

COMPANY PRESENTATION

Kjersti Kanne, CEO

December 9, 2020

Highlights

In Q3'20 and subsequent to quarter

Commercial progress

- Commercial agreement with Endúr AAK
- Completion of first commercial assignment for large residential projects in Oslo
- Secured patent protection in China
- Successful commercial launch of ultrasound scanner on December 8

Finance

- Raised NOK 100 million in private placement
- Secured grants and loans from Innovation Norway totalling NOK 7.4 million
- Qualified for SkatteFUNN tax credit scheme for R&D projects

Fast-track development plan

- Acquisition of Simplifai

Strengthened organisation

- Commercial: Sales and marketing organisation in place
- Technology: Digital solutions team in place
- Immediate access to global office footprint and SaaS distribution network through Simplifai
- Elop to grow from 22 to 92 employees through Simplifai acquisition

Concrete is the worlds most used construction material

...and is a major contributor to current environmental challenges as 8% of the world's CO₂ emissions come from the concrete production

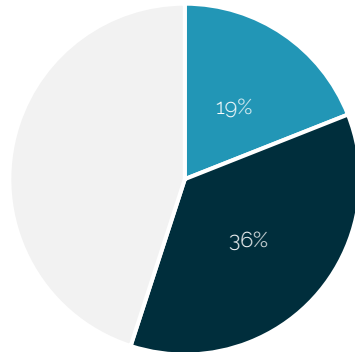


Maintenance is a growing concern globally

Maintenance of critical concrete infrastructure is a growing concern, with aging and derelict structures driving up the maintenance costs...

Age structure of highway bridges in Germany

■ >50 years old ■ 35-50 years old



Significant backlog of bridge maintenance



Current backlog at USD 125-170 bn – 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 30 m despite backlog of USD ~2 bn



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

USD ~38 bn

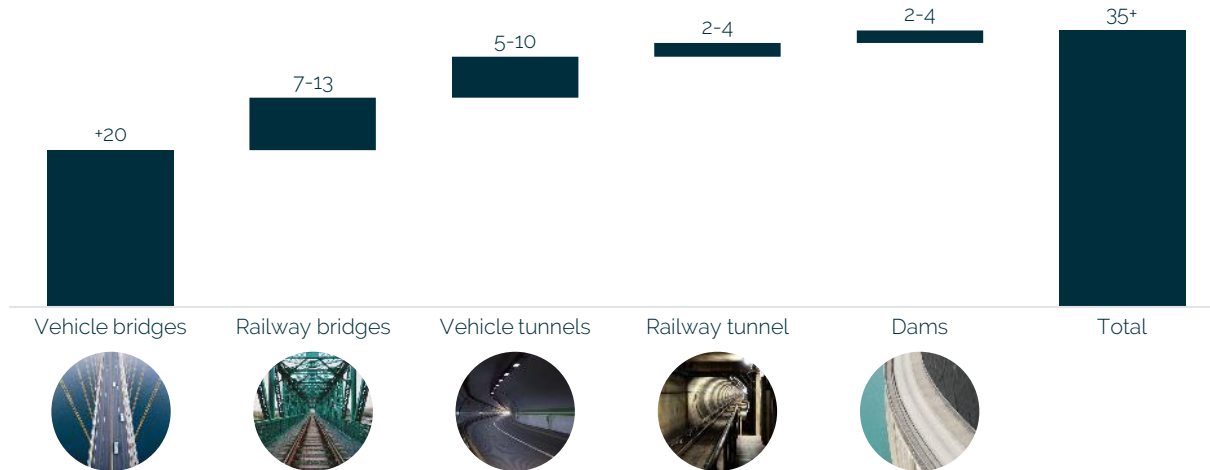
Current annual spend on maintenance of critical infrastructure

..and an increasing number of incidents is putting safety on the agenda, highlighting the need for better tools to monitor structural integrity

Preventive maintenance is the logical solution..

