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# Elliptic Labs

## Growth story

### AI Virtual Smart Sensor Platform™

Lars Holmøy – CFO

Nordea Small and Mid Cap Days | August 24, 2022

A woman with dark hair, wearing a white blazer over a white collared shirt, is smiling and looking towards the camera. She is in a modern office setting with large windows in the background. Overlaid on the image are glowing blue and white lines representing a digital network or data flow. In the foreground, the back of a woman's head with blonde hair is visible, looking towards the left. Other people are blurred in the background.

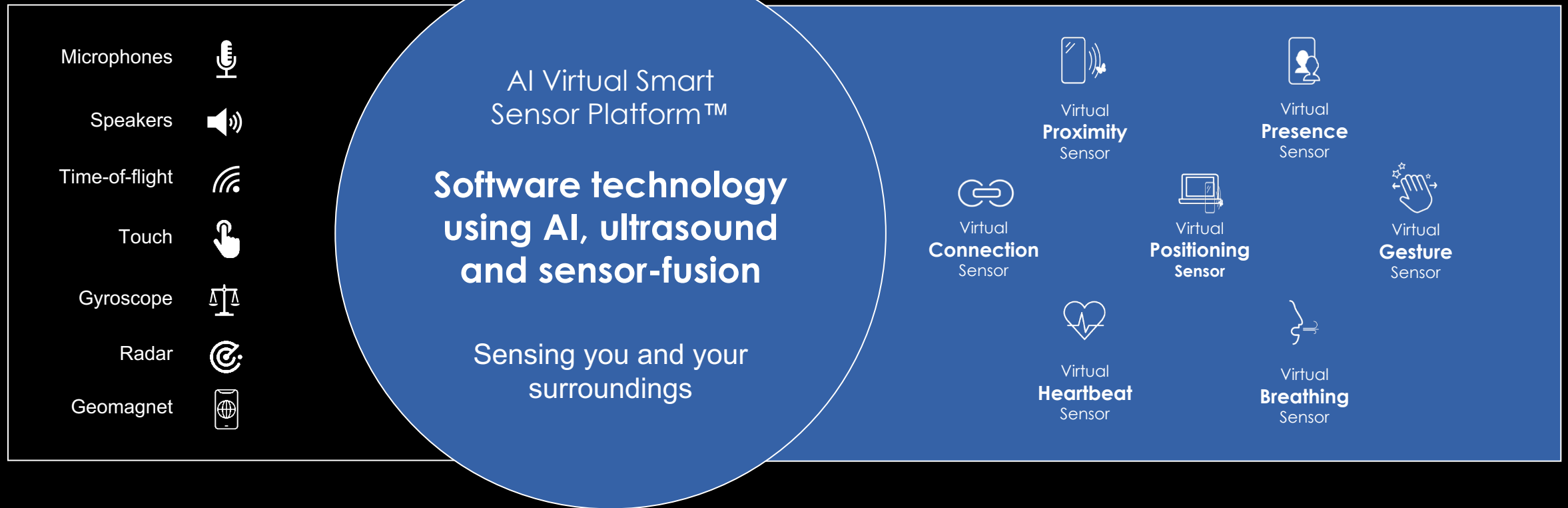
Sensors touch every aspect  
of life and drive the digital  
transformation

