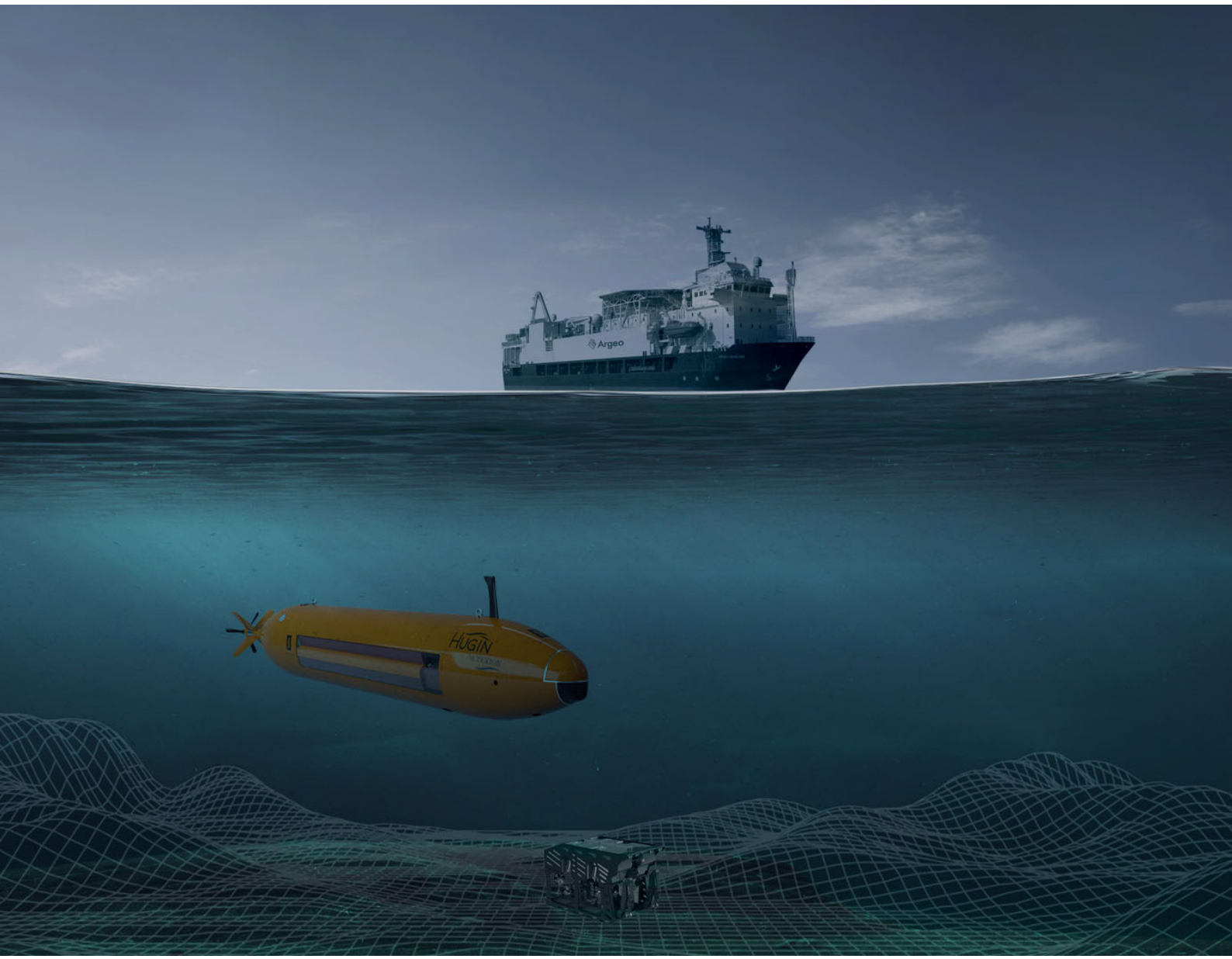


Quarterly  
Report

**Q3**  
2023



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## CEO Letter

This year's third quarter has been both busy and productive for Argeo. We have delivered actionable high-quality data to both NPD and Stroma, significantly expanded our AUV fleet as well as acquired a new vessel through the exciting partnership with Shearwater.

The quarter was kicked off by mobilizing Argeo Searcher for The Norwegian Petroleum Directorate (NPD) out of Tromsø for the Knipovich Marine Minerals project west of Svalbard. Our teams completed nearly 3000-line kilometres of data acquisition.

### Vehicle & Vessel status

The recent fleet expansion of two Kongsberg Hugin Superior AUVs and another Hugin 6000 ensure high-capacity production units and reliable technology systems for every Argeo project going forward. Argeo LISTEN has been successfully integrated and tested in the first Superior which was delivered on 9 November 2023.

Our vessel, Argeo Searcher, has been upgraded by owner and now includes extended subsea equipment. The total investment made is NOK 40 million and a new 5-year bare boat agreement has been entered into with an optional buyout clause of USD 8 million. On November 7, Argeo took delivery of the vessel SW Bell from Shearwater and renamed it Argeo Venture. The vessel reactivation and conversion program has been initiated, and the work is carried out at Halsnøy DOCS yard south of Bergen.

