

ellipticlabs

2025

Q2 & 1H Report (Unaudited)

AI Virtual Smart Sensor Platform™



Seamless



Proximity



Presence



Distance



Gesture



Positioning



Connection



Breathing



Heartbeat

Elliptic Labs — Q2 2025: Building fundament for solid full year growth

Total revenue and other operating income was NOK 25.0 million (34.2) for the second quarter 2025. This corresponds to a decrease of -27% year-over- year.

Elliptic Labs reports 1H 2025 Revenues from contracts with customers of NOK 51.2 million, a decrease of -9%. from NOK 56.1 million 1H 2024.

In the first half of 2025, we launched our platform on 25 new laptop models, maintaining strong deployment momentum while signing two major new agreements in Q3 2025 with an existing customer. The contracts cover both commercial and consumer segments as well as PC accessories and includes an expanded licensing structure and minimum committed revenues where the majority will be recognized in Q3 and the remaining in Q4. The commercial progress underscores the scalability of our platform and broadening our reach across the customer's device portfolio.

In the smartphone segment, Elliptic Labs has launched its platform on 43 new models year-to-date. This rapid adoption is fueled by our proven technology that enables OEMs to deploy without proof-of-concept testing, and by deepening partnerships with leading ecosystem players such as Qualcomm and MediaTek. With more than 200 smartphone models launched cumulatively Elliptic Labs is building a foundation and reaffirming its role as a leading AI software platform in the PC and smartphone market.

Highlights from Q2 2025:

- Entered agreement with current laptop customer to power internal multi-device connectivity solution
- Launched on 9 new laptop models in the quarter, bringing year-to-date laptop launches to 25 (including dual-sensor configurations)
- Launched on 25 new smartphone models in the quarter

Events after the End of the Quarter:

- Signed two new laptop contracts with existing customer for a combined minimum commitment of approximately NOK 55m in Q3'25, covering commercial, consumer and PC accessories segments
- Launched on additional 7 smartphones
- Cumulative launches since start of 2025: 25 (13)laptop models and 43 (32) smartphone models, with a total of 205 smartphone and 58 laptop models launched since 2016

Elliptic Labs continues to lead in AI Virtual Smart Sensor Platform, demonstrating its ability to scale efficiently and profitably while solidifying its position in the rapidly evolving AI-native device market.

Outlook

Elliptic Labs reports Revenues from contracts with customers to NOK 51.2 million for First half of 2025, a decrease from NOK 56.1 million in first half of 2024, representing a decrease of -9%. With the recent addition of the new contracts from an existing pc customer and from the commercial progress achieved over the recent months and quarters, the company is in a stronger position than ever to realize growth going forward.

So far in 2025, Elliptic labs has deployed 34 AI Virtual Smart Sensors across 25 laptops, up from 16 AI Virtual Smart Sensors across 15 laptops in for the full year 2024, demonstrating a clear growth in launches for the company. Further, 43 smartphones have been launched so far in the year. As we move through the third quarter we see great promise for the remainder of the year.

Multiple products per device is a clear driver of solid revenue growth with vast potential going forward. The growing laptop contract portfolio with increasing number of dual-sensor configurations reflects the company's strategic focus to secure significant volume commitments in new contracts while maximizing the value of existing agreements.

Looking ahead, both Gartner and Canalys indicate that evolving product strategies—especially the rising incorporation of dedicated AI accelerators—are set to reshape the market. Canalys forecasts that AI-capable PCs will account for 37% of global shipments in 2025, reflecting a significant shift in consumer and enterprise priorities as manufacturers invest in next-generation technologies .

As Elliptic Labs continues to execute on its growth journey there will continue to be fluctuations in revenue recognition from timing of milestone revenues, launches and shipments in the market. Our focus remains on commercial expansion, building the foundation for significant profitable growth for the years to come.

Elliptic Labs the only company to have deployed AI Virtual Smart Sensors at scale, Elliptic Labs is well positioned to capitalize on market recovery and ongoing innovation in the laptop and smartphone industries. The company remains operationally and financially equipped to sustain its growth trajectory.

