



# RESQUNIT

## Company Description of Resqunit AB regarding the Application for Admission to trading on Nasdaq First North Growth Market

### MANGOLD

#### **Nasdaq First North Growth Market Disclaimer**

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

# Contents

Important information.....	1
Information about the shares .....	3
Financial Calendar.....	3
Definitions .....	3
Background and motive for listing .....	4
Message from the CEO.....	5
BUSINESS overview .....	7
Market overview.....	21
Risk factors .....	36
Selected financial overview .....	43
Comments on the financial overview .....	49
Proforma Financial Information .....	53
Auditor’s Report Regarding Proforma Financial Information.....	58
Capital structure and indebttness .....	60
Board of directors, executive managment and auditor .....	61
Corporate governance .....	74
Shares, share capital and ownership structure .....	75
Legal questions and complementary information.....	78
Documents incorporated by reference .....	81
Articles of Association .....	82
Auditor report regarding consolidated historical financial information .....	84
Addresses .....	85

# Important information

This company description ("**Company Description**") has been prepared by the Board of directors of Resqunit AB, Reg. No. 559339-6806 ("**Resqunit**" or the "**Company**"), in conjunction with the Application for Admission to trading on Nasdaq First North Growth Market ("**Nasdaq First North**" respective "**Listing**"), which is an exchange platform or multilateral trading facility ("**MTF**") that does not have the same juridical status as a regulated exchange. This Company Description does not fulfil the requirements of being a prospectus in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council and has not been reviewed or approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). This Company Description does not constitute an offer to subscribe for, or otherwise acquire, shares or any other financial instrument in Resqunit in either Sweden or any other jurisdiction. Distribution of this Company Description is subject to restrictions in law and other regulations.

The Company Description may not be distributed in or into United States, Australia, Singapore, New Zealand, Japan, South Korea, Canada, Switzerland, Hong Kong or any other jurisdiction where such distribution requires prospectus, registration or any other actions to be taken in addition to the requirements under Swedish law. Persons who receive copies of this Company Description, or wish to invest in Resqunit, must inform themselves about and follow such restrictions. Swedish law is applicable in relation to this Company Description. Disputes regarding the Company Description and thereby applicable legal circumstances shall be handled under Swedish law exclusively.

## Industry and market information

The Company Description contains data, statistics, forecasts and other information concerning markets, market size, market positions and other industry data associated with the Company's operation and industry. As far as the Company knows and has been able to ascertain by comparing disclosed information from other third parties, the information which originates from a third party is reproduced in a correct manner and no information, whose absence would make the reproduced information inaccurate and deceptive, has been omitted. Market publications and reports regularly indicate that the information it contains originates from sources that are considered reliable, yet they cannot guarantee its correctness nor completeness. The Company has not on its own verified the information in the Company Description that originates from external sources, thus the Company cannot guarantee its correctness nor completeness. Market data and statistics can be forward-looking, object of uncertainty, interpreted subjectively and do not necessarily reflect actual or future market conditions. Such information and statistics are based on market research, which in turn is based on samples, selections, and subjective interpretations and estimations. This includes estimates of what sort of products and transactions the relevant market ought to cover. Consequently, potential investors should be aware that the market information and the forecasts and estimates of the market information in this Company Description not necessarily constitutes reliable indications of the Company's future results.

## Presentation of financial information

The figures presented in the Company Description have, in some cases, been subject to rounding, which entails that some tables do not seem to sum up correctly. All the financial figures are presented in Swedish Krona ("**SEK**") unless otherwise stated. "**MSEK**" represents million SEK and "**KSEK**" represent thousand SEK. Except when expressly stated, no information in the Company Description have been reviewed or revised by the Company's auditors.

### **Forward-looking statements**

The Company Description contains certain forward-looking statements that reflect Resqunit's views concerning future events and financial and operational performance. Words such as "intends", "assesses", "expects", "can", "plans", "estimates" or other expressions that relate to indications or predictions concerning future development or trends and that are not based on historical facts constitute forward-looking statements. Forward-looking statements are, by nature, associated with known as well as unknown risks and uncertainties, given their dependence on future events and circumstances. Forward-looking statements are no guarantee of future results or trends, and the actual results could differ materially from those contained in the forward-looking statements. Factors that could result in Resqunit's actual earning and performance deviating from the content of the forward-looking statements include, but are not limited to, the descriptions in the section "Risk factors." Forward-looking statements in the Company Description apply only as of the date of this Company Description publication. Resqunit does not give any undertaking that the Company will disclose any updates or revisions of forward-looking statements due to new information, future events or other such matters above and beyond what is required according to applicable laws.

### **Important information about Nasdaq First North Growth Market**

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North are not subject to the same set of rules as the issuers on a regulated market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North have a Certified Adviser who monitors that the rules are followed. The relevant Nasdaq exchange approves the application for admission to trading.

# Information about the shares

Number of outstanding shares	10 610 277
ISIN code	SE0017131220
Short name (ticker)	RESQ

## Financial Calendar

Year-end report for 2021	25.02.2022
Annual Report 2021	28.04.2022
Annual General Meeting	09.06.2022

## Definitions

"Aquarius X"	refers to the intended development of sensor device for fishing gear location and collection of ocean data
"BNOK"	refers to billion NOK
"Brand"	or "Brands" refers to the brands of "Sig Hansen", "Cpt. Sig", "Cpt. Sig Hansen" and "Northwestern"
"BUSD"	refers to billion USD
"Company"	or "The Company" refers to Resqunit AB (reg. nr. 559339-6806)
"Company Description"	refers to this document as the application for listing at Nasdaq First North
"ETR"	refers to Electronic Time Release
"Fishing gear"	refers to fishing equipment including small- and large-scale fish nets, traps, buoys etc.
"Flotation Buoy"	refers to Resqunit AS existing hardware product for location and automated opening of crab traps
"GGGI"	refers to Global Ghost Gear Initiative which is an ocean conservancy foundation based in Washington DC. The global ghost gear initiative (GGGI) is the world's largest cross-sectoral alliance committed to driving solutions to the problem of lost, abandoned and otherwise discarded fishing gear (aldfg) also known as "ghost gear") worldwide.
"Ghost fishing"	refers to any discarded, lost, or abandoned, fishing gear in the marine environment
"Resqunit AS"	refers to the operational company, reg. nr. 820187512
"Resqunit Canada Inc."	refers to the Canadian subsidiary owned by Resqunit AS, reg. nr. 3328453
"G.O.D."	refers to Global Ocean Data AS, reg. nr. 926665154
"ICES"	refers to International Council for the Exploration of the Sea
"Mangold"	refers to Mangold Fondkommission AB reg. nr. 556585-1267 who is the Certified Adviser during the listing process at Nasdaq First North and the Company's Certified Adviser moving forward
"MCAD"	refers to million Canadian Dollar
"MFT"	refers to Multilateral trading facility
"MNOK"	refers to million NOK
"MSEK"	refers to million SEK
"MUSD"	refers to million USD
"Nasdaq First North"	refers to Nasdaq First North Growth Market
"NGO"	refers to Non-governmental Organisation
"NOK"	refers to Norwegian Krone
"Ocean Aid 360, Inc"	is a 501(c)(3) IRS tax-exempt nonprofit organized to design, manage, and implement research-based environmental and ecological interventions, through public and private partnerships, to improve and secure the health of vulnerable marine, coastal, wetland, and inland waterway habitats toward their renewed and/or continued ability to support future generations of healthy flora and fauna, as well as marine-dependent communities.
"R&D"	refers to research and development
"SAM"	refers to Serviceable Addressable Market
"SEK"	refers to Swedish Krona
"SME"	refers to Small and Medium-Sized Enterprise
"SOM"	refers to Serviceable Obtainable Market
"TAM"	refers to Total Addressable Market
"The Group"	refers to Resqunit AB, Resqunit AS, Resqunit Canada Inc. and Global Ocean Data AS.
"TNOK"	refers to thousand NOK
"TSEK"	refers to thousand SEK
"TUSD"	refers to thousand USD
"UK"	refers to the United Kingdom
"UNESCO"	refers to United Nations Educational, Scientific and Cultural Organization
"USD"	refers to United States Dollar
"U.S."	refers to the United States

# Background and motive for listing

The latest private placement held in April of 2021, initiated a new direction for the Company. With the purchase of Global Ocean Data AS, and the subsequent knowledge and experience of the team behind it, the Company is now equipped to continue all R&D activities in-house and to start to plan for an eventual process of setting up an own production line for manufacturing. The Company's ambition for the future is to be a manufacturer and supplier of products and services to improve the fishing industry's sustainability. This includes location and retrieval mechanisms for lost gear, data-based software systems to help lower the total cost per ton of fished product, which today consists among other of 620 liters of marine fuel per 1,000 kg of catch <sup>(1)</sup>. Overall, the Company plans to focus on development of smart fishing gear that would assist the fisheries and governments in upholding rules and regulations to mitigate loss and fluctuations in fishing stocks.

The Company has gained good traction from Norwegian investors from an early stage. There has been high demand for shares in the company and all previous private placements have been oversubscribed. The Company believes that listing on Nasdaq First North will expand the Company's exposure further and potentially attract international investors and partners.

A strong brand and high customer confidence are crucial for a supplier within the fishing industry. Working closely with governments and regulators worldwide also requires a certain standing in the marketplace. The Company has already a strong standing with Sig Hansen as a major shareholder and the Company's ability to utilize his Brands. The Company believes that a public listing will contribute to give the Company an even better standing and confidence with its customers, suppliers, partners, and investors on a global scale.

The potential future value for the Company stretches way beyond the Company's primary focus area in the fishing industry. Subsea data will eventually be collected from most of Resqunit's products and using fishing gear as vessels for sensors, provides a unique data sampling with millions of variable locations and depths.

Such data has enormous value for both climate research and a range of industries, e.g., meteorology, seismic, fish farming, and the oil industry. Achieving the potential of these opportunities requires growth and expansion through R&D but also through potential acquisitions.

Being listed on Nasdaq First North the Company believes enables the Company's shares to be used as financial instruments to fulfill these and other purposes.

## Certified Adviser and legal adviser

Mangold Fondkommission AB ("Mangold") is the Company's Certified Adviser and Eversheds Sutherland Advokatbyrå AB is the legal adviser to the Company and have assisted the Company with the establishment of this Company Description. Since all the information in the Company Description originate from the Company, Mangold and Eversheds Sutherland Advokatbyrå AB disclaim all responsibility relative to current or future shareholders in the Company as well as any direct or indirect economic consequences related to investment or other decisions that completely or partly is based on the information in this Company Description.

## Information from third parties

The Company Description contains information that has been obtained from third parties. All such information has been reproduced correctly. Resqunit's board of directors is responsible for this Company Description and has taken all reasonable precautions to ensure that the information provided in the Company Description complies with the facts. Although the Board of directors believes that these sources are reliable, no independent verification has been made, so the accuracy or completeness of the information cannot be guaranteed. As far as the Board of directors knows and can assure by comparison with other information published by third parties from which the information was collected, no information has been omitted in such a way that could make the information incorrect or misleading.

## The Board's declaration

The Board of directors of Resqunit is responsible for the contents of the Company Description. It is hereby assured that all reasonable precautionary measures have been taken to ensure that the information contained in the Company Description, as far as the Board of directors is aware, corresponds to the facts and that nothing has been omitted that would affect its importance.

Date: 17 / 11 / 2021

The Board of directors  
Resqunit AB

1 [www.fao.org](http://www.fao.org). (n.d.). Document card | FAO | Food and Agriculture Organization of the United Nations. [online] Available at: <http://www.fao.org/documents/card/en/c/ca9229en/>

# Message from the CEO

The Company was founded in late 2017 around some rough ideas and thoughts around a simple retrieval back-up buoy later to be known as Resqunit. Upon initial research we saw huge potential but also many hurdles. The need for innovation to combat the fact that more than 1,000,000 tons <sup>(2)</sup> of fishing gear is lost or discarded at sea every year was obvious. Much of this gear is made with plastics <sup>(3)</sup> and it is designed to catch and kill, and that is exactly what lost fishing gear does.

Enormous amounts of food resources are lost to what is known as ghost fishing. The fact that it is made of plastic, gives it the longevity to fish almost in perpetuity. And once it does dissolve, potentially dangerous microplastic particles find their way into the food chain.

Introducing a brand-new product to a traditional industry, establishing new purchasing habits, and building a strong brand were some of the key success factors that needed to be accomplished. On the positive side, we knew that environmental awareness was on the rise, not just politically and in the general population, but in the fishing industry as well. One of the things that surprised us the most in a positive manner, is the willingness of fishermen to innovate and to make sustainable changes.

Our primary objective was to build a strong brand and to make a low tech – low-cost product.

Fast-forward to 2019 and we had caught the world's most famous crab fisherman Sig Hansen's interest, from Discovery Channel's "Deadliest Catch", and entered a partnership with him. Also, we had a distribution agreement with one of the largest distributors in Norway, C.A. Leschbrandt AS, as well as a subsidiary company in Halifax Canada, and received substantial soft- and hard-funding. Earlier that year we received generous grants from Innovation Norway and The Retailer's Environment Fund, and by the end of the year we closed our first open private placement where we onboarded a total of 78 shareholders.

*continued on next page*



<sup>2</sup> World Wildlife Fund. (n.d.). Ghost fishing gear. [online] Available at: <https://www.worldwildlife.org/stories/ghost-fishing-gear>.

<sup>3</sup> Laville, S. (2019). Dumped fishing gear is biggest plastic polluter in ocean, finds report. [online] the Guardian. Available at: <https://www.theguardian.com/environment/2019/nov/06/dumped-fishing-gear-is-biggest-plastic-polluter-in-ocean-finds-report>.

## Message from the CEO - continued

Having worked with high tech development for many years, and despite of the early low-tech focus in Resqunit, the plan from the beginning was to introduce highly advanced technology at some point. Feedback we got from customers in 2019 prompted that we needed increased predictability using technology.

Although cotton twine is a trusted biodegradable material, knowing exactly when the Resqunit will deploy drastically increases the likelihood of locating and retrieving lost fishing gear. Our Electronic Time Release (ETR) will greatly enhance our standing with professional fisheries around the world, as it helps solve the problem related to mandatory escape mechanisms, with a reliable and maintenance free solution.

In preliminary talks and negotiations with Global Ocean Data AS in 2021, we vastly broadened and expanded the business opportunities with our plans to start collecting data. All of Resqunit's products will in time collect much sought-after data from the sea floor, enabling a range of different business opportunities for the company. Our main objective is to improve fishing predictability using data. Smart fishing will enable fishermen to fill their quotas with less resource usage, which has vast environmental benefits. We are also aware that sea floor data is valuable in many other industries such as sea mining or the like.

In Norway, we have received enormous interest politically, with research organizations and in the financial markets. All our private placements have been oversubscribed, sometimes with as much as 500%. Our product is already trusted to the extend where it played a crucial role in forming the Norwegian lobster fishing regulation and is today a formally recommended solution. It is both astonishing and humbling that we now have more than 500 shareholders in our company. More than 500 ambassadors that believe in our mission and that love our product. On a weekly basis we have conversations with shareholders - their dedication, interest and enthusiasm are truly among the things that motivates and drives us the most. In our continuing journey ahead, we also look forward to welcoming new investors.

Having the company listed on Nasdaq First North will open new doors for Resqunit and accelerate our journey towards implementing our vision on a global scale – "Fish Responsibly".

Date: 17 / 11 / 2021



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Helge Trettø Olsen  
CEO





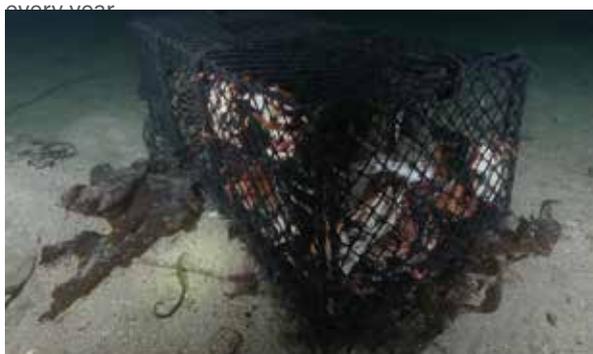
# **BUSINESS OVERVIEW**

**RESQ**UNIT

## Background

Every year, 1,000,000 tons of fishing gear <sup>(4)</sup> are lost in the sea. Due to the increased use of plastic / nylon in fishing gear, these losses make up 10% of all marine plastic, and 70% of all macroplastic (> 20 cm) that is added to the sea per year <sup>(5)</sup>. The fishing gear loss typically happens because of storms, underwater currents or ropes cut by boat propellers. As a result, the gear has been causing frequent tangling and unintended catch of crabs, lobsters, and fish.

To put the problem into perspective, it is estimated that some places the stock is reduced by up to 30% due to ghost fishing, which only worsens the global challenge connected to overfishing and poor bio marine welfare. According to Greenpeace analysis <sup>(6)</sup>, pots and driftnets pose the greatest risk among all lost gear and contribute to the sum of up to 1 megaton of discarded or in the sea



As a consequence of the lost gear, some of the marine species are being pushed to the edge of extinction <sup>(7)</sup>, as it harms up to 66% of marine mammal species, half of seabird species and all species of sea turtles. Besides that, ghost gear also causes serious damages to coral reefs and sea bottom, which provides vital food sources for the animal communities.

According to a meta-analysis study from 2019 <sup>(8)</sup>, nets being snagged on the sea bottom then often make obstructions, which in turn collide with further fishing gear and contributes to its accelerated loss.

Today, most of the fishing gear remains untracked, which besides the environmental challenges possess cost issues for the fishermen, as they need to keep purchasing new gear on an ongoing basis. Put into perspective, there is an estimate of over 4.6 million marine fishing vessels <sup>(9)</sup> in the world, each of which in average loses approx. 217 kg of fishing gear each year. While there are actors in the market trying to solve the issue by connecting fish nets to GPS tracking systems, this primarily relates to large trawlers and big fish nets. Opposed to that, smaller fishing equipment such as pots, driftnets or ropes currently have no means of localization or tracking of any kind.

To address the unmet needs for a functional solution helping track and recover smaller fishing gear, Resqunit AS was established in 2017 with the ambition to research, develop and commercialize innovative products for more sustainable and environmentally friendly fishing.

The products The Company develops help reduce the loss of fishing gear at the benefit of both fishing stocks and the fisheries. Compared to the existing solutions aiming to solve the problem, Resqunit focuses primarily on tracking and recovery of smaller fishing gear such as pots and driftnets, which have been recognized as a major part of so-called ghost gear. Specifically, Resqunit provides products and services both for recreational fishermen and commercial fisheries, aiming to address the whole width of the market.

4 World Wildlife Fund. (n.d.). Ghost fishing gear. [online] Available at: <https://www.worldwildlife.org/stories/ghost-fishing-gear>.

5 Eriksen M, Lebreton LCM, Carson HS, Thiel M, Moore CJ, Borero JC, et al. (2014) Plastic Pollution in the World's Oceans: More than 5 Trillion Plastic Pieces Weighing over 250,000 Tons Afloat at Sea. PLoS ONE 9(12): e111913. <https://doi.org/10.1371/journal.pone.0111913>

6 Greenpeace International. (2019). Greenpeace International. [online] Available at: <https://www.greenpeace.org/international/publication/25438/ghost-gear/>.

7 Oceanographic. (2020). Up to one million tons of ghost gear fishing waste entering ocean each year, according to WWF report. [online] Available at: <https://www.oceanographicmagazine.com/news/ghost-gear-wwf-report/> [Accessed 16 Aug. 2021].

8 Richardson, Kelsey & Hardesty, Britta & Wilcox, Chris. (2019). Estimates of fishing gear loss rates at a global scale: A literature review and meta analysis. *Fish and Fisheries*, 20. 10.1111/faf.12407.

9 Gilman, E., Musyl, M., Suuronen, P et al. Highest risk abandoned, lost and discarded fishing gear. *Sci Rep* 11, 7195 (2021). <https://doi.org/10.1038/s41598-021-86123-3>

## Resqunit's recent activities

Resqunit current operations evolve around the sale of specialised products giving the end user (i.e., fishermen) the possibility to recover lost fishing gear. In addition to end users, the customers for the products are wholesaler and distributors worldwide, as well as fishing gear manufacturers through sublicensing. Currently the majority of Resqunit sales are low tech, low cost, high impact products mainly for recreational fisheries. Given the lack of solutions aiding to solve the global challenge, Resqunit believes to have the "first mover" advantage position in the market. To the Company's knowledge, Resqunit is currently the sole provider of equipment that offers both retrieval and escape mechanism for fishing traps. Through close collaboration and co-branding with Sig Hansen, the Company is in the process of building global awareness and recognition of the brand and the Company's mission statement which is "Fish Responsibly".

Managing fishing stocks sustainably has been a priority for fishery nations around the world, as over the years there have been tightening of legislation through quotas, fishing seasons and equipment requirements. Major fishery nations like Norway, UK, Canada, Australia, and USA have strict regulations regarding where, what and when to fish for different species. On fishing cages, which is the Company's primary target market, escape mechanisms by using biodegradable or corrosive materials have been increasingly legislated since the 1970s.

In the last decade, there has been an increasing awareness and concern around oceanic plastic pollution. A lot of the fishing gear in the industry today and among recreational fisheries are made with nylon and plastic, which will, over time, dissolve into micro plastic particle, that causes potential damage entering and finding its way up the food chain. Research has been done concluding that the societal cost of oceanic plastic pollution will amount to between 1.5 and 15 billion USD annually <sup>(10)</sup>.

Resqunit are currently working closely with governmental fishing regulators in several countries worldwide. Specifically, the Company collaborates with Dutch Saba Island (for sea trial testing of Resqunit's product with local fishermen), Global Ghost Gear Initiative in Jamaica and Belize, Marine Research Institute in Norway etc. As a result, already in 2019, the Company's base product was incorporated into the new Norwegian fishery legislation in the lobster fishery as an "Alternative approved solution for escape mechanism". <sup>(10A)</sup> Building on the top of the existing product portfolio, the Company is undertaking development of a new technology platform called Aquarius X, enabling the Resqunit product range to provide the end user with ocean data collection capabilities. Resqunit's first version of Aquarius X is expected to be launched during Q4 2021 – Q1 2022. The concept of Aquarius X is based on embedding the platform in Company's already existing Electronic Time Release (ETR) unit, and in the first stages of development will be limited to collecting basic data like temperature and depth.

