

## INFORMATION DOCUMENT



### DESERT CONTROL AS

(A private limited liability company incorporated under the laws of Norway)

### ADMISSION TO TRADING OF SHARES ON EURONEXT GROWTH

---

This information document (the "**Information Document**") has been prepared by Desert Control AS (the "**Company**" or "**Desert Control**") and together with its subsidiaries the "**Group**") solely for use in connection with the admission to trading (the "**Admission**") of all issued shares of the Company on Euronext Growth.

As of the date of this Information Document, the Company's registered share capital is NOK 121,879.917 divided into 40,626,639 shares, each with a par value of NOK 0.003 (the "**Shares**").

The Shares have been approved for admission to trading on the Euronext Growth and it is expected that the Shares will start trading on or about 14 April 2021 under the ticker code "DSRT". The Shares are, and will continue to be, registered in the Norwegian Central Securities Registry (the "**VPS**") in book-entry form. All the issued Shares rank pari passu with one another and each Share carries one vote.

Euronext Growth is a market operated by Euronext. Companies on Euronext Growth, a multilateral trading facility (MTF), are not subject to the same rules as companies on a Regulated Market (a main market). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth may therefore be higher than investing in a company on a Regulated Market. Investors should take this into account when making investment decisions.

The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71.

The present Information Document has been drawn up under the responsibility of the Issuer. It has been reviewed by the Euronext Growth Advisors and has been subject to an appropriate review of its completeness, consistency and comprehensibility by Euronext."

THIS INFORMATION DOCUMENT SERVES AS AN INFORMATION DOCUMENT ONLY, AS REQUIRED BY THE EURONEXT GROWTH ADMISSION RULES. THIS INFORMATION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

Investing in the Company involves a high degree of risk. Prospective investors should read the entire document and, in particular, Section 1 ("Risk Factors") and Section 3.3 ("Cautionary note regarding forward-looking statements") when considering an investment in the Company and its Shares.

Euronext Growth Advisor

Co-manager



Arctic Securities AS



Sparebank 1 SR-Bank ASA

The date of this Information Document is 13 April 2021

## IMPORTANT INFORMATION

This Information Document has been prepared solely by the Company in connection with the Admission. The purpose of the Information Document is to provide information about the Group and its business. This Information Document has been prepared solely in the English language.

For definitions of terms used throughout this Information Document, please refer to Section 14 ("Definitions and glossary of terms").

The Company has engaged Arctic Securities AS ("**Arctic Securities**") as its advisor in connection with its Admission to Euronext Growth (the "**Euronext Growth Advisor**") and Sparebank 1 SR-Bank ASA ("**SR-Bank**") as co-manager. This Information Document has been prepared to comply with the Admission to Trading Rules for Euronext Growth (the "**Euronext Growth Admission Rules**") and the Content Requirements for Information Documents for Euronext Growth (the "**Euronext Growth Content Requirements**"). Oslo Børs ASA has not approved this Information Document or verified its content.

The Information Document does not constitute a prospectus under the Norwegian Securities Trading Act and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and has not been reviewed or approved by any governmental authority.

All inquiries relating to this Information Document should be directed to the Company or the Euronext Growth Advisor. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Euronext Growth Advisor in connection with the Admission, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Euronext Growth Advisor.

The information contained herein is current as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Group subsequent to the date of this Information Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Information Document and before the Admission will be published and announced promptly in accordance with the Euronext Growth regulations. Neither the delivery of this Information Document nor the completion of the Admission at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult with its own legal, business or tax advisors as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult with your stockbroker, bank manager, lawyer, accountant or other professional advisor.

The distribution of this Information Document may in certain jurisdictions be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Nw.: Oslo tingrett) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

Investing in the Company's Shares involves risks. All Sections of the Information Document should be read in context with the information included in Section 1 "RISK FACTORS" and Section 3 "GENERAL INFORMATION".

## ENFORCEMENT OF CIVIL LIABILITIES

The Company is a private limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Company's senior management (the "**Management**") are not residents of the United States of America (the "**United States**"), and a substantial portion of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

Similar restrictions may apply in other jurisdictions.

**TABLE OF CONTENTS**

1.	RISK FACTORS .....	6
1.1	Risk related to the business and industry in which the Company operates .....	6
1.2	Operational and financial risks .....	7
1.3	Risks relating to the Shares and the Admission .....	10
2.	RESPONSIBILITY FOR THE INFORMATION DOCUMENT .....	13
3.	GENERAL INFORMATION .....	14
3.1	Other important investor information.....	14
3.2	Presentation of financial and other information .....	14
3.3	Cautionary note regarding forward-looking statements .....	15
4.	REASONS FOR THE ADMISSION .....	16
5.	DIVIDENDS AND DIVIDEND POLICY .....	17
5.1	Dividends policy .....	17
5.2	Legal and contractual constraints on the distribution of dividends.....	17
5.3	Manner of dividends payment.....	17
6.	THE PRIVATE PLACEMENT.....	19
6.1	Details of the Private Placement.....	19
6.2	Shareholdings following the Private Placement .....	19
6.3	Use of proceeds .....	19
6.4	Lock-up .....	19
7.	BUSINESS OVERVIEW .....	21
7.1	Introduction .....	21
7.2	History and important events .....	21
7.3	The Company's business .....	21
7.4	Principal Markets .....	23
7.5	Group organisation .....	25
7.6	Business-critical patents, licenses and industrial, commercial or financial contracts.....	26
7.7	Related party transactions.....	26
7.8	Legal and arbitration proceedings .....	26
7.9	Competitive situation .....	26
8.	SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION.....	28
8.1	Introduction and basis for preparation.....	28
8.2	Summary of accounting policies and principles.....	28
8.3	Selected statement of income .....	28
8.4	Selected statement of financial position .....	29
8.5	Selected statement of changes in equity .....	30
8.6	Significant changes in the Company's financial or trading position.....	31
8.7	Working capital statement .....	31
9.	THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND OTHER CONSULTANTS .....	32
9.1	Introduction .....	32
9.2	The Board of Directors.....	32

9.3	Management .....	34
9.4	Nomination committee.....	34
9.5	Share incentive schemes.....	34
9.6	Bonus agreements and benefits upon termination .....	35
9.7	Corporate governance .....	35
9.8	Conflicts of interests etc. ....	35
10.	SHARES AND SHAREHOLDERS MATTERS.....	36
10.1	Corporate information.....	36
10.2	Legal structure of the group .....	36
10.3	Share capital and share capital history .....	37
10.4	Shareholders .....	38
10.5	Board authorisations .....	38
10.6	Rights to acquire shares.....	39
10.7	Shareholder rights .....	39
10.8	The Articles of Association .....	39
10.9	Certain aspects of Norwegian corporate law.....	39
10.10	Takeover bids and forced transfers of shares .....	42
11.	TAXATION .....	43
11.1	Introduction .....	43
11.2	Taxation of dividend .....	43
11.3	Taxation of capital gains on realisation of shares .....	44
11.4	Net wealth tax .....	45
11.5	VAT and transfer taxes.....	45
11.6	Inheritance tax .....	45
12.	TRANSFER RESTRICTIONS.....	46
13.	ADDITIONAL INFORMATION .....	47
13.1	Admission to Euronext Growth.....	47
13.2	Information sourced from third parties and expert opinions .....	47
13.3	Independent auditor .....	47
13.4	Advisors .....	47
14.	DEFINITIONS AND GLOSSARY OF TERMS .....	48
<b>APPENDIX A</b>	<b>ARTICLES OF ASSOCIATION</b>	
<b>APPENDIX B</b>	<b>AUDITED FINANCIAL STATEMENTS 2020</b>	
<b>APPENDIX C</b>	<b>AUDITED FINANCIAL STATEMENTS 2019</b>	

## 1. RISK FACTORS

Investing in the Shares involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Information Document, including the Financial Information and related notes.

The risks and uncertainties described in this Section 1 ("Risk factors") are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. The Company is currently in a growth phase and has not yet generated any income. Therefore, investment in the Shares should be considered a high-risk investment compared to investing in companies that are generating income. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialize, individually or together with other circumstances, it could have a material and adverse effect on the Company and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are not the only risks the Company may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Company's business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

The information herein is presented as of the date hereof and is subject to change, completion, or amendment without notice.

The risk factors described in this Section 1 ("Risk factors") are sorted into a limited number of categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. The risks mentioned herein could materialise individually or cumulatively.

### 1.1 Risk related to the business and industry in which the Group operates

#### 1.1.1 *Violations of and/or changes in laws and regulations could increase costs or change the way the Group does business*

The Group is subject to numerous regulations. If these regulations were violated by the Group's management or employees or by its customers, the Group could be subject to fines or penalties or suffer reputational harm, which could reduce demand for the Group's products and services and have a material adverse effect. Policies, procedures, and systems to safeguard employee health, safety and security implemented by the Group may not be adequate or sufficiently implemented or adhered to. Any failure to comply with such policies procedures and systems may have a material adverse impact on its business, results of operations and financial condition.

Similarly, changes in laws could make operating the Group's business more expensive or require the Group to change the way in which it conducts its business. It may be difficult for the Group to foresee regulatory or legal changes impacting its business, and any actions required in order to respond to, or prepare for, such changes could be costly and/or may negatively impact the Group's operations, and could have a material adverse effect. Laws and regulations could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and restrict its ability to operate its vessels or otherwise.

#### 1.1.2 *Political, regulatory and market risks*

Desert Control's customers are, and future customers will be, located internationally, in markets such as the Middle East, the Americas, Europe, Australia, Africa, India, China and the rest of Asia. Desert Control's operations is affected by a range of factors outside the Company's control, such as but not limited to, political decisions, new regulations with respect to health, safety and environment and taxation, weather conditions, political and military conflicts. Any reduction in the activity in the Group's market areas will have a direct effect on the demand for Desert Control's offerings and thereby a material adverse effect on Desert Control's earnings and cash flow.

The Group may experience unforeseen regulatory changes, governmental interventions or lack of governmental regulations, including policies and regulations with regards to water consumption, product registration requirements and nano-particle substances, which may be disadvantageous for the Group and its operations.

Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable laws, regulations and standards. Commercial practices and legal and regulatory frameworks differ significantly between jurisdictions and are subject to change at any time. As a result, it may be difficult to ensure compliance with changes in regulatory requirements in the jurisdictions where the Group operates, and this can have an adverse effect on the Group's operations, business, financial performance and prospects.

#### 1.1.3 *Risks related to competition*

Desert Control operates in a global business which is highly competitive. To succeed, the Group is dependent on being able to develop and maintain long-term technological advantages compared to other players operating in the same business area as the Group. Many competitors of Desert Control have significantly greater resources compared to the resources of Desert Control. The market in which Desert Control operates is further subject to rapid and substantial technological change, and developments by others may render the technology and business models of Desert Control obsolete or non-competitive, which would have a material adverse effect on Desert Control's operations, financial condition and future prospects. It should be expected that competitors will continuously try to decrease Desert Control's competitive advantages.

#### 1.1.4 *Risks related to GDPR compliance*

The Group collects, stores and processes personal data that is protected by data protection laws and regulations. Such laws and regulations on data protection have been subject to significant development during recent years and may be subject to change and interpretation. It may not be possible for the Group to detect or prevent every violation in every jurisdiction where the Group carries out its business operations, or in which its employees, hired-in personnel or sub-contractors are located. Any failure to comply with applicable laws and regulations on data protection now or in the future may result in fines and reputational harm and could have a material adverse effect on the Group's business, financial condition and results of operations as well as negative publicity harming the Group's business and reputation.

### 1.2 **Operational and financial risks**

#### 1.2.1 *Risks relating to the Group's operation and its self-developed LNC solution*

Desert Control has developed a LNC solution aimed at reducing the water consumption required to cultivate crops and green landscapes suffering from sandy soils and drought. If successful, the LNC solution may contribute to stopping and reversing desertification and soil degradation and reduce water consumption for green ecosystems. However, the Group is in a growth phase and has yet to generate commercial revenues or securing income generating customer contracts.

Actual costs for implementation of the LNC solution still need further confirmation. The Group's LNC solution has passed scientific validation by an international research organization, and found effective for turf, grassland and agriculture. There are, however, still uncertainties related to the capability and ability to apply LNC effectively over large areas. Although the Company believes reduction of technological risk achieved during 2020 may enable commercial pilots to generate revenue in 2021, such that the Company may break even in 2023, no assurances can be given that that Company will be successful and fulfil these predictions.

