Risk Factors
Cyrus Corporate Finance AS

Investment in shares represents inherent risk, and worst case, an investor may lose all or part of its investment in the Company. The risks described herein are the principal known risks faced by the Company and its subsidiaries as of today. The order in which the risks are presented does not reflect the likelihood of their occurrence or magnitude.

There might be other risk factors unknown or not specifically listed below, which could have a material adverse effect on the Company or its subsidiaries, including their business, financial condition, results of operations, cash flows or prospects, which could result in a decline in value and price of the Company's shares and a potential loss of all or part of an investment in the Company ("Material Adverse Effect".

Absence of negative past experience associated with a given risk factor, whether listed below or not, does not mean that the risk can be ignored. Materialization of risk factors, individually or together, could have a Material Adverse Effect.

Risks applicable to growth companies

The Company is a growth Company and, together with subsidiaries, the business of the Company does *not* generate revenue in a scale sufficient to cover operating costs. Net operating losses is anticipated to continue in the near-term. There is a risk that the Company will be unable to reach and sustain a phase where its revenues are sufficient to cover its costs and capital expenditures related to further developing and marketing of its services.

The Company is a growth company and growth is capital intensive. Costs related to further development and growth may exceed the Company's expectations. Operating costs, including but not limited to marketing costs, may increase substantially from current level. Such cost increases may negatively affect the Company’s business and results.

The Company has a limited operating history which may not serve as an adequate basis to judge its future prospects and results.

The Company depends on its key employees and management. As they are important to the Company's success, termination of employment or engagement of one or more of them could have a Material Adverse Effect.

Success of any new strategies by the Company depends on several factors, including the timely and successful execution, market acceptance, as well as the Company's ability to manage associated risks. There is no assurance that new markets welcome the Company's products. New strategies and initiatives are inherently associated with risks that could have a Material Adverse Effect.

The Company's engagement in international sales and operations, exposes the Company to additional risks that can have detrimental effects on its operating results. Such risks include dealing with overlapping tax regimes, navigating diverse legal and regulatory requirements, managing currency exchange rate fluctuations, adapting and marketing products for local markets and encountering reduced protection for intellectual property rights in certain countries.

Industry risks

Economic downturns may decrease spending, impacting demand for goods and services. Businesses are directly influenced by market trends and industry preferences. These market conditions can affect a company's ability to compete effectively, making it challenging to gain or retain market share, and significantly affecting profit potential.

Maintaining consistent product quality and reliable manufacturing processes is critical in any industry. Issues with quality control or disputes relating to product quality and risk can lead to product recalls, customer dissatisfaction, litigation, and damage to the brand's reputation. These risk factors may result in significant costs for a company.

Companies often rely on third-party suppliers to meet agreed or generally accepted standards. Disruptions in the supply chain, such as material shortages or transportation issues, can impact the production and delivery of products. This can lead to delayed shipments, increased costs, and customer dissatisfaction.

Risks related to the Company's shares

The Company is a limited liability company incorporated under the laws of Norway. The rights of holders of Shares are governed by Norwegian law and by the Articles of Association. These rights might differ from the rights of shareholders in other jurisdictions.

The shares of the Company are currently not traded on any marketplace, which impacts the liquidity in the trading of the shares of the Company. This could have a material impact on the market price and ability to sell Company shares.

The ability of the Company to pay dividends on its shares is dependent upon the availability of distributable reserves. The Company is a growth company and does not expect to pay any dividends to its shareholders for the foreseeable future.

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

All of the Shares will be priced in Norwegian kroner, the currency of the Kingdom of Norway. Any investor outside Norway is exposed to risk related to adverse movements in the Norwegian kroner against its local currency. The foreign currency equivalent of the subscription price for new Company shares, or the purchase price for acquisition or sale of existing Company shares, may be materially adversely affected by currency movements.

It may be difficult for investors based in the United States and elsewhere to enforce civil liabilities predicated on securities laws or other laws against the Company, the Company's affiliates or the Company's directors and executive officers. Such formal requirements may affect the possibility for non-Norwegian investors to participate in capital increases when taking place. Non-Norwegian shareholders could be similarly affected if rights and the new shares being offered, have not been registered with, or approved by, relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement or seek similar approvals under the laws of any other jurisdiction outside Norway.

Risks related to financing

The Company may need additional capital to finance its operations and strategies, and there is no assurance that it will be able to obtain the required capital in a timely manner or on favorable terms, if at all. If the Company raises additional funds by issuing equity securities, this may result in dilution of the holdings of existing shareholders.

Legal risks

The Company relies upon intellectual property, and if these rights are not sufficiently protected, the Company's ability to compete and generate revenue could be significantly reduced. Intellectual property concerns, including patents and trademarks are important, as the Company may face competition from established players. Potential legal disputes could arise due to failure or lack of ability to protect intellectual property rights.

The Company may incur significant costs to comply with ESG, regulatory as well as other laws and regulations, including but not limited to safety standards, personal data regulation, transparency regulation, employer's rights, and any other laws and regulations applicable to the Company and its business. Laws and regulation applicable to the Company is detailed, extensive and constantly developing, and there is no assurance that the Company is in compliance with all applicable laws and regulations at any time.