### Projects and contracts

High tender activity during the third quarter has led to a good conversion rate from sales to signed contracts. Contract announcements made with O&G Major Shell and The National Centre for Polar and Ocean Research (NCPOR) increased the

backlog by NOK 216 million. The Argeo Searcher equipped with our new Hugin Superior will be tasked with these two projects, securing backlog for the vessel from late November 2023 to May 2024, not including options. Backlog for the company now totals NOK 240 million.

Additionally, new tenders were submitted to customers in North and South America (NSA), results from these tenders are expected late Q4.

In addition to the vessel purchase, the strategic alliance, and a technology and capacity agreement between Argeo and Shearwater was announced in September.

### Finances

Argeo secured an equipment leasing agreement of NOK 275 million with international finance company CSI to finance the new Kongsberg Hugin delivery from 2023 to 2025. A bank loan and credit facility of NOK 131 million with a Norwegian Bank and NOK 40 million was secured from vessel owner for financing the upgrading of the Argeo Searcher vessel.

As mentioned in our second quarter 2023 report, third quarter was adversely impacted by operational delays and technical execution taking longer to complete than estimated. Revenue and EBITDA are reduced due to late startup on program following NPD and reduced Scope of Work (SOW) for Stroma due to delays and harsh weather.

*Trond Figenschou Crantz*

Trond Figenschou Crantz, CEO of Argeo

# Highlights

## Q3 Highlights

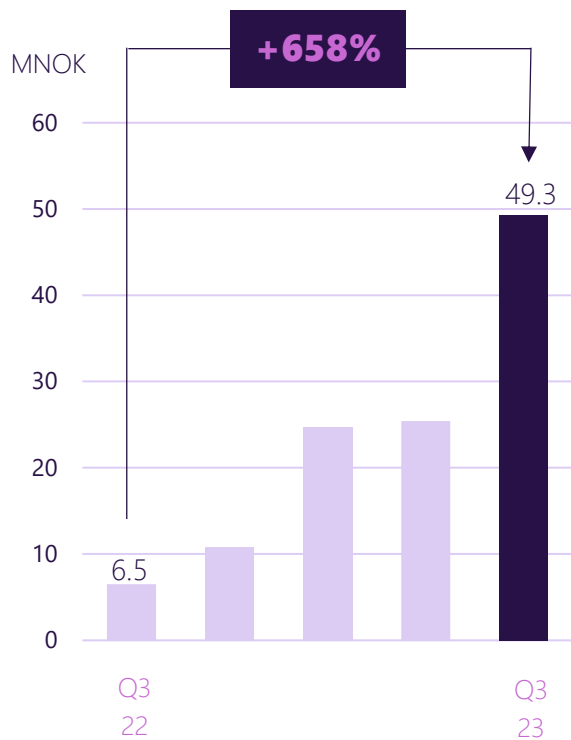
- Strong revenue growth – up 658% from NOK 6.5 million in Q3 22' to NOK 49.3 million in Q3 23'
- NOK 55 million contract with O&G supermajor Shell
- NOK 154 million contract award from India's National Centre for Polar and Ocean Research (NCPOR)
- Good backlog of NOK 240 million
- Strategic alliance with Shearwater, and purchase of new vessel
- Completion of deep-sea survey 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 for two Hugin Superior and one Hugin 6000 AUV's

