

ellipticlabs

2022 Q2 & 1H Report (Unaudited)

AI Virtual Smart Sensor Platform™



Proximity



Presence



Gesture



Positioning



Connection



Breathing



Heartbeat

Q2 Highlights

Highlights from Q2 2022:

- Launched on 7 smartphone models with several customers
- Expanded contract with Lenovo for 18 future models and two additional expansions

Subsequent to Q2 2022:

- Launched AI Virtual Position Sensor, demonstrating the continuous progress being made to our platform
- First PoC AI Virtual Position Sensor announced the 11th of July

Elliptic Labs, a global AI software company and leader in AI Virtual Smart Sensors for the smartphone, laptop, Internet of Things (IoT), and automotive industries, reports Revenues from contracts with customers of mNOK 9.6 (4.8) for the Second Quarter 2022 an almost exact 100% increase. For the 1H 2022 mNOK 15.1 (6.5) is reported as Revenues from contracts with customers, a 132% increase.

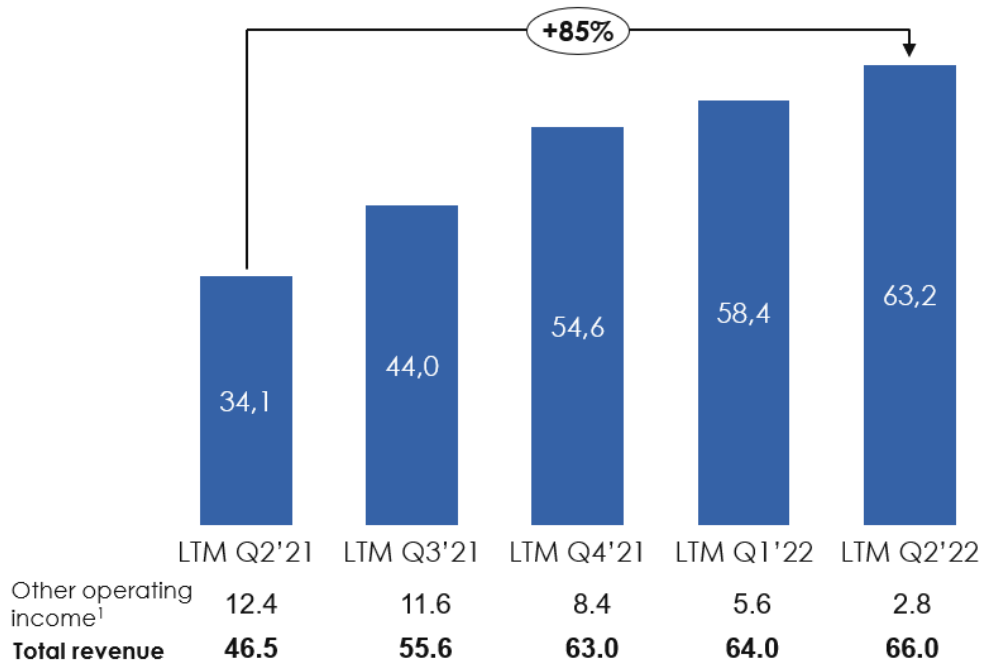
Total revenue and other operating income was mNOK 9.6 (7.6) for the Second Quarter 2022 . This corresponds to a total revenue growth of 26% year over year.

EBITDA was a negative mNOK -11.0 (-3.7) for the Second Quarter 2022 and for 1H 2022 mNOK -24.4 (-12.2)

Last twelve months (LTM) revenue from contracts with customers grew 85% year-over-year to mNOK 63,2, with a corresponding EBITDA of mNOK -15.0.

Revenue from contracts with customers last twelve months

NOK million, LTM



Message from the CEO

In Q2 we continued our strong momentum in the new laptop vertical and saw further expansion in the smartphone market, underpinned by the launch of seven new models with existing and new customers. Current demand and the ongoing discussions with world-leading OEMs and solid partners like Intel and AMD continue to validate the market appeal of our AI Virtual Smart Sensor Platform™ and its potential to make devices smarter, greener, and more human-friendly.

The laptop market is set to be our next growth vertical and is expected to comprise the majority of our mNOK 500 revenue target for 2023. This is also where we are currently applying the majority of our commercial efforts. We launched on our first laptop model, the Lenovo ThinkPad T14, in February of this year. Revenue from this launch is expected to ramp up during the second half of the year, based on units sold.

