



**FJORD
DEFENCE
GROUP**

Company Presentation

**Acquisition of Fjord Defence AS
and strategic repositioning**

27 May 2025





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Aquila acquires Fjord Defence and repositions Aquila as Fjord Defence Group - a defence compounder under new leadership

- **Aquila Holdings ASA has entered into an agreement to acquire 99% of the outstanding shares of Fjord Defence AS**
 - Enterprise Value NOK ~178.2m including net debt of NOK 8m
 - Equity value of Fjord Defence in the transaction: **NOK ~170.2m**
- **Fjord Defence is a fast-growing niche supplier** to the global defence industry
 - Light tripods and weapon mounts for ground applications, modular and light weight weapon mounts for vehicles, gun wales and weapon mounts for maritime applications, and miscellaneous weapon accessories
 - Established 2017, on track to deliver **revenue exceeding NOK 100m in 2025, with 15-20% EBITDA margin**
- Fjord Defence shareholders will receive the **majority of the settlement in Aquila shares at NOK 0.80/share** and become leading shareholders in Aquila Holdings:
 - **NOK ~140m settled in Aquila shares @ NOK 0.8 per share**, reflecting a pre-money market capitalization of Aquila of NOK 173m¹
 - Fjord Defence shareholders receive ~175m shares, or ~38%² of **Aquila Holdings ASA** shares post transaction and private placement (assuming agreement with remaining Fjord Defence shareholders to sell 1%)
 - **Settlement shares subject to lock-up:** 1/3 until 1st anniversary, 1/3 until 2nd anniversary, and 1/3 until 3rd anniversary
 - **NOK 30m settled in cash**
- Approx. NOK 9m shareholder loan in Fjord Defence to be settled in connection with transaction
- **Aquila to raise NOK 85m in new capital** to finance cash portion of settlement and redemption of shareholder loan
 - **NOK 60m new equity raised** in private placement of new shares
 - **NOK 25 million new debt facility**
- Aquila to be **repositioned as a defence compounder** under new experienced leadership and new name
 - Aquila Holdings ASA to be renamed **Fjord Defence Group ASA**
 - Fjord Defence Chairman and Founder **Jon Asbjørn Bø** to become new **CEO of Fjord Defence Group**
 - Fjord Defence Group to pursue **additional acquisitions and organic growth in fast-growing defence market**



Tripods



Rooftop mounts



Maritime mounts



Misc. accessories



1) Based on 215m shares outstanding net of Aquila's holding of Treasure Shares

2) Ownership share at NOK 60m Private placement at NOK 0.8 per share



Investment highlights

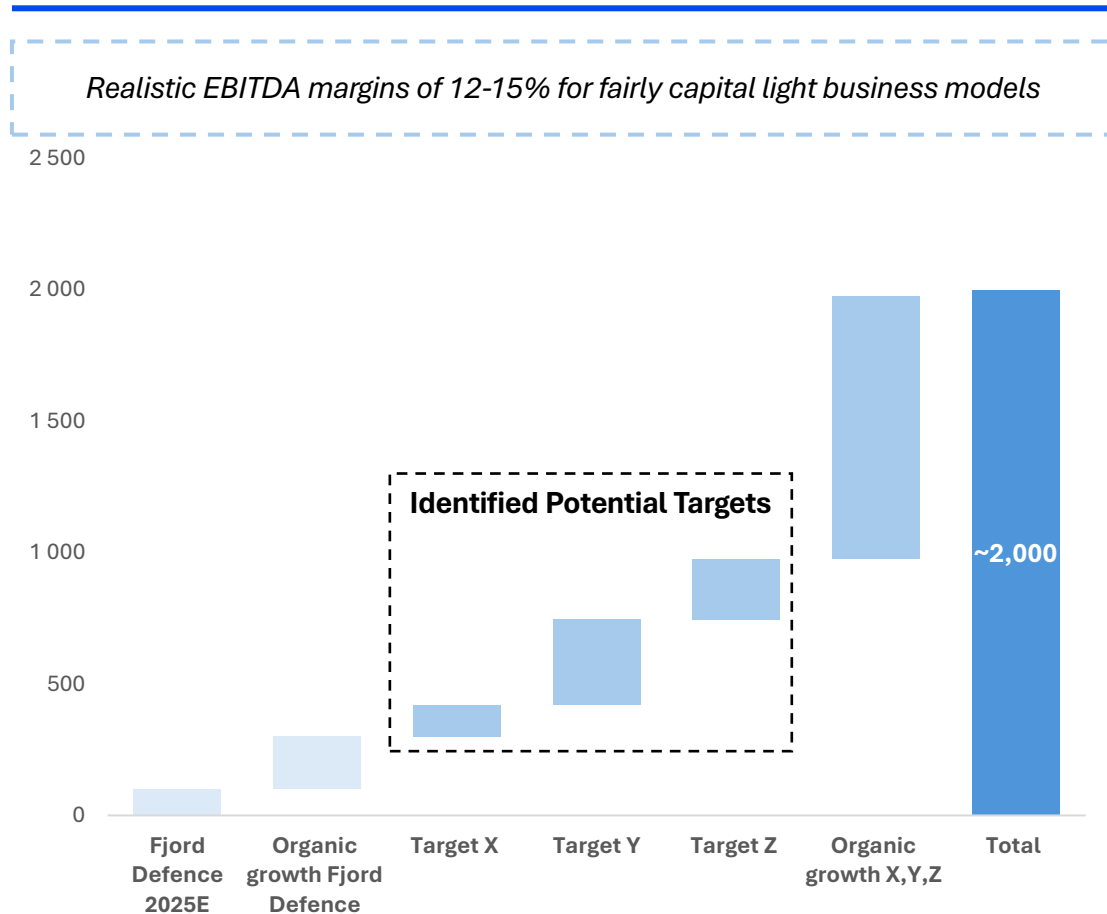


**FJORD
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- I Differentiated Buy and Build strategy as a listed Defence compounder**
- II Strong market tailwinds**
- III Seasoned management team with skin in the game**
- IV Fjord Defence acquisition creates a strong starting point**
- V Positioned for high growth in revenue and profit**

