

ellipticlabs

Q1 2024



CEO Laila Danielsen
laila@ellipticlabs.com

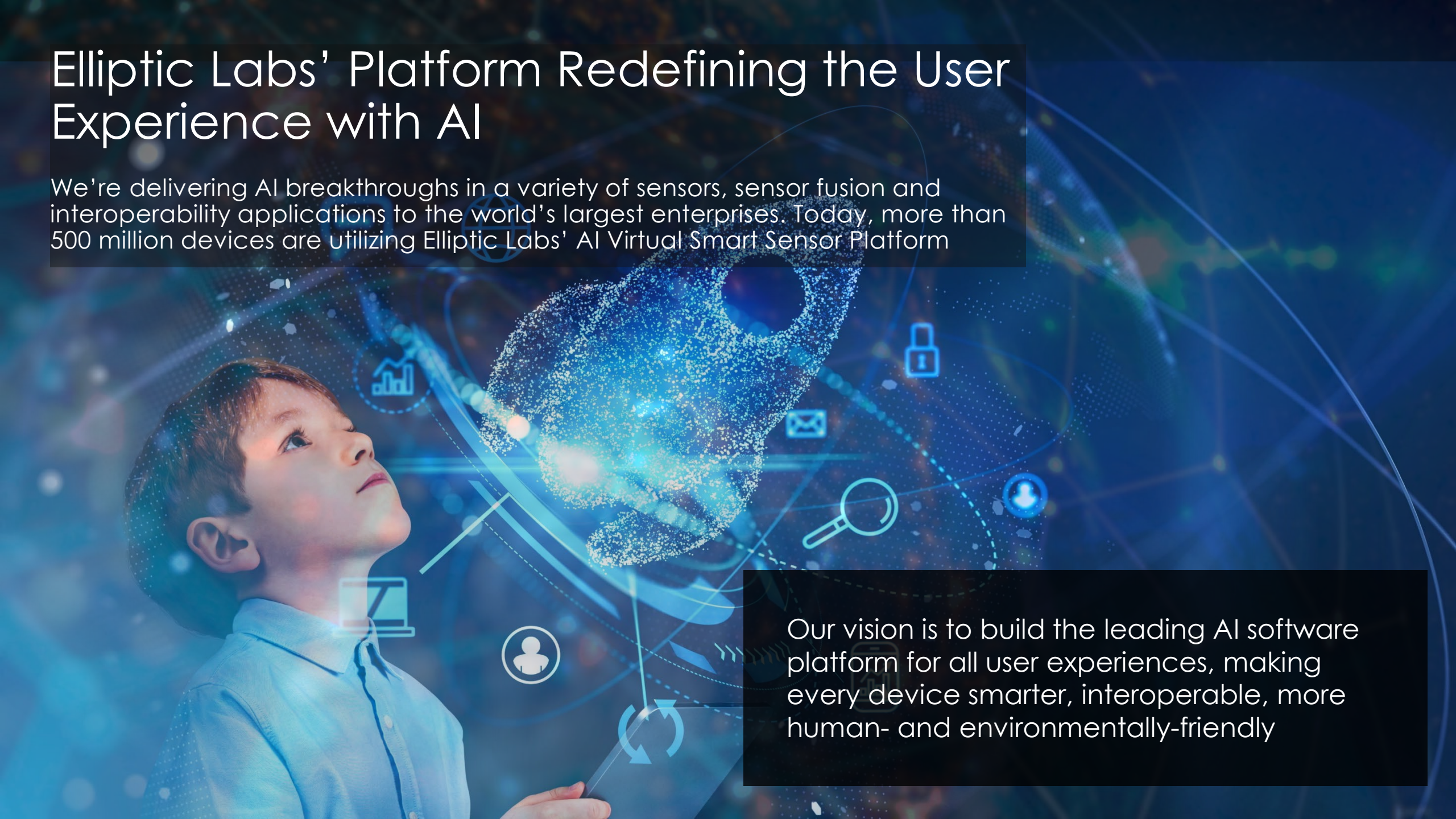


CFO & IR Lars Holmøy
lars.holmoy@elliptic.com

Results presentation | May 23, 2024

Elliptic Labs' Platform Redefining the User Experience with AI

We're delivering AI breakthroughs in a variety of sensors, sensor fusion and interoperability applications to the world's largest enterprises. Today, more than 500 million devices are utilizing Elliptic Labs' AI Virtual Smart Sensor Platform

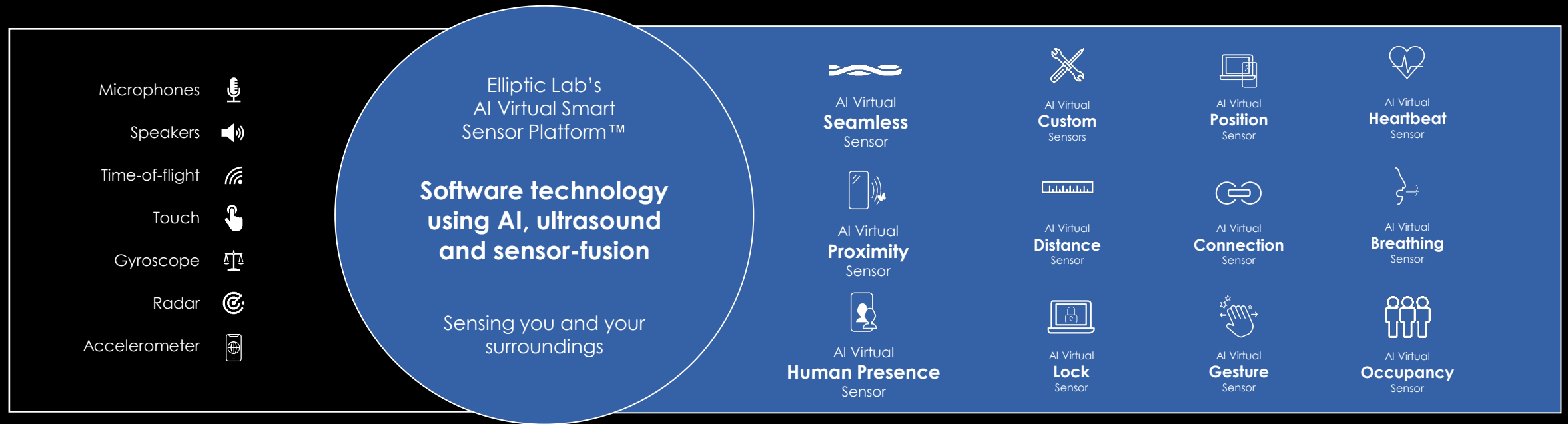


Our vision is to build the leading AI software platform for all user experiences, making every device smarter, interoperable, more human- and environmentally-friendly

Our AI Virtual Smart Sensors are deployed on more than 500 million devices, with recent entry into the PC market

Leveraging existing single-purpose sensors...