We have since contracted with Lenovo for more than 20 Lenovo models incl. top seller ThinkPad T14, which will begin generating revenue in the second half of 2022 and continue into 2023 and 2024. More models represent one of three main growth levers in the laptop vertical, alongside the addition of more manufacturers and the launch of more Elliptic Labs software products. One such solution, the AI Virtual Position Sensor, was recently, demonstrating the continuous progress being made to our platform. All levers are expected to contribute towards our revenue target.

In the smartphone vertical, one highlight of note is the launch of our AI Virtual Proximity Sensor™ this June on Transion Holdings' new smartphone brand, TECNO Mobile.

This means our platform has now been deployed on 64 smartphone models across seven different smartphone manufacturers to date.

Revenue from customer contracts increased by 85%, over the last twelve months, from Q2 2021 to Q2 2022. Total revenue increased by 42%. Revenue



"In Q2 we continued our strong momentum in the new laptop vertical and saw further expansion in the smartphone market."

from customer contracts represents license revenue primarily derived from agreements with leading smartphone OEMs, showing the strong growth in our core revenue base. The laptop vertical holds great potential and will shortly become our key growth driver.

As stated in the annual report and the Q1 report, customers and partners are affected by the supply chain issues. With the recent global geopolitical and pandemic-related events, anticipated business is harder to predict in the shorter term. The key for us has been our long-term vision of building a solid software platform while working closely with our customers and partners.

With revenues in this market materializing starting in the second half of 2022, we believe we are on track towards reaching our target of mNOK 500 revenue with a 50% EBITDA margin in 2023.

Financial summary for the Group's YTD Q2 2022 (unaudited)

Comparable amounts for Q2 2021 are presented in parentheses.

Operating revenue

Total revenue and other operating income increased by 26% year-on-year to mNOK 9.6 in Q2 2022 (7.6). Total revenues and other operating income for the Second Quarter 2021 included mNOK 2.8 in other operating income from grants whereas Second quarter 2022 did not have any Other operating income. Revenue from licenses increased by 100% to mNOK 9.6 (4.8) from the Second Quarter 2021 to the Second Quarter 2022.

For the 1H 2022 mNOK 15.1 (6.5) is reported as Revenues from contracts with customers mNOK, a 132% increase. The Total revenue and other operating income 1H 2022 was mNOK 15.1 (12.2) an 25% increase.

The increase is primarily driven by strong growth in licenses, both increased sales to existing customers and new customers contributes to the growth.

Operating expenses and EBITDA

Operating expenses amounted to mNOK 20.6 (11.3) in the Second quarter 2022, excluding depreciation and amortization. For 1H 2022 mNOK 39.5 (24.4)

Employee benefits expenses amounted to mNOK 15.6 (8.1) and other operating expenses to mNOK 5.0 (3.2). For 1H 2022 Employee benefits expenses amounted to mNOK 29.5 (18.4) and other operating expenses to mNOK 10.0 (5.9).

The cost increase reflects a significantly higher activity level, and effect of personnel cost related new hires. Personell costs are also effected by exchange rates. From June 2021 to June 2022 the company has added 20 FTE to a total of 70 employees.

As a result, the company reported an EBITDA of mNOK -11.0 in the Second quarter (-3.7) and mNOK -24.4 (-12.2) for 1H 2022.

Continued focus on hiring new personnel, including search and hiring cost contributes to higher employee benefits expenses. The Second Quarter also saw continued increased travel activities across the group contributing to higher other operating expenses, we expect to continue this trend for the next foreseeable quarters.

Operating profit (EBIT)

The Group generated in the Second Quarter an Operating loss of mNOK -13.5 (-5.8) and mNOK -29.8 (-16.3) for 1H 2022.

Depreciation and amortization amounted to mNOK -2.6 (-2.1) for the Second quarter and mNOK -5.4 (-4.1) for 1H 2022.

Financial items

Second quarter net financial items amounted to mNOK 6.3 (-0.4) The Group has limited amounts of debt thus the primary factor for Financial items is agio/disagio, due to currency fluctuation. Financial items for 1H 2022 was mNOK 5.1 (-0.9).

Profit/loss

The loss before tax was for 1H 2022 mNOK 24.7 (negative 17.2). Second quarter was mNOK -7.2(-6.2).