Further, in some of the countries and markets in which the Group carries out, or plan to carry out, its operations there is a limited access to water. To carry out its operations in these countries, the Group is therefore dependent on technology related to water innovation to become applicable. There can be made no guarantee that such technology will be developed or made available to the Group, and the Group may therefore not be successful in establishing its business operations in these markets.

If the Group fails to enter into income generating commercial contracts, the Group may need to raise additional financing to continue operations. No assurance can be given that the Group will succeed maintaining a comfortable cash reserve for future operations, and no assurances can be given that the Group will be able to raise additional new financing on attractive terms, or at all.

#### 1.2.2 *The Group depends on protecting its proprietary technology and intellectual property rights and third parties may claim that the Group is violating their proprietary technology and intellectual property*

The Group has developed a patent portfolio which is important to its LNC solution, and overall operations and business. The success of the Group's business depends on its ability to protect and enforce know-how, trade secrets, trademarks,

copyrights, patents and other intellectual property rights. Furthermore, third parties may, both with and without substance, claim that the Group is infringing or violating their proprietary technology and intellectual property rights. The Group have in the past been accused of infringing patent rights. Although these historic claims were not pursued by the other party, there are no assurances that historic claims will not be brought against the Group in the future. The Group's historic experience with accusation of patent infringement may also indicate that similar claims may be set forth in the future by others. Disputes associated with such claims could be time-consuming and costly and could result in loss of significant rights and/or penalties such as loss of freedom to operate.

Failure to protect the Group's proprietary technology and property rights or claims that the Group is violating or infringing third party intellectual property rights could lead to a competitive disadvantage and result in a material adverse effect on the Group's business, prospects, financial position and results of operations.

1.2.3 *The Group may not be successful in attracting skilled employees or retain key personnel and lack of post-contractual non-competition and non-solicitation undertakings*

The Group's success depends, to a significant extent, on the continued services of the individual members of its management team and other employees, who have substantial experience in the industry in which the Group operates. The Group's ability to continue to identify and develop opportunities depends on the management's knowledge of and expertise in the industry and on its external business relationships. There can be no assurance that any management team member will remain with the Group. Any loss of the services of members of the management team could have a material adverse effect on the Group's business, results of operations and financial condition.

1.2.4 *The Group may not be able to successfully implement its strategies*

The Group's long-term ambition is to commercialize the LNC-solution and associated services towards a global market, and the Group's strategy is to make an initial market entry into the United Arab Emirates ("UAE") with an expansion to the US planned in 2022. Currently, the Group has a number of ongoing customer pilot projects in the UAE. The pilot projects are offered free of charge to the customer, and the Group's ambition is that, if successful, the pilot projects will lead to securing the Group's first income generating customer contracts.

The success of the Group's strategy depends on a number of factors, including, but not limited to, timely and successful execution of the strategy, market acceptance and the Group's ability to manage the risks associated with such strategies. In addition, the Group must successfully create, develop and manage its strategies and initiatives. There are no assurances that the Group's current strategy and/or the adoption of new strategies will be successful or have the impact intended by management.

In addition, the Group may in the future experience periods of adaptation, transformation and change due to the deployment of new strategies and initiatives, which may generate or result in periods of uncertainty with respect to, or may have a material adverse effect on, the Group's business, financial condition, results of operations, cash flows and/or prospects.

1.2.5 *The Group may require additional capital in the future in order to execute its strategy or for other purposes, which may not be available on favourable terms, or at all*

Being in a growth phase, the Group's business is reliant on additional capital in order to execute its strategy. The Group does not yet generate cash from its operations, and the Group may therefore need to raise additional capital through public or private debt or equity financing to execute the Group's strategy and to fund capital expenditures. Adequate sources of capital funding may not be available when needed or may not be available on favourable terms. If the Company raises additional funds by issuing additional shares or other securities, the holdings of existing shareholders may be diluted. If funding is insufficient at any time in the future, the Group may be unable to fund maintenance requirements and acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's results of operations and financial condition.

The Group does not currently have any external financing arrangements. Given that the Group is in a growth phase and does not currently generate any revenues, it may be challenging to obtain such external financing. If the Group in the future succeeds in any efforts to obtain external financing arrangements, such future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or Company's ability to declare dividends to its shareholders.



1.2.6 *The Group may or may not generate a profit or pay any dividends for the foreseeable future. Shareholders may never obtain a return on their investment*

As of the date of this Information Document, the Group is in a growth phase, has not generated a profit since incorporation and the Company is not in a position to pay any dividends.

Beyond the growth phase, it is the Company's ambition to be profitable and provide its shareholders with a competitive return on investment over time, in terms of dividend and development in the share price. There can, however, be no assurance that the Company will achieve profitability or that the Company, in any given year, will propose or declare dividends. The payment of future dividends will depend on legal restrictions, the Group's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its borrowing arrangements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility.

1.2.7 *Reputational risk*

The Group's reputation and its ability to do business may be impaired by the inappropriate behaviour by any of its employees or agents or those of its affiliates. While the Group is committed to conducting business in a legal and ethical manner, there is a risk that its employees or agents or those affiliated may take actions that violate the law and could result in monetary penalties against the Group or its respective affiliates and could damage the reputation and business relationship, therefore, the ability to do business of the Group. Damage to the Group's reputation and business relationships may have a material adverse effect beyond any monetary liability.

1.2.8 *Disruptions of deliveries by the Group's suppliers could increase operating costs, decrease revenues and adversely impact the Group's operations*

The Group relies upon the timely receipt of natural clays and other raw materials, satisfactory equipment, services and other products from third party suppliers. As a result, the Group's business is dependent on its relationships and contracts with the suppliers of its products and systems. If a producer or supplier is unable to produce and/or supply orders to the Group in a timely manner, whether due to operational difficulties, such as inclement weather conditions or the long-term sustainability of clay mining, a reduction in the available production capacity or otherwise, or fails to meet the Group's quality requirements, and the Group is unable to find alternative sources to provide substitute products, this could have an adverse impact on the Group's business, financial condition, results of operations, cash flows and/or prospects.

1.2.9 *Environmental risks related to the production and dispersion of LNC solution*

While the Group's self-developed LNC solution consists of natural components and is considered by the Group to be environmentally friendly, there may be some environmental risks associated with the production and dispersion of the LNC solution onto land and soils. Potential risks include use of contaminated raw materials, spillage of clay or LNC solution onto untargeted areas, clay crust formation due to incorrect application of the LNC solution which could cause harm to vegetation and plant growing, and risks of other harmful or undesired effects associated with production or dispersion of the LNC solution.

The Group aims at identifying and mitigating possible environmental risks during its test phases. No guarantees can however be given that the Group is able to mitigate all environmental risks. If the production or dispersion of the LNC solution is found to cause environmental harm, this could have an adverse impact on the Group's business.

1.2.10 *The Group's insurance coverage may prove insufficient*

The Group has insurance coverage which is deemed as satisfactory by the Group in light of its current operations. No guarantee can however be given that the Group will be sufficiently insured against any potential claim or that the Group's insurance will be sufficient in light of any expansion of the Group's activities. In the event the Group's insurance should prove insufficient with respect to a claim, such insufficiency may have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

1.2.11 *The Group may be exposed to currency exchange rate risks*

The Company's reporting currency is NOK. As the Group's operating business is located outside of Norway, a significant portion of the Company's operating expenses and certain of its expected future revenues will likely be incurred in other currencies, such as EUR, AED and USD. As a result, the Group is exposed to the risk that the relevant foreign currencies may appreciate or depreciate relative to the NOK, which could have a material adverse effect on the Company's results of operations, financial position and/or cash flows.

#### 1.2.12 *The Group is exposed to credit risk*

Any failure in the ability or willingness of a counterparty to fulfil its contractual obligations may have a significant adverse effect on the Group's business, prospects, financial results and/or results of operations.

#### 1.2.13 *The outbreak of the corona virus (COVID-19) could have a material adverse effect on the Group*

The outbreak of COVID-19 has resulted in a global pandemic and has severely impacted companies and markets globally. It is expected that the pandemic may in the future result in more uncertain markets, operations becoming more vulnerable to interruptions and policy makers around the world may gravitate towards stricter regulations impacting international trade. Such consequences will likely also impact the Group and its current and planned operations and projects – as well as its customers, suppliers of goods and services - including the Group's ability to raise capital or secure financing, future customers' ability to buy the Group's services, and contractors' ability to provide goods and services required for the Group's project at the agreed terms, or at all. Any future outbreak of Covid-19 is beyond the Group's control and it is no assurance that any future outbreak of Covid-19 or other contagious diseases occurring in areas in which the Group or its suppliers, partners or customers operate, or even in areas in which the Group does not operate, will not seriously interrupt the Group's business.

#### 1.2.14 *The Group may be subject to litigation that could have an adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects*

There are inherent risks related to the Group's business which may expose the Group to litigation, including contractual litigation with clients or other contract counterparties, intellectual property litigation and tax or securities litigation. The Group is currently not involved in any litigation, but may in the future be involved in litigation matters from time to time. Any future litigation may have a material adverse effect on the Group's business, financial position, results of operations, and the diversion of management's attention to these matters.

### 1.3 **Risks relating to the Shares and the Admission**

#### 1.3.1 *An active trading market for the Company's shares on Euronext Growth may not develop*

The Shares have not previously been tradable on any stock exchange, other regulated marketplace or multilateral trading facilities. No assurances can be given that an active trading market for the Shares will develop on Euronext Growth, nor sustain if an active trading market is developed. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following completion of the Admission.

#### 1.3.2 *The Company will incur increased costs as a result of being a traded company*

As a company with shares admitted to trading on Euronext Growth Oslo, the Company will be required to comply with applicable reporting and disclosure requirements. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. The Company anticipates that its increased general and administrative expenses as a traded company will include, among other things, costs associated with annual and interim reports to shareholders, disclosure obligations, shareholders' meetings, investor relations, increased director and officer liability insurance costs and officer and director compensation. Any such increased costs, individually or in the aggregate, could have a material adverse effect on the Company's business, operating income and overall financial condition.

#### 1.3.3 *Board authorisations to increase the share capital could dilute the holdings of shareholders*

The Company's general meeting has granted the board of directors an authorisation to issue shares of up to 5% of the Company's currently outstanding shares, corresponding to an increase of the share capital with up to NOK 6,094. The authorisation may be used for the Company's incentive scheme

In addition, the Company's general meeting has provided the Company's board of directors with an authorisation to increase the share capital by up to NOK 12,187.99 in connection with future capital raises that can be used inter alia for strengthening the Company's equity capital, strategic alternatives and general corporate purposes.

Any issuance of shares pursuant to these or any future authorisations will have a dilutive effect on the Company's shareholders.

1.3.4 *Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares*

The Company may require additional capital in the future to finance its business activities and growth plans. Raising additional capital or the acquisition of other companies or shareholdings in companies by means of yet to be issued Shares of the Company as well as any other capital measures may lead to a considerable dilution of shareholdings in the Company.

1.3.5 *Risks related to future sales of shares*

Future sales, or the possibility for future sales of substantial numbers of the Shares may affect the market price of the Shares in an adverse manner.

1.3.6 *Nominee registered Shares may be subject to restrictions on voting*

Beneficial owners of Shares that are registered in a nominee account or otherwise through a nominee arrangement (such as through brokers, dealers or other third parties) may be unable to exercise their voting rights for shares unless their ownership is re-registered in their names with the VPS prior to a general meeting. There can be no assurance that beneficial owners of the Shares will receive the notice of any general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

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

None of the Shares have been registered under the US Securities Act of 1933 (as amended) (the "US Securities Act") or any US 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, or in transactions not subject to, the registration requirements of the US Securities Act and other applicable securities laws. In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings. Further, investors in the United States may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers in Norway.

1.3.8 *Volatility of the share price*

The market price of the Shares may be highly volatile and investors in the Shares could suffer losses. 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 the Shares.

1.3.9 *Shareholders outside of Norway are subject to exchange rate risk*

All of the Shares will be priced in Norwegian Kroner ("NOK"), the lawful currency of Norway and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially impacted upon by adverse currency movements.

