

H1 and Q2 2021 results

7 September 2021

Cautionary note

This presentation includes forward-looking information and statements that are subject to risks and uncertainties. Actual results may differ significantly from those communicated herein. Such forward-looking information pertain to, amongst other things; (a) forecasts, projections and estimates; (b) statements from management regarding future plans, developments and initiatives; (c) market development and projected future TAM for Elop's products and services; and (d) growth rates.

Such forward-looking information and statements are based on current expectations, projections and estimates. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, uncertainty associated with the technical development of hardware and software offerings, the attractiveness of or products and services, market adaptation and the pace of such adaptation, competition, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time. Although Elop believes that its expectations and the information in this presentation were based upon reasonable assumptions at the time when they were made, actual results may vary significantly. Elop undertakes no obligation to publicly update or revise any forward-looking information or statements in this presentation.

Presenting team



Øivind Horpestad
CEO and Chair of The Board



Bård Myrstad
Chief Operating Officer



Kim Boman
Chief Financial Officer

Q2 Highlights and subsequent events

Q2 HIGHLIGHTS

- Several successful Elop Insight field tests completed within different industry verticals
- Strategic industrial partnerships agreed with DEKRA Visatec (globally) and Terratec (Nordics+)
- Signed R&D partnership with Norwegian Public Roads Administration
- Several contract wins for Simplifai
 - Two first municipality clients for Simplifai, as part of public sector growth strategy
 - Strategic AI automation contract within insurance sector
 - First contracts in the Asian market
- Simplifai enters into several partnerships
 - Strategic partnerships with Documaster and Crayon (Norway)
 - Strategic partnership with Data Matters B.V (Netherlands)
- Simplifai contracted monthly recurring revenue (MRR) of NOK 0,6m at the end of Q2 2021, up 82% YoY
- Cash balance of NOK 81 million at the end of Q2 2021
- Covid-19 continues to affect the business of Elop Technology and Simplifai

SUBSEQUENT EVENTS

- Internal reorganisation of group completed in August 2021. The internal reorganisation has established Elop AS a holding company for the group, with Elop Technology AS and Simplifai AS as its operating subsidiaries
- First sales contracts signed for Elop Insight scanner with targeted delivery in October 2021
- Development of Insight Crawler started with DEKRA Visatec and first prototype tested

Elop in brief



Solutions to inspect and monitor critical infrastructure



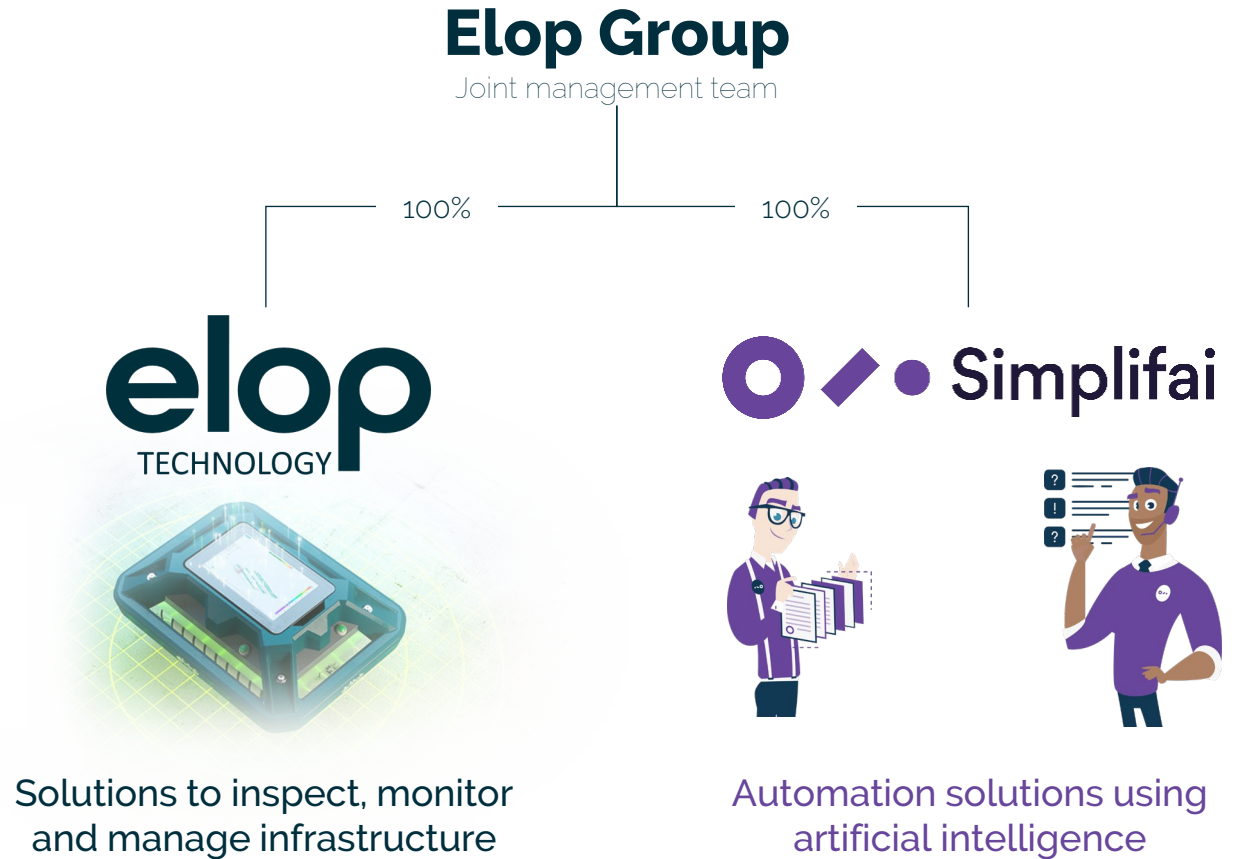
Developed and patented a **rolling ultrasonic scanner** that is far **superior** to what is available today



Acquired **Simplifai**, a software company specializing in unstructured data processing and process automation



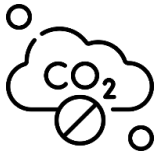
Data-driven and AI-based solutions for **inspection** and **predictive maintenance** of critical infrastructure



elop

TECHNOLOGY

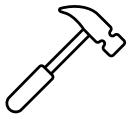
The concrete challenge



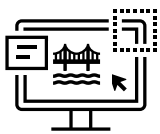
8% of the world's CO₂ comes from the concrete production process



Ageing infrastructure with significant backlog of maintenance



Lack of efficient hardware to collect data



Lack of efficient software to manage maintenances and monitor health of large infrastructure



Consequences of being unable to monitor infrastructure cost-effectively

For society, infrastructure owners and users



Short infrastructure **lifetime**



Costs of building new infrastructure



Accidents that could have been prevented



High CO₂ emissions from production and construction

Elop has the first-of-its-kind concrete scanner

Elop Insight is the world's first rolling, ultrasonic, scanning solution for concrete inspection

Real-time 3D visualization

Globally patented ultrasound scanning solution that quickly, efficiently and accurately gathers assessment data on critical infrastructure and transmits the real-time 3D visualization of the subsurface construction

Unparalleled efficiency

Elop's unique technology enables a considerably more efficient and practical way of inspecting larger volumes of concrete structures than what is possible with other existing technologies and devices on the market

Scalable cloud-based application

Data is transmitted to a scalable, cloud-based application where all stakeholders have access to relevant information, including 3D-videos, models, images and historical data



