



Aqualis ASA

(A public limited liability company organised under the laws of Norway)
Org.no. 913 757 424

The information in this prospectus (the "**Prospectus**") relates to (i) a underwritten rights issue (the "**Rights Issue**") by Aqualis ASA ("**Aqualis**" or the "**Company**", and when taken together with its consolidated subsidiaries, the "**Group**" or the "**Aqualis Group**") and the listing on Oslo Børs of up to 8,882,575 new shares in the Company with a par value of NOK 0.1 each (the "**Rights Issue Shares**"), issued for a subscription price of NOK 3.96 per share (the "**Subscription Price**"), (ii) listing of 4,375,000 new shares in Aqualis, each with a par value of NOK 0.1 each (the "**Private Placement Shares**") and (iii) listing of 14,865,621 new shares in Aqualis, each with a par value of NOK 0.1 each (the "**Consideration Shares**", and together with the Rights Issue shares and the Private Placement Shares the "**New Shares**").

Subscription Period for the Rights Issue: From 24 June 09:00 (CET) to 8 July 16:30 (CET)
Trading in Subscription Rights: From 24 09:00 (CET) 4 July 16:30 (CET)

The shareholders of the Company as at 11 June 2019 (and being registered as such in the Norwegian Central Securities Depository (the "**VPS**") on 13 June 2019 pursuant to the two days' settlement procedure (the "**Record Date**")) (the "**Existing Shareholders**"), will be granted subscription rights in the Rights Issue that, subject to applicable law, provide preferential rights to subscribe for and be allocated Rights Issue Shares at the Subscription Price (the "**Subscription Rights**"). The Subscription Rights will be registered on each Existing Shareholder's VPS account. Subscription Rights will not be issued in respect of any existing shares held in treasury by the Company. The Subscription Rights will be listed and tradable on the Oslo Stock Exchange during the Subscription Period (as defined below) under the ticker code "AQUA T".

Each Existing Shareholder will be granted approximately 0.21 Subscription Rights for every 1 existing share of the Company registered as held by such Existing Shareholder as at the Record Date, rounded down to the nearest whole Subscription Right. All Subscription Rights, regardless of whether they have been acquired by Existing Shareholders or otherwise, carry the same rights to subscription in the Company. Each Subscription Right will, subject to applicable law, give the right to subscribe for, and be allocated, one Rights Issue Share. Over-subscription and subscription without Subscription Rights is permitted. The subscription period will commence at 09:00 CET on 24 June 2019 and expire at 16:30 Central European Time ("CET") 8 July 2019 (the "**Subscription Period**").

Subscription Rights that are not used to subscribe for Rights Issue Shares or sold before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.

Following expiry of the Subscription Period, any Rights Issue Shares that have not been subscribed for, and allocated, in the Rights Issue will be subscribed and paid for at the Subscription Price by the Company's largest shareholder, Gross Management AS and certain other shareholders, subject to the terms and conditions of the underwriting agreement entered into between the Company and the Underwriters on 13 May 2019 (the "**Underwriting Agreement**").

The Consideration Shares will be issued on or about 24 June 2019 as part of the consideration to Braemar Shipping Services PLC ("**Braemar**") for the acquisition of three carved out business lines from Braemar, Offshore, Marine and Adjusting (jointly referred to as "**Braemar Technical Services**", "**Braemar Technical**", or the "**Braemar Assets**" and taken together with the Group (the "**Combined Business**", "**Combined Company**", "**AqualisBraemar**", or the "**Combined Group**").

The Company's existing shares are, and the New Shares will be, listed on the Oslo Stock Exchange under the ticker code "AQUA". Except where the context requires otherwise, references in this Prospectus to "Shares" will be deemed to include the existing shares in the Company and the New Shares. All of the existing shares in the Company are, and the New Shares will be, registered in the VPS in book-entry form. All of the issued Shares rank pari passu with one another and each carries one vote.

Investing in the Shares, involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk Factors" beginning on page 18 when considering an investment in the Company.

For the definitions of capitalized terms used throughout this Prospectus, see Section 21 "Definitions and glossary terms"

Receiving agent and Manager:



The date of this Prospectus is 21 June 2019

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the “**Norwegian Securities Trading Act**”) and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses (the “**Prospectus Directive**”) as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (hereafter “**EC Regulation 809/2004**”). This Prospectus has been prepared solely in the English language.

The Financial Supervisory Authority of Norway (Nw. *Finanstilsynet*) (the “**Norwegian FSA**”) has reviewed and approved this Prospectus on 21 June 2019 in accordance with sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA's control and approval in this respect is limited to whether the issuer has included descriptions according to a pre-defined list of content requirements. The Norwegian FSA has not verified or approved the accuracy or completeness of the information provided in this Prospectus. It is the Company's responsibility to ensure that the information in the prospectus is accurate and complete. Furthermore, the Norwegian FSA has not made any sort of control or approval of the corporate matters described in or otherwise included in the prospectus.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Shares between the time when this Prospectus is approved and the date of admission to trading of the Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor any delivery of Shares, shall under any circumstances create any implication that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

The Company has engaged SpareBank 1 Markets AS as manager (the “**Manager**”) in connection with the listing of the Shares on the Oslo Stock Exchange. The Manager makes no representation or warranty, whether express or implied, as to the accuracy or completeness of the information contained in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Manager.

No person is authorised to give information or to make any representation in connection with the Transaction or the listing of the Shares on the Oslo Stock Exchange other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Manager or by any of the affiliates or advisors of any of the foregoing.

The distribution of this Prospectus and the delivery of the Shares in certain jurisdictions may be restricted by law. The Company and the Manager require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation to buy, subscribe or sell the securities described herein, and no securities are being offered or sold pursuant to this Prospectus.

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

The Shares described in this Prospectus have not been, and will not be, registered under the United States Securities Act of 1933 or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold within the United States or to a U.S. person except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the United States Security Act of 1933 and in compliance with any application state securities laws. This Prospectus has not been approved nor reviewed by the U.S. Securities and Exchange Commission and is not for general distribution in the United States.

For certain restrictions on transfer of the Shares, see section 20 “Selling and transfer Restrictions”.

This Prospectus does not constitute an offer document or an offer of transferable securities to the public in the UK to which section 85 of the Financial Services and Markets Act 2000 of the UK (“**FSMA**”) applies and should not be considered as a recommendation that any person should purchase any of the Shares. This Prospectus is not being distributed by, nor has it been approved for the purposes of section 21 of FSMA, by a person authorised under FSMA.

This prospectus has been prepared in accordance with the simplified disclosure regime for small and medium sized enterprises and companies with reduced market capitalisation.

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APPENDICES

Appendix A SUBSCRIPTION FORM FOR THE RIGHTS ISSUE
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Appendix B INDEPENDENT ASSURANCE REPORT ON THE PRO FORMA FINANCIAL
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.....

1. EXECUTIVE SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings

| | | |
|------------|--|---|
| A.1 | Warnings | <p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Shares should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation in its Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p> |
| A.2 | Resale and final placement by financial intermediates | <p>Not applicable. No consent is granted by the Company for the use of the Prospectus for subsequent resale or final placement of the Shares.</p> |

Section B - Issuer

| | | |
|------------|---|---|
| B.1 | Name | Aqualis ASA |
| B.2 | Registered office, legal form and country of incorporation | <p>Aqualis ASA, renamed Aqualis Braemar ASA following the completion of the Transaction (see Section 7 "The Transaction for more information) is a public limited liability company pursuant to the Norwegian Public Limited Liability Companies Act, incorporated under the laws of Norway. The Company was incorporated on 2 June 2014, and the Company's registration number in the Norwegian Register of Business Enterprises is 913 757 424.</p> |
| B.3 | Business description | <p>Aqualis ASA, is one of the largest independent consulting and engineering company to the marine and energy sector.</p> <p>The Company have a global footprint covering offshore oil and gas, marine claims, adjusting and renewables sectors. The Combined Company have four main business lines:</p> <ul style="list-style-type: none"> - Offshore - Renewables - Marine - Adjusting |

| | | |
|-------------|---------------------------------|--|
| | | <p>The Offshore business line provides specialised offshore, marine and engineering consultancy services, focusing on the shallow and deep-water offshore segments of the oil and gas industry. Its multi-disciplinary engineering and marine teams are recognized in the industry for their competence and experience. The employees works closely with clients to understand their requirements, identify solutions and to execute their projects and marine operations in a timely, cost effective and safe manner. The client base consists of primarily of offshore asset owners, oil companies, EPC contractors, financial institutions, insurance companies and investors</p> <p>The Renewables business line provide independent services to the offshore renewables industry. Offshore Wind Consultants (brand name of the Renewables business line) is a well-recognised service provider of consultancy services for offshore wind projects. The company’s core team possess strong industry expertise which dates back to the first offshore wind farm development project in the UK. Since then, the key members of Offshore Wind Consultant’s team have been involved in the majority of the major offshore wind projects which have been developed in the UK and the rest of Europe. The client base consists of primarily of offshore wind farm developers, utilities, vessel owners, financial institutions, insurance companies and investors.</p> <p>The Marine business line provides investigation, evidence gathering and analytical services for insurers, P&I clubs and ship-owners, through a global network of surveyors and specialist consultants. Key to this is their ability to respond quickly to enable the prompt settlement of valid claims.</p> <p>The Adjusting business line specialises in issues surrounding incident investigation, cause analysis and potential policy and contractual response to an incident. More specifically, the Adjusting unit provides independent advice to the international insurance community and evaluates repair/rebuild scope and costs following an insurance claim as a result of an incident. Braemar Adjusting provides its services primarily to the energy, marine, mining, renewables, power & utilities industries.</p> <p>The Combined Group has established a presence in most major marine and offshore energy centres. The global presence allows the business to respond quickly when high-end marine or engineering consultancy is required. Although some of the offices have special focus on certain areas of operations, all service offerings are provided to the oil and gas market and insurance companies across all regions and for renewables to selected regions.</p> |
| B.4a | Trend information | Other than uncertainties related to the business and the industry as described in Section 2 “Risk factors”, the Company is not aware of trends, uncertainties, demands, commitments or events that could have a material effect on the Group’s prospects for the current financial year, other than the overall market situation and trends described in Section 9 "Market overview". |
| B.5 | Organisational structure | <p>The Company is the parent company of the Group. Following the completion of the Transaction, the subsidiaries are:</p> <ul style="list-style-type: none"> • Aqualis Offshore Ltd • Offshore Wind Consultants Ltd • Braemar Technical Services Holdings Limited |
| B.6 | Major shareholders | The table below sets out Aqualis ASA’s 20 largest shareholders as registered in VPS as of 17 June 2019 (taken into account the Consideration Shares, excluding the Private Placement Shares). |

| # | Name | Number of Shares | Percentage |
|----|----------------------------------|-------------------|---------------|
| 1 | Braemar Shipping Services PLC | 14,865,621 | 26.0% |
| 2 | Gross Management As | 7,367,996 | 12.9% |
| 3 | Tigerstaden As | 1,786,663 | 3.1% |
| 4 | Danske Bank A/S | 1,538,046 | 2.7% |
| 5 | Mp Pensjon Pk | 1,463,128 | 2.6% |
| 6 | Lgt Bank Ag | 1,402,923 | 2.5% |
| 7 | OMA Invest As | 1,400,000 | 2.4% |
| 8 | Carnegie Investment Bank Ab | 1,389,614 | 2.4% |
| 9 | Saxo Bank A/S | 1,287,482 | 2.3% |
| 10 | Badreddin Diab | 1,001,302 | 1.8% |
| 11 | Bjørn Stray | 1,000,000 | 1.7% |
| 12 | Holmen Spesialfond | 1,000,000 | 1.7% |
| 13 | DNB Markets aksjehandel/-analyse | 982,183 | 1.7% |
| 14 | Philip Alan Lenox | 830,583 | 1.5% |
| 15 | Magne Gislerød | 800,000 | 1.4% |
| 16 | Acme Capital AS | 675,000 | 1.2% |
| 17 | SIX SIS AG | 642,451 | 1.1% |
| 18 | Alsto Consultancy Ltd | 598,122 | 1.0% |
| 19 | Andreas Theofanatos | 512,188 | 0.9% |
| 20 | Ian Dennis Bonnon | 508,260 | 0.9% |
| | Other | 15,602,936 | 27.3% |
| | Total | 57,158,860 | 100.0% |

The following shareholders owned more than 5% of the issued share capital as of the date of this Prospectus (including the Consideration Shares):

- Braemar Shipping Services PLC (14,685,621) shares representing 26.0% of the share capital).
- Gross Management AS (7,367,996) shares representing 12.9% of the share capital)

As far as the Company is aware of, there is no other natural or legal person other than the above mentioned, which indirectly or directly has a shareholding in the Company above 5% which must be notified under Norwegian law.

Shareholders with ownership exceeding 5% must comply with disclosure obligations according to the Norwegian Securities Trading Act section 4-3.

| | | |
|------------|--------------------------------------|--|
| B.7 | Summary financial information | The following selected financial information has been extracted from the Company's audited financial statements as of, and for the years ended, 31 December 2018 and 2017, the unaudited interim financial statements as of, and for the three months period ended 31 March 2019, with comparable figures for the three months period ended 31 March 2018. The annual financial statements have been prepared in accordance with IFRS. The interim financial statements have been prepared in accordance with IAS 34. The selected financial information presented herein should be read in connection with, and is qualified in its entirety by reference to the Annual Financial Statements and the Interim Financial Statements included by reference in this Prospectus. |
|------------|--------------------------------------|--|

| Consolidated statement of income: | | | | |
|---|--|--|--|--|
| <i>In USD thousand</i> | Year ended 31 December 2017 | Year ended 31 December 2018 | Quarter ended 31 March 2018 | Quarter ended 31 March 2019 |
| | <i>(audited)</i> | <i>(audited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Revenues | 31,134 | 36,185 | 8,159 | 8,182 |
| Operating profit | (5,628) | 2,684 | 197 | (248) |
| Operating margin | (16%) | 9% | 2% | (3%) |
| Profit after tax | (6,477) | 2,422 | (247) | (486) |
| Earnings per share (USD), Basis and diluted | (0.15) | 0.06 | (0.01) | (0.01) |
| Selected consolidated balance sheet items: | | | | |
| <i>In USD thousand</i> | Year ended 31 December 2017 | Year ended 31 December 2018 | Quarter ended 31 March 2018 | Quarter ended 31 March 2019 |
| | <i>(audited)</i> | <i>(audited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Property, Plant and Equipment | 160 | 141 | 153 | 223 |
| Intangible assets | 13,063 | 12,864 | 13,234 | 12,921 |
| Deferred tax assets | 69 | 7 | 70 | 7 |
| Non-Current assets | 13,292 | 13,012 | 13,457 | 13,151 |
| Trade receivables | 7,886 | 8,289 | 7,080 | 6,901 |
| Other current assets | 3,033 | 3,878 | 4,248 | 3,379 |

| | | | | |
|---|----------------------|----------------------|--------------------|--------------------|
| Cash and cash equivalents | 9,709 | 5,454 | 9,778 | 7,224 |
| Current assets | 20,628 | 17,621 | 21,106 | 17,506 |
| <hr/> | | | | |
| Total Assets | 33,920 | 30,633 | 34,563 | 30,655 |
| <hr/> | | | | |
| Total shareholders' equity | 28,451 | 25,555 | 28,849 | 25,228 |
| Non-current liabilities | 773 | 1,027 | 822 | 1,059 |
| Trade payables | 1,888 | 1,352 | 1,657 | 1,377 |
| Other current liabilities | 2,808 | 2,699 | 3,235 | 2,992 |
| Current liabilities | 4,696 | 4,051 | 4,892 | 4,368 |
| Total shareholders' equity and liabilities | 33,920 | 30,633 | 34,563 | 30,655 |
| Consolidated statement of cash flow: | | | | |
| | Quarter ended | Quarter ended | Year ended | Year ended |
| <i>In USD thousand</i> | 31 March | 31 March | 31 December | 31 December |
| | 2019 | 2018 | 2018 | 2017 |
| | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(audited)</i> | <i>(audited)</i> |
| Net cash flows from operating activities | 1,780 | (16) | 312 | (262) |

| | | | | | | |
|--|--|--|--------------|-------------|----------------|--------------|
| | | Net cash flows from investing activities | | | | |
|  |  | ..... | (10) | (4) | 214 | (39) |
| | | Net cash flows from financing activities | | | | |
|  |  | ..... | (10) | - | (4,674) | - |
| | | Net change in cash and cash equivalents | | | | |
|  |  | ..... | 1,760 | (20) | (4,148) | (301) |
| | | Cash and cash equivalents at end of period | | | | |
|  |  | ..... | 7,224 | 9,778 | 5,454 | 9,709 |

| | | |
|------------|--|--|
| B.8 | Pro forma financial information | <p>The Transaction triggers the requirement for pro forma financial information.</p> <p>The unaudited pro forma financial information has been prepared for illustrative purposes only, to show how the Transaction might have affected the Company's consolidated statement of income for the year ended 31 December 2018 and the 3 months to 31 March 2019, and the consolidated statement of financial position as of 31 March 2019, as if the Transactions had occurred on 1 January 2018.</p> |
|------------|--|--|

Unaudited pro forma statement of income for the three months ended 31 March 2019

| Amounts in USD thousands | Aqualis ASA IFRS (unaudited) | Braemar Technical IFRS (unaudited) | IFRS adjustments (unaudited) | Note | Pro forma adjustments (unaudited) | Note | Pro forma Group (unaudited) |
|--|------------------------------------|---|------------------------------------|------|---|------|-----------------------------------|
| Revenues | 8,182 | 9,769 | - | | - | | 17,951 |
| Total revenues | 8,182 | 9,769 | - | | - | | 17,951 |
| Payroll and payroll related expenses | (3,849) | (7,135) | - | | - | | (10,984) |
| Other operating expenses | (4,543) | (3,460) | 179 | A | - | | (7,824) |
| Depreciation, amortisation and impairment | (38) | (107) | - | | - | | (146) |
| Share of net profit (loss) from associates | - | - | - | | - | | - |
| Operating profit (loss) (EBIT) | (248) | (933) | 179 | | - | | (1,003) |
| Finance income | 13 | (39) | - | | 12,211 | 1 | 12,185 |
| Finance expenses | (14) | - | - | | - | | (14) |
| Net foreign exchange gain (loss) | (119) | - | (179) | A | - | | (298) |
| Net financial items | (120) | (39) | (179) | | 12,211 | | 11,873 |
| Profit (loss) before taxes | (368) | (972) | - | | 12,211 | | 10,870 |
| Income tax expenses | (118) | (1,793) | - | | - | | (1,911) |
| Profit (loss) after taxes | (486) | (2,766) | - | | 12,211 | | 8,959 |

Unaudited pro forma statement of income for the year ended 31 December 2018

| Amounts in USD thousands | Aqualis ASA IFRS (audited) | Braemar Technical IFRS (unaudited) | IFRS adjustments (unaudited) | Note | Pro forma adjustments (unaudited) | Note | Pro forma Group (unaudited) |
|--|----------------------------------|---|------------------------------------|------|---|------|-----------------------------------|
| Revenues | 36,185 | 39,865 | - | | - | | 76,049 |
| Total revenues | 36,185 | 39,865 | - | | - | | 76,049 |
| Payroll and payroll related expenses | (15,682) | (27,468) | - | | - | | (43,150) |
| Other operating expenses | (17,981) | (13,127) | (72) | A | - | | (31,179) |
| Depreciation, amortisation and impairment | (129) | (403) | - | | - | | (533) |
| Share of net profit (loss) from associates | 291 | - | - | | - | | 291 |
| Operating profit (loss) (EBIT) | 2,684 | (1,134) | (72) | | - | | 1,479 |
| Finance income | 167 | (9) | - | | 12,211 | 1 | 12,369 |
| Net foreign exchange gain (loss) | 27 | - | 72 | A | - | | 99 |
| Net financial items | 194 | (9) | 72 | | 12,211 | | 12,467 |
| Profit (loss) before taxes | 2,878 | (1,143) | - | | 12,211 | | 13,946 |
| Income tax expenses | (456) | (138) | - | | - | | (595) |
| Profit (loss) after taxes | 2,422 | (1,281) | - | | 12,211 | | 13,352 |

Unaudited pro forma statement of financial position as of 31 March 2019

| Amounts in USD thousands | Aqualis ASA IFRS (unaudited) | Braemar Technical IFRS (unaudited) | IFRS adjustments (unaudited) | Note | Pro forma adjustments (unaudited) | Note | Pro forma Group (unaudited) |
|--------------------------------------|------------------------------------|---|------------------------------------|------|---|------------|-----------------------------------|
| ASSETS | | | | | | | |
| Non-current assets | | | | | | | |
| Property, plant and equipment | 223 | 435 | - | | - | | 659 |
| Intangible assets | 12,921 | 112 | - | | - | | 13,033 |
| Other long term assets | - | 52 | - | | - | | 52 |
| Deferred tax assets | 7 | 480 | - | | - | | 487 |
| Total non-current assets | 13,151 | 1,080 | - | | - | | 14,231 |
| Current assets | | | | | | | |
| Trade receivables | 6,901 | 11,629 | - | | - | | 18,530 |
| Other current assets | 3,379 | 12,479 | - | | - | | 15,858 |
| Cash and cash equivalents | 7,224 | 717 | - | | 5,626 | 1 | 13,567 |
| Total current assets | 17,504 | 24,824 | - | | 5,626 | | 47,955 |
| Total assets | 30,655 | 25,904 | - | | 5,626 | | 62,186 |
| EQUITY AND LIABILITIES | | | | | | | |
| Equity | 25,228 | 21,961 | - | | 4,589 | 1,2 | 51,778 |
| Non-current liabilities | | | | | | | |
| Deferred tax liability | 316 | - | - | | - | | 316 |
| Other non-current liabilities | 743 | 349 | - | | - | | 1,092 |
| Total non-current liabilities | 1,059 | 349 | - | | - | | 1,408 |
| Current liabilities | | | | | | | |
| Trade payables | 1,377 | 875 | - | | - | | 2,252 |
| Income tax payable | 152 | 309 | - | | - | | 461 |
| Other current liabilities | 2,840 | 2,410 | - | | 1,037 | 3 | 6,287 |
| Total current liabilities | 4,368 | 3,595 | - | | 1,037 | | 9,000 |
| Total liabilities | 5,427 | 3,943 | - | | 1,037 | | 10,408 |
| Total equity and liabilities | 30,655 | 25,904 | - | | 5,626 | | 62,186 |

| | | |
|-------------|---|--|
| B.9 | Profit forecast or estimate | Not applicable, the Company has not made any profit forecasts or estimates. |
| B.10 | Qualifications in the audit report | There are no qualifications in the audit reports |
| B.11 | Working capital | In the opinion of the Company, its working capital is sufficient to cover the Group's present requirements, that is, for a period of at least 12 months from the date of this Prospectus. The Company does not have any material restrictions on the Group's access or possibility to use its cash and cash equivalents. |

Section C – Securities

| | | |
|------------|---|---|
| C.1 | Type of securities and ISIN number | The Company's tradable Shares carry the securities number ISIN NO 001 0715394. The Company's registrar is DNB Bank ASA, Dronning Eufemias Gate 30, N-0191 Oslo, Norway. |
| C.2 | Currency | NOK |
| C.3 | Number of shares and par value | The Company's current share capital is NOK 5,715,886 divided into 57,158,860 ordinary shares, each with a nominal value of NOK 0.10. The Company has one class of shares, and each share carries one vote. All the shares are validly issued and fully paid. All of the Company's shareholders have equal voting rights. |
| C.4 | Rights attached to the securities | The Company has one class of shares, and each share carries one vote and has equal rights to dividend. |
| C.5 | Restrictions on free transferability | The Shares are freely transferable and, and subject to any applicable securities law, there are no restrictions in the Company's securities. The Consideration Shares and any Shares to be issued pursuant to the Consideration Warrants are subject to a lockup period of 24 months from the Completion Date |
| C.6 | Listing and admission to trading | The Company's Shares were admitted to trading on the Oslo Stock Exchange on 13 August 2014 The Rights Issue Shares are expected to be listed on Oslo Børs on or about 17 July 2019 The Private Placement Shares are expected to be listed on Oslo Børs on or about 17 July 2019 The Consideration Shares are expected to be listed on Oslo Børs on or about 24 June 2019 |
| C.7 | Dividend policy | It is the Company's objective to generate returns to the shareholders in the form of dividends and share appreciation, which is at least on the same level as other investment possibilities with comparable risk. This should be achieved, first and foremost, through strong and profitable growth within the Company's business areas. Future dividends will depend on the group's financial strength, cash flow, investment needs and growth opportunities. Aqualis' ambition is to pay a cash dividend that is following its long term underlying cash flow. When deciding the |

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| | | dividend amount, the Board of Directors will consider the group's financial strength, cash flow, investment needs, growth opportunities and a level of financial flexibility that is appropriate for the Aqualis' business model. In addition to paying a cash dividend, Aqualis may buy back its own shares as part of its plan to distribute capital to shareholders. |
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Section D – Risks

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| D.1 | Risks related to the business and industry | <p><u>Business and industry-related risks</u></p> <ul style="list-style-type: none"> - Dependence on the level of demand from oil and gas and offshore companies - Economic downturns - Competitive industry - The Group depends on the performance of business partners and third party subcontractors - Risk related to performance failure on projects - Political and regulatory risk - Failure to comply with laws and regulations may harm Aqualis - Risk related to misconduct, fraud and other non-compliance - Access to key personnel and resources - Shortage of qualified staff - The Group may not be able to maintain an adequate utilization of its workforce - Risk related to insufficient insurance coverage - Credit risk - Contracts expiring and contract renewals - Environmental risk - Insurance - Accidents - Legal claims and disputes - Risk related to changes in tax laws and other regulations - The Group does business in jurisdictions that are subject to sanction regimes <p><u>Financial risk:</u></p> <ul style="list-style-type: none"> - Cyclical risk - Risk related to payment under customer contracts - Liquidity risk - The Group is subject to exchange rate risk. |
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| D.3 | Risks related to the Company's shares | <p><u>Risk factors related to the ownership of the shares:</u></p> <ul style="list-style-type: none"> - The market price of the Shares may be highly volatile - Shareholders not participating in future offerings of Shares or other equity investments may be diluted - Future sales of Shares could reduce the market price of the Shares and adversely affect the Company's ability to raise additional capital - The limited liquidity in the trading market for the Shares could have a negative impact on the market price and ability to sell Shares - The Company's investors outside of Norway are subject to exchange rate risk - Holders of Shares that are registered in a nominee account may not be able to exercise voting rights and other shareholder rights as readily as shareholders whose Shares are registered in their own names with the VPS - The transfer of Shares is subject to transfer restrictions <p><u>Risk factors related to the Transaction and the Combined Business</u></p> <ul style="list-style-type: none"> - The Group will incur substantial acquisition-related costs in connection with the Transaction - Inaccurate unaudited pro forma financial information - Braemar Technical has not been subject to separate financial reporting - Aqualis is acquiring an ongoing business with a number of exposures relating to the period prior to closing - Aqualis may not achieve the expected benefits of the Transaction <p><u>Risk factors related to the Rights Issue</u></p> <ul style="list-style-type: none"> - Existing Shareholders who do not participate in the Rights Issue may experience significant dilution in their shareholding - An active trading market in Subscription Rights may not develop on the Oslo Stock Exchange and/or the market value of the Subscription Rights may fluctuate - The sale of Subscription Rights by or on behalf of Existing Shareholders may result in a reduction in the market price of the Subscription Rights and increased volatility in the Shares - If the Rights Issue is withdrawn, the Subscription Rights will no longer be of value |
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Section E – Offer

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| E.1 | Net proceeds and an estimate of the total expenses | <p>The Company's gross proceeds from the Rights Issue are estimated to be approximately NOK 35.2 million (~USD 4.0 million). Approximately NOK 2.4 million (~USD 0.3 million) of the total transaction cost is related to the Rights Issue, indicating net proceeds of NOK 32.8 million (~USD 3.7 million).</p> <p>The Company's gross proceeds from the Private Placement was NOK 17.3 (~USD 2 million). Approximately NOK 0.9 million (~USD 0.1 million) of the total transaction cost is related to the Private Placement, indicating net proceeds of NOK 16.5 million (~USD 1.9 million).</p> <p>The Company will carry the fees and expenses related to the Rights Issue and the Private Placement. These are a part of a larger process, which also includes, the Transaction and the issuance of the Consideration Shares, and the Consideration Warrants. The Company's costs associated with the full process are estimated to approximately NOK 12.7 million (~USD 1.5 million).</p> |
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| E.2a | Reasons for the offerings and use of proceeds | The company intends to strengthen the Company's capital position in line with the significantly increased size of the Company following the Transaction. The proceeds will be used to increase liquidity buffer during integration phase and to finance expected growth of AqualisBraemar. |
| E.3 | Terms and conditions of the offering | <p>Rights issue: The Rights Issue consists of an offer by the Company to issue 8,882,575 Rights Issue Shares at a Subscription Price of NOK 3.96 per Rights Issue Shares, raising gross proceeds of approximately NOK 35.2 million (~USD 4 million).</p> <p>Existing Shareholders will be granted tradable Subscription Rights that, subject to applicable law, provide preferential rights to subscribe for, and be allocated, Rights Issue Shares at the Subscription Price in the Rights Issue. Over-subscription and subscription without Subscription Rights will be permitted. However, there is no assurance that Rights Issue Shares will be allocated for such subscriptions.</p> <p>Private Placement: The Private Placement consisted an offer by the Company directed towards Braemar to issue 4,375,000 Private Placement Shares at a Subscription Price of NOK 3.96 per Rights Issue Shares, raising gross proceeds of approximately NOK 17.6 million (~USD 2 million).</p> |
| E.4 | Material interest in the offering | <p>Gross Management, a company which the Chairman of the Board, Glen Ole Rødland is associated with, has undertaken, together with certain other existing shareholders, to subscribe for all Rights Issue Shares not subscribed for during the Subscription period (see Section 5.4 "The Underwriting"). The Underwriters will this be allocated the remaining Rights Issue shares not subscribed for in the event that the Rights Issue is not fully subscribed, and as such have an interest in the Rights Issue.</p> <p>In connection with the Rights Issue, the Company, Board Members and members of the Executive Management may receive Subscription Rights (if they are Eligible Shareholders) and may exercise their right to take up such Subscription Rights and subscribe for Rights Issue Shares, and in that capacity, may retain, purchase or sell Subscription Rights or Rights Issue Shares and any other securities of the Company or other investments for their own account and may offer or sell such securities (or other investments) other than in connection with the Rights Issue. The Company does not intend to disclose the extent of any such investments or transactions other than in accordance with any legal or regulatory obligation to do so.</p> <p>The Receiving Agent is entitled to a commission of 3% of all subscriptions for Rights Issue Share made in the Rights Issue. The Receiving Agent and its affiliates may, in the future, provide investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive customary fees and commissions. The Receiving Agent will receive a fee, the amount of which is connected to the size of the Rights Issue.</p> <p>As the recipient of the Consolidation Shares and Private Placement Shares, Braemar has an interest in the listing of the Private Placement Shares.</p> <p>Beyond the above-mentioned, the Company is not aware of any interests, including conflicting ones, of any natural or legal persons in the issuance of the Private Placement Shares.</p> |

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| E.5 | Selling Shareholders and lock-up | <p>There are no selling shareholders.</p> <p>The Consideration Shares and any shares to be issued pursuant to the Consideration Warrants are subject to a 24 months lock-up period from the Completion Date, pursuant to which such shares, subject to certain exceptions, cannot be sold or otherwise transferred without the prior consent of Aqualis. The lock-up will not apply if the volume weighted average share price for Aqualis over a 20 trading day period exceeds NOK 8, and certain other customary exceptions. Gross Management AS has entered into a corresponding lock-up agreement with Braemar.</p> |
| E.6 | Dilution | <p>Taken together with the dilution resulting from the Private Placement and the Consideration Shares, the Rights Issue will result in a dilution of approximately 40% for Existing Shareholders who do not participate in the Rights Issue.</p> <p>The aggregate dilution for shareholders not participating in the Private Placement or the Consideration Shares, but participating in the Rights Issue to the extent of their Subscription Rights is 27%</p> |
| E.7 | Estimated expenses charged to the investor | Not applicable. No expenses will be charged to shareholders by the Company. |

2. RISK FACTORS

An investment in the Shares involves a number of risks. Potential investors should carefully consider the risk factors set out below and the information set out in section 4 "Cautionary note regarding forward looking statements" in addition to the other information contained herein before making an investment decision. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as of the date the Prospectus that the Group believes are relevant to potential investors.

An investment in the Company is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. If any of the following risks and uncertainties actually occurs, the Group's cash flows, business, results of operations and financial position could be adversely affected. In that case, the trading price of the Shares could decline and potential investors could lose all or part of their investment.

The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's cash flows, business, results of operations and financial position.

2.1 BUSINESS AND INDUSTRY-RELATED RISKS

2.1.1 Dependence on the level of demand from oil and gas and offshore companies

The Group's operations will over time depend on the level of activity and capital spending by oil & gas and offshore companies. The demand for the Group's services is affected by declines in maritime and offshore activity associated with depressed oil and natural gas prices. The demand for offshore exploration, development and production has been closely linked to the price of oil and gas. Even the perceived risk of a decline in the oil or natural gas prices often causes exploration and production companies to reduce their spending. Historically, oil and natural gas prices have been very volatile depending on a range of factors outside the Group's control, including but not limited to:

- worldwide demand for natural gas and oil;
- the cost of exploring for, developing, producing, transporting and distributing oil and gas;
- expectations regarding future energy prices – for both oil and gas and other sources of energy;
- the ability of Organization of Petroleum Exporting Countries ("OPEC") to set and maintain production and impact pricing;
- level of world-wide production;
- government laws and regulations, including environmental protection laws and regulations;
- the development of exploitation of alternative fuels, and the competitive, social and political position of oil and gas a source of energy compared with other energy sources;
- local and international political, economic and weather conditions;
- political and military conflicts; and
- the development and exploitation of alternative energy sources.

There is a risk associated with a possible long-term drop in the oil price, affecting the profitability of the development of new offshore fields. Any prolonged periods of reduced capital expenditures by oil and gas and offshore companies would likely reduce the demand for the services offered by the Group. Furthermore, the Group is also heavily involved in day-to-day offshore operations which provide recurring day to day income. Generally, as overall conditions in the oil and gas and offshore industries deteriorate, demand for the services offered by the Group may decrease.

2.1.2 Economic downturns

The offshore oil and gas and renewable industries are exposed to the general global economic activity. A worldwide economic downturn could reduce the availability of credit to fund offshore business operations

globally. This could again lower the demand for the Group's services and lead to an austerity approach from the oil and gas and offshore renewable companies. As the Group's services are mainly related to the oil and gas industry, the Group is more exposed to market fluctuations than companies in other industries with less cyclical and more regular work flow. Furthermore, a sustained or deep recession could further limit economic activity and thus result in an additional decrease in energy consumption, which in turn could cause the Group's revenues and margins to decline and limit its future growth prospects.

Economic downturns may result in customers delaying, limiting or cancelling proposed and existing projects. The Group may also experience difficulties in maintaining favourable pricing and payment terms, in addition to delayed payment by customers of the Group's invoices and disputes in relation thereto. Any inability to collect invoices in a timely manner may lead to an increase in the Group's accounts receivables and to increased write-offs of uncollectible invoices.

A result of decreased demand for the type of services the Group provides, service providers are competing more heavily to provide their services to the same customers, which may add further pressure on growth and prices. All of the above risk factors may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.1.3 Competitive industry

The global offshore consultancy market is highly competitive, which may limit the Group's ability to maintain or increase its market share. Its current and future competitors may have greater financial and other resources and may be better positioned to withstand and adjust to changing market conditions. Hence, the Group may not be able to maintain its competitive position in the market. Additionally, the Group also competes with several smaller companies capable of performing effectively on a regional or local basis. These competitors may be able to better withstand economic and/or industry downturns and compete on the basis of price, all of which could affect the Group's position in the market which, in turn, could lead to reduction in revenues and profit margins.

2.1.4 The Group depends on the performance of business partners and third party subcontractors

Under contracts with its customers, the Group may be depending on business partners and third-party subcontractors, in order to perform services timely and in compliance with the contractual requirements. To the extent that the Group cannot engage business partners or subcontractors at reasonable costs, or if the amount that the Group is required to pay exceeds its estimates, its ability to complete a project in a timely fashion, or at a profit, may be impaired. In addition, if a business partner or a subcontractor is unable to deliver its services according to the negotiated terms for any reason, including the deterioration of its financial condition, the Group may be required to buy the services from another source at a higher price.

Furthermore, a business partner or a subcontractor could cause damage, for which the Group could be held liable by its customer or a third party, with limited right or possibility for the Group to claim recourse from such business partner or subcontractor.

Each of these factors may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.1.5 Risk related to performance failure on projects

The Group usually commits to its customers that it will complete projects by a scheduled date and that a project, when completed, will achieve specified performance standards. If the project is not completed by the scheduled date or the Group fails to meet required performance standards or to (duly) perform other contractual obligations, the Group may be liable to pay compensation or damages for breach of contract, incur significant additional costs or incur a loss or penalties (as a result of, for example, civil liability), and payment of the Group's invoices may be delayed. Performance on projects can also be affected by a number of factors beyond the Group's control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of materials, changes in the project scope of services requested by its customers, industrial accidents, environmental hazards, labour disruptions and other factors. In some cases, the Group may also be subject to agreed-upon financial damages if it fails to meet performance standards.

The Group generally enters into contracts where under their potential liability towards customers for errors and damage is limited, and whereby the Group's insurance coverage is aligned with the risk profile under such contracts. However, for some projects, either because it is not deemed commercially possible or for other reasons, agreed limitations on the Group's liability is not obtained, and the liability under such contracts therefore has the potential of becoming extensive and disproportionate, in addition to significantly exceed the Group's insurance coverage. Furthermore, agreed limitations on the Group's liability are generally not applicable and insurance coverage is limited, in case errors or damage is caused by gross negligence or wilful misconduct (Nw: grov uaktsomhet eller forsett). If a customer should succeed with a claim towards the Group based on such assumption, then the potential liability of the Group may become equally extensive and disproportionate.

The Group also regularly enters into contracts with international customers whereby the contracts are governed by local law and where under local courts or arbitration tribunals are agreed to have jurisdiction. Although, the Group may seek legal advice for such contracts to assess the risk profile, there is an inherent risk that legal concepts or liability regimes which the Group generally is comfortable with, may have different content or be applied differently under such local laws and in such jurisdictions. This implies that the risk profile under such contracts may differ from what is expected or catered for, and that potential liability can be significantly higher than for example under contracts entered into in the Norwegian market.

The above risk factors may have material adverse effect on the Group's business, revenue, profit and financial condition.

2.1.6 Political and regulatory risk

Changes in the political, legislative, fiscal and/or regulatory framework governing the activities of the Group, the oil and gas companies, oil service companies, offshore companies, construction yards and/or important suppliers or service providers on which the Group depends, could have a material impact on its business, the markets in which it operates, and its financial condition.

2.1.7 Failure to comply with laws and regulations may harm Aqualis

The Group is subject to laws and regulations in several jurisdictions relating to several areas such as, but not limited to environment, health and safety, construction, procurement, administrative, accounting, corporate governance, market disclosure, tax, employment and data protection. Such laws and regulations may be subject to change and interpretation. It may not be possible for the Group to detect or prevent every violation in every jurisdiction where the Group carries out its business operations, or in which its employees, hired-in personnel, sub-contractors or joint venture partners are located. Any failure to comply with applicable laws and regulations now or in the future may lead to disciplinary, administrative, civil and/or criminal enforcement actions, fines, penalties and civil and or criminal liability and negative publicity harming the Group's business and reputation.

In addition, changes in laws and regulations may impose more onerous obligations on the Group and limit its profitability, including increasing the costs associated with Aqualis' compliance with such laws and regulations.

Failure to comply with laws and regulations and changes in laws and regulations may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.1.8 Risk related to misconduct, fraud and other non-compliance

Misconduct, fraud or non-compliance with applicable laws and regulations, or other improper activities by any of the Group's employees, hired-in personnel, agents, subcontractors or partners could have an adverse effect on its business and reputation. Such misconduct could include, but is not limited to failure to comply with government procurement regulations, competition laws and regulations, regulations regarding the protection of classified information, regulations prohibiting bribery and other foreign corrupt practices, regulations regarding the pricing of labour and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting, environmental laws and any other applicable laws or regulations.

The Group's internal controls are subject to inherent limitations, including that they do not fully eliminate the risk of human error. It is also possible that these controls could be intentionally circumvented or become inadequate because of changed conditions. As a result, the Group cannot ensure that its controls will protect it from reckless or criminal acts committed by its employees, hired-in personnel, agents, subcontractors, partners and others. Failure to comply with applicable laws or regulations or acts of misconduct could subject the Group to fines and penalties and suspension or exclusion from tender competitions or liability under ongoing contracts, any or all of which could harm the Group's business and reputation, subject the Group to administrative, criminal and civil enforcement actions and materially adversely affect its revenue, profit and financial condition.

2.1.9 Access to key personnel and resources

The Group's business and prospects depend to a significant extent on the continued services of its key personnel in its various business areas. Hence, the Group is dependent on its ability to retain key personnel to ensure successful integration of new personnel into existing operations. The loss of any of the current members of its senior management or other key personnel or the inability to attract or retain a sufficient number of qualified employees could adversely affect its business and results of operations.

2.1.10 Shortage of qualified staff

The current market for attracting highly qualified engineers and mariners is challenging and the challenging market affects the Group, as it is dependent on the highly skilled employees. Due to the shortage of skilled and qualified staff, the Group may not be able to identify and attract, nor retain, qualified staff in the future. This could adversely affect its business and results of operations.

2.1.11 The Group may not be able to maintain adequate utilization of its workforce

The cost of providing services, including the extent to which the Group utilises its workforce, affects its profitability. The rate at which the Group utilises its workforce is affected by a number of factors, including:

- The Group's ability to transfer employees between projects;
- The Group's ability to forecast demand for its services and thereby maintain an appropriate headcount;
- The Group's ability to manage attrition; and
- The Group's ability to match the skill sets of its employees to the needs of the marketplace.

If the Company over-utilises its workforce, the Group's employees may become disengaged which will lead to increase in the rate of employee attrition. If the Group under-utilises its workforce, its profit margin, profit and financial condition may adversely be affected.

Due to the inherent volatile character of the demand for offshore services, it may be especially difficult for the Group to forecast demand for its services. Thus, the Group's exposure to the above described risk will be greater than for companies involved in less volatile industries.

The above risk factors may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.1.12 Risks related to insufficient insurance coverage

Although the Group maintains general liability insurance coverage and professional indemnity and project risk insurance coverage, including coverage for errors and omissions, any claim that may be brought against the Group could result in a court judgment or settlement or a nature or in an amount that is not covered, in whole or in part, by the Group's insurance or that it is in excess of the limits of the Company's insurance coverage. The Group's insurance policies also have various exclusions, and the Group may be subject to a product liability claim for which the Company has no coverage. The Group's exposure to risk related to insufficient insurance coverage is increased as a result of its presence in a broad range of jurisdictions with various different regulations and requirements,

The Group will have to pay any amounts awarded by a court or negotiated in a settlement that exceed the Company's coverage limitations or that are not covered by the Group's insurance, and the Group may not have, or be able to obtain, sufficient capital to pay such amounts. This may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.1.13 Credit risks

The Group is exposed to the risk that a customer delays or defaults on a payment obligation. Credit risk is mostly incurred on receivables due by the customers to the Group. This may also have the effect that the Group may be forced to secure that sufficient funds are available to service the Group's operational costs and expenses incurred from time to time.

