

CARBON
TRANSITION

Q3 2022 Earnings Release

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1 CEO statement

Oil prices came off their recent highs in the quarter in light of global recessionary fears. We also saw a meaningful spike and subsequent correction in the natural gas markets. In spite of this volatility, overall energy prices remain high viewed from a historical perspective. Moreover, the focus on energy security and the need for reliable oil and gas supply is on the forefront of energy discussions. With this as a backdrop, we believe oil companies will continue the increased pace of capital investment, which will benefit Carbon Transition's multi-client seismic library as well as our other hydrocarbon-related assets.

We expect capital investment by oil companies to principally target areas with existing operational infrastructure, where marginal production cost is attractive. In addition, we expect to see investment in select geographic regions with attractive near-term prospects. Longer-term regulatory uncertainty is likely to impede investment in more speculative exploration or in new infrastructure with longer pay-back time.

Carbon Transition's multi-client library fits well into this narrative, and we expect to capitalize on the growing need for superior seismic data. We will also continue to review additional investment opportunities in the broader energy-related sector.

During the quarter, we reported our first multi-client late sale in the Gulf of Suez. We are encouraged to see a late sale this soon after completing data processing. Our high-quality seismic data set in Egypt is the first survey in the area which provides oil companies enhanced imaging of sub-salt reservoir opportunities. In the Utsira area in the North Sea, we are seeing solid operational activity and a continued interest in further field development and well optimization. While seismic data late sales will remain lumpy and less predictable, we feel very comfortable with our library and our ability to deliver the sales corresponding to the booked value.

In the quarter, we made an additional acquisition in the investment portfolio. We purchased USD 2.0 million of common shares in Dolphin Drilling. We are excited about this investment and believe the company is well positioned to take advantage of the trends discussed above.

Volatile capital markets are otherwise a concern for our investment portfolio, as access to growth capital has become increasingly challenging. In light of this, the portfolio has taken a write-down in the quarter and we still see market uncertainty as a risk to our investments. However, that being said, we also believe there is significant upside in the portfolio which we expect will balance this downside risk.

We are continuing to evaluate investment opportunities within our broader investment focus and will take an opportunistic approach given the market volatility. We expect to generate near-term cash flow from our multi-client portfolio and will be able to make investments from this.

Cash net income for the period was USD 1.2 million and the company's net asset value were NOK 1.97 per share. In the third quarter, the company repurchased USD 0.5 million of its own shares.

Nils Haugestad, interim CEO

2 Events during the quarter

- First multi-client late sale of USD 1.6 million from Gulf of Suez survey
 - Significantly earlier than anticipated
 - Data processing recently completed
- Fair value of multi-client library USD 31.9 million
- Fair value of investments of USD 11.1 million
 - Includes new USD 2.0 million investment in Dolphin Drilling
- Repurchased USD 0.5 million own shares
- Cash earnings USD 1.2 million for the quarter
- Available liquid funds of USD 8.3 million*
- Net asset value NOK 1.97 per share

* Bank deposits, trade receivable, marketable securities less payable for repurchase of own shares

3 Subsequent events after the quarter

- Britishvolt has recently faced a challenging market for its fund-raising efforts. Subsequent to quarter end, the company has secured near-term financing and is working on longer-term financing alternatives. Cost reduction efforts have been implemented. A negative outcome with respect to financing could have a material impact on the business.

4 Key financial indicators

USD thousands

	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Profit and loss				
Revenue	1 600	8 987	4 736	10 185
Changes in fair value for investments	(3 373)	-	(9 126)	-
Other gains and losses	-	-	666	-
Selling, general and administrative expenses	(383)	(1 117)	(1 783)	(5 030)
Reverse impairment multi-client	-	-	5 618	-
Net profit (loss)	(3 793)	(3 309)	(3 440)	5 158
Basic earnings (loss) per weighted average shares (in USD)	(0.02)	(0.02)	(0.01)	0.02
Financial position	30.09.2022	31.12.2021		
Bank deposits	1 604	4 005		
Available liquid funds *	8 294	14 232		
Total assets	49 347	54 775		
Total equity	42 815	46 709		
Ratio analysis	30.09.2022	31.12.2021		
Equity ratio	86.8 %	85.3%		
Net asset value per share (NOK **)	1.97	1.72		

*Bank deposits, trade receivable, marketable securities less payable for repurchase of own shares

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

5 Business overview

5.1. Multi-client

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 resources. In these production fields, oil and gas can be developed

with lower cost, environmental impact and I emissions.