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

# Our AI Virtual Smart Sensor Platform™ makes devices intelligent

Leveraging existing single purpose sensors

Elliptic Labs' Virtual Smart Sensors™

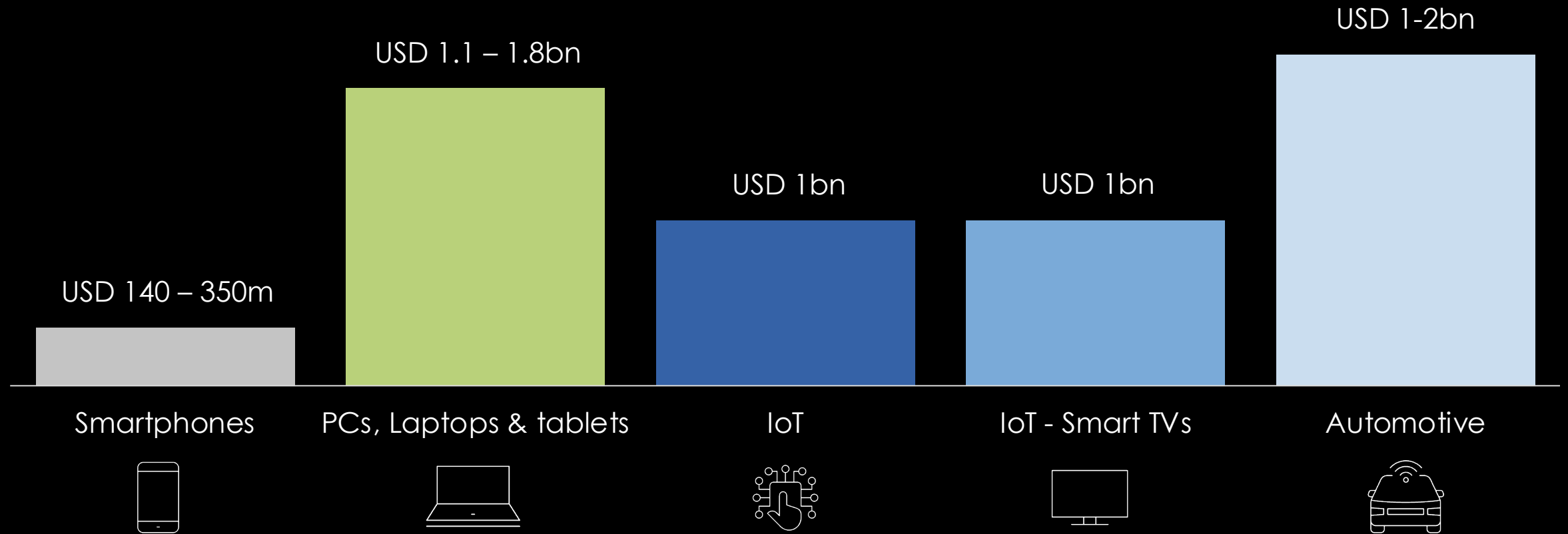


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# Billions of devices use hardware sensor components

Our USD 5.5 billion market opportunity



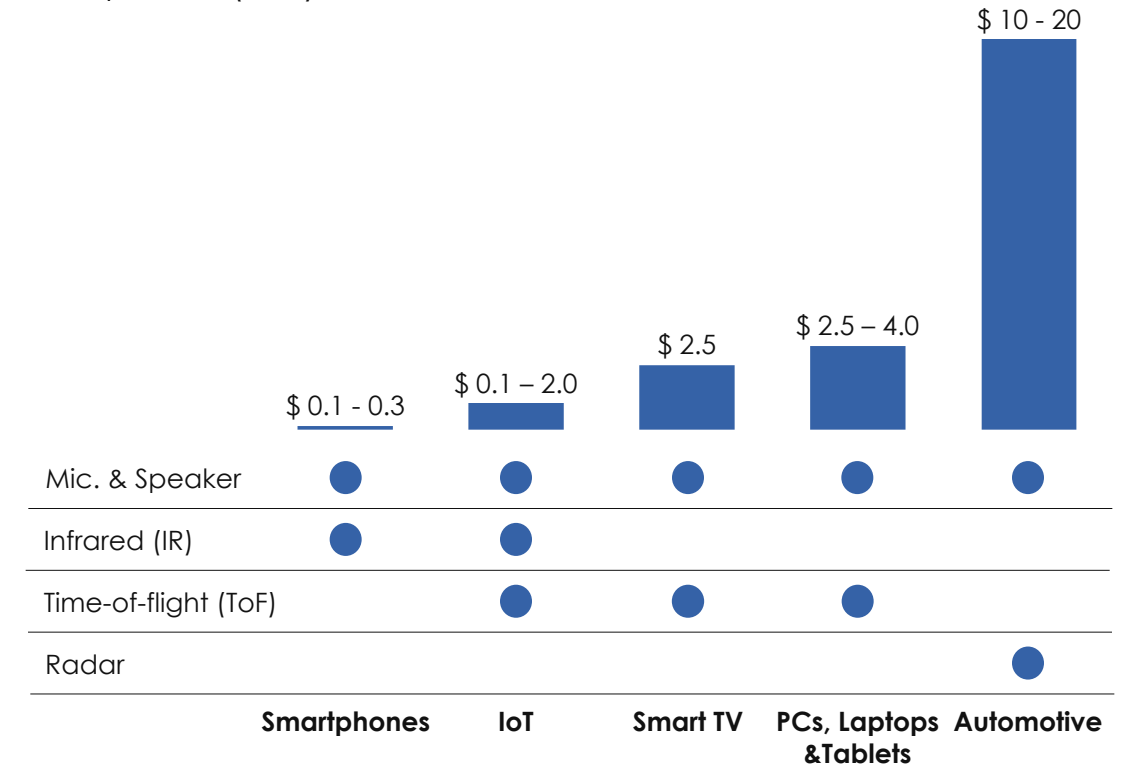
# The market is dominated by single-purpose hardware sensor

## Hardware sensor components

- Microphone and speaker
  - In most devices for standard audio and voice control
- Infrared Proximity Sensor:
  - Mature and incumbent technology in most smartphones
  - Enabling screen lock when marking calls
- Time-of-Flight:
  - Non-standardized and non-incumbent
  - In PCs, laptops, tablets, smart TVs, and IoT products
- Radar
  - Detects relative position and motion

## Hardware sensors technology cost

Cost per unit (USD)

