



*Digitizing the ocean space*

The background of the slide is a deep-sea scene. Two yellow autonomous underwater vehicles (AUVs) are shown in profile, moving from left to right. They are equipped with lights and sensors, casting a blue glow. The AUV in the foreground is labeled "SR-003" and "Argeo". The ocean floor is visible, covered in dark rocks and some purple and red coral-like structures. The overall lighting is dim, with the primary light source being the AUVs themselves.

# **Argeo Q1 company presentation**

11 May 2023  
TROND FIGENSCHOU CRANTZ, CEO ARGEO  
ODD ERIK RUDSHAUG, CFO ARGEO

# Disclaimer

- This presentation includes and is based on, among other things, forward-looking information and statements
- Such forward-looking information and statements are based on the current expectations, estimates and projections of Argeo or assumptions based on information available to the company
- Such forward-looking information and statements reflect current views with respect to future events and are subject to risks, uncertainties and assumptions
- Argeo cannot give any assurance as to the correctness of such information and statements

# Agenda

Highlights

Introduction to Argeo

Operational update

Commercial & Market update

Technology

Financials

Outlook

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## ► Highlights

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# Highlights

## Q1 Highlights

- Strong revenue growth – up 258% from NOK 6.9 to 24.7 million
- Strong order book of NOK 120 million secured in the quarter
  - Signed contract for Polish Geological Institute in the Mid Atlantic
  - Teamed up with global multi-client player for world first multi-client marine minerals survey
  - Signed contract with Stromar Offshore Wind Farm
- Strong sales pipeline of more than NOK 1.4 bn
- Completed conversion and rigging of Argeo Searcher in February
- Strengthened financial position through NOK 5.2 million subsequent offering

## Subsequent events

- Signed NOK 37 million contract with Norwegian Petroleum Directorate for minerals survey in Norway
- 6-month option confirmed with extension for minimum USD 2 million contract for Hugin 6000 AUV confirmed.

# Highlights

## Business development

- Converting projects in our sales pipeline to backlog in our orderbook is still primary focus, but starts to shift towards 2024 as capacity is near fully booked for 2023
- Establishing a second crew in the Americas is a key focus area now and there are good signs of succeeding with this, however timeline is capacity driven (assets & vessels) and challenging

## Finances

- With a strong orderbook already in place we continue to standby our earlier statements of positive cashflow from operations in Q3 and EBITDA target of NOK 50 million for 2023. However, delays in contract awards and subsequently project startup could put this target at risk.