Elop Technology's first sales orders signed in Q3 ^{elop}

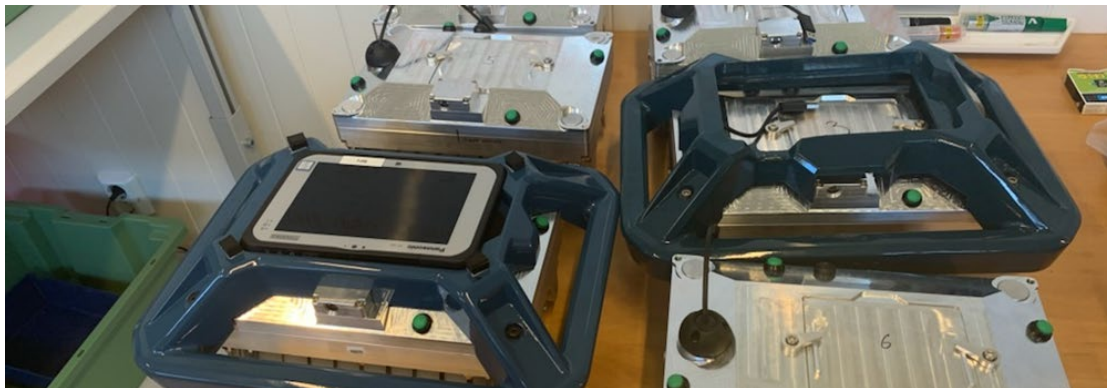


Sales

- The first batch of ultrasound scanners is being assembled inhouse for delivery in October
- The first sales orders have been finalized

Production

- Production moved in-house for both software and hardware
- Core components production to be held in-house in the foreseeable future
- Evaluating outsourcing of non-critical components and assembly



First order received from Miami-based inspection company



**“Two-Thirds of Miami
Condo Buildings Are Older
Than 30 Years.”** (Wall Street Journal)

(according to data compiled by real-estate data firm
Zillow for The Wall Street Journal)

Field tests across Europe and asset classes

Completed field tests



Demo project with major asset owner in **energy sector**



Demo project with **inspection partner** on the Abisko bridge in Sweden for large asset owner



Demo project in Norway with major **infrastructure entrepreneur**



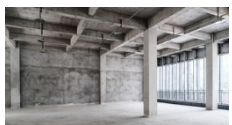
Demo project for Elop Insight in **Germany**



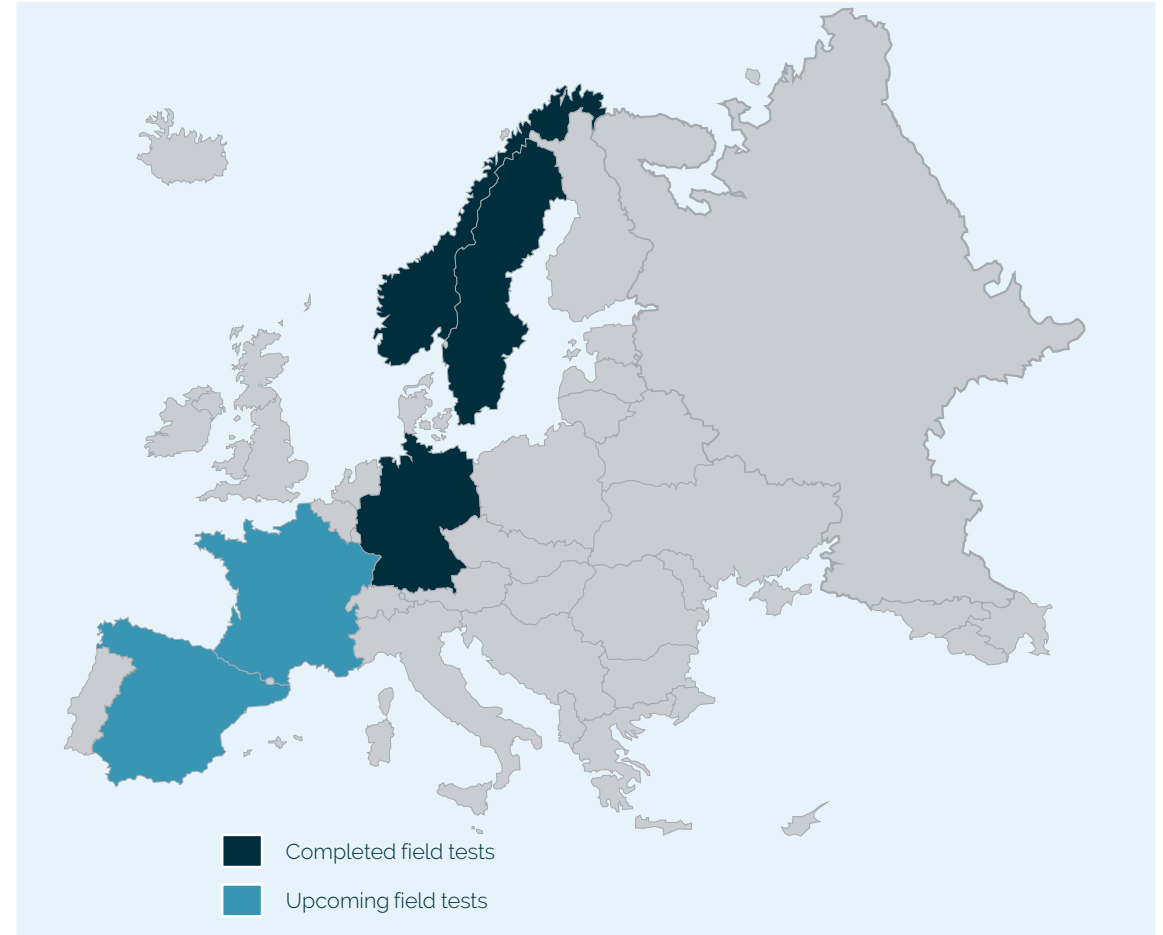
Upcoming field tests



Demo projects for Elop Insight in **Norway** and **Sweden** agreed for bridges, a tunnel, an oil installation and more



Demo project for Elop Insight in **France**



Successful pilots and demo projects validate our technology



**CON+
SCAN
TECH**

Demo project conducted in cooperation with CON+Scantech, a specialist consultant for building maintenance and repair

Conducted at a parking structure in Hamburg. Scanned **200 m2 in 4 hours**, while remotely analyzing the results in real time in Oslo. The visualization of the large scan will be added to CON+Scantech's digital twin of the structure



 **equinor**

Demo project conducted in cooperation with Equinor utilizing Elop's ultrasonic scanning solution

Conducted at the leaning tower of Jättåvågen in Stavanger, especially suitable for such tests with varying wall thickness and angled construction

Conducted together with Equinor's external inspection partners:
Aker Solutions, NAS, RaKon and Linjebygg