The Income tax was positive mNOK 0.9 (1.3), resulting in a loss of mNOK 6.4 (-4.9) for the Second Quarter. The Income tax was positive mNOK 4.0 (3.8) for 1H 2022 resulting in loss of mNOK 20.6 (13.4).

Cash flow

The cash flow from operating activities Second quarter was mNOK -0.4 (-12.8). Change in net due outstanding account receivable contributed to an almost net zero operating cash flow for the operating activities. Cash flow from investing activities was mNOK -4.9 (-2.7) due to Capitalized development costs. Cash flow from financing activities was mNOK 0.9 (-1.4) due to Repayments of current borrowings, Payments of lease liabilities, classified as financing activities and interests paid.

The cash flow from operating activities for 1H 2022 was mNOK 8.0 (-12.6), driven by positive net change in current trade receivables. Cash flow from investing activities was mNOK -10.5 (-5.5) due to Capitalized development costs. Cash flow from financing activities was mNOK -0.8 (-3.1) due to Repayments of current borrowings, Payments of lease liabilities, classified as financing activities and interests paid.

Cash and cash equivalents at the end of the period were mNOK 215.4 (78.5 in Q2 2021 and mNOK 218.2 at 31.12.2021). The increase year over year is mainly due to proceeds from issuing of shares September 2021. The cash flow from operations is within management expectations.

Financing and debt

The Group's equity was mNOK 331.7 (342.8 at year end 2021). The Group had total non-current liabilities of mNOK 8.5 (10.5 at year end 2021).

Total non-current liabilities and Total current liabilities was mNOK 23.9 (28.6) and continue to decline as the company repay its debt.

The Group maintains a sharp focus on expense and cash flows and navigates from a strong cash position mNOK 215.4 (218.2).

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 together with a strong balance sheet to be able to meet the thresholds of our customers.

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

In March 2022 China is again shutting down their cities due to an out brake of the COVID 19 virus. Making it difficult to predict what kind of impact it will have on Elliptic Labs revenue. In 2020 planned launches were cancelled or postponed and volume-based contracts ended with lower volume than calculated, so far no shutdown of production has incurred. The company continue to monitor the situation.

24 February 2022 Russia invaded Ukraine. Elliptic Labs has neither customers nor suppliers in Russia nor Ukraine and have concluded that there is no need to make impairments or any other adjustments to the financial figures. However, as the war continues Ukraine's production of neon, palladium, and C4F6, three materials crucial for microchips, could be impacted by the situation and thus further delay semiconductor production, indirectly affecting Elliptic Labs through its customers. It is too early to make a reasonable estimate of the effect of these events, but the Board of Directors remains positive about the future outlook for Elliptic Labs.

Please see the annual report 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 2022 and 2021, and 31 December 2021.

(Amounts in 000 NOK)	Notes	Q2 2022 (Unaudited)	Q2 2021 (Unaudited)	1H 2022 (Unaudited)	1H 2021 (Unaudited)	2021 (Audited)
Revenues from contracts with customers		9 621	4 809	15 137	6 528	54 598
Other operating income	8	—	2 813	—	5 626	8 438
Total revenue and other operating income	2	9 621	7 621	15 137	12 154	63 036
Employee benefits expenses		-15 628	-8 084	-29 526	-18 417	-50 807
Other operating expenses	3	-4 957	-3 245	-10 016	-5 942	-15 058
EBITDA	4	-10 964	-3 707	-24 405	-12 205	-2 829
Depreciation and amortisation	4	-2 562	-2 075	-5 429	-4 133	-8 311
Operating expenses		-23 146	-13 404	-44 971	-28 492	-74 176
Operating profit		-13 525	-5 782	-29 834	-16 338	-11 140
Financial income		7 312	913	7 943	1 117	3 730
Financial expenses		-1 011	-1 351	-2 803	-2 020	-5 683
Net financial income/(expenses)		6 301	-438	5 140	-903	-1 953
Profit/(loss) before tax		-7 224	-6 220	-24 694	-17 241	-13 093
Income tax expense		872	1 327	4 047	3 794	1 878
Profit/(loss)		-6 353	-4 894	-20 647	-13 447	-11 215
Other comprehensive income:						
Foreign currency rate changes, may be reclassified to profit or loss		490	5	458	3	59
Other comprehensive income, net of tax		490	5		3	59
Total comprehensive income for the period		-5 863	-4 889	-20 189	-13 444	-11 156
Loss for the period is attributable to:						
Equity holders of the parent company		-5 863	-4 889	-20 189	-13 444	-11 156
Earnings per share outstanding*		-0.06	-0.01	-0.19	-0.01	-0.11
Earnings per share fully diluted*		-0.06	-0.01	-0.19	-0.01	-0.11

*Earnings per share for all periods is updated to reflect share split in ratio 1:10 in September 2021.

