



Digitizing the ocean space

Argeo company update June 2023

29 June 2023

Disclaimer

THIS DOCUMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA OR TO ANY RESIDENT THEREOF, OR ANY JURISDICTION WHERE SUCH DISTRIBUTION IS UNLAWFUL. THIS DOCUMENT IS NOT AN OFFER OR AN INVITATION TO BUY OR SELL SECURITIES.

Disclaimer and important information

This presentation (the "**Company Presentation**") has been prepared by Argeo AS (the "**Company**", and together with its consolidated subsidiaries, the "**Group**") with the assistance of Sparebank 1 Markets AS.

This Company Presentation has been prepared for information purposes only, and does not constitute or form part of, and should not be construed as, any offer, invitation or recommendation to purchase, sell or subscribe for any securities in any jurisdiction, and neither the issue of the information nor anything contained herein shall form the basis of or be relied upon in connection with, or act as an inducement to enter into, any investment activity. This Company Presentation does not purport to contain all of the information that may be required to evaluate any investment in the Company or any of its securities and should not be relied upon to form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This presentation is intended to present background information on the Company, its business and the industry in which it operates and is not intended to provide complete disclosure upon which an investment decision could be made.

This Company Presentation is furnished by the Company, and it is expressly noted that no representation or warranty, express or implied, as to the accuracy or completeness of any information included herein is given by the Company. The contents of this Company Presentation are not to be construed as financial, legal, business, investment, tax or other professional advice. Each recipient should consult with its own professional advisors for any such matter and advice. Generally, any investment in the Company should be considered as a high-risk investment.

This Company Presentation is current as of the date of presentation. Neither the delivery of this Company Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. This Company Presentation may contain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. Any forward-looking statements contained in this Company Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. The Company provides no assurance that the assumptions underlying such forward-looking statements are free from errors and does not accept any responsibility for the future accuracy of the opinions expressed in this Company Presentation or the actual occurrence of the forecasted developments.

The distribution of this Company Presentation by the Company in certain jurisdictions is restricted by law. Accordingly, this Company Presentation may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. This Company Presentation does not constitute an offer of, or an invitation to purchase, any securities.

IN RELATION TO THE UNITED STATES AND U.S. PERSONS, THIS PRESENTATION IS BEING FURNISHED ONLY TO INVESTORS THAT ARE "QIBs", AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THE SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

This Company Presentation is subject to Norwegian law, and any dispute arising in respect of this Company Presentation is subject to the exclusive jurisdiction of Norwegian courts with Oslo District Court as first venue.

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

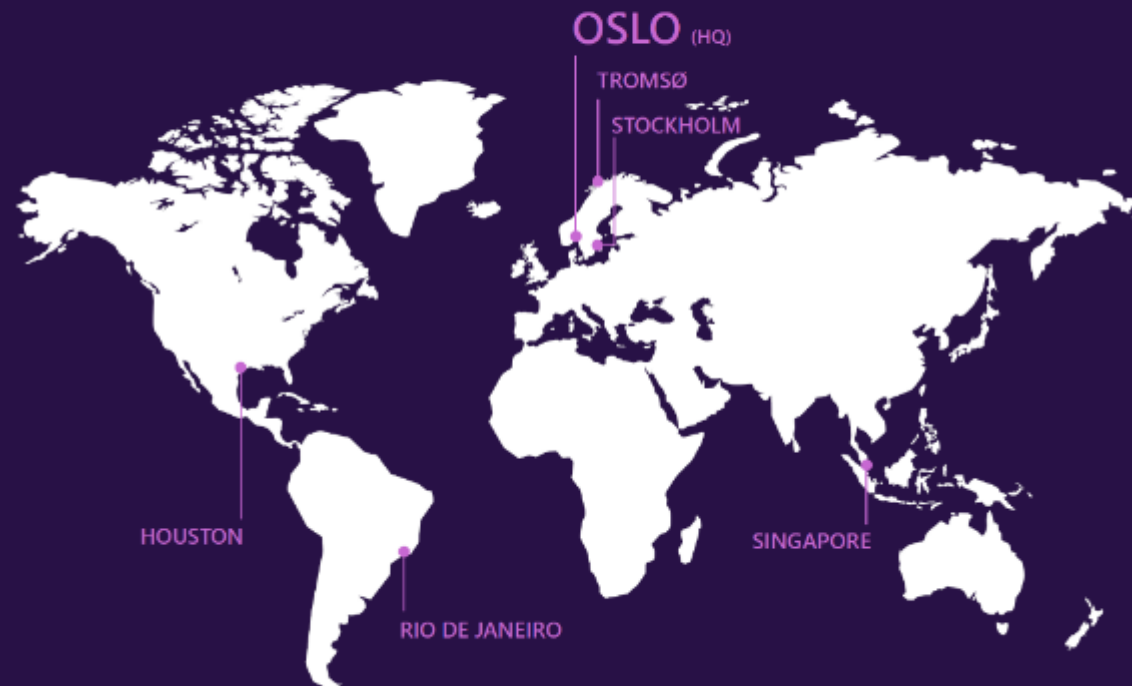


OFFSHORE
INSTALLATIONS



MARINE
MINERALS

► Close to our customers



LISTED
ON Euronext Growth



Argeo

Highlights

Summary

"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" combined with unique sensor technology and scalable SaaS digital data platform

- Argeo performs ocean surveys and inspections using autonomous and underwater robotics solutions, including AUV's and Work-Class ROV's
- Owns 4 autonomous underwater vessels (AUVs) operated from owned or chartered ships to perform subsea surveys of large areas
- Owns 1 ship used as operational basis, and charters in additional vessel capacity
- IP rights for Electromagnetic sensors used in O&G, Deep Sea Minerals (DSM) and Offshore Wind (OWS)
- Argeo's unique digital data platform Argeo SCOPE for efficient data management and analysis in all Argeo's markets and data types
- Our clients include:
 - Offshore wind companies; survey and inspection relating to building of offshore wind farms
 - Oil & Gas companies; Inspection, Maintenance, Repair and Survey (IRMS)
 - Marine Minerals/ G&G Institutions; Survey and Resource estimation and Environmental
 - Selected seismic companies and seabed OBN operations

Agenda

Summary and introduction

► **Operational update**

Commercial & Market

Argeo operations

Outlook

Highlights

Operational update

- Q2'23 was characterized by the completion of Argeo's first marine minerals project and mobilization for Norwegian Petroleum Directorate Knipovich project. The Stromar project scope of work has increase and therefor requires launch of a second spread vessel to complete the project in mid-July.
- Q2'23 outlook:
 - Revenues around NOK 25-30 million
 - EBITDA NOK minus 10-15 million
- Q3'23 outlook:
 - Revenues expected around NOK 70 million, where NOK 15-20 in contracts is pending
 - EBITDA NOK 10-15 million¹
- Our current fleet capacity defends revenues of around NOK 70 million per quarter with cost of sales around NOK 40² million per quarter.
- Argeo is targeting additional growth to obtain economies of scale and a profitable size