Message from the CEO

Building Momentum for Full-Year Growth

Dear Shareholders,

We have continued to expand our portfolio of smartphone and laptop models through the first half of 2025 and over the summer. So far this year we have added 43 new smartphone models, bringing the total to more than 200 different smartphone models since we first introduced our AI Virtual Smart Sensors to the market in 2016. In the laptop segment, we have added 25 new models this year and increased the total number of models to 58 since we first entered this market segment in 2022.

The continued high number of launches demonstrates the strength of our strategic partnerships with leading global OEMs including Xiaomi, vivo, HONOR, and Transsion in the smartphone market, and with Lenovo in the laptop market.



"Strategic wins and platform expansion set us up for a strong second half of 2025."

Deeper and broader customer integration in the laptop market

In the laptop market, our AI Virtual Tap Sensor – the key enabler of Lenovo's innovative Smart Share feature, is being deployed on more laptop models. We also see an increasing number of models with dual-sensor configuration, bundling our AI Virtual Human Presence Sensor and the AI Virtual Tap Sensor. For example, the 25 new laptop models launched this year include a total of 34 Elliptic AI Virtual Smart Sensors. These launches continue to build on the foundation for our growth journey ahead.

Before the Summer, we signed an agreement to deliver our AI Virtual Smart Sensor Platform to support an existing PC customer to migrate from a third-party software integration app to the customer's internal multi-device connectivity solution.

This means that our AI Virtual Smart Sensor Platform is becoming an integrated part of the customer's proprietary software stack, making Elliptic Labs an essential enabler of their interoperability solution across their product portfolio. This significantly strengthens the long-term outlook for our partnership with the world's largest PC/laptop player.

Muted Revenue, Stronger Outlook

While Q2 revenue was temporarily impacted by a shift in licensing structure —pushing revenue from Q2 mostly to Q3 with the remainder in Q4 — this timing change does not reflect any change in commercial momentum. In fact, after quarter-end, we signed two major multi-year agreements with the same customer, covering both commercial and consumer segments. The contracts included expanded licensing structures to also cover PC accessories, underscoring the customer's solidified commitment to our technology platform across their device portfolio.

Penetrating the consumer laptop segment marks a critical milestone, unlocking access to the largest and most scalable market in the global PC industry—a key priority in our long-term growth strategy.

These contracts carry a combined minimum value of approx NOK 55 million and will contribute to a solid revenue uptick in the third quarter and towards double-digit revenue growth for the full year. We normally don't disclose contract size due to confidentiality obligations, but the customer has agreed to us reporting the minimum commitment for this contract due to the change in licensing structures and the impact on revenue in the quarter.

Clear Path Forward

We remain focused on scaling adoption of our AI Virtual Smart Sensor Platform, expanding into new customer segments, and maximizing the value of our product portfolio. With increasing demand for smarter, more intuitive, and sustainable devices, Elliptic Labs is well-positioned to deliver double-digit revenue growth for 2025 and beyond.

Thank you for your continued trust and belief in our mission.

Sincerely,

Laila Danielsen

CEO

Financial summary for the Group's YTD Q2 2025 (unaudited)

Comparable amounts for Q2 2024 are presented in parentheses.

Operating revenue

Total revenue and other operating income shows a -27% decrease year-on-year to mNOK 25.0 (34.2) in Q2 2025. Total revenue and other operating income for Second Quarter 2025 included mNOK 0.4 (0.4) in Other operating income from grants. Revenues from contracts with customers decreased by -27% to mNOK 24.6 (33.9) from the Second Quarter 2024 to the Second Quarter 2025.

For the 1H 2025 mNOK 51.2 (56.1) is reported as Revenues from contracts with customers, a -9% decrease from 1H 2024. Total revenue and other operating income 1H 2025 was mNOK 51.9 (56.8), a -9% decrease.

In Q2 2025, a majority of the revenue originated from contracts with fixed minimum license fees. However, there was an increased contribution from license fees on shipped units, a trend that is expected to continue in future periods.

Operating expenses and EBITDA

Operating expenses amounted to mNOK 23.9 (22.8) in the Second quarter 2025, excluding depreciation and amortization. For the 1H 2025 the figure was mNOK 52.5 (48.7).