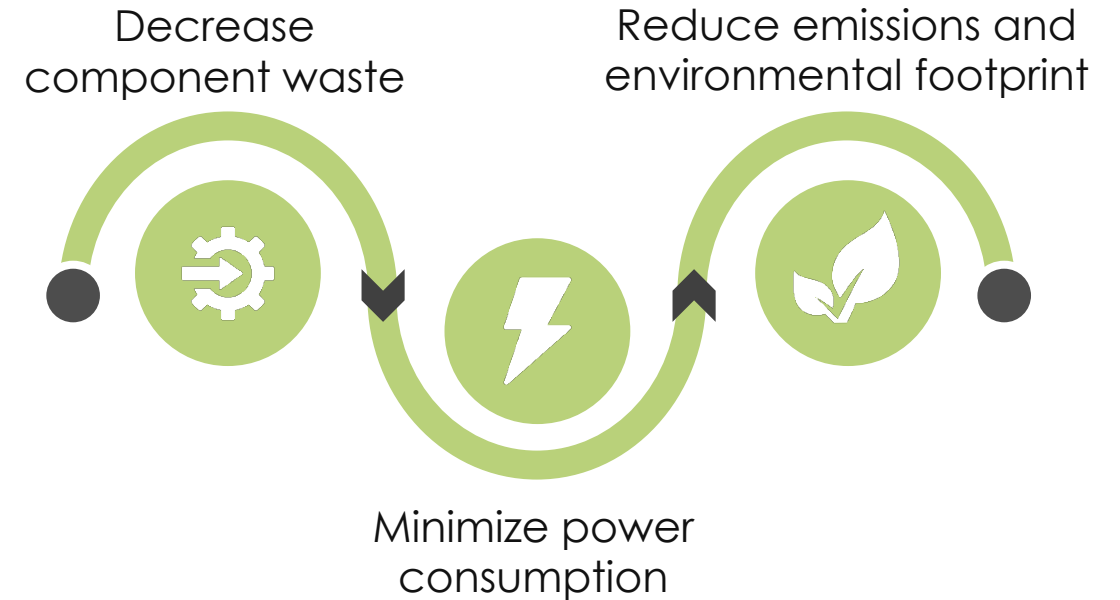


# We reduce cost, risk & environmental footprint while adding more capabilities

## Replacing hardware sensor components

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

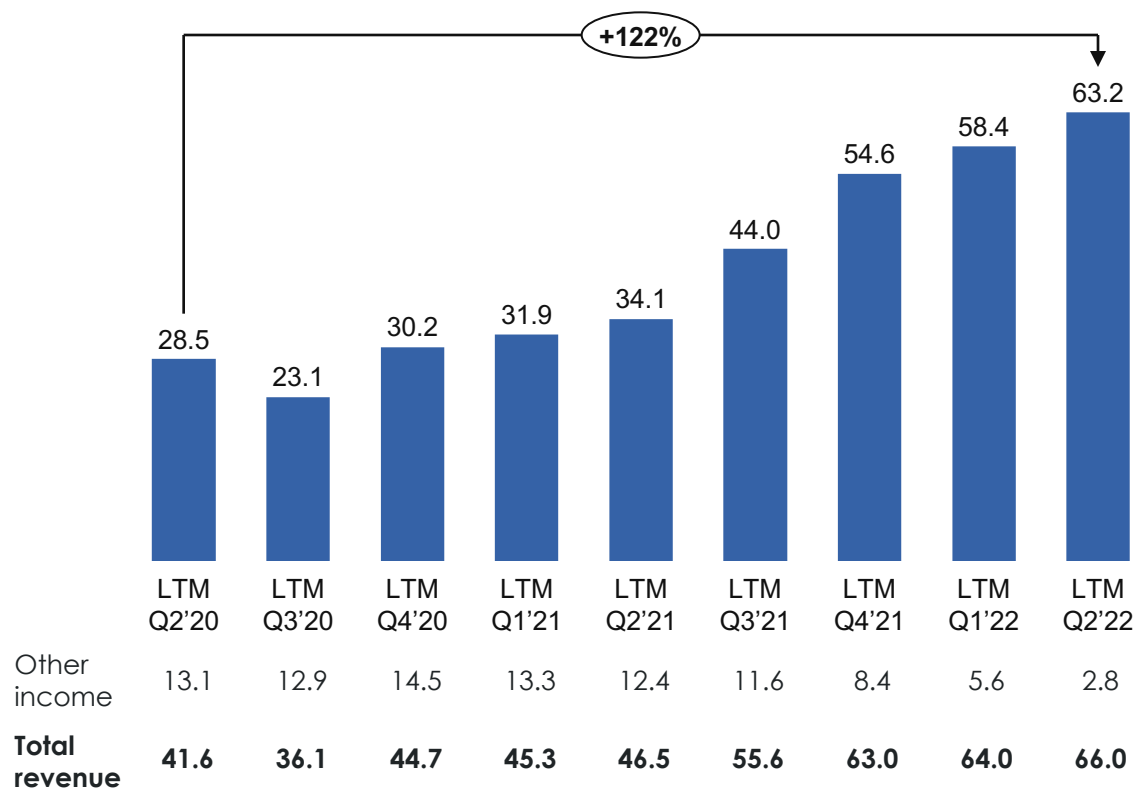
## Reducing environmental footprint



# Strong growth through the global pandemic

## Revenue growth from customers

NOK million, LTM



- 122% growth in Revenue from customers Q2'22 vs. Q2'20
  - Mainly representing sales to smartphone OEMs
  - 59% Total revenue growth
  - Other income mainly reflects research grants, Innovation Norway support, etc.
- Smartphone manufacturing shut-downs during covid impacted Elliptic's software sales
- No direct supply chain issues as Elliptic's products are 100% software-based

# Investing in continued growth by strengthening our technology leadership



## Scaling the organization post Covid

- Expanded R&D-team at HQ in Oslo
  - Increased hiring in engineering
- Increasing commercial team's geographical presence
  - New and expanding office in Taiwan
  - Presence in USA to support sales in new verticals