If the Group's customers delay or default on their payment obligations, this may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.1.14 Contracts expiring and contract renewals

The Group has few long term commitments. Moreover, the long term commitments that the Group has can be terminated on a relatively short notice. Hence, the Group is dependent on continuously winning and retaining business. Furthermore, the Group's contract structure implies that there is limited visibility for the Group's future revenue. There can be no assurance that the Group will be able to renew its existing customer contracts, or that any such future agreements will be on terms equally favourable to the Group as is currently the case. During depressed market conditions, a customer may no longer need the services that are currently under contract, or may be able to obtain comparable service at a lower rate. As a result, customers may seek to renegotiate the terms of their existing contracts, or avoid their obligations under those contracts. Hence, the Group's inability to compete successfully may reduce its profitability.

2.1.15 Environmental risk

Environmental and energy matters have been the focus of increased scientific and political scrutiny and are subject to various legal requirements. Legal requirements concerning these issues could potentially reduce demand for oil and natural gas, which again could affect the demand for the Group's services. Furthermore, the activities of the Group are subject to environmental rules and regulations pursuant to international conventions and national legislation in relevant jurisdictions. Failure to comply with environmental rules and regulations may cause damage to the external environment, suspend operations and may result in fines, penalties and/or claims by authorities and customers. To the extent the Group is held liable for such breach of environmental rules and regulations, it may have an adverse effect on its operations and financial conditions.

2.1.16 Insurance

The Group's business is subject to a number of risks, including human error or misjudgements. There is no assurance that insurance or indemnifications agreements will adequately protect the Group against liability from all the consequences of such events. The occurrence of an event for which the Group is not fully insured or indemnified against, could result in substantial losses. In addition, the Group may not be able to procure adequate insurance coverage at commercially reasonable rates in the future and any particular insurance claim may not be reimbursed.

2.1.17 Accidents

An accident involving one or more of the Group's personnel, and most importantly its consequence and indirect effect, could adversely affect its business, financial condition, results of operation and liquidity.

2.1.18 Legal claims and disputes

The numerous hazards inherent in the Group's business increase its exposure to additional claims and disputes in the ordinary course of business, which could materially adversely affect its business, financial condition, results of operation and liquidity.

2.1.19 Risks related to changes in tax laws and other regulations

Tax laws and other regulations applicable to the Group may be subject to change, varying interpretations and inconsistent enforcement, which could have a material adverse effect on the Group's profit and financial condition. It is possible that tax authorities in the countries in which the Group operates will introduce additional tax measures. The introduction of any such provisions may require the Group to pay additional taxes or affect the Group's overall tax efficiency. Any such additional exposure could have a material adverse effect on the Group's business, profit and financial condition.

2.1.20 The Group does business in jurisdictions that are subject to sanction regimes

The Group has a subsidiary in countries which is subject to certain trade embargoes and sanctions. Further, there can be no assurance that relevant sanction regimes will not be expanded to include other countries in which the Group operates. Failure to comply with sanctions could result in material fines and penalties, and damage to the Group's reputation. This could negatively affect the market price of the Shares. While the Group believes that it is in compliance with all applicable sanctions and embargo laws and regulations, and intends to maintain such compliance, there can be no assurance that the Group will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations.

2.2 FINANCIAL RISK

2.2.1 Cyclical risks

The demand for the Group's services is especially sensitive to fluctuations in the market, due to its exposure to the oil and gas market, while most of its costs are fixed (such as personnel expenses). Failure to counteract cyclical movements by bringing stability to its revenue and reducing its costs may have a material adverse effect on the Group's business, revenue profit and financial condition.

2.2.2 Risks related to payment under customer contracts

Many of its contracts require the Group to satisfy specified design, engineering, procurement or construction milestones to receive payment. As a result, under these types of arrangements, the Group may incur costs, or perform significant amounts of work, prior to payment. If a customer determines not to proceed with the completion of a project before a milestone is reached, the Group may encounter difficulties in collecting payment of amounts due to it or costs incurred by it. This may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.2.3 Liquidity risk

The Group monitors its cash flow to ensure that it has sufficient cash available on demand to meet expected operational expenses, including the servicing of financial obligations. The Group's future liquidity needs depend on a number of factors, and is subject to uncertainty with respect to inter alia future earnings, working capital fluctuations and outcome of legal claims and disputes. A limited liquidity position may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity, and worst case, force the Group to cease its operations.

2.2.4 The Group is subject to exchange rate risk.

The Company's and its Norwegian subsidiaries' operational costs are primarily in USD, whilst the Company's foreign subsidiaries' cost base primarily is in their local currencies. Although, the companies in the Group generate most of their income in the same currency as their operational costs, they will also from time to time generate income under currencies which differ from the currency of their operational costs. To some extent the Group is thus exposed to currency exchange fluctuations. If the Group continues to expand its market positions in other

countries, or expands its business to new markets, it will be further exposed to such fluctuations. Currency exchange rates are determined by forces of supply and demand on the currency exchange markets, which again are affected by the international balance of payments, economic and financial conditions and expectations, government intervention, speculation and other factors. Fluctuations in exchange rates may have a material adverse effect on the Group's business, revenue, profit and financial conditions.

2.3 RISK FACTORS RELATED TO THE OWNERSHIP OF THE SHARES

2.3.1 The market price of the Shares may be highly volatile

The market price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including the following:

- actual or anticipated variations in operating results;
- changes in financial estimates or recommendations by stock market analysts regarding the Company;
- announcements by the Company of significant acquisitions, partnerships, joint ventures or capital commitments;
- sales or purchases of substantial blocks of Shares;
- additions or departures of key personnel;
- future equity or debt offerings by the Company and its announcements of these offerings; and
- general market and economic conditions.

Moreover, in recent years, the stock market in general has experienced large price and volume fluctuations and these broad market fluctuations may adversely affect the price of the Shares, regardless of its operating results.

2.3.2 Shareholders not participating in future offerings of Shares or other equity investments may be diluted

Shareholders not participating in future offerings of Shares or other equity instruments may be diluted. Unless otherwise resolved or authorised by the general meeting of the Company, shareholders in Norwegian public companies such as the Company have pre-emptive rights proportionate to the aggregate amount of the Shares they hold with respect to new Shares and other equity investments issued by the Company. Shareholders in the United States, however, may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and shares or pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company has not filed a registration statement under the U.S. Securities Act or sought approvals under the laws of any other jurisdiction outside Norway in respect of any pre-emptive rights or the Shares, does not intend to do so and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able, or choose not, to exercise their rights to subscribe for new shares, their proportional ownership and voting interests in the Company will be reduced.

2.3.3 Future sales of Shares could reduce the market price of the Shares and adversely affect the Company's ability to raise additional capital

Sales of substantial amounts of the Shares, or the perception that such sales could occur, could have an adverse effect on the market value of the Shares and the Company's ability to raise capital through future capital increases.

2.3.4 The limited liquidity in the trading market for the Shares could have a negative impact on the market price and ability to sell Shares

The Company's Shares are listed on the Oslo Stock Exchange. This, however, does not imply that there will always be a liquid market for the Company's Shares, which have also historically had a relatively low liquidity. An investment in the Shares may thus be difficult to realise. Investors should be aware that the value of the Shares

may be volatile and may go down as well as up. In the case of low liquidity of the Shares, or limited liquidity among the Company's shareholders, the share price can be negatively affected and may not reflect the underlying asset value of the Company. Investors may, on disposing of the Shares, realise less than their original investment or lose their entire investment.

2.3.5 The Company's investors outside of Norway are subject to exchange rate risk

The Shares are traded in NOK and any investor outside of Norway that wishes to invest in the Shares, or to sell Shares, will be subject to an exchange rate risk that may cause additional costs to the investor.

2.3.6 Holders of Shares that are registered in a nominee account may not be able to exercise voting rights and other shareholder rights as readily as shareholders whose Shares are registered in their own names with the VPS

Beneficial owners of Shares that are registered in a nominee account (e.g., through brokers, dealers or other third parties) may not be able to vote such Shares unless their ownership is re-registered in their names with the VPS prior to the Company's general meetings. The Company cannot guarantee that such beneficial owners of Shares will receive the notice for a general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners. Further, beneficial owners of Shares that are registered in a nominee account may not be able to exercise other shareholder rights under the Norwegian Public Limited Companies Act (such as e.g. the entitlement to participate in a rights offering) as readily as shareholders whose Shares are registered in their own names with the VPS.

2.3.9 Norwegian law may limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. Further, once the capital increase relating to any Shares has been registered in the Norwegian Register of Business Enterprises, purchasers of those Shares have limited rights against the Company under Norwegian law.

2.3.7 The transfer of Shares is subject to transfer restrictions

The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions. The Shares have not been registered under the U.S. Securities Act of 1933 or any U.S. state securities laws or any other jurisdiction outside Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold in the United States or to a U.S. person except pursuant to an exemption from the registration requirements of the US Securities Act and applicable securities laws.

2.4 RISK FACTORS RELATED TO THE TRANSACTION AND THE COMBINED BUSINESS

2.4.1 The Group will incur substantial acquisition-related costs in connection with the Transaction

The Group has incurred and will incur transaction costs and expenses in connection with the Transaction. Moreover, management resources may be diverted in an effort to complete the Transaction. If the Transaction is not completed, Aqualis will have incurred costs for which it will have received little or no benefit. Furthermore, if the Transaction is not completed, Aqualis may experience negative reactions from the financial markets, the media and its shareholders, potential investors, customers, employees and other stakeholders. Each of these factors may materially and adversely affect the trading price of the Shares and could have a material adverse effect the business, results of operations, cash flows, financial condition and/or prospects of the Group.

2.4.2 Inaccurate unaudited pro forma financial information

This Prospectus includes unaudited pro forma condensed consolidated financial information for the Combined Business for the year ended 31 December 2018 and for the three months ended 31 March 2019 (the “**Unaudited Pro Forma Financial Information**”) in order to show what the significant effects of the Transaction might have been had the Transaction occurred at an earlier date. The Unaudited Pro Forma Financial Information is based on estimates and assumptions based on current circumstances believed to be reasonable, and does not purport to present the results of operations or financial condition of the Group, nor should it be used as the basis of projections of the results of operations or financial condition of the Group for any future period or date.

2.4.3 Braemar Technical has not been subject to separate financial reporting

As set out in Section 11 “Presentation of Braemar Technical Services - Selected financial information” the Braemar Assets has not been subject to separate financial reporting. The numbers presented as selected financial information, and the numbers that form basis for the Unaudited Pro Forma Financial Information, are based on unaudited management accounts. No assurance can be given that these numbers represent the actual results of Braemar Technical Services. Any miscalculations or other faults in the financial information for Braemar Technical Services may have a material adverse effect on the business, results of operations and financial condition of the Combined Business.

2.4.4 Aqualis is acquiring an ongoing business with a number of exposures relating to the period prior to closing

By the acquisition of Braemar Technical Services, Aqualis is acquiring liabilities and other exposures relating to that business and which stems from periods prior to Closing. The Company's protection against such liabilities and other exposures under the Sale and Purchase Agreement is limited both by the scope of the warranties provided by Braemar and by the amount and time limitations applicable to these warranties. Pre-Completion liabilities and other exposures may have a material adverse effect on the business, results of operations, cash flows, financial conditions and/or prospects of Aqualis.

2.4.5 Aqualis may not achieve the expected benefits of the Transaction

The acquisition of Braemar Technical Services represents an acquisition of a size and complexity not experienced by the Company before and in order for the acquisition to be successful, the Company must succeed in integrating the Braemar Assets into the Group in a manner enabling the business of both Braemar Technical Services and Aqualis to be continued in a manner not negatively affecting the businesses and enabling the Group to achieve the desired economic effects. The Company will face foreseen and may also face unforeseen risks and challenges when integrating the Braemar Assets into its existing business. Aqualis' ability to benefit from enhanced business opportunities is dependent on business conditions in future periods that cannot be predicted or measured with certainty.

Aqualis cannot be certain that the integration of Braemar Technical Services into its existing business will result in the expected benefits from anticipated business opportunities, revenue enhancements or cost synergies or that such results can be achieved in the timeframe expected. Future business conditions and events may reduce, eliminate or delay Aqualis' ability to realize them.

Further, the growth and operating strategies for the combined group may not be successful. Aqualis may fail to realize the anticipated benefits of the Transaction due to integration and other challenges, including, but not limited, to:

- complications consolidating corporate and administrative infrastructures, information technology, communications and other systems;
- difficulties retaining employees;
- inability to coordinate staff across office network, marketing and other functions;

- potential disruption of ongoing businesses or inconsistencies in standards, controls, procedures and policies which could have a material adverse effect on the ability to maintain relationships with customers, suppliers or creditors;
- diversion of management's attention and resources from ongoing business concerns; and
- difficulties mitigating contingent and assumed liabilities.

The inability to benefit from business opportunities, experience revenue and overall growth or to meet the expected cost of integrating Braemar Technical Services, or inability to achieve them within the expected timeframe, could have a material adverse effect on Aqualis' business, financial condition, operating results and/or cash flows.

2.5 RISK FACTORS RELATED TO BRAEMAR TECHNICAL SERVICES' BUSINESS

The risks described under section 2.1 "Business and industry-related risks" also affect Braemar Technical Services's operations.

2.6 RISKS RELATED TO THE RIGHTS ISSUE

2.6.1 Existing Shareholders who do not participate in the Rights Issue may experience significant dilution in their shareholding

Subscription Rights that are not traded or exercised by the end of the Subscription Period will have no value and will automatically lapse without compensation to the holder. To the extent an Existing Shareholder does not exercise its Subscription Rights prior to the expiry of the Subscription Period, whether by choice or due to a failure to comply with procedures set forth in Section 5 "The Rights Issue", or to the extent that an Existing Shareholder is not permitted to subscribe for Rights Issue Shares as further described in Section 20 "Selling and transfer restrictions", such Existing Shareholder's proportionate ownership and voting interests in the Company after the completion of the Rights Issue will be diluted. Even if an Existing Shareholder elects to sell its unexercised Subscription Rights, or such Subscription Rights are sold on its behalf, the consideration it receives in the trading market for the Subscription Rights may not reflect the immediate dilution in its shareholding as a result of the completion of the Rights Issue.

2.6.2 An active trading market in Subscription Rights may not develop on the Oslo Stock Exchange and/or the market value of the Subscription Rights may fluctuate

An active trading market in the Subscription Rights may not develop on the Oslo Stock Exchange. In addition, because the trading price of the Subscription Rights depends on the trading price of the Shares, the price of the Subscription Rights may be volatile and subject to the same risks as described for the Shares in Section 2.3 "Risks factors related to the ownership of the Shares". The existing volatility of the Shares may also have an effect on the volatility of the Subscription Rights.

2.6.3 The sale of Subscription Rights by or on behalf of Existing Shareholders may result in a reduction in the market price of the Subscription Rights and increased volatility in the Shares

Certain Existing Shareholders may be unable to take up and exercise their Subscription Rights as a matter of applicable law. The Subscription Rights of such Existing Shareholders, with the exception of Subscription Rights held through financial intermediaries, may be sold on their behalf in the market by the Receiving Agent pursuant to instructions from the Company, as further described in Section 5.95.9 "Subscription Rights". However, no assurance can be given as to whether such sales may actually take place or as to the price that may be achieved. Other holders of Subscription Rights may also choose not to exercise their Subscription Rights and therefore sell them in the market. The sale of Subscription Rights by or on behalf of holders of such rights could cause significant downward pressure on, and may result in a substantial reduction in, the price of the Subscription Rights and the Shares.

2.6.4 **If the Rights Issue is withdrawn, the Subscription Rights will no longer be of value**

If the Rights Issue is withdrawn, all Subscription Rights will lapse without value, subscriptions for, and allocations of, Rights Issue Shares that have been made will be disregarded and any subscription payments made will be returned without interest or any other compensation. The lapsing of Subscription Rights would be without prejudice to the validity of any trades in Subscription Rights and investors would not receive any refund or compensation with respect to Subscription Rights purchased in the market.

3. STATEMENT OF RESPONSIBILITY

The Board of Directors of Aqualis ASA (the “**Board**” or “**Board of Directors**”) accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 21 June 2019

The Board of Directors of Aqualis ASA

Glen Ole Rødland
Chairman

Reuben Segal
Board member

Synne Syrrist
Board member

Yvonne Litsheim Sandvold
Board member

James Kidwell
Board member

4. GENERAL INFORMATION

4.1 OTHER IMPORTANT INVESTOR INFORMATION

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

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

Investing in the Rights Issue Shares and the Subscription Rights involves a high degree of risk. See Section 2 "Risk factors".

4.2 PRESENTATION OF FINANCIAL AND OTHER INFORMATION

4.2.1 Financial information

The Company's audited consolidated financial statements as of and for the years ended 31 December 2018, 2017 and 2016 (the "**Financial Statements**") have been incorporated by reference hereto, see Section 19.2 "Documents Incorporated by reference". The financial information included in Section 13 "Selected Financial Information for Aqualis" has been derived from the Company's unaudited consolidated interim financial statements as of and for

the three months period ended 31 March 2019 published on 13 May 2019 (the "**Interim Financial Statement**"). The Interim Financial Statement has been incorporated by reference into this Prospectus, see Section 19.2 "Documents incorporated by reference".

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), while the Interim Financial Statement has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**"). The Financial Statements for the years ended 31 December 2018 and 2017 have been audited by PricewaterhouseCoopers AS ("**PwC**"), whereas the Financial Statements for the year ended 2016 was audited by Ernst & Young AS ("**EY**"), as set forth in their report included therein.

4.2.2 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's future business and the industries and markets in which it may operate in the future. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third-party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Company may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it may operate.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.2.3 Other information

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States, all references to "**GBP**" are to the lawful common currency of the United Kingdom. No representation is made that the NOK, USD or GBP amounts referred to herein could have been or could be converted into NOK, USD or GBP as the case may be, at any particular rate, or at all.

4.2.4 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category

presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. They appear in the following Sections in this Prospectus, Section 9 "Market overview", Section 10 "Presentation of Aqualis", Section 11 "Presentation of Braemar Technical Services", Section 12 "Information Regarding the Company After the Transaction", and Section 13 "Selected Financial information for Aqualis", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

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

5. THE RIGHTS ISSUE

5.1 OVERVIEW

The Rights Issue consists of an offer by the Company to issue 8,882,575 Rights Issue Shares at a Subscription Price of NOK 3.96 per Rights Issue Share, raising gross proceeds of NOK 35.2 million (approximately USD 4.0 million)

Existing Shareholders will be granted tradable Subscription Rights that, subject to applicable law, provide preferential rights to subscribe for, and be allocated, Rights Issue Shares at the Subscription Price in the Rights Issue. Over-subscription and subscription without Subscription Rights will be permitted. However, there is no assurance that Rights Issue Shares will be allocated for such subscriptions.

The Rights Issue is fully underwritten by Gross Management AS and certain other shareholders (see Section 5.4 “The Underwriting” for more information)

The currency of the Rights Issue is the NOK.

The timetable below provides certain indicative key dates for the Rights Issue:

| | |
|---|---------------------------|
| Last day of trading in the Shares incl. the right to receive Subscription Rights in the Rights Issue | 11 June 2019 |
| First day of trading in the Shares excl. the right to receive Subscription Rights in the Rights Issue | 12 June 2019 |
| Record Date | 13 June 2019 |
| Start of Subscription Period | 24 June 2019 at 09:00 CET |
| First day of trading of Subscription Rights on the Oslo Stock Exchange | 24 June 2019 at 09:00 CET |
| End of trading of Subscription Rights on the Oslo Stock Exchange | 4 July 2019 at 16:30 CET |
| End of Subscription Period | 8 July 2019 at 16:30 CET |
| Allocation of Rights Issue Shares | On or about 9 July 2019 |
| Distribution of allocation letters | On or about 9 July 2019 |
| Payment Date for the Rights Issue Shares | On or about 11 July 2019 |
| Registration of share capital increase | On or about 17 July 2019 |
| Date of delivery of Rights Issue Shares | On or about 17 July 2019 |
| Listing and first day of trading of the Rights Issue Shares on the Oslo Stock Exchange | On or about 17 July 2019 |

The above dates are indicative and subject to change.

5.2 BACKGROUND FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

On 13 May 2019, Aqualis announced that they have entered into a definitive agreement with Braemar for the acquisition of the Braemar Assets (See more information in Section 7 “The Transaction”).

The company intends to carry out the Rights Issue to strengthen the Company’s capital position in line with the significantly increased size of the Company following the Transaction. The proceeds will be used to increase liquidity buffer during integration phase and to finance expected growth of AqualisBraemar.

Refer to Section 11 “Presentation of Braemar Technical Services” for more information about the assets to be acquired.

5.3 RESOLUTION TO ISSUE THE RIGHTS ISSUE SHARES

On 11 June 2019, the general meeting of the Company passed the following resolution to grant the Board of Directors an authorisation to issue the Rights Issue Shares and increase the share capital of the Company in connection with the Rights Issue (translated from Norwegian):

1. *The share capital is increased with NOK 888,257.50 by issuance of 8,882,575 new shares, each with a nominal value of NOK 0.10, raising gross proceeds of approximately NOK 35,200,000.*
2. *The subscription price for the new shares is NOK 3.96 per share.*
3. *Shareholders of the Company as of 11 June 2019 as registered as such in the Company's shareholders' register in the Norwegian Central Securities Depository (the "VPS") 13 June 2019 (the "Record Date") (pursuant to the two days' settlement procedure of VPS) shall have preferential rights to subscribe for and be allocated the new shares in proportion to their shareholding in the Company, cf. section 10-4 (1) of the Act.*
4. *Tradeable subscription rights will be issued and the subscription rights shall be registered in the VPS on a separate ISIN. Subscription rights will not be issued for shares held in treasury by the Company (if any). The subscription rights shall be tradable from commencement of the subscription period and until 16:30 (CET) two trading days prior to the end of the subscription period. Over-subscription and subscription without subscription rights is permitted.*
5. *The Company shall in connection with the Rights Issue prepare a prospectus that shall be approved by the Financial Supervisory Authority of Norway. Unless the Board decides otherwise, the prospectus shall not be registered with or approved by any foreign prospectus authority. The new shares may not be subscribed for by investors in jurisdictions where such subscription is not permitted or to whom the new shares cannot lawfully be offered. The Company, or anyone appointed or instructed by the Company, shall have the right (but no obligation), for shareholders who in the Company's opinion are not entitled to subscribe for new shares due to limitations set out in law or other regulations in the jurisdiction where the shareholder is resident or a citizen, to sell the relevant shareholder's subscription rights against transfer of the net proceeds from the sale to the shareholder.*
6. *The subscription period shall commence on 18 June 2019 and expire at 16:30 hours (CET) on 2 July 2019. The subscription period may not be shortened, but the Board may extend the subscription period if this is required by law due to the publication of a supplement to the prospectus. If the Transaction is not completed and/or the prospectus is not approved in time to uphold this subscription period, the subscription period shall commence on the second trading day on the Oslo Stock Exchange following fulfilment of such conditions and expire at 16:30 hours (CET) two weeks thereafter. Subscription for shares shall be made on a separate subscription form prior to the expiry of the subscription period.*
7. *The subscription amount shall be paid in cash. Payment for the new shares shall be made on or prior to 5 July 2019, or the third trading day on the Oslo Stock Exchange after the expiry of the subscription period if the subscription period is postponed or extended according to subparagraph 6 above. Subscribers who have a Norwegian bank account must, and will by signing the subscription form, provide a one-time irrevocable authorization to debit a specified Norwegian bank account for the amount payable for the shares which are allocated to the subscriber. The payable amount will be debited from the specified bank account on or around the*

payment date. Subscribers who do not have a Norwegian bank account must contact the settlement agent (Sparebank 1 Markets) to ensure that payment with cleared funds for the new shares allocated to them is received on or before the payment date.

8. *The new shares shall be allocated by the Board. The following allocation criteria shall apply:*
 - (a) *Allocation of shares to subscribers will be made in accordance with granted and acquired subscription rights, which have been validly exercised during the subscription period. Each subscription right will give the right to subscribe for and be allocated one (1) new share.*
 - (b) *If not all subscription rights are validly exercised, subscribers having exercised their subscription rights and who have over-subscribed, will be allocated additional new shares on a pro rata basis based on the number of subscription rights exercised by each such subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.*
 - (c) *New shares not allocated pursuant to a) and b) above will be allocated to subscribers not holding subscription rights. Allocation will be sought made on a pro rata basis based on the relevant subscription amounts.*
9. *The new shares will carry rights in the Company, including the right to dividend, from the time of registration of the share capital increase with the Norwegian Register of Business Enterprises.*
10. *Section 4 of the Company's articles of association is amended to reflect the new share capital and the new number of shares following the share capital increase.*
11. *Shares not having been subscribed for by and allocated to other subscribers in the Rights Issue at the end of the subscription period shall be allocated pro rata to Gross Management AS and certain other shareholders (together the "Underwriters"), who pursuant to underwriting agreements entered into on or about 13 May 2019 (the "Underwriting Agreements"), have underwritten an amount exceeding their pro rata shareholding. The total underwriting commitment equals an aggregate amount of NOK 35,175,000. Such shares shall be subscribed for by the Underwriters on or prior to the payment date under the Rights Issue. Internally between the Underwriters, the liability is pro rata to their respective share of the total underwriting commitment, and each Underwriter's liability is limited to the amounts set out in the Underwriting Agreement. The Underwriters will receive a guarantee commission of 2% the part of the underwritten amount exceeding the Underwriter's pro-rata share of the rights issue.*
12. *The Rights Issue is part of a larger process, which also includes the Transaction, the issuance of the Consideration Shares, the issuance of the Warrants and the Private Placement. The Company's costs associated with the full process are estimated to approximately NOK 12.7 million excl. VAT, including a guarantee commission of 2% of the underwritten amount exceeding the Underwriters' pro rata share of the rights issue.*
13. *This resolution is made subject to the completion of the Transaction, and the general meeting resolving to approve the share capital increase in connection with issuance of the Consideration Shares in item 12, the issuance of Warrants in item 13, and the share capital increase in connection with the Private Placement in item 14.*

5.4 THE UNDERWRITING

Gross Management AS, MP Pensjon pk and Middelborg Invest AS has entered into an underwriting agreement dated 13 May 2019 pursuant to which the Underwriters has undertaken to subscribe for all Rights Issue Shares not subscribed for during the Subscription Period (the "**Underwriting Agreement**"). This amount is the total number of Rights Issue Shares offered in the Rights less the number of Rights Issue Shares validly subscribed for and allocated to subscribers in the Rights Issue.

The Underwriters will receive a guarantee commission of 2% the part of the underwritten amount exceeding the Underwriter's pro-rata share of the Rights Issue Shares (i.e. such portion of the Rights Issue that the Underwriter has a preferential right to subscribe for in its capacity as a shareholder in the Company).

5.5 PARTICIPATION OF MAJOR EXISTING SHAREHOLDERS AND MEMBERS OF THE COMPANY'S MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES IN THE RIGHTS ISSUE

Gross Management AS, a company which the Chairman of the Board, Glen Ole Rødland is associated with and MP Pensjon Pk, a major existing shareholder, has both undertaken to subscribe for Rights Issue Shares as described in Section 5.4 "The Underwriting".

In connection with the Rights Issue, Board Members and members of the Executive Management will receive Subscription Rights if they are Eligible Shareholders and may exercise their right to take up such Subscription Rights and subscribe for Rights Issue Shares, and in that capacity, may retain, purchase or sell Subscription Rights or Rights Issue Shares and any other securities of the Company or other investments for their own account and may offer or sell such securities (or other investments) other than in connection with the Rights Issue.

5.6 RECORD DATE FOR EXISTING SHAREHOLDERS

Existing Shareholders as at 11 June 2019 and being registered as such in the VPS on 13 June 2019 will receive Subscription Rights.

Provided that the delivery of traded shares were made with ordinary T+2 settlement in the VPS, shares that were acquired up to and including 11 June 2019 will give the right to receive Subscription Rights. The first day of trading without the right to receive Subscription Rights is 12 June 2019. Transactions with the existing Shares made on or before this date but which have not been registered in the VPS within the Record Date will be disregarded for the purposes of determining the allocation of Subscription Rights.

5.7 SUBSCRIPTION PERIOD

The Subscription Period in the Rights Issue will commence at 09:00 CET on 24 June 2019 and expire at 16:30 CET on 8 July 2019. The Subscription Period may be extended by the Board if this is required by law due to the publication of a supplement to the prospectus. An extension, if any, will be announced by a press release through Oslo Stock Exchange's information system (www.newsweb.no) and on AQUA's webpage (<http://www.aqualisoffshore.com>). In case of an extension of the Subscription Period, all relevant deadlines will be extended accordingly. The Subscription Period may not be closed earlier than 8 July 2019.

5.8 SUBSCRIPTION PRICE

The subscription price for one (1) Rights Issue Share in the Rights Issue is NOK 3.96 (the "**Subscription Price**"). Subscribers will not incur any costs related to the subscription for, or allotment of, the Rights Issue Shares.

5.9 SUBSCRIPTION RIGHTS

Existing Shareholders will be granted tradable Subscription Rights giving a preferential right to subscribe for, and be allocated, Rights Issue Shares in the Rights Issue. Each Existing Shareholder will be granted approximately 0.21 Subscription Rights for each existing Share registered as held by such Existing Shareholder on the Record Date. The number of Subscription Rights granted to each Existing Shareholder will be rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for, and be allocated, one Rights Issue Share in the Rights Issue.

The currency of the Subscription Rights is the NOK.

The Subscription Rights will be credited to, and registered on, each Existing Shareholder's VPS account on or about 24 July 2019 under ISIN NO0010858566. The Subscription Rights will be distributed free of charge and recipients of Subscription Rights will not be debited any costs.

The Subscription Rights may be used to subscribe for Rights Issue Shares in the Rights Issue before the expiry of the Subscription Period on 8 July at 16:30 CET or alternatively be sold before the end of trading in Subscription Rights on the Oslo Stock Exchange on 4 July at 16:30 CET. There is no difference between acquired Subscription Rights and Subscription Rights allocated to Eligible Shareholders as at the Record Date. The Subscription Rights, including acquired Subscription Rights, must be used to subscribe for Rights Issue Shares before the end of the Subscription Period (i.e. 8 July at 16:30 CET). Subscription Rights which are not sold before the end of trading on the Oslo Stock Exchange on 4 July at 16:30 CET or exercised before the end of the Subscription Period will have no value and will lapse without compensation to the holder. Holders of Subscription Rights (whether granted or acquired) should note that subscriptions for Rights Issue Shares must be made in accordance with the procedures set out in the Prospectus.

Over-subscription and subscription without Subscription Rights is permitted and there are no limitations on the number of shares that can be subscribed for. Subscribers subscribing on the basis of Subscription Rights who over-subscribe (i.e. subscribe for more Rights Issue Shares than the number of Subscription Rights held by them) will have priority to the Rights Issue Shares not subscribed for by holders of Subscription Rights, see details in Sections 5.11 "Subscription Procedures and Subscription Office" and 5.13 "Allocation of Rights Issue Shares" regarding subscription procedures and allocation mechanisms. However, in each case there can be no assurance that Rights Issue Shares will be allocated for such subscriptions.

Subscription Rights of Existing Shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription for Rights Issue Shares (the "**Ineligible Shareholders**") will initially be credited to such Ineligible Shareholders' VPS accounts. Such credit specifically does not constitute an offer to Ineligible Shareholders to subscribe for Rights Issue Shares. The Company may, as far as possible, withdraw the Subscription Rights from such Ineligible Shareholders' VPS accounts. The Company may, but shall not have an obligation to, sell such Subscription Rights from and including 28 June 2019 to 16:30 hours (CET) on 4 July for the account and risk of such Ineligible Shareholders, unless the relevant Subscription Rights are held through a financial intermediary.

The Company will instruct SpareBank 1 Markets AS (the "**Receiving Agent**") to use commercially reasonable efforts to procure that the Subscription Rights withdrawn from the VPS accounts of Ineligible Shareholders (and that are not held through financial intermediaries) are sold on behalf of, and for the benefit of, such Ineligible Shareholders during the said period, provided that (i) the Receiving Agent is able to sell the Subscription Rights at a price at least equal to the anticipated costs related to the sale of such Subscription Rights, and (ii) the relevant Ineligible Shareholder has not by 16:30 hours (CET) on 27 June 2019 documented to the Company through the Receiving Agent a right to receive the Subscription Rights withdrawn from its VPS account, in which case the Receiving Agent shall re-credit the withdrawn Subscription Rights to the VPS account of the relevant Ineligible Shareholders. The proceeds from the sale of the Subscription Rights (if any), after deduction of customary sales expenses, will be credited to the Ineligible Shareholder's bank account registered in the VPS for payment of dividends, provided that the net proceeds attributable to such Ineligible Shareholder amount equal or exceed NOK 300. If an Ineligible Shareholder does not have a bank account registered in the VPS, the Ineligible Shareholder must contact the Receiving Agent to claim the proceeds. If the net proceeds attributable to an Ineligible Shareholder are less than NOK 300, such amount will be retained for the benefit of the Company. There can be no assurance that the Receiving Agent will be able to withdraw and/or sell the Subscription Rights at a profit or at all. Other than as explicitly stated above, neither the Company nor the Receiving Agent will conduct any sale of Subscription Rights not utilised before the end of the Subscription Period.

5.10 TRADING IN SUBSCRIPTION RIGHTS

The Subscription Rights will be fully tradable and listed on the Oslo Stock Exchange with ticker code "AQUA T" from and including 09:00 CET on 24 June 2019 until 16:30 CET on 4 July 2019. The Subscription Rights will be restated in VPS with ISIN NO0010858566.

Persons intending to trade in Subscription Rights should be aware that the trading in, and exercise of, Subscription Rights by holders who are located in jurisdictions outside Norway may be restricted or prohibited by applicable securities laws. See Section 20 "Selling and Transfer Restrictions" for a description of such restrictions and prohibitions.

5.11 SUBSCRIPTION PROCEDURES AND SUBSCRIPTION OFFICE

Subscriptions for Rights Issue Shares must be made on a Subscription Form, attached as Appendix A to the Prospectus, or through the VPS online subscription system which can be found by following the links on www.sblmarkets.no. The VPS online subscription system is only available for Norwegian citizens. To use the online subscription system, a subscriber must have, or obtain, a VPS account number. All online subscribers must verify that they are Norwegian citizens by entering their national identity number (Norwegian: "personnummer").

Online subscriptions must be submitted by 16:30 CET on 8 July 2019, and accurately completed Subscription Forms must be received by the Receiving Agent by 16:30 CET on 8 July 2019. Neither the Company nor the Receiving Agent may be held responsible for postal delays, internet lines, servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Receiving Agent. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Receiving Agent without notice to the subscriber. Properly completed and signed Subscription Forms may be e-mailed to subscription@sblmarkets.no, mailed or delivered to the Receiving Agent at the address below:

SpareBank 1 Markets AS
Postboks 1398 Vika
N-0114 Oslo
Norge
Tlf.:+47 24 14 74 00
e-post:subscription@sblmarkets.no
www.sblmarkets.no

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Receiving Agent. The subscriber is responsible for the correctness of the information entered into the Subscription Form. By signing and submitting a Subscription Form, the subscribers confirm and warrant that they have read the Prospectus and are eligible to subscribe for Rights Issue Shares under the terms set forth in the Prospectus.

There is no minimum subscription amount for which subscriptions in the Rights Issue must be made. Oversubscription (i.e. subscription for more Rights Issue Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) and subscription without Subscription Rights is permitted. However, there can be no assurance that Rights Issue Shares will be allocated for such subscriptions. See Section 5.13 "Allocation of " for further details on applicable allocation principles.

Multiple subscriptions (i.e., subscriptions on more than one Subscription Form) are permitted. However, two separate Subscription Forms submitted by the same subscriber with the same number of Rights Issue Shares subscribed for on both Subscription Forms will only be counted once unless otherwise explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

5.12 FINANCIAL INTERMEDIARIES

All persons or entities holding Shares or Subscription Rights through financial intermediaries (i.e., brokers, custodians and nominees) should read this Section 5.12 "Financial Intermediaries". All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares or Subscription Rights are held.

5.12.1 Subscription Rights

If an Existing Shareholder holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will customarily give the Existing Shareholder details of the aggregate number of Subscription Rights to which it will be entitled. The relevant financial intermediary will customarily supply each Existing Shareholder with this information in accordance with its usual customer relations procedures. Existing Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have not received information with respect to the Rights Issue.

Subject to applicable law, Eligible Shareholders holding Shares through a financial intermediary may instruct the financial intermediary to sell some or all of their Subscription Rights, or to purchase additional Subscription Rights on their behalf. Please refer to Section 20 "Selling and Transfer Restrictions" for a description of certain restrictions and prohibitions applicable to the sale and purchase of Subscription Rights in certain jurisdictions outside Norway.

Ineligible Shareholders who hold their Shares through a financial intermediary will not be entitled to exercise their Subscription Rights but may, subject to applicable law, instruct their financial intermediaries to sell their Subscription Rights transferred to the financial intermediary. Neither the Company, nor the Receiving Agent will sell any Subscription Rights transferred to financial intermediaries.

5.12.2 Subscription Period and Period for Trading in Subscription Rights

The time by which notification of exercise instructions for subscription of Rights Issue Shares must validly be given to a financial intermediary, may be earlier than the expiry of the Subscription Period. The same applies for instructions pertaining to trading in Subscription Rights and the last day of trading in such rights (which accordingly will be a deadline earlier than the end of trading of Subscription Rights on the Oslo Stock Exchange on 4 July 2019 at 16:30 CET). Such deadlines will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

5.12.3 Subscription

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from Eligible Shareholders and for informing the Receiving Agent of their exercise instructions. A person or entity who has acquired Subscription Rights that are held through a financial intermediary, should contact the relevant financial intermediary for instructions on how to exercise the Subscription Rights. Please refer to Section 20 "Selling and transfer restrictions" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

5.12.4 Method of payment

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Rights Issue Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in this Prospectus. Payment by the financial intermediary for the Rights Issue Shares must be made to the Receiving Agent, in accordance with Section 5.144 "Payment for the Rights Issue Shares ", no later than on the Payment Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

5.13 ALLOCATION OF RIGHTS ISSUE SHARES

Allocation of the Rights Issue Shares will take place on or about 9 July 2019 in accordance with the following criteria:

- (i) Allocation of shares to subscribers will be made in accordance with granted and acquired subscription rights, which have been validly exercised during the subscription period. Each subscription right will give the right to subscribe for and be allocated one (1) new share.
- (ii) If not all subscription rights are validly exercised, subscribers having exercised their subscription rights and who have over-subscribed, will be allocated additional new shares on a pro rata basis based on the number of subscription rights exercised by each such subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.
- (iii) New shares not allocated pursuant to a) and b) above will be allocated to subscribers not holding subscription rights. Allocation will be sought made on a pro rata basis based on the relevant subscription amounts.
- (iv) Any remaining new shares not allocated pursuant to the criteria in items (i) and (ii) above will be subscribed by and allocated to the Underwriters to the extent the Underwriters has not fulfilled its underwriting obligations through subscription for shares in the Subscription Period, based on and in accordance with their respective underwriting obligations described in Section 5.44 "The Underwriting".

The Board reserves the right to round off, reject or reduce any subscription for Rights Issue Shares not covered by Subscription Rights. The Company will not allocate fractional Rights Issue Shares.

Allocation of fewer Rights Issue Shares than subscribed for by a Subscriber will not impact the Subscriber's obligation to pay for the number of Rights Issue Shares allocated.

The result of the Rights Issue is expected to be published on or about 9 July 2019 in the form of a stock exchange notification from the Company through the Oslo Stock Exchange's information system. Notifications of allocated Rights Issue Shares and the corresponding subscription amount to be paid by each Subscriber are expected to be distributed on or about 9 July 2019. Subscribers having access to investor services through their VPS account manager will be able to check the number of Rights Issue Shares allocated to them from 9 July 2019. Subscribers who do not have access to investor services through their VPS account manager may contact the Receiving Agent from 09:00 CET on 10 July 2019 to obtain information about the number of Rights Issue Shares allocated to them.

5.14 PAYMENT FOR THE OF RIGHTS ISSUE SHARES

The payment for Rights Issue Shares allocated to a subscriber falls due on 11 July 2019 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out below.

5.14.1 Subscribers who have a Norwegian bank account

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Receiving Agent with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the amount payable for the Rights Issue Shares which are allocated to the Subscriber.

The specified bank account is expected to be debited on the Payment Date. However, there must be sufficient funds in the specified bank account from and including 10 July 2019. The Receiving Agent is only authorised to debit such account once but reserves the right to make up to three debit attempts. The authorisation will be valid for up to seven working days after the Payment Date.

The Subscriber furthermore authorises the Receiving Agent to obtain confirmation from the subscriber's bank that the Subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in a Subscriber's bank account or if it is otherwise not possible to debit such bank account when a debit attempt is made pursuant to the authorisation from the Subscriber, the Subscriber's obligation to pay for the Rights Issue Shares will be deemed overdue. If payment for the allotted Rights Issue Shares is not received when due, the Rights Issue Shares will not be delivered to the Subscriber and the Board reserves the right, at the risk and cost of the Subscriber, to cancel the subscription in respect of the Rights Issue Shares for

which payment has not been made or to sell or otherwise dispose of the Rights Issue Shares and hold the Subscriber liable for any loss, cost or expense arising in connection with this. The original Subscriber remains liable for payment of the entire amount due including interest, costs, charges and expenses accrued and the Receiving Agent may enforce payment of any such amount outstanding.

Payment by direct debiting is a service that banks in Norway provide in cooperation. With respect to the relationship between the Subscriber and its bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 3 of the Subscription Form, will apply, provided that Subscribers who subscribe for an amount exceeding NOK 5 million by signing the Subscription Form, provide the Receiving Agent with a one-time irrevocable authorisation to directly debit the specified bank account for the entire subscription amount.

5.14.2 Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Rights Issue Shares allocated to them is made on 10 July at 9:00 CET, at the latest. Prior to any such payment being made, the Subscriber must contact the Receiving Agent for further details and instructions.

5.14.3 Overdue Payments

Overdue and late payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 8.50% per annum. If a subscriber fails to comply with the terms of payment, the Rights Issue Shares will, subject to the restrictions in the Public Limited Companies Act and at the discretion of the Receiving Agent, not be delivered to the subscriber.

5.15 VPS REGISTRATION

The Rights Issue Shares will be registered in book-entry form with VPS under ISIN NO 001 0715394

The Rights Issue Shares will not be delivered to the Subscribers' VPS account before they are fully paid, the share capital increase relating to the issuance of the Rights Issue Shares has been registered by the Norwegian Register for Business Enterprises and the Rights Issue Shares have been registered in the VPS.

5.16 DELIVERY AND LISTING OF THE RIGHTS ISSUE SHARES

All Subscribers subscribing for Rights Issue Shares must have a valid VPS account (established or maintained by an investment bank or Norwegian bank that is entitled to operate VPS accounts) to receive Rights Issue Shares. It is expected that the share capital increase relating to the issue of the Rights Issue Shares in the Rights Issue will be registered in the Norwegian Register of Business Enterprises on or about 17 July 2019 and that the Rights Issue Shares will be delivered to the Subscribers' VPS accounts on or about 17 July 2019 (subject to payment being received from the Subscribers). The final deadline for registration of the share capital increase pertaining to the Rights Issue with the Norwegian Register of Business Enterprises, and hence for the subsequent delivery of the Rights Issue Shares, is, pursuant to the Norwegian Public Limited Companies Act, three months from the expiry of the Subscription Period (i.e. 8 October 2019).