Employee benefit expenses amounted to mNOK 18.3 (17.1) in the Second quarter 2025, including mNOK 1.1 (1.4) in expenses related to the Groups share option program. Other operating expenses was mNOK 5.6 (5.7). For the 1H 2025 Employee benefit expenses amounted to mNOK 40.2 (38.7), including mNOK 1.6 (3.2) in expenses related to the Groups share option program. Other operating expenses in the 1H 2025 was mNOK 12.3 (10.0).

The increase in Employee benefit expenses reflects additions of 3 FTEs compared to Second Quarter 2024, salary adjustments, and also full year effect from new hires 2024. Other operating expenses are at the same level as the Second Quarter 2024.

As a result, the Group reported an EBITDA of mNOK 1.1 (11.4) in the Second quarter 2025, and mNOK -0.6 (8.1) for the 1H 2025.

Operating profit (EBIT)

The Group generated in the Second quarter 2025 an operating (loss)/profit of mNOK -4.9 (6.4), and an operating loss of mNOK -11.8 (-1.8) for the 1H 2025.

Depreciation and amortization amounted to mNOK 6.0 (5.0) for the Second quarter 2025, and mNOK 11.3 (9.9). The increase mainly reflects higher amortization of patents and capitalized development intangibles, as well as a slight increase in depreciation charges on lease contracts.

Financial items

Second quarter 2025 net financial items amounted to mNOK -5.2 (-0.2). The Group has limited debt, and the primary factor explaining the negative

financial items this quarter is disagio effects from unrealized foreign exchange losses on balance sheet items, driven by currency fluctuations.

Financial items for the 1H 2025 was mNOK -12.6 (4.9).

Profit/loss

Second Quarter loss before tax was mNOK -10.1 (6.2). The loss before tax for the 1H 2025 was mNOK -24.4 (3.0).

The tax was mNOK 1.8 (-1.4), resulting in a loss after tax of mNOK -8.2 (4.8) for the Second quarter 2025. The tax was mNOK 4.2 (-0.9) for the 1H 2025, resulting in a loss of mNOK -20.2 (2.1).

Cash flow

The Cash flow from operating activities in the Second Quarter was mNOK -9.3 (1.9), due mainly to the negative change in other current assets and liabilities.

Cash flow from investing activities was mNOK -7.0 (-6.5) mainly related to capitalized development costs. Cash flow from financing activities was mNOK -3.0 (1.8) due to repayments of current borrowings, payments of lease liabilities, and interest payments.

The Cash flow from operating activities for the 1H 2025 was mNOK 2.8 (-6.4). Cash flow from investing activities was mNOK -13.6 (-12.8), mainly due to capitalized development costs. Cash flow from financing activities was mNOK -6.3 (-1.2)

Cash and cash equivalents at the end of the period were mNOK 57.0 (96.9). The cash flow from operations is within management expectations.

Financing and debt

The Group's equity at quarter end was mNOK 306.0 (325.3 at year end 2024). The Group had Total non-current liabilities of mNOK 9.6 (10.7 at year end 2024) at the end of Second quarter 2025.

Total non-current liabilities and Total current liabilities was mNOK 30.4 (35.7 at year end 2024).

The Group's increase in current trade receivables over recent periods 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 notable 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 maintains a sharp focus on expenses and cash flows ending the quarter with a cash position at mNOK 57.0 (96.9). We remain confident in the company's strategic cash management and emphasize that the current cash position aligns with our planned framework. Our history of financial discipline ensures that we are well-positioned to navigate temporary fluctuations and maintain a foundation for future growth.

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. In addition, a strong balance sheet is required to be able to meet thresholds set by customers. Elliptic Labs' cash position was mNOK 57.0 at the end of Q2 2025, and the Board of Directors assess this as sufficient to carry out Elliptic Labs' business plans.

Risks Related to U.S. Tariffs (As of August 25, 2025)

Recent developments in U.S.–China trade policy continue to present risks to global technology supply chains. On August 11, 2025, the United States and China extended their existing 90-day tariff truce through early November 2025. Under this extension, U.S. tariffs on most Chinese imports remain capped at approximately 30%, while China maintains tariffs of about 10%. This temporary agreement prevents a reversion to the triple-digit tariff levels threatened earlier in 2025, when rates were expected to escalate to as high as 145% in the U.S. and 125% in China.