## 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

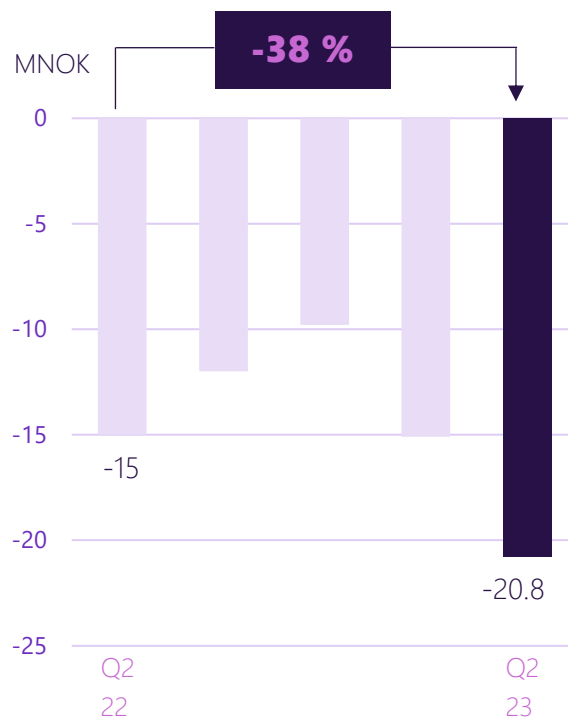
## REVENUES

**49.3**

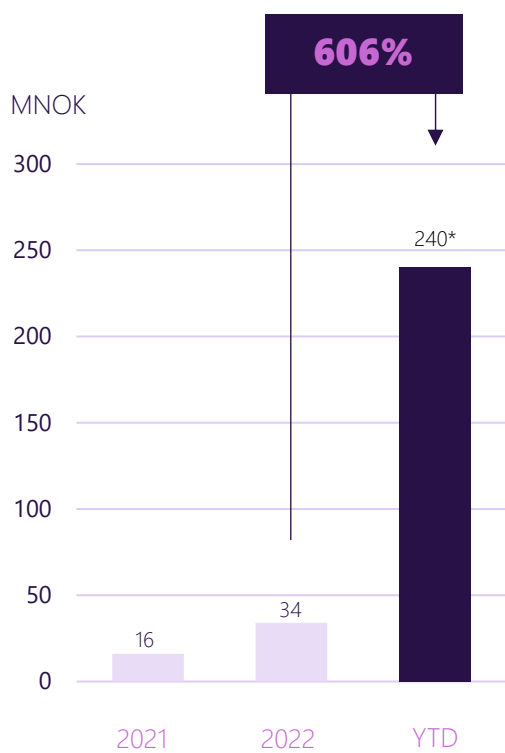


## EBITDA

**-20.8**



## BACKLOG



\* NOK 240m until May 2024

## Robotics and digital solutions for the ocean space – three attractive key target markets

The Company specializes in construction and designing of highly accurate digital models based on geophysical, hydrographic, and geological methods, as well as sensors and robot / autonomous technology and is targeting companies and developers within the following main business verticals:

**Renewables and offshore wind:** The Company help developers assess area attractiveness of wind farms and to get input to wind farm design, including design and location of foundations, substations etc. in addition to investigation of routes for power cables, assessing impact on the environment and inspection of existing infrastructure over its life cycle.

**Oil & gas:** The Company provides oil & gas companies with survey and inspection services as input to offshore field design, including design and location of platform and subsea infrastructure, investigation of routes for pipelines, assessing impact on environment and inspection of existing pipeline and infrastructure.

**Marine Minerals:** The Company provides companies, developers and governments with exploration and characterization of marine minerals by use of their fleet of AUV's equipped with state-of-the-art sensors delivering valuable high-quality data with applications across the deep-sea minerals value chain from Environmental Impact Assessment and early Exploration to Reserves Estimation and Extraction Monitoring. The company's enabling technology and sensors are amongst the most advanced AUV systems commercially available on the market today, equipped with 3<sup>rd</sup> party and deep-sea minerals tailored Argeo sensors and applications.

## Geomarket update

### Europe & Africa

The region is interesting for Argeo with its combination of deep-water development areas, which require high resolution AUV data for safe construction phase, and mature fields which require high quality inspection data for safe production. Argeo are receiving tenders from O&G majors, and active business development have identified further leads in the region. Our goal is to establish a strong foothold in this key geomarket and build long-term relationships with clients by providing high-quality services and innovative solutions. Europe has potential for next summer, with demand for AUV data for floating offshore wind, and O&G pipeline inspections.

### South America

Brazil continues to be a substantial market for deep-water Oil & Gas AUV & ROV services, and Argeo is actively participating tendering processes, for several opportunities, led by our team in Rio de Janeiro. We also see a demand for our services in other countries in Central and South America.

## North America

The requirement for subsea survey for offshore wind energy projects remains strong. We see the emergence of floating offshore wind projects, on the West Coast USA as a very good fit for Argeo capabilities. We continue to monitor demand for AUV surveying work for O&G related subsea inspection in the Gulf of Mexico and continue to work with partner companies to address opportunities.

# Key market segments

## Oil & Gas

Oil & gas companies' investment levels in exploration and production activity: Oil & gas companies' investment levels in exploration and production activity will be a key driver for the demand for survey and inspection services related to offshore field design, location of platform and subsea infrastructure as well as investigation of existing infrastructure. The E&P spending budgets for companies within the oil & gas sector are, in turn, dependent on the development of the oil price as a key factor for the economic attractiveness of oil & gas exploration and production activity.

## Marine Minerals

The competitiveness of extracting minerals from the seafloor: The global energy transition is fuelling the growth for new value chains, such as batteries, wind-power, solar-power and electrical infrastructure. Developing these value chains are likely to require a significantly higher supply of minerals. A low carbon future calls for additional supply of metals, which can to some extent be met by marine minerals extraction, primarily in deep waters from 3000-6000 meters. Norway, being the Company's "home market" is in a strong position to become one of the first movers for DSM extraction, as this is a good overlap with oil & gas technologies and competence gives Norway a competitive advantage over its peers. With the establishment of a Norwegian marine minerals legislation in 2019, in addition to the 2018-2019 NCS impact studies performed by the Norwegian Petroleum Directorate, Norway is assumed to be well positioned for the next and crucial steps towards a marine minerals industry with both great export and domestic value creation potential, as furthered strengthened by the recent announcement by the Norwegian Government to open up for extraction of minerals from the seabed on the Norwegian Continental Shelf.

## Renewables

Energy companies' investment levels in renewable energy: Energy companies' investment levels in developing offshore wind farms will be key driver of demand for exploring seabed conditions and location of foundations, substations etc., which are, in turn, dependent on energy prices and the competitiveness of developing offshore wind projects. The long-term prospect of the offshore wind business is largely driven by the competitiveness of offshore wind as an energy source compared to other sources of energy. Hence, the ordinated cost measure, the LCOE term, which combines all of the relevant cost elements in offshore wind projects, is a key element for the future market of offshore wind. The LCOE includes capital costs, offshore transmission costs, operation and maintenance, cost of financing and capacity factors. Commercial banks' willingness finance, better financing terms and lower cost of equity are key elements for lowering the LCOE for offshore wind developments. The LCOE is also influenced by the quality of the wind resources and the water depths in the areas that are available for offshore wind developments. Other factors such as distance from shore, technological advancements and digitalization are key factors for transmission costs, maintenance, and capacity factors on the turbines, which in turn, are key for the LCOE calculation.

