

# **Aquila.**

**HOLDINGS**

**Q3 2023**

**Earnings**

**Release**



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## 1. CEO Statement

Oil prices have traded up over the past months and global demand is reaching record levels. Oil and gas demand is expected to continue to increase over the foreseeable future as the global energy requirement grows. While renewable energy is taking a share of the market, the transition to renewables is proving to be difficult and the renewables market is significantly behind initial targets. Recent estimates are now indicating that oil and gas demand will remain robust through the 2050 horizon. This is also supported by a shifting sentiment towards natural gas and a recognition that natural gas will be a key component in any renewable energy transition scenario.

We expect continued investment in the E&P sector. This is in part driven by higher oil prices, but also the historical underinvestment in the sector. Based on the current demand outlook and the lack of past investment, we believe upstream spending in the oil and gas industry will be strong for several years ahead.

**“Aquila Holdings has completed a strategic review during the fall. Going forward, the company will work along two axes to maximize shareholder value. On the multi-client-side Aquila Holdings will continue to actively seek opportunities to realize the value of its existing multi-client library. Further the company will seek to capitalize on its extensive experience in the multi-client market through consideration of new partnerships or projects should such opportunities arise and be accretive for the shareholders. Outside of the multi-client side the company will actively explore opportunities to enhance shareholder value through strategic use of its position as a listed entity. The company has decided to approach an external advisor to further explore such opportunities.”**

With respect to our multi-client library, the Utsira reprocessing project is progressing according to plan, and we expect to deliver this new product to the priority area over the next few weeks. The full Utsira survey area will be available by the middle of next year. The reprocessed survey imaging has been meaningfully upgraded and will provide critical new data for the oil companies. We expect that this new product will result in added interest in the underlying data set as well as for the new reprocessed product.

We believe the outlook for our survey in the Gulf of Suez is encouraging. There are several drilling campaigns ongoing in the region and we expect to see additional late sales from this area.

Recent M&A activity should benefit both our Utsira survey as well as our Gulf of Suez survey. We expect that industry consolidation will continue and that this will add value to our seismic portfolio.



The company will continue to evaluate share repurchases to the extent this is the most attractive use of capital. As of 27 October, the company holds 18.1 million own shares, representing 7.6% of total shares outstanding. The share repurchases have all been executed at prices significantly below the company's net asset value and are highly accretive to shareholders.

Nils Haugestad, interim CEO

## 2. Key events during the quarter

- Multi-client revenues USD 2.1 million
- Fair value of multi-client library USD 32.7 million
- Fair value of investment portfolio USD 6.6 million
- Available liquid funds of USD 9.1 million\*
- Cash earnings for the quarter USD 0.4 million\*\*
- Net asset value NOK 2.00 per share

\* Bank deposits, net trade receivable and marketable securities

\*\* Revenue, cost of sales, SG&A

## 3. Subsequent events after the quarter

Reference is made to the stock exchange notice from 10 July 2023 announcing a share buyback program for the Company. The program consists of share purchases up to NOK 5 million and may be ended at the Company's discretion prior to fulfilment. The shares are purchased in accordance with the authorization granted at the Company's annual general meeting on 24 May 2023.

The Company repurchased 2 058 605 shares in Q3 2023. As of October 27, the Company holds a total of 18 107 461 own shares, equal to 7.6% of the Company's share capital.

## 4. Key financial indicators

USD thousands

<b>Profit and loss</b>	<b>Q3 2023</b>	<b>Q3 2022</b>	<b>YTD Q3 2023</b>	<b>YTD Q3 2022</b>
Revenue	2 068	1 600	6 512	4 736
Changes in fair value of investments (loss)	586	(3 373)	(261)	(9 126)
Operating profit (loss) (EBIT)	(637)	(3 715)	(4 562)	(3 443)
Cash earnings *	379	1 027	506	2 573
Net profit (loss)	(726)	(3 793)	(4 805)	(3 440)
Basic earnings (loss) per weighted average shares (in USD)	(0.00)	(0.02)	(0.02)	(0.01)

