

# Elliptic Labs

## Presentation

May 27, 2021

AI software empowering the next billion devices

ellipticlabs

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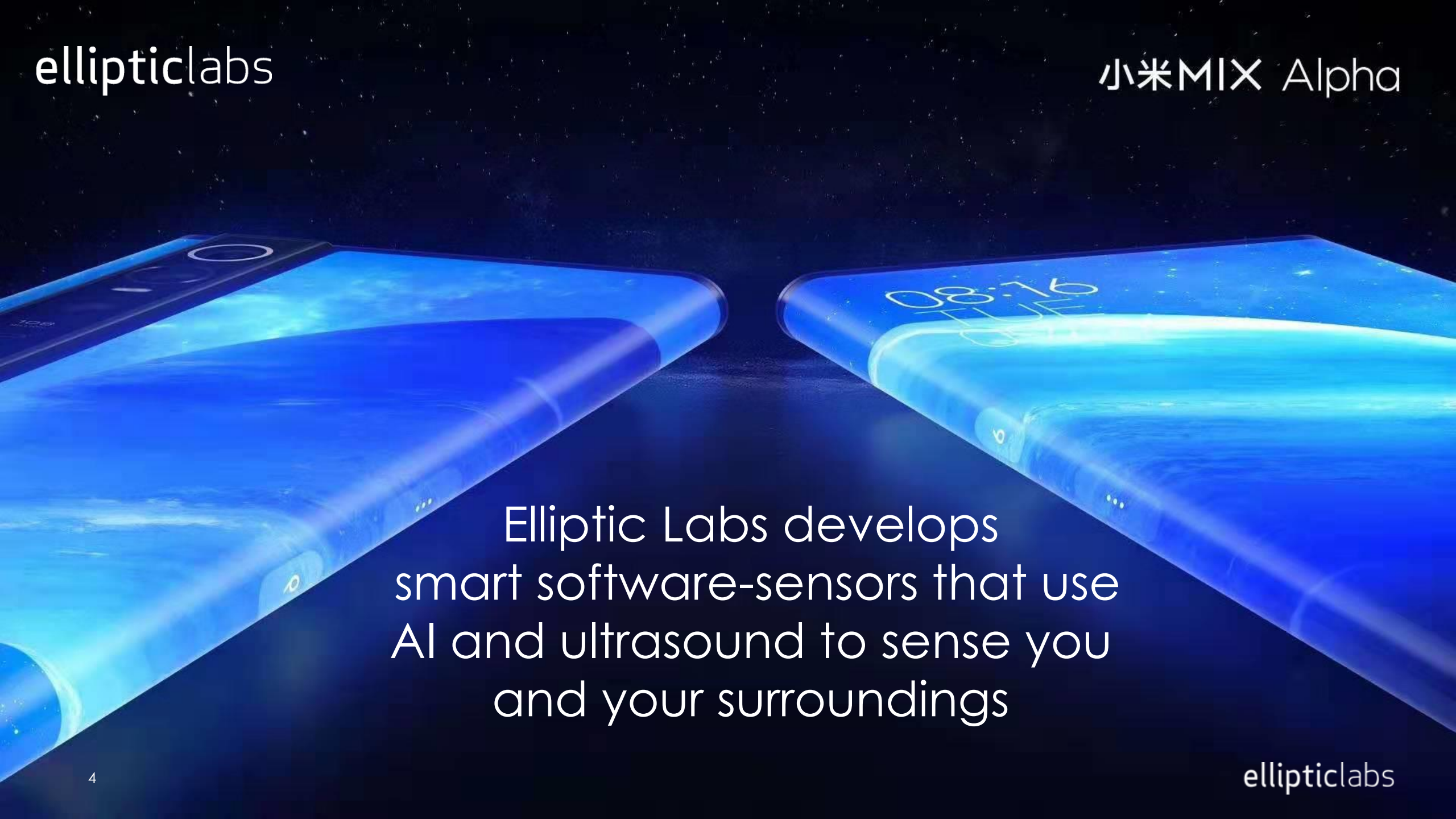
# Agenda

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Elliptic Labs develops  
smart software-sensors that use  
AI and ultrasound to sense you  
and your surroundings