# 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



OCEAN BOTTOM  
NODE (OBN)



MARINE  
MINERALS



## About Argeo

Argeo is an Offshore Service company with technology to transforming the ocean space survey and inspection industry utilizing autonomous surface and underwater robotics solutions. Equipped with unique sensors and advanced digital imaging technology, the Autonomous Underwater Vehicles (“AUVs”) will significantly increase efficiency and imaging quality in addition to contribute to reductions in CO2 emissions from operations for the global industry in which Argeo operates.

Argeo's specialty is providing survey, inspection and light intervention subsea services to industries installing, constructing, or maintaining infrastructure or equipment in the oceans. Argeo provides these services primarily by acquiring data using advanced AUVs, USVs and robotics systems for then to apply advanced integrated processing and interpretation creating a high-resolution digital representation of the seafloor and the sub-seafloor. The digital representation is based upon geophysical, hydrographic, and geological sensor data to be used by the customers in business segments such as renewables,

oil and gas, and offshore installations. The Group also provides exploration services using the same robots, but with specialized sensors to characterize the deep ocean space seafloor for high value deep sea minerals used in the electronics and renewables industry. A specialized integrated approach including deep sea rated AUVs (6000m) with sensors adapted to image deposits combined with highly skilled professionals with experience in processing and interpreting the results will provide end-clients exceptional results in their exploration efforts.



## To deliver these services and products, Argeo has a portfolio of tools:

Argeo intends to purchase minimum 10 AUVs or Hybrid AUV/ROV's over a five-year period. As of the date of this report, the Group has purchased five AUV's and has additionally two AUV's on order for delivery in Q1-2024 and Q1-2025. Argeo has also purchased a semi-electric multi-purpose uncrewed vehicle (USV) for offshore and coastal applications. The Company has the subsea vessel Argeo Searcher on a five-year long-term bareboat charter with buyout clause, and has purchased, owns, and operates another subsea vessel Argeo Venture.

In general, all ocean space construction and installation activities require surveys and inspections. Typically, a given project follows certain stages of main activity or lifecycle:

1. **Greenfield/Initial survey:** to evaluation of an area of interest, risk analysis, environmental and marine life studies, prospecting evaluation, etc.
2. **Early planning and design survey:** Detailed / focused investigation and mapping for environmental effects, cable routes, anchor locations and sedimentary analysis.
3. **Construction and installation survey:** Focused 3D survey for increased level of detail, analysis, and testing.
4. **Operations and maintenance:** Inspection investigations, after cables/pipelines/infrastructure has been laid onto seabed/trenched, look for potential cable break, cathodic protection/anti corrosion, and general installation integrity.

## Argeo Robotics Engineering

Argeo performs in-house sensor engineering of new sensor technology for autonomous data acquisition. Argeo will systematically strengthen their IP portfolio and apply for patent protection when applicable. See examples of such below:

- Argeo LISTEN (O&G, OWS and DSM (as defined below) markets)
- Argeo WHISPER (O&G, OWS and DSM markets)
- Argeo DISCOVER (DSM market)

Argeo Robotics has been granted the following patents from the Norwegian Patent Office (Patentstyret):