DEKRA Visatec cooperation confirms the global potential of Elop's technology

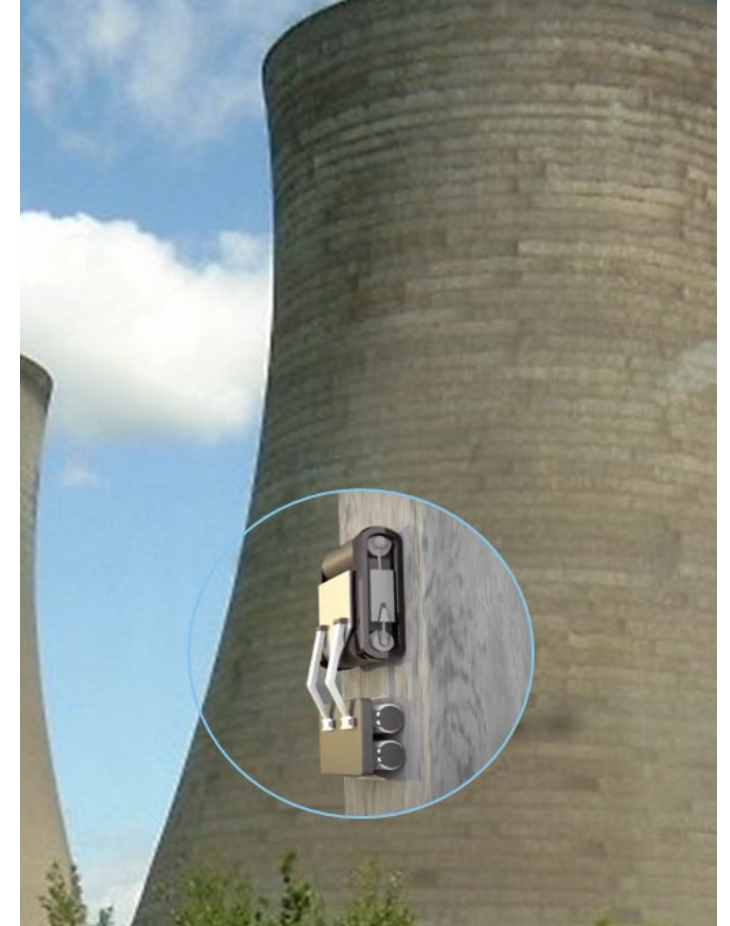


DEKRA

- Leading global provider of mapping and inspection services for infrastructure
- World's largest unlisted organization in the TIC industry
- 44,000 employees
- Global operations

- **Global breakthrough** for Elop Technology's patented technology, including large sales potential
 - Collaboration and testing already on-going utilizing DEKRA facilities in Germany
- **Finalization of contract** terms on-going - expanding initial scope
- DEKRA Visatec GmbH and Elop Technology to **combine vacuum crawler and Elop Insight** to create an "InsightCrawler"
- Key for Elop Technology: Access to **global market** in Testing, Inspection and Certification (TIC)

Successful Crawler prototype tested in collaboration with DEKRA Visatec and ICM



Partnerships provide key opportunities within the survey and inspection market

In addition to agreement with DEKRA Visatec, we have key partnerships with...



Statens vegvesen

- Partnership with Norwegian Public Roads Administration to develop Elop Technology's Asset Management System
- Allows for making Elop AMS a tailored tool based on realistic needs



TERRATEC

- Commercial use of Elop technology in combination with Terratec's services
- Access to highly valuable data from concrete infrastructure and provides Elop Technology with a technology track record

Elop recruit infrastructure industry seniors

2021  NRC Group



Fredrik Ekholm

Former Head of Strategy & Corporate Development at NRC Group Sweden

2021  DEKRA



Marcus Jocham

Former VP Global Service Sales, Mechanized NDT Inspection Technology at DEKRA Group

2021  DEKRA

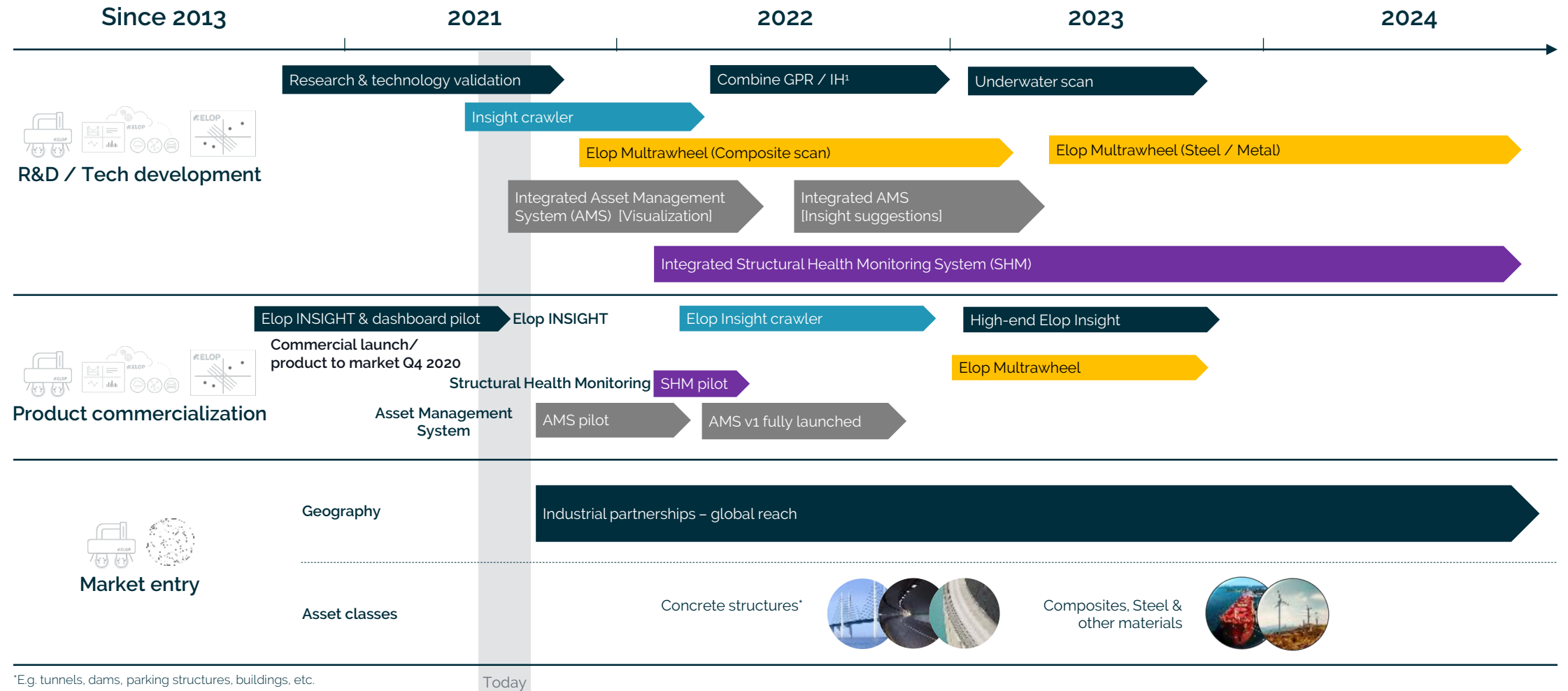


Niklas Persson

Former VP Global Service Sales at DEKRA Group

Our customers see the need for Elop's technology, and our team consists of former high-ranking employees at customers who have validated our solutions and technology

