



ARGEO Q3 PRESENTATION

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- This presentation includes and is based on, among other things, forward-looking information and statements
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Operational update

Commercial & business development

Technology

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Introduction to Argeo

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Q3 Highlights

- Strong revenue growth – up 658% from NOK 6.5 million in Q3 22' to NOK 49.3 million in Q3 23'
- NOK 55 million contract plus CWO with O&G supermajor Shell
- NOK 154 million contract award from India's National Centre for Polar and Ocean Research (NCPOR)
- Good backlog of NOK 240 million from Q4 2023 to Q2 2024
- Increasing tender volume of ~ NOK 1000 million
- Strategic alliance with Shearwater, and purchase of new vessel
- Completion of Marine Mineral contract with Norwegian Petroleum Directorate
- Completion of offshore wind contract with Stromar
- Two new patents granted for electromagnetic methods
- Subsequent offering with gross proceeds of approx. NOK 7.3 million
- Purchase agreement of two Hugin Superior and one Hugin 6000 AUV's

Highlights

Subsequent events

- First Hugin Superior AUV delivered and entered into to a leasing agreement with CSI
- Conversion of vessel Argeo Searcher completed medio November
- Delivery of vessel Argeo Venture 7 November
- Private placement with gross proceeds of NOK 250 million
- Secured bank loan and credit facility of NOK 131 million
- Secured equipment leasing agreement of NOK 275 million

Argeo conducts ocean surveys & inspections using autonomous robotic solutions

Argeo uses autonomous and underwater robotics solutions, including Autonomous Underwater Vessels (AUVs) and Work-Class ROVs, to conduct ocean surveys & inspections

CLIENTS INCLUDE:



Oil & Gas companies

Inspection, Maintenance, Repair and Survey (IRMS)

Greenfield development, route survey connection with installation of FPSOs, inspection of existing pipelines, power cables and subsea infrastructure. Subsea inspection programs and general maintenance activities. Seismic support operation for Ocean Bottom Node (OBN) in cooperation with Shearwater Geo.



Offshore wind companies (OWS)

Pre-installation and route Survey (IRMS), cable burial inspection and verification

Survey of new areas prior to installation and inspection relating to building of offshore wind farms in connection with installation of offshore wind parks, installation of power cables and fibre cables and inspections of infrastructure. Multi-Client (MC) for greenfield acreage prior to concession rounds



Marine minerals companies / Geological institutions

Exploration surveys related to new licenses and Resource estimation. Environmental assessments prior and after exploration and extraction activities

More cost-efficient survey and inspection giving our clients

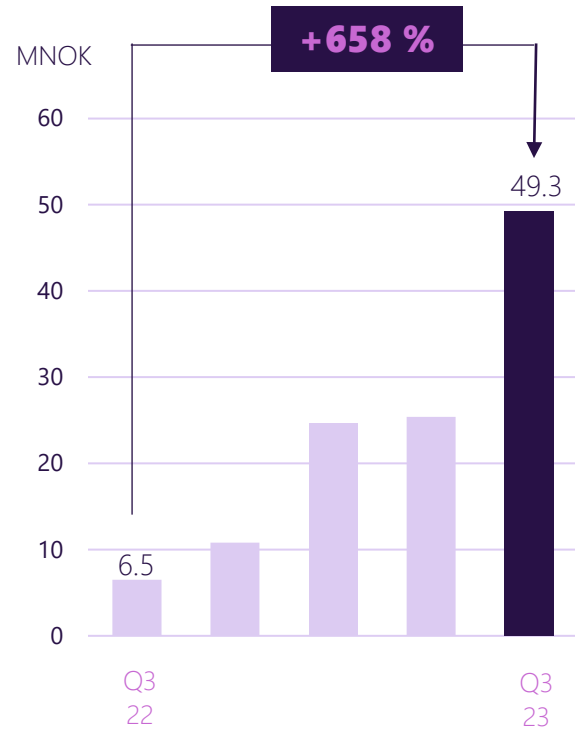
- ✓ Faster inspections
- ✓ Faster project turnaround
- ✓ Lower CO2 footprint
- ✓ Safer operations with lower HSE risk