Subscribers should be aware that delivery of the Rights Issue Shares will only be made if the Subscriber pays for the Rights Issue Shares.

All Rights Issue Shares will be subject to an application for admission to trading on the Oslo Stock Exchange.

The Rights Issue Shares will not be sought or admitted to trading on any regulated market other than the Oslo Stock Exchange.

The Rights Issue Shares may not be traded on the Oslo Stock Exchange before they are fully paid, issued and registered in the VPS.

5.17 THE RIGHTS CONFERRED BY THE RIGHTS ISSUE SHARES

The Rights Issue Shares will in all respects be equal to the existing Shares of the Company once the Rights Issue Shares have been issued and registered with the Norwegian Register of Business Enterprises, expected on or about 17 July 2019. Rights Issue Shares are entitled to receive dividends, if any. For a description of rights attached to the Shares in the Company, see Section 16 "Share Capital".

5.18 SHARE CAPITAL FOLLOWING THE RIGHTS ISSUE

The number of Rights Issue Shares to be issued is 8,882,575 each with a par value of NOK 0.1. Thus, the Company's share capital following the Rights Issue will be NOK 6,604,144 consisting of 66,041,435 shares, each with a par value of NOK 0.1.¹

5.19 DILUTION

Existing Shareholders who do not participate in the Rights Issue are subject to a direct dilution of 13 % (as set out in the table below

| | <u>Number of shares</u> |
|--------------------------|-------------------------|
| Pre Rights issue | 57,158,860 ² |
| Effect of Rights Issue | 8,882,575 |
| Post Rights Issue | 66,041,435 |
| Dilution effect | 13% |

Taking into account the dilution from the Private Placement Shares and the Consideration Shares, the total dilution for shareholders not participating in the Rights Issue is 40%. For shareholders participating in the Rights issue, but not in the Consideration Shares and the Private Placement Shares, the dilution is 27%.

5.20 PUBLICATION OF INFORMATION RELATING TO THE RIGHTS ISSUE

In addition to press releases which will be posted on the Company's website, the Company will use the Oslo Stock Exchange information system to publish information relating to the Rights Issue.

5.21 NET PROCEEDS AND EXPENSES RELATING TO THE RIGHTS ISSUE

The Rights Issue is part of a larger process, which also includes, the Transaction, the Issuance and listing of the Consideration Shares, The issuance of the Consideration Warrants, and the issuance and listing of the Private Placement Shares. The Company's expenses associated with the full process are estimated to approximately NOK 12.7 million (~USD 1.5 million), whereas approximately NOK 2.4m (~USD 0.3 million) is related to the Rights Issue, indicating net proceeds of NOK 32.8 million (~USD 3.7 million).

5.22 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE RIGHTS ISSUE

Gross Management, a company which the Chairman of the Board, Glen Ole Rødland is associated with, has undertaken, together with certain other existing shareholder, to subscribe for all Rights Issue Shares not subscribed for during the Subscription period (see Section 5.4 "The Underwriting").

The Underwriters will this be allocated the remaining Rights Issue shares not subscribed for in the event that the Rights Issue is not fully subscribed, and as such have an interest in the Rights Issue.

In connection with the Rights Issue, the Company, Board Members and members of the Executive Management may receive Subscription Rights (if they are Eligible Shareholders) and may exercise their right to take up such Subscription Rights and subscribe for Rights Issue Shares, and in that capacity, may retain, purchase or sell Subscription Rights or Rights Issue Shares and any other securities of the Company or other investments for their own account and may offer or sell such securities (or other investments) other than in connection with the Rights

¹ Note that the company will complete the Private Placement simultaneously as the Rights Issue. The Company's share capital following the completion of the Rights Issue and the Private Placement will be NOK 7,041,644 consisting of 70,416,435 shares, each with a par value of NOK 0.1

² Including Consideration Shares, excluding Private Placement Shares.

Issue. The Company does not intend to disclose the extent of any such investments or transactions other than in accordance with any legal or regulatory obligation to do so.

Except from the above, the Company is not aware of any other material interests in the Rights Issue, *including conflicting ones*, involving any Board Members or Executive Management of the Company.

The Receiving Agent is entitled to a commission of 3% of all subscriptions for Rights Issue Share made in the Rights Issue.

The Receiving Agent and its affiliates may, in the future, provide investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive customary fees and commissions. The Receiving Agent will receive a fee, the amount of which is connected to the size of the Rights Issue.

5.23 RECEIVING AGENT AND LEGAL ADVISOR

The Receiving Agent for the Rights Issue is SpareBank 1 Markets AS. Advokatfirmaet Haavind AS has acted as legal advisor (on Norwegian law issues) in connection with the Rights Issue.

5.24 GOVERNING LAW AND JURISDICTION

The Subscription Forms and the terms and conditions of the Rights Issue are to be governed by, construed in accordance with, and the Rights Issue Shares will be issued pursuant to, Norwegian law. Any dispute arising in connection with the Subscription Forms or the Rights Issue will be subject to the exclusive jurisdiction of the courts of Norway, with Oslo District Court as the legal venue.

The Company and its shares are subject to the Norwegian Public Limited Liability Companies Act.

6. LISTING OF THE PRIVATE PLACEMENT SHARES

6.1 BACKGROUND

On 13 May 2019, Aqualis announced that they have entered into a definitive agreement with Braemar for the acquisition of the Braemar Technical Services (see more information in Section 7 “The Transaction”). Furthermore, it was announced that the Company intends to carry out a Rights Issue (See more information in Section 5 “The Rights Issue”) raising gross proceeds of NOK 35.2 million (approximately USD 4.0 million).

As part of the Transaction (as further described in Section 7 “The Transaction”), Braemar received Consideration Shares representing an ownership of 26 % in the Combined Company. In addition to the Consideration Shares, Braemar received Consideration Warrants allowing Braemar to potentially subscribe for new Shares in the Combined Company, increasing their ownership up to 33% (given fulfilment of certain performance thresholds as further described in Section 7.2.1 “The Consideration Warrants”).

To maintain Braemar’s potential ownership position after the Rights Issue, and to further strengthen the Company’s capital position in line with the significantly increased size of the Company, the Company intends to carry out a Private Placement of NOK 17.3 million (approximately USD 2.0 million) directed towards Braemar, on the same terms as the Rights Issue (the “Private Placement Shares”).

The Private Placement Shares rank *pari passu* in all respects with the other existing Shares and will carry full shareholder rights in the Company from the time of registration of the share capital increase pertaining to the issue of the Private Placement Shares in the NRBE. The Private Placement Shares is eligible for any dividends which the Company may declare after said registration. All Shares, including the Private Placement Shares, will have voting rights and other rights and obligations which are standard under the Norwegian Public Companies Act, and are governed by Norwegian law. Please refer to Section 16 "Share Capital" and Section 17 “Shareholder matters and Norwegian company and securities law” for a more detailed description of the Shares.

The issuance of Private Placement Shares implies that the existing shareholders' pre-emptive rights to subscribe new shares are set aside. The Board are of the opinion that it is necessary to set aside the pre-emptive rights for existing shareholders to secure completion of the Transaction, which is in the common interest of the Company and its shareholders.

6.2 THE PRIVATE PLACEMENT SHARES

Following completion of the Private Placement, the Company has a share capital of NOK 7,041,644 divided on 70,416,435 Shares each with a par value of NOK 0.10. The Company has only one class of shares outstanding and all Shares are freely transferable.

6.3 DILUTION

The immediate dilution of the Private Placement for the existing shareholders is approximately 6% for shareholders that participate in the Rights Issue for its pro rata share count (excl. dilution from the Consideration Shares)

6.4 RESOLUTION REGARDING THE ISSUANCE OF THE PRIVATE PLACEMENT SHARES

At the general meeting held on 11 June 2019 the following resolution regarding the issuance of the Private Placement Shares was passed:

- 1. The share capital is increased with NOK 437,500.00 by issuance of 4,375,000 new shares, each with a nominal value of NOK 0.10, raising gross proceeds of approximately NOK 17,300,000.*
- 2. The subscription price for the new shares is NOK 3.96 per share.*

3. *The shares may be subscribed for by Braemar Shipping Services Plc, a company incorporated in England and Wales (registered number 02286034) whose registered office is at One Strand, Trafalgar Square, London WC2N 5HR. The shares shall be subscribed for on a separate subscription form as soon as all conditions for completion of the Transaction have been fulfilled and the Rights Issue is completed and in any event no later than 31 August 2019. Existing shareholders' preferential rights pursuant to section 10-4, cf. section 10-5, of the Act are waived.*
4. *Payment for the new shares shall be made as soon as all conditions for completion of the Transaction have been fulfilled and the Rights Issue is completed and in any event no later than 31 August 2019.*
5. *The new shares shall carry rights to dividend and have shareholder rights from registration of the Private Placement with the Norwegian Register of Business Enterprises.*
6. *The Private Placement is part of a larger process, which also includes the Transaction, the issuance of the Consideration Shares, the issuance of the Warrants and the Rights Issue. The Company's costs associated with the full process are estimated to approximately NOK 12.7 million excl. VAT.*
7. *Section 4 of the Articles of Association shall be amended so as to reflect the share capital and the number of shares after the share capital increase.*
8. *This resolution is made subject to the completion of the Transaction, and the general meeting resolving to approve the share capital increase in connection with issuance of the Consideration Shares in item 12, the issuance of Warrants in item 13, and the share capital increase in connection with the Rights Issue in item 15.*

6.5 EXPENSES RELATED TO THE LISTING OF THE PRIVATE PLACEMENT SHARES

The Private Placement is part of a larger process, which also includes, the Transaction, the issuance and listing of the Consideration Shares, The issuance of the Consideration Warrants, and the Rights Issue. The Company's expenses associated with the full process are estimated to approximately NOK 12.7 million (~USD 1.5 million), whereas approximately NOK 0.9 million (~USD 0.1 million) is related to the Private Placement, indicating net proceeds of NOK 16.5 million (~USD 1.9 million)

6.6 JURISDICTION AND GOVERNING LAW

The Private Placement Shares will be issued in accordance with the rules of the Norwegian Public Limited Liability Companies Act.

6.7 INTERESTS OF NATURAL AND LEGAL PERSONS IN THE ISSUANCE OF THE CONSIDERATION SHARES

As the recipient of the Consolidation Shares and Private Placement Shares, Braemar has an interest in the listing of the Private Placement Shares. Beyond the above-mentioned, the Company is not aware of any interests, including conflicting ones, of any natural or legal persons in the issuance of the Private Placement Shares

7. THE TRANSACTION

7.1 OVERVIEW OF THE TRANSACTION

The Company and Braemar announced on 13 May 2019 that the parties had entered into a transaction agreement whereby the Company would acquire 3 business lines (Offshore, Marine and Adjusting, previously defined as “**Braemar Technical Services**”, “**Braemar Technical**” or the “**Braemar Assets**”) out of Braemar’s technical division (the “**Transaction**”). The Transaction will be implemented through an acquisition of 100% of the shares in Braemar Technical Services Holdings Limited, the holding company for the Braemar Assets (see Section 11 “Presentation of Braemar Technical Services” for more information about the Braemar Assets). Completion of the Transaction took place on 21 June 2019 (the “**Closing Date**” or the “**Completion Date**”).

The consideration in the Transaction comprised new shares and warrants in the Combined Company, representing an equity purchase price of between USD 7.1 million and 9.9 million, depending on the number of warrants vesting and, consequentially, the performance of the Combined Company following completion of the Transaction. The agreed consideration is based on a “locked box” balance sheet as of 28 February 2019, which includes a net cash balance of USD 0.9 million in Braemar Technical Services. Further details regarding the consideration are set out in Section 7.2 below.

The Transaction resulted in the combination of two highly complementary and individually strong business and created a leader within the marine and offshore consulting industry:

- Broader service offering and increased scale – a stronger partner for clients
- Combining two highly complementary businesses – building on unique strengths of both organizations and brands
- Strengthened global presence
- Unlocking significant synergies
- Becoming an even more attractive employer
- New major shareholder with industrial perspective

7.2 KEY TRANSACTION TERMS

The Consideration to be paid by the Company for the Braemar Assets is based on an equity value of USD 7.1 – 9.9 million, depending on the performance of the Combined Company following the Transaction (and consequentially how many Consideration Warrants that will be vested)

As consideration for Braemar Technical Services, Braemar received the following:

- (i) 14,865,621 newly issued ordinary Shares in the Combined Company (the “**Consideration Shares**”)
- (ii) 5,973,556 warrants (the “**Consideration Warrants**”) giving Braemar the right to potentially subscribe for up to 5,973,556 new Shares in the Combined Company, subject to the terms and conditions described in Section 7.2.1 below

The maximum shareholding of Braemar in Aqualis if all warrants are issued, vested and exercised in full is 20,839,177 Shares, or 33 % of the Combined Company.

The value of the Consideration shares is USD 7.1 million based on a price per share of NOK 4.14 and USD/NOK exchange rate of 8.64. The estimated value of the Consideration Warrants is USD 0.0 - 2.8 million, based on the number of Consideration Warrants to be vested and exercised, as further described in Section 7.2.1 below³.

³ The estimated value of the warrants have been calculated using the Black and Scholes formula with customary assumptions

The Consideration Shares and any shares to be issued pursuant to the Consideration Warrants are subject to a 24 months lock-up period from the Completion Date, pursuant to which such shares, subject to certain exceptions, cannot be sold or otherwise transferred without the prior consent of Aqualis. The lock-up will not apply if the volume weighted average share price for Aqualis over a 20 trading day period exceeds NOK 8, and certain other customary exceptions. Gross Management AS has entered into a corresponding lock-up agreement with Braemar.

7.2.1 The Consideration Warrants

The Consideration Warrants are divided into two separate tranches and will vest based on aspects of the Company's performance (with certain adjustments) in a two-year period commencing 1 April 2019.

Half of the Warrants ("**Tranche 1 Warrants**") representing up to 2,986,778 Shares will vest based on the average adjusted EBITDA, on a consolidated basis combining Aqualis and the Braemar Assets for the two years period starting from 1 April 2019 until 31 March 2021 (the "**Warrants Calculation Period**"); and the other half of the Warrants ("**Tranche 2 Warrants**") representing up to 2,986,778 Shares will vest based on the aggregate average adjusted Gross Profit for Adjusting and Marine during the Warrants Calculation Period as further described below

The Consideration Warrants may only be exercised and converted into shares as follows:

- (i) If the average annual adjusted EBITDA for the Combined Company during the Warrants Calculation Period exceeds USD 7.5 million per year (Adjusted EBITDA of USD 15 million in total for the Warrants Calculation Period), Braemar shall be entitled to exercise the full number of Tranche 1 Warrants issued or in existence.
- (ii) If the average annual adjusted EBITDA of Combined Company is between USD 4.5 million and USD 7.5 million, the number of Tranche 1 Warrants that can be exercised shall be reduced proportionally (from 0 warrants in case the average annual adjusted EBITDA is USD 4.5 million or lower, to 2,986,778 warrants in case the average annual adjusted EBITDA is USD 7.5 million)
- (iii) If the average aggregate adjusted Gross Profit for Adjusting and Marine during the Warrants Calculation Period exceeds USD 14.3 million per year (Adjusted Gross Profit of USD 28.6 million in total for the Warrants Calculation Period), Braemar shall be entitled to exercise the full number of Tranche 2 Warrants issued or in existence.
- (iv) If the average aggregate adjusted Gross Profit of Adjusting and Marine is between USD 12.6 million and USD 14.3 million, the number of Tranche 2 Warrants that can be exercised shall be reduced proportionally (from 0 warrants in case the average adjusted Gross Profit for Adjusting and Marine is USD 12.6 million or lower, to 2,986,778 warrants in case the average aggregate adjusted Gross Profit for Adjusting and Marine is USD 14.3 million).
- (v) In the event the calculation of the number of Consideration Warrants that can be exercised (as described in (i) to (iv) above) leads to a fractional number of Shares, the number of Warrants that can be exercised shall be rounded down to the nearest whole number of Consideration Warrants and Shares. No fractional Shares will be issued.
- (vi) In the event the Warrants become exercisable as a result of a takeover bid the holder of the Consideration Warrants shall be entitled to exercise the full number of Consideration Warrants issued.
- (vii) In the event a claim from Braemar under or in connection with the SPA cannot be settled in cash due to a statutory or legal requirement, such claim shall be satisfied by Warrants, and, the relevant number of Warrants shall immediately vest. The exercise period for such Warrants shall commence on completion of the Transaction and end on the date falling four (4) years after the vesting date for such Consideration Warrants.

The exercise price for the Consideration Warrants will be NOK 0.10 per warrant, being the nominal value per Aqualis ordinary share.

The Consideration Warrant terms and conditions shall include customary adjustment and anti-dilution provisions.

See Section 16.8 “Warrants issued as part of the consideration in the Transaction“ for more information about the Consideration Warrants.

7.3 AGREEMENTS FOR THE BENEFITS OF CLOSE ASSOCIATES

There are no agreements in connection with the Transactions in favour of Aqualis’ senior executives or directors, or for senior executives or directors of Braemar other than the incentive plan described in Section 15 “Board of Directors, Executive Management and Employees”.

7.4 EXPENSES

The Transaction is part of a larger process, which also includes, the Rights Issue, the issuance and listing of the Consideration Shares, the issuance of the Consideration Warrants, and the Private Placement. The Company’s expenses associated with the full process are estimated to approximately NOK 12.7 million (~USD 1.5 million).

7.5 MANAGER AND ADVISOR

The Company engaged SpareBank 1 Markets AS, Olav V’s gt 5, 0161, Oslo, Norway, as manager for the Transaction. The legal advisor to the Company for the Transaction was Advokatfirmaet Haavind AS, Bygdøy alle 2, Oslo, Norway.

8. LISTING OF THE CONSIDERATION SHARES

8.1 BACKGROUND

On 13 May 2019, the Company announced that it had entered into a Sale and Purchase Agreement pursuant to which the Company had agreed to purchase Braemar Technical Services Holdings Limited from Braemar as set out in Section 7 of this Prospectus.

Part of the consideration was settled by the issuance of 14,865,621 new ordinary Shares in the Combined Company to Braemar at a subscription price of NOK 4.14 per share (previously defined as the Consideration Shares) as further described in Section 7 "The Transaction". The Consideration Shares was subscribed for at 21 June 2019, the closing date of the Transaction, and will be registered in the NRBE as soon as possible. The Consideration Shares are expected to be listed on Oslo Børs on or about 24 June 2019 on the Company's ordinary ISIN, being NO 001 0715394.

The Consideration Shares rank pari passu in all respects with the other existing Shares and will carry full shareholder rights in the Company from the time of registration of the share capital increase pertaining to the issue of the Consideration Shares in the NRBE. The Consideration Shares is eligible for any dividends which the Company may declare after said registration. All Shares, including the Consideration Shares, will have voting rights and other rights and obligations which are standard under the Norwegian Public Companies Act, and are governed by Norwegian law. Please refer to Section 16 "Share Capital" and Section 17 "Shareholder matters and Norwegian company and securities law" for a more detailed description of the Shares.

The issuance of Consideration Shares implies that the existing shareholders' pre-emptive rights to subscribe new shares was set aside. The Board was of the opinion that it is necessary to set aside the pre-emptive rights for existing shareholders to secure completion of the Transaction, which is in the common interest of the Company and its shareholders.

Braemar has agreed to a lock-up period of 24 months for the Consideration Shares (and any shares to be issued pursuant to the Consideration Warrants), meaning that Braemar cannot divest the Consideration Shares (and any shares to be issued pursuant to the Consideration Warrants) before 24 months after completion of the Transaction. The lock-up will not apply if the volume weighted average share price for Aqualis over a 20-trading day period exceeds NOK 8, and certain other customary exceptions. Gross Management AS has entered into a corresponding lock-up agreement with Braemar.

8.2 THE CONSIDERATION SHARES

Following the issuance of the Consideration Shares, the Company has a share capital of NOK 5,715,886 divided into 57,158,860 Shares, each with a par value of NOK 0.1. The Company has only one class of shares outstanding and all Shares, except from Consideration Shares and any other Shares issued pursuant to the Consideration Warrants are freely transferable under the lock-up period.

8.3 DILUTION

The dilution for the existing shareholders from the issuance of the Consideration Shares was approximately 26% (Not taken into account any dilution resulting from the Private placement and any potential dilution resulting from the Rights Issue).

8.4 RESOLUTION REGARDING THE ISSUANCE OF THE CONSIDERATION SHARES

At the general meeting held on 11 June 2019 the following resolution regarding the issuance of the Consideration Shares was passed:

- 1 *The Company's share capital is increased by NOK 1,486,562.10 through the issuance of 14,865,621 new shares, each with a nominal value of NOK 0.10.*
- 2 *The subscription price shall be NOK 4.14 per share.*
- 3 *Existing shareholders' pre-emptive rights to subscribe the new shares in accordance with section 10-4 first paragraph of the Act are set aside in accordance with section 10-5 of the Act.*
- 4 *The new shares shall be subscribed by Braemar Shipping Services Plc, a company incorporated in England and Wales (registered number 02286034) whose registered office is at One Strand, Trafalgar Square, London WC2N 5HR. Subscription shall be made on a separate subscription form as soon as all conditions for completion of the Transaction have been fulfilled and in any event no later than 31 August 2019.*
- 5 *Settlement of the contribution shall be made by a contribution in kind of certain Braemar subsidiaries and assets.*
- 6 *Settlement of the contribution is made at the time of the subscription of the capital increase.*
- 7 *The new shares entitle the holder to dividend and other shareholder rights as from the time of registration of the share capital increase with the Norwegian Register of Business Enterprises.*
- 8 *The capital increase is part of a larger process, which also includes the Transaction, the issuance of the Warrants, the Private Placement and the Rights Issue. The Company's costs associated with the full process are estimated to approximately NOK 12.7 million excl. VAT.*
- 9 *This resolution is subject to fulfilment of all other conditions for completion of the Transaction, and the general meeting resolving to approve the issuance of the Warrants in item 13 below.*
- 10 *Section 4 of the Articles of Association shall be amended to read as follows:*

“The Company's share capital is NOK 5,715,886 divided into 57,158,860 shares at a par value of NOK 0.10. The shares shall be registered with the Norwegian Central Securities Depository “.

8.5 EXPENSES RELATED TO THE LISTING OF THE CONSIDERATION SHARES

The issuance and listing of the Consideration Shares is part of a larger process, which also includes the Transaction, the issuance of the Consideration Warrants, the Rights Issue, and the issuance and listing of the Private Placement Shares. The Company's expenses associated with the full process are estimated to approximately NOK 12.7 million (~USD 1.5 million).

8.6 JURISDICTION AND GOVERNING LAW

The Consideration Shares will be issued in accordance with the rules of the Norwegian Public Limited Liability Companies Act.

8.7 INTERESTS OF NATURAL AND LEGAL PERSONS IN THE ISSUANCE OF THE CONSIDERATION SHARES

As the recipient of the Consolidation Shares, Braemar has an interest in the listing of the Consideration Shares. Beyond the above-mentioned, the Company is not aware of any interests, including conflicting ones, of any natural or legal persons in the issuance of the Consideration Shares

9. MARKET OVERVIEW

The Company provides a wide range of services in the offshore oil & gas, offshore renewables, marine, and adjusting industries, as further described in Section 10 “Presentation of Aqualis” and Section 11 “Presentation of Braemar Technical Services”. The following sections will thus highlight the most important trends within the offshore oil and gas, offshore renewables, marine and adjusting markets.

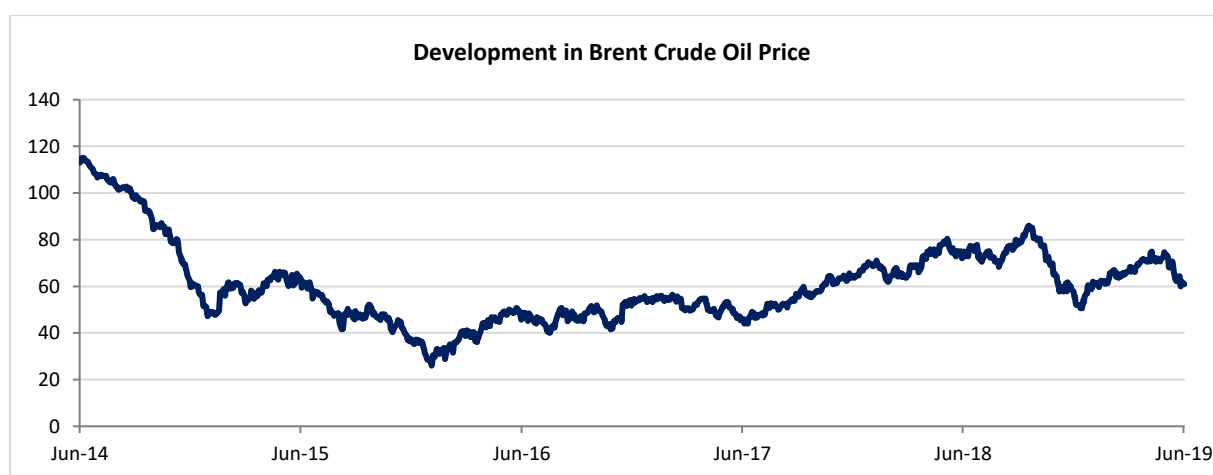
9.1 OFFSHORE MARKET

9.1.1 General market drivers

Oil price:

In the second quarter of 2014, the oil price started declining significantly, reaching a low point of USD 28 per barrel in January 2016. The main reason for the dramatic fall in the oil price was that the market experienced significant excess supply. The excess supply could be explained by several factors, including (i) increased US shale production, (ii) OPEC’s decision to defend market share and not reduce production as well as (iii) rising production levels from Iran after the lifting of export sanctions. As a result of the falling oil price, Investments in the oil industry was cut dramatically which again had severe impact across several sectors of the oil services industry globally.

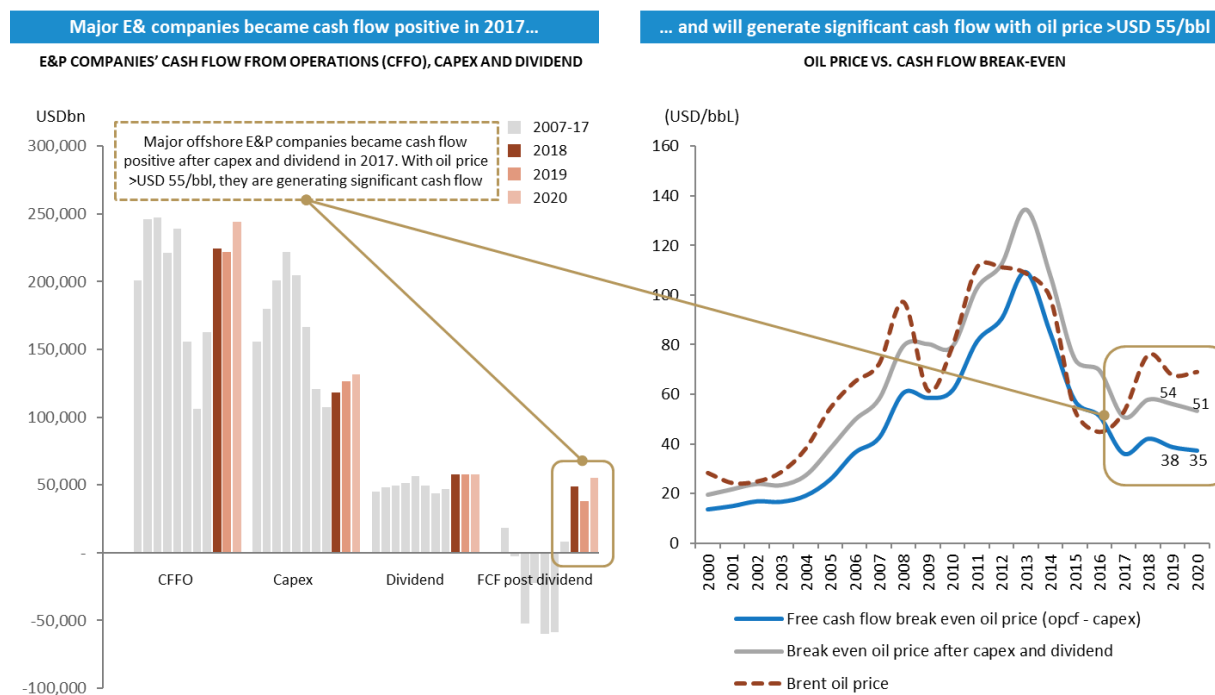
From the provisional low point of USD 28 per barrel in January 2016, the oil price and correlated spending activity experienced an increase in price and activity respectively, supported by i.a. OPEC’s reduction in production, reduced shale supply and increased global demand. In the first and second half of 2017, the oil price stabilized at around USD 50 and USD 60-65 per barrel, respectively, with December 2017 representing the high end of the range. Brent oil price continued its positive trend into 2018 and fluctuated between USD 70 and 80 per barrel during the summer season and reached USD 86 dollar per barrel in early October. In the fourth quarter of 2018, fear of slower global growth and reduced demand lead to a decline in the oil price which ended at around USD 50 dollar per barrel at year end. At the beginning of 2019, the oil price started to increase again and reached around USD 75 per barrel at the end of April. Since then the oil price have decreased due to slower expected global growth and reduced demand and is currently trading around USD 60-65 per barrel⁴.



⁴ FactSet as at 18 June 2019 (source not publicly available, requires payment)

Source: FactSet as at 18 June 2019 (source not publicly available, requires payment)

As depicted in the graph on the left hand side below, major E&P companies became cash flow positive in 2017 and generated significant free cash flow after dividend in 2018. It is hard to gauge how the oil companies will react in the future. However, consensus estimates suggest that USD 60/boe is more than sufficient to justify spending growth (see graph on the right hand side). In particular taken into account very low break even oil prices and IRR for the majors unsanctioned portfolios, the current outlook suggest higher investments going forward⁵



Source: SpareBank 1 Markets, Factset, March 2019 (source not publicly available, requires payment)

Future E&P spending:

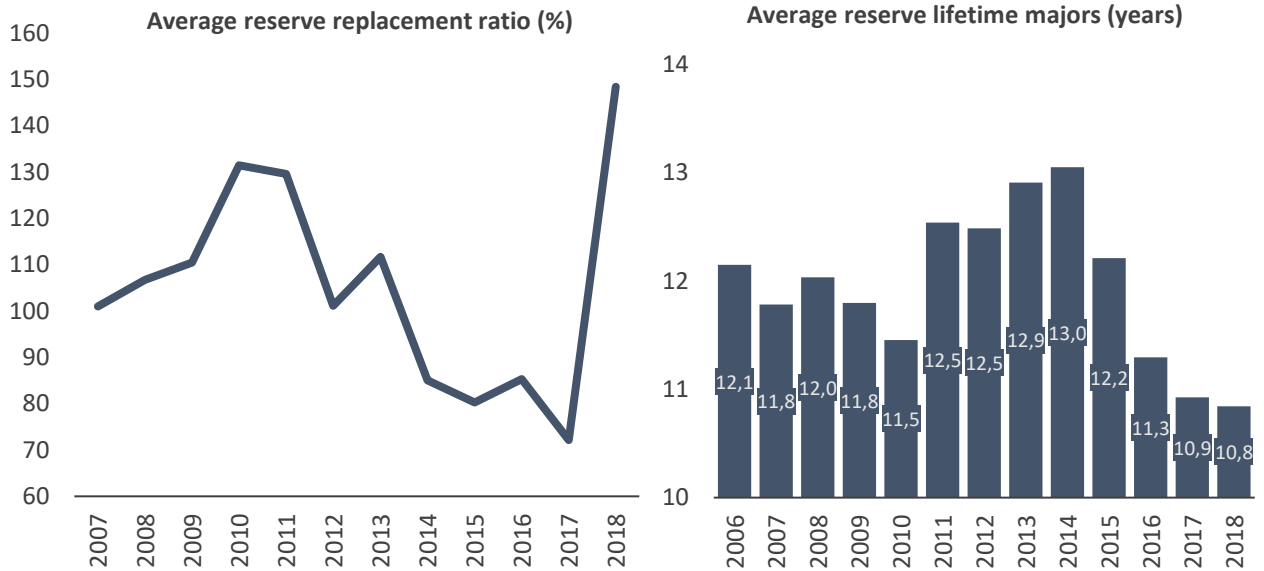
E&P spending are a natural indicator for the level of future investments in the oil service industry. High E&P spending normally implies high activity levels, and hence high investment levels; the opposite is true for low E&P spending budgets. Consequently, E&P spending are a useful gauge for the investment levels in the industry where the Group delivers the majority of its services.

The oil majors reserve replacement ratio (“RRR”), which indicates how much of their production that replace with new discoveries, has been in a declining trend 5-6 years. As depicted in the graph on the left hand side below, the RRR among oil majors has been below 100% 4 out of the last 5 years⁶. Naturally, this has resulted in a decline in the average reserve lifetime of oil majors as illustrated in the graph on the right hand side below⁷. A RRR below 100% and declining lifetime is unsustainable in the long run. Hence, it is expected that efforts by oil companies in order to find new oil will increase going forward.

⁵ Companies included in both graphs: Equinor, Eni, BP, Total, Shell, Chevron, Repsol, Exxon, ConocoPhillips

⁶ Companies included: Equinor, Eni, BP, Total, Shell, Chevron, Exxon (until 2015), ConocoPhillips

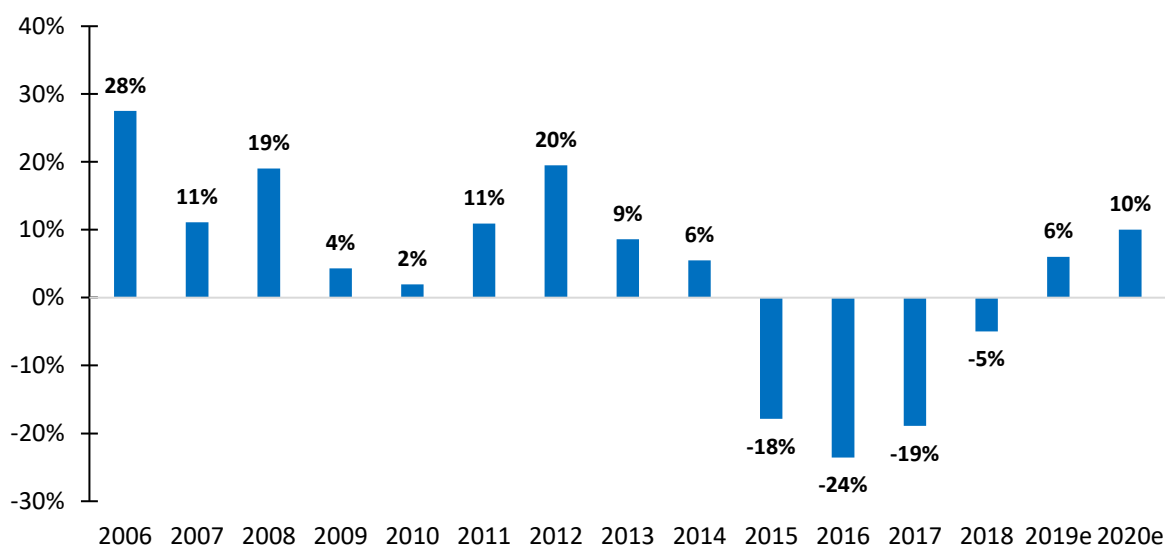
⁷ Companies included: Equinor, Eni, BP, Total, Shell, Chevron, Exxon (until 2015), ConocoPhillips



Source: SpareBank 1 Markets, Factset, March 2019 (source not publicly available, requires payment)

The graph below sets out historical and 2019-2020 estimated E&P spending growth. As depicted in the figure, the offshore E&P spending is estimated to grow with 6% in 2019 and 10% in 2020, indicating increased activity going forward.

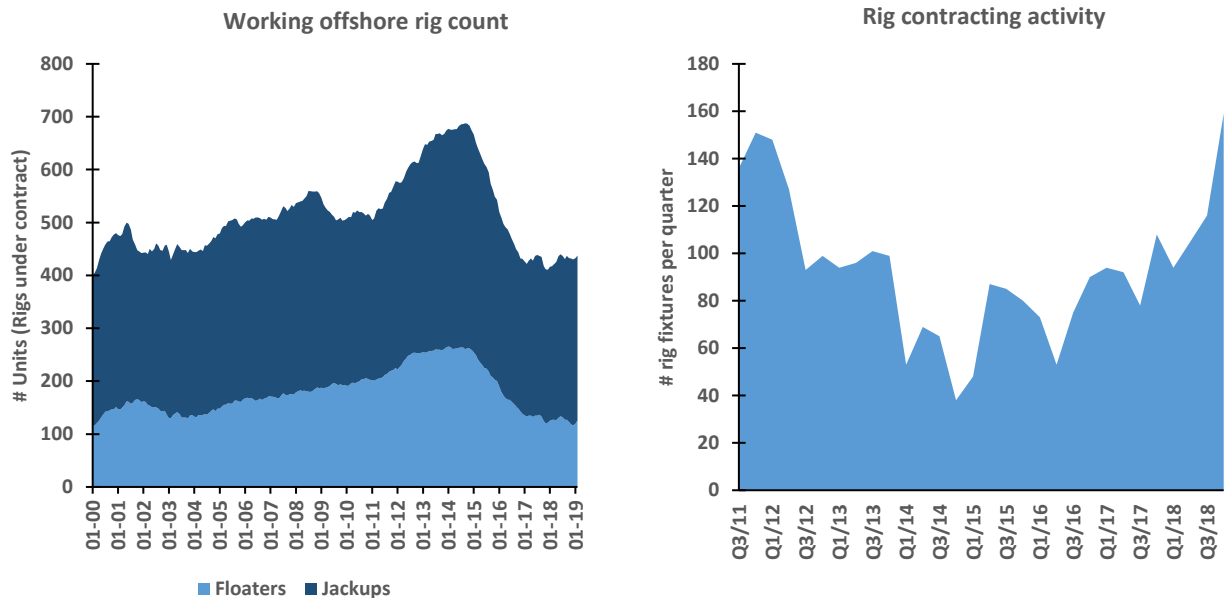
Offshore E&P spending growth (%)



Source: SpareBank 1 Markets, March 2019 (source not publicly available, requires payment)

9.1.2 Offshore rig market

The offshore rig market is a key driver for Aqualis services. The graph on the left hand side below illustrates the development of contracted Floaters and Jack-ups. As can be seen from the graph, the number rigs on contract peaked in August/September 2014 (427 Jack-ups and 264 Floaters) before declining significantly as a result of the steep decline in the oil price. The number of working offshore rigs bottomed in November/December 2017 at 289 jack-ups and 120 Floaters. Although the number of working rigs was 7.1% higher in January 2019 compared to the year before, it is evident from the graph that the number of contracted rigs have not picked up at the same pace as the oil price. This can i.a. be explained by E&P companies' reluctance to invest in exploration and new fields and having more focus on developing existing fields, including increased oil recovery. As RRRs have reached unsustainable low levels and E&P companies are increasing their spending, it is reasonable to assume that number of working rigs will increase going forward. This is supported by a significant increase in the tendering activity, as depicted in the graph on the right hand side below. In the fourth quarter of 2018, the number of fixtures was 47% higher compared to the same period in 2017.



Source: SpareBank 1 Markets & HIS Markit, February 2019 (source not publicly available, requires payment)

As a result of a significant reduction in global E&P spending, Aqualis has for a period viewed the market environment and demand for the Company’s services within offshore as challenging but is now more optimistic as the estimated E&P spending and tender activity and is picking up.

9.2 OFFSHORE WIND MARKET

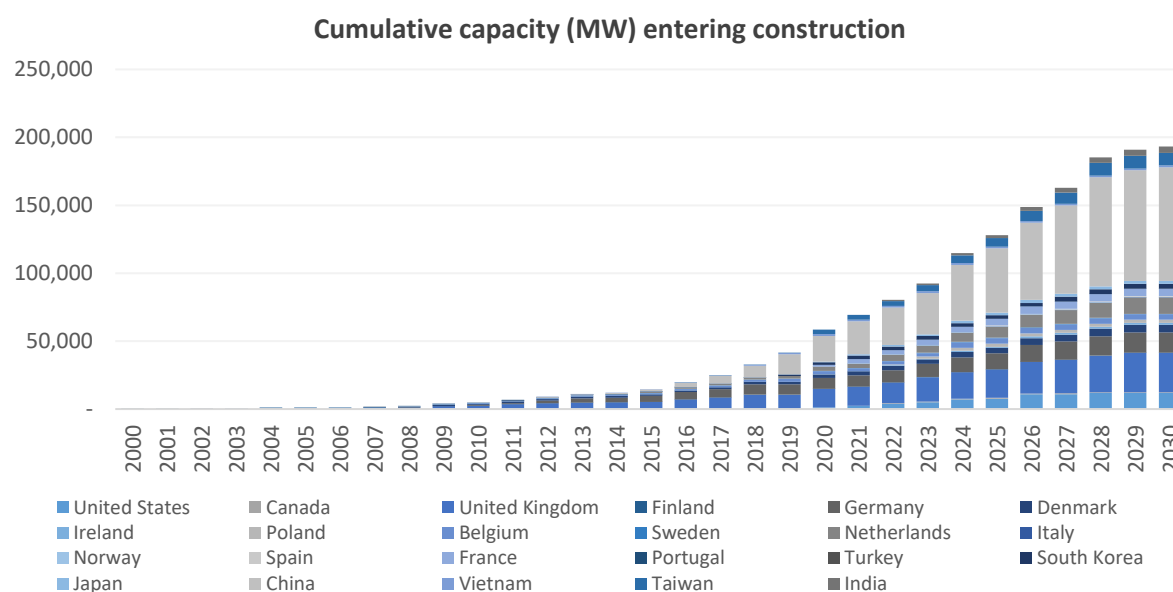
The global installed capacity of offshore wind stands at 25.2 GW as of March 2019 and is growing rapidly. 16.3 GW (around 60 parks) of capacity is currently under construction, but yet to be installed, or in pre-construction. A majority of the new capacity under construction is made up of Chinese projects, as the country continues to undergo a rapid expansion of its offshore wind industry. This rapid growth in the Chinese market is anticipated to continue to accelerate, with 5.5 GW already installed and a further 6.4 GW of capacity under construction or in pre-construction⁸.

Industry analysts expect to see the industry grow from the current global installed capacity of 25.2 GW to a cumulative total of 218.5 GW of projects underway by year 2030, meaning a total of some 193 GW of capacity should enter construction between now and the end of 2030 (depicted in the graph below). Most of this growth is expected to arise from China with an anticipated 89.2 GW set to be underway or installed by 2030, almost half of the total. Europe is also expected to grow significantly. Key growth drivers comprise of ambitious EU plans to cut greenhouse emissions by 40% (vs. 1990) and increase the share of renewable energy to 32% by 2030⁹. We should also see significant emerging demand in markets such as the United States, Taiwan, South Korea and India giving the industry an annual capacity growth rate of 22%⁶.

⁸ Source: 4C Offshore (Source not publicly available, requires payment). The number includes turbines installed but not yet grid connected.

