



Digitizing the ocean space

Company presentation

7 April 2022

Disclaimer

For the purposes of this company presentation, the "Presentation" means this presentation, its contents and appendices and any part thereof, any oral presentation and any question or answer session during, after, or in relation to any of the foregoing. By receiving the Presentation or attending any meeting or oral presentation held in relation thereto, you (the "Recipient") agree to be bound by the following terms, conditions and limitations. The information in this Presentation has been prepared by Argeo AS (the "Company") with assistance from SpareBank 1 Markets AS (the "Managers") solely for use at the presentation to a limited number of recipients on a strictly confidential basis in connection with a contemplated private placement of shares in the Company (the "Transaction" or the "Private Placement"). The Presentation is strictly confidential and by reviewing it, you acknowledge its confidential nature and agree to the terms of this notice.

This Presentation has not been independently verified nor verified by Company or the Manager unless otherwise required by applicable law(s). Other than obtaining a customary completeness statement from certain representatives of the Company, no legal due diligence review has been conducted on behalf of the Manager. No representation, warranty, or undertaking, express or implied, is made by the Company or the Manager or their affiliates or their respective directors, officers, employees, agents or advisers (collectively "Representatives") as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein, for any purpose whatsoever. All information in this Presentation is subject to verification, correction, completion and change without notice. Neither the Company, the Manager nor its Representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation. The information contained in this Presentation should be considered in the context of the circumstances prevailing at this time and has not been, and will not be, updated to reflect material developments which may occur after the date of the Presentation.

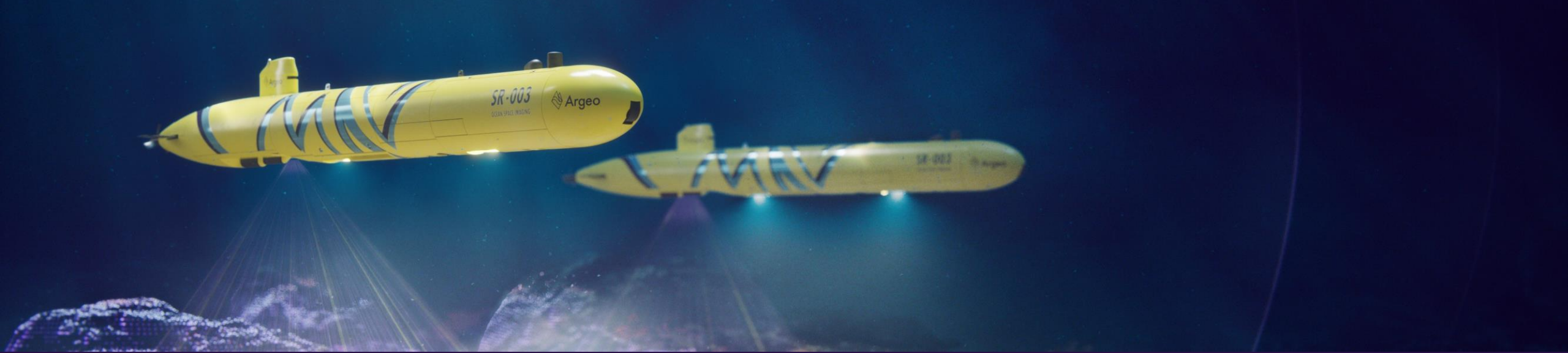
Matters discussed in this Presentation may constitute or include forward-looking statements. Forward-looking statements are statements that are not historical facts and may include, without limitation, any statements preceded by, followed by or including words such as "aims", "anticipates", "believes", "can have", "continues", "could", "estimates", "expects", "intends", "likely", "may", "plans", "forecasts", "projects", "should", "target", "will", "would" and words or expressions of similar meaning or the negative thereof. These forward-looking statements reflect the Company's beliefs, intentions and current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth and strategies. Forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The forward-looking statements in this Presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions that may not be accurate or technically correct, and their methodology may be forward-looking and speculative. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. None of the Company or the Manager or any of their affiliates provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. Forward-looking statements are not guaranteeing of future performance and such risks, uncertainties, contingencies and other important factors could cause the actual results of operations, financial condition and liquidity of the Company or the industry to differ materially from those results expressed or implied in this Presentation by such forward-looking statements. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved, and you are cautioned not to place any undue influence on any forward-looking statement.

An investment in the Company's shares should be considered as a high-risk investment. Several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievement that may be expressed or implied by statements and information in this Presentation. Before making an investment decision with respect to the offer shares, investors should carefully consider all of the information contained in this Presentation, and in particular the risk factors relating to the Company's business, the Company's industry, the Company's shares and the Private Placement, as further discussed below. Potential investors are however required to make their own assessment and analysis of the risks associated with an investment in the Company. The risk factors discussed herein should be read as a high-level summary only and not so as to contain an exhaustive review of all risks faced by the Company. An investment in the Company's shares is only suitable if you have sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision relating to the Company's shares, and if you are able to bear the economic risk, and to withstand a complete loss of your investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described are not a genuine potential threat to an investment in the Company's shares. If any of the risks discussed herein were to materialize, this could have a material adverse effect on the company and/or the Company's business, results of operations, cash flow, financial condition and/or prospects, which may cause a decline in the value and trading price of the Company's shares, resulting in the loss of all or part of your investment in the same. A multitude of factors can cause actual results to differ significantly from any anticipated development expressed or implied in this Presentation, including among others, economic and market conditions in the geographic areas and industries that are or will be major markets for Company's businesses, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved and you are cautioned not to place any undue reliance on any forward-looking statement. The information obtained from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information to be inaccurate or misleading. The contents of this Presentation are not to be construed as financial, legal, business, investment, tax or other professional advice.

By receiving this Presentation, the Recipient acknowledges that it will be solely responsible for its own assessment of the Company, the market and the market position of the Company and that it will conduct its own analysis and is solely responsible for forming its own opinion of the potential future performance of the Company's business. In making an investment decision, the Recipient must rely on its own examination of the Company, including the merits and risk involved. The distribution of this Presentation may be restricted by law in certain jurisdictions and persons into whose possession this Presentation comes should inform themselves about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction. None of the Company or the Manager shall have any responsibility for any such violations. This Presentation and the information contained herein are not an offer of securities for sale in the United States and are not for publication or distribution to persons in the United States (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the "US Securities Act")). Any securities referred to herein have not been and will not be registered under the US Securities Act and may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the US Securities Act. By reviewing this Presentation, you are deemed to have represented and agreed that you and any persons you represent are either (a) qualified buyers ("QIBs") (within the meaning of Regulation 144A under the US Securities Act), or (b) are located outside the US. This Presentation is only addressed to and directed at persons in member states of the European Economic Area who are "qualified investors" as defined in Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129, as amended) ("Qualified Investors") or otherwise pursuant to applicable exemptions on the Company resulting in that no obligation arises for the Company or the Manager to produce a prospectus or otherwise comply with any registration requirements. In addition, in the United Kingdom, this Presentation is being distributed only to, and is directed only at (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iii) persons to whom distributions may otherwise lawfully be made, communicated, or caused to be communicated (all such persons together being referred to as "Relevant Persons"). This Presentation must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons, and (ii) in any member state of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors or otherwise pursuant to applicable exemptions on the Company. Any investment or investment activity to which this Presentation relates is available only to Relevant Persons or Qualified Investors or will be engaged in only with Relevant Persons or Qualified Investors.

This Presentation and the information contained herein is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. This Presentation is not an advertisement for the purposes of applicable measures implementing the EU Prospectus Regulation. This Presentation is not a prospectus and does not contain the same level of information as a prospectus. The Manager are acting only for the Company and will not be responsible to anyone other than the Company for providing the protections afforded to clients of such Manager or for providing advice in relation to any potential offering of securities of the Company. This Presentation speaks only as of its date. Neither the delivery of this Presentation nor any further discussions with any of the Recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts with Oslo City Court (Nw. Oslo tingrett) as legal venue.



Investment highlights



Transforming the ocean surveying and inspection industry



Unique in-house sensor, imaging and modelling technology



Increasing efficiency and data quality while reducing costs and CO2 emissions



Ramping up AUV days significantly in the coming years



Well positioned to capitalize both on oil and gas recovery and continued strong growth within renewable energy – high tender activity



Strong result improvement expected both in H2 2022 and in 2023

Agenda

► **Business overview**

Market overview

Business outlook and financials

Risk factors

ARGEo AT A GLANCE



43
EMPLOYEES



3
AUV CREWS



4 (6)*
AUVs

1 (2)*
USVs



1*
Eelume



ARGEO'S MISSION

Transforming the ocean surveying and inspection industry

utilizing autonomous underwater and surface vehicles and unique sensor and imaging technology

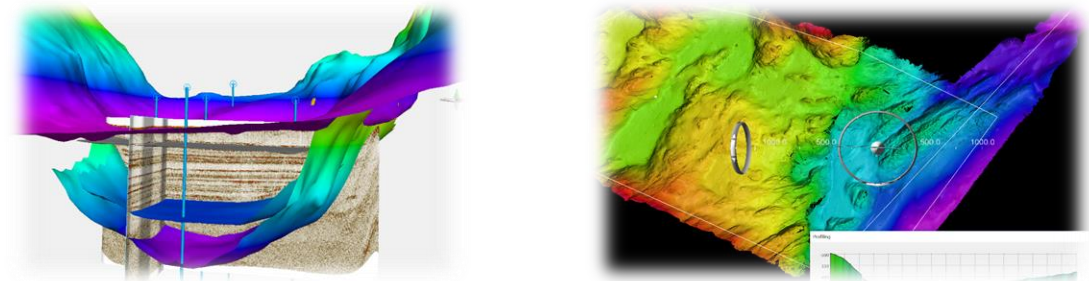
to significantly **increase efficiency and quality**

and substantially **reduce the industry CO2 footprint**

HIGH CAPABILITY ROBOTICS SOLUTIONS



UNIQUE IMAGING AND MODELLING TECHNOLOGY



“FASTER, BETTER, GREENER AND AT A LOWER COST”