During the second half of 2022, we have seen further developments supporting the business case for exploration and development activities on the Norwegian continental shelf, which in turn will add to the positive outlook on our multi-client business. Energy security has taken center stage on the political agenda in the EU and the UK, and drilling activity in the North Sea is seen as key to identify cheaper, more environmentally friendly and politically safe energy.

As for the multi-client assets in Egypt, we are currently witnessing the largest ever investment cycle in the Middle East region. The uptick in activity is positively impacting seismic data sales and in Q3 2022 we had our first late sale of the Gulf of Suez data, well ahead of our previously announced expectations.

We expect the investment growth in exploration and development in our core areas to be durable and reinforced by the long-term demand outlook and supportive commodity prices.

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 AkerBP, 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 prospects. The data has extremely high sampling density. This helps our clients obtain new information and aids in making new discoveries previously unavailable with legacy broad band streamer data.

AkerBP and Equinor will spud two exploration wells in Q4 2022 that will test prospects identifiable on the Utsira OBN data. As for any exploration drilling, the outcome of the wells is uncertain, but it proves that the data is entering into a phase where decisions are made, and wells are being planned based on information extracted from our data.

Egypt – Gulf of Suez

The Gulf of Suez is a mature petroleum basin which has been in production since the 1980s. Exploration in the area 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 (WesternGeco) and cover 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.

During the third quarter we made our inaugural late sale to a local client in the Gulf of Suez that is currently embarking on a drilling campaign. The market is recognizing the need for high-density and high-resolution data to support and resolve exploration decisions in this mature basin. We expect to see further drilling activity based on the multi-client data with the upcoming Neptune well in the Northwest el Amal area.

5.2. Investments

New investments

The Group Invested in Dolphin Drilling AS during the third quarter of 2022 with 1,714,568 shares at USD 2.0 million.

Development in current investments

CO2 Capsol AS

The Group participated with USD 4.7 million (NOK 40.0 million) in CO2 Capsol AS' 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 CO2 Capsol were listed on Euronext Growth in Oslo in December 2021. The closing share price at the end of September 2022 was NOK 10.90, which values the Group's investment at USD 3.7 million (NOK 39.6 million).

Dolphin Drilling

During this quarter, the Group invested USD 2.0 million (NOK 20.0 million) in Dolphin Drilling AS. 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 subsequent to quarter end. The closing share price at the end of September 2022 was NOK 11.85, which values the Group's investment at USD 1.9 million (NOK 20.3 million).

Britishvolt

In August 2021, the Group invested approximately USD 1.7 million (NOK 15.2 million) to acquire 100,000 shares in the Series B equity private placement in the UK-based company, Power by Britishvolt Limited. In addition, Carbon Transition secured an option to acquire an additional 100,000 shares at the same price per share This option

is valid until, and must be exercised in conjunction with, an initial public offering of the company.

The Group is currently valuing Britishvolt at GBP 30.08 per share which is based on latest share transactions in 2022. Comparably, the Group's entry price into Britishvolt as well as the exercise price on the Group's Britishvolt options is GBP 12.68 per share.

The estimated fair value of the Group's investment in Power by Britishvolt Limited is USD 5.3 million (NOK 57.1 million) at the end of September 2022.

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 is considering an equity private placement at NOK 0.83 per share and the Group is adjusting its carrying value accordingly. 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 2022.

The Group classifies its investments as non-current assets. Total initial invested capital was USD 11.9 million. The fair value of the total investments was USD 11.1 million (NOK 115.5 million) at the end of September 2022:

CO2 Capsol AS	USD 3.7 million
Dolphin Drilling AS	USD 1.9 million
Power by Britishvolt Limited	USD 5.3 million
Arbaflame AS	USD 0.3 million

Changes in fair value relative to Q2 2022 resulted in a non-cash loss of USD 3.4 million in Q3 2022.

6 Outlook

Global market uncertainty is likely to result in continued volatility in energy prices. Nevertheless, we expect the overall price levels to remain historically high for the foreseeable future and this will encourage capital expenditures by the oil companies. The need for reliable energy supply will remain a focal point and will also support additional capital investment. We continue to believe that it is prudent to expect a lag effect before this translates to revenues for the broader oil services sector.