Buy & Build strategy with focus on established, profitable businesses


Revenue Scenario in 3-4 years (NOKm)



Buy & Build Strategy

- Fjord Defence Group looking to acquire companies within Defence, Security & related segments which fulfill the following criteria:
 - Well run with strong management team
 - History of profitability and growth
 - Strong growth outlook next decade
 - Small and medium companies with distinctive products
 - Not dependent on technology breakthrough to succeed
- Unlocking growth through improved access to capital, best practice sharing, and sharing of customer relationships and commercial network
- Acquired companies will continue to operate as stand-alone entities and be run by existing management, with support from Fjord Defence Group's board
- Several identified companies in the NOK 100-300m revenue category fulfilling acquisition criteria and willing to engage in stock exchange-listed "buy and build strategy"
- Stock exchange listing enables Fjord Defence Group to reap opportunities from multiple arbitrage

Management with extensive defence expertise and skin in the game



CEO: Jon Asbjørn Bø
~38m shares

- Founder and Chairman of the Board, Fjord Defence AS 2017-
- Member of Mgmt Board, Electronic Solutions Division, Rheinmetall
- CEO & President, Simrad Optronics ASA
- Finance Director: Vinghøg AS


  



CFO: Øyvind Mølmann




- Interim CFO, Hesselberg AS
- CFO of Selmer ASA (Skanska)
- SVP Finance Subsea at Aker Solutions
- CFO of Hands ASA

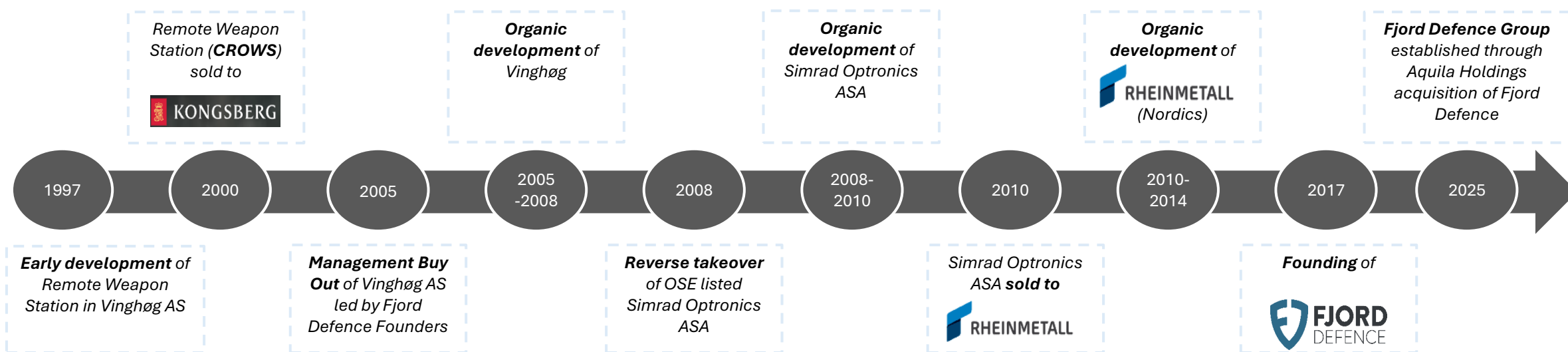
  



CEO, Fjord Defence: Harald Lunde
~26m shares

- MD, Business development, Fjord Defence AS
- SVP, Rheinmetall
- CEO, Rheinmetall Nordic
- BD Simrad Optronics ASA
- Director: Vinghøg
- Officer Norwegian Armed Forces

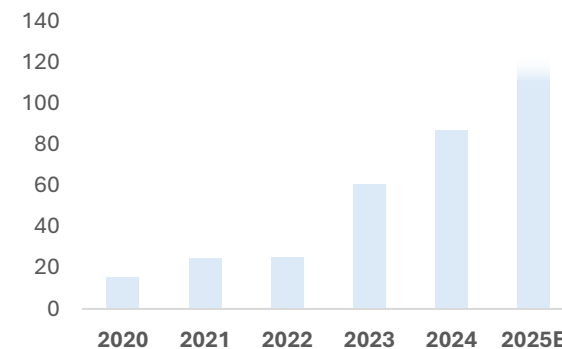


Fjord Defence: A profitable and fast-growing niche player

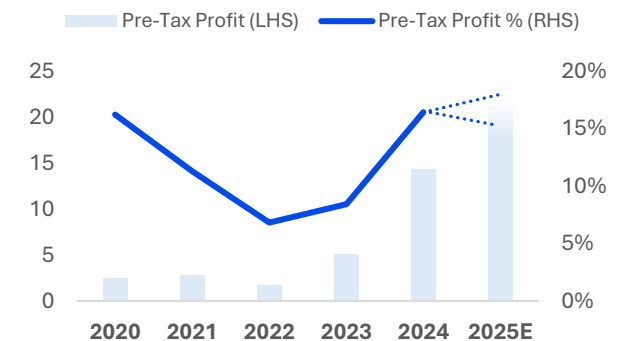
About Fjord Defence

- Norwegian enterprise established in 2017 by founders/ management with extensive experience from international defence industry.
- HQ in Vestfold, Norway with subsidiary in USA
- 12 highly skilled and experienced employees
- Niche company specialized in the design, manufacturing and installation of weapon integration solutions for soldiers, military vehicles and naval vessels
- Capital light business model with focus on development and assembly – no parts production
- Main end customers currently comprise German, British, Dutch, American and Swedish defence organizations
- Profitable since FY2020 while delivering strong revenue growth
- Debt free, internally funded since inception¹⁾
- Orderbook on YE 2024 of NOK 84m