Continuous R&D / Tech development and commercial launches in 2022

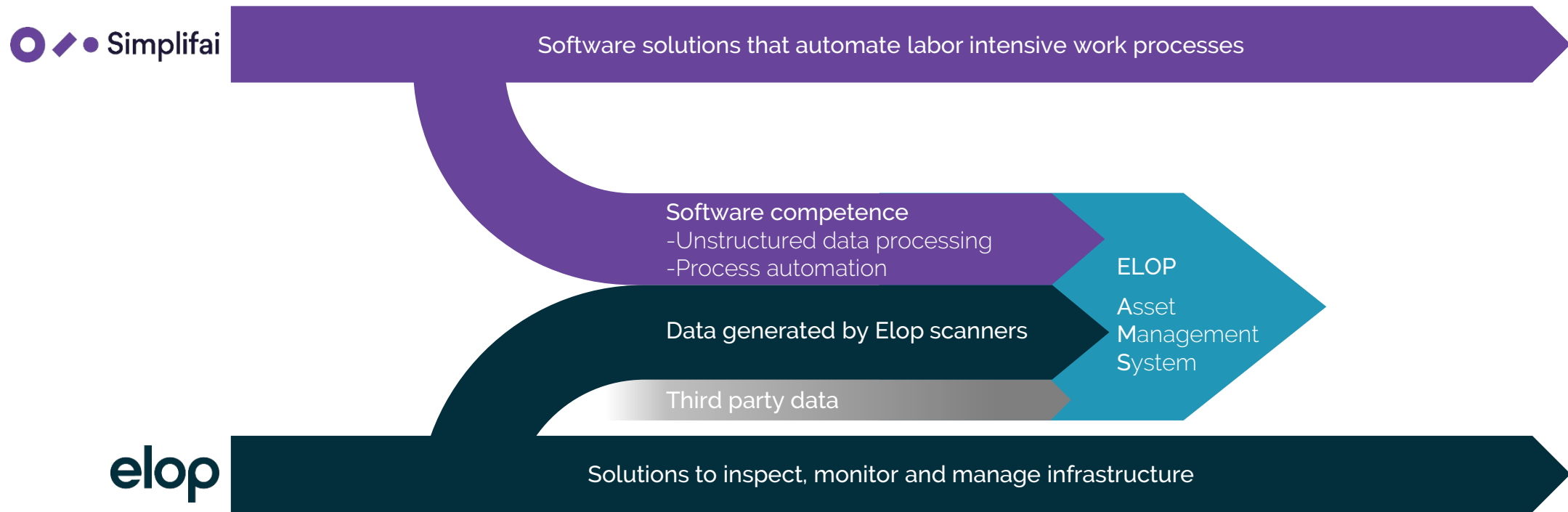


*Eg. tunnels, dams, parking structures, buildings, etc.

Today

1: GPR = Ground Penetrating Radar, IH = Impact Hammer

Simplifai's competence in data processing and process automation is key in building Elop AMS





Simplifai: Elop's AI business unit



Norwegian AI Company
HQ in Oslo, 115 FTE's



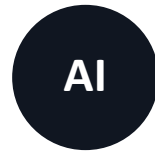
Verified: Microsoft Partner



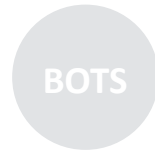
Services: Digital Employees



Core: Standardized Solutions,
≈ 90% Automation Grade, Quick
implementation and ROI



Tech: AI, Natural Language Technology,
Natural Language Processing (free-text)



Products: Emailbot, Documentbot, and
Chatbot

SaaS Business Model: Building recurring
and scalable revenue model

Key stepping stones for Simplifai

Capturing a high growth market



- NEW ENTRIES
- ONGOING
- COMPLETED
- NOT YET REACHED

Awareness

- ✓ Initiating commercial partnerships
- ✓ Solutions marketing
- ✓ Auditions and tendering
- ✓ Building products as part of commercial cooperation
- ✓ Building sales pipeline

Credibility

- ✓ Establishing close partnership with Microsoft
- ✓ industry tech approval, BFSI, retail and public sector
- ✓ Recruiting world class technical organisation
- ✓ Solutions available on recognised marketplaces
- ✓ Develop commercial partnerships
- ✓ International breakthroughs (i.e. India, Singapore)








Success stories

- ✓ Claims Link and OSM Maritime success stories
- ✓ Technology acceptance opens up new sales channels
- ✓ Continuously shorten onboarding cycles
- ✓ New industries: online retail, telecom
- ✓ Breakthrough in municipality market
- ✓ Partner channel beginning to deliver results
- × New geographical markets
- × Significantly shorten sales cycles

Recognition

- × Exponential sales growth
- × Widespread international expansion
- × Global distribution
- × Recognized as leading vendor within natural language-based business process automation
- × International BFSI clients

Several contract wins verify Simplifai’s technology leadership and growth potential

Selected clients	Description of service	Why important?
 	Emailbot + Documentbot	<ul style="list-style-type: none"> • New international clients won in tough competition
 	Emailbot + Documentbot	<ul style="list-style-type: none"> • GDPR/Schrems ii-compliance validated • Strong customer reference
 Kartverket  Sarpsborg kommune  ÅLESUND KOMMUNE	Solution for e-mail archiving & Documentbot	<ul style="list-style-type: none"> • Expanding in public sector • First solutions in production • Position to dominate large archiving projects

Eika Forsikring will use AI-powered Digital Employees in their claims handling

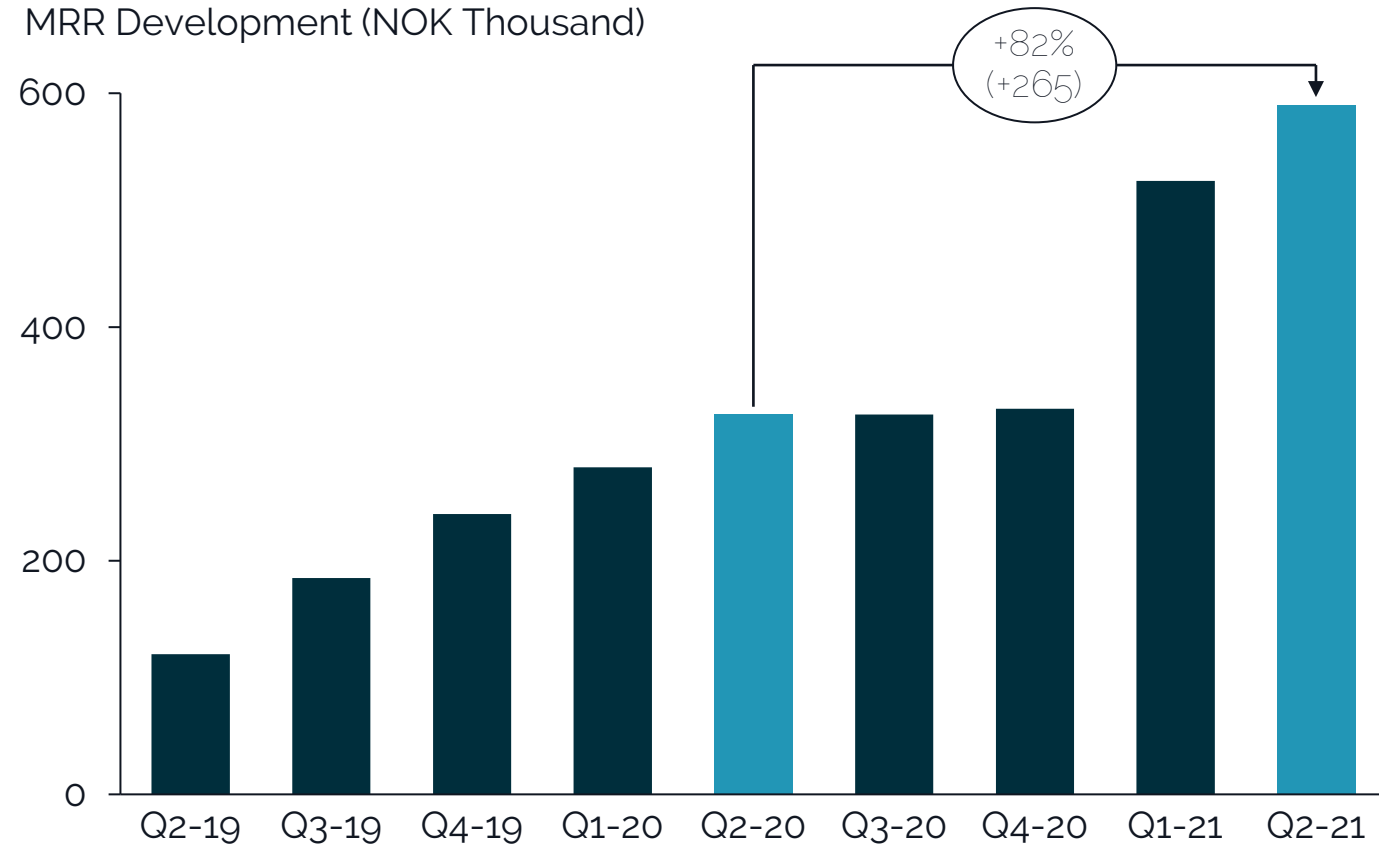


“ Good references, successful POC, and handling of GDPR were crucial for our choice of AI-supplier.