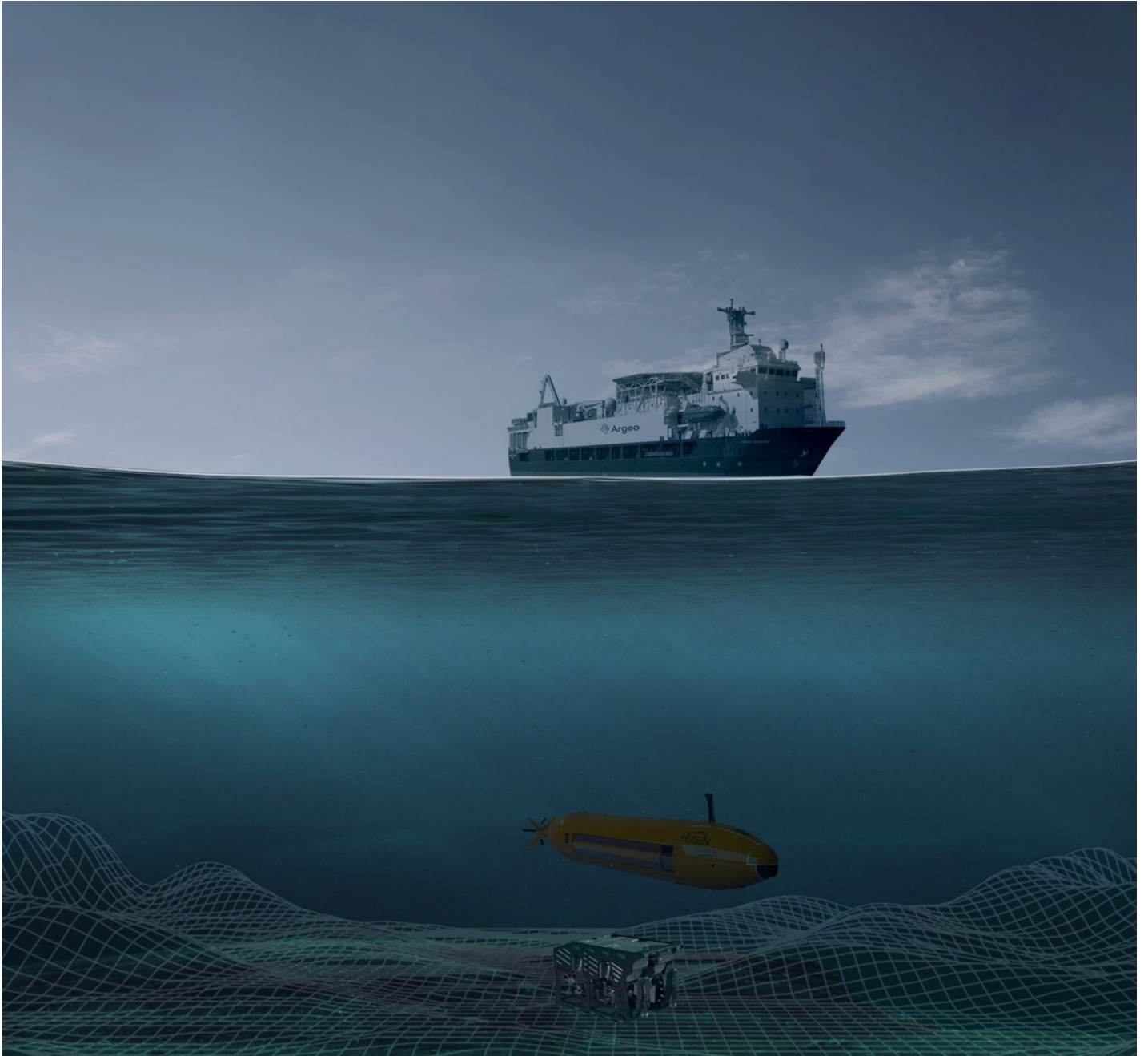
- "A system and a method of detection and delineation of conductive bodies situated on or beneath the seafloor." An electromagnetic method for exploration and detection of deep-sea minerals.
- "A system for detection and tracking a subsea object." An electromagnetic method for detection, tracking and positioning power cables or pipelines situated on or below the seafloor.
- "An electromagnetic method for detection of buried objects." A subsea electromagnetic remote-sensing system for detecting buried objects below the seafloor.
- "Argeo Discover: a high energy electromagnetic system" "Argeo Discover" – a marine mineral resource exploration solution that enables high-energy electromagnetic signals through an ingenious integration with the energy bank within the AUV.

## Argeo SCOPE digital solutions

Argeo has developed a cloud based Digital Platform (Argeo Scope) to allow our customers a performant 3D solution to visualize all data for a given offshore project, from planning to decommission. Argeo Scope will have data from satellite space to sub seafloor and can be extended with new sensor data as they are implemented for the installation. Argeo Scope is an instrumental part of Argeo's data management and final delivery services.

Processing of every sensor data types as well as an integrated interpretation of a 3D model allows the Group to deliver a model that can be directly imported into our customers' design tools for easy use.





 Financial review

# Financial review

## Revenue:

Revenue for Q3 2023 was NOK 49.3 million, compared to NOK 6.5 million in Q3 2022 and up from NOK 25.4 million in Q2 2023. Revenue in Q3 2023 is from the deep-sea mineral survey for NPD in Norway, from the long-term contract we have for the Hugin 6000 AUV, and from the offshore wind survey for Stromar off the coast of Scotland.

## Operating expenses:

Operating cost in Q3 2023 was NOK 53.9 million, compared to NOK 5.4 million in Q3 2022 and up from NOK 29.5 million in Q2 2023. Employee expenses for Q3 2023 was NOK 16.8 million, compared to NOK 15.6 million in Q3 2022. Other operating expenses in Q3 2023 was NOK 4.3 million, compared to NOK 3.4 million in Q3 2022.

The increase in operating expenses from Q2 2023 is mainly due to operating an additional vessel for the Stromar project, which was ended late September 2023.

Argeo capitalised NOK 4.9 million as development and vessel rigging cost in Q3 2023, compared to NOK 2.9 million in Q3 2022.

Depreciation was NOK 9.9 million in Q3 2023, compared to NOK 3.9 million in Q3 2022.

## Financial items

Net financial loss for Q3 2023 was NOK 0.5 million. Net financial loss in Q3 2022 was NOK 9.6 million, of which NOK 10.0 million was unrealised exchange loss on debt nominated in USD.

## Net Profit/ Loss

Net loss for Q3 2023 was NOK 31.6 million, compared to a net loss of NOK 22.3 million in Q3 2022.

## Balance Sheet

Total non-current assets at the end of the period amounted to NOK 258.1 million. This includes NOK 36.7 million in intangible assets, NOK 3.4 million in deferred tax assets and NOK 209.1 million in Property, plant and equipment. Property, plant, and equipment includes mainly two SeaRaptor AUV's, one Hugin AUV, and the Argus USV.

Cash and cash equivalents balance was NOK 1.2 million at the end of the quarter, compared to NOK 42.5 million at the end of Q3 2022 and 21.3 million at year end 2022.

Long term debt was NOK 94.1 million at the of Q3 2023, down from NOK 101.1 million at the end of Q2 2023. Repayment of debt was NOK 5.9 million, and NOK 1.1 million was reduction due to change in exchange rate USD/NOK.

Total liabilities at the end of the quarter were NOK 168.8 million, of which NOK 23.5 million is interest bearing.