1.3.10 *Pre-emptive rights may not be available to all holders of Shares*

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate in the issuance of new shares for cash consideration. Shareholders in the United States as well as in certain other countries may be unable participate in an offer of new shares unless the Company decides to comply with local requirements in such jurisdictions, and in the case of the United States, unless a registration statement under the U.S. Securities Act is effective with respect to such rights and shares or an exemption from the registration requirements is available. In such cases, shareholders resident in such non-Norwegian jurisdictions may experience a dilution of their holding of the Shares, possibly without such dilution being offset by any compensation received in exchange for subscription rights. In addition, the general meeting may resolve to waive the pre-emptive right of all existing shareholders. Furthermore, the shareholders may resolve to grant the board of directors an authorization to increase the share capital of

the Company and set aside any pre-emptive rights for the shareholders, without the prior approval of the shareholders. Such authorization may also result in dilution of the shareholders' holding of Shares.

1.3.11 *Majority shareholder risk*

A concentration of ownership may have the effect of delaying, deterring or preventing a change of control of the Company that could be economically beneficial to other shareholders. Furthermore, the lack of take over regulation on Euronext Growth, as opposed to Oslo Børs and Oslo Axess, may contribute to increase the risk of a concentration of ownership as there are no rules on mandatory offer obligations. Further, the interests of shareholders exerting a significant influence over the Company may not in all matters be aligned with the interests of the Company and the other shareholders of the Company.

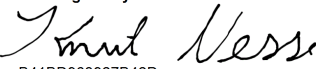
## 2. RESPONSIBILITY FOR THE INFORMATION DOCUMENT

This Information Document has been prepared solely in connection with the Admission to trading on Euronext Growth.

We declare that, to the best of our knowledge, the information provided in the Information Document is accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document.

13 April 2021

The Board of Directors of Desert Control AS

DocuSigned by:  
  
B41BD963927B42D...  
Knut Nesse  
(Chairperson of the board)

DocuSigned by:  
  
34A1000344E94FD...  
Arnfinn Matre  
(Board member)

DocuSigned by:  
  
224D82B6E8B94DC...  
Geir Hjellvik  
(Board member)

DocuSigned by:  
  
4E1F7070BC32408...  
Kristian Peter Olsen  
(Board member)

DocuSigned by:  
  
BC67616E01854AD...  
Brage Wårheim Johansen  
(Board member)

DocuSigned by:  
  
FF3596974D084BF...  
Marit Røed Ødegaard  
(Board member)

### 3. GENERAL INFORMATION

#### 3.1 Other important investor information

The Company has furnished the information in this Information Document. No representation or warranty, express or implied, is made by the Euronext Growth Advisor as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Information Document is, or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The Euronext Growth Advisor assumes no responsibility for the accuracy or completeness or the verification of this Information Document and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Information Document or any such statement.

Neither the Company nor the Euronext Growth Advisor, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

#### 3.2 Presentation of financial and other information

##### 3.2.1 *Financial information*

The Company's Financial Statements (as hereinafter defined) have been prepared in accordance with Norwegian General Accepted Accounting Principles ("**NGAAP**") and the Norwegian Accounting Act. The Financial Statements have been audited by Jærrevisjon AS.

The Company presents the Financial Statements in NOK (presentation currency). Reference is made to Section 8 ("Selected financial information and other information") for further information.

##### 3.2.2 *Industry and market data*

In this Information Document, the Company has used industry and market data obtained from independent industry publications, market research and other publicly available information. Although the industry and market data is inherently imprecise, the Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Information Document that was extracted from industry publications or reports and reproduced herein.

Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Information Document (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 1 ("Risk factors") and elsewhere in this Information Document.

Unless otherwise indicated in the Information Document, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

### 3.3 Cautionary note regarding forward-looking statements

This Information Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. For a non-exhaustive overview of important factors that could cause those differences, please refer to Section 1 ("Risk factors").

These forward-looking statements speak only as of the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Document.

#### 4. REASONS FOR THE ADMISSION

The Company believes the Admission will:

- enhance the Group's profile with investors, business partners, suppliers and customers;
- allow for a trading platform and liquid market for the Shares;
- facilitate for a more diversified shareholder base and enable additional investors to take part in the Group's future growth and value creation;
- further improve the ability of the Group to attract and retain key management and employees; and
- further improve the ability of the Group to raise equity capital in the future to support growth of the Group's business.

No equity capital or proceeds will be raised by the Company upon the Admission, but the Company has completed a private placement immediately prior to the Admission, as further described in Section 6 ("The Private Placement").



## 5. DIVIDENDS AND DIVIDEND POLICY

### 5.1 Dividends policy

As of the date of this Information Document, the Group is in a growth phase and the Company is not in a position to pay any dividends. Beyond the growth phase and subject to any applicable dividend restrictions, the Company anticipates maintaining a discretionary dividend policy. There can, however, be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared that the dividend will be as contemplated by the policy.

The Company has not paid any dividends since its incorporation.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in Section 5.2 ("Legal and contractual constraints on the distribution of dividends") below, as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

### 5.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (as amended) (the "**Norwegian Private Companies Act**"), the Group's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Private Companies Act, dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Norwegian Private Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Private Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).
- The calculation of the distributable equity shall be made on the basis of the audited balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the general meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.
- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Private Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian private limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Private Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 11 ("Norwegian taxation").

### 5.3 Manner of dividends payment

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of

dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

## 6. THE PRIVATE PLACEMENT

### 6.1 Details of the Private Placement

On 6 April 2021, the Company's general meeting resolved a private placement (the "**Private Placement**"), consisting of

- a share capital increase for a total amount of NOK 51,325.917, by issuing 17,018,639 Shares, with a nominal value of NOK 0.003 each, at a subscription price of NOK 11.69 per Share and total gross proceeds of approximately NOK 200 million; and
- a secondary sale of 470,786 existing, validly issued Shares from (i) Olesen Consult HVAC AS (a company owned by board member Kristian P. Olesen), (ii) Beyond Centauri AS (a company owned by board member Brage Johansen), (iii) Atle Idland, VP Sales & Marketing, and (iv) Ole Morten Olesen, shareholder employee, (the "**Selling Shareholders**"), each with a nominal value of NOK 0.003 each, and at a sales price of NOK 11.69 per Share, for a total amount of NOK 5.5 million.

The book building period for the Private Placement took place from 24 March 2021 at 09.00 (CET) to 26 March 2021 at 16:30 CET, notifications of allocation were issued on 29 March 2021 and payment from the investors in the Private Placement is expected to take place on or about 14 April 2021. Delivery of the new Shares in the Private Placement will be made through the facilities of the VPS on or about 14 April 2021 on a delivery-versus-payment basis (DVP). DVP settlement is facilitated by a pre-funding agreement between the Company and the Euronext Growth Advisor.

### 6.2 Shareholdings following the Private Placement

Upon completion of the registration of the Private Placement in the Norwegian Register of Business Enterprises, which will occur prior to trading of the Shares on Euronext Growth, and delivery of the Private Placement Shares, the Company will have major shareholders as set out in Section 10.4 ("Ownership structure").

### 6.3 Use of proceeds

The net proceeds from the Private Placement will predominantly be used to fund the capital requirements in the Group's current business plan, build the organization, accelerate the development of pipeline and opportunities, as well as general corporate purposes.

In addition to the above, the proceeds will be used to cover relevant transaction costs incurred in connection with the Private Placement and the listing of the Shares on Euronext Growth.

### 6.4 Lock-up

#### 6.4.1 *The Company*

Pursuant to a lock-up undertaking entered into in connection with the Private Placement, the Company has undertaken that it will not, without the prior written consent of the Euronext Growth Advisor (which shall not be unreasonably withheld), during the period up to and including the date falling 12 months from the first day of trading of the Shares on Euronext Growth, (1) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other equity interest in the capital of the Company or any securities convertible into or exercisable for such Shares or other equity interests, (2) enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or other equity interests, whether any such transaction described is to be settled by delivery of Shares or such other securities or interests, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in (1) or (2) above. The foregoing shall not apply to (A) the issue of the new Shares in the Private Placement, (B) any issue of consideration Shares by the Company for the acquisition of business, provided that the consideration Shares are subject to a similar lock-up undertaking, and (C) the sale of Shares directly to employees, granting of options or other rights to Shares, or the honouring of options or such other rights to Shares directly towards employees, by the Company pursuant to existing management or employee share incentive.

#### 6.4.2 *Management and board members*

Pursuant to lock-up undertakings entered into in connection with the Private Placement, members of the Board of Directors and Management holding shares and/or options have undertaken that they will not, without the prior written consent of the Euronext Growth Advisor (which shall not be unreasonably withheld), during the period up to and including the date falling 12 months from the first day of trading of the Shares on Euronext Growth, (1) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase

Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2). The lock-up undertaking also applies to (A) all Shares and rights to Shares currently held, (B) any Shares allocated to the primary insider in the Private Placement, and (C) which are acquired during the lock-up period. The foregoing does not apply to (A) the sale or other transfer of Shares as part of the Private Placement or the Admission (B) any pre-acceptance, acceptance and any similar action in connection with a takeover offer for all Shares or a legal merger, or (C) any transfer of Shares to a company wholly owned by the primary insider provided that such company (i) assumes the obligations set forth in the lock-up undertaking and (ii) remains wholly owned or under the direct or indirect control by the Selling Shareholder for the remaining part of the lock-up period.

#### 6.4.3 *Shareholders*

Pursuant to lock-up undertakings entered into in connection with the Private Placement, the following Shareholders: Ole Morten Olesen and Huw Scott have undertaken that they will not, without the prior written consent of the Euronext Growth Advisor (which shall not be unreasonably withheld), during the period up to and including the date falling 12 months from the first day of trading of the Shares on Euronext Growth, (1) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction described is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2). The lock-up undertaking also applies to (A) all Shares and rights to Shares currently held, (B) any Shares allocated to the shareholder in the Private Placement, and (C) which are acquired during the lock-up period. The foregoing does not apply to (A) the sale or other transfer of Shares as part of the Private Placement or the Admission, (B) any pre-acceptance, acceptance and any similar action in connection with a takeover offer for all Shares or a legal merger, or (C) any transfer of Shares to a company wholly owned by the shareholder provided that such company (i) assumes the obligations set forth in the lock-up undertaking and (ii) remains wholly owned or under the direct or indirect control by the shareholder for the remaining part of the lock-up period.

## 7. BUSINESS OVERVIEW

This section provides an overview of the Group's business as of the date of this Information Document. The following discussion contains forward-looking statements that reflect the Company's plans and estimates, see Section 3.3 ("Cautionary note regarding forward-looking statements") above, and should be read in conjunction with other parts of this Information Document, in particular Section 1 ("Risk factors").

### 7.1 Introduction

Desert Control has developed a patented process that turns natural clay into a liquid that aim to reverse desertification, rehabilitate degraded soils, and reduce water consumption for green ecosystems. The solution is called Liquid Natural Clay ("LNC"). External scientific validation carried out by independent research organizations document water savings of up to 50%, improved soil health, and increased yields. LNC proves to be an effective nature-based solution for soil restoration and conservation, water savings, and further contributing to increased carbon sequestration.

### 7.2 History and important events

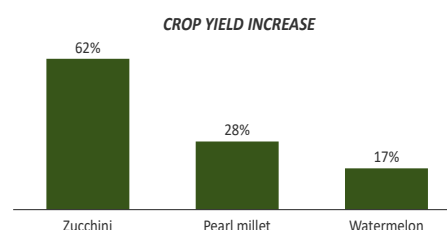
The table below shows the Group's key milestones from its incorporation and to the date of this Information Document:

Year	Event
2017	<ul style="list-style-type: none"> <li>Desert Control AS was founded in June 2017.</li> <li>Awarded Global Innovator by EXPO 2020</li> </ul>
2018	<ul style="list-style-type: none"> <li>Awarded EXPO 2020 Innovation grant</li> <li>First ICBA validation started</li> </ul>
2019	<ul style="list-style-type: none"> <li>Knut Nesse appointed as Chairman of the Board</li> <li>Ole Kristian Sivertsen appointed as CEO</li> <li>First ICBA validation completed</li> </ul>
2020	<ul style="list-style-type: none"> <li>Desert Control Middle East acquired</li> <li>Closes USD 5m seed round</li> <li>ICBA validation for agriculture segment initiated</li> </ul>
2021	<ul style="list-style-type: none"> <li>First industrial LNC production unit completed</li> <li>Abu Dhabi entity established</li> <li>ICBA validation for agriculture segment completed</li> <li>Innovation Norway grant of potential MNOK 11,9 awarded</li> <li>Commercial operations to be initiated</li> </ul>

### 7.3 The Group's business

#### 7.3.1 General

Desert Control is a climate tech company with a patented process to reverse desertification, rehabilitate degraded soils and reduce water and fertiliser consumption for agriculture and landscaping applications. LNC can be used directly on dry land with existing irrigation systems. The patented technology builds on 12 years of research and field testing prior to establishing the company in 2017, and is validated by independent third-party organization ICBA. The validation assessment concluded that LNC treated soil results in water and fertilizer savings of 20-50% and increased crop yields. Desert Control's LNC procedure represents the only non-intrusive soil enhancement and treatment available.