Kristin Bjerkli, Head of Claims in Eika Forsikring

Contracted MRR of NOK 0.6m as of end Q2 2021, up 82% from Q2 2020

MRR Development (NOK Thousand)



- MRR growth impacted negatively by Schrems II¹ which have created uncertainty related to GDPR and privacy matters
- Simplifai have mitigated the challenge by changing delivery method of SaaS services with the aim to be best in class in terms of privacy among its competitors

1) The landmark data privacy verdict issued in July 2020 by the Court of Justice in EU

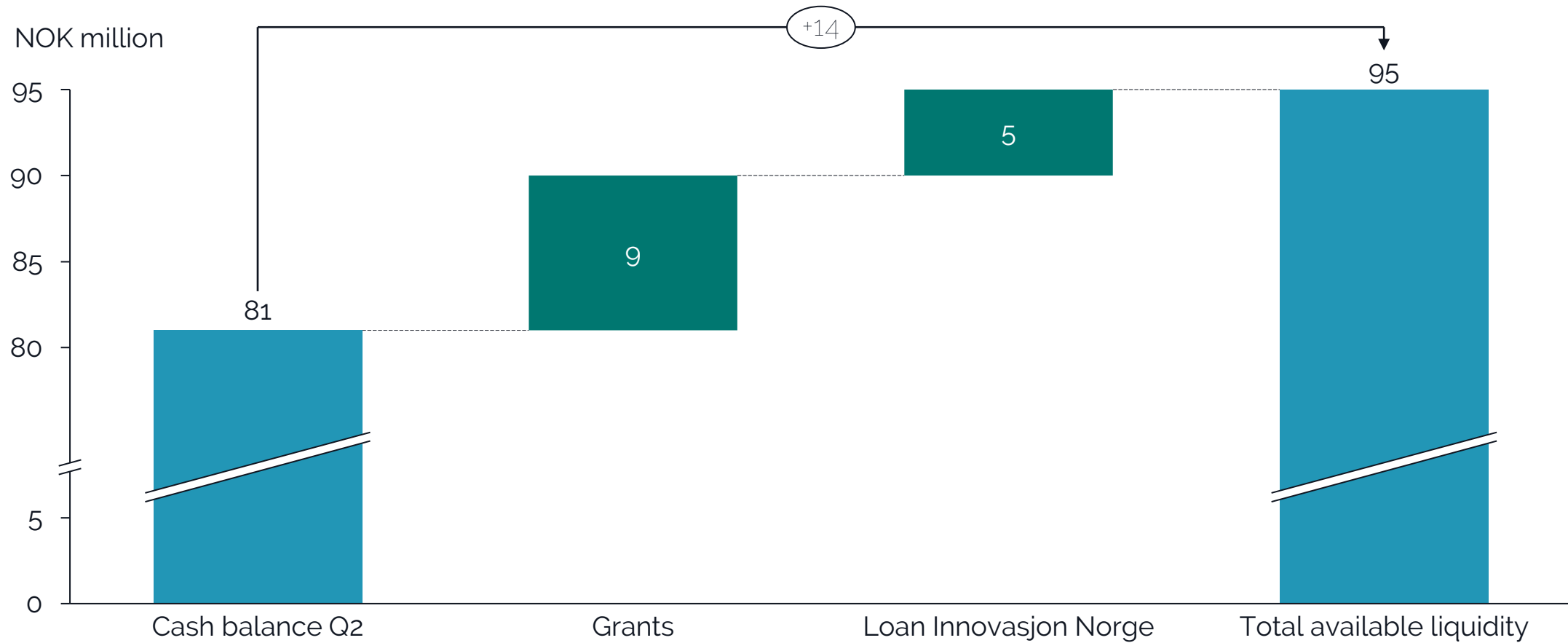
H1 and Q2 2021 interim financial results

Elop Group income statement

Amounts in NOK thousand	Q2 2021	Q2 2020	1H 2021	1H 2020	FY 2020
Revenue	1,952	-	4,246	-	-
Other operating revenue	-	-	-	-	-
Total revenue	1,952	-	4,246	-	-
Cost of sales	1,767	(36)	1,958	10	145
Employee benefit expenses	5,811	990	22,370	3,089	9,453
Other operating expenses	9,375	5,197	13,390	10,308	21,016
Depreciation and amortization	3,458	-	5,430	-	420
Operating profit/(loss) (EBIT)	(18,458)	(6,151)	(38,901)	(13,407)	(31,033)
Financial income	20	(0)	27	-	77
Financial expenses	(275)	(41)	(466)	(111)	(261)
Net financial items	(255)	(41)	(439)	(111)	(184)
Profit/(loss) before income tax	(18,714)	(6,192)	(39,341)	(13,518)	(31,216)
Tax income +/- tax expense -	78	-	78	-	-
Profit/(loss) for the year	(18,636)	(6,192)	(39,263)	(13,518)	(31,216)
Profit/(loss) for the period is attributable to:					
Non-controlling interests	26	-	108	-	-
Owners of ELOP AS	(18,662)	(6,192)	(39,371)	(13,518)	(31,216)

- Simplifai revenues are consolidated from Jan 18 2021
- Employee benefit expenses include restructuring provision of NOK 4m
- Capitalized cost related to hardware and software development amounted to NOK 9,9 million in Q2 2021 and NOK 25.7 million in H1 2021