General market volatility is expected to remain high given the economic outlook. In addition to impacting equity valuations, this is also resulting in more challenging financing markets. This dynamic poses a risk to our investment portfolio. However, we also believe we have meaningful upside potential in these investments.

Additional investments going forward are expected to be funded by cash from late sales. We will continue to evaluate new investment opportunities in line with our broader strategic focus. We will also be considering potential share repurchases and/or dividends.

7 Board of directors' financial review

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

REVENUE

Revenue for the third quarter of 2022 was USD 1.6 million compared to USD 9.0 million for the third quarter of 2021. The revenue in Q3 2022 is related to its first late sales from the Gulf of Suez multi-client survey whereas the revenue in Q3 2021 was related to North Sea seismic node contract work.

CHANGES IN FAIR VALUE FOR INVESTMENTS

Changes in fair value of investments in third quarter 2022 was a non-cash loss of USD 3.4 million compared to zero in third quarter of 2021.

OTHER GAINS AND LOSSES

There were no other gains to report this quarter or for the comparable quarter.

COST OF SALE (COS)

COS in the third quarter of 2022 of USD 40 thousand is representing storage for remaining seismic equipment and storage of the Utsira multi-client survey compared to COS of USD 8.5 million in the third quarter of 2021 due to operations in the North Sea and operational downscaling expenses of USD 0.3 million.

In addition, there is a non-cash event in the third quarter related to the reclassification of currency gain of USD 150 thousand previously reported as COS, to be reclassified to currency exchange gain under finance.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

SG&A in the third quarter of 2022 amounted to USD 0.4 million compared to USD 1.1 million in the third quarter of 2021. Personnel and related costs have decreased due to downscaling. The Group effort of cost cutting is largely completed.

DEPRECIATION OF TANGIBLE ASSETS

Depreciation was zero during the third quarter of 2022 compared to depreciation of USD 0.6 million in the third quarter of 2021. There were no capital investments made in the third quarter of 2022 or 2021.

AMORTIZATION OF INTANGIBLE ASSETS

The straight-line amortization of the Utsira multi-client survey was changed from 4 to 10 years from 1 January 2022, which gives 8.5 years remaining amortization. The new amortization from Q2 2022 was USD 0.7 million per quarter compared to amortization of USD 1.8 million in Q3 2021 for the Utsira survey.

The Group's multi-client data in Gulf of Suez was finalized with processing and its first quarter of amortization was USD 0.7 million, compared to zero in Q3 2021.

IMPAIRMENT AND REVERSE OF IMPAIRMENT

No impairment charges have been made in 2022 of the Utsira multi-client survey or the Gulf of Suez multi-client survey in Egypt.

During the first quarter of 2022, the Group reversed a portion of the 2019 and 2020 impairment and increased the Utsira survey carrying value with USD 5.6 million based on expectation for future late sales.

FINANCIAL ITEMS

Net financial expense was USD 0.2 million during the third quarter of 2022, compared to net financial expense of USD 0.3 million in the third quarter of 2021. The net financial expense in the third quarter of 2022 is mainly due to a net loss on currency exchange.

In addition, there is a non-cash event in the third quarter related to reclassification of currency gain of USD 150 thousand from COS to currency exchange gain under finance which give net financial expense of USD 0.1 million during the third quarter of 2022.

INCOME TAX (EXPENSE)

The corporate income tax in Norway is 22% in 2022.

The Group has no change in tax expense during third quarter of 2022, compared to USD 70 thousand for the same period in 2021. The tax revenue in Q3 2021 is mainly related to taxes in Egypt.

The Company has no deferred tax assets booked as of 30 September 2022. Tax loss carried forwards by year-end 2021 was estimated at approximately USD 48 million.

RESULT FOR THE PERIOD

The Company had a loss of USD 3.8 million for the third quarter of 2022 compared to a loss of USD 3.3 million for the third quarter of 2021.

FINANCIAL POSITION AND CASH FLOW

As of 30 September 2022, the Company had total assets of USD 49.3 million, compared to total assets of USD 54.8 million as of 31 December 2021.

Total non-current assets of USD 46.0 million as of 30 September 2022 compared to USD 50.5 million as of 31 December 2021. This is attributed to multi-client library and financial assets adding USD 6.0 million offset by net decrease in investment during the first nine months of 2022 of USD 7.1 million and a decrease of USD 3.4 million in fixed assets which includes the sale of the node business. There was no new investment or disposal in 2022.