Easy access to actionable data

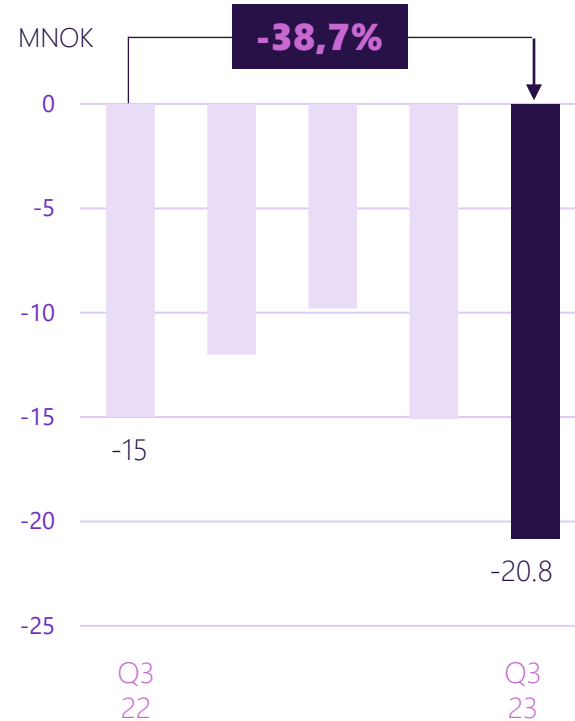
- ✓ Rapid decision ready data to clients during mission and project lifecycle
- ✓ Intuitive visualizations of complex data