Consolidated statement of financial position

At 30 June 2022, and 31 December 2021 respectively

<i>(Amounts in 000 NOK)</i>	<i>Notes</i>	30/06/22 <i>(Unaudited)</i>	31/12/21 <i>(Audited)</i>	30/06/21 <i>(Audited)</i>
Non-current assets				
Deferred tax assets	7	66 581	62 534	63 679
Intangible assets	4	40 898	36 564	30 761
Right of use assets		1 674	2 790	3 907
Other non-current receivables		5 018	4 517	4 052
Total non-current assets		114 171	106 406	102 399
Current assets				
Current trade receivables		14 818	29 025	1 079
Other current receivables		11 214	17 773	20 282
Cash and cash equivalents	6	215 357	218 151	78 492
Total current assets		241 389	264 949	99 853
Total assets		355 561	371 356	202 252
Equity and liabilities				
Share capital		1 041	1 038	959
Other equity		330 662	341 731	175 666
Total equity		331 703	342 769	176 625
Non-current lease liabilities		530	530	1 977
Non-current borrowings		8 000	10 000	12 000
Total non-current liabilities		8 530	10 530	13 977
Current borrowings		4 000	4 000	4 000
Trade and other current payables		2 460	3 029	886
Current tax liabilities		—	—	290
Current lease liabilities		1 511	2 611	2 199
Other current liabilities		7 357	8 416	4 276
Total current liabilities		15 328	18 056	11 650
Total equity and liabilities		355 561	371 356	202 252

Consolidated statement of changes in equity

Attributable to owners of Elliptic Laboratories ASA.

2022 (Amounts in 000 NOK)	Share capital	Other paid in capital	Other equity	Translation reserve	Total equity
Shareholders' equity at 01.01.2022	1 038	342 545	-574	-240	342 769
Profit (loss) for the period	—	—	-20 647	—	-20 647
Other comprehensive income for the period	—	—	—	458	458
Total comprehensive income for the period	—	—	-20 647	458	-20 189
<i>Transactions with owners:</i>					
Capital increase through issuance of ordinary shares	2	2 620	—	—	2 622
Transactions costs related to issuance of ordinary shares, net of tax	—	—	—	—	—
Employee share schemes	—	—	6 500	—	6 500
Shareholders' equity at 30.06.2022	1 041	345 165	-14 720	218	331 703

2021 (Amounts in 000 NOK)	Share capital	Other paid in capital	Other equity	Translation reserve	Total equity
Shareholders' equity at 01.01.2021	958	187 153	292	-299	188 104
Profit (loss) for the period	—	—	-13 447	—	-13 447
Other comprehensive income for the period	—	—	—	3	3
Total comprehensive income for the period	—	—	-13 447	3	-13 444
<i>Transactions with owners:</i>					
Capital increase through issuance of ordinary shares	1	355	—	—	356
Transactions costs related to issuance of ordinary shares, net of tax	—	—	—	—	—
Employee share schemes	—	—	1 609	—	1 609
Shareholders' equity at 30.06.2021	959	187 508	-11 546	-296	176 625

