



PROXIMAR

SEAFOOD

Presentation of 2nd half 2022

24.02.2023





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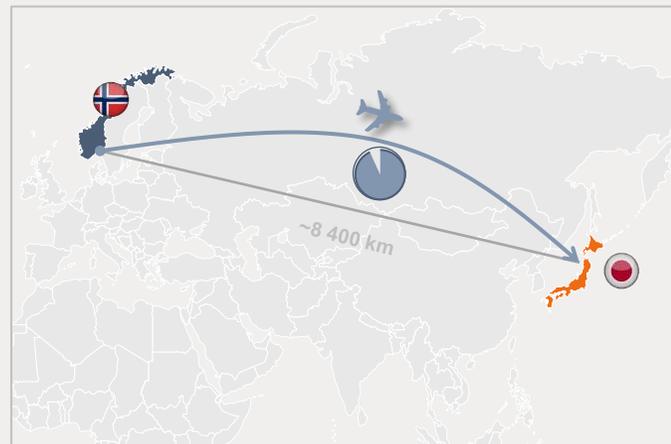
Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.



Japan is the perfect location for land-based fish farming

→ Large and stable market, premium pricing, cost and emission savings, along with economic stability

PROXImity to a large, premium pricing MARket saves transportation, which significantly reduce environmental footprint and cost of logistics



Japan's entire 40 000 MT annual consumption of fresh Atlantic Salmon is today transported by air, of which ~90 % from Norway

The market price for Atlantic salmon reflects the airfreight, and has for the last year been averaging ~150 NOK/kg

Preference and willingness to pay premium for fresh and locally produced seafood

Local production saves environmental footprint

- ~50% of CO₂-emissions related to fresh Atlantic Salmon sold in Japan are due to air freight, which is avoided by local production
- Feed produced locally, by global leader Skretting
- Longer shelf life and reduced food waste

Large and growing domestic market for Atlantic salmon consumption

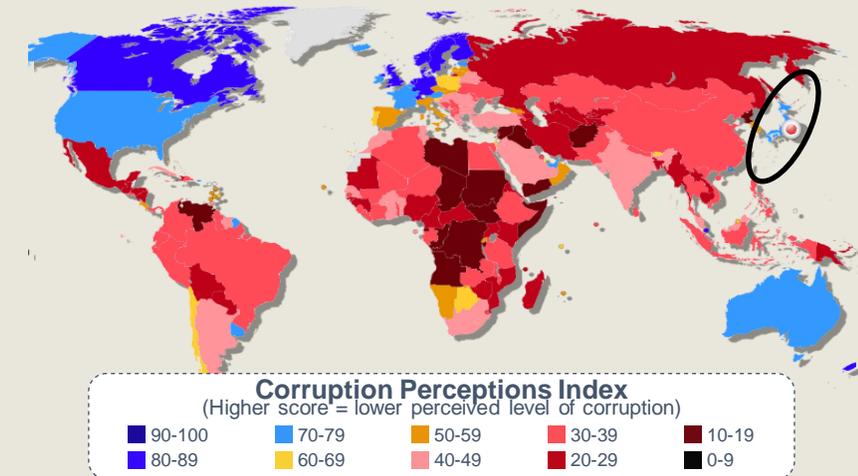
- Steadily growing consumption, households taking a larger part of market share
- A relatively new product, introduced in the 80s, primarily consumed by the younger generation (consumption per capita growing)

Significant cost savings compared to Norwegian/international competition

- ~25 NOK/kg¹ in savings related to air freight, handling and taxes
- ~5 NOK/kg in savings related to additional local handling such as replenish of ice and repackaging

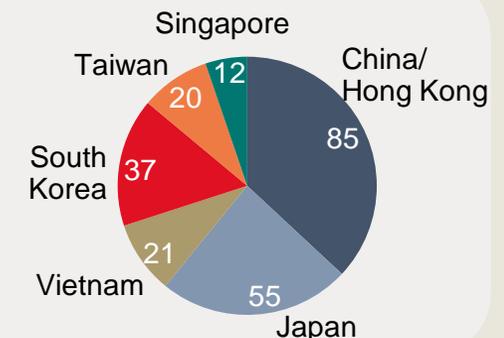
1) 25 NOK/kg is average 2017-2022, 29 NOK/kg average in 2022

Japan has a stable economic system and export potential to neighboring countries



Total Atlantic salmon consumption by Asian countries 2022

Figures in 1000 MT (HOG)

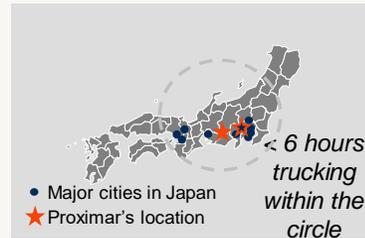




Proximar at a glance

Norwegian company building a land-based RAS facility for production of Atlantic salmon in Japan

- Stage I planned production of **5,300 tonnes** (HOG) built at **attractive** CAPEX levels, majority secured ahead of inflation spike
- **Prime location** close to the iconic Mount Fuji, adjacent market in greater Tokyo of ~38 million people, stable supply of critical input sources like water and electricity
- **Proven technology** with operational track-record through multiple producing sites including AquaMaof's R&D facility in Poland and Grieg Seafood Newfoundland
- First batch of juveniles successfully **inserted into hatchery in October 2022, first feeding started in January 2023**