Desert Control's business model is service based, where customers can order a treatment for its specific application. The company's production units are mobile, and will be transported to the customer for on-site production. The company will typically charge a treatment cost per square meter. Desert Control will initially focus on two different customer segments, agriculture, and landscape. In addition to offering LNC treatment, the company will also offer digital subscription services for field monitoring that ensures good soil health

and optimised irrigation scheduling. The LNC treatment is estimated to last for 3-5 years after which a top up treatment may be required to prolong effect.

Desert Controls offering has a strong value proposition for a range of potential buyers with a short payback time. Agriculture and landscape customers will benefit from cost savings on water and fertilizer with agriculture enjoying further benefits from increased crop yields. Property values are also expected to increase if surrounded by fertile soil as opposed to barren and degraded land. In addition, several areas are introducing water regulations and restrictions, which may force operators such as sports fields, parks and resorts to shut down, unless meeting the applicable requirements.

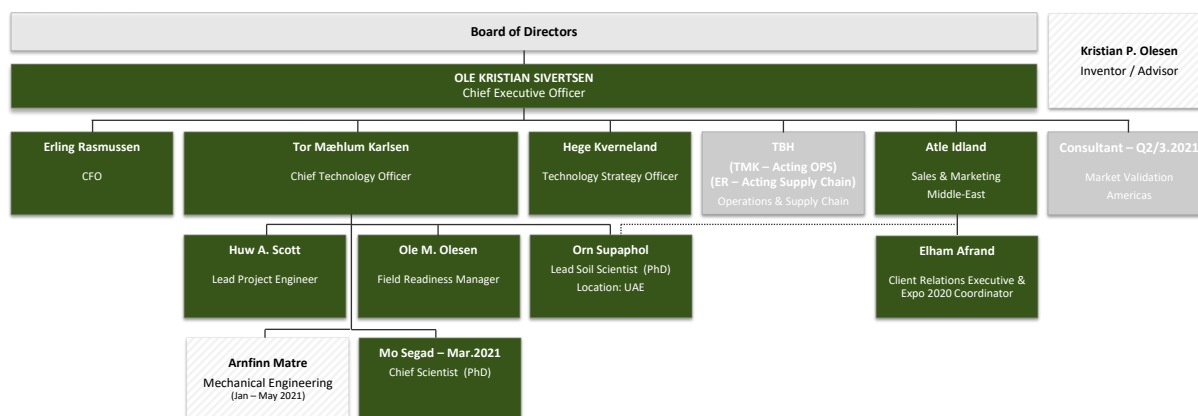
The Group's LNC product is a compound of natural clay and water. The technology represents a patented mixing process which splits the clay into nano particles. The process results in increasing the clay surface area which in turn forms a soil structure that retains water and nutrients like a sponge. The result is improved soil health, water savings and increased soil biodiversity and carbon uptake. Desert Control has through R&D, testing and field trials since 2005, developed a formulation process that is customized to specific soil structures, plants and vegetation, for optimized performance.

Desert Control's current R&D focus relates to further optimize the formulation process and the compound for each specific application. The Group seeks to further develop its machine learning and artificial intelligence capabilities to improve the LNC formulation and prescriptions for different customer needs. It sees continuous data collection from projects to increase the knowledge base, which also is expected to ensure that the Group retains a sustainable competitive advantage within. Furthermore, the Desert Control will focus on developing new tools and processes to further optimize application procedures and increase efficiency of service offering.



### 7.3.2 Organisation

The Group's organization consists of business units for technology, technology strategy, sales and marketing in addition to a staff unit for finance. The Group is also in the process of establishing a business unit for operations and supply chain management. The Group has an active subsidiary in the United Arab Emirates (UAE), currently with a general manager (also acting as the Group Vice President of Sales and Marketing for the Middle East region), and functions including sales and account management, and soil science competency to support sales and implementation in the local market. The Group expects to expand the sales marketing and operations staff for the UAE market, with a country manager with overall commercial responsibility for operations in the country. The Group expects to establish a separate sales marketing and operations staff for the American market upon entry into this market, with a country manager with overall commercial responsibility for operations in the country.



### 7.3.3 Suppliers

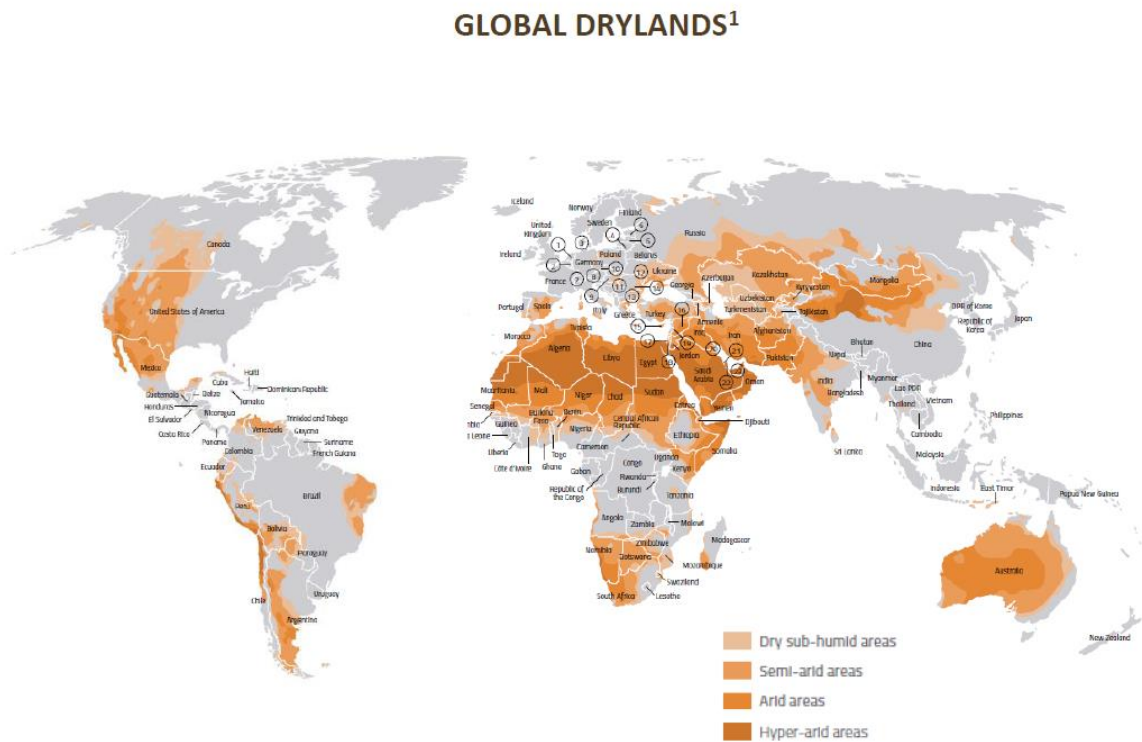
LNC is derived from mixing water and clay, both products that can be characterized as commodities and that are readily available all over the world. There is an abundance of providers for these products and sourcing is done with the overall objective of cost optimization and will vary dependent on location in which soil treatment services are scheduled. LNC is further produced locally in-situ, using mobile factories, allowing for local sourcing of input factors. Further, the mobile factories for LNC production are engineered by Desert Control AS in Norway, and all components for assembly of the units

can manufactured by mechanical workshops and providers both in Norway and locally in the market country. As such there are no single vendors/suppliers that are critical for the company.

7.4 Principal Markets

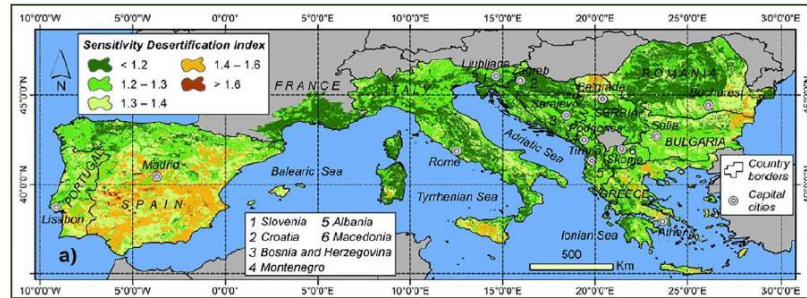
As described in the introduction to this chapter, Desert Control has developed a patented process that turns natural clay into a liquid that aim to reverse desertification, rehabilitate degraded soils, and reduce water consumption for green ecosystems. The solution is called Liquid Natural Clay (“LNC”).

Desertification of soils has become a global problem, and the United Nations has declared it one of the greatest challenges of our time. Currently, 110 countries are exposed to desertification and land degradation and over 1.3 billion people are trapped on degrading agricultural land. 20% of the earth’s drylands are degraded, and it is estimated 12m hectares of productive land becomes barren every year. In combination, this is estimated to cost \$490 billion annually world-wide. Below is an illustration of global drylands, which is estimated to cover 41% of all land.

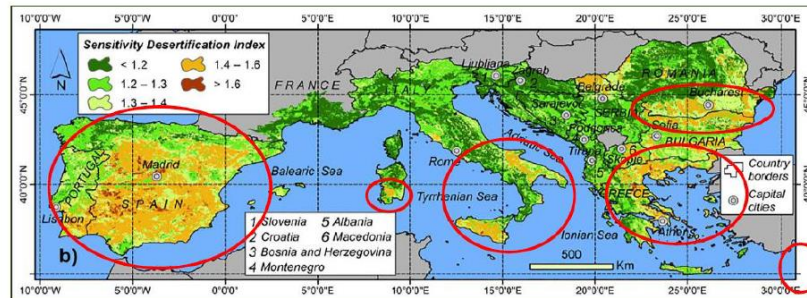


Desertification is not only a problem occurring in close proximity to deserts as we know them today. Desertification is also a problem in regions further away from equator, such as Spain, Italy and United States. For instance, 74% of territory in Spain and +50% of mainland in Portugal is at risk of desertification. Below is an illustration of how desertification in Europe has evolved 2008-2017.

2008



2017

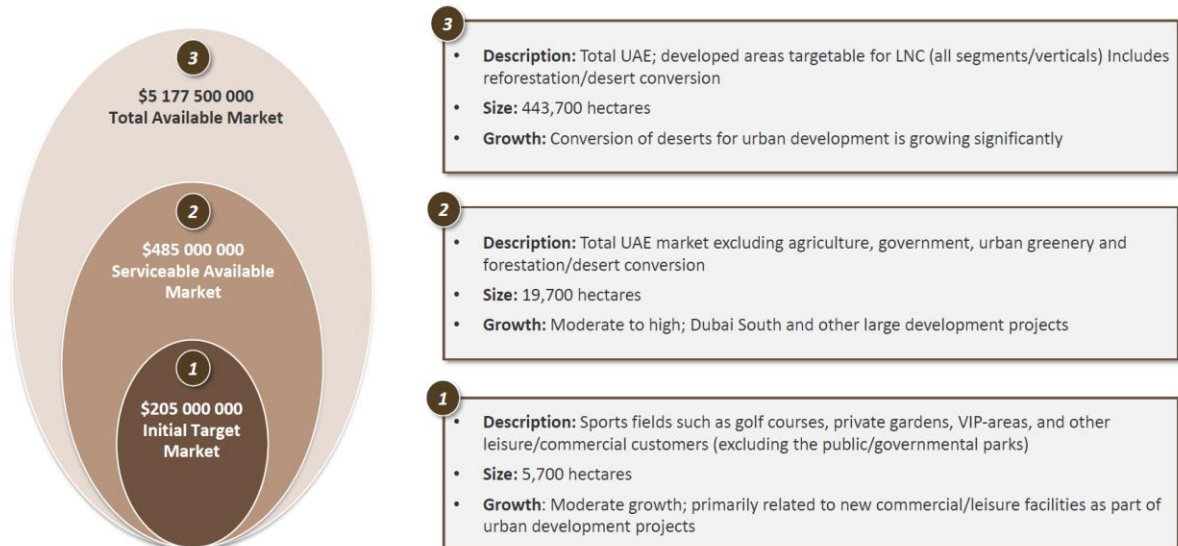


Source: Pravalieet al., Quantification of land degradation sensitivity areas in Southern and Central Southeastern Europe, 2017

Desertification can be combated by using more water. It is estimated that due to a growing population (reaching 10.9 billion in 2100), we will need to produce 60-70% more food, which in turn will require 50% more water by 2050 (agriculture accounts for ~70% of water withdrawals in the world). The main obstacle for the world being able to cope with this demand growth is that access to water has become increasingly difficult. Water scarcity will become an even bigger problem moving forward as the world combats global warming. It is estimated water shortage will reach 40% by 2030, with 1/3 of the world's population living in areas where the deficit is more than 50%. In total, it is estimated that 1.8 billion people will experience absolute water scarcity by 2025. Reduction of excess water consumption will in turn be absolutely necessary in order to create a sustainable globe able to cope with the problems of the future.

