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AI Virtual Smart Sensor Platform™

Laila Danielsen, CEO

Investor Presentation| May 30, 2022

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

Billions of devices use hardware sensor components

Our USD 5.5 billion market opportunity

USD 1-2bn

USD 1.1 – 1.8bn

USD 1bn

USD 1bn

USD 140 – 350m

Smartphones

PCs, Laptops & tablets

IoT

IoT - Smart TVs
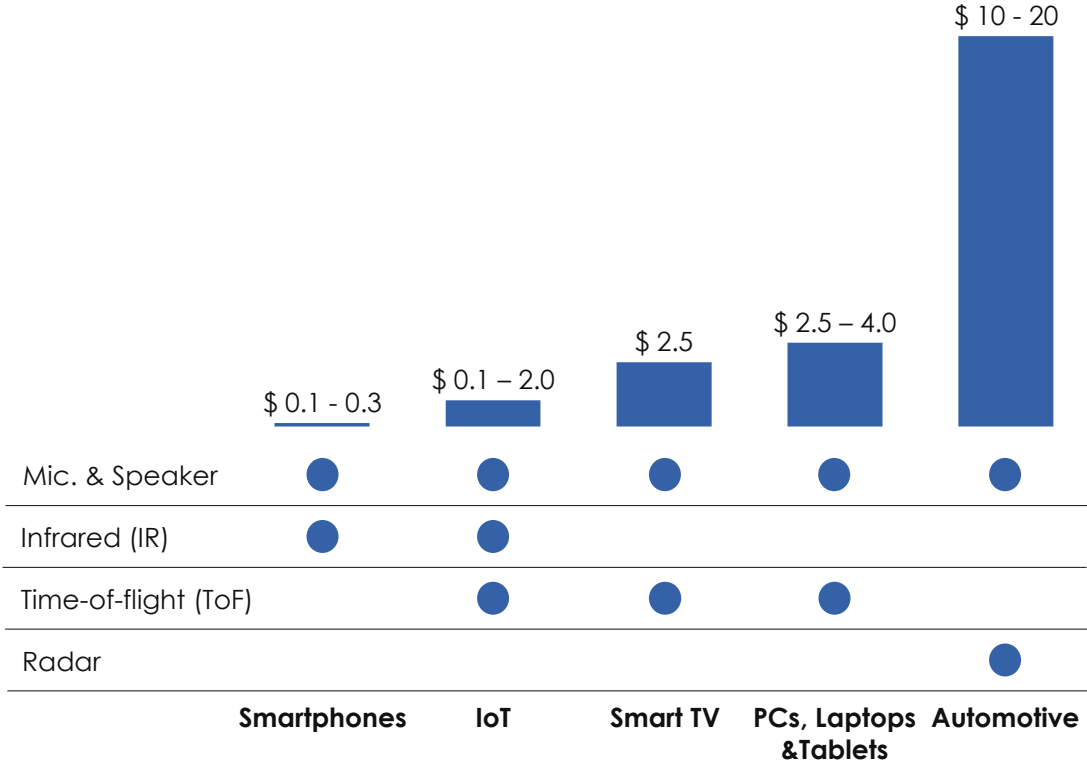
Automotive

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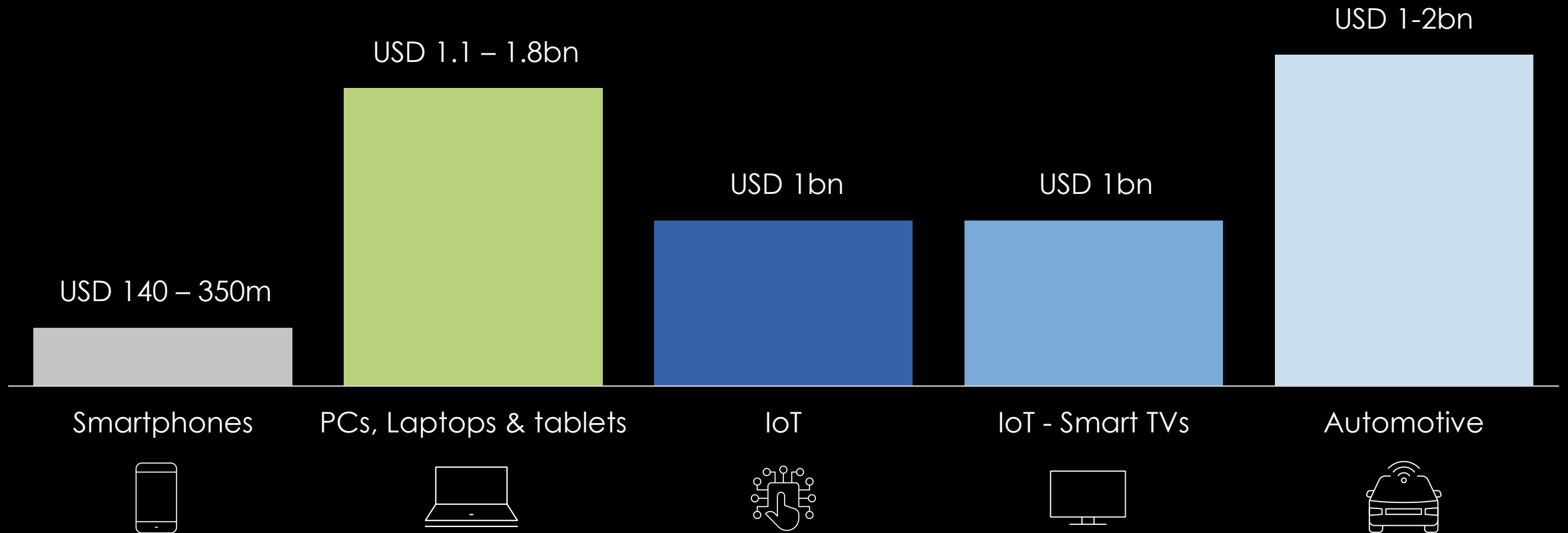
The market is dominated by single-purpose hardware sensor