Consolidated statement of cash flows

For the financial period ended 30 June 2022 and 2021

(Amounts in 000 NOK)	(Unaudited) Q2 2022	(Unaudited) Q2 2021	(Unaudited) 1H 2022	(Unaudited) 1H 2021	(Audited) 2021
Cash flow from operating activities					
Profit/(loss) before tax	-7 224	-6 220	-24 694	-17 241	-13 093
Adjustment for:					
Taxes paid in the period	747	13	745	6	-12
Depreciation	2 562	2 075	5 429	4 133	8 311
Share-based payments	3 586	653	6 500	1 609	10 349
Items classified as financing activities	140	168	280	346	653
Change in current trade receivable	1 780	-7 735	14 208	515	-28 599
Change in trade payables	-748	-417	-569	-103	2 040
Change in other accruals	-1 266	-1 367	6 129	-1 858	9 528
Net cash flows from operating activities	-423	-12 832	8 029	-12 593	-10 823
Cash flow from investing activities					
Capitalized development costs	-4 929	-2 690	-10 506	-5 536	-17 610
Net cash flows from investing activities	-4 929	-2 690	-10 506	-5 536	-17 610
Cash flow from financing activities					
Payments of lease liabilities, classified as financing activities	-558	-558	-1 116	-1 116	-2 232
Repayments of current borrowings	-1 000	-1 000	-2 000	-2 000	-4 000
Proceeds from issuing shares	2 622	356	2 622	356	162 218
Payments for share issue costs	—	—	—	—	-8 533
Interests paid, classified as financing activities	-140	-168	-280	-346	-653
Net cash flows from financing activities	924	-1 370	-775	-3 106	146 800
Net Change in Cash and Cash Equivalents	-4 429	-16 892	-3 252	-21 236	118 367
Cash and cash equivalents at the beginning of the period	219 296	95 379	218 151	99 724	99 724
Effect of foreign currency rate changes on cash and cash equivalents	490	5	458	3	59
Cash and cash equivalents at the end of period	215 357	78 492	215 357	78 492	218 151

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, 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 Akersgata 32, 0180 Oslo.

1.2 Summary of significant 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 2022 and 2021.

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 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.

1.2.2 Operating revenues

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Revenue from licenses which give a right to use is recognised at point in time and licenses which give a right to access is recognised over time. Royalty based revenue is recognised as sales occur when exceeding the minimum fixed fee.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual cost spent relative to the total cost.

Some contracts include multiple performance obligations, such as an engineering service and the subsequent licensing of IP, which are accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

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 recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes a royalty for mobile devices sold, revenue is recognised in the amount to which Elliptic Laboratories has a right to invoice.

1.2.3 Basis for loss provisions

When determining possible loss provision, the Group undertakes an individual assessment of each customer based on the size of the contract and various risk factors related to the customer's creditworthiness.

Note 2 – Total revenue and other operating income

Revenues from contracts with customers have the following distribution as recognized over time or at point in time:

(Amounts in 000 NOK)	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Revenues recognised over time	—	—	—	—	4 809
Revenue recognised at point in time	9 621	4 809	15 137	6 528	49 789
Total revenue	9 621	4 809	15 137	6 528	54 598

Revenues from contracts with customers consists of two significant revenue streams:

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 years 2022 and 2021, the majority of the contracts from which revenue was recognized were of the minimum fixed fee character.

Development and testing of software (Proof of Concept) is considered as a separate performance obligation and is recognized over time based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided.

As at 30.06 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

(Amounts in 000 NOK)	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Sales and marketing expenses	1 117	1 017	2 422	2 016	4 750
Short-term lease expenses	265	177	464	352	730
Electricity, heating and other property expenses	385	180	651	431	899
Consultants	925	549	1 847	779	2 834
Auditor	411	295	741	485	1 193
Legal	420	73	1 113	351	1 564
Patents	112	129	209	138	520
IT/Software	1 001	629	1 995	1 127	2 504
Other expenses	418	196	763	263	1 041
Government grants recognized as other cost reduction	-97	0	-188	0	-977
Total other operating expenses	4 957	3 245	10 016	5 942	15 058

Note 4 - Intangible assets

2022 (Amounts in 000 NOK)	Patents	Trademark	Capitalized development	Total intangible assets
Cost at 01.01.2022	17 213	24	40 705	57 942
Additions	1 238	0	7 409	8 647
Cost at 30.06.2022	18 451	24	48 114	66 589
Accumulated amortization charges 01.01.2021	11 322	6	10 049	21 377
Amortization charges	243	0	4 070	4 313
Accumulated amortization charges 30.06.2022	11 565	6	14 120	25 691
Net booked value as at 30.06.2022	6 887	18	33 995	40 898
Useful life:	5	5	5	
Amortization method:	Straight-line	Straight-line	Straight-line	

IFRS 16 Leases depreciation for the period 1 January to 30 June 2022 was TNOK 1 116.