As previously stated, Desert Control's patented process reduces water and fertilizer consumption by 20-50%, and increases crop yields by 17-62%. In addition, it improves soils, increases biodiversity and carbon uptake. Due to these results, Desert Control targets not only the agriculture industry, but also landscaping (Parks, gardens, resorts and sports fields etc.). In addition, global impact programs are also considered an addressable market for Desert Control. The total addressable market is estimated to constitute 0.5 billion hectares for global impact programs, 1.1 billion hectares for property & land management and 4.4 billion hectares for agriculture. In turn, customers range from food producers to landowners, NGO's, corporates and governments. All 110 countries world-wide which are exposed to desertification can potentially be a market for Desert Control. In order to capitalize on opportunities near-term, the company has decided to focus on United Arab Emirates (UAE) as their "Initial Target Market". UAE is a highly attractive market for product launch mostly due to its strategic location close to other MENA countries, but also because it is one of the countries which contributes the most to ESG initiatives worldwide. For instance, UAE is the world's top donor of development aid. In addition to the above, UAE is an EXPO 2020 partner and has significant developed opportunities for the landscaping segment. In total it is estimated UAE constitutes an initial target market of USD 205m with total available market reaching more than USD 5 billion. Below is a brief summary of the UAE market.





Within agriculture, the UAE has in estimate some 38.000 farms of which 60% are private farms ranging from 1 to 10 hectares in size. Further the increasing focus on food security by the UAE government, significant growth is expected in the UAE agriculture sector, and utilizing already scarce water resources will be critical to enable scaling up domestic food production.

Desert Control's solution can contribute towards combating desertification, decrease water consumption and increase crop yields. Desert Control's LNC solution is currently the only liquid based non-intrusive (it is sprayed on the ground as a liquid) option for soil regeneration for increased water and nutrient retention. This results in a cheaper, less time-consuming and low-effort solution compared to other substitutes such as biochar, bio baskets and polymer sand mixes. Below is an illustration which compares Desert Control's solution with other substitutes present in the global market.

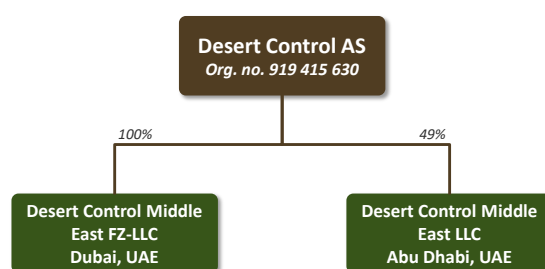
	Up to 50% water savings	Possible to spray or inject	No manual mixing with soil	Low energy to integrate mix	Possible to apply in continuous large areas	Natural product	Uniform application	Complementary to all fertilizers and farming methods	Can be applied on existing green vegetation	Can be applied using existing irrigation system	Enhanced nutrition uptake
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Clay-Sand mix	-	-	-	-	✓	✓	-	-	-	-	-
Polymer sand mix	-	-	-	-	✓	-	-	-	-	-	✓
Bio paste sand mix	-	-	-	-	✓	✓	-	-	-	-	✓
Bio baskets	-	-	-	-		✓	-	-	-	-	-
Biochar	✓	-	-	-	✓	✓	-	-	-	-	✓

In the long term, digital/precision farming represents a significant market opportunity for Desert Control. Optimizing the use of LNC and driving sustainable land management through data collection and analytics has the potential of representing a significant revenue contribution for the Group as the market matures. Global insight estimates the market for digital/precision farming will grow with a ~20% CAGR '19-'25, reaching more than \$12bn by 2025.

## 7.5 Group organisation

Desert Control is the parent company of the Group. At the date of this Information Document, the Company has one wholly owned subsidiary, Desert Control Middle East FZ-LLC. Desert Control also owns directly 49% of Desert Control Middle East LLC.

The figure below sets forth an overview of the Group's current legal structure



## 7.6 Business-critical patents, licenses and industrial, commercial or financial contracts

### 7.6.1 Business-critical contracts

It is the Company's opinion that the Group's existing business and future profitability is not dependent upon any contracts.

### 7.6.2 Business-critical patents, licenses, trademarks, etc.

The Company holds a patent for "inorganic, static electric binder composition, use thereof and method for the preparation of said binder composition" in 48 countries with identified desertification problems.

The patents are not business-critical in and by themselves for the Group, and the main reason of filing for patents is to ensure freedom to operate in the manner of protecting the patented areas from becoming claimed by others.

The Group does not have any business-critical trademarks. "LNC"/"Liquid Natural Clay" and "Liquid Nano Clay" have been considered for trademarking, but as they are directly descriptive of the activity, these terms are not eligible for trademarking, which further ensures that no other party may be able to claim the terms.

The Group further holds the required business and trading licenses for conducting commercial business within the landscaping and agriculture segment in the UAE through the Abu Dhabi incorporated business entity.

## 7.7 Related party transactions

The Company has provided an inter-company loan to Desert Control Middle East LLC, Abu Dhabi. The purpose of the loan is to provide Desert Control Middle East LLC with sufficient initial operating capital, incl. incorporation costs. The aggregated amount of the intercompany loan was NOK 2,029,737 as of 31 December 2020. The interest rate on the loan is 0% p.a, as the Company considers the loan as a short-term funding of the Company. The loan shall be repaid in full 30 November 2021, unless otherwise agreed.

## 7.8 Legal and arbitration proceedings

From time to time, the Group may become involved in litigation, disputes and other legal proceedings arising in the course of its business. Neither the Company nor its subsidiaries, is, nor has been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

## 7.9 Competitive situation

There are other competitors that operate within the field of avoidance of desertification, and it is referred to Section 7.4 for an overview of other products in the soil amendment category targeting to increase soil water retention capabilities in the global market. However, the Company is not aware of any direct competitors to its self-developed LNC and non-intrusive application method.

LNC is the first to market liquid-based product, in this category of high impact hygroscopy improvement solutions, with self-percolating capabilities, while the other substitute products mentioned under section 7.4 are substances in firm physical form that requires manual intervention to soil in order to physically place the objects into the soil with precision in and around the main root-zone (rhizosphere). A benefit of the LNC non-intrusive and self-percolating approach compared to the mentioned substitutes is that land areas can be treated without removing and damaging existing plants and vegetation. Further, this

approach ensures that carbon remains stored in the soil whereas techniques that require intervention with the soil such as digging, or tilling will expose soil carbon to oxygen which may turn into CO<sub>2</sub>.

## 8. SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

### 8.1 Introduction and basis for preparation

The audited financial statements as of and for the years ending on 31 December 2020 and 31 December 2019 (the "**Financial Statements**") have been prepared in accordance with NGAAP and the Norwegian Accounting Act of 17 July 1998 no 56 (the "**Norwegian Accounting Act**"). The Financial Statements are included herein as Appendix B and Appendix C, respectively.

The Financial Statements are referred to herein as the "Financial Information". The Company presents the Financial Information in NOK (presentation currency).

The Financial Statements have been audited by the Company's independent auditor, Jærrevisjon AS, as set forth in the auditor's report, which is included in the Financial Statements (see Appendix B and Appendix C). The auditor's reports do not include any qualifications.

The selected financial information presented in Section 8.2 to Section 8.6 below has been derived from the Financial Statements and should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements included herein as Appendix B and Appendix C.

### 8.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please see the introductory section of the notes for the Financial Statements for 2020 and 2019.

### 8.3 Selected statement of income

The table below sets out selected data from the Company's audited income statement for the year ended 31 December 2020, with comparable figures for the year ended 31 December 2019.

<i>(In NOK)</i>	<b>Year ended 31 December</b>	
	<b>2020</b> <i>(audited)</i>	<b>2019</b> <i>(audited)</i>
Revenue .....	556,800	0
Other operating income .....	484,375	346,096
<b>Total revenue .....</b>	<b>1,041,175</b>	<b>346,096</b>
Cost of materials .....	-96,158	0
Personnel expenses .....	4,368,768	1,280,562
Depreciation of operating and intangible assets .....	8,900	0
Other operating expenses .....	852,971	3,901,024
<b>Total operating expenses .....</b>	<b>5,134,481</b>	<b>5,181,586</b>
<b>Operating profit .....</b>	<b>-4,093,306</b>	<b>-4,835,490</b>
Other interest income .....	71,280	1,112
Other finance income .....	22,230	14,267
Other interest expense .....	551	0
Other financial expense .....	208,858	13,993
<b>Net financial items .....</b>	<b>-115,899</b>	<b>1,387</b>

<i>(In NOK)</i>	Year ended 31 December	
	2020 <i>(audited)</i>	2019 <i>(audited)</i>
Operating result before tax .....	-4,209,205	-4,834,103
<b>Ordinary result after tax .....</b>	<b>-4,209,205</b>	<b>-4,834,103</b>
 <b>Annual net profit .....</b>	 <b>-4,209,205</b>	 <b>-4,834,103</b>
 Transferred from share premium .....	 4,209,205	 4,834,103
<b>Net brought forward .....</b>	<b>-4,209,205</b>	<b>-4,834,103</b>

#### 8.4 Selected statement of financial position

The table below sets out selected data from the Company's audited balance sheet for the year ended 31 December 2020, with comparable figures for the year ended 31 December 2019.

<i>(In NOK)</i>	Year ended 31 December	
	2020 <i>(audited)</i>	2019 <i>(audited)</i>
<b>Assets</b>		
Research and development .....	3,441,039	0
<b>Total intangible assets .....</b>	<b>3,441,039</b>	<b>0</b>
 Machinery and equipment .....	 1,105,509	 0
Equipment and other movables .....	196,922	0
<b>Total tangible assets .....</b>	<b>1,302,431</b>	<b>0</b>
 Investments in subsidiaries .....	 6,585,688	 6,408,755
<b>Total financial fixed assets .....</b>	<b>6,585,688</b>	<b>6,408,755</b>
 <b>Total fixed assets .....</b>	 <b>11,329,158</b>	 <b>6,408,755</b>
 Other short-term receivables .....	 1,824,540	 345,358
Receivables from group companies .....	2,029,737	111,359
Payments to be received from owners .....	0	40,014,690
<b>Total receivables .....</b>	<b>3,854,277</b>	<b>40,471,408</b>
 Cash and bank deposits .....	 28,934,587	 534,327
<b>Total current assets .....</b>	<b>32,788,864</b>	<b>41,005,734</b>

<i>(In NOK)</i>	Year ended 31 December	
	2020 <i>(audited)</i>	2019 <i>(audited)</i>
<b>Total assets</b> .....	<b>44,118,022</b>	<b>47,414,490</b>
<b>Equity and liabilities</b>		
Share capital .....	69,534	68,043
Share premium reserve .....	40,994,240	43,537,107
<b>Total paid-in equity</b> .....	<b>41,063,774</b>	<b>43,605,150</b>
<b>Retained earnings</b> .....	<b>0</b>	<b>0</b>
<b>Total equity</b> .....	<b>41,063,774</b>	<b>43,605,150</b>
Trade creditors .....	800,318	2,551,477
Public duties payable .....	362,768	310,684
Other current debt .....	1,891,161	947,179
<b>Total current liabilities</b> .....	<b>3,054,248</b>	<b>3,809,340</b>
<b>Total liabilities</b> .....	<b>3,054,248</b>	<b>3,809,340</b>
<b>Total equity and liabilities</b> .....	<b>44,118,022</b>	<b>47,414,490</b>

## 8.5 Selected statement of changes in equity

Changes in the Company's equity for the year ending on 31 December 2020 and 2019 are included below.