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)

|	Smartphones	IoT	Smart TV	PCs, Laptops &Tablets	Automotive
	$ 0.1 - 0.3	$ 0.1 – 2.0	$ 2.5	$ 2.5 – 4.0	$ 10 - 20
Mic. & Speaker	●	●	●	●	●
Infrared (IR)	●	●			
Time-of-flight (ToF)		●	●	●	
Radar					●

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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

Decrease component waste

Reduce emissions and environmental footprint

Minimize power consumption
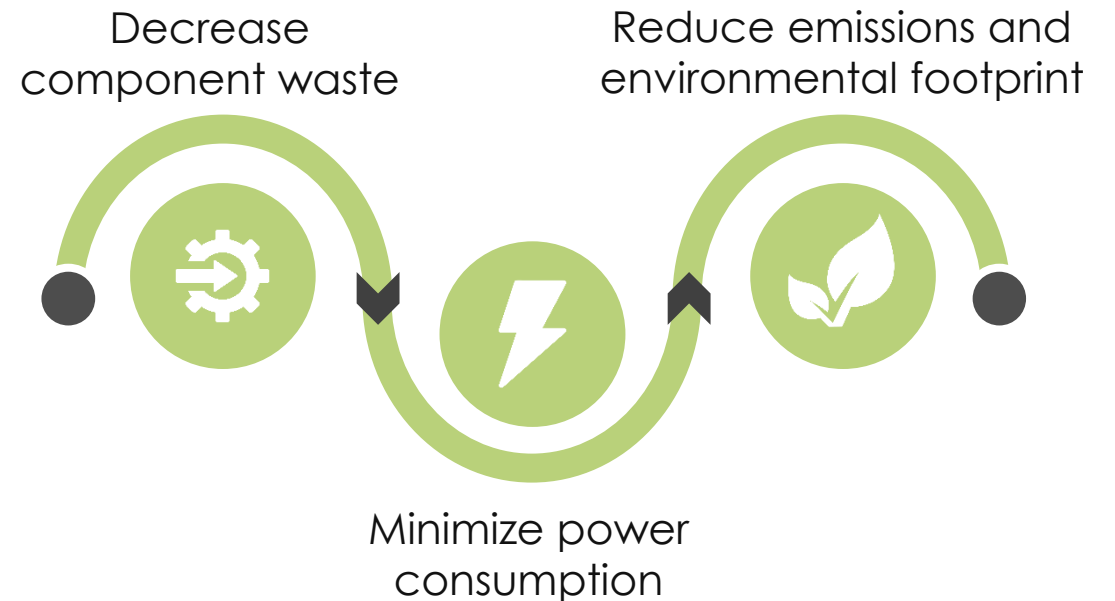
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Our first vertical