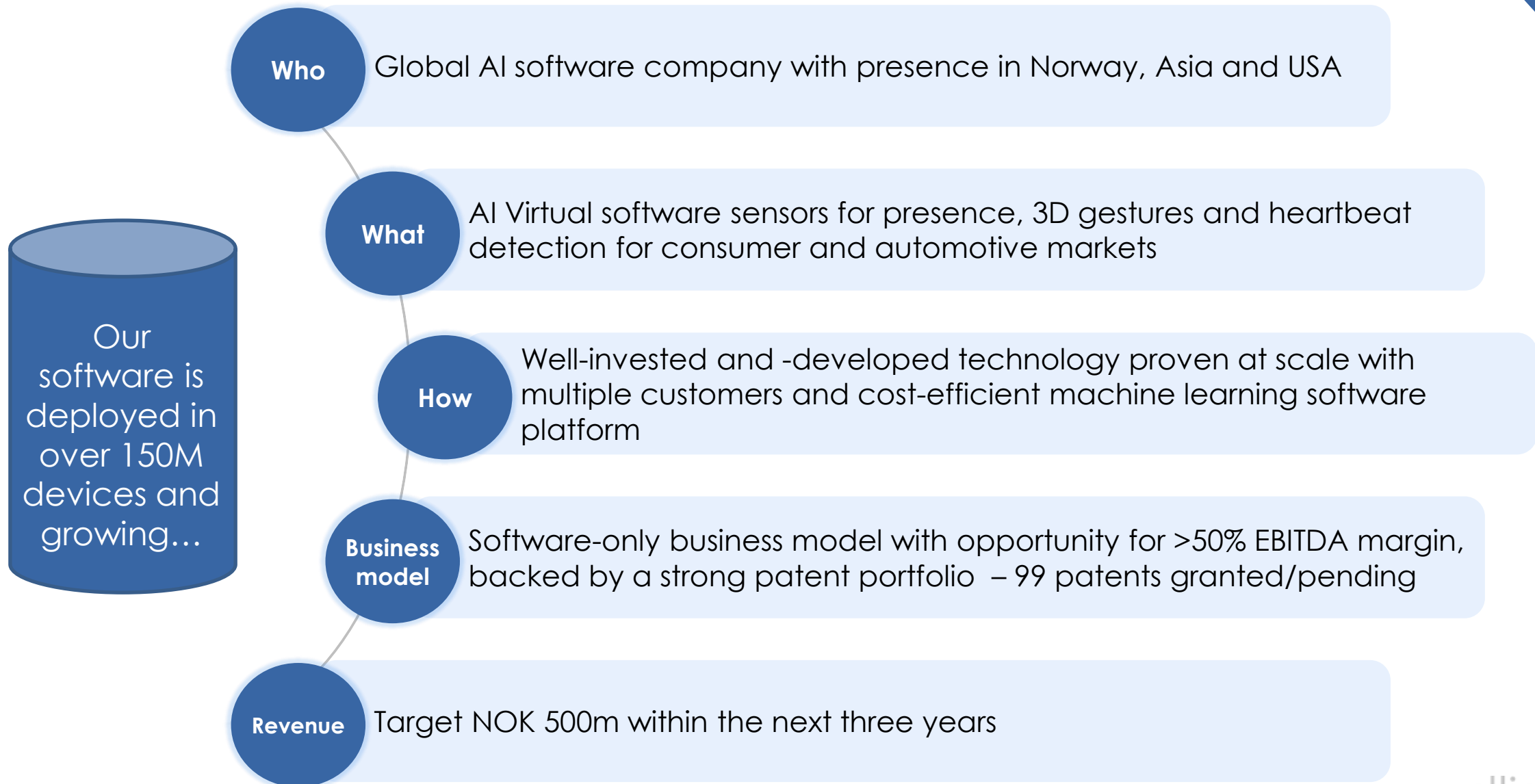




Sensors touch every  
aspect of life and drive the digital transformation

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

# Today we are the ultrasound leader for consumer market



# We enable critical user experiences for the smartphone, laptop, IoT & automotive markets



Virtual Smart Sensor Platform  
Making Sensors More Intelligent



Proximity



Presence



Gesture



Positioning



Connection








Breathing



Heartbeat

# Strengthened market opportunities

Tight supply chain impacts hardware sensor availability and pricing, improving our competitive advantage