⁹ European Commission, 2030 climate & energy framework - source publicly available through the following url: https://ec.europa.eu/clima/policies/strategies/2030_en (accessed 29 May 2019)

Offshore wind is expected to see steady cost reductions which enables offshore wind to beat alternative technologies. The cost (i.e. the levelized cost of energy) is expected to reach EUR 100 per MWh by 2020 and EUR 85-79 per MWh by 2025, depending on the projects pipeline¹⁰.



Source: 4C offshore (source not publicly available, requires payment)

9.3 MARKET FOR MARINE (MARINE CLAIMS)

The marine industry is the life blood of the global economy transporting an estimated 12 billion tonnes of cargo with approximately 84% of global trade, moved by sea in 2018¹¹. With the world fleet comprising just over 94,600 vessels totalling 1.32 billion gross tonnes,¹² shipping is an asset heavy industry, requiring independent professional advice for financing, change of ownership, new builds, conversions, specialty operations, pre-risk and post casualty situations.

Such assessments are provided by several internationally based consulting organisations, societies and other niche local operators. With Braemar Technical Services’ marine heritage dating back to 1856 with the formation of the Salvage Association, they are a leading player in the marine sector¹³. Revenue is normally earned by reference to day or hourly rate charges for professional staff and the time spent on each assignment. The factors affecting the

¹⁰ Wind Europe - Source publicly available through the following link: <https://windeurope.org/policy/topics/economics/> (accessed 29 May 2019)

¹¹ IUMI Stats 2018 – source partly publicly available through the following url, full source requires payment: <https://iumi.com/news/iumi-eye-newsletter-december-2018/2018-iumi-statistics-the-global-economy-continues-to-recover-while-marine-insurance-results-remain-under-pressure> (accessed 29 May 2019)

¹² IGP&I Annual Review 2017-18 - source publicly available through the following url http://www.gard.no/Content/26335594/IG_Annual_Review_2017_18.pdf

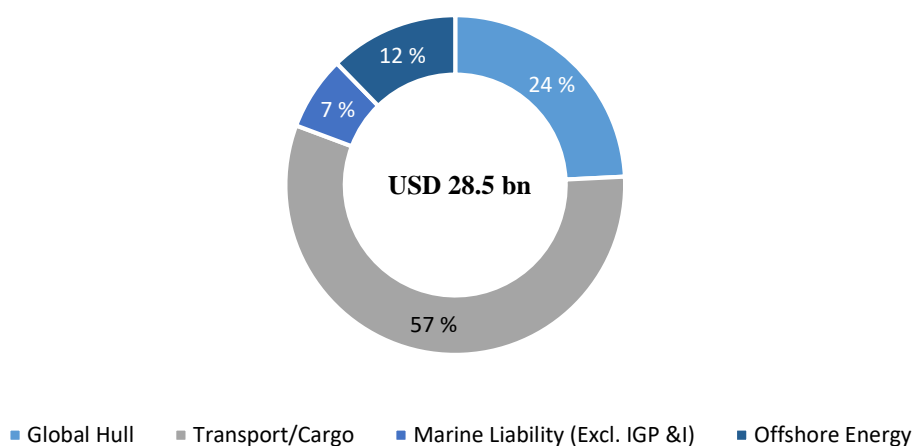
¹³ Please note that statement regarding “leading player” is based on Braemar’s management’s perception formed on their overall knowledge of the market and feedback from clients

number and type of assignments in a given period include global trade and international freight rates, changes to the world's fleet, the level of new build activity and the number of marine casualties and insured losses.

A key source of business to the marine consulting industry is the Marine Insurance market and the worlds P&I clubs.

Global Marine Insurance premiums reached USD 28.5 billion in 2017 representing an increase of 2% on 2016. This upswing was largely attributable to growth in trade plus a strengthening of European and other currencies against the US dollar. The marine insurance premiums by line of business are illustrated as follows¹⁴:

Marine insurance premiums



The underwriting income for the hull sector in 2017 at USD 6.9 billion reflects a downward trend in global hull premiums, which appears more severe when compared to world fleet numbers and vessel values. While the global fleet has continued to grow in numbers and average vessel sizes, the average insured value has reduced year on year since the financial crash of 2008. Cargo premiums in 2017 were USD 16.1 billion representing a 6% increase on 2016 and this product line saw an actual increase in volume and consequently its overall share of global premium increased¹⁵

Despite decades of safety improvements over 75% of shipping accidents continue to involve human error.¹⁶ Casualty numbers are also driven by, extreme weather conditions, age of the fleet, safety and maintenance programs, changes in technology and other operational factors. Claim activity was relatively benign in 2017-2018 – except hurricane damage on yachts - due to a combination of lower shipping activity in some maritime industry segments, improvements in ship design, positive effects of risk management policy and shipping safety regulations.

In 2017 there were a reported 2,712 casualties of which 94 were Total Losses. This figure was up on the prior year driven by a rise in Machinery damage, which remained the top cause of shipping incidents (casualties) around the globe accounting for 42%, followed by Collisions 13% and Wrecks/Stranding 12%. The Eastern

¹⁴ IUMI Stats 2018 - source partly publicly available through the following url, full source requires payment: <https://iumi.com/news/iumi-eye-newsletter-december-2018/2018-iumi-statistics-the-global-economy-continues-to-recover-while-marine-insurance-results-remain-under-pressure> (accessed 29 May 2019)

¹⁵ IUMI 2018 - source partly publicly available through the following url, full source requires payment: <https://iumi.com/news/iumi-eye-newsletter-december-2018/2018-iumi-statistics-the-global-economy-continues-to-recover-while-marine-insurance-results-remain-under-pressure> (accessed 29 May 2019)

¹⁶ 2018 Allianz AGCS Safety Shipping Review - source publicly available through the following url: <https://www.agcs.allianz.com/news-and-insights/news/safety-shipping-review-2018.html> (accessed 29 May 2019)

Mediterranean and Black Sea region continued to experience the most casualties as it has for the past 6 years, although 2017 saw a reduction on the prior year of 18% or 101 casualties.¹⁷

There appears to be a long-term downward trend in the frequency of hull claims in general and for total losses specifically. However, the risk of a single major loss incurring unprecedented costs remains a significant risk in light of the move towards larger and ever more sophisticated vessels and the aggregation of assets at key locations. In the Cargo sector underwriting results have been strongly impacted by outlier and Nat-Cat events impacting more than one single underwriting year.

The International Group of P&I clubs (IGP&I) reported an estimated USD 3.69 billion in call income in the 2017-18 period a decline of USD 226 million on the prior year.¹⁸ On this backdrop, they also reported incurring an estimated USD 2.47 billion in claims, resulting in underwriting loss of USD 103.9 million (after operating costs). The most significant contributor to the loss history for most clubs remains wreck removal with 46% of all claims, on a ground-up basis, during the period 2008 to 2018.¹⁹

As the use of new technologies onboard vessels grow, marine experts expect to see a growing number of technical claims requiring independent advice, such as autonomous ships, cyber incidents and technology defects, in addition to the traditional losses such as collisions, groundings and engine failures.²⁰ We see an ever increasing need for our services to assist Shipowners, P&I Clubs, Insurers and financial institutions with critical decision making and analytical assessments.

9.4 MARKET FOR ADJUSTING

The Loss adjusting market for the energy and natural resource industries involves the professional assessment of insurance claims emanating from the upstream, midstream and downstream Oil & Gas sectors; power & utilities; mining and heavy industries. Claims are typically high value low frequency events and may include business interruption and delay in start-up, construction and builders all risk, liability, professional indemnity and property damage claims in the both the onshore and offshore environments.

A loss adjuster is appointed to provide independent advice in relation to the circumstances of an incident and will work with all parties to review the insurance policies that are in effect and determine the applicability of the coverage that may exist. Once coverage has been determined, the loss adjuster will monitor developments, detail the reinstatement efforts, review all cost documentation and issue subsequent reports that will normally form the basis for any insurance settlement between the underwriter and the assured. As with marine the basis of remuneration is hourly or daily charge rates for professional staff on the basis of time spent on the file.

The potential revenue from loss adjusting activities will vary in a given year depending on a combination of factors including market capacity, industry activity, natural catastrophe's, age of infrastructure, maintenance expenditure and the state of the workforce, all of which will impact on the resulting loss history.

Since 2014, the theoretical market capacity in the Upstream sector has climbed to approximately USD 8 billion, and to just over USD 6 billion in the downstream sector. Against these capacities the estimated global Upstream premiums have nearly halved to just over USD1 billion in recent years while the Downstream sector market capacity has increased gradually to approximately USD 3 billion²¹. While it is true combined loss ratios have exceeded premium income in both the Upstream and Downstream sectors since 2015, the Upstream sector has

¹⁷ 2018 Allianz AGCS Safety Shipping Review - source publicly available through the following url: <https://www.agcs.allianz.com/news-and-insights/news/safety-shipping-review-2018.html> (accessed 29 May 2019)

¹⁸ RKH FP Marine Risks P&I Report 2018-19 - source publicly available through the following url: <https://www.fp-marine.com/downloads/rkh-fp-marine-pi-report-2018.pdf> (accessed 29 May 2019)

¹⁹ IGP&I Annual Review 2017-18 - source publicly available through the following url: http://www.gard.no/Content/26335594/IG_Annual_Review_2017_18.pdf (accessed 29 May 2019)

²⁰ Baptiste Ossena – Global Product Leader Hull & Marine Liabilities, AGCS - source publicly available through the following url: <https://insurancemarineneeds.com/insurance-marine-news/big-data-analysis-of-crew-behaviour-and-near-misses-could-help-prevent-disasters-says-allianz/> (accessed 29 May 2019)

²¹ Willis Towers Watson - Energy Market Review 2019 - source publicly available through the following url: <https://willistowerswatson.turtl.co/story/5c6d36fb84975236ebbf8a99> (accessed 29 May 2019)

experienced significantly fewer losses both in quantum and in number in recent years, falling from an estimated USD 5.6 billion in 2015 to USD 2.1 billion in 2017. However, it should be noted that in the same period estimated Downstream losses have actually increased from USD 2 billion to USD 6.2 billion in 2017²².

The Downstream market has performed very well from 2013 through to the end of 2018, benefiting from stronger crack spreads (the difference in price between crude oil and refined petroleum product) driven by refined product demand. Refining margins varied widely by region. Refiners in Asia and Europe were the beneficiaries of the greatest margin gains, showing increases of 40% to 80% from 2014 to 2017. In North America, refining margins still grew very robustly, at about 20%. Leading companies in all regions took advantage of these favourable market conditions by increasing throughput.²³ With increases in throughput, additional pressures are placed on the existing infrastructure and there can be a tendency for operators to defer turnarounds and major upgrades when margins are so high. These factors may have had a direct impact on the increased loss history in the Downstream sector, an influence that will likely diminish as spread levels return to normal levels and some of the recent profits are reinvested.

There is no mistaking the correlation between reduced E&P activity and the reduction in Upstream premium income and insurance losses since 2014. As drilling activity declined and rigs were stacked Underwriter's premium levels declined sharply, Offshore rigs and support vessels that were underutilised saw their insured values and premiums drop and as they were not actively engaged in exploration and production activity their risk exposure dropped dramatically. This relationship is unlikely to change and as we see a continued increase in Upstream activity, we anticipate a significant rise in premium and claim levels will occur.

9.5 COMPETITIVE LANDSCAPE

The Group is competing in a globally fragmented landscape of companies offering adjusting, marine, offshore and renewable consultancy services. The main competitors and global industry players include amongst others DNV GL Group (merger between Det Norske Veritas and GL Group, owner of GL Noble Denton), LOC Marine & Engineering Consultants, Global Maritime, Matthews Daniel, Charles Taylor, Lloyd Warwick, Brookes Bell and K2 Management. Furthermore, there are numerous local and regional competitors.

Aqualis has a growing local presence in the global market for marine & offshore (oil & gas and renewables) consultancy, with offices in all key regions in the world. Following the Transaction, the Company has strengthened its competitive position and has become a significant player within insurance marine claims (mainly shipping) and energy loss adjusting markets.

²² Willis Towers Watson - Energy Market Review 2018 - source publicly available through the following url: <https://www.willistowerswatson.com/en/insights/2018/04/energy-market-review-2018-between-a-rock-and-a-hard-place> (accessed 29 May 2019)

²³ BGC - Valuation Creation in Oil & Gas 2018 - source publicly available through the following url: <https://www.bgc.com/publications/2018/value-creation-oil-gas-managing-price-cycle.aspx> (accessed 29 May 2019)

10. PRESENTATION OF AQUALIS

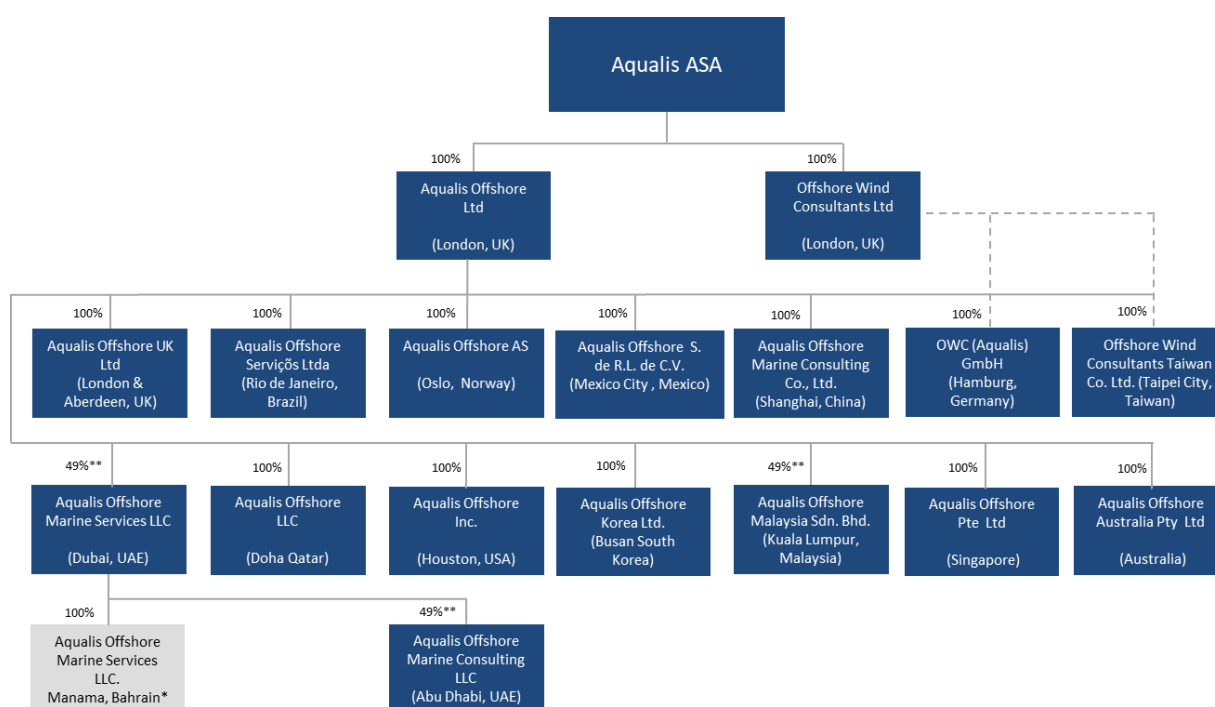
This Section provides an overview of the business of the Group as of the date of this Prospectus. The following discussion contains Forward-looking Statements that reflect the Company’s plans and estimates, see Section 4.3 “Cautionary Note Regarding Forward-Looking Statements”. This Section should be read in conjunction with the other parts of this Prospectus, in particular Section 2 “Risk Factors”, Section 11 “Presentation of Braemar Technical Services”, and section 12 “Information regarding the Group after the Transaction”

10.1 INCORPORATION, REGISTERED OFFICE AND REGISTRATION NUMBER

The Company’s legal name is Aqualis ASA. After the Closing Date, the legal name will be Aqualis Braemar ASA. The Company is a public limited liability company (Nw: Allmenneaksjeselskap) organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated on 2 June 2014 and the Company is registered in the Norwegian Register of Business Enterprises with business registration number 913 757 424. Aqualis’ business address is Postboks 1899 Vika, 0124 Oslo, Norway. The Company’s website is www.aqualisoffshore.com, and the Company can be directly contacted through telephone on +47 959 63 912.

10.2 LEGAL STRUCTURE

The Company is the holding company in the Group, as well as conducting certain group activities. The Group’s legal structure prior to completion of the Transaction is set out in the chart below (the legal structure after the transaction is included in Section 12.3 “Legal and organisational structure after the Transaction”).



* In Bahrain, Aqualis Offshore operates through agency agreement with Aqua Marine.

** The company is 100% controlled by Aqualis Offshore.

The following table sets out information about the entities in which the Company, as of the date of this prospectus, holds (directly or indirectly) more than 10% of the outstanding capital and votes (dormant companies are not included)

| Subsidiaries | Country of incorporation | Registered office | Main business | Ownership | Voting power |
|--|---------------------------------|--------------------------|------------------------------------|------------------|---------------------|
| Aqualis Offshore Limited ⁽¹⁾ | UK | London | Marine and engineering consultancy | 100% | 100% |
| Aqualis Offshore UK Ltd. | UK | London | Marine and engineering consultancy | 100% | 100% |
| Aqualis Offshore AS | Norway | Oslo | Marine and engineering consultancy | 100% | 100% |
| Aqualis Offshore Marine Services LLC ⁽²⁾ | UAE | Dubai | Marine and engineering consultancy | 49% | 100% |
| Aqualis Offshore LLC ⁽²⁾ | Qatar | Doha | Marine and engineering consultancy | 49% | 100% |
| Aqualis Offshore S. de R.L. de C.V. | Mexico | Mexico City | Marine and engineering consultancy | 100% | 100% |
| Aqualis Offshore Inc. | US | Houston | Marine and engineering consultancy | 100% | 100% |
| Aqualis Offshore Servicos Ltda | Brazil | Rio de Janeiro | Marine and engineering consultancy | 100% | 100% |
| Aqualis Offshore Pte. Ltd | Singapore | Singapore | Marine and engineering consultancy | 100% | 100% |
| Aqualis Offshore Marine Consulting (Shanghai) Co. Ltd. | China | Shanghai | Marine and engineering consultancy | 100% | 100% |
| Aqualis Offshore Korea Ltd | Korea | Seoul | Marine and engineering consultancy | 100% | 100% |
| Aqualis Offshore Malaysia Sdn Bhd | Malaysia | Kuala Lumpur | Marine and engineering consultancy | 100% | 100% |
| Aqualis Offshore Australia Pty Ltd | Australia | Perth | Marine and engineering consultancy | 100% | 100% |
| Offshore Wind Consultants Ltd ⁽¹⁾ | UK | London | Marine and engineering consultancy | 100% | 100% |
| OWC (Aqualis) GmbH | Germany | Hamburg | Marine and engineering consultancy | 100% | 100% |
| Offshore Wind Consultants Taiwan Co., Ltd | Taiwan | Taipeh | Marine and engineering consultancy | 100% | 100% |

- 1) *Investment held directly by Aqualis ASA. Investment in all other subsidiaries are held by Aqualis Offshore Limited*
- 2) *Aqualis Offshore Limited controls 100% of the financial and ownership rights of both subsidiaries*

10.3 BUSINESS AND COMPANY OVERVIEW

Aqualis is a marine and engineering consultancy incorporated in 2014. The start up the company was initiated by David Wells, Reuben Segal and Ferncliff.

Aqualis offers, through its subsidiaries and associates, energy consultancy services to the offshore oil & gas and offshore wind sectors. The group employs experienced consultants in 19 offices in 15 countries worldwide. Aqualis operates under two different globally spanning brands: Aqualis Offshore and Offshore Wind Consultants.

Aqualis Offshore is a specialised offshore marine and engineering consultancy firm, focusing on the shallow and deep-water offshore segments of the oil and gas industry. The client base consists of primarily of offshore asset owners, oil companies, EPC contractors, financial institutions, insurance companies and investors

Offshore Wind Consultants is a consultancy providing independent services to the offshore renewables industry. The client base consists of primarily of offshore wind farm developers, utilities, vessel owners, financial institutions, insurance companies and investors.

10.4 HISTORY AND IMPORTANT EVENTS

Aqualis was started on the premise of growing demand for offshore marine and engineering consultancy services and the space for a new global marine engineering consultancy after the industry consolidation that had taken place in the prior years. The Company's strategy at the onset after its incorporation was to establish a global presence in all major oil and gas regions and build up a leading niche engineering and marine consultancy based on recruitment of experienced marine and engineering staff. Having access to a global service offering with experienced staff is a key competitive advantage in the marine and engineering consultancy industry.

From 2013 to 2015 a number of offices were opened globally, including amongst others in Singapore, London, Houston, Rio de Janeiro, Abu Dhabi, Shanghai, Mexico City and Qatar. During the same time period, the Company made several acquisitions, including Offshore Wind Consultants, to allow it to expand geographically and to expand the service range to cover the offshore wind and solar market services.

During 2015 the market conditions in the oil & gas business started to deteriorate significantly on the basis of a sharp fall in oil prices. The demand for marine and engineering consultancy services, particularly related to new CAPEX, fell significantly in this period which put strong pressure on prices in the whole oil service industry. To adapt to the changed market conditions, the Company rationalised its business and implemented a more flexible business model to operate in a market with lower margins, lower demand and less long term contracts. Due to the recession, the Company pulled back its expansion plans and reduced staff levels.

After a challenging year in 2016, the company started off in 2017 with a business model more aligned with market conditions and with a focus on strengthening its competitive positions and its profitability. From 2017 and to 2019 the Company has opened offices in Taiwan, Australia and US and expanded its business service lines. Aqualis sold its investment in ADLER Solar in 2018.

The most significant milestones in the development of the Company are summarized below:

| Year | Significant event |
|-------------|---|
| 2012 | Establishment of Aqualis Offshore Ltd |
| 2013 | Offices opened in Singapore, London(UK), Houston(USA), Rio de Janeiro(Brazil), Dubai(UAE) Acquisition of Standard Engineering AS Acquisition of Aqualis Offshore Limited |
| 2014 | Incorporation of Aqualis Offshore Holding, later renamed to Aqualis ASA Listing on Oslo Stock Exchange Offices opened in Abu Dhabi(UAE), Shanghai(China), Mexico City(Mexico) Acquisition of Tristein AS and Offshore Wind Consultants Ltd |
| 2015 | Office opened in Doha (Qatar) and Kuala Lumpur (Malaysia) Acquisition of 49% in ADLER Solar GmbH |
| 2017 | Office opened in Tainan (Taiwan) |
| 2018 | OWC opens office in Taipei (Taiwan) Expanded service lines to include Rig Inspection Services Sale of ADLER Solar Services GmbH |

| | |
|------|---|
| | Payment of first dividend of NOK 0.90/share |
| 2019 | Office opened in Perth (Australia) and Boston (USA) |

10.5 BUSINESS STRATEGY

Aqualis was established on the premise that there was demand from clients for a new global niche offshore marine engineering consultancy. The Group's target is high-end niche consultancy in the offshore oil & gas sector and the offshore renewable sector.

The Group has established a presence in most major marine and offshore energy centres. The global presence allows the business to respond quickly when high-end marine or engineering consultancy is required. Although some of the offices have special focus on certain areas of operations, all service offerings are provided to the oil and gas market across all regions and for renewables to selected regions.

Aqualis strategy is to offer high quality services by an experienced pool of staff and contractors. The Company has adapted to retain a flexible cost and skill base to be able to more quickly adapt to changes in market requirements

The Group's strategy is to expand the marine and offshore activities through the establishment of new offices globally, widening and strengthening its global client portfolio and by adding complementary services to its existing service offering.

The oil service industry will benefit from further consolidation. Aqualis will continue to actively work on any value adding consolidation opportunities

10.6 DESCRIPTION OF THE COMPANY'S BUSINESS UNITS

10.6.1 Aqualis Offshore

Aqualis ASA's offshore oil and gas activities are carried out by Aqualis Offshore. Aqualis Offshore is a specialised marine and engineering consultancy, focusing on the shallow and deep-water segments of the offshore oil & gas industry and the offshore renewables markets worldwide. Our multidisciplinary engineering and marine teams are recognised in the industry for their competence and experience. We work closely with clients to understand their requirements, identify solutions and execute their projects and marine operations in a timely, cost-effective and safe manner.

With offices strategically located near the world's major shipping and offshore energy centres, Aqualis Offshore has a strong global presence. The company is headquartered in London, UK and has offices ("Office network") in the following locations: USA (Houston and Boston), Mexico (Mexico City), Brazil (Rio de Janeiro), UK (Aberdeen), United Arab Emirates (Dubai and Abu Dhabi), Saudi Arabia (Dammam), Bahrain (Manama), Singapore, China (Shanghai), Australia (Perth), Malaysia (Kuala Lumpur), Taiwan (Tainan) and South Korea (Seoul)

The widespread global presence allows the business to respond quickly when high-end marine or engineering consultancy is required. Although some of the offices have special focus on certain areas of operations, all service offerings are provided across all regions

Aqualis Offshore specialises in the following marine and engineering services:

- Deep and shallow water installation engineering and related marine operations
- Marine operations and surveying, including rig moving and tow master services together with engineering support services
- Vessel construction supervision and owner representation
- Engineering and project management support to the renewables industry

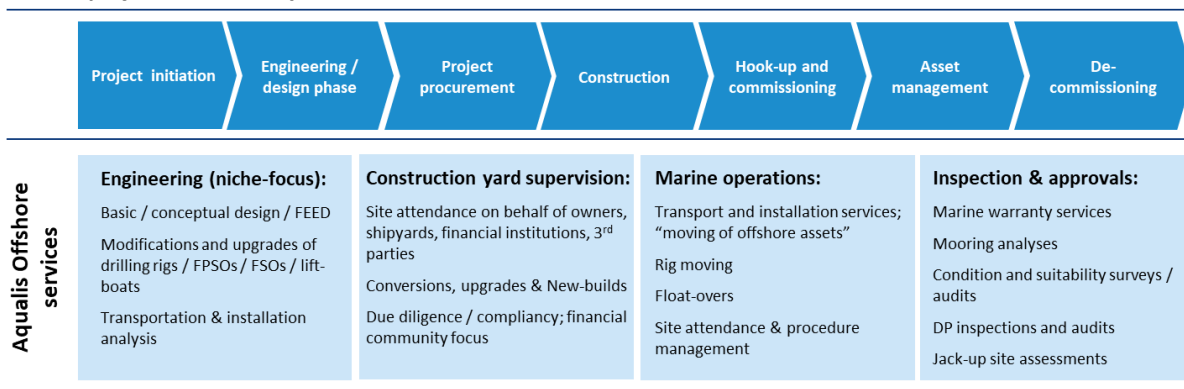
- Third party approvals on behalf of owners and underwriters such as marine warranty and audits of dynamic positioning systems
- Concept, FEED and basic design for new-build and vessel upgrades
- Rig inspection services

Aqualis Offshore team comprises of:

- Naval Architects
- Marine Warranty Surveyors
- Marine Surveyors
- Master Mariners (Tow Masters, Rig Movers, Marine Advisors, Mooring Masters, Consultants)
- DP Practitioners
- Structural Engineers
- Geotechnical Engineers
- Civil Engineers
- Installation Engineers
- Environmental Compliance Engineers
- Project Managers/Site Superintendents
- Risk Managers/Engineers
- Mechanical Engineers
- Control System Engineers
- Subsea Engineers
- Electrical and Electro Technical Engineers

The figure below illustrates Aqualis Offshore Group’s key services across a project/asset life cycle.

Marine project / asset life cycle



Aqualis’ key competencies cover both offshore opex and capex cycles

MARINE WARRANTY

Aqualis Offshore is well known in the insurance market by many of the key international energy underwriters. Aqualis Offshore is well known in the insurance market by many of the key international energy underwriters. In

keeping with standard insurance market practice, underwriters pre-approve and nominate the project marine warranty survey companies in their project insurance policy. We have been appointed as marine warranty surveyors on insurance policies for projects which include offshore construction works, transportations (including float overs and heavy lift topside load-outs), jack-up rig moving and location approvals, towages and dry transportations. Normally the insurance policies for these projects will specify between three and four companies that are pre-approved as marine warranty surveyors for a given insurance policy. The Company teams of marine warranty engineers, surveyors and master mariners provide independent third-party review and approval of offshore projects on behalf of underwriters or self-insured clients. Aqualis has extensive experience in a wide range of offshore activities from simple marine operations to complex and challenging offshore projects which include approvals for the following operations:

- Ocean towages
- Barge transportations
- Unusual / oversized cargoes on ships
- Location Approval for MODUs
- Offshore rig move attendance onboard MODUs
- Loadout, transportation and installation of offshore platforms, topsides and sub-sea structures
- Floating construction activities, floatover, deck mating, FPSO mooring installation & TLP hook-up
- Pipelay operations
- Bridge and harbour construction activities

Typical activities may include:

- Document reviews
- Suitability surveys of offshore marine spreads
- Approval of towages, heavy lifts and installations
- Subsea operations
- Decommissioning and removal of offshore structures
- Acting as Marine Advisors to oil companies and their contractors

MARINE CONSULTANCY

The Company offer a wide range of marine capability to the oil & gas and maritime industries. Aqualis' mariners have many years of experience associated with drilling rigs, offshore vessels and trading vessels. The Company aims to assist its clients in finding practical solutions to their marine operations and projects, and/or protect their interests when sub-contracting or making asset investments.

Aqualis offer:

- Provision of Towmasters
- Provision of Marine Advisors
- Dry transportation consultancy and operations

- Vessel inspections
- Rules & regulations compliance
- Inclining experiments
- Pilotage operations
- Rig move procedures
- Suitability surveys and audits
- Pre-charter audits/surveys
- Pre-purchase surveys
- Bollard pull certifications
- Drafting and review of offshore project related procedures
- Mooring plans
- Anchor handling procedures
- Witnessing equipment trials and tests
- Towing plans and procedures
- Common Marine Inspection Document (CMID) and Offshore Vessel Inspection Database (OVID) Surveys

RIG MOVING

The Company offers a full range of rig moving support services for mobile offshore drilling units. Aqualis offer full engineering assessments for site-specific location approvals and provide both marine warranty surveyors and Rrg movers/towmasters for offshore attendance during jack-up and floating unit rig moves.

More specifically, the following services are provided:

- Jack-up engineering studies including site-specific assessments, fatigue analysis, collision studies, earthquake assessments, and heavy lift dry transportation
- Pre-contract rig suitability engineering analyses
- Leg penetration analyses
- Site-specific location approvals
- Mooring analyses
- Transportation approvals and consultancy
- Towage approvals
- Towmaster services
- Rig movers
- Turnkey marine operations
- General rig moving consultancy
- Marine Advisor

MARINE CASUALTY SURVEYS

The Company offers a range of marine damage investigation services to the shipping and offshore energy insurance markets. Sectors include cargo, construction, liability and hull & machinery surveys. Aqualis' surveyors have many years of experience carrying out insurance damage surveys on marine and offshore vessels.

Services cover:

- Vessel hull and machinery damage surveys
- Damage to fixed and floating objects including collision assessment
- Casualty
- Litigation

- Expert witness
- Port risks
- Voyage risks
- Loss prevention services
- Loss of hire
- Personal injury
- Damage surveys of high value equipment and cargo
- Project cargo risk management
- Risk assessments
- Feasibility studies
- Shipbuilding & repair facilities procedures
- Salvage and wreck removal
- Moorings, structural design and failure analysis, intact and damage stability
- Additional services include vessel vetting and entry condition surveys

RISK CONSULTING

The Risk Consulting team strengthens Aqualis' marine and engineering services with a methodological and systematic approach to risk management.

Aqualis' engineering risk management experience includes drilling and productions facilities. Within marine operations, the Company have performed numerous risk management activities within loadout, transport, anchor handling, rig move, heavy lifting, subsea and SURF installation, dynamic position (DP), hook-up, diving and ROV operations, personnel transport, vessel layup and decommissioning.

Furthermore, the Company provides best practices for identifying and managing risks and hazards to personal safety, assets, environment and reputation both in engineering and operations. Aqualis can lead, facilitate or contribute to risk management activities such as:

- Hazard Identification Analysis (HAZID)
- Hazard and Operability Analysis (HAZOP)
- Quantitative Risk Analysis (QRA)
- Safety case studies
- Risk assessments
- Failure Mode, Effect and Criticality Analysis (FMECA)
- Carry out inspections
- Provide people who can work within a client's team to manage risk within a project

ENGINEERING

Aqualis provides a unique solutions-based approach to engineering. The Company's engineers aim to work with its clients as a one-stop-shop to find efficient solutions to their engineering projects.

Due to the Company's independent status, focus is on cost-effective solutions, fit for purpose and tailoring to suit the specific needs and constraints of the clients. Aqualis' offshore engineering expertise covers the life-cycle of an offshore facility from concept and basic design through installation, on to ageing platform integrity management and finally, decommissioning. The Company are involved in both the shallow and deep water ends of the offshore oil & gas industry and operate from the major centres of the offshore industry.

The Company's experienced team can provide unique solutions for many platform types including Mobile Offshore Drilling Units (MODU), Wind Turbine Installation Vessels and Liftboats, Mobile Offshore Production Units (MOPU) including FPSO, FSO, as well as other offshore installations and floating structures. Aqualis' capabilities covers the marine systems, structural, geotechnical and naval architectural disciplines.

Solutions range from:

- Concept designs
- FEED and pre-FEED
- Basic designs
- MODU Upgrades, modification engineering and conversion to production platforms.
- Advanced engineering studies including hydrodynamic, non-linear response, stochastic and time-domain analysis.
- Our combined teams include structural engineers, marine engineers and naval architects

TRANSPORTATION & INSTALLATION

Aqualis' multi-disciplined teams of Engineers, Surveyors and Master Mariners have many years of experience in the offshore industry.

The Company specialises in complex marine operations and can provide valuable early planning and advice to optimise the solutions with regard to vessel and equipment selection, structural design and offshore procedures. Subsequent engineering comprises analysis and design associated with all temporary phases of a marine operation, from loadout and transportation to installation or discharge of high value offshore assets.

Such engineering includes:

- Vessel ballasting
- Global and local vessel strength
- Vessel motions and stability
- Vessel/cargo interaction
- Grillage and seafastening design
- Design of fendering and installation aids
- Dynamic lifting and rigging
- Hydrodynamic analysis
- Jacket launch and upending
- Dynamic analysis for floatover installations
- Towing analysis and design
- Geotechnical analysis
- Production of appropriate documentation

Aqualis' services extend to offshore operation supervision and support from qualified and experienced Marine Superintendents and Project Engineers. The Company draw on the services of external companies where supplementary skills or input are required, for example metocean data for transportation assessment and planning. These services are tailored to suit the Company's clients' requirements and can be supplied as conceptual/feasibility studies, detailed engineering and operation, or verification.

Aqualis' have formed strategic alliances with vessel partners, enabling us to provide package solutions for T&I projects such as:

- Platform installations, including topside float overs
- Tow, positioning and hook-up of floating structures

The Company then provide associated engineering, preparation of procedures and offshore operations management.

RIG INSPECTION

Aqualis offers a wide range of rig inspection services to the offshore oil & gas industry. The Company's engineers offer years of practical experience in rig inspection, providing regulatory compliance and equipment operability

assurance to clients. The Company's rig inspection teams develop and execute bespoke rig inspection acceptance programs specifically tailored to clients' needs.

The Company specialises in the following services:

- Rig inspection and assurance
- Rig selection
- Rig stacking & reactivation assurance
- New build delivery assurance
- Rig preservation inspection
- Focused rig inspections of the following equipment:
 - Well control equipment inspections
 - API standard 53 compliance audits & gap analysis
 - Cyber-based drilling equipment inspections
 - Integrated Control Management System (ICMS) inspections and testing
 - ROV inspection & assurance
 - Drilling rig equipment Factory Acceptance Testing (FAT) witnessing
- Cyber Security Assessments

The Company's aim is to provide independent technical reviews of drilling rigs' regulatory compliance and equipment operability to ensure incident-free drilling campaigns with maximum productive time.

CONSTRUCTION SUPERVISION

Aqualis provides teams to work with the client throughout the construction or conversion of an offshore asset. The project team monitors the project to ensure that it is carried out in accordance with the contract, the specifications, clients' expectations, flag and class requirements.

The project team consists of key personnel with the necessary skills to ensure that the construction meets the build schedule. Aqualis provides a group of engineers and inspectors of various disciplines to be utilised at different stages of the project. In addition, dedicated planning and document control functions are provided throughout the duration of the construction phase.

Key project control activities include:

- Development and implementation of project procedures
- Review of machinery and equipment purchase orders and specifications
- Development and implementation of project execution plans
- Monitoring of work progress and testing activity
- Monitoring of quality control of each activity throughout the construction
- Attendance at formal safety meetings
- Attendance at Factory Acceptance Testing (FAT)
- Audits of subcontractors' facilities
- Attendance during sea trials and inclining experiments
- Reporting to the client on a weekly and monthly basis
- Tracking of site queries, observing safety policy, monitoring quality control measures
- Maintaining electrical & mechanical completion and commissioning records and database
- Monitoring and reporting on extras and credits

DYNAMIC POSITIONING & CRITICAL SYSTEMS

Aqualis provides an experienced multidisciplinary team of engineering and operational resources to support the Dynamic Positioning (DP) industry. The Company deliver dynamic positioning services & critical systems consultancy, including DP FMEA (Failure Mode and Effects Analysis), DP audit, DP Assurance and DP project management.

Services encompass all aspects of the DP system, from initial design consulting, procedures and documentation, proving trials, audits, incident investigation, life extension studies, maintenance and management.

The Company's aim is to assist its clients to operate and validate according to their units' specific industrial mission, including drilling units, project and construction vessels, DSV's, accommodation units, shuttle tankers and OSV's. Whether identifying the critical activity mode or verifying the worst case failure mode through FME(C)A, Aqualis aims to provide clients with independent technical reviews to enhance safe operations.

DP Services Include:

- FME(C)A
- DP FMECA proving and annual trials
- DP design review/redundancy analysis
- DP condition & suitability surveys
- DP Capability & gap analysis
- Development of ASOG, WSOG & CAMO
- DP incident investigation
- DP manuals and procedures
- DP operator competence assessment and verification
- DP project management & sea trials management
- Planning for DP conversions
- Dive Auditing and FMEA work
- Dive system FMEA
- Dive system FMEA proving trials
- Dive system auditing
- ROV auditing
- Critical systems FMEAs
- LNG code FMEAs
- Cargo control systems
- HAZID/HAZOP
- LNG bunker barges
- Analyses of cranes, bilge and ballast systems, pipelay systems and other critical systems

Aqualis combines Dynamic Positioning with Rig Inspection services. Our established DP inspection Practitioners bring years of experience with both offshore drilling rigs and offshore vessels.

TECHNICAL DUE DILIGENCE

With Aqualis' assistance, owners and financial institutions can obtain an objective expert view on the actual project performance or asset value, as an important input to the decision-making process related to loans, consolidation or acquisitions.

The Company is well placed to perform solid, independent technical due diligence services with its combination of engineers and master mariners. The engineers will have been involved from the first concepts to sail away,

including yard contract negotiations, the operational phase, yard stays for repairs, upgrades, modifications and special periodic surveys. The mariners will have been in charge of vessels, rig moves, and major marine operations including vessel inspection/survey.

- Assessment of vessel requirement vs. capabilities
- Design review, professional peer review
- Assessment of owner, project management team and project plans/schedule
- CAPEX/OPEX budget evaluation
- Identify delay risks and other project risks
- Pre- and post- contract reviews
- Yard evaluation and inspection
- Verification of project progress/payment milestone audits
- Suitability survey, condition survey, assessment of vessel function
- Lifetime assessments
- Assessment of equipment preservation and re-activation

The above technical due diligence services are performed for the following vessels:

- Drilling units: Semi-submersibles, jack-ups, drillships and tender barges
- Production units: Ship-shaped, semi-submersibles and jack-ups
- Accommodation units: Semi-submersibles, jack-ups and tender barges
- Offshore service vessels: Anchor handlers, supply vessels, cable layers, crane vessels, liftboats, tugs, etc.
- Other vessels: Shuttle tankers, oil tankers, floating storage units, wind turbine installation vessels, barges, cargo vessels

10.6.2 Offshore Wind Consultants

Offshore Wind Consultants Limited (“OWC”) is a global engineering and project management consultancy solely focused on the full value chain of offshore renewables technology and projects. The core team within OWC has experience in the industry, dating back to the first offshore wind farm development project in the UK. The key members of the team have been involved in most of the major offshore wind projects that have been developed in the UK and the rest of Europe to date. Since the establishment in 2011, OWC have delivered assignments amounting to more than 27 Gigawatts and 50 projects across Europe, Asia and the US.

OWC is headquartered in London, UK and has offices in the following locations: USA (Boston together with Aqualis Offshore), Germany (Hamburg) and Taiwan (Taipeh).

In combination with the Group’s other services, OWC is able to deliver enhanced services to their clients by sharing knowledge, expertise, and resources, particularly where engineering and offshore attendances are required.

Key services

OWC specialize in providing services to offshore renewables developers, lenders and investors. OWC add value to clients through experience whether the client need support to realize a project or invest into a technology or project or develop their business or technology.

OWC support the following offshore renewables market segments:

- Offshore wind (fixed and floating)
- Ocean energy (wave and tidal)

- Subsea cables
- Energy storage

OWC support the following needs:

- **Projects:** OWC's team of renewable experts take a full lifecycle approach to its clients project, whether that is from feasibility to operation or repowering or supporting a specific phase of the project.
- **Business intelligence:** OWC helps clients analyze and identify opportunities and gain real benefit from evidence-based insights, while focusing firmly on their outcomes.
- **Transactions:** OWC advises on projects and technology around the world. With hands on experience of developing, constructing and realizing offshore wind projects, OWC provide real world advice regardless of the stage of the technology or project.

OWC service portfolio is broad and delivered by experts with deep experience. OWC's offshore renewables service portfolio is:

- **Strategy, Market and Policy Studies:** OWC offer advice and consultancy for all current and emerging offshore renewables markets and technologies.
- **Technical Studies:** OWC draws on a vast range of technical expertise enabling OWC to provide technical studies in almost every area of interest. Some of OWC's studies cover fixed and floating foundation design, including coupled load assessments, weather downtime analysis (sequenced downtime analysis utilising Monte Carlo simulation), technical risk assessments and CAPEX and OPEX modelling.
- **Wind Measurement Advisory Services:** OWC combines first hand research knowledge in the field of wind measurements with practical experience from a large number of commercial project assignments. OWC experts have provided technical and consultancy services to several floating Lidar deployments in commercial projects making OWC, based on the Company's own judgement, a leading technical advisory in the field of floating Lidar technology and measurements.
- **Owners Engineering:** OWC brings in depth design and construction experience, first-hand experience of offshore installation and all the associated technological challenges as well bringing the lessons learnt from many other projects. OWC cover the entire project lifecycle and can either monitor or consult on a project on clients' behalf, or supplement clients' own teams.
- **Operation & Maintenance Consultancy:** OWC advises on all phases and aspects of O&M including deep expertise in subsea cables. OWC covers emergency cable repair support, cable remediation solutions and works, scour issues, survey management, operations management, technical support services, commercial management, O&M concept and strategy, modelling for OPEX, operational CAPEX, logistics, WTG availability and downtime calculations and QHSE.
- **Technical Due Diligence:** OWC offers specialist technical due diligence supporting the financing, acquisition, sale and refinancing of assets, technology and companies within the offshore renewables market. Owners and financial institutions can obtain an objective expert view on the actual offshore wind project performance or asset value, as an important input to the decision-making process related to loans, consolidation or acquisitions.
- **Geotechnical Engineering Services:** The OWC geotechnical team consists of engineers who have many years of experience within the offshore wind industry and possess both excellent design and analytical skills combined with direct experience of working offshore. OWC bring experience and expertise in Offshore Geophysical and geotechnical site investigations, Live interpretation of site investigation data to inform ground model updates and immediate design assessments, foundation design and installation analysis, cable route risk analysis and planning and site specific assessments for jack-up locations including leg penetration analyses. OWC combine this expertise with a number of in-house innovative tools that have reduced DEVEX & CAPEX costs on projects.
- **Project Management:** OWC provide project management service support through all stages of an offshore wind farm project. OWC's reputation is based on early involvement in projects; from the planning, design and engineering and then seeing its role expand to a project management service provider through the construction, installation and commissioning phases of the project. OWC team can either undertake a leading role and manage a project directly on behalf of an owner, or more commonly,

work as part of an integrated team with our client, managing specific packages of work and providing support and advice to all other areas of the project.

