

Digitizing the ocean space

Argeo Q4 company presentation

28 FEBRUARY 2022 TROND FIGENSCHOU CRANTZ, CEO ARGEO ODD ERIK RUDSHAUG, CFO ARGEO

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- Such forward-looking information and statements reflect current views with respect to future events and are subject to risks, uncertainties and assumptions
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Agenda

Highlights

Introduction to Argeo

Operational update

Technology

Financials

Outlook



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Highlights

Business and commercial expansion exceeding expectations

- The Hugin 1000 system moved to Brazil to commence operations on reported contract
- Established office in Houston and establishing office in Rio (subsequent to the quarter) to drive business development and operations in NSA Geomarket

Vehicle status, testing and delivery according to plan

- Subsequent to the quarter, the SeaRaptor "Alpha" successfully completed Factory Acceptance Test and delivered to Norway early March
- SeaRaptor "Bravo" building according to plan with delivery in late Q1 scheduled for work directly after testing

High level of commercial activity with several large tenders started

- Strong growth in larger tenders for AUV services in the NSA geomarket with some projects exceeding 12 month
- Good progress on both Eelume UID projects and market response to our Argus USV

Strong client interest globally in our Multi-Client & DaaS services

- Focus on European and Norwegian Offshore Wind is giving results with good interest from large players
- Argeo expect approval from authorities on our Utsira Nord Multi-Client program and Scott Wind program

Finance and income statement for the quarter

- Revenue for Q4 2021 NOK 0.4 million, compared to NOK 7.5 million in 2020
- Cash balance NOK 66 million, end of Q4 2021



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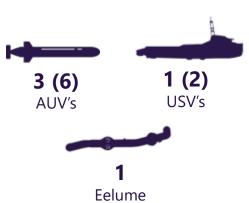
ARGEO AT A GLANCE



