

**Terms of Application**  
**Private Placement, March 2026**

**1. Details of the Applicant**

Applicant's name/firm	
Date of birth and ID number or company reg. no.	
Address	
Postal code, city/state/country	
Telephone & e-mail	
VPS account number	

The Applicant needs to register as a client of the Manager.

**2. The Application**

No. of shares subscribed:	Price per share:	Total amount subscribed in NOK (Application Amount):
	NOK 8.50	

**3. Signature (not applicable if signed by Bank-ID)**

Date and place	
<b>Signature</b> The Applicant must be at least 18 years of age. When signing for a company, documentation in form of a company certificate or power of attorney must be enclosed.	

**4. The Offering**

The Company	Onna Greens AS Vanemveien 25 1599 Moss Norway
The Manager	Pensum Asset Management AS is appointed as Manager for the Offering.
Offer Shares/Offering	The Company intends to offer a minimum of 3,529,412 and a maximum of 4,117,647 new shares, each with a nominal value of NOK 0.042
Offer Price and size of Offering	The price is set at NOK 8.50 per Offer Share. Total size of the Offering is minimum NOK 30,000,002.00 and maximum 34,999,999.50
Application Period	Start of application period: 16.03.2026 at 12:00 hours (CET). End of application period: 27.03.2026 at 16:00 hours (CET). The Company may, however, at any time and at its own discretion extend or shorten the application period for any reason.
Offering Documentation	(i) These Terms of Application (ii) The Investor Presentation dated 16.03.2026 The Offering Documentation is supplemented by available public information
Settlement	(i) Notification of Allotment: On or about 27.03.2026 at the sole discretion of the Company. (ii) Payment Date: On or about 01.04.2026 Delivery Date of the Offer Shares: Following the Allocation, approval of the Offering by an EGM, and payment, on or about 22.04.2026.
Minimum subscription amount	Minimum order has been set at NOK 1,199,996 (141,176 offer shares). Subscriptions for lower amounts may be accepted from a limited number of investors in accordance with applicable exemptions from the requirements to publish a prospectus under the EU Prospectus Directive
Selling Restrictions	The Offering is directed towards investors outside the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended (the "US Securities Act")

## 5. Application terms and procedures

The Company is contemplating a share issue as set out under clause 3 above (the “Offering”). An investor applying for Offer Shares is hereinafter referred to as an “Applicant”, and the application for Offer Shares made by the Applicant is referred to as the “Application”. Applications for Offer Shares will be governed by the terms set out in the Offering Documentation.

The Company may at any time close, shorten or extend the Application Period at its own discretion. If the Application Period is extended, the other dates referred to herein will be extended accordingly. The Manager may in its sole discretion accept Applications that are received after this deadline.

By placing an Application, the Applicant irrevocably confirms its request to subscribe and purchase the number of Offer Shares stated under clause 2 above (No of shares subscribed).

To be able to place an Application all potential Applicants needs to be registered as clients of Pensum Asset Management AS.

Applications for Offer Shares, duly signed and valid and binding on the Applicant, must within the end of the Application Period be in the possession of the Manager to be considered for allocation of Offer Shares. Applications must be received by/through:

- a) E-mail handel@pensumgroup.no
- b) The Manager may, in its sole discretion, also accept applications placed by taped phone or electronic communication within the Application Period (but may request that the order is subsequently confirmed by the execution of this Application in writing, and may, if the Applicant fails to satisfy such requirement, in its sole discretion, disregard the application, without any liability towards the Applicant). Any application placed by taped phone or electronic communication shall be deemed made on the terms and subject to the conditions set out in this Application.

The Applicant bears the risk of any data problems preventing orders from being received by the Manager.

## 6. Allotment

Once the Application Period has expired, the Board of Directors and/or General Meeting of Shareholders of the Company (the “General Meeting”), will in its sole discretion allocate the Offer Shares and take into account factors such as, but not limited to, investor quality, quality of order and timing of subscription. Applications received will be binding on the Applicant and irrevocable. The Board of Directors and General Meeting reserves the right, in their absolute discretion, to cancel the Offering, reject and/or reduce an Application, in whole or in part. In the event of oversubscription, the Board of Directors and General Meeting reserves the right at their own discretion, to reject and/or reduce all orders, in whole or in part.

