



Digitizing the ocean space

Argeo Q2 company presentation

8 SEPTEMBER 2022

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Disclaimer

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

Agenda

► **Highlights**

Introduction to Argeo

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Highlights

Q2 Highlights

- NOK 75 million private placement
- AUV work for Statens Vegvesen completed
- AUV work in Brazil completed
- Commercialization of Argeo LISTEN IMR tool completed
- Multiclient offshore wind project at Utsira Nord started
- Argeo "Argus" commercially launched
- Argeo do Brazil in Rio de Janeiro setup completed

Later events

- SeaRaptor "Bravo" completed ultra-deep water AUV survey work in Q3
- Hugin 6000 project going according to plan, commencing work Q3

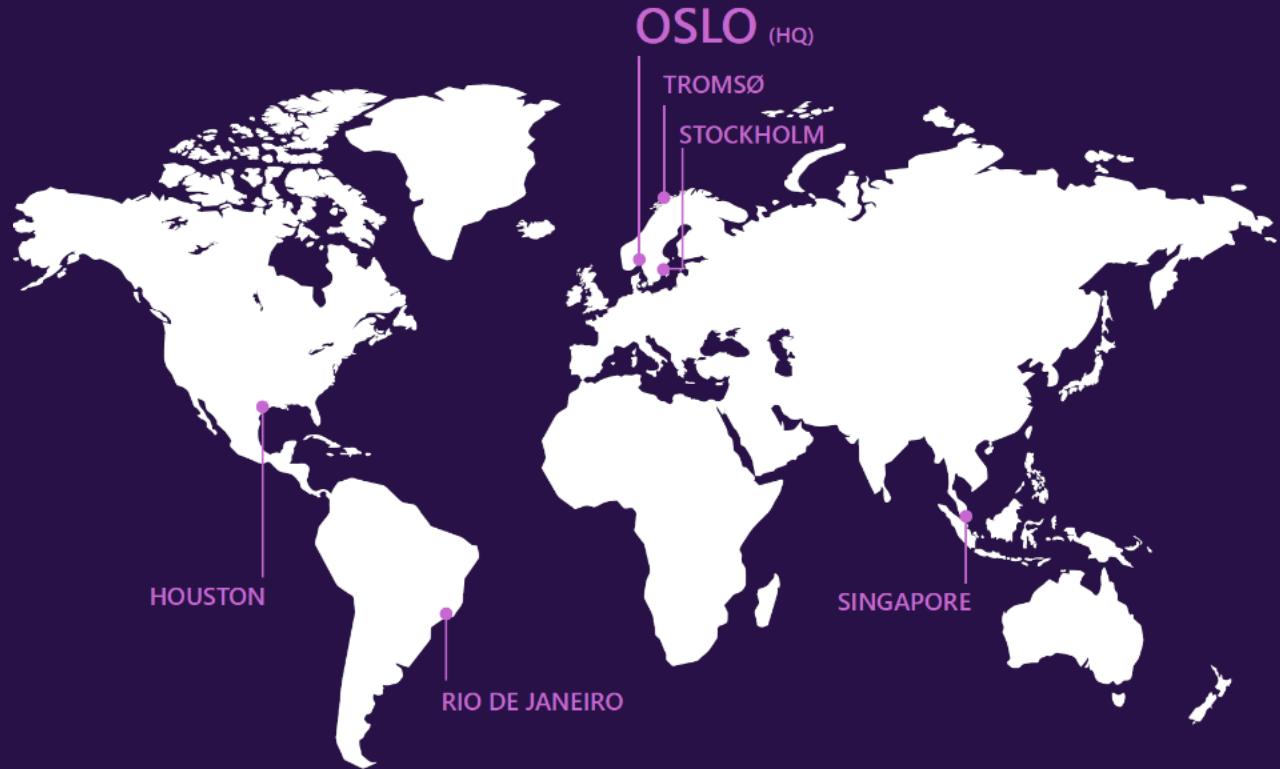
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- ▶ Highlights
- ▶ **Introduction to Argeo**
- ▶ Operational update
- ▶ Commercial & Market update
- ▶ Technology
- ▶ Financials
- ▶ Outlook

-  4 GEOMARKETS
-  3 AUV CREWS
-  5 ASSETS



► **Close to our customers**



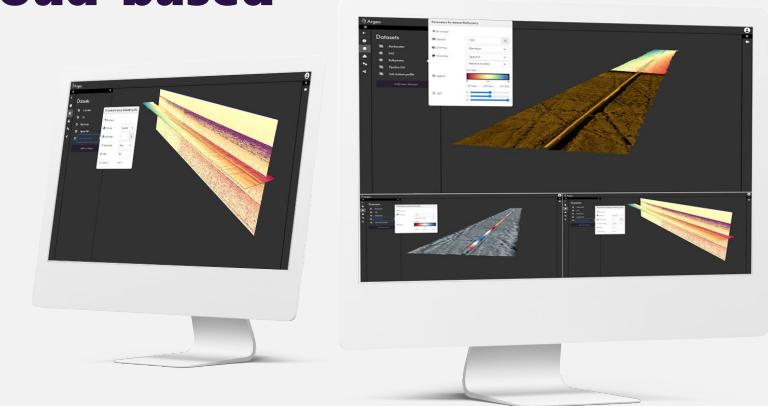
Our mission

Argeo's mission is to transform the ocean surveying and inspection industry utilizing autonomous underwater and surface vehicles, and unique sensor and imaging technology, to significantly increase efficiency and quality, and substantially reduce the industry CO2 footprint.

High capability robotics solutions



Unique sensor technology and powerful 3D cloud-based visualization



Faster, better, greener, and at a lower cost

Robotics and digital solutions
for the ocean space

Four attractive key target markets



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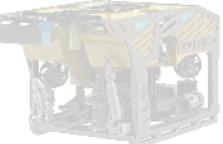
Robotics and digital solutions
for the ocean space

Technology enabled service provider



FLEET UPDATE

Steadily developing our fleet to meet market demand

	HUGIN 1000 AUV	SEARAPTOR AUV	SEARAPTOR AUV	ARGUS USV	HUGIN 6000 AUV	Survey & Light WROV	Large IMR WROV
PLAN TO ACQUIRE							
ACQUIRED	✓	✓	✓	✓	✓		
DELIVERY	FEB 21	FEB 22	MAY 22	JUN 22	AUG 22	TBD	TBD
DEPTH RATING	1000	6000	6000	200	6000	3000	4000
ENDURANCE	15 HRS	50 HRS	50 HRS	30 DAY	60 HRS		

Argeo Argus USV

COMMERCIALLY LAUNCHED IN JUNE AND STARTING FIRST PROJECT LATE AUGUST



“

The Argeo Argus is a major breakthrough in commercial uncrewed solutions for the offshore energy sector.

Uncrewed, remotely supervised survey and inspection vessel

- Fully Uncrewed Surface Vehicle (USV)
- Dimensions: 9x3 meters
- Commercially launched June 16th, 2022

New Hugin 6000

FIRST COMMERCIAL PROJECT CONFIRMED TO START IN SEPTEMBER 2022



“

The Hugin 6000 is a state-of-the-art ultra-deep water AUV with all the necessary payload systems to make it one of the most advanced high-capacity survey machines in the world.