The inherent market potential in preventive maintenance and structural health monitoring is +35 bn USD

Global inherent potential of Structural Health Monitoring (Critical Concrete Infrastructure) BUSD



Preventive maintenance is a logical solution but lacking effective inspection tools

Lifetime could be extended up to 50%, reducing the environmental impact from concrete industry, improving safety and reducing cost

Maintenance strategies are mostly based on manual and exterior inspections

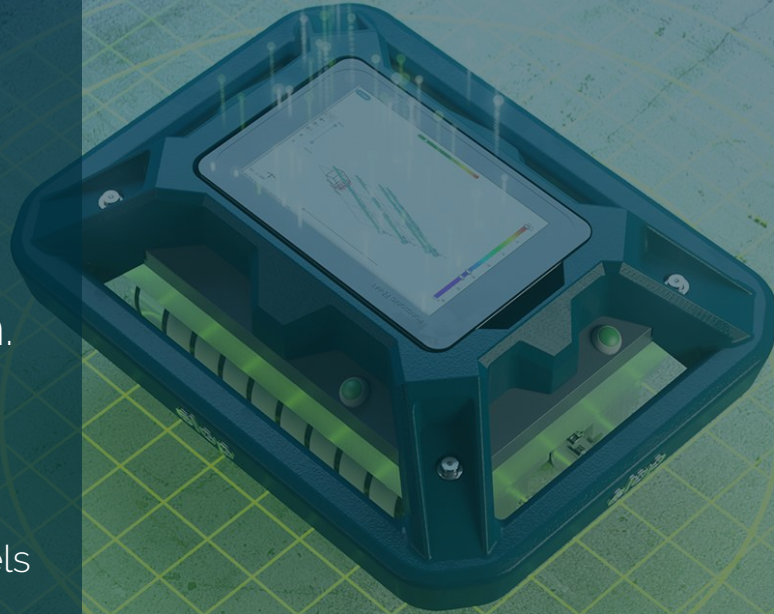
Current tools are either inadequate or to cumbersome to use for monitoring structural integrity

Note: Based on numerous sources and angles. Assumes cost of corrosion in infrastructure as % of total corrosion cost is the same in USA as for global. Lower end based on assumption of maintenance backlog for critical concrete infrastructure. Higher end refers to Screening Eagle's definition of Inspection Tech Market. Source: NACE International; Transport-network; Connexion France; Doffin; EnergiNorge; CIGB; Screening Eagle; Markets and markets; Expert interviews; BCG analysis

Elop Insight

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

Elop Insight is easy to use and enables smart and unparalleled efficiency of scanning for a large variety of concrete structures, such as bridges, dams, tunnels and buildings.