The reason Resqunit sees a great potential in collecting data on these parameters is given by the fact that temperature and depth are the most researched factors being directly connected to the movement and behaviour of crustaceans. This data combined with already existing ocean data on open government platforms (e.g., The Ocean Data Platform by Cognite, REV Ocean, Aquacloud 2.00) will enable the Company to provide its users with a unique insight into targeted and efficient harvesting. As the amount of collected data on temperature and depth increases, the Company plans to continue development of Aquarius X and introduce sensors for measuring as dissolved oxygen, salinity, and pH. When Resqunit can collect the additional ocean data on the top of temperature and depth, this will open for an additional revenue stream as this will enable selling the collected data to ocean and climate research institutions like Norwegian Maritime Authority, Havforskningssinstituttet, Norwegian Ministry of Climate and Environment, UNESCO, ICES CIEM, Woods Hole Oceanographic Institution.

<sup>10</sup> Parker, L. (2019). Plastic pollution facts and information. [online] National Geographic. Available at: <https://www.nationalgeographic.com/environment/article/plastic-pollution>

<sup>10A</sup> <https://lovdata.no/static/SF/sf-20041222-1878-v8-01-02.pdf?timestamp=1568975827000> - "Monteringsbeskrivelse for hummerteiner og krabbeteiner" from the Directory of Fisheries (Appendix 1) on page 3, §2

# Organisational structure

## The Company is currently organised in the following official structure

Resqunit AS is organised as a sales, distribution, and brand building company, owned 100% by the Company. Resqunit AS in turn holds 90% of the shares in Resqunit Canada Inc. and 67% of the shares in Global Ocean Data AS (G.O.D.)

Resqunit Canada Inc. serves and is responsible for sales and distribution in Canada and the Americas. In the future, the intention is for Resqunit AS to take ownership over 100% of Resqunit Canada Inc. Resqunit AS also intends to acquire the rest of G.O.D, potentially merging the two, and to commercialise G.O.D's production of ocean sensors and big data in partnership with Resqunit AS.



The acquisition of G.O.D AS came about as a result of mitigating the risks of relying too much on third parties for development of the Company's core products and technologies. G.O.D AS has the competence and facilities that filled a lot of the internal knowledge gaps in the Company. In order to align the incentives properly and instead of hiring G.O.D. AS as a third party, the Company instead offered to fund G.O.D. AS through a share issue.

The Company purchased shares from the previous owners for 1.6 MNOK, and acquired the rest of the shares through the share issue bringing the Company's ownership to a total of 67% and funding G.O.D AS with approx. 8 MNOK to be allocated solely to develop the Resqunit product line.

G.O.D. AS :

1. Was founded with the purpose of providing sensor technology and big ocean data collection facilities providing better knowledge on ocean conditions and how it is impacted by human activities.
2. Currently has a team of four engineers, all with highly specialised skillset and competences in the subsea area.
3. Has access to numerous subsea testing facilities as well as production facilities and an electro laboratory.
4. Has an overall goal to commercialise its first deep water sensor solution technology in Q4 2021, which includes the G.O.D. sensor version 1.00 and the G.O.D. Data System v. 0.1. together with Resqunit. This will serve Resqunit with an increasing amount of ocean data, which can be utilised to continuously develop and expand the big data service line. The Company has yet not identified any competing products offering this degree of mobility and small size.

# Resqunit's history and achievements to date

## Business idea

The Company's first product, Resqunit Reserve Buoy, was first launched in 2019. The product consists of a floating element that is attached to crab and lobster pots with a biodegradable release mechanism. A cotton twine normally rots within 90 days, so that the element detaches from the pot, reveals an escape hole for the animals, and floats up to the surface. A rope, integrated in the element, is secured to the pot so that it can be retrieved.

Using a biodegradable release mechanism only gives a rough estimate of when the rescue buoy will deploy, subsequently reducing the chances of retrieval. Currently in pre-production stage is the Electronic Time Release (ETR). This add-on product will count down a pre-set number of days and hours, giving the users the precise time of deployment. The ETR can be programmed to automatically deploy (open the fishing traps) when fishing off regulated seasons and in forbidden zones. The first testing of the ETR has been done in collaboration with Havforskningsinstituttet (Marine Institute of Norway) in Norway in May 2021 and was a success. The product is ready for the next stage which is a re-design as a preparation for mass production. The proof-of-concept prototype uses larger components, and is not designed with focus on size, price, and practical design. The next stage is focused around making the device smaller, finding smaller components, cheaper components and to redesign the casing so that it can be molded and the need for manual assembly is kept to an absolute minimum.



Figure 2: The first version of Resqunit Reserve Buoy, here mounted on traditional Norwegian pots.

After the Company's fifth and largest private placement to date in April of 2021 and the acquisition of G.O.D. AS, the Company is currently developing both hardware and software systems for using fishing gear as vessels for collecting ocean data. The sale and distribution of data will both give Resqunit recurring revenue and enable Resqunit to be part of and create a global community of fishermen collecting data to improve sustainable fishing. The first pilot tests have been performed and Resqunit has collected the first sets of data from subsea level. These products will be ready for pilot production within late 2021 and early 2022.

In order to facilitate a more investor-friendly organization being listed on Nasdaq First North, we have incorporated Resqunit AB publ. as a holding Company. All stock ownerships in Resqunit AS was swapped on a one-to-one basis for stocks in Resqunit AB. Resqunit AB holds 100 % of the shares in Resqunit AS, whereas the ownership structure below Resqunit AS remains unaltered.

## Historical timeline

Since establishment of Resqunit in 2017, the company has undertaken the following important milestones:

<b>Year</b>	<b>Description of important event in Company history</b>
2017	Resqunit AS was established by Helge Trettø, Dag Frode Aasnes, and Per Jan Waagen
2018	Initial financial support – MNOK 1 in private capital and NOK 100,000 in government support - Received MNOK 2.1 from Handelens Miljøfond
2019	- Approved start-up loan of MNOK 1.5 from Innovation Norway - Second private capital raise of MNOK 3.6 concluded - Resqunit v1.0 is finalised, and first units are sold - Established Resqunit Canada Inc.
2020	- Received NOK 500,000 grant from Handelens Miljøfond - Awarded Innovation Norway grant of MNOK 3.65 + additional government tax refund grant of MNOK 2.6 - Entered Royalty Agreement with world-renowned fisherman Sig Hansen - Sig Hansen becomes shareholder - 15,000 units sold - Resqunit AS becomes member of Global Ghost Gear Initiative
2021	- Electronic time release mechanism launches in November 2021 - Two major purchase LOI, with large retailers in North America - Third private capital raise of MNOK 16.5 concluded - Global Ocean Data AS and its proprietary technology acquired



## Status to date

To date, the Company was able to sell 15,000 units of Resqunit Buoy in the Norwegian recreational and cleaner fish fishery, and schedule sea trial projects with government bodies in Norway, Canada, USA, Grenada, Jamaica, and Australia. After the Company was able to reach global awareness in collaboration with Sig Hansen, Resqunit gained market traction and was able to obtain letters of intent from wholesalers in Canada and Australia – both of which show clear interest in Resqunit's hardware components. The LOIs are signed with established wholesalers, as listed under "Material contracts", and states the intention of placing significant purchases once the Resqunit and ETR are sufficiently tested and approved. To protect the intellectual property of Resqunit, the Company has initiated patent iteration for the Flotation Buoy (patent pending). There are two patents submitted around particular solutions for obstructing excess rope to be spooled out both in armed position and in submerged position. The patent application is submitted for Norway, and upon patent granted, which is expected by end of year, the Company will consider whether to buy options for 18 months for protection internationally. The patent is only valid in Norway, unless the Company submits a PCT application. The Company is continuously considering other patents to achieve protection around core elements of our technical solutions.

Sustainable fishing in terms of precision and responsibility is at the forefront of Resqunit's delivery to end customers. This is and will be done through the provision of the following equipment:

### **Low cost - low tech recovery unit**

Primarily targeted for recreational fishing and small fisheries in e.g., emerging countries. Their primary use is to recover light gear using a cotton twine as a release mechanism. To date, the company has sold over 15,000 units.

### **High cost - high functionality unit**

Targeted towards commercial fisheries and heavy fishing gear such as traps, driftnets etc. This product is offered in two basic product lines:

1. Electronic Time Release that replaces rot cord solution for more precise retrieval rate. Future updates will contain GPS location and alert, as well as sensory data collection that will be trained to forecast catch over time using an artificial intelligence module.
2. Aquarius X which is currently being under development at G.O.D. is by the Company's own assessment, to serve as the world's first multi-purpose ocean welfare sensor, ready for mass production. Aquarius X is being developed as a small and light weight sensor device that is to be easily installed and utilised for data collection.

Specifically, the sensor is to collect ocean data on temperature and depth (up to 300 metres), which will be processed via cloud into a critical data analysis. Eventually, Resqunit in collaboration with G.O.D. plans to develop Aquarius X to collect data on water pH, oxygen level etc., which will serve as the first low-size ocean sensor that can be deployed along fishing gear and thus collect invaluable data on the ocean environment. The sensor's cost-efficiency and ease-of-use will be reached by compromising the sensing technology into a micro-device of only 15 cm length and 500 g weight. This permits low production cost and enable the sensor to easily be attached to all kind of offshore equipment (e.g., fishing nets, buoys, cables, etc.).

## **Big Data Collection**

Resqunit plans to create a global community where fishermen, fisheries, research, and public institutions can share and find ocean data to improve the sustainability of fishing and harvesting. The data is to be collected and shared via Aquarius X sensors that will be deployed around the world through individual users of the sensor. In turn, Resqunit will tap into a potential of becoming ocean data hub, enabling access to the global ocean data via subscriptions and licencing.

## **Business model**

The Company's business model is based on the sales of hardware products as well as sale of collected ocean data to research and ocean institutions in the form of subscriptions. The Business Model is further described in specific categories below:

## **Value proposition**

The Company's mission is more sustainable fishing through innovation, knowledge, and awareness. Resqunit aims to improve ocean welfare through supplying fishermen, fisheries, and ocean/research institutions with units and data that enhance sustainable fishing and harvesting. As a part of the Company's mission belongs reduction of plastic waste including uptake of microplastics in human food chain, as well as reduction of animal cruelty via minimizing the ghost fishing.

The Company currently offers high-quality buoy products mounted on fishing gear, enabling fast and reliable recovery from underneath the water surface by enabling buoy flotation. The reserve buoys Resqunit offers are equipped with innovative technology features such as ETR, which replaces the rot cord and enables fishing gear, e.g., lobster traps or crab pots to be retrieved with a high time precision. Resqunit's current development of Aquarius X will provide its customers with high-precision data on water temperature and depth of located fish gear, enabling the fishermen predict behaviour or caught crustaceans with higher precision. Compared to the existing solutions, Resqunit will strive to become the first one to utilise the collected data in a subscription-based resell to ocean and research institutions, which today gather such data at high costs. Besides the value provided to fishermen in terms of reduced cost for re-purchase of lost fishing gear, Resqunit will also help reduce the cost of data collection for ocean and research institutions.

## **Customer segments**

The Company delivers its value proposition to selected customer segments for the hardware and ocean data: recreational fishermen, commercial fisheries, wholesalers and distributors, fishing gear manufacturers, environmental and research institutions and philanthropy institutions aiming to help retrieve lost fishing gear.

## **Channels**

The way Resqunit delivers its value to the customer segments in a fast, time- and cost-efficient manner. Specifically, the value is delivered via direct sales (hardware components), which applies specifically to customer segment recreational fishermen and commercial fisheries. For the most part on retrofitted units, the customer segments will be reached via wholesalers and retailers. In terms of providing and selling data, Resqunit will rely on licencing, and sub-licencing via annual subscriptions. The value proposition is also delivered via marketing channels such as social media (Instagram, Facebook, LinkedIn).

## Key activities

The Company's main activities are:

### **Sales and distribution**

The Company handles direct sales internally and is building its brand awareness through collaboration with the Norwegian and other international government bodies. Moreover, Resqunit has been working on building a large base of followers through social media and constantly works on an elaborate social media strategy targeting the Global Market.

### **Production of prototypes and limited series of products**

The Company has own facilities to produce a limited series of prototype products up to 20,000 units ready for pilot testing and limited distribution. Facilities can produce high-tech products and has an extensive test laboratory for testing in deep sea conditions.

### **Research and development**

Resqunit perform market analyses and customer surveys on an ongoing basis, which enables development of its products in connection to agile prototyping methodologies such as build-measure-loop or other pivoting methods.

### **Mass production of units**

Resqunit currently sources mass production of series above 500 to a Chinese manufacturer. The Company has been researching and developing own manufacturing line, aiming to produce the units from recycled plastics.

### **Data collection and distribution**

Resqunit develops and commercialises a multifunctional mini sensor for low-cost collection of ocean data, including a data system for efficient storage and processing of the data. First data from prototypes has been collected and the Company is currently in the stage of mapping out potential clients for distribution and sale of data – these can be primarily: fishing industry including fish farms, fishing companies and private fishermen; secondary: off-shore wind, Oil & Gas platforms etc.

**Key resources**

Resqunit key resources are the internal personnel with deep expertise in the fishing and aquaculture industry, business development, software development and innovation management. Moreover, resources that will be utilised to internationalise the business operations relate to the financial stability of the Company and access to external capital, intellectual resources such as strategic partnerships with governmental and non-governmental bodies (see Key partners below), patents (currently pending) etc.

**Key partners**

The Company's key partnerships are connected to the research and knowledge development, financing options, business advisory, product development and distribution etc.:

**Research and knowledge development**

Norwegian Maritime Authority, Havfoskningsinstituttet, Norwegian Ministry of Climate and Environment, UNESCO, ICES CIEM, Woods Hole Oceanographic Institution, The Fishing Gear Coalition of Atlantic Canada, The Centre for Ocean Ventures & Entrepreneurship, The Saba Fisherman's Association.

**Financing options**

Norwegian Retailers' Environment Fund, Innovation Norway, Link Capital, Nordic Innovators.

**Business advisory, product development and distribution**

Dutch Saba Island, Global Ghost Gear, NCE Seafood Innovation, Innovacorp, GHP Greater Halifax Partnership, MFU maritime Fishermen's Union.

**Cost structure**

The most relevant Company's costs are related to operational activities including product research and development (value-driven), personnel costs (value-driven), promotion and marketing (cost-driven) costs for legal and accounting services (cost-driven) etc. Other costs such as purchase of materials and manufacturing are currently being reviewed for reaching sustainable economic of scale, given the Resqunit plans to achieve mass production of the hardware components.

## **Revenue structure**

The main revenue streams are to be realised via sale and licencing of the Resqunit hardware components such as flotation buoy, ETR etc. End users such as fishermen or other in our customer segments will be offered with a direct purchase of the hardware components and/or subscription-based use of the hardware at a yearly cost of USD 100. The price for licencing and sub-licencing of data that Resqunit is to collect is currently being reviewed against the market willingness to pay and will be revealed at a later stage.

## **Business growth and strategy**

The Company's business strategy is built around three key building blocks:

**Continuous product and service research and development** including activities like a) market trend analysis ensuring that Resqunit is meeting and on the top of market trends and industry needs, b) experimental and industrial research activities aiming to overcome development challenges connected to cost structure and technological advancement. As an example, by collecting ocean and fishing data from Aquarius X and Flotation Buoy, the Company aims to become a global data hub in the field. If successful with this technological development, Resqunit aims to build a data centre for storage, analysis, and distribution of the ocean data.

**Marketing and promotion** by ongoing market and product awareness building via collaborations with international private and public organisations within the field of sustainable fishing and environmental production. The promotion activities are to carry and be built on the premise of "Responsible fishing", so that it is fully aligned with the Company mission. This shall be fully supported and connected with Resqunit's online social media communication strategy. Developing on the top of the existing network, the Company also aims to build on the Sig Hansen Brand in attracting and securing global clientele.

To create product and brand awareness the company considers ideal and environmental organisations such as (World Wildlife Foundation) important peripheral customers. Resqunit has already secured collaboration with "Global Ghost Gear Initiative" (GGGI), a cross stakeholder alliance comprised of the fishing industry, private sector, corporates, NGOs, academia, and governments. The alliance focuses on solving the problem with lost and abandoned fishing gear globally. Resqunit aims to expand participating in trials in collaboration with GGGI and its member nations. The company is currently working closely with the Norwegian Directory of Fisheries, Canadian Authorities as well as Fishery Authorities in several countries in the Caribbean, Saba Islands, Jamaica, and Grenada, monitoring current and coming regulation changes. Initiated by the Norwegian Directory of Fisheries, our escape hatch with ETR was tested this year in the Barents Sea snowcrab fishery by the Norwegian Marine Institute. There are changes coming to the regulations of the Norwegian snow crab fishery, and it's reasonable to assume that this test, though not stated, might be in that regard. Resqunit has also recently initiated an extensive project together with Ocean Aid 360 Inc., situated in Florida, yet another example of an ideal collaboration organisation. This partnership is coordinated with Florida Authorities establishing a foundation for Company's entry into the U.S. market.

**Organisational and value chain development** via ongoing securing of best talent, financing, and production capacities. Specifically, Resqunit's strategy is to be involved in and own the full value chain – from the collection of plastic material for development of the Company's products, over to its manufacturing and production via a line in Nordics. For this, the Company will require strong talent and internal knowledge, as well as ongoing financing of its research, development, and innovation activities.

Resqunit's growth strategy has been developed based on the following target activities:



Figure 4: Resqunit Growth Strategy

Initial growth activities will be related to pre-marketing and network building activities, and will be initiated systematically upon entering new markets/countries/regions. In specific, the Company aims to launch social media campaigns to build overall awareness about the brand and its products. This being the foundation, Resqunit plans to initiate the contact with the main fishing organisations in the fields of its customer segments and key partners (e.g., fisheries, fishing directories etc.). In parallel, the Company will initiate a targeted marketing campaign that will aim to create multiple contact touch points with the key stakeholders, such as the mentioned customer segments and key partners.

The growth strategy is to be further supported by contact initiation towards wholesale segment, as this will act as one of the main distribution points for Resqunit's products. It will be important to run the marketing campaign and wholesale network structure development in parallel to leverage from the brand building traction. At this point, the Company will also be targeting potential local fishing gear manufacturers to propose product bundling and/or pre-installation opportunities.

Connecting to the marketing and network-building activities, the Company plans to initiate an opening event with the Resqunit team, Sig Hansen, as well as the media. The event is to be run as a presentation of the products and Company team and overall growth plan and will be held as a press conference. The event will be a formal kick-off the Company's commercial and global plan (featuring e.g., Sig Hansen co-branding), which will be followed by consumer marketing, where individual fishermen, commercial fisheries and other actors from the customer segment will be actively targeted and contacted with sales proposals, as well as offline events such as tradeshows, trade fairs etc.

To ensure that Aquarius X and other Resqunit new products are in line with the regulatory directives, the Company plans to run a regulatory approach strategy including initial reach out to the regulators, followed by connection to GGGI. As a result, Resqunit plans to run regulatory mandated sea trial with local fishermen, from which the Company shall obtain regulatory conclusion and trial report.

## Strengths and competitive advantages

The Company has strong branding through collaboration with Sig Hansen who is one of the world's most famous fishermen from the series Deadliest Catch that has been running on Discovery Channel over the past 17 years. Sig Hansen currently owns close to 10% of the Company through his company Sig Holdings AS. This co-branding strategy gives the company a unique market penetration and selling point in the 180 countries where the TV series has been aired.

Moreover, Resqunit's competitive advantage lies in the use of R&D facilities and competency from the Oil and Gas industry in Norway – World Leaders within Subsea. With the ongoing R&D activities, the Company is continuously working on strengthening its internal knowledge, which is to serve as a basis for development of future products and services, as well as for patent protection documentation. The Company has proven its ability to secure private and public financing for its R&D projects, both from Innovation Norway and Forskningsrådet (both are major funding institutions in Norway). This is and will be secured via partnership with Nordic Innovators P/S, one of the Nordic leading soft- an innovation strategy consultancy. The company also has access to external capital, mostly due to strong investor awareness and attractiveness as an investment case.

In terms of internal knowledge competence, the Company consists of experienced professionals in the field of aquaculture, innovation management and product development, venture capital, marketing and promotion, software development and financial management. The team is built on a flat hierarchy with quick and flexible decision-making processes, enabling the management to act on any coming competitive move or shift in market needs.

The company is also a member at GGGI - Global Ghost Gear Initiative – which is considered an ideal partner organisation combating ghost fishing worldwide. Besides that, Resqunit has ongoing collaborations with other important actors within the field of R&D development, aquaculture etc. (see Key Partners). This also includes a close dialogue with Norwegian and Canadian fishery governing bodies, which have shown an interest in Resqunit’s products and business model going forward.

**Sales strategy**

The Company sales strategy is to be built in the four key blocks that consist of 1) industry focus, 2) supplier and manufacturer focus, 3) government and NGO focus and 4) brand awareness building. In terms of the industry focus, Resqunit has worked on national, regional, and global mapping of relevant industrial partners and potential customers, most of which have been fisheries from segments of crab, lobster and fish production. This customer segment will provide Resqunit with direct sales opportunities for distribution of its hardware products, as fisheries will have the opportunity to make bulk order agreements at a reduced price. Towards suppliers and manufacturers of fishing gear equipment, Resqunit plans to address this segment via conferences and exhibitions, providing Resqunit with the opportunity to present the products in person. These events are to be accompanied by Sig Hansen, which aids in building the brand awareness and credibility behind the brand. To address the market segment related to governmental organisations and NGOs, the Company plans to share the collected data samples from Aquarius X and Flotation Buoy, which will put Resqunit in the position of value provider towards the public institutions. In return, Resqunit is to gain credibility and market reputation in the public segment, which helps its position in communicating the overall benefits and technological development when securing testing licences, locations, or the like. All mentioned three blocks are to be supported by overall brand awareness campaign, that will consist of social media branding, global presence in media as well as product exposure in e.g., Discovery Channel via product placement.

**Handling of risk**

The Company recognises risks associated with its business operations and has categorised the risks into the following categories: production and operational, financial, internal resources.

Production and operational risks include e.g. risks connected to reaching economies of scale, preventing the cost-efficient mass production of Aquarius X or other hardware products. This is to be mitigated plans by implementing an agile product development methods (see figure 4) and via testing in local test facilities, subsea up to 600m depth. Backed up by internal control systems for development and production, Resqunit is positive that the production risks will be kept to the bare minimum.

Figure 5: Product development process at Resqunit



As for the financial risks, Resqunit realises the need for ongoing capital needs, as well as proper cost management. Such risks are to be handled internally by Stian Andre Wathne, who has a long experience in startup financial management, venture capital and soft-funding. By securing soft-funding financing to support R&D activities of the Company, the management believes to alleviate the financial jeopardy that the innovation processes involve.

Risks associated to the internal resources shall be mitigated by ongoing assessment of internal competence and potential shadowing of internal key positions such as CEO, CFO, CMO etc. This is to help secure that no key management position is centred and knowledge or important duties are not shared with the other decision-makers.