Transforming the ocean surveying and inspection industry

WITH A MAGNITUDE OF DIFFERENCE



Dedicated survey vessel



Day rate: High

CO2-emission: High

Data Quality: Low

Productivity: Medium

Dedicated ROV vessel



Day rate: High

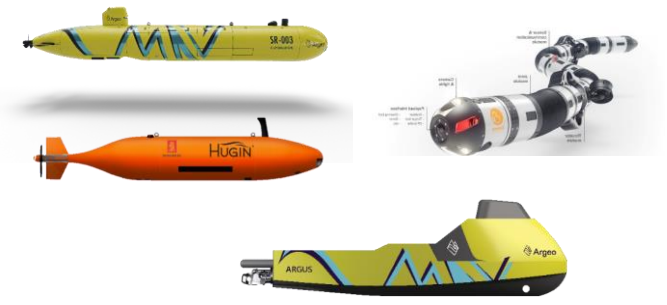
CO2-emission: High

Data Quality: Medium

Productivity: Low

Traditional players delivering high-cost and time-consuming services, applying large vessels and expensive equipment

AUV/Robotics



Day rate: Low

CO2-emission: Low

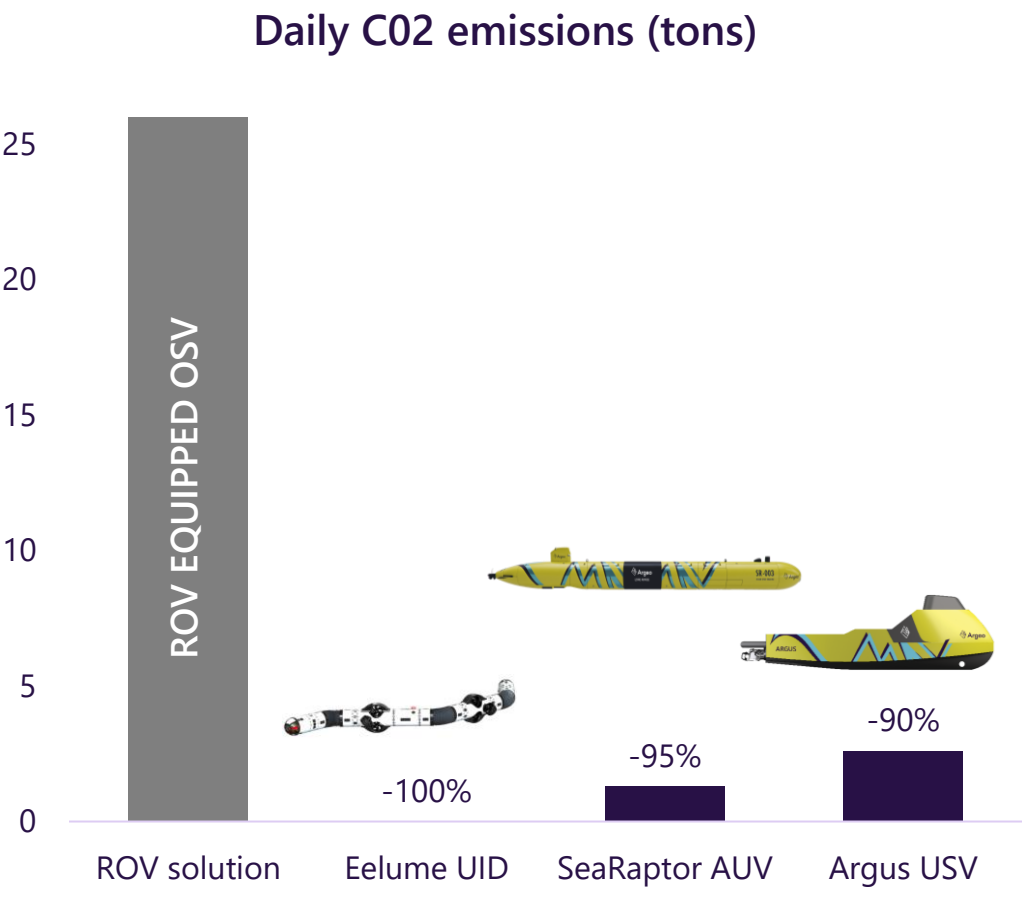
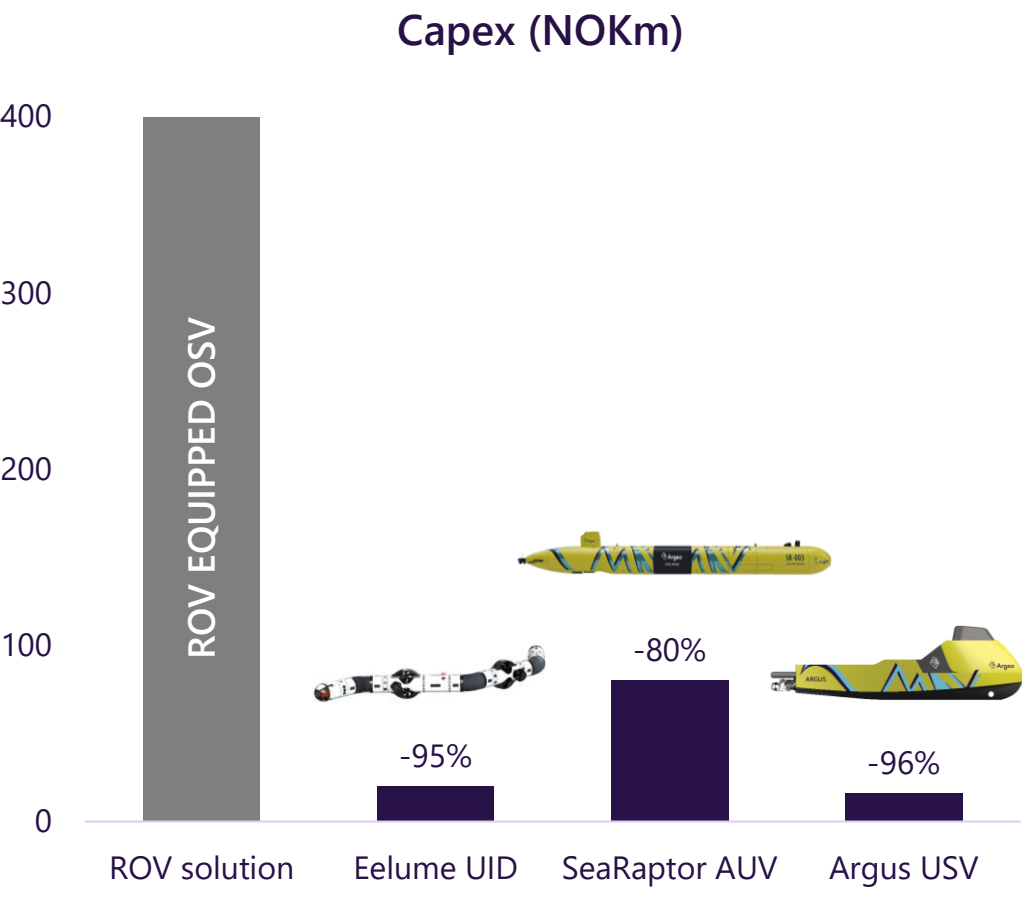
Data Quality: High

Productivity: High

✓ The most efficient data acquisition robots in the world

✓ Acquisition speed > 3.5x ROV

Significantly lower cost and footprint using Argeo AUVs & USVs



ARGEOS TOOLS ARE

High-capability AUVs with complimentary abilities



SeaRaptor AUV

- Depth rated to 6,000 m
- Up to 50 hours battery capacity
- Long-range module with up to 240 hours endurance (2022)
- Autonomous, light and very scalable
- Low CO2 footprint



Eelume UID

- Modular & ultra flexible
- Fully resident
- Operate in tight spaces
- Integrated LISTEN sensor technology from 2022
- One resident Eelume can service 80 km²



Hugin AUV

- Depth rated from 1,000–6,000 m
- From 20 to 40 hours battery capacity



Argeo Argus USV

- Long endurance – up to 30 days
- Transportable by 40-foot flat rack container
- Hybrid propulsion system
- Real-time supervision and data QC

Unique in-house abilities to generate valuable data output

ARGEO'S ROBOTIC TECHNOLOGY



Argeo Listen measures the position and strength of electricity in objects on the seabed.

CATHODIC PROTECTION

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

INSPECTION

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



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

PIPELINE AND OBJECT TRACKING

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

UXO

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



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

DEEP-SEA MINERALS EXPLORATION

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

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



ARGEO ENLIGHT

ARGEO INTROSPECTION

ARGEO FORESIGHT

Refer to the next page for more details

Argeo Digital Ocean Space

OPTIMIZING VALUE FROM OCEAN DATA

SUBSEA ASSET DIGITALIZATION, VISUALIZATION AND ANALYSIS ENABLED



The main tool for data processing and visualization of data in addition to our Multi-Client data shopping window



3D visualization and mapping of subsea inspection data fully interpreted
Georeferenced in space and time



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

Agenda

Business overview

► **Market overview**

Business outlook and financials

Risk factors

Robotics and digital solutions
for the ocean space

Four attractive key target markets

ENGINEERING & CONSTRUCTION

- Data acquisition, imaging and underground modelling for large infrastructure projects.
- High accuracy imaging reducing project risk and construction costs



OFFSHORE WIND

- Wind farm design of foundations, substations etc.
- Investigation of routes for power cable
- Inspection of existing infrastructure



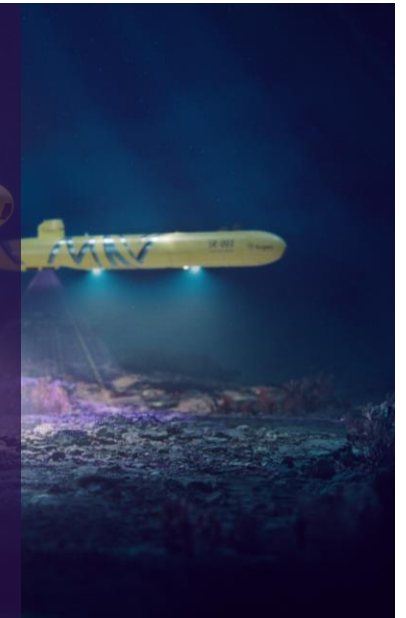
O&G SURVEY INSPECTION

- Offshore field design, location of platform and subsea infrastructure
- Investigation of routes for pipelines
- Detection of damage and erosion on existing installations