...to build a suite of AI Virtual Smart Sensors™



Key benefits

No added hardware sensors

Secure and private

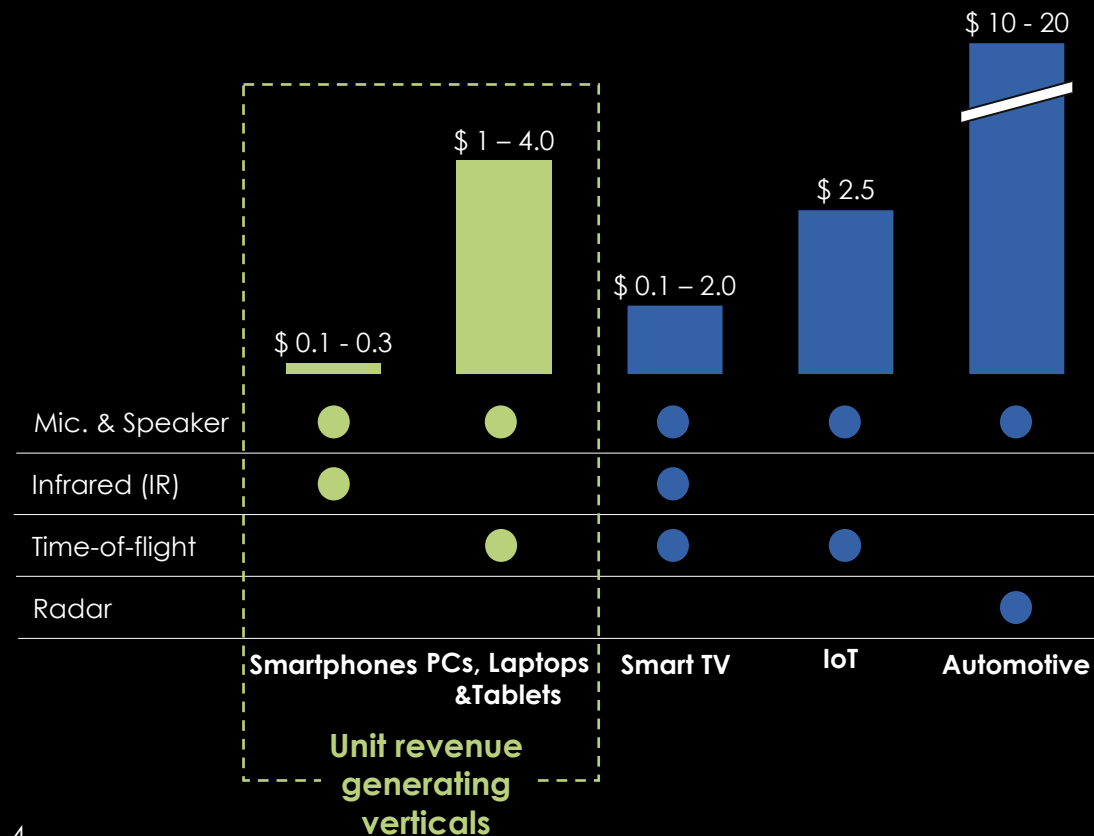
User experience

AI on the Edge

Our 100% software sensors are competing with high-cost single-purpose hardware sensors

Hardware sensors unit cost

Cost per unit (USD)

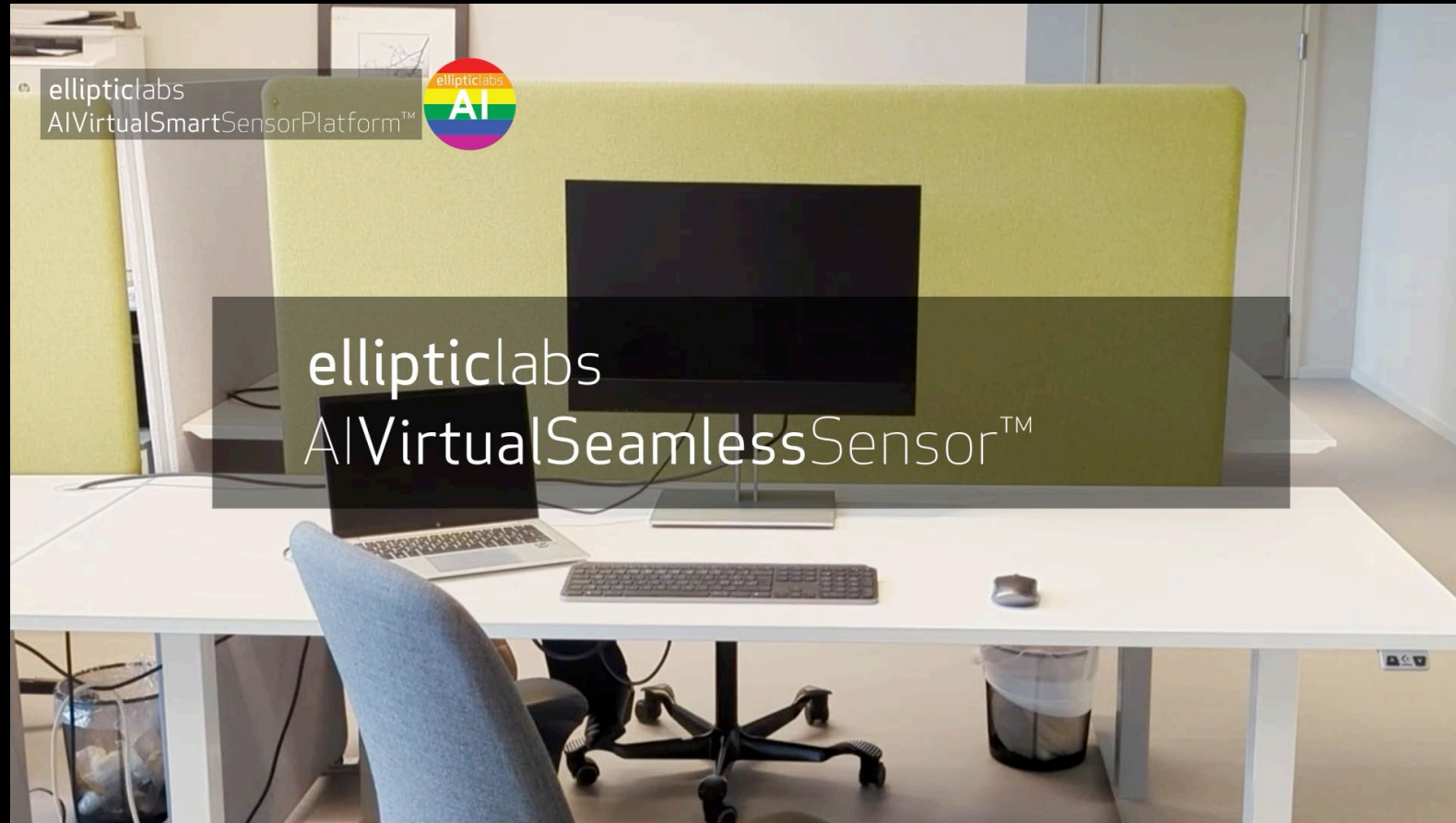


Reducing cost, risk and environmental footprint

- AI Virtual Smart Sensor Platform™ can replace infrared, time-of-flight and radar sensors for presence and proximity detection
 - Reducing cost and BOM for OEMs
 - Reducing power consumption
 - Adding features such as position detection, simplified connectivity and interaction between devices
 - Safeguarding user privacy as a non-optical, edge-solution
- Our software solution streamlines hardware supply chain and eliminates sourcing risks

AI Virtual Seamless Sensor Video

Use-case: Device to Device Video conference call transfer from smartphone to Windows laptop