Notably, U.S. authorities have introduced broad exemptions for key technology products, including smartphones, laptops, semiconductor devices, flat-panel display modules, and solid-state drives. These exemptions, retroactive to April 2025, provide near-term relief for consumer electronics and component supply chains. However, the 20% China-specific enforcement duty and classification risks at the component level mean that exposure to tariff costs has not been fully eliminated.

While the extension of the tariff truce has temporarily eased immediate cost pressures, the risk of tariff escalation remains elevated if a more permanent trade agreement is not achieved before the November deadline. Any lapse in the truce could result in renewed tariff spikes, significantly increasing manufacturing costs, disrupting supply chains, and altering consumer demand patterns.

Elliptic Labs continues to monitor these developments closely. Nonetheless, continued uncertainty around U.S.–China trade policy could materially affect the company's cost structures, profitability, and competitive positioning within affected markets.

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

Elliptic Labs is exposed to foreign exchange risk, as revenues from contracts with customers almost entirely are nominated in USD and or EUR whereas the largest portion of operating expenses are in NOK. Changes in the NOK/USD/EUR may result in change in top line and may effect profit before tax on an annual basis.

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

Consolidated financial statements

Consolidated statement of comprehensive income

For the financial period ended 30 June 2025 and 2024, and 31 December 2024.

		Q2 2025	Q2 2024	1H 2025	1H 2024	2024
(Amounts in 000 NOK)	Notes	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenues from contracts with customers		24 601	33 884	51 220	56 116	131 914
Other operating income	9	357	357	715	715	1 430
Total revenue and other operating income	2	24 959	34 241	51 934	56 831	133 343
Employee benefit expenses		-18 279	-17 136	-40 236	-38 684	-87 861
Other operating expenses	3	-5 609	-5 683	-12 272	-10 015	-20 365
EBITDA		1 070	11 422	-574	8 132	25 118
Depreciation and amortization	4,5	-5 995	-4 986	-11 259	-9 946	-20 408
Operating expenses		-29 883	-27 805	-63 768	-58 645	-128 633
Operating profit		-4 925	6 436	-11 833	-1 815	4 710
Financial income		878	1 006	2 476	7 190	16 960
Financial expenses		-6 031	-1 242	-15 087	-2 335	-4 623
Net financial income/(expenses)		-5 153	-237	-12 611	4 854	12 337
Profit/(loss) before tax		-10 078	6 199	-24 444	3 039	17 047
Income tax expense		1 839	-1 448	4 205	-904	-8 086
Profit/(loss)		-8 238	4 751	-20 240	2 135	8 960
Other comprehensive income:						
Foreign currency rate changes, may be reclassified to profit or loss		-299	-88	-826	267	667
Other comprehensive income, net of tax		-299	355	-826	267	667
Total comprehensive income for the period		-8 537	4 664	-21 065	2 403	9 627
Profit/Loss for the period is attributable to:						
Equity holders of the parent company		-8 537	4 664	-21 065	2 403	9 627
Earnings per share outstanding		-0.08	0.04	-0.20	0.02	0.09
Earnings per share fully diluted		-0.08	0.04	-0.20	0.02	0.08

Consolidated statement of financial position

At 30 June 2025, 31 December 2024 and 30 June 2024 respectively

(Amounts in 000 NOK)	Notes	30/06/25 (Unaudited)	31/12/24 (Audited)	30/06/24 (Restated)
Non-current assets				
Deferred tax assets	8	80 905	75 420	77 262
Intangible assets	4	70 723	66 252	62 434
Right of use assets		13 702	16 301	18 083
Property, plant and equipment	5	335	357	408
Non-current receivables		6 942	7 245	7 248
Total non-current assets		172 608	165 575	165 435
Current assets				
Current trade receivables		93 698	110 936	79 196
Other current receivables		13 111	8 125	13 247
Cash and cash equivalents	7	56 955	76 390	96 895
Total current assets		163 764	195 451	189 338
Total assets		336 372	361 026	354 773
Equity and liabilities				
Share capital		1 053	1 053	1 053
Other equity		304 904	324 288	314 758
Total equity		305 957	325 341	315 810
Non-current lease liabilities		9 552	10 727	13 220
Non-current borrowings		—	—	—
Total non-current liabilities		9 552	10 727	13 220
Current borrowings		—	2 000	4 000
Trade and other current payables		5 670	1 301	6 362
Current lease liabilities		5 008	6 625	5 682
Other current liabilities		10 186	15 032	9 698
Total current liabilities		20 864	24 958	25 742
Total equity and liabilities		336 372	361 026	354 773