12-month project with net value of 4,5 MUSD

- Project start in September 2022
- Minimum guaranteed duration of 6-months
- 6-month extension, with estimated completion in H2 2023
- EBITDA contribution for full 12 months of 4.5 MUSD

Bjørnafjord project

Focused AUV based seismic project

The planned Bjørnafjord crossing spans over 5km of deep water with proposed suction anchoring as mooring for what will become the worlds longest floating bridge structure

Argeo was contracted by Norwegian Public Roads Administration (SVV) to survey 20 off potential suction anchor locations in challenging terrain in the Bjørnafjord on the west coast of Norway. Argeo was responsible for planning, execution, data processing, interpretation and reporting.



The project was carried out using Argeo's SeaRaptor Alpha AUV

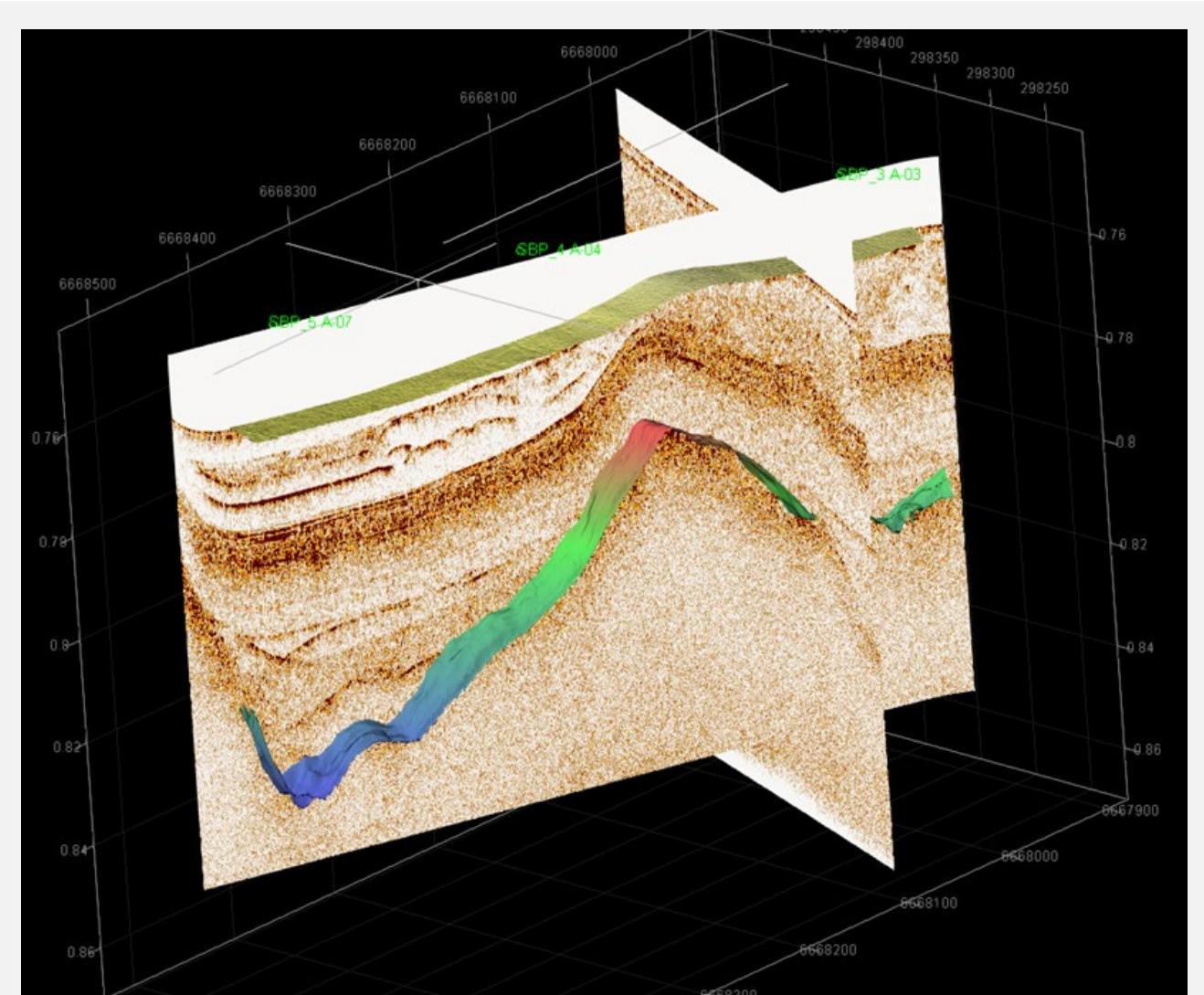


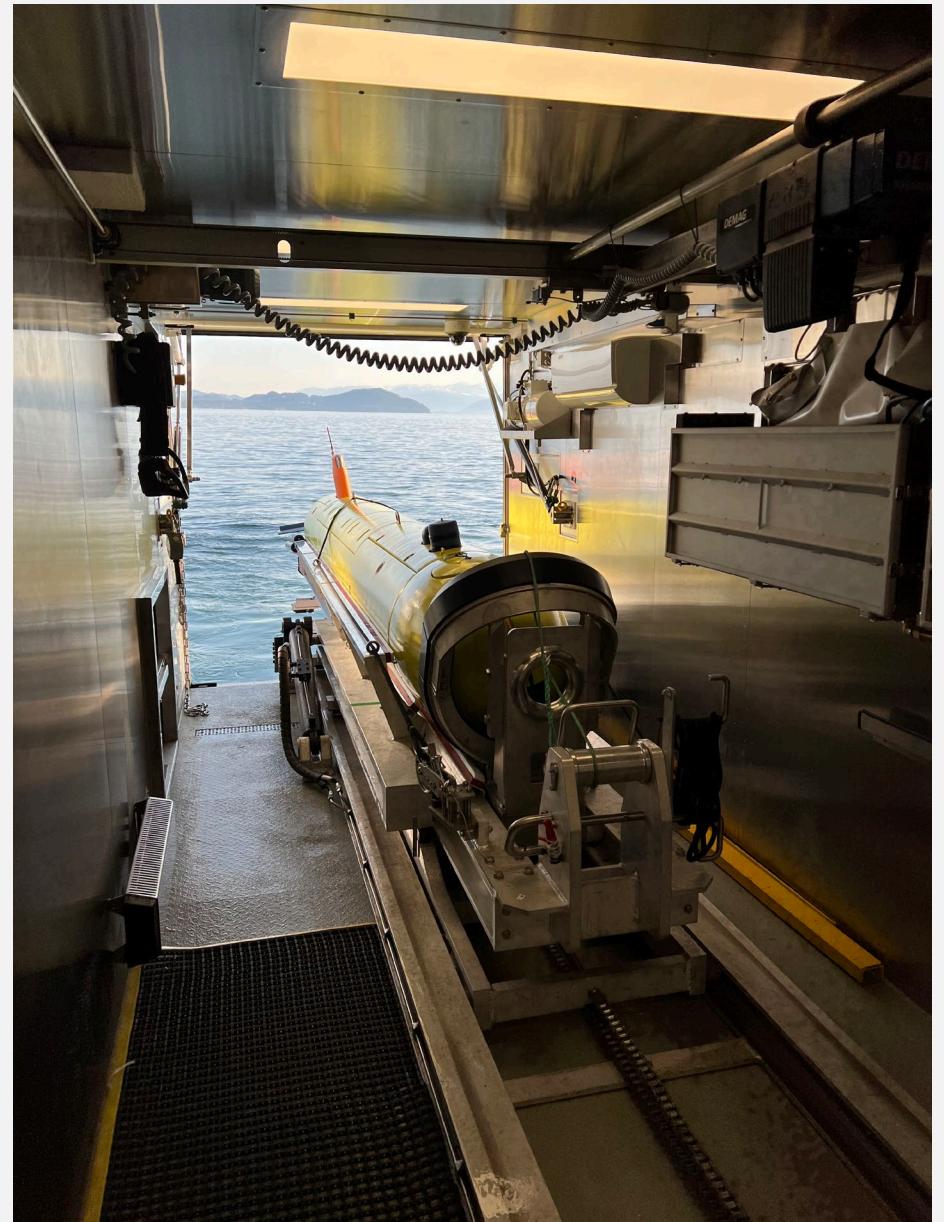
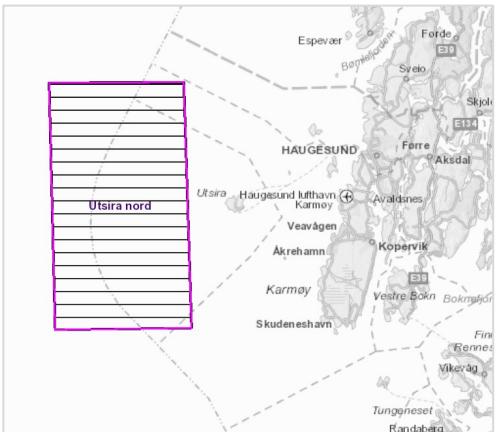
Illustration: SBP lines combined with top bedrock and seabed surfaces viewed in 3D