Total current assets reduced from USD 4.2 million as of 31 December 2021 to USD 3.3 million as of 30 September 2022. The decrease is driven by an increase in trade receivable by USD 1.6 million related to Gulf of Suez late sale, offset by reduction in cash by USD 2.4 million and in other current assets by USD 0.1 million. The Company's cash balance ended at USD 1.6 million per 30 September 2022.

The Group's equity was USD 42.8 million at the end of September 2022, representing a decrease of USD 3.9 million compared to 31 December 2021, where USD 0.5 million is related to the purchase of own shares during the quarter. The equity ratio is 86.8% as of 30 September 2022 compared to 85.3% as of 31 December 2021.

Total non-current liabilities reduced from USD 0.9 million as of 31 December 2021 to zero as of 30 September 2022, following the full repayment of the company's TGS loan during the first quarter of 2022.

Total current liabilities reduced from USD 7.2 million as of 31 December 2021 to USD 6.5 million as of 30 September 2022. Taxes payables is related to corporate tax in Egypt of USD 2.3 million. Additionally, other current liabilities decreased by USD 0.3 million in 2022. Other current liabilities include project related accruals for taxes in Egypt of USD 3.8 million.

Cash flow from operating activities in the first nine months of 2022 was positive of USD 0.5 million compared to negative USD 4.9 million in the same period in 2021, mainly due to the Groups legal reconstruction process.

Cash flow from investment activities in the first nine months of 2022 was negative USD 2.0 million. USD 2.0 million due to the investment in Dolphin Drilling and USD 0.5 million for investment in own shares during the quarter offset by USD 0.5 million received from sale of the node business, compared to negative of USD 5.2 million in the same period for 2021 due to investments.

Cash flow from financing activities in the first nine months of 2022 was negative USD 1.0 million compared to positive USD 13.4 million in the same period in 2021. Repayment of the TGS loan during the first nine months of 2022 was USD 0.9 million. Cash outflow from financing activities for the same period of 2021 is mainly from new equity due to the Groups legal reconstruction process of USD 17.7 million offset by repayment of debt by USD 2.3 million and interest paid of USD 1.9 million.

8 Financial statements

8.1. Interim consolidated statement of comprehensive income

USD thousands	Note	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Revenue	1	1 600	8 987	4 736	10 185
Changes in fair value of investments (loss)	2	(3 373)	-	(9 126)	-
Other gains (losses)		-	-	666	-
Cost of sales	2	(40)	(8 510)	(379)	(9 902)
Cost of sales reclass currency non-cash		(150)		-	
Selling, general and administrative expenses	2	(383)	(1 117)	(1 783)	(5 030)
Amortization multi-client	3	(1 369)	(1 828)	(2 614)	(5 484)
Reverse impairment multi-client		-	-	5 618	-
Depreciation & impairment		-	(587)	(559)	(6 447)
Operating profit (loss)		(3 715)	(3 056)	(3 443)	(16 679)
Gain on debt restructuring		-	16	-	24 664
Financial income		-	1	46	1
Financial expenses		(32)	(261)	(161)	(2 804)
Currency exchange gain (loss)		(196)	(79)	(266)	(695)
Currency reclass non-cash		150	-	-	-
Profit (loss) before tax		(3 793)	(3 379)	(3 824)	4 487
Income tax (expense)		-	70	384	670
Profit (loss) for the period		(3 793)	(3 309)	(3 440)	5 158
Currency translation adjustments		-	-	-	-
Other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive income (loss) for the period		(3 793)	(3 309)	(3 440)	5 158
Earnings (loss) per share					
Basic earnings per average share		(0.02)	(0.02)	(0.01)	0.02

8.2. Interim consolidated statement of financial position

USD thousands	Note	30.09.2022	31.12.2021
Assets			
Non-current assets			
Multi-client library	3	31 860	28 856
Property, plant and equipment		-	3 423
Investments	2	11 142	18 268
Financial assets		3 029	-
Total non-current assets		46 032	50 548
Current assets			
Trade receivables		1 601	-
Other current assets		111	222
Bank deposits, cash in hand		1 604	4 005
Total current assets		3 315	4 227
Total assets		49 347	54 775
Equity and Liabilities			
Equity			
Share capital and other paid in capital		79 909	79 909
Own shares		(489)	-
Other reserves		(36 606)	(33 200)
Total equity		42 815	46 709
Non current liabilities			
Interest bearing debt		-	896
Total non current liabilities		-	896
Current liabilities			
Trade payables		70	333
Taxes payables		2 282	2 362
Other current liabilities		4 180	4 475
Total current liabilities		6 532	7 170
Total liabilities		6 532	8 065
Total equity and liabilities		49 347	54 775