DEEP SEA MINERALS

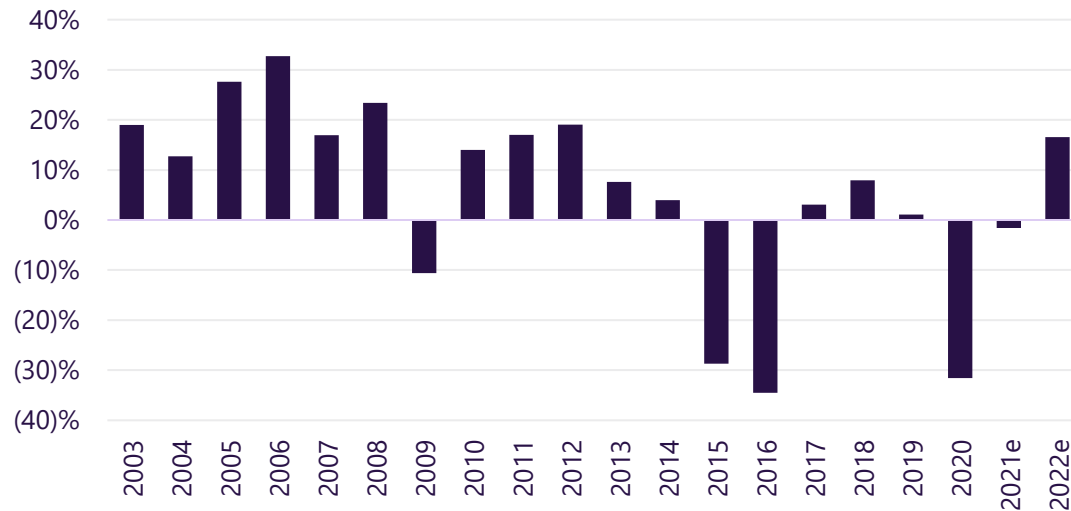
- Exploration for Deep-Sea Minerals (DSM)
- Wide use of sensors and in-house technology for mineral deposits characterization, a system under development by Argeo Robotics



E&P spending expected to increase significantly

ALONGSIDE SIGNIFICANTLY EXPANDING GLOBAL OFFSHORE CAPEX SANCTIONING

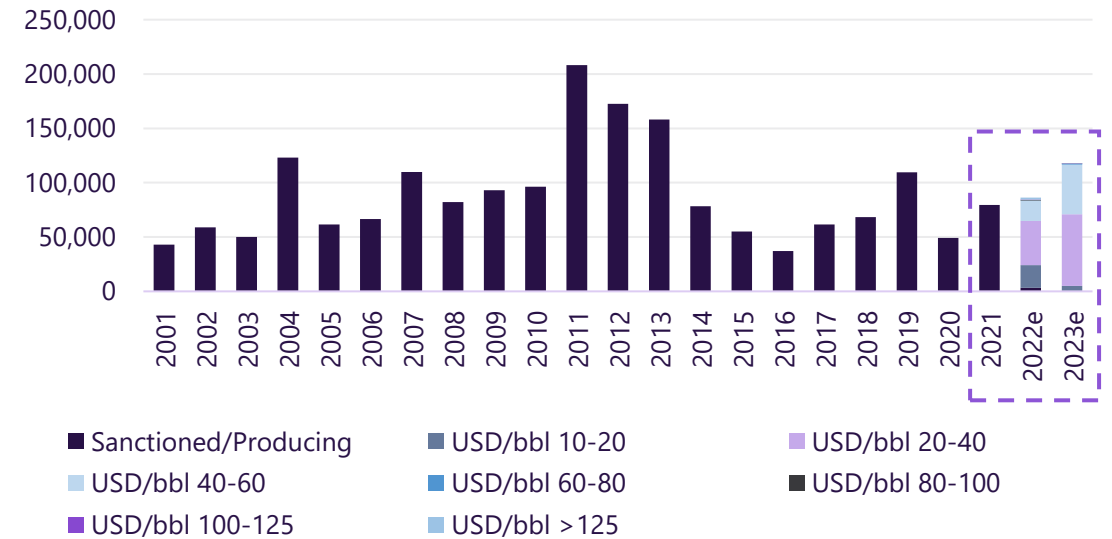
E&P spending (Y/Y)



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

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

Global capex sanctioning (USDm)



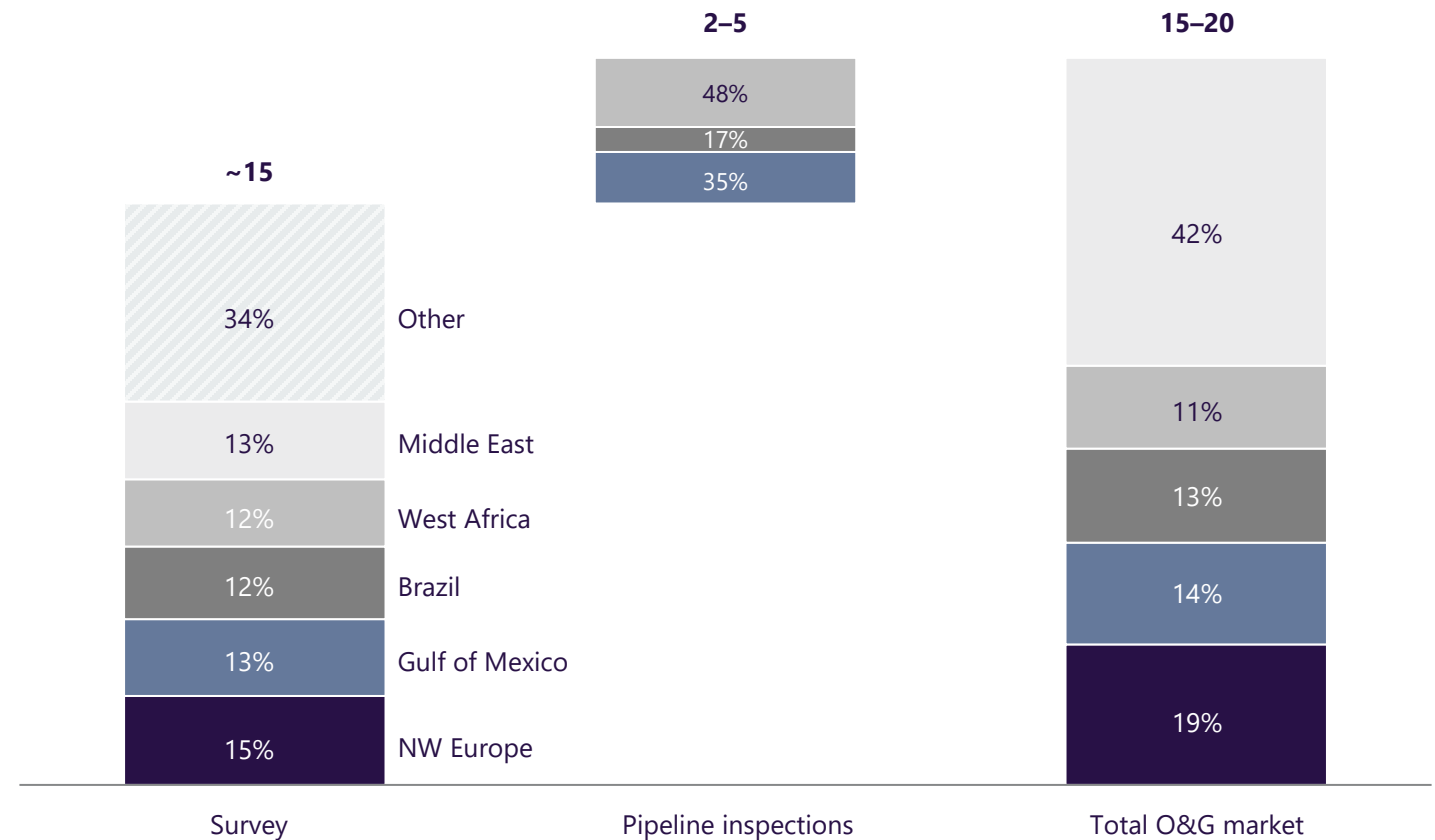
With global offshore sanctioning up 8% in 2022 and a further increase to 37% in 2023, Argeo is perfectly positioned to capitalize on this strong growth to support our fleet expansion going forward