¹ For the Stromar project a second (temporary) spread will be mobilized using a vessel on charter contract which slightly reduces EBITDA for Q3

² Excludes S, G&A on approx. NOK 8 per quarter

Highlights

Financial update

- Current spread revenue run-rate of NOK ~280 million per year
- Secured revenues of NOK 130 million for 2023 including;
 - Polish Geological Institute in the Mid-Atlantic
 - Contract with Stromar Offshore Wind Farm
 - Global multi-client player for world first multi-client marine minerals survey
 - Contract with Norwegian Petroleum Directorate for minerals survey in Norway
 - Several other good project leads (O&G, DSM and OWS) in discussion with clients with over NOK 1.3b in current tender fase
- Expect positive EBITDA in Q3 based on execution of announced projects, new awards and spreads
- Exploring further growth opportunities to obtain required scale

Agenda

Summary and introduction

Operational update

► **Commercial & Market**

Argeo operations

Outlook

Why did we adjust our strategy

AUV/Robotics

Argeo 2021

NO SHIPS



What has changed ?

HIGH DEMAND
UNDER SUPPLY
HIGHER RATES

Full scale subsea services

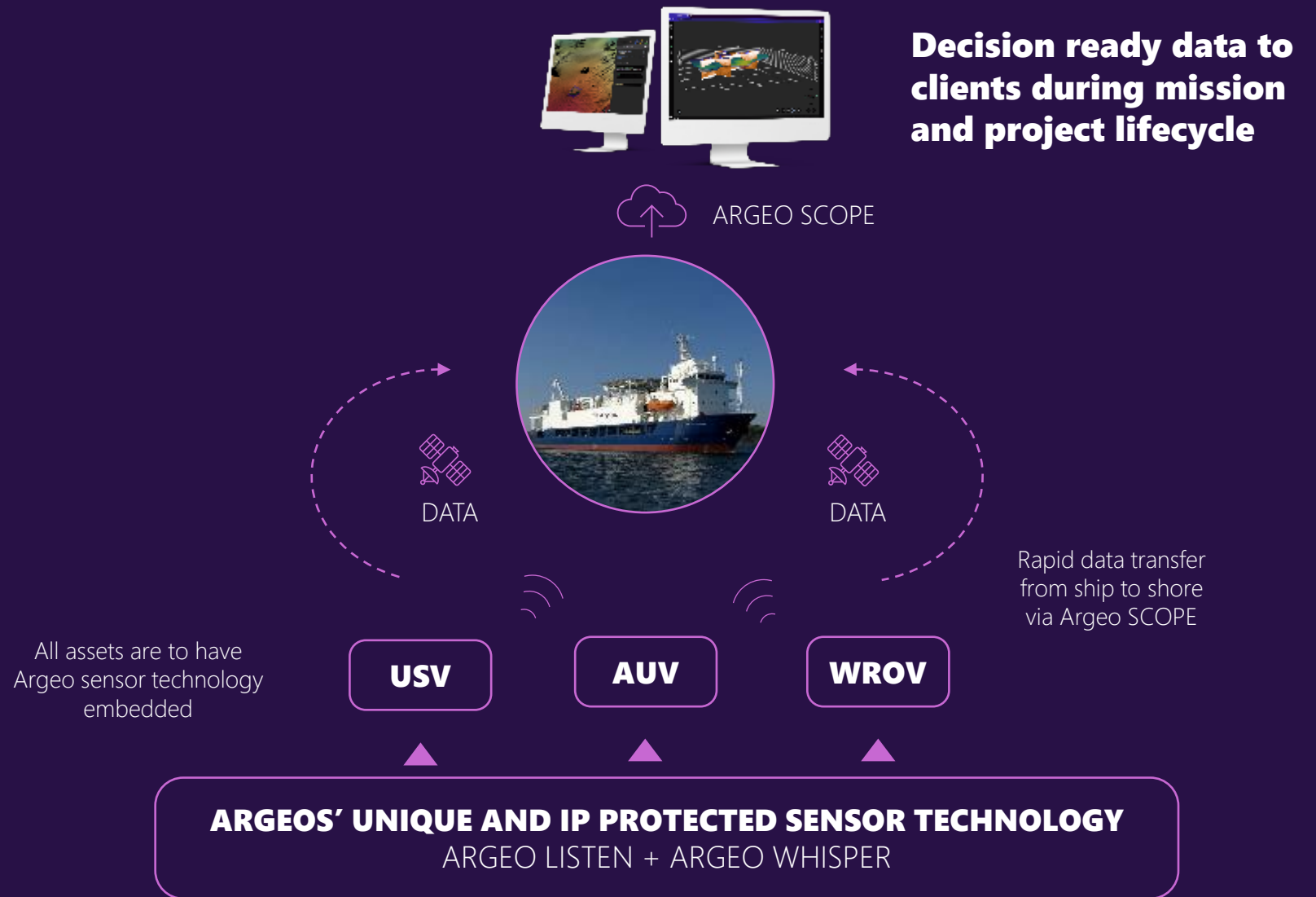
Argeo 2023 onwards

Several spreads & Subsea vessels



Argeo uniqueness

Technology enabled operational uniqueness ready for scale-up and expansion



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

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

REVENUE

2021

2022

2023

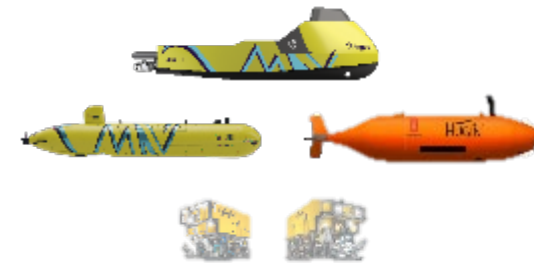
Q2e

190%e
Q2 Revenue
increase

Complete package of vessels and assets for the global market

Full scale subsea services

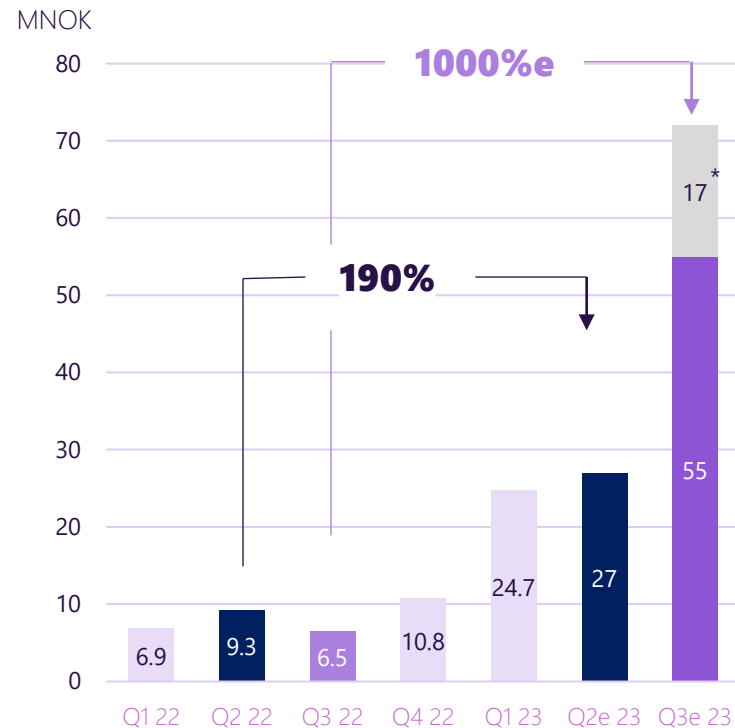
Larger scope-of-work for clients



Strong revenue growth and order book with current spread

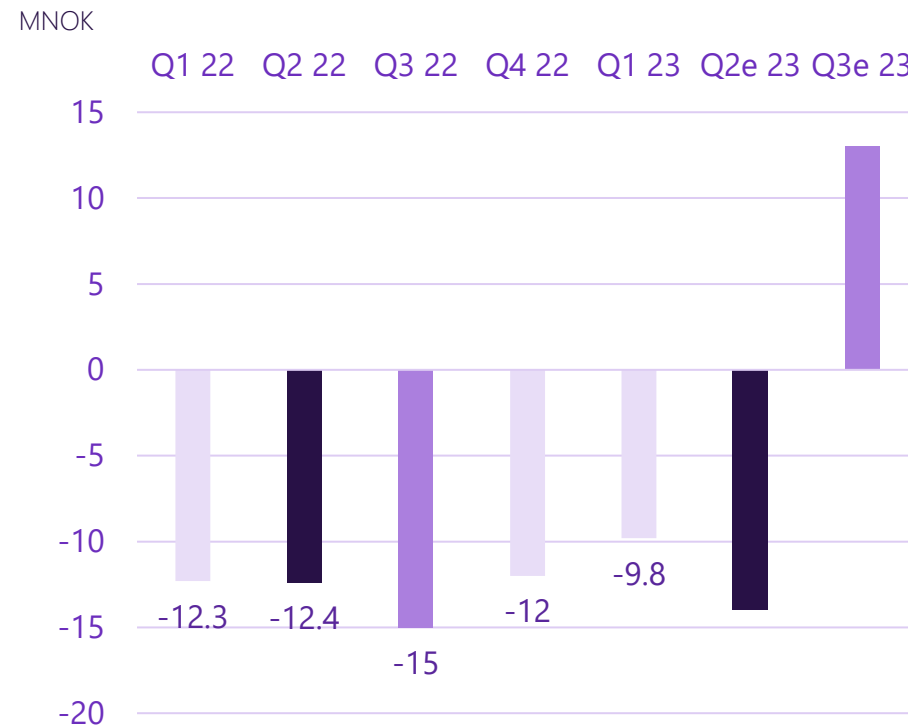
REVENUES Q2e and Q3e

Steady revenue growth expected



*For Q3e revenues, NOK 17 millions is not signed

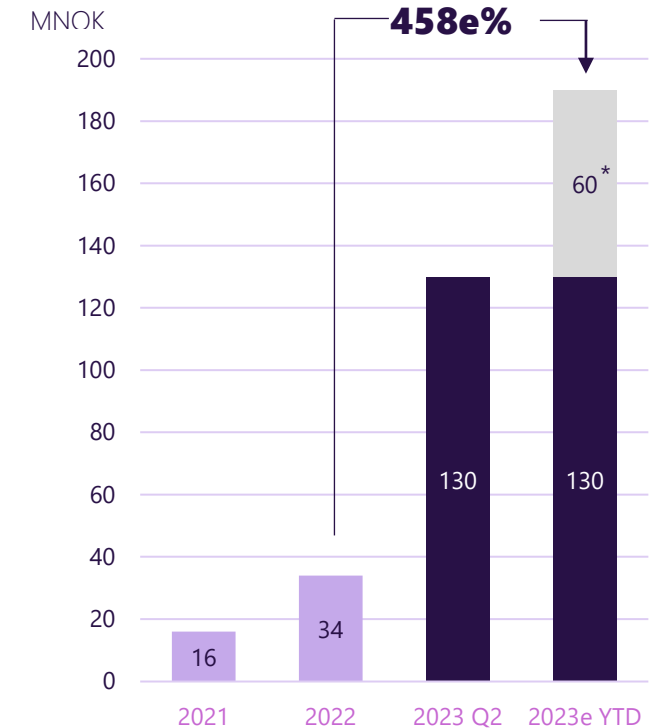
EBITDA Q2e and Q3e



Positive EBITDA expected from Q3

ORDER BOOK 2023

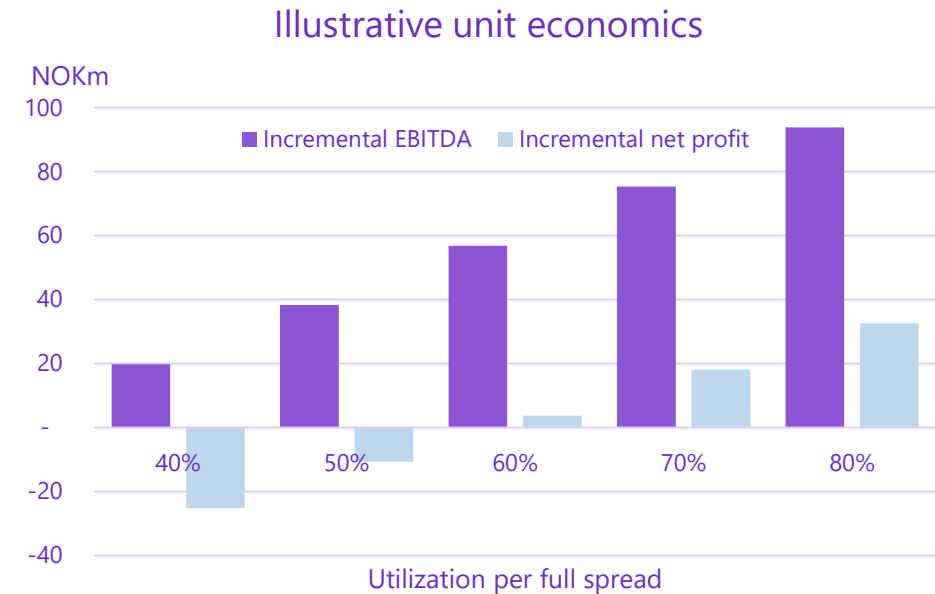
130 secured in Q2
190 estimated for 2023