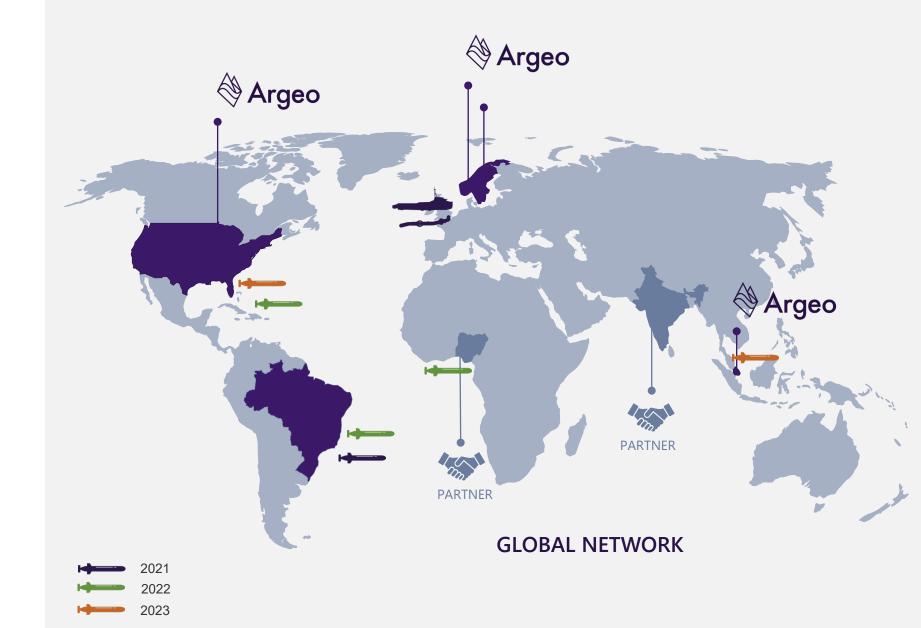
42 EMPLOYEES



AUV CREWS







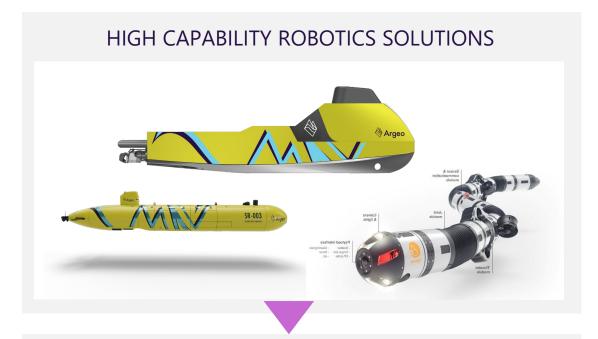
ARGEO'S MISSION

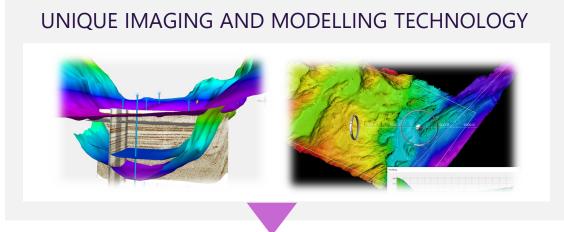
Transforming the ocean surveying and inspection industry

Utilising autonomous underwater and surface vehicles and unique sensor and imaging technology

to significantly increase efficiency and quality

And to substantially **reduce the industry CO2 footprint**





"FASTER, BETTER, GREENER AND AT A LOWER COST"



Transforming the ocean surveying and inspection industry

WITH A MAGNITUDE OF DIFFERENCE

Dedicated survey vessel



Day rate: High

CO2-emission: High

Data Quality: Low

Productivity: Medium

Dedicated ROV vessel



Day rate: High

CO2-emission: High

Data Quality: Medium

Productivity: Low

Traditional players delivering high-cost and time-consuming services, applying large vessels and expensive equipment





Day rate: Low

CO2-emission: Low

Data Quality: High

Productivity: High

√ The most efficient data acquisition robots in the world

√ Acquisition speed > 3.5x ROV



Robotics and digital solutions for the ocean space











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We said we would - build the company

GROWING NUMBER

OF EMPLOYEES



OFFICESAROUND THE WORLD



accumulated number of employees end of each quarter



We said we would - expand into new Geomarkets

Main office North America NSA

Opened office in Houston

Main office South America NSA

Opened office in Rio

Main office APAC

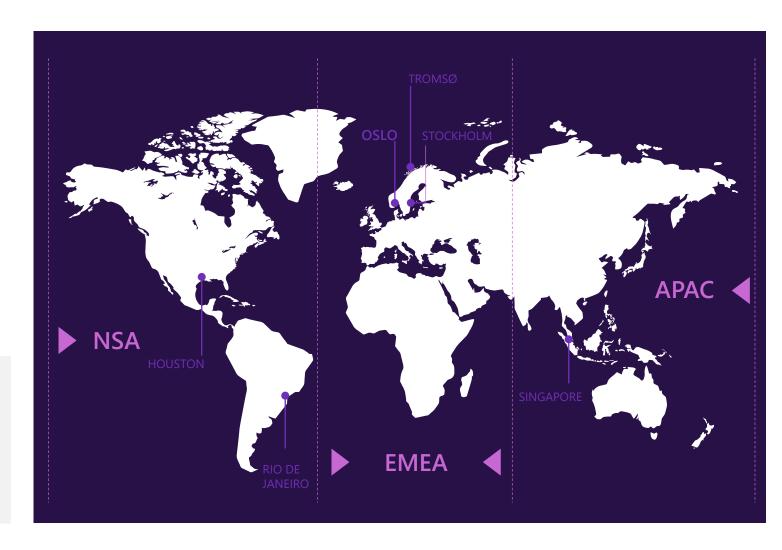
Opened office in Singapore

Main office EAMA

HQ in Oslo established

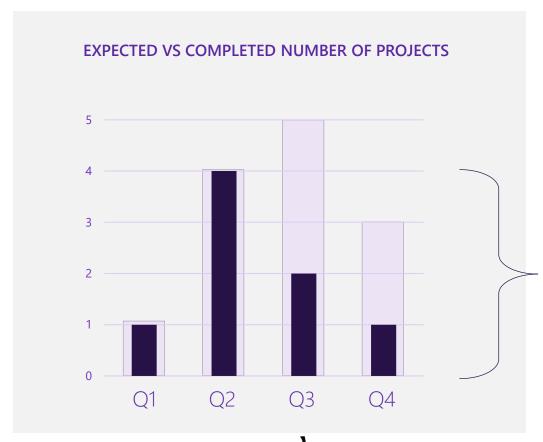
WHY?