Norwegian Offshore Wind Multi-client project

Utsira North

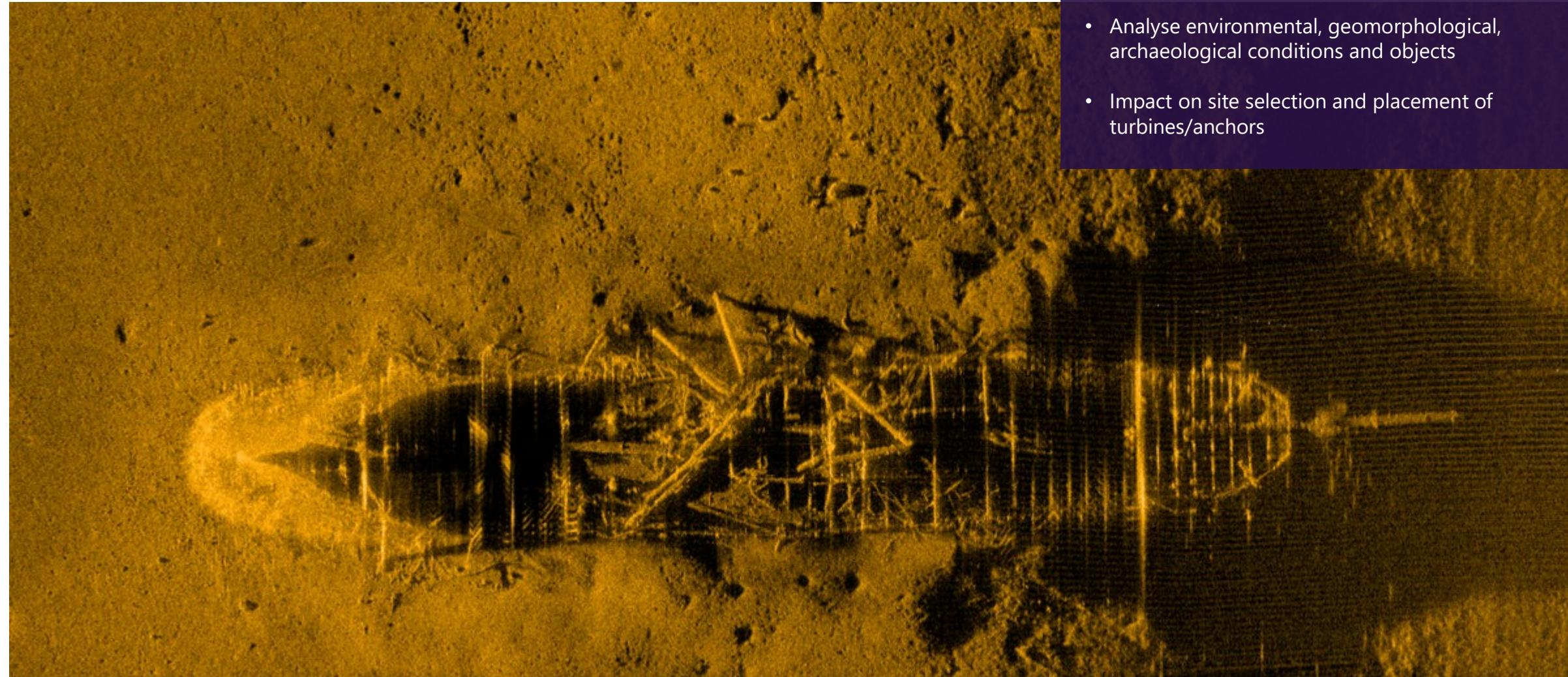
The Utsira Nord offshore wind park is located approximately 22 km off the Norwegian coast, where Haugesund is the nearest city.

Argeo has acquired a contiguous area which clearly demonstrates value of the data types acquired. The data is providing valuable insight about the conditions on the seafloor for offshore wind developers for de-risking and planning purposes.



Utsira Nord Multiclient Survey

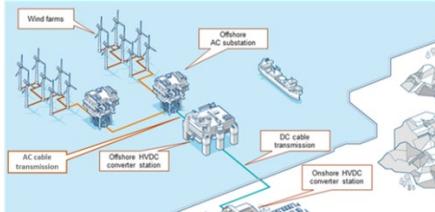
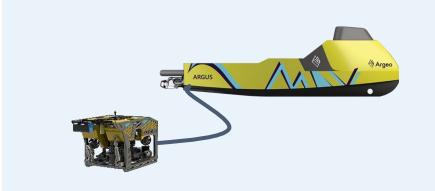
UNKNOWN SHIPWRECK SEEN ON THE SAS DATA



- Synthetic aperture sonar providing ultra high resolution imagery and bathymetry
- Analyse environmental, geomorphological, archaeological conditions and objects
- Impact on site selection and placement of turbines/anchors

Argeo positioned in the entire offshore wind value chain

WIDE-RANGING SURVEY AND INSPECTION USE IN OFFSHORE WIND

Offshore wind farm life cycle stage				
Pre operation concession	Early planning and design	Construction & installation	Operations & maintenance	Decommissioning
				