Liquidity Elop Group



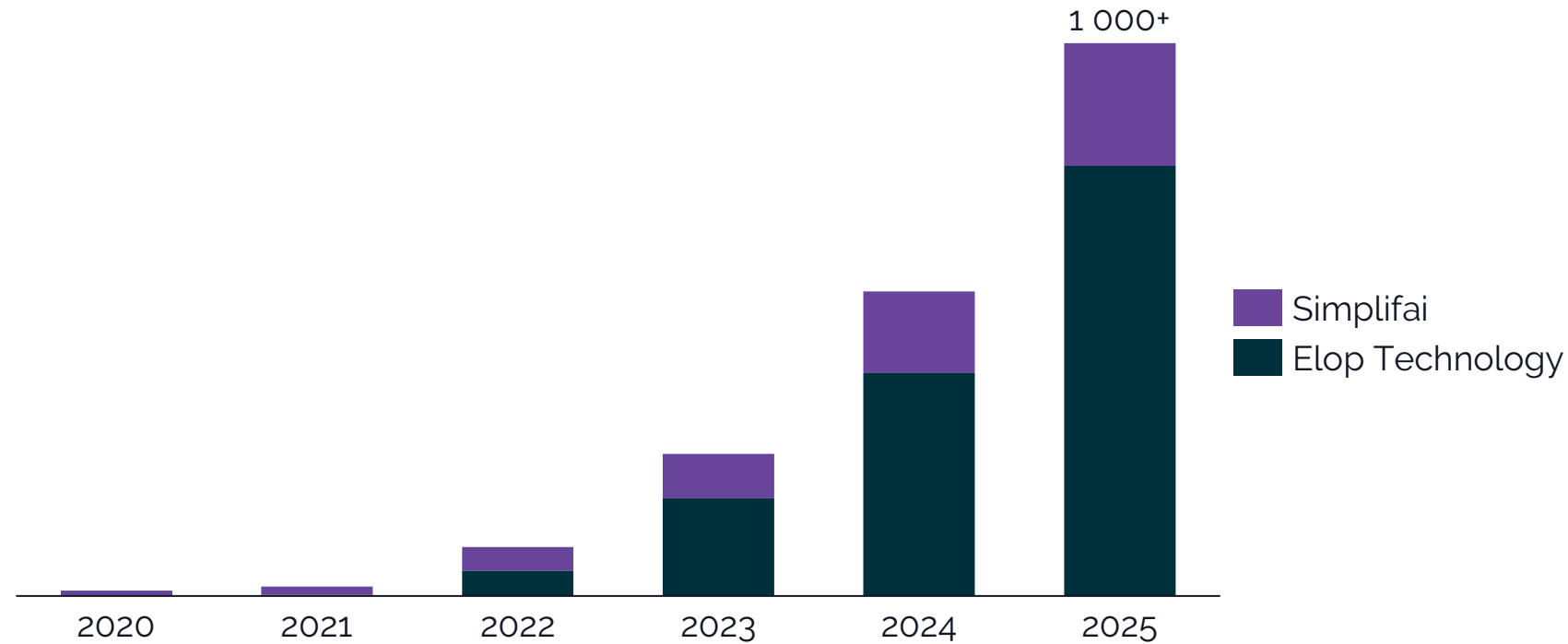
Summary & Outlook



Gradual shift towards contracted recurring software revenue

Elop revenue expected to pick up with software and scanner roll-out

Revenue, MNOK



2025 TARGETS

>1 000M NOK
Revenue

>40%
EBIT margin

>75%
ARR

Note: Simplifai is not reflected in 2020 actuals, as it was acquired early 2021

SUMMARY

Q2

- New group management team in place
- Insourced production (both SW and HW)
- Successful Elop Insight field tests
- Strategic industrial partnerships agreed for both Elop Technology and Simplifai
- Covid-19 restrictions continue to make physical sales demonstrations of Elop's technology difficult. Less restrictions in Q2 allowed the company conduct selected field tests in Europe.
- Breakthrough contracts in several new market areas for Simplifai

Subsequent events

- First sales orders confirmed for Elop Insight

OUTLOOK

- Elop Technology targets to deliver the first Elop Insights in Q4 2021
- Simplifai targets 3-5 x MRR at year end 2021 vs year end 2020
- On track to launch Insight Crawler in cooperation with DEKRA in Q1 2022
- Elop AMS expected to be launched H2 2022
- Target to create a **NOK 1 BILLION** revenue company in 2025 unchanged
- Continued lifting of Covid restrictions will make it easier to meet with potential customers

Appendix

Elop AS Group consolidated balance sheet

Amounts in NOK thousand	Note	1H 2021	1H 2020	FY 2020
ASSETS				
Non-current assets				
Goodwill	5,6	121,245	-	-
Intangible assets	5	83,781	17,377	28,690
Property, plant and equipment	5	2,126	350	1,367
Right of use assets		6,056	-	7,253
Total non-current assets		213,208	17,727	37,310
Current assets				
Inventory		333	-	164
Trade receivables		1,305	-	-
Other current receivables		14,788	358	10,439
Cash and cash equivalents		81,202	48,048	116,272
Total current assets		97,628	48,406	126,875
TOTAL ASSETS		310,837	66,133	164,185

Amounts in NOK thousand	Note	1H 2021	1H 2020	FY 2020
EQUITY AND LIABILITIES				
Equity				
Share capital		4,650	2,683	3,515
Share premium		336,062	86,648	181,220
Other equity reserves		14,248	4,356	4,572
Translation differences		(3)	-	-
Retained earnings (deficit)		(93,888)	(36,970)	(54,664)
Equity attributable to equity holders of Elop AS		261,070	56,717	134,643
Non-controlling interests		108	-	-
Total equity		261,178	56,717	134,643
Non-current liabilities				
Non-current liabilities to financial institutions		11,608	4,821	4,821
Non-current lease liabilities		4,044	-	5,326
Deferred tax liability		2,389	-	-
Total non-current liabilities		18,041	4,821	10,147
Current liabilities				
Trade payables		16,501	1,791	9,853
Current lease liability		1,761	-	2,154
Current tax liabilities		2,295	(15)	1,271
Other current liabilities		11,060	2,819	6,117
Total current liabilities		31,617	4,595	19,395
Total liabilities		49,659	9,416	29,542
TOTAL EQUITY AND LIABILITIES		310,837	66,133	164,185

Cashflow statement

Amounts in NOK thousand	2Q 2021	2Q 2020	1H 2021	1H 2020	FY 2020
Cash flows from operating activities					
Profit/(loss) before income tax	(18,714)	(6,192)	(39,341)	(13,518)	(31,217)
<i>Adjustments for</i>					
Depreciation and amortization	3,458	-	5,430	-	420
Change in trade and other receivables	(5,126)	8	(3,154)	944	13
Change in inventory	(40)	-	(169)	-	(164)
Change in trade payables	8,602	1,406	6,648	(397)	8,303
Change in accruals	7,946	226	9,546	644	(4,555)
Share-based payments expenses	(456)	-	7,488	-	216
Interest received	(20)	0	(27)	-	(2)
Interest paid	275	41	466	111	261
Cash inflow from operating activities	(4,074)	(4,511)	(13,112)	(12,217)	(26,726)

Amounts in NOK thousand	2Q 2021	2Q 2020	1H 2021	1H 2020	FY 2020
Cash flows from investing activities					
Payment for investment company	-	-	(1,484)	-	-
Payment for property, plant and equipment	(454)	-	(725)	(94)	(1,304)
Payment for intangible assets	(17,580)	(4,321)	(28,680)	(5,004)	(16,317)
Cash (outflow) from investing activities	(18,034)	(4,321)	(30,889)	(5,098)	(17,621)

Cash flows from financing activities					
Repayment of other debt (Non-current / Current)	409	-	(256)	(2,089)	(2,089)
Interest received	20	(0)	27	-	2
Interest paid	(275)	(41)	(466)	(111)	(261)
Capital increase received funds	393	-	9,393	59,548	154,952
Cash inflow from financing activities	547	(41)	8,698	57,348	152,604

Net increase/(decrease) in cash and cash equivalents	(21,562)	(8,873)	(35,303)	40,033	108,257
Cash and cash equivalents in the beginning of period	102,530	56,921	116,272	8,014	8,014
Cash and cash equivalents as of 30 June	80,968	48,048	80,968	48,048	116,272

Segment financial summary

Segments - H1 2021				
Amounts in NOK thousand	Elop Technology	Simplifai	Elimination	Sum
Total revenue	1,652	7,269	-4,675	4,246
Total operating expenses	30,967	11,350	-4,600	37,717
Operating profit/(loss) (EBIT)	-32,226	-6,600	-75	-38,901
EBITDA	-29,315	-4,081	-75	-33,471
Capitalized development	13,585	12,202	-76	25,711

Segments Q1 2021				
Amounts in NOK thousand	Elop Technology	Simplifai	Elimination	Sum
Total revenue	-	2,874	-580	2,294
Total operating expenses	16,055	5,249	-539	20,765
Operating profit/(loss) (EBIT)	-17,418	-2,984	-41	-20,443
EBITDA	-16,055	-2,375	-41	-18,471
Capitalized development	9,597	5,857	-41	15,413