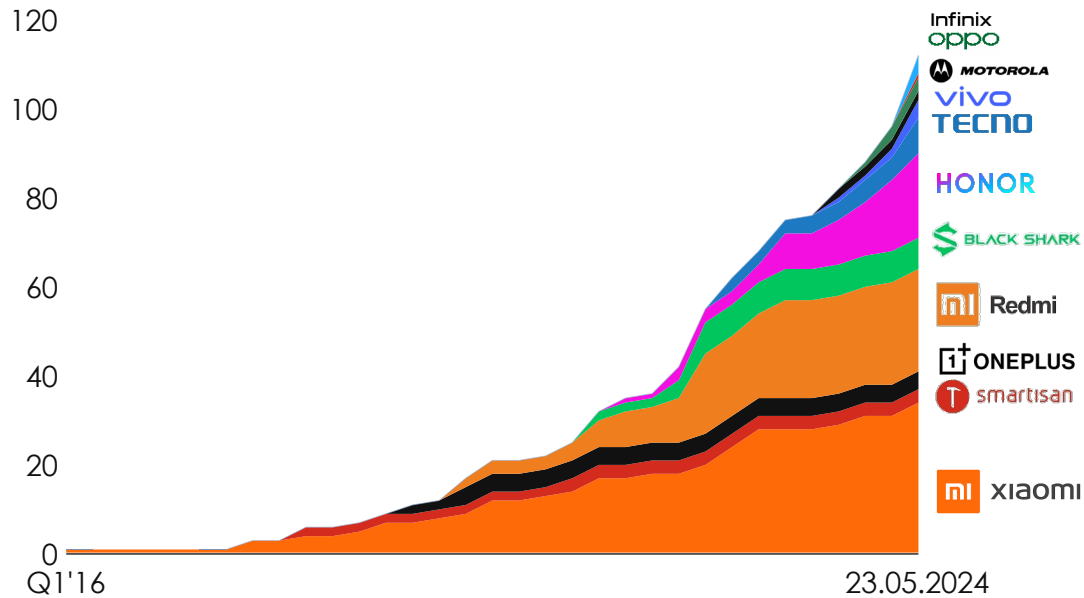
[Click This Link to See The AI Virtual Seamless Sensor Video](#)

ellipticlabs

Smartphones OEM launches continuing

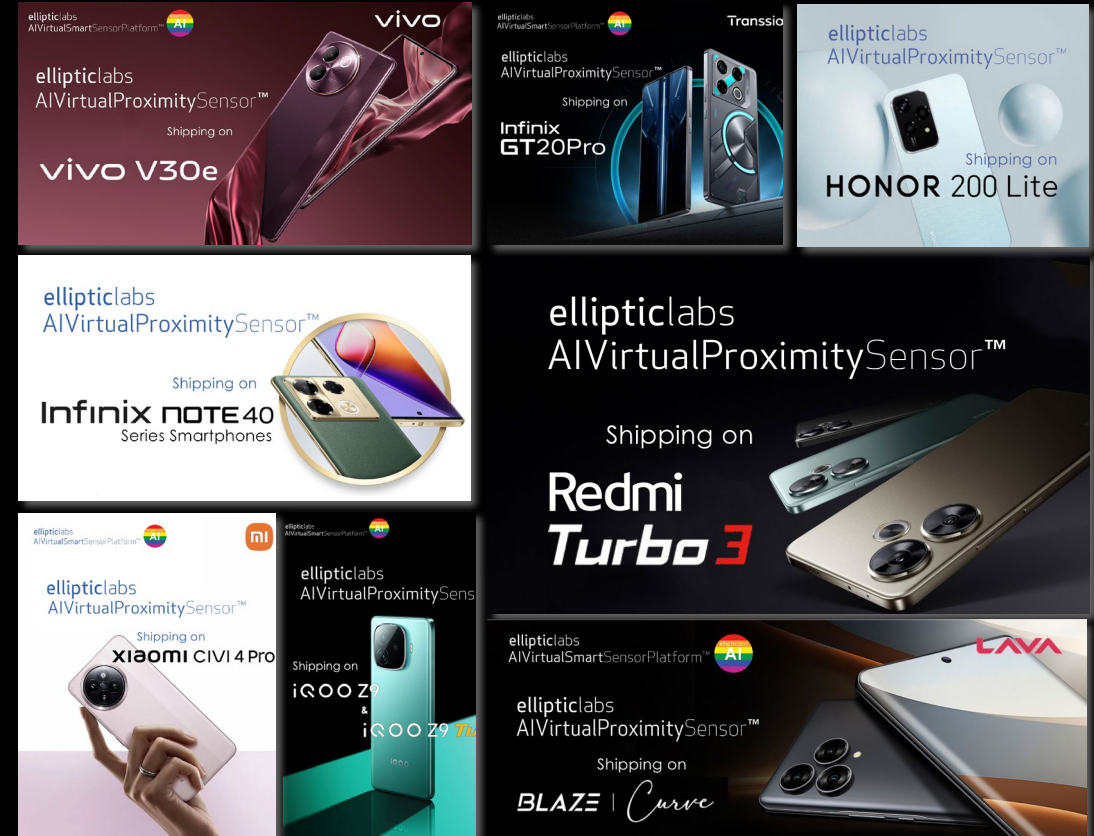
120 models launched to date

Cumulative to date 23.05.2024



- Leading market position with proven performance allows for rapid adoption without Proof-of-Concept testing
- Market expansion through continued partnerships with Qualcomm & MediaTek
- 3 of top-5 OEMs are customers of Elliptic Labs

24 smartphone launches announced so far in 2024 AI Virtual Proximity Sensor™ examples



ellipticlabs

Solidified position in Laptop segment

Shipping on Lenovos newest ThinkPad™ P Series Laptops



- Shipping AI Virtual Human Presence Sensor on 4 select models
- Latest generation Intel Core Ultra chipsets
- Innovative user experiences, reduced, power consumption, increased user privacy and security

- 13 launches with Lenovo to date in 2024
- 4 of top-6 OEMs are customers of Elliptic Labs
- High interest in our new AI Virtual Seamless Sensor, delivering truly innovative use cases
- Defining industry standards and architecture in collaboration with key global ecosystem players like Microsoft, Intel, Qualcomm, and Cirrus

31

Lenovo models launched so far

6

Expansion contracts to date

Models launched in 2024: ThinkPad X1 Carbon Gen 12, ThinkPad T14 Gen 5 (Intel), ThinkPad T14 Gen 5 (AMD), ThinkPad T14s Gen 5 (Intel), ThinkPad T14s Gen 5 (AMD), ThinkPad T16 Gen 3, ThinkPad X13 Gen 5, Thinkpad X13 2-in-1 Gen 5, ThinkPad X1 2-in-1 Gen 9 14", ThinkPad P1 Gen 7, ThinkPad P16v i Gen 2, ThinkPad 16s i Gen 3, ThinkPad 14s i Gen 5.