The smartphone market

1.4 billion units
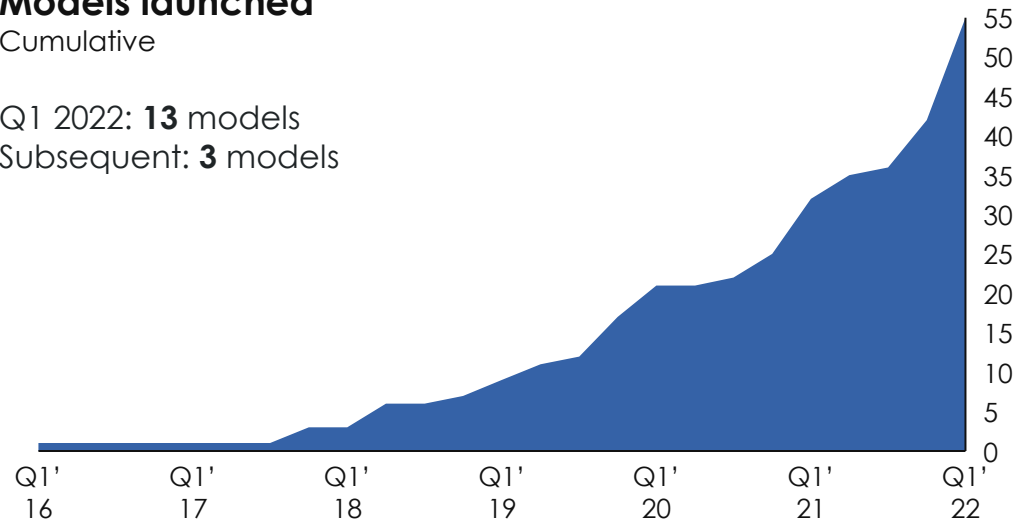
USD 140-350 million
market opportunity

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Experiencing continued strong demand and growth in Smartphones

Models launched
Cumulative

Q1 2022: **13** models
Subsequent: **3** models

Q1'16   Q1'17   Q1'18   Q1'19   Q1'20   Q1'21   Q1'22

- Leading market position with proven performance allows for rapid adoption without Proof-of-Concept testing