## Shares

A subsequent offering of 2 670 531 new shares was made on 28 July 2023 at NOK 2.75 per share, raising gross proceeds of approximately NOK 7.3 million. After this offering, Argeo had 94 391 204 shares outstanding.

As per 30 September 2023, a total of 1 041 097 options are outstanding in connection with the Company's share option program. 346 097 of these are formalised as warrants ("Tranche 1 Warrants"). Exercise price for these is in average NOK 2.41, and the warrants expires at various intervals from 10 February 2024 to 23 December 2025. 695 000 options were granted to Board of Directors and employees in 2021. These options will vest over 3 years and mature after 5 years. Strike price is NOK 8.20.

In connection with the private placement in April 2021, the Company's general meeting approved the issuance of 3,750,000 new warrants to the existing shareholders of the Company before the private placement ("Tranche 2 Warrants"). 1,875,000 of these Tranche 2 Warrants expired in April 2023. The remaining 1,875,000 Tranche 2 Warrants can be exercised at NOK 0.10 given a demonstrated share market price appreciation of three times the Subscription Price within a period of 4 years. The Subscription Price in the private placement in April 2021 was NOK 8.20 per share.

## Recent events

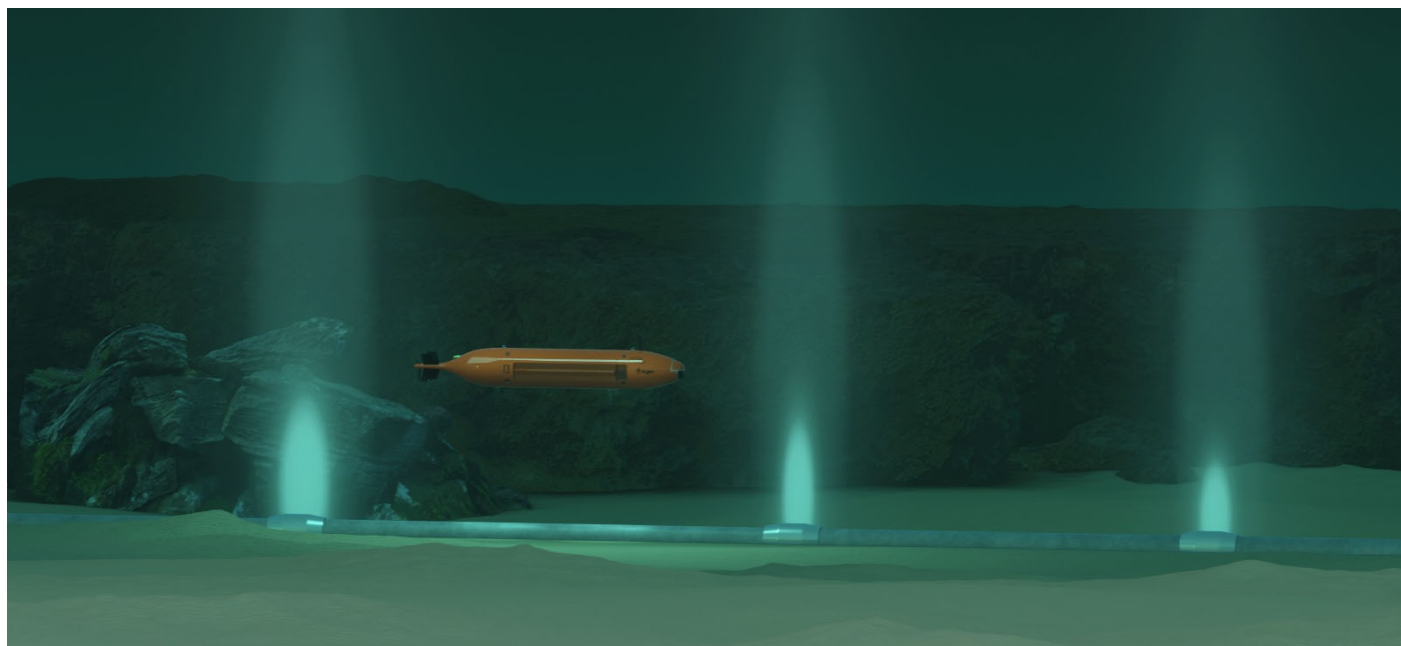
A private placement of 78 125 000 new shares at NOK 3.20 per share was made on 19 October 2023, raising gross proceeds of NOK 250 million. 18 002 309 shares were issued on 23 October 2023 pursuant to an earlier authorization granted to the board, and issuance of 60 122 691 shares were approved in an extraordinary general meeting on 3 November 2023 and issued on 6 November 2023.

The extraordinary general meeting on 3 November 2023 also approved the issuance of 20 123 625 shares to Shearwater GeoServices Holding AS ("Shearwater") at a subscription price of NOK 3.20 per share. In the same meeting, representative from Shearwater Andreas Hveding Aubert was elected as Board member. The shares were issued to Shearwater on 9 November 2023.

After these issuances, Argeo has 192 639 829 shares outstanding.

The board of directors resolved 19 October 2023 to conduct a subsequent offering of up to 18 750 000 new shares at NOK 3.20 per share. And authorisation to issue these shares was granted at the extraordinary general meeting 3 November 2023.