MARKETS	 SMARTPHONE	 PC/LAPTOP/ TABLET	 SMART TV	 IoT	 AUTOMOTIVE
Total market size units	1.6B	460M	400M	1B++	100M
Competing <u>Hardware</u> sensors cost per unit	Infrared Sensor \$0.10-\$0.25	Time of flight/ Radar Sensor \$2.5-\$4	Time of flight Sensor \$2.50	Time of flight/Infrared \$0.10-\$2	Radar Sensor \$10-\$20
Elliptic Labs value proposition	Clean design, lower cost & more features	Cybersecurity, no supply chain & more features	Power savings & gesture	Power savings, gesture & Wellness	Save lives, heartbeat detection
Elliptic Labs Pricing model	<b>Flexible pricing model:</b> <ol style="list-style-type: none"> <li>1 Volume based license fee per unit/device, per virtual sensor</li> <li>2 Subscription fee or</li> <li>3 Enterprise/annual license fee</li> </ol>				
Market opportunity	\$200-\$400M	\$1100-\$1800M	\$1000M	\$100M++	\$1000-\$2000M



# Smartphone market


## More smartphone launches – added new customer

### 1.6B smartphones have a proximity sensor turning screen off/on when users are making calls:

- Most smartphones are using hardware sensors for proximity, that we are replacing with our smart software sensors
- Customers partner with us to reduce supply chain, cost and to add new innovative features

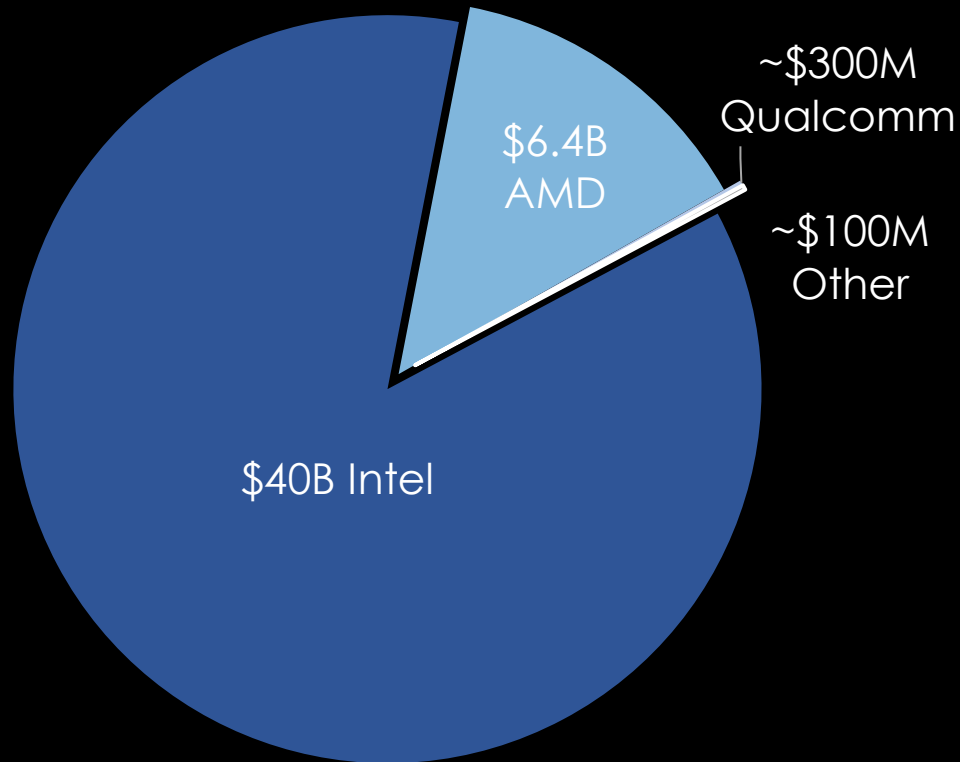
#### Q1 2021 Highlights:

- Signed agreement with a new large smartphone customer
- Announced four high-volume smartphone launches with Xiaomi, a world leading smartphone and IoT manufacturer, models:
  - “Mi 11 Lite”
  - “Mi 11 Lite 5G”
  - “Redmi Note 10”
  - “Redmi Note 10s”
- Announced two smartphone launches with a new customer, Blackshark, models:
  - “Blackshark 4”
  - “Blackshark 4 Pro”

Target	 All Smartphones
Competing hardware sensors cost per unit	Infrared Sensor \$0.10-\$0.25
Our Value proposition	No supply chain, lower cost & more features
Our Pricing model	Per unit or annual license agreement
Market opportunity	\$200-\$400M

# PC market is the next large vertical

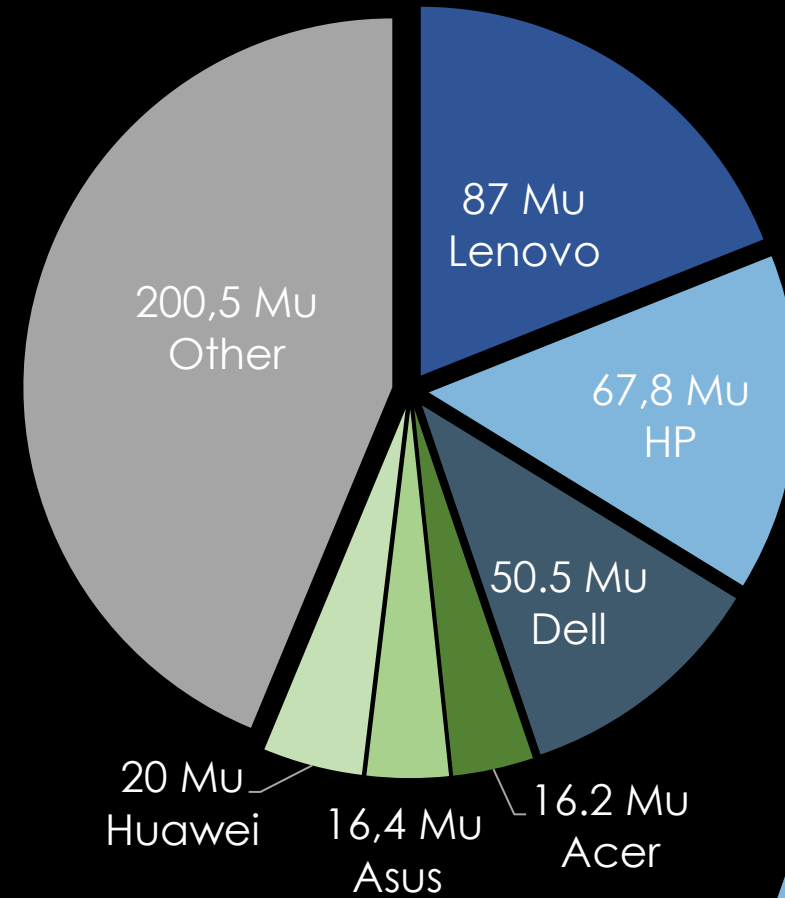
2020 PC/Laptop CPU Market Share  
(Revenue)



\*AMD does not separate revenues from its CPU & Graphics businesses  
\*\* Qualcomm does not separate revenues from its IoT business

Source: [AMD 2020 Financial Report](#), [Qualcomm 2020 QCT Revenue Streams Report](#) and [Intel 2020 Financial Report](#)

2020 PC/Laptop/Tablet Volumes  
(Millions of units - Mu)



Source: [Canalys PC Market Pulse 2020](#) and [Gartner 2020 Annual WW PC Shipment Report](#)

# PC market opportunity

Positioned to be standard provider for presence detection


## Laptop OEMs want presence detection on all their devices:

- Our software sensors meet both the price-point and performance needed to broadly deploy presence-sensing capabilities to all tiers of a laptop manufacturer's product lines.
- Competing hardware sensors used for presence detection for security, require a supply chain, have longer integration cycle, and are more costly

### Q1 2021 Status:

- Signed one more Proof-of-Concept agreement, and continued to work with the leading PC OEMs
- Strengthened our partner collaboration with all leading semiconductor vendors on their laptop, tablet and PC platforms
- Opened office in Taiwan, where most PC ODMs are based and major PC OEMs are present