- Market expansion through continued partnerships with Qualcomm & MediaTek

Announced 16 smartphone launches YTD 2022
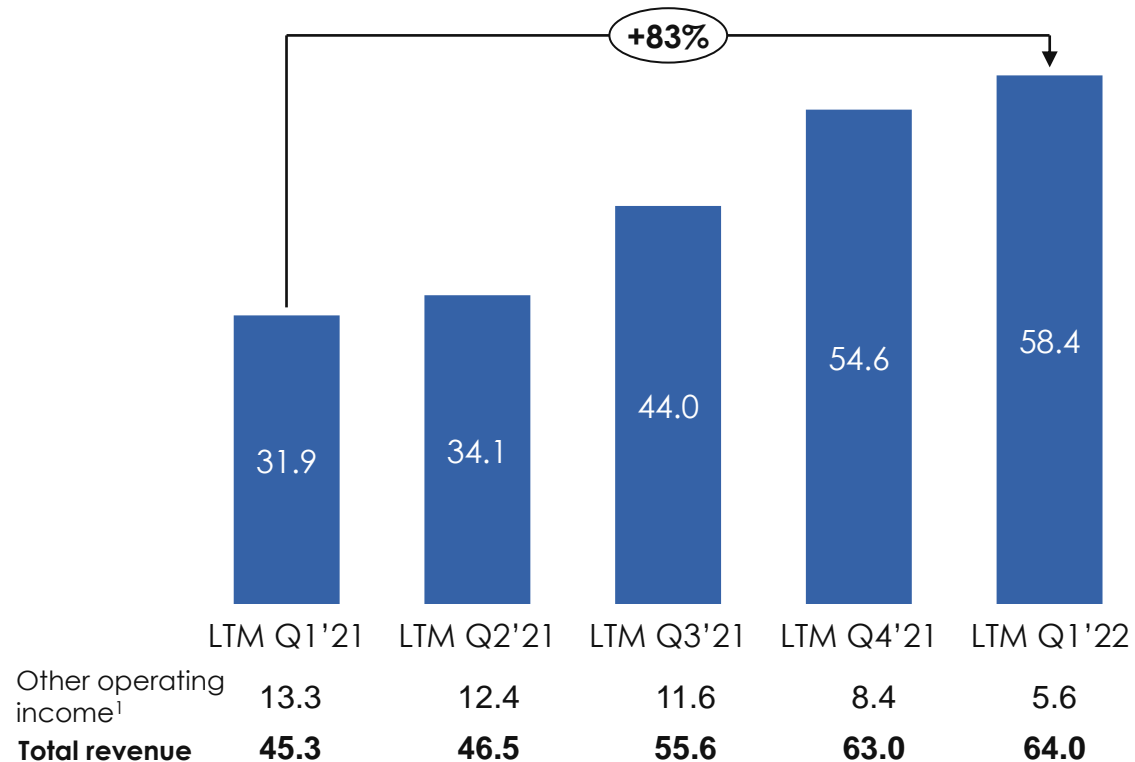**AI** Virtual **Proximity** Sensor™

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Majority of current revenue comes from smartphones

Revenue from contracts with customers
NOK million, LTM

+83%

	LTM Q1'21	LTM Q2'21	LTM Q3'21	LTM Q4'21	LTM Q1'22
	31.9	34.1	44.0	54.6	58.4
Other operating income[1]	13.3	12.4	11.6	8.4	5.6
Total revenue	**45.3**	**46.5**	**55.6**	**63.0**	**64.0**

- Strong year-on-year revenue growth in smartphones vertical

- Flexible pricing model
  - Volume based license fee per unit/device
  - Subscription fee
  - Enterprise/annual license fee

- Seasonality in revenues due to nature of smartphone market sales
  - Historically strong sales in Q4

1) Other operating income mainly reflects research grants, Innovation Norway support, etc.

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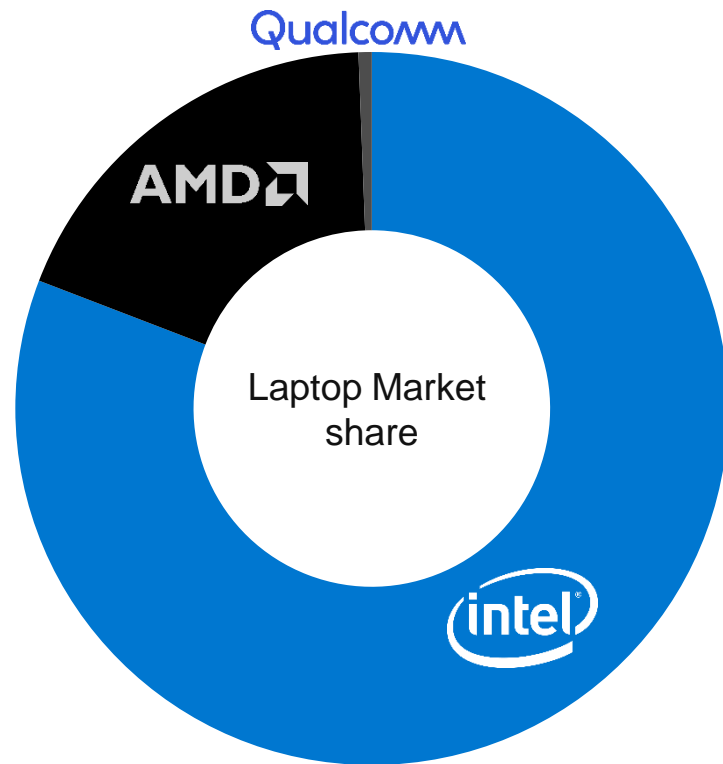Our next growth vertical