Unique offering to the O&G business demanding efficiency gains

ARGEО IS WELL POSITIONED TO MEET GROWING DEMAND FOR EFFICIENT AND LOW-CARBON SOLUTIONS IN THE BROADER O&G INDUSTRY

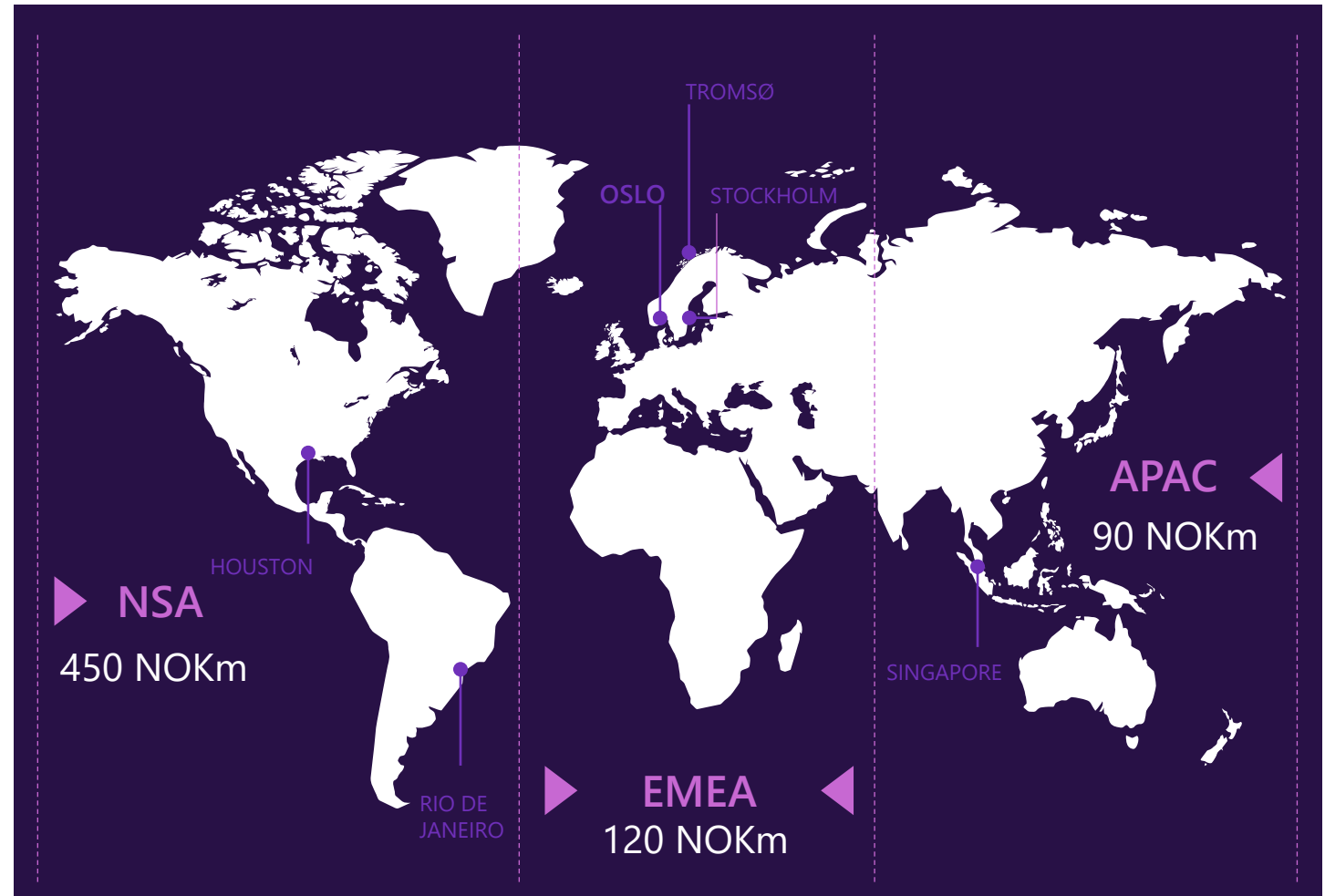
- Global survey market based on Rystad Energy estimates on total offshore survey spending
- Annual global demand of NOK 15–20 billion within the O&G industry
- Estimated total addressable market of NOK ~1.5–2.0 billion in Norway, where survey accounts for ~65% of the total

Global annual addressable market within the O&G industry (NOKbn)¹



Already submitted tenders at a value of above NOK 600m

- Business and commercial expansion exceeding expectations
 - Opening new offices in Houston, Rio and Singapore
 - Hugin 1000 system operating in Brazil
- Positioned close to customers in key areas
 - Reduced transit time increasing utilization
 - Faster mobilization reducing customers' costs
- High level of commercial activity
 - Argeo tenders totaling NOK 660m submitted within O&G globally¹
 - Strong growth in larger tenders in the NSA geomarket – some projects exceeding 12 months continuous work
 - Good progress on Eelume UID projects and market response to our Argus USV



Ongoing project in Brazil – successful, high-quality data collection

120 KM SURVEY OF A 200-METER-WIDE SURVEY CORRIDOR



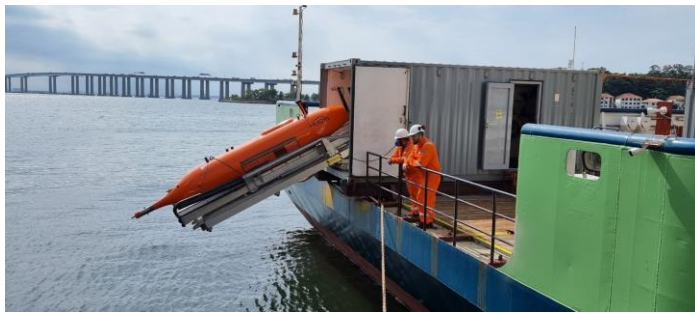
Argeo crew installing subsea communication system



M/V Larissa used for the AUV route survey in Brazil



Hugin operational container on M/V Larissa back deck



Hugin system "Stinger" LARS container fixed at the stern of M/V Larissa

120 km survey

200-meter-wide survey corridor Estimated project completion

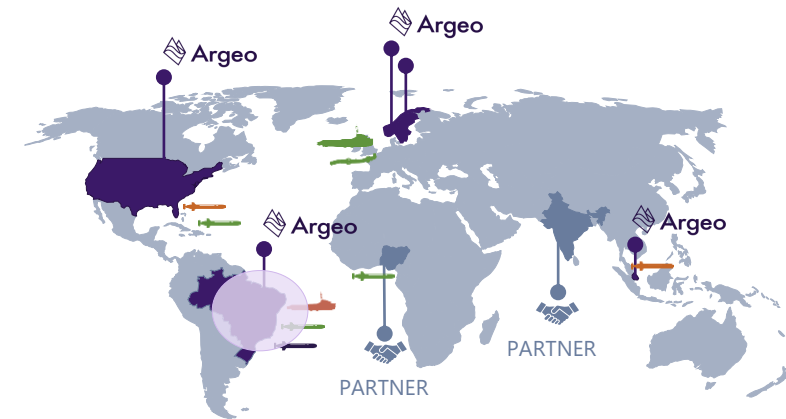
May 2022

Fast mobilization

4 days from arrival in Brazil

High-quality imaging







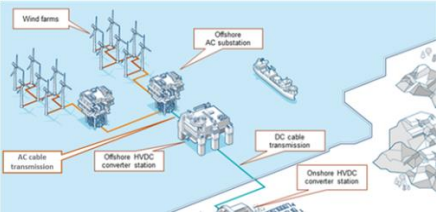



Efficient data collection



Argeo's Hugin 1000 crew currently operating on a pipeline route survey in Brazil

Argeo positioned in the entire offshore wind value chain

WIDE-RANGING SURVEY AND INSPECTION USE IN OFFSHORE WIND

		Pre operation concession	Early planning and design	Construction & installation	Operations & maintenance	Decommissioning
Offshore wind farm life cycle stage	Argeo subsea services	Multi Client/Data as Service pre-concession and license	Geo-uplifted products from initial survey combined with new acquisitions	Focused survey, trenching, depth of burial and verification	Subsea inspection and maintenance tasks focused monitoring task	Subsea inspection and maintenance tasks focused monitoring task
	Main surveys performed	<ul style="list-style-type: none"> Initial survey ordered by government to highlight attractiveness for operators Developers perform environmental surveys to obtain concession 	<ul style="list-style-type: none"> Full site investigation to determine turbine locations and provide input to foundation and cable planning Detection of hazardous elements like UXOs¹⁾ 	<ul style="list-style-type: none"> Surveys to update geophysical and hydrographical changes impacting engineering assumptions 	<ul style="list-style-type: none"> Inspections of on-site installations, e.g., anchoring and fundament Inspections of cables, e.g., if still protected under ground 	<ul style="list-style-type: none"> Inspections of site installations, for removal estimations Inspections of cables, e.g., if still protected under ground
	Argeo tools used					
	Offshore wind farm life cycle stage					

Argeo's solutions accelerate offshore wind development

ENABLING RENEWABLES

Pre operation concession

Early planning and design

Construction & installation

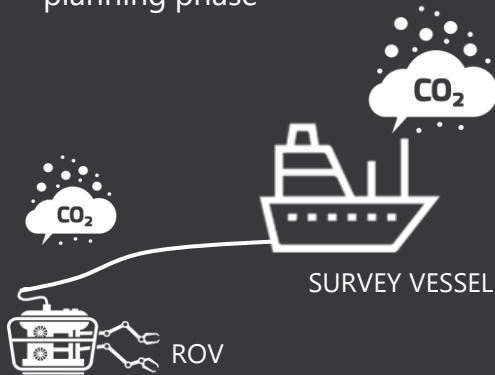
Operations & maintenance

Decommissioning



CHALLENGES WITH OFFSHORE WIND TODAY

1. Long time from plan to build
2. High development cost
3. Low confidence in bidding and planning phase



DATA AS A SERVICE

Reduce planning time
by 1–2 years

Earlier data access

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

Cover the whole wind farm

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

>30% cost reduction to client

Increase efficiency
Economies of scale

Lower CO2 footprint

Higher data quality



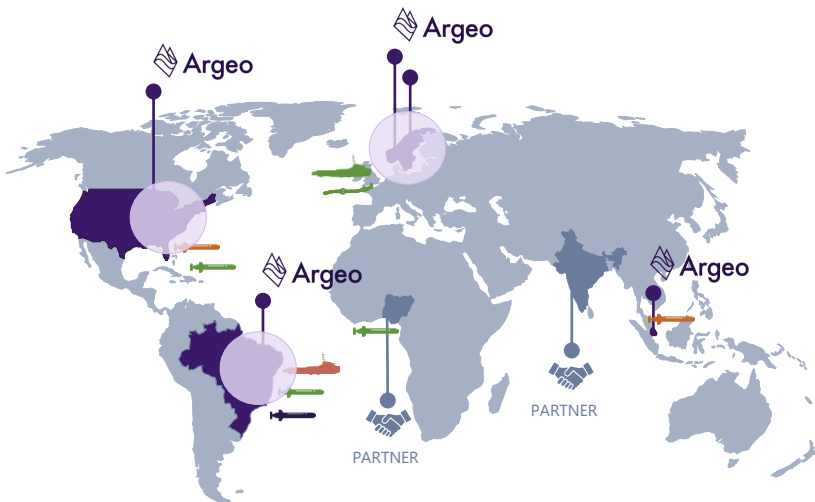
Bringing cost-efficient Multi Client to wind farming

ENABLING RENEWABLES

Argeo's Multi Client model

- Argeo efficiently surveys the entire wind park, creating high-resolution imaging and bathymetry of the ocean bottom and building a digital library

