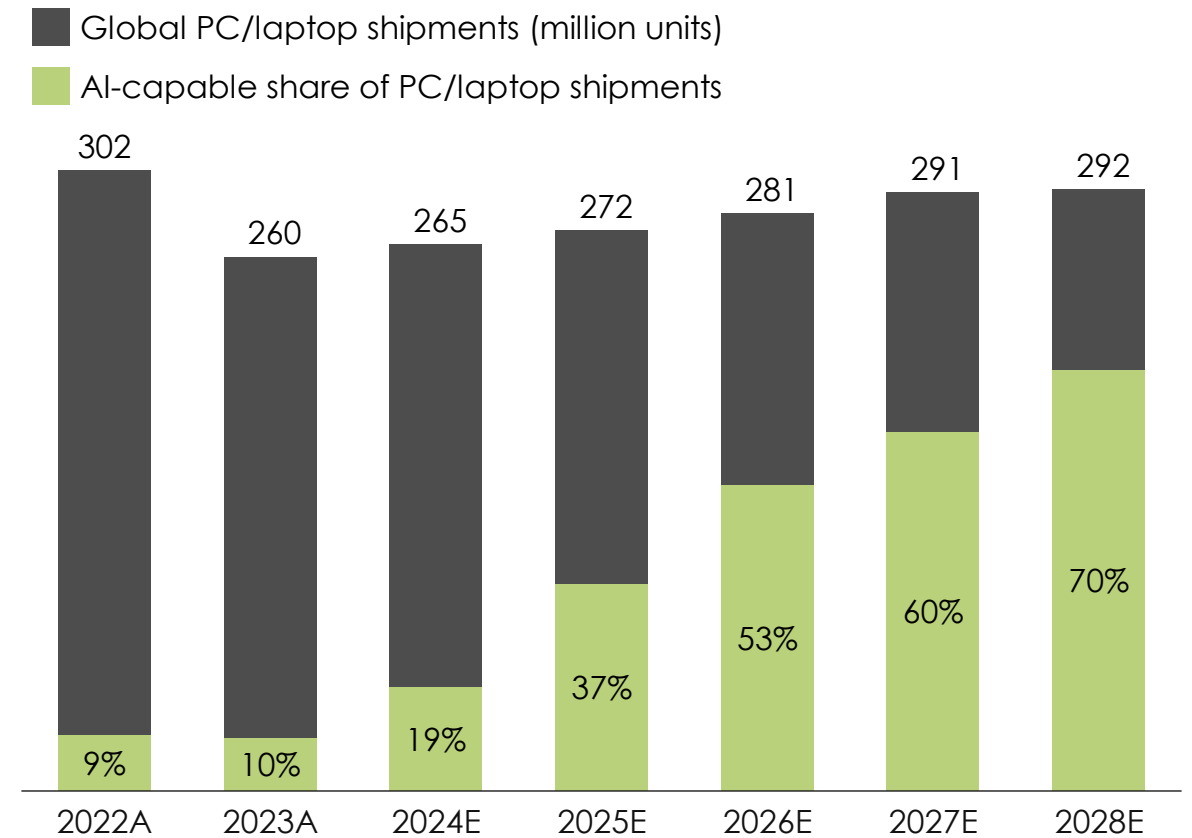## Delivering new AI driven use cases, reducing cost, power consumption and environmental footprint

- Customer value creation from innovative new use cases, moving up the software stack

- Replacing hardware sensors with AI Virtual Smart Sensors

- Adding new features and simplified connectivity and interaction between devices

- Safeguarding user privacy as a non-optical, edge-solution

- Reducing cost and power consumption for OEMs

25

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PC/laptop market boosted by new AI capabilities

Upcoming market demand for AI functionality

- PC market growth from refresh cycle boosted by demand for AI-enabled devices

- AI-capable shipments projected to surpass 100 million in 2025, just under 40% of all PC shipments

- AI-capable PCs to unlock productivity, personalization and power efficiency

- Elliptic Labs AI Virtual Smart Sensor Platform supporting OEMs to deliver on demand

Forecasted AI-capable PC/laptop share 2024-2028

■ Global PC/laptop shipments (million units)

■ AI-capable share of PC/laptop shipments

Year	Shipments	AI-capable share
2022A	302	9%
2023A	260	10%
2024E	265	19%
2025E	272	37%
2026E	281	53%
2027E	291	60%
2028E	292	70%

Source: Statista, Canalys, IDC.

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"Smart Share is an AirDrop killer."

At Lenovo Tech World 2024, CEO Yang Yuanqing specifically highlighted this functionality as THE "Hero Feature" for their upcoming Aura edition laptops - a testament to our technology's transformative potential

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