<i>(In NOK)</i>	Share capital	Share premium	Total
<b>Equity at 31 December 2019</b> .....	<b>68,043</b>	<b>43,537,107</b>	<b>43,605,150</b>
Changes posted against equity .....	-	-	0
<b>Equity at 1 January 2020</b> .....	<b>68,043</b>	<b>43,537,107</b>	<b>43,605,150</b>
Result for the year .....	-	-4,209,205	-4,209,205
Capital increase .....	-	1,718,739	1,718,739
Cost of capital increase .....	-	-52,400	-52,400
<b>Equity at 31 December 2020</b> .....	<b>68,043</b>	<b>40,994,240</b>	<b>41,062,283</b>

#### **8.6 Significant changes in the Company's financial or trading position**

Other than the Private Placement, the Company has not carried out any transactions after the last audited accounts that represent a change of more than 25% in its total assets, revenue or profit or loss. The Company is not aware of any significant change in the financial or trading position of the issuer which has occurred since 31 December 2020.

#### **8.7 Working capital statement**

The Company is of the opinion that the working capital available to the Company, including the proceeds from the Private Placement described in section 6, is sufficient for the Company's present requirements, for the period covering at least 12 months from the date of this Information Document.

## 9. THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND OTHER CONSULTANTS

### 9.1 Introduction

The general meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at general meetings and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested with its board of directors and the Company's management. In accordance with Norwegian law, the board of directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Company's Chief Executive Officer (the "CEO") is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the board of directors. Among other responsibilities, the CEO, is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the board of directors about the Company's activities, financial position and operating results at a minimum of each fourth month.

### 9.2 The Board of Directors

#### 9.2.1 *General*

As of the date of this Information Document, the Company's board of directors consists of six members.

The Company's registered business address, FOMO Works, Grenseveien 21, 4313 Sandnes, Norway, serves as business address for the members of the Company's board of directors in relation to their directorship in the Company.

#### 9.2.2 *The composition of the Board of Directors*

The names and positions of the members of the Board of Directors are set out in the table below.

Name	Function	Served since	Term expires*	Shares**	Options
Knut Nesse	Chairperson	2019	2022	1,360,000	N/A
Kristian Peter Olesen	Board member	2017	2022	5,900,000	N/A
Arnfinn Matre	Board member	2018	2022	120,000	N/A
Brage Wårheim Johansen	Board member	2017	2022	1,543,371	N/A
Geir Hjellevik	Board member	2019	2022	1,355,431	N/A
Marit Røed Ødegaard	Board member	2020	2022	N/A	N/A

\*Based on a statutory 2-year term in accordance with section 6-6 of the Norwegian Private Companies Act. Composition of the Board of directors as per general meeting of 22 June 2020.

\*\*As ultimate owner.

#### 9.2.3 *Brief biographies of the members of the board of directors*

Set out below are brief biographies of the members of the Company's board of directors, including their relevant management expertise and experience and an indication of any significant principal activities performed by them outside the Company.

#### **Knut Nesse, Chairman of the Board**

Knut Nesse joined Desert Control in January 2019 as chairman of the board. Nesse has extensive CEO experience working for larger international companies within the animal nutrition and fish feed industry. Nesse is currently the CEO of AKVA Group. His experience includes 12 years of Skretting Group (part of Nutreco) (2006 – 2012) and 6 years as CEO of Nutreco (2012 – 2018). Nesse further lead the “public to private” process in 2015 in which Nutreco was sold for about 30 bill NOK to the SHV Group and delisted from the Amsterdam stock exchange. During his 12-year tenure as CEO, Nesse has devoted much of his attention to corporate strategy, culture, and HR. Nesse also has significant experience in areas of R&D, investments and “go to market” processes.



Nesse holds a Bachelor of Management and Management Program from Norwegian School of Management (BI), as well as, an executive MBA from Norwegian School of Economics and Business Administration (NHH) and a CEO program from Harvard Business School.

**Kristian Peter Olesen, board member**

Kristian P. Olesen is a co-founder of the Company and the inventor of LNC. Olesen has been developing and testing LNC for over 15 years. Olesen has a lifelong experience from the oil and gas industry, specializing in providing offshore HVAC solutions to companies operating on the Norwegian continental shelf. Previous engagements include Maersk, Statoil (Equinor), Stena Drilling, Odfjell Drilling, Stolt Offshore, Conoco Philips and others.

Olesen is also hired as a short-term consultant in Desert Control until est. end of Q2-2021.

Olesen holds an MSc in Engineering from Copenhagen University College of Engineering.

**Arnfinn Matre, board member**

Arnfinn Matre joined the board of Desert Control in 2018. Matre has over 18 years of experience from various projects related to innovation, engineering and project management mainly for the oil & gas industry. Matre is also a chairman and board member of several companies. In 2010 he established Arnfinn Consulting AS and has since then worked as an independent consultant within these fields.

Matre is also hired as a short-term consultant in Desert Control until est. end of Q2-2021.

Matre holds an MSc in mechanical engineering, offshore technology from University of Stavanger.

**Brage Wårheim Johansen, board member**

Brage W. Johansen is a co-founder of the Company. Johansen has extensive experience in scaling cleantech start-up companies and working with corporations, non-profit organisations and political processes. Historic highlights include co-founding and previous CEO of Zaptec, an electric car charging infrastructure, today a public listed company with billion NOK value. Johansen also has experience as Head of Hydrogen in Statoil (Equinor) building Norway's first public hydrogen station in 2006 and producing a hydrogen concept sportscar called FYK.

Johansen holds an MSc in Computer Science from Norwegian University of Science and Technology (NTNU), as well as other post degree courses.

**Geir Hjellvik, board member**

Geir Hjellvik joined Desert Control in 2019. Hjellvik has experience within the fields of treasury and financial risk management in international oil & gas, and shipping companies, both in Norway and Germany. Co-founder of Revus Energy in 2003, an oil & gas firm initially financed by Private Equity. Based on substantial financial market experience from his earlier career, Hjellvik chose to leave the oil industry to become a private investor. Hjellvik is also the chairman of the board in Altitude Capital AS, an Oslo based asset management firm.

Hjellvik holds an MSc in Business from Norwegian School of Economics (NHH) and an MBA from London Business School.

**Marit Røed Ødegaard, board member**

Marit Røed Ødegaard joined Desert Control in 2020. Ødegaard is currently employed as SVP People & Culture in Yara Industrial Solutions. She has over 30 years of international business experience from the chemicals and fertilizer industries. She has held a variety of positions, on local and global levels, in finance, product management, business development, corporate strategy, sales and marketing, and – since 2007 - human resources. She has also been a non-executive director on several boards of public companies and other institutions.

Ødegaard holds an MSc in Business from Norwegian School of Economics (NHH) and an MBA from London Business School and Keio University, Tokyo.

### 9.3 Management

As of the date of this Information Document, the Company's senior management team consists of 4 individuals. The names of the members of the management and their respective positions are presented in the table below.

Name	Function	Employed since	Shares	Options
Ole Kristian Sivertsen	CEO	2019	560,000 (1.4%)	200,000
Erling Rasmussen	CFO	2020	446,085 (1.1%)	200,000
Tor Mæhlum Carlsen	CTO	2020	10,000 (0.02%)	225,000
Hege Kverneland	CSO	2021	0	35,000

#### **Ole Kristian Sivertsen, CEO**

Ole Kristian Sivertsen joined Desert Control August 2019 as Chief Executive Officer and member of our Board of Directors. He previously served as Senior Vice President for Global Eagle where he shepherded their global Maritime, Enterprise and Government business, based in Miami, FL, USA from April 2016 to August 2019.

Sivertsen has extensive international business experience and has held executive leadership positions with EVRY, Telenor MCP, RES Software, Sun Microsystems, Citrix, WM-data Logica, and Alcatel. His leadership education includes Executive Management Programs with Scandinavian Executive Institute and INSEAD.

#### **Erling Rasmussen, CFO**

Erling Rasmussen joined Desert Control in January 2020 as Chief Financial Officer. Rasmussen has gained a broad operational experience from international fund management industry with SKAGEN Funds after first serving as a chartered accountant with EY AS. Rasmussen has international business experience from manufacturing companies, holding company structures and the finance industry.

Rasmussen is a Chartered Accountant from Norwegian School of Economics (NHH), as well as leadership course at St. Gallen University and courses from the Innovation education program from The University of Western Australia.

#### **Tor Mæhlum Carlsen, CTO**

Tor Mæhlum Carlsen joined Desert Control in 2020. Carlsen has experience with in R&D, product management and development within exciting technology areas. He holds an MSc in cybernetics and has extensive experience with robotics as well as connecting machines with the human element. Carlsen has previously worked with Canrig Robotic Technologies, and has previously served as Technical Product Manager at TOMRA Systems ASA, and Product Champion at National Oilwell Varco.

#### **Hege Kverneland, CSO**

Hege Kverneland joined Desert Control in 2020. Kverneland has extensive experience from technical management positions. From 2009 to 2020 she held the position as Corporate Vice President and Chief Technology Officer in National Oilwell Varco, reporting to the CEO. Throughout her career Kverneland has contributed to many new product developments such as a new mud pump design, different PM-motor designs, heave compensation systems, control- and optimization systems, and pipe handling and drilling equipment. In her role as CTO in NOV, she was the lead of several technology initiatives as digitalization and automation, advanced materials (elastomer, composites etc.), nano-technology, additive manufacturing, machine learning and artificial intelligence etc.

### 9.4 Nomination committee

The Company's current articles of association does not provide for a nomination committee. However, the Company plans to introduce a nomination committee for adoption at the next ordinary general meeting.

### 9.5 Share incentive schemes

The Company has implemented a share incentive scheme under which key employees have in total subscribed for 540,000 shares (post share split registered 9 April 2021) with a 4-year sales restriction. The remaining amount of 960,000 shares under the authorisation is replaced by the new incentive scheme as described below in this Section, and there will be no further issuance of shares pursuant to this authorisation that have a dilutive effect on the Company's existing shareholders. The board authorisation will lapse automatically on 20 December 2021.

The Board of Directors have also approved a new incentive scheme in which 5% of the Company's shares after completion of the Private Placement will be reserved for qualifying employees. The Shares is expected to be provided for by issuance of new shares pursuant to a board authorisation to increase the Company's share capital with up to NOK 6,094, which

constitutes 5% of the Company's share capital after completion of the Private Placement. The authorisation was provided by the extraordinary general meeting held 6 April 2021 and will remain valid until 6 April 2023.

#### 9.5.1 *Employees*

As of the date of this Information Document, the Company has 7 employees, and 2 contracted consultants (until end of Q-2 2021). As at 31 December 2020 and 2019, the Company had 6 and 2 employees, respectively. Currently, the Group also has 3 employees in UAE as legally employed with Desert Control Middle East, LLC.

#### 9.6 **Bonus agreements and benefits upon termination**

The Company's CEO has a severance agreement providing full pay for 12 months, not including the agreed notice period, should the Company ask him to terminate his position. Currently, no other employees have any bonus arrangements or benefits upon termination.

#### 9.7 **Corporate governance**

The Company is not subject to the Norwegian Corporate Governance Code (the "**Corporate Governance Code**"), but the Company will consider implementation of the recommendations of the Corporate Governance Code over time.

#### 9.8 **Conflicts of interests etc.**

No member of the Company's board of directors or the Company's management has, or have had, as applicable, during the last five years preceding the date of the Information Document:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and members of the Management, including any family relationships between such persons.