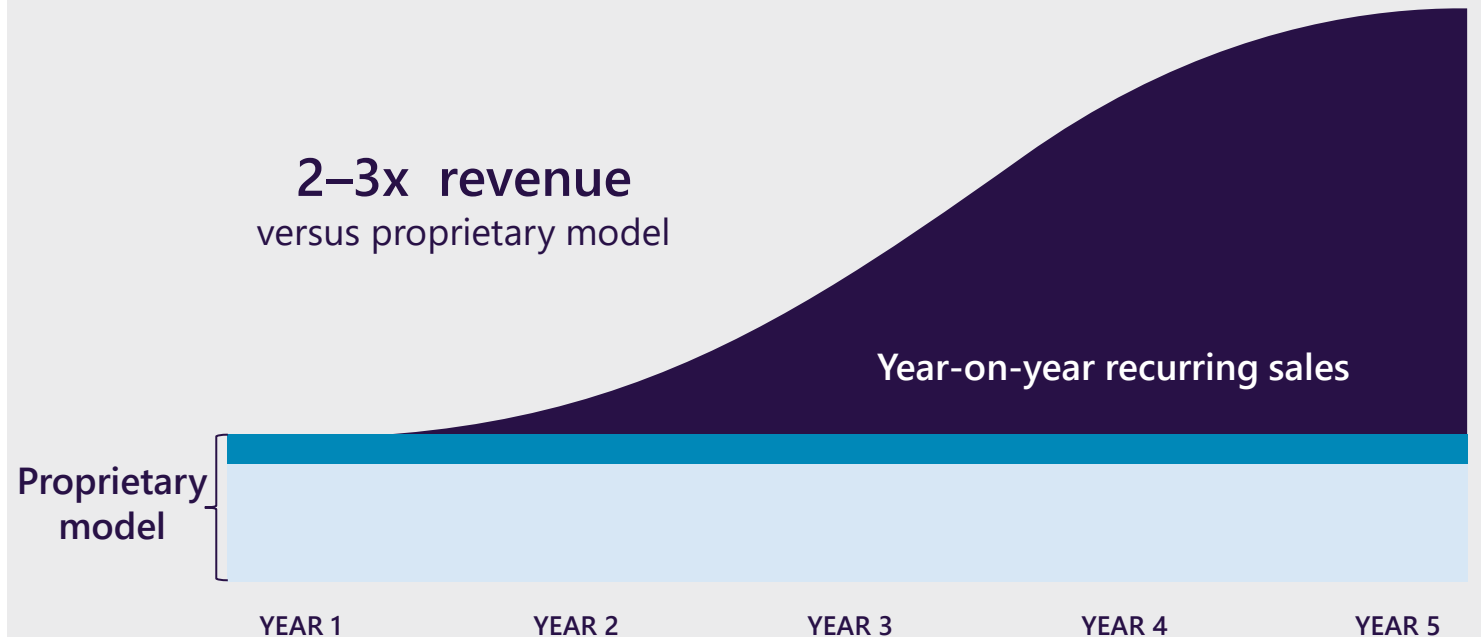
ARGEO GROWTH GEOMARKETS



Building a strong library with significant long-term value

- Large-scale, high-quality data from key areas – long-term relevance to clients
- Early acquisition relevant for several clients evaluating the areas
- Successful bidders likely to upgrade their data licenses
- Dynamic wind farm ownership

2–3x revenue
versus proprietary model



Agenda

Business overview

Market overview

► **Business outlook and financials**

Risk factors

Prudent ramp-up of activities with several key milestones achieved



Developed the company and built a company positioned for growth

Several attractive hires recently – increased the number of employees to 35
Listed on Euronext Growth Oslo in June 2021



Expanded into new geomarkets

Established headquarters in Oslo
Opened regional offices in Houston, Rio de Janeiro and Singapore



Executed the go-to-market strategy and realized projects

Demonstrated Argeo's capabilities and successfully won attractive tenders
Realized 8 projects in 2021 with only 1 AUV in the fleet*



Proactively pursued opportunities for fleet expansion

Acquired 3 AUVs, 1 USV and 1 UID in 2021 – all operational by Q1–Q3 2022
Current fleet of 6 vessels



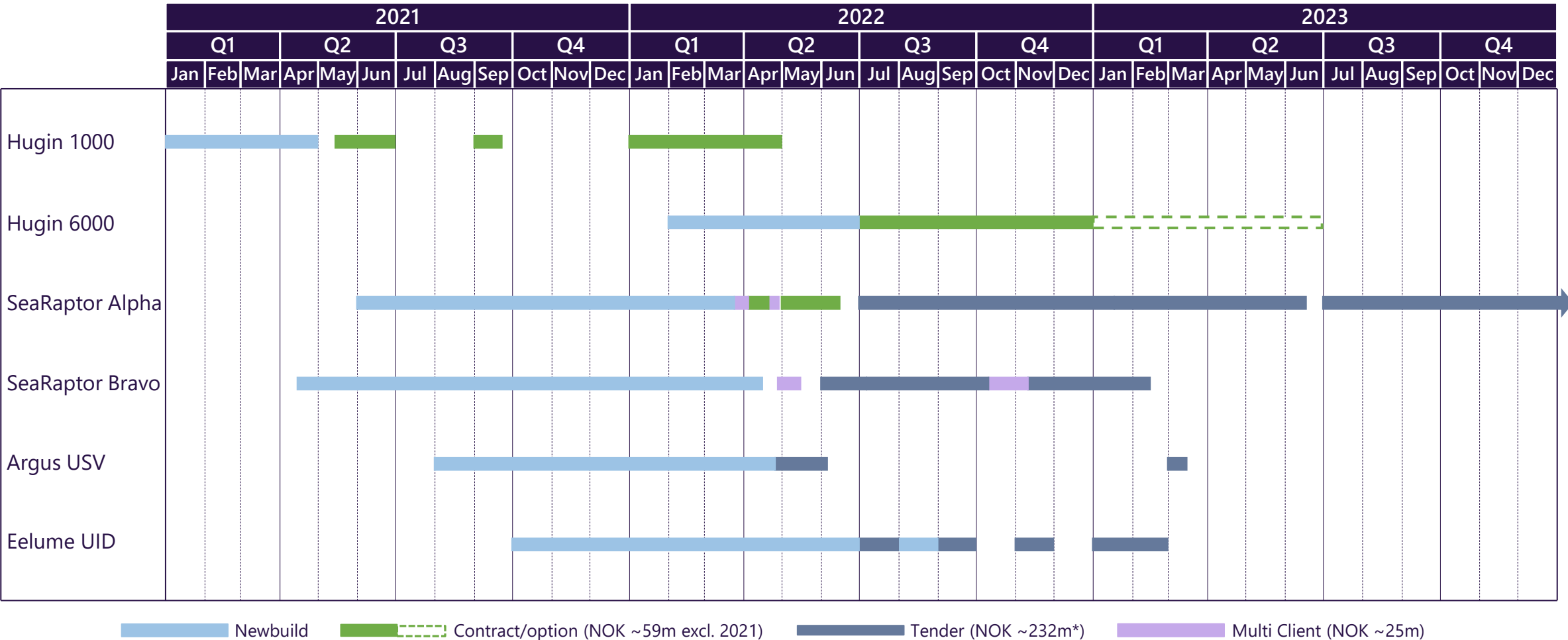
Dedicated focus on R&D and development of in-house technology

Submitted 6 IP patent applications
Introduced new robotic solutions quarterly – building a competitive edge

- ❑ SeaRaptor Alpha AUV commercial and on contract end of March 2022
- ❑ Argus USV delivered April 2022
- ❑ Office in Rio de Janeiro operative April 2022
- ❑ SeaRaptor Bravo AUV commercial May 2022
- ❑ Argeo "Listen" sensor system commercial May 2022
- ❑ Hugin 6000 AUV commercial and on contract July 2022
- ❑ Argeo Digital Ocean Space
- ❑ Argeo "Long Range" endurance extender commercial October 2022
- ❑ Access to commercial version of Eelume for projects in 2022 and Argeo Eelume ready from January 2023

Expanding tenders and backlog

ARGEO'S CURRENT FLEET SCHEDULE



New Hugin 6000 on contract immediately following delivery

PROJECT TO COMMENCE IN H2 2022 WITH PROJECT EBITDA OF USD 4.5M



“

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

**12-month project with
project EBITDA of USD 4.5m**

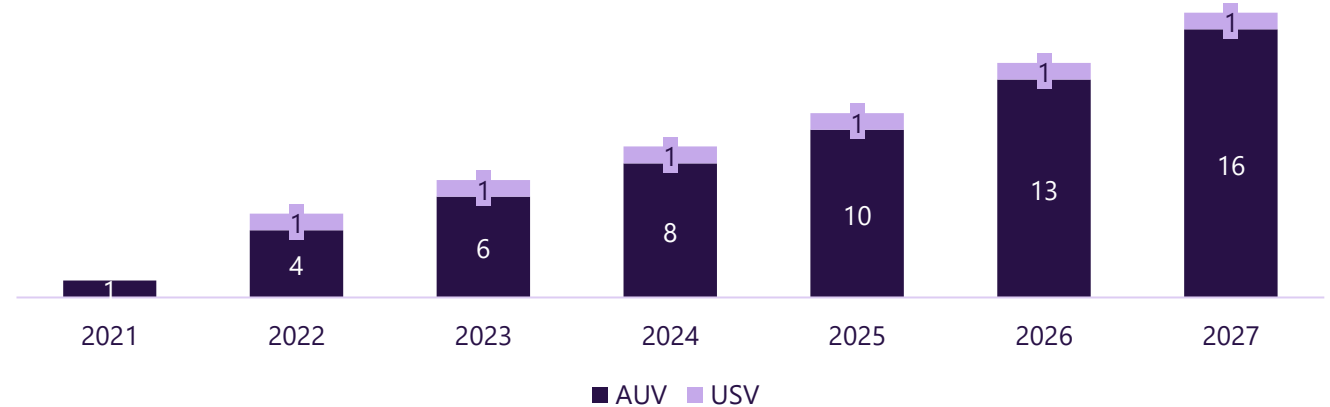
- Project will commence H2 2022
- Minimum guaranteed duration of 6 months with project EBITDA of USD 2.5m
- 6-month extension, with estimated completion in H2 2023
- Total project EBITDA for full 12 months of USD 4.5m