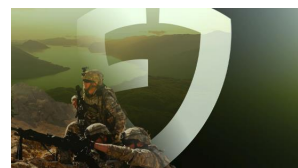
Strong revenue growth (NOKm)



Profitable since 2020 with increasing margins (NOKm)



Main Product Offering



Ground

Tripods and weapons mount with focus on high precision and lowest possible weight



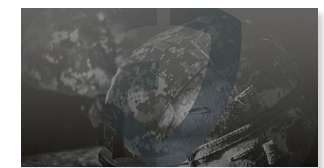
Maritime

Modular approach of Pedestals, Gun Wales and weapon mounts focusing on ergonomics, safety and operations in harsh environment



Vehicle

Modular solutions with focus on user friendly design and simple and low-cost integration with all types of platforms



Miscellaneous

Weapon accessories making the soldier's life easier and solving the details to improve effect

1) NOK 9m shareholder loan to be repaid as part of transaction



Fjord offers advanced platforms for next-gen weapons systems¹



Ground



Vehicle



Maritime

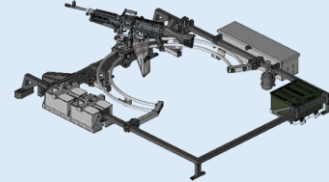


Miscellaneous

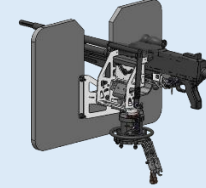
Light Tripods



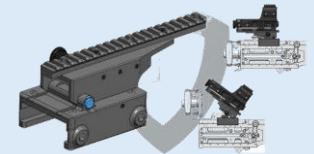
Roof Top Systems



System Solutions for MMG



Sight Brackets



Mounts



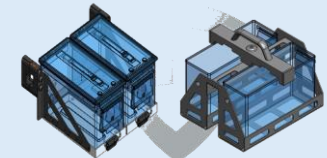
Skate Mounts



System Solutions for HMG



Ammo Box Holders



1) Selected products from a broad product portfolio



Leveraging Technology for sustained competitive edge

State of the art technology...

- Fjord Defence's **unique recoil dampening mitigation system** gives consistent rate of fire and good weapon function in all conditions, and secures a well-functioning weapon even when firing in high elevation angles
- Recoil mitigation system placed **directly in the line of bore** to ensure lowest possible disturbance torque acting on the system during firing to increase stability
- **Robust design** with all main components made of stainless steel with surfaces treatment according to military standards for wear and corrosion protection
- Use of high degree of carbon fiber in tripods to **reduce weight**

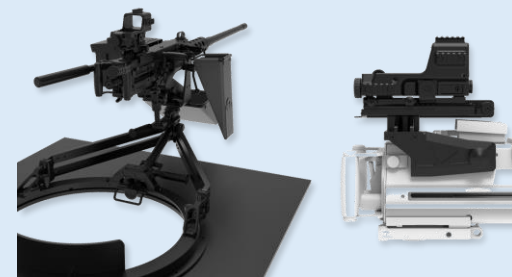


New prototype tripod for new US 7.62/.338 caliber machine gun under development for US Rangers during testing in USA



...Leading to a superior competitive edge

- Fjord Defence is **one of the market leaders** in Europe in the weapons integration market. In terms of **brand recognition**, it is **number one**
- Fjord Defence has so far **won 60-70% of all tenders**. The high hit ratio reflects **superior products**
- Typical **contract size is NOK 1-30m** with **gross margins north of 40%**
- The weapons integration market is an **overlooked and attractive niche** with high margins for well-run companies with top quality products
- Compared to legacy international defence contractors, Fjord Defence has **much less overhead** and **higher agility** giving it a long-term competitive edge



Experienced product developer with customer-oriented approach

Extensive product development expertise and experience

- Extensive experience and deep expertise in the development of products and systems for light, medium and heavy machine guns (ISO 9001 certified)
- Rapid and cost-effective way to adapt to and develop customer solutions
- In-house 3D printer: evaluation and reduced risk – “first time right”
- SolidWorks 3D design tool, FEM analyzes and dynamic simulations. Relevant MIL/DEF and STANAG¹ standards
- Engineering tests on system and sub-system in early stages to minimize risk
- Close proximity between engineering, workshop and production.
- Our design focus is always to solve the soldier's needs with better functionality, Simplicity, Durability and maintainability

Workshop in Vestfold



3D Printing of parts



Verification shooting at Nammo



Customer-centric with multiple joint development projects

- Fjord Defence has ongoing off-set agreements with several large defence companies, providing:
 - Funding of development
 - Technology transfer
 - Access to new markets (B2B)