<b>Financial position</b>	<b>30.09.2023</b>	<b>31.12.2022</b>
Bank deposits	2 398	2 197
Available liquid funds **	9 131	8 688
Total assets	46 775	52 777
Total equity	41 583	47 652

<b>Ratio analysis</b>	<b>30.09.2023</b>	<b>31.12.2022</b>
Equity ratio	88.9 %	90.3 %
Net asset value per share (NOK) ***	2.00	2.00

\* Revenue, cost of sales, SG&A

\*\* Bank deposits, net trade receivable, marketable securities

\*\*\* Net asset value per share; total assets – total liabilities divided by number of shares


## 5. Business overview

### 5.1 Multi-client

The supportive macro environment is leading E&P operators to make long cycle investments offshore, where advances in efficiency have significantly improved project economics for exploration and development activity. Looking at drilling activity, the trend is clearly pointing towards longer duration projects. Seismic data plays a key role in determining drilling locations and plan for new frontier exploration activity, and we anticipate that the seismic data demand follow similar trendlines as the drillers for the years to come.

The seismic multi-client data business model is frequently the preferred way to access seismic data for petroleum exploration and production (E&P) companies. The seismic data is licensed by E&P companies to assist in the discovery and development of petroleum resources. The Group's return on investment from its multi-client library is seen through the life span of the data; from its early stage with revenues coming from the pre-funding by E&P companies during the execution of the program, through subsequent late sales after the seismic images are processed and available.

The Group's multi-client data is targeting near-field exploration, where production infrastructure is in place and where E&P companies need high-quality seismic data to



unlock existing and new resources. In these production fields, oil and gas can be developed with lower cost, environmental impact, and emissions.

The Group is evaluating expansion opportunities and see the consolidation in the seismic market as an opportunity to expand.

## Norwegian North Sea – Utsira

The Utsira ocean bottom node multi-client survey is located to the west of the Utsira high in the Norwegian North Sea and covers an area of approximately 2,000 square kilometers of highly prospective acreage with high-definition 3D seismic ocean bottom node data.

The survey was acquired during 2018 and 2019 with support from Aker BP, Equinor and TGS. The Utsira area holds several important fields, including Edvard Grieg, Ivar Aasen, Balder, Gina Krog, Gudrun, and Johan Sverdrup, along with a number of undeveloped discoveries and exploration targets. The OBN data has extremely high sampling density. This helps our clients obtain new information and aids in making new discoveries previously unavailable with legacy broadband streamer data.

## Norwegian North Sea – Utsira Axxis/CGG reprocessing

In the area to the west of the Utsira high, where the Utsira OBN survey is located, exploration activity has for decades been impeded by irregularly shaped intrusive bodies at shallow depths over large areas above the reservoirs and generate a signal-to-noise problems that masks deeper reflection signals and inhibits the ability to de-risk prospects. The presence of a thick layer of chalk just above the main reservoir level adds to the complexity. The geophysical response to this type of geological challenge often needs time to be understood and addressed, and it is common to work with seismic data sets over time and improve the seismic image through an iterative process.

CGG is currently reprocessing the Utsira survey together with Axxis and the main operators in the area. CGG's latest advances in OBN processing and imaging technology is already providing valuable insights into the data and subsurface, by including time-lag full-waveform inversion and reverse time migration technology.

The reprocessed product will substantially advance the Utsira OBN survey and better assist clients with existing petroleum production as well as new nearby reserves and resources and reservoir management. The project was launched in December 2022, and the project will deliver a priority area to clients in October 2023. Final data for the complete survey will be delivered to clients in the summer of 2024. The project is running according to schedule and cost.

## Egypt – Gulf of Suez

The Gulf of Suez is a mature petroleum basin which has been in production since the 1980s. The Western Desert and the Gulf of Suez are the two main oil producing areas in Egypt and has received considerable attention by Egyptian authorities in the context of energy security for the nation. Significant investments will be required for Egypt to obtain a net balance in energy export vs imports, and we are seeing increased license round activity along with increasing investment commitments by operators in the area.