# **MARKET OVERVIEW**

**RESQ**UNIT

## Market trends

Globally, the challenge connected to ocean pollution with plastics get an increased attention, both from the government bodies and public. According to National Geographic <sup>(10)</sup>, about 8,000,000 tons of plastic is wasted in global oceans, large portion of which (1,000,000 tons per year, equivalent to 12.5% towards the total) is connected to lost fishing gear such as nets, traps, buoys etc. Such global challenge is well recognised among academia, private and governmental institutions, which actively strive to help mitigate the problem. Connected to such efforts, Resqunit has mapped three major categories connected to market trends in the segment of responsible fishing and ocean pollution:

**Customer trend:** Private and commercial fisheries and offshore aquaculture facilities shift their focus towards the lost fishing gear and its mitigation, given that the problem is connected to increased ocean pollution, increased costs for re-purchase of lost gear and associated time. Resqunit has recognised the shift via market analysis (i.e., client interviews), which show that actors in the fishing industry take the present challenges seriously more than ever. This comes as a response to global environmental ambitions to improve the current plastic waste status quo, as well as an overall effort to reduce unnecessary costs and improvement in profit rates.

**Popular trend:** Environment pollution and animal cruelty has been given a lot of media and research attention in the past years and months, likely to be connected to the Paris Agreement, EU Commission Environmental Incentives, as well as United Nations Sustainable Development Goals. As a result, there is a strong public and academic opinion on the topics like animal entanglements <sup>(11)</sup>, ghost fishing <sup>(12)</sup> and plastic pollution <sup>(13)</sup>. Such activities help raise the overall awareness of the problems connected to lost fishing gear as well as lack of proper ocean data, both of which is to help Resqunit in its business growth ambitions.

**Regulatory trend:** In connection to actions taken by environmentalists and international non-governmental bodies (e.g., United Nations, Greenpeace etc.), individual regulators started to take actions in introducing new directives in the fields like aquaculture, maritime and marine operations etc. For example, in Norway alone, there are new regulations connected to biomass count and maintenance <sup>(14)</sup>, marine animal welfare <sup>(15)</sup>, ghost fishing <sup>(16)</sup>, and plastic pollution <sup>(17)</sup>. Moreover, to help minimise the environmental impact of the industrial operations and the climate crisis in general, regulators shift their focus towards better collection and utilisation of ocean and sea data, which plays in favour of Resqunit's growth and development ambitions. Globally, the regulations related to fishing, lost fishing gear and overall plastic pollution are tightening in the fields of e.g.:

1. Plastic waste shipments (e.g., Commission Delegated Regulation (EU) 2020/2174 <sup>(18)</sup>)
2. Single use plastic (e.g., Directive (EU) 2019/904 <sup>(19)</sup>)
3. Deep sea fishing rules <sup>(20)</sup>
4. Fish stocks <sup>(21)</sup>
5. Lost and discarded fishing gear <sup>(22)</sup>

As a response to that, the Company plans to research, develop, and commercialise the products in connection to the regulators, ensuring that there is a complete freedom to operate and expand the business internationally without being limited by laws.

Overall, Resqunit plans to re-assess the market trends on an ongoing basis to make sure that the development is fully aligned with the market needs and regulatory permissions. While these are global trends, the Company recognises sub-markets that are attractive for entry in terms of commercialisation and overall growth strategy.

10 Parker, L. (2019). Plastic pollution facts and information. [online] National Geographic. Available at: <https://www.nationalgeographic.com/environment/article/plastic-pollution>.

11 Plastic Oceans International. (n.d.). BlueCommunities. [online] Available at: <https://plasticoceans.org/bluecommunities/> [Accessed 16 Aug. 2021].

12 GHOST GEAR: THE ABANDONED FISHING NETS HAUNTING OUR OCEANS Sea turtle entangled in fishing gear in the Mediterranean Sea. (n.d.). [online]. Available at: [https://www.greenpeace.org/static/plan-et4-denmark-stateless/2021/03/c8f0601d-ghost\\_fishing\\_gear\\_report\\_en\\_double-page\\_051119.pdf](https://www.greenpeace.org/static/plan-et4-denmark-stateless/2021/03/c8f0601d-ghost_fishing_gear_report_en_double-page_051119.pdf) [Accessed 16 Aug. 2021].

13 Daly, N. (2018). For Animals, Plastic Is Turning the Ocean Into a Minefield. [online] Magazine. Available at: <https://www.nationalgeographic.com/magazine/article/plastic-planet-animals-wildlife-impact-waste-pollution>.

14 www.fao.org. (n.d.). FAO Fisheries & Aquaculture Norway. [online] Available at: [http://www.fao.org/fishery/legalframework/nalo\\_norway/en](http://www.fao.org/fishery/legalframework/nalo_norway/en)

15 Act relating to the management of wild living marine resources (Marine Resources Act). (n.d.). [online]. Available at: <https://www.regjeringen.no/globalassets/upload/fkd/vedlegg/diverse/2010/marineresourcesact.pdf> [Accessed 16 Aug. 2021].

16 Act relating to the management of wild living marine resources (Marine Resources Act). (n.d.). [online]. Available at: <https://www.regjeringen.no/globalassets/upload/fkd/vedlegg/diverse/2010/marineresourcesact.pdf>.

17 The Norwegian Development Programme to Combat Marine Litter and Microplastics. (n.d.). [online]. Available at: [https://www.regjeringen.no/contentassets/9ea1930ef21d4e8d96536ebef2e71147/marin\\_litter\\_202008.pdf](https://www.regjeringen.no/contentassets/9ea1930ef21d4e8d96536ebef2e71147/marin_litter_202008.pdf) [Accessed 16 Aug. 2021].

18 ec.europa.eu. (n.d.). Plastic waste shipments. [online] Available at: [https://ec.europa.eu/environment/topics/waste-and-recycling/waste-shipments/plastic-waste-shipments\\_en](https://ec.europa.eu/environment/topics/waste-and-recycling/waste-shipments/plastic-waste-shipments_en) [Accessed 16 Aug. 2021].

19 eur-lex.europa.eu. (n.d.). EUR-Lex - 32019L0904 - EN - EUR-Lex. [online] Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019L0904>.

20 www.europarl.europa.eu. (n.d.). Parliament set to tighten deep-sea fishing rules | 09-12-2013 | News | European Parliament. [online] Available at: <https://www.europarl.europa.eu/news/en/agenda/briefing/2013-12-09/9/parliament-set-to-tighten-deep-sea-fishing-rules> [Accessed 16 Aug. 2021].

21 Locter, D. (2019). Sustainable fishing is 2020 target as stricter regulations improve stocks. [online] euronews. Available at: <https://www.euronews.com/green/2019/01/11/sustainable-fishing-is-2020-target-as-stricter-regulations-improve-stocks> [Accessed 16 Aug. 2021].

22 United States Department of State. (n.d.). Addressing Abandoned, Lost and Discarded Fishing Gear in U.S. Waters. [online] Available at: <https://2017-2021.state.gov/addressing-abandoned-lost-and-discarded-fishing-gear-in-u-s-waters/index.html> [Accessed 16 Aug. 2021].

## Trends in ocean data utilisation

According to available research <sup>(23)</sup>, ocean data are direct indicators of ocean health, including the state and monitoring of fish stocks, as well as the ocean evolution. Ocean state indicators such as data on temperature, salinity, pH, chlorophyll etc., are today collected via drifters and/or research buoys, which are deployed and managed by individual research and governmental institutions.



The challenge connected to the state-of-the-art method for ocean data collection is related to the deployment of drifters or buoys, as they are dependent on research vessel accessing the area for deployment <sup>(24)</sup>. For this reason, it is commonly stated across various research papers (e.g., NOAA, UNESCO <sup>(25)</sup>, UNCLOS <sup>(26)</sup>) that today's deployment of data collection equipment is insufficient to meet the demands of research and environmental institutions, as well as governments and commercial actors such as fisheries and the like. The increasing demand for ocean data comes as a reaction to the environmental climate change, where ocean factors play crucial role in predicting rising water levels, conditions for livestock, coral reefs but also weather along the coastal line. The main advantage Resquit sees in comparison to the existing sensory buoys is the potential for world-wide spread of its sensors via the fisheries and aquaculture customer base using Aquarius X for gear location. As stated by UNESCO in its Glob-

al Ocean Science Report <sup>(27)</sup> (2020), one of the major challenges in ocean data collection for scientific and environmental purposes is that "the technical capacity of ocean science remains unequally distributed among countries and regions". The organisation also recognises the importance of ocean data, given that:

*"Access to data is one of the starting elements of the ocean science value chain, which culminates in creating the capacity to inform decisions, ensuring long-term sustainability of the ocean. Therefore, two of the key transformations to be pursued during the upcoming Ocean Decade should be identifying and mainstreaming incentives for open data access. There is a need to change the view of ocean data by recognizing it as common good."*

23 [research.noaa.gov](https://research.noaa.gov/article/ArtMID/587/ArticleID/2637/NOAA-collects-a-lot-of-data-on-the-ocean-Here-are-4-ways-we-use-it). (n.d.). NOAA collects a lot of data on the ocean. Here are 4 ways we use it. - Welcome to NOAA Research. [online] Available at: <https://research.noaa.gov/article/ArtMID/587/ArticleID/2637/NOAA-collects-a-lot-of-data-on-the-ocean-Here-are-4-ways-we-use-it> [Accessed 18 Aug. 2021].

24 [research.noaa.gov](https://research.noaa.gov/article/ArtMID/587/ArticleID/2637/NOAA-collects-a-lot-of-data-on-the-ocean-Here-are-4-ways-we-use-it). (n.d.). NOAA collects a lot of data on the ocean. Here are 4 ways we use it. - Welcome to NOAA Research. [online] Available at: <https://research.noaa.gov/article/ArtMID/587/ArticleID/2637/NOAA-collects-a-lot-of-data-on-the-ocean-Here-are-4-ways-we-use-it> [Accessed 18 Aug. 2021].

25 [www.iode.org](https://www.iode.org/index.php?option=com_content&view=article&id=3&Itemid=33). (n.d.). International Oceanographic Data and Information Exchange (IODE) - Data Management. [online] Available at: [https://www.iode.org/index.php?option=com\\_content&view=article&id=3&Itemid=33](https://www.iode.org/index.php?option=com_content&view=article&id=3&Itemid=33) [Accessed 18 Aug. 2021].

26 ResearchGate. (n.d.). (PDF) The Role of Marine Data in Advancing Development. [online] Available at: [https://www.researchgate.net/publication/283455113\\_The\\_Role\\_of\\_Marine\\_Data\\_in\\_Advancing\\_Development](https://www.researchgate.net/publication/283455113_The_Role_of_Marine_Data_in_Advancing_Development) [Accessed 18 Aug. 2021].

27 [Unesco.org](https://unesdoc.unesco.org/ark:/48223/pf0000375147). (2021). [online] Available at: <https://unesdoc.unesco.org/ark:/48223/pf0000375147> [Accessed 18 Aug. 2021].

The Company undertakes the development of Aquarius X that aims to collect data on water temperature, pH and oxygen levels. Just with these data sources, there are already numerous potential customer segments in terms of subscribing to the data that Resqunit collects. Besides the obvious segments such as fisheries and offshore aquaculture farmers, using Aquarius X to locate fish gear and to monitor e.g., oxygen levels in the sea, other segments which depend on ocean data. For instance, meteorologic stations collect data on the water surface temperature as this is a direct indicator of upcoming storm or hurricane in extreme cases (28).

As research shows (29), there is a clear need for complex ocean sensors able to collect data on the presence and level of chlorophyll, salinity, as well as capture water samples for eDNA analysis. Today, such sensors exist as a stand-alone solution, however no actor in the market has developed a compact sensor solution that would enable for collection of ocean data and samples all-in-one device. With the intended R&D, Resqunit hopes to successfully advance Aquarius X for the collection of broad variety of ocean data, offering an alternative to the existing scientific and commercial sensory solutions.

Table 1: Ocean data use areas



With the data sensor in development today, Resqunit has the potential to sell data to the broad variety of interested parties, examples of which are ocean research institutions, commercial fisheries, offshore aquaculture farmers etc. With the further development of Aquarius X and increase of the base of data the sensor can capture, new segments of interest emerge, among which are e.g., meteorologic institutions, oil and gas companies or seafloor mining actors. Specific examples of the use areas are shown in the table 2

28 research.noaa.gov. (n.d.). NOAA collects a lot of data on the ocean. Here are 4 ways we use it. - Welcome to NOAA Research. [online] Available at: <https://research.noaa.gov/article/ArtMID/587/ArticleID/2637/NOAA-collects-a-lot-of-data-on-the-ocean-Here-are-4-ways-we-use-it> [Accessed 18 Aug. 2021].

29 research.noaa.gov. (n.d.). NOAA collects a lot of data on the ocean. Here are 4 ways we use it. - Welcome to NOAA Research. [online] Available at: <https://research.noaa.gov/article/ArtMID/587/ArticleID/2637/NOAA-collects-a-lot-of-data-on-the-ocean-Here-are-4-ways-we-use-it> [Accessed 18 Aug. 2021].

Table 2: Examples of ocean data use areas

Data factor	Example of use area
Temperature <sup>(30)</sup>	<ol style="list-style-type: none"> <li>1. Monitoring of sea conditions in fish pens as a control of optimal fish growth (aquaculture)</li> <li>2. Monitoring of ocean temperature in relation to climate change and rising water levels (ocean research)</li> <li>3. Detection of sudden changes in weather (meteorology)</li> <li>4. Validation of atmospheric models (meteorology)</li> <li>5. Sea turtle tracking (marine biology)</li> <li>6. Evaluation of coral bleaching (marine biology)</li> </ol>
Oxygen level <sup>(31)</sup>	<ol style="list-style-type: none"> <li>1. Measurement of oxygen levels in fish pens in fjords as the levels have been decreasing over years, affecting the fish growth potential and wellbeing (aquaculture)</li> </ol>
pH <sup>(32)</sup>	<ol style="list-style-type: none"> <li>1. Ongoing and accurate measurements of pH is crucial as it impacts many ocean species, especially organisms like oysters and corals that make hard shells and skeletons by combining calcium and carbonate from seawater (marine biology)</li> </ol>
Salinity <sup>(33)</sup>	<ol style="list-style-type: none"> <li>1. Monitoring of salinity as it directly affects seawater density and therefore the circulation of ocean currents from the tropics to the poles (meteorology)</li> <li>2. Sea surface salinity is intimately linked to Earth's overall water cycle and to how much freshwater leaves and enters the oceans through evaporation and precipitation (oceanography)</li> <li>3. Validation of atmospheric models (meteorology)</li> </ol>
Noise <sup>(34)</sup>	<ol style="list-style-type: none"> <li>1. Oil and Gas companies building floating offshore windfarms must report on noise pollution to the marine environment. The measurement of noise in related areas is thus required as a standard (oil and gas)</li> <li>2. Underwater noise pollution has been linked to disrupting normal behaviours, masking communication, impairing feeding, and increasing stress levels; even causing permanent injury or death e.g., whales, dolphins (marine biology)</li> </ol>
Chlorophyll <sup>(35)</sup>	<ol style="list-style-type: none"> <li>1. Scientists can determine the health and growth of plants in a given area (ocean research)</li> <li>2. Measuring chlorophyll in the surface water is an indication of how much primary production is occurring in the surface of the ocean (oceanography)</li> </ol>
eDNA <sup>(36,37)</sup>	<ol style="list-style-type: none"> <li>1. Analysing water samples for eDNA is a new approach scientists are testing to determine what animals passed through the part of the ocean (marine biology)</li> <li>2. Seafloor mining companies must measure any potential pollution of their operations offshore (seafloor mining)</li> </ol>

30 US Department of Commerce, N.O. and A.A. (n.d.). Why do scientists measure sea surface temperature? [online] oceanservice.noaa.gov. Available at: <https://oceanservice.noaa.gov/facts/sea-surface-temperature.html>.

31 Jørgensen, Bo Barker. "Seasonal Oxygen Depletion in the Bottom Waters of a Danish Fjord and Its Effect on the Benthic Community." <i>Oikos</i>, vol. 34, no. 1, 1980, pp. 68–76. <i>JSTOR</i>, [www.jstor.org/stable/3544551](http://www.jstor.org/stable/3544551). Accessed 18 Aug. 2021.

32 NOAA (2020). Ocean Acidification. [online] [www.noaa.gov](https://www.noaa.gov/education/resource-collections/ocean-coasts/ocean-acidification). Available at: <https://www.noaa.gov/education/resource-collections/ocean-coasts/ocean-acidification>.

33 Climate Change: Vital Signs of the Planet. (2014). With a pinch of salt – Climate Change: Vital Signs of the Planet. [online] Available at: <https://climate.nasa.gov/news/58/with-a-pinch-of-salt/>.

34 Betke, Klaus, et al. Underwater Noise Emissions from Offshore Wind Turbines.

35 "Remote Sensing | Science Mission Directorate." [science.nasa.gov](https://science.nasa.gov/earth-science/oceanography/living-ocean/remote-sensing), [science.nasa.gov/earth-science/oceanography/living-ocean/remote-sensing](https://science.nasa.gov/earth-science/oceanography/living-ocean/remote-sensing).

36 "NOAA Collects a Lot of Data on the Ocean. Here Are 4 Ways We Use It. - Welcome to NOAA Research." [research.noaa.gov](https://research.noaa.gov/article/ArtMID/587/ArticleID/2637/NOAA-collects-a-lot-of-data-on-the-ocean-Here-are-4-ways-we-use-it), [research.noaa.gov/article/ArtMID/587/ArticleID/2637/NOAA-collects-a-lot-of-data-on-the-ocean-Here-are-4-ways-we-use-it](https://research.noaa.gov/article/ArtMID/587/ArticleID/2637/NOAA-collects-a-lot-of-data-on-the-ocean-Here-are-4-ways-we-use-it).

37 Betke, Klaus, et al. Underwater Noise Emissions from Offshore Wind Turbines.



## Market segments

Resqunit orientates itself in the global Aquaculture Industry market, sector focused on fishing gear and ocean data. While there is no specific data on how much fishing gear is lost each year, according to Abandoned, Lost or Otherwise Discarded Fishing Gear <sup>(38)</sup>, an average of 10% is considered a standard. A research meta-study from 2019 <sup>(39)</sup> shows that of the lost or abandoned fishing gear, most of the information about gear loss is from the North America, followed by Europe and Asia.

While Resqunit is aware of the estimation that most of the fishing gear loss occurs in Asia, it is the information and research coverage, as well as the resource-oriented growth strategy, that serves as the driver towards pursuing North America and Europe as the main markets for the entry. First, the Company strengthens its position at the domestic market in Norway, namely with its existing

products such as Resqunit Flotation Buoy. Given the market positions and increasing market awareness in Norway and Europe, Resqunit plans to build on the foundations and introduce Aquarius X in Norway as the primary market.

Following up on the national growth, the Company plans to continue its growth at North American market, which is a natural step given that Resqunit has already initiated contact with multiple governmental organisations and established Resqunit Canada Inc. in 2019.

Putting the market segmentation into perspective, Resqunit recognises Norway as the Serviceable Obtainable Market (SOM), Europe and North America as the Serviceable Available Market (SAM) and Asia, Africa, and Australia as the Total Addressable Market (TAM) (see Figure5).

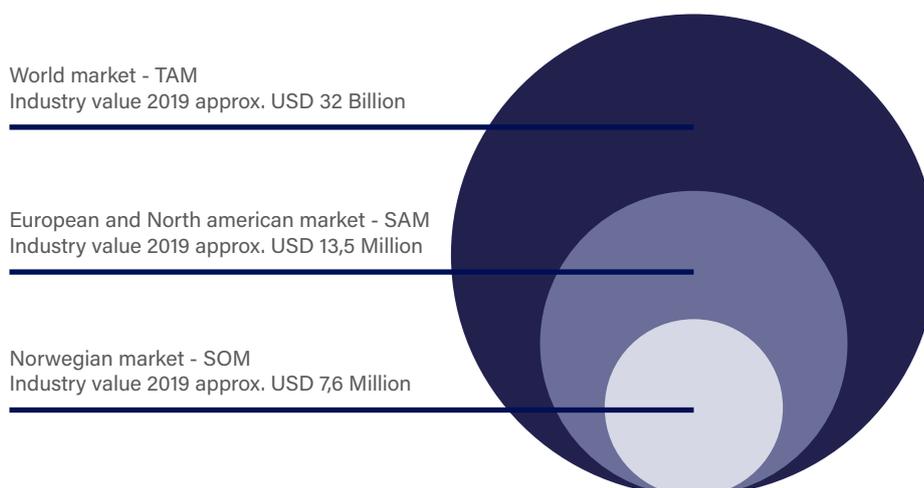


Figure 6: SOM, SAM and TAM market size estimations

According to available market data (data for Norway, 2019 <sup>(40)</sup> ; data for Europe <sup>(39)</sup>, 2018 <sup>(41)</sup>; data for the U.S. <sup>(42)</sup>, data for Canada <sup>(43)</sup>, 2019 ; data for global <sup>(44)</sup>, 2019 ), the market size of SOM was USD 7.6 Billion in 2019, which was an increase of 7% compared to 2018. The growth was and is today given by the growing export of aquaculture products, which grows at a steady rate of approx. 8% a year. Europe and North America is considered Company's SAM market (size USD 13.5 Billion in 2018-2019), given the already established network and team at Resqunit Canada Inc. After Resqunit has secured these markets, the natural growth step will be to enter the global aquaculture market, which in 2019 totalled at value of approx. USD 32 Billion and is expected to grow at CAGR of 7.1% annually.

38 Macfadyen, Graeme & Huntington, Tim & Cappell, Rod. (2009). Abandoned, Lost or Otherwise Discarded Fishing Gear. UNEP Regional Seas Reports and Studies. 185.

39 Richardson, K, Hardesty, BD, Wilcox, C. Estimates of fishing gear loss rates at a global scale: Fish Fish. 2019; 20: 1218– 1231. <https://doi.org/10.1111/faf.12407>

40 ssb.no. (n.d.). 2020-10-29. [online] Available at: <https://www.ssb.no/en/fiskeoppdrett/> [Accessed 16 Aug. 2021].

41 www.reportlinker.com. (n.d.). Europe Aquaculture Market to 2027 - Regional Analysis and Forecasts by Species, Nature and Culture Environment. [https://www.reportlinker.com/p05822799/Europe-Aquaculture-Market-to-Regional-Analysis-and-Forecasts-by-Species-Nature-and-Culture-Environment.html?utm\\_source=GNW](https://www.reportlinker.com/p05822799/Europe-Aquaculture-Market-to-Regional-Analysis-and-Forecasts-by-Species-Nature-and-Culture-Environment.html?utm_source=GNW) [Accessed 16 Aug. 2021].