Ongoing Projects

 **DILLON AERO**



 **Trijicon**
Brilliant Aiming Solutions™



KNDS



 **Supacat**



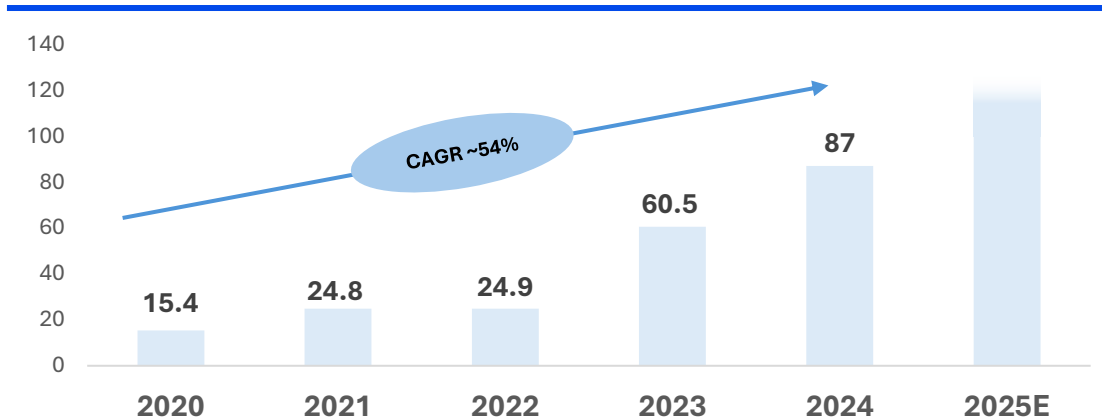
FFG



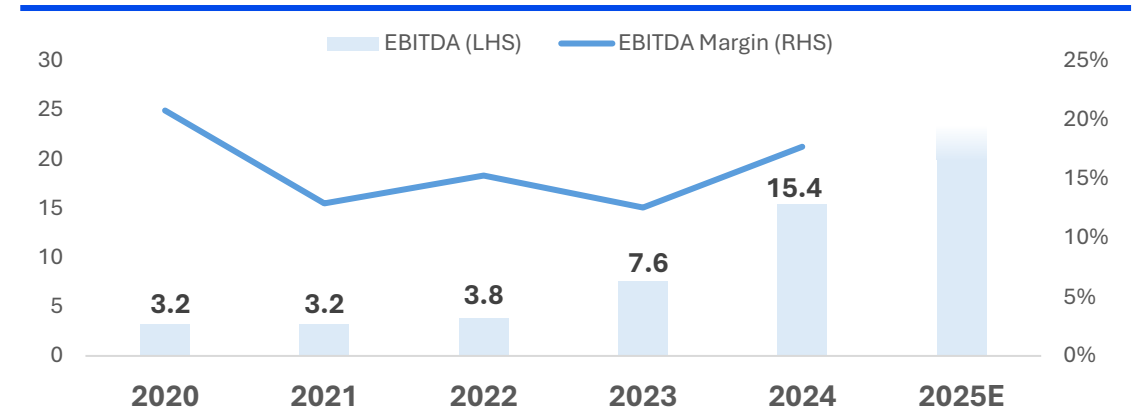
1) STANAG Standards: Standardization Agreement adopted by NATO to secure interoperability & technical guidelines between military forces

Strong momentum across all financial metrics

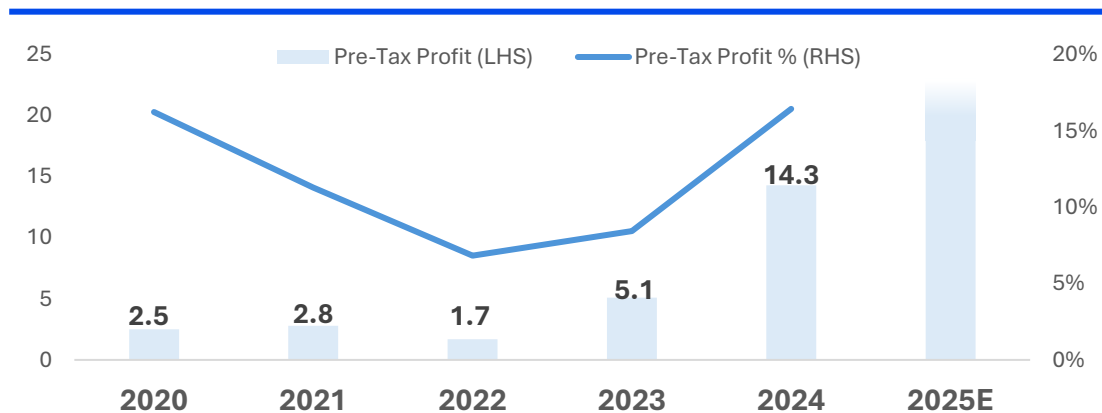
Revenue development since 2020 (NOKm)



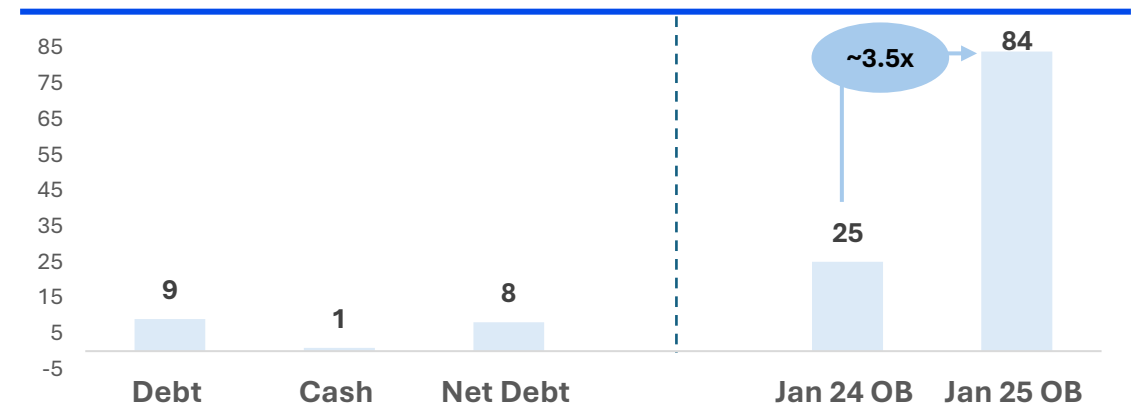
EBITDA development (NOKm)