- **Engineering:** OWC is able to provide structural engineering services support through all stages of an offshore wind farm project. The services that OWC provide include: Structural analysis and design for offshore WTGs and offshore substations, both fixed and floating and for all stages of the design process/projects including optioneering and concept, FEED studies, optimisation to reduce LCoE and increase profitability and detailed design. OWC also have specialists in mooring line and cable analysis.
- **Expert Witness:** OWC offers expert witnesses
- **Transport & Installation / Marine Operations Consultancy:** OWC offers transportation & offshore installation feasibility studies, loadout engineering, harbor engineering related to seabed levelling, concrete structures, fenders, linkspans and gangways, transportation engineering, installation engineering for jack-up units going on location, jacket launching and lifting installation engineering, inspection and supervision and marine operations management.
- **Risk Management & Interface Management:** OWC provides risk and interface management through all stages of an offshore wind farm project. OWC apply proven and state of the art risk and interface management tools and techniques such as Monte-Carlo Simulation.
- **HSEQ:** OWC's multi-disciplinary background gives it a very broad experience base across different industries, continents and technical disciplines. OWC apply risk tools such as standardized risk profiling for projects or operations, integrated risk, planning and commercial profiling and HSE risk categorization and benchmarking. OWC use such risk methods in the evaluations of marine operations, qualification of new vessel concepts, risk assessment of wind turbine maintenance tasks, wind farm diving and ROV operations and also for offshore wind helicopter operations.

10.7 CUSTOMERS

Aqualis has a diverse client base comprising the following types of companies

- National Oil Companies (“NOCs”) and Independent Oil Companies (“IOCs”): clients include amongst others ONGC, Saudi ARAMCO, Shell, Chevron, BP and Premier Oil, Conoco Philips, Inpex and Exxon Mobil
- Rig and vessel owners: clients include amongst others companies such as Seadrill, Saipem, Shelf Drilling, Noble Drilling, Borr Drilling, Maersk Drilling, Ensco, Tidewater, Posh Teresea, Seajacks, A2Sea and Teras Offshore
- Shipyards: clients include amongst others Samsung Heavy Industries, Hyundai Heavy Industries, Lamprell and MMHC
- Offshore contractors: clients include amongst others Technip, Saipem, MODEC, QGI, Hyundai, Hereema and Petrofac
- Financial institutions and investors: clients include amongst others ABN-AMRO, DNB and ING.
- Offshore wind farm developers: clients include amongst other Mainstream Renewable Power and Orsted
- Utility companies: clients include amongst other RWE, Iberdrola, Trianel and Vattenfall
- Underwriters: clients include amongst others Chaucer, XL Catlin, Starstone, Chubb, Zurich, Swiss Re, Beazley, Aspen, Markel, Axis, Gard and QBE

The Group's wide customer base and product offering means its business model is, in general, not dependent upon any key customers or any key segments of the industry. The Group has exposure to a wide range of niche segments within the marine, offshore and renewable industry, with a broad portfolio of customers across the global oil and gas regions, as well as the global offshore renewable market.

10.8 FACTORS AFFECTING THE GROUP

The Group's business and operations, including the demand for its services, will over time be affected by various factors including the following:

- The level of activity and capital spending by oil & gas and offshore companies as this affects the demand for the Group's services.

- Public emphasis on sustainable energy sources and political dedication to the use of clean and sustainable energy sources driving investments in offshore wind parks globally, as this affects the demand for the Group's services.
- Economic fluctuations: The energy sector is exposed to the general global economic environment. An economic downturn could e.g. reduce the availability of credit to fund the marine and offshore business operations globally, and hereby reduce the demand for the Group's services.
- Industry competition: The global offshore consultancy market is highly competitive, and any new competitors entering the market, or e.g. new pricing or product initiatives from existing competitors, may have an effect on the Group.
- Political- and regulatory amendments: Any changes in the political, legislative, fiscal and/or regulatory framework governing the activities of the Group and/or its customers could have a significant impact on the Group's offshore operations.
- Access to competent personnel, resources and customers: The current market for attracting highly qualified engineers is challenging and thus affects the Group, as it is dependent on retaining and recruiting highly skilled employees. Any major changes in the availability of qualified mariners and engineers in the regions in which the Group operates will affect the company.
- Demand fluctuations related to seasonality: the Group's business is seasonal in certain parts of the world. Many of its customers reduce demand for the Group's services during the winter months, hurricane seasons or monsoon periods due to the possibility of adverse weather conditions.

Investors should also note that any potential future changes in the regulatory framework legislation applicable to the Group, in particular tax legislation in the various jurisdictions in which the Group operates, could have a material effect on the Group's business, financial position and results.

10.9 TREND INFORMATION AND EXTERNAL FACTORS

The Company is not aware of trends, uncertainties, demands, commitments or events that could have a material effect on the Group's prospects for the current financial year.

10.10 PROPERTY, PLANTS AND EQUIPMENT

The Group's most important assets are the employees, see Section 15 "Board of Directors, Executive Management and Employees" below.

Fixed assets is mainly made up of equipment acquired to render services, and consists of office related equipment as software, computer hardware and furniture.

The Company leases its offices and most of the leases are under 12 months in length. The annual leases for the current office network is USD 0.8 million.

10.11 LEGAL PROCEEDINGS

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

10.12 MATERIAL CONTRACTS

Other than the Transaction which is described in Section 7 “The Transaction”, neither the Company nor any member of the Group has entered into any material contracts outside the ordinary course of business of the Group for the two years immediately preceding the date of this Prospectus, and no member of the Group has entered into any contracts outside the ordinary course of business of the Group containing obligations or entitlements that are, or may be, material to the Group as of the date of this Prospectus.

The Group has contractual obligations with various companies in the offshore and renewable industry concerning engineering and consultancy services. The Group’s contracts are generally structured in line with industry standards. The Group has few long term contract specific commitments, but holds many call out contracts. The Group is dependent on continuously winning and retaining business. Furthermore, the Group’s contract structure implies that there is limited visibility, in this current weaker trading market, for the Group’s future revenue.

10.13 RELATED PARTY TRANSACTIONS

During 2017 and 2018 Aqualis ASA and Aqualis Offshore Ltd carried out transactions with its subsidiaries. The Group has centralized some tasks centrally which amongst other include

- back-office/administrative services such as corporate planning, coordination, budgetary control, finance and accounting, auditing, legal advice, contract management, quality and process management and IT services
- financial services such as supervision of cash flows and solvency, capital increases, loan contracts
- assistance in marketing and services in personnel matters such as recruitment and training

The terms and conditions of the transactions between the Group companies were no more favorable than those available, or which might reasonably be expected to be available, to non-related entities on an arm’s length basis for similar types of transactions. The consolidated figures in Section 13 will not show any of these transactions as they have been eliminated at Group level in the consolidated figures.

During 2018 the following main types of transactions took place

- Aqualis ASA provided management services to Aqualis Offshore Ltd
- Aqualis Offshore Ltd provided management services to Aqualis ASA
- Aqualis Offshore Ltd provided management services to the subsidiaries
- Management services provided between subsidiaries within one geographical region
- Subsidiaries in the Group normally uses other foreign subsidiaries to service client requirements abroad or for supporting engagement in domestic market

10.14 RESEARCH AND DEVELOPMENT, DEPENDENCY ON CONTRACTS, PATENTS, LICENSES ETC

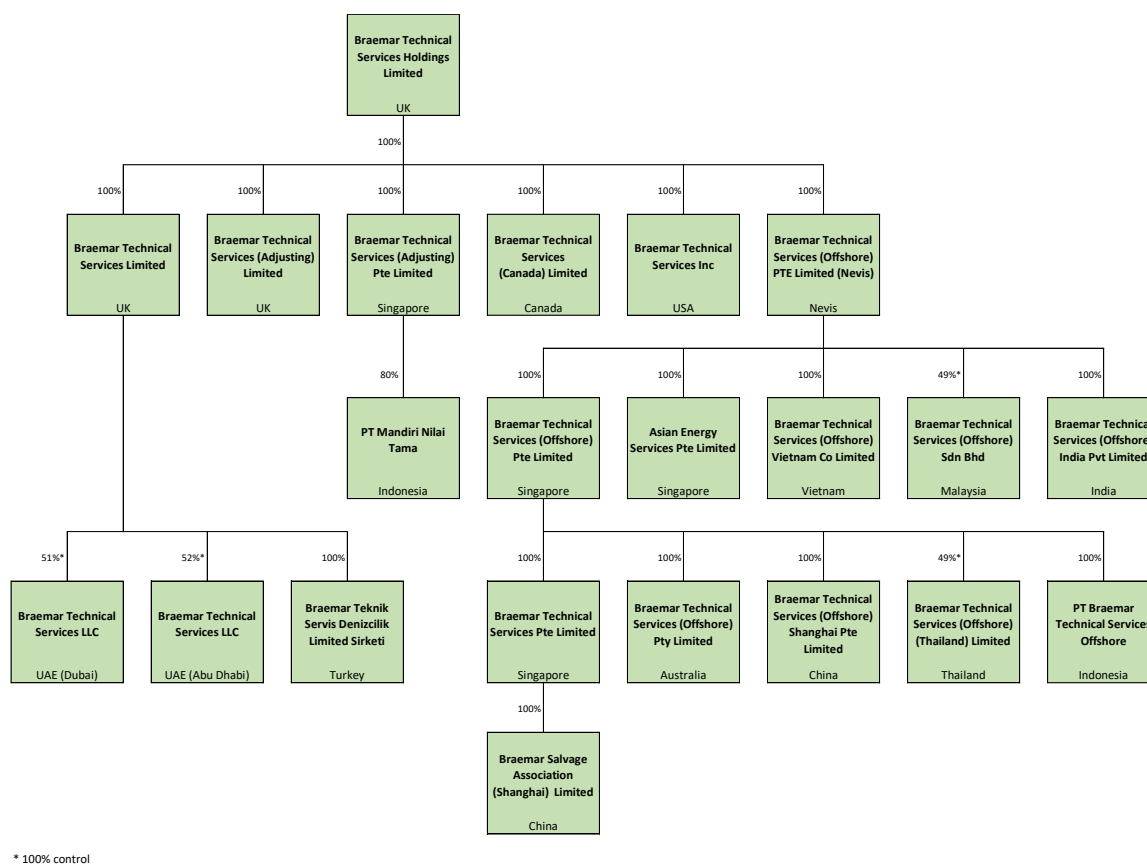
In the normal course of business the Group enters into numerous contracts, but the Company is not materially dependent upon any single contract. In the Company’s opinion, the Group’s existing business or profitability is not dependent on any patents. The Group is dependent on trade licenses to offer its services in certain jurisdictions in the Middle East and Far East which are important markets for the Group. The Group is not materially dependent on research and development activities.

11. PRESENTATION OF BRAEMAR TECHNICAL SERVICES

This Section provides an overview of the business of Braemar Technical Services as of the date of this Prospectus. The following discussion contains Forward-looking Statements that reflect the Company’s plans and estimates, see Section 4.3 “Cautionary Note Regarding Forward-Looking Statements”. This Section should be read in conjunction with the other parts of this Prospectus, in particular Section 2 “Risk Factors”, Section 10 “Presentation of Aqualis “, and Section 12 “Information regarding the Group after the Transaction”

11.1 LEGAL STRUCTURE

Braemar Technical’s legal structure immediately prior to completion of the Transaction is set out in the chart below (the legal structure after the transaction is included in Section 12.3 “Legal and organizational structure after the Transaction”.



The following table sets out information about the entities in which the Company, as of the date of this prospectus, holds (directly or indirectly) more than 10% of the outstanding capital and votes (dormant companies are not included)

| Subsidiaries | Country of incorporation | Registered office | Main business | Ownership | Voting power |
|---|--------------------------|-------------------|---------------|-----------|--------------|
| Braemar Technical Services Holdings Limited | UK | London | Adjusting | 100% | 100% |
| Braemar Technical Services Limited | UK | London | Marine | 100% | 100% |

| | | | | | |
|--|-----------------|-------------------|----------------------|--------------------|------|
| Braemar Technical Services (Adjusting) Limited | UK | London | Adjusting | 100% | 100% |
| Braemar Technical Services (Adjusting) Pte Limited | Singapore | Singapore | Adjusting | 100% | 100% |
| Braemar Technical Services (Canada) Limited | Canada | Calgary | Adjusting | 100% | 100% |
| Braemar Technical Services Inc | USA | Houston | Marine | 100% | 100% |
| Braemar Technical Services (Offshore) PTE Limited (Nevis) | Nevis | Nevis | Offshore | 100% | 100% |
| Braemar Technical Services (Offshore) Pte Limited | Singapore | Singapore | Offshore/Engineering | 100% | 100% |
| Asian Energy Services Pte Limited | Singapore | Singapore | Offshore | 100% | 100% |
| Braemar Technical Services (Offshore) Vietnam Co Limited | Vietnam | Vietnam | Offshore | 100% | 100% |
| Braemar Technical Services (Offshore) Sdn Bhd | Malaysia | Kuala Lumpur | Offshore | 49% ⁽¹⁾ | 100% |
| Braemar Technical Services (Offshore) India Pvt Limited | India | Mumbai | Offshore | 100% | 100% |
| Braemar Technical Services LLC | UAE (Dubai) | Dubai | Marine/Adjusting | 49% ⁽¹⁾ | 100% |
| Braemar Technical Services LLC | UAE (Abu Dhabi) | Abu Dhabi | Marine | 48% ⁽¹⁾ | 100% |
| Braemar Teknik Servis Denizcilik Limited Sirketi | Turkey | Istanbul | Marine | 100% | 100% |
| Braemar Technical Services Pte Limited | Singapore | Singapore | Marine | 100% | 100% |
| Braemar Technical Services (Offshore) Pty Limited | Australia | Perth | Offshore | 100% | 100% |
| Braemar Technical Services (Offshore) Shanghai Pte Limited | China | Shanghai | Offshore | 100% | 100% |
| Braemar Technical Services (Offshore) (Thailand) Limited | Thailand | Chomburi Province | Offshore | 49% ⁽¹⁾ | 100% |
| PT Braemar Technical Services Offshore | Indonesia | Jakarta | Offshore | 100% | 100% |
| PT Mandiri Nilai Tama | Indonesia | Jakarta | Adjusting | 80% | 80% |
| Braemar Salvage Association (Shanghai) Limited | China | Shanghai | Marine | 100% | 100% |

1) Braemar Technical Services Holdings Limited controls 100% of the financial and ownership rights of these subsidiaries and has fee arrangements in place with the other shareholders

11.2 DESCRIPTION OF BRAEMAR TECHNICAL SERVICES BUSINESS LINES

11.2.1 Offshore

Braemar Technical's offshore team specialises in providing consulting services to the Upstream oil and gas sector and is a founding member of the Society of Offshore Marine Warranty Surveyors (SOMWS). The business is headquartered in Singapore and has offices in China, Vietnam, Thailand, Malaysia, Indonesia, India and Australia. It employs a total professional staff of 93, the majority of whom are local nationals with extensive experience as master mariners, naval architects and marine engineers. The business was established in 1983, under the name J. Lebourhis & Bryan Pte Ltd, changed name to Falconer, Bryan & Associates in 1988, and was acquired by Braemar in 2007.

The majority of its clients are large international energy companies engaged in extensive E&P projects in the region, offshore Installation contractors, drilling contractors, vessel owners, charterers and investors.

Since the reduction in offshore activity, the team have averaged approximately 400 jobs per month.

The service offering of Braemar Technical's offshore unit is very similar to Aqualis' offshore unit. The key difference (and what makes a combination of Aqualis' and Braemar Technical's business units complementary) is Aqualis' strong market position in the Middle East and Braemar Technical's strong market position in Asia Pacific²⁴. Please refer to Section 10.6.1 "Aqualis Offshore" for more information.

11.2.2 Marine

Braemar Marine has a reputation, based on management's own judgement, for being the leading provider of hull & machinery damage surveys, protection and indemnity ("P&I") surveys, risk assessments, inspections and audits²⁵. The business was originally founded in 1856 as "The Salvage Association" which acted for Lloyds of London to provide a worldwide emergency response for marine casualties including survey and salvage support services. Braemar acquired the business in May 2009.

It provides investigation, evidence gathering and analytical services for insurers, P&I clubs and shipowners, through a global network of surveyors and specialist consultants. Key to this is their ability to respond quickly to enable the prompt settlement of valid claims.

The team have a wide range of practical experience supported by advanced analytical and forensic capabilities to assist in the control of the situation, loss prevention and subsequent investigation. The business is headquartered in London and employs 87 professional staff located at 25 survey offices around the World, typically receiving in the region of 2,000 instructions per annum.

11.2.3 Adjusting

Braemar Adjusting is headquartered in London adjacent to the Lloyds insurance market and employs 62 staff from an office network which includes Singapore, Calgary, Dubai, Houston, Jakarta and Shanghai, Toronto, Columbus and Moscow. The business was founded in 1975, originally trading as Steege Kingston Group. It was acquired by Braemar in March 2008.

²⁴ The statement is based on management's perception formed on their overall knowledge of the market and feedback from clients

²⁵ The statement is based on management's perception formed on their overall knowledge of the market and feedback from clients

Braemar Adjusting specialises in issues surrounding incident investigation, cause analysis and potential policy and contractual response to an incident. More specifically, the Adjusting unit provides independent advice to the international insurance community and evaluates repair/rebuild scope and costs following an insurance claim as a result of an incident. Braemar Adjusting provides its services primarily to the energy, marine, mining, renewables, power & utilities industries.

The team has a strong global reputation as a leader in the Upstream Energy sector²⁶, which has been augmented through recruitment, training and business development, enabling a successful expansion into the Downstream, Power, Mining and Renewables sectors. Despite the recent downturn in Upstream activity the team will typically record between 40,000 and 50,000 hours per annum.

11.3 HISTORY AND IMPORTANT EVENTS

Significant milestones in the development of Braemar Technical Services are summarized below.

| Year | Significant event |
|------|--|
| 1856 | Establishment of The Salvage Association |
| 1975 | Steege Kingston established |
| 1983 | Falconer Bryan Pte established (under the name J. Lebourhis & Bryan Pte Ltd) |
| 2007 | Braemar acquires Falconer Bryan (part of the Offshore business line) |
| 2008 | Braemar acquires Steege Kingston (Part of the Adjusting business line) |
| 2009 | Braemar acquires The Salvage Association (Part of the Marine business line) |
| 2014 | Braemar Technical Services, establishes office in Columbus, Ohio |
| 2018 | Braemar Technical Services, establishes office in Toronto |
| 2019 | Braemar Technical Services, acquisition in Indonesia of PT MNT |

11.4 BOARD OF DIRECTORS AND MANAGEMENT

Since Braemar Technical Services is a carve out of Braemar, Braemar Technical Services does not have a separate board of directors.

Prior to the Transaction, Grant Smith is the Managing Director of Braemar's Technical division, which comprises the three business units acquired plus an additional business unit (Engineering, which will remain in the ownership of Braemar). Grant Smith will become an employee of the combined company, in the position as COO Insurance Services.

11.5 EMPLOYEES

As of 31 March 2019, Braemar Technical Services had 245 employees.

11.6 LEGAL PRECEEDINGS

From time to time, the Braemar Technical Services is involved in litigation, disputes and other legal proceedings arising in the normal course of its business. However, neither Braemar Technical Services nor any other company in Braemar Technical Services has been involved in any legal, governmental or arbitration proceeding during the course of the preceding twelve months, which may have, or have had in the recent past, significant effects on t Braemar Technical Services's financial position or profitability, and Braemar Technical Services is not aware of any such proceedings which are pending or threatened.

11.7 MATERIAL CONTRACTS

²⁶ The statement is based on management's perception formed on their overall knowledge of the market and feedback from clients

Other than the Transaction which is described in Section 7 “The Transaction”, neither Braemar Technical Services nor any member of Braemar Technical Services has entered into any material contracts outside the ordinary course of business of Braemar Technical Services for the two years immediately preceding the date of this Prospectus, and no member of Braemar Technical Services has entered into any contracts outside the ordinary course of business of Braemar Technical Services containing obligations or entitlements that are, or may be, material to Braemar Technical Services as of the date of this Prospectus.

Braemar Technical Services has contractual obligations with various companies in the offshore, marine and adjusting/insurance industry. Braemar Technical Services’s contracts are generally structured in line with industry standards. Braemar Technical Services has few long term contract specific commitments, but holds many call out contracts. Braemar Technical Services is dependent on continuously winning and retaining business. Furthermore, Braemar Technical Services’s contract structure implies that there is limited visibility, in this current weaker trading market, for Braemar Technical Services’s future revenue.

11.8 SELECTED FINANCIAL INFORMATION

In the following section, selected condensed unaudited financial information for Braemar Technical Services is presented. The financial information contained in this prospectus relating to the Braemar Assets has been derived from the following sources:

- The full year (calendar year) 2018 financial information for Braemar Technical Services has been extracted by Braemar management from the unaudited management accounts based on Braemar’s accounting policies and IFRS.
- The interim (three months ended 31 March 2019) financial information for Braemar Technical Services has been extracted by Braemar management from the unaudited management accounts based on Braemar’s accounting policies and IFRS.

The condensed financial information is not audited.

The unaudited condensed financial information is provided for illustrative purposes only and does not intend to represent what the actual result of operations or the financial position would have been, had the business been operated as standalone entities or as part of Aqualis, nor is it necessarily indicative of future results of operations or financial position of the Combined Company in the future.

In this regard, readers should note that the unaudited condensed financial information does not give effect to inter alia (i) any integration costs that may be incurred as a result of the Transaction, (ii) any corporate expenses that may be required to manage the business, (iii) any synergies that may result from the Transaction.

The following table illustrates selected financial information for Braemar Technical Services, as for the calendar year ended 31 December 2018 and the three months ending 31 March 2019.

Profit and loss items:

| | Year ended 31 December 2018 | Three months ended 31 March 2019 |
|------------------------|--|---|
| <i>In USD thousand</i> | Braemar Technical Services | Braemar Technical Services |
| | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Revenue | 39,865 | 9,769 |
| Operating profit | (1,205) | (754) |

| <i>In USD thousand</i> | Year ended 31 December 2018 | Three months ended 31 March 2019 |
|------------------------|--|---|
| | Braemar Technical Services | Braemar Technical Services |
| | <i>(unaudited)</i> | <i>(unaudited)</i> |
| EBITDA | | |
| ..... | (803) | (647) |

Balance sheet items:

| <i>In USD thousand</i> | As of 31 March 2019 |
|--|---------------------------------------|
| | <i>(unaudited)</i> |
| | Braemar Technical Services |
| Intangibles | |
| ..... | 112 |
| PPE | |
| ..... | 435 |
| Other non-current assets | |
| ..... | 532 |
| Total non-current assets | 1,080 |
| Current assets | |
| ..... | 24,824 |
| Equity | |
| ..... | 21,961 |
| Non-current liabilities | |
| ..... | 349 |
| Current liabilities | |
| ..... | 3,595 |
| Net working capital¹ | |
| ..... | 20,512 |

1

Net working capital = current assets (excluding cash) less current liabilities

Braemar Technical Services has not completed any material investments the last two years preceding the date of this Prospectus. Furthermore, Braemar Technical Services have no significant ongoing investments, and have not committed to any future material investments.

12. INFORMATION REGARDING THE COMPANY AFTER THE TRANSACTION

12.1 OVERVIEW

Following the Completion of the Transaction, the Combined Group was renamed Aqualis Braemar ASA. As part of the integration of the two entities, the Company will establish an organisational structure with the following regions:

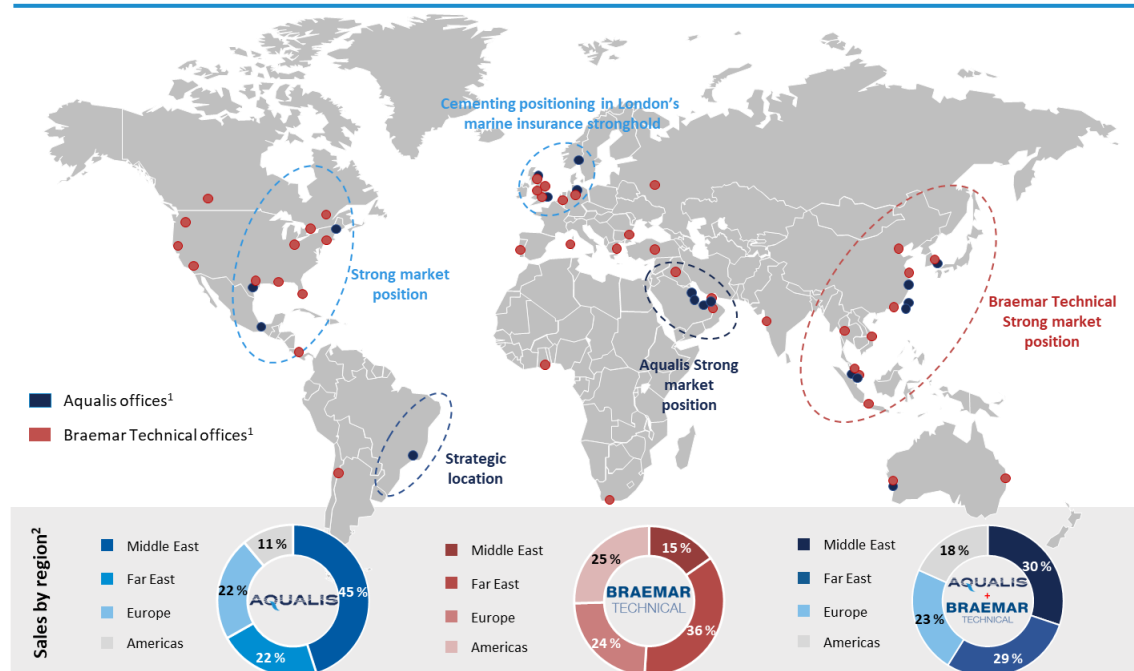
- Europe
- the Middle East
- the Far East
- the Americas

Furthermore, the Company will have four different main service lines

- Offshore renewables
- Offshore oil & gas
- Marine (marine claims)
- Adjusting

Aqualis and Braemar Technical Services have both overlapping and complementary geographical footprint and Customers, and the Transaction will provide the Combined Business with an enhanced global reach and scale. Below is an illustration of the Combined Company's global office network as well as revenue per region:

Global presence



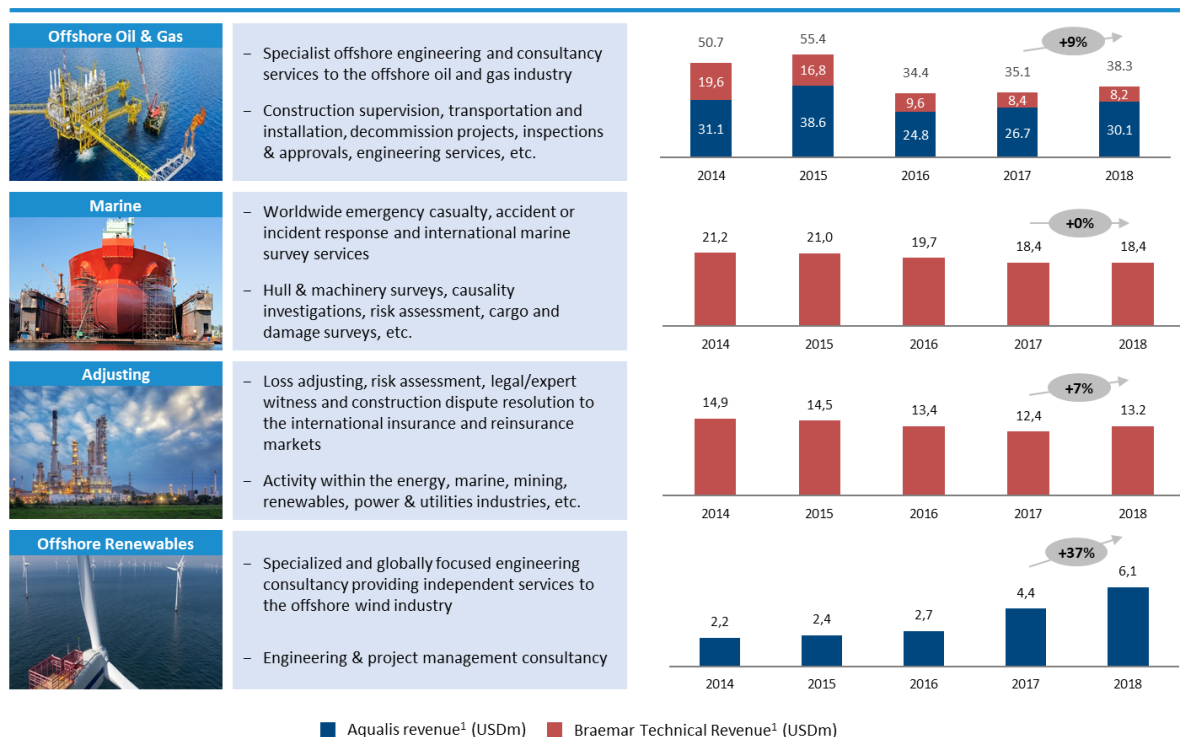
Notes: (1) Including home offices and consultant offices (2) 2018 calendar year sales

The Combined Business will create a stronger platform for international growth. The Combined Business will enable clients to grow by offering its joint expertise within, for marine, adjusting and offshore consultancy. With

a larger scale, more resources and a pool of talented staff, the Company will strengthen its ability to meet current and future client requirements regardless of geography.

An overview of the service offering of the Combined Company as well as revenue development of the four main service lines is illustrated below:

Combined service offering



Notes: (1) For 2014 to 2017, fiscal year figures are used for Braemar Technical – i.e. 2017 shows FY17/18 (Mar 17 to Feb 18), whereas calendar year (Jan – Dec) figures are used for Aqualis. For 2018, calendar year figures are used for both entities

The Combined Company will be branded under the following logo:



12.2 STRATEGY

The Combined Group will be the largest independent consulting and engineering company to the marine and energy sector. The Combined Business will have with a global footprint covering offshore oil and gas, marine claims, adjusting and renewables sectors. The Combined Company’s target is to be a high-end niche, independent consultancy in these service sectors.

The Combined Group has established a presence in most major marine and offshore energy centres. The global presence allows the business to respond quickly when high-end marine or engineering consultancy is required. Although some of the offices have special focus on certain areas of operations, all service offerings are provided to the oil and gas market and insurance companies across all regions and for renewables to selected regions.

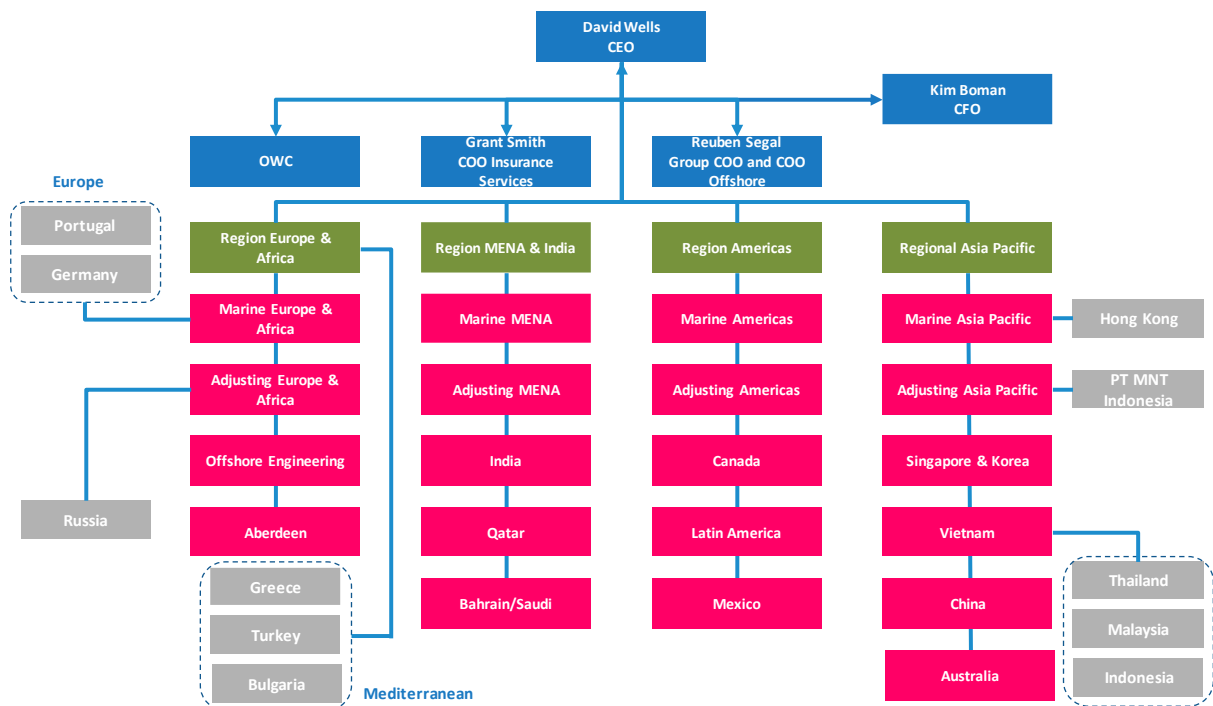
The Combined Group’s strategy is to offer high quality services by an experienced pool of staff and contractors. The Combined Company has adapted to retain a flexible cost and skill base to be able to more quickly adapt to changes in market requirements.

The Combined Group’s strategy is to expand the marine insurance, adjusting and offshore activities through the establishment of new offices globally, widening and strengthening its global client portfolio and by adding complementary services to its existing service offering.

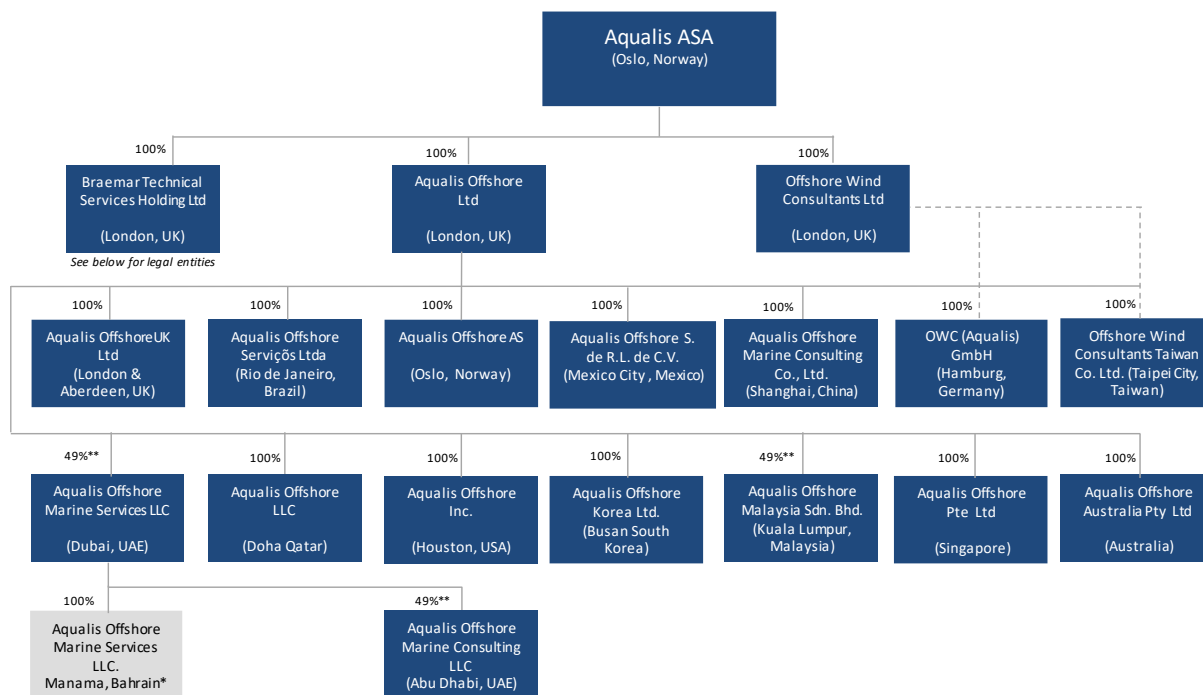
The Combines Business aims to leverage best practises and common processes from both Aqualis and Braemar.

12.3 LEGAL AND ORGANISATIONAL STRUCTURE AFTER THE TRANSACTION

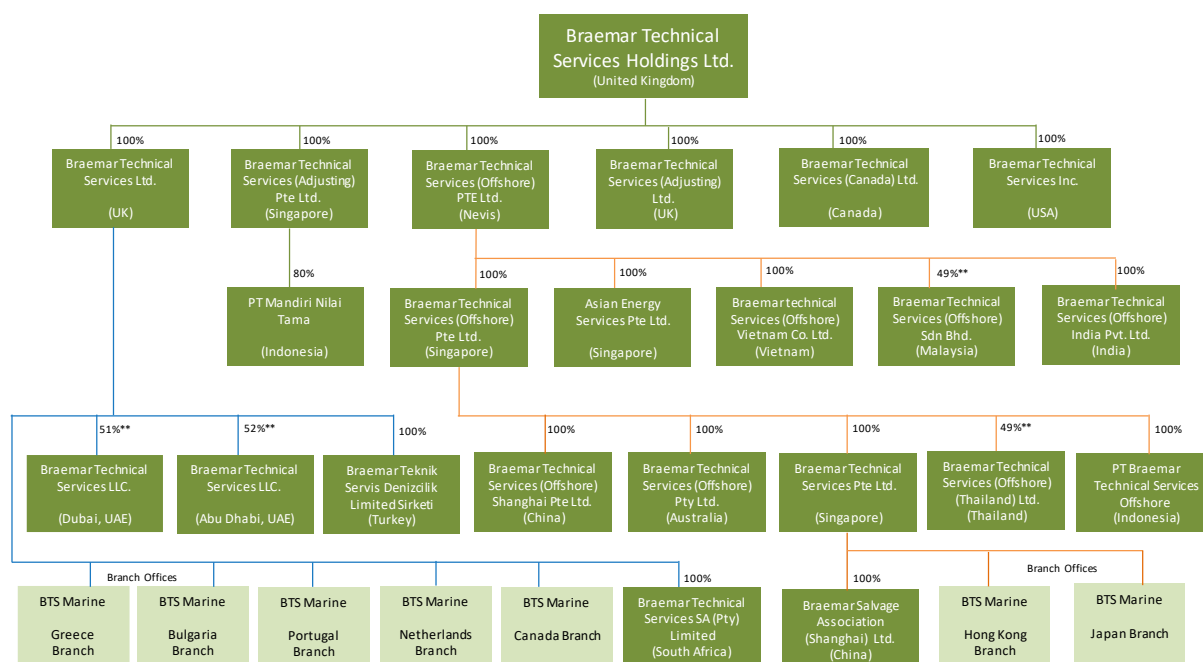
The Combines Business aims to leverage best practises and common processes from both Aqualis and Braemar. The organisational structure for the Combined Business is set out in the chart below.



The Combines Business legal structure after the Transaction is set out in the chart below.



* In Bahrain, Aqualis Offshore operates through an agency agreement with Aqua Marine.
 ** The company is 100% controlled by Aqualis Offshore.



** The company is 100% controlled by Braemar Technical Services.

12.4 THE TRANSACTION'S SIGNIFICANCE FOR THE EARNINGS, ASSETS AND LIABILITIES FOR THE COMBINED GROUP

Braemar Technical Services generated revenues of USD 39.8 million in 2018 with an EBITDA of USD -0.6 million. On a combined basis the Combined Business has revenues of USD 76.0 million in 2018 and an EBITDA of USD 1.9 million.

Braemar Technical Services generated revenues of USD 9.7 million for the three months ended 31 March 2019 with an EBITDA of USD -0.6 million. On a combined basis the Combined Business had revenues of USD 17.9 million in in the three months ended 31 March 2019 and an EBITDA of USD -0.8 million.

For a thorough description of the Transaction's significance for the earnings, assets and liabilities of the Combined Group, please see Section 14 "Unaudited pro forma condensed combined financials".

13. SELECTED FINANCIAL INFORMATION FOR AQUALIS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular the Financial Statements and the Interim Financial Statement and related notes, incorporated by reference in the Prospectus. See Section 19.2 "Documents Incorporated by reference".

The table below sets out the pages on which certain material financial information can be found in the Financial Statements:

| <i>Financial information</i> | <i>Reference document</i> | <i>Page (P) in reference document</i> |
|--|---|---------------------------------------|
| | <i>Financial statements 2018</i> | <i>P 31 and related notes</i> |
| <i>Balance sheet</i> | <i>Financial statements 2017</i> | <i>P 30 and related notes</i> |
| | <i>Financial statements 2016</i> | <i>P 39 and related notes</i> |
| | <i>Financial statements 2018</i> | <i>P 30 and related notes</i> |
| <i>Income statement</i> | <i>Financial statements 2017</i> | <i>P 29 and related notes</i> |
| | <i>Financial statements 2016</i> | <i>P 37 – 38 and related notes</i> |
| | <i>Financial statements 2018</i> | <i>P 32 and related notes</i> |
| <i>Changes in equity</i> | <i>Financial statements 2017</i> | <i>P 31 and related notes</i> |
| | <i>Financial statements 2016</i> | <i>P 40 and related notes</i> |
| | <i>Financial statements 2018</i> | <i>P 32 and related notes</i> |
| <i>Cash flow statement</i> | <i>Financial statements 2017</i> | <i>P 31 and related notes</i> |
| | <i>Financial statements 2016</i> | <i>P 41 and related notes</i> |
| | <i>Financial statements 2018</i> | <i>P 33 – 51 and related notes</i> |
| <i>Notes</i> | <i>Financial statements 2017</i> | <i>P 32 -50 and related notes</i> |
| | <i>Financial statements 2016</i> | <i>P 42 - 68 and related notes</i> |
| <i>Interim Financial Statements</i> | <i>First Quarter 2019 Financial Statement</i> | <i>P 13 – 25 and related notes</i> |

The Financial Statements have been prepared in accordance with the International Financial Reporting Standard (“IFRS”), please refer to note 2 of the 2018 Annual Financial Statements incorporated by reference in this Prospectus.

The Company’s independent auditor is PricewaterhouseCoopers AS (“PWC”), Postboks 748 Sentrum, NO-0106 Oslo. PWC’s partners are members of The Norwegian Institute of Public Accountants (Nw.: Den Norske Revisorforening). PWC has been the Company's independent auditor since 15th May 2017. The Financial Statement for the years 2018 and 2017 have been audited by PWC, whereas the Financial Statements for the year 2016 have been audited by EY, and the auditor's report is included together with the Financial Statements as incorporated hereto, see Section 19.2 "Incorporation by reference". PWC has issued an independent assurance report on the unaudited pro forma financial information (attached hereto as Appendix B).