- Reduced transit time increases utilization
- Closer to our customers in key areas
- Build backlog/Multi-Client extending ongoing project
- Faster mobilization reduces cost for our customers
- Retain crew and equipment in identified regions





We said we would - generate business





Two projects in 2021 were delayed One project in 2021 was deferred due to technology scope creep

Although we expect to pick up one of the delayed projects in Q1-22 it represents lost 2021 revenue of 40 MNOK which we guided at the beginning of the year.



Available revenue generating assets

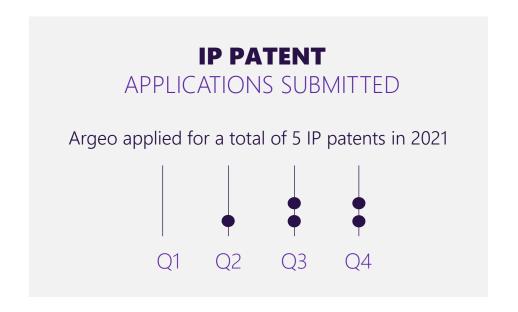


We said we would – expand our fleet





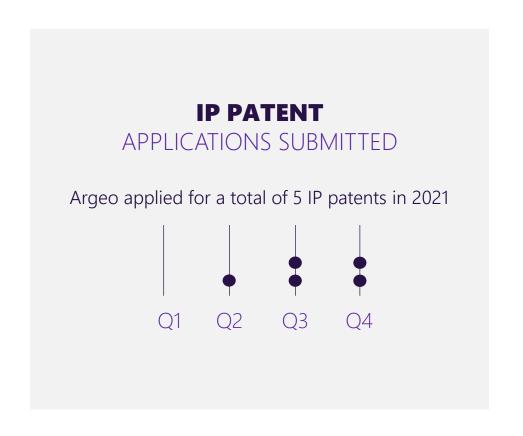
We said we would – develop our technology

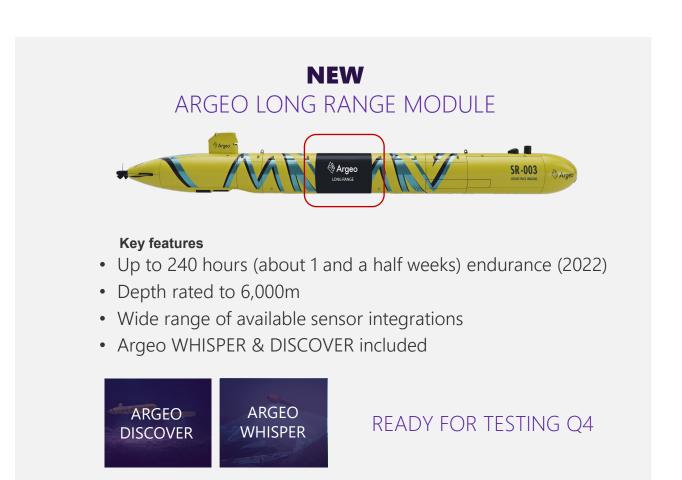






We said we would – develop our technology





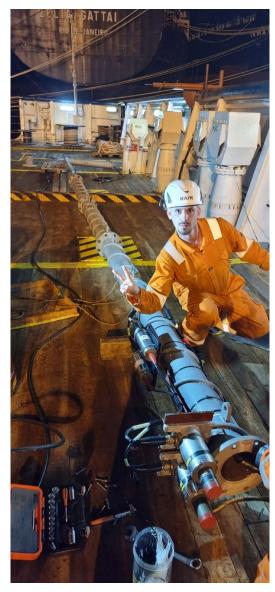


HUGIN project in Brazil

ONGOING OPERATIONS

Our Hugin 1000 crew is currently operating in Brazil on a pipeline route survey for the Cabiunas landfall gas pipeline from FPSO (BM-C-33 field) to shore, construction project.