Profit before tax development (NOKm)



Net debt position per 31 March 25 & Order book (NOKm)



Step-change in demand growth from Europe and NATO

Market Drivers: European & NATO Defence Spending

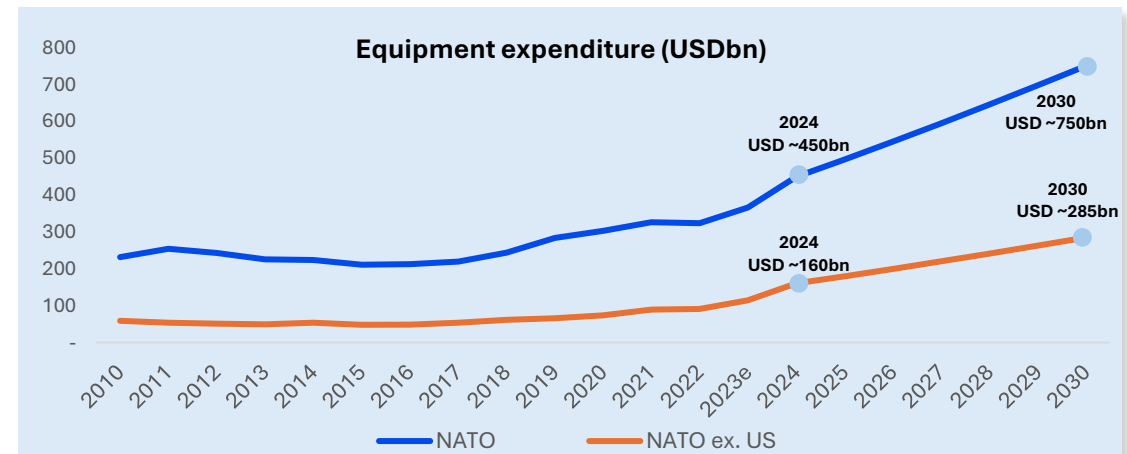
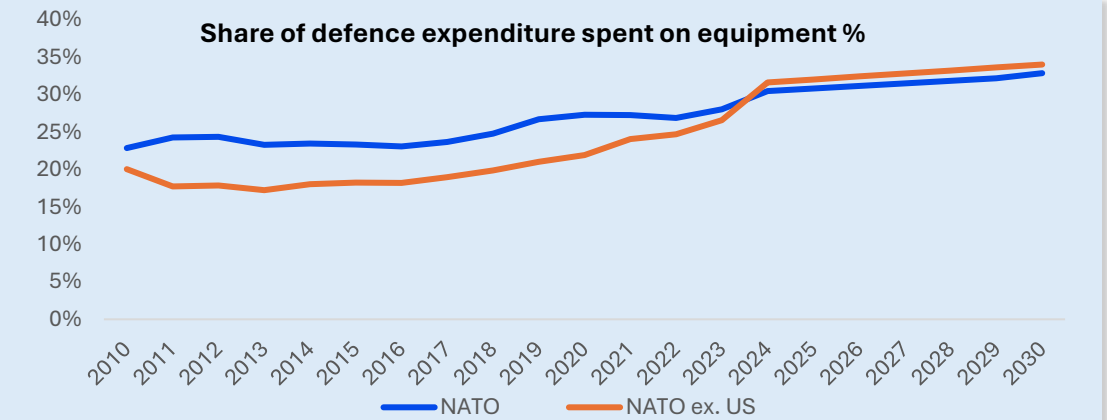
Structural shift in European defence budgets

- European countries are undergoing a *long-term structural shift* in defense policy, moving from “peace dividend” levels to sustained rearmament
- Majority of NATO countries have now pledged to meet or exceed the 2% of GDP defense spending target — up from ~6 countries in 2021 to >20 in 2024
- Germany's “Zeitenwende” marked a paradigm shift, allocating €100bn in new defense investment, signaling the political will for rapid capability buildup.

ReArm EU and EU Defence Industrial Strategy

- The EU’s ReArm program (2025–2027) proposes a new, multi-billion euro fund to **strengthen Europe’s defense industrial base**
- Key objectives:
 - **Ramp-up production** of critical defense systems (e.g., munitions, air defense, armored vehicles)
 - Reduce dependency on non-EU suppliers
 - Incentivize **cross-border joint procurement** and support defense SMEs
- Aligned with broader EU policy push for *strategic autonomy* in defense