Segments Q2 2021				
Amounts in NOK thousand	Elop Technology	Simplifai	Elimination	Sum
Total revenue	1,652	4,395	-4,095	1,952
Total operating expenses	14,912	6,101	-4,061	16,952
Operating profit/(loss) (EBIT)	-14,808	-3,616	-34	-18,458
EBITDA	-13,260	-1,706	-34	-15,000
Capitalized development	3,988	6,345	-35	10,298

20 largest shareholders as of 05.09.2021

INVESTOR	NUMBER OF SHARES	% OF TOP 20	% OF TOTAL
MELANDSØ INVEST AS	12771081	19.54%	13.73%
GIMLE INVEST AS	7497665	11.47%	8.06%
SOGN INVEST AS	5186025	7.94%	5.58%
THE BANK OF NEW YORK MELLON SA/NV	4911326	7.52%	5.28%
ZONO INVEST AS	4700000	7.19%	5.05%
BHM HOLDING AS	3981900	6.09%	4.28%
HKL HOLDING AS	3981900	6.09%	4.28%
TIGERSTADEN MARINE AS	3785025	5.79%	4.07%
SONGA CAPITAL AS	2833333	4.34%	3.05%
LANI INVEST AS	2688330	4.11%	2.89%
NORDNET LIVSFORSIKRING AS	2155762	3.3%	2.32%
MP PENSJON PK	2037106	3.12%	2.19%
TIGERSTADEN INVEST AS	1728000	2.64%	1.86%
NIMBUSTECH AS	1616636	2.47%	1.74%
AGERA VENTURE 1 AS	1147222	1.76%	1.23%
VESTLAND INVEST AS	1076396	1.65%	1.16%
DANONI AS	940179	1.44%	1.01%
MIDDELBORG INVEST AS	876496	1.34%	0.94%
AGERA AKSELERATOR AS	732824	1.12%	0.79%
KRISTIANSEN PETTER ASKHEIM	703905	1.08%	0.76%

- At 30th of June; 600,000 outstanding warrants and 6,200,000 outstanding options.
- Average strike price of NOK 6.40.

As of 05.09.2021

Elop moving in the right direction

Introducing new technology to create a new high growth market

NEW ENTRIES

ONGOING

COMPLETED

TO BE REACHED

Awareness

- ✓ Euronext listing
- ✓ Commercial launch
- ✓ Solutions marketing
- ✓ First technology demonstrations
- ✓ Initiating commercial partnerships
- × Building sales pipeline
- × Proactive international marketing
- × Industry events

Credibility

- ✓ Demonstrating tech
- ✓ Bringing AI competence in-house
- ✓ Field demonstrations
- ✓ Developing industry partnerships
- ✓ Terratec agreement
- ✓ Industry partnership with DEKRA Viatec GmbH
- ✓ Insourced scanner production & software development
- × Major reference clients
- × Demonstrating different applications areas

Success stories

- ✓ New industries
- ✓ New geographical markets
- ✓ First sales
- × Successful field projects
- × Demonstrating stakeholder value
- × Global industry partnership with DEKRA for the Insight crawler
- × New technology applications

Recognition

- × Exponential sales growth
- × International expansion
- × Global distribution

Point scanners for the concrete market have their limitations

The ultrasound scanners on the market have some limitations today...

- Point scanners - a still image needs to be taken every 10cm
- Not practical to scan large areas efficiently
- Unable to assess the depth of cracks and air pockets
- Varying sophistication of software for visualizations on app / web



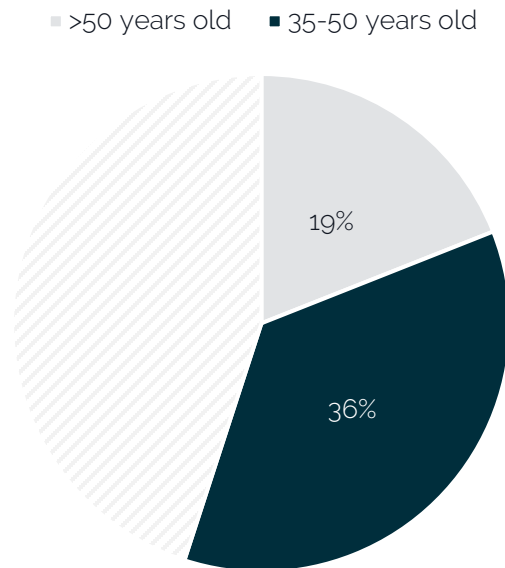
...which leads to low utilization and data generation

- Scanners not being used to cover larger areas
- Data quantity and quality low
- Data unconsolidated
- Mainly used as ad-hoc tools for certain situations
- Data mainly utilized in reports generated by inspection specialists

Maintenance is a growing concern globally

Maintenance of critical concrete infrastructure is a growing concern, with aging structures and prolonged neglect driving up maintenance costs

Age structure of highway bridges in Germany



Significant backlog of bridge maintenance



Current backlog at USD 125-170bn – expected to increase as current budget allows for only ~570 bridge repairs p.a. out of 47,000 in urgent need



Statens Vegvesen's annual budget for bridge repairs is USD 30m despite backlog of USD ~2bn



Similar significant backlogs seen in Spain, Germany, France and numerous other developed countries

Maintenance spend has historically kept backlog stable, but is expected to increase with current pace



Our goals



Establish **Elop technology** as an **industry standard**

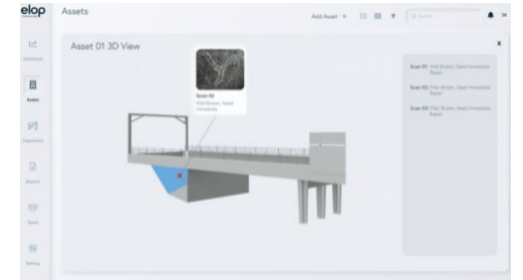
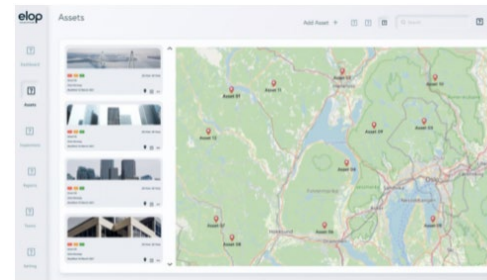
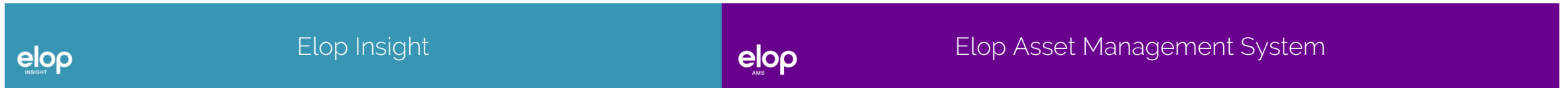