Financial review

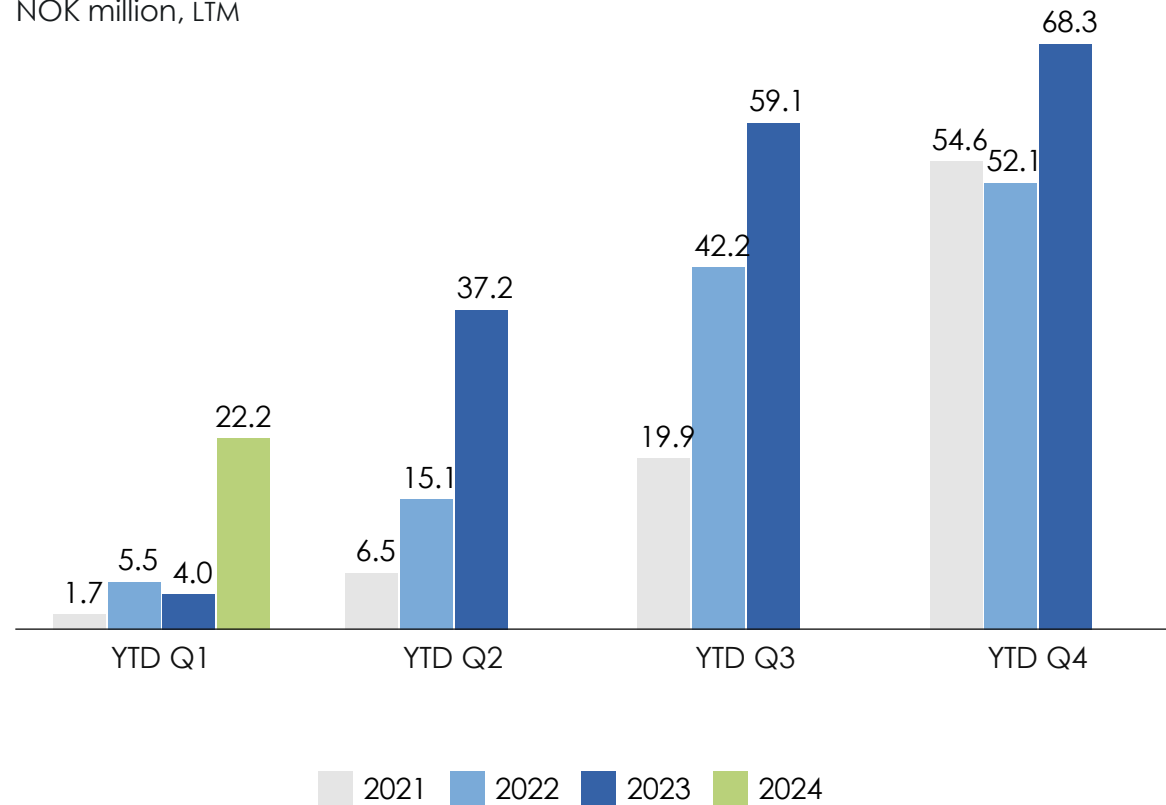
A strong start to 2024

CFO Lars Holmøy

Strong start to the year in a historically low quarter

YTD revenue from contracts with customers

NOK million, LTM



- Revenue from contracts with customers up more than 5x compared to Q1 23
- The first quarter of the year has historically been the weakest due to seasonality
- Strong momentum going into 2024

Growing organization to meet demand

Condensed Profit & Loss statement

NOK million

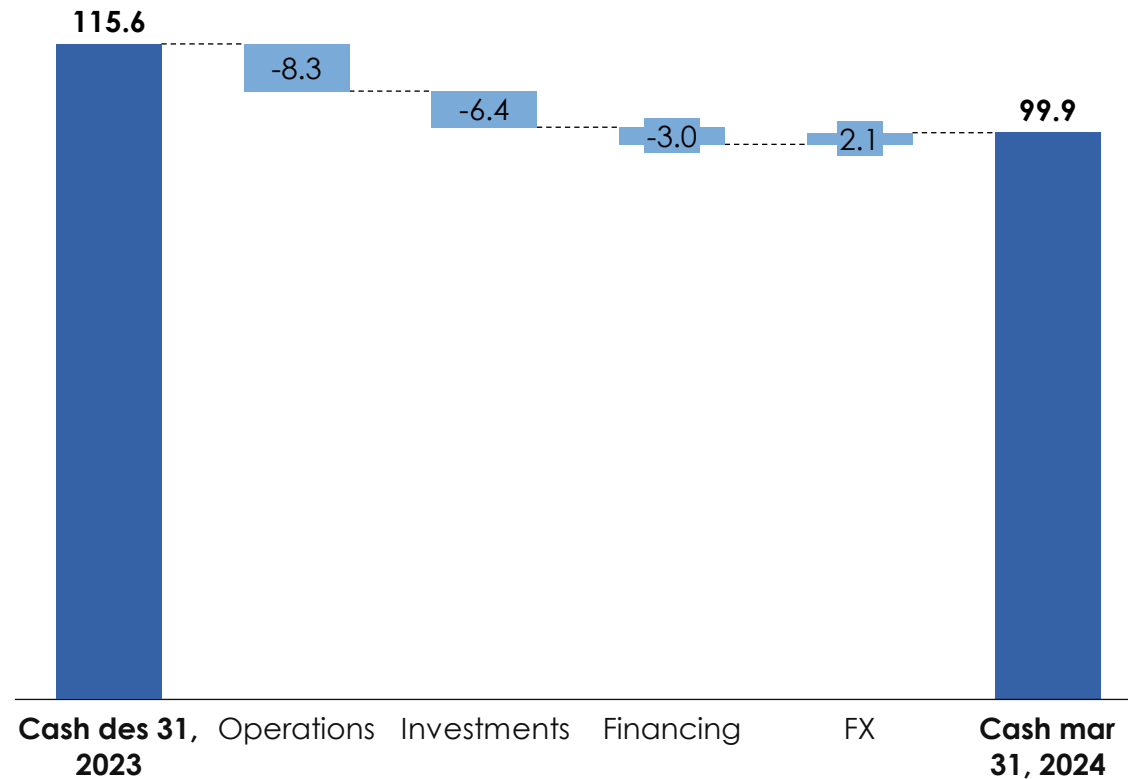
	Q1'24	Q1'23	%YoY	Q4'23
Revenues from contracts with customers	22.2	4.0	449 %	9.2
Other operating income	0.4	0.0		0.4
Total revenue	22.6	4.0	458 %	9.6
Employee benefits expenses	21.5	18.9	14 %	21.8
Other operating expenses	4.3	5.5	-22 %	6.2
EBITDA	-3.3	-20.4		-18.4
Depreciation and amortisation	5.0	3.7		4.3
EBIT	-8.3	-24.1		-22.7
Net financials	5.1	5.7		-3.1
Pre-tax-profit	-3.2	-18.4		-25.8
Income tax expense	0.5	3.5		5.6
Profit/loss	-2.6	-14.9		-20.2

- Q1 '24 revenue from contracts with customers of of NOK 22.2m (+449%)
 - Majority of revenue from contracts with fixed minimum license fees
 - Increased contribution from license fees on shipped units, a trend that is expected to continue in future periods
- Maintaining a right-sized organization
 - Employee benefit expenses of NOK 21.5m, down from NOK 21.8m in the fourth quarter and up from NOK 18.9m in Q1 '23
 - 87 employees, an increase of 15 FTEs from Q1 '23
 - Other operating expenses on par with previous periods. The company received NOK 2.2m in recoveries of previously written-off receivables in 2018

Positive operational cash flow with continued strong cash position

Q1 2024 cash flow

NOK million



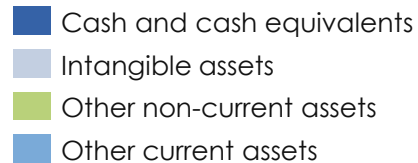
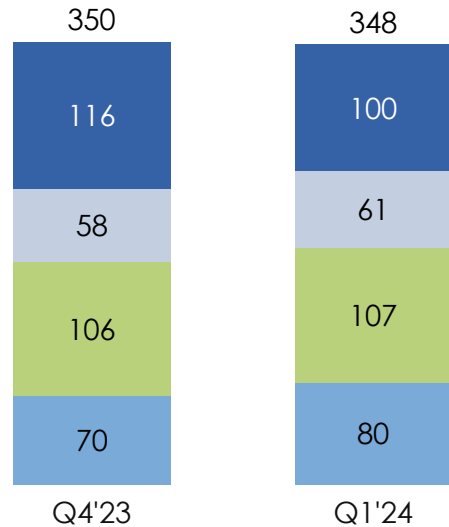
- Operating cash flow of NOK -8.3m (NOK -16.6m in Q1 '23)
 - NOK 8.7m increase in accounts receivables
 - NOK -5.2m adjusted net finance items
- Investments reflecting R&D of Elliptic Labs' AI Virtual Smart Sensor Platform
- Financing mainly reflecting repayment of borrowings
 - NOK 1.4m repayment of lease liabilities
 - NOK 1.0 million repayment of short-term debt
 - NOK 0.4m interest on lease liabilities