*NOK 60 million in expected revenue is not yet signed, but in tender

Attractive unit economics

- Argeo targets 80% commercial utilization for full spreads
- This implies EBITDA of NOK +100 million per spread per year
(depending on financial structure for next vessel)
- We are reviewing expansion opportunities with indicative capex requirement of NOK 250-300 million per full spread
- EV/EBITDA less than 3x at 80% utilization
- Net profit impact above NOK 30 million per additional spread assuming 50% debt



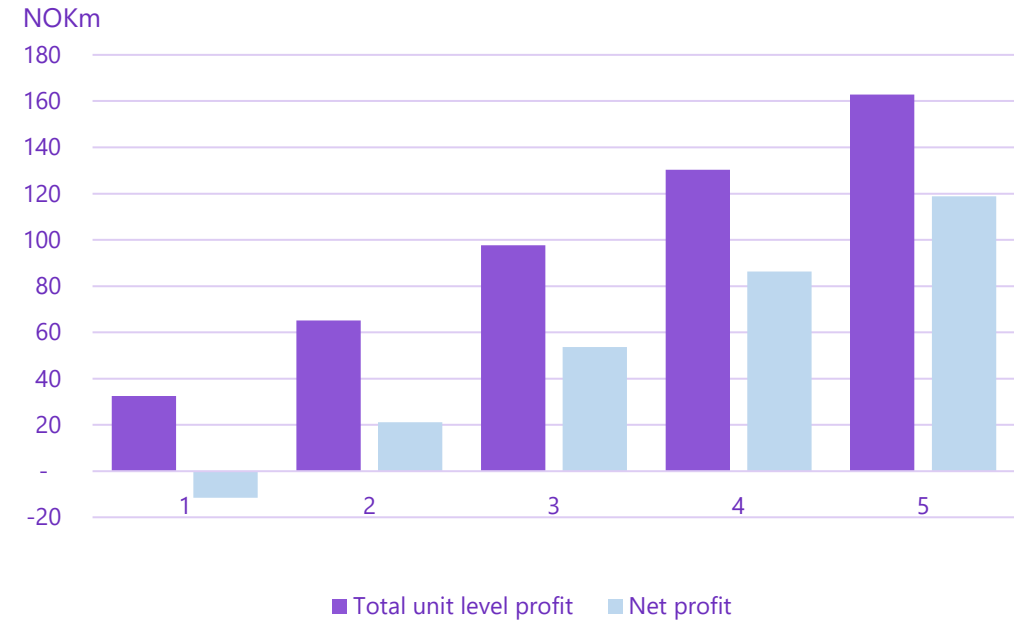
Key assumptions:

- NOK 270 million capex
- Financed 50% by debt at 8%
- Depreciated over 7 years
- 22% tax

Scale is key to profitability

- Argeo currently has one full spread operational
 - In addition to two stand-alone AUVs and one temporary second spread expected to start operations in 2H 2023
- Target of 80% utilization implies annual EBITDA per full spread of close to NOK 100 million per year*
- Implies unit-level net profit contribution of more than NOK 30 million (before SG&A and fixed costs)*
- Current SG&A cost budget of NOK ~32 million is expected to increase with 20% for additional unit
- One unit can cover the full SG&A
- Additional units are required to obtain the desired profitability

Illustrative economies of scale

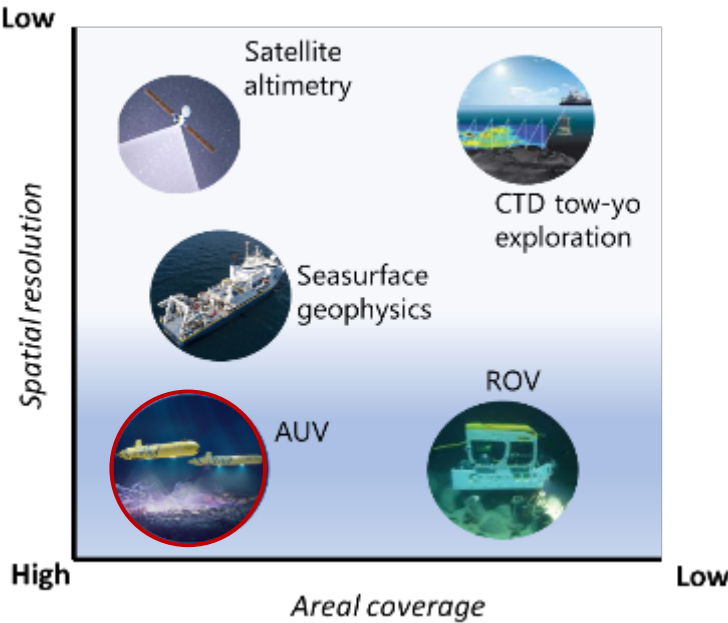
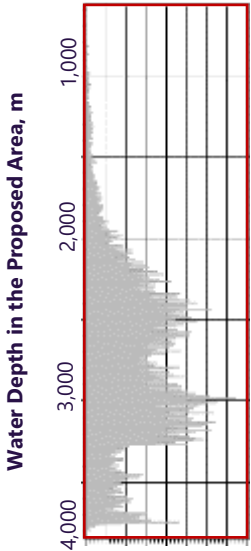
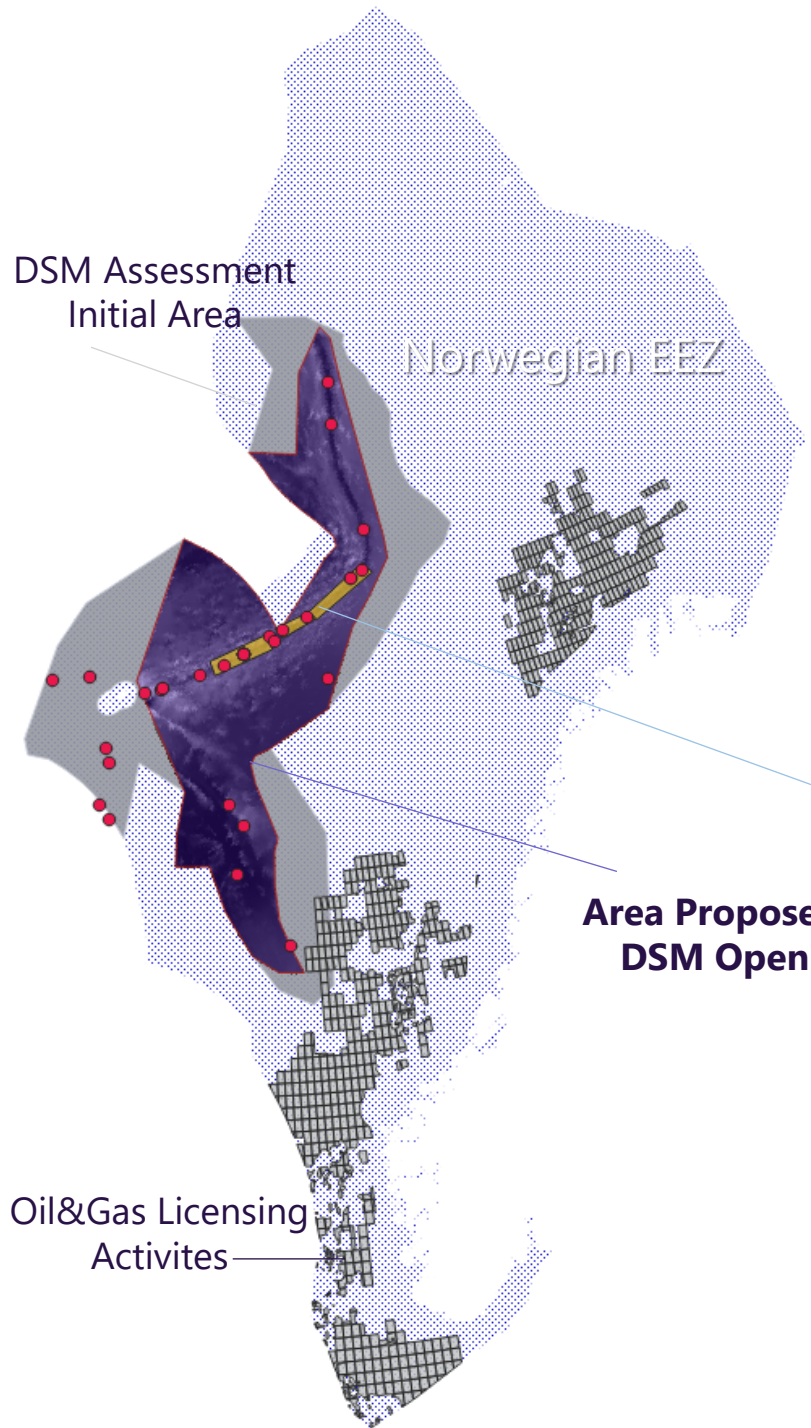