This is a 200m wide survey corridor of approximately 120 km. Project estimated project completion in April



Argeo crew installing Hugin subsea communication system



M/V Larissa used for the AUV route survey in Brazil



HUGIN
Operational
container on
M/V Larissa
backdeck



Hugin system "Stinger" LARS container fixed at the stern of M/V Larissa



COMPANY DEVELOPMENT 2021

SEARAPTOR VEHICLE STATUS "Alpha"

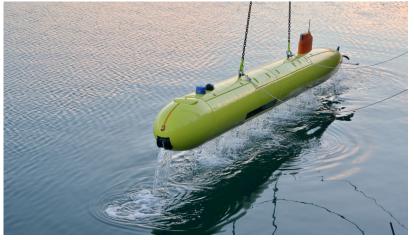
ONGOING COMMERCIALISATION

SeaRaptor "Alpha" completed testing and is now prepared for mobilization on its first commercial deep-water project in Norway.

Finishing the projects in Norway the "Alpha will mobilize directly to its first ultra deep-water project in the Atlantic in Q2, expected to be completed late May and scheduled for more proprietary work after this.



Flight shipping crates allows for fast mobilization around the world



SeaRaptor 6000 after test diving at the factory in Iceland in December



SeaRaptor 6000 surface transiting to shore after completing dive/mission



COMPANY DEVELOPMENT 2021

SEARAPTOR VEHICLE STATUS "Bravo"

ONGOING ASSEMBLY AND TESTING

SeaRaptor "Bravo" is currently completing the build process, being prepared for Factory Acceptance Testing (FAT) in March before commencing a Multi-Client (MC) campaign early April.

SeaRaptor "Bravo" is scheduled for international projects directly following on from completion of this MC campaign.





COMPANY DEVELOPMENT 2021

ARGEO USV "ARGUS"

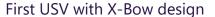
FINALIZING CONTRUCTION AND TESTING

- 10x3 meter Autonomous Surface Vessel equipped for over-thehorizon unmanned operations
- Multi-purpose vessel, both a survey machine and a service platform for the Eelume robot



ARGUS final design and branding







The ARGUS being fitted with surveillance and sensor system in Trondheim

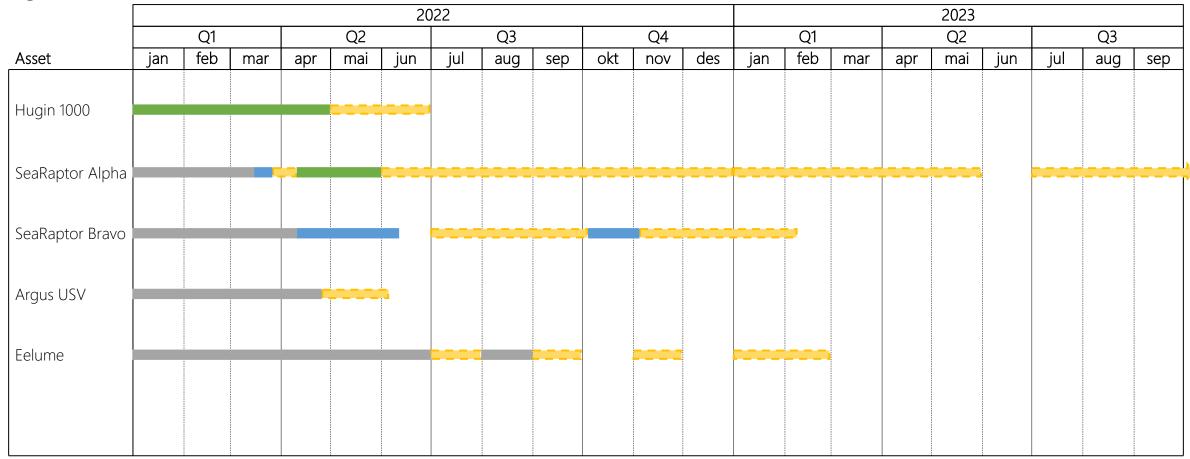


Survey sensor going in to re-toolable moonpools



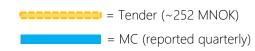
We said we would - expand tenders and backlog