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	—	—	-20 240	—	-20 240
Other comprehensive income for the period	—	—	—	-826	-826
Total comprehensive income for the period	—	—	-20 240	-826	-21 065

Transactions with owners:

Capital increase through issuance of ordinary shares	—	123	—	—	123
Transactions costs related to issuance of ordinary shares, net of tax	—	—	—	—	—
Employee share schemes	—	—	1 558	—	1 558
Shareholders' equity at 30.06.2025	1 053	359 956	-55 219	167	305 957

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	—	—	2 135	—	2 135
Other comprehensive income for the period	—	—	—	267	267
Total comprehensive income for the period	—	—	2 135	267	2 403

Transactions with owners:

Capital increase through issuance of ordinary shares	4	4 831	—	—	4 835
Transactions costs related to issuance of ordinary shares, net of tax	—	—	—	—	—
Employee share schemes	—	—	3 169	—	3 169
Shareholders' equity at 30.06.2024	1 053	359 833	-45 669	594	315 810

Consolidated statement of cash flows

For the financial period ended 30 June 2025 and 2024, and 31 December 2024.
(Unaudited) (Unaudited) (Unaudited) (Unaudited) (Audited)

(Amounts in 000 NOK)	Q2 2025	Q2 2024 ¹	1H 2025	1H 2024	2024
Cash flow from operating activities					
Profit/(loss) before tax	-10 078	6 199	-24 444	3 039	17 047
Adjustment for:					
Taxes paid in the period	-783	—	-1 628	—	-2 203
Depreciation, amortization and impairment	6 141	4 986	11 405	9 946	21 860
Share-based payment expense	1 069	1 360	1 558	3 169	5 475
Net finance items	1 063	97	3 400	-5 120	-795
Other non cash items	1 362	—	2 722	—	-388
Items classified as investing or financing activities	—	499	—	1 066	—
Change in current trade receivable	-1 282	-9 928	17 238	-18 583	-50 324
Change in trade payables	2 243	2 581	4 369	2 507	-2 554
Change in other current assets and liabilities	-9 017	-3 867	-11 833	-2 416	1 275
Net cash flows from operating activities	-9 282	1 929	2 787	-6 392	-10 607
Cash flow from investing activities					
Payments of property, plant and equipment	-31	—	-31	—	—
Payments of intangible assets	-7 556	-8 020	-14 923	-15 278	-30 502
Interest received	543	1 557	1 095	2 448	4 367
Proceeds from repayment of deposits	23	—	323	—	1 816
Payment of deposits	—	—	-81	—	-237
Net cash flows from investing activities	-7 021	-6 463	-13 617	-12 830	-24 555
Cash flow from financing activities					
Repayments of lease liabilities	-1 686	-1 512	-3 543	-2 968	-6 138
Repayments of current borrowings	-1 000	-1 000	-2 000	-2 000	-4 000
Proceeds from issuing shares	123	4 835	123	4 835	4 835
Paid interest on borrowings	-21	-103	-52	-223	-367
Paid interest on lease liabilities	-398	-449	-870	-892	-1 466
Net cash flows from financing activities	-2 982	1 772	-6 343	-1 248	-7 135
Net Change in Cash and Cash Equivalents	-19 284	-2 762	-17 173	-20 471	-42 297
Cash and cash equivalents at the beginning of the period	76 781	99 926	76 390	115 582	115 582
Translation differences	-542	-269	-2 263	1 783	3 105
Cash and cash equivalents at the end of period	56 955	96 895	56 955	96 895	76 390

¹ 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 Q2 2024 figures are presented as previously disclosed.