Our first vertical

# The smartphone market

1.4 billion units

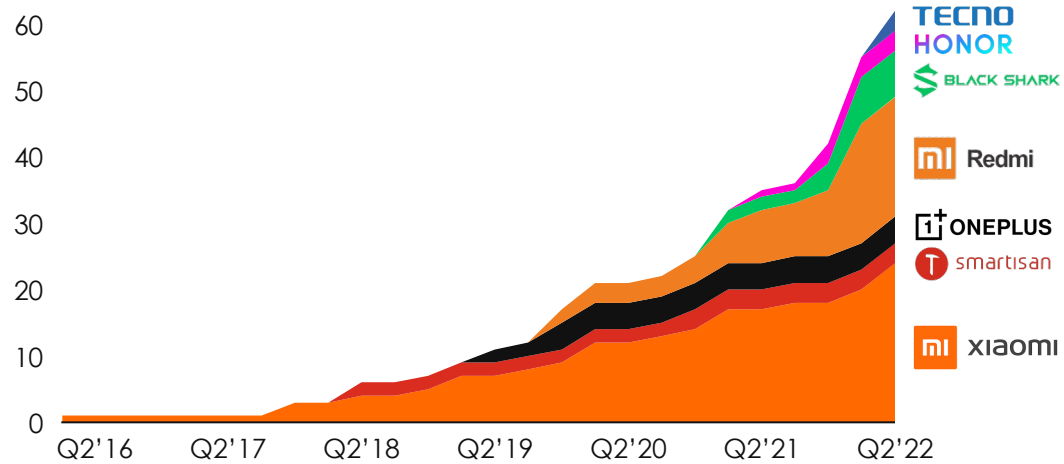
USD 140-350 million  
market opportunity

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# Experiencing continued strong demand and growth in Smartphones

## 62 models launched by Q2'22

Cumulative Q2'22



- Leading market position with proven performance allows for rapid adoption without Proof-of-Concept testing
- Market expansion through continued partnerships with Qualcomm & MediaTek
- 4 additional models launched subsequent to Q2'22

## Announced 20 smartphone launches H1 2022

AI Virtual Proximity Sensor™



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Our next growth vertical

# The PC, laptop & tablet market

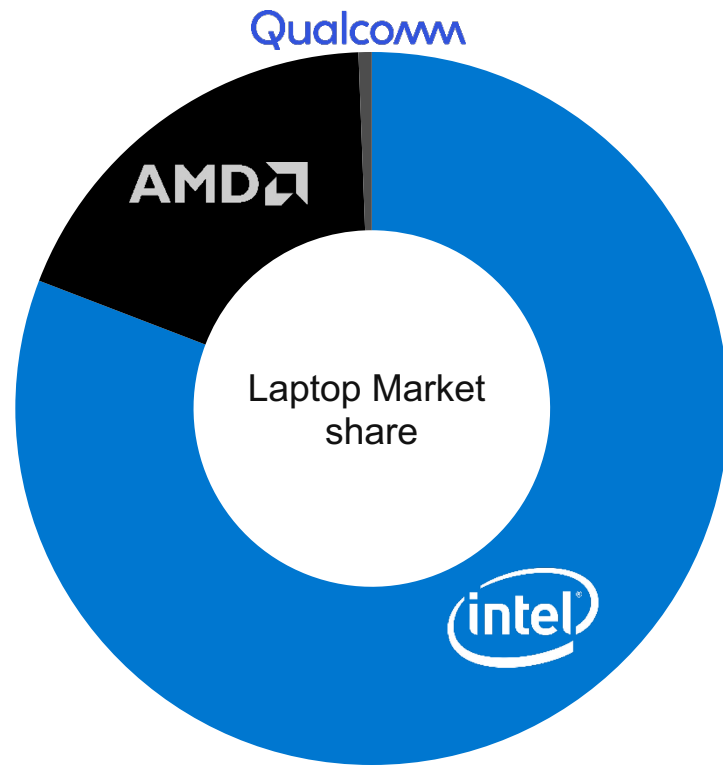
460 million units

USD 1.1-1.8 billion  
market opportunity

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# Uniquely positioned to expand in PC market through aligned roadmaps with Intel, AMD and Qualcomm

## Aligned roadmaps with key CPU partners



81%



19%



0.1%

Other

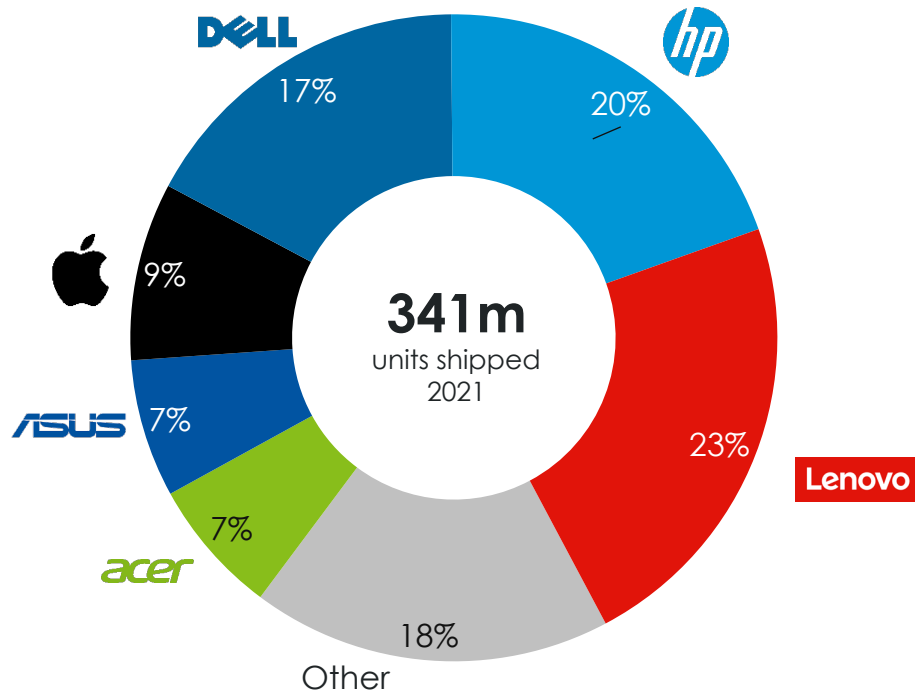
0.5%

- Intel, AMD and Qualcomm representing over 99% of total CPU market combined
- Enabling our platform for all PC manufacturers and all laptop models