## 10. SHARES AND SHAREHOLDERS MATTERS

### 10.1 Corporate information

The Company's legal name is Desert Control AS. The Company is a Norwegian private limited liability company (Nw. "aksjeselskap"), incorporated and existing under the laws of Norway and in accordance with Norwegian Private Companies Act. The Company's registration number with the Norwegian Register of Business Enterprises is 919 415 630. The Company was incorporated on 26 June 2017.

The Company's registered address is FOMO Works, Grenseveien 21, 4313 Sandnes, Norway. The telephone number of its registered office is +47 957 77 777.

The Shares are registered in book-entry form with VPS under ISIN NO 001 0963275. The Company's register of shareholders in VPS is administrated by SpareBank 1 SR-Bank ASA (the "VPS Registrar"), Christen Tranes gate 35, N-4007 Stavanger, Norway. The Company's Legal Entity Identifier ("LEI") is 549300PVIC7OFM8MWU40.

The first general meeting of the Company scheduled to be held after the Admission will be the annual general meeting in 2022, which will be held no later than 30 June 2022.

### 10.2 Legal structure of the group

Desert Control is the main operating company of the Group and the owner of patents and technology. The Company also has two entities located in Dubai and Abu Dhabi, respectively.

Desert Control Middle East LLC ("Desert Control ME"), located in Abu Dhabi, is a fully licenced onshore company established in 2021. Desert Control ME is the main sales and delivery entity in the UAE.

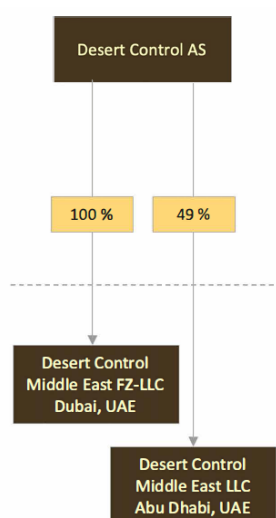


Figure 1 – Current legal structure

Further, Desert Control owns 49% of Desert Control ME, with the remaining 51% being held by a local corporate sponsor due to local regulations requiring sponsorships. A shareholder agreement secures Desert Control 100% of any dividends and 100% of the controlling stake in Desert Control ME.

The Company is currently in the process of restructuring its Middle East structure, and the plan is that assets of the Dubai entity will be transferred to Desert Control ME. The reason being that the Dubai is a free zone company with limited options for business activities.

### 10.3 Share capital and share capital history

#### 10.3.1 Overview

As of the date of this Information Document, the Company's registered share capital is NOK 121,879.917 divided into 40,626,639 shares each with a par value of NOK 0.003. All of the Company's shares have been issued under the Norwegian Private Companies Act, are validly issued and fully paid.

The Company has one class of shares, and there are no differences in the voting rights among the Shares. The Company's shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the board of directors or rights of first refusal. Pursuant to the Articles of Association, the Company's shares shall be registered in VPS.

#### 10.3.2 Share capital history

The Company was incorporated with a share capital of NOK 30,000 and 6,000 shares each with a par value of NOK 5 per share.

The table below shows the share capital increases carried out since the date of incorporation.

	Date registered	Share capital	Number of shares	Par value
Incorporation	27.06.2017	30,000.00	6,000	5.00
Share split	06.02.2018	33,360.00	11,120	3.00
Share capital increase	23.11.2018	33,960.00	11,320	3.00
Share capital increase	25.01.2019	37,455.00	12,485	3.00
Share capital increase	29.08.2019	40,455.00	13,485	3.00
Share capital increase	23.11.2019	47,310.00	15,770	3.00
Share capital increase	31.12.2019	68,043.00	22,681	3.00
Share capital increase	25.03.2020	68,934.00	22,978	3.00
Share capital increase	17.06.2020	69,534.00	23,178	3.00
Share capital increase	22.02.2021	70,554.00	23,518	3.00
Share split	9 April 2021	70,554.00	23,518,000	0.003
Share capital increase	9 April 2021	121,879.917	40,626,639	0.003

As further described below, the Company has 960,000 options outstanding. If exercised, this will, based on the Company's number of shares after the Private Placement imply a dilutive effect of 2.3% taking into account the exercise price.

## 10.4 Shareholders

As at 9 April 2021, the Company had 92 shareholders. The 20 largest shareholders are shown in the table below:

	Shareholder	Number of Shares held	Per cent of share capital held
1	Olesen Consult HVAC AS	5,900,000	14.5%
2	Monsunen Forvaltning AS	2,154,715	5.3%
3	Jakob Hatteland Holding AS	2,154,715	5.3%
4	Handelsbanken Fonder AB	1,881,950	4.6%
5	Kontrari AS	1,727,000	4.3%
6	Ole M. Olesen	1,650,000	4.1%
7	Beyond Centauri AS	1,543,371	3.8%
8	Deka	1,500,000	3.7%
9	Nesse & Co AS	1,360,000	3.3%
10	Lithinon AS	1,355,431	3.3%
11	DNB Asset Management	1,283,147	3.2%
12	Altitude Capital AS	1,283,147	3.2%
13	Investore Finans AS	1,283,147	3.2%
14	Kristian Falnes AS	1,213,857	3.0%
15	Atle Idland	1,135,843	2.8%
16	Sober AS	855,431	2.1%
17	LIN AS	855,431	2.1%
18	Urban Cowboy AS	600,000	1.5%
19	OKS Consulting AS	560,000	1.4%
20	Cahe Finans AS	518,000	1.3%
<b>Total 20 largest shareholders</b>		<b>30,815,185</b>	<b>76%</b>
Others		9,811,454	24%

To the Company's knowledge, only the following shareholders currently have a direct or indirect interest of 5% or more in the Company's capital or voting rights:

- Olesen Consult HVAC AS
- Monsunen Forvaltning AS
- Jakob Hatteland Holding AS

As of the date of this Information Document, the Company does not hold any treasury shares.

To the extent known to the Company, there are no other persons or entities that, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. To the Company's knowledge, there are no arrangements known to the Company that may lead to a change of control in the Company.

## 10.5 Board authorisations

As at the date of this Information Document, the Company's general meeting has provided the Company's board of directors with an authorisation to increase the share capital by up to NOK 4,500 in connection with a share incentive program for employees. As of the date of this Information Document, NOK 1,620 of the authorisation has been utilized. The share incentive program has been replaced and the remaining amount under the authorisation is also replaced by a new incentive scheme authorisation and will not be used. The board authorisation will lapse automatically on 20 December 2021.

The Company's general meeting has granted the board of directors an authorisation to issue shares of up to 5% of the Company's currently outstanding shares, corresponding to an increase of the share capital with up to NOK 6,094. The authorisation may be used for the Company's new incentive scheme, and replaces the previous authorisation as described above in this Section and further in Section 9.5. The board authorisation expires on 6 April 2023. As of the date of this Information Document, the board authorisation has not been utilized.

In addition, the Company's general meeting has provided the Company's board of directors with an authorisation to increase the share capital by up to NOK 12,187.99 in connection with future capital raises that can be used inter alia for strengthening the Company's equity capital, strategic alternatives and general corporate purposes. The board authorisation expires on 6 April 2023. As at the date of this Information Document, the authorisation has not been utilized.

## 10.6 Rights to acquire shares

The Company has an employee share incentive scheme as described in Section 9.5. There are currently no other rights to acquire shares in the Company.

## 10.7 Shareholder rights

The Company has one class of shares in issue and all Shares provide equal rights in the Company, including the rights to any dividends. Each of the Company's shares carries one vote. The rights attached to the Shares are further described in Section 10.8 ("The Articles of Association") and Section 10.9 ("Certain aspects of Norwegian corporate law").

## 10.8 The Articles of Association

The Articles of Association are enclosed in Appendix A to the Information Document. Below is a summary of the provisions of the Articles of Association as of 6 April 2021.

### 10.8.1 *Objective of the Company*

Pursuant to section 3, the objective of the Company is to develop, manufacture, market and sell Liquid Natural Clay (LNC), equipment and services; directly and indirectly to a variety of global markets; for example, agriculture, desertification, urban green spaces, parks, golf courses, and to industries that need LNC. The company can also buy and sell shares.

### 10.8.2 *Share capital and par value*

Pursuant to section 4, the Company's share capital is NOK 121,879.917 divided into 40,626,639 shares each with a par value of NOK 0.003.

### 10.8.3 *Transfer of shares*

Pursuant to section 5, the Company's shares are freely negotiable. Acquisition of shares is not subject to consent from the company, and shareholders do not have rights of first refusal upon transfer of shares.

### 10.8.4 *General meetings*

Pursuant to section 7, the annual general meeting shall deal with and decide the following matters:

- Approval of the annual accounts and the annual report, including distribution of dividends;
- Election of board of directors and auditor; and
- Any other business which by law or the Articles of Association is required to be dealt with by the general meeting.

## 10.9 Certain aspects of Norwegian corporate law

### 10.9.1 *The general meeting of shareholders*

The Company's shareholders exercise ultimate authority in the Company through the general meeting. In accordance with Norwegian law, the annual general meeting of the Company's shareholders is required to be held each year on or prior to 30 June. The following business must be dealt with and decided at the annual general meeting:

- Approval of the annual accounts and annual report, including the distribution of any dividend
- Any other business to be transacted at the general meeting by law or in accordance with the Articles of Association

Norwegian law requires that written notice of general meetings setting forth the time of, the venue for and the agenda of the meeting is sent to all shareholders whose addresses are known no later than 7 days prior to the date of the general meeting of a Norwegian private limited liability company, unless the articles of association stipulate a longer period. Pursuant to article 7 of the Articles of Association, documents concerning matters to be considered at the general meeting are not required to be sent to the shareholders, provided that the documents are made available for the shareholders at the Company's website. The same applies for documents which according to law shall be included in or attached to the notice of the general meeting. A shareholder is entitled to request that documents concerning matters to be handled at the general meeting are sent to him/her in physical form.

Any shareholder is entitled to have a matter dealt with by the general meeting if such shareholder provides the company's board of directors with notice of the matter within seven days prior to the deadline for the notice to the general meeting, along with a proposal to a draft resolution or a justification for the matter having been put on the agenda.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the company's board of directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor who audits the company's annual accounts or shareholders representing at least 10% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings.

#### 10.9.2 *Voting rights*

Each Share carries the right to one vote at the Company's general meetings. No voting rights can be exercised with respect to treasury Shares held by the Company. A shareholder may attend and vote at the general meeting either in person or by proxy.

In general, in order to be entitled to vote, a shareholder must be registered as the owner of Shares in the Company's share register in the VPS or, in the case of a share transfer, report and show evidence of the shareholder's share acquisition to the Company prior to the general meeting. Beneficial owners of Shares that are registered in the name of a nominee are not entitled to vote with respect to such Shares under Norwegian law, nor are any persons who are designated in the register as holding such Shares as nominees. A nominee may not meet or vote for Shares registered on a nominee account (NOM-account). A shareholder must, in order to ensure it is eligible to vote for such Shares at the general meeting, transfer the Shares from such NOM-account to an account in the shareholder's name.

Decisions that the general meeting is entitled to make under Norwegian Law or the Articles of Association are in general made by a simple majority of the votes cast. In the case of elections, the person(s) who receive(s) the greatest number of votes cast are elected.

Certain decisions, including but not limited to resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as of least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce any shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the Shares through introduction of a consent requirement, a right of first refusal upon transfers or a requirement that shareholders must have certain qualifications, require a majority vote of at least 90% of the share capital represented at the general meeting in question as well as the majority required for amendments to the Articles of Association. Certain other types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Articles of Association.

The Articles of Association do not set forth additional conditions with regard to changing the rights of shareholders than required by the Norwegian Private Companies Act.

There are no quorum requirements at general meetings.

#### 10.9.3 *Additional issuances and preferential rights*

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In connection with an increase in the Company's share capital by a subscription for Shares against cash contributions, Norwegian law provides the Company's shareholders with a preferential right to subscribe for the new Shares on a pro rata basis in accordance with their then-current shareholdings in the Company. The preferential rights may be set aside by the general meeting by the majority vote as required for amendments to the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, with a majority vote as described above, authorise the board of directors to issue new Shares. Such authorisation may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the share capital at the time the authorisation is registered with the Norwegian Register of Business Enterprises. The



preferential right to subscribe for Shares against consideration in cash may be set aside by the Board of Directors only if the authorisation includes such possibility for the board of directors.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and provided that, amongst other requirements, the Company does not have an uncovered loss from a previous accounting year, by transfer from the Company's distributable equity or from the Company's share premium reserve. Any bonus issues may be affected either by issuing Shares or by increasing the par value of the Shares outstanding. If the increase in share capital is to take place by new Shares being issued, these new Shares must be allocated to the shareholders of the Company in proportion to their current shareholdings in the Company.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all but the Company may seek to sell such rights on the shareholder's behalf. Similar restrictions and limitations may also apply pursuant to applicable laws and regulations in other jurisdictions.