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 Second quarter consolidated financial statements of the Group have been prepared in accordance with IAS 34 for the financial reporting of the Second 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 Q2 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.

Note 2 – Total revenue and other operating income

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

(Amounts in 000 NOK)	Q2 2025	Q2 2024	1H 2025	1H 2024	2024
Revenue recognized at point in time	24 601	33 884	51 220	56 116	131 914
Total revenue	24 601	33 884	51 220	56 116	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 then in increments as minimum production thresholds are met if royalty-based revenue exceed the minimum fixed fee if any. For the financial year 2024 and YTD 2025, the majority of the contracts from which revenue was recognized were of the minimum fixed fee character, but a growing share of reported revenue comes from royalties on shipped units, and is expected to increase going forward.

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 30 June 2025 all recognized revenues are unconditional as the related performance obligations have been satisfied.

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 3 – Other operating expenses

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(Amounts in 000 NOK)	Q2 2025	Q2 2024	1H 2025	1H 2024	2024
Sales and marketing expenses	1 648	1 700	3 821	3 682	6 919
Short-term lease expenses	275	535	851	1 027	1 844
Electricity, heating and other property expenses	480	670	1 093	1 155	2 128
Consultants	736	746	1 923	1 704	3 686
Auditor	620	276	1 295	647	973
Legal	243	608	247	978	1 033
Patents	364	202	730	541	2 663
IT/Software	667	961	1 596	1 990	4 195
Other expenses	681	1 151	921	1 766	1 514
Impairment of trade receivables, ECL provision	—	—	—	—	939
Recoveries of previously written-off receivables in 2018	—	-1 040	—	-3 225	-5 018
Government grants recognized as other cost reduction	-103	-125	-205	-251	-512
Total other operating expenses	5 609	5 683	12 272	10 015	20 365

Note 4 - 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	1 857		11 224	13 081
Cost at 30.06.2025	25 407	24	111 220	136 650
Accumulated amortization charges 01.01.2025	13 386	6	43 925	57 317
Amortization charges	481		8 127	8 608
Accumulated amortization charges 30.06.2025	13 867	6	52 052	65 925
Net booked value as at 30.06.2025	11 540	18	59 168	70 723
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	2 548		11 663	14 212
Cost at 30.06.2024	22 776	24	89 300	112 100
Accumulated amortization charges 01.01.2024	12 475	6	29 779	42 260
Amortization charges	333		7 073	7 406
Accumulated amortization charges 30.06.2024	12 808	6	36 852	49 666
Net booked value as at 30.06.2024	9 968	18	52 447	62 434
Useful life:	5	5	5	
Amortization method:	Straight-line	Straight-line	Straight-line	

Note 5 - 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	—	31	31
Disposals	—	—	—
Cost at 30.06.2025	23 433	545	23 979
Accumulated depreciation charges 01.01.2025	7 132	157	7 290
Current year depreciation	2 599	52	2 651
Accumulated depreciation charges at 30.06.2025	9 731	210	9 941
Net booked value as at 30.06.2025	13 702	335	14 038
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	1 572	—	1 572
Disposals	-1 346	—	-1 346
Cost at 30.06.2024	22 653	514	23 167
Accumulated depreciation charges 01.01.2024	2 980	54	3 034
Current year depreciation	2 489	51	2 541
Disposals	-899	—	-899
Accumulated depreciation charges at 30.06.2024	4 570	106	4 676
Net booked value as at 30.06.2024	18 083	408	18 492
Useful life:	1-5	5	
Amortization method:	Straight-line	Straight-line	

Note 6 – Share option programs

As of 30 June 2025, the Group has option programs that includes a total of 89 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 22 May 2025, the Board granted a total of 1,319,500 share options to 89 employees who had joined the Company before 1 October 2024, with a strike price of NOK 11.422 per share and vesting equally over three years. This included, primary insiders on the same terms, including 300,000 options to CEO Laila Danielsen, 110,000 to CFO Lars Holmøy, 325,000 to EVP Engineering Espen Klovning, and 125,000 to EVP Sales & Business Development Brian Daly. At the AGM on 21 May 2025, the GM also resolved to grant the Board of Directors a total of 275,000 share options at a strike price of NOK 9.36, comprising 98,000 options to Chair Sverre Tore Larsen and 59,000 options each to members Ingrid Leisner, Berit Svendsen, and Svein Egil Nielsen.