# PC market concentrated by few high-volume companies

## PC/laptop market <sup>1</sup>

Market share Q1 2022<sup>1</sup>, Units FY 2021<sup>2</sup>



- Approximately 341 million units of Desktops and Notebooks shipped in 2021
- Elliptic's partnership with key CPU manufacturers enables our software on all laptops
- Competing hardware sensors
  - High-cost Time-of-Flight
  - USD 2.5 – 4.0 per unit
- Lenovo is the market-leading OEM
  - 23% market share<sup>1</sup> in Q1 2022

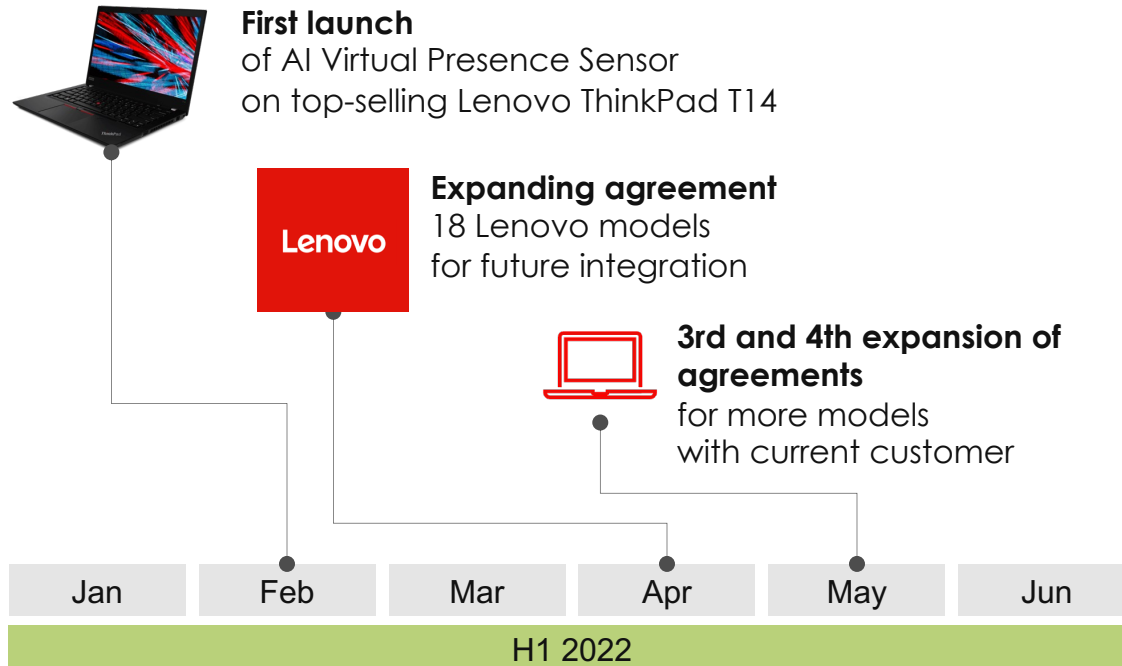
1) Source: IDC Quarterly Personal Computing Device Tracker, April 11, 2022

2) Source: Canalsys PC Analysis (sell-in shipments), January 2022



# First software-only presence sensor launched in Q1 2022, followed by rapid expansion in the first half of the year

## Contract for more than 20 Lenovo models including top seller ThinkPad T14



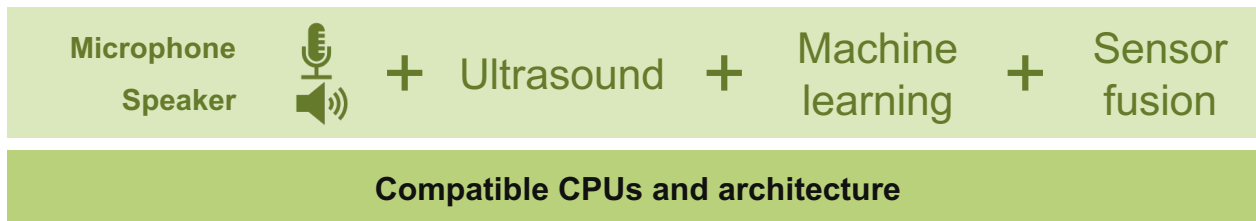
- Initial functionality
  - Presence detection reusing existing microphone and speaker (ultrasound technology)
  - Elliptic recognized in ThinkPad T14 Spec:
    - “Virtual Leave & Lock Sensor Powered by Elliptic Labs”
- Signed Enterprise License Agreement with Lenovo
  - More visibility, greater interest from partner eco-system
  - Accelerate interest from other PC vendors

# Launched AI Virtual Position Sensor™ in the Laptop market

## - automating external display setup

### AI Virtual Position Sensor

Illustration



### First Proof-of-Concept Agreement signed

- Allow laptops to seamlessly identify, locate, and configure external displays
- Utilizing proprietary machine learning (ML) tools, ultrasound, and Sensor fusion<sup>1</sup>
- Simplifies management of multiple work environments and caters for a hybrid work environment
- Improves productivity by eliminating need for wasteful setup and configuration cycles