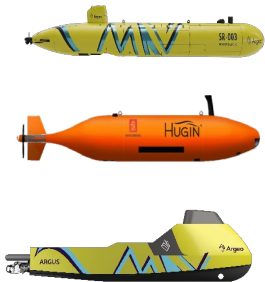
# Proven strategic adjustment

TO MEET GLOBAL DEMAND IN THE SUBSEA SECTOR

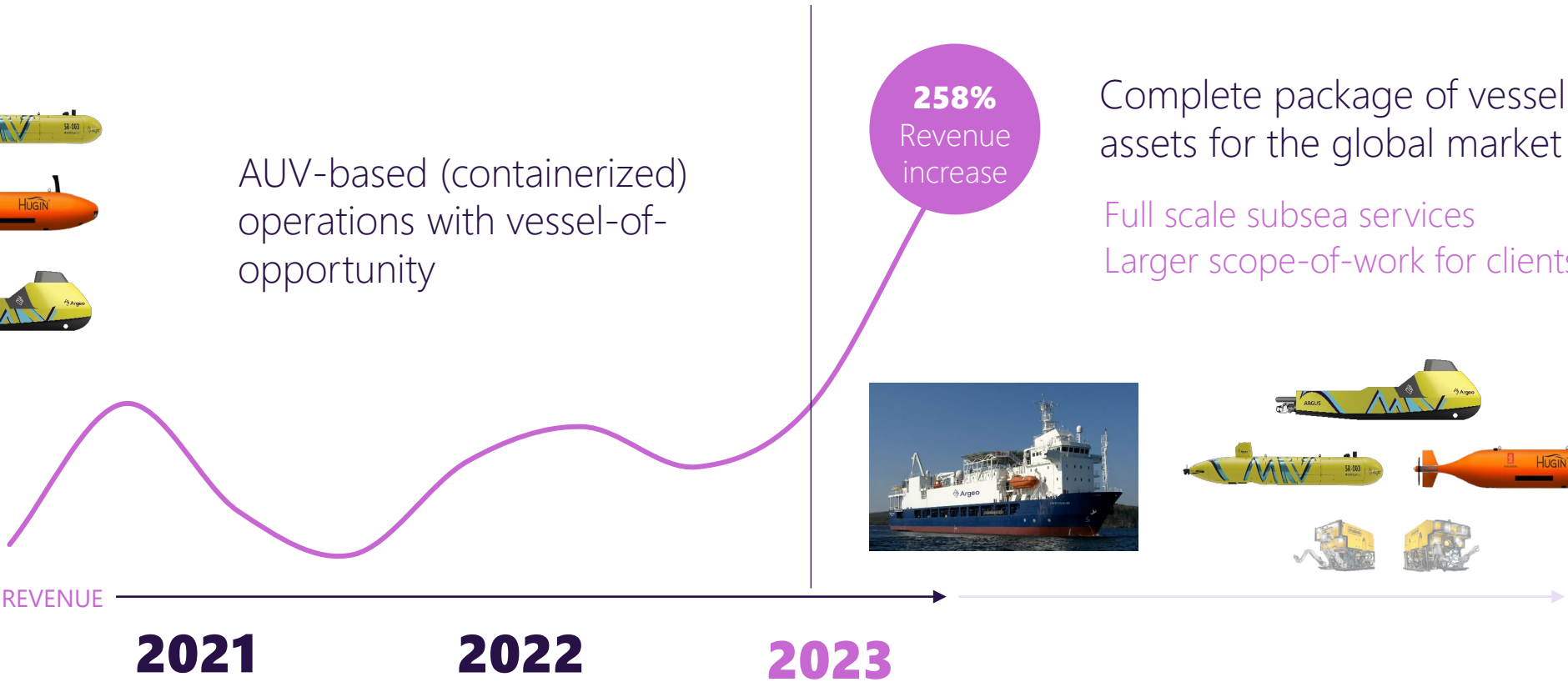
Containerized focused strategy



Complete package strategy

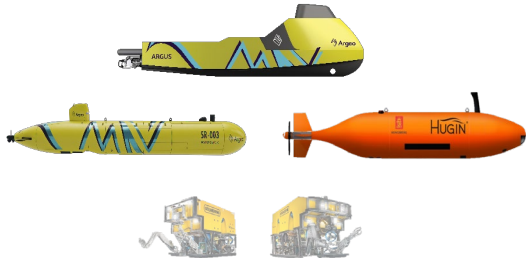


AUV-based (containerized) operations with vessel-of-opportunity



Complete package of vessels and assets for the global market

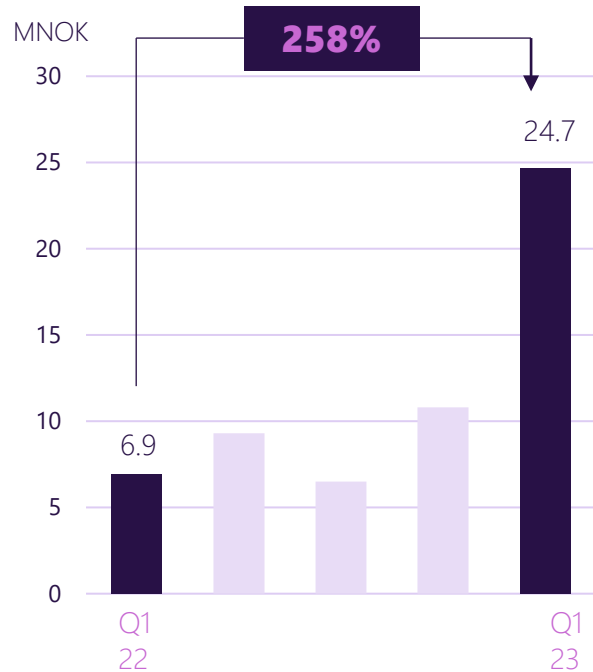
Full scale subsea services  
Larger scope-of-work for clients



# Strong revenue growth and record order book

## REVENUES

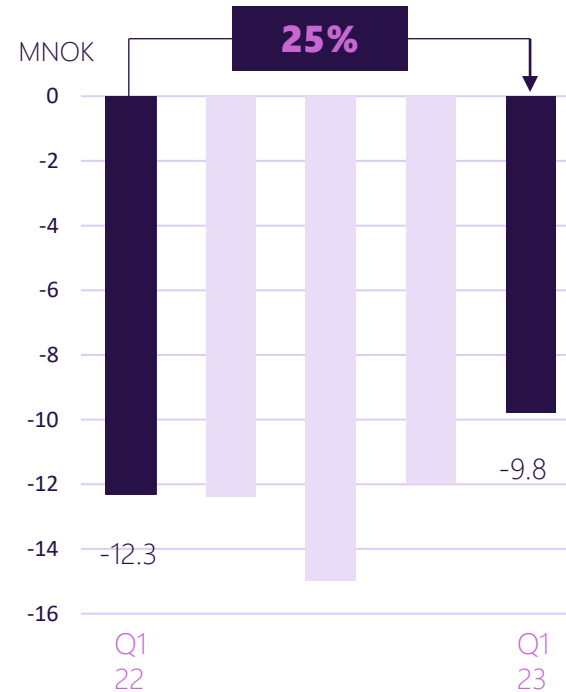
**24.7**



Numbers are in MNOK

## EBITDA

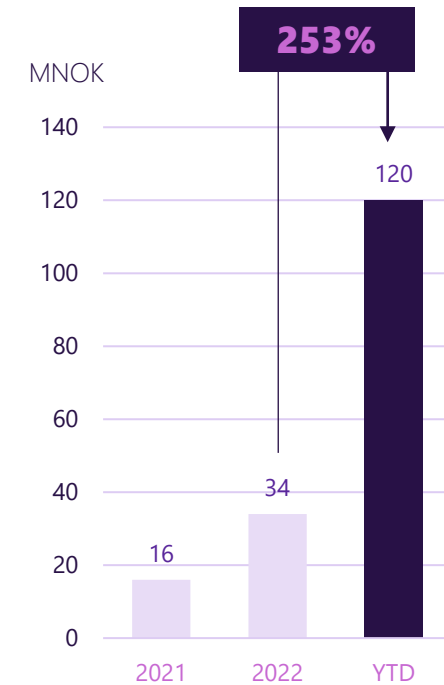
**-9.8**



EBITDA for the quarter included OPEX for vessel during conversion and dry dock

## ORDER BOOK 2023

**120**



Positive cash flow from operations expected from Q3



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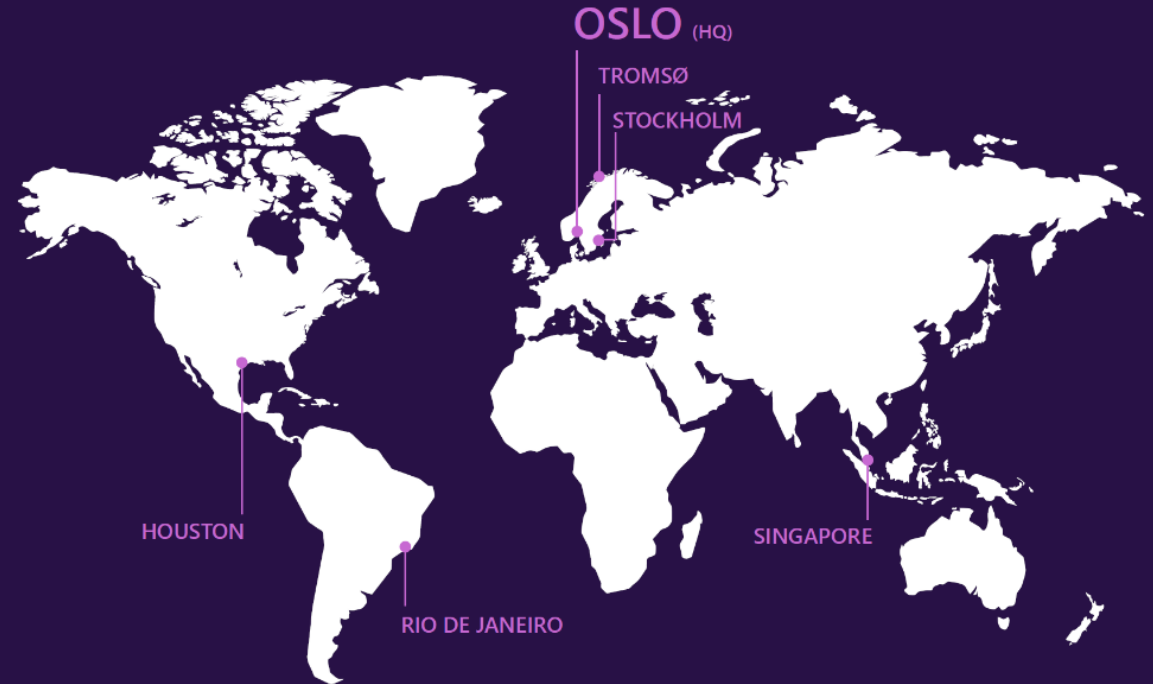
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► **Close to our customers**