Target

 <b>PC/Laptop/ Tablet</b>
460M
ToF/Radar \$2.5-\$4
No supply chain, lower cost & more features
License per unit or annual agreement
\$1100-\$1800M

# Aligning roadmaps with current and new chipset partners for easier deployment of our solutions for joint customers



- Established partnership with Cadence, a leader in electronic design automation, optimized Elliptic machine learning algorithms on Cadence Tensilica HiFi DSPs. Jointly enabling richer user experience running on energy-efficient processors to drive next-generation devices
- Aligning short and mid-term roadmaps based on customer demand, ensuring easier deployment at scale
- Symbiotic relationship and continued traction with key partners to deliver our technology to joint customers

Years of dedication and networking enables Elliptic Labs to access new markets, new verticals and leverage opportunities

# Go-to-market partners continue to progress

Continued joint promotion and marketing to new and current customers and markets:

- Smartphone
- PC
- SmartTV
- SmartAppliances





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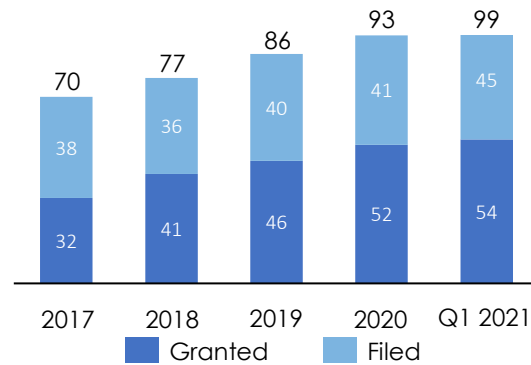
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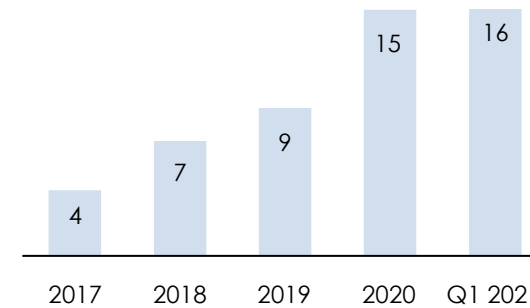
# Key Elliptic Labs KPIs per Q1 2021

# Patents  
(granted and  
filed)

# Number of granted and filed patents



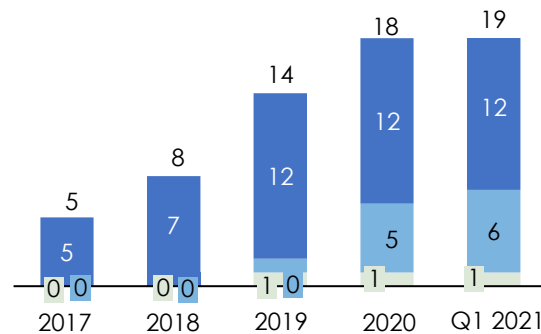
Cumulative number of partner-agreements



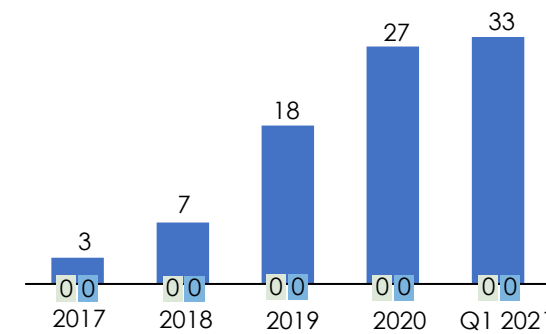
# Of partner-  
agreements  
general markets