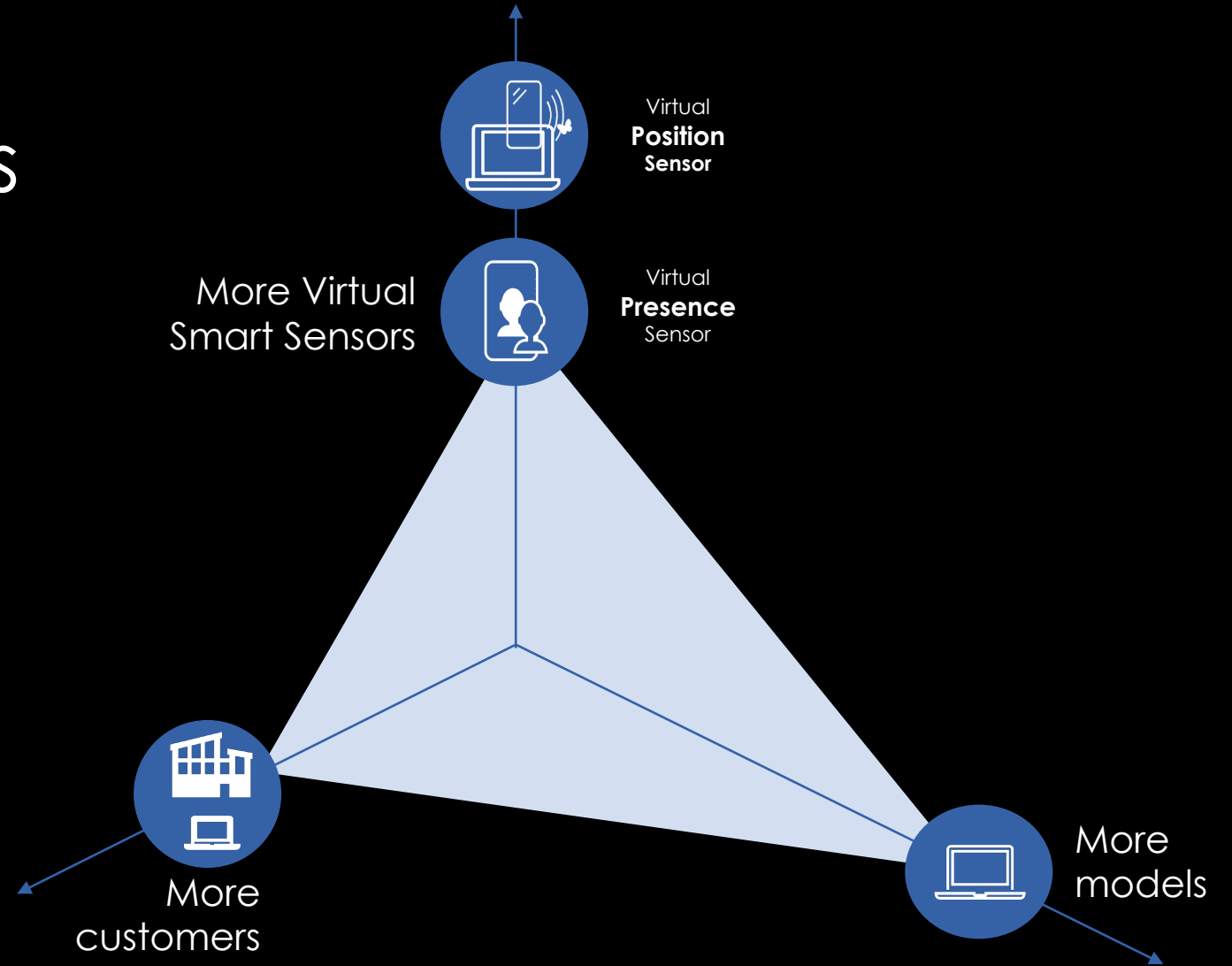
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AI Virtual Position Sensor™



# Multiple opportunities for expansion

AI Virtual Position Sensor product announced for Laptop market subsequent to Q2 2022 and first PoC signed

**Lenovo** signed for future expansion on **+20 laptop models** with AI Virtual Presence Sensor™ in H1 2022





Additional growth opportunity

# Building a position in the IoT market

2.1 billion units

USD 1 billion  
market opportunity



# IoT market entry through license agreement with Bosch

## First step penetrating the IoT market

- Elliptic Labs and Syntiant to bring always-on, ultra-low-power experiences to Bosch's Spexor device
  - Improvements driven by Elliptic Labs' Virtual Smart Sensor Platform
- Highly accurate, low-cost, 360-degree field of view presence detection solution that is poised to become the market standard
- Maintaining the highest ecological standards and safeguarding user privacy
- 2 Proof-of-concept agreements in IoT vertical