The minimum subscription amount is NOK 1,199,996.

By placing an Application, the Applicant irrevocably authorizes and instructs the Manager to subscribe at the Offer Price the number of Offer Shares allotted to the Applicant (the “Allotted Shares”) on behalf of the Applicant (the number of Allotted Shares multiplied by the Offer Price is hereinafter referred to as the “Allotted Amount”). The Applicant guarantees a timely settlement of the Allotted Amount in cash on the specific date which will be further communicated to the Applicant by way of issuing allotment notifications and confirms that the authorization and instruction set out herein are irrevocable. Notification of allotment and payment instructions will be issued by the Manager and sent to Applicants that have been allotted Offer Shares following the General Meeting for allocation.

## 7. Payment

Payment of the Allotted Amount must be received by the Manager not later than the date stated in the notification of allotment. For late payment, interest on the amount due will accrue at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 No. 100. Should payment not be made when due, the Allotted Shares will be withheld. If payment is not made within three days after the due date, the Manager reserves the right without further notice to take over the Allotted Shares and/or, at the risk and cost of the Applicant, to sell the Allotted Shares in accordance with applicable regulations. The original Applicant remains liable for payment of the Allotted Amount, together with any interest, costs, charges and expenses accrued, and payment may be enforced for any such amount outstanding.

## 8. Representation and Warranties

By placing an Application the Applicant irrevocably confirms that:

- a) The Applicant understands that an investment in the Company is associated with inherent risk, and confirms that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of a decision to invest in the Company by applying for Offer Shares, and the Applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Offer Shares.
- b) The Applicant understands the risks involved in an investment in the Company (paragraph "16. Risk").
- c) The Applicant has had access to such financial and other information concerning the Company and the Offer Shares as it deems necessary or desirable in connection with the application for Offer Shares, and has made such investigation with respect thereto as it deems necessary.
- d) The Applicant has received and carefully read the Offering Documentation, including, but not limited to, the risk factors described therein.
- e) The Applicant has not relied on representations, warranties, opinions, projections, financial or other information or analysis, if any, supplied to it by any representative of the Company or the Manager or any of their respective affiliates other than as expressly set forth in the Offering Documentation, and the Applicant hereby waives all warranties implied by law.
- f) The Applicant's participation in the Offering is made solely upon the Applicant's own assessment of the Company and the Offering Documentation, and after the Applicant, to the extent deemed necessary by the Applicant having consulted with its own independent advisors, has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relating to its investment in the Offer Shares and the suitability of an investment in the Company's shares, and such investment is at the Applicant's own risk.
- g) The Applicant has not been induced to enter into this Application by any representation, warranty or undertaking by the Manager or the Company.

- h) The Applicant has full power and authority to apply for Offer Shares and is authorized to pay all amounts it has committed to pay.
- i) The execution and delivery of this Application have been authorized by all necessary action by the Applicant or on the Applicant's behalf, and this Application is legal, valid and binding, and enforceable against the Applicant in accordance with its terms. The Applicant bears the full risk for its legal ability to apply for and own shares in the Company, and its monetary liability under this Application will not cease to be effective in the event that order and ownership of shares in the Company would be illegal for the Applicant. In such event, the Applicant shall fulfil the payment obligations that have been effected in respect of the Allotted Shares and will designate a third party to whom the Allotted Shares are to be issued.
- j) The Applicant further confirms and accepts that all acceptances, confirmations, representations, warranties and undertakings given by the Applicant pursuant to these Terms of Application may be enforced against the Applicant by each of the Company and the Manager acting jointly or separately.

## 9. Verification of information

By placing an Application the Applicant irrevocably confirms that it understands and expressly agrees that it is applying for and purchasing Offer Shares on the basis that:

- a) The information contained in the Offering Documentation is based on estimates provided by the Company. Please note that the relevant financial information of the Company, have not been audited. Please note that other than having conducted a high-level red-flag legal due diligence, the Manager has not performed any other financial or technical due diligence of the Company or its assets.
- b) The Company may be subject to material losses or claims which neither the Company nor the Manager is aware of at the date of this Application, including losses or claims which could have been discovered if more extensive due diligence investigations had been made or the due diligence investigations had been completed prior to the Application.
- c) The Applicant understands and agrees that neither the Manager nor any of its respective associates or advisers can make any undertaking, representation or warranty, express or implied, to the Applicant regarding the accuracy or completeness of the information (whether written or oral and whether included in the Offering Documentation or elsewhere), concerning the Company or the Offering received by the Applicant whether such information was received through the Manager or otherwise.