Defence spending development



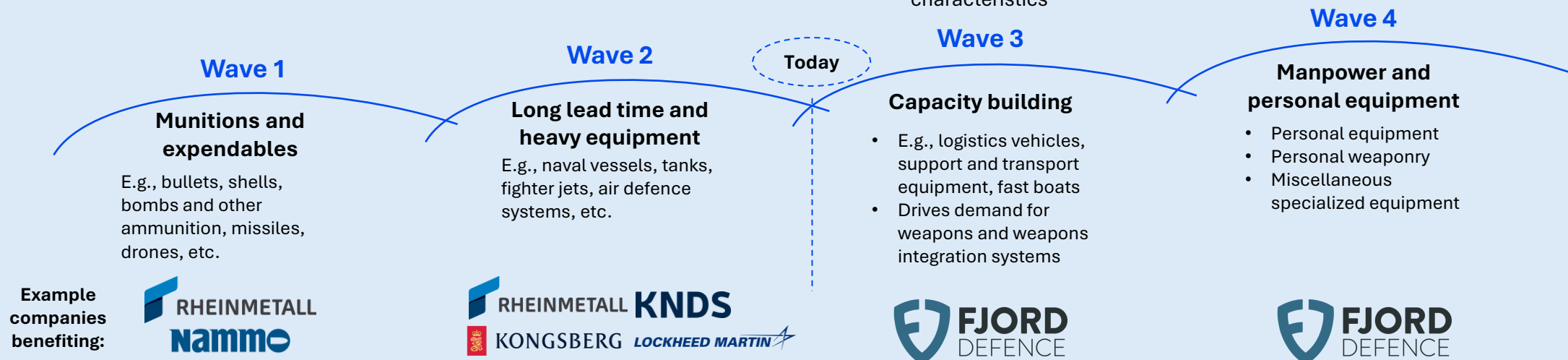
Fjord Defence's markets are just entering a multi-year upcycle

Increased defence spending thus far has mostly benefited established players

- Following Russia's invasion of Ukraine defence spending has followed a typically phased approach – with waves of spending following a known pattern
- First wave of spending growth reflected immediately identified shortages of munitions including bullets, artillery shells, bombs, missiles and drones
- In the second wave, focus turned to programs for heavy and long-lead equipment to replace donated equipment and build long-term capabilities
- Main beneficiaries thus far been established companies within munitions production and specialist producers of heavy and specialized equipment

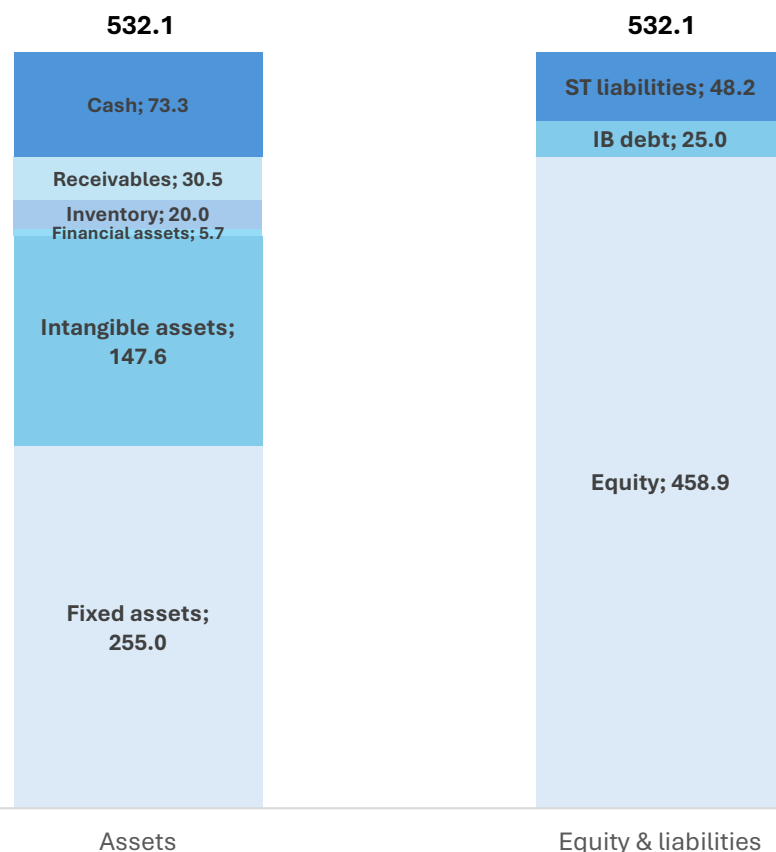
We are on the cusp of entering a super cycle for niche defence players

- Market entering a capacity-building phase, with focus on growing capacities like light support and logistics vehicles
- In addition, heavy equipment nearing delivery to be outfitted with lighter/secondary weapons
- Creating demand for broad range of lower cost, yet high-end and specialized equipment favoring small, agile and innovative suppliers such as Fjord Defence
- Demand growth in this phase expected to be long-lived, and will be followed by a fourth phase focusing on manpower and personal equipment with similar demand characteristics



Strong balance sheet creates ample capacity for growth

Fjord Defence Group pro forma¹⁾ balance sheet 31.3.2025 (NOKm)



Comments to balance sheet and liquidity position

- Aquila reported available liquid funds of USD 6.6m on 31 March 2025, consisting of bank deposits and marketable securities. USD ~3m from bank deposits and USD ~3.6 from shares in Capsol Technologies
- Liquidity strengthened with proceeds from Private Placement (net of cash payment to Fjord Defence shareholders and settlement of shareholder loan), and new NOK 30m revolving Working Capital facility
- Total available pro forma liquidity approx. NOK 140m, of which NOK 73.3m cash, NOK 37m Capsol shares and NOK 30m RCF
- Additional debt facility of NOK 30m committed for potential new acquisitions ("Hunting License")
- Total interest-bearing debt of NOK 25m, net cash position
- Strong equity position with equity ratio of ~86%
- Valuation support from Aquila Legacy assets encompassing USD 20.5m MC library and USD 3.6m investment portfolio²⁾, which are to be harvested for optimization of value
 - Corresponds to NOK 1.22/ share before transactions³⁾, compared to NOK 0.80/ share issue price
- Well-positioned to negotiate further acquisitions without financing condition

1) Including acquisition and assumed NOK 60m private placement, not included sale of 6m treasury shares to Lighthouse Reef AS in connection with closing of transaction