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
<ul style="list-style-type: none"> Initial survey ordered by government to highlight attractivity for operators Developers perform environmental surveys to obtain concession 	<ul style="list-style-type: none"> Full site investigation to determine turbine locations and provide input to foundation and cable planning Detection of hazardous elements like UXOs¹⁾ 	<ul style="list-style-type: none"> Surveys to update geophysical and hydrographical changes impacting engineering assumptions 	<ul style="list-style-type: none"> Inspections of on-site installations, e.g., anchoring and fundament Inspections of cables, e.g., if still protected under ground 	<ul style="list-style-type: none"> Inspections of site installations, for removal estimations Inspections of cables, e.g., if still protected under ground
				

Argeo's solutions accelerate offshore wind development

ENABLING FASTER RENEWABLES SOLUTIONS

Pre operation concession

Early planning and design

Construction & installation

Operations & maintenance

Decommissioning

Data as a service

REDUCE PLANNING TIME BY 1–2 YEARS

Earlier access to data

- Increase confidence and reduce risk from application to construction
- Reduce time needed for optimizing development solution

> 30% cost reduction to client

- Increase efficiency
- Economies of scale

Cover the whole wind farm

- Increase collaboration
- Large survey replaces numerous small ones
- Less resources spent by authorities and developers

Lower CO2 footprint

Higher data quality

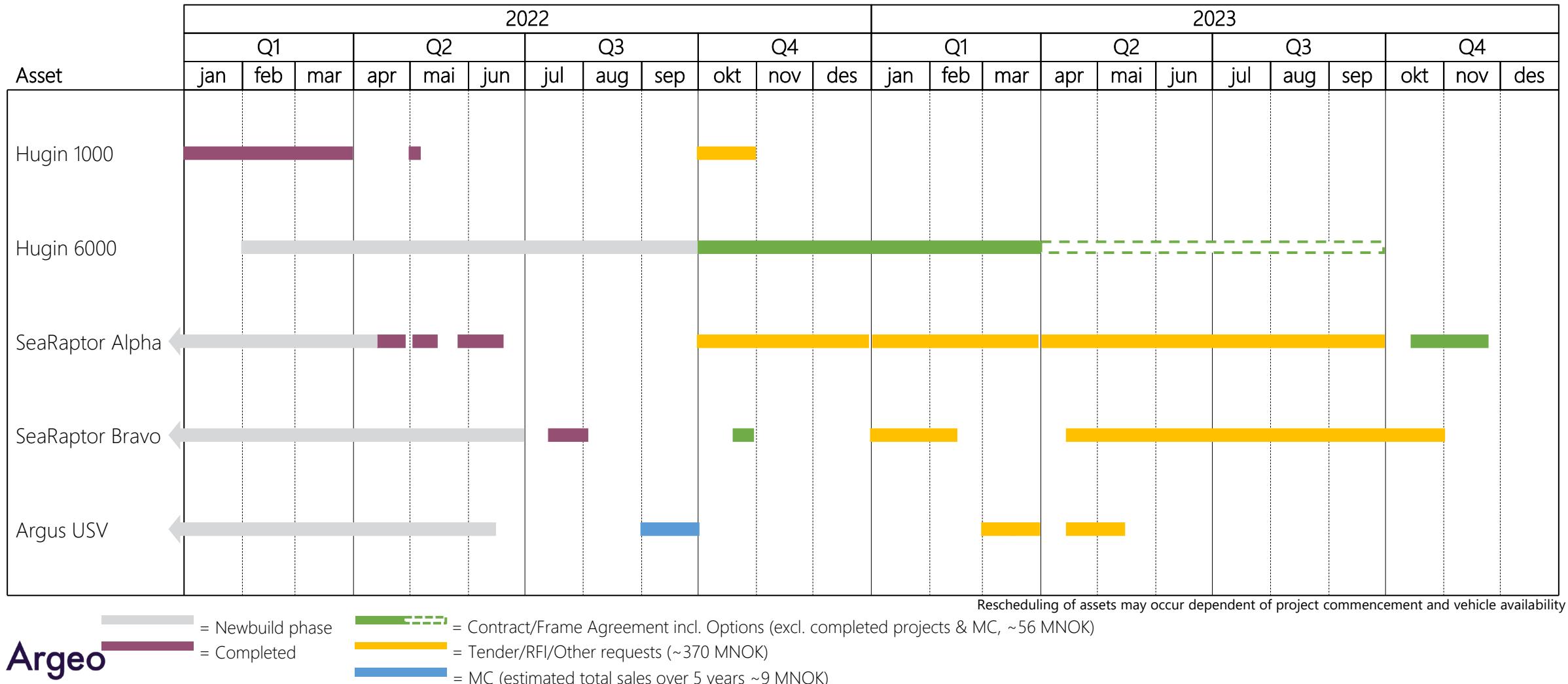


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Tenders and project pipeline solidifying