* Key assumptions:

- NOK 270 million capex
- Financed 50% by debt at 8%
- Depreciated over 7 years
- 22% tax

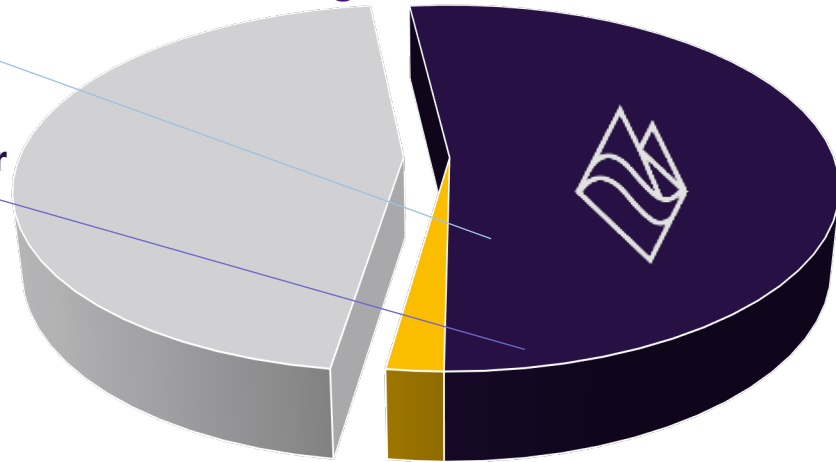
Deep Sea Minerals

Status
Norway



Total DSM Investigation Area: 592 500 km²

Area Proposed for
DSM Opening

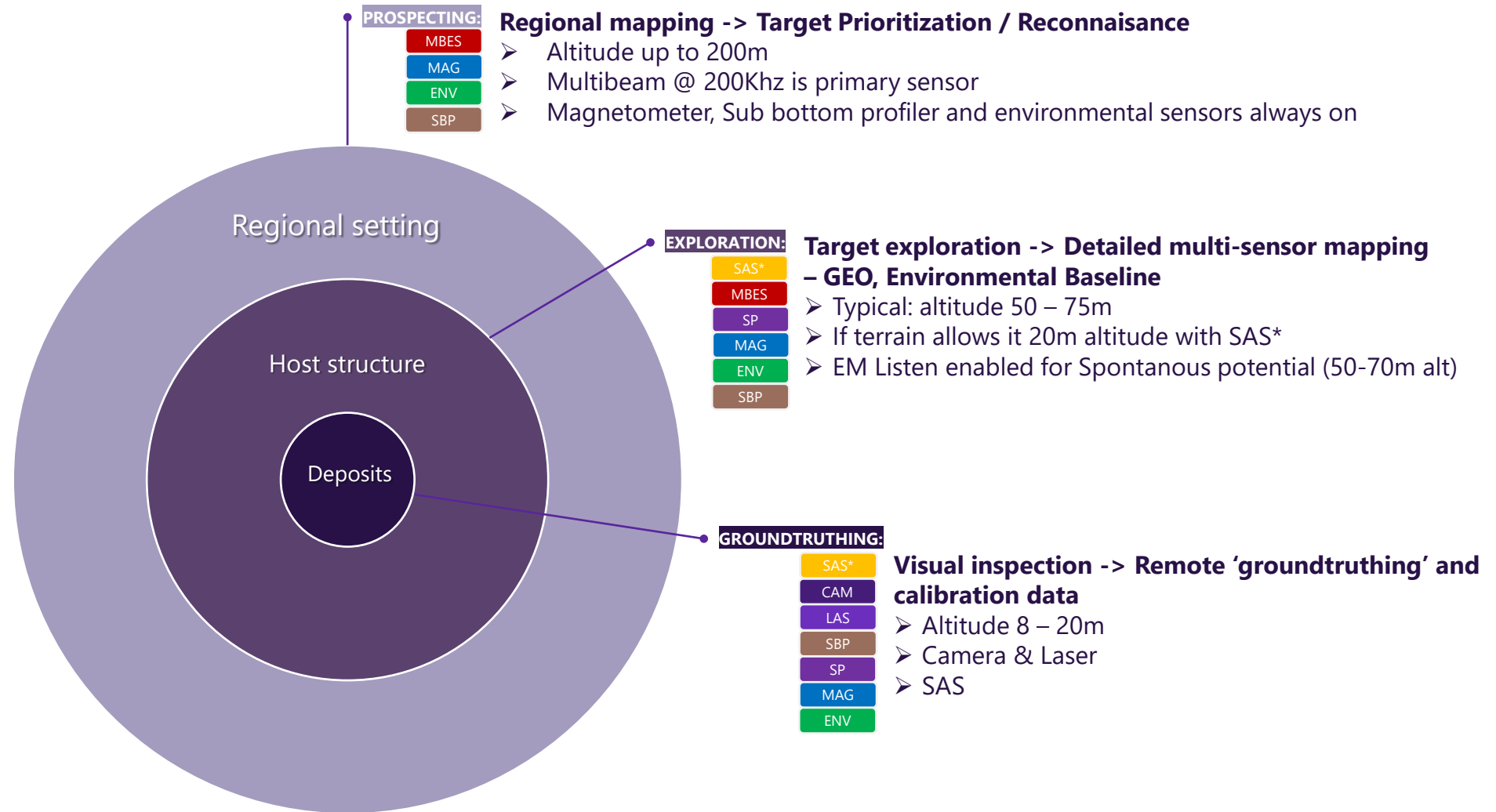


Area considered in 2023: 281 200 km²

■ Removed from the Proposal

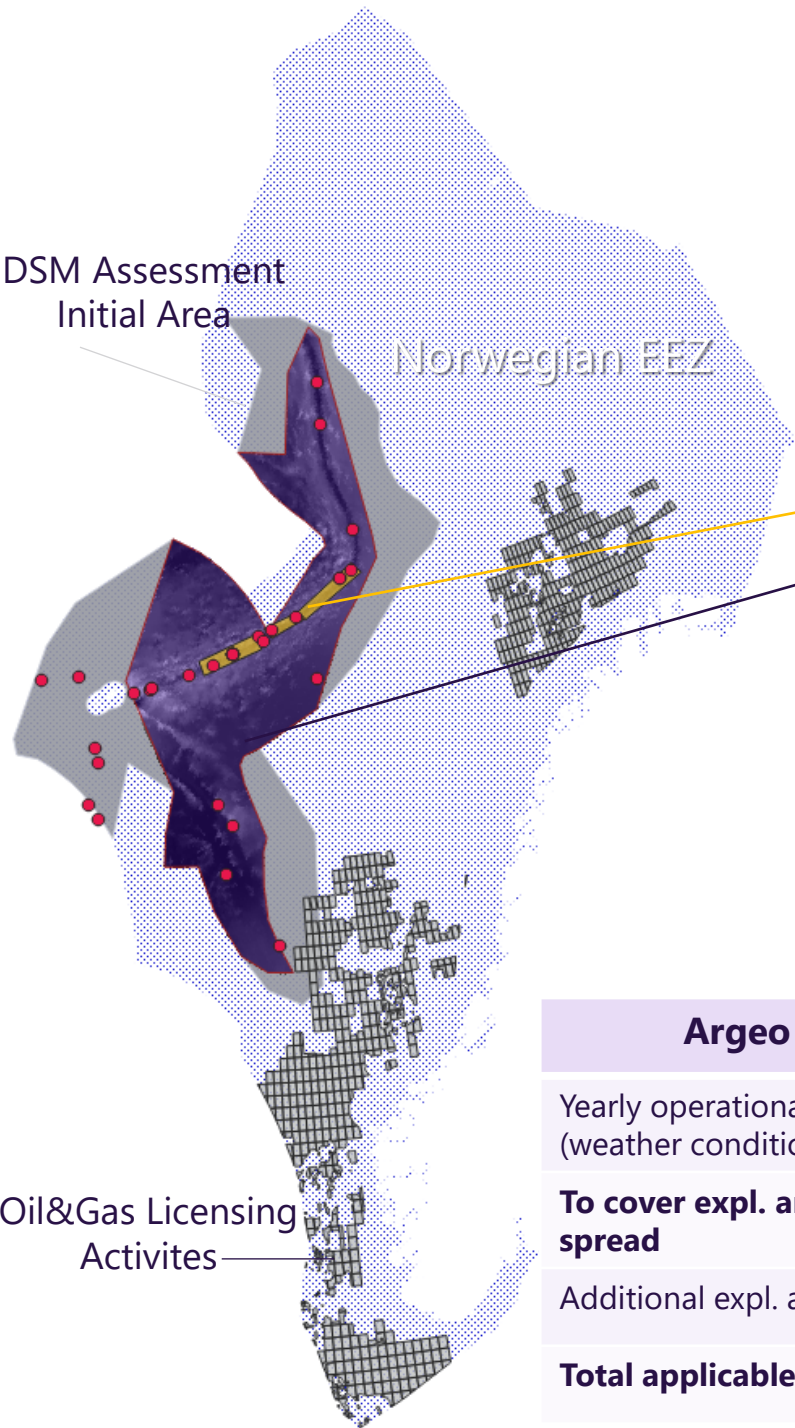