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

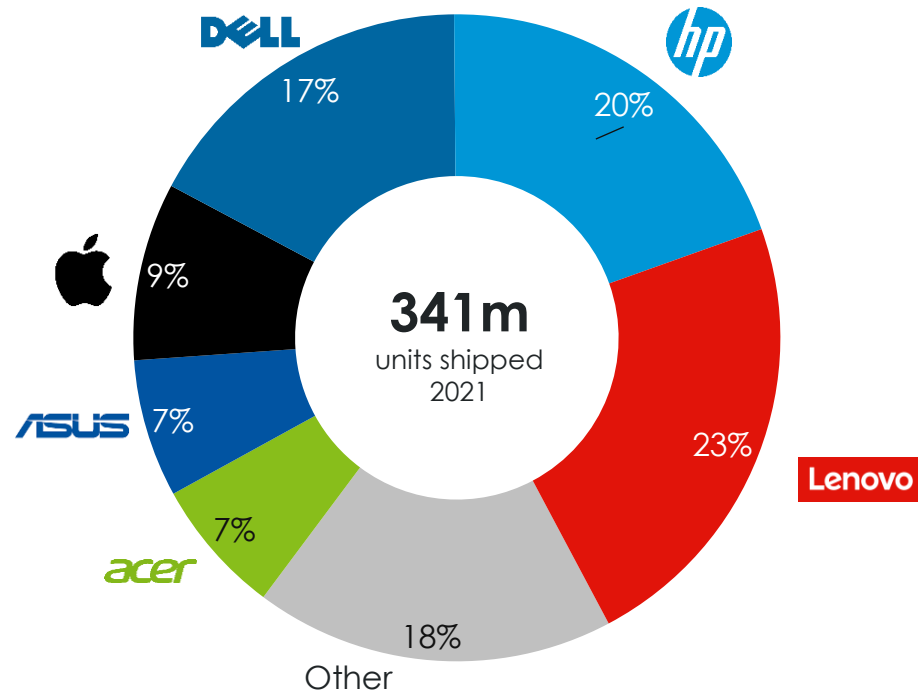| intel	AMD	Qualcomm	Other
81%	19%	0.1%	0.5%

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

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PC market concentrated by few high-volume companies

PC/laptop market [1]
Market share Q1 2022[1], Units FY 2021[2]

- 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 with 23% market share in Q1 2022

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First software-only presence sensor launched on top-selling Lenovo laptop

**Lenovo ThinkPad T14 with new functionality**

Elliptic's AI Virtual Presence Sensor debut on Lenovo's 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

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Multiple opportunities for expansion

Launched with Lenovo and signed agreements for future expansion on +20 laptop models