2) See Appendix p. 22 for a detailed breakdown of Aquila Legacy assets

3) Based on 215.8m shares outstanding net of treasury shares



Investment highlights

- 
- I Differentiated Buy and Build strategy as a listed Defence compounder**
 - II Strong market tailwinds**
 - III Seasoned management team with skin in the game**
 - IV Fjord Defence acquisition creates a strong starting point**
 - V Positioned for high growth in revenue and profit**



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APPENDIX

Shareholder Overview¹⁾

Aquila Shareholders as per 6th of May 2025

#	Name	Shares	% ownership
1	INVESTERINGSFONDET VIKING AS	23 717 632	11.0 %
2	F2 FUNDS AS	20 846 200	9.7 %
3	TIGERSTADEN AS	16 250 000	7.5 %
4	F1 FUNDS AS	11 268 272	5.2 %
5	ALDEN AS	11 265 384	5.2 %
6	DNB BANK ASA	9 300 000	4.3 %
7	SIX SIS AG	7 990 000	3.7 %
8	GINNY INVEST AS	7 750 230	3.6 %
9	URTIVEN AS	6 400 000	3.0 %
10	BALLISTA AS	6 323 231	2.9 %
11	Em Kapital As	6 316 846	2.9 %
12	LIVERMORE INVEST AS	6 211 845	2.9 %
13	PHILIP HOLDING AS	5 750 230	2.7 %
14	KING KONG INVEST AS	4 850 000	2.2 %
15	Johansson	4 351 294	2.0 %
16	TTC INVEST AS	4 000 000	1.9 %
17	HMH INVEST AS	2 617 958	1.2 %
18	Skandinaviska Enskilda Banken AB	2 500 000	1.2 %
19	PETTERSEN	2 200 000	1.0 %
20	Nordnet Bank AB	2 038 144	0.9 %
21	Fender Eiendom AS	1 805 665	0.8 %
22	Guttis AS	1 750 000	0.8 %
23	GUNERIUS PETTERSEN AS	1 600 000	0.7 %
24	Skandinaviska Enskilda Banken AB	1 457 255	0.7 %
25	Other Aquila Shareholders	47 223 920	21.9 %
Total		215 784 106	100 %

Aquila Shareholders after Acquisition and Private Placement²

#	Name	Shares	% ownership
1	AS Saturn	37 602 784	8.1 %
2	Trigger AS	37 534 080	8.1 %
3	Cubic Invest AS	37 534 080	8.1 %
4	GKI AS	34 635 856	7.4 %
5	HUGIN Management	25 888 752	5.6 %
6	INVESTERINGSFONDET VIKING AS	23 717 632	5.1 %
7	F2 FUNDS AS	20 846 200	4.5 %
8	TIGERSTADEN AS	16 250 000	3.5 %
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20	Johansson	4 351 294	0.9 %
21	TTC INVEST AS	4 000 000	0.9 %
22	HMH INVEST AS	2 617 958	0.6 %
23	Other Fjord Defence shareholders	1 992 416	0.4 %
24	Shareholder in Private Placement	75 000 000	16.1 %
25	Other Aquila Shareholders	60 067 400	12.9 %
Total		465 972 074	100 %

1) Net of treasury shares, not included sale of 6m treasury shares to Lighthouse Reef AS in connection with closing of transaction

2) Assuming agreement with remaining Fjord Defence shareholders to sell 1% on identical terms as the majority sellers