■ Proposed for DSM opening

► Deep sea mineral projects generic strategy



Deep Sea Minerals

Argeo business case Norway



Total DSM Investigation Area: 592 500 km²



Area considered in 2023: 281 200 km²

■ Removed from the Proposal ■ Proposed for DSM opening

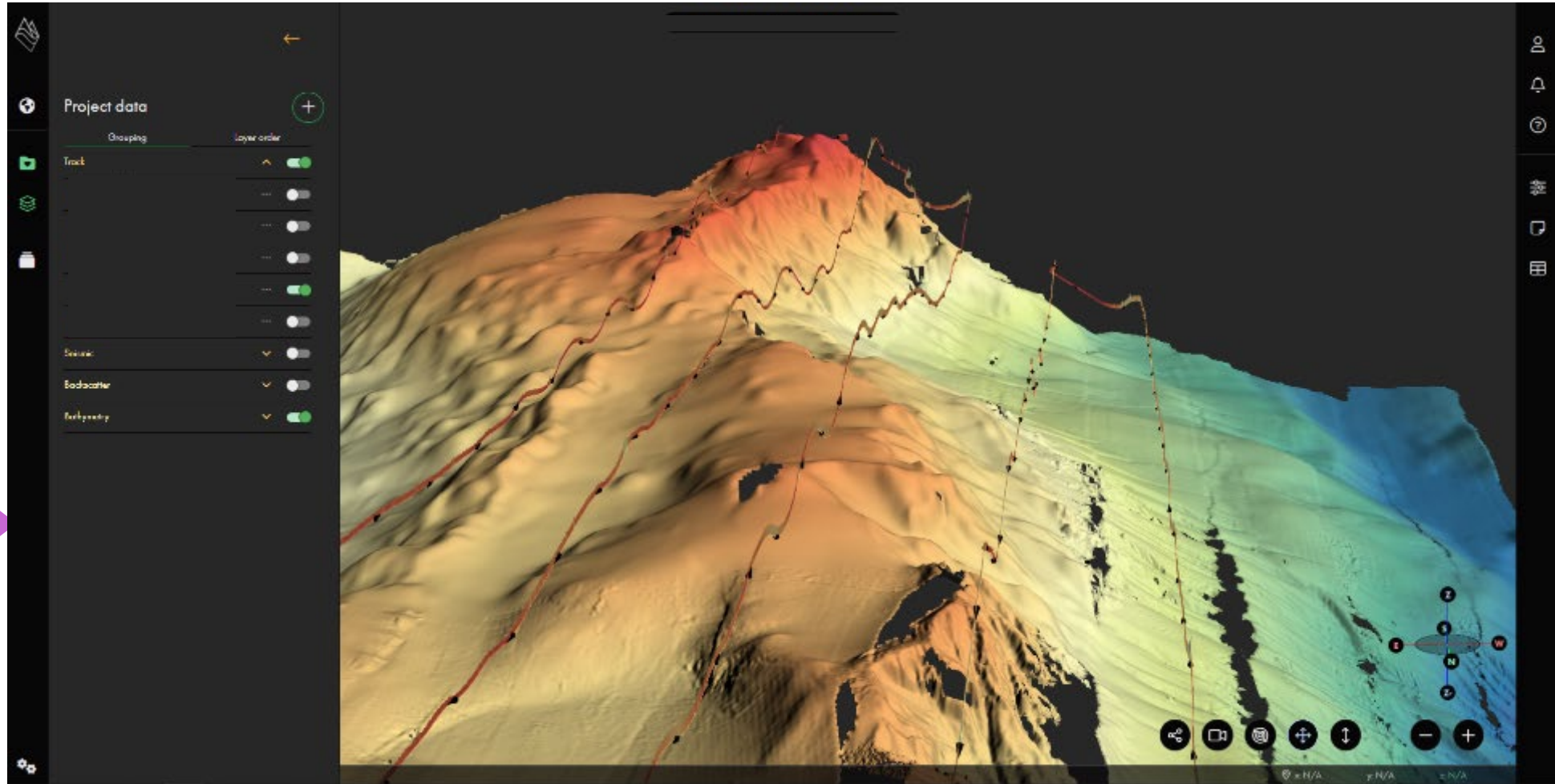
Marine mineral business model = Norwegian Oil & Gas business model with licensed exploration blocks