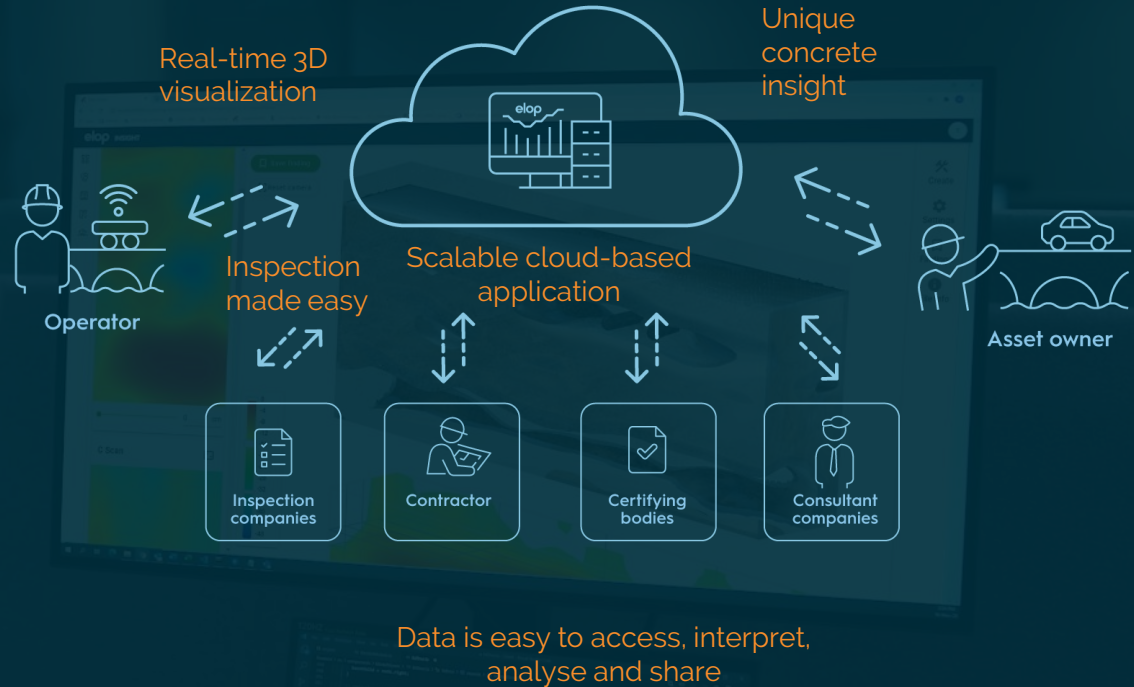


Elop Insight

The live 3D visualisation of the concrete structure on the scanner screen, shows inside elements and defects such as **cracks**, **air pockets**, **voids**, **delamination** and **rebars** in real-time.

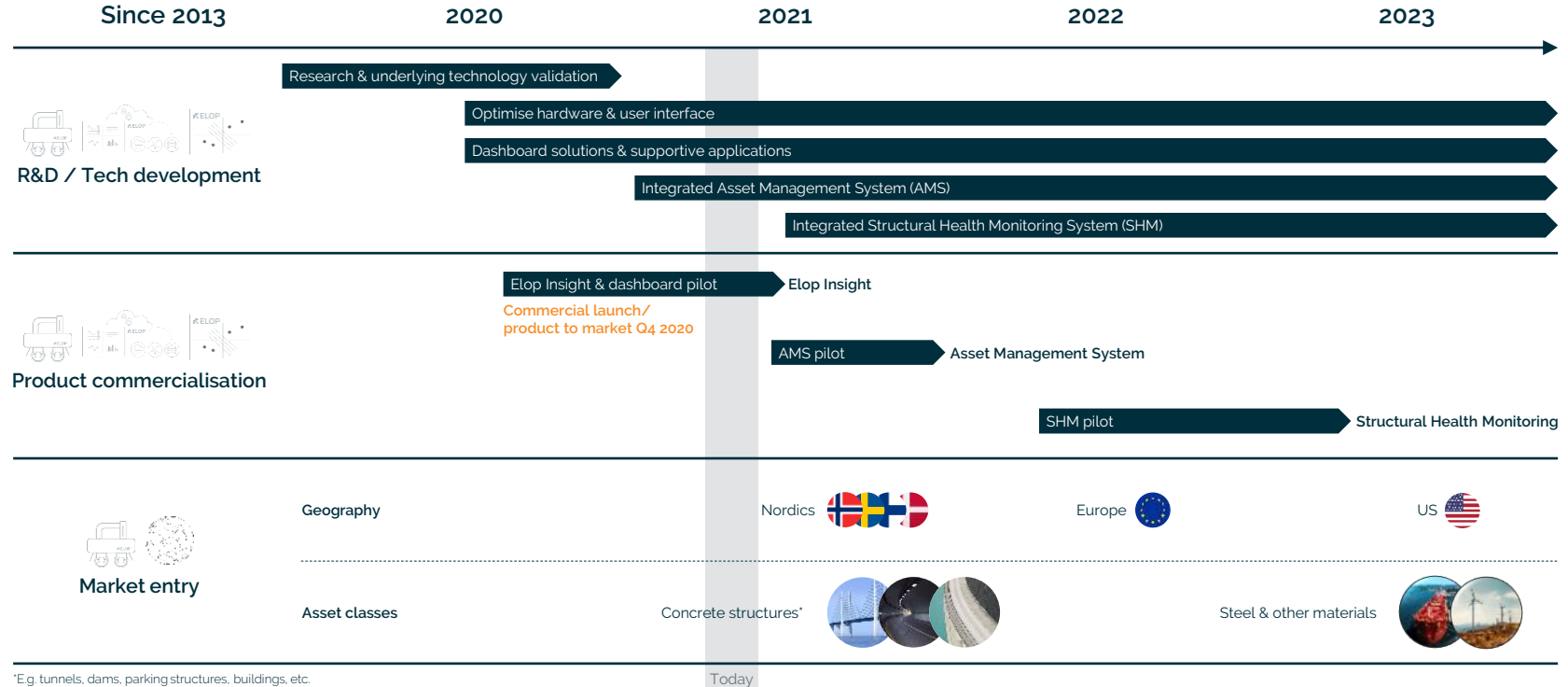
Elop Insight

Real-time data simplifies processes and makes inspection more dynamic.