Well-funded for continued growth

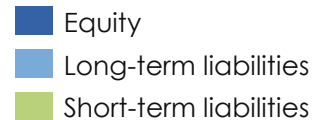
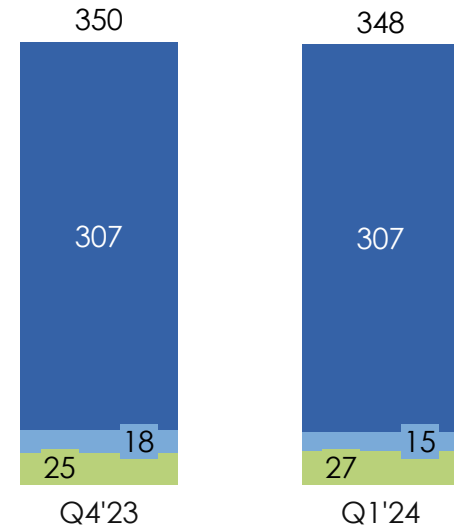
Balance sheet

NOK million

Assets



Equity & liabilities



- Cash position of NOK 100m
 - Financially solid to execute on upcoming growth
- Increased current assets reflecting receivables from orders booked in the quarter
- Reduced long-term liabilities from repayment of borrowings
- Short-term liabilities mainly reflect lease liabilities
- Equity ratio maintained at 88%



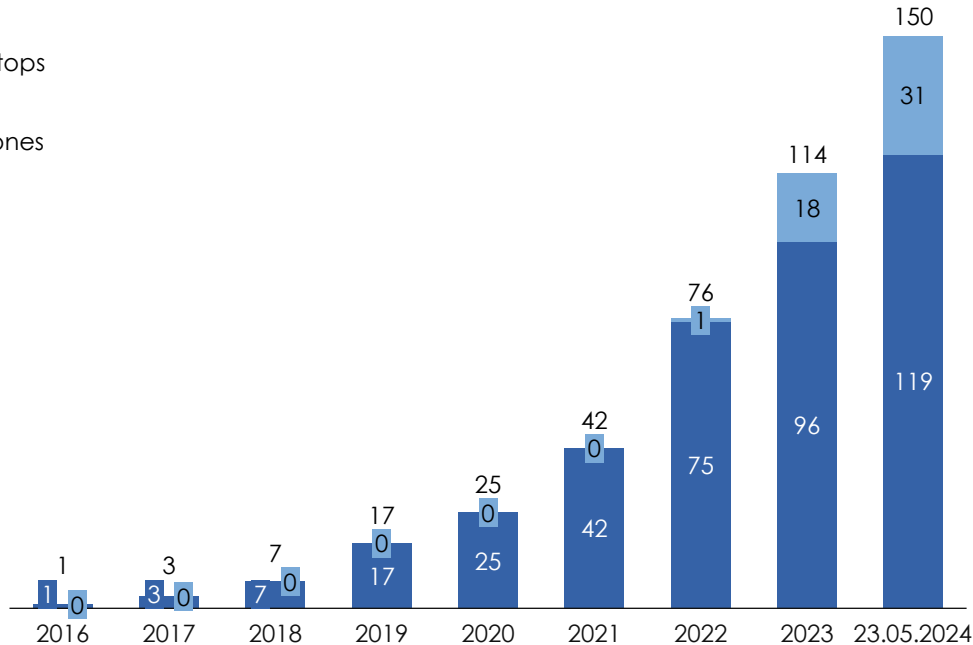
The road to realize our long-term potential

CEO Laila Danielsen

Built a leading market position since first launch in 2016

of models launched

Acc. Laptops
Acc. Smartphones



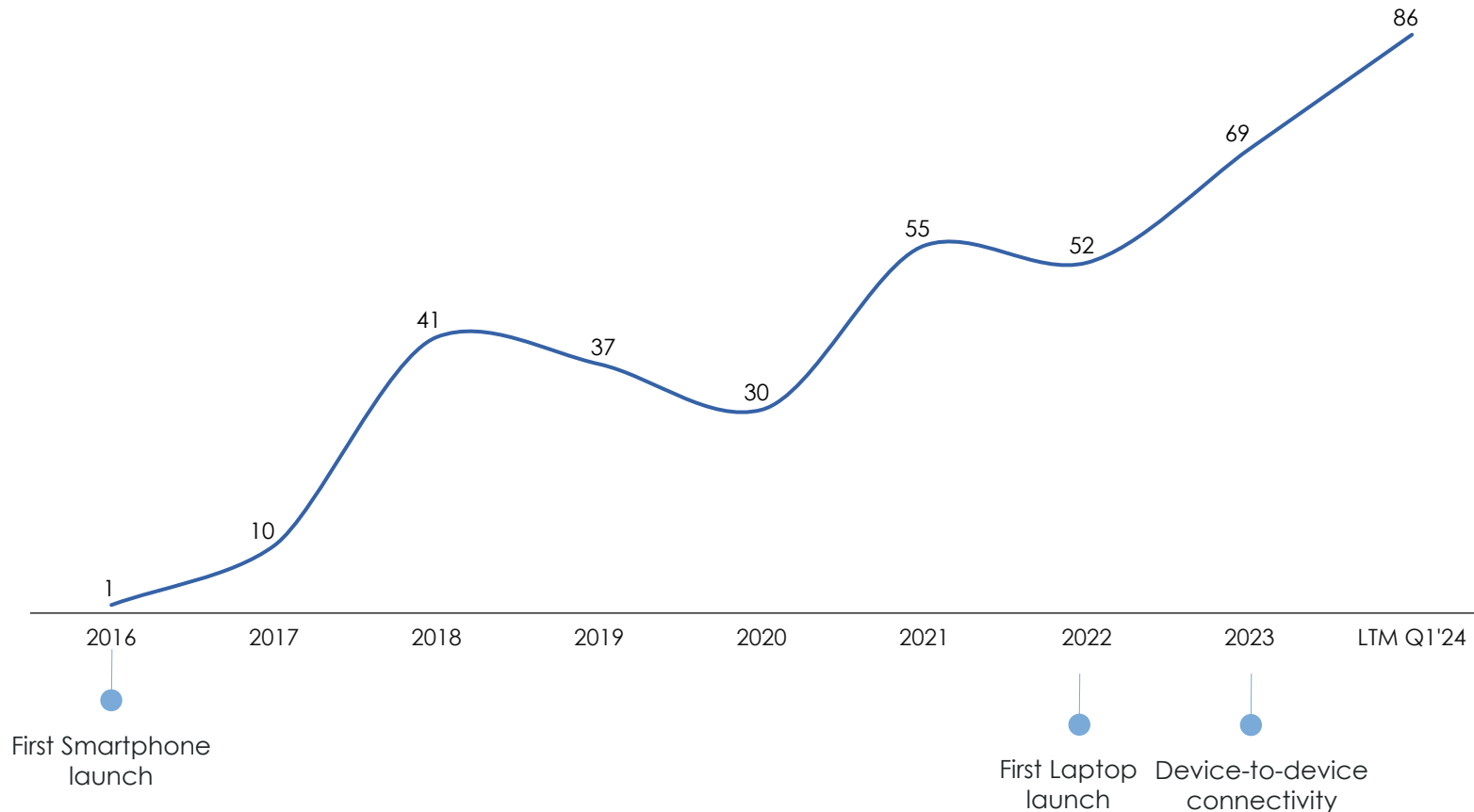
Smartphones launched	1	2	4	10	8	17	33	21	24
Laptops launched	0	0	0	0	0	0	1	17	13

- Leading market position with key OEMs across laptops and smartphones
 - Total of 120 smartphones and 31 laptop models launched since 2016
 - 24 smartphones and 13 laptops launched so far in 2024
- Recognized as a market leader in AI Virtual Smart Sensors
- Defining new architecture and industry standards together with key global ecosystem players through the MIPI alliance

Market launches driving revenue growth...