Argeo's unique business model includes both contractual work and Multi Client with unique and patented sensor technology and state-of-the-art Data Management and analysis software Argeo SCOPE, all built, confirmed and in operational use

Argeo Norway Deep Sea minerals business case – current spread				
Yearly operational time (weather conditions)	4.5 months	13.500 L.km	2.700 km ²	USD 10.3m
To cover expl. area w/1 spread	104 years	1.4m L.km	281.000 km²	USD 1b
Additional expl. area released			320.000 km ²	USD 1.2b
Total applicable market size				USD 2-3b

Deep Sea Minerals

Argeo SCOPE in full use



200m altitude (flight height above seafloor) track lines and Argeo Electromagnetic sensor data in very rough terrain at 3000-4000 meter water depth visualized and managed through Argeo SCOPE data platform (ship-to-shore)

Agenda

Summary and introduction

Trading update

Commercial & Market

► **Argeo operations**

Outlook

Increased order intake

Confirming strategic direction
and commercial demand



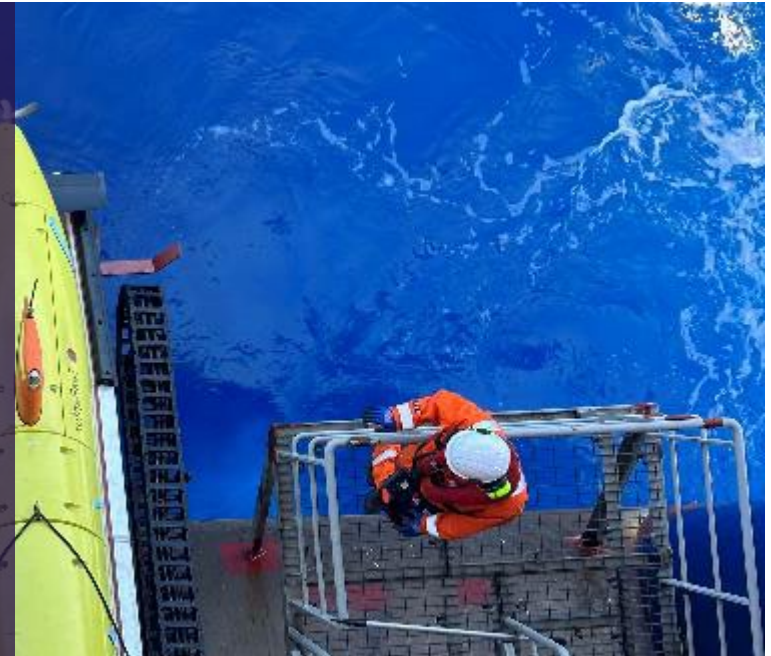
Marine Minerals contract

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



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



“

Having a global collaboration partner onboard with us on this project means that we can leverage our joint expertise to enable better decisions for our clients with high-quality data and data products. (Trond Crantz, CEO Argeo)

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

Launch and Recovery

Permanent system on Argeo Searcher with two Searaptors

- SeaRaptor launch and recovery from a customized Henriksen Stinger system installed on a purpose-built rail system
- Climate controlled AUV hangar for storage, maintenance and repair.
- Operational sea state: 5



Argeo Searcher

- DP (Dynamic Positioning) II vessel
- 200 days endurance
- ROV: 1 x WROV/Observation/Survey (option)
- 65 person Pax
- Certified helicopter deck, ICE 1A1 class
- Instrumentation and acoustic positioning (Sonardyne Ranger2/Gyro USBL)
- Dedicated instrument/operations room
- Onboard data processing center
- VSAT/Starlink communication



Argeo Robotics

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.



- Unique and highly scalable Software-as-a-Service (SaaS) solution that is poised for a global sales rollout to a substantial customer base
- Argeos' cutting-edge sensor systems are now available for commercial use in Autonomous Underwater Vehicles (AUV) and Remotely Operated Vehicles (ROV).
- Argeos' technology company Argeo Robotics have an annual cash cost of NOK 20 million
- Significant annual potential revenues from equipment and software sales from 2024 ->

Argeo sensor technology



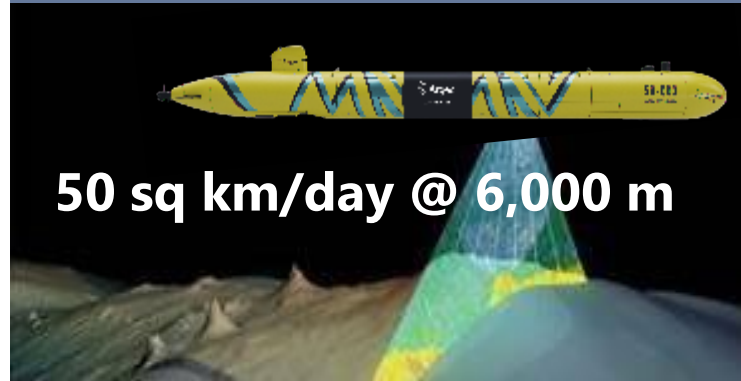
Argeo's Electro-Magnetic system

Passive and Active EM systems

- Passive EM system (Listen) installed on both Searaptor AUV's
- Low power CSEM system (whisper) installed on one Searaptor
- High power CSEM system (Discover) under development