2021 (Amounts in 000 NOK)	Patents	Trademark	Capitalized development	Total intangible assets
Cost at 01.01.2021	15 003	24	28 514	43 539
Additions	736	0	4 800	5 536
Cost at 30.06.2021	15 739	24	33 314	49 076
Accumulated amortization charges 01.01.2021	10 946	6	4 347	15 298
Amortization charges	165	0	2 851	3 016
Accumulated amortization charges 30.06.2021	11 111	6	7 198	18 315
Net booked value as at 30.06.2021	4 628	18	26 115	30 761
Useful life:	5	5	5	
Amortization method:	Straight-line	Straight-line	Straight-line	

Note 5 – Share option programs

As of 30 June 2022, the Group has option programs that includes a total of 60 employees in parent and subsidiary companies. The employees must work in the Group to be entitled to exercise the options at the time of vesting.

After Q1 2022 there was an exercise of share options by option holders resulting in an increase of the Company's share capital by NOK 2 089.90, by the issuance of 208 990 new shares.

In Q1 2022 the board of directors decided on a new long-term share option program whereas upward to 2,5% of outstanding shares may be distributed yearly to the employees and management. In Q1 2022 the board awarded 54 employees and management the right to acquire 2 335 862 shares in aggregate.

As of 30 June 2022, the total number of outstanding options for both employees and management equal in shares were 5 518 871 whereas 1 706 770 were vested. The option program gives the employees the right to approx. 5,3% of outstanding shares.

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.

Note 6 – Cash and cash equivalents

<i>(Amounts in 000 NOK)</i>	30.06.2022	31.12.2021
Cash and cash equivalents	215 357	218 151
Of which are restricted cash:		
Restricted bank deposits for employee tax withholdings	2 524	1 324
Not restricted cash	212 833	216 827

Note 7 – Estimates

The deferred tax assets include an amount of mNOK 66.6 which relates to carried forward tax losses of Elliptic Laboratories ASA. Elliptic Laboratories ASA has incurred the losses over the last several years mainly due to expenses relating to research and development of intangible assets which do not meet the capitalization criteria. The Group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on profitability. Its scalable business model, entered into contracts with customers and expectations of future growth of business opportunities based on already established customer relations in several market verticals. Elliptic Laboratories ASA expects the carried forward tax loss to be utilized within a few years. The losses can be carried forward indefinitely and have no expiry date.

Note 8 – Government grants

The table below sets forth the treatment of government grants.

<i>(Amounts in 000 NOK)</i>	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Recognized as income from other sources	—	2 813	—	5 625	8 438
Reduction of capitalized patents	—	—	—	—	6
Reduction of capitalized development	927	—	1 859	—	3 208
Recognized as payroll cost reduction	164	1 200	328	2 400	565
Recognized as other cost reduction	97	—	188	—	977
Total government grants	1 188	4 013	2 375	8 025	13 194

Note 9 – Alternative performance measures (APMs)

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

<i>(Amounts in 000 NOK)</i>	Notes	Q2 2022 (Unaudited)	Q2 2021 (Unaudited)	H1 2022 (Unaudited)	H1 2021 (Unaudited)	2021 (Audited)
Revenues from contracts with customers		9 621	4 809	15 137	6 528	30 215
Other operating income	8	—	2 813	—	5 626	14 517
Total revenue and other operating income	2	9 621	7 621	15 137	12 154	44 732
Employee benefits expenses		-15 628	-8 084	-29 526	-18 417	-35 866
Other operating expenses	3	-4 957	-3 245	-10 016	-5 942	-13 529
EBITDA	9	-10 964	-3 707	-24 405	-12 205	-4 663

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

<i>(Amounts in 000 NOK)</i>	Q2 2022	Q1 2022	Q4 2021	Q3 2021	LTM
Revenues from contracts with customers	15 137	5 516	34 669	13 401	63 206

Note 10 – Subsequent events

The 5th of July Elliptic Labs announced it launches on Xiaomi 12S Ultra and 12 Pro Smartphones for the Chinese market.

The 11th of July Elliptic Labs announced a PoC for its new product AI Virtual Position sensor with a Top-3 Laptop OEM

ellipticlabs

For further information, please contact:

Laila B. Danielsen, CEO Elliptic Laboratories ASA
Telephone: + 1 415 26 97 676
E-mail: laila@ellipticlabs.com

Lars Holmøy, CFO Elliptic Laboratories ASA
Telephone: +47 40 28 40 28
E-mail: lars.holmoy@ellipticlabs.com

www.ellipticlabs.com