Strong revenue growth and record order book

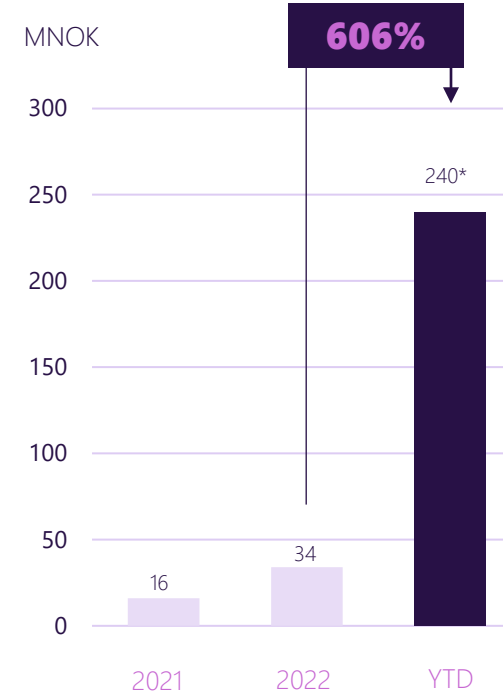
REVENUES 49.3



EBITDA -20.8

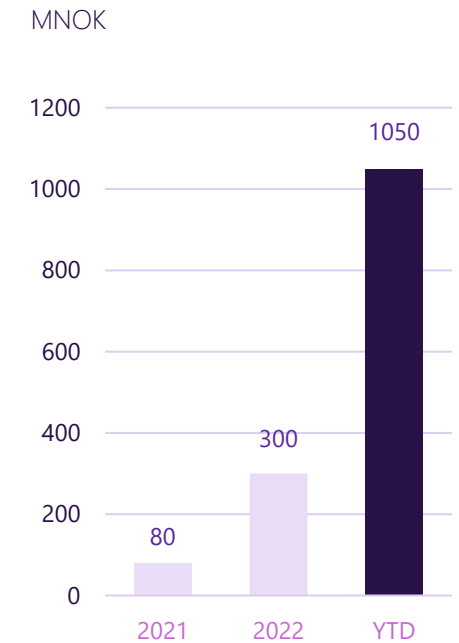


BACKLOG 240



* NOK 240m until May 2024

SUBMITTED TENDERS 1050



Numbers are in MNOK

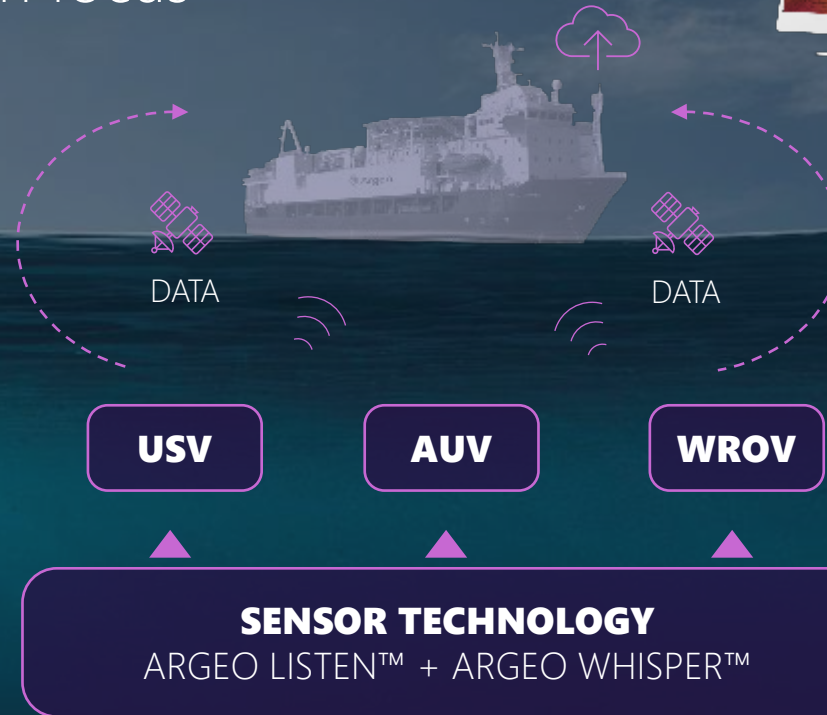
Complete service solution

Technology supported growth focus

DIGITAL PLATFORM

ARGEO SCOPE™

Decision ready data to clients during mission and project lifecycle



Rapid data transfer from ship to shore via Argeo SCOPE

Argeo use novel technology protected by strong IP to provide its customers with a unique service solution in all market verticals. Sentral to the complete subsea solution is:

- Cost efficient subsea vessels
- Embedded robotics tools (AUV/ROV/USV)
- Integrated patented sensor technology
- Ship-to-Shore digital data management platform Argeo SCOPE™

All assets are to have Argeo sensor technology embedded

ROBUST STRATEGY

with growth in three major markets



Oil & Gas



Marine Minerals



Renewables



SURVEY



INSPECTION



MAINTENANCE
& REPAIR



MULTI CLIENT
/ DAAS

First Hugin Superior delivered



SUPERIOR CAPACITY

WITH THE MOST ADVANCED AUV FLEET AVAILABLE



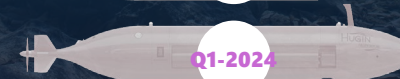
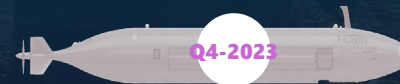
Hugin 1000



SeaRaptor 6000



Hugin 6000



Hugin Superior

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Groundbreaking agreement with Shearwater

Argeo entered into agreements with Shearwater where:

- **MOA to purchase the vessel Argeo Venture for USD 6m + 20.13 million Argeo shares**
To be converted from a Towed-Streamer Seismic vessel to a full subsea Inspection, Maintenance and Repair (IMR) vessel for AUV and ROV work. Indicative Ship Broker valuation of converted vessel of minimum USD 30 million
- **Argeo and Shearwater create a strategic transformative alliance for shared subsea activities**
Expanding Argeo's global presence in the offshore energy sector, unlocking openings for new opportunities with shared clients and projects for both Argeo and Shearwater
- **Together, Argeo and Shearwater will provide a more comprehensive service portfolio**
- bolstered by a global market presence in all geographical regions
- **The parties enter into a capacity agreement (CA)**
Enabling Shearwater to hire vessel capacity from Argeo for Shearwater's ocean bottom node (OBN) operations
- **The transaction is endorsed by the Board of Directors of both companies**
- **Shearwater will appoint one board member on the board of Argeo**

SYNERGIES

DRIVING FUTURE GROWTH & EXPANSION

NEW BUSINESS

New joint business opportunities
Explore multi-client opportunities
Shearwater option to hire
Argeo's subsea vessel