AUV days increasing significantly in the coming years

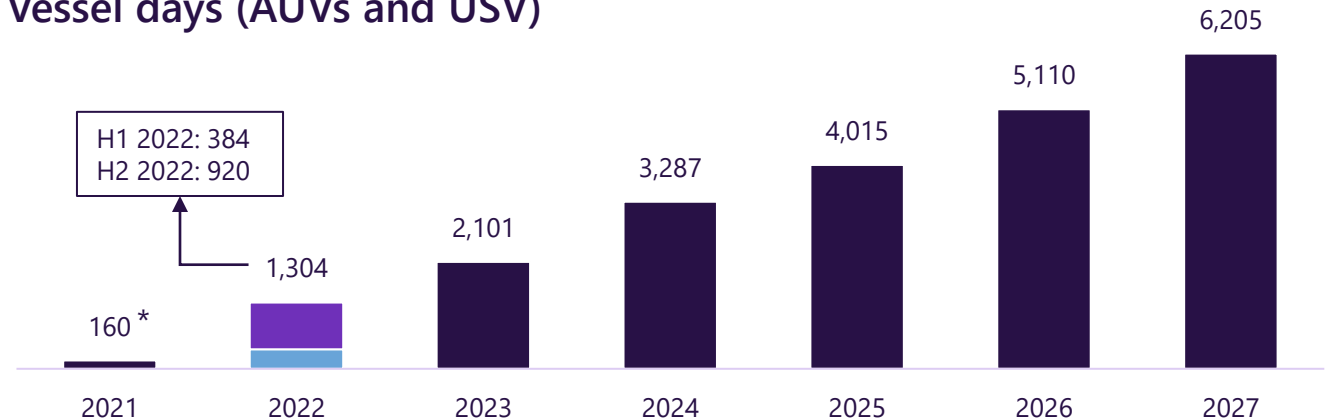
ARGEО IS ABOUT TO REACH CRITICAL MASS AND START BENEFITTING FROM ECONOMIES OF SCALE

- Only one Hugin 1000 was available in 2021, as the plan to secure used vessels did not materialize
 - AUV days were affected by re-modelling and upgrading, training, crew recruitment and transit time to Brazil
- Several new vessels will be delivered during 2022
 - SeaRaptor Alpha AUV delivered end of March
 - SeaRaptor Bravo AUV to be delivered in April
 - Argus USV to be delivered in April
 - Eelume UID to be delivered in August
- The company is about to reach critical mass and start benefitting from economies of scale
- Significant growth in margins and profitability expected over the coming years

Accumulated number of vessels (AUVs and USV)



Vessel days (AUVs and USV)



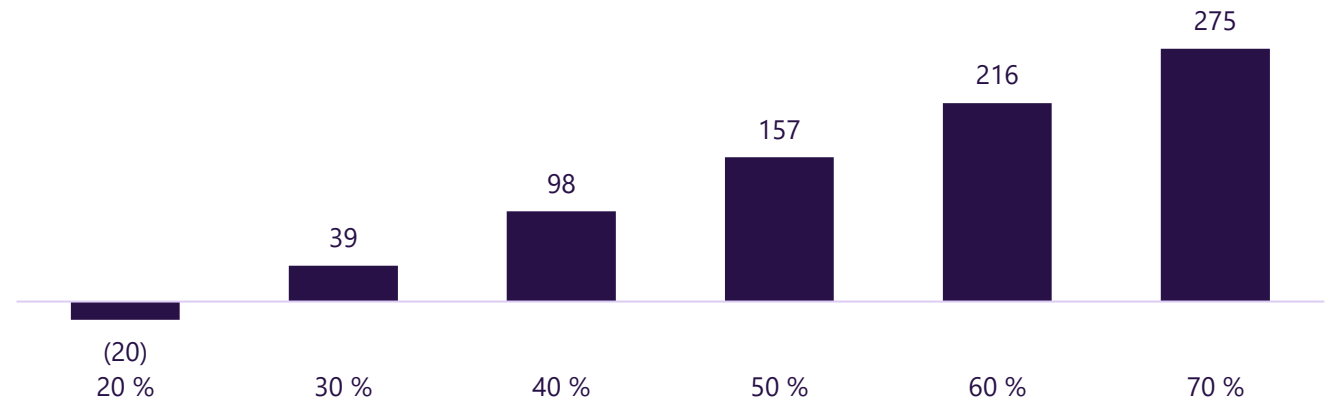
Robust and profitable case with low break-even utilization

ATTRACTIVE PAYBACK TIME OF LESS THAN 2 YEARS ON THE RECENT SEARAPTOR ALPHA INVESTMENT

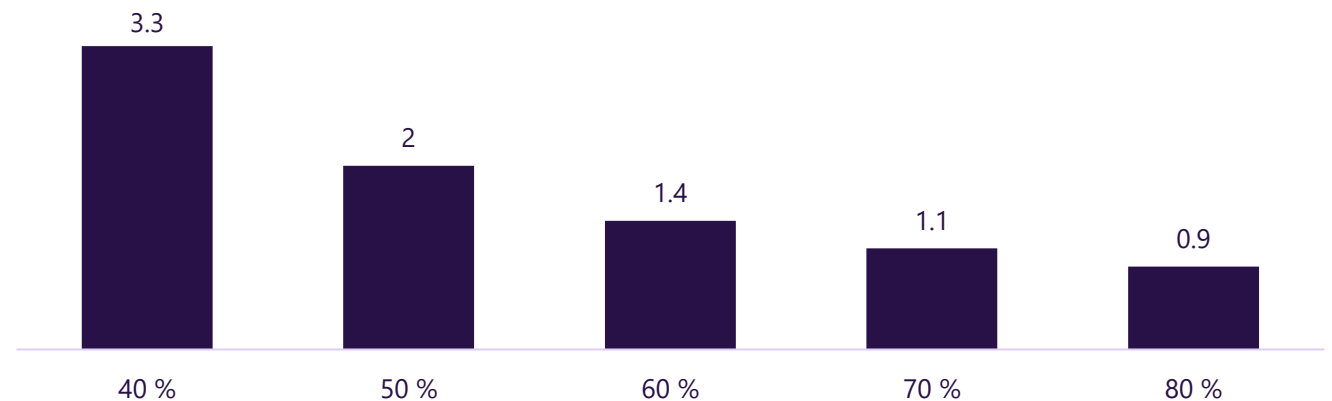
- Secured contracts account for 22% of estimated 2022 revenues
- Profitability expected to be significantly better in H2 2022 driven by a strong increase in number of AUV days
- Due to its pure-play and light business model, Argeo requires relatively low fleet utilization for operations to break even
- Attractive payback time across utilization rates – e.g., the recent SeaRaptor Alpha investment of NOK 61m has an expected payback time of less than 2 years

→ Robust business case!

EBITDA at various utilization rates – 2023 (NOKm)



Payback time of AUVs at various utilization rates (years)



Business outlook

- Results in 2H 2022 expected to be much stronger than 1H 2022, as AUV days will more than double
- Significant improvement expected in 2023 compared to 2022, primarily due to:
 - Large increase in available AUV days
 - Increased utilization rate
 - Only moderate increases in fixed costs
- High tender activity, both within oil and gas and renewable segments
- Argeo expects utilization rate to gradually increase towards a more normalized level of 70%

Agenda

Business overview

Market overview

Business outlook and financials

► **Risk factors**

Risk factors (1/8)

Investing in the Company involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in this section before making an investment decision in respect of the Shares. The risks and uncertainties described below are not the only ones facing the Group. Additional risks not presently known to the Company or that the Company currently deems immaterial, may also impair the Group's business and adversely affect the price of the Shares. If any of the following risks materialize, individually or together with other circumstances, the Group's business, prospects, financial position and/or operating results could be materially and adversely affected, which in turn could lead to a decline in the value of the Shares and the loss of all or part of an investment in the Shares.

A prospective investor should consider carefully the factors set forth below, and elsewhere in the Presentation, and should consult his or her own expert advisors as to the suitability of an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of an investment in the Shares. The information herein is presented as of the date hereof and is subject to change, completion or amendment without notice.

The order in which the below risks are presented is not intended to provide an indication of the likelihood of their occurrence nor their severity or significance.

Risks related to the business of the Group

The Group is exposed to risks relating to the quality of products and services

The Group is reliant on its ability to develop and deliver products and services of a certain quality. Even if the Group deems the products to be of a certain quality, the demand from its customers may deviate from what the Group is producing. If the Group is unable to meet the demands of its customers in relation to quality and expectation, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group is exposed to risks relating to subcontractors and other partners

The Group is dependent on the performance by subcontractors and other partners of their contractual obligations in terms of quality and delivery time and compliance with guidelines and industry standards. There is, however, a risk that such parties fail to deliver on time or in accordance with the cost structure or quality that they have undertaken, or that they will fail to comply with applicable guidelines and industry standards. If the Group fails in its assessment and evaluation of such parties and it proves that they are, to a significant extent, unable to maintain the quality level which the Group expects, they do not have well-functioning environmental and safety work, or that there are no collective bargaining agreements in place between such parties and their employees, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects. If the Group is forced to replace or commence cooperation with a new supplier, this also risks to lead to significant costs and work in evaluating and approving a new party, and that it may be difficult for the Group to purchase corresponding products or services within reasonable time or at an acceptable cost. If these risks related to subcontractors and other partners materialize, it could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group's business is dependent on its agreements and relationship with its contracting parties and commercial partners.

The Group's business depends on its agreement and relationships with customers and other third parties in order to expand and scale its operations and business as planned.

The Group has, inter alia, entered into the following revenue generating contracts:

- The Company recently entered into an agreement with Satens Vegvesen concerning one of the Company's autonomous underwater vehicle's ("AUV") work on the Bjørnafjorden E36 crossing in Norway, with an approximate contract value of NOK 8.5 million.
- In addition, the Company entered into an agreement with an un-disclosed customer for AUV-work in the Brazilian oil and gas sector, commencing in 2022.
- The Company has also signed a 12-month contract for AUV work using the Company's newly purchased Hugin 6000 AUV with immediate contract start after AUV delivery to Argeo. The project will commence H2 2022 with a minimum guaranteed duration of 6-months and a 6-month extension, with anticipated completion in H2 2023. The total net value contribution for the full 12 months is 4.5 MUSD.

Risk factors (2/8)

- In 2021, the Company secured a deep-water survey contract in the Pacific region for an un-known schedule concerning several projects over a three-year period.

The Group is to some extent dependent on these contracts for the purposes of expanding and scale as intended and should any contract with any of the above parties, or any other material contract to be entered into, for any reason be terminated or not successfully completed, this may have a material negative effect on the Group's business, results of operation, cash flow and prospects.