## 10. Regulatory Issues / Target Market

MiFID II professionals/ECPs/Retail/No PRIIPs KID - Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients and also retail and non-professional clients. No PRIIPs key information document (KID) has been prepared. Investors needs prior experience or knowledge with unlisted securities or similar investments.

## 11. Conditions for completion of the Offering

Completion of the Offering is conditional upon:

- a) Approval of the Offer Price and issuance of the Offer Shares from the Company's shareholders at an Extraordinary General Meeting of Shareholders to be held by the Company.
- b) Any other corporate resolutions and subsequent required public filings required to implement the Offering and issue the Offer Shares.

## 12. Confidentiality

The offer to apply for Offer Shares in the Offering is personal and cannot be forwarded or made known to any third party. The Applicant hereby undertakes to keep the contents of the Offer Documentation and any information made available pursuant to it confidential, including but not limited to the fact that any agreement has been entered into, until the completion of the Offering has been announced by the Company. The Applicant hereby authorizes each of the Company and the Manager to provide this Application or a copy hereof to any party in any administrative or legal proceedings or official inquiry with respect to matters covered hereby.

## 13. Governing Law

This Offering shall be governed by Norwegian law. Any disputes regarding this Application which cannot be solved amicably, shall exclusively be referred to the ordinary court of Oslo, Norway.

## 14. Selling restrictions

The Applicant understands that no action has been or will be taken by the Manager or any of its respective associates, or any person acting on behalf of the Manager or any of its respective associates, that would, or is intended to, permit a public offer of the Company's securities in any country or jurisdiction where any such action for that purpose is required and that the Company's securities may not be, directly or indirectly, offered or sold and that no prospectus, form of application, advertisement or other document or information may be distributed or published in any country or jurisdiction except in compliance with any applicable laws and regulations and that all reoffers and sales of the Company's securities by the Applicant will be made on the same terms.

The Offer Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or under the securities law of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States. There will be offer of Offer Shares in the United States. The Offer Shares have not been and will not be registered under the applicable securities laws of Australia or Switzerland and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia or Switzerland except pursuant to an applicable exemption from applicable securities laws. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, the Offering will not be distributed in the United States, Australia or Switzerland. Subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid.

## 15. Managers fee

The Manager will invoice the Company a fee for arranging and executing the Offering.

## **16. Risk**

### **16.1. Risks related to the Company and the industry in which it operates**

#### **16.1.1. The Company is in a growth phase, and may not be successful in establishing new satisfactory operational vertical farms**

The Company has established, commissioned, and is currently operating its first vertical farm (Farm 1) in Moss, Norway. However, the Company has ambitions of establishing several, and larger, additional vertical farms. Even though the Company has proven track record with respect to establishing a vertical farm, no guarantees may be provided that future farms will be fully operational or satisfy the Company's requirements from the estimated time of completion or at all. Expanding from a single operational vertical farm to multiple or larger facilities introduces significant operational complexities and risks. Unforeseen technical challenges, such as issues with climate control systems, automation processes, or integration of advanced technologies, may arise and disrupt operations. Additionally, scaling operations can place considerable strain on IT infrastructure, logistics networks, and overall management capacity. Coordinating activities across multiple sites increases the potential for inefficiencies, communication gaps, or delays, which could negatively impact productivity and profitability. Ensuring robust planning, scalable systems, and effective management structures will be critical to mitigating these risks and supporting sustainable growth. Failure to establish the Company's additional vertical farms, for any reason, may have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

#### **16.1.2. A delay in the completion of, or cost overruns in relation to, the construction of facilities may affect the Company's ability to achieve its operational plan and full schedule of production, thereby adversely impacting the Company's business and results of operations**

As of the date hereof, the Company has one large scale vertical farming facility operating in Moss, Norway (Farm 1). Under the lease for Farm 1, the Company leases the building and bore the retrofitting cost during the construction phase through an addition to the rent cost until the cost had been repaid in full. For future additional vertical farms, it cannot be excluded that the Company must assume more of the risks related to cost overruns in relation to building of such plants or retrofitting existing buildings for this purpose. Furthermore, all larger retrofitting and construction projects imply risks related to (i) delays in finalization of the project and (ii) that the result of the project is not in line with applicable regulations or practical requirements which could require additional work to be carried out prior to start of production. Any such delays of the Company's expansion of production of salad and herbs will in turn delay the Company's operational income which may have an adverse effect the Company's results of operations, cash flows, financial condition and/or prospects.