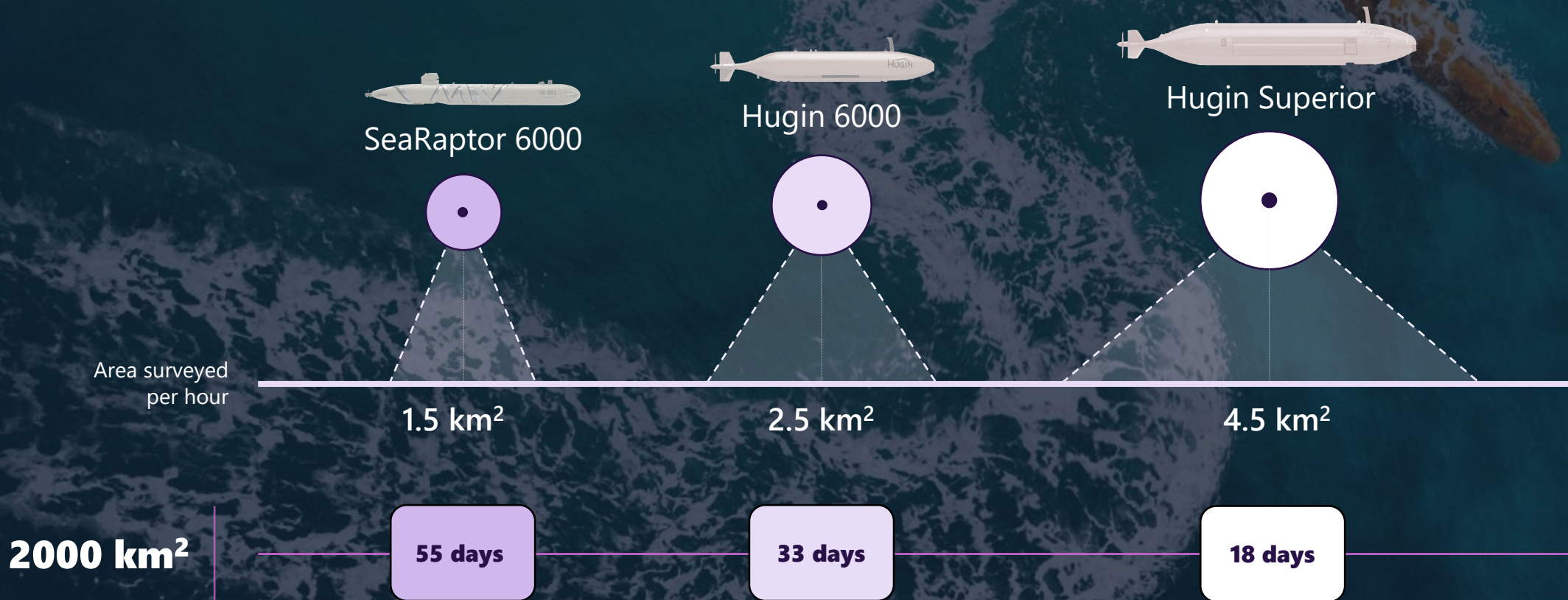
DRIVE GROWTH

Expand Argeo's presence in the global
offshore energy sector
Substantially increase
capacity
Opportunity to develop and tap into
market opportunities with CCUS

INNOVATION & TECHNOLOGICAL

Argeo can include its AUV products and
technologies onboard Shearwater's vessels
Develop new autonomous seabed node
(OBN) system
EM + ARGEO SCOPE