The Group's reputation could be harmed due to negative public perceptions of the Group or its suppliers and customers

Maintaining the Group's reputation is a key factor in establishing and maintaining its customer relationships as well as ensuring successful business. If customers start to lose confidence in the safety and quality of the services sold by the Group, or in the ethical and legal behavior of the Group or any of its partners, such as suppliers and subcontractors, the Group's reputation and business results could be negatively affected. In addition, if the quality of the services offered by the Group deteriorates, including timing of delivery and availability of services, whether due to a mistake by the Group or a third party, the Group's reputation and business results could be damaged. Any reputational damage suffered by the Group could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group may risk not being awarded projects in the future or on terms that are not favorable to the Group

The Group business model is partly based on participating in projects and cannot rely on long-term customer contracts. There are currently projects which are still in a bidding or planning phase and thus have not yet been awarded. There are considerable risks related to these projects and it should be taken into account that even if the Group is of the understanding that it is developing and offering bids on competitive terms, there is a risk that such projects may not be awarded to the Group. If projects are not awarded to the Group or awarded on unfavorable terms, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group is dependent on technology and know-how and there can be no assurances that it will be able to launch competitive and technologically advanced products and services

The Group's daily business is dependent upon technology and know-how which it is in possession of through agreements with various business partners. As the Group is dependent on third-party suppliers of technical production equipment, as well as sufficient maintenance routines for its production facilities, the Group is vulnerable to errors in technology and other supply chain risks. Such errors and risks could cause damage to the Group's business.

The Group has recently applied for six patent approvals of technology invented by it, and as such, it is significant resources in its product and service portfolio. However, such investments may not translate into profitable business, or the Group may be too slow or less successful than its industry peers. There is also a risk that the Company's applications to patent its technology will not be approved. The Group may further not be successful in developing a portfolio of technologically-advanced products, services and solutions within the expected timeframe or at all, or at a cost point and/or with functionality and features that will allow such new developments by Argeo to be competitive when compared to similar products, services and solutions available in the market. Even if Argeo succeeds in developing innovative technologies, its competitors may be able to commercialize similar technologies faster or more successfully than the Group.

The Group cannot give assurance that its measures for preserving the secrecy of its trade secrets, confidential information and future patents are sufficient to prevent others from obtaining such information. The extent of the Group's intellectual property rights may vary in different countries, and filing, prosecuting, maintaining and defending the Group's intellectual property rights, throughout the world could be highly expensive. Consequently, the Group may be unable to prevent third parties from using its inventions in certain countries, especially in jurisdictions that have no or little protection of intellectual property rights, or in jurisdictions where enforcement may be difficult. Competitors could potentially also use the Group's technology in jurisdictions where the Group has not obtained intellectual property rights protection. In particular, proceedings to enforce the Group's intellectual property rights could result in substantial costs and divert the Group's efforts and attention from other aspects of its business.

There is also a risk that third parties may claim that the Group does not have rights or exclusive rights to the intellectual property it currently uses or will use in the future (including the patent which the Company is in the process of applying for). The Group may as a consequence of this be a party to litigation to determine the scope and validity of its intellectual property, which, if resolved adversely to the Group, could invalidate or render unenforceable its intellectual property or generally preclude the Group from using such intellectual property, or the Group could be forced to pay substantial royalties. A successful claim of infringement against the Group, or its failure or inability to develop non-infringing technology or license the infringed technology could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

Risk factors (3/8)

The Group is exposed to risk related to cyber-threats

As a technology group that i.e. uses highly specialized unmanned AUVs and land based surveying products and solutions, the Group and its customers are subject to cyber-attacks from cybercriminals. Rapid changes in attack vectors makes it difficult to stop attacks and adapt to new threats and the increased social hacking creates a cyber-threat risk for the Group. The Group must comply with severe contractual security obligations, including maintaining network and system security, providing security patching, antivirus and malware detection and prevention services and intrusion detection and prevention as well as ensuring the credentials of those employees who work with the Group's customers. Information technology security breaches could lead to shutdowns or disruptions of the Group's systems and potential unauthorized disclosure of confidential information or data, including personal data. The Group may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. The theft or unauthorized use or publication of confidential information or other proprietary business information, or privacy-related obligations or third parties, or any compromise of security that results in an unauthorized release, transfer of use of personally identifiable information or other customer data as a result of an information technology security incident, could adversely affect the Group's competitive position and reputation, and reduce marketplace acceptance of the Group's products, services and solutions. If the Group is unable to protect its products and services from cyber-threats, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group may fail to effectively protect information about customers and employees

The Group makes use of information technology systems and network where amongst others information about customers and employees may be stored. Failure to maintain proper and sufficient cyber security will lead to such information becoming vulnerable to cyber-attacks and may lead to such information becoming known to others. For loss of information regarding customers and employees, this may further lead to claims against the Group for improper handling and protection of such information. A failure to effectively protect information about customers and employees could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group is exposed to risks associated with international operations

The Group operates internationally, has established several subsidiaries in foreign jurisdictions and the majority of the Group's revenues is expected to originate from countries outside of Norway. The Group's operations are consequently subject to risks inherent in international business operations, including, but not limited to, general economic conditions in each country in which the Group operates, overlapping differing tax structures, problems related to management of an organization spread over various countries, unexpected changes in regulatory requirements, compliance with a variety of local laws and regulations, and longer accounts receivable payment cycles in certain countries. The materialization of such risks could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group may not be able to maintain sufficient insurance to cover all risks related to its operations

The Group's business is subject to a number of risks and hazards, including, but not limited to damages to property and equipment, labor disputes and changes in the regulatory environment. Such occurrences could result in monetary losses and possible legal liability. Although the Group seeks to maintain insurance or contractual coverage to protect against certain risks to the extent as it considers reasonable, its insurance may not cover all the potential risks associated with the Group's operations. The materialization of risks that the Group does not have sufficient insurance coverage for could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group is exposed to risks relating to health and safety

The business of the Group, including but not limited to the offshore services, pose health and safety risks to those involved and can potentially result in injuries and accidents. The Group has many business partners and due to the ordinary business of the Group, the Group could potentially be liable for injuries and accidents to its own employees or contractors' employees. Liability for health and safety could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group may be unable to attract and retain key management personnel and other employees

As follows from the Group's business plan, it intends to increase its number employees in order to scale and expand as planned. The Group's success currently, and will in the future, to a significant extent depend upon the abilities and efforts of the Group's Management and its ability to retain key members of the management team, including recruiting in accordance with its business plan, retaining and developing skilled personnel for its business.

Risk factors (4/8)

The demand for personnel with the capabilities and experience required in the industry is high, and success in attracting and retaining such employees is not guaranteed. There is intense competition for skilled personnel and there are, and may continue to be, shortages in the availability of appropriately skilled people at all levels. Shortages of qualified personnel or the Group's inability to obtain and retain qualified personnel could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects. There can furthermore be no assurances that that any new employee employed as part of the Group's expansion and scaling will prove successful, and any unsuccessful employments may have a material negative impact on the Group's business, prospects, reputation and financial condition.

Economic development and uncertainty

The demand for geophysical and robotics services in general is dependent upon overall global economic development different sectors. Since inspection, maintenance and survey in the oil and gas industry make up a significant share of the Group's business, the Group is to some extent exposed to fluctuation of the price in oil and gas. The Group is also dependent on continued levels of capital spending, including amounts dedicated to the purchase of the Group's products and services in the markets for offshore wind, infrastructure, aquaculture and deep-sea minerals ("DSM") which make up the majority of the Group's revenue.

Risk related to the industry in which the Group operates

The Group operates in a competitive market, and the Group might not be able to compete efficiently

The geophysical technology and robotics market, which includes integrated products for, inter alia, geophysics, hydrographic survey, inspection and monitoring, is competitive and rapidly changing. Other large established companies have in the past and may in the future also make investments in the geophysics and technology market. In addition, as the Group introduce new products and services, and with the introduction of new technologies and market entrants, it expects competition to intensify in the future. Some competitors may make acquisitions or enter into strategic relationships to offer a broader range of products and services than that of the Group. These combinations may make it more difficult for the Group to compete effectively.

Demand for the Group's products and services is also price sensitive. Many factors, including the Group's marketing and current and future competitors' pricing and marketing strategies, can significantly affect the Group's pricing strategies. Certain competitors offer, or may in the future offer, lower-priced products and services that compete with the Group's products and services or may bundle and offer a broader range of products and services. Similarly, certain competitors may use marketing strategies that enable them to acquire customers at a lower cost than that of the Group.

There can be no assurance that the Group will not be forced to engage in price-cutting initiatives or other discounts or to increase its marketing and other expenses to attract and retain customers in response to competitive pressures, either of which could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group is exposed to risks relating to volatile, negative or uncertain economic or political conditions, including COVID-19 and the ongoing conflict in Ukraine

The uncertainties and recent downturn of the global economy and other macroeconomic factors, including but not limited to the ongoing COVID-19 pandemic could adversely affect the Group's business. There risk that further outbreaks of pandemics and the extraordinary health measures imposed as a result, may cause disruptions in the Group's operations. There can be no assurances that the Group's operations will continue without major interruptions arising from the ongoing COVID-19 pandemic or other outbreaks of pandemics. For example, any mandatory "stay home - stay safe" policy may result in disruption of the Group's products and services, or any mandatory travel restrictions may cause disruptions or delays. Furthermore, certain contracts may dictate that full payment will occur if such is not delivered as a result of COVID-19 related disruptions.

Global macroeconomic conditions affect the Group's customers' businesses, which may have a consequential effect on their spending and demand for the Group's products and services. Economic volatility and uncertainty are particularly challenging because many of the projects the Group undertakes for customers require investments by them, which customers are less willing to make in uncertain economic conditions. On 24 February 2022, Russian military forces launched a military action against Ukraine. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including economic conditions, financial markets, supply chain interruptions, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage. While the Groups operations are not located in Russia, sanctions and measures by the United States, United Kingdom and other countries against Russia, could adversely affect the global economy and financial markets. Such volatile, negative or uncertain economic conditions in the Group's customers' markets, have undermined, and could in the future undermine, business confidence and cause the Group's customers to reduce or defer their spending on new initiatives and technologies, or may result in customers reducing, delaying or eliminating spending under existing contracts with the Group or putting pressure on the Group's pricing.