Argeo Fleet Schedule









Offshore wind value chain overview and description

Pre operation concession

Early planning and design

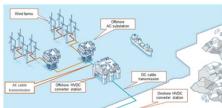
Construction & installation

Operations & maintenance

Decommissioning

Offshore wind farm life cycle stage











Argeo subsea services

Multi Client/Data as Service pre-concession and license

Geo-uplifted products from initial survey combined with new acquisitions

Focused survey, trenching, depth of burial and verification

Subsea inspection and maintenance tasks focused monitoring task

Subsea inspection and maintenance tasks focused monitoring task



- Developers perform
 environmental surveys
 to obtain concession
- Full site investigation to determine turbine locations and provide input to foundation and cable planning
- Detection of hazardous elements like UXOs¹⁾
- Surveys to update geophysical and hydrographical changes impacting engineering assumptions
- Inspections of on-site installations, e.g., anchoring and fundament
- Inspections of cables, e.g., if still protected under ground
- Inspections of site installations, for removal estimations
- Inspections of cables, e.g., if still protected under ground



Main surveys performed













Accelerating offshore wind development













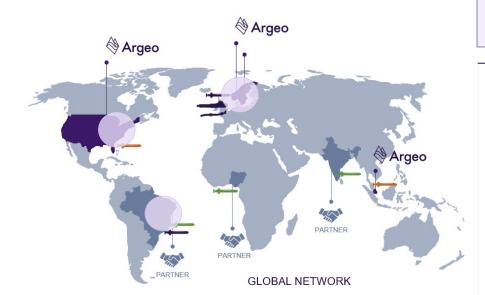


ENABLING RENEWABLES:

Bringing multi-client to wind farming

Argeo's Multi-Client model

Argeo survey the entire wind park creating high-resolution imaging and bathymetry of the ocean bottom building a digital library.



How do we achieve this?



100 days data acquisition 20% utilization allocated to MC in 2022 to be increased annually



2-3 X revenue versus proprietary model:

EX: Libraries from EU + UK 2022

PROPRIETARY

MULTI CLIENT

20-25 MNOK vs 100-120 MNOK*

BUILD STRONG LIBRARY WITH SIGNIFICANT LONG-TERM VALUE

- High quality data with durable relevance
- Growth markets



Continuous margin MC DaaS business case (MNOK) improvements Revenue 200 stream DaaS+MC 180 160 Scale up from 5 to 10 assets from 140 2022 - 2025Depreciation) 120 DaaS+MC increases data ownership potential 100 from dedicated utilization growth stream DaaS 80 from 40% to 60% 60 20% of capacity utilized for DaaS/MC 40 300 MNOK investment 20 Expected return of $2.5 - 3 \times 10^{-2}$ 2022 2023 2025 2024 investment over 5 years



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Argeo Robotic Technology Portfolio