42 www.ibisworld.com. (n.d.). IBISWorld - Industry Market Research, Reports, and Statistics. [online] Available at: <https://www.ibisworld.com/industry-statistics/market-size/fish-sea-food-aquaculture-united-states/> [Accessed 16 Aug. 2021].

43 Government of Canada, S.C. (2020). The Daily — Aquaculture, 2019. [online] [www.w150.statcan.gc.ca](http://www.w150.statcan.gc.ca). Available at: <https://www.w150.statcan.gc.ca/n1/daily-quotidien/201224/dq201224d-eng.htm> [Accessed 16 Aug. 2021].

44 MarketWatch. (n.d.). Aquaculture Market Size 2020: Top Manufacturers, Industry Share, Regional Analysis, Types and Applications and Forecast to 2027. [online] Available at: <https://www.marketwatch.com/press-release/aquaculture-market-size-2020-top-manufacturers-industry-share-regional-analysis-types-and-applications-and-forecast-to-2027-2021-06-14?te-sla-y> [Accessed 16 Aug. 2021].

## Market analysis – Norway

Norway is considered Company's primary market and the SOM, given the domestic advantage of being the first mover, already established network with research and business institutions, as well as the increasing brand awareness.

From the macroeconomic perspective, Norway is also a relatively safe and stable environment for introduction of Aquarius X and other Company products and services, given that Norway has: stable and strong economy compared to the rest of Europe <sup>(45)</sup>, unemployment of 5% , 2019 <sup>(46)</sup> as of 2021, ocean tech and aquaculture are one of the nation's strongest industries (Norway ranked ninth largest global capture producer in 2018 <sup>(47)</sup>, good modern infrastructure for transportation, one of the lowest corruption rates in the world <sup>(48)</sup>, overall good access to public grants for R&D activities.

The key trends in Norway form a good pre-disposition for Company's business and growth strategy, given that

technological innovation is generally well-accepted in Norway compared to other European markets. This, connected to the tightening regulatory rules around ghost fishing, plastic pollution and overall marine animal welfare, Norway's current situation makes a good environment for Resqunit's operations.

Put specifically, Norway today counts 6,025 commercial fishing vessels <sup>(49)</sup>, each of which is equipped with approx. 50 traps <sup>(50)</sup>. This in total represents the total fish trap market of 301,250.

Being able to acquire a significant market share in the domestic market, Resqunit would reach a base of a substantial amount of traps, each of which can be equipped with ocean data sensor, creating a strong data hub for the Norwegian ocean organisations not only within fishing but also oceanography, meteorology, sea mining etc.

45 Worlddata.info. (n.d.). The richest countries in the world. [online] Available at: <https://www.worlddata.info/richest-countries.php> [Accessed 16 Aug. 2021].

46 Tradingeconomics.com. (2019). Norway Unemployment Rate. [online] Available at: <https://tradingeconomics.com/norway/unemployment-rate>.

47 FAO (2020). The State of World Fisheries and Aquaculture 2020. FAO.

48 Transparency.org. (n.d.). Norway. [online] Available at: <https://www.transparency.org/en/countries/norway>.

49 Overview of the sector Fisheries and aquaculture production Figure 1: Fisheries and aquaculture's contribution to seafood production Seafood production volume, Million t Seafood production value, USD Millions. (2005). [online] . Available at: [https://www.oecd.org/agriculture/topics/fisheries-and-aquaculture/documents/report\\_cn\\_fish\\_nor.pdf](https://www.oecd.org/agriculture/topics/fisheries-and-aquaculture/documents/report_cn_fish_nor.pdf).

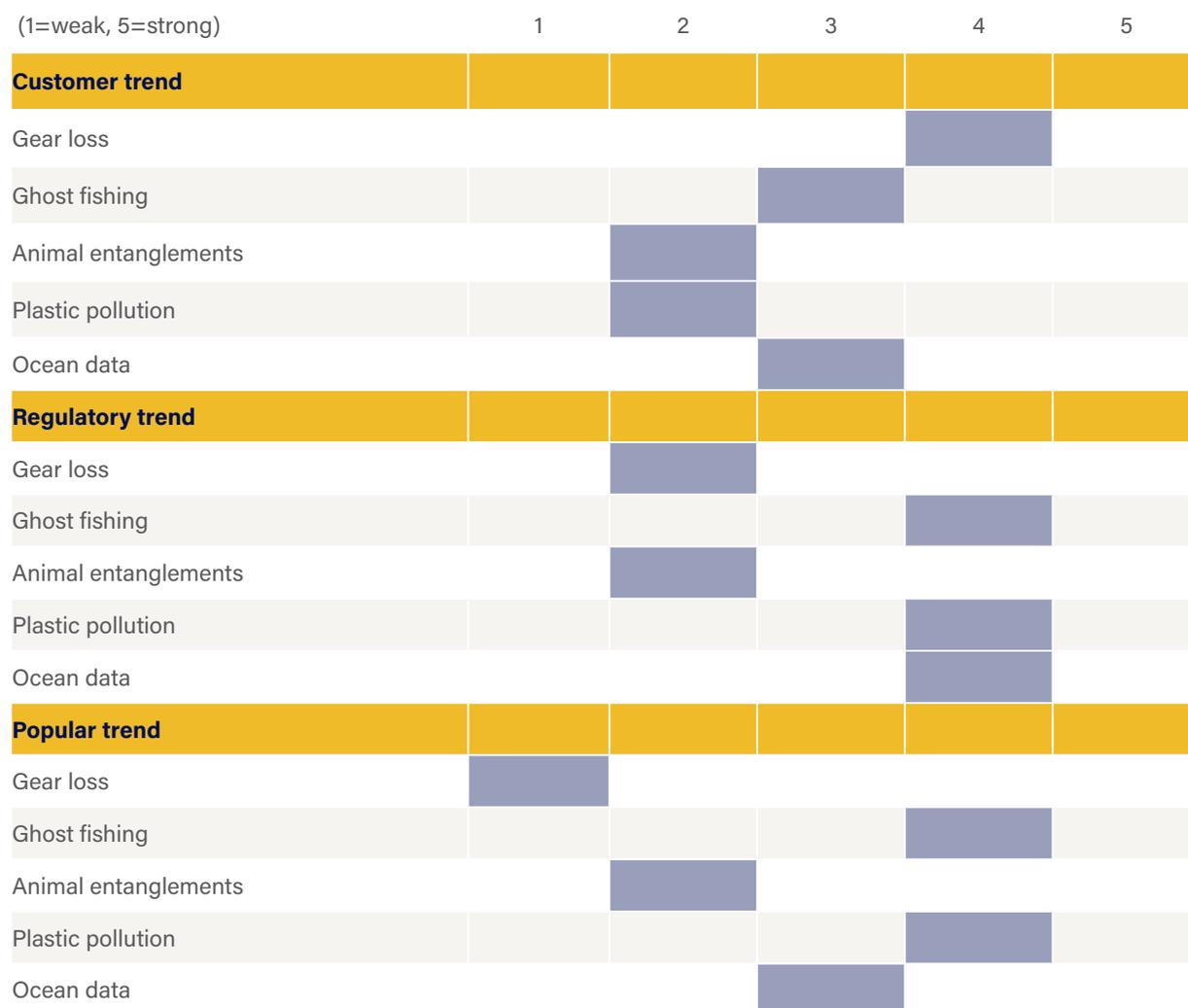
50 ICES Journal of Marine Science, Volume 78, Issue 2, March 2021, Pages 584–596, <https://doi.org/10.1093/icesjms/fsaa135>



From the perspective of existing and/or emerging industry forces, the Company recognises relatively low barriers to entry, as well as low existing competition. Specifically, the competition to Resqunit's hardware products is e.g., Ocean Space Acoustics and its product PingMe <sup>(51)</sup>, which is based on transponder technology. While this solution can be attached to traps, nets, or buoys as a stand-alone solution, it lacks the functionality Aquarius X and Flotation Buoy offers - ability to collect ocean data or automatically open traps when needed. To Resqunit's knowledge, there is no existing actors in the Norwegian market that would undertake a development connected to a product like Aquarius X or Flotation Buoy like the Company does. Compared to any existing or emerging competition, Resqunit holds market advantage in protecting the intelligence with patents (currently pending), product design and strong branding power in collaboration with Sig Hansen.

In connection to the overall market trends, Resqunit recognises Norway's position as the following:

Figure 7: Trend overview - Norway



In general, the trends in Norway show that the major focus is today shifted towards reducing the challenge connected to ghost fishing as well as plastic pollution. Not only is Resqunit's mission aligned with these ambitions but also the internal resources and domestic advantages such as brand awareness, knowledge of the local macro- and micro-economic environment make Norway the most suitable market for Company development and strategy implementation.

51 PingMe. (n.d.). PingMe. [online] Available at: <https://www.osac.no/english#how-it-works> [Accessed 16 Aug. 2021]

## Market analysis – Canada

With the presence of Resqunit Canada Inc., the Company has an already established network of public institutions within aquaculture and sustainable fishing (see section 7.5.6 Key Partnerships). Resqunit thus sees the Canadian market as a natural step in its internationalisation activities, given that the Company materialises on its existing internal resources. It is also the presence of personnel in Canada what provides competitive advantage on the market, as for a successful market capture the Company realises the need for good knowledge of market, business standards, formal and informal institutions (i.e., unwritten rules and customs).

From the macroeconomic perspective, Canada represents a safe and economically strong market, as according to Canadian Aquaculture, the aquaculture sector in the country generates 5.2 BUSD in economic activity and accounts for 28% of Canada's total seafood value <sup>(52)</sup>. In relation to the market potential, OECD report from January 2021 states the presence of 18,430 <sup>(53)</sup> approved powered vessels.

Taking the calculation of 50 traps per vessel <sup>(54)</sup>, the potential fish trap market size reaches 921,500 traps – each

possibly equipped with the ocean data sensor or ETR. Resqunit has also recognised a strong potential in benefiting on the currently tightening restrictions and incentives towards ghost fishing. Specifically, in January 2021 the Government of Canada launched Ghost Gear Fund <sup>(55)</sup> (MCAD 8.3) in support to organisations aiming to retrieve lost fishing gear along the Atlantic Canada.

At the same time, since 2020, commercial fisheries in Canada must continuously report lost and retrieval of previously reported lost gear <sup>(56)</sup>, which was proposed for a better tracking of lost gear as well as motivation for adoption of new technologies preventing the loss at all.

Importantly for Resqunit, the reporting system was also developed as an effort to increase collection of data on where the fishing activities occur, fishery type etc., aiding in development of long-term measures to address ghost fishing and improve the fishing sustainability.

52 Canadian Aquaculture Industry Alliance. (n.d.). Industry by the Numbers Index. [online] Available at: <https://www.aquaculture.ca/industry-by-the-numbers-index> [Accessed 17 Aug. 2021].

53 Overview of the sector Fisheries and aquaculture production Figure 1: Fisheries and aquaculture's contribution to seafood production Seafood production volume, Million t Seafood production value, USD Millions. (2005). [online] . Available at: [https://www.oecd.org/agriculture/topics/fisheries-and-aquaculture/documents/report\\_cn\\_fish\\_can.pdf](https://www.oecd.org/agriculture/topics/fisheries-and-aquaculture/documents/report_cn_fish_can.pdf) [Accessed 17 Aug. 2021].

54 Tutton, M. (2020). Mi'kmaw lobster fishery in Nova Scotia adds 3 boats. [online] CBC. Available at: <https://www.cbc.ca/news/canada/nova-scotia/mi-kmaw-lobster-fishery-grows-boats-1.5742365> [Accessed 17 Aug. 2021].

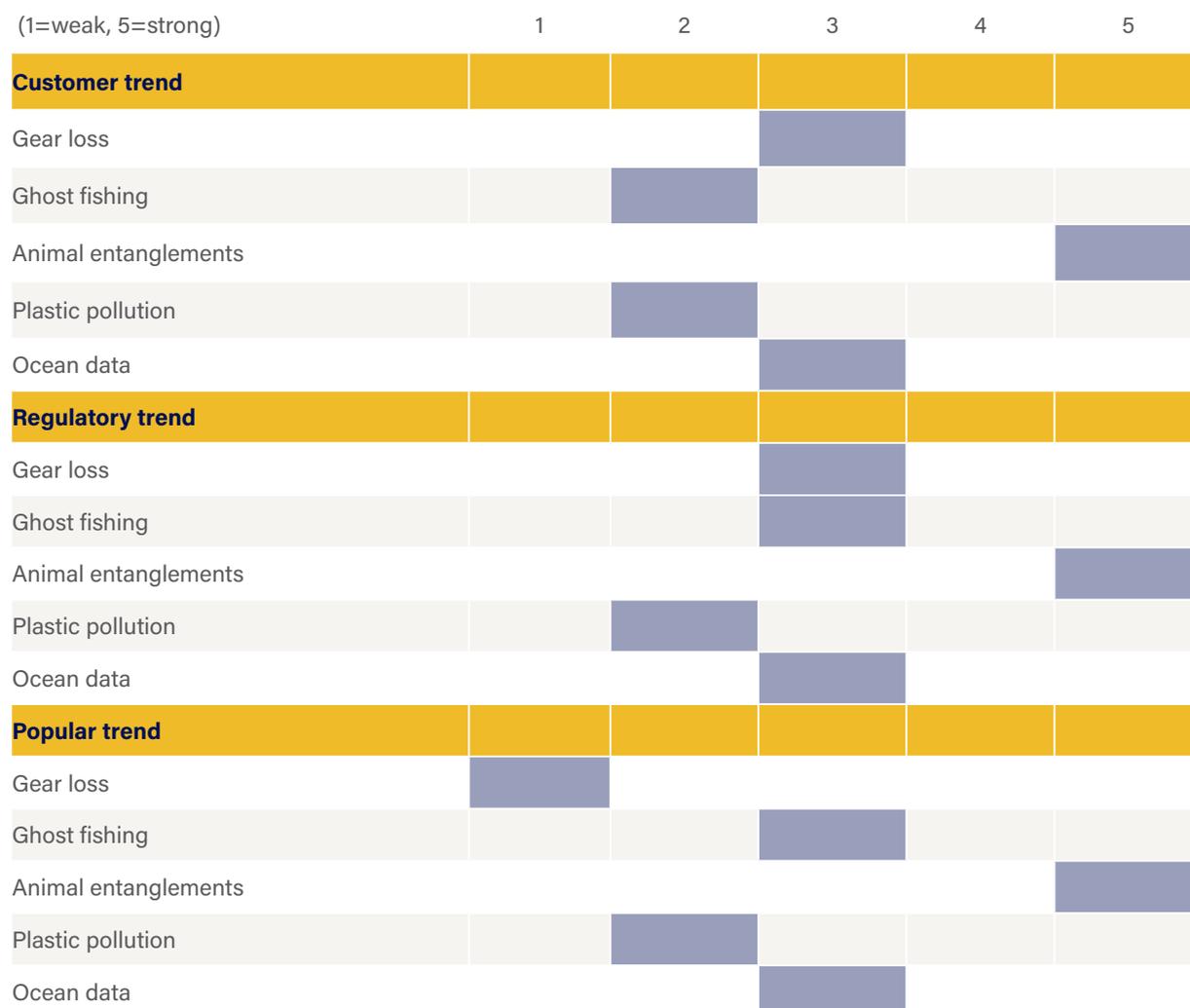
55 Canada, F. and O. (2021). Government of Canada program helps remove 63 tonnes of lost fishing gear from Atlantic ocean in 2020. [online] [www.canada.ca](http://www.canada.ca). Available at: <https://www.canada.ca/en/fisheries-oceans/news/2021/01/government-of-canada-program-helps-remove-63-tonnes-of-lost-fishing-gear-from-atlantic-ocean-in-2020.html> [Accessed 17 Aug. 2021].

56 Government of Canada, F. and O.C. (2019). Reporting requirements for commercial fisheries. [online] [www.dfo-mpo.gc.ca](http://www.dfo-mpo.gc.ca). Available at: <https://www.dfo-mpo.gc.ca/fisheries-peches/commercial-commerciale/reporting-declaration-eng.html> [Accessed 17 Aug. 2021].



The Company has also analysed the Canadian market from the perspective of market-trend-fit, which provides an overview of potential barriers and opportunities for commercialisation. The analysis is presented in the figure below.

Figure 8: Trend overview - Canada



Generally, the trends in Canada show a strong potential for Resqunit’s business expansion, given that the aquaculture sector plays a strong role in the country’s economy and both public and private institutions look for and motivate development of innovative solutions for fish gear retrieval. Moreover, the Canadian government openly states the need for filling gaps in how ocean areas are being monitored in respect to ocean data <sup>(57)</sup>, which is where Resqunit can acquire significant market share.

57 Government of Canada, F. and O.C. (2021). Canada’s Oceans Now, 2020. [online] www.dfo-mpo.gc.ca. Available at: <https://www.dfo-mpo.gc.ca/oceans/publications/soto-rceo/2020/report-rapport-eng.html#figure-12> [Accessed 17 Aug. 2021].

## Market analysis – United States of America

Following the Uppsala internationalisation model, Resqunit has identified the U.S. market as suitable for the business expansion, given the strong market similarity to the Canadian business and aquaculture environment. As an example, Canada and the U.S. share high-level initiative and knowledge sharing in terms of ensuring sustainable fishing and aquaculture regulations, which has since 2014 been declared by the common Joint Forward Plan <sup>(58)</sup>.

The two countries also share similarities in the business and innovation environment, as well as regulations for entry of European ventures. Even though the U.S. aquaculture market is not recognised large in the global scale (17th largest market globally) and their seafood trade showed a deficit of BUSD 16.9 in 2019 alone <sup>(59)</sup>, there were still over 8,600 registered aquaculture vessels in 2017 <sup>(60)</sup>, representing the trap market capture potential of 430,000 traps.

The U.S. market is interesting for Resqunit due to its access to knowledge, business partnerships and investments. Specifically, the U.S. market shows a high potential for the implementation and sale of ocean data,

given that the world's largest ocean-related organi-

sations such as National Oceanic and Atmospheric Administration, Woods Hole Oceanographic Institute, Scripps Institute of Oceanography etc., are situated in the market.

Moreover, the U.S. market is found to be the leading nation in relation to ocean knowledge production (share of over 50% towards the global <sup>(61)</sup>), followed by Germany, the United Kingdom and Canada.

In relation to the present climate change and Paris Agreement that the U.S. re-joined in 2021, the country increases its budget for collection of ocean data <sup>(62)</sup>, which helps track e.g., the change in ocean temperature, pH or the like.

As stated by Government Executive, there is a large gap in how Atlantic Ocean data are understood today, for which the U.S. government plans to release BUSD 1.4 to support collection of ocean data and 'blue economy' in general. Specifically, the U.S. plans to improve the network architecture and data management as today the data is constrained by data silos <sup>(63)</sup> (which also increases concerns about privacy and misuse).

58 Fisheries, N. (2021). *United States and Canada Collaborate On Aquaculture* | NOAA Fisheries. [online] NOAA. Available at: <https://www.fisheries.noaa.gov/feature-story/unit-ed-states-and-canada-collaborate-aquaculture> [Accessed 17 Aug. 2021].

59 NOAA Fisheries (2019). *U.S. Aquaculture* | NOAA Fisheries. [online] Noaa.gov. Available at: <https://www.fisheries.noaa.gov/national/aquaculture/us-aquaculture>.

60 Overview of the sector Fisheries and aquaculture production Figure 1: Fisheries and aquaculture's contribution to seafood production Seafood production volume, Million t Seafood production value, USD Millions. (2005). [online] [https://www.oecd.org/agriculture/topics/fisheries-and-aquaculture/documents/report\\_cn\\_fish\\_usa.pdf](https://www.oecd.org/agriculture/topics/fisheries-and-aquaculture/documents/report_cn_fish_usa.pdf) [Accessed 17 Aug. 2021].

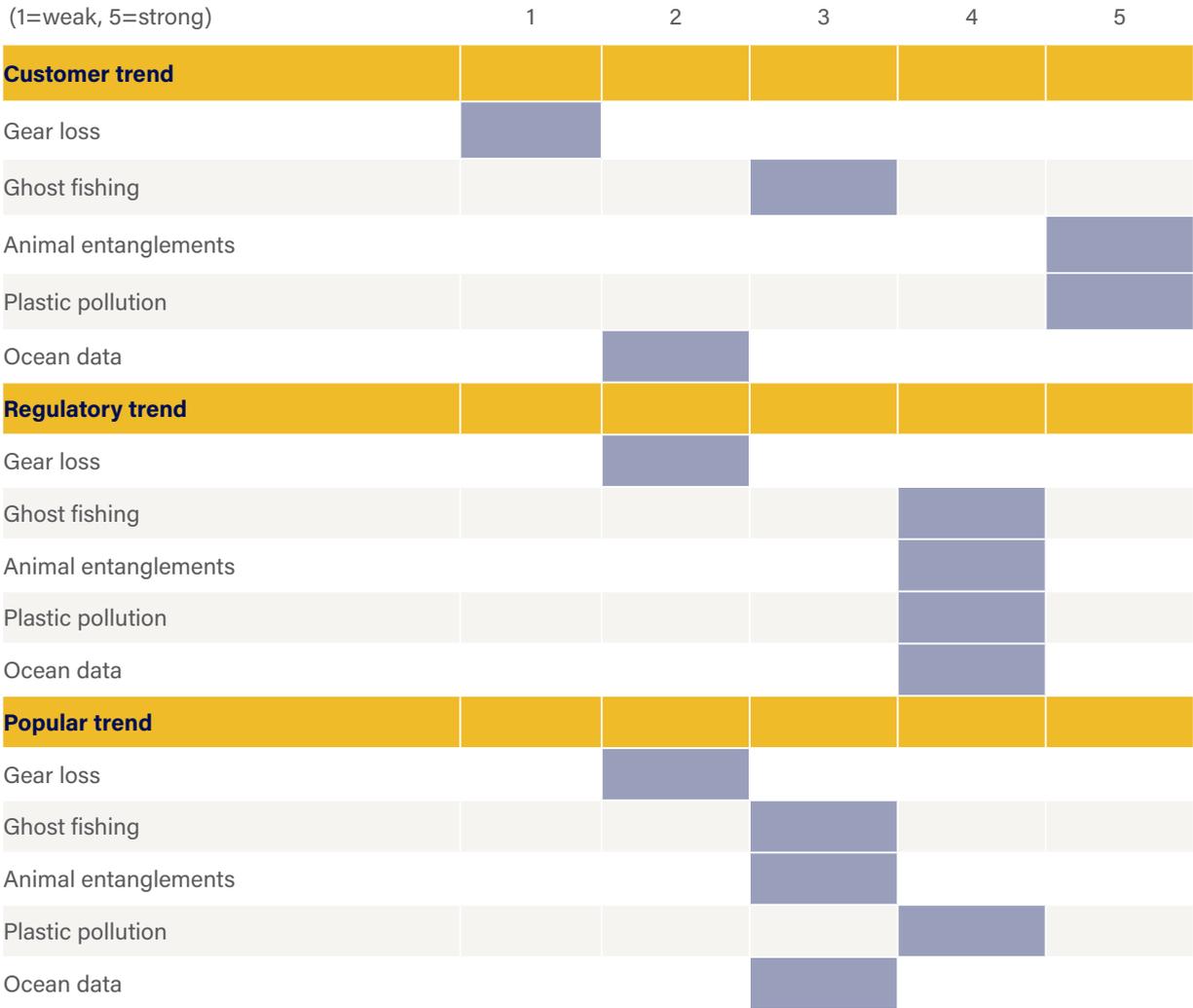
61 Dastidar, P. (2004). *Ocean Science & Technology research across the countries: A global scenario*. *Budapest Scientometrics*, [online] 59(1), pp.15–27. Available at: <https://tspace.library.utoronto.ca/bitstream/1807/3130/1/Scientometrics--JAN2004--PDF.pdf> [Accessed 17 Aug. 2021].