## On target to deliver on our first IoT product: Bosch Spexor



Intrusion  
detection



Air quality  
measurement



Fire gases  
warning



Temperature  
alarm



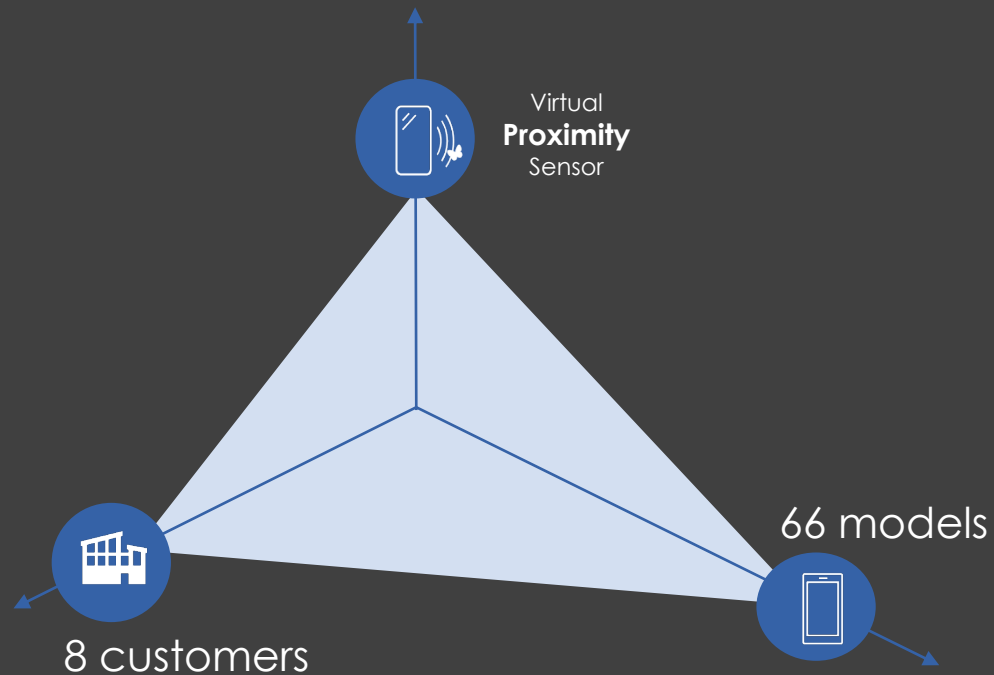
Outdoor air  
quality and  
pollen

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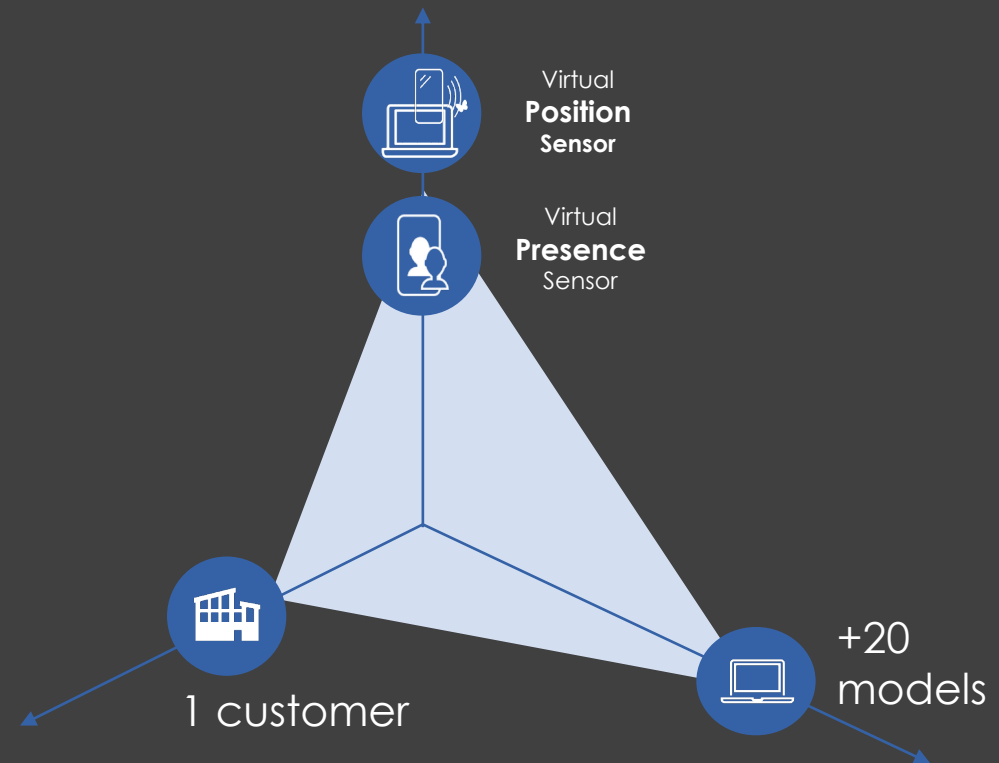
# Multiple opportunities for expansion

More models, more customers, more Virtual Smart Sensors and more verticals

## Smartphone vertical



## Laptop vertical



# Q&A

## 2023 targets

**Revenue**

**500**

NOK million

**EBITDA**

**>50%**



Building position  
in the IoT market



Laptops our next  
key growth vertical



Continued  
Smartphone  
expansion

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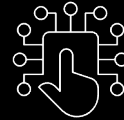
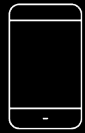
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# Appendix