13.1 SUMMARY OF FINANCIAL INFORMATION

The tables below set out a summary of certain material financial information for the Company. Please note that this Section should be read in conjunction with the Financial Statements and the Interim Financial Statement and related notes, incorporated by reference in the Prospectus. Please see the Company's Financial Statements and the Interim Financial Statements and related notes, incorporated by reference in the Prospectus (See table at the beginning of this Section 13 "Selected Financial Information for Aqualis" and Section 19.2 "Documents Incorporated by reference" for reference.) for more information about the Company's historical financial information.

13.1.1 Consolidated statement of income:

| <i>In USD thousand</i> | Year ended 31 December 2017 | Year ended 31 December 2018 | Quarter ended 31 March 2018 | Quarter ended 31 March 2019 |
|---|--|--|--|--|
| | <i>(audited)</i> | <i>(audited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Revenues | 31,134 | 36,185 | 8,159 | 8,182 |
| Operating profit | (5,628) | 2,684 | 197 | (248) |
| Operating margin | (16)% | 9% | 2% | (3%) |
| Profit after tax | (6,477) | 2,422 | (247) | (486) |
| Earnings per share (USD), Basis and diluted | (0.15) | 0.06 | (0.01) | (0.01) |

13.1.2 Selected consolidated balance sheet items:

| <i>In USD thousand</i> | Year ended 31 December 2017 | Year ended 31 December 2018 | Quarter ended 31 March 2018 | Quarter ended 31 March 2019 |
|-------------------------------|--|--|--|--|
| | <i>(audited)</i> | <i>(audited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Property, Plant and Equipment | 160 | 141 | 153 | 223 |
| Intangible assets | 13,063 | 12,864 | 13,234 | 12,921 |
| Deferred tax assets | 69 | 7 | 70 | 7 |
| Non-Current assets | 13,292 | 13,012 | 13,457 | 13,151 |

| <i>In USD thousand</i> | Year ended 31 December 2017 | Year ended 31 December 2018 | Quarter ended 31 March 2018 | Quarter ended 31 March 2019 |
|---|--|--|--|--|
| | <i>(audited)</i> | <i>(audited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Trade receivables | 7,886 | 8,289 | 7,080 | 6,901 |
| Other current assets | 3,033 | 3,878 | 4,248 | 3,379 |
| Cash and cash equivalents | 9,709 | 5,454 | 9,778 | 7,224 |
| Current assets | 20,628 | 17,621 | 21,106 | 17,506 |
| <hr/> | | | | |
| Total Assets | 33,920 | 30,633 | 34,563 | 30,655 |
| <hr/> | | | | |
| Total shareholders' equity | 28,451 | 25,555 | 28,849 | 25,228 |
| <hr/> | | | | |
| Non-current liabilities | 773 | 1,027 | 822 | 1,059 |
| <hr/> | | | | |
| Trade payables | 1,888 | 1,352 | 1,657 | 1,377 |
| Other current liabilities | 2,808 | 2,699 | 3,235 | 2,992 |
| Current liabilities | 4,696 | 4,051 | 4,892 | 4,368 |
| <hr/> | | | | |
| Total shareholders' equity and liabilities | 33,920 | 30,633 | 34,563 | 30,655 |

13.1.3 Consolidated condensed statement of cash flow:

| <i>In USD thousand</i> | Year ended 31 December 2017 | Year ended 31 December 2018 | Quarter ended 31 March 2018 | Quarter ended 31 March 2019 |
|--|--|--|--|--|
| | <i>(audited)</i> | <i>(audited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Net cash flows from operating activities | (262) | 312 | (16) | 1,780 |
| Net cash flows from investing activities | (39) | 214 | (4) | (10) |
| Net cash flows from financing activities | - | (4,674) | - | (10) |
| Net change in cash and cash equivalents | (301) | (4,148) | (20) | 1,760 |
| Cash and cash equivalents at end of period | 9,709 | 5,454 | 9,778 | 7,224 |

13.1.4 Comments to the statements and cash flows

13.1.4.1. Quarter ended 31 March 2019 compared to the quarter ended 31 March 2019

Profit and loss:

Total operating revenues ended at USD 8.2 million in the first quarter of 2019, down 0.3% from the first quarter of 2018. The first quarter of 2019 started somewhat weaker than expected and was affected by the fluctuations in the call out contracting market with delays in some operations. Offshore Wind Consultants continued to perform strong with a growth of 51% compared to the same quarter the year before. The Oil and Gas sector continues to face challenging conditions impacting the Company's revenue negatively²⁷.

Total payroll and other operating expenses increased by 5% to USD 8.4 million compared to USD 7.9 million in the first quarter of 2018, resulting in an operating loss of USD 0.1 million compared to a profit of USD 0.2 million in the same quarter the year before. Net financial items amounted to a loss of USD 0.4 million in the first quarter of 2019 compared with a loss of USD 0.2 million in the first quarter of 2018. Consequentially, the Company recorded a loss after tax of USD 0.5 in the first quarter of 2019 compared to a loss of USD 0.2 million in the same quarter the year before

Financial position and liquidity:

Net cash flow from operating activities was USD 1.8 million in the first quarter of 2019, up from around zero the year before. The increase is mainly attributable to reduced working capital. Net outflow from investing activities was in the first quarters of 2019 and 2018 USD 10 thousand and USD 4 thousand, mainly relating to small equipment purchases. Net cash outflow from financing activities was USD 10 thousand in the first quarter of 2019 compared to nil the same quarter the year before. The increase in related to lease payment on leases classified as finance leases.

At 31 March 2019, total assets amounted to USD 30.7 million compared with USD 34.6 million as of 31 March 2018. The shareholders' equity was USD 25.3 million at 31 March 2019, corresponding to an equity ratio of 82%.

²⁷ Refer to section 9.1 for more information about the market conditions impacting the Company's revenue.

The shareholders' equity was USD 28.8 million at 31 March 2018, corresponding to an equity ratio of 83%. Aqualis had no interest bearing debt as of 31 March 2019.

13.1.4.2. Year ended 2018 compared to the year ended 2017

Profit and loss:

Total operating revenues increased by 16% to USD 36.2 million compared to USD 31.1 million in 2017. The increase is mainly attributable to strengthened market positions and expansion, in particular for Aqualis' entities in the Middle East, Asia Pacific and for Offshore Wind Consultants.

Total payroll and other operating expenses increased by 15% to USD 33.7 million compared to USD 29.3 million in 2017. The increase is in line with the increase in revenue. The operations in Norway were closed down in 2018 including the offices in Asker and Sandefjord. Operating profit amounted to a gain of USD 2.7 million compared to a loss of USD 5.6 million in 2017. The loss in 2017 was mainly due to the impairment of goodwill and investment in associates. Net financial items amounted to a profit of USD 0.2 million in 2018 compared with a loss of USD 0.7 million in 2017. Profit after taxes USD 2.4 million in 2018 compared to a loss of USD 6.5 million in 2017.

Financial position and liquidity:

Net cash flow from operating activities was USD 0.3 million in 2018. The increased activity level throughout 2018 increased the working capital tied up in operations. Net cash flow from investing activities was USD 0.2 million in 2018 due to the sale of the 49.9% ownership in ADLER Solar GmbH. Net cash outflow from financing activities was USD 4.7 million in 2018. A total dividend of USD 4.7 million, representing 0.90 NOK per share, was paid to the shareholders in July 2018. At 31 December 2018, cash balance amounted to USD 5.5 million compared with USD 9.7 million at 31 December 2017.

At 31 December 2018, total assets amounted to USD 30.6 million compared with USD 33.9 million as of 31 December 2017. The shareholders' equity was USD 25.6 million at 31 December 2018, corresponding to an equity ratio of 83%. The shareholders' equity was USD 28.5 million at 31 December 2017, corresponding to an equity ratio of 84%. Aqualis had no interest bearing debt as of 31 December 2018.

13.1.5 Segment information

The table below provides an overview of the geographical distribution and of Aqualis' operating revenues.

| <i>In USD thousand</i> | Year ended 31 December 2017 | Year ended 31 December 2018 | Quarter ended 31 March 2018 | Quarter ended 31 March 2019 |
|------------------------|--|--|--|--|
| | <i>(audited)</i> | <i>(audited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Middle East | 12,505 | 17,796 | 3,984 | 4,164 |
| Far East | 7,764 | 8,610 | 1,595 | 2,135 |
| Europe | 9,029 | 8,725 | 1,995 | 1,876 |
| Americas | 3,434 | 4,392 | 1,060 | 1,031 |

| <i>In USD thousand</i> | Year ended 31 December 2017 | Year ended 31 December 2018 | Quarter ended 31 March 2018 | Quarter ended 31 March 2019 |
|------------------------|--|--|--|--|
| | <i>(audited)</i> | <i>(audited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Eliminations | (1,598) | (3,339) | (474) | (1,024) |
| Total | 31,134 | 36,185 | 8,159 | 8,182 |

The table below provides an overview Aqualis' operating revenues per business line.

| <i>In USD thousand</i> | Year ended 31 December 2017 | Year ended 31 December 2018 | Quarter ended 31 March 2018 | Quarter ended 31 March 2019 |
|------------------------|--|--|--|--|
| | <i>(audited)</i> | <i>(audited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Business line: | | | | |
| Oil and Gas | 26,695 | 30,090 | 7,015 | 6,449 |
| Renewables | 4,439 | 6,094 | 1,145 | 1,733 |
| Total | 31,134 | 36,185 | 8,159 | 8,182 |

13.2 INVESTMENTS

13.2.1 Historical investments

With the exception of the Transaction described in Section 7 “The Transaction”, Aqualis and its subsidiaries has not completed any material investments the last two years preceding the date of this Prospectus.

13.2.2 Investments in progress and future investments

As of the date of this Prospectus, Aqualis and its subsidiaries have no significant ongoing investments, and have not committed to any future investments.

13.3 CAPITALISATION AND INDEBTEDNESS

The following tables below set forth information about the Group's capitalisation and indebtedness as of 31 March 2019 and adjusted to reflect the below-mentioned material changes, related to the Transaction, the Private Placement and the Rights Issue, had been in place as at that time for comparative purposes. The tables should be read together with the financial statements and the notes related hereto, as well as the information included in this Section 13 “Selected Financial Information for Aqualis” and Section 14 “Unaudited Pro Forma Condensed Pro Forma Financial Information”.

The Section provides information about the Group's unaudited consolidated capitalisation and unaudited financial indebtedness on an actual basis as at 31 March 2019. The Company's unaudited consolidated balance sheet giving effect to the Transaction, the Rights Issue and Private Placement as if these had happened 31 March 2019 is presented in Section 14 “Unaudited pro forma condensed financial information.”

13.3.1 Capitalisation

| <i>In USD thousand</i> | As at 31 March 2019 |
|-----------------------------------|--------------------------------|
| | <i>(unaudited)</i> |
| Indebtedness | |
| <i>Total current debt:</i> | |
| Guaranteed | - |
| | - |
| Secured | - |
| | - |
| Unguaranteed/unsecured | - |
| | - |
| <i>Total non-current debt:</i> | |
| Guaranteed | - |
| | - |
| Secured | - |
| | - |
| Unguaranteed/unsecured | - |
| | - |
| Total indebtedness | - |
| | - |
| Shareholders' equity | |
| Share capital | 690 |
| ..... | 690 |
| Share premium | 42,670 |
| ..... | 42,670 |
| Other equity | (18,132) |
| ..... | (18,132) |
| Non-controlling interests | - |
| | - |
| Total shareholders' equity | 25,228 |
| ..... | 25,228 |
| Total capitalisation | 25,228 |
| ..... | 25,228 |

13.3.2 Net financial indebtedness

| <i>In USD thousand</i> | As at 31 March 2019 |
|----------------------------------|--------------------------------|
| | <i>(unaudited)</i> |
| Net indebtedness | |
| (A) Cash | 7,224 |
| ..... | 7,224 |
| (B) Cash equivalents | - |
| | - |
| (C) Interest bearing receivables | - |
| | - |
| (D) Liquidity (A)+(B)+(C) | 7,224 |
| ..... | 7,224 |

| <i>In USD thousand</i> | As at |
|---|----------------------|
| | 31 March 2019 |
| | <i>(unaudited)</i> |
| (E) Current financial receivables | - |
| | ----- |
| (F) Current bank debt | - |
| | ----- |
| (G) Current portion of non-current debt | - |
| | ----- |
| (H) Other current financial debt | - |
| | ----- |
| (I) Current financial debt (F)+(G)+(H) | - |
| | ----- |
| (J) Net current financial indebtedness (I)-(E)-(D) | (7,224) |
| | ----- |
| (K) Non-current bank loans | - |
| | ----- |
| (L) Bonds issued | - |
| | ----- |
| (M) Other non-current loans | - |
| | ----- |
| (N) Non-current financial indebtedness (K)+(L)+(M) | - |
| | ----- |
| (O) Net financial indebtedness (J)+(N) | (7,224) |
| | ----- |

Other than the Transaction, the Rights Issue and the Private Placement, there has been no material change to the Group's consolidated capitalisation and net financial indebtedness since 31 March 2019.

13.3.3 Contingent and indirect indebtedness

As at 31 March 2019 and as at the date of the Prospectus, the Group did not have any contingent or indirect indebtedness.

13.4 LIQUIDITY AND CAPITAL RESROUCES

13.4.1 Sources of liquidity

The Company's principal sources of liquidity are cash flows from revenue generated services described in Section 10 "Presentation of Aqualis" in addition to services described in Section 11 "Presentation of Braemar Technical Services" after the Closing Date.

13.4.2 Restrictions on use of capital

Save for USD 12,501 in restricted cash, there are currently no restrictions on the use of the Company's capital resources that have materially affected or could materially affect, directly or indirectly, the Company's operations. Other than restrictions set out in applicable law, the Company does not believe that there are significant obstacles or barriers to transfers of funds to it from its subsidiaries.

13.4.3 Summarized cash flow information

| <i>In USD thousand</i> | Quarter ended 31 March 2019 | Quarter ended 31 March 2018 | Year ended 31 December 2018 | Year ended 31 December 2017 |
|--|--|--|--|--|
| | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(audited)</i> | <i>(audited)</i> |
| Net cash flows from operating activities | 1,780 | (16) | 312 | (262) |
| Net cash flows from investing activities | (10) | (4) | 214 | (39) |
| Net cash flows from financing activities | (10) | - | (4,674) | - |
| Net change in cash and cash equivalents | 1,760 | (20) | (4,148) | (301) |
| Cash and cash equivalents at end of period | 7,224 | 9,778 | 5,454 | 9,709 |

As at 31 March 2019, the Company had cash and cash equivalents of approximately USD 7.2 million. Save from proceeds from the Private Placement and transactions costs related to the Transaction, Private Placement and issuance of the Consideration Shares (as described in Sections 5.21, 6.5 and 7.4), there has been no significant change to the Company's cash flow and cash position since 31 March 2019.

Please see the Company's Financial Statements and the Interim Financial Statements and related notes, incorporated by reference in the Prospectus. See table at the beginning of this Section 13 "Selected Financial Information for Aqualis" and Section 19.2 "Documents Incorporated by reference" for more information about the Company's Cash flow and its development.

13.5 WORKING CAPITAL STATEMENT

In the opinion of the Company, its working capital is sufficient to cover the Group's present requirements, that is, for a period of at least 12 months from the date of this Prospectus. The Company does not have any material restrictions on the Group's access or possibility to use its cash and cash equivalents.

13.6 TREND INFORMATION

The Company has not experienced any trends that are significant to the Group between 31 March 2019 and the date of this Prospectus. Other than uncertainties related to the Transaction and the Rights Issue as described in Section 2 "Risk factors", the Company is not aware of such trends, uncertainties, demands or commitments that may or are expected to be significant to the Group for the current financial year, other than the overall market situation and trends described in Section 9 "Market overview".

13.7 SIGNIFICANT CHANGES IN THE GROUP'S FINANCIAL OR TRADING POSITION SINCE LAST REPORTING DATE

For more information about the Transaction, see Section 7 "The Transaction".

Except for the abovementioned, there has been no significant change in the financial or trading position of the Company since 31 March 2019.

14. UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

14.1 GENERAL INFORMATION

The Company and Braemar announced on 13 May 2019 that the parties had entered into a transaction agreement whereby the Company would acquire 3 business lines (Offshore, Marine and Adjusting, previously defined as “**Braemar Technical Services**”, “**Braemar Technical**” or the “**Braemar Assets**”) out of Braemar’s technical division (the “**Transaction**”). The Transaction will be implemented through an acquisition of 100% of the shares in Braemar Technical Services Holdings Limited, the holding company for the Braemar Assets (see Section 11 “Presentation of Braemar Technical Services” for more information about the Braemar Assets).

The tables in this section set out the unaudited condensed pro forma financial information for the Combined Business for the year ended 31 December 2018 and for the three months ended 31 March 2019 and is prepared under the assumption that the Transaction will be completed as described in Section 7 “The Transaction”.

The consideration in the Transaction comprised consideration shares and consideration warrants in the Combined Company, representing an equity purchase price of between USD 7.1 million and 9.9 million, depending on the number of warrants vesting and, consequentially, the performance of the Combined Company following completion of the Transaction. The agreed consideration is based on a “locked box” balance sheet as of 28 February 2019, which includes a net cash balance of USD 0.9 million in Braemar Technical Services. For further information, please refer to section 7.2 “key transaction terms”.

Furthermore, it was announced that the Company intends to carry out a Rights Issue raising gross proceeds of NOK 35.2 million (approximately USD 4.0 million) to strengthen the Company’s capital position in line with the significantly increased size of the Company following the Transaction. The proceeds will be used to increase liquidity buffer during integration phase and to finance expected growth of AqualisBraemar. For further information, please refer to Section 5 “The Rights Issue”.

To maintain Braemar’s potential ownership position after the Rights Issue, and to further strengthen the Company’s capital position in line with the significantly increased size of the Company, the Company intends to carry out a Private Placement of NOK 17.3 million (approximately USD 2.0 million) directed towards Braemar, on the same terms as the Rights Issue (the “Private Placement Shares”). For further information, please refer to Section 6 “Listing of the Private Placement Shares”.

For the purpose of this Section “Unaudited pro forma financial information”, the term “Transaction” shall be read as to include the financing of the Transaction.

14.2 CAUTIONARY NOTE REGARDING THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma financial information has been prepared for illustrative purposes only to show how the Transaction might have affected the Company’s consolidated statement of income for the year ended 31 December 2018 as if the Transaction had occurred on 1 January 2018, the consolidated statement of income for the three months ended 31 March 2019 as if the Transaction had occurred on 1 January 2019 and the consolidated statement of financial position as of 31 March 2019, as if the Transaction had occurred at 31 March 2019.

The unaudited pro forma financial information is based on certain management assumptions and adjustments made to illustrate what the financial results of the Group might have been, had the Company completed the Transaction at an earlier point in time.

Because of its nature, the unaudited pro forma financial information addresses a hypothetical situation, and therefore, does not represent the Group’s actual financial position or results if the Transaction had in fact occurred on those dates, and is not representative of the results of operations for any future periods. It should be noted that greater uncertainty is associated with unaudited pro forma financial information than actual historical financial information. Investors are cautioned against placing undue reliance on this unaudited pro forma financial information.

The assumptions underlying the pro forma adjustments applied to the historical financial information are described in the notes to the unaudited pro forma financial information. Neither these adjustments nor the resulting unaudited

pro forma financial information have been audited in accordance with Norwegian or United States generally accepted auditing standards. In evaluating the pro forma financial information, each reader should carefully consider the historical financial statements of the Group and the notes thereto and the notes to the unaudited pro forma financial information.

14.3 BASIS FOR PREPARATION AND ACCOUNTING POLICIES

The accounting policies (IFRS as adopted by EU, "IFRS") adopted in the preparation of the unaudited pro forma financial information is consistent with those followed in the preparation of the Group's last annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standard IFRS 16 Leases have been implemented as of 1 January 2019 where the Company has applied simplified transition approach and comparative amounts are not restated for the year prior to first adoption. For description of the accounting policies, please refer to note 2 on page 37 in the Aqualis annual report 2018 available on www.aqualis.no.

The Transaction is accounted for as an acquisition under IFRS 3 Business Combinations. The principles of valuation and allocation as described in IFRS 3 are applied.

The unaudited pro forma statement of income for the year ended 31 December 2018 has been compiled based on the audited consolidated financial statements of the Group for the year ended 31 December 2018 which were prepared in accordance with IFRS. The unaudited pro forma statement of income for the 3 months ended 31 March 2019 and statement of financial position as of 31 March 2019 has been compiled based on the unaudited interim financial statements for the three months ended 31 March 2019, prepared in accordance with IFRS.

Furthermore, for the purpose of compiling the unaudited pro forma statement of income for the year ended 31 December 2018, the historical financial information of Braemar Technical has been extracted from the underlying accounting records reported as part of the audited consolidated financial statements of Braemar for the twelve months period ended 28 February 2018 and the audited consolidated financial statements for the twelve months period ended 28 February 2019 prepared in accordance with IFRS. The unaudited pro forma statement of income for the three months ended 31 March 2019 and statement of financial position as of 31 March 2019 has been compiled based underlying management accounting records of Braemar, prepared in accordance with IFRS, as provided to the Company. The source for the Braemar Technical numbers in the "Braemar Technical" columns is the management reporting system/accounting records of Braemar, as provided to the Company.

Braemar Technical is reported within the "Technical Division" segment as presented in Note 2 "Segmental information" in the Braemar Shipping Services PLC audited financial statements and has been extracted from the "Technical Division" segment after making adjustments to remove those parts of the "Technical Division" segment not comprising part of Braemar Assets. These financial statements were prepared in pounds sterling (GBP). The presentation currency of the Company is US Dollars (USD). For the purpose of converting GBP information relating to the Braemar Technical to the Company's presentation currency of USD the Company has used the exchange rates provided by Xignite. For further information on exchange rates used, please refer to Section 14.6 "Additional notes to the Pro Forma Financial Information" below foreign exchange rates.

The unaudited pro forma financial information does not include all information required for financial statements under IFRS and should be read in conjunction with the historical information of the Company. The unaudited pro forma financial information has been prepared under the assumption of going concern.

Although the pro forma financial information is based on estimates and assumptions based on current circumstances believed to be reasonable, actual results could materially differ from those presented herein. There is a greater degree of uncertainty associated with pro forma financial information than with historical financial information. Because of its nature, the unaudited pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results if the Transaction had in fact occurred on those dates and is not representative of the results of operations for any future periods. Investors are cautioned not to place undue reliance on this unaudited pro forma financial information.

The unaudited pro forma financial information has been compiled to comply with the requirements set forth in Section 3.5.2.6 of the Continuing Obligations by reference to Annex II of Commission Regulation (EC) 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003

regarding information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

It should be noted that the unaudited pro forma financial information was not prepared in connection with an offering registered with the U.S. Securities and Exchange Commission ("SEC") under the U.S. Securities Act and consequently is not compliant with the SEC's rules on presentation of pro forma financial information (SEC Regulation S-X) and had the securities been registered under the U.S. Securities Act of 1933, this unaudited pro forma financial information, including the report by the auditor, would have been amended and / or removed from the Prospectus. As such, an U.S. investor should not place reliance on the unaudited pro forma financial information included in this Prospectus.

The Braemar management has reclassified certain items in the financial statements, in order to comply with the Company's financial statement presentation, for purpose of the Company's preparation of the unaudited pro forma income statement.

Methodology applied

The historical financial information for Braemar Technical has been prepared by Braemar management on the following basis.

For Braemar Technical all revenues and costs defined in the Transaction have been identified and carved-out by Braemar management from Braemar's financial statements, underlying trial balances and detailed ledgers. The pro forma financial statements (statements of income and financial position) reflect historical revenues and related costs of conducting the Braemar Technical Services anticipated by the Transaction and the assets and liabilities acquired for this purpose. The related costs fall into two categories:

- i) Costs that are directly attributable to the carve-out entity, Braemar Technical. These are allocated 100% to Braemar Technical.
- ii) Shared costs that are partly related to the carved-out entity and partly to the business retained by Braemar. These costs are allocated by Braemar management to the carved-out entity based on an allocation system determined by Braemar management. Since the Braemar Technical is not required to provide separate financial statements, the allocation does not necessarily represents the costs that would have been incurred had the carved-out entity been a standalone entity in the past.

Accounting principles

Both Aqualis and Braemar prepare their financial information under IFRS. Due to limitation of information available at the date of the Prospectus, Aqualis has not been able to undertake an independent reconciliation and conversion of accounting principles between the respective entities and adjust for the effects of any differing application of accounting principles. As a result of this limitation Aqualis requested Braemar to provide information in respect of any significant deviations between their application of IFRS in Braemar Technical and IFRS principles as practiced by Aqualis. The only material differences in accounting principles identified by Braemar is in respect of presentation of net foreign exchange gain (loss). Aqualis has in accordance with IFRS recorded the effect of net foreign exchange gain (loss) in its statement of income within financial items, whereas, the Braemar has an IFRS accounting policy to include such amounts as an other operating expenses. The Braemar management has reclassified these amounts in the financial statements, in order to comply with the Company's financial statement presentation, for purpose of the Company's preparation of the unaudited pro forma income statement and is included in IFRS adjustments.

14.4 INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

With respect to the unaudited pro forma financial information included in this Prospectus, PricewaterhouseCoopers AS ("PwC") applied assurance procedures in accordance with ISAE 3420 "Assurance Engagement to Report Compilation of Pro Forma Financial Information Included in a Prospectus" in order to express an opinion as to whether the unaudited pro forma financial information has been properly compiled on the basis stated, and that such basis is consistent with the accounting policies of the Company. PwC has issued an independent assurance report of the unaudited pro forma financial information included as Appendix B to this Prospectus There are no qualifications to this assurance report.

14.5 UNAUDITED PRO FORMA FINANCIAL INFORMATION

- Unaudited pro forma statement of income for the year ended 31 December 2018 and for the 3 months ended 31 March 2019

The tables below set out the unaudited pro forma statement of income of the Company for the year ended 31 December 2018 and for the 3 months ended 31 March 2019, as if the Transaction had occurred on 1 January 2018 and 1 January 2019, respectively.

Unaudited pro forma statement of income for the year ended 31 December 2018

| Amounts in USD thousands | Aqualis ASA IFRS (audited) | Braemar Technical IFRS (unaudited) | IFRS adjustments (unaudited) | Note | Pro forma adjustments (unaudited) | Note | Pro forma Group (unaudited) |
|--|----------------------------------|---|------------------------------------|------|---|------|-----------------------------------|
| Revenues | 36,185 | 39,865 | - | | - | | 76,049 |
| Total revenues | 36,185 | 39,865 | - | | - | | 76,049 |
| Payroll and payroll related expenses | (15,682) | (27,468) | - | | - | | (43,150) |
| Other operating expenses | (17,981) | (13,127) | (72) | A | - | | (31,179) |
| Depreciation, amortisation and impairment | (129) | (403) | - | | - | | (533) |
| Share of net profit (loss) from associates | 291 | - | - | | - | | 291 |
| Operating profit (loss) (EBIT) | 2,684 | (1,134) | (72) | | - | | 1,479 |
| Finance income | 167 | (9) | - | | 12,211 | 1 | 12,369 |
| Net foreign exchange gain (loss) | 27 | - | 72 | A | - | | 99 |
| Net financial items | 194 | (9) | 72 | | 12,211 | | 12,467 |
| Profit (loss) before taxes | 2,878 | (1,143) | - | | 12,211 | | 13,946 |
| Income tax expenses | (456) | (138) | - | | - | | (595) |
| Profit (loss) after taxes | 2,422 | (1,281) | - | | 12,211 | | 13,352 |

Unaudited pro forma statement of income for the three months ended 31 March 2019

| Amounts in USD thousands | Aqualis ASA IFRS (unaudited) | Braemar Technical IFRS (unaudited) | IFRS adjustments (unaudited) | Note | Pro forma adjustments (unaudited) | Note | Pro forma Group (unaudited) |
|--|------------------------------------|---|------------------------------------|------|---|------|-----------------------------------|
| Revenues | 8,182 | 9,769 | - | | - | | 17,951 |
| Total revenues | 8,182 | 9,769 | - | | - | | 17,951 |
| Payroll and payroll related expenses | (3,849) | (7,135) | - | | - | | (10,984) |
| Other operating expenses | (4,543) | (3,460) | 179 | A | - | | (7,824) |
| Depreciation, amortisation and impairment | (38) | (107) | - | | - | | (146) |
| Share of net profit (loss) from associates | - | - | - | | - | | - |
| Operating profit (loss) (EBIT) | (248) | (933) | 179 | | - | | (1,003) |
| Finance income | 13 | (39) | - | | 12,211 | 1 | 12,185 |
| Finance expenses | (14) | - | - | | - | | (14) |
| Net foreign exchange gain (loss) | (119) | - | (179) | A | - | | (298) |
| Net financial items | (120) | (39) | (179) | | 12,211 | | 11,873 |
| Profit (loss) before taxes | (368) | (972) | - | | 12,211 | | 10,870 |
| Income tax expenses | (118) | (1,793) | - | | - | | (1,911) |
| Profit (loss) after taxes | (486) | (2,766) | - | | 12,211 | | 8,959 |

In connection with the preparation of the pro forma income statements the following pro forma adjustments have been made:

Pro forma income statement adjustment 1 – Bargain Purchase

The pro forma adjustment of USD 12,211 thousand as increase in finance income relates to bargain purchase in connection with the Transaction, as shown in section 14.6 “Additional notes to the unaudited pro forma financial information” below Purchase Price Allocation. This pro forma adjustment has no continuing impact.

IFRS Adjustment A

Aqualis has in accordance with IFRS recorded the effect of net foreign exchange gain (loss) in its statement of income within financial items, whereas, the Braemar has an IFRS accounting policy to include such amounts as an other operating expenses. This adjustment therefore reclassifies these amounts to confirm to the Company’s financial statement presentation.

- Unaudited pro forma statement of financial position as of 31 March 2019

The tables below set out the unaudited pro forma statement of financial position as of 31 March 2019, as if the Transaction had occurred on that date.

Unaudited pro forma statement of financial position as of 31 March 2019

| Amounts in USD thousands | Aqualis ASA IFRS (unaudited) | Braemar Technical IFRS (unaudited) | IFRS adjustments (unaudited) | Note | Pro forma adjustments (unaudited) | Note | Pro forma Group (unaudited) |
|--------------------------------------|------------------------------------|---|------------------------------------|------|---|------------|-----------------------------------|
| ASSETS | | | | | | | |
| Non-current assets | | | | | | | |
| Property, plant and equipment | 223 | 435 | - | | - | | 659 |
| Intangible assets | 12,921 | 112 | - | | - | | 13,033 |
| Other long term assets | - | 52 | - | | - | | 52 |
| Deferred tax assets | 7 | 480 | - | | - | | 487 |
| Total non-current assets | 13,151 | 1,080 | - | | - | | 14,231 |
| Current assets | | | | | | | |
| Trade receivables | 6,901 | 11,629 | - | | - | | 18,530 |
| Other current assets | 3,379 | 12,479 | - | | - | | 15,858 |
| Cash and cash equivalents | 7,224 | 717 | - | | 5,626 | 1 | 13,567 |
| Total current assets | 17,504 | 24,824 | - | | 5,626 | | 47,955 |
| Total assets | 30,655 | 25,904 | - | | 5,626 | | 62,186 |
| EQUITY AND LIABILITIES | | | | | | | |
| Equity | 25,228 | 21,961 | - | | 4,589 | 1,2 | 51,778 |
| Non-current liabilities | | | | | | | |
| Deferred tax liability | 316 | - | - | | - | | 316 |
| Other non-current liabilities | 743 | 349 | - | | - | | 1,092 |
| Total non-current liabilities | 1,059 | 349 | - | | - | | 1,408 |
| Current liabilities | | | | | | | |
| Trade payables | 1,377 | 875 | - | | - | | 2,252 |
| Income tax payable | 152 | 309 | - | | - | | 461 |
| Other current liabilities | 2,840 | 2,410 | - | | 1,037 | 3 | 6,287 |
| Total current liabilities | 4,368 | 3,595 | - | | 1,037 | | 9,000 |
| Total liabilities | 5,427 | 3,943 | - | | 1,037 | | 10,408 |
| Total equity and liabilities | 30,655 | 25,904 | - | | 5,626 | | 62,186 |

In connection with the preparation of the pro forma statement of financial position the following pro forma adjustments have been made:

Pro forma balance sheet adjustment 1 – Financing, equity

The pro forma adjustment of USD 5,626 thousand as increase in cash and cash equivalents with a corresponding increase in equity relates to the net proceeds in connection with the financing of the Transaction, which the

Company estimates to be achieved through the Right Issue and Private Placement Shares, as shown in the table below.

| <i>Amounts in USD thousand</i> | Gross proceeds | Transaction costs | Net proceeds |
|-----------------------------------|-----------------------|--------------------------|---------------------|
| Right issue | 4,020 | 275 | 3,745 |
| Private placement shares | 1,980 | 99 | 1,881 |
| Total pro forma adjustment | | | 5,626 |

The proceeds of the Right Issue will strengthen the Company’s capital position in line with the significantly increased size of the Company following the Transaction and will be used to increase liquidity buffer during integration phase and to finance expected growth of AqualisBraemar. For further information, please refer to section 5 “the Right issue”.

To maintain Braemar’s potential ownership position after the Rights Issue, and to further strengthen the Company’s capital position in line with the significantly increased size of the Company, the Company intends to issue Private Placement shares directed towards Braemar on the same terms as the Rights Issue. For further information, please refer to section 6 “Listing of the Private placement shares”.

Pro forma balance sheet adjustment 2 - Consolidation adjustment, total equity and reserves

The Company will account for the Transaction as an acquisition. The equity and reserves of Braemar Technical million will therefore no longer appear in the results of the Group following the acquisition and are reversed out in the unaudited pro forma financial information.

The net pro forma adjustment of USD 4,589 thousand as increase in equity comprises the following items:

| <i>Amounts in USD thousands</i> | Pro forma adjustment |
|---|-----------------------------|
| Consideration shares issued to Braemar ¹ | 7,642 |
| Right Issue and Private Placement Shares ² | 5,626 |
| Bargain purchase arising in connection with the preliminary PPA ¹ | 12,211 |
| Elimination of Braemar Technical equity as of 31 March 2019 ³ | (21,961) |
| Difference between Braemar Technical equity as of 31 March 2019 and Net assets in acquisition balance sheet as of 28 February 2019 ⁴ | 1,071 |
| Total pro forma adjustment | 4,589 |

¹See section 14.6 “Additional notes to the unaudited pro forma financial information”, below Purchase Price Allocation)

²See *pro forma balance sheet adjustment 1)*

³See column Braemar Technical in the Unaudited pro forma statement of financial position as of 31 March 2019

⁴Consists of Braemar Technical equity as at 31 March 2019 of USD 21,961 thousands (see column Braemar Technical in the Unaudited pro forma statement of financial position as of 31 March 2019) less Net assets in acquisition balance sheet as at 28 February 2019 of USD 20,890 thousands (see section 14.6 “Additional notes to the unaudited pro forma financial information”, below Purchase Price Allocation)

Pro forma balance sheet adjustment 3 - Warrants

The pro forma adjustment of USD 1,037 thousand as increase in Other current liabilities relates to Consideration Warrants, as shown in section 14.6 “Additional notes to the unaudited pro forma financial information” below Purchase Price Allocation. As part of the purchase price the Company will issue Consideration Warrants giving Braemar the rights to potentially subscribe shares in Aqualis in a two-year period commencing 1 April 2019.

14.6 ADDITIONAL NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

Foreign exchange rates

For purposes of converting the GBP information relating to Braemar Technical to the Company’s reporting currency of USD the Company has used the following exchange rates provided by Xignite. Xignite sources its data from SIX financial information.

| <i>Exchange rates</i> | USD/GBP |
|--|----------------|
| For the year ended 31 December 2018 | 0.749780 |
| For the three months ended 31 March 2019 | 0.768242 |
| As of 31 March 2019 | 0.767283 |

Purchase Price Allocation (“PPA”)

The Company has for the purposes of the pro forma financial information performed a preliminary purchase price allocation based on a “locked box” balance sheet as of 28 February 2019 incorporating all relevant information currently available. The table below is the calculation of purchase price and excess value to be allocated:

| <i>Amounts in USD thousands</i> | Fair value |
|--|-------------------|
| Consideration shares issued to Braemar ¹ | 7,642 |
| Estimated warrants to be issued ² | 1,037 |
| Total estimated purchase price | 8,679 |
| Book value of Net Assets in Braemar Technical as at 28 February 2019 | (20,890) |
| Net goodwill / (bargain purchase) | (12,211) |

¹Based on share price as of 28 February 2019 of NOK 4.34 per share (~USD 0.51 per share)

²See pro forma balance sheet adjustment 3)

The estimated purchase consideration in the Transaction comprises a combination of Aqualis shares and warrants (please refer Section 14.1), with the agreed price based on an enterprise value of approximately USD 6.7 million. The warrants are based on two sets of profitability targets over the two years to 31 March 2021 such that one half of the warrants will be measured against the enlarged Aqualis Group EBITDA and one half against the gross profit of the Braemar Technical’s Marine and Adjusting Divisions. The exercise price for the Consideration Warrants will be NOK 0.10 per warrant, being the nominal value per Aqualis ordinary share. Refer to Section 16.8 “Warrants issued as part of the consideration in the Transaction” for more information about the Consideration Warrants. The fair value of these warrants as of 31 March 2019 has been estimated to USD 1,037 thousand using a Black and Scholes option pricing model.

The agreed estimated Transaction consideration has been used to estimate the total purchase price in identifying excess value to be allocated to goodwill or bargain purchase in the Prospectus. There were no separately identifiable intangible assets or fair value adjustments recognised in preparing a preliminary PPA. The book value of acquired assets and liabilities have been considered the fair value. The net assets book value of the Braemar Technical exceeds the Purchase Price by USD 12,211 thousands, therefore, at this time the excess value resulted in negative goodwill gives rise to gain from bargain purchase.

In accordance with IFRS 3, the Company has revisited certain elements of the purchase price allocation when the calculation results in a negative goodwill, to review whether the elements are a result of errors made in the initial purchase price allocation or a bargain from a purchase. Review of those elements are undertaken by independent consultants and based on the work performed, the Company have not identified any error which could explain the negative goodwill as any other than a bargain purchase.

The Braemar Technical has and is operating in a difficult trading environment, where day rates have remained low and exploration expenditure has not recovered to the levels prior to 2014. Despite taking significant restructuring and cost savings measures in 2016/17, the business continued to be affected by ongoing low levels of activity in the upstream energy and marine sectors, leading to reduced profitability and losses. Due to the time-consuming process of cash collection from customers, particularly from several insurance companies the balance sheet includes large trade receivables and accrued income, of which a large portion is rather old. Therefore, the Braemar Technical is tying up significant amounts in net working capital¹ that makes up a considerable part of their equity. Required rate of return on the future cash flow increases, due to substantial losses incurred in recent history. Hence, the enterprise value of Braemar Technical is valued to a considerably lower amount than Braemar Technical’s equity at the preliminary acquisition date, causing a substantial negative goodwill.

The adjusting elements of the purchase price will only be known when the values of those elements as of the date of completion of the Transaction has been determined. The allocation of the purchase price is dependent on

detailed knowledge of assets, liabilities, contracts and other facts that can only to be sufficiently analyzed at a later date when Aqualis gets full access to Braemar Technical assets, liabilities and accounting records, which will only become available after completion of the Transaction.

The calculation of the final purchase price is subject to certain adjustment (as discussed in Section 7 "The Transaction"). The final allocation which will be performed at closing date (reference is made to Section 7 "The Transaction" for more information) may significantly differ from this allocation and this could materially have affected the values in the pro forma income statement and the presentation in the pro forma balance sheet.

¹*Net working capital = current assets (excluding cash) less current liabilities*

15. BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND EMPLOYEES

15.1 BOARD OF DIRECTORS

In accordance with Norwegian law, the Board of Directors is responsible for administering the Company's affairs and ensuring that the Company's operations are organised in a satisfactory manner.

The members of the Board of Directors are elected by the general meeting of shareholders. The Company's Articles of Association provide that the Board of Directors shall consist of three to eight members.

At the date of this Prospectus, the Company's Board of Directors consists of the following members:

| Name of director | Director since | Current term expires | Business address: |
|--------------------------|----------------|----------------------|--|
| Glen Ole Rødland | 10.07.2014 | 2020 | Haakon VII's gate 1, 0161 Oslo |
| Yvonne Litsheim Sandvold | 10.07.2014 | 2021 | c/o Frognerbygg AS, Dramensveien 127, 0277 Oslo |
| Synne Syrrist | 10.07.2014 | 2021 | Rundhaugveien 5A, 0495 Oslo |
| Reuben Segal | 10.07.2014 | 2020 | Office 609, SIT Tower, Dubai Silicon Oasis, PO Box 128078, Dubai, United Arab Emirates |
| James Kidwell | 11.06.2019 | 2021 | One Strand, Trafalgar Square, London WC2N 5 HR, UK |

On the annual general meeting held on 11 June 2019 James Kidwell was elected as a new member of the Board of Directors with a term until the Company's annual general meeting in 2021.

As at the date of this Prospectus, none of the members of the Board of Directors hold any options or other rights to acquire Shares in the Company.