62 Government Executive. (n.d.). *Why America Must Lead—and Fund—the Ocean Data Revolution*. [online] Available at: <https://www.govexec.com/management/2021/06/why-america-must-leadand-fund-ocean-data-revolution/175010/> [Accessed 17 Aug. 2021].

63 Government Executive. (n.d.). *Why America Must Lead—and Fund—the Ocean Data Revolution*. [online] Available at: <https://www.govexec.com/management/2021/06/why-america-must-leadand-fund-ocean-data-revolution/175010/> [Accessed 17 Aug. 2021].

In relation to the overall trends, the U.S. market has been analysed by Resqunit as displayed in Figure 9

Figure 9: Trend overview - United States



## Market analysis – United Kingdom

In the Resqunit's European expansion, the Company has identified an interesting potential in entering the United Kingdom (UK), as the country is one of the largest aquaculture actors in the continent.

In 2015, UK realised capture production of about 705,000 tons, utilising a fleet of 6,279 vessels. Taking the estimation of 50 traps per vessel, the total trap market potential in the UK is therefore 313,950 traps. Even though the country does not belong to the European Union anymore, there are collateral agreements in progress that shall ensure somewhat free trade and establishment of international ventures in the country. From the business environment perspective, the UK shows similar business and regulation traits as those present in Norway, which eases the barriers to entry significantly.

The UK is also an interesting market from the perspective of aquaculture and ocean data demand: the overall national trend is to strengthen the position as European leading country in terms of fishery science as well as sustainable fishing, which proves to be in line with the Company main missing and overall marketing strategy.

Specifically, the UK government plans to release funds towards the research and use of sensing technologies, underwater surveys, and data collectors in the coastal <sup>(64)</sup> aquaculture environment. The reason for such financing incentives is the national effort for reducing plastic waste in the Atlantic Ocean and the UK coastal area, and the overall improvement of ocean health – for which more detailed ocean data is needed.

According to research, up to 50 meters long gillnet is discarded every trip per each fishing vessel <sup>(65)</sup>. Along with other sources of plastic waste, the UK emits between 16-86 tons of microplastic each year <sup>(66)</sup>, which the government plans to combat with stricter fishing gear use regulations and activity monitoring such as CCTV or other sensor technology, for example remote electronic monitoring systems <sup>(67)</sup>.

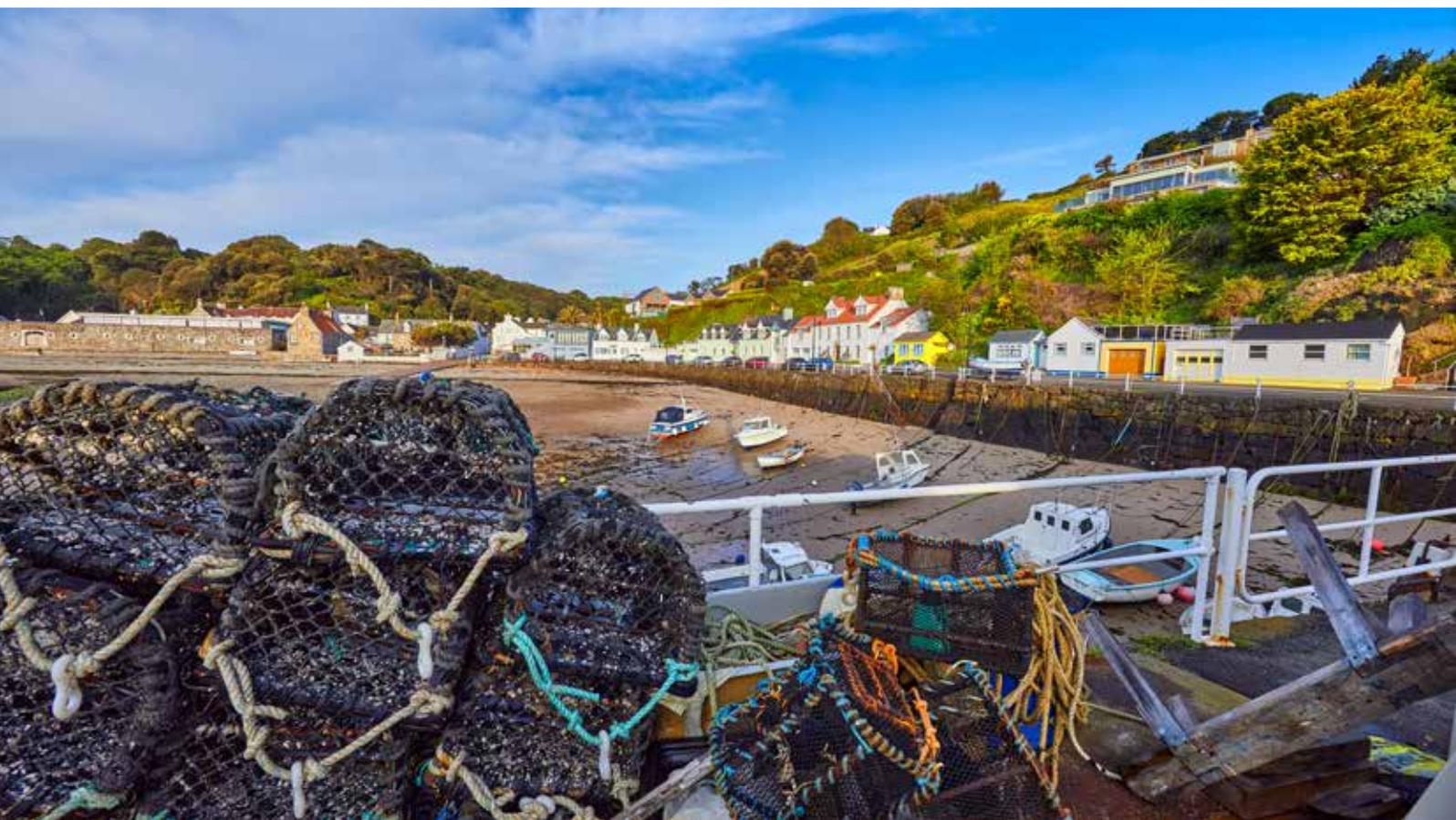
Given the current trends for reducing plastic waste as a result of aquaculture activities, Resqunit considers the UK as the prime market for the European growth strategy.

64 Sustainable fisheries for future generations. (2018). [online]. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/722074/fisheries-wp-consult-document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/722074/fisheries-wp-consult-document.pdf).

65 <http://www.fao.org/3/i5051e/i5051e.pdf>

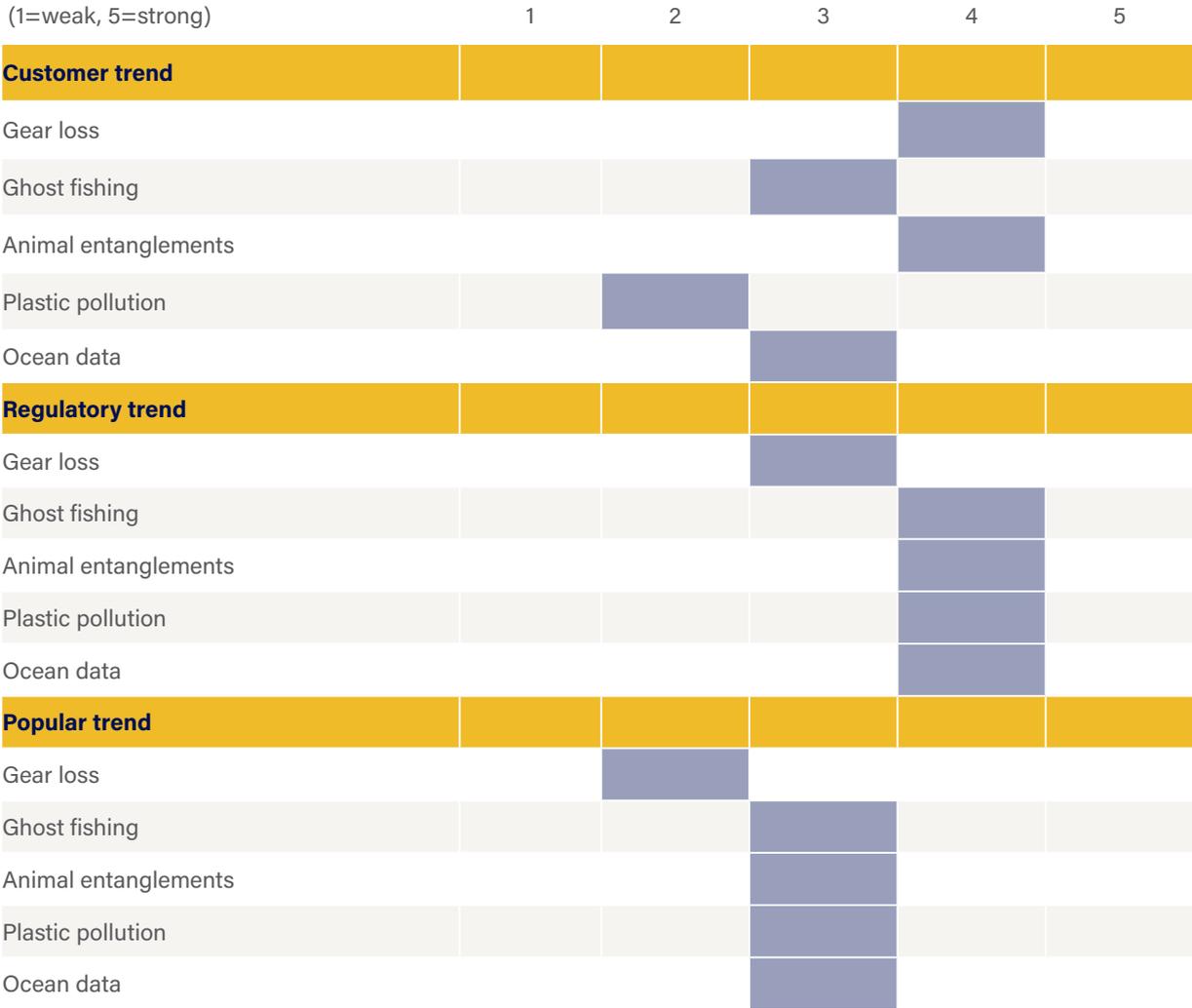
66 [www.sciencedirect.com](http://www.sciencedirect.com). (n.d.). Ghost Fishing | ScienceDirect Topics. [online] Available at: <https://www.sciencedirect.com/topics/earth-and-planetary-sciences/ghost-fishing>.

67 Sustainable fisheries for future generations. (2018). [online]. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/722074/fisheries-wp-consult-document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/722074/fisheries-wp-consult-document.pdf).



In relation to the overall trends, the UK market has been analysed by Resqunit as displayed below

Figure 10: Trend overview - United Kingdom



## Competition

As of today, Resqunit does not recognise any direct competitors to the technological development and features of Aquarius X and Flotation Buoy. While there are actors aiming to help solve the challenge connected to lost fishing gear and ghost fishing, Resqunit has not found any industrial player that would undergo or try imitating the Company's development. Specifically, there are companies like Fugro, Teledyne Marine, Ocean Power Technologies or Ocean Space Acoustics, which aim to venture in the field of lost gear solutions. The table below shows basic comparison of features concerning individual existing technologies in comparison to Resqunit production.

Table 3: Competitor overview

	RESQUNIT	FUGRO	TELEDYNE MARINE Everywhere you look	OSAC Ocean Space Acoustics	OPT
Realtime subsea data collection	x	x	x	x	x
Multipurpose data collection	x				x
Depth range up to 300 meters	x				
Offshore data storage via Bluetooth	x		x	x	x
Eliminated noise during operation	x			x	
Size < 10 cm	x				
Cost < USD 55	x				
Crowd-sourced data collection	x				

Based on the analysis that has been done based on publicly available information, Resqunit is the only company that aims to provide an all-in-one solution for the Aquaculture and Ocean industries in terms of combatting ghost fishing and improvement of ocean environment. Not only are Resqunit's hardware products the most compact compared to the competing solutions, but it is also designed to reach low production costs given the materials are e.g., recycled plastic etc. The Company's products are also aiming to be the only available solutions that provide collection of versatile ocean data via its network of users into the market's first crowd-sourced database. To Resqunit's knowledge, no competing actor in the global market is pursuing the same development ambitions, which provides the Company with first mover advantage once Aquarius X and related share data service are introduced to the market.

# Risk factors

An investment in the Company's shares is associated with certain risks. There are several factors that either can or could affect the Group's business, both directly and indirectly. Described below, in ascending order, are the risk factors and other factors that are deemed to be material to the Group's operations, financial development and the future development. Additional factors that are currently not known or currently observed as insignificant, could materialize and have a significant impact on the Group's operations, financial conditions and development. The probability and extent of risks that can be realized may deviate from the Board's assessments as of the date of the Company Description, partly because the risks are beyond the Group's control. If the risks are to be realized, the share price could fall, and investors could lose part or all their investment.

An investment in the Company's shares is suitable only for investors who understand the risk factors associated with this type of investment and can afford to lose a portion of – or the complete – investment. Information on risk factors is presented as of the date hereof and is subject to change, completion or amendment without notice.

Investors must not forget to consider all the information stated in the Company Description, not only this section. The Company Description contains forward-looking statements which are affected by future events, risks and uncertainties. The Group's results may deviate significantly from previous stated statements due to several factors, including the risks described below and other parts of the Company Description.



## **Risks related to the business of the Group and the industry in which it operates**

### **The Group may be unable to commercialize its products [High]**

The Group is newly established and in an early commercialization phase. No guarantee can be provided that the market will adopt the Group's product for recovery of lost fishing gear, that the products will have a satisfactory standard, that the Group will be able to procure production of its products at a satisfactory quality level or that the Group will reach the desired markets. If the Group should fail to commercialize its products this could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

### **Risk related to product development [High]**

The Group develops its own products, and is currently engaged in testing, research and development. The Group has several letters of intent with established wholesalers who plans to place significant orders once the products are sufficiently tested and proved. Should the products fail to meet the expected standards, this could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects. In addition, the Group is developing other related products such as Aquarius X, which aims at being the world's first multi-purpose ocean welfare sensor. No guarantee can be provided that Aquarius X will perform as expected, and the development may incur substantial costs before the product will be profitable.

### **Risk related to production of the Groups product [High]**

The Group currently outsources mass production of its products to a Chinese manufacturer, which entails several risks. The Group may be unable to receive products of a satisfactory quality or the manufacturer may not be able to deliver the quantity of products the Group require. In addition, there is an inherent risk that the Group's intellectual property may be infringed when production of the Group's products is outsourced. The Group cannot guarantee that it will receive the ordered quantities of products, that the received products will have a satisfactory quality nor that the Group would be able to replace the manufacturer if it becomes necessary. Should any of these risks materialize it could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

### **Risk related to competition (Low)**

The Group faces competition in the markets in which it operates. Some of its competitors may have advantages over it in terms of greater operational, financial, technical, management or other resources in particular markets or in general. The Group's competitors may also enter into strategic alliances or form affiliates with other competitors to the Group's disadvantage. Increased competition may result in price reductions, reduced profit margins and loss of market share. For a complete overview of competitors identified by the Company please see table 3 p 35.

### **The Group may not be able to successfully implement its strategies [High]**

Achieving the Group's objectives involves inherent costs and uncertainties. The Group's business model is based on the sale of products towards the following customers: (i) commercial fisheries (ii) recreational fishermen, (iii) wholesalers and distributors, and (iv) fishing gear manufacturers, through sublicensing. In order to create product and brand awareness the Group considers ideal and environmental organizations, in addition to collaborations, e.g., with Sig Hansen. There can be no assurance that the Group will be able to achieve its objectives and reach the desired customers within its expected timeframe or at all, that the costs related to any of the Group's objectives, for example in building brand awareness, will be at expected levels or that the benefits of its objectives will be achieved within the expected timeframe or at all. The Group's strategies may also be affected by factors beyond its control, such as volatility in the world economy and in its markets, the capital expenditure and investment by customers and the availability of acquisition opportunities in a market. Any failures, material delays or unexpected costs related to the implementation of the Group's strategies could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

**Risks related to employees and management [Medium]**

The Group's success depends on the services of highly qualified personnel and management, and the Group's key employees currently consists of a small team on which the Group is highly dependent. Loss of key personnel and management could therefore have a material adverse effect on the Group's business, results of operation, cash flows, financial condition and/or prospects.

Similarly, the Group's future development is dependent on its ability to attract, retain and develop skilled personnel and to develop the level of expertise throughout the Group's organization. Should the Group be unable to attract and retain skilled personnel, this could therefore have a material adverse effect on the Group's business, results of operation, cash flows, financial condition and/or prospects.

**Risks related to third parties [Medium]**

The Group is dependent on partners, suppliers, and other third parties to supply certain products and services in order to successfully conduct its operations. With the acquisition of Global Ocean Data AS The Group now has in-house facilities to accommodate production of own products in smaller scales (up to 10 000 units) The Group does not have internal capacity for mass production, and is in that regard reliant on third parties. There is a risk related to the Group's dependency on third parties, as a number of these parties may not be replaceable on short notice and may therefore affect the Group's operations materially if they fail to perform their services as agreed. Further, there can be no assurance that the Group will be able to enter into or maintain satisfactory agreements with third party providers in the future.

**The Group is dependent on goodwill, reputation and on maintaining good relationships with customers, partners, suppliers and employees [Medium]**

The Group depends on goodwill, reputation and on maintaining good relationships with customers, partners, suppliers and employees, in particular large customers or important suppliers of products or product development services, e.g., wholesalers, larger customers or material research partners. Negative publicity related to the Group could, regardless of its truthfulness, adversely affect the Group's reputation and goodwill. Negative reputational publicity may arise from a broad variety of causes, including incidents and occurrences outside the Group's control. No assurance can be given that such incidents will not occur in the future, which may cause negative publicity about the operations of the Group, which in turn could have a material adverse effect on the Group. Negative publicity could further jeopardize the Group's relationships with customers and suppliers or diminish the Group's attractiveness as a potential investment opportunity. In addition, negative publicity could cause any customers of the Group to purchase products from the Group's competitors, and thus decrease the demand for the Group's products and in the future. Any circumstances that publicly damage the Group's goodwill, injure the Group's reputation or damage the Group's business relationships, may lead to a broader adverse effect in addition to any monetary liability arising directly from the damaging events by way of loss of business, goodwill, customers, partners and employees.

**Risks related to the recent COVID-19 outbreak [Medium]**

The recent outbreak of the coronavirus (COVID-19) has materially affected both suppliers and customers of the Group, which again could result in material adverse effects on the Group's business, results of operations, cash flows, financial condition and/or prospects. As an example, getting sufficient skilled labour to work in commercial fisheries has been very challenging throughout the pandemic due to travel restrictions. For a number of reasons, the coronavirus may therefore affect the overall performance of the Group, including the Group's ability to develop its products and services and implement its business plan, and may result in delays, additional costs and liabilities, which in turn could have a material adverse effect on the Group's results, financial condition, cash flows and prospects.

**Failure in the Group's information technology systems may have an adverse impact on its operations [Low]**

The Group relies on IT systems, e.g. for the development and production of its products, communication with its customers and to efficiently manage the business on a day to day business, and is exposed to the risk of failure or inadequacy in these systems, related processes and/or interfaces. The Group's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the business of the Group. Any failure, inadequacy, interruption or security failure of those systems, or the failure to seamlessly maintain, upgrade or introduce new systems, could harm the Group's ability to effectively operate its business and increase its expenses and harm its reputation. These risks may in turn have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

**The Group is exposed to the risk of cyber-crime [Low]**

Due to its reliance on digital solutions and interfaces, the Group is exposed to the risk of cybercrime in the form of, for example, Trojan attacks, phishing and denial of service attacks. This risk is likely to increase in the future if the Group is successful in developing Aquarius X, in which the Group plans to, via the cloud, carry out critical data analysis on data collected by Aquarius X. The nature of cybercrime is continually evolving. The Group relies in part on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential information. Despite the security measures in place, the Group's facilities and systems, and those of its third-party service providers, may be vulnerable to cyber-attacks, security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors which exposes the Group to cybercrime and/or other similar events.

**Insurance risk [Low]**

The Group may not be able to maintain adequate insurance in the future at rates the Group's management considers reasonable or be able to obtain insurance against certain risks, e.g. loss of products in transport, product defects, etc. Moreover, the Group's insurance coverage is subject to certain significant deductibles and levels of self-insurance, does not cover all types of losses and, in some situations, may not provide full coverage for losses or liabilities resulting from the Group's operations. In addition, the Group may experience increased costs related to insurance. Insurers may not continue to offer the type and level of coverage that the Group currently maintains, and its costs may increase substantially as a result of increased premiums, potentially to the point where coverage is not available on economically manageable terms. Should liability limits be increased via legislative or regulatory action, it is possible that the Group may not be able to insure certain activities to a desirable level. If liability limits are increased and/or the insurance market becomes more restricted, the Group's business, financial condition and results of operations could be materially adversely affected.

**Financial risks****Adequate funding may not be available in the future [High]**

The Group depends on additional funding in order to implement its strategy and reach the desired growth levels. To the extent the Group does not generate sufficient cash from operations, which it does not expect to do in the near term, the Group will need to raise additional funds through public or private debt or equity financing to execute the Group's strategy and to fund capital expenditures. Adequate sources of capital funding might not be available when needed or may only be available on unfavourable terms. If funding is insufficient at any time in the future, the Group may be unable to, inter alia, fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's financial condition and results of operations.