# Wide-ranging opportunities across significant markets

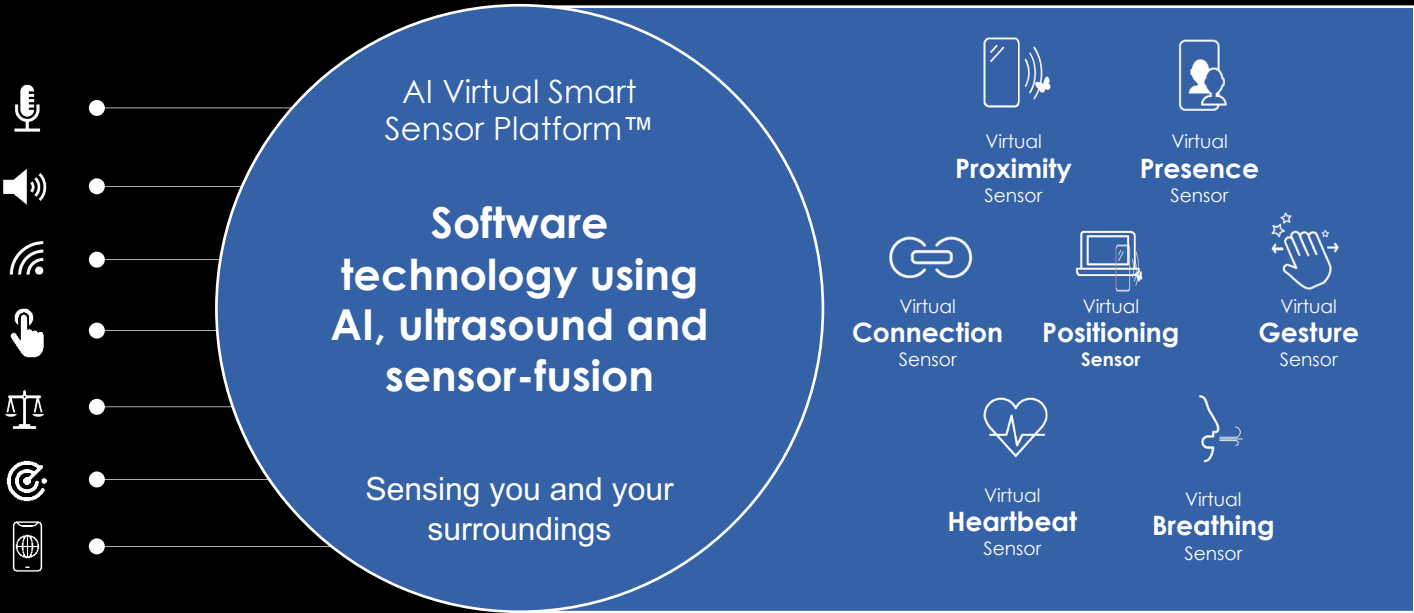


	Smartphones	PCs, Laptops & tablets	IoT	Smart TVs	Automotive
Number of units	1.4bn	460m	2.1 bn	400m	100m
x					
Price of alternatives	Infrared USD 0.10 – 0.25	Time-of-Flight / Radar USD 2.5 – 4.0	Time-of-Flight/Infrared USD 0.10 – 2.0	Time-of-Flight USD 2.50	Radar USD 10 – 20
=					
Total addressable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

**Flexible pricing model:** Volume based license fee per unit/device, per virtual sensor, Subscription fee, or Enterprise/annual license fee

# Sensors touch every aspect of life and drive the digital transformation

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



Our platform reduces cost, risk and environmental footprint

## Significant opportunity in prioritized markets

	Laptops our next key growth vertical	<b>USD 1.1 – 1.8bn</b>
	Continued Smartphone expansion	<b>USD 140 - 350m</b>
	Building position in the IoT market	<b>USD 1bn</b>

NOK 500m revenue target in 2023

# Shareholder information

## Top 20 shareholders as of 06. Jul 2022

	Number of shares	% of total shares
1 PASSESTA AS	12,280,480	11.8%
2 MP PENJON PK	8,973,999	8.6%
3 ALDEN AS	7,403,330	7.1%
4 HORNE	5,028,350	4.8%
5 J.P. Morgan SE	4,820,489	4.6%
6 VINTERSTUA AS	4,767,927	4.6%
7 DANIELSEN	4,624,150	4.4%
8 SIX SIS AG	2,832,000	2.7%
9 NORDNET LIVSFORSIKRING AS	2,665,726	2.6%
10 VERDIPAPIRFONDET DNB SMB	2,157,264	2.1%
11 GHIBLI AS	2,080,000	2.0%
12 NUNATAK AS	1,967,511	1.9%
13 FABRES SCALER	1,600,000	1.5%
14 Danske Invest Norge Vekst	1,512,700	1.5%
15 VERDIPAPIRFONDET PARETO INVESTMENT	1,479,000	1.4%
16 BRYHNI.COM AS	1,456,241	1.4%
17 CIPRIANO AS	1,453,700	1.4%
18 Nordnet Bank AB	1,449,203	1.4%
19 INVEN2 AS	1,441,670	1.4%
20 Danske Bank A/S	1,333,330	1.3%
<b>Top 20 shareholders</b>	<b>71,327,070</b>	<b>68.6%</b>
Other	32,723,800	31.4%
<b>Total</b>	<b>104,050,870</b>	<b>100.0%</b>

## Shares and options owned by BoD, mgmt, and employees as of 06. Jul 2022(fully diluted)

	Number of shares	Percent of fully diluted shares
Shares owned by Board of Directors	19,721,230	18.0%
Shares owned by Management	4,836,240	4.4%
Allocated Options to Employees and management in shares	5,518,871	5.0%
Other shareholders	79,493,400	72.6%
<b>Total</b>	<b>109,569,741</b>	<b>100%</b>

# AI Virtual Smart Sensor Platform™

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