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
Balance as of 01.01.2022	28 739	51 170	-	(33 611)	411	46 709
Profit (loss) for the period				(3 440)		(3 440)
Other comprehensive income (loss)				-		-
Purchase own shares			(489)	24		(464)
Share based payment					9	9
Balance as of 30.09.2022	28 739	51 170	(489)	(37 027)	420	42 815

USD thousands	Share capital	Additional paid-in capital	Own shares	Accumulated earnings	Other equity/ Share based programme	Total equity
Balance as of 01.01.2021	840	38 453	-	(47 546)	400	(7 852)
Profit (loss) for the period				5 158		5 158
Other comprehensive income (loss)				-		-
New shares issued - cash settled	19 598					19 598
Cost for new shares issued		(1 922)				(1 922)
Capital increase - debt conversion	5 099	13 920		-		19 019
Share based payment					1	1
Balance as of 30.09.2021	25 537	50 451	-	(42 388)	402	34 002

8.4. Interim consolidated statement of cash flow

USD thousands	Note	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Cash flow from operating activities					
Profit (loss) before tax		(3 793)	(3 379)	(3 824)	4 487
Taxes (paid)/ received		(0)	(119)	264	(147)
Depreciation, amortization and write-down	3	1 369	2 415	(2 445)	11 932
Changes in fair value for investments	2	3 373	-	9 126	-
Changes in other gains and losses		-	-	(666)	-
Currency (gain)/loss without cash flow effects		0	0	1	(66)
Interest expense		29	254	151	1 927
Share based payment cost		(5)	-	9	1
Other working capital changes		377	4 682	(2 099)	(17 975)
Net cash from operating activities		1 350	3 853	518	(4 918)
Cash flow from investing activities					
Investment in property, plant and equipment		-	-	-	-
Disposal of property, plant and equipment		-	-	500	-
Investment in own shares	3	(464)	-	(464)	-
Cash received/paid from investments		(2 000)	(5 171)	(2 000)	(5 171)
Net cash flow from investment activities		(2 464)	(5 171)	(1 964)	(5 171)
Cash flow from financing activities					
Net proceeds from interest bearing debt		-	-	-	-
Repayment of interest bearing debt		-	-	(896)	(2 295)
Payment of lease liabilities (recognized under IFRS)		-	-	-	(73)
Net proceeds from new equity		-	2 129	-	17 676
Interest paid lease liabilities		-	-	-	(1)
Interest paid		(0)	(254)	(59)	(1 926)
Net cash flow from financial activities		(0)	1 875	(955)	13 381
Net change in cash and cash equivalents		(1 114)	557	(2 401)	3 292
Cash and cash equivalents balance 01.01/30.06		2 718	8 608	4 005	5 873
Cash and cash equivalents balance 30.09		1 604	9 165	1 604	9 165

9 Notes to the interim consolidated financial statements

Note 1 Segment

USD thousands Q3 2022/2021	Segment reporting				Unallocated		Total	
	Axis		Investment		Q3 2022	Q3 2021	Q3 2022	Q3 2021
	Q3 2022	Q3 2021	Q3 2022	Q3 2021				
Income statement								
Total revenue	1 600	8 987	-	-	-	-	1 600	8 987
Changes in fair value of investments (loss)	-	-	(3 373)	-	-	-	(3 373)	-
Other gains (losses)	-	-	-	-	-	-	-	-
Total cost of sales	(40)	(8 510)	-	-	-	-	(40)	(8 510)
Cost of sales reclass currency non-cash	(150)	-	-	-	-	-	(150)	-
Selling, general and administrative expenses	(30)	(182)	(0)	(0)	(353)	(935)	(383)	(1 117)
Amortization multi-client	(1 369)	(1 828)	-	-	-	-	(1 369)	(1 828)
Reverse impairment multi-client	-	-	-	-	-	-	-	-
Depreciation & impairment	-	(577)	-	-	-	(11)	-	(587)
Operating profit (loss)	11	(2 110)	(3 373)	(0)	(353)	(945)	(3 715)	(3 056)