Laptops example applicable in all verticals

More Virtual Smart Sensors

Lenovo

More customers

More models

+20
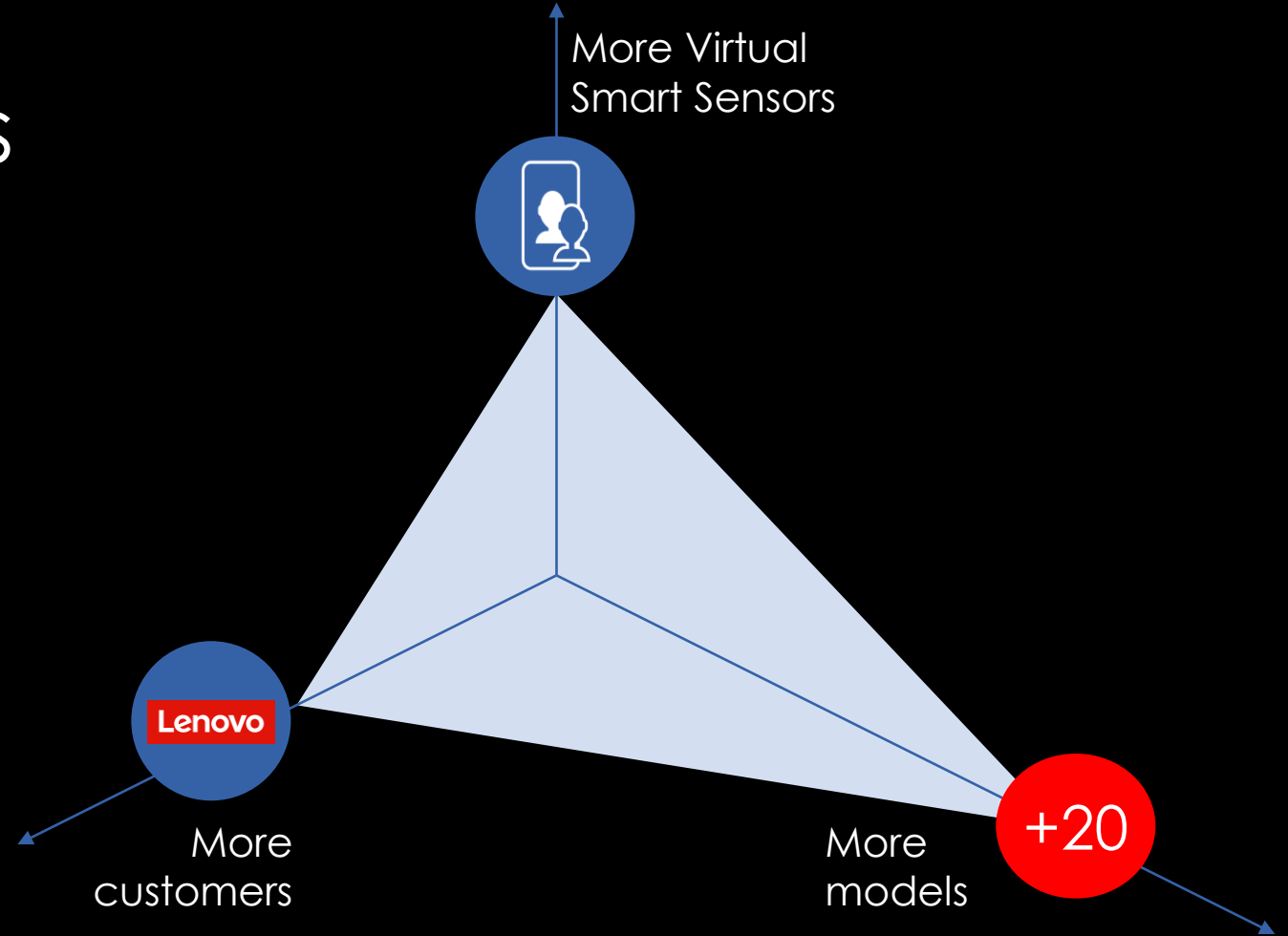
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Additional growth opportunity

Building a position in the IoT market

2.1 billion units

USD 1 billion
market opportunity

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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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Clear path towards significant revenue

Key value drivers

- Revenue growth:
  - PCs, Laptops & Tablets: Positioned to be the standard
  - Smartphones: Established and growing market position
  - IoT: Entered through license agreement
  - Increased price points for our software-sensors outside the smartphone market

- Global presence:
  - Norway, China, USA, South Korea, Japan and Taiwan

- Well funded for continued growth

2023 revenue target

500
NOK million

Building position in the IoT market

Laptops our next key growth vertical

Continued Smartphone expansion

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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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Appendix

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Investment highlights

Scalable AI software platform company with global customers and partners

- Providing Virtual Smart Sensors that make devices smarter, more human- and environmentally-friendly
- Commercial success with global tier 1 manufacturers in the smartphone, PC and IoT markets
- Semiconductor and hardware component ecosystem partners, enabling broad market penetration

$5.5 billion market opportunity and growing, driven by digital transformation and sustainability

- Billions of devices use hardware sensor components, Elliptic Labs is replacing hardware sensors with software (Virtual Smart Sensors)
- Reducing cost and power consumption and eliminating sourcing risk, while adding new features
- Wide-ranging expansion opportunities across multiple market verticals

Targeting substantial growth next two years with clear go-to-market strategy

- Targeting NOK 500 million in revenue in 2023 at 50% EBITDA margin
- Well-funded software company with a proven business model backed by strong IP
- Established presence in Norway, China, Taiwan, South Korea, Japan and USA with an international management team