Risk factors (5/8)

In addition, international, national or local political volatility could in the future negatively impact, the Group and its employees. Volatile, negative or uncertain economic or political conditions may adversely impact the Group's customers or the Group's employees and could therefore have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The renewable sector is still under development

Both offshore wind and renewable energy generally experience frequent changes and developments in technology and business models. Failure or inability by the Group to respond to such changes and innovations may render the Group's operations non-competitive and may have a negative effect on the Group's result of operation, financial condition and future prospects. Furthermore, efforts to respond to technological innovations may require significant financial investments and resources which could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group may not be able to respond to rapid technological changes or develop new services in a competitive market

The geo-physics and technology market is competitive and characterized by rapid technological change and frequent new product and service introductions. The Group's future profitability depends heavily on its ability to enhance and improve its products and services and introduce new products and services. There can be no assurance that any attempts on enhancements to the products and services will be compelling to customers or gain market acceptance in a timely and cost-effective manner. Any delays or competitors' introduction of competitive products, services and/or technologies could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

Risks related to laws and regulations

The Group may be exposed to product liability and warranty claims

The Groups sale of services or products poses the potential for warranty claims and product liability. In addition, the Group also relies on its customers and other third parties to use its products according to the products design. The Group believes that the Group's insurance coverage for product liability is adequate, however there is a risk that the amount of such insurance will not be sufficient to satisfy claims made against the Group in the future. Product liability or warranty claims could result in significant litigation costs, and a successful claim brought against the Group in excess of available insurance coverage, or any claim that results in significantly adverse publicity, could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group is subject to risks relating to changes in laws, regulations and is dependent on permits and approvals to operate

As the technology used in the Group's AUVs is in its early stages, the construction or installment of autonomous functions and the operation of AUVs are not subject to or regulated by a coherent set of laws and regulations. However, the Norwegian Maritime Authority has published a circular with guidelines relating to construction and operation of AUVs and the International Maritime Organization has established a temporary set of guidelines until the AUV technology has moved into a more mature phase. However, any future regulation on AUVs which the Group will become subject to in the future may involve increased focus and spending on compliance and regulatory activities.

Other than this, the Group is subject to a variety of national and international laws and regulations in relation to its maritime operations, also including its AUVs. Any breach of laws can be costly and expose the Group to liability and could limit its options. Furthermore, the Group is required to obtain certain permits and approvals, from governmental authorities in connection with development projects. The Group's dependency on such permits and approvals represents considerable risks and if the Group does not obtain the necessary permits and approvals that it requires to operate its business, it may have a material adverse effect on the Group's business, operations and financial results. The regulation regarding offshore activities is in general, and particularly for deeper waters, immature. In several regions the regulatory and fiscal framework should be considered as 'in the making'. Any lack of necessary permits and approvals could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group is exposed to risk relating to data protection and data privacy regulations, etc.

The Group collects and processes personal data through its business and operations in multiple jurisdictions. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which all imposes stringent data protection requirements and provides high possible penalties for noncompliance. The main regulations applicable to the Group are the General Data Protection Regulation (EU) 2016/679 (the "GDPR") in the EU/European Economic Area (the "EEA") and local data protection laws such as the Norwegian Data Protection Act of 2018.

Risk factors (6/8)

As at the date of this Presentation, the Group is not fully compliant with GDPR, but has implemented measures to strive for compliance going forward. Any failure to implement appropriate technical and organizational measures to comply with the data protection legislation privacy-related obligations to customers or third parties, privacy-related legal obligations, or any personal data breaches such as unauthorized releases that result in an unauthorized release, transfer or use of personally identifiable information or other customer data, may result in administrative fines and governmental enforcement actions, litigation or public statements against the Group. In addition to legal sanctions, any such failure could represent a reputational risk with regard to customers and vendors losing their trust in the Group. If third parties violate applicable laws or its policies, such violations may also put users of the Group's products at risk and could in turn have an adverse effect on the Group's business. Any significant change to applicable laws, regulations or industry practices regarding the processing of personal data could increase the Group's costs and require the Group to modify its services and features, possibly in a material manner, which the Group may be unable to complete and may limit its ability to process user data or develop new services and features.

The Group is exposed to risks relating to failure to comply with applicable tax legislation

The Group is subject to prevailing tax legislation, treaties and regulations in every jurisdiction in which it is operating, and the interpretation and enforcement thereof. The Group's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If the Group's interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries, or if taxing authorities do not agree with the Group's and/or any subsidiaries' assessment of the effects of applicable laws, treaties and regulations, or the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, the Group's effective tax rate on its earnings could increase substantially, which could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

Financial risks

In order to execute the Group's growth strategy, the Group may require additional capital in the future, which may not be available

To the extent the Group does not generate sufficient cash from operations, the Group may need to raise additional funds through debt or additional equity financings to execute the Group's growth strategy and to fund capital expenditures. Adequate sources of capital funding may not be available when needed or may not be available on favorable terms. The Group's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. If the Group raises additional funds by issuing additional shares or other equity or equity-linked securities, it may result in a dilution of the holdings of existing shareholders. If funding is insufficient at any time in the future, the Group may be unable to fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

Future debt levels could limit the Group's flexibility to obtain additional financing and pursue other business opportunities

The Group may incur additional indebtedness in the future. This level of debt could have important consequences for the Group, including the following:

- the Group's ability to obtain additional financing for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may be unavailable on favorable terms;
- the Group's costs of borrowing could increase as it becomes more leveraged;
- the Group may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to its shareholders;
- the Group's debt level could make it more vulnerable than its competitors with less debt to competitive pressures, a downturn in its business or the economy generally; and
- the Group's debt level may limit its flexibility in responding to changing business and economic conditions.

Risk factors (7/8)

The Group's ability to service its future debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all.

The Group is exposed to credit and liquidity risks

The Group's current and potential customers and other counterparties may be unable or unwilling to fulfil their financial obligations to the Group. The reason may be a financial situation where the counterparty cannot pay the agreed fees or other amounts owed to the Group as they fall due or otherwise abstain from fulfilling their obligations. To mitigate this risk, the Group may conduct credit reviews of new customer and, to some extent, also of existing customers. However, should the Group's customers be unable or unwilling to pay agreed fees, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group is exposed to foreign currency exchange risk

Currency exposure is the result of purchases of goods and services in other currencies than the Group's functional currency (transaction exposure) and of the conversion of the balance sheets and income statements in foreign currencies into NOK (translation exposure).

The Group's products and services are offered globally. As mentioned under Section "The Group's business is dependent on its agreements and relationship with its contracting parties and commercial partners", the Company has committed to three projects where revenue is incurred in USD. In addition, the Company's operating expenses is also nominated in the currencies EUR and GBP. As a result, the Group is exposed to the risks that the foreign currencies may appreciate or depreciate relative to the USD, EUR and GBP, which could have a material adverse effect on the Group's results of operations, financial position and/or cash flows.

Furthermore, the Group prepares its financial statements in NOK. Because the Group reports financial results in NOK, the Group faces a currency risk to the extent that the assets, liabilities, revenues and expenses of the Company's subsidiaries are denominated in currencies other than NOK. In order to prepare the Group's financial statements, the Group translates the values of these assets, liabilities, revenues and expenses into NOK at the applicable exchange rates. Future variations in the exchange rate could therefore have an impact on the Group's reported financial results.

Currency risks may also arise when Group companies enter into transactions that are denominated in currencies other than their functional currency. The Group itself is also invoiced in other currencies than its functional currency, thus resulting in currency exposure from both a customer and supplier position. Such translation exposure does not give rise to an immediate cash effect. Additionally, changes in exchange rates can affect the Group's customers and suppliers, and for instance result in a reduction of customers' willingness to pay or increase suppliers' costs, and as such indirectly affect the Group's profitability.

Risks related to the Company being a holding company

The Company is a holding company and relies principally on cash generated by its subsidiaries for its cash and financing requirements, including the funds necessary to service any debt it may incur. The Company's subsidiaries may be restricted in their ability to transfer funds to the Company whether in the form of dividends, loans or advances, and the imposition of such a limitation could materially and adversely limit the Company's ability to grow, make investments or acquisitions that could be beneficial to its businesses, pay dividends or otherwise fund and conduct its business. The inability of the subsidiaries to transfer cash to the Company may mean that, even though the Company may have sufficient resources on a consolidated basis to meet its obligations under its debt agreements, it may not be able to meet such obligations. Defaults by, or the insolvency of, certain subsidiaries of the Company could result in the obligation of the Company to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or cause cross-defaults on certain borrowings of the Company. There can be no assurance that the Company and its assets would be protected from any actions by the creditors of any subsidiary of the Company, whether under bankruptcy law, by contract or otherwise.

The Group is exposed to financial reporting risks

As part of its responsibility to prevent and detect errors and fraud affecting its financial statements, the Group's Management has set up specific accounting and reporting procedures in relation to, amongst other things, revenue recognition process, taxation and other complex accounting issues. Any failure to prevent and detect errors and fraud within the implementation of such procedures could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

Risk factors (8/8)

Risks related to the Shares

The price of the Shares may fluctuate significantly

The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Company, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions.

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of its Shares.

Future issuances of Shares or other securities, including warrants and options, in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares

It is possible that the Company may decide to offer new Shares or other securities in order to finance new capital-intensive investments in the future, in connection with unanticipated liabilities or expenses, or for any other purposes such as implementation of incentive schemes. The Company has outstanding warrants and options which, if exercised in full, will have a dilutive effect of approximately 19.6%. Any such offering or issuance of equity linked securities could reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings per Share and the net asset value per Share of the Company, and any offering or issuance of shares by the Company could have a material adverse effect on the market price of the Shares.

The transfer of the Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

Future sales, or the possibility for future sales of substantial numbers of Shares may affect the Shares' market price

The Company cannot predict what effect, if any, future sales of Shares, or the availability of Shares for future sales, will have on their market price. Sales of substantial amounts of Shares in the market, or the perception that such sales could occur, may adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares in the future at a time and price that they deem appropriate.

The Company may be unwilling or unable to pay any dividends or make distributions

The Company has not paid any dividends and there is a risk that it will not pay dividends in the immediate or foreseeable future. The future payment of dividends on Shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Board of Directors may consider appropriate in the circumstances. The Company may choose not, or may be unable, to pay dividends or make distributions in future years.

Furthermore, the amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial condition and capital requirements, the ability of the Company's subsidiary to pay dividends to the Company, credit terms, general economic conditions, legal restrictions and other factors that the Company may deem to be significant from time to time.