Exploration in the Gulf of Suez has traditionally been impeded by complex geology and the presence of salt bodies that complicate seismic imaging. The Gulf of Suez multi-client data was acquired during 2019 with support from Neptune Energy and Schlumberger (Western Geco) and covers an area of approximately 300 square kilometers. The multi-client survey was acquired in a hybrid survey configuration, combining high-density ocean bottom nodes with short 3D streamers for near-surface imaging. The multi-client area is near the Ramadan oil fields and several drilling campaigns are planned during the coming years.

There is ongoing drilling activity in the survey area and the areas surrounding the survey which demonstrates the willingness by the Egyptian E&P players to invest and explore. Egypt has active license rounds that will provide dynamics in the area and new clients for the seismic library.

## 5.2 Investments

### New investments

The Group did not make any changes in the investments during the third quarter of 2023.

### Development in current investments

#### Capsol Technologies

The Group participated with USD 4.7 million (NOK 40.0 million) in Capsol Technologies ASA' equity private placement in October 2021. The Group acquired 3,636,363 shares at a price of NOK 11.00 per share.

The shares of Capsol Technologies were listed on Euronext Growth in Oslo in December 2021. The closing share price at the end of September 2023 was NOK 13.65, which values the Group's investment at USD 4.6 million (NOK 49.6 million).

## Dolphin Drilling

The Group invested USD 2.0 million (NOK 20.0 million) in Dolphin Drilling AS in September 2022. The Group acquired 1,714,568 shares at a price of USD 1.17 per share.

The shares of Dolphin Drilling were listed on NOTC in Oslo and were moved to Euronext Growth in October 2022. The closing share price at the end of September 2023 was NOK 10.10, which values the Group's investment at USD 1.6 million (NOK 17.3 million).

## Arbaflame

The Group participated in Arbaflame AS' convertible bond offering in July 2021, with a total investment of USD 3.4 million (NOK 30.0 million). In December 2021, the convertible bonds were converted to 3,920,294 common shares in the company.

Arbaflame had an equity private placement in November 2022 at NOK 0.83 per share. Based on this valuation, the estimated fair value of the Group's investment in Arbaflame was USD 0.3 million (NOK 3.3 million) at the end of September 2023.

The Group classifies its investments as non-current assets. The fair value of the total investments was USD 6.6 million (NOK 70.2million) at the end of September 2023:

Capsol Technologies	USD 4.6 million
Dolphin Drilling	USD 1.6 million
Arbaflame	USD 0.3 million

Changes in fair value relative to Q2 2023 resulted in a non-cash gain of USD 0.6 million (NOK 6.6 million) in Q3 2023 and a loss of USD 0.3 million (NOK 2.8 million) relative to the first nine months of 2023.

## 6. Outlook

Solid industry fundamentals will support historically high oil prices and continued investment in the E&P sector. Despite a robust sector outlook, the timing of multi-client late sales is unpredictable and dependent on licensing rounds as well as internal oil company scheduling. We should expect sales to be lumpy and this does not speak to the long-term underlying multi-client values and future sales potential.

With the company's revised strategic focus, we will evaluate new multi-client investment opportunities. We will also review potential strategic transactions.

Distributions to shareholders or share repurchases will continue to be considered to the extent this is believed to be the best allocation of capital.



## 7. Board of directors' financial review

The financial review is prepared according to the IFRS accounting principles.

### Revenue

Revenue for the third quarter of 2023 was USD 2.1 million compared to USD 1.6 million for the third quarter of 2022. The revenue in Q3 2023 is related to Utsira reprocessing whereas the revenue in Q3 2022 was related to late sales from Utsira multi-client survey.

The revenue for the first nine months of 2023 was USD 6.5 million compared to USD 4.7 million for the same period 2022. The revenue for the first nine months of 2023 was related Utsira reprocessing with USD 5.7 million and with USD 0.8 million Utsira multi-client late sale whereas the revenue for the first nine months of 2022 was related to late sales from Utsira multi-client survey.

### Changes in fair value

Changes in fair value of investments in third quarter 2023 was a non-cash gain of USD 0.6 million compared to a non-cash loss of USD 3.4 million in third quarter of 2022.