#### **16.1.3. The Company will face competition from other companies**

The Company competes in an industry still under establishment that is highly competitive and rapidly increasing and it faces and will continue to face competition from other companies. Competition comes from both traditional farming and other vertical farming companies. The Company expects to continue to experience competition from existing and new competitors, some of which are more established and who may have (i) greater capital and/or commercial, marketing and technical resources, and/or (ii) more superior brand recognition than the Company. Although the Company believes that its business strategy and production methods enjoys a number of key advantages compared to its competitors, there is no assurance that the Company will be able to compete successfully in such a competitive marketplace. Furthermore, the Company believes competition will be more severe when new revenue creating business models are implemented. If the Company is unable to remain competitive, this could have a material adverse effect on the Company's revenues, profitability, liquidity, cash flow, financial positions and/or prospects.

#### **16.1.4. The Company is dependent on third parties**

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

#### **16.1.5. The Company is in an early commercial phase, and is dependent on a successful roll-out and commercialization of its products**

The Company focuses on the HORECA market and the retail market in parallel, and to date, the Company has sold apprx. 375 tons of salad to retail and HORECA. As the Company produces perishable goods, the Company will be dependent on having satisfactory agreements in place to secure that the products are sold within a reasonable timeframe based on when the products are produced. The Company has entered into distribution agreements with both certain HORECA players and also retail distributors, and is in the process of entering into new agreements with new grocery chains giving the Company larger foothold in Norway.

As the Company continues its roll-out plan by building new vertical farms, the Company will be dependent on entering into new produce distribution agreements with new customers located within the target radius of the new plants or renegotiating existing produce distribution agreements to also cover such new areas. Should the Company not be successful in entering into new produce distribution agreements, this could in turn have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

Any failure to execute its roll-out and commercialization strategy or to manage its growth effectively could adversely affect the Company's business, financial condition, results of operations, cash flow and/or prospects. The Company's management team will review and evaluate the business strategy with the Company's board of directors on a regular basis, and the Company may decide to alter or discontinue elements of the Company's business strategy and may adopt alternative or additional strategies in response to the Company's operating environment, ad hoc opportunities, competitive situation or other factors or events beyond the Company's control.

#### **16.1.6. Customer concentration**

The Nordic retail market with respect to groceries is dominated by a limited number of major players. The Company currently supplies products to a few of the larger retail-chains in Norway and is gaining foothold with other. A major part of the Company's sales are to customers in the retail sector. This means that the Company to a large degree is dependent on growing and maintaining a position as supplier with major retailers to maintain its growth plan, current revenue and future prospects. Any change in the supply policies of the major retailers in the Nordic market may materially and adversely affect the Company's competitive position, revenue, results and financial condition.

The loss of one or more of the Company's largest customers, or a reduction in the level of purchases made or the prices paid by these customers, could materially and adversely affect the business, results of operations and financial condition of the Company.

#### **16.1.7. Risks related to short-term contracts**

The Company's agreements with customers are of a short-term nature. As such, the Company cannot give any assurance that its key customers will continue their relationship with the Company in the future. Change in the Company's relationship with customers is a factor that may negatively affect the Company's business, operating results and financial condition.

#### **16.1.8. The Company has incurred operating losses since its inception and expects to continue to incur losses going forward**

The Company is in an early commercial phase and has incurred operating losses each year since its incorporation. The Company has financed its operations through the issue of equity securities, as well as debt financing from Innovasjon Norge. Going forward, the Company expects to continue to incur operating losses and no assurances can be given on when, or if at all, the Company will achieve profitability from its operations and the size of the Company's losses going forward will depend, in part, on the Company's future expenses and its ability to generate revenue. Achieving profitability is dependent on a number of factors, amongst other the Company succeeding with its roll-out and commercialization strategy, but also the operating environment, the competitive situation and other factors or events beyond the Company's control.