At the extraordinary general meeting held on 3 November 2023, the Board was granted an authorisation to increase the share capital by up to NOK 963,199.15 (9 631 991 shares) in connection with the Company's incentive programs, including the Company's option programs, through one or more share capital increases by issuance of new shares.



## Argeo AS

### Interim consolidated profit and loss

Amounts in NOK 1 000	Note	Q3-2023 (unaudited)	Q3-2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)	Full year 2022 Audited
<b>Operating revenues:</b>						
Sales revenue		49 345	6 475	99 422	22 683	33 497
Governmental grants		0	60	0	60	86
<b>Total operating revenues</b>		<b>49 345</b>	<b>6 535</b>	<b>99 422</b>	<b>22 743</b>	<b>33 583</b>
<b>Operating expenses:</b>						
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
Depreciation	1, 2	9 886	3 888	25 422	7 068	12 481
<b>Total operating expenses</b>		<b>79 985</b>	<b>25 413</b>	<b>170 981</b>	<b>69 546</b>	<b>97 800</b>
<b>Operating profit/(loss)</b>		<b>-30 640</b>	<b>-18 877</b>	<b>-71 559</b>	<b>-46 803</b>	<b>-64 217</b>
<b>Financial income and expenses:</b>						
Income/ (loss) equity investments		-217	-293	-644	-387	-3 183
Financial income		67	55	119	58	296
Financial expenses		-738	-147	-1 138	-443	-733
Net foreign exchange gain (loss)		428	-9 224	-8 442	-12 434	-2 149
<b>Net financial items</b>		<b>-460</b>	<b>-9 608</b>	<b>-10 104</b>	<b>-13 206</b>	<b>-5 770</b>
<b>Profit/(loss) before tax</b>		<b>-31 099</b>	<b>-28 486</b>	<b>-81 664</b>	<b>-60 009</b>	<b>-69 986</b>
Income tax (expense)		-494	6 209	-950	13 123	-6 309
<b>Profit/ (loss) for the period</b>		<b>-31 593</b>	<b>-22 276</b>	<b>-82 614</b>	<b>-46 886</b>	<b>-76 296</b>

**Argeo AS**  
Interim consolidated statement of Financial Position

Amounts in NOK 1 000	Note	September 30, 2023 (unaudited)	September 30, 2022 (unaudited)	December 31, 2022 (audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	1	36 732	22 208	24 304
Deferred tax asset		3 410	23 382	4 349
Property, plant and equipment	2	209 125	222 315	211 840
Shares in associated companies		1 651	5 091	2 295
Multi-client library		7 150	4 000	4 000
<b>Total non-current assets</b>		<b>258 067</b>	<b>276 997</b>	<b>246 788</b>
<b>Current assets</b>				
Trade receivables		34 871	757	17 582
Spare parts		21 910	0	15 630
Other current assets		9 332	4 540	44 468
Cash and cash equivalents		1 221	42 458	21 313
<b>Total current assets</b>		<b>67 334</b>	<b>47 755</b>	<b>98 992</b>
<b>Total assets</b>		<b>325 402</b>	<b>324 752</b>	<b>345 781</b>
<b>EQUITY</b>				
Share capital		9 439	4 258	5 110
Share premium		325 290	233 402	279 545
Other equity		-178 161	-66 137	-95 547
<b>Total equity</b>		<b>156 568</b>	<b>171 523</b>	<b>189 108</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long term debt	3	94 139	121 822	106 482
<b>Total non-current liabilities</b>		<b>94 139</b>	<b>121 822</b>	<b>106 482</b>
<b>Current liabilities</b>				
Trade payables		47 416	13 694	23 784
Taxes payable		0	0	0
Public duties		2 784	2 047	3 335
Other current liabilities		24 495	15 666	23 072
<b>Total current liabilities</b>		<b>74 695</b>	<b>31 407</b>	<b>50 190</b>
<b>Total liabilities</b>		<b>168 834</b>	<b>153 229</b>	<b>156 672</b>
<b>Total equity and liabilities</b>		<b>325 402</b>	<b>324 752</b>	<b>345 781</b>

**Argeo Group**  
Interim consolidated statement of changes in equity

<u>Amounts in NOK 1 000</u>	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Accumulated earnings</u>	<u>Total equity</u>
<b>Balance as of 1.1.2023</b>	<b>5 110</b>	<b>279 545</b>	<b>-95 547</b>	<b>189 108</b>
Profit/(loss) for the period	0	0	-82 614	-82 614
Net proceeds from new equity	4 329	45 744	0	50 074
<b>Balance as of 30.9.2023</b>	<b>9 439</b>	<b>325 290</b>	<b>-178 161</b>	<b>156 568</b>
<b>Balance as of 1.1.2022</b>	<b>2 744</b>	<b>164 558</b>	<b>-19 251</b>	<b>148 051</b>
Profit/(loss) for the period	0	0	-76 296	-76 296
New equity not registered	0	35 943	0	35 943
Net proceeds from new equity	2 366	79 045	0	81 410
<b>Balance as of 31.12.2022</b>	<b>5 110</b>	<b>279 545</b>	<b>-95 547</b>	<b>189 108</b>