Elop Insight

A roadmap with global ambitions



Transforming data into actionable insight

2020

2021

→

Elop Insight

Ultrasonic scanner & dashboard
Collect, connect, visualise



- ✓ Scanning
- ✓ Live 3D model on-site
- ✓ Remote scanning evaluation
- ✓ Remote scanning archive
- ✓ Remote scanning reports

Asset management system
Structure and follow up



- ✓ Overview of asset portfolio
- ✓ Tracking
- ✓ Information linked to 3D models
- ✓ Digitalisation and automation of work process

Structural health monitoring system
Process, analyse, act



- ✓ Full overview of assets' condition/health – continuous monitoring
- ✓ Tracking asset condition over time
- ✓ Information at your fingertips
- ✓ Analysis and predictions – combining data sources and AI

Market entry

Goal: Expand market reach with unique UT* and data solutions

- Unique data
- Visualisation of insight
- Decision support



Customers

- Inspection companies
- Contractors
- Advising engineers
- Asset owners and managers

Sales channels

- Direct with own organisation
- Distribution network

Marketing/promotion

1. Create awareness
2. Build credibility
3. Develop success stories

Geographies

- Norway and the Nordics
- Other parts of Europe, Asia and US

*UT = Ultrasound Technology

Strong strategic rationale for Simplifai acquisition



Knowledge &
know-how



Stickiness
& scalability



Tech &
software



Partners &
market presence



Growth
ambitions



We're delivering on our business plan

Fast-tracking software development plan through acquisition of Simplifai

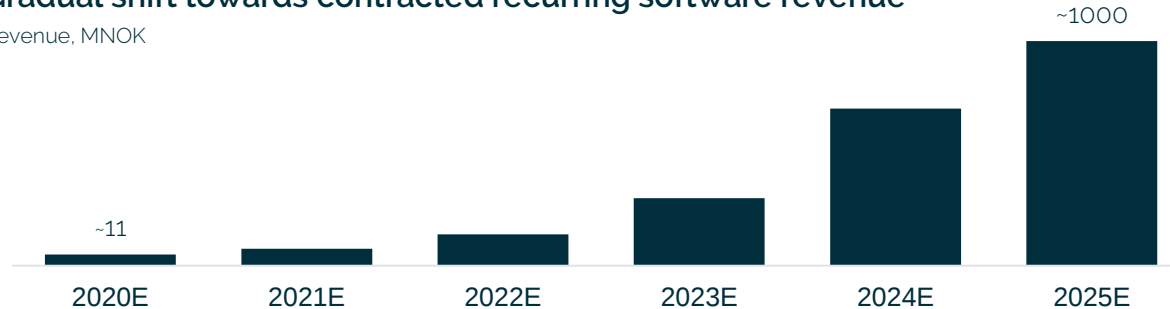
Reinforcing ambition of becoming a hardware enabled software business	✓
Strengthening offering and value prop while adding customers, geographies and verticals	✓
Taking a big step towards building an integrated asset management system (AMS)	✓
Demonstrating progress on pursuing rapid growth towards ambitious revenue target	✓

2025 target

Be a **world leading** provider of **preventive maintenance** through data **analytics** and **software solutions**

Gradual shift towards contracted recurring software revenue

Revenue, MNOK



2025 target

>80% ARR
based on annual recurring license fees from SW offering

Summary

Status



We're delivering on our business plan
Technology development, launching Elop Insight and organisational build-up



Robust cash position through 2021
Well funded for planned activities

Next steps



Execute market entry plan
Expanding marketing activities to target clients and building commercial sales pipeline



Finalising Simplifai acquisition process



Continue product development towards Elop's Asset Management solution scheduled for launch 2H 2021