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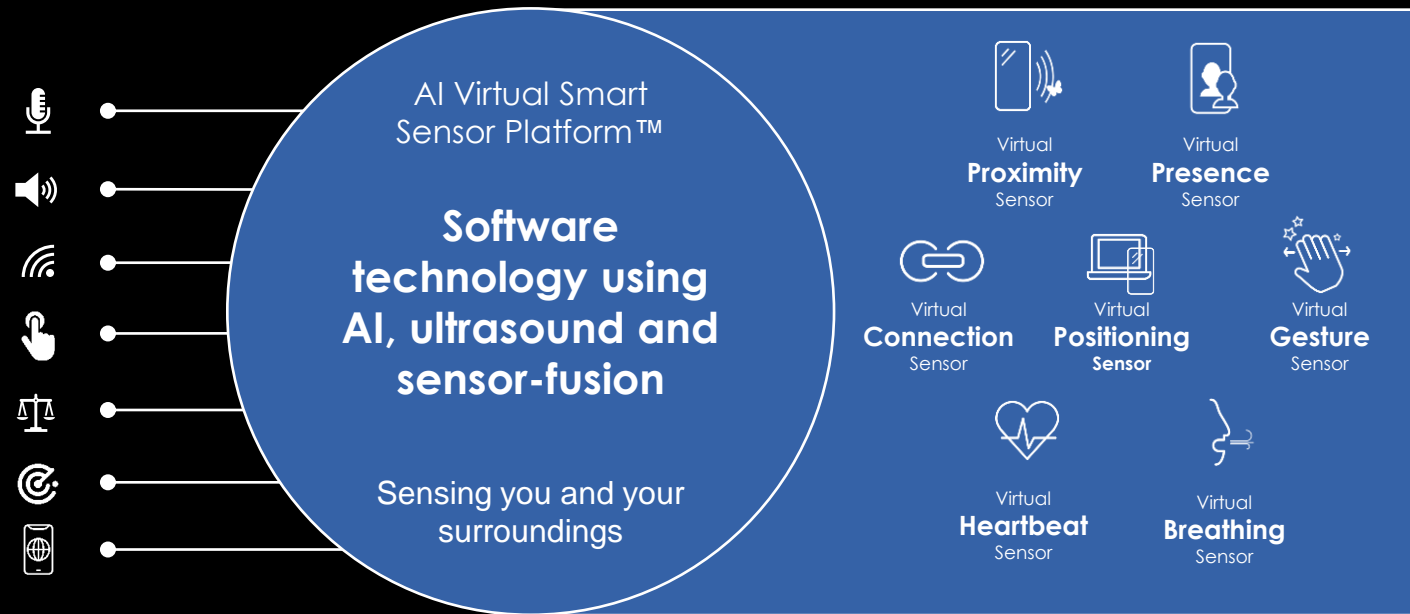
Wide-ranging opportunities across significant markets
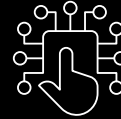
	Smartphones	PCs, Laptops & tablets	IoT	Smart TVs	Automotive
Number of units	1.4bn	460m	2.1 bn	400m	100m
x					
Price of alternatives	Infrared USD 0.10 – 0.25	Time-of-Flight / Radar USD 2.5 – 4.0	Time-of-Flight/Infrared USD 0.10 – 2.0	Time-of-Flight USD 2.50	Radar USD 10 – 20
=					
Total addressable 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
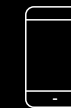
AI Virtual Smart Sensor Platform™

Software technology using AI, ultrasound and sensor-fusion

Sensing you and your surroundings

Virtual **Proximity** Sensor

Virtual **Presence** Sensor

Virtual **Connection** Sensor

Virtual **Positioning** **Sensor**

Virtual **Gesture** Sensor

Virtual **Heartbeat** Sensor

Virtual **Breathing** Sensor

Our platform reduces cost, risk and environmental footprint

Significant opportunity in prioritized markets

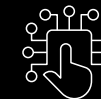Laptops our next key growth vertical — **USD 1.1 – 1.8bn**

Continued Smartphone expansion — **USD 140 - 350m**

Building position in the IoT market — **USD 1bn**

NOK 500m revenue target in 2023

AI Virtual Smart Sensor Platform™

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