The changes in fair value for the first nine months of 2023 was a non-cash loss of USD 0.3 million and a non-cash loss of USD 9.1 million for the same period in 2022.

### Other gains or losses

There were no other gains or losses to report this quarter or for the comparable quarter, and there were none for the first nine months of 2023 compared to USD 0.7 million of other gains for same period in 2022.


### Cost of sale (COS)

COS in the third quarter of 2023 was USD 1.2 million and is mainly associated with the Utsira reprocessing cost compared to third quarter 2022 a cost of USD 0.2 million, mainly representing storage of seismic equipment and storage of the Utsira multi-client survey.

COS for the first nine months of 2023 was USD 4.4 million compared to USD 0.4 million for the first nine months of 2022. The first nine months of 2023 are related to Utsira reprocessing cost. COS for the first nine months of 2022 was related to smart-stack expense for the node business.

### Selling, General and Administrative expenses (SG&A)

SG&A in the third quarter of 2023 amounted to USD 0.5 million compared to USD 0.4 million in the third quarter of 2022. Approximately USD 150 thousand is non-recurring



cost in the third quarter 2023, related to legal and external consultants. The largest part of the non-recurring costs is related to an arbitration process due to a legal complaint received from one of the group's competitors.

SG&A for the first nine months of 2023 was USD 1.6 million compared to USD 1.8 million for the first nine months of 2022. Personnel and related costs have decreased due to downscaling and cost reduction compared to last year.

### **Amortization of intangible assets**

Amortization in the third quarter of 2023 is USD 1.6 million compared to USD 1.4 million in the third quarter of 2022.

- The Utsira multi-client amortization was USD 0.9 million compared to USD 0.7 million in the third quarter of 2022 including Utsira reprocessing amortization which started in January 2023.
- Amortization related to the Group's multi-client data in the Gulf of Suez was USD 0.7 million in the quarter which was the same as the third quarter of 2022. The amortization started in the third quarter of 2022.

The amortization of Utsira OBN and Utsira reprocessing for the first nine months of 2023 was USD 2.8 million compared to USD 1.9 million for the first nine months of 2022 for the Utsira survey. Amortization related to the Group's multi-client data in the Gulf of Suez is USD 2.0 million for the first nine months compared to USD 0.7 for the same period in 2022 as the data processing for the multi-client survey in Egypt was not completed until September 2022.

### **Impairment and reverse of impairment**

No impairment charges have been made in first nine months of 2023 of the Utsira multi-client survey or the Gulf of Suez multi-client survey in Egypt.

### **Financial items**


Net financial expense was USD 0.1 million during the third quarter of 2023, compared to net financial expense of USD 0.1 million in the third quarter of 2022. The net financial expense in the third quarter of 2023 and 2022 consists of both financial expenses and currency exchange loss.

Net financial expense for the first nine months of 2023 is USD 0.2 million, compared to net financial expense of USD 0.4 million in the first nine months of 2022.

### **Income tax (expense)**

The corporate income tax in Norway is currently 22%.

Income tax for the third quarter of 2023 is zero, which was the same as the third quarter of 2022.



The Group has income tax revenue of USD 7 thousand for the first nine months of 2023 compared to income tax revenue amounting to USD 384 thousand for the same period in 2022. The tax revenue in first nine months of 2022 is related to updated corporate tax in Egypt and UK and receiving cash payment for previous paid withholding tax when operating in India.

The Company has no deferred tax assets booked as of 30 September 2023. Tax loss carried forwards by yearend 2022 was USD 39.6 million (NOK 390 million).

## Result for the period

The Company had a loss of USD 0.7 million for the third quarter of 2023 compared to a loss of USD 3.8 million for the third quarter of 2022.

The Company has a loss of USD 4.8 million for the first nine months of 2023 compared to a loss of USD 3.4 million for the first nine months of 2022.

## Financial Position and Cash Flow

As of 30 September 2023, the Company had total assets of USD 46.8 million, compared to total assets of USD 52.8 million as of 31 December 2022.