Passive

Deep sea minerals exploration - SP

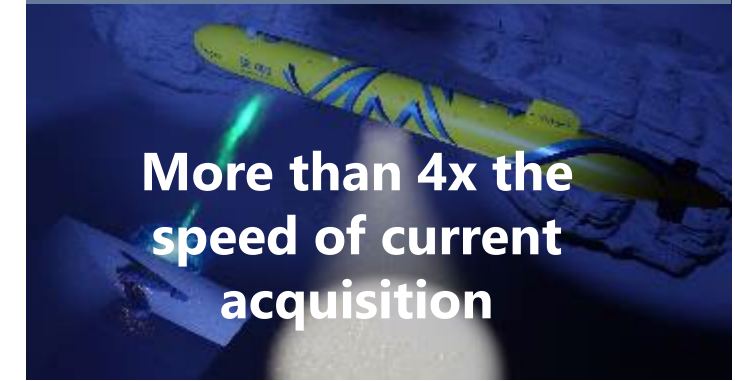


Non-contact
Cathodic Protection measurement



Active (CSEM)

Efficient UXO identification



Fast cable & pipeline tracking
on the seabed and buried



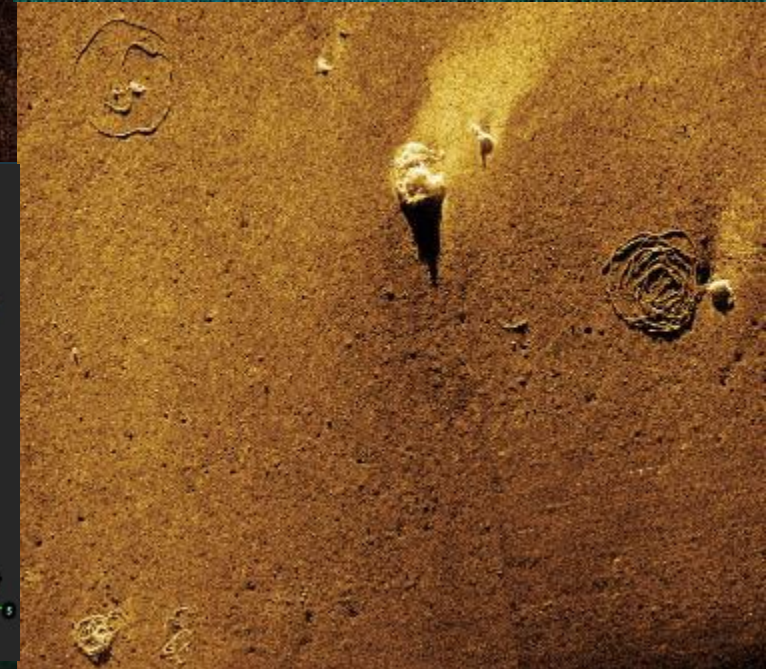
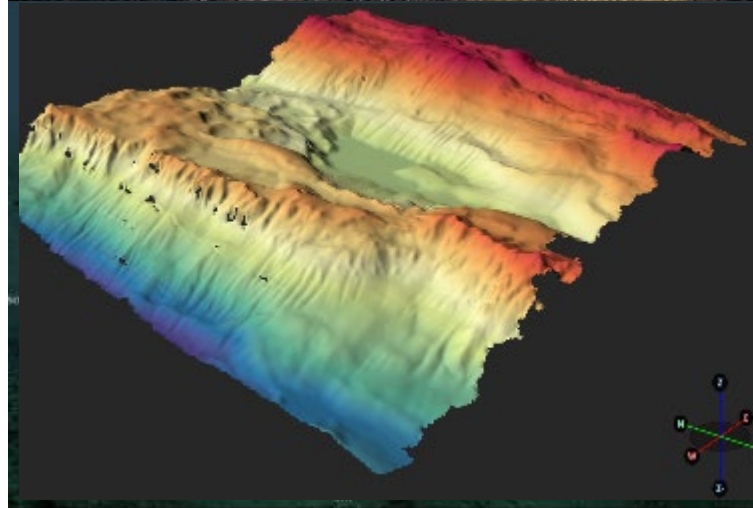
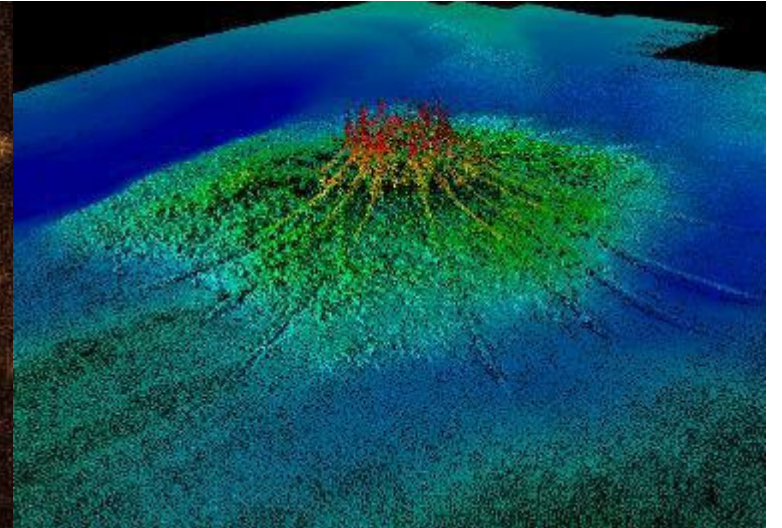
Data examples from AUV Installed sonar

- High-resolution seafloor imaging – up to 2x2 cm over entire coverage area (337Khz)
- Real-time SAS processing onboard
- Simultaneous bathymetry – up to 6x6 cm
- Bathymetry from SAS typically requires higher SNR causing reduced swath
- Optimal altitude 20m
- Sensitive to terrain

B24 airplane



Anchor chains from Multibeam



Bathymetry coverage

Ropes and chains

Agenda

Summary and introduction

Operational update

Commercial & Market

Argeo operations

► **Outlook**

Outlook

- Completing PGI marine minerals Mid-Atlantic project
- Starting NPD marine minerals “Knipovich ridge” project
- Starting Stromar offshore wind project medio-July with estimated completion in August
- Completing NPD marine minerals project medio August
- Estimated project backlog for Argeo Searcher in Q4 of NOK 60 million
- Aggressive tender activity ongoing for longer-term projects for Argeo Searcher in 2024
- Exploring options for scale through next spread (subsea vessel) with estimated closure late Q3-2023 - alternative funding sources being investigated including various debt arrangements