# Argeo in brief

Argeo is an Offshore Service company with a mission to transform the ocean surveying and inspection industry by utilizing autonomous surface and underwater robotics solutions.



## Services



SURVEY



INSPECTION



MAINTENANCE  
& REPAIR



MULTI CLIENT  
/ DAAS

## Markets



OIL & GAS



RENEWABLES



OFFSHORE  
INSTALLATIONS



MARINE  
MINERALS



LISTED  
ON EURONEXT GROWTH



**Argeo**

# What we do

## SUBSEA

- Survey
- Inspection
- Maintenance & repair

## SURVEY

- Geophysical survey
- Hydrographical survey
- Route survey
- Environmental survey
- Ultra-high-resolution photo
- Shallow-water USV Survey



## DATA AS A SERVICE

- Flexible data access models
- Offshore wind concessions
- Marine Mineral exploration
- Greenfield survey
- Environmental survey
- Decommissioning

## ROBOTICS

### Sensor technology

- Argeo LISTEN
- Argeo WHISPER
- Argeo DISCOVER

### Digital Platform

- Argeo SCOPE

# High-capability valuable assets with complimentary abilities



## SeaRaptor AUV

- Depth rated to 6,000m
- Up to 50 hours battery capacity
- Light and very scalable
- Autonomous
- Low CO2 footprint



## Hugin AUV

- Depth rated 1000 - 6,000m
- 18-60 hours battery capacity
- Wide range of available sensor integrations
- Custom sensor integration possible
- Navigation sensors and acoustic aiding



## Argeo Argus USV

- Flexible aft deck for multiple payloads
- Configurable moonpools (2x)
- Independent propulsion systems (2x)
- Integrated geophysical / hydrographical sensors
- Stabilizer for improved data and communication quality
- Remote operated from Onshore Mission Control



## Argeo Searcher

- AUV's Up to 2x SeaRaptor 6000
- ROV: 1 x WROV/Observation/Survey (option)
- Instrumentation and acoustic positioning (SON/HIPAP)
- Dedicated instrument/operations room
- Computerized onboard data processing center
- MarlinkVSAT/Starlink communication

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# Increased order intake

Confirming strategic direction and commercial demand



MARINE  
MINERALS

## Marine Minerals contract

- Multi-sensor data acquisition with AUV for the Polish Geological Institute – National Research Institute (PGI-NRI), Multi Client and Norwegian Petroleum Directorate (NPD)



RENEWABLES

## Survey contract with Stromar Offshore Farm

- Focus on Renewables Energy Sources pays off
- Environmental and geological surveys for marine minerals