Increased Productivity



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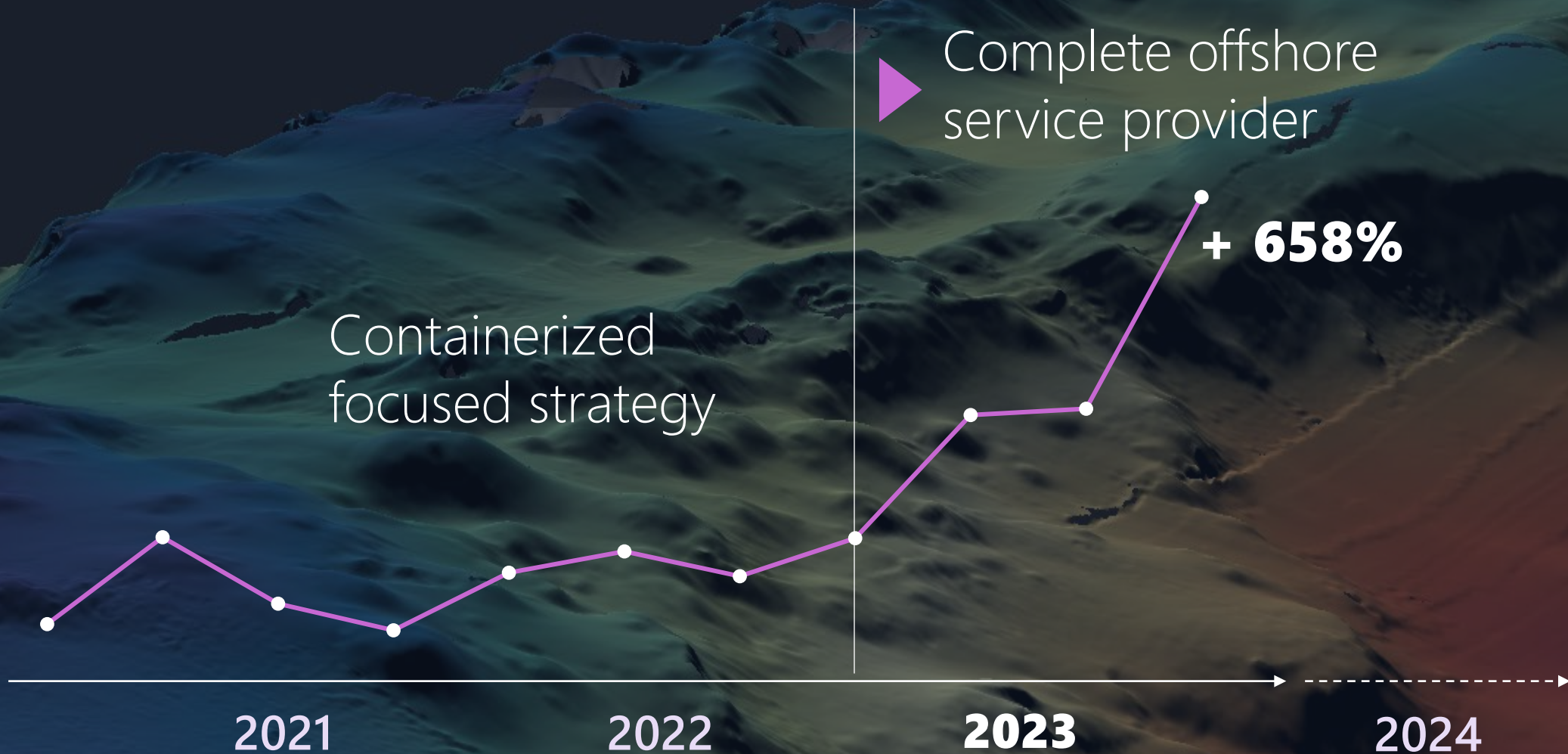
Financials

Outlook

Proven strategic adjustment

TO MEET GLOBAL DEMAND IN THE SUBSEA SECTOR

REVENUES



Containerized
focused strategy

Complete offshore
service provider

+ 658%

2021

2022

2023

2024

Strong volume of submitted tenders

Total tender pipeline of NOK 1050m with major decisions expected late Q4 and early Q1