The Company may never succeed in becoming profitable and, even if it does, it may never generate revenue or sustainable income that is significant enough to achieve profitability. Should any of these risks materialize, it could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

#### **16.1.9. Consumer satisfaction is important to the Company's success, and the lack thereof, may have material effect on the Company's financial performance**

The Company's products are ultimately sold to consumers which may have different product criteria and expectations to vegetables, such as, but not limited to, cleanliness, pesticide-free, non-GMO, locally grown, nutrient rich, quality in general and price. Failing to meet one or more of such criteria can reduce consumer satisfaction for the Company's products, and result in consumers not buying the Company's products. Unsatisfied consumers may further generate negative publicity and affect the Company's reputation. Even if the Company meets one or more of the aforementioned criteria, other factors could result in the consumers not buying the Company's products, amongst other, spending habits among consumers, concerns regarding vertical farming as opposed to traditional farming, the Company not being able to differentiate the quality of the Company's products from those of its competitors, competitors being able to market and advertise their products towards consumers better, the Company not being successful in identifying trends in consumer preferences and growing or developing products that respond to such trends in a timely manner. Should consumers, for any reason, not buy the Company's products, this may impact the willingness of the Company's customers, which are expected to predominantly be HORECA businesses and distributors to the foodservice segment, to renew their contracts with the Company, which in turn have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

#### **16.1.10. Estimates of market opportunity and forecasts of market growth may prove to be inaccurate or not materialize, and even if the market in which the Company competes achieves the forecasted growth, the Company's business could fail to grow at similar rates, or at all.**

The Norwegian market for salad and herbs has grown 145% from 2005 to 2019 (Source: DFG), and the Company expects that the market will continue its stable development, resulting in an increased market volume in the years to come. Projections and estimates on future market growth may not prove to be accurate. The variables that go into the calculation of expected market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of customers covered by these market opportunity estimates will purchase the Company's products at all or generate any particular level of revenue for the Company.

#### **16.1.11. Resource and Commodity Price Risks**

Vertical farming operations are highly dependent on stable and cost-effective access to key resources, making them vulnerable to fluctuations in resource and commodity prices:

High Electricity Usage: Vertical farms require substantial energy inputs for essential systems such as lighting, temperature regulation, and humidity control. Sudden increases in electricity prices, disruptions in energy supply, or policy changes (e.g., carbon taxes) could significantly increase operating costs and erode profitability.

Input Supplies: The cost and availability of critical inputs, including seeds, nutrients, and packaging materials, are subject to market dynamics and global supply chain disruptions. Volatility in these areas may increase production costs or limit the ability to meet production targets.

Water Supply: While vertical farms are generally water-efficient, dependence on reliable water supply remains a key consideration. Restrictions on water usage, infrastructure challenges, or rising water tariffs could adversely affect production processes and overall cost structure.

Proactively managing these risks through energy efficiency initiatives, diversified sourcing strategies, and robust contingency planning is essential to maintaining cost stability and ensuring operational resilience.

#### **16.1.12. ESG and Reputational Risks**

The vertical farming industry operates within a framework of increasing consumer and regulatory scrutiny concerning sustainability and environmental impact. If the business is perceived as energy-intensive or not delivering on its promises of being an environmentally friendly and sustainable solution, it could face reputational challenges. Negative press, public criticism, or consumer backlash may arise if stakeholders believe the company's operations are inconsistent with advertised ESG commitments. Furthermore, as ESG criteria increasingly influence investment decisions, a failure to meet or demonstrate compliance with these standards could deter potential investors, partners, or customers. Proactively addressing these concerns by transparently communicating energy usage, sustainability metrics, and efforts to minimize the environmental footprint is critical to mitigating these risks.

#### **16.1.13. Environmental Regulation and Waste Management**

Vertical farming operations generate waste streams that include nutrient-rich water, plastics used for packaging, and other byproducts of production. The management and disposal of these materials are subject to environmental regulations, which vary across jurisdictions and are subject to change. Stricter environmental policies or evolving regulatory requirements, such as limits on water discharge, bans on single-use plastics, or more rigorous waste management standards, could lead to increased compliance costs or operational adjustments.