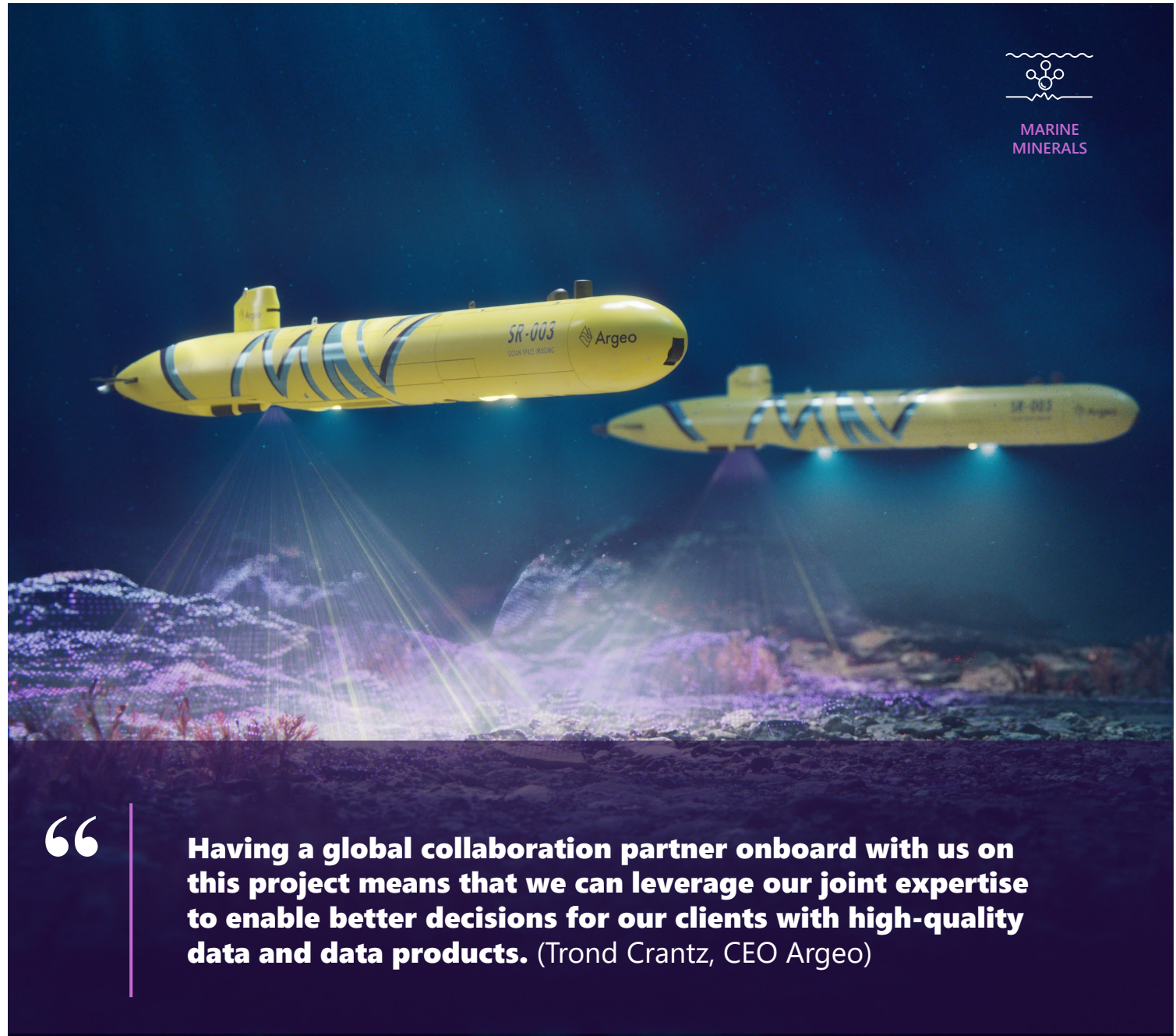




# World's first Multi-Client survey in DSM

The first ever MC data collection  
at the Atlantic Ridge for DSM

- Collaboration project with long standing multi-client partner
- Used to identify potential deep-sea mineral occurrences
- Enables early access to cost effective data





SUBSEQUENT EVENT

## **NOK 37 million deep-sea contract with Norwegian Petroleum Directorate**

Multi-sensor data acquisition with AUV to further evaluate mineral resource potential in the northern part of the Mid-Atlantic Ridge (Knipovich Ridge).

- 8 weeks duration in total
- Argeo Searcher VESSEL
- SeaRaptor AUVs
- State- of-the-art SENSORS
- Argeo SCOPE delivery
- Potential expansion

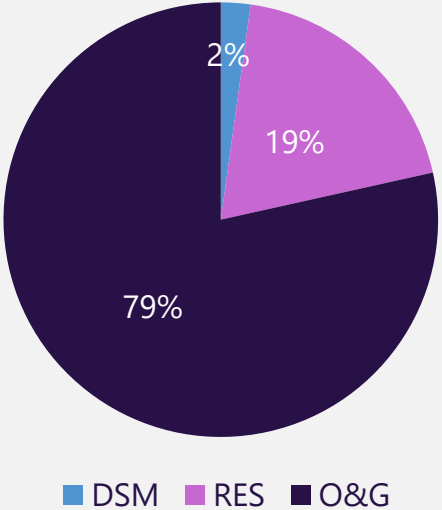
“  
***Advanced sensor technology delivering actionable data is key for enabling the development of the emerging marine minerals industry.***

CEO Trond Crantz

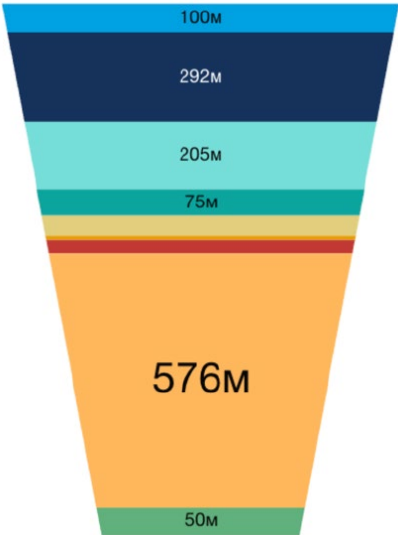
# Continuing to grow our tender and sales pipeline