Total of non-current assets is USD 42.3 million as of 30 September 2023 compared to USD 47.3 million as of 31 December 2022. This is attributed to multi-client library of USD 32.7 million compared to USD 37.5 million as of 31 December 2022 where the change is only amortization in the first nine months of 2023. The reduction in the investments to USD 6.6 million from USD 6.8 million as of 31 December 2022 represents a non-cash loss of USD 0.2 million. Financial assets adding USD 3.0 million are unchanged compared to 31 December 2022.

Total current assets decreased from USD 5.0 million as of 31 December 2022 to USD 4.5 million as of 30 September 2023. The decrease is driven by a reduction in other current assets, which relates to accrued revenue of USD 1.8 million, and an increase in bank by USD 0.4 million and an increase in trade receivables of USD 0.9 million. The Company's cash balance ended at USD 2.4 million on 30 September 2023.

The Group's equity of USD 41.6 million at the end of September 2023 represents a net decrease of USD 6.1 million compared to 31 December 2022. Reduction of the equity is mainly related to a loss for the period of USD 4.8 million and the purchase of our own shares of USD 1.3. The equity ratio is 88.9% as of 30 September 2023 compared to 90.3% as of 31 December 2022.

Total current liabilities increased from USD 5.1 million as of 31 December 2022 to USD 5.2 million as of 30 September 2023. Trade payables increased by USD 0.5 million compared to December 2022. Taxes payables is related to corporate tax in Egypt of USD 2.3 million which is unchanged from 2022. Other current liabilities decreased by USD 0.5 million in the first nine months of 2023. Total Egyptian tax exposure is USD 4.3 million (incl corporate tax of USD 2.3 million) which is the same level as December 2022.

Cash flow from operating activities in the first nine months of 2023 was positive with USD 1.5 million compared to positive USD 0.5 million in the same period in 2022.

Cash flow from investment activities in the first nine months of 2023 was zero compared to negative USD 1.5 million in the same period in 2022, and this was due to the investment of Dolphin Drilling with USD 2 million offset by USD 0.5 million received from the sale of the node business.

Cash flow from financing activities in the first six months of 2023 was negative USD 1.3 million compared to negative USD 1.4 million in the same period in 2022. Investment in own shares was USD 1.3 million in the first nine months of 2023 and USD 0.5 million for the same period in 2022. Repayment of the TGS loan during the first nine months of 2022 was USD 0.9 million.

## 8. Financial statements

### 8.1 Interim consolidated statement of comprehensive income

USD thousands	Note	Q3 2023	Q3 2022	YTD Q3 2023	YTD Q3 2022
<b>Revenue</b>	1	<b>2 068</b>	<b>1 600</b>	<b>6 512</b>	<b>4 736</b>
Changes in fair value of investments (loss)	2	586	(3 373)	(261)	(9 126)
Other gains (losses)		-	-	-	666
Cost of sales	1	(1 156)	(190)	(4 418)	(379)
Selling, general and administrative expenses	1	(533)	(383)	(1 588)	(1 783)
Amortization multi-client	3	(1 602)	(1 369)	(4 807)	(2 614)
Write-up multi-client (reversal of impairment)	3	-	-	-	5 618
Depreciation & impairment		-	-	-	(559)
<b>Operating profit (loss) (EBIT)</b>		<b>(637)</b>	<b>(3 715)</b>	<b>(4 562)</b>	<b>(3 443)</b>
Financial income		-	-	-	46
Financial expenses		(14)	(32)	(152)	(161)
Currency exchange gain (loss)		(75)	(46)	(97)	(266)
<b>Profit (loss) before tax</b>		<b>(726)</b>	<b>(3 793)</b>	<b>(4 811)</b>	<b>(3 824)</b>
Income tax (expense)		-	-	7	384
<b>Profit (loss) for the period</b>		<b>(726)</b>	<b>(3 793)</b>	<b>(4 805)</b>	<b>(3 440)</b>
Currency translation adjustments		-	-	-	-
<b>Other comprehensive income (loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the period</b>		<b>(726)</b>	<b>(3 793)</b>	<b>(4 805)</b>	<b>(3 440)</b>