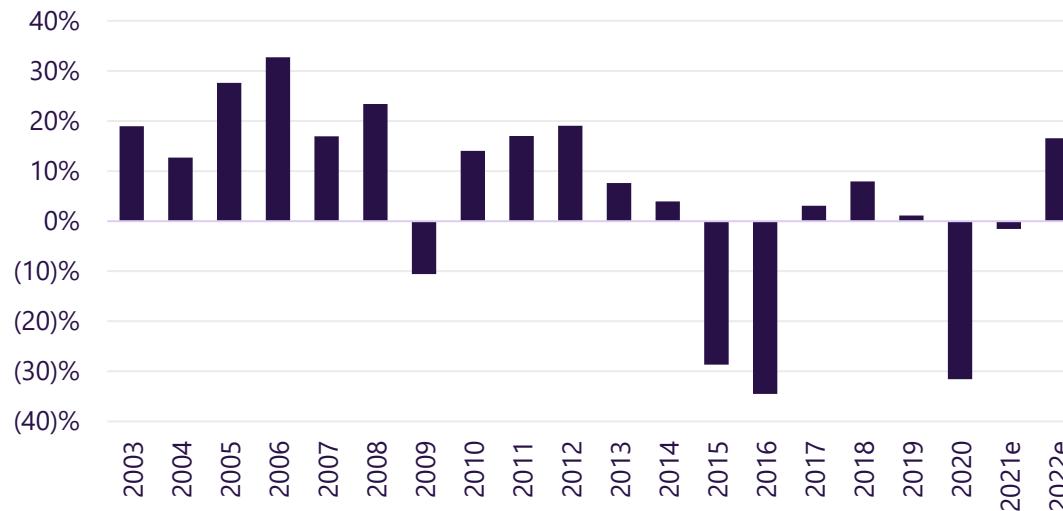
Argeo Fleet Update Q2-2022



E&P spending expected to increase significantly

ALONGSIDE SIGNIFICANTLY EXPANDING GLOBAL OFFSHORE CAPEX SANCTIONING

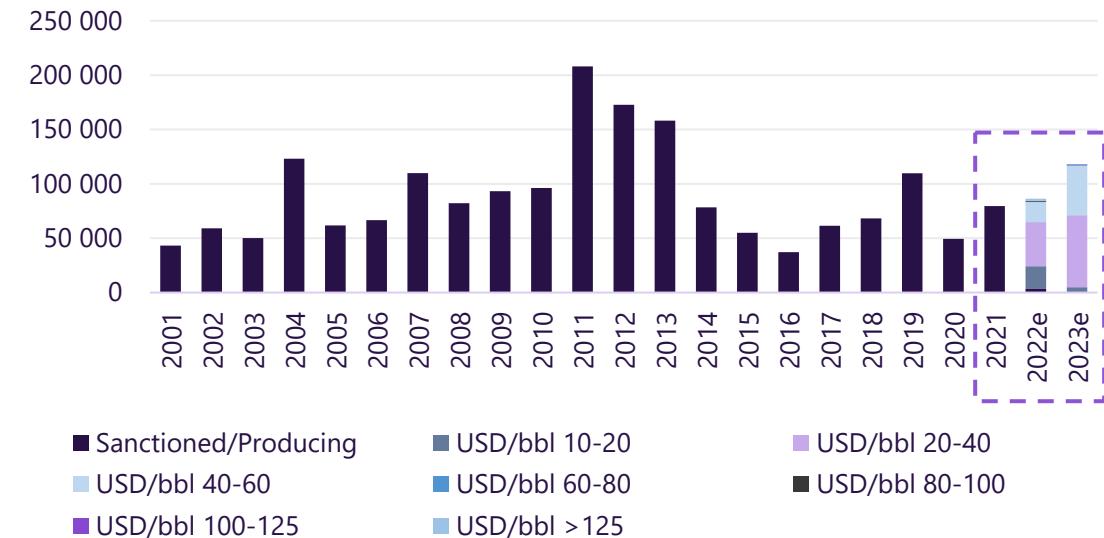
E&P spending (Y/Y)



Argeo's growth and expansion into new geomarkets are driven by further growth in E&P spending (17% in 2022)

Positioning key assets strategically to capitalize on stronger subsea activities supports faster mobilization and cost-effective operations

Global capex sanctioning (USDm)



With global offshore sanctioning up 8% in 2022 and a further increase to 37% in 2023, Argeo is perfectly positioned to capitalize on this strong growth to support our fleet expansion going forward

Brazil project sanctioning increase significantly 2023-2026

ARQE BRASIL BUSINESS EXPANSION FOCUSING ON STRONG GROWTH MARKETS

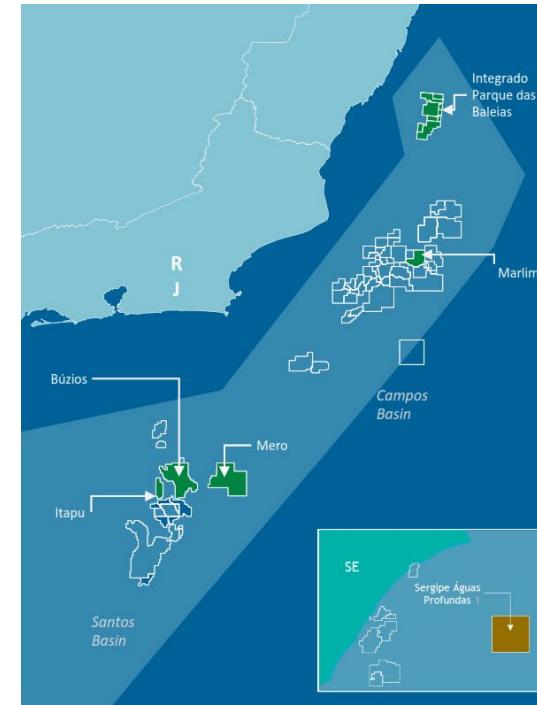
O&G Subsea market (Survey & IMR)

- 12 awarded projects starting from Q2 2022 – Q3 2025
- Further 11 project on tender with expected start 2023 - 2025
- Growing decommissioning requirement in brownfields
- Confirmed 15 new FPSOs from 2022 - 2026
- Significant number of add-on IMR and survey services
- Water depth range from 100 – 3000 meters

Tighter supply and growing rates

- Very tight market going forward with further strengthening rates (2023-2024)
- Typical OSRV/RSV rates edging beyond 50 000 KUSD (TC)
- Complete spread & vessel pushing 90 000 KUSD -> 2023

Sanctioned FPSO projects 2022-2026



LEADER IN FPSO PROJECTS 15 NEW FPSOs IN 6 FIELDS: 2022 - 2026

2022	2023	2024	2025	2026
Mero 1 FPSO Guanabara* 180Kbpd	Búzios 5 FPSO Alm. Barroso* 150Kbpd	Búzios 7 FPSO Alm. Tamandaré* 225Kbpd	Búzios 6 P-78 180Kbpd	SEAP 1 P-81 120Kbpd
Itapu P-71 ** 150Kbpd	Marlim 1 FPSO A. Garibaldi* 80Kbpd	IPB FPSO Maria Quitéria* 100Kbpd	Mero 4 FPSO Alexandre de Gusmão* 180Kbpd	Búzios 9 P-80 225Kbpd
Marlim 2 FPSO Anna. Nery* 70Kbpd	Mero 2 FPSO Sepetiba* 180Kbpd	Mero 3 FPSO Mal. Duque de Caxias* 180Kbpd	Búzios 8 P-79 180Kbpd	Búzios 10 P-82 225Kbpd

* Leased unit

** potential anticipation, not originally planned

PÚBLICA

Source: Petrobras

Pre-salt In construction
Post-salt In construction
Pre-salt under procurement
Post-salt under procurement