Experienced team and owners, and strong partners in Japan

- COO and facility managers with **vast RAS-based smolt and grow-out experience** from Mowi, Lerøy, Atlantic Sapphire and more
- Supportive and industrial investor base including **Grieg family, Nutreco, Daimyo and Marubeni**
- **Debt financing on track** with major Japanese financial institutions, enabling ~45 % debt ratio
- Japanese contractor **Daiwa House** and HVAC provider **Techno Ryowa**



Offtake agreement in place, attractive margins expected

Figures in NOK/kg (HOG)



- Significant cost advantage basis for **margin expectations ~60 NOK/kg (HOG)** at current market conditions
- 5 300 MT annual production implying **EBIT/year ~320 mNOK** for phase 1
- Major trading house **Marubeni to take delivery** of all phase 1 production for 10 years



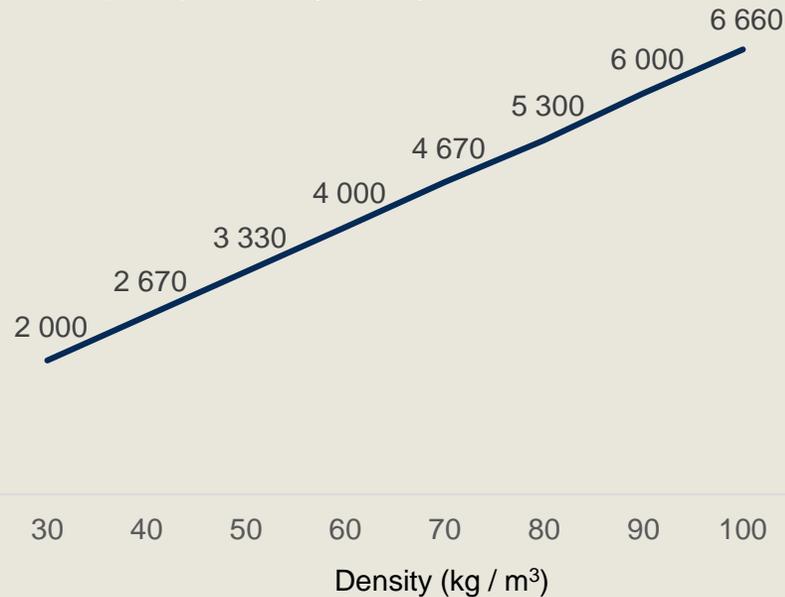
1) Fishpool forward price 2024 minus production cost and distributor margin



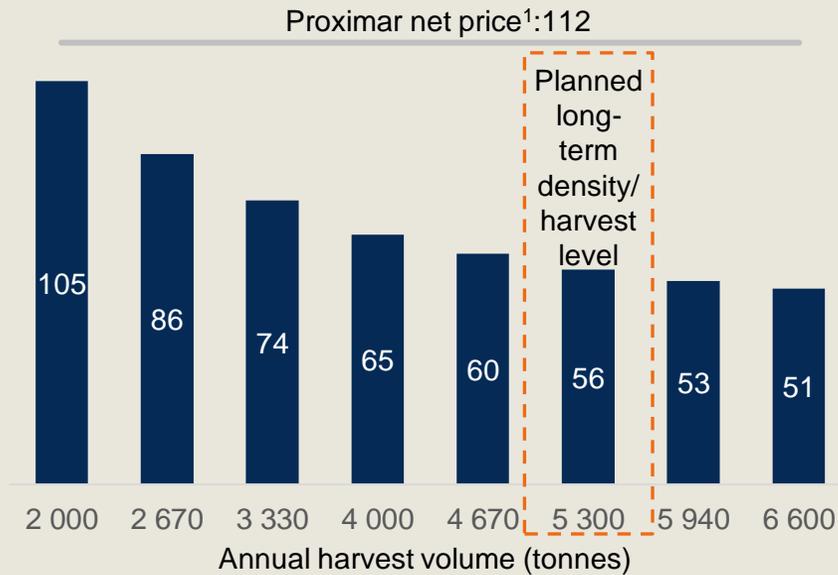
The significant cost advantage illustrates the robustness in our business model



Expected annual harvest with varying densities
Tonnes (HOG) at steady state production



Expected non-tax (EBT) cost at varying harvest levels
NOK / kg (HOG) at steady state production



- Proximar plans to initiate production at ~64 kg / m³ and increase steadily to 80 kg / m³
- This will increase the annual production from 4,200 to 5,300 tonnes (HOG)

- At EBT level and current pricing expectations, Proximar expected to be profitable even with a production of ~2 000 tonnes (HOG), corresponding to a density of 30 kg / m³
- At the targeted long-term harvest level of 5 300 tonnes (HOG) per year, Proximar expects an EBT cost of 56 NOK / kg

Proximar is planning to initiate production at 64 kg/m³, increasing steadily to 80 kg/m³

The projected EBT cost in steady state is around 50 % of the current price expectations in the Japanese market from 2024 onwards

Even at lower densities Proximar is expected to remain profitable, demonstrating the solidity of the business model

1) Forward price 2024 + transportation cost Norway-Japan + tax + premium, less distribution cost



Highlights of the 2nd half 2022



Issue of convertible bond in October of MNOK 250

- Strong support from our major shareholders
- Successfully secured funding in a challenging market

Increased JAML construction facility with MNOK 50

- Loan guaranteed by Grieg



HN building completed and handed over

- All civil works were completed and building handed over in October
- Hatchery and First Feeding commissioned and completed by AquaMaof



Production initiated and progress as planned