CONTINUOUSLY GROWING OUR ORDER BOOK

### OPPORTUNITIES PER SEGMENT

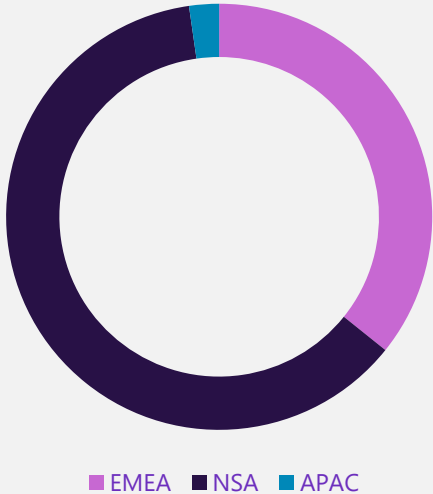


### SALES PIPELINE VALUE 1.4 bn



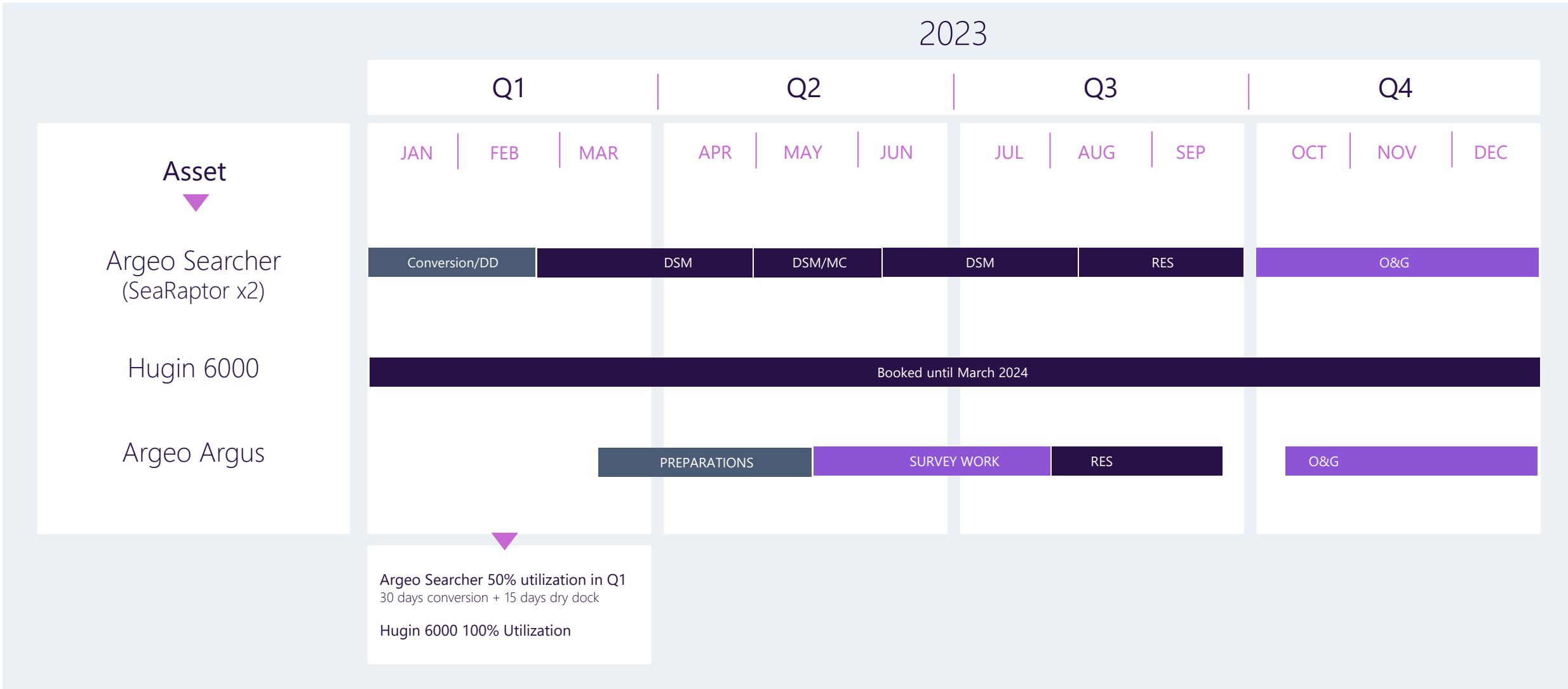
- Stage
- Pre-lead
  - Lead
  - Qualified lead
  - Request For Information (RFI)
  - Submitted RFI
  - Request for Quotation (RFQ)
  - On hold
  - Clarification
  - Negotiation

### OPPORTUNITIES PER GEOMARKET



CURRENT ORDER BOOK VALUE NOK 120 MILLION PER Q1

# Project backlog secured – near full order book for 2023



Technical preparation

Confirmed work

Potential work based in current tender portfolio



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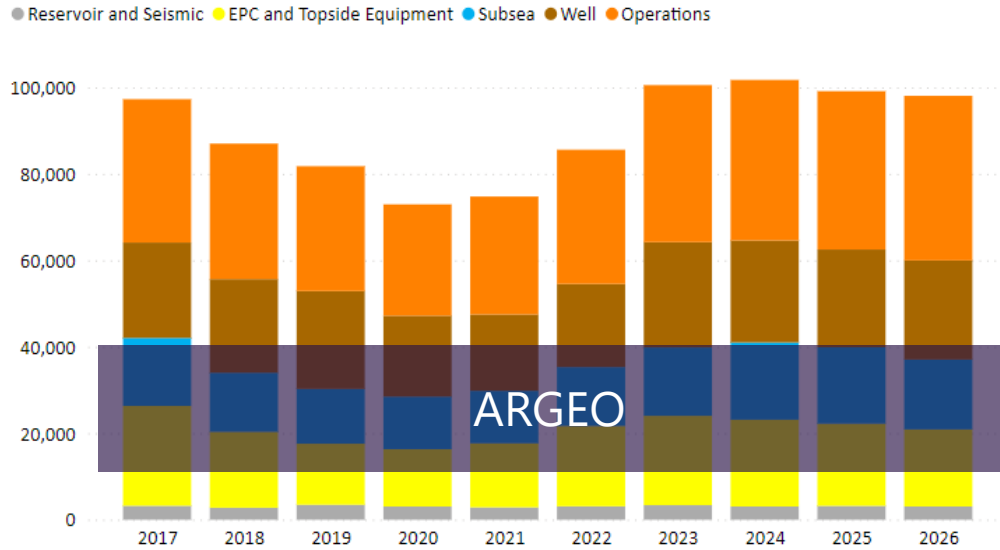
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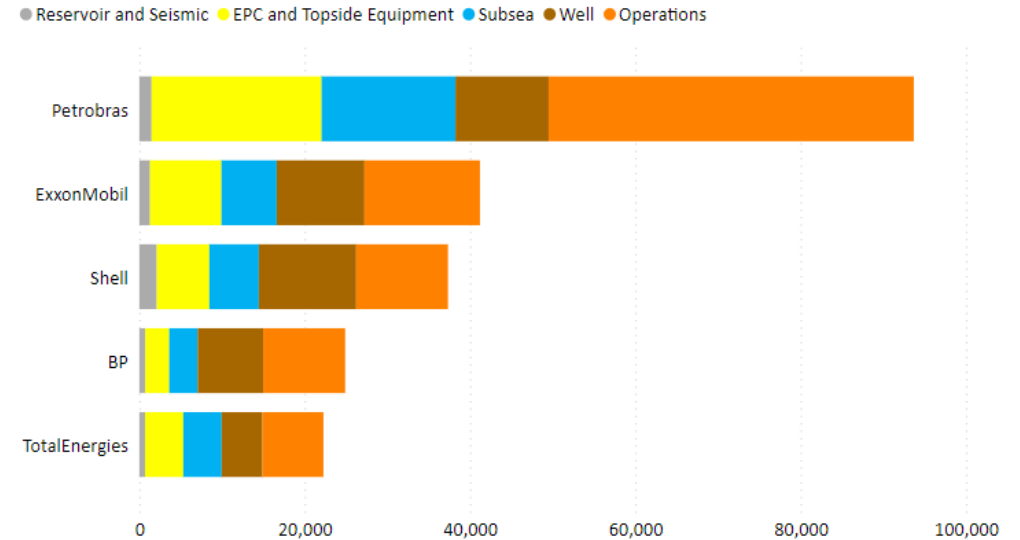
# Oil & Gas offshore market