Failure to effectively manage waste streams in an environmentally responsible manner could also expose the business to reputational risks or penalties. Staying ahead of regulatory developments and implementing sustainable waste management practices will be essential to mitigating these risks and ensuring long-term operational viability.

#### **16.1.14. A cybersecurity incident or other technology disruptions could negatively impact the Company's business**

The Company uses and plans to use computers, software and technology in certain parts of its business operations, inter alia to regulate the environment in its planned farms. Such uses give rise to cybersecurity risks, including security breaches, espionage, system disruption, theft and inadvertent release of information. Cybersecurity incidents are increasing in their frequency, sophistication and intensity, with third-party phishing and social engineering attacks in particular increasing. The Company's business involves sensitive information and intellectual property, including know-how, private information about employees and financial and strategic information about the Company, its current and targeted business partners.

Any theft, destruction, loss, misappropriation or release of sensitive information or intellectual property, or interference with the Company's information technology systems or the technology systems of third parties on which it relies, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers and distributors, potential liability and competitive disadvantage all of which could negatively impact the Company's business, financial condition, results of operations and/or prospects.

#### **16.1.15. The Company is reliant on personnel and the ability to attract new, relevant personnel**

The Company is highly dependent upon having a highly qualified team and is therefore reliant on key personnel and the ability to retain and attract new, qualified personnel. The loss of a key person might impede the achievement of the development and commercial objectives. Competition for key personnel with the required competences and experience is intense, and the competition for such personnel is expected to continue to increase. There is no assurance that the Company will be able to recruit the required new key personnel in the future. Any failure to retain or attract such personnel could result in the Company not being able to successfully implement its strategy, which could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows and/or prospects. Furthermore, the Company is also dependent on manual labour to inter alia harvest products at the vertical farms. Any travel restrictions may impact the availability of foreign manual labour, which in turn could decrease the total availability of such labour in Norway. A reduced availability of manual labour may imply increased competition to attract the required manpower as well as potential increased costs. A prolonged increased cost related to attracting manual labour could have an adverse effect on the Company's business, financial condition, results of operations, cash flows and/or prospects.

#### **16.1.16. The Company faces risks inherent in the agriculture business, including the risks of diseases and pests**

The Company is producing salad and herbs inside a hydroponic vertical farm. As such, there are risks inherent in an agricultural business, such as insects, plant and seed diseases and similar agricultural risks, which may include crop losses. Although (i) the products will be grown in climate-controlled circumstances, (ii) the cultivation halls are built to specifications to prevent insects/spores from entering; and (iii) the products will be grown in mineral solutions as opposed to soil, there can be no assurance that natural elements will not have an effect on the production of these products. In particular, plant diseases, such as root rot, virus, or pest infestations, could eliminate or significantly reduce production at a growing facility should the Company's safeguards prove insufficient.

Although the solution the Company has acquired to Farm 1 includes technologies and procedures to reduce the risks of diseases and pests, such risks may not be totally eliminated. If any such agricultural risks and natural elements were to affect the production of the Company's products this could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows and/or prospects.

#### **16.1.17. The Company uses intellectual property from Mirai, and third parties may claim that the Company is violating their proprietary technology and intellectual property**

The Company is using intellectual property from Mirai to operate Farm 1. Over time, the Company has however developed its own intellectual property rights and know how. The success of the Company'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 Company is infringing or violating their proprietary technology and intellectual property rights. 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 Company's proprietary technology and property rights or claims that the Company is violating or infringing third party intellectual property rights could lead to a competitive disadvantage and result in a material adverse effect on the Company's business, prospects, financial position and results of operations.

#### **16.1.18. Risks related to the joint venture with Reitan and the development of Farm 2**

The Company has entered into a cooperation agreement with Reitan Retail AS regarding the potential development of Farm 2, to be operated through a joint venture in which the Company is expected to hold a 49% ownership interest. The project is subject to final agreements and investment decisions, and there can be no assurance that the project will be completed on the contemplated terms, within the expected timeframe, or at all.

As a minority shareholder in the joint venture, the Company may not have decisive control over strategic or operational matters. The successful development and performance of Farm 2 will depend on, inter alia, construction, technology implementation, realization of expected synergies and access to sufficient capital. Failure to complete or successfully operate Farm 2 could have a material adverse effect on the Company's business, financial condition and prospects.