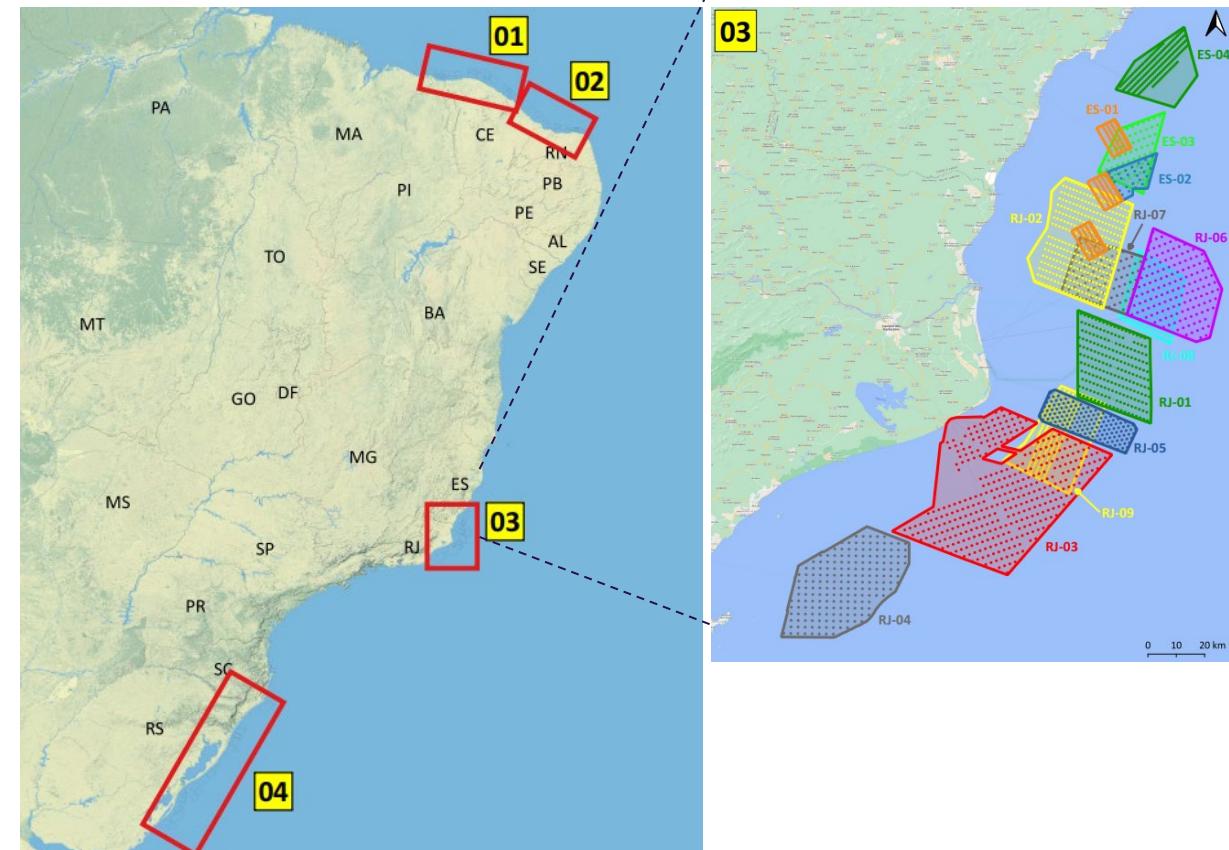
Brazil Offshore Wind concessions coming 2022-2023

RENEWABLES SECTOR MATERIALIZING OFFSHORE BRAZIL WITH LARGE AREA CONCESSIONS IN 2022 ONWARDS

Offshore Wind concessions opening

- Projects totaling over 169 GW have been submitted for environmental licensing in Brazil
- First area concession (site allocation) proposals 2022-2023
- Development of competitive framework under construction
- Shallow water focus presently (water depth < 60m)
- Move towards deep water floating wind is expected
- Major developer: Shizen Energy, Shell, SPE Bravo Vento, Equinor, TotalEnergies, Iberola Eolica Brasil
- Significant need for data in early stages of planning

Offshore Wind concessions in Brazil



Source: IBAMA

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Mission Controlled Operation for USV & eROV

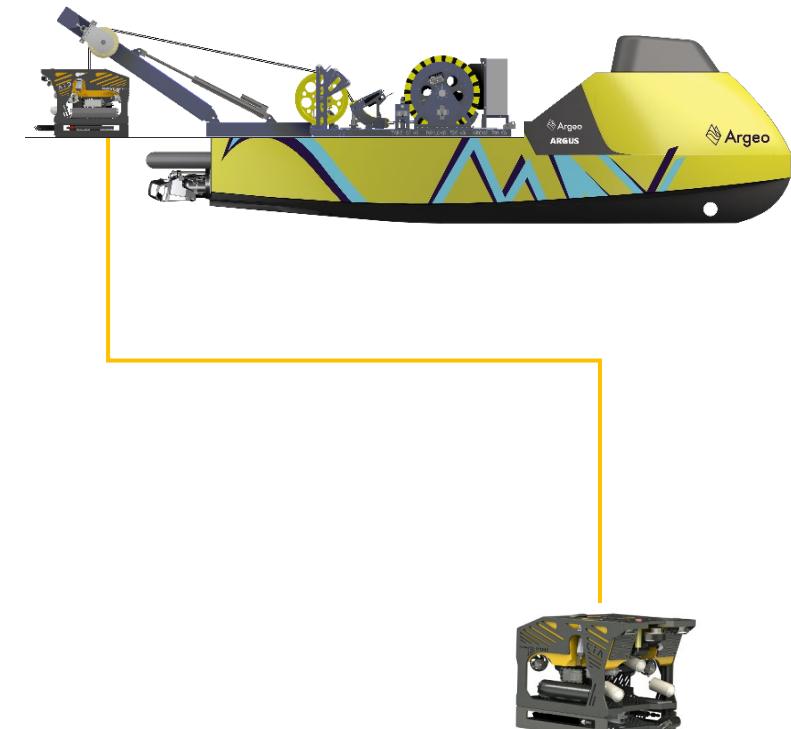
AR GEO MISSION CONTROL CENTRE

Both client base (on-prem) and containerized operation centres will be made available, supported by Argeo's global Mission Control Centre

Supervised operations



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

Unique in-house abilities to generate valuable data output



"Argo Listen" measure the position and strength of electricity in objects on the seabed.

CATHODIC PROTECTION

Zinc sacrificial anodes are used to protect pipelines and subsea installations from corrosion. The anodes corrode instead of the pipeline and needs to be replaced from time to time. By flying Argeo's AUV over the pipe Argeo Listen measure **and identify the condition** of these anodes and **predict** the need for replacement.

INSPECTION

Argo Listen can localize electrical cables that have been buried or exposed by shifting sand dunes on the seabed. The tool can also be used to pinpoint the cable's position in real time even when buried.



"Argo Whisper" sends out electrical signals from the AUV detecting objects with a higher level of electrical conductivity or higher resistance than its surroundings.

PIPELINE AND OBJECT TRACKING

Traditional use of AUV's cannot locate buried pipelines. By sending out electrical signals and identifying the location of the reflection and signal strength the tool can decide direction, position and depth of the pipeline.

UXO

With "Argo Whisper" one can identify and locate objects containing metals, typically unexploded ordnance, with an AUV rather than using a large vessel and tethered magnetometers.



"Argo Discover" is developed to search and find minerals and smaller objects than the Argeo Whisper can locate as it is 5 times as powerful.

DEEP-SEA MINERALS EXPLORATION

Deep-sea minerals can be separated from its surroundings as it has a higher level of electrical conductivity. Argeo Discover can detect these minerals and determine the extent of the deposits.

In some cases, one AUV will push signals out and another AUV will listen for the reflection.