USD thousands YTD Q3 2022/2021	Segment reporting				Unallocated		Total	
	Axis		Investment		YTD Q3 2022	YTD Q3 2021	YTD Q3 2022	YTD Q3 2021
	YTD Q3 2022	YTD Q3 2021	YTD Q3 2022	YTD Q3 2021				
Income statement								
Total revenue	4 736	10 185	-	-	-	-	4 736	10 185
Changes in fair value of investments (loss)	-	-	(9 126)	-	-	-	(9 126)	-
Other gains (losses)	666	-	-	-	-	-	666	-
Total cost of sales	(379)	(9 902)	-	-	-	-	(379)	(9 902)
Selling, general and administrative expenses	(318)	(687)	(3)	(2)	(1 462)	(4 341)	(1 783)	(5 030)
Amortization multi-client	(2 614)	(5 484)	-	-	-	-	(2 614)	(5 484)
Reverse impairment multi-client	5 618	-	-	-	-	-	5 618	-
Depreciation & impairment	(548)	(6 384)	-	-	(11)	(64)	(559)	(6 447)
Operating profit (loss)	7 159	(12 272)	(9 130)	(2)	(1 472)	(4 405)	(3 443)	(16 679)

Note 2 Investment

USD thousands

Non-current assets	30.09.2022	Change quarter	30.06.2022
Listed securities			
CO2 Capsol AS	3 672	295	3 377
Dolphin Drilling AS			
Investment during the quarter	2 000	2 000	-
Fair value adjustment	(118)	(118)	-
	1 882	1 882	
Listed securities	5 554	2 177	3 377
Unlisted securities			
Arbaflame AS	301	(3 069)	3 371
Power By BritishVolt Limited			
- Common shares	3 349	(304)	3 654
- Options	1 937	(176)	2 114
	5 287	(481)	5 767
Unlisted securities	5 588	(3 550)	9 138
Total non-current assets	11 142	(1 373)	12 515
Change in fair value of investments (loss)		(3 373)	

CO2 Capsol AS

The investment in CO2 Capsol is valued based on Level 1 inputs, quoted prices in active markets. Closing price 30 September 2022 was NOK 10.90 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 2022 was NOK 11.85 per share.

Arbaflame AS

The investment in Arbaflame is measured based on Level 3 inputs. The Company is considering an equity private placement at NOK 0.83 per share and the Group is adjusting it carrying value accordingly. 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 2022

Power by Britishvolt Limited

The investment in Britishvolt is measured based on Level 3 inputs. The Group is currently valuing Britishvolt at GBP 30.08 per share which is based on share transactions in 2022. The Company has recently faced a challenging market for its fund-raising efforts. Subsequent to quarter end, the company has secured near-term financing and is working on longer-term financing alternatives. Cost reduction efforts have been implemented. A negative outcome with respect to financing could have a material impact on the business

Note 3 Multi-client library

Norwegian North Sea – Utsira

The Group's net book value as of September is USD 21.9 million.

The Group's amortization of Utsira was USD 0.7 million during the third quarter.

Egypt – Gulf of Suez

The Group's net book value as of September is USD 9.9 million.

The survey was processed and ready for late sales and the Group has its first amortization of Gulf of Suez of USD 0.66 million during the third quarter.

Further, the Group has during the third quarter had its first late sales of the survey with USD 1.6 million, which is a net cash contribution to the Group.

Note 4 General information

Carbon Transition ASA (“CARBN” or the “Company”) is a public company listed on Euronext Expand Oslo and traded under the ticker CARBN. The address of its registered office is Askekroken 11, 0277 Oslo, Norway. For more information, please see www.carbn.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 2021 which is available at www.carbn.no. The same accounting policies and methods of computation are followed in the interim financial statements as in the annual financial statements for 2022, except for the adoption of new standards effective as of 1 January 2022.

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

The financial statements for Q3 2022 are based on the assumption of going concern.

Oslo, 9 November 2022

The Board of Directors and CEO of Carbon Transition ASA

Nina Skage
Chair

Ketil Skorstad
Director

Torstein Sannes
Director

Nils Haugstad
Interim CEO

About Carbon Transition

Carbon Transition ASA ("CARBN") is an investment company listed on Euronext Expand Oslo. CARBN has a strategy to invest in companies and technologies which contribute to significant reductions of carbon emissions. The company may also invest more broadly in other industries in listed companies as well as companies expected to be listed in the near term. CARBN has a legacy seismic business operating under the name Axxis Geo Solutions, with a multi-client data library.

More information on www.carbn.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 2021. 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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