## 8.2 Interim consolidated statement of financial position

USD thousands	Note	30.09.2023	31.12.2022
<b>Assets</b>			
<b>Non-current assets</b>			
Multi-client library	3	32 685	37 491
Investments	2	6 560	6 821
Financial assets		3 029	3 029
<b>Total non-current assets</b>		<b>42 274</b>	<b>47 342</b>
<b>Current assets</b>			
Trade receivables		945	-
Other current assets		1 157	3 238
Bank deposits, cash in hand		2 398	2 197
<b>Total current assets</b>		<b>4 501</b>	<b>5 435</b>
<b>Total assets</b>		<b>46 775</b>	<b>52 777</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital and other paid in capital		79 909	79 909
Own shares		(1 611)	(489)
Other reserves		(36 716)	(31 769)
<b>Total equity</b>		<b>41 583</b>	<b>47 652</b>
<b>Current liabilities</b>			
Trade payables		605	88
Taxes payables		2 282	2 282
Other current liabilities		2 306	2 755
<b>Total current liabilities</b>		<b>5 192</b>	<b>5 125</b>
<b>Total liabilities</b>		<b>5 192</b>	<b>5 125</b>
<b>Total equity and liabilities</b>		<b>46 775</b>	<b>52 777</b>

### 8.3 Interim consolidated statement of changes in equity

USD thousands	Share capital	Additional paid-in capital	Own shares	Accumulated earnings	Other equity/ Share based programme	Total equity
<b>Balance as of 01.01.2023</b>	<b>28 739</b>	<b>51 170</b>	<b>(489)</b>	<b>(32 191)</b>	<b>422</b>	<b>47 652</b>
Profit (loss) for the period				(4 805)		(4 805)
Other comprehensive income (loss)				-		-
Purchase own shares			(1 122)	(145)		(1 267)
Share based payment					3	3
<b>Balance as of 30.09.2023</b>	<b>28 739</b>	<b>51 170</b>	<b>(1 611)</b>	<b>(37 140)</b>	<b>425</b>	<b>41 583</b>

USD thousands	Share capital	Additional paid-in capital	Own shares	Accumulated earnings	Other equity/ Share based programme	Total equity
<b>Balance as of 01.01.2022</b>	<b>28 739</b>	<b>51 170</b>	<b>-</b>	<b>(33 611)</b>	<b>411</b>	<b>46 709</b>
Profit (loss) for the period				(3 440)		(3 440)
Other comprehensive income (loss)				-		-
Purchase own shares			(489)	24		(464)
Share based payment					9	9
<b>Balance as of 30.09.2022</b>	<b>28 739</b>	<b>51 170</b>	<b>(489)</b>	<b>(37 027)</b>	<b>420</b>	<b>42 815</b>

## 8.4 Interim consolidated statement of cash flow

USD thousands	Note	Q3 2023	Q3 2022	YTD Q3 2023	YTD Q3 2022
<b>Cash flow from operating activities</b>					
Profit (loss) before tax		(726)	(3 793)	(4 811)	(3 824)
Taxes refund (paid)		-	(0)	7	264
Depreciation, amortization and net impairment	3	1 602	1 369	4 807	(2 445)
Changes in fair value of investments	2	(586)	3 373	261	9 126
Changes in other gains (losses)		-	-	-	(666)
Other working capital changes		(734)	401	1 205	(1 938)
<b>Net cash from operating activities</b>		<b>(445)</b>	<b>1 350</b>	<b>1 468</b>	<b>518</b>
<b>Cash flow from investing activities</b>					
Disposal of property, plant and equipment		-	-	-	500
Cash received/paid from investments		-	(2 000)	-	(2 000)
<b>Net cash flow from investment activities</b>		<b>-</b>	<b>(2 000)</b>	<b>-</b>	<b>(1 500)</b>
<b>Cash flow from financing activities</b>					
Repayment of interest bearing debt		-	-	-	(896)
Investment in own shares		(179)	(464)	(1 267)	(464)
Interest paid		-	(0)	(0)	(59)
<b>Net cash flow from financial activities</b>		<b>(179)</b>	<b>(464)</b>	<b>(1 267)</b>	<b>(1 419)</b>
<b>Net change in cash and cash equivalents</b>		<b>(623)</b>	<b>(1 114)</b>	<b>201</b>	<b>(2 401)</b>
Cash and cash equivalents balance 01.07/01.01		3 022	2 718	2 197	4 005
<b>Cash and cash equivalents balance 30.09</b>		<b>2 398</b>	<b>1 604</b>	<b>2 398</b>	<b>1 604</b>