Categorized, excluding internal expenditure. For the US, only Gulf of Mexico are included



Offshore Market by category

Category	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
R&S	3,237	2,768	3,469	3,050	2,864	3,111	3,372	3,058	3,214	3,062
EPC & Topside Eq.	23,085	17,578	14,115	13,278	14,821	18,581	20,659	20,075	19,014	17,830
Subsea	15,732	13,658	12,684	12,164	12,148	13,623	15,829	17,871	17,666	16,155
Well	22,063	21,667	22,627	18,709	17,657	19,231	24,351	23,598	22,617	22,933
Operations	33,161	31,340	28,879	25,751	27,276	31,051	36,324	37,144	36,626	38,071
<b>Total</b>	<b>97,278</b>	<b>87,011</b>	<b>81,774</b>	<b>72,952</b>	<b>74,766</b>	<b>85,597</b>	<b>100,534</b>	<b>101,746</b>	<b>99,138</b>	<b>98,051</b>



Top 5 offshore operators 2023-2026 by category

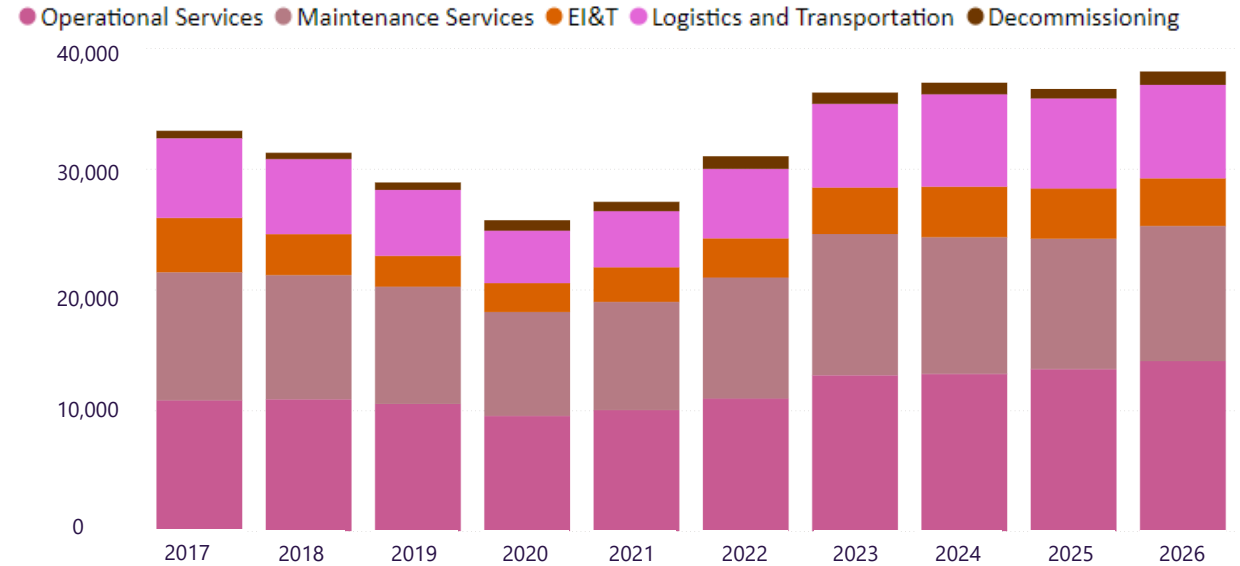
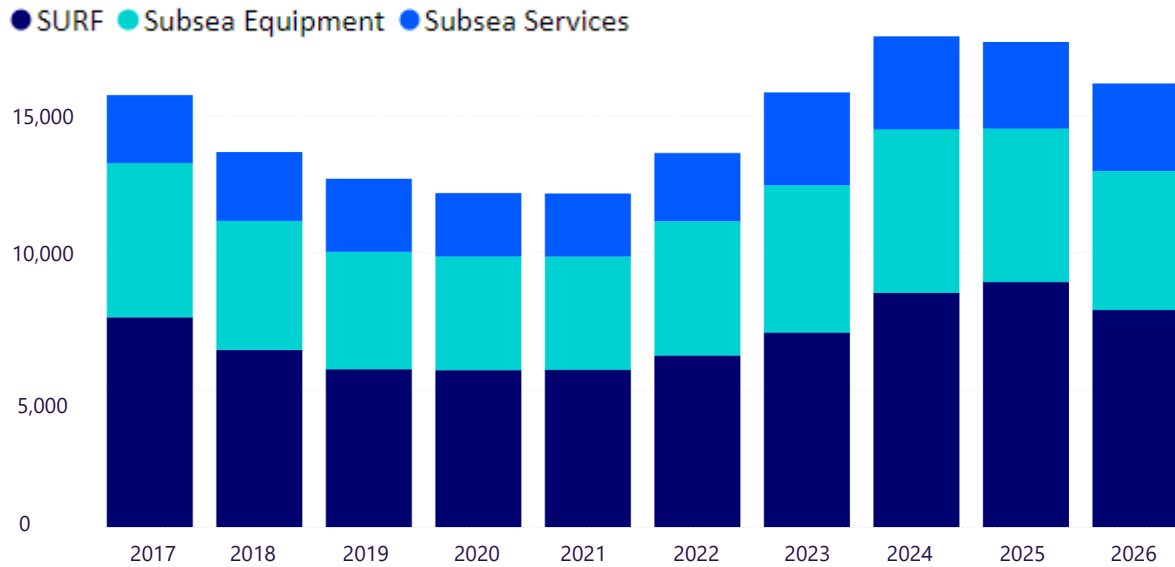
Operator	R&S	EPC & Topside Eq.	Subsea	Well	Operations
BP	717	2,901	3,428	7,932	9,915
ExxonMobil	1,295	8,634	6,686	10,616	13,968
Petrobras	1,481	20,559	16,193	11,273	44,173
Shell	2,105	6,361	5,988	11,777	11,097
TotalEnergies	690	4,621	4,647	4,936	7,368
<b>Total</b>	<b>6,287</b>	<b>43,076</b>	<b>36,942</b>	<b>46,534</b>	<b>86,522</b>