15.1.1 Brief biographies of the Board members

Glen Ole Rødland, Chairman

Mr. Rødland is a senior partner in HitecVision, where he has been a partner since 2016. Before joining HitecVision he worked in Direct Active Investments in Ferncliff TIH AS, where he was a partner since 2006. Before joining Ferncliff he worked for 15 years with portfolio management and investment banking for DNB (Vital) and Swedbank First Securities (formerly Elcon Securities). Mr. Rødland has also worked as a market and investment analyst at JEBSENS, a Norwegian shipping company, as a management consultant in PWC). Mr. Rødland has a long and varied experience within energy, basic materials and shipping, where he has led a number of IPOs, M&A processes and restructuring. He has postgraduate studies in Finance and Economics from NHH and UCLA. Mr. Rødland is a Norwegian citizen and resides in Oslo, Norway.

| | |
|---|--|
| Current directorships and senior management position | Aqualis ASA (chairman), Spectrum ASA (board member), Corona Maritime Holding AS (chairman), Corona Maritime AS (chairman), Gross Management AS (Chairman), Prosafe SE (chairman) |
| Previous directorships and senior management positions last five years | Strata Marine & Offshore AS (chairman), Enerquip AS (chairman), Nordic Construction Barges II AS (chairman), Nordic Construction Barges III AS (chairman), Nordic Construction Barges IV AS (chairman), Nordic Construction Barges I AS (chairman), Grøndalselva AS (board member), Van Severen & CO AS (board member), Namdalen Træsliberi AS (board member), Namdal Skoger AS (board member), Ferndrill Management AS (board member), Spectrum ASA (Chairman), Akland Property AS (chairman), Akland Eiendom AS (chairman), Standard Investering AS (chairman), Gerox AS (chairman), Standard Holding AS (chairman), Strata Key Invest AS (chairman), Namdal Transitt AS (board member), NEL Hydrogen AS (board member), Strata Marine & Offshore AS (board member), Hydrogen Technologies Holding AS (board member), Ferncliff Asset Management Holding AS (board member), Skeie Capital Investment AS (board member), Eiken Mekaniske Verksted AS (chairman), Stugaard Invest AS (chairman), Berganodden Båtservice AS (chairman), Hydrogen Technologies Holding AS (chairman), Noble Denton (board member), Standard Drilling (board member), SD Standard Drilling (board member), Prospektor Offshore Drilling (chairman), |

Yvonne Litsheim Sandvold, Board member

Ms. Sandvold is the founder and CEO of YLS Næringseiendom AS and marketing manager of Frognerbygg AS, and has extensive experience from the Norwegian real estate industry. Ms. Sandvold currently serves on the Board of several public and private companies. Ms. Sandvold holds a cand. psychol. degree from the University of Oslo. Ms. Sandvold is a Norwegian citizen and resides in Oslo, Norway.

| | |
|---|---|
| Current directorships and senior management position | Aqualis (member of the board), Frognerbygg AS (Marketing manager and chairman), YLS Næringseiendom AS (chief executive officer), Bjørn Farmanns gate 8 AS (chief executive officer and chairman of the board), AS Naturbetong (board member), Sandvold Holding AS (chairman), Seilduksgt. 17 AS (chairman), Schønings gate 7 AS (chairman), Octopus Eiendom AS (chairman of the board), YLS Næringseiendom AS (chairman), Sandvold bolig AS (Chairman), Octopus Eiendom II AS (chairman of the board), Vinstra Handelspark II AS (Chairman), Sand Invest AS (Chairman), Løvenskiolds gate 12 AS (Chairman), Sarpsborgveien 23 AS (Chairman), Vinstra Handelspark AS (Chairman), Siesand Invest AS (Chairman), Fossveien 15 AS (Chairman), Nobels Gate 2B AS (Chairman), Valhallvegen 6 Invest AS (member of the board), Sandvoldgruppen AS (member of the board), Self Storage Group ASA (member of the board), Sørkeldalsvegen 9 AS (member of the board), AIR ESTATE AS (member of the board), Saga Tankers AS (member of the board), Psykolog Yvonne Listheim Sandvold (owner) |
| Previous directorships and senior management positions last five years | Sandvold Holding AS (Chairman and board member), Seilduksgt. 17 AS (board member), Bogstadveien 62 AS (board member), Schønings gate 7 AS (deputy board member), Aksjevold AS (Deputy board member), Løvenskiolds gate 12 AS (member of the board), Fossveien 15 AS (member of the board), Octopus Eiendom II AS (Board member), Frognerbygg AS (chief operating officer and board member), Sandvold Bolig (board member), Karo Pharma Norge AS (board member), Sand Invest AS (board member) |

Synne Syrrist, Board member

Ms. Syrrist is an independent business consultant, and has extensive experience as a non-executive director of both private and public companies. She was previously a partner and financial analyst at First Securities and financial analyst at Elcon Securities ASA. Ms. Syrrist currently serves on the Board of several public companies, including, Awilco Drilling Ltd and Eidesvik Offshore ASA. Ms. Syrrist holds an MSc from the Norwegian University of Science and Technology, and qualified as an authorised financial analyst at the Norwegian School of Economics and Business Administration. Ms. Syrrist is a Norwegian citizen and resides in Oslo, Norway.

| | |
|---|---|
| Current directorships and senior management position | Awilco Drilling Ltd (board member), Awilco LNG ASA (board member), Eidesvik Offshore ASA (board member), Njord Securities AS (board member), Aqualis ASA (board member), Ghilardi+hellsten arkitekter AS (board member), Østfold Logistikkbygg AS (board member), 0495 Grefsen AS (member of the board), Midt-Norge Bilpark AS (board member), Sørlandet Bilpark AS (board member) , Vestfold Logistikkbygg AS (board member), Telemark Logistikkbygg AS (board member), Østfold Etatbygg AS (board member), Bergen Kommunebygg AS (board member), Hafjell Helse- og handelsbygg AS (board member), Lillehammer Handelseiendom AS (board member), Stavanger Handelsbygg AS (board member) |
|---|---|

| | |
|---|---|
| Previous directorships and senior management positions last five years | Weifa ASA (board member), Norwegian Property ASA (board member), Global Rig Company ASA (board member), NorAm Drilling Company Inc (board member), Global Active 1 AS (board member), Global Active 2 AS (board member), Global Active 3 AS (board member), Global Active 4 AS (board member), Intex Resources ASA (board member) |
|---|---|

Reuben Segal, Board member

Mr. Segal is Chief Operating Officer of Aqualis ASA and has over 20 years’ experience in the offshore and shipping sectors covering both engineering design and ship surveying. He is a naval architect, and has extensive recent global business development experience with focus on design and construction of offshore oil and gas assets, including MODU and MOPU units from FEED through to yard delivery. Mr. Segal holds a master’s degree in Engineering from the University of Newcastle. Mr. Segal is a British citizen and resides in Dubai, UAE.

| | |
|---|--|
| Current directorships and senior management position | Aqualis ASA (chief operating officer and board member), AmAn Marine Ltd (board member), Aqualis UK (director), Aqualis Offshore PTE Singapore (director) |
|---|--|

| | |
|---|--|
| Previous directorships and senior management positions last five years | GL Noble Denton (group director design & construction), GL Noble Denton (group director execution services), GL Noble Denton (director design & construction), Karo Pharma Norge AS (board member) |
|---|--|

James Kidwell, Board member

James Kidwell is the Chief Executive Officer of Braemar, a position he has held since June 2012. Mr. Kidwell served as Braemar’s Finance director from 2002 until his appointment as Chief Executive Officer in June 2012. Previous experience include Finance Director of Boosey & Hawkes Music Publishers Limited and Group Financial Controller of Carlton Communications PLC. Mr. Kidwell holds a Bachelor in Economics from Nottingham University, UK and is a Fellow of the Institute of Chartered Accountants of England and Wales, having trained with Price Waterhouse London office (1985-1988).

Current directorships and senior management position

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Braemar Shipping Services plc (chief executive officer and member of the board), ACM Shipping CIS Limited (member of the board), ACM Shipping EBT Limited (member of the board), ACM Shipping USA Limited (member of the board), Asian Energy Services Pte Limited (member of the board), Braemar ACM Group Limited (member of the board), Braemar ACM Shipbroking Limited (member of the board), Braemar ACM Shipbroking Pte Limited (member of the board), Braemar ACM Shipbroking (Dry Cargo) Limited (member of the board), Braemar ACM Shipbroking (USA) Inc. (member of the board), Braemar ACM Shipbroking Group Limited (member of the board), Braemar ACM Shipbroking India Private Limited (member of the board), Braemar ACM Shipbroking Pty Limited (member of the board), Braemar Atlantic Securities Holdings Limited (member of the board), Braemar Atlantic Securities Limited (member of the board), Braemar Burness Maritime Limited (member of the board), Braemar Chartering Limited (member of the board), Braemar Developments Limited (member of the board), Braemar Financial Holdings Germany GmbH (member of the board), Braemar Financial Holdings Limited (member of the board), Braemar Holdings (USA) Inc. (member of the board), Braemar Logistics Limited (member of the board), Braemar Maritime Limited (member of the board), Braemar Naves Corporate Finance GmbH (member of the board), Braemar Naves Corporate Finance Limited (member of the board), Braemar Naves Pte. Ltd (member of the board), Braemar Shipbrokers Limited (member of the board), Braemar Tankers Limited (member of the board), Braemar Technical Services (Engineering) Inc. (member of the board), Braemar Technical Services (Engineering) Limited (member of the board), Braemar Technical Services (USA) Inc. (member of the board), Braemar Technical Services Holdings Limited (member of the board), Burness Marine (Gas) Limited (member of the board), Burness Marine (Tankers) Limited (member of the board), Cagnoil Limited (member of the board), Braemar Pension Trustees Limited (member of the board), CB (Newcastle) Ltd (member of the board), Cory Brothers (USA) Inc. (member of the board), Cory Brothers Shipping Agencies (S) Pte Ltd (member of the board), Cory Brothers Shipping Agency Limited (member of the board), Cory Logistics Limited (member of the board), Fred Olsen Freight Limited (member of the board), GFL (UK) Limited (member of the board), Orca Shipping Limited (member of the board), Seascope Capital Services Limited (member of the board) and Kidwell Capital Limited (member of the board).

Previous directorships and senior management positions last five years

ACM Shipping Services Limited (member of the board), Alchemy Trading Company Limited (member of the board), Braemar Container Shipping and Chartering Limited (member of the board), Braemar Futures Limited (member of the board), Ambipar Howells Consultancy Limited (member of the board), Braemar Marine Limited (member of the board), Ambipar Response Limited (member of the board), Braemar Seascope Italia Srl (member of the board), Braemar Technical Services (Adjusting) Limited (member of the board), Braemar Technical Services (Adjusting) Pte Limited (member of the board), Braemar Technical Services (Offshore) India Pvt Limited (member of the board), Braemar Technical Services (Offshore) Pte Limited, Nevis (member of the board), Braemar Technical Services (Offshore) Pte Ltd, Singapore (member of the board), Braemar Technical Services Inc. (member of the board), Braemar Technical Services Limited (member of the board), Braemar Technical Services PTE Limited (member of the board), BS Energy Services Limited (member of the board), Freight Action Limited (member of the board), Gorman Cory Shipping Agency Limited (member of the board), Lawrence, Holt and Company Limited (member of the board), Lemstock Limited (member of the board), London Central Cruise Moorings Limited (member of the board), Morrison Shipping Agency Limited (member of the board), Morrison Shipping Limited (member of the board), Morrison Tours Limited (member of the board), Planetwide Group Limited (member of the board), Planetwide Limited (member of the board), Portabella Limited (member of the board), PT Braemar Technical Services Offshore (member of the board), Seascope Sale and Purchase Limited (member of the board), Seascope Shipping Limited (member of the board), Seascope Shipping Services Limited (member of the board) and Seascope Shipping Investments Limited (member of the board).

15.2 EXECUTIVE MANAGEMENT

The table below sets forth the members of the Executive Management as of the date of this Prospectus.

| Name | Position | Business address: |
|------------------|--|--|
| David Wells | Chief Executive Officer | 1 King Street, London EC2V 8AU, UK |
| Kim Magnus Boman | Chief Financial Officer | Olav Vs gate 6, 8 th floor, 0161, Oslo, Norway |
| Rueben Segal | Group Chief Operating Officer | Office 609, SIT Tower, Dubai Silicon Oasis, PO Box 128078, Dubai, United Arab Emirates |
| Grant Smith | Chief Operating Officer Insurance Services | One Strand, Trafalgar Square, London WC2N 5 HR, UK |

15.2.1 Brief biographies of the Executive Management

David Wells, Chief Executive Officer

David Wells is a Master Mariner and has more than 30 years of experience in the offshore sector with particular focus on offshore operations, MWS and marine consultancy. He is a specialist on jack-up operations, location approvals and all aspects of rig moving. He has more recently been involved in senior management duties. Mr. Wells is based in London, UK.

| | |
|---|--|
| Current directorships and senior management position | Aqualis ASA (chief executive officer), Alsto Consultancy Ltd (director), Mobile Technology Holdings Limited (non-executive director) |
| Previous directorships and senior management positions last five years | Greatship Global Energy Services (non-executive director), GL Noble Denton (managing director), Noble Denton (regional managing director), ADLER Solar GmbH (director) |

Kim Magnus Boman, Chief Financial Officer

| | |
|---|--|
| Current directorships and senior management position | Aqualis ASA (chief financial officer), Aqualis offshore AS (chairman and chief executive officer), Frill AS (Chairman) |
| Previous directorships and senior management positions last five years | ADLER Solar GmbH (Chairman) Rec Systems AS (member of the board), REC Solar Holdings AS (member of the board) |

Reuben Segal, Chief Operating Officer

See section 15.1.1.

| | |
|---|--------------------|
| Current directorships and senior management position | See Section 15.1.1 |
| Previous directorships and senior management positions last five years | See Section 15.1.1 |

Grant Smith

Grant has a Bachelor’s degree with a specialty in Commercial Law, is a Chartered Insurance Professional and licensed Loss Adjuster. He started his career in the London Insurance market in 1994 and over 25 years he has worked continuously for Lloyd’s and the Company markets as an independent loss adjuster, specialising in large complex losses, predominantly in the Marine, Energy & Power sectors. After joining the specialist adjusting firm of Steege Kingston & Associates in 1998, Grant become their youngest partner in 2001, established their Calgary Office in 2003, and worked closely with the senior management team during the acquisition by Braemar Shipping Services Plc (Braemar) in 2007. In 2013, he became Head of Braemar Adjusting and in 2016 he was appointed to the executive committee of Braemar, as Global Managing Director of the Technical Division.

| | |
|---|---|
| Current directorships and senior management position | Braemar Technical Services Holdings Limited (managing director and member of the board), Asian Energy Services Pte Limited (member of the board), Braemar Technical Services (Adjusting) Limited (member of the board), Braemar Technical Services (Canada) Limited (member of the board), Braemar Technical Services (Offshore) Pte Limited, Singapore (member of the board), Braemar Technical Services (Offshore) Pte Ltd, Nevis (member of the board), (member of the board) and Braemar Technical Services Inc. (member of the board). |
| Previous directorships and senior management positions last five years | Braemar Technical Services (USA) Inc. (member of the board), Braemar Holdings (USA) Inc. (member of the board), Braemar Technical Services (Engineering) Inc. (member of the board) and Braemar LNG B.V (member of the board). |

15.3 REMUNERATION AND BENEFITS

15.3.1 Board of Directors

The compensation for the members of the Board of Directors for their service as directors is determined on an annual basis by the shareholders of the Company at the annual General Meetings. The table below sets out the remuneration paid to the Board of Directors for the financial year ended 31 December 2018 (in NOK) thousands):

| Name | Board fee (NOK 1,000) |
|-----------------------------|-----------------------|
| Glen Ole Rødland (Chairman) | 200 |
| Yvonne L. Sandvold | 130 |
| Synne Syrrist | 130 |
| Reuben Segal | - |
| James Kidwell | - |
| Total | 460 |

15.3.2 Executive management

The table below sets out the remuneration paid to the executive management for the financial year ended 31 December 2018 (in USD thousands):

| Name | Salary | Bonus | Pension | Other | Total |
|------------------|------------|-----------|-----------|------------|------------|
| David Wells | 231 | 10 | 45 | 65 | 351 |
| Kim Magnus Boman | 183 | 6 | 6 | 2 | 197 |
| Reuben Segal | 231 | 11 | - | 125 | 367 |
| Grant Smith | - | - | - | - | - |
| Total | 645 | 27 | 51 | 192 | 915 |

15.3.3 Termination benefits

At the date of this Prospectus, no member of the administrative, management or supervisory bodies' has contracts with the Company or any of its subsidiaries providing benefits upon termination of employment.

15.4 EMPLOYEES

The following table sets out the number of employees in Aqualis ASA, as of 31 March 2019, split by the various geographic regions. Contractors and freelancers have been accounted for on a 100% utilization basis.

| | 2016 | 2017 | 2018 | 31 March 2018 | 31 March 2019 |
|--------------|------------|------------|------------|---------------|---------------|
| Middle East | 52 | 53 | 62 | 62 | 63 |
| Asia Pacific | 39 | 49 | 44 | 37 | 44 |
| Europe | 40 | 53 | 51 | 59 | 56 |
| Americas | 21 | 21 | 21 | 19 | 24 |
| Total | 152 | 176 | 179 | 177 | 187 |

15.4.1 Employee incentive schemes

In connection with the completion of the Transaction, the Company established a share option scheme for the employees of the Company and its subsidiaries with the purpose of providing incentives for the employees to

ensure the best performance and close and long-term relationship with the Group by offering the possibility to participate in the Company's financial development.

In accordance with this scheme options are exercisable at the market price of the share in the exercise period, which is nine months following the date of 1 May 2022.

15.5 PENSIONS AND OTHER OBLIGATIONS

15.5.1 Pensions

The Company has defined contribution plans in the Group. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as when they are due.

In 2018, the Group' paid pension contribution of approximately USD 130 thousand.

15.5.2 Loans and guarantees

The Company has no outstanding loans or guarantees to any member of the executive management.

15.6 SHAREHOLDINGS

15.6.1 Board of Directors

The table below presents the overview of Shares and options owned by the Board of Directors as of the date of this Prospectus:

| | Number of Shares | Number of options |
|--------------------------|------------------------|-------------------|
| Glen Ole Rødland | 7 367 996 ¹ | - |
| Yvonne Litsheim Sandvold | - | - |
| Synne Syrrist | - | - |
| Reuben Segal | 1,402,923 ² | - |
| James Kidwell | - | - |

¹Shares are held through Gross Management AS, a company owned 100% by Glen Ole Rødland

²Shares are held through AmAn Marine Limited (under nominee account LGT Bank AG)

15.6.2 Executive Management

The table below presents the overview of Shares and options owned by the Executive Management and related parties as of the date of this Prospectus:

| | Number of Shares | Number of options |
|------------------|----------------------|-------------------|
| David Wells | 786,776 ¹ | - |
| Kim Magnus Boman | 500,000 | - |
| Reuben Segal | As above | - |
| Grant Smith | - | - |

¹Shares are held through Alsto Consultancy Ltd and Banque Pictet & Cie SA

The Executive Management is not subject to any lock-up restrictions

15.7 DETAILS OF ANY CONVICTIONS FOR FRAUDULENT OFFENCES, BANKRUPTCY ETC.

No member of the Board of Directors or the Executive Management have for at least the previous five years preceding the date of this Prospectus been;

- Convicted in relation to any fraudulent offences;
- Involved in any bankruptcies, receiverships or liquidations when acting in the capacity of member of an administrative, management or supervisory body;
- Subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or been disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer.

15.8 CORPORATE GOVERNANCE

15.8.1 Audit committee

The function of the audit committee is to prepare matters to be considered by the Board and to support the Board in the exercise of its management and supervisory responsibilities relating to financial reporting, statutory audit and internal control. Currently, the Company's full Board constitutes the audit committee. Reuben Segal, a member of the executive management team, will disqualify himself from participating in the audit committee.

15.8.2 Remuneration committee

The remuneration committee, appointed by the Board, makes proposals to the Board on the employment terms and conditions and total remuneration of the CEO, and other members of the Executive Management, as well as the details of the employee share option plan. These proposals are also relevant for other management entitled to variable salary payments. Currently, the Company's full Board constitutes the remuneration committee.

15.8.3 Corporate Governance compliance

The Company complies with the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board, latest edition of 17 October 2018 with the exception of the following:

Increases in share capital and purchase of its own shares

The Company has an authority to issue up to 8,573,829 new shares, equal to 15% of the Company's share capital, in connection with the Company's employee incentive program. The Board is of the opinion that this power of attorney is necessary to provide flexibility in connection with issuance of shares under the incentive program.

Chairman of the general meeting

Considering the Company's organisation and shareholder structure the Company considers it unnecessary to appoint an independent chairman for the Company's general meetings, and this task will for practical purposes normally be performed by the Chairman of the Board.

Audit Committee

In accordance with the Company's Articles of Association, the Company has elected to have the full Board constitute the Audit Committee. The Board is of the opinion that this will be in the best interest of the Company in an initial stage as it will allow the Company to utilise the competence of all the board members in the committee work. Reuben Segal, a member of the executive management team, will disqualify himself from participating in the audit committee.

Management represented on the Board

Mr. Reuben Segal is both a member of the Company's Board of Directors and a member of the Company's executive management team as Chief Operating Officer. The background for this is that Mr. Segal will be a significant shareholder in Company, and also represents the interest of other employees that will hold shares in the Company. Approximately 25% of the shares in the Company are currently estimated to be held by employees.

15.9 CONFLICT OF INTEREST, FAMILY RELATIONSHIPS, DIRECTORSHIPS ETC

There are no potential conflicts of interests between any duties to the Company, of any of the Board members or members of the Executive Management and their private interests and or other duties, except as described below.

Glen Ole Rødland, Chairman of the Board

Mr. Rødland is a board member in and the owner of 100 % of the shares in Gross Management AS, which as of the date of this Prospectus owns 7,367,996 Shares, corresponding to 12.9 % of total shares outstanding in the Company, taking into account the Consideration Shares. He is thus not considered as independent from the Company's larger shareholders.

Reuben Segal, Member of the Board and Executive Management

At the date of the prospectus, Reuben Segal owns 1,402,923 Shares, corresponding to 2.5% of the issued share capital, taking into account the Consideration Shares. Segal's position as Shareholder, member of the Executive Management and Board member may pose a potential conflict of interest.

David Wells, Executive Management

At the date of the prospectus, David Wells owns 786,776 Shares, corresponding to 1.4% of the issued share capital, taking into account the Consideration Shares. Wells's position as Shareholder and member of the Executive Management may pose a potential conflict of interest.

Kim Magnus Boman, Executive Management

At the date of the prospectus, Kim Magnus Boman owns 500,000 Shares, corresponding to 0.9% of the issued share capital, taking into account the Consideration Shares. Boman's position as Shareholder and member of the Executive Management may pose a potential conflict of interest.

There are no family relations between any of the members of the Board or the Management.

16. SHARE CAPITAL

16.1 SHARE CAPITAL AND SHARE CAPITAL HISTORY

The Company's current share capital is NOK 5,715,886²⁸ divided into 57,158,860 ordinary shares, each with a nominal value of NOK 0.10. The Company has one class of shares, and each share carries one vote and has equal rights to dividend. All the shares are validly issued and fully paid. All of the Company's shareholders have equal voting rights.

The following changes in the share capital of the company have taken place since incorporation in June 2014:

| Date | Type of change | Share capital increase/decrease (NOK) | Share capital (NOK) | Subscription price (NOK/share) | Par value (NOK / share) | Issued shares | Total shares |
|----------|--------------------------------------|---------------------------------------|---------------------|--------------------------------|-------------------------|---------------|--------------|
| 02.06.14 | Incorporation | 1 000 000 | 1 000 000 | 0.10 | 0.10 | 10 000 000 | 10 000 000 |
| 24.07.14 | Consideration shares | 2 588 636.40 | 3 588 636.40 | 0.10 | 8.90 | 25 886 364 | 26 886 364 |
| 24.07.14 | Consideration shares | 730 418 | 4 319 054.40 | 0.10 | 8.90 | 7 304 180 | 43 190 544 |
| 14.07.15 | Capital increase | 31 519.3 | 4 350 573.7 | 7.5135 | 0.10 | 315 193 | 43 505 737 |
| 30.05.16 | Capital decrease | - 121 249.8 | 4 229 323.9 | | 0.10 | | 42 293 239 |
| 24.06.19 | Consideration shares | 1,486,562.1 | 5,715,886 | 4.14 | 0.10 | 14,865,621 | 57,158,860 |
| 17.07.19 | Capital increase (rights issue) | 888,258 | 6,604,144 | 3.96 | 0.10 | 8,882,575 | 66,041,435 |
| 17.07.19 | Capital increase (private placement) | 437,500 | 7,041,644 | 3.96 | 0.10 | 4,375,000 | 70,416,435 |

Braemar received 14,865,621 Shares in the Company as a result of the Transaction, representing more than 10% of the share capital. As a result of this, more than 10% of the capital has been paid for with assets other than cash.

16.2 OWN SHARES

As of the date of this Prospectus, the Company does not own any treasury shares.

16.3 STOCK EXCHANGE LISTING, SHARE REGISTRAR AND SECURITIES NUMBER

Aqualis ASA is a Norwegian public limited liability company and the Shares are issued pursuant to the Norwegian Public Limited Companies Act.

The Shares are listed on the Oslo Stock Exchange under the ticker symbol "AQUA". The Shares are registered in the Norwegian Central Securities Depository (VPS). The Company's registrar is DNB Bank ASA, Dronning Eufemias Gate 30, N-0191 Oslo, Norway. The Shares carry the securities number ISIN NO 001 0715394.

16.4 SHAREHOLDER AGREEMENTS

The Board is not aware of any shareholder agreements by and among the Company's shareholders relating to the Company.

16.5 AUTHORIZATIONS TO ISSUE NEW SHARES

On 11 June 2019, the Board was granted the following authorisation to resolve the issue of new shares:

- The Board is hereby authorized, pursuant to section 10-14 of the Act to increase the Company's share capital with up to NOK 857,382.90, equal to 15% of the Company's share capital upon issuance of the*

²⁸ Post Transaction

Consideration Shares as described in item 12 below, through one or more capital increases. The power of attorney may only be utilized in connection with the employee incentive program of the Company.

2. *The power of attorney may be used in connection with increase in the share capital with settlement by contribution in kind, by way of set-off, or with conditions that shares may be subscribed for on other particular terms, cf. section 10-2 of the Act. The power of attorney does not cover a resolution of merger pursuant to section 13-5 of the Act.*
3. *The Board may, when exercising the power of attorney, waive the shareholders' preferential rights pursuant to section 10-5 of the Act.*
4. *The Board is granted the power to determine the subscription rate and the conditions for subscription, and to amend the articles of association section 4 according to the share capital increase.*
5. *The authorization is valid until the annual general meeting in 2020, but shall in any event expire at the latest 15 months from the date of this annual general meeting. The authorization replaces the power of attorney to increase the share capital granted to the Board on 14 May 2018.*

16.6 AUTHORIZATION TO ACQUIRE TREASURY SHARES

On 11 June 2019, the Board was granted the following authorisation to resolve the purchase of own shares:

“The Board is granted authorization to acquire shares in Aqualis ASA on behalf of the Company for one or more of the following purposes:

- (i) *In connection with the Company's share purchase program for its employees, and/or*
- (ii) *To increase return on investment for the Company's shareholders.*

The authorization covers purchase(s) of up to 10% of the face value of the share capital of the Company, i.e. up to an aggregate nominal value of NOK 422,932.30. If the Company disposes of or cancels own shares, this amount shall be increased by an amount equal to the face value of the shares disposed of or cancelled. Shares may be acquired at minimum NOK 0.1 per share and maximum NOK 100 per share. These limitations shall be adjusted in the event of share consolidation, share splits, and similar transactions. The shares shall be acquired through ordinary purchase on the stock exchange.

The Board's authorization is valid until the Company's annual general meeting in 2020, but shall in any event expire at the latest 15 months from the date of this general meeting. The decision shall be notified to and registered by the Norwegian Register of Business Enterprises prior to acquiring any shares pursuant to this authorization.”

As of the date of this Prospectus, the authorisation has not been used to acquire shares.

16.7 SHARE OPTIONS

As of the date of this Prospectus, the Company has 125,000 outstanding share options.

16.8 WARRANTS ISSUED AS PART OF THE CONSIDERATION IN THE TRANSACTION

As part of the Transaction, Braemar was granted 5,973,556 Consideration Warrants for shares in the Combined Company granting Braemar the right to require issuance of 1 share in the Combined Company for each Consideration Warrant at any time during the 2 year period from the date of publication of the Combined Company's audited 2020 accounts at a subscription price of NOK 0.10.

On the AGM held 11 June 2019 the general meeting passed the following resolution to issue the Warrants:

1. *The Company shall issue up to 5,973,556 Warrants in the Company (the “Warrants”).*
2. *Each Warrant shall give the right to subscribe for one new share in the Company, with nominal value NOK 0.10, on the conditions described below.*
3. *No separate consideration shall be paid for the Warrants.*
4. *The Warrants shall be issued to Braemar Shipping Services Plc, a company incorporated in England and Wales (registered number 02286034) whose registered office is at One Strand, Trafalgar Square, London WC2N 5HR. The pre-emptive rights of the existing shareholders under section 11-13 (1) cf. 10-4 of the Act are set aside.*
5. *Subscription for the Warrants shall be made no later than 14 business days from the issue date on a separate subscription form.*
6. *The Warrants will be exercisable for a period commencing on the later of:*
 - (i) *the date of publication of the Company’s audited 2020 accounts;*
 - (ii) *the publication of the Company’s Q1 2021 financial results (if such results are published); and*
 - (iii) *the date of agreement between the Company and Braemar Shipping Services Plc of:*
 - a) *the draft Reference Accounts, being the profit and loss statement for the two-year period starting from 1 April 2019 until 31 March 2021 (the “Warrants Calculation Period”) and the balance sheet as at the end of the Warrants Calculation Period, for the consolidated combined business of the Company and the Braemar Business, as well as for each of the Adjusting and Marine businesses (the “Reference Accounts”);*
 - b) *all relevant working papers used in order to prepare the draft of the Reference Accounts; and*
 - c) *a draft warrant vesting statement showing the number of Warrants that have vested, (the “Vesting Date”), and ending on the date falling two (2) years after the Vesting Date (the “Exercise Period”).*
7. *Half of the Warrants (the “Tranche 1 Warrants”), representing up to 2,986,778 Shares will vest based on the average adjusted EBITDA, on a consolidated basis combining the Company and Braemar Technical Services during the Warrants Calculation Period, constituting the Average Annual Adjusted EBITDA; and the other half of the Warrants (the “Tranche 2 Warrants”), representing up to 2,986,778 Shares will vest based on half of the adjusted gross profit for the Adjusting and Marine businesses of the combined business of the Company and the Braemar Business, including any synergies, during the Warrants Calculation Period, constituting the Average Annual Adjusted Gross Profit. The Average Annual Adjusted EBITDA and the Average Annual Adjusted Gross Profit are defined in the warrant terms and conditions attached as Enclosure 3 to the calling notice.*

8. *If a takeover bid to all shareholders in Aqualis to acquire more than 1/3 of the share capital of Aqualis is launched prior to the Vesting Date, Braemar shall be entitled to notify Aqualis of its exercise of the full number of Warrants for the purpose of accepting such takeover bid (subject to completion of the takeover bid). After receiving such exercise notice from Braemar, Aqualis shall ensure that the shares can be issued to Braemar as soon as it has been announced by the offeror that all conditions for completion of such takeover bid have either been fulfilled or waived. If a mandatory offer is launched prior to the Vesting Date, the Warrants shall vest from the first day of the acceptance period under such mandatory offer. Braemar is then entitled to exercise the full number of Warrants issued in a period of 14 business days thereafter. The same applies if a decision to liquidate, merge or demerge Aqualis is passed from the date of such decision.*
9. *The Warrants can be exercised in whole or in part during the Exercise Period.*
10. *The Warrants will lapse and become void if not exercised within the Exercise Period.*
11. *The Board shall ensure that the shares are issued as soon as possible following subscription and payment of the subscription amount for the shares.*
12. *The Warrants are not transferable to any entity that is not part of the Braemar group until they are vested, unless the Board has given its prior written consent. The Warrants may at any time be transferred to an entity that is part of Braemar's group of undertakings. Upon vesting of the Warrants, the Warrants become freely transferable. The Warrants will be subject to the HSBC security and HSBC shall be entitled to enforce its security without any requirement for Board consent.*
13. *The Warrants may only be exercised and converted into shares as follows:*
 - (i) *If the Average Annual Adjusted EBITDA during the Warrants Calculation Period exceeds USD 7.5 million per year (Adjusted EBITDA of USD 15 million in total for the Warrants Calculation Period), Braemar shall be entitled to exercise the full number of Tranche 1 Warrants issued or in existence.*
 - (ii) *If the Average Annual Adjusted EBITDA is between USD 4.5 million and USD 7.5 million, the number of Tranche 1 Warrants that can be exercised shall be reduced proportionally (from 0 Warrants in case the Average Annual Adjusted EBITDA is USD 4.5 million or lower, to an amount equal to 2,986,778 Shares in case the Average Annual Adjusted EBITDA is USD 7.5 million)*
 - (iii) *If the Average Annual Adjusted Gross Profit during the Warrants Calculation Period exceeds USD 14.3 million per year (Adjusted Gross Profit of USD 28.6 million in total for the Warrants Calculation Period), Braemar shall be entitled to exercise the full number of Tranche 2 Warrants issued or in existence.*
 - (iv) *If the Average Annual Adjusted Gross Profit is between USD 12.6 million and USD 14.3 million, the number of Tranche 2 Warrants that can be exercised shall be reduced proportionally (from 0 Warrants in case the Average Annual Adjusted Gross Profit is USD 12.6 million or lower, to an amount equal to 2,986,778 Shares in case the Average Annual Adjusted Gross Profit is USD 14.3 million).*

- (v) *In the event the calculation of the number of Warrants that can be exercised (as described in (i) and (ii) above) leads to a fractional number of Shares, the number of Warrants that can be exercised shall be rounded down to the nearest whole number of Warrants and Shares. No fractional Shares will be issued.*
 - (vi) *In the event the Warrants become exercisable as a result of a Takeover Bid (as described in 8 above) the holder of the Warrants shall be entitled to exercise the full number of Warrants issued.*
 - (vii) *In the event a claim from Braemar under or in connection with the SPA cannot be settled in cash due to a statutory or legal requirement, such claim shall be satisfied by Warrants, and, the relevant number of Warrants shall immediately vest. The exercise period for such Warrants shall commence on completion of the Transaction and end on the date falling four (4) years after the vesting date for such Warrants.*
14. *When exercising the Warrants, the warrant holder shall pay the nominal value of NOK 0.10 in cash per share subscribed.*
15. *Payment for subscribed shares shall be made in accordance with payment instructions as set forth by the Board.*
16. *The shares issued on the basis of the Warrants shall from the date of the issue have equal status as the existing shares. The shares shall give rights to dividend payments from such time as the shares are issued.*
17. *In the event the Company's number of shares is changed by way of a stock split or stock consolidation, the number of Warrants issued hereunder, and the consideration for the shares to be issued in the Company upon exercise of the Warrants, shall be adjusted accordingly and, if necessary, rounded downwards to the nearest whole number. In the event of a capital increase or decrease or issue of new warrants or liquidation, merger or demerger of the Company, or a dividend payment, in the period between issuance and exercise of the Warrants, the holders of Warrants shall have the same rights as shareholders of the Company, cf. section 11-12 (2) no. 9 of the Act, and the number of Warrants shall be adjusted accordingly so as to maintain the economic value of the Warrants. Specifically for the following events:*
- (i) *In the event of a capital decrease with repayment to the shareholders or dividend payment, the number of Warrants shall be increased reflecting the reduced value of the Company,*
 - (ii) *In the event of a demerger of the Company, the holder of the Warrants shall be entitled to Warrants also in the demerged entity in so far as to maintain the economic value of the Warrants,*
 - (iii) *In the event of an issue of new shares or financial instruments, the holder of the Warrants shall have the same subscription right as the shareholders, as if the holder of the Warrants already had exercised the full number of Warrants. If the issue is an issue of bonus shares, the number of Warrants shall increase in so far as to maintain the economic value of the Warrants.*
 - (iv) *The adjustment provisions set out above shall not apply to the issuance of the Consideration Shares, the Private Placement Shares, the Rights Issue Shares (as defined in the Share Purchase Agreement), or any issuance of warrants or shares to key employees as part of an employee incentive program.*

18. *In the event that Warrants are required to satisfy a claim from Braemar under or in connection with the SPA, and the number of Shares has been changed by a stock split or stock consolidation, or there has been a capital decrease with repayment to the Company's shareholders, or a dividend payment, or a demerger, or an issue of new shares or financial instruments (including an issue of bonus shares), the number of Warrants to be issued and/or vest shall be adjusted accordingly so that they relate to the same proportion of Shares as if there had been no such event giving rise to the adjustment.*
19. *In the event of any disagreement or dispute as to adjustments to be made to the number of Warrants, the disagreement or dispute will be referred to the Independent Accountants in accordance with paragraph 3 of Part II of the Warrant Terms and Conditions.*
20. *In the event that Aqualis makes any acquisition or disposal of a business that represents a change of more than 5% in relation to total assets, revenue, EBITDA, gross profit or loss for the consolidated combined business of Aqualis and the Braemar Assets then the parties shall seek to agree an appropriate adjustment to the Exercise Conditions. In such event, Aqualis shall provide Braemar with written notice in accordance with the notice provisions of the Share Purchase Agreement, together with such information as is reasonably sufficient for Braemar to consider the effect of any such acquisition or disposal, as soon as reasonably practicable and no later than 30 days prior to the meeting of the Board of Directors meeting to pass the final resolution to carry out any such acquisition or disposal. If such notice is provided, Braemar shall provide Aqualis with written notice in accordance with the notice provisions of the Share Purchase Agreement of its intention to seek an adjustment within 30 days of receipt of the notice from Aqualis.*
21. *Shares issued on the basis of the Warrants will carry rights to dividends from the time such Shares are issued.*
22. *This resolution is made subject to fulfilment of all other conditions for completion of the Transaction and the general meeting resolving to approve the Board's proposal for the share capital increase in connection with issuance of consideration shares in item 12 above.*

16.9 LOCK-UP AGREEMENTS

The Company has entered into a lock-up arrangement with Braemar in connection with the Transaction. Starting from the Closing Date, the shares issued to Braemar in connection with the Transaction (including the shares issued pursuant to the Warrants) are subject to a lock-up period of two years. Gross Management AS has entered into a corresponding lock-up agreement with Braemar.

16.10 DIVIDEND POLICY

It is the Company's objective to generate returns to the shareholders in the form of dividends and share appreciation, which is at least on the same level as other investment possibilities with comparable risk. This should be achieved, first and foremost, through strong and profitable growth within the Company's business areas. Future dividends will depend on the group's financial strength, cash flow, investment needs and growth opportunities. Aqualis' ambition is to pay a cash dividend that is following its long term underlying cash flow. When deciding the dividend amount, the Board of Directors will consider the group's financial strength, cash flow, investment needs, growth opportunities and a level of financial flexibility that is appropriate for the Aqualis' business model. In addition to paying a cash dividend, Aqualis may buy back its own shares as part of its plan to distribute capital to shareholders.

The Company did not pay any ordinary dividend for the years ended 31 December 2018, 31 December 2017 and 31 December 2016. In July 2018, the Company paid an extraordinary dividend of NOK 0.9 per Share. The Company had a relatively large cash balance and the Board of Directors of the Company decided to distribute a part of this cash balance to the Company's shareholders to increase capital efficiency and enhance return on operations.

16.10.1 Manner of dividend payments

Any dividend will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will however receive dividends by cheque in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of the VPS Registrar to issue a check in a local currency, a cheque will be issued in USD. The issuing and mailing of cheques will be executed in accordance with the standard procedures of the VPS Registrar. The exchange rate(s) that is applied will be the VPS Registrar's exchange rate on the date and time of day for execution of the exchange for the issuance of check. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts, or in lieu of such registered NOK account, by check, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

16.11 SHAREHOLDERS

The table below sets out Aqualis ASA's 20 largest shareholders as registered in VPS as of 17 June 2019 (taken into account the Consideration Shares, excluding the Private Placement Shares).

| # | Name | Number of Shares | Percentage |
|----|----------------------------------|-------------------|---------------|
| 1 | Braemar Shipping Services PLC | 14,865,621 | 26.0% |
| 2 | Gross Management As | 7,367,996 | 12.9% |
| 3 | Tigerstaden As | 1,786,663 | 3.1% |
| 4 | Danske Bank A/S | 1,538,046 | 2.7% |
| 5 | Mp Pensjon Pk | 1,463,128 | 2.6% |
| 6 | Lgt Bank Ag | 1,402,923 | 2.5% |
| 7 | OMA Invest As | 1,400,000 | 2.4% |
| 8 | Carnegie Investment Bank Ab | 1,389,614 | 2.4% |
| 9 | Saxo Bank A/S | 1,287,482 | 2.3% |
| 10 | Badreddin Diab | 1,001,302 | 1.8% |
| 11 | Bjørn Stray | 1,000,000 | 1.7% |
| 12 | Holmen Spesialfond | 1,000,000 | 1.7% |
| 13 | DNB Markets aksjehandel/-analyse | 982,183 | 1.7% |
| 14 | Philip Alan Lenox | 830,583 | 1.5% |
| 15 | Magne Gislerød | 800,000 | 1.4% |
| 16 | Acme Capital AS | 675,000 | 1.2% |
| 17 | SIX SIS AG | 642,451 | 1.1% |
| 18 | Alsto Consultancy Ltd | 598,122 | 1.0% |
| 19 | Andreas Theofanatos | 512,188 | 0.9% |
| 20 | Ian Dennis Bonnon | 508,260 | 0.9% |
| | Other | 15,602,936 | 27.3% |
| | Total | 57,158,860 | 100.0% |

The following shareholders owned more than 5% of the issued share capital as of the date of this Prospectus (including the Consideration Shares, excluding the Private Placement Shares):

- Braemar Shipping Services PLC (14,685,621) shares representing 26.0% of the share capital).
- Gross Management AS (7,367,996) shares representing 12.9% of the share capital)

Shareholders with ownership exceeding 5% must comply with disclosure obligations according to the Norwegian Securities Trading Act section 4-3. For more detailed description please see Section 17.7 "Disclosure Obligations"

As far as the Company is aware of, there is no other natural or legal person other than the above mentioned, which indirectly or directly has a shareholding in the Company above 5% which must be notified under Norwegian law.

To the knowledge of the Company, no person, entity or group directly or indirectly controls the issuer to such extent that special measures is considered necessary to ensure abuse of such control.

17. SHAREHOLDER MATTERS AND NORWEGIAN COMPANY AND SECURITIES LAW

The following is a summary of certain information relating to the Shares and certain shareholder matters, including the Company's articles of association and a summary of applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association and Norwegian law.

Under Norwegian law, all shares are to provide equal rights in a company. However, Norwegian law permits a company's articles of association to provide for different types of shares (e.g., several classes of shares). In such case, a company's articles of association must specify the different rights, preferences and privileges of the classes of shares and the total par value of each class of shares. The Company's articles of association provide for a single class of shares with equal rights.

There are no restrictions affecting the right of Norwegian or non-Norwegian residents or citizens to own the Shares. The Company's articles of association do not contain any provisions restricting the transferability of Shares.

17.1 THE GENERAL MEETING OF SHAREHOLDERS

Under Norwegian law, a company's shareholders are to exercise supreme authority in the Company through the general meeting.

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

- approval of the annual accounts and annual report, including the distribution of any dividend;
- the Board of Directors' declaration concerning the determination of salaries and other remuneration to senior executive officers;
- any other business to be transacted at the general meeting by law or in accordance with the Company's articles of association

In addition to the annual general meeting, EGMs of shareholders may be held if deemed necessary by the Board. An EGM must also be convened for the consideration of specific matters at the written request of the Company's auditors or shareholders representing a total of at least 5% of the share capital.

Norwegian law requires that written notice of general meetings needs be sent to all shareholders whose addresses are known at least three weeks prior to the date of the meeting. The notice shall set forth the time and date of the meeting and specify the agenda of the meeting. It shall also name the person appointed by the Board to open the meeting. See Article 9 of the Company's articles of association for further details. A shareholder may attend the general meeting either in person or by proxy. The Company will include a proxy form with its notices of general meetings.

A shareholder is entitled to have an issue discussed at a general meeting if such shareholder provides the Board with notice of the issue within seven days before the three week notice period, together with a proposal to a draft resolution or a basis for putting the matter on the agenda.

17.2 VOTING RIGHTS

Subject to the terms of a company's articles of association to the contrary, Norwegian law provides that each outstanding share shall represent a right to one vote. All of the Company's Shares have an equal right to vote at general meetings. No voting rights can be exercised with respect to treasury shares held by a company.

In general, decisions that shareholders are entitled to make under Norwegian law or the Company's articles of association may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain

the most votes are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue, to approve a merger or demerger, to amend the Company's articles of association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants or to authorise the board of directors to purchase shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting of shareholders. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association. Decisions that (i) would reduce the rights of some or all shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of shares, require that at least 90 percent of the share capital represented at the general meeting of shareholders in question vote in favour of the resolution, as well as the majority required for amending the articles of association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amending the articles of association. There are no quorum requirements for general meetings.