Revenue from customers LTM

NOK Million



Multiple growth and value drivers as we move forward

- Scaling laptop revenues
- Continuing smartphone expansion
- More AI driven products per customer
- Expanding to peripherals, devices/accessories/IoT

...but turning our significant contract base into revenue takes time

Time to market temporarily slowed-down due to inventory back-log and end-used demand



Evaluating

AI Virtual Smart Sensors with customer's products, signing POC contract



Negotiating

long-term agreements with globally leading OEMs



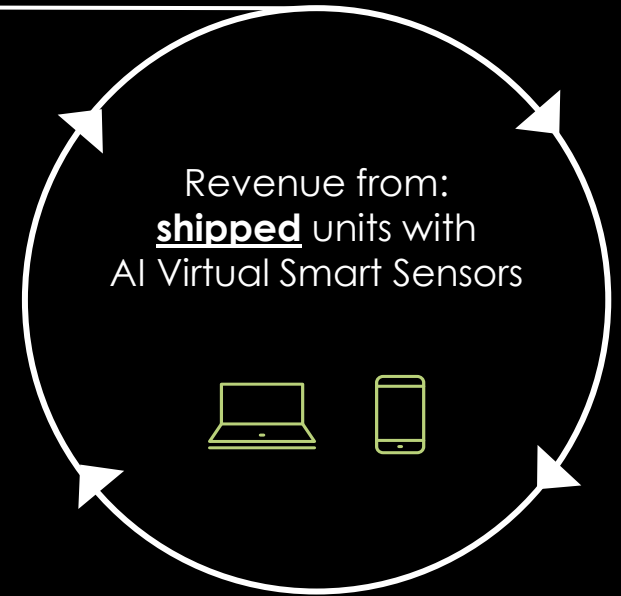
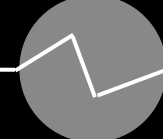
Contract

announcement typically for multiple models



Launching

Elliptic Labs announces launch of AI Virtual Smart Sensors on specific customer models into market



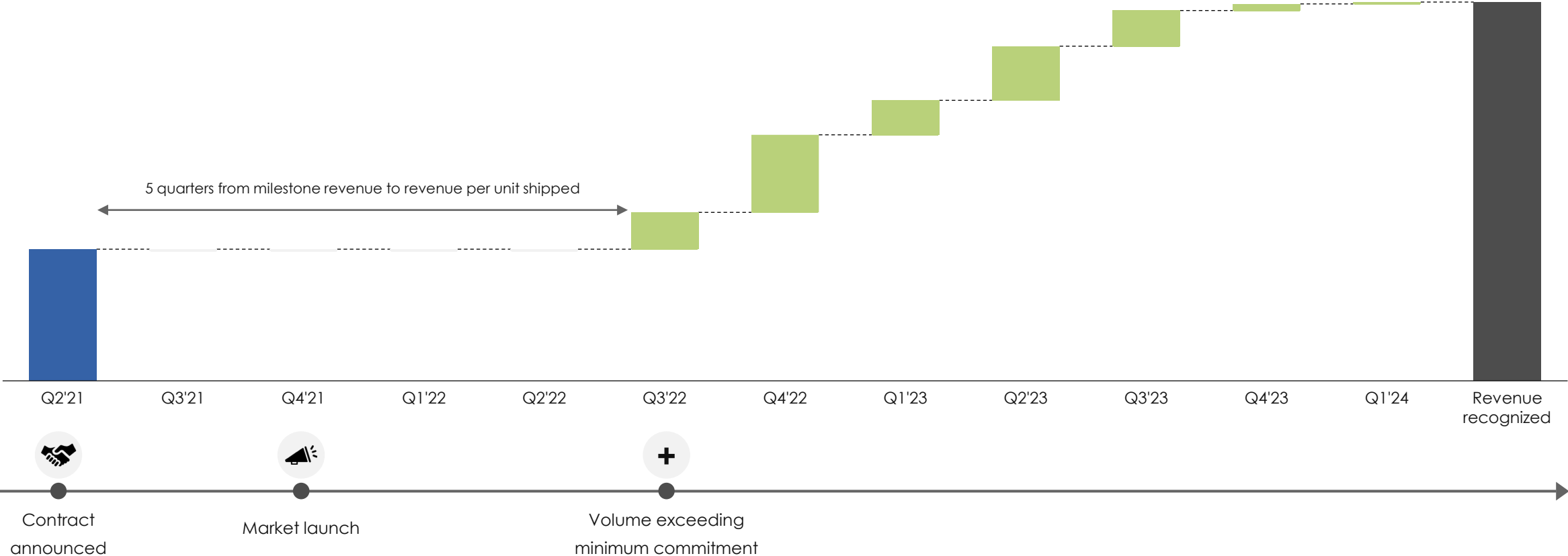
PC/LAPTOPS FLEXIBLE REVENUE MODEL: License fee per unit per AI Virtual Smart Sensor, based on three options:

1. Enterprise license agreement covering up-front minimum committed volume and pay as you go for units **shipped** exceeding up-front commitment (typical revenue model), or
2. Enterprise license agreement pay as you go for units **shipped**, or
3. Unlimited enterprise license agreement covering all units shipped within an agreed upon timeframe