**Future debt arrangements could limit the Group's liquidity and flexibility [Low]**

As a result of the anticipated funding needs, the Group may make use of debt arrangements to secure a sufficient level of funding. Any future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing and/or in pursuing other business opportunities. Further, the Group's future ability to obtain bank financing or to access the capital markets for any future debt or equity offerings may be limited by the Group's financial condition at the time of such financing or offering, as well as by adverse market conditions related to, for example, general economic conditions and contingencies and uncertainties that are beyond the Group's control. Failure by the Group to obtain funds for future capital expenditures could impact the Group's results, financial condition, cash flows and prospects.

## **Risks related to laws and regulations**

### **Risks related to intellectual property [High]**

The Group relies upon intellectual property and trade secrets rights (IPR) and laws to protect important proprietary rights. If these rights are not sufficiently protected, the Group's ability to compete and generate revenue may be negatively affected. The Group currently has two pending patent applications, but no guarantee can be given that the applications will be approved and, even if the patents are approved, they do not provide any guarantees that the Group's IPR is sufficiently protected against competitors or infringement. Any failure to protect intellectual property rights or otherwise information or trade secrets used in connection with the technology owned by the Group or any invalidation, circumvention, or challenges to intellectual property rights used or owned by the Group could cause significant costs and have a material adverse effect on the Group's competitive position. For example, infringement claims from third parties related to intellectual property rights could hinder or delay the Group's operations, and the Group's expenses for obtaining legal advice may in such cases be substantial.

### **Risks related to litigation, disputes and claims [Medium]**

The Group has previously been and may in the future be involved from time to time in litigation and disputes. The operating hazards inherent in the Group's business may expose the Group to, amongst other things, litigation, in particular relating to product liability litigation, intellectual property litigation, contractual litigation, as well as other litigation that arises in the ordinary course of business. No assurance can be given that the Group is not exposed to claims, litigation and compliance risks, which could expose the Group to losses and liabilities. Such claims, disputes and proceedings are subject to uncertainty, and their outcomes are often difficult to predict. Adverse regulatory action or judgment in litigation could result in sanctions of various types for the Group, including, but not limited to, the payment of fines, damages or other amounts, the invalidation of contracts, restrictions or limitations on the Group's operations, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

### **Changes in tax laws of any jurisdiction in which the Group operates, and/or any failure to comply with applicable tax legislation may have a material adverse effect for the Group [Low]**

The Group is a multi-national business and expects to continue to expand its business in several jurisdictions going forward. As a result, the Group is subject to a number of various tax regimes, treaties and regulations, and the interpretation and enforcement thereof. The Group's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If applicable laws, treaties or regulations change, or if the Group's interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Group's business, results of operations or financial condition. If any tax authority successfully challenges the Group's operational structure, pricing policies or if taxing authorities do not agree with the Group's assessment of the effects of applicable laws, treaties and regulations, or the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, the Group's effective tax rate on its earnings could increase substantially and the Group's business, earnings and cash flows from operations and financial condition could be materially and adversely affected.

## **Risks related to the Shares and the Admission**

### **The Company will incur increased costs as a result of being listed on Nasdaq First North Growth Market [High]**

As a company with its shares listed on Nasdaq First North Growth Market, the Company will be required to comply with the reporting and disclosure requirements that apply to companies listed on Nasdaq First North Growth Market. The Company will incur additional legal, accounting and other expenses in order to ensure compliance with the aforementioned requirements and other rules and regulations. The Company anticipates that its incremental general and administrative expenses as a company with its shares listed on Nasdaq First North Growth Market will include, among other things, costs associated with annual reports to shareholders, shareholders' meetings and investor relations. In addition, the Board of Directors and Management may be required to devote significant time and effort to ensure compliance with applicable rules and regulations for companies with shares listed on Nasdaq First North Growth Market, which may entail that less time and effort can be devoted to other aspects of the business.

### **Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares [High]**

As a result of the Group's funding needs during its growth phase, it is likely that the Company will in the future decide to offer and issue new Shares or other securities in order to fund the continued development and growth of the Group. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

### **Swedish law could limit shareholders' ability to bring an action against the Company [Low]**

The rights of holders of the Shares are governed by Swedish law and by the Company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions.

## **Risks related to Securities**

Potential investors shall be aware of the significant risk associated with investing in the Company's securities. The main risks related to Resqunit's securities are described below.

### **Share price development**

There are no guarantees for the share price to rise and it exists a risk for the investors to lose part of – or the complete – investment. The stock market may decline for several reasons, including increasing interest rates, political initiatives, changing exchange rates, and other external factors that are beyond the Company's control. The stock market is also significantly affected by psychological factors. All these factors may be problematic to predict and to be protected against, and the Company's shares may be as affectable as all other stocks. There is also a risk for the Company's share price to fluctuate heavily, which could be due to, inter alia, varying results between quarterly reports, general economic conditions, and the general public interest of the Company. Additionally, the stock market may react unproportionate and extreme in general and must not be related to the Company's operational result.

### **Dilution affiliated with future share issue**

The Company may issue additional shares in the future which may have a material adverse effect on the price of the shares. Although existing shareholders, according to Swedish law, have a certain preferential right in a share issue, issues may be resolved with a deviation from the existing shareholders' preferential rights, which may lead to a dilution of the existing shareholders' proportional ownership and voting rights.

### **Future sale of shares**

The Company's share price may decline if extensive sales of the Company's shares occur, especially if such transactions are made by large shareholders, shareholders within the management or board, and/or when a large amount of shares are sold during the same time or within a short period of time. Such selling of shares, as well as a perception on the stock market that such a selling is about to occur, may result in a negative impact on the Company's share price.

**Dividends**

No dividends have so far been paid and there exists no guarantees for future payment of dividends either. If there will be no future dividend payment, the investment's return will completely be dependent on the development of the Company's share price.

**Risks associated with listing and trading on Nasdaq First North Growth Market**

Nasdaq First North is a multilateral trading facility ("MTF"), driven by the different exchanges in the Nasdaq Group. Securities listed on Nasdaq First North do not cover as extensive regulations as those securities listed on the regulated market. Nasdaq First North comply with a specific set of regulations, appropriated for small and growth companies, with the aim of supporting a sane investment protection. The regulations, which the companies on the Nasdaq First North are obligated to comply with, are designed from the current regulations on the EU regulated Nasdaq Main Market Sverige. Due to the differences in magnitudes between the markets and its regulations, a security listed on the Nasdaq First North may be a riskier investment compared to an investment in a security listed on a regulated market.

## Selected financial overview

Since Global Ocean Data AS was founded in February 2021 and has no financial history, and Resqunit AB (ListCo) was founded in September 2021, this section presents the selected financial information for the Group members Resqunit AS and Resqunit Canada Inc. regarding the fiscal year 2019 and 2020 as well as Q2 2021 and Q2 2020 and have been collected from the historical financial information. The balance sheet, income statement and cash flow statement for year 2019 and 2020 has, unless otherwise stated, been taken from the Group's audited annual reports and been consolidated. All the financial information has been established in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general advice (BNAR 2012:1) and guidance on annual accounts and consolidated accounts (K3).

This section shall be read in conjunction with "Comments on the financial information" and the financial reports incorporated in the Company Description.

The Financial Statements have been audited by the Company's independent auditor, RSM Norge AS, as set forth in the auditor's report. The auditor's reports do not include any qualifications. The selected financial information presented below has been derived and consolidated from the Financial Information and should be read in connection with, and is qualified in its entirety by reference to, the Financial Information included herein. For information regarding accounting policies and the use of estimates and judgments, please see note 1 in each of the Financial Statements.

## Income statement

The table below sets out selected data from the Group companies' audited consolidated income statement for the financial year ended 31 December 2020, with comparable figures for the financial year ended 31 December 2019 as well as year to date figures the financial year ending June 30 2021 with comparable figures for the year to date figures ending June 30 2020.

	2021-01-01 – 2021-06-30	2020-01-01 – 2020-06-30	2020-01-01 – 2020-12-31	2019-01-01 – 2019-12-31
In SEK	Reviewed	Reviewed	Audited	Audited
<b>Operating revenue</b>				
Sales revenue	66 651	0	482 765	307 460
Other operating income	0	0	0	2 224 105
Total revenue	66 651	0	482 765	2 531 565
<b>Operating costs</b>				
Costs of goods sold	0	22 690	468 532	290 967
Labor costs	929 053	935 523	1 514 886	1 097 163
Depreciation	3 993	3 219	7 057	0
Other operating costs	3 995 233	829 038	2 763 955	1 786 092
Total costs	4 928 279	1 790 470	4 754 430	3 174 222
Operating result	-4 861 628	-1 790 470	-4 271 666	-642 656
<b>Financial revenue and financial costs</b>				
Interest income	0	1 006	8 945	1 348
Other financial income	2 412	110	5 749	1 457
Interest expenses	558	7 426	0	536
Other financial costs	9 754	5 610	21 547	6 713
Result for financial items	-7 901	-11 920	-6 853	-4 443
Ordinary result before tax	-4 869 529	-1 802 390	-4 278 518	-647 099
Tax expense	0	0	0	0
<b>ANNUAL RESULT</b>	<b>-4 869 529</b>	<b>-1 802 390</b>	<b>-4 278 518</b>	<b>-647 099</b>
Minority share of annual result	-2 746	-11 927	-13 256	-11 993
Majority share of annual result	-4 866 783	-1 790 463	-4 265 262	-635 106

Figures concerning year 2020 is converted from Norwegian Kroner to Swedish Kroner at date 31.12.2020 where 100 NOK = 104,35 SEK.

Figures concerning year 2019 is converted from Norwegian Kroner to Swedish Kroner at date 31.12.2019 where 100 NOK = 94,42 SEK.

Figures concerning 1. Half year 2021 is converted from Norwegian Kroner to Swedish Kroner at date 30.06.2021 where 100 NOK = 100,60 SEK.

## Balance sheet

The table below sets out selected data from The Groups audited consolidated balance sheet for the financial year ended 31 December 2020, with comparable figures for the financial year ended 31 December 2019 as well as year to date figures the financial year ending June 30 2021 with comparable figures for the year to date figures ending June 30 2020

	2021-01-01 – 2021-06-30	2020-01-01 – 2020-06-30	2020-01-01 – 2020-12-31	2019-01-01 – 2019-12-31
In SEK	Reviewed	Reviewed	Audited	Audited
<b>ASSETS</b>				
<b>Fixed assets</b>				
Intellectual property (licences, patents, etc.)	2 293 300	1 656 834	1 743 133	595 947
Deferred tax assets	0	0	0	0
Sum intangible assets	2 293 300	1 656 834	1 743 133	595 947
Machinery, equipment, plant etc.	12 644	19 959	16 038	0
Sum tangible assets	12 644	19 959	16 038	
Investments in associated companies	0	0		
Long-term receivables	66 269	0	0	0
Sum fixed financial assets	66 269	0	0	0
<b>Sum fixed assets</b>	<b>2 372 214</b>	<b>1 676 793</b>	<b>1 759 171</b>	<b>595 947</b>
<b>Current assets</b>				
Stock of goods and other reserves	0	298 134	0	328 320
Sum inventories	0	298 134	0	328 320
Accounts receivables	66 651	0	4 510	0
Other receivables	1 730 960	365 438	2 175 164	795 232
Sum receivables	1 797 611	365 437	2 179 674	795 232
Bank deposits, cash etc.	17 233 768	1 628 779	6 666 745	4 475 381
<b>Sum current assets</b>	<b>19 031 378</b>	<b>2 292 351</b>	<b>8 846 419</b>	<b>5 598 933</b>
<b>Total assets</b>	<b>21 403 592</b>	<b>3 969 144</b>	<b>10 605 590</b>	<b>6 194 880</b>

## EQUITY AND LIABILITIES

<b>EQUITY</b>				
Share capital	88 043	65 113	81 124	71 705
Share premium	2 015 417	1 827 927	4 606 961	3 990 333
Unregistered share capital increase	16 556 064	0	1 997 276	0
Sum paid-up equity	18 659 524	1 893 040	6 685 362	4 062 038
Minority interest	-26 392	- 23 520	-23 564	-12 147
<b>Sum equity</b>	<b>18 633 132</b>	<b>1 869 520</b>	<b>6 661 798</b>	<b>4 049 891</b>
<b>Liabilities</b>				
Other long-term debt	1 491 054	1 442 585	1 437 470	1 580 703
Sum long-term liabilities	1 491 054	1 442 585	1 437 470	1 580 703
Accounts payable	594 731	82 207	514 832	231 347
Public duties payable	0	84 223	142 840	94 990
Other short-term liabilities	684 675	490 599	1 848 650	237 949
Sum short-term liabilities	1 279 406	657 039	2 506 322	564 286
<b>Sum liabilities</b>	<b>2 770 460</b>	<b>2 099 624</b>	<b>3 943 792</b>	<b>2 144 989</b>
<b>SUM EQUITY AND LIABILITIES</b>	<b>21 403 592</b>	<b>3 969 144</b>	<b>10 605 590</b>	<b>6 194 880</b>

Figures concerning year 2020 is converted from Norwegian Kroner to Swedish Kroner at date 31.12.2020 where 100 NOK = 104,35 SEK.

Figures concerning year 2019 is converted from Norwegian Kroner to Swedish Kroner at date 31.12.2019 where 100 NOK = 94,42 SEK.

Figures concerning 1. Half year 2021 is converted from Norwegian Kroner to Swedish Kroner at date 30.06.2021 where 100 NOK = 100,60 SEK.

## CASH FLOW STATEMENT

The table below sets out selected data from The Groups' audited consolidated statement of cash flows for the financial year ended 31 December 2020, with comparable figures for the financial year ended 31 December 2019 as well as year to date figures the financial year ending June 30 2021 with comparable figures for the year to date figures ending June 30 2020.

	2021-03-01 – 2021-06-30	2020-03-01 – 2020-06-30	2020-01-01 – 2020-12-31	2019-01-01 – 2019-12-31
In SEK	Reviewed	Reviewed	Audited	Audited
<b>Cash flows from operating activities</b>				
Earnings before tax	-4 869 529	-1 802 390	-4 278 518	-647 099
Depreciation	3 993	3 219	7 057	0
Changes in inventory	0	0	297 077	-328 320
Changes in accounts receivable	-61 973	0	-4 510	52 955
Changes in accounts payable	60 708	-127 869	305 501	204 834
Other items affection operating cashflow	-922 034	629 182	250 930	-434 393
Net cash flow from operating activities	-5 788 835	- 1 297 858	-3 422 464	-1 152 024
<b>Cash flows from investing activities</b>				
Procurement of non-current assets	0	-23 178	-23 095	0
Procurement of intangible assets	-485 190	- 1 115 679	-1 203 897	-595 947
Investment in financial assets	0	0	0	0
Net cash flow from investing activities	-485 190	-1 138 857	-1 226 992	-595 947
<b>Cash flows from financing activities</b>				
Change in long-term financial assets	0	7 213	0	1 580 703
Change in equity	16 584 565	0	7 266 699	3 668 890
Net cash flow from financing activities	16 584 565	7 213	7 266 699	5 249 593
Change in cash and cash equivalents for the period	10 310 540	-2 429 502	2 617 243	3 501 623
Currency translation difference	256 484	-417 100	-425 879	-31 773
Cash and cash equivalents at the beginning of the period	6 666 744	4 475 381	4 475 381	1 005 532
Cash and cash equivalents at the end of the period	17 233 768	1 628 779	6 666 745	4 475 381

Figures concerning year 2020 is converted from Norwegian Kroner to Swedish Kroner at date 31.12.2020 where 100 NOK = 104,35 SEK.

Figures concernring year 2019 is converted from Norwegian Kroner to Swedish Kroner at date 31.12.2019 where 100 NOK = 94,42 SEK.

Figures concernring 1. Half year 2021 is converted from Norwegian Kroner to Swedish Kroner at date 30.06.2021 where 100 NOK = 100,60 SEK.

## Key figures

	2021-01-01- 2021-06-30	2020-01-01- 2020-06-30	2020-01-01- 2020-12-31	2019-01-01- 2019-12-31
	(6 months)	(6 months)	(12 months)	(12 months)
	Reviewed	Reviewed	Audited	Audited
Net Sales, SEK	66 651	0	503 765	2 390 304
Operating Profit, SEK	-4 861 628	-1 790 470	-4 457 483	-606 796
Earnings per share	-0,46	-0,27	-0,50	-0,09
Equity per share	2,02	0,59	1,25	0,86
Solidity (%)	87 %	47 %	63 %	66 %

Figures concerning year 2020 is converted from Norwegian Kroner to Swedish Kroner at date 31.12.2020 where 100 NOK = 104,35 SEK.

Figures concerning year 2019 is converted from Norwegian Kroner to Swedish Kroner at date 31.12.2019 where 100 NOK = 94,42 SEK.

Figures concerning 1. Half year 2021 is converted from Norwegian Kroner to Swedish Kroner at date 30.06.2021 where 100 NOK = 100,60 SEK.

### Definition and derivation of key figures

Net sales	The Company's operating income from sales and commercial grants
Operating profit	The Company's operating profit before financial costs and taxes
Earnings per share	The period result in relation to number of shares at period end
Equity per share	The period equity in relation to number of shares at period end
Solidity %	The period equity in percent of total assets

# Comments on the financial overview

COMPARISON BETWEEN THE PERIODS JANUARY TO JUNE 2021 AND 2020

## INCOME STATEMENT

### Net sales

Net sales amounted to SEK 66.651 for the period January to June 2021, an increase of SEK 66.651 or 100 percent compared with the same period in 2020.

### Operating expenses

Operating expenses amounted to SEK 4,928 thousand for the period January to June 2021, an increase of SEK 3,138 thousand compared with the same period in 2020, when operating expenses amounted to SEK 1,790 thousand. The increasing cost base was due to higher administrative costs in relation to rigging the company for public listing. In addition, SEK 1,200 thousand was used for a buy-out of the royalty agreement with Sig Hansen for still being able to use brand material, but without future royalty payments

### Operating profit

Operating profit amounted to SEK -4,861 thousand for the period January to June 2021, a decrease of SEK 3,071 thousand compared with the same period in 2020, when operating profit amounted to SEK -1,790 thousand. The decrease in operating profit was due to higher costs.

### Net financial items

The company's net financial items amounted to SEK -8 thousand for the period January to June 2021, a decrease of SEK 4 thousand compared with the same period in 2020, when net financial items amounted to SEK -12 thousand. The decrease in net financial items was due to lower indebtedness of interest-bearing loans.

### Profit after tax

Profit after tax amounted to SEK -4,869 thousand for the period January to June 2021, a decrease of SEK 3,067 thousand compared with the same period in 2020, when profit after tax amounted to SEK -1,790 thousand. The decrease in profit for the period was due to the increase in costs.

## **BALANCE SHEET**

### **Fixed assets**

The Group's fixed assets amounted to SEK 2,372 thousand for the period January to June 2021, an increase of SEK 696 thousand compared with the same period in 2020, when the Group's fixed assets amounted to SEK 1,676 thousand. The increase in fixed assets was mainly due to an increase of intangible assets from R&D activities.

### **Current assets**

The Group's current assets amounted to SEK 19,031 thousand for the period January through June 2021, an increase of SEK 16,739 thousand compared with the same period in 2020, when the Group's current assets amounted to SEK 2,292 thousand. The increase in current assets was due to an increase in cash as a result of a share issuance in April 2021.

### **Liabilities**

Liabilities amounted to SEK 2,770 thousand for the period January to June 2021, an increase of SEK 671 thousand compared with the same period in 2020, when the Group's liabilities amounted to SEK 2,099 thousand. The increase in indebtedness was due to short term liabilities.

### **Equity**

Shareholders' equity amounted to SEK 21,403 thousand for the period January to June 2021, an increase of SEK 17,434 thousand compared with the same period in 2020, when the Group's equity amounted to SEK 3,969 thousand. The increase in equity was due to a share issue during Q2 -2021.

## **CASH FLOW STATEMENT**

### **Cash flow from operating activities**

Cash flow from operating activities amounted to SEK -5,788 thousand for the period January to June 2021, a decrease of SEK 4,491 thousand compared with the same period in 2020, when cash flow from operating activities amounted to SEK -1,297 thousand. The decrease for the period was due to the increase in costs during H1 -2021.

### **Cash flow from investing activities**

Cash flow from investing activities amounted to SEK -485 thousand for the period January to June 2021, an increase of SEK 653 thousand compared with the same period in 2020, when cash flow from investing activities amounted to SEK -1,138 thousand. The increase for the period was due to payouts from acquired R&D services

### **Cash flow from financing activities**

Cash flow from financing activities amounted to SEK 16,584 thousand for the period January through June 2021, an increase of SEK 9,371 thousand compared with the same period in 2020, when cash flow from financing activities amounted to SEK 7,213 thousand. The increase for the period was due to a share issue during Q2 -2021.

## **INCOME STATEMENT**

### **Net sales**

Net sales amounted to SEK 482 thousand for the year 2020, a decrease of SEK 2,049 thousand compared with 2019, when net sales amounted to SEK 2,531 thousand. The decrease in net sales was due to a non-R&D private environmental grant received in 2019

### **Operating expenses**

Operating expenses amounted to SEK 4,754 thousand for the year 2020, an increase of SEK 1,580 thousand compared with 2019, when operating expenses amounted to SEK 3,174 thousand. The increasing cost base was mainly due to development work and increase in salaries.

### **Operating profit**

Operating profit amounted to SEK -4,271 thousand for the year 2020, a decrease of SEK 3,629 thousand compared with 2019, when the operating profit amounted to SEK -642 thousand.

### **Net financial items**

The company's net financial items amounted to SEK -7 thousand for the year 2020, a decrease of SEK 3 thousand compared with 2019, when net financial items amounted to SEK --4 thousand.

### **Profit after tax**

Profit after tax amounted to SEK -4,278 thousand for the year 2020, a decrease of SEK 3,631 thousand compared with 2019, when profit after tax amounted to SEK -647 thousand. The decrease in profit for the period was mainly due to the increased operating expenses and the financial support granted in 2019.

## **BALANCE SHEET**

### **Fixed assets**

The Group's fixed assets amounted to SEK 1,759 thousand for the year 2020, an increase of SEK 1,164 thousand compared with 2019, when the Group's fixed assets amounted to SEK 595 thousand. The increase in fixed assets was mainly due to an increase of intangible assets from R&D activities.