AR GEO ENLIGHT

AR GEO INTROSPECTION

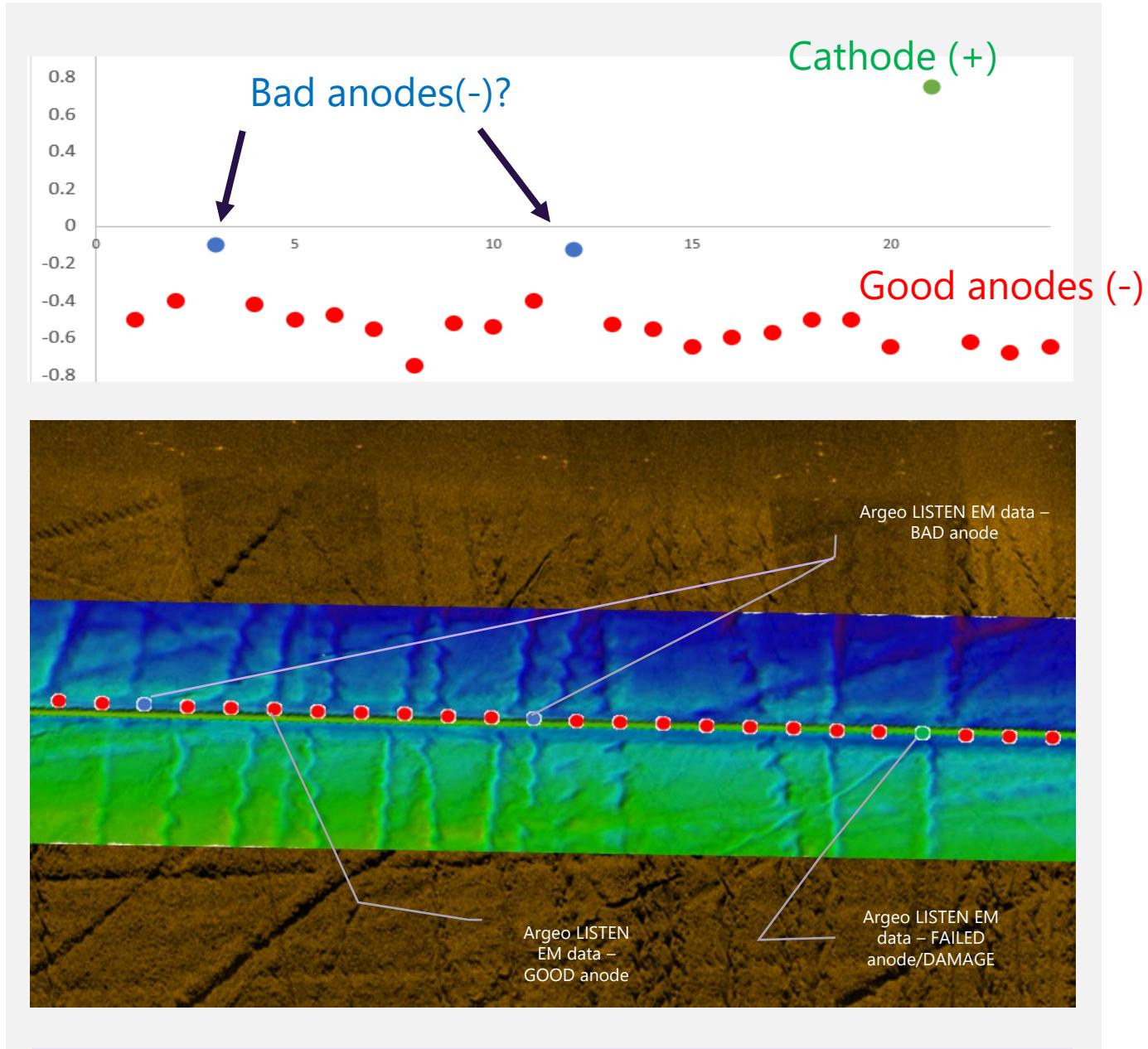
AR GEO FORESIGHT

Electromagnetic measurement tested successfully

Gamechanger for pipeline inspection of cathodic protection system

Integrated in SeaRaptor:

- Contact less inspection 8 times faster than conventional ROV methods
- Up-to 150 km of pipeline inspection per day
- Deliver high density measurements
- Data analysis during field operations
- Both pipelines buried and on seafloor
- Simultaneous data acquisition from other sensors



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

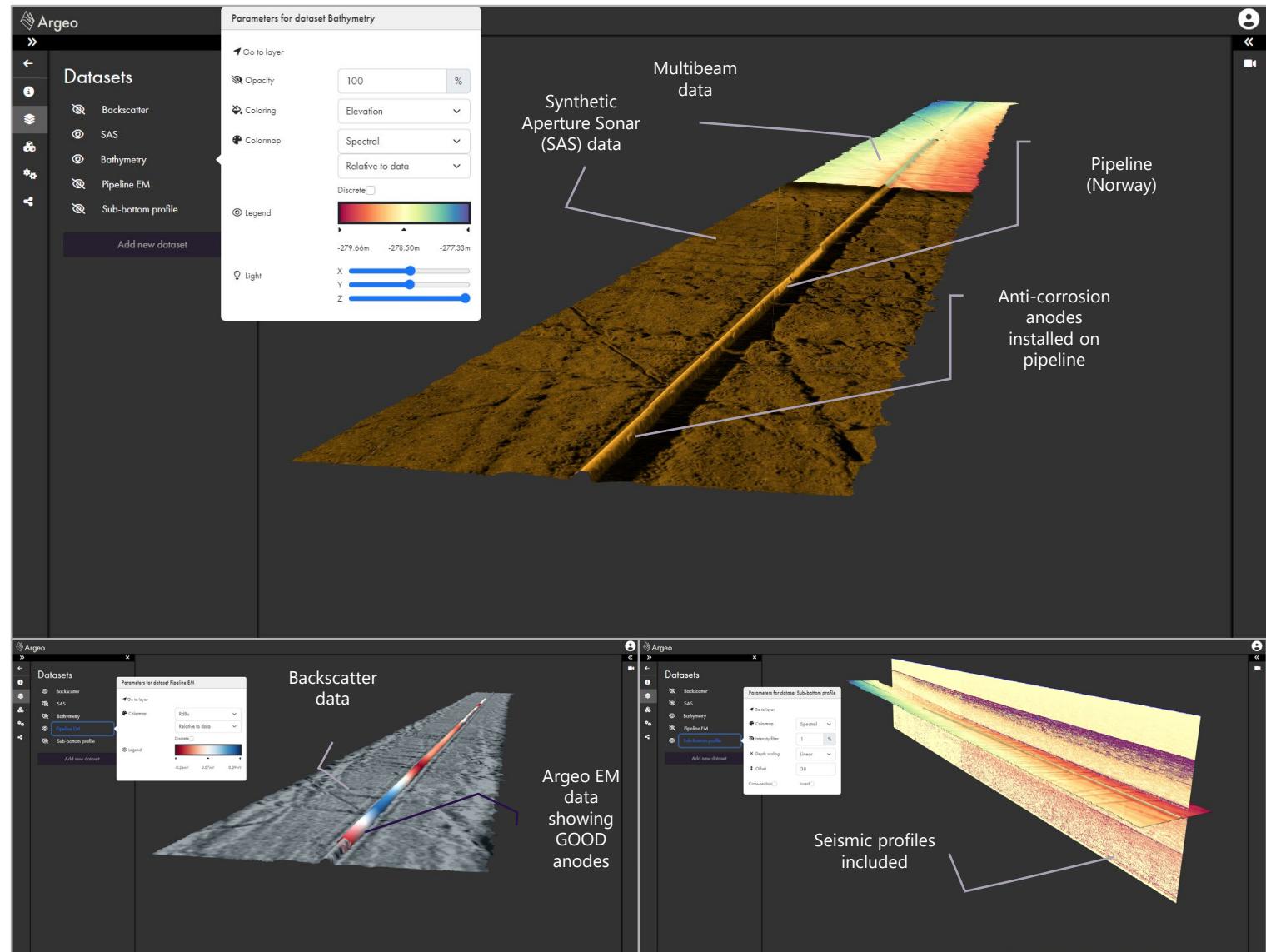
Prediction of subsea movements and remaining lifetime of assets based upon trends in data measured over time