Illustrative laptop customer with Enterprise license agreement

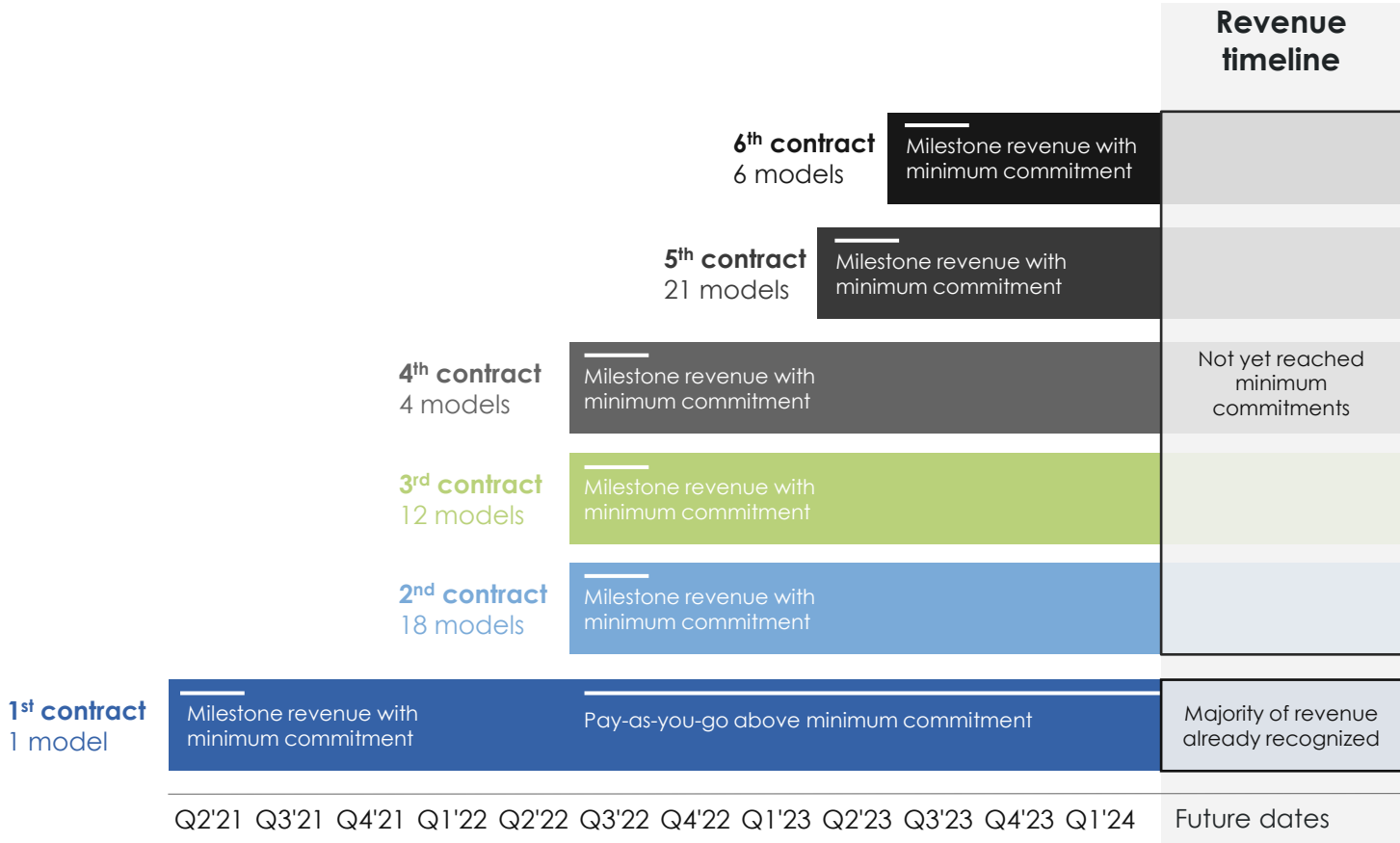
Revenue journey for 1 laptop model

- Milestone revenue (revenue for minimum volume)
- Pay-as-you-go (above minimum committed volume)



Significant revenue potential from existing contract base

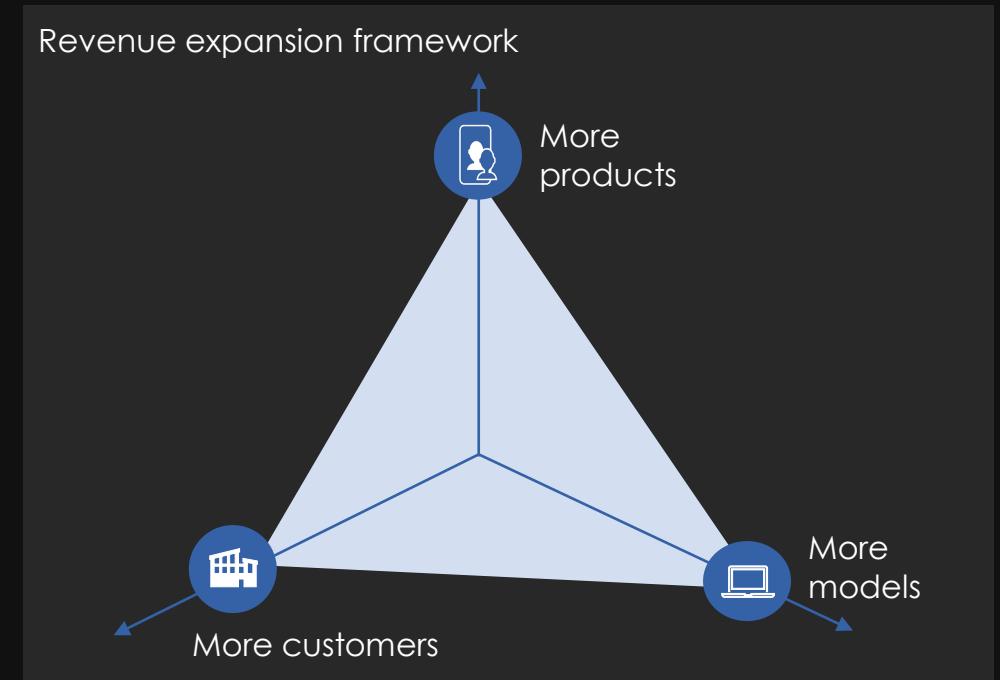
Revenue journey for one laptop customer with Enterprise license agreement (ELA)



- High revenue potential from multi-model contracts where only milestone payment has been received
- Customer relationships with multiple contracts and models:
 - Reducing relative contribution of milestone payment to payments for units shipped
 - Increased revenue stability from more models launched
- With one laptop customer started with 1 model announced in Q2'21, currently signed contracts for 62 models as of Q3'23 and launched on 31 models year to date

Adding more customers, more models, and more products

- Expanding contract base with existing customers
- Continuously adding new customers across smartphone and laptop verticals
 - 4 of top-6 laptop OEMs are customers of Elliptic Labs, only launched with one OEM
 - Launched with 13 smartphone OEMs to date
- Adding new products with potential for increasing price points per model
 - Increasing number of AI Virtual Smart Sensors per model
 - Contract signed for AI Virtual Seamless Sensor and having high traction among OEMs



Reaching our ambitions is not “if” but “when”

What assumptions are we building our NOK 500 million ambition on?

Fully monetize existing contracts

Enabled by improved end-customer sales

Expand position with existing customers

Seeking significant volume commitments in new contracts

Launch more 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 **IoT market**

Q&A



ellipticlabs

AI Virtual Smart Sensor Platform™

CEO Laila Danielsen
laila@ellipticlabs.com

CFO & IR Lars Holmøy
lars.holmoy@elliptic.com

Broad deployment of AI software,
disrupting large global markets

Disclaimer - Important information

The following presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ("relevant persons"). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Elliptic Laboratories AS (The Company). The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions.

This presentation includes and is based, inter alia, on forward-looking information and contains statements regarding the future in connection with The Company's growth initiatives, profit figures, outlook, strategies and objectives. All forward-looking information and statements in this presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for The Company. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions.

Important factors may lead to actual profits, results and developments deviating substantially from what has been expressed or implied in such statements. Although The Company believes that its expectations and the presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the presentation.

The Company is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the presentation, and neither The Company nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use. This presentation was prepared in connection with a investment highlights presentation for disclosure at the company's website. Information contained herein will not be updated.