Countries selected in the following geomarkets: NSA (US, Brazil, Guyana, Suriname); EAME (Nigeria, Namibia, Angola, UK); APAC (Malaysia, Australia)

Source; Norwep markets & Rystad energy

# Offshore market details 2023-2026

Subsea services, SURF and equipment, Operations and EPC topside



Countries selected in the following geomarkets: NSA (US, Brazil, Guyana, Suriname); EAME (Nigeria, Namibia, Angola, UK); APAC (Malaysia, Australia)

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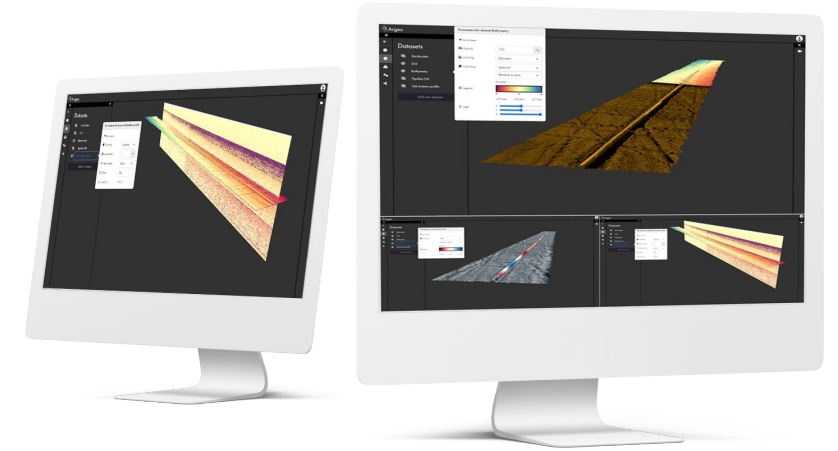
# Argeo Robotics

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**Argeo Robotics** is a technology & engineering company delivering unique and innovative solutions for ocean subsea surveying and inspection.

## Argeo SCOPE

Fast and performant 3D visualization of ocean space data in the cloud, supporting a collaborative data sharing and interpretation workflow.



## Our sensor technology

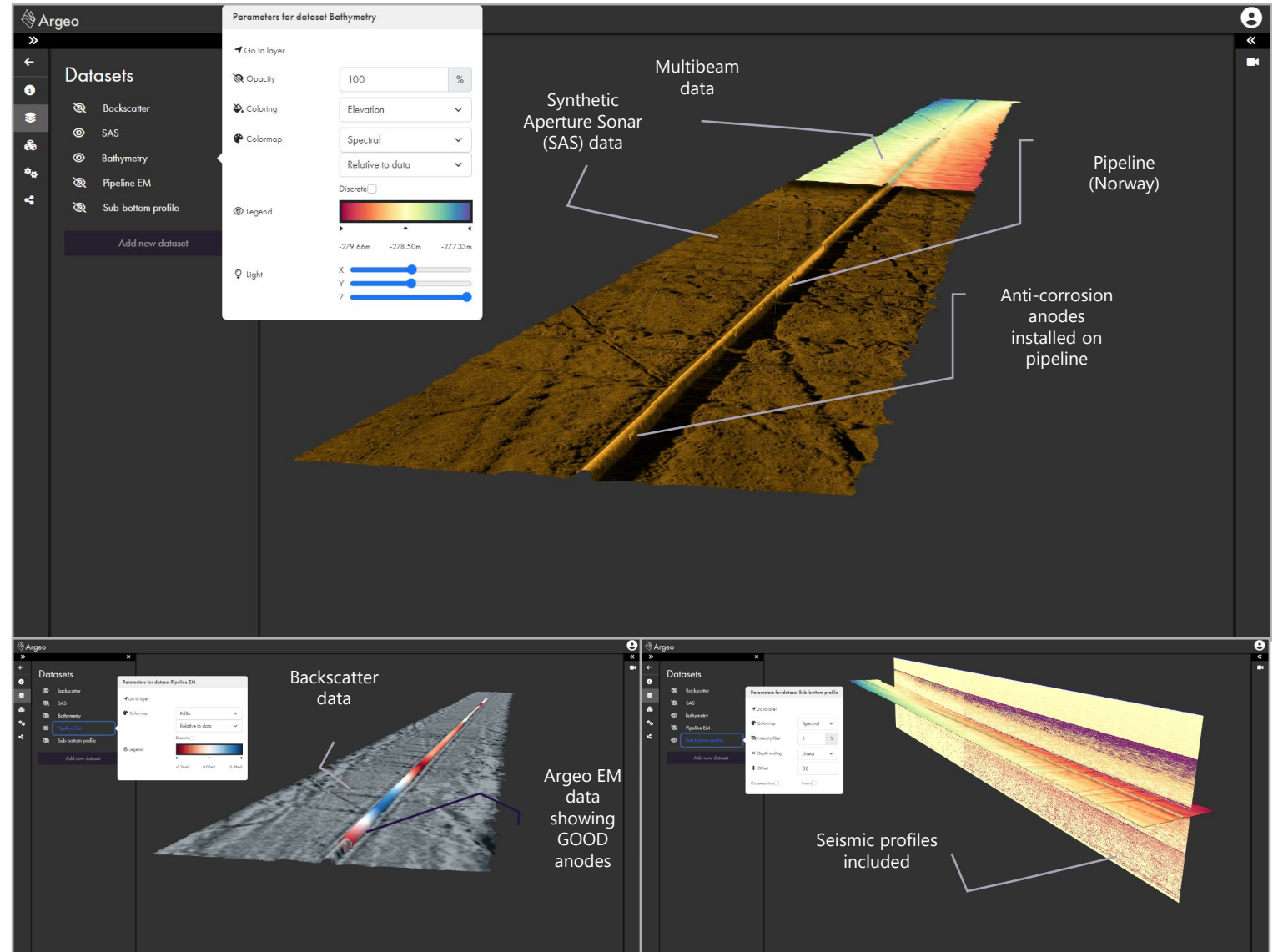


# Argeo SCOPE

Fast and performant 3D visualization of vast amounts of ocean space data in the cloud, supporting a collaborative data sharing and interpretation workflow.