Competing for more **Marine Minerals contracts**

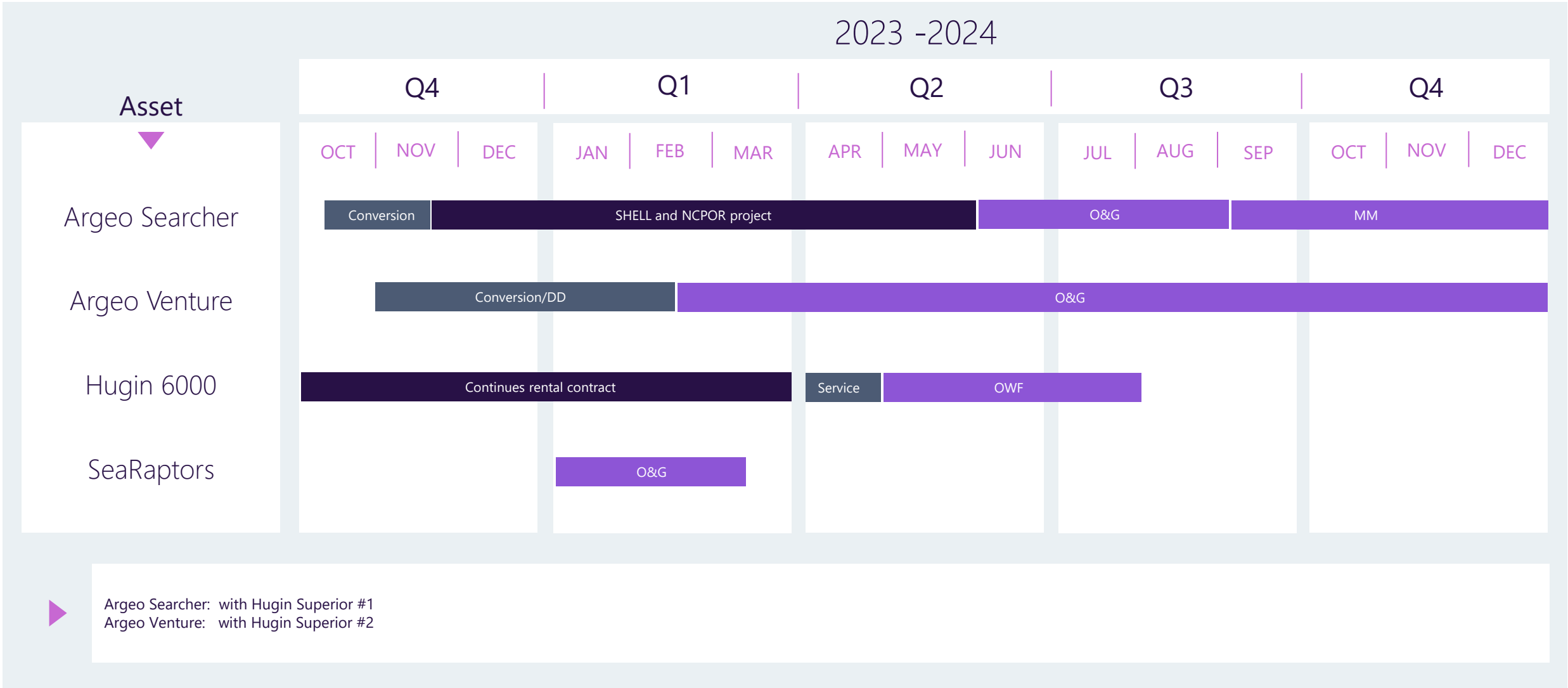


Proceedings with **Oil & Gas majors and IOCs** on both sides of the Atlantic for survey and IMR work



Increased activity as **Argeo proprietary technology** is addressing major issues for offshore wind development

Project backlog secured order book for 2023 - 2024



Technical preparation



Confirmed work



Potential work based in current tender portfolio

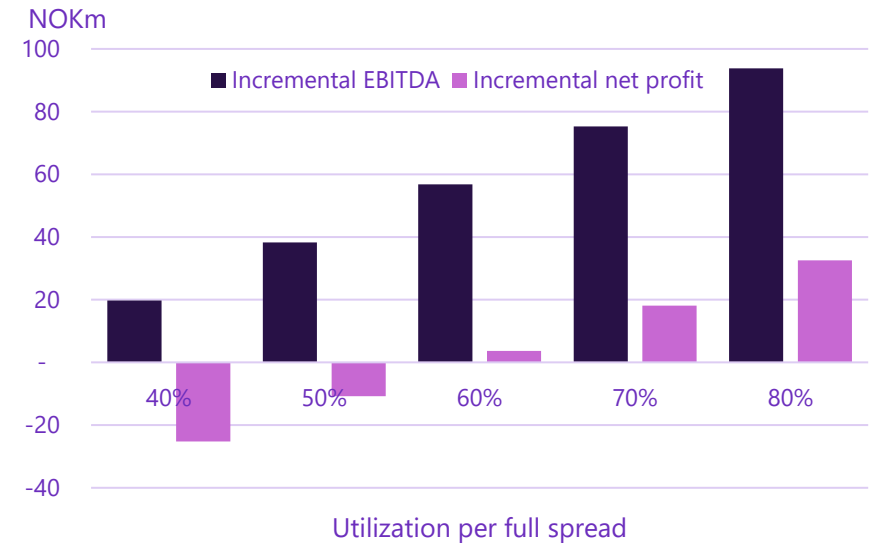
Scale is key to profitability

- Currently one full spread operational, one more from Q1-24
- Capex requirement of NOK 250-300 million per full spread
- **Target of 80% utilization implies annual EBITDA per full spread of close to NOK 100 million per year***
- EV/EBITDA less than 3x at 80% utilization
- Implies unit-level net profit contribution of more than NOK 30 million (before SG&A and fixed costs)*