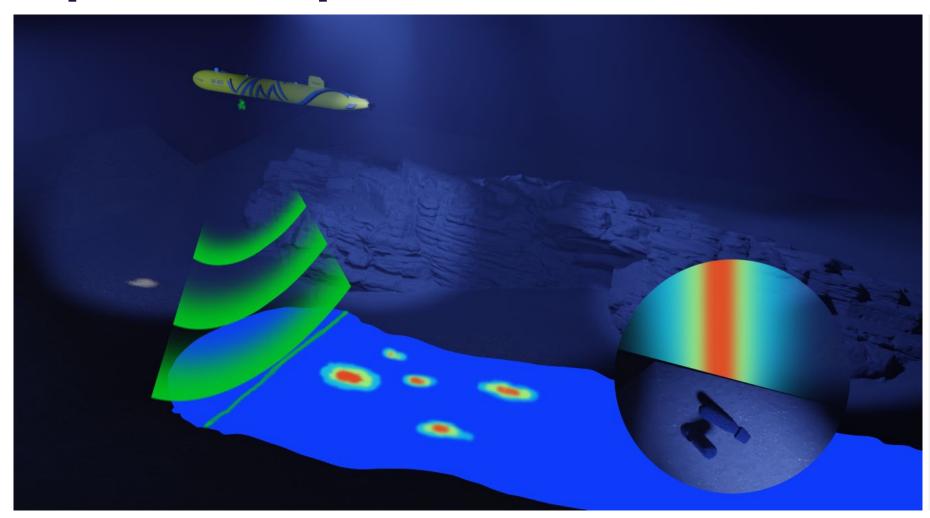








Inspect for Unexploded Ordnance three times faster than before

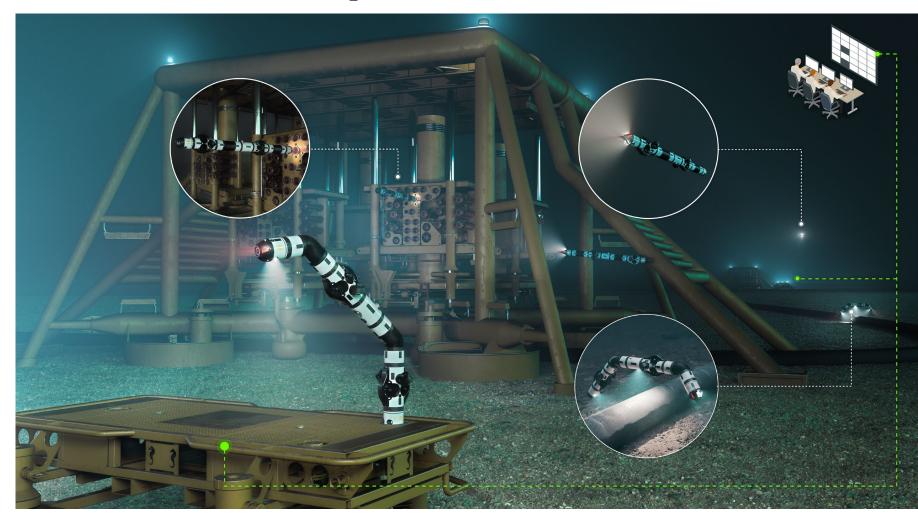


With extraordinary resolution and accuracy, we bring active CSEM to OFFSHORE WIND to inspect the seabed for Unexploded Ordnance (bombs, grenades etc) UXO from WWII.

This type of surveys are mandatory prior to geotechnical inspection and installation.



Eelume subsea inspection and maintenance



Fully resident or USV remotely operated robotic system for Inspection, Maintenance and Repair (IMR) work for O&G and Offshore Wind.

The Eelume system operated by Argeo will have the LISTEN sensor technology integrated from 2022. One resident Eelume can service 80 SQKM of an Offshore Wind park.



ARGEO'S TOOLS ARE:

High-capability AUV's 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 to 1,000m
- Up to 60 hours battery capacity



Eelume AUV

- Modular & ultra flexible
- Resident
- Operate in tight spaces



Argeo Argus USV

- Long endurance up to 30 days
- Transportable by 40-foot flat rack container
- Hybrid propulsion system
- Real time supervision and data QC

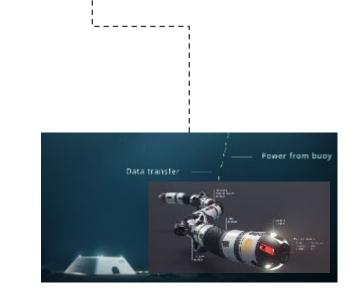


Mission Controlled Operation for USV & Eelume

Argeo Mission Control Centre

IP/VSAT/4G/5G/Iridium and MBR link





Global Mission Control: Supporting client on-prem or containerised Supervised operations providing 100% mission support and backup



Argeo "Digital Ocean Space" - Optimizing Value from Ocean Data

SUBSEA ASSET DIGITALIZATION, VISUALIZATION AND ANALYSIS ENABLED



The main tool for data processing and visualization of data in addition to our Multi-Client data shopping window



3D visualization and mapping of subsea inspection data fully interpreted

Georeferenced in space and time



Prediction of subsea movements and remaining lifetime of assets based upon trends in data measured over time



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Income Statement

Amounts in NOK	Q4-2021	Q4-2020	2021	2020
Operating revenue	431 053	7 490 345	15 841 933	12 834 387
Employee expenses	11 649 557	1 231 192	22 661 612	2 902 341
Other operating expenses	7 944 930	4 259 472	26 194 832	8 301 985
Capitalisation of cost	-4 083 056	-1 246 826	-6 367 084	-1 951 483
EBITDA	-15 080 379	3 246 507	-26 647 427	3 581 544
Depreciation	364 850	304 583	1 276 144	972 321
EBIT	-15 445 229	2 941 923	-27 923 571	2 609 224
Net financial items	449 636	-65 140	-38 288	-97 218
Profit/(loss) before tax	-14 995 593	2 876 783	-27 961 859	2 512 006
Income tax (expense)	7 042 323	-586 746	9 848 396	-506 495
Profit/ (loss) for the period	-7 953 270	2 290 037	-18 113 463	2 005 511