As of 30 June 2025, the total number of outstanding options for both employees, management and BoD when converted into shares, was 7 748 948 of which 5 191 958 were already vested. The option program entitles the employees to approximately 6.86% of the fully diluted outstanding shares, which includes all outstanding options. The fully diluted outstanding share count on 30 June 2025 was 113 035 713.

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 7 – Cash and cash equivalents

(Amounts in 000 NOK)	30.06.2025	31.12.2024
Cash and cash equivalents	56 955	76 390
Of which are restricted cash:		
Restricted bank deposits for employee tax withholdings	2 288	2 193
Not restricted cash	54 666	74 198

Note 8 – Estimates

The Group has recognized a deferred tax asset of mNOK 80.9 related to accumulated tax losses in Elliptic Laboratories ASA. These losses, incurred in prior periods primarily due to investment in research and development, are available for indefinite carryforward under Norwegian tax law. Recognition of the deferred tax asset is based on expected future taxable income, supported by the Group's established customer contracts, scalable business model, and anticipated revenue growth. The Group expects to utilize the tax losses within a few years.

Note 9 – Government grants

The table below sets forth the treatment of government grants.

(Amounts in 000 NOK)	Q2 2025	Q2 2024	1H 2025	1H 2024	2024
Recognized as income from other sources	357	357	715	715	1 430
Reduction of capitalized development	910	744	1 820	1 487	2 967
Recognized as payroll cost reduction	175	319	350	637	1 271
Recognized as other cost reduction	103	125	205	251	512
Total government grants	1 545	1 545	3 090	3 090	6 180

Note 10 – 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.

		Q2 2025	Q2 2024	1H 2025	1H 2024	2024
(Amounts in 000 NOK)	Notes	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Restated)
Revenues from contracts with customers		24 601	33 884	51 220	56 116	131 914
Other operating income	9	357	357	715	715	1 430
Total revenue and other operating income	2	24 959	34 241	51 934	56 831	133 343
Employee benefits expenses		-18 279	-17 136	-40 236	-38 684	-87 861
Other operating expenses	3	-5 609	-5 683	-12 272	-10 015	-20 365
EBITDA		1 070	11 422	-574	8 132	25 118

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

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	LTM
(Amounts in 000 NOK)					
Revenues from contracts with customers	24 601	26 618	47 573	28 225	127 018
EBITDA	1 070	-1 645	16 529	457	16 412

Note 11 – Subsequent events

On the 11th of July 2025, Elliptic Labs announced it had signed an agreement with a current laptop customer to deliver its AI Virtual Smart Sensor Platform to power the customer's internal multi-device connectivity solution.

On the 25th of August 2025, Elliptic Labs announced it had signed a multi-year license agreement with an existing laptop customer, expanding licensing to PC accessories and cementing its AI Virtual Smart Sensor Platform as core to the customer's next-generation commercial laptop roadmap.

On the 27th of August 2025, Elliptic Labs announced it had signed a multi-year license agreement with an existing laptop customer for consumer laptops and PC accessories, broadening deployment of its AI Virtual Smart Sensor Platform to cover both the commercial and consumer markets.

Board and Management confirmation

We confirm that, to the best of our knowledge, the enclosed condensed set of financial statements for the first half year of 2025, which has been prepared in accordance with IAS 34 Interim Financial Statements, gives a true and fair view of assets, liabilities, financial position and profit or loss of the Company and the group as a whole, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Oslo, 28th of August 2025

The Board of Directors and Chief Executive Officer of Elliptic Laboratories ASA
electronically signed

Svenn-Tore Larsen
Chairman

Edvin Austbø
Board Member

Ingrid Elvira Leisner
Board Member

Svein-Egil Nielsen
Board Member

Berit Svendsen
Board Member

Laila B. Danielsen
CEO

ellipticlabs

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