## 9. Notes to the interim consolidated financial statements

### Note 1 Segment

USD thousands Q3 2023/2022	Segment reporting				Unallocated		Total	
	Axxis		Investment					
<b>Income statement</b>	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
<b>Revenue</b>	<b>2 068</b>	<b>1 600</b>	-	-	-	-	<b>2 068</b>	<b>1 600</b>
Changes in fair value of investments (loss)	-	-	586	(3 373)	-	-	586	(3 373)
Other gains (losses)	-	-	-	-	-	-	-	-
Cost of sales	(1 156)	(190)	-	-	-	-	(1 156)	(190)
Selling, general and administrative expenses	(244)	(30)	-	(0)	(289)	(353)	(533)	(383)
Amortization multi-client	(1 602)	(1 369)	-	-	-	-	(1 602)	(1 369)
Write-up multi-client (reversal of impairment)	-	-	-	-	-	-	-	-
Depreciation & impairment	-	-	-	-	-	-	-	-
<b>Operating profit (loss) (EBIT)</b>	<b>(934)</b>	<b>11</b>	<b>586</b>	<b>(3 373)</b>	<b>(289)</b>	<b>(353)</b>	<b>(637)</b>	<b>(3 715)</b>

USD thousands YTD Q3 2023/2022	Segment reporting				Unallocated		Total	
	Axxis		Investment					
<b>Income statement</b>	YTD Q3 2023	YTD Q3 2022	YTD Q3 2023	YTD Q3 2022	YTD Q3 2023	YTD Q3 2022	YTD Q3 2023	YTD Q3 2022
<b>Revenue</b>	<b>6 512</b>	<b>4 736</b>	-	-	-	-	<b>6 512</b>	<b>4 736</b>
Changes in fair value of investments (loss)	-	-	(261)	(9 126)	-	-	(261)	(9 126)
Other gains (losses)	-	666	-	-	-	-	-	666
Cost of sales	(4 418)	(379)	-	-	-	-	(4 418)	(379)
Selling, general and administrative expenses	(522)	(318)	(6)	(3)	(1 060)	(1 462)	(1 588)	(1 783)
Amortization multi-client	(4 807)	(2 614)	-	-	-	-	(4 807)	(2 614)
Write-up multi-client (reversal of impairment)	-	5 618	-	-	-	-	-	5 618
Depreciation & impairment	-	(548)	-	-	-	(11)	-	(559)
<b>Operating profit (loss) (EBIT)</b>	<b>(3 235)</b>	<b>7 159</b>	<b>(267)</b>	<b>(9 130)</b>	<b>(1 060)</b>	<b>(1 472)</b>	<b>(4 562)</b>	<b>(3 443)</b>



## Note 2 Investment

USD thousands

<b>Non-current assets</b>	<b>30.09.2023</b>	<b>Change quarter</b>	<b>30.06.2023</b>
<b>Listed securities</b>			
Capsol Technologies ASA	4 638	242	4 396
Dolphin Drilling AS	1 618	343	1 276
<b>Listed securities</b>	<b>6 256</b>	<b>585</b>	<b>5 672</b>
<b>Unlisted securities</b>			
Arbaflame AS	<b>304</b>	<b>1</b>	<b>303</b>
<b>Unlisted securities</b>	<b>304</b>	<b>1</b>	<b>303</b>
<b>Total non-current assets</b>	<b>6 560</b>	<b>586</b>	<b>5 974</b>
<b>Change in fair value of investments</b>		<b>586</b>	