# Of proof of  
concept (POC's)  
agreements per  
vertical

Cumulative number of PoC contracts



Cumulative number of models launched

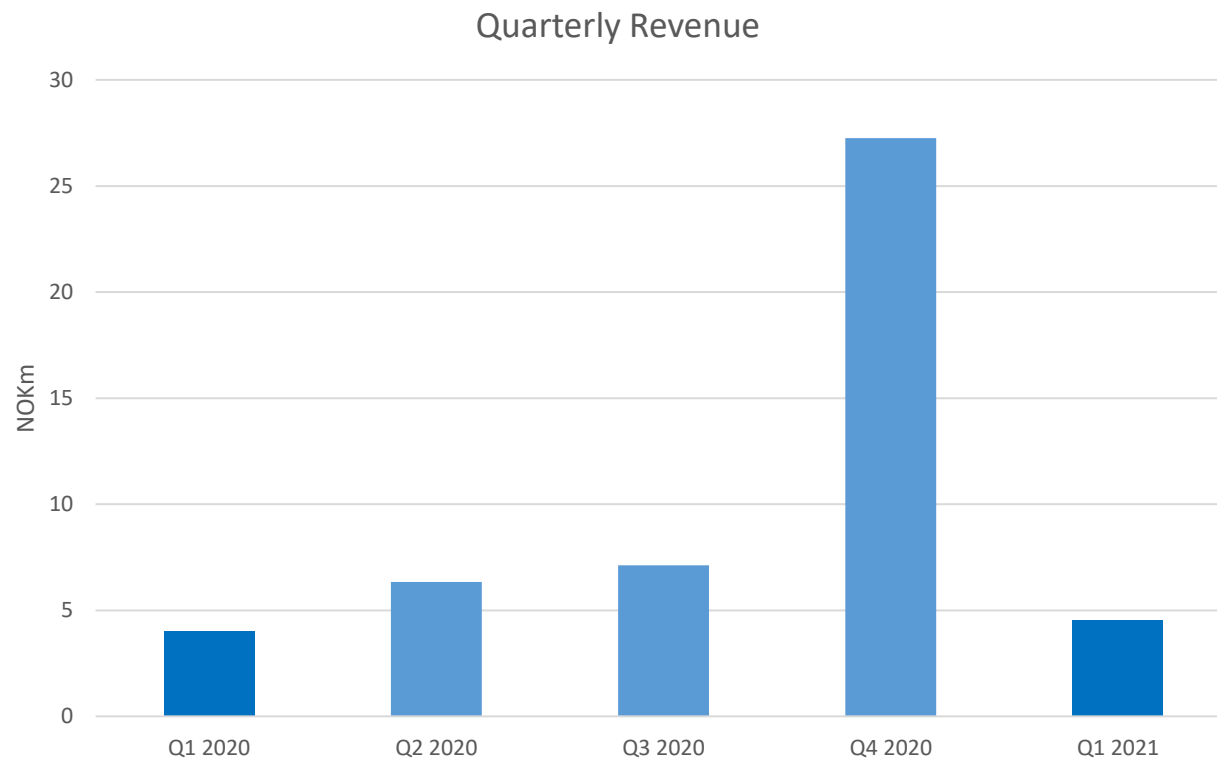


# Of models  
launched per  
vertical  
(smartphone,  
laptop, IoT and  
Automotive)

Smartphones Laptops IoT

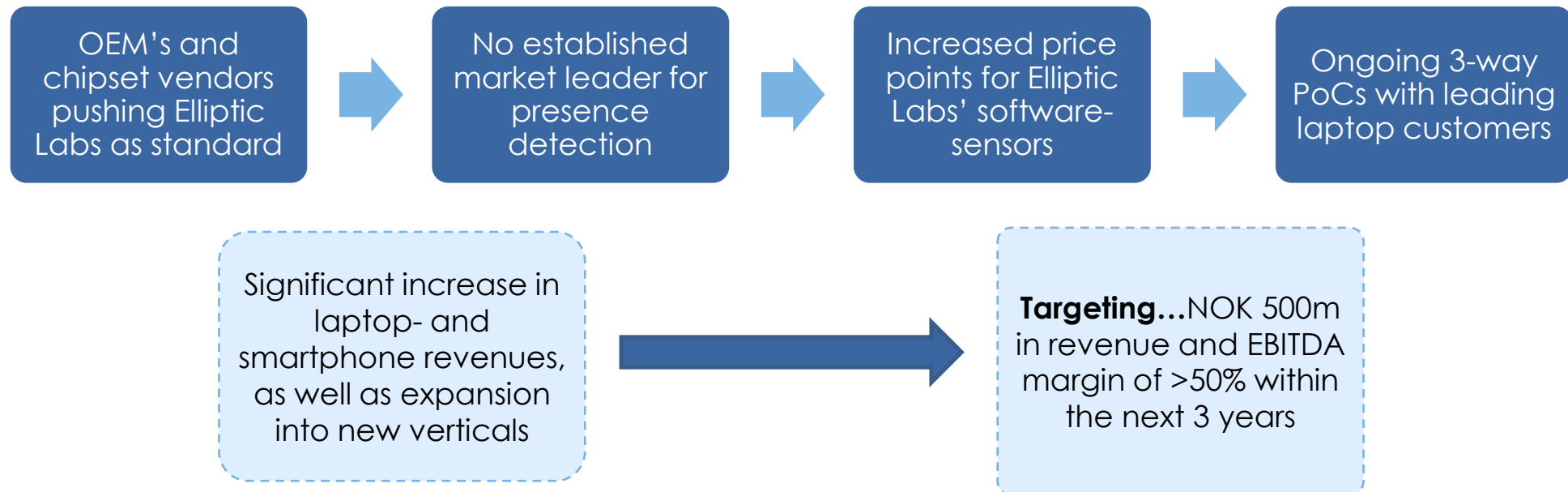
# 2021 Outlook

- Significantly stronger top line (2020: NOK 45m)
- Positive EBITDA for the year (2020: NOK -5m)
- Stronger second than first half
- Solid balance sheet with cash position NOK 95m per Q1 2021



# Clear path towards significant revenue uplift

- Revenue from smartphone to increase from new customers and new features to existing and new customers
- Larger fixed volume contracts on units/devices – increases revenue certainty
- Laptops are the largest revenue driver the nearest future as:



# Shareholder Structure as per May 25, 2021

SHAREHOLDER NAME	#Shares	%
Passesta AS ( <b>Chairman</b> , Tore Engebretsen)	1,194,416	12.4%
MP Pensjon PK	890,093	9.3%
Alden AS ( <b>Board Member</b> , Edvin Austbø)	740,333	7.7%
Laila Danielsen ( <b>CEO</b> )	529,680	5.5%
Robert Horne	502,835	5.2%
JP Morgan Bank Luxembourg S.A.	409,383	4.3%
Vinterstua AS	381,939	4.0%
Larne Overseas Ltd.	282,000	2.9%
Bryhni.Com AS	276,965	2.9%
Nunatak AS	272,845	2.8%
Nordnet Livsforsikring AS	250,942	2.6%
Ghibli AS ( <b>CFO</b> , Thor A. Talhaug)	215,000	2.2%