## **16.2. Risks related to financing and market risk**

### **16.2.1. Failure to obtain necessary capital when needed could force the Company to delay, limit, reduce or terminate its product development or commercialization effort**

Under the Company's current business plan, the Company expects to require additional capital in the future to further pursue its business plan or due to unforeseen liabilities, delayed or failed technical or commercial launch of its products or in order for it to take advantage of opportunities that may be presented to it. There can be no guarantee that additional capital will be available at favourable terms or at all. Failure to obtain this necessary capital when needed could force the Company to delay, limit, reduce or terminate its operations, expansions and/or constructions of new farms, product development or commercialization efforts which could negatively impact the Company's business, financial condition, results of operations and/or prospects.

### **16.2.2. Fluctuations in currency exchange rates may impact the Company's capital expenses and operational income in the future**

In order for the Company to execute its roll-out strategy, investments in additional vertical farms is crucial. These farms might be fitted out and constructed with materials and/or equipment sourced from suppliers outside of Norway. Hence, the Company might undertake payment obligations in foreign currency, and considering the Company's functional currency is NOK, this might pose a currency risk and may adversely impact the Company's business, financial condition, results of operations and/or prospects.

Furthermore, the Company might establish itself in other countries over time, meaning that the Company could earn revenues, pay expenses, own assets and incur liabilities in countries using currencies other than the NOK in the future. The Company's financial statements are presented in NOK, hence revenues, income and expenses, as well as assets and liabilities arising from any international operations must be converted into NOK at exchange rates in effect during or at the end of each reporting period. Increases or decreases in the value of NOK against other currencies can accordingly affect the Company's operating revenues, operating income and the value of balance sheet items denominated in foreign currencies in the future.

### **16.2.3. The Company expects to require additional capital in the future in order to execute its roll-out and commercialization strategy or for other purposes, which may not be available on favorable terms, or at all**

Because the Company currently is in a early commercial phase, the Company expect to require additional funds in order to execute and complete its roll-out and commercialization strategy, or for other purposes. Consequently, there is a risk that the liquidity the Company has in place is not sufficient to cover the Company's existing or future expenditures. If the Company requires additional funds in order to execute its commercialization and growth strategy, or for other purposes, there is a risk that adequate sources of funds may not be available, or available at acceptable terms and conditions, when needed. If the Company raises additional funds by issuing additional equity securities, the existing shareholders may be significantly diluted. If funding is insufficient at any time in the future, the Company may be unable to fund its roll-out and commercialization strategy and lose business opportunities and thereby risk to fail to respond to competitive pressures. If the Company for any reason does not obtain additional funding as needed in the future, this could have a material adverse effect on the Company's revenues, profitability, liquidity, cash flow, financial positions and/or prospects.

## **16.3. Risks related to laws, regulations and litigation**

### **16.3.1. The Company may be subject to litigation**

The Company may become subject to litigation and disputes inter alia due to food safety concerns, marketing, employee disputes and disputes with customers and/or suppliers. Whether or not the Company ultimately prevails, legal disputes are costly and can divert management's attention from the Company's business. In addition, the Company may decide to settle a legal dispute, which could cause the Company to incur significant costs. An unfavorable outcome of any legal dispute could imply that the Company becomes liable for damages or has to modify its business model. A settlement or an unfavorable outcome in a legal dispute could have an adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and/or prospects.

### **16.3.2. The Company is exposed to risks related to regulatory processes and changes in regulatory environment**

The manufacture and marketing of food products is highly regulated in Norway, and the Company is subject to a variety of laws and regulations. Requirements are set for the production of food throughout the food chain, including primary production of vegetables. General hygiene requirements are laid down in the Food Hygiene Regulations. In addition, there are other special regulations with a focus on various areas such as mold data, use of pesticides, pesticide residues, fertilizers, organic production, etc. It is the companies' responsibility to ensure that the regulations are followed.

In addition, laws and regulations apply to other aspects of the Company's business, including the packaging, labelling, distribution, advertising, sale, quality, and safety of its products, as well as the health and safety of its employees and the protection of the environment. The Norwegian Food Safety Authority is the main official body to supervise these regulations and may conduct on-site supervision and inter alia close productions facilities deemed not up to code until the relevant issues are rectified.