Appendix

Reported financials

Profit and loss

		Q1 2024	Q1 2023	2023
	Notes	(Unaudited)	(Unaudited)	(Audited)
<i>(Amounts in 000 NOK)</i>				
Revenues from contracts with customers		22 232	4 050	68 321
Other operating income	9	357	0	1 312
Total revenue and other operating income	2	22 590	4 050	69 632
Employee benefits expenses		21 549	18 939	-80 552
Other operating expenses	3	4 332	5 518	-22 599
EBITDA		-3 291	-20 407	-33 519
Depreciation and amortization	5	4 960	3 718	-16 224
Operating expenses		30 840	28 175	-119 375
Operating profit		-8 251	-24 126	-49 743
Financial income		6 184	6 545	12 191
Financial expenses		-1 093	-853	-9 306
Net financial income/(expenses)		5 091	5 692	2 886
Profit/(loss) before tax		-3 160	-18 434	-46 857
Income tax expense		-544	-3 537	8 856
Profit/(loss)		-2 616	-14 897	-38 001
Other comprehensive income:				
Foreign currency rate changes, may be reclassified to profit or loss		355	297	151
Other comprehensive income, net of tax		355	297	151
Total comprehensive income for the period		-2 261	-14 600	-37 850

Reported financials

Cash flow

(Amounts in 000 NOK)	(Unaudited) Q1 2024	(Unaudited) Q1 2023	(Audited) 2023
Cash flow from operating activities			
Profit/(loss) before tax	-3 160	-18 434	-46 857
Adjustment for:			
Taxes paid in the period	0	0	9
Depreciation and amortization	4 960	3 718	16 224
Share-based payments	1 808	2 988	9 842
Net finance items	-5 218	0	-3 369
Items classified as investing or financing activities	566	166	-1 031
Change in current trade receivable	-8 655	-708	-20 118
Change in trade payables	-75	-645	2 187
Change in other accruals	1 451	-3 715	-2 396
Net cash flows from operating activities	-8 321	-16 630	-45 509
Cash flow from investing activities			
Purchase of property, plant and equipment	0	0	-514
Capitalized development costs	-7 257	-6 092	-25 099
Interest received	891	0	4 642
Net cash flows from investing activities	-6 367	-6 092	-20 971
Cash flow from financing activities			
Payments of lease liabilities, classified as financing activities	-1 456	-677	-5 007
Repayments of current borrowings	-1 000	-1 000	-4 000
Proceeds from issuing shares	0	0	9 495
Payments for share issue costs	0	0	0
Paid interest on loan	-121	-166	-589
Paid interest on lease liabilities	-443	0	-1 356
Proceeds from government grants	0	0	3 663
Net cash flows from financing activities	-3 020	-1 843	2 206
Net Change in Cash and Cash Equivalents	-17 709	-24 565	-64 274
Cash and cash equivalents at the beginning of the period	115 582	178 219	178 219
Effect of foreign currency rate changes on cash and cash equivalents	355	297	151
Exchange rate effects bank	1 698	0	1 486
Cash and cash equivalents at the end of period	99 926	153 951	115 582

Reported financials

Balance sheet

Assets

		31.03.2024	31.03.2023	31.12.2023
<i>(Amounts in 000 NOK)</i>	<i>Notes</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Non-current assets				
Deferred tax assets	8	78 229	72 374	77 685
Intangible assets	4	60 803	49 714	57 814
Right of use assets		19 340	1 636	19 447
Property, plant and equipment	5	434	-	460
Other non-current receivables		8 923	8 164	8 861
Total non-current assets		167 729	131 889	164 266
Current assets				
Current trade receivables		69 268	41 203	60 612
Other current receivables		11 131	8 869	9 448
Cash and cash equivalents	7	99 926	153 951	115 582
Total current assets		180 325	204 023	185 642
Total assets		348 054	335 912	349 909

Equity & liabilities

		31.03.2024	31.03.2023	31.12.2023
<i>(Amounts in 000 NOK)</i>	<i>Notes</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Equity and liabilities				
Share capital		1 048	1 041	1 048
Other equity		305 608	312 969	306 060
Total equity		306 656	314 010	307 109
Liabilities				
Non-current lease liabilities		13 854	558	15 874
Non-current borrowings		1 000	5 000	2 000
Total non-current liabilities		14 854	5 558	17 874
Current borrowings		4 000	4 000	4 000
Trade and other current payables		3 781	1 023	3 855
Current tax liabilities		0	0	0
Current lease liabilities		6 126	1 489	3 990
Other current liabilities		12 637	9 833	13 080
Total current liabilities		26 544	16 345	24 926
Total equity and liabilities		348 054	335 912	349 909

Shareholder information

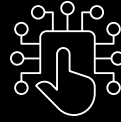
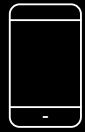
Top 20 shareholders as of 13. May 2024

		Number of shares	% of total shares
1	PASSESTA AS	12 800 480	12.2%
2	MP PENSJON PK	8 997 913	8.6%
3	ALDEN AS	7 403 330	7.1%
4	VERDIPAPIRFONDET DNB SMB	5 553 262	5.3%
5	J.P. Morgan SE	4 683 767	4.5%
6	HORNE	4 665 455	4.5%
7	DANIELSEN	4 374 150	4.2%
8	SIX SIS AG	2 820 000	2.7%
9	Bank Pictet & Cie (Europe) AG	2 483 257	2.4%
10	GHIBLI AS	2 100 000	2.0%
11	VINTERSTUA AS	2 082 161	2.0%
12	VERDIPAPIRFONDET FONDSFINANS NORGE	1 700 000	1.6%
13	NUNATAK AS	1 644 808	1.6%
14	FABRES SCALER	1 600 000	1.5%
15	Danske Invest Norge Vekst	1 492 700	1.4%
16	INVEN2 AS	1 441 670	1.4%
17	NORDNET LIVSFORSIKRING AS	1 344 352	1.3%
18	Danske Bank A/S	1 333 330	1.3%
19	State Street Bank and Trust Comp	1 200 765	1.1%
20	CIPRIANO AS	989 359	0.9%
Top 20 shareholders		70 710 759	67.4%
	Other	34 127 211	32.6%
Total		104 837 970	100.0%

Shares and options owned by BoD, mgmt, and employees as of 13. May 2024 (fully diluted)

	Number of shares	Percent of fully diluted shares
Shares owned by Board of Directors	7 421 330	6.6%
Shares owned by Management	4 606 415	4.1%
Allocated Options to Employees and management in shares	6 828 914	6.1%
Other shareholders	92 810 225	83.1%
Total	111 666 884	100.0%

Wide-ranging opportunities across significant markets



	Smartphones	PCs, Laptops & tablets	IoT	Smart TVs	Automotive
Number of units	1.4bn	460m	2.1 bn	400m	100m
x Price of alternatives	Infrared USD 0.10 – 0.25	Time-of-Flight / Radar USD 2.5 – 4.0	Time-of-Flight/Infrared USD 0.10 – 2.0	Time-of-Flight USD 2.50	Radar USD 10 – 20
= Total addressable Market	USD 140 – 350m	USD 1.1 – 1.8bn	USD 1bn	USD 1bn	USD 1-2bn

Disclaimer - Important information

The following presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated ("relevant persons"). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Elliptic Laboratories AS (The Company). The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions.

This presentation includes and is based, inter alia, on forward-looking information and contains statements regarding the future in connection with The Company's growth initiatives, profit figures, outlook, strategies and objectives. All forward-looking information and statements in this presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for The Company. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions.

Important factors may lead to actual profits, results and developments deviating substantially from what has been expressed or implied in such statements. Although The Company believes that its expectations and the presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the presentation.

The Company is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the presentation, and neither The Company nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use. This presentation was prepared in connection with Q4 2021 financial reporting on March 10, 2022. Information contained herein will not be updated.

ellipticlabs

AI Virtual Smart Sensor Platform™



CEO Laila Danielsen
laila@ellipticlabs.com



CFO & IR Lars Holmøy
lars.holmoy@elliptic.com