USD thousands

<b>Non-current assets</b>	<b>30.09.2023</b>	<b>Change YTD</b>	<b>31.12.2022</b>
<b>Listed securities</b>			
Capsol Technologies ASA	4 638	392	4 246
Dolphin Drilling AS	1 618	(627)	2 245
Listed securities	6 256	(235)	6 491
<b>Unlisted securities</b>			
Arbaflame AS	304	(26)	330
<b>Unlisted securities</b>	<b>304</b>	<b>(26)</b>	<b>330</b>
<b>Total non-current assets</b>	<b>6 560</b>	<b>(261)</b>	<b>6 821</b>
<b>Change in fair value of investments</b>		<b>(261)</b>	

### Capsol Technologies ASA

The investment in Capsol Technologies is valued based on Level 1 inputs, quoted prices in active markets. Closing price 30 September 2023 was NOK 13.65 per share.

### Dolphin Drilling AS

The investment in Dolphin Drilling is valued based on Level 1 inputs, quoted prices in active markets. Closing price 30 September 2023 was NOK 10.10 per share.

### Arbaflame AS

The investment in Arbaflame is measured based on Level 3 inputs. The estimated fair value of the Group's investment in Arbaflame was USD 0.3 million (NOK 3.3 million) at the end of September 2023.



## Note 3 Multi-client library

### Norwegian North Sea – Utsira

The Group's net book value as of 30 September 2023 is USD 25.4 million with Utsira OBN USD 19.1 million and the Reprocessing Utsira with USD 6.3million. The Group started amortization of the Reprocessing Utsira in January 2023 based on an estimated lifetime of 8.5 years.

The Group's amortization of Utsira OBN was USD 0.7 million during the third quarter and USD 2.1 million in the first nine months of 2023.

Amortization of reprocessing Utsira was USD 0.2 million during the third quarter and USD 0.7 million in the first nine months of 2023.

### Egypt – Gulf of Suez

The Group's net book value as of September 2023 is USD 7.3 million.

The Group's amortization of the Gulf of Suez was USD 0.7 million during the third quarter and USD 2.0 million in the first nine months of 2023.

## Note 4 General information

Aquila Holdings ASA ("AQUIL" or the "Company") is a public company listed on Euronext Expand Oslo and traded under the ticker AQUIL. The address of its registered office is Askekroken 11, 0277 Oslo, Norway. For more information, please see [www.aquilaholdings.no](http://www.aquilaholdings.no).

## Note 5 Basis for preparation

The interim consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as approved by EU and additional requirements in the Norwegian Securities Trading Act. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual report for 2022 which is available at [www.aquilaholdings.no](http://www.aquilaholdings.no). The same accounting policies and methods of computation are followed in the interim financial statements as in the annual financial statements for 2022.

The notes are an integral part of the consolidated financial statements.

The financial statements for Q3 2023 are based on the assumption of going concern.



## Note 6 Legal complaint

The Group has received a legal complaint from one of its competitors and has commenced an arbitration process relating to this matter. The Group does not expect that the outcome of an arbitration proceeding will have a material adverse effect on the financial statements and has therefore not made any related accruals.

**Oslo, 8 November 2023**

The Board of Directors and CEO of Aquila Holdings ASA

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Nina Skage  
Chair

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Ketil Skorstad  
Director

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Torstein Sanness  
Director

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Nils Haugestad  
Interim CEO

## About Aquila Holdings ASA

Aquila Holdings ASA ("AQUIL") is a Norwegian seismic multi-client and investment company listed on Euronext Expand. Aquila Holdings specializes in 3D ocean bottom node seismic multi-client data for near-field exploration. The company holds two key seismic multi-client assets, one in Norway and one in Egypt. Aquila Holdings also has an investment arm, with focus on investments in listed companies as well as companies expected to be listed.

More information on [www.aquilaholdings.no](http://www.aquilaholdings.no)

*The information included herein contains certain forward-looking statements that address activities, events, or developments that the Company expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to the demand for data from our multi-client data library, the attractiveness of our technology, unpredictable changes in governmental regulations affecting our markets. For a further description of other relevant risk factors, we refer to our Annual Report for 2022. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader and the Company disclaims any and all liability in this respect.*

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