Seamless data fusion from seabed measurements such as:

- Synthetic aperture sonar (SAS)
- Sub-bottom profiler (SBP)
- Backscatter
- Bathymetry
- EM intensity along pipelines using Argeo Listen



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# Income Statement

<u>Amounts in NOK 1 000</u>	<u>Q1-2023</u>	<u>Q1-2022</u>	<u>2022</u>
<b>Operating revenue</b>	<b>24 682</b>	<b>6 913</b>	<b>33 583</b>
Operating cost	15 963	4 676	31 266
Employee expenses	18 857	13 843	62 425
Other operating expenses	4 696	4 398	17 954
Capitalisation of cost	-4 984	-3 659	-26 326
<b>EBITDA</b>	<b>-9 849</b>	<b>-12 345</b>	<b>-51 736</b>
Depreciation	6 019	630	12 481
<b>EBIT</b>	<b>-15 868</b>	<b>-12 975</b>	<b>-64 217</b>
Net financial items	-6 683	386	-5 770
<b>Profit/(loss) before tax</b>	<b>-22 551</b>	<b>-12 589</b>	<b>-69 986</b>
Income tax (expense)	-209	2 777	-6 309
<b>Profit/ (loss) for the period</b>	<b>-22 760</b>	<b>-9 813</b>	<b>-76 296</b>

- Revenue in Q1 2023 is from the deep-water survey with Searcher + 2 SeaRaptors in the North Atlantic, and from Hugin 6000.
- EBITDA minus NOK 9.8 million in Q1 2023, vs minus 12 million in Q4 2022.
- Net financial items in Q1 2023 includes NOK 6.1 million unrealized currency exchange loss on the seller's credit nominated in USD.

# Balance Sheet

<b>Amounts in NOK 1 000</b>	<b>31.3.2023</b>	<b>31.3.2022</b>	<b>31.12.2022</b>
<b>ASSETS</b>			
Intangible assets	28 472	12 463	24 304
Deferred tax asset	4 158	13 036	4 349
Multi-client library	4 000	0	4 000
Property, plant and equipment	217 887	65 072	211 840
Shares in associated companies	2 103	5 514	2 295
<b>Total non-current assets</b>	<b>256 619</b>	<b>96 085</b>	<b>246 788</b>
Trade receivables	9 436	9 142	17 582
Spares	21 209	0	15 630
Other current assets	10 096	52 602	44 468
Cash and cash equivalents	14 082	32 898	21 313
<b>Total current assets</b>	<b>54 823</b>	<b>94 642</b>	<b>98 992</b>
<b>Total assets</b>	<b>311 443</b>	<b>190 727</b>	<b>345 781</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	170 177	138 238	189 108
Long term debt	88 465	35 633	106 482
<b>Total non-current liabilities</b>	<b>88 465</b>	<b>35 633</b>	<b>106 482</b>
Trade payables	26 544	10 562	23 784
Other current liabilities	26 257	6 294	26 406
<b>Total current liabilities</b>	<b>52 801</b>	<b>16 856</b>	<b>50 190</b>
<b>Total liabilities</b>	<b>141 266</b>	<b>52 489</b>	<b>156 672</b>
<b>Total equity and liabilities</b>	<b>311 443</b>	<b>190 727</b>	<b>345 781</b>

- Intangible assets include capitalized cost to Argeo Scope and the other development projects.
- Deferred tax asset reduced to NOK 4.2 million.
- PPE includes two SeaRaptor's, one Hugin 6000 and Argus USV.
- Cash: NOK 20 million loan from Innovation Norway was drawn in Q2 2023.
- Long term debt is mainly seller's credit on 3 AUV's.

# Cash flow statement

Amounts in NOK 1 000	Q1-2023	Q1-2022	2022
<b>Cash flow from operating activities</b>			
Profit/(loss) before tax	-22 551	-12 589	-69 986
Depreciation	6 019	630	12 481
Financial income	-32	0	-267
Financial expense	6 524	167	2 853
Gain/loss equity investments	192	-35	3 183
Change in current assets	36 938	12 384	-3 551
Change current liabilities	2 414	3 500	37 101
<b>Net cash from operating activities</b>	<b>29 503</b>	<b>4 057</b>	<b>-18 185</b>
<b>Cash flow from investing activities</b>			
Investment in property, plant and equipment	-11 548	-61 484	-218 962
Investment in intangibles	-4 685	-5 070	-18 052
Investment in Multi-client	0	0	-4 000
<b>Net cash from investing activities</b>	<b>-16 233</b>	<b>-66 554</b>	<b>-241 014</b>
<b>Cash flow from financing activities</b>			
Net proceeds from new equity	3 829	0	117 353
Proceeds from new debt	9 286	30 040	122 743
Repayment of debt	-33 422	-340	-25 009
Financial income	32	0	267
Financial expense	-226	-167	-704
<b>Net cash flow from financial activities</b>	<b>-20 500</b>	<b>29 533</b>	<b>214 650</b>
Net change in cash and cash equivalents	-7 231	-32 964	-44 549
Cash and cash equivalents beginning of period	21 313	65 862	65 862
<b>Cash and cash equivalents end of the period</b>	<b>14 082</b>	<b>32 898</b>	<b>21 313</b>

- Positive change in current assets in Q1 2023 due to the unpaid share capital (NOK 35.9 million) in Q4 2022.
- Investment in PPE in Q1 2023 NOK 11.5 million is mainly rigging cost Argeo Searcher.
- Net proceeds from subsequent offering NOK 3.8 million.
- Net repayment on debt NOK 24.1 million in Q1 2023.

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# Outlook

- Finishing up our SMART Mid-Atlantic campaign and transit to next project
- Preparing Argus USV for more advanced operations and uses in our RES market
- Strengthen orderbook into 2024 with close attention on capacity and availability going forward
- Finalizing data deliverables from ongoing projects to initiated sales portfolio from MC
- Argeo SCOPE digital platform pilot customer onboarding

▶ **Thank you**