Build the next generation structural health monitoring system



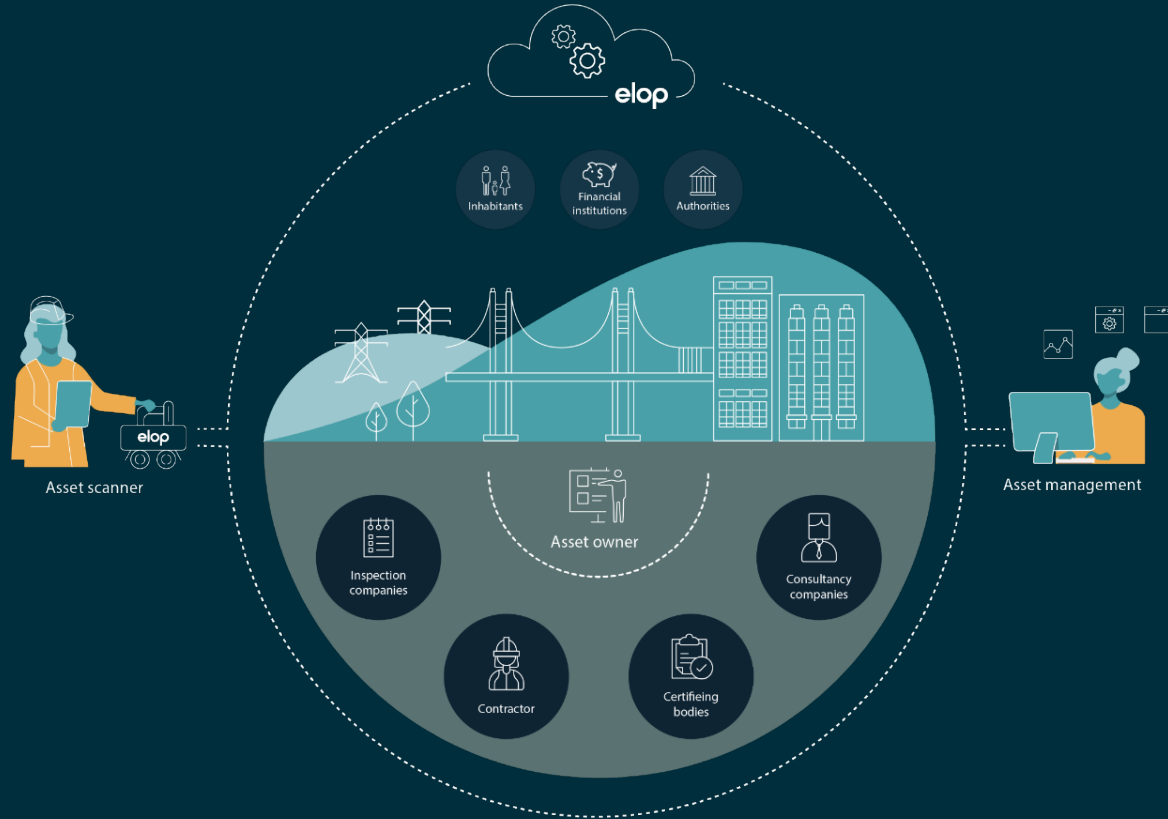
Establish **Simplifai** as a leading global software vendor within **intelligent business process automation**

Overall strategy: Become a fully integrated technology provider



Transforming data into unique insight

Scanner & Dashboard
Collect, connect, visualise



Asset Management & Monitoring System (AMS)
Structure, analyse, act

From reactive to proactive maintenance





By coupling data from many sources with our scalable cloud-based system, we aim to give asset owners full digital overview of their structures allowing them to move from a reactive maintenance strategy to a proactive.

- Monitor infrastructure health
- Conduct predictive and preventative maintenance
- Optimise asset lifetime and cost



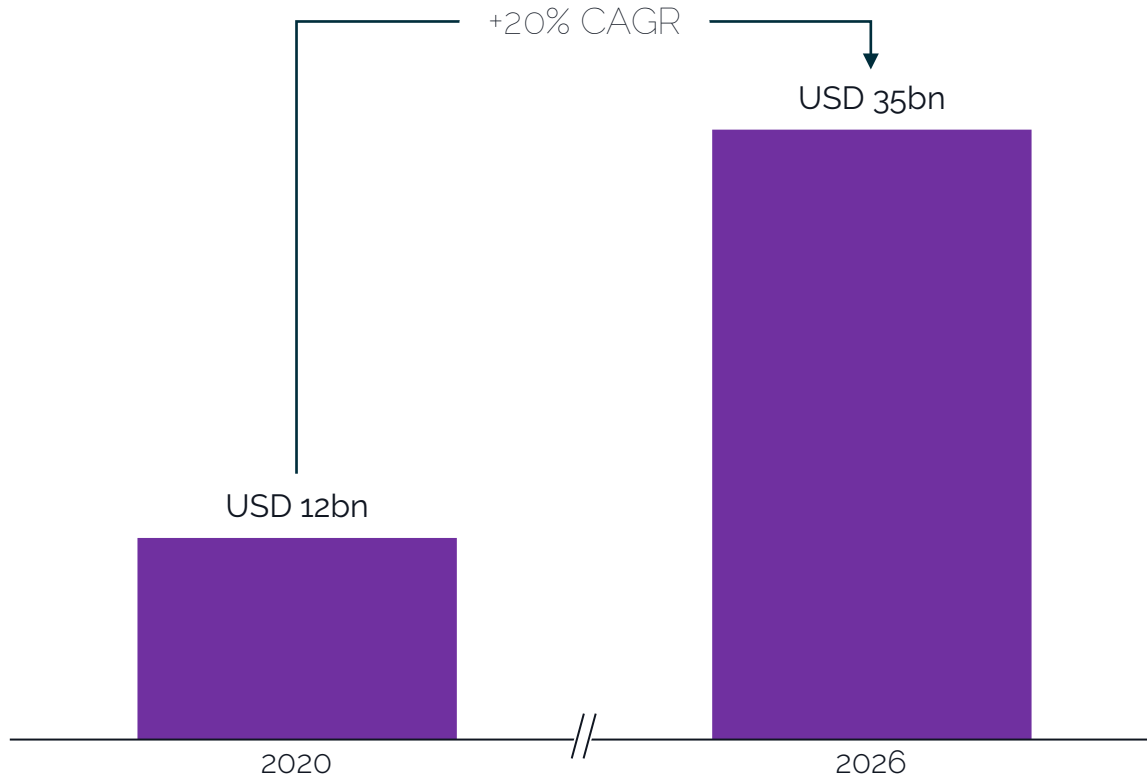
Look into the future with a digital collaboration tool

Elop Asset Management System enables all stakeholders to look into the future maintaining and safeguarding bridges, dams, railroad infrastructure and other large infrastructures.

-  Cloud based
-  Data collection and visualization
-  Smart automation and integration
-  Predictive analysis

Simplifai: provides Elop with a large addressable secondary market...

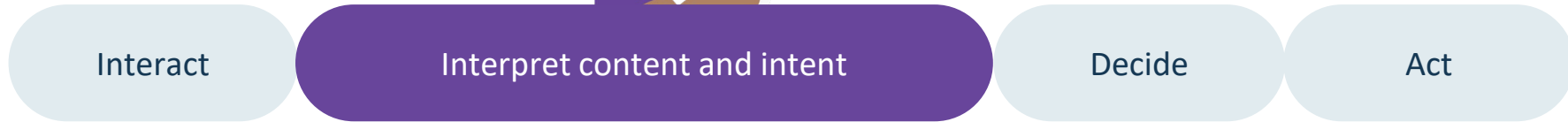
Global Natural Language Processing market¹



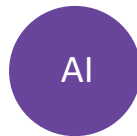
- Natural language processing is necessary in several business processes which utilize e.g., the following tools: **Portals, Email, Customer service software, Docs, CRM**
- Has historically been **difficult to automate**
- Requires **heavy human interaction with corresponding high cost**
- **Vulnerable for mistakes**, large variations in quality and service level
- Increased demand for **24/7 service** globally, further drives cost
- Large potential for **efficiency gains**

1): Marketsandmarkets.com - <https://www.marketsandmarkets.com/Market-Reports/natural-language-processing-nlp-825.html>

Digital Employees ensures end-to-end automation



Chatbot



Documentbot



Emailbot



Decision Engine



API & RPA

Simplifai's unique position facilitates early adoption of AI technology