### **Current assets**

The Group's current assets amounted to 8,846 KSEK for the year 2020, an increase of 3,248 KSEK compared with 2019, when the Group's current assets amounted to SEK 5,598 thousand. The increase in current assets was due to increased cash holdings from share issue during the financial year 2020

### **Liabilities**

Liabilities amounted to SEK 3,943 thousand for the year 2020, an increase of SEK 1,799 thousand compared with 2019, when the Group's liabilities amounted to SEK 2,144 thousand. The increase in indebtedness was mainly due to a short-term liabilities at periods end.

### **Equity**

Shareholders' equity amounted to SEK 6,661 thousand for the year 2020, an increase of SEK 2,612 thousand compared with 2019, when the Group's equity amounted to 4,049 KSEK. The increase in equity was due to a planned new share issue during the financial year 2020.

## **CASH FLOW STATEMENT**

### **Cash flow from operating activities**

Cash flow from operating activities amounted to SEK -3,442 thousand for the year 2020, a decrease of SEK 2,290 thousand compared with 2019, when cash flow from operating activities amounted to SEK -1,152 thousand. The decrease for the period was due to a reduced operating profit.

### **Cash flow from investing activities**

Cash flow from investing activities amounted to SEK -1,226 thousand for 2020, a decrease of SEK 631 thousand compared with 2019, when cash flow from investing activities amounted to SEK -595 thousand. The decrease for the period was due to procurement of intangible assets

### **Cash flow from financing activities**

Cash flow from financing activities amounted to SEK 7,266 thousand for the year 2020, a decrease of SEK 2,17 thousand compared with 2019, when cash flow from financing activities amounted to SEK 5,249 thousand. The increase for the period was due to a share capital increase from a planned new share issue during the financial year 2020.

# Proforma Financial Information

## Background

Resqunit AB was founded 9 September 2021. The sole purpose of Resqunit AB is to be a holding company. The company holds no other assets than 100 % of the shares in Resqunit AS (Norway). The operations in Resqunit AS and its subsidiaries Resqunit Canada Inc (90 %) and Global Ocean Data AS (66,67 %), are therefore the basis of the group's financials.

## THE PURPOSE AND BASIS OF THE PROFORMA FINANCIAL INFORMATION

The purpose of the proforma financial information has been included to describe the hypothetical situation where Resqunit AS, Resqunit Canada Inc and Global Ocean Data AS have been consolidated in Resqunit AB group accounts for the period 1 January 2021 – 30 September 2021, and has been prepared solely for illustrative purposes. Resqunit AS acquired the shares in Global Ocean Data AS on 1 July 2021. No other proforma adjustments have been made. The proforma financial information does not necessarily reflect Resqunit AB's actual results and/or financial position as if the transaction had been undertaken at the earlier date set out below, and such proforma financial information should not be regarded as an indication of Resqunit AB's results or financial position for any future period. Consequently, potential investors should not attach undue importance to the proforma financial information. Resqunit AS, a Norwegian company with the organizational number 820187512, has transferred its shareholders to Resqunit AB who now has 100 % ownership of Resqunit AS. Resqunit AB will serve as a holding company of Resqunit AS.

Following the completion of this transaction, Resqunit AB's ownership of Resqunit AS is 100% of the shares. Resqunit AB intends to become listed at Nadsaq First North stock exchange. As a result, shareholders continue to have the opportunity to divest their remaining shares or to acquire additional shares in Resqunit AB. The purpose of the proforma financial information is to deliver updated results from the companies in order for the listing process and investor awareness to be as current and relevant as possible. The proforma statements will include profit and loss statements as well as balance sheet from 1 January 2021 – 30 September 2021. Both the Balance sheet numbers and the profit and loss numbers are reviewed by the group's auditor.

Resqunit AB has entered into an agreement with Euroclear in order to transfer all shareholders from the Norwegian Company Resqunit AS to the Swedish company Resqunit AB.

## ACCOUNTING POLICIES

The financial statements of the entities are prepared in accordance with Swedish GAAP (BFNAR 2012:1 (K3)) and the Annual Accounts Act (1995:1554). The proforma information is prepared in accordance with Resqunit AS accounting principles as described in the annual report for the financial year ending on 31 December 2020. Both entities prepare their financial reports in accordance with Swedish and Norwegian GAAP and no differences between the entities' accounting principles have been identified during the preliminary analysis. There have been no proforma adjustments of the historic numbers.

## Consolidation principles

The proforma consolidated financial statements consist of Resqunit AB and its subsidiaries, where Resqunit AB has a controlling interest through legal or actual control. The proforma consolidated financial statements are prepared in accordance with uniform accounting policies for uniform transactions in all companies included in the consolidated financial statements. All material transactions and group inter-company balances are eliminated. Shares in subsidiaries are eliminated in accordance with the acquisition method. This involves the acquired company's assets and liabilities being assessed at fair value on the date of acquisition, and any value added is classified as goodwill. For partially owned subsidiaries, only Resqunit AB's share of the goodwill is included in the balance sheet. The group acquired the shares in Global Ocean Data AS on 1 July 2021. As the purpose of this proforma financial information is consolidation of accounts for the period 1 January 2021 – 30 September 2021, Global Ocean Data AS has been consolidated from its founding on 12 February 2021. Consequently, there is no added value/goodwill included in the proforma financial information.

## **Valuation and classification of assets and liabilities**

Assets intended for permanent ownership or use in the business are classified as non-current assets.

Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

## **Foreign currency**

All balance sheet items denominated in foreign currencies are translated into SEK at the exchange rate prevailing at the balance sheet date.

## **Fixed assets**

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

Fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period.

## **Intangible fixed assets**

Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be reliably measured. Otherwise such expenses are expensed as and when incurred. R&D expenses in the balance sheet are depreciated on a straight-line basis over the asset's expected useful life.

## **Inventories**

Inventories are recognized at the lower of cost in accordance with the FIFO method and net realizable value. For raw materials and work in progress, the net realizable value is based on estimated selling price of finished goods, less the remaining production and sales costs. Self-produced goods are recognized at the lower of full production cost and fair value.

## **Revenue**

Revenue is recognized when it is earned, i.e. when both the risk and control have been mainly transferred to the customer. This will normally be the case when the goods are delivered to the customer. The revenue is recognized with the value of the remuneration at the time of transaction.

## **Receivables**

Trade receivables and other receivables are recognized at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

## **Cash and cash equivalents**

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

## **Pensions**

Defined contribution plans are accounted for according to the matching principle. Contributions to the pension plan are recorded as expenses.

## Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognized directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet. Net deferred tax assets are not presented in the balance sheet.

## Government grants

Investment grants are recognized in the balance sheet based on gross amounts, and allocated to operating income over the economic life of the investment. Operating grants received are matched with their corresponding costs.

## Income Statement - Proforma

	2021-09-09 – 2021-09-30	2021-01-01 – 2021-09-30
	Resqunit AB	Group (Proforma)
In SEK	Reviewed	Reviewed
Operating revenue	0	
Sales revenue	0	67 071
Other operating income	0	0
Total revenue	0	67 071
<b>Operating costs</b>	0	
Costs of goods sold	0	148 958
Other external expenses	0	6 061 248
Personnel expenses	0	2 826 339
Depreciation	0	6 027
Total costs	0	9 042 571
Operating result	0	- 8 975 500
<b>Financial revenue and financial costs</b>		
Interest income	0	0
Other financial income	0	38 324
Interest expenses and similar items	0	- 52 719
Result for financial items	0	- 14 395
Ordinary result before tax	0	- 8 989 895
Tax expense	0	0
<b>PERIOD RESULT</b>	<b>0</b>	<b>- 8 989 895</b>
Minority share of period result	0	- 475 836
Majority share of period result	0	- 8 514 058

## Balance sheet

	2021-09-30	2021-09-30
	Resqunit AB	Group (Proforma)
In SEK	Reviewed	Reviewed
<b>ASSETS</b>		
<b>Fixed assets</b>		
Capitalized expenses for research and development	0	1 994 325
Sum intangible assets	0	1 994 325
Machinery, equipment, plant etc	0	1 476 180
Sum tangible assets	0	1 476 180
Shares in subsidiaries	530 514	
Long-term receivables		60 018
Sum fixed financial assets	530 514	60 018
<b>Sum fixed assets</b>	<b>530 514</b>	<b>3 530 523</b>
<b>Current assets</b>		
Other receivables		784 944
Bank deposits, cash etc		11 990 690
<b>Sum current assets</b>		<b>12 775 634</b>
<b>Total assets</b>		<b>16 306 157</b>

## Balance sheet

	2021-09-30	2021-09-30
	Resqunit AB	Group (Proforma)
In SEK	Reviewed	Reviewed
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	530 514	530 514
Other equity	0	18 923 516
Period majority result	0	- 8 514 058
Sum majority equity	530 514	10 939 972
Minority interest	0	2 212 434
<b>Sum equity</b>	<b>530 514</b>	<b>13 152 406</b>
<b>Liabilities</b>		
Other long-term debt		1 500 450
Sum long-term liabilities		1 500 450
Accounts payable		661 782
Other liabilities		991 520
Sum short-term liabilities		1 653 301
<b>Sum liabilities</b>		<b>3 153 751</b>
<b>SUM EQUITY AND LIABILITIES</b>	<b>530 514</b>	<b>16 306 157</b>

# Auditor's Report Regarding Proforma Financial Information



This is a literal translation of the Swedish original report included in RevR 5

Independent auditor's assurance report on the compilation of pro forma financial information included in a prospectus

To the Board of Directors of Resqunit AB, corporate identity number 559339-6806

Report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Resqunit AB ("the company") by the Board of Directors. The pro forma financial information consists of the pro forma balance sheet as at September 30, 2021, the pro forma income statement the period ended September 30, 2021 of the prospectus issued by the company. The applicable criteria on the basis of which the Board of Directors has compiled the pro forma financial information are specified in the Delegated Regulation (EU) 2019/980.

The pro forma financial information has been compiled by the Board of Directors to illustrate the impact of the transaction described under "Background" in the pro forma section. The financial pro forma on the company's financial position as at September 30, 2021 and the Company's financial performance for the period ended September 30, 2021 as the transaction had taken place at January 1, 2021. As part of this process, information about the company's financial position and financial performance has been extracted by the Board of Directors from the company's financial statements during the period. As can be seen in the Background to pro forma section, some of the financial statement have not been audited.

Responsibilities of the Board of Directors for the pro forma financial information

The Board of Directors is responsible for compiling the pro forma financial information in accordance with the requirements of the Delegated Regulation (EU) 2019/980.

Our independence and quality control

We have complied with the independence and other ethical requirements in Sweden, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Auditor's responsibility

Our responsibility is to express an opinion about whether the pro forma information, in all material respects, has been compiled correctly by the Board of Directors in accordance with the Delegated Regulation (EU) 2019/980, on the bases given and that these bases are consistent with the company's accounting policies.

We have conducted the engagement in accordance with International Standard on Assurance Engagements ISAE 3420 Assurance engagements to report on the compilation of pro forma financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information in accordance with the delegated regulation.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on the company's unadjusted financial information as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction at January 1, 2021 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient and appropriate audit evidence about whether:

- The pro forma adjustments have been compiled correctly on the specified basis.
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information
- The stated basis comply with the company's accounting policies.

The procedures selected depend on the auditor's judgment, having regard to his or hers understanding of nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion the pro forma financial information has been compiled, in all material respects, on the bases consistent with the accounting policies applied by the company.

Stockholm DD November 2021  
RSM Stockholm AB

Johnny Svenander  
Authorized Public Accountant



# Capital structure and indebtedness

The tables presented below describes the Company's capital structure and indebtedness as of 31 August 2021. See section "Shares, share capital, and ownership" for further information regarding the Company's share capital and shares. The table in this section exclusively includes the interest-bearing liabilities and is recommended to be read in conjunction with "Comments on the financial overview".

	2021-01-01- 2021-06-30	2020-01-01- 2020-06-30	2020-01-01- 2020-12-31	2019-01-01- 2019-12-31
	(6 months)	(6 months)	(12 months)	(12 months)
	Reviewed	Reviewed	Audited	Audited
Net Sales, SEK	66 651	0	503 765	2 390 304
Operating Profit, SEK	-4 861 628	-1 790 470	-4 457 483	-606 796
Earnings per share	-0,46	-0,27	-0,50	-0,09
Equity per share	2,02	0,59	1,25	0,86
Solidity (%)	87 %	47 %	63 %	66 %

EQUITY AND LIABILITIES		
Equity	17 072 873	89 %
Long-term debt	1 485 737	8 %
Short-term non interest-bearing debt	668 622	3 %
Total debt and equity	19 227 232	100 %

NET INDEBTEDNESS	
Long-term debt	1 485 737
Short-term non interest-bearing debt	668 622
Total debt	2 154 359
Cash and cash equivalents	14 758 551

## Managerial judgement of Working Capital

As of the date for the completion of this Company Description, the Board of directors assess the Working Capital to be sufficient to meet the Company's working capital and capital expenditure needs for the upcoming twelve months. The Group has a net working capital of ca. 15 MSEK. Thus, with respect to the Company's current and scheduled operations and investments, the working capital is assessed to be sufficient for the upcoming twelve months.

## Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for the period covering at least 12 months from the date of this Information Document.

# Board of directors, executive management and auditor

According to the Company's articles of associations, the Board of directors of the Company shall consist of at least 4 and no more than 8 board members. Presented below is the Board of directors of the Company. The Board of directors is elected for the period until the date of the annual general meeting of 2022

## Board of directors

Name	Position	Born	IRSCM (*)
Alf Reime	Chairman	31.08.1954	Yes
Helge Trettø Olsen	Director/CEO	19.08.1974	No
Mark Inman	Director	19.07.1971	Yes
Hege Forus	Director	14.03.1973	Yes
Morten B. Tidemann	Director	21.04.1973	Yes

\* Independent in relation to Major shareholders, The Company and senior management.

# Alf Reime

Chairman of the Board - Board member since February 2021



## Education and background

Alf Reime has extensive board experience over the last 30 years through positions such as Chairman of Espenes AS (2002 – present), Vest Bemanning AS (2012 – 2014), and Jærens ærverdige forening for Uisge Beatha's fremme (1996 – present). Mr. Reime has primarily worked in the ERP space and held positions such as global account executive at Lawson Software (1993 – 2008), senior account executive at Infor (2008 – 2016) and managing director at SE Labels (1991 – 1993). Additionally, he has 10 years of experience from Oilfield Services companies, both offshore and onshore, including running logistics and IT for Baker Atlas' (1977 – 1985) EMEA operations.

## Current assignments

Owner of Konar AS – Independent Business Consultant. Chairman of the Board Hemmeleg AS, Board Member Securenok AS, Chairman of The Board Teknaconsult AS, Board Member Naviaq AS, Chairman of the Board and Partner AqVisor AS, Chairman of the Board, Norwegian Lobster Farm AS, Board member Espenes AS

## Former assignments (past five years)

Multiple chairman positions, Chairman of Espenes AS (2002 – present), Chairman of the Company, senior account executive at Infor (2008 – 2016)

## Holdings in the Company

Mr. Reime does not hold any shares in the Company and is independent in relation to Major shareholders, The Company and senior management.

# Helge Trettø Olsen

Member of the board / CEO - Board member since 2018



## Education and background

Mr. Olsen has extensive experience in entrepreneurship, business development, and C-suite roles as he has executed two successful exits of companies either founded or co-founded by Mr. Olsen. His first exit was with the company ETRIP AS (2007 – 2014), founded in 2007, where he held a majority of 70% equity at the time it was acquired by private equity owned ABAX AS in 2014. Three years later, in 2017, he sold the self-developed patented invention Shield, a sensor which detects scratches and dents on vehicles. Prior to his ventures, Mr. Olsen served as the regional manager of Konica Minolta Business Solutions Norway AS (1998 – 2004) in Stavanger, Hordaland, and Haugesund, Møre og Romsdal. He has a background in IT including a degree as Microsoft Certified Professional.

## Current assignments

CEO, Board Member the Company, Chairman of the subsidiary of the Company, Resqunit Canada Inc., CEO, Chairman of the Board Trettø Olsen Invest As, Co-owner and Chairman of the board, Siddis Venture As

## Former assignments (past five years)

Owner of Trettø Olsen Innovasjon, Inventor of Shield

## Holdings in the Company

Mr Trettø Olsen is the Companys largest shareholder with 1,422,782 shares through his investment company Trettø Olsen Invest As

# Hege Forus

Member of the board - Board member since 2021



## **Education and background**

Mrs. Forus holds a masters degree in English linguistics and Political Communication in Britain from the University of Bergen (UiB), English linguistics and literature from University of Groningen, and a Bachelor in English, History & Religion from UiB. She has long experience as a board member in multiple companies.

Hege has 20 years of experience with communications and investor relations, strategy and human resources, market and competition monitoring, strategy development and more. She is a founding partner and strategy advisor in communication agency Vika.Forus, helping business leaders in areas of communication and media relations, change and crisis communication, corporate position and more.

## **Current assignments**

Vika.Forus, Strategic Advisor & Founding Partner

## **Former assignments (past five years)**

Vika.Forus, Strategic Advisor, Founding Partner and Communication Advisor at Elleve.

## **Holdings in the Company**

Mrs. Forus does not hold any shares in the Company and is independent in relation to Major shareholders, The Company and senior management.

# Mark Inman

Member of the board - Board member since 2021



## Education and background

Mark Inman is an experienced Senior Finance Manager with a demonstrated history of working in the mining & metals industry. He is skilled in Business Planning, Managerial Finance, Business Process Improvement, Forecasting, and Change Management.

Mark is a strong finance professional with a Bsc focused in Business Economics & Computing from University of Surrey.

## Current assignments

B2Holding Asa - Head of Group Business Controlling

## Former assignments (past five years)

Orica, Project Manager BU Capability, Senior Finance Manager Europe

## Holdings in the Company

Mr. Inman does not hold any shares in the Company and is independent in relation to Major shareholders, The Company and senior management.

# Morten B. Tidemann

Member of the board - Board member since 2021



## Education and background

Morten has education from the University of Bergen and is an expert in business law, M&A and dispute resolution (litigation, arbitration) and has worked as a lawyer assisting Norwegian and international clients with advice and procedure in the field of business law for nearly 30 years.

Mr Tideman has significant expertise and experience mainly in contract law, contract negotiation, transactions, acquisitions, company law and intellectual property law.

## Current assignments

LIGL advokater AS, lawyer and partner, Chairman of the board in Eniflux AS, Chairman of the board in Companie Holding AS

## Former assignments (past five years)

Chairman of the board at LIGL AS, Non Executive Director at Petrosee AS

## Holdings in the Company

Mr. Tideman does not hold any shares in the Company. Independent in relation to Major shareholders, The Company and senior management.

## Executive Management

Name	Position	Onboarded
Helge Trettø Olsen	CEO RESQUNIT	2017
Stian A. Wathne	CFO RESQUNIT	2020
Per Waagen	CMO RESQUNIT	2017
Erik Nobbe	Global Sales Manager RESQUNIT	2019



# Stian A. Wathne

Chief Financial Officer / CFO



## Education and background

Wathne has a Master of Business Administration (M.B.A.) from Imperial College Business School, London and a bachelor's degree in business economics from the University of Surrey, UK. Wathne has served as a Chairman of Resqunit from July 2020 until August 2021. He has also acted as interim CFO for Resqunit from August 2020 until August 2021 where his main responsibilities has been financial strategy and securing of funding for Resqunit. Experienced Director with a demonstrated history of working in the financial industry. Skilled in Banking, Sales Operations, Asset Management, Equities, and Capital Markets.

## Current assignments

Wathne has a 50% management by hire position with Investor Relations for Resqunit and also operates as a strategic advisor within finance strategy. Wathne is co-founder and managing partner of Link Venture Capital and Link Capital, a Norwegian based Venture Fund. He is a member of the board in Energy X, a Norwegian based energy service company. Board member of Glint Solar AS a satellite data supplier for the solar industry.

## Former assignments (past five years)

Wathne has past experience as director of business development for Heimdalfondene 2014-2017, a Norwegian Based fund company. Member of the board Ligl AS, a legal technology company.

## Holdings in the Company

Wathne has indirect holdings in Resqunit through his fund company Link One GP, no of shares 507.248

# Per Waagen

Chief Marketing Officer / CMO and co-founder of the Company



## Education and background

Per is the CMO, co-owner, and co-founder of the Company. Waagens background is in computer and electronics and as a business developer. Throughout his career, he has partaken and co-founded several ventures and held C-suite marketing- and technical roles. Together with Resqunit's current CEO, Helge Trettø Olsen, he co-founded ETRIP AS (2007 – 2014) and served as the company's CTO before it was acquired by ABAX AS in 2014. Furthermore, he has a background in electronics and computing, specializing in hardware and industrial computer systems for harsh environments in the oil and gas industry. Waagen has 20 years of experience in software and business development, including 3D Bolig AS (2006 – 2021) a concept for online 3D-visualization within the proptech sector, and the e-commerce platform Shop123 (2003 – present), which he co-founded in 2006 and 2003, respectively.

## Current assignments

CMO in the Company, Owner and Chairman of the board in Jufoo AS, CTO of e-commerce platform Shop123, board member of 3D Bolig AS, CEO and Chairman of the board PJW Invest As

## Former assignments (past five years)

CEO/CTO at JUFOO AS, early stage board member of RESQUNIT AS, board member of 3D Bolig AS

## Holdings in the Company

Mr. Waagen holds 324,399 shares in the Company through his investment company PJW Invest As

# Erik Nobbe

Global Sales Manager / Chief Executive Officer (CEO) Resqunit Canada Inc.  
Erik leads the Company's current efforts in North America.



## **Education and background**

Mr. Nobbe has more than 20 years of experience in the fisheries and seafood industries through high-ranking sales positions. He has served as the Regional sales manager in emerging markets at Clearwater Seafoods LP (1996 – 2006) and the director of sales in North America for Open Blue Sea Farm (2013 – 2014). Through his wholly owned Valhalla Business Consulting (2017 – present) agency, Mr. Nobbe helps a wide array of clients in the maritime sector by leveraging his extensive industry experience. Mr. Nobbe holds a bachelor's degree in business administration from Acadia University with additional background from Queens University and Harvard Business School

## **Current assignments**

Valhalla Business Consulting

## **Former assignments (past five years)**

Principal in Valhalla Business Consulting, VP Sales in Ocean Executive Inc.

## **Holdings in the Company**

Mr. Nobbe has no current holdings in the Company

## Auditor

Since September 2021 is the Company's auditor is RSM Stockholm AB, org nr: 556741-1441, Birger Jarlsgatan 57B, 113 56 Stockholm. Johnny Svenander is principal auditor for the assignment and is an authorized auditor and member in FAR (Föreningen Auktoriserade Revisorer).

No information other than the historical financial information for 2019, 2020 and First Half Year 2021 in this Company Description has been audited or reviewed by the Company's auditors.