Product Portfolio Examples



MAG mount for Mercedes trucks for Lithuania



Top-roof system truck FMV Sweden



Pedestal with ballistic shield Vittoria Shipyard Italy



Weapon integration on Goldfish RIB



HMG on Defature 4x4 NL



Skatmount mount on Mercedes truck



Tripod and HMG Mount DK



Integration MAG on CB 90



21 COUNTRIES SOLD TO, 18 USER NATIONS OF FJORD PRODUCTS



NOR



SWE



DKN



FIN



USA



CAN



GER



NL



CH



AUS



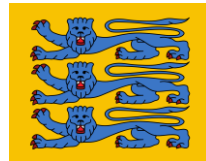
GBR



LAT



LIT



EST



IT



SP



POR



SLV



Malaysia



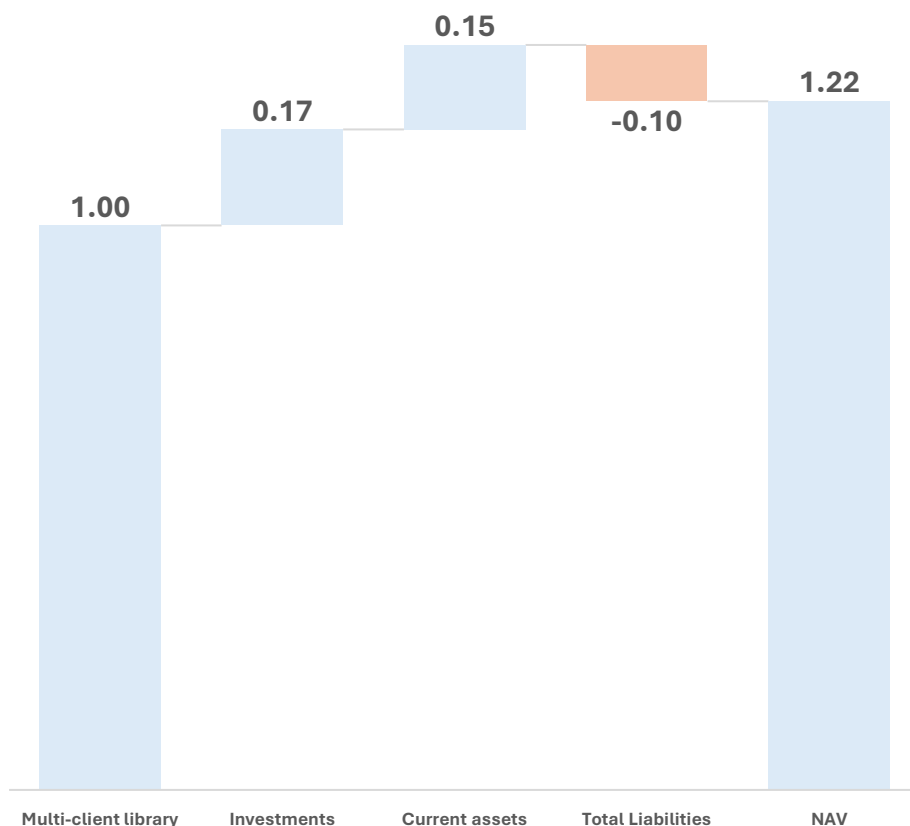
Singapore



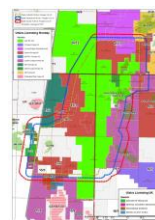
South Africa

Aquila Legacy assets supports NOK ~1.2 pre-transaction NAV/share

Net Asset Value / share, per 31 March 25¹ (NOK)



Multi client Library



Utsira North Sea
USD 17.2m
(84%)



Gulf of Suez
USD 3.3m
(16%)

Highlights from Q1 2025

- Industry-funded Utsira reprocessing project with Viridien and TGS
- Sales initiatives and client discussions ongoing
- Expect positive impact of NCS M&A activity
- Egypt E&P activity appear to be improving
 - Recent GUPCO discovery based on library data
- Uncertainty persists regarding timing of late sales, but general improved outlook

Financial Assets and Investments

capsol technologies

Highlights from Q1 2025

- Ocean bottom node operations sold to TGS in March 2022, final settlement March 2025
 - Positive cash flow impact of USD 1.5m
 - Financial gain of 0.2m
- Arbaflame AS shares sold for USD 0.4m
- Fair value of investment in Capsol Technologies USD 3.6m at quarter end
 - FID reached for Stockholm Exergi project in March, achieving a major milestone

Overview of bank debt facilities


	NOK 25m Term Loan	NOK 30m M&A Loan ("Hunting License")	NOK 30m (20+10) Overdraft Facility
Amount	<ul style="list-style-type: none"> NOK 25 million 	<ul style="list-style-type: none"> Up to NOK 30 million 	<ul style="list-style-type: none"> NOK 20m +10m (seasonal overdraft)
Interest	<ul style="list-style-type: none"> Competitive margin, payable quarterly in arrears 	<ul style="list-style-type: none"> Competitive margin, payable quarterly in arrears 	<ul style="list-style-type: none"> Competitive margin, payable quarterly in arrears
Tenor	<ul style="list-style-type: none"> 5 Years 	<ul style="list-style-type: none"> 2 years availability 5 Years from drawdown 	<ul style="list-style-type: none"> Subject to annual renewal Seasonal overdraft 3 months availability only
Profile / Amortization	<ul style="list-style-type: none"> 5 Year amortization (straight line) 	<ul style="list-style-type: none"> 5 Year amortization (starting 6 months after drawdown) 	<ul style="list-style-type: none"> Share pledge in material companies and pledge in all available operational assets Pledge in- and subordination of shareholder loans and intra-group loans
Security	<ul style="list-style-type: none"> Share pledge in material companies and pledge in all available operational assets Pledge in- and subordination of shareholder loans and intra-group loans 	<ul style="list-style-type: none"> Share pledge in material companies and pledge in all available operational assets Pledge in- and subordination of shareholder loans and intra-group loans 	N/A
Covenants	<ul style="list-style-type: none"> NIBD/ EBITDA ICR Minimum Liquidity Dividend lock-up: No dividends under M&A availability period, and subject to certain financial hurdles 	<ul style="list-style-type: none"> NIBD/ EBITDA ICR Minimum Liquidity Dividend lock-up: No dividends under M&A availability period, and subject to certain financial hurdles 	<ul style="list-style-type: none"> NIBD/ EBITDA ICR Minimum Liquidity Dividend lock-up: No dividends under M&A availability period, and subject to certain financial hurdles
Conditions precedent	N/A	<ul style="list-style-type: none"> NIBD/EBITDA hurdle Acquired targets to have positive EBITDA LTM Minimum 50% equity contribution 	N/A

Fjord Defence Group Pro Forma Balance Sheet 31 March 2025¹

Assets	NOKm
Long-term assets	
Total Intangible assets	147 576
Total Financial assets	5 739
PPE	254 998
Total long-term assets	408 303
Current assets	
Total inventory	19 236
Total receivables	30 503
Other current assets	738
Cash and cash equivalents	73 321
Total current assets	104 598
Total assets	532 101
Equity and Liabilities	NOKm
Total equity	458 902
Liabilities	
Total non-current liabilities	25 000
Total short-term liabilities	48 198
Total liabilities	73 198
Total equity & liabilities	532 101

- Pro Forma balance sheet is based on the balance sheets of Aquila Holding ASA and Fjord Defence AS as of 31 March 2025, adjusted for the terms of the transaction, settlement of the NOK 9m shareholder loan, and the financing including a NOK 60m Private Placement
- Final settlement of acquisition to be adjusted for difference between actual and normalized working capital in Fjord Defence, with adjustment settled through an adjustment of number of consideration shares issued.
- Aquila Holdings has an off-balance sheet tax loss carry forward in excess of NOK 500m which may (in part or in full) be used to offset taxable profits of Fjord Defence Group

1) Not included sale of 6m treasury shares to Lighthouse Reef AS in connection with closing of transaction



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