Verdipapirfondet Pareto Investment	164,000	1.7%
Marie Chantal Fabres Scaler	160,000	1.7%
Cipriano AS ( <b>Board Member</b> , Einar Greve)	145,370	1.5%
Inven2 AS	144,167	1.5%
Danske Invest Norge Vekst	133,333	1.4%
Danske Bank A/S	133,333	1.4%
Slåpekroken AS	131,000	1.4%
Nordnet Bank AB	127,831	1.3%
Other 1,516 Shareholders	2,508,496	26.1%
<b>TOTAL OUTSTANDING SHARES</b>	<b>9,593,961</b>	<b>100.0%</b>

SHAREHOLDER NAME	#Shares	%
Shares owned by Board of Directors	2,087,849	21,8 %
Shares owned by Mgmt. and Employees	814,868	8,5 %
Allocated Options to Employees per 31.3.21	348,955	3,6 %
Outstanding Shares incl. Options	9,942,916	

- Enhanced liquidity in the stock
- Significantly increased no. of shareholders in the last months to 1,536 shareholders as of May 25, 2021



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# Elliptic Labs is well positioned for growth

- ✓ Solid foundation for growth with software deployed at large scale in the smartphone market
- ✓ Launched on more smartphone models and added one large customer
- ✓ Strengthened partner collaborations with leading semiconductors for PC and IoT
- ✓ New office in Taiwan to meet demand in the PC market
- ✓ Leader in ultrasound with AI software platform and established partnerships, lower the barriers into new verticals
- ✓ Re-confirming our target of NOK 500m revenue within three years