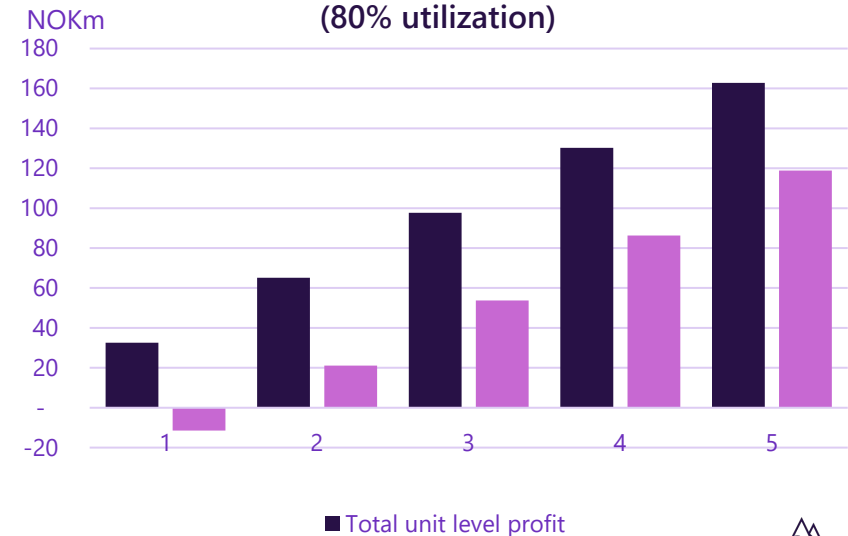
* Key assumptions:

- NOK 270 million capex
- Financed 50% by debt
- Depreciated over 7 years
- 22% tax
- Current S, G&A cost budget of NOK ~32 million is expected to increase with 20% for additional unit

Illustrative unit economics



Illustrative economies of scale (80% utilization)



Expansion for continuous growth



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ADVANCED ROBOTICS

ARGEO ELECTROMAGNETIC SENSOR SYSTEM

ARGEO LISTEN

- ✓ Positioning and burial depth of active power cables
- ✓ Inspection of subsea cathodic protection systems
- ✓ Marine Mineral exploration
- ✓ General site survey

ARGEO WHISPER

- ✓ Tracking/burial depth of "dead" power cables
- ✓ Tracking buried pipelines
- ✓ Detection of Unexploded Ordnance (UXO)
- ✓ Marine Minerals exploration

ARGEO DISCOVER

- ✓ Marine Minerals exploration

DIGITAL SOLUTION

Argeo **SCOPE** digital solution



Cloud-based solution for management, analysis,
and interpretation of Ocean Space data

Enables **efficient 3D visualization** of Ocean Space Data in a user-friendly **browser-based interface**, supporting a **collaborative data** sharing and a smoother interpretation workflow.

Seamless data fusion from seabed measurements such as:

- Synthetic aperture sonar (SAS)
- Sub-bottom profiler (SBP)
- Backscatter
- Bathymetry
- Subsea camera and snapshots
- Environmental data
- Laser measurements
- Geo-taggable documents
- WMS Services
- Interpreted surfaces and horizons from legacy platforms
- Electromagnetic field data

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Income Statement

<u>Amounts in NOK 1 000</u>	<u>Q3-2023</u>	<u>Q3-2022</u>	<u>YTD 2023</u>	<u>YTD 2022</u>	<u>2022</u>
Operating revenue	49 345	6 535	99 422	22 743	33 583
Operating cost	53 869	5 427	99 357	23 239	31 266
Employee expenses	16 792	15 612	50 414	44 166	62 425
Other operating expenses	4 341	3 426	14 907	12 948	17 954
Capitalisation of cost	-4 904	-2 940	-19 118	-17 876	-26 326
EBITDA	-20 754	-14 990	-46 138	-39 734	-51 736
Depreciation	9 886	3 888	25 422	7 068	12 481
EBIT	-30 640	-18 877	-71 559	-46 803	-64 217
Net financial items	-460	-9 608	-10 104	-13 206	-5 770
Profit/(loss) before tax	-31 099	-28 486	-81 664	-60 009	-69 986
Income tax (expense)	-494	6 209	-950	13 123	-6 309
Profit/ (loss) for the period	-31 593	-22 276	-82 614	-46 886	-76 296

- Revenue in Q3 2023 is from the deep-sea mineral survey for NPD in the Northern Atlantic, from the Stromar offshore wind survey in UK, and from Hugin 6000.
- Increase in Operating cost from Q2 2023 due to additional vessel for the Stromar survey.
- EBITDA minus NOK 20.8m in Q3 2023, vs minus NOK 15.0m in Q3 2022 and minus NOK 15.1m in Q2 2023.