## Remuneration to the Board of directors and executive management

The table below presents the compensation to the Board and executive management during the fiscal year [2021]. The figures are measured in SEK.

### Compensation

	Salary / Board fees	Pension costs	Social fees	Other remuneration	Total
The board of directors					
Alf Reime	50.000	0	0	0	50.000
Helge Trettø Olsen	0	0	0	0	
Hege Forus	30.000	0	0	0	30.000
Mark Inman	30.000	0	0	0	30.000
Morten Tidemann	30.000	0	0	0	30.000
Total Board of Directors	140.000	0	0	0	140.000
<b>Executive management</b>					
Helge Trettø Olsen	1.150.000	27.600	0	0	1.177.600
Stian A. Wathne	720.000	0	0	0	720.000
Per Waagen	700.000	14.400	0	0	714.400
Erik Nobbe	550.000	0	0	0	550.000
<b>Total Executive management</b>	<b>3.020.000</b>	<b>42.000</b>	<b>0</b>	<b>0</b>	<b>3.062.000</b>
<b>Total Board of Directors and Executive Management</b>	<b>3.160.000</b>	<b>42.000</b>	<b>0</b>	<b>0</b>	<b>3.202.000</b>

Numbers are converted from Norwegian Kroner to Swedish Kroner at Sept. 17th 2021 where 100 NOK = 100 SEK

## **Other information about the Board of directors and executive management**

Each member within the board and management are reachable via the Company's address.

No one of the above-mentioned board members or executive managers have any family ties to anyone in the board or executive management. Except for the close related parties' transactions and conflicts of interests presented in the section "Legal questions and complementary questions", do no other conflicts of interests, or potential conflicts of interests, exist between the board members' and/or executive management's commitments to the Company.

No board member or executive manager have during the past five years been convicted with any fraud-related lawsuit. Neither have anyone in the board nor executive management, during the past five years, been object for accusations or sanctions by law or authorized authority or been forbidden by court to participate as member of an Issuer's management and/or controlling organ. Neither have anyone in the board nor executive management been forbidden by court from having a controlling or comprehensive function within an Issuer's organization. No board member or executive manager have neither during the past five years been involved in a default, bankruptcy or compulsory liquidation.

# Corporate governance

## Legislation, corporate law, and corporate governance

The Company's name is Resqunit AB and the Company's reg.nr is 559339-6806. The Company is a Swedish public limited company that is regulated by Swedish corporate law, foremost by the Swedish Companies Act (Aktiebolagslagen (2005:551)). Prior to the Listing, the Swedish corporate law, the Articles of Association, and internal rules and regulations formed the basis of the Company's governance. In concurrence with the Listing of the Company's shares on Nasdaq First North, the Company will apply and follow Nasdaq First North regulations, rules and recommendations that follows from being a public listed company on the exchange, as well as the good practice that exists on the stock market.

## Swedish code for corporate governance

Swedish code for corporate governance ("Code") shall be applied to companies whose shares are admitted to trading on a regulated exchange in Sweden. To date of this Company Description, the Code does not need to be applied to companies whose shares are admitted to trading on the Nasdaq First North. The Company has not voluntarily undertaken to follow the Code. In the case that the Code gets binding to companies listed on Nasdaq First North Growth Market, the Company must immediately utilize the Code.

## General meeting

According to the Swedish Companies Act (2005:551), the general meeting the Company's highest decision-making organ. At the general meeting the shareholders exercise their voting rights on key issues, including, inter alia, decisions regarding adoption of income statements and balance sheets, allocation of the Company's results, granting the management and board discharge, election of members to the board and CEO, and remuneration to the board and auditors.

The general meeting shall be held within six months to the fiscal year end. Additional to the annual general meeting, summons can be issued for an additional general meeting. According to the Articles of Association, summons to the general meeting is distributed through advertising in mail, domestic newspaper, and on the Company's website. Svenska Dagbladet will also announce that summons have been issued.

## The right to participate in the general meeting

Shareholders who want to participate in the general meeting must, in accordance with the Swedish Companies Act, be registered in the share register maintained by Euroclear Sweden AB six days prior to the meeting. The shareholder must also notify the Company of their intention to participate no later than the date stated in the summons. The shareholders may attend the general meeting either in person or by an authorized representative. Shareholders can normally register for the general meeting in several different ways, which are stated in the notice of the general meeting. The shareholder has the right to vote for all the number of shares the shareholder holds in the Company.

## The board of directors

The Board of directors is the second highest decision-making organ in the Company and, according to the Swedish Companies Act (2005:551), responsible for the organization and management of the Company's matters. According to the Company's Articles of Associations, the board must contain at least 4 and at most 8 ordinary board members. As for today, the Board of directors is containing 5 ordinary board members, who are presented closer in the section "Board of directors and executive management".

The Board of directors follow a written Rules of Procedure, which is annually revised and defined on the board meeting. According to the Rules of Procedure, the board should meet at least 6 times per year. The Rules of Procedure cover, inter alia, board-practice of how to schedule board meetings. The Board of directors shall, expect from what is covered by law and the Articles of Association, arrange for decisions, be responsible for the management and organization, thus be responsible for establishing goals and strategies. The Board of directors must also ensure that the procedures and systems are in place for the evaluation of goals and must continuously evaluate the financial results and the executive management. The board is also responsible for ensuring that the annual report, consolidated financial statements, and interim reports are prepared on time. The board also appoints the CEO.

# Shares, share capital and ownership structure

## Shares and share capital

According to the Company's Articles of Association, the share capital may not undercut 500,000 SEK and not exceed 2,000,000 SEK. Similarly, the number of shares may not undercut 10,000,000 shares and not exceed 40,000,000 shares. The Company has only one kind of shares. The shares of the Company have been issued in accordance with Swedish law and are denominated in SEK. Each share has a value quota of 0.05 SEK. All issued shares are fully paid and freely transferable. The share capital in the Company to date is 530,513.86 SEK divided in 10,610,277 shares. The Company's stock book is maintained by Euroclear Sweden AB, Box 7822, 103 97 Stockholm.

The shares that are admitted to trading on Nasdaq First North are not subject for any offer that has been submitted due to a mandatory bid, redemption rights or a sell-out right. No public takeover bid regarding the shares has neither been submitted this fiscal year nor the previous fiscal year. The ISIN-code for the Company's share is: SE0017131220.

## Ownership structure and major shareholders

The table below presents the Company's shareholders with an ownership that exceeds 5% of the voting rights and capital. The list is updated the same day as the Company Description is completed.

Shareholder	Number of shares	Percentage of total voting rights / capital
Trettø Olsen Invest As	1.422.782	13.36%
Sig Holdings As	995.000	9.38%
Siddis Holding	907.278	8.55%
Other	7.285.217	68.71%
<b>Total</b>	<b>10.610.277</b>	<b>100%</b>

## Development of share capital

The table below presents the historical development for the Company's share capital from the date of registration until the date of Listing, including all events related to changes in the number of shares or share capital.

In SEK		Number of shares		Share capital			
Date	Event	Change	Total	Change	Total	Value quota (SEK)	Subscription price (SEK)
04/01/17	Incorporation	30,000	30,000	30,000	30,000	1.00	1.00
08/01/19	Share increase capital	27,692	57,692	27,692	57,992	1.00	36.115
08/01/19	Share split	5,711.508	5,769.200	-	57,692	0.01	-
05/12/19	Share increase capital	1,001,204	6,770,404	10,012.04	67,704.04	0.01	3.46
09/09/20	Share increase capital	755,000	7,525,404	7,550	75,254.04	0.01	0.66
13/11/20	Share increase capital	939,914	8,465,318	9,399.14	84,653.18	0.01	5.32
28/01/21	Share increase capital	391,759	8,857,077	3,917.59	88,570.77	0.01	5.32
23/04/21	Share increase capital	1,753,200	10,610,277	17,532.00	106,102.77	0.01	9.50

The shares have been issued in accordance with Swedish law and is denominated in SEK. The shares are registered electronically and is accounted by Euroclear. All shares possess the equal right on the Company's assets and profits, and there exist no restrictions regarding the shares' transferability.

### Specific share rights

The rights associated with the shares that are issued by the Company, inclusive the rights that follows from the Articles of Association, may only be changed in accordance with the procedures stated by law.

### Voting rights at general meeting

Each share in the Company entitles the shareholder one vote at the general meeting and every shareholder has the right to vote for the complete number of shares held without any restrictions. The minority owners of the Company are protected by the Swedish Companies Act's (2005:551) terms of equal treatment of shareholders. Apart from what is prescribed by law exist no terms in the Company's Articles of Association regarding recruitment or dismissal of board members or changes of the Articles of Associations.

### Preferential rights to issued shares

Shareholders do normally have preferential rights to issued shares, options, and convertibles according to the Swedish Companies Act (2005:551), unless the general meeting or board of directors with support of the general meeting's authorization decides to change the shareholders preferential rights.

## **Dividends and dividend policy**

The decision of eventual dividend payment is made by the general meeting and arranged by Euroclear. Right to dividend payment is entitled those shareholders who was a registered shareholder in the stock book maintained by Euroclear on the record date, which is scheduled on the general meeting. If the entitled shareholder is unreachable through Euroclear, the claim of dividend payment remains until it reaches the day of constraint and the dividend payment is entitled the Company. For shareholders not resident in Sweden there are no special procedures or restrictions. In case of an eventual liquidation of the Company the shareholders possess the right to any surplus in relation to the number of shares one holds

Resqunit AB is a company in a phase of growth and has never paid any dividend to the shareholders. The Company does neither plan to pay any dividend during the upcoming year but intends to reinvest eventual profits in the business.

The general meeting decides on whether to pay dividend or not. If dividend payment becomes topical, the Board of directors must firstly evaluate and consider, inter alia, the financial statements, revenue streams, growth, profits and investment needs.

An eventual dividend payment from the Company is arranged by Euroclear.

## **Authorizations**

As at the date of this Information Document, the Board of Directors does not hold any authorizations to increase the share capital.

## **Shareholder agreements**

As far as the Board of directors knows, there are no agreements or corresponding contracts that refers to joint influence over the Company that could result in a change of the controlling organ of the Company.

## **Lock-up**

There are no and will be no lock-up agreements entered until and during the listing.

## **Certified Adviser**

Mangold Fondkommission AB is the Company's Certified Adviser. The agreement with Mangold Fondkommission is valid until further notice with a three-month mutual notice period. Mangold Fondkommission does not own any shares in the Company as of the date of the Company Description.

## **Liquidity Provider**

Mangold Fondkommission AB is the Company's Liquidity Provider. The agreement with Mangold Fondkommission is valid until further notice with a three-month mutual notice period. Mangold Fondkommission does not own any shares in the Company as of the date of the Company Description.

# Legal questions and complementary information

## Material contracts

The Company's material contracts are set out below:

C.A. Leschbrandt AS – exclusive wholesaler distribution agreement for Resqunit's products in the Norwegian market. The agreement is on an annual basis, and the product is being marketed and sold to a network of approximately 1200 stores throughout Norway. The agreement can be terminated without notice by any of the parties.

Letter of intent – FIPEC, Quebec – LOI signed in November 2020, expressing the intention to become a wholesaler, and thereby promoting, marketing, selling and distributing Resqunit products in the Canadian market. The LOI is intended for the upgraded version of Resqunit with ETR, which is currently in final stages of development. There is no expiration date for the LOI, and a good business relationship is being maintained on a regular basis.

Letter of intent – Rainbow Net & Rigging Ltd – LOI signed in October 2020, expressing the intention to test product performance, and becoming a wholesaler if tests and market signals are positive. There is no expiration date for the LOI, and a good business relationship is being maintained on a regular basis.

## Material intellectual property rights

The Company has registered the trademark RESQUNIT

The Company has submitted two patents in Norway. Before December 17th 2021 the Company will either have to extend the same application with priorities in most other countries, or to submit a PCT application. Submitting a PCT (Patent Cooperation Treaty) application would give the Company an extra 18 months of international protection before having to extend the application to the different countries to seek protection. The Company is currently evaluating the value and significance of the current applications to decide the appropriate next steps.

1. Floatation device with line lock mechanism, submitted in December 2020
2. Releasable floatation device for attachment to submerged object, submitted in December 2020

First statements from Patentbyrået has been received with only formal commentary, which according to Håmsø Patentbyrå, the Company's IP advisors, is a first indication that the patents will likely be granted.

The company is further considering several other more valuable and significant patents to be filed.

Due to strong branding and global awareness from an early stage Resqunit does not see patenting as a critical success factor.

## Closely related parties' transactions

Besides salaries, board and auditor's remuneration, the following closely related parties' transactions have taken place. The closely related parties' transactions covered refer to the period by the Financial Statement starting in 2019 and up to the date of this Company Description.

### Intra-group debt - Global Ocean Data AS

The Company issued loans to Global Ocean Data of approx. SEK 2,000,000 in the time period between February and July 2021. The loan terms was repayable in its entirety on 1 December 2022, and the applicable interest rate was 4% p.a. This loan was repaid in its entirety in July of 2021, and the interest paid in September 2021.

The Company has issued three loans to Resqunit Canada.

The loans were issued in August 2019, November 2019 and January 2021. The total amount outstanding under the loan agreements is approx. SEK 422,000. No interest is calculated on the loans, and the loans are repayable in their entirety 24 months after the loans were issued.

### Transactions with Valhalla Consulting Inc.

Valhalla Consulting is owned by Erik Nobbe, who also holds 10% of the shares in Resqunit Canada Inc. Erik Nobbe is a board member of Resqunit Canada Inc. Erik Nobbe is hired as global sales manager in a management-for-hire agreement in Resqunit AS billed at a monthly fee of approx. SEK 47000 from Valhalla Consulting Incorporated.

### Transactions with Sig Holdings AS

Sig Holdings AS is owned by Sig Hansen, who was previously a board member in Resqunit AS. Resqunit AS had a Royalty Agreement with Sig Hansen that gave the company the rights to all developed branding materials including video in marketing the company's products and brand where the brands "Sig Hansen", "Cpt. Sig Hansen" "Cpt. Sig" and "Northwestern" were used. The Royalty payable to Sig Hansen in that agreement was 10% of the revenue.

The agreement was terminated whereas the Company secured the continued rights to said material, but instead of the 10 % royalty payables, the company granted Sig Hansen through Sig Holdings AS 200 000 shares valued at 6 NOK per share (which was the market price at the time of negotiation, in March of 2021). The actual transfer of the 200 000 shares, according to the company's cap table transaction log, took place on May 5th 2021. The 200 000 shares transferred to Sig Holdings AS was purchased by the company at NOK 6 per share and transacted for the same price.

### Transactions with SAW Holding AS

SAW Holding AS is owned by Stian Andre Wathne, a previous Chairman on the Resqunit AS board. Stian Andre Wathne is also co-owner of Link One GP AS, one of the largest shareholders in the Company. Stian Andre Wathne is the CFO for the Company through a management-for-hire contract billed by SAW Holding AS on a monthly retainer of between SEK 60,000 and SEK 80,000.

## Loans

The Company has received a start-up loan from Innovation Norway of in total NOK 1.5 million per FY20. The loan is unsecured and was paid to the Company in August 2019. The loan is interest free for the first two years, after which the applicable interest rate will be 4.95% p.a. The loan must be repaid in its entirety four years after the loan was paid out to the Company.

## **Information from third party**

### **Legal proceedings and arbitrations**

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 any other company in the Group, 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 Company'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.

### **Insurance**

The Company Group holds customary corporate insurance for the industry. Considering the nature and scope of the business, Resqunit's Board of Directors considers that the Company's insurance coverage is satisfactory.

### **Advisors**

Mangold Fondkommission AB is the company's Certified Adviser and Issuing Agent. The agreement with Mangold Fondkommission is valid until further notice with a three-month mutual notice period. Mangold Fondkommission does not own shares in the Company as of the date of the Company Description.

Eversheds Sutherland Advokatbyrå AB is a legal advisor in connection with the Offer and has thus assisted Mangold in the preparation of the Company Description. Since all information in the company description originates from the Company, Mangold and Eversheds Sutherland Advokatbyrå AB disclaim all responsibility in relation to existing and future shareholders in the Company and regarding other direct and indirect financial consequences as a result of investments and other decisions based in whole or in part on information in the Company Description.

# Documents incorporated by reference

The following documents are incorporated by reference and form part of the Company Description and shall be read as part thereof. The parts of the respective financial report that are not incorporated by reference are not considered relevant to an investor or contain information found in other parts of the Company Description.

Resqunit Annual Report 2019: Income statement (p. 2), balance sheet (p. 3 and 4), cash flow analysis (p. 13), notes (p. 5 - 12), and auditor's report (p. 17 - 19).

Resqunit Annual Report 2020: Income statement (p. 5), balance sheet (p. 6 - 7) cash flow statement (p. 8), notes (p. 9 - 16), and auditor's report (p. 17 - 19).

Resqunit Interim Report H1-2020 and H1-2021: Income statement (p. 2), balance sheet (p. 2 - 3) and cash flow analysis (p. 7).

# Articles of Association

## for Resqunit AB

N.B. The English text is an unofficial translation

**1. Name of the company**

The name of the company is Resqunit AB. The company is a public company.

**2. Registered office of the company**

The registered office of the company is situated in Stockholm.

**3. Company operations**

The company shall directly or through subsidiaries develop and sell solutions for prevent fishing gear loss, promote sustainable fishing practices and other activities compatible therewith.

**4. Share capital and number of shares**

The share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000. The number of shares shall be not less than 10,000,000 and not more than 40,000,000.

**5. Board of directors**

The board of directors shall comprise 4–8 members without alternate members.

**6. Auditors**

The company shall have 1–2 auditors and not more than 2 alternate auditors or a registered accounting firm.

**7. Notice to attend general meeting**

Notice to attend an annual general meeting or extraordinary general meeting at which the issue of amendment of the articles of association is to be addressed shall be given no earlier than six weeks and not later than four weeks prior to the meeting. Notice to attend any other extraordinary general meeting shall be given not earlier than six weeks and not later than two weeks prior to the meeting. Notice to attend a general meeting shall be published in the Swedish Gazette (Post- och Inrikes Tidningar) and on the company's website. The fact that the notice has been given shall be published in Svenska Dagbladet or Dagens Industri.

**8. Right to attend general meeting**

Shareholders wishing to attend a general meeting must notify the company of intent to participate no later than the date set out in the notice to the general meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not take place earlier than the fifth business day prior to the general meeting.

Shareholders may bring one (1) or two (2) advisors to the general meeting, subject to the shareholder notifying this according to what is set out above.

**9. Annual general meeting**

The annual general meeting is held each year within six months of the end of the financial year. The following matters shall be addressed at the annual general meeting.

1. Election of a chairman of the meeting;
2. Preparation and approval of the voting register;
3. Approval of the agenda;
4. Election of one or two persons to certify the minutes;
5. Determining of whether the meeting was duly convened;
6. Presentation of the annual report and auditor's report and, where applicable, the consolidated financial statements and auditor's report for the group

7. Resolutions regarding
  - (a) adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;
  - (b) allocation of the company's profit or loss according to the adopted balance sheet;
  - (c) discharge from liability for board members and the managing director, where applicable;
8. Determination of fees for the board of directors and the auditors;
9. Election of the board of directors and accounting firm or auditors;
10. Any other business incumbent on the meeting according to the Companies Act or the articles of association.

**10. Financial year**

The company's financial year shall comprise the period commencing 1 January up to and including 31 December.

**11. Record day provision**

The shareholder or nominee who, on the record date, is entered in the share register and noted in a central securities depository register pursuant to Chapter 4 of the Swedish Financial Instruments Accounts Act (1998:1479), or any party registered in a central securities depository account pursuant to Chapter 4, section 18, first paragraph, points 6 – 8 of that Act, shall be assumed to be authorised to exercise the rights set forth in Chapter 4, section 39 of the Swedish Companies Act (2005:551).

**12. Settlement of disputes by arbitrators**

In the event of a dispute between the company and the board of directors, a director, the managing director, a liquidator or a shareholder, the matter shall be determined by arbitrators in accordance with the Swedish Arbitration Act (1999:116).

# Auditor report regarding consolidated historical financial information

To the board of Resqunit AS

## Statement regarding simplified auditor control of partial accounts

### Introduction

We have performed a simplified auditor check of the attached consolidated balance sheet for Resqunit AS per. June 30, 2021 and the accompanying consolidated income statement and cash flow statement for the six-month period ended this date, and of the description of accounting principles and other notes. The income statement shows a deficit for the group as of 30 June 2021 at NOK 4,898,746 and SEK 4,869,529. Management is responsible for the preparation of the interim accounts and that it gives a true and fair view in accordance with the principles described in note 1. Our task is to issue a statement on the interim financial statements based on our simplified audit.

### The scope of the simplified audit control

We have performed our simplified audit control in accordance with ISRE 2410 Simplified audit control of an interim financial statements, prepared by the company's elected auditor. A simplified audit of the interim accounts consists of direct inquiries, primarily to persons responsible for finance and accounting, and to carry out analytical and other control actions. A simplified audit control has a considerably smaller scope than an audit performed in compliance with the International Standards on Auditing (ISAs), and we are consequently unable to obtain assurance that we have become aware of all material matters that could have been revealed in an audit. We therefore do not issue an audit report.

### Conclusion

In our simplified audit, we have not become aware of anything that gives us reason to believe that the attached consolidated interim financial statements do not give a true and fair view of the entity's financial position per. June 30, 2021 and for the result and the cash strains in the six-month period, in accordance with principles as described in note 1.

Sandnes Sept. 14th 2021

**RSM Norge AS**

Gunnar G. Strøm  
Certified Auditor

# Addresses

The Company's Articles of Association and Registration is always available for examination during the Company Description's period of validity. The documents are available in both electronic format on the Company's website and on the office during office hours.

## **The Company**

### **Resqunit AB**

c/o Eversheds Sutherland Advokatbyrå AB  
Box 140 55  
104 40 Stockholm  
SWEDEN  
[www.resqunit.com](http://www.resqunit.com)

## **Legal Adviser to the Company**

Eversheds Sutherland Advokatbyrå AB  
Box 140 55  
104 40 Stockholm  
SWEDEN  
[www.eversheds-sutherland.se](http://www.eversheds-sutherland.se)

## **Certified Adviser to the Company**

### **Mangold Fondkommission AB**

Engelbrektsplan 2, 114 34  
[www.mangold.se](http://www.mangold.se)

## **Auditor to the Company**

### **RSM Stockholm AB**

Birger Jarlsgatan 57B  
113 56 Stockholm  
SWEDEN  
[www.rsm.se](http://www.rsm.se)

## **Central securities depository**

### **Euroclear Sweden AB**

Klarabergsviadukten 63, 101 23 Stockholm  
Box 91  
[www.euroclear.com](http://www.euroclear.com)



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