In general, in order to be entitled to vote at a general meeting, a shareholder must be registered as the owner of shares in the Company's share register kept by the VPS, or alternatively, report and show evidence of the shareholder's share acquisition to the Company prior to the general meeting.

Under Norwegian law, a beneficial owner of shares registered through a VPS-registered nominee may not be able to vote the beneficial owner's shares unless ownership is re-registered in the name of the beneficial owner prior to the relevant general meeting. Investors should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares. For example, Oslo Børs has in a statement made on 21 November 2003 taken the position that "nominee-shareholders" may vote in general meetings if they actually prove their shareholding prior to the general meeting.

17.3 ADDITIONAL ISSUANCES AND PREFERENTIAL RIGHTS

If the Company issues any new Shares, including bonus shares (i.e. new Shares issued by a transfer from funds that the company is allowed to use to distribute dividend), the Company's articles of association must be amended, which requires a two-thirds majority of the votes cast as well as at least two-thirds of the share capital represented at a general meeting.

In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for the new Shares on a pro rata basis in accordance with their then-current shareholdings in the Company. Preferential rights may be derogated from by resolution in a general meeting of shareholders passed by the same vote required to approve amending the articles of association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, in a resolution supported by at least two-thirds of the votes cast and share capital represented, authorize the Board to issue new Shares. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the nominal share capital as at the time the authorization is registered with the Norwegian Register of Business Enterprises. The shareholders' preferential right to subscribe for Shares issued against consideration in cash may be set aside by the Board only if the authorization includes such possibility for the Board.

Any issue of Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under U.S. securities law. If the Company decides not to file a registration statement, these shareholders may not be able to exercise their preferential rights.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and provided, amongst other requirements, that the transfer is made from funds that the Company is allowed to use to distribute dividend. Any bonus issues may be effectuated either by issuing Shares or by increasing the nominal value of the Shares outstanding. If the increase in share capital is to take place by new Shares being issued, these new Shares must be allocated to the shareholders of the Company in proportion to their current shareholdings in the Company.

17.4 MINORITY RIGHTS

Norwegian law contains a number of protections for minority shareholders against oppression by the majority, including but not limited to those described in this and preceding and following paragraphs. Any shareholder may petition the courts to have a decision of the Board or general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. In certain grave circumstances, shareholders may require the courts to dissolve the Company as a result of such decisions. Shareholders holding in the aggregate 5% or more of the Company's share capital have a right to demand that the Company holds an EGM to discuss or resolve specific matters. In addition, any shareholder may demand that the Company places an item on the agenda for any general meeting as further described in Section 17.1 above.

17.5 LEGAL CONSTRAINTS ON THE DISTRIBUTION OF DIVIDENDS

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Liability Companies Act provides several constraints on the distribution of dividends:

- Pursuant to section 8-1 of the Norwegian Public Limited Liability Companies Act the Company may only distribute dividend to the extent that the Company's net assets following the distribution covers (i) the Company's share capital, (ii) the reserve for valuation differences and (iii) the reserve for unrealized gains. In the amount that may be distributed, a deduction shall be made for the aggregate nominal value of treasury shares that the Company has purchased for ownership or as security before the balance day. It shall also be made a deduction for credit and collateral etc. according to sections 8-7 to 8-10 from before the balance day which after these provisions shall lay within the scope of the funds the company may distribute as dividend. It shall however not be made a deduction for credit and collateral etc. that is reimbursed or settled before the time of decision, or credit to a shareholder to the extent that the credit is settled by a netting in the dividend.
- The calculation of the distributable equity shall be made on the basis of the balance sheet in the approved annual accounts for the last financial year, but so that the registered share capital as of the date of the resolution to distribute dividend shall apply. Following the approval of the annual accounts for the last financial year, the general meeting may also authorise the Board of Directors to declare dividend on the basis of the Company's annual accounts.
- Dividend may also be distributed by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.
- Dividend may only be distributed if the company is not in liquidation or in a similar situation.

17.5.1 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

17.6 MANDATORY TAKEOVER BIDS, SQUEZZE OUT, ETC.

The Norwegian Securities Trading Act requires any person, entity or consolidated group who becomes the owner of Shares representing more than 1/3 of the voting rights of the Company to, within four weeks, make an unconditional general offer for the purchase of the remaining Shares in the Company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of Shares which, aggregated with the party's own shareholding, represent more than 1/3 of the voting rights in the Company, and Oslo Børs decides that acquiring such rights must be regarded as effectively being an acquisition of the Shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the Shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

In the mandatory offer, all shareholders shall be treated equally and the price to be paid per Share shall be at least as high as the highest price paid or agreed by the acquirer during the last 6 months prior to the date the threshold was exceeded. However, if it is clear that the market price was higher when the mandatory offer obligation was triggered, the Norwegian Securities Trading Act states that the offer price shall be at least as high as the market price. If the acquirer acquires or agrees to acquire additional Shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. The offer must be made in cash or contain a cash alternative at least equal in value to any non-cash offer. Pursuant to the Norwegian Securities Trading Act section 6-6, a repeated bid obligation applies when passing 40% and 50% of the votes of the Company.

In the event of a failure to make a mandatory offer or to sell the portion of the Shares that exceeds the threshold within four weeks, Oslo Børs may force the acquirer to sell the Shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the Company, such as voting at a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise its 89s and pre-emption rights in the event of a share capital increase. If the shareholder neglects its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group who has passed any of the above-mentioned relevant thresholds for a mandatory offer without triggering such an obligation due to an applicable exemption, and who has therefore not previously made an offer for the remaining Shares in the Company in accordance with the mandatory offer rules, is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of Shares in the Company (subsequent offer obligation).

Pursuant to the Norwegian Public Limited Companies Act, compulsory acquisition (squeeze out) of the remaining shares may be initiated by a purchaser who has acquired 90 per cent or more of the shares (and corresponding voting rights). If the shareholders being squeezed out do not accept the purchaser's offer price, the price shall be determined through a valuation by the court. The purchaser will in any event obtain title to the shares immediately. Each of the minority shareholders have a corresponding right to require that the majority shareholder representing 90 per cent or more of the shares/votes, acquire their shares. Unless agreed, the price shall be determined through a valuation by the court.

17.7 DISCLOSURE OBLIGATIONS

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the Company's share capital.

The disclosure obligation also requires an investor to disclose agreements giving an investor voting rights over another party's shares if the total holding of shares and voting rights cross any of the mentioned thresholds.

17.8 RIGHTS OF REDEMPTION AND REPURCHASE OF SHARES

The Company has not issued redeemable shares (i.e., shares redeemable without the shareholder's consent). The Company's share capital may be reduced by reducing the par value of the Shares. Such a decision requires the approval of two-thirds of the votes cast and share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The company may purchase its own Shares if an authorization to the Board to do so has been given by the shareholders at a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and share capital represented. The aggregate nominal value of treasury shares so acquired and held by the Company is not permitted to exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the shareholders at the general meeting cannot be given for a period exceeding 18 months. At the date of this Prospectus, the Company has not granted such authorization to the Board and does not hold any treasury shares. A Norwegian public limited company may not subscribe for its own shares.

17.9 SHAREHOLDER VOTE ON CERTAIN REORGANISATIONS

A decision to merge with another company or to demerge requires a resolution of the Company's shareholders at a general meeting passed by at least two-thirds of the votes cast and share capital represented. A merger plan or demerger plan signed by the Board along with certain other required documentation must be sent to all shareholders and registered with the Register of Business Enterprises at least one month prior to the general meeting.

17.10 DISTRIBUTION OF ASSETS ON LIQUIDATION

Under Norwegian law, a company may be liquidated by a resolution of the company's shareholders in a general meeting passed by the same vote as required with respect to amendments to the articles of association. The shares rank equally in the event of a return on capital by the Company upon liquidation or otherwise.

17.11 ARTICLES OF ASSOCIATION

The Company's articles of association do not contain more rigid procedures for changing shareholder rights than what is included in the Norwegian Public Limited Liability Companies Act.

The Memorandum and articles of association of Aqualis Offshore are as follows:

Article 1. Name

The name of the company is AqualisBraemar ASA. The company is a public limited company.

Article 2. Registered Office

The Company's registered office is located in Oslo.

Article 3. Purpose

The Company's purpose is to offer services to the marine and offshore industry and related industries, on its own or through ownership in other companies.

Article 4. Share-capital

The Company's share capital is NOK 5,715,886 divided into 57,158,860 shares at a par value of NOK 0,10. The shares shall be registered with the Norwegian Central Securities Depository.

Article 5. Board of Directors

The Board of the Company shall be composed of 3-8 members.

The Board will be elected for two years at the time and the members of the Board may be re-elected. If as a result of a Board vote there is an equality of votes, the Chairman of the Board shall have the casting vote. The entire Board shall constitute the audit committee.

Article 6. Election Committee

The Company shall have an Election Committee. The committee shall consist of up to three members. The members of the Committee shall be elected by the Company's General Meeting, who also appoints the Committee's Chairperson. Remuneration to the Election Committee members shall be determined by the General Meeting. The General Meeting shall also adopt the rules of procedure for the Committee's work.

Article 7. Audit Committee

The entire Board shall constitute the audit committee as long as the board meets the requirements of the Public Limited Companies Act § 6-42.

Article 8. Signature

The company's signature is held jointly by two of the members of the Board. The Board may grant power of procuration.

Article 9. Ordinary Shareholders Meeting

The notice for the ordinary shareholders' meeting is to be dispatched by the Board in accordance with current legislation.

The following items must be considered at the shareholders meeting:

1. Adoption of the profit and loss accounts and the balance sheet, including the declaration of dividend.
2. Stipulation of remuneration to the Board and approval of remuneration to the state authorized accountant.
3. Election of the Chairman of the Board, members of the Board and state authorized accountant
4. Other matters specified by statute for consideration by the shareholders meeting.

Article 10. Electronic distribution of annual accounts and other documents for shareholders' meetings

Documents relating to matters which shall be considered at a general meeting need not be sent to the shareholders if the documents have been made available to the shareholders on the Company's website. This also includes

documents that according to law shall be incorporated into or be attached to the notice of the general meeting. A shareholder may require that documents which shall be considered at a general meeting is sent to the shareholder.

Article 11. Approval of advance voting at a shareholder meeting

The Board may decide that the shareholders may vote in writing, including by way of electronic communication, in a period before the general meeting. Voting in writing requires an adequately secure method to authenticate the sender.

18. TAXATION

The following is a summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of shares by holders that are residents of Norway for purposes of Norwegian taxation ("resident Shareholders") and holders that are not residents of Norway for such purposes ("non-resident Shareholders").

The summary is based on applicable Norwegian laws, rules and regulations as they exist as at the date of this Prospectus. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all the tax considerations that may be relevant to the Shareholders and does not address foreign tax laws.

Each Shareholder should consult with and rely upon their own tax advisor to determine the particular tax consequences for him or her and the applicability and effect of any Norwegian or foreign tax laws and possible changes in such laws.

18.1 TAXATION OF DIVIDENDS

18.1.1 Resident corporate Shareholders

Norwegian corporate shareholders (i.e. limited liability companies and similar entities resident in Norway for tax purposes) are generally exempt from tax on dividends received on shares in Norwegian limited liability companies and similar entities, pursuant to the participation exemption (Norwegian: *Fritaksmetoden*). However, 3% of dividend income is deemed taxable as general income at a flat rate of 22%, implying that dividends distributed from the Company to resident corporate Shareholders are currently effectively taxed at a rate of 0.66%.

18.1.2 Resident personal Shareholders

Personal shareholders tax resident in Norway are in general tax liable to Norway for their worldwide income. Dividends distributed to personal Shareholders who are individuals resident in Norway for tax purposes, are multiplied by an annually specified factor (1.44 for 2019) and taxed as ordinary income at a current flat rate of 22 % to the extent the dividends exceed a statutory tax-free allowance (Norwegian: *Skjermingsfradrag*).

The allowance is calculated on a share-by-share basis, and the allowance for each share is equal the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate after tax of interest on treasury bills (Norwegian: "*Statskasseveksler*") with three months maturity. The allowance one year will be allocated to the Shareholder owning the share on 31 December the relevant income year. Norwegian personal shareholders who transfer shares during an income year will thus not be entitled to deduct any calculated allowance related to the year of transfer. The Directorate of Taxes announces the risk free-interest rate in January the year after the income. The risk-free interest rate for 2018, announced in January 2019, was 0.8%.

Any part of the calculated allowance one year exceeding dividend distributed on the same share ("**excess allowance**") can be carried forward and set off against future dividends received on, or capital gains upon realisation of the same share. Furthermore, excess allowance can be added to the cost price of the share and included in basis for calculating the allowance on the same share the following year.

18.1.3 Non-resident Shareholders

Dividends distributed to Shareholders not resident in Norway for tax purposes are in general subject to withholding tax at a rate of 25%, unless otherwise provided for in an applicable tax treaty or the recipient is covered by the specific regulations for corporate shareholders tax-resident within the European Economic Area ("**EEA**") (ref. the section below for more information on the EEA exemption). The company distributing the dividend is responsible for the withholding of tax. Norway has entered into tax treaties with approximate 80 countries. In most tax treaties the withholding tax rate is reduced to 15%.

In accordance with the present administrative system in Norway, the Norwegian distributing company will normally withhold tax at the regular rate or reduced rate according to an applicable tax treaty, based on the

information registered with the VPS with regard to the tax- residence of the Foreign Shareholder. Dividends paid to non-resident Shareholders in respect of nominee- registered shares will be subject to withholding tax at the general rate of 25% unless the nominee, by agreeing to provide certain information regarding beneficial owners, has obtained approval for a reduced or zero rate from the Central Office for Foreign Tax Affairs (Norwegian: *Sentralskattekontoret for utenlandssaker*) (“COFTA”).

Non-resident Shareholders who are exempt from withholding tax and Shareholders who have been subject to a higher withholding tax than applicable in the relevant tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax. The application is to be filed with the COFTA.

If a non-resident Shareholder is engaged in business activities in Norway, and the shares are effectively connected with such business activities, dividends distributed to such shareholder will generally be subject to the same taxation as that of Norwegian Shareholders, cf. the description of tax issues related to Norwegian Shareholders above.

Non-resident Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the ability to effectively claim refunds of withholding tax.

18.1.4 Non-resident Shareholders tax-resident within the EEA

Non-resident Shareholders who are individuals tax-resident within the EEA (“**Foreign EEA Personal Shareholders**”) are upon request entitled to a deductible allowance. The shareholder shall pay the lesser amount of (i) withholding tax according to the rate in an applicable tax treaty or (ii) withholding tax at 25% of taxable dividends after allowance. Foreign EEA Personal Shareholders may carry forward any unused allowance, if the allowance exceeds the dividends.

Non-resident Shareholders that are corporations tax-resident within the EEA for tax purposes (“**Foreign EEA Corporate Shareholders**”) are exempt from Norwegian tax on dividends distributed from Norwegian limited liability companies, provided that the Foreign EEA Corporate Shareholder in fact is genuinely established within the EEA and manages a real economic activity within the EEA.

18.2 TAXATION UPON REALIZATION OF SHARES

18.2.1 Resident corporate Shareholders

Norwegian corporate Shareholders are generally exempt from tax on capital gains upon the realization of shares in Norwegian limited liability companies and similar entities. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

18.2.2 Resident personal Shareholders

Norwegian individual shareholders are taxable in Norway for capital gains upon the realisation of shares, and have a corresponding right to deduct losses that arise upon such realisation. The tax liability applies irrespective of time of ownership and the number of shares realised. Capital gains upon realisation of shares shall be multiplied with a factor (1.44 for 2019) and taxed as general income in the year of realisation. The tax rate for general income is currently 22%, resulting in an effective tax rate of 31.68% for 2019. Any losses may correspondingly be deducted from general income in the year of realisation.

The taxable gain or loss is calculated per share as the difference between the consideration received and the cost price of the share, including any costs incurred in relation to the acquisition or realization of the share. Any unused allowance on a share (see above) may be set off against capital gains related to the realization of the same share, but may not lead to or increase a deductible loss i.e. any unused allowance exceeding the capital gain upon the realization of the share will be annulled. Furthermore, unused allowance may not be set of against gains from realization of other shares.

If a Shareholder disposes of shares acquired at different times, the shares that were first acquired will be deemed as first sold (the FIFO-principle) when calculating a taxable gain or loss.

Costs incurred in connection with the purchase and sale of shares are included as a part of the purchase price or sale price and will be deducted in the year of sale.

18.2.3 Non-resident Shareholders

Gains from the sale or other disposition of shares by a non-resident Shareholder will not be subject to taxation in Norway unless

- (i) the shares are effectively connected with business activities carried out or managed in Norway (in which case capital gains will generally be subject to the same taxation as that of Norwegian shareholders above), or
- (ii) the shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation as Norwegian tax resident.

18.3 INHERITANCE TAX

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

18.1 NET WEALTH TAX

A resident Shareholder that is a joint stock company or a similar entity is exempted from net wealth tax.

For other resident Shareholders (personal Shareholders), the shares will form part of the basis for the calculation of net wealth tax. The current marginal net wealth tax rate is 0.85% of taxable values.

Listed shares are currently valued at 75% of their quoted value on 1 January in the assessment year (the year following the income year).

A non-resident Shareholder is not subject to Norwegian net wealth tax with respect to the shares, unless his shareholding is effectively connected with a business carried out by the Shareholder in Norway.

18.2 STAMP DUTY

There is currently no Norwegian stamp duty or transfer tax on the transfer or issuance of shares.

19. ADDITIONAL INFORMATION

19.1 DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection at the Company's business address at Olav Vs gate 6, 8th floor, 0161, Oslo, Norway for a period of twelve months from the date of this Prospectus.

- The Company's Articles of Association and Certificate of Incorporation
- Audited financial statements for Aqualis ASA for the years ended 31 December 2018, 2017 and 2016
- Unaudited interim financial information for the three months period ended 31 March 2019
- Independent assurance report on pro forma financial information
- The Prospectus

19.2 DOCUMENTS INCORPORATED BY REFERENCE

The information incorporated by reference in this Prospectus should be read in connection with the cross reference table set out below. Except as provided in this Section 19.2, no information is incorporated by reference in this Prospectus.

The Company incorporates by reference the Group's unaudited consolidated interim financial statements as of and for the three month period ended 31 March 2019 and the Group's audited consolidated financial statements as of and for the years ended 31 December 2018, 2017 and 2016 (the "**Financial Statements**"), as well as certain other documents set out below.

| <i>Section in the Prospectus</i> | <i>Disclosure requirement</i> | <i>Reference document and link</i> | <i>Page (P) in reference document</i> |
|----------------------------------|--|--|---------------------------------------|
| Section 13 | Audited historical financial information (Annex XXV, section 20.1) | Financial statements 2018: https://aqualisoffshore.com/wordpress/wp-content/uploads/2019/04/Aqualis-Annual-Report-2018.pdf | P 29 – 61 |
| | | Financial statements 2017: https://aqualisoffshore.com/wordpress/wp-content/uploads/2018/04/Aqualis-AR-2017.pdf | P 28 – 60 |
| | | Financial statements 2016: https://aqualisoffshore.com/wordpress/wp-content/uploads/2017/04/AQUALIS_Annual-Report-2016.pdf | P 36 – 81 |
| Section 13 | Audit report (Annex XXV, section 20.3) | Auditor's report 2018: https://aqualisoffshore.com/wordpress/wp-content/uploads/2019/04/Aqualis-Annual-Report-2018.pdf | P 62 – 64 |
| | | Auditor's report 2017: https://aqualisoffshore.com/wordpress/wp-content/uploads/2018/04/Aqualis-AR-2017.pdf | P 61 – 62 |
| | | Auditor's report 2016: https://aqualisoffshore.com/wordpress/wp-content/uploads/2017/04/AQUALIS_Annual-Report-2016.pdf | P 82 – 85 |
| Section 13 | Interim financial information (Annex XXV, section 20.5) | Unaudited Q1 2019 report: | |

References in the table above to "Annex" and "Items" are references to the disclosure requirements as set forth in the Norwegian Securities Trading Act cf. the Norwegian Securities Trading Regulations by reference to such Annex (and Item therein) of Commission Regulation (EC) no. 809/2004.

19.3 STATEMENT REGARDING SOURCES

The Company confirms that when information in this Prospectus has been sourced from a third party it has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

20. SELLING AND TRANSFER RESTRICTIONS

20.1 OVERVIEW

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

20.2 SELLING RESTRICTIONS

20.2.1 United States

The Rights Issue Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Rights Issue Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Rights Issue Shares will be restricted and each purchaser of the Rights Issue Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 20.3.1 "-Transfer restrictions - United States".

Any offer or sale in the United States will be made by affiliates of the Manager who are brokerdealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Rights Issue, an offer or sale of Rights Issue Shares within the United States by a dealer, whether or not participating in the Rights Issue, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A of the U.S. Securities Act and in connection with any applicable state securities laws.

20.2.2 United Kingdom

This Prospectus and any other material in relation to the Rights Issue described herein is only being distributed to, and is only directed at persons in the United Kingdom who are qualified investors within the meaning of Article 2(1)1 of the Prospectus Directive ("**qualified investors**") that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made (all such persons together being referred to as "Relevant Persons"). The Rights Issue Shares are only available to, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, Relevant Persons). This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not rely on it.

20.2.3 European Economic Area

In relation to each Relevant Member State, an offer to the public of any Rights Issue Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the

offering in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the Prospectus Directive (as implemented in Norway), except that an offer to the public in that Relevant Member State of any Rights Issue Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (A) to legal entities which are qualified investors as defined in the Prospectus Directive;
-
- (B) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Manager for any such offer, or in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of Rights Issue Shares shall require the Company or the Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Rights Issue Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Rights Issue Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

20.2.4 Additional jurisdictions

20.2.4.1 Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Rights Issue Shares in Canada or any province or territory thereof. Any offer or sale of the Rights Issue Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

20.2.4.2 Hong Kong

The Rights Issue Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made there under, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Rights Issue Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Rights Issue Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made there under.

20.2.4.3 Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Issue Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and

in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

20.2.4.4 Other jurisdictions

The Rights Issue Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Rights Issue Shares.

In jurisdictions outside the United States and the EEA where the Rights Issue would be permissible, the Rights Issue Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

20.3 TRANSFER RESTRICTIONS

20.3.1 United States

The Rights Issue Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Rights Issue Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Rights Issue Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Rights Issue Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Rights Issue Shares was, located outside the United States at the time the buy order for the Rights Issue Shares was originated and continues to be located outside the United States and has not purchased the Rights Issue Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Rights Issue Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Rights Issue Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Rights Issue Shares pursuant to Regulation S described in this Prospectus.
- The Rights Issue Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Rights Issue Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that the Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Rights Issue Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Rights Issue Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Rights Issue Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Rights Issue Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Rights Issue Shares, as the case may be.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Rights Issue Shares, as the case may be, such Shares may be offered, resold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Rights Issue Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The Rights Issue Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Rights Issue Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Rights Issue Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that the Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

20.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Rights Issue Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Manager and the Company that:

- it is a qualified investor as defined in the Prospectus Directive; and
- in the case of any Rights Issue Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Rights Issue Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where Rights Issue Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons.
- For the purposes of this representation, the expression an "offer" in relation to any Rights Issue Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Rights Issue Shares to be offered so as to enable an investor

to decide to purchase or subscribe for the Rights Issue Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

21. DEFINITIONS AND GLOSSARY OF TERMS

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus.

| | |
|------------------------------------|---|
| Aqualis Offshore | Aqualis Offshore Ltd |
| Aqualis Offshore Group | Aqualis Offshore Ltd and its subsidiaries |
| ASA | Public stock company |
| ASOG | Ordering guidelines |
| Board or Board of Directors | The board of directors of the Company |
| CAMO | Critical Activity Mode of Operation |
| Capex | Capital expenditures |
| CEO | Chief Executive Officer |
| CET | Central European Time |
| CFO | Chief Financial Officer |
| CMID | Common Marine Inspection Document |
| Combined Company | The three business lines acquired from Braemar (Offshore, Adjusting and Marine) taken together with the current Aqualis group |
| Company | Aqualis ASA |
| DEVEX | Development expense |
| DNB | The Company's registrar |
| DP | Dynamic Position |
| E&P | Exploration & production |
| EBITDA | Earnings before interest, taxes, depreciation and amortisation |
| EC Regulation 809/2004 | Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, as amended from time to time |
| EEA | European Economic Area |
| EGM | Extraordinary general meeting |
| Eligible Shareholders | The Aqualis ASA shareholders as per the Record Date |
| EPC | Engineering, Procurement and Construction |
| EU | European Union |
| EUR | Euro, the single currency of the European Union member states participating in the European Monetary Union |
| EWEA | European Wind Energy Association |
| Excess allowance | The calculated allowance one year exceeding dividend distributed on the same share |
| EY | Ernst & Young AS |
| FAT | Factory acceptance testing |
| FEED | Front-end engineering design |
| FMEA | Failure mode and effects analysis |
| FMECA | Failure Mode, Effect and Criticality Analysis |
| Foreign EEA Corporate Shareholders | Foreign Shareholders that are corporations tax-resident within the EEA for tax purposes |
| Foreign EEA Personal Shareholders | Foreign Shareholders who are individuals tax-resident within the EEA |

| | |
|---|---|
| FPSO | Floating production, storage and offloading |
| FSMA | The Financial Services and Markets Act 2000 of the UK |
| FSO | Floating, Storage and Offloading |
| FTE | Full-time employee |
| GBP | Pound Sterling, the lawful currency of the United Kingdom |
| Group | Aqualis ASA and its subsidiaries |
| GW | Gigawatt |
| HAZID | Hazard Identification Analysis |
| HAZOP | Hazard and Operability Analysis |
| ICMS | Integrated Control Management System |
| IFRS | International Financial Reporting Standards |
| IGP&I | The International Group of P&I |
| IOC | Independent Oil Companies |
| IOC | International Oil Company |
| ISIN | Securities number in the Norwegian Central Securities Depository (VPS) |
| Jack-up | Mobile drilling platform with long support legs that is lowered to the sea floor |
| LCoE | Labialized cost of energy |
| Listing | The listing of the Company's shares on Oslo Stock Exchange |
| ltd | Limited company |
| Manager | SpareBank1 Markets |
| MODU | Mobile Offshore Drilling Units |
| MOPU | Mobile Offshore Production Units |
| MW | Megawatt |
| NGAAP | Norwegian Generally Accepted Accounting Principles |
| NOC | National Oil Companies |
| NOK | Norwegian Kroner, the lawful currency of the Kingdom of Norway |
| Non-resident Shareholders | Shareholders that are not residents of Norway |
| Norwegian FSA | The Financial Supervisory Authority of Norway (Nw. Finanstilsynet) |
| Norwegian Public Limited Companies Act | The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45, as amended from time to time (Nw: Allmennaksjeloven) |
| Norwegian Securities Trading Act | The Norwegian Securities Trading Act of June 29, 2007 no. 75 as amended from time to time (Nw: Verdipapirhandelloven) |
| NRBE | The Norwegian Register of Business Enterprises (Nw: Brønnøysundregistrene) |
| Braemar Technical Services / Braemar Technical / Braemar Assets Offshore Wind Consultants | The three business lines acquired from Braemar, Offshore, Adjusting and Marine Offshore Wind Consultants Ltd |
| OPEX | Operating expense |
| OVID | Offshore Vessel Inspection Database |
| OWC | Offshore Wind Consultants Ltd |
| P & I | Protection and indemnity |
| Prospectus | This Prospectus dated 21 June 2019 |
| Prospectus Directive | Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended from time to time |

| | |
|-----------------------|--|
| PWC | PricewaterhouseCoopers AS |
| QHSE | Quality, Health, Safety, Environment |
| QRA | Quantitative Risk Analysis |
| Record Date | 13 June 2019 |
| Resident Shareholders | Shareholders that are residents of Norway for purposes of Norwegian taxation |
| ROV | Remotely operated vehicles |
| RRR | Reserve replacement ratio |
| Shareholder | A holder of a Share |
| Shares | The ordinary shares in the capital of Aqualis ASA, each with a par value of NOK 0.10 |
| SMOMWS | Society of Offshore Marine Warranty Surveyors |
| T&I | Transportation and Infrastructure |
| The Private Placement | The ~USD 2 million private placement in Aqualis ASA directed towards Braemar |
| US | The United States |
| USD | United States Dollars, the lawful currency of the United States of America. |
| VPS | Norwegian Central Securities Depository (Nw: Verdipapirsentralen) |
| WSOG | Well Specific Operating Guidelines |
| WTG | Wind Turbine Generator |

APPENDIX A:

SUBSCRIPTION FORM FOR THE RIGHTS ISSUE

General information: The terms and conditions of the Rights Issue of 8,882,575 new shares (the "Rights Issue Shares") of Aqualis ASA (the "Company") pursuant to a resolution by the Company's general meeting held on 11 June 2019, are set out in the prospectus dated 21 June 2019 (the "Prospectus"). Terms defined in the Prospectus have the same meaning in this subscription form (the "Subscription Form"). The notice of, and minutes from, the general meeting (with enclosures), the Company's articles of association and the annual accounts and directors' reports for the last two years are available at the Company's business address at Olav Vs gate 6, 8th floor, 0161, Oslo, Norway.

Subscription procedure: The subscription period is from and including 24 June 2019 at 09:00 hours (CET) until 8 July 2019 at 16:30 hours (CET) (the "Subscription Period"). Correctly completed and signed Subscription Forms must be received by the Receiving Agent by no later than 8 July 2019 at 16:30 hours (CET). Subscription Forms may be e-mailed to the Receiving Agent at subscription@sb1markets.no or mailed or delivered to the Receiving Agent at SpareBank 1 Markets AS, Postbox 1398 Vika, N-0114 Oslo, Norway. The subscriber is responsible for the correctness of the information included in the Subscription Form. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Receiving Agent without notice to the subscriber. The Receiving Agent has the right to disregard the application, without any liability towards the subscriber, if an LEI or NID number or any other compulsory information requested in the Subscription Form is not completed correctly. If an LEI number or other compulsory information is not populated by the subscriber, the Receiving Agent reserves the right to obtain such information through publicly available sources and use such number to complete the Subscription Form.

Subscribers who are Norwegian residents with a Norwegian personal identity number (Nw.: personnummer) are encouraged to subscribe for Offer Shares through the VPS online subscription system (or by following the link on www.sb1markets.no, which will redirect the subscriber to the VPS online subscription system).

Neither the Company nor the Receiving Agent may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in Subscription Forms not being received in time or at all by the Receiving Agent. Subscription Forms are binding and irrevocable and, cannot be withdrawn, cancelled or modified by the subscriber after being received by the Receiving Agent or, in the case of subscriptions through the VPS online subscription system, the online subscription registration. By signing and submitting this Subscription Form, the subscriber confirms and warrants to have read the Prospectus and to be eligible to subscribe for Rights Issue Shares under the terms provided in the Prospectus.

Subscription Price: The subscription price in the Rights Issue is NOK 3.96 per Rights Issue Share (the "Subscription Price").


Subscription Rights: The shareholders of the Company as at 11 June 2019 (and being registered as such in the Norwegian Central Securities Depository (the "VPS") on 13 June 2019 pursuant to the two days' settlement procedure (the "Record Date")) (the "Existing Shareholders"), will be granted subscription rights (the "Subscription Rights") in the Rights Issue that, subject to applicable law, provide preferential rights to subscribe for and be allocated Rights Issue Shares at the Subscription Price. The Subscription Rights will be registered on each Existing Shareholder's VPS account. Subscription Rights will not be issued in respect of any existing shares held in treasury by the Company. The Subscription Rights will be listed and tradable on the Oslo Stock Exchange during the Subscription Period with the ticker code "AQUA T". Each Existing Shareholder will be granted approximately 0.21 Subscription Rights for every 1 existing share of the Company registered as held by such Existing Shareholder as at the Record Date, rounded down to the nearest whole Subscription Right. Subscription Rights acquired during the Subscription Period carry the same rights to subscription as the Subscription Rights held by Existing Shareholders. Each Subscription Right will, subject to applicable law, give the right to subscribe for, and be allocated, one Rights Issue Share. Over-subscription and subscription without Subscription Rights is permitted. **Subscription Rights that are not sold before the end of trading on the Oslo Stock Exchange on 4 July 2019 or exercised before the end of the Subscription Period will have no value and will lapse without compensation to the holder.**

Allocation of Rights Issue Shares: The Rights Issue Shares will be allocated to the subscribers based on the allocation criteria set out in the Prospectus. The Company reserves the right to reject or reduce any subscription for Rights Issue Shares not covered by Subscription Rights. No fractional Rights Issue Shares will be allocated. Allocation of fewer Rights Issue Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Rights Issue Shares allocated. Notification of allocated Rights Issue Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed in a letter from the VPS on or about 9 July 2019.

Payment: The payment for Rights Issue Shares allocated to a subscriber falls due on 11 July 2019. (the "Payment Date"). By signing this Subscription Form, subscribers having a Norwegian bank account irrevocably authorise the Receiving Agent to debit the bank account specified below for the subscription amount payable for the Rights Issue Shares allocated to the subscriber. The specified bank account is expected to be debited on the Payment Date. However, there must be sufficient funds in the specified bank account from and including 10 July 2019. The Receiving Agent is only authorised to debit such account once but reserves the right to make up to three debit attempts and the authorisation will be valid for up to seven working days after the Payment Date. The subscriber furthermore authorises the Receiving Agent to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in a subscriber's bank account or if it is impossible to debit such bank account for other reasons when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Rights Issue Shares will be deemed overdue. Payment by direct debiting is only available for investors that are allocated Rights Issue Shares for an amount below NOK 5 million and who have a Norwegian bank account. By signing the Subscription Form, subscribers who subscribe for an amount exceeding NOK 5 million provide the Receiving Agent with a one-time irrevocable authorisation to manually debit the specified bank account for the entire subscription amount. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Rights Issue Shares allocated to them is made on 10 July 2019 at 9:00 (CET), at the latest. Prior to any such payment being made, the Subscriber must contact the Receiving Agent for further details and instructions.

PLEASE SEE PAGE 3 OF THIS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION

DETAILS OF THE SUBSCRIPTION

| | | | |
|---|--------------------------------------|---|---|
| Subscriber's VPS account | Number of Subscription Rights | Number of Rights Issue Shares subscribed (incl. over-subscription) | (For broker: Consecutive no.) |
| SUBSCRIPTION RIGHTS' SECURITIES NUMBER: ISIN NO0010715394 | |  | Subscription Price per Rights Issue Share X NOK 3.96 |
| | | | Subscription amount to pay = NOK _____ |

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED BY SUBSCRIBERS WITH A NORWEGIAN BANK ACCOUNT)

| | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Norwegian bank account to be debited for the payment for Rights Issue Shares allocated (number of Rights Issue Shares allocated x NOK 3.96. | <table border="1" style="width: 100%; height: 40px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> <p>(Norwegian bank account no.)</p> | | | | | | | | | | | | | | | | | | | | |
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In accordance with the terms and conditions set out in the Prospectus and this Subscription Form, I/we hereby irrevocably subscribe for the number of Rights Issue Shares specified above and grant the Receiving Agent an authorisation to debit (by direct debiting or manually as described above) the specified bank account for the payment of the Rights Issue Shares allocated to me/us. By signing this Subscription Form, subscribers subject to direct debiting accept the terms and conditions for "Payment by Direct Debiting - Securities Trading" set out on page 3 of this Subscription Form.

Place and date
Must be dated in the Subscription Period

Binding signature. The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney should be attached

INFORMATION ON THE SUBSCRIBER

| | |
|--|--|
| First name: | |
| Surname/company: | |
| Street address: | |
| Post code/district/ Country: | |
| Personal ID number/ Organisation number: | |
| Legal Entity Identifier ("LEI")/National Client Identifier ("NID") * | |
| Nationality: | |
| E-mail address: | |
| Daytime telephone number: | |

* A LEI number is a global identification code for legal entities and a NID number is a global identification code for natural persons. As a result of MiFID II/MIFIR, all legal entities and natural persons need a LEI/NID number in order to participate in financial transactions from 3 January 2018. For Norwegian citizens, the NID code is the same as the national identity number (Nw.: "personnummer"), with "NO" as a prefix.

ADDITIONAL GUIDELINES FOR THE SUBSCRIBER

Regulatory Issues: In accordance with the Markets in Financial Instruments Directive (MiFID) of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect the Receiving Agent must categorise all new clients in one of three categories: eligible counterparties, professional and non-professional clients. All subscribers in the Rights Issue who are not existing clients of the Receiving Agent will be categorised as non-professional clients. Subscribers can by written request to the Receiving Agent request to be categorised as a professional client if the subscriber fulfils the provisions of the Norwegian Securities Trading Act. For further information on the categorisation, the Subscriber may contact the Receiving Agent. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by subscribing for Rights Issue Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Rights Issue Shares.**

Selling and Transfer Restrictions: The attention of persons who wish to subscribe for Rights Issue Shares is drawn to Section 20 of the Prospectus "Selling and transfer restrictions". The making or acceptance of the Rights Issue to persons who have registered addresses outside Norway, or who are resident in, or citizens of, countries outside Norway, may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to subscribe for Rights Issue Shares. It is the responsibility of any person outside Norway wishing to subscribe for Rights Issue Shares in the Rights Issue to satisfy himself/herself/itself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and the Rights Issue Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities law of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Subscription Rights and Rights Issue Shares in the United States.

The Subscription Rights and the Rights Issue Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, Singapore or Japan and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, Singapore or Japan except pursuant to an applicable exemption from applicable securities laws. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Rights Issue Shares in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, the Prospectus will not be distributed in the United States, Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, Singapore or Japan. Except as otherwise provided in the Prospectus, the Subscription Rights and the Rights Issue Shares may not be transferred, sold or delivered in the United States, Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, Singapore or Japan. A notification of exercise of Subscription Rights and subscription of Rights Issue Shares in contravention of the above restrictions may be deemed to be invalid.

Execution Only: The Receiving Agent will treat the Subscription Form as an execution-only instruction. The Receiving Agent is not required to determine whether an investment in the Rights Issue Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act, the Norwegian Commercial Banks Act and foreign legislation applicable to the Receiving Agent, there is a duty of secrecy between the different units of the Receiving Agent, as well as between the Receiving Agent and other entities in the Receiving Agent's respective groups. This may entail that other employees of the Receiving Agent or the Receiving Agent's respective groups may have information that may be relevant to the subscriber but which the Receiving Agent will not have access to in their capacity as Receiving Agent for the Rights Issue.

Information Barriers: The Receiving Agent is a security firm that offers a broad range of investment services. In order to ensure that assignments undertaken in the Receiving Agent's corporate finance departments are kept confidential, the Receiving Agent's other activities, including analysis and stock broking, are separated from the Receiving Agent's corporate finance department by information walls. The subscriber acknowledges that the Receiving Agent's analysis and stock broking activity may conflict with the subscriber's interests with regard to transactions of the Shares, including the Rights Issue Shares, as a consequence of such information walls.

Target Market: The target market for the Rights Issue is non-professional, professional and other eligible parties. Negative target market: An investment in the Rights Issue Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

VPS Account and Mandatory Anti-Money Laundering Procedures: The Rights Issue is subject to the Norwegian Money Laundering Act No. 11 of 6 March 2009 and the Norwegian Money Laundering Regulations No. 302 of 13 March 2009 (collectively, the "**Anti-Money Laundering Legislation**"). Subscribers who are not registered as existing customers with the Receiving Agent must verify their identity to the Receiving Agent in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Receiving Agent. The verification of identity must be completed prior to the end of the Subscription Period. Subscribers that have not completed the required verification of identity may not be allocated Rights Issue Shares. Further, in participating in the Rights Issue, each subscriber must have a VPS account. The VPS account number must be stated on the Subscription Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the European Economic Area (the "**EEA**"). Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

Terms and Conditions for Payment by Direct Debiting - Securities Trading: Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank, the following standard terms and conditions will apply:

- a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
- b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
- c) The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
- d) In case of withdrawal of the authorisation for direct debiting, the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- e) The payer cannot authorise payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
- f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
- g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue Payment: Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 8.50% per annum as at the date of the Prospectus. If a subscriber fails to comply with the terms of payment, the Rights Issue Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act, not be delivered to such subscriber. The Receiving Agent, on behalf of the Company, reserves the right, at the risk and cost of the subscriber to, at any time from and including the fourth day after the Payment Date, cancel the subscription and reallocate or otherwise dispose of allocated Rights Issue Shares for which payment is overdue, on such terms and in such manner as the Receiving Agent may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Receiving Agent, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law. For further information on overdue and late payments, see section 5.14 "Payment for the Rights Issue Shares" of the Prospectus.

APPENDIX B:

**INDEPENDENT ASSURANCE REPORT ON THE PRO
FORMA FINANCIAL INFORMATION**



To the Board of Directors of Aqualis ASA

Aqualis ASA
Postboks 1899 Vika
0124 Oslo
Norway

Independent practitioner's assurance 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 Aqualis ASA (the 'Company') by the directors of Aqualis ASA (the 'Directors'). The pro forma financial information consists of the pro forma statement of financial position as at 31 March 2019, the pro forma statement of income for the 3-month ended 31 March 2019, the pro forma statement of income for the year ended 31 December 2018, and related notes as set out in Section 14 of the prospectus issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Annex II to Commission Regulation (EC) 809/2004 (the 'PD Regulation') and described in Section 14 of the Prospectus (the 'applicable criteria').

The pro forma financial information has been compiled by the Directors to illustrate the impact of the transaction as set out in Section 14 of the Prospectus ("the Transaction") on the Company's financial position as at 31 March 2019, and its financial performance for the 3-month ended 31 March 2019 and for the year ended 31 December 2018 as if the Transaction had taken place at 31 March 2019, 1 January 2019 and 1 January 2018 respectively. As part of this process, information about the Company's financial position and financial performance has been extracted by the Directors from the Company's financial statements for the year ended 31 December 2018, and the Company's condensed interim financial statement for the 3-month ended 31 March 2019. Information about the acquired entity's financial position and financial performance has been extracted by the Directors from the underlying accounting records reported as part of the consolidated financial statements of Braemar Shipping Services PLC prepared under IFRS as adopted by the EU for the years ended 28 February 2018 and 2019 and from management accounts for the month ended 31 March 2019.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 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.



Independent practitioner's assurance report on the Compilation of Unaudited Pro Forma Financial Information Included in a Prospectus

Directors' responsibility for the pro forma financial information

The Directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Practitioner's responsibilities

Our responsibility is to express an opinion, as required by item 7 of Annex II to the PD Regulation, about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria.

We conducted our 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 practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

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 unadjusted financial information of the entity 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 event or transaction as at 31 March 2019, for the 3-month period ended 31 March 2019 or for the year ended 31 December 2018 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 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 obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the 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.



Independent practitioner's assurance report on the Compilation of Unaudited Pro Forma Financial Information Included in a Prospectus

Opinion

In our opinion

- a. the pro forma financial information has been properly compiled on the basis stated; and
- b. such basis is consistent with the accounting policies of the company.

This report is issued for the sole purpose of showing how the Transaction might have affected the Company's consolidated statement of financial position and the Company's consolidated statement of income for purposes of this Prospectus. Our work has not been carried out in accordance with auditing, assurance or other standards and practises generally accepted in the United States and accordingly should not be used or relied upon as it had been carried out in accordance with those standard practises. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than for this Prospectus as described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any other transactions than the Transaction.

Oslo, 21 June 2019

PricewaterhouseCoopers AS

A handwritten signature in blue ink that reads 'Anders Ellefsen'.

Anders Ellefsen
State Authorised Public Accountant (Norway)



Aqualis ASA
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0124 Oslo
Norway

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