Balance Sheet

Amounts in NOK 1 000	30.9.2023	30.9.2022	31.12.2022
ASSETS			
Intangible assets	36 732	22 208	24 304
Deferred tax asset	3 410	23 382	4 349
Multi-client library	7 150	0	4 000
Property, plant and equipment	209 125	222 315	211 840
Shares in associated companies	1 651	5 091	2 295
Total non-current assets	258 067	272 997	246 788
Trade receivables	34 871	757	17 582
Spares	21 910	0	15 630
Other current assets	9 332	4 540	44 468
Cash and cash equivalents	1 221	42 458	21 313
Total current assets	67 334	47 755	98 992
Total assets	325 402	320 752	345 781
EQUITY AND LIABILITIES			
Equity	156 568	171 523	189 108
Long term debt	94 139	121 822	106 482
Total non-current liabilities	94 139	121 822	106 482
Trade payables	47 416	13 694	23 784
Other current liabilities	27 279	17 713	26 406
Total current liabilities	74 695	31 407	50 190
Total liabilities	168 834	153 229	156 672
Total equity and liabilities	325 402	324 752	345 781

- Intangible assets include capitalized cost to Argeo Scope and the other development projects.
- PPE includes two SeaRaptor's, one Hugin 6000 and Argus USV.
- Long term debt is seller's credit on 3 AUV's, and loan from Innovation Norway.

Cash flow statement

Amounts in NOK 1 000	Q3-2023	Q3-2022	YTD 2023	YTD 2022	2022
Cash flow from operating activities					
Profit/(loss) before tax	-31 099	-28 147	-81 664	-60 009	-69 986
Depreciation	9 886	3 888	25 422	7 068	12 481
Financial income	-67	-55	-119	-58	-267
Financial expense	310	8 853	9 579	12 877	2 853
Gain/loss equity investments	217	293	644	387	3 183
Change in current assets	13 110	67 294	11 566	68 831	-3 551
Change current liabilities	6 269	13 809	23 863	19 241	37 101
Net cash from operating activities	-1 374	65 934	-10 709	48 338	-18 185
Cash flow from investing activities					
Investment in property, plant and equipment	-6 276	-162 506	-21 147	-224 505	-218 962
Investment in intangibles	-3 447	-2 634	-13 986	-15 474	-18 052
Investment in Multi-client	0	0	-3 150	-4 000	-4 000
Net cash from investing activities	-9 723	-165 140	-38 283	-243 980	-241 014
Cash flow from financing activities					
Net proceeds from new equity	6 537	0	50 074	70 358	117 353
Proceeds from new debt	0	92 354	29 286	122 743	122 743
Repayment of debt	-5 923	-16 557	-49 440	-20 478	-25 009
Financial income	67	55	119	58	267
Financial expense	-738	-147	-1 138	-443	-704
Net cash flow from financial activities	-58	75 706	28 901	172 238	214 650
Net change in cash and cash equivalents	-11 155	-23 500	-20 091	-23 404	-44 549
Cash and cash equivalents beginning of period	12 377	65 958	21 313	65 862	65 862
Cash and cash equivalents end of the period	1 222	42 458	1 222	42 458	21 313

- Change in current assets includes NOK 42.8m positive effect from unpaid share capital in June 2023, but offset by an increase in receivables on NOK 33.3m.
- Net proceeds from subsequent offering in July 2023 NOK 6.5m.
- Repayment of debt NOK 5.9m in Q3 2023.

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Outlook

- Argeo Searcher with backlog of NOK 216 million until Q2-2024. Bid in tenders from Q2 ->
- Argeo Venture started yard reactivation and conversion. Bid into long-term tenders medio Q1 ->
- Strong tender activity in deep-water markets EAME & NSA
- Focus on high vessel utilisation and larger projects going forward
- Generally good margin in tenders reflecting activity levels in the offshore market
- Preparing for Hugin Superior #2 delivery in Q1-2024

▶ **Thank you**