- No AUV revenue in Q4, Hugin being upgraded and prepared for Brazil work in Q1 2022
- Continued ramp up of organization and preparation for activity in 2022 after delivery of new assets



Balance Sheet

Amounts in NOK	31.12.2021	31.12.2020	
ASSETS			
Intangible assets	7 647 152	3 570 598	
Deferred tax asset	10 259 439	339 014	
Property, plant and equipment	69 157 692	11 564 582	
Investment in JV	5 478 556	0	
Total non-current assets	92 542 839	15 474 193	
Trade receivables	6 164 055	4 419 219	
Other current assets	2 770 782	288 786	
Cash and cash equivalents	65 862 065	7 779 692	
Total current assets	74 796 902	12 487 697	
Total assets	167 339 741	27 961 890	
EQUITY AND LIABILITIES			
EQUITY AND LIABILITIES Equity	148 050 618	6 203 106	
Long term debt	5 933 333	6 693 333	
Total non-current liabilities	5 933 333	6 693 333	
Trade payables	6 287 642	12 345 080	
Other current liabilities	7 068 149	2 720 371	
Total current liabilities	13 355 791	15 065 451	
Total liabilities	19 289 124	21 758 784	
Total equity and liabilities	167 339 741	27 961 890	

- Intangible assets includes data modelling software and the Digital Ocean Space project
- PPE is mainly payments on the two SeaRaptors and the USV
- Remaining Capex in 2022 for assets we have ordered is approx NOK 37m net of funding, of which NOK 30m will be paid in first half 2022.



Cash flow statement

Amounts in NOK	Q4-2021	Q4-2020	2021	2020
Cash flow from operating activities				
Profit/(loss) before tax	-14 995 593	2 876 783	-27 961 859	2 512 006
Depreciation	364 850	304 584	1 276 144	972 321
Financial income	-89 449	-1 395	-89 449	-1 395
Financial expense	168 152	67 955	432 934	106 509
Loss equity investments	275 718	0	471 136	0
Change in current assets	-932 800	-4 159 589	-4 226 832	-4 312 009
Change current liabilities	5 576 297	14 197 304	-1 809 980	14 345 865
Net cash from operating activities	-9 632 825	13 285 642	-31 907 906	13 623 297
Cash flow from investing activities				
Investment in property, plant and equipment	-421 821	-10 954 148	-68 880 099	-11 071 483
Capitalisation of development cost	-2 619 184	-1 246 826	-4 903 211	-1 951 483
Net investment in Joint Venture	0	0	-5 871 402	0
Sale AUV to JV	0	0	10 837 500	0
Net cash from investing activities	-3 041 005	-12 200 974	-68 817 212	-13 022 966
Cash flow from financing activities				
Net proceeds from new equity	0	0	159 910 974	0
Proceeds from interest-bearing debt	0	6 000 000	0	6 000 000
Repayment of interest-bearing debt	-340 000	-26 667	-760 000	-106 667
Financial income	89 449	1 395	89 449	1 395
Financial expense	-168 152	-67 955	-432 934	-106 509
Net cash flow from financial activities	-418 703	5 906 773	158 807 489	5 788 219
Net change in cash and cash equivalents	-13 092 533	6 991 441	58 082 372	6 388 550
Cash and cash equivalents beginning of period	78 954 597	788 252	7 779 693	1 391 142
Cash and cash equivalents end of the period	65 862 064	7 779 693	65 862 065	7 779 692

- Invested NOK 3m in assets in Q4, NOK 68.8m for full year 2021
- Capitalized NOK 2.6m as development cost for the Digital Twin project in Q4, net of 2.2m in governmental grants.



Summary

High level of tender activities focusing on North and South America

Geomarket strategy in action with company presence and commercial activity

New business model increasing our data library

Megatrends supporting the **need to enable cleaner and greener energy sources** that will reshape the energy ecosystem



Rationale

Attractive market opportunity
 Strong industry and technological competence
 Ability to meet high demand through fleet expansion
 Sustainable business model
 Solid customers in all verticals



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Outlook

Attractive markets – we experience strong interest and opportunities in all our markets

Experience accelerating growth and tenders in O&G

Strong potential and momentum in Offshore Wind

Expect continued build-up of tenders in 2022 supporting further growth



▶ Thank you