Digital Ocean Space

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

Amounts in NOK	Q2-2022	Q2-2021	First half 2022	First half 2021	2021
Operating revenue	9 294 938	10 863 902	16 208 239	12 004 800	15 841 933
Operating cost	13 135 944	6 609 340	17 812 293	7 106 410	17 439 402
Employee expenses	14 711 318	4 189 645	28 554 254	5 782 466	22 661 612
Other operating expenses	5 124 126	3 087 135	9 522 040	4 189 705	8 755 430
Capitalisation of cost	-11 276 918	-839 340	-14 935 607	-839 340	-6 367 084
EBITDA	-12 399 532	-2 182 877	-24 744 742	-4 234 441	-26 647 427
Depreciation	2 550 626	299 753	3 180 733	606 965	1 276 144
EBIT	-14 950 158	-2 482 630	-27 925 475	-4 841 406	-27 923 571
Net financial items	-3 983 914	83 342	-3 597 970	21 654	-38 288
Profit/(loss) before tax	-18 934 072	-2 399 289	-31 523 445	-4 819 752	-27 961 859
Income tax (expense)	4 137 181	536 665	6 913 828	1 050 090	9 848 396
Profit/ (loss) for the period	-14 796 891	-1 862 624	-24 609 617	-3 769 662	-18 113 463

- Revenue in Q2 2022 is mainly from our AUV project in Norway for Statens Vegvesen.
- Total expenses in Q2 2022 NOK 33.0 million, up from NOK 22.9 million in Q1 2022.
- Increase mainly due to vessel charter cost (project for Statens vegvesen, Multi-client acquisition, testing) and continued increase of employees.
- Capitalization includes NOK 4 million as investment in Multi-client.

Balance Sheet

Amounts in NOK	30.06.2022	30.06.2021	31.12.2021
ASSETS			
Intangible assets	19 931 531	4 394 394	7 647 152
Deferred tax asset	17 173 259	1 360 811	10 259 439
Multi-client library	4 000 000	0	0
Property, plant and equipment	63 339 661	31 038 852	3 964 613
Shares in associated companies	5 384 313	5 903 075	5 478 556
Total non-current assets	109 828 765	42 697 132	27 349 760
Trade receivables	12 701 247	12 262 205	6 164 055
Other current assets	59 889 617	411 882	67 963 861
Cash and cash equivalents	65 957 691	124 699 191	65 862 065
Total current assets	138 548 554	137 373 278	139 989 981
Total assets	248 377 319	180 070 410	167 339 740
EQUITY AND LIABILITIES			
Equity	193 799 120	162 394 416	148 050 618
Long term debt	35 978 187	6 613 333	5 933 333
Total non-current liabilities	35 978 187	6 613 333	5 933 333
Trade payables	11 640 768	9 149 599	6 287 642
Other current liabilities	6 959 244	1 913 062	7 068 148
Total current liabilities	18 600 013	11 062 661	13 355 790
Total liabilities	54 578 199	17 675 994	19 289 123
Total equity and liabilities	248 377 319	180 070 410	167 339 740

- Intangible assets includes mainly capitalized cost to our Digital Ocean Space project.
- PPE includes mainly first SeaRaptor delivered in H1 2022.
- Other current assets includes 57 million in Pre-payments for assets to be delivered later in 2022.
- Long term debt includes seller's credit for first SeaRaptor.

Cash flow statement

Amounts in NOK	Note	Q2-2022	Q2-2021	First half	First half	Full year
		(unaudited)	(unaudited)	2022 (unaudited)	2021 (unaudited)	2021 (audited)
Cash flow from operating activities						
Profit/(loss) before tax		-18 934 072	-2 399 289	-31 523 445	-4 819 752	-27 961 859
Depreciation		2 550 626	299 753	3 180 733	606 965	1 276 144
Financial income		-3 103	0	-3 103	0	-89 449
Financial expense		3 857 537	82 167	3 506 830	138 291	432 934
Gain/Loss equity investments		129 481	-40 098	94 243	46 617	471 136
Change in current assets		-10 874 230	-11 205 180	1 537 052	-7 966 082	-69 419 911
Change current liabilities		1 781 733	8 373 241	5 244 223	-4 002 790	-1 809 979
Net cash from operating activities		-21 492 029	-4 889 406	-17 963 467	-15 996 751	-97 100 984
Cash flow from investing activities						
Investment in property, plant and equipment	2	-515 916	-30 309 605	-61 999 902	-30 903 191	-3 687 020
Investment in intangibles		-7 770 546	-839 340	-12 840 259	-839 340	-4 903 211
Investment in Multi-client library		-4 000 000	0	-4 000 000	0	0
Net investment in associated companies		0	0	0	-5 871 402	-5 871 402
Sale AUV to JV associated company		0	0	0	10 837 500	10 837 500
Net cash from investing activities		-12 286 462	-31 148 944	-78 840 160	-26 776 432	-3 624 132
Cash flow from financing activities						
Net proceeds from new equity		70 358 119	159 910 974	70 358 119	159 910 974	159 910 974
Proceeds from new debt		0	0	30 388 856	0	0
Repayment of interest-bearing debt		-3 581 540	-40 000	-3 921 540	-80 000	-760 000
Financial income		3 103	0	3 103	0	89 449
Financial expense		-129 412	-82 167	-296 478	-138 291	-432 934
Net cash flow from financial activities		66 650 270	159 788 807	96 532 061	159 692 683	158 807 489
Currency exchange effects						
Net change in cash and cash equivalents		32 871 780	123 750 457	-271 566	116 919 499	58 082 373
Cash and cash equivalents begin. of period		32 898 064	948 734	65 862 065	7 779 692	7 779 692
Net currency exchange differences		187 847	0	367 193	0	0
Cash and cash equivalents end of the period		65 957 691	124 699 191	65 957 691	124 699 191	65 862 065

- Negative change in current assets in Q2 22 mainly due to pre-payments on equipment to be delivered in Q3 2022.
- Investment in intangibles NOK 7.8 million in Q2 2022.
- Investment in Multi-client NOK 4.0 million in Q2 2022.
- New equity net NOK 70.4 million in Q2 2022.
- Repaid NOK 3.6 million sellers credit and other debt in Q2 2022.

Summary

On track expanding business globally and securing backlog

Increased market demand and strong overall market outlook

Rolling out sensor technology and digital solutions

Rationale

- 1** Attractive market opportunity
- 2** Strong industry and technological competence
- 3** Ability to meet high demand through fleet expansion
- 4** Sustainable business model
- 5** Solid customers in all verticals

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Outlook

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

High number of tenders received in O&G and Offshore Wind over the quarter

Strongest development for O&G in the South America geomarket

Project sanctioning in offshore projected to grow 20-30% in 2023

Offshore Wind sanctioning starting in traditionally O&G focused markets

► **Thank you**