Further regulations outside of Norway by various international regulatory bodies could also apply in the future as the Company plans to establish itself in other countries in the future. In addition, depending on customer specification, the Company may be subject to certain voluntary, third-party standards, such as Global Food Safety Initiative, or GFSI, standards and review by voluntary organizations. The Company could incur costs, including fines, penalties and third-party claims, because of any violations of, or liabilities under, such requirements, including any competitor or consumer challenges relating to compliance with such requirements. The loss of third-party accreditation could result in lost sales and customers, and may adversely affect the Company's business, results of operation, and financial condition. In connection with the marketing and advertisement of its products, the Company could be the target of claims relating to false or deceptive advertising.

The regulatory environment in which the Company operates could change significantly and adversely in the future. Any change in manufacturing, labelling or packaging requirements for the Company's products may lead to an increase in costs or interruptions in production, either of which could adversely affect its operations and financial condition. New or revised government laws and regulations could result in additional compliance costs and, in the event of non-compliance, civil remedies, including fines, injunctions, withdrawals, recalls, or seizures and confiscations, as well as potential criminal sanctions, any of which may adversely affect the Company's business, results of operations, cash flows, financial condition and/or prospects.

**16.3.3. Food safety and foodborne illness incidents or advertising or product mislabelling may materially adversely affect the Company's business by exposing the Company to lawsuits, product recalls, or regulatory enforcement actions, increasing its operating costs and reducing demand for its product offerings.**

Selling food for human consumption involves inherent legal and other risks, and there is governmental scrutiny by the Norwegian Food Safety Authority of and public awareness regarding food safety. Unexpected side effects, illness, injury or death related to allergens, foodborne illnesses or other food safety incidents caused by products the Company sells could result in the discontinuance of sales of these products, or otherwise result in increased operating costs, regulatory enforcement actions, or harm to the Company's reputation. Shipment of adulterated or misbranded products, even if inadvertent, can result in criminal or civil liability. Such incidents could also expose the Company to product liability, negligence, or other lawsuits, including consumer class action lawsuits.

The occurrence of foodborne illnesses or other food safety incidents could also adversely affect the price and availability of affected raw materials, resulting in higher costs, disruptions in supply and a reduction in sales. Furthermore, any instances of food contamination or regulatory noncompliance, whether or not caused by the Company's actions, could compel the Company or its customers, depending on the circumstances, to conduct a recall in accordance with relevant regulations. Food recalls could result in significant losses due to their costs, the destruction of product inventory, lost sales due to the unavailability of the product for a period of time and potential loss of existing distributors or customers and a potential negative impact on the Company's ability to attract new customers due to negative consumer experiences or because of an adverse impact on the Company's brand and reputation. The costs of a recall could be outside the scope of the Company's existing or future insurance policy coverage or limits.

**16.4. Risk related to the Shares**

**16.4.1. The price of the Company's shares could fluctuate significantly**

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favorably. The Shares is not 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, 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.

**16.4.2. Future offerings of debt or equity securities by the Company may adversely affect the market price of the Shares and lead to substantial dilution of existing shareholders**

The Company may in the future seek to raise capital through offerings of debt securities or additional equity securities in order to finance new capital intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price for the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders.

**16.4.3. Restrictions to make claims against the Company**

The ability of shareholders of the Company, in their capacity as such following registration of a share capital increase in the Company in the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret), to make claims against the Company is severely limited under Norwegian law.

**16.4.4. U.S Shareholders and certain other foreign shareholders may be subject to other limitations than other shareholders**

Certain transfer and selling restrictions may limit a shareholder's ability to sell or otherwise transfer their Shares. Beneficial owners of Shares that are registered in the name of a nominee may not be able to vote for such Shares unless their ownership is re-registered with the VPS in the name of the beneficial owners prior to the general meeting. The Shares have not been registered under the US Securities Act of 1933 (as amended) or any US state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. The Shares may not be offered or sold except unless an exemption from the applicable registration requirement under US law is available. Shareholders residing or domiciled in the US may not be able to participate in future capital increases, rights offerings or other issuances of securities by the Company and as such have their shareholdings diluted, or not be able to receive economic benefits related to the Shares.