#### 10.9.4 *Minority rights*

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the board of directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the board of directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

#### 10.9.5 *Liability of Directors*

Board members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Each board member may be held liable by the Company for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to exempt any such person from liability towards the Company, but the exemption is not binding if substantially correct and complete information was not provided at the general meeting when the decision was made. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a general meeting with a majority below that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility, but can be recovered from any proceeds that the Company receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by a majority required to amend the Articles of Association, the minority shareholders cannot pursue the claim in the Company's name.

#### 10.9.6 *Indemnification of board members*

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the board of directors.

#### 10.9.7 *Distribution of assets on liquidation*

Under Norwegian law, a company may be wound-up by a resolution of the company's shareholders in a general meeting passed by the same majority as required to amend the Articles of Association. After completion of the Private Placement, the

new Shares and the existing Shares rank equally in the event of a return on capital by the Company upon a winding-up or otherwise.

#### 10.9.8 *Rights of redemption and repurchase of Shares*

The share capital may be reduced by decreasing the par value of the Shares or by redemption of issued Shares. Such a decision requires the same majority as required to amend the Articles of Association. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares if an authorisation for the board of directors of the company to this effect has been given by a general meeting with the same majority as required to amend the Articles of Association. Treasury Shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the Shares. Acquisition of treasury Shares cannot be made if it would result in the Company's share capital, deducted by the par value of the treasury Shares, would become less than the statutory minimum requirement for share capital. The authorisation by the general meeting cannot be given for a period exceeding two years.

#### 10.10 **Takeover bids and forced transfers of shares**

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise.

The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Norwegian Private Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary would in also have the right to require the parent company to take over their shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Private Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

## 11. TAXATION

### 11.1 Introduction

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as of the date of this Information Document, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders should consult with their own tax advisers in order to clarify their tax situation. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes. Tax legislation in prospective investor's country of residence and Norwegian legislation may have an impact on the income received from the Shares.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian Shareholder refers to the tax residency rather than the nationality of the shareholder.

### 11.2 Taxation of dividend

#### 11.2.1 *Norwegian Personal Shareholders*

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income in Norway at an effective rate of currently 31.68% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax-free allowance, shall be multiplied by 1.44 and the product is included as ordinary income taxable at a flat rate of 22%.

The tax-free allowance is calculated annually on a share-by-share basis and pertains to the owner of the share at the expiration of the relevant calendar year. The allowance for each share is equal to the cost price of the share multiplied by a risk-free interest rate based on the effective rate of interest on treasury bills (*Nw.: statskasserveksler*) with three months maturity plus 0.5 percentage point, after tax.

Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the shares ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation of, the same shares, and will be added to the basis for calculating the tax-free allowance.

The Shares do not qualify for ownership through a Norwegian Share Savings Account (*Nw.: aksjesparekonto*; ASK).

#### 11.2.2 *Norwegian Corporate Shareholders*

Dividends distributed from the Company to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at a rate of 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%).

#### 11.2.3 *Non-Norwegian Personal Shareholders*

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the Shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the European Economic Area (the "**EEA**") for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see Section 11.2 "Taxation of dividends—Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the Shareholder will generally be subject to the same taxation of dividends as a Norwegian Personal Share, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

#### 11.2.4 *Non-Norwegian Corporate Shareholders*

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident, provided that the shareholder is the beneficial owner of the shares.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will generally be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who are exempt from withholding tax or have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian tax authorities for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

### 11.3 **Taxation of capital gains on realisation of shares**

#### 11.3.1 *Norwegian Personal Shareholders*

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholders through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realised by Norwegian Personal Shareholders is currently 31.68%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a rate of 22%. The factor increase of 1.44 therefore increase the effective tax rate on gains/losses realised by Norwegian Personal Shareholders to 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the Norwegian Personal Shareholder's percentage interest in the Company prior to the disposal.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated tax-free allowance provided that such tax-free allowance has not already been used to reduce taxable dividend income. Please refer to Section 11.2 "Taxation of dividends—Norwegian Personal Shareholders" above for a description of the calculation of the allowance. The tax-free allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

The shares do not qualify for ownership through a Norwegian Share Savings Account.

#### 11.3.2 *Norwegian Corporate Shareholders*

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Company. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

#### 11.3.3 *Non-Norwegian Personal Shareholders*

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholders will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholders holds the shares in connection with business activities carried out or managed from Norway or, on specific conditions, when the shares are held by a Non-Norwegian Personal Shareholder who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation as Norwegian tax resident.

#### 11.3.4 *Non-Norwegian Corporate Shareholders*

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the Non-Norwegian Corporate Shareholder holds the shares in connection with business activities carried out or managed from Norway.

### 11.4 **Net wealth tax**

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. The marginal net wealth tax rate is currently 0.85% of the value assessed. The value for assessment purposes for Euronext Growth listed shares is equal to 55% of the proportion of the total tax value of the company as at 1 January of the year before the tax assessment year attributable to each share, on the basis of the nominal value of such share. The value of debt allocated to the shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 55%).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the holding of shares is effectively connected to the conduct of trade or business in Norway.

### 11.5 **VAT and transfer taxes**

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

### 11.6 **Inheritance tax**

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway. However, the heir acquires the donor's tax input value based on principles of continuity. Thus, the heir will be taxable for any increase in value during the donor's ownership period, at the time of the heir's realization of the share.

## 12. TRANSFER RESTRICTIONS

This Information Document is not an offer of Shares and no Shares may be subscribed for, applied for or purchased based on this Information Document.

As a consequence of possible restrictions under local securities laws and regulations, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares admitted to trading on Euronext Growth.

The Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Information Document does not constitute an offer and this Information Document is for information only and should not be copied or redistributed to any jurisdiction where such redistribution may be unlawful. If an investor receives a copy of this Information Document, the investor may not treat this Information Document as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Information Document, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

### **13. ADDITIONAL INFORMATION**

#### **13.1 Admission to Euronext Growth**

On 26 March 2021, the Company applied for Admission to Euronext Growth. The first day of trading on Euronext Growth is expected to be on or about 14 April 2021.

Neither the Company nor any other entity of the Company have securities listed on any stock exchange or other regulated marketplace.

#### **13.2 Information sourced from third parties and expert opinions**

In this Information Document, certain information has been sourced from third parties. The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

The Company confirms that no statement or report attributed to a person as an expert is included in this Information Document.

#### **13.3 Independent auditor**

The Company's independent auditor is Jærrevisjon AS (business registration number 988 432 539, and registered business address at Meierigata 17, 4340 Bryne, Norway). The partners of Jærrevisjon AS are members of The Norwegian Institute of Public Accountants (Nw.: Den Norske Revisorforening). Jærrevisjon AS has been the Company's registered independent auditor since December 2019.

Jærrevisjon AS has not audited, reviewed or produced any report on any other information in this Information Document.

#### **13.4 Advisors**

The Company has engaged Arctic Securities AS (business registration number 991 125 175, and registered business address at Haakon VII's gate 5, 0252 Oslo, Norway) as Euronext Growth Advisor and Sparebank 1 SR-Bank ASA (business registration number 937 895 321, and registered business address at Christen Tranes gate 35, 4007 Stavanger, Norway) as co-manager.

Advokatfirmaet Selmer AS (business registration number 920 969 798, and registered address at Tjuvholmen allé 1, 0252 Oslo, Norway) is acting as Norwegian legal counsel to the Company. Advokatfirmaet Thommessen AS (business registration number 957 423 248, and registered business address at Haakon VII's gate 10) is acting as Norwegian legal counsel to the Euronext Growth Advisor.

## 14. DEFINITIONS AND GLOSSARY OF TERMS

When used in this Information Document, the following defined terms shall have the following meaning:

Admission	The admission to trading of the Company's shares on Euronext Growth.
Articles of Association	Articles of Association of the Company as of 6 April 2021.
Board of Directors	The board of directors of the Company.
Board Members	The members of the Board of Directors.
CEO	Chief Executive Officer.
Company	Desert Control AS.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance last updated 30 October 2014.
EEA	European Economic Area.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Euronext Growth Advisors	Arctic Securities AS.
Euronext Growth	The multilateral trading facility for equity instruments operated by Oslo Børs ASA.
Euronext Growth Admission Rules	Admission to trading rules for Euronext Growth as of November 2020.
Euronext Growth Content Requirements	Content requirements for Information Documents for Euronext Growth as of November 2020.
Financial Information	The Financial Statements
Financial Statements	The audited financial statements of the Company for the years ending 31 December 2020 and 31 December 2019.
Information Document	This information document, dated 14 April 2021.
LEI	Legal Entity Identifier.
Management	The members of the Company's senior management.
NGAAP	Norwegian Generally Accepted Accounting Principles.
NOK	Norwegian kroner, the currency of the Kingdom of Norway.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes
Non-Norwegian Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes
Norwegian Accounting Act	The Norwegian Accounting Act of 17 July 1998 no 56
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian Personal Shareholders	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Private Companies Act	The Norwegian Private Limited Liability Companies Act of 13 June 1997 no 44 (as amended) ( <i>Nw.: aksjeloven</i> ).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended) ( <i>Nw.: verdipapirhandelloven</i> ).
Norwegian Securities Trading Regulation	The Norwegian Securities Trading Regulation of 29 June 2007 no 876 (as amended) ( <i>Nw.: verdipapirforskriften</i> ).
Oslo Børs (or OSE)	Oslo Børs ASA.
Private Placement	The private placement consisting of (i) a share capital increase for a total amount of NOK 51,325.917, by issuing 17,108,639 shares, with a nominal value of NOK 0.003 each, at a subscription price of NOK 11.69 per Share; and, (ii) a secondary sale of existing, validly issued Shares from the Selling Shareholder, each with a nominal value of NOK 0.003, for a total amount of approximately NOK 5.5 million.
Selling Shareholder	(i) Olesen Consult HVAC AS (Board member, Kristian P. Olesen); (ii) Beyond Centauri AS (Board member, Brage Johansen); (iii) Atle Idland (VP Sales & Marketing); and (iv) Ole Morten Olesen (shareholder employee).
Shares (or Share)	Shares in the capital of the Company, each with a nominal value of NOK 0.003, or any one of them.
USD	United States Dollars, the currency of the United States.
United States (or US)	The United States of America.
US Securities Act	The US Securities Act of 1933
VPS	The Norwegian Central Securities Depository ( <i>Nw.: Verdipapirsentralen</i> ).
VPS Registrar	SpareBank 1 SR-Bank ASA



APPENDIX A  
ARTICLES OF ASSOCIATION

APPENDIX B  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

APPENDIX C  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

## **REGISTERED OFFICE AND ADVISORS**

### **Desert Control AS**

FOMO Works, Grenseveien 21,  
4313 Sandnes  
Norway

### **Euronext Growth Advisor and Manager**

#### **Arctic Securities AS**

Haakon VII's gate 5  
P.O. Box 1833 Vika  
0123 Oslo  
Norway  
[www.arctic.com](http://www.arctic.com)

### **Co-manager**

#### **Sparebank 1 SR-Bank ASA**

Christen Tranes gate 35  
P.O. Box 250, 4068 Stavanger  
4007 Stavanger  
Norway  
[www.sparebank1.no](http://www.sparebank1.no)

### **Legal Adviser to the Company**

Advokatfirmaet Selmer AS  
Tjuvholmen alle 1  
P.O. Box 1324 Vika  
0112 Oslo  
Norway  
Tel: +47 23 11 65 00  
[www.selmer.no](http://www.selmer.no)

### **Legal Adviser to the Euronext Growth Advisor**

Advokatfirmaet Thommessen AS  
Haakon VII  
P.O. Box 1484 Vika  
0116 Oslo  
Norway  
Telephone: +47 23 11 11 11  
[www.thommessen.no](http://www.thommessen.no)