## Argeo Group

### Interim consolidated statement of cash flow

Amounts in NOK 1 000	Note	Q3-2023 (unaudited)	Q3-2022 (unaudited)	YTD 2023 (unaudited)	YTD 2022 (unaudited)	Full year 2022 (audited)
<b>Cash flow from operating activities</b>						
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
<b>Net cash from operating activities</b>		<b>-1 374</b>	<b>65 934</b>	<b>-10 709</b>	<b>48 338</b>	<b>-18 185</b>
<b>Cash flow from investing activities</b>						
Investment in property, plant and equipment	2	-6 276	-162 506	-21 147	-224 505	-218 962
Capitalisation of development cost	1	-3 447	-2 634	-13 986	-15 474	-18 052
Investment in Multi-client library		0	0	-3 150	-4 000	-4 000
<b>Net cash from investing activities</b>		<b>-9 723</b>	<b>-165 140</b>	<b>-38 283</b>	<b>-243 980</b>	<b>-241 014</b>
<b>Cash flow from financing activities</b>						
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
<b>Net cash flow from financial activities</b>		<b>-58</b>	<b>75 706</b>	<b>28 901</b>	<b>172 238</b>	<b>214 650</b>
Net change in cash and cash equivalents		-11 155	-23 500	-20 091	-23 404	-44 549
Cash and cash equivalents begin. of period		12 377	65 958	21 313	65 862	65 862
<b>Cash and cash equivalents end of the period</b>		<b>1 222</b>	<b>42 458</b>	<b>1 222</b>	<b>42 458</b>	<b>21 313</b>



 Notes

# Notes to the unaudited consolidated interim financial statements

## General information and basis for the preparation

Argeo AS and its subsidiaries (the "Group", or "Argeo") is a publicly listed company on the Euronext Growth, with ticker symbol ARGEO. Argeo was admitted to trading on Euronext Growth 26 April 2021. Argeo is incorporated and domiciled in Norway.

These interim consolidated financial statements for the second quarter ended 30 September 2023 were prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles for smaller companies. They do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with consolidated financial statements of the Group as at and for the year ended 31 December 2022. These condensed consolidated interim financial statements are unaudited for 2023.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2022.

## Note 1. Intangible assets

Amounts in NOK 1 000

	<b>Development</b>	<b>Licenses</b>	<b>Software</b>	<b>Sum</b>
Cost as of 1 January 2023	23 682	1 999	1 408	27 089
Additions	13 837	144	5	13 986
Governmental grants	0	0	0	0
<b>Cost as of 30 September 2023</b>	<b>37 519</b>	<b>2 143</b>	<b>1 413</b>	<b>41 075</b>
Accumulated depreciation as of 1 January	2 421	342	21	2 784
Depreciation	1 028	319	212	1 559
<b>Accumulated depreciation as of 30 June 2023</b>	<b>3 449</b>	<b>662</b>	<b>233</b>	<b>4 343</b>
<b>Net book value at 30 September 2023</b>	<b>34 070</b>	<b>1 482</b>	<b>1 180</b>	<b>36 732</b>
Useful life	5 years	5 years	5 years	
Depreciation method	Linear	Linear	Linear	

Development cost is related to development of a 3D Geological modelling system, Argeo's digital twin solution "Argeo Scope", and various sensor solutions.

## Note 2. Property, plant, and equipment

Amounts in NOK 1 000

	Office equipment	Misc equipment	AUV, USV	Sum
Cost as of 1 January 2023	3 547	13 832	206 973	224 351
Additions	812	14 803	5 532	21 147
Cost as of 30 September 2023	4 358	28 634	212 505	245 498
Accumulated depreciation as of 1 January 2023	1 285	2 069	9 157	12 511
Depreciation	853	3 201	19 809	23 863
Accumulated depreciation as of 30 September 2023	2 138	5 270	28 966	36 374
<b>Net book value on 30 September 2023</b>	<b>2 220</b>	<b>23 365</b>	<b>183 539</b>	<b>209 125</b>
Useful life	3 years	3-5 years	7 years	
Depreciation method	Linear	Linear	Linear	

## Note 3 Long-term liabilities

Amounts in NOK 1 000

	Nominal interest	September 30, 2023	September 30, 2022	December 31, 2022
Seller credits	0	70 586	116 909	101 909
Loans	6.70%	23 553	4 913	4 573
<b>Total long-term debt</b>		<b>94 139</b>	<b>121 822</b>	<b>106 482</b>

### Seller credits

Argeo has NOK 77.2 million in seller credits related to purchases of AUV's.

### Loans

Argeo has three loans from Innovation Norway, bearing an interest at 7.45% as per end September 2023. Interest increased to 7.70% from 6<sup>th</sup> October 2023, and to 7.95% from 10 November 2023. All three loans are secured.

# Financial calendar

Q4-23: 22 February 2024

Q1-24: 23 May 2024

Q2-24: 29 August 2024

Q3-24: 21 November 2024

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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. Equipped with unique sensors and advanced digital imaging technology, the Autonomous Underwater Vehicles ("AUVs") will significantly increase efficiency and imaging quality in addition to contribute to significant reduction in CO2 emissions from operations for the global industry in which the Company operates.

The Company's highly accurate digital models and digital twin solutions are based on geophysical, hydrographic, and geological methods from shallow waters to the deepest oceans for the market segments Oil & Gas, Renewables, Marine Minerals and Offshore Installations. Argeo was established in 2017 and has offices in Asker (Oslo), Tromsø, Stockholm, Houston, and Singapore.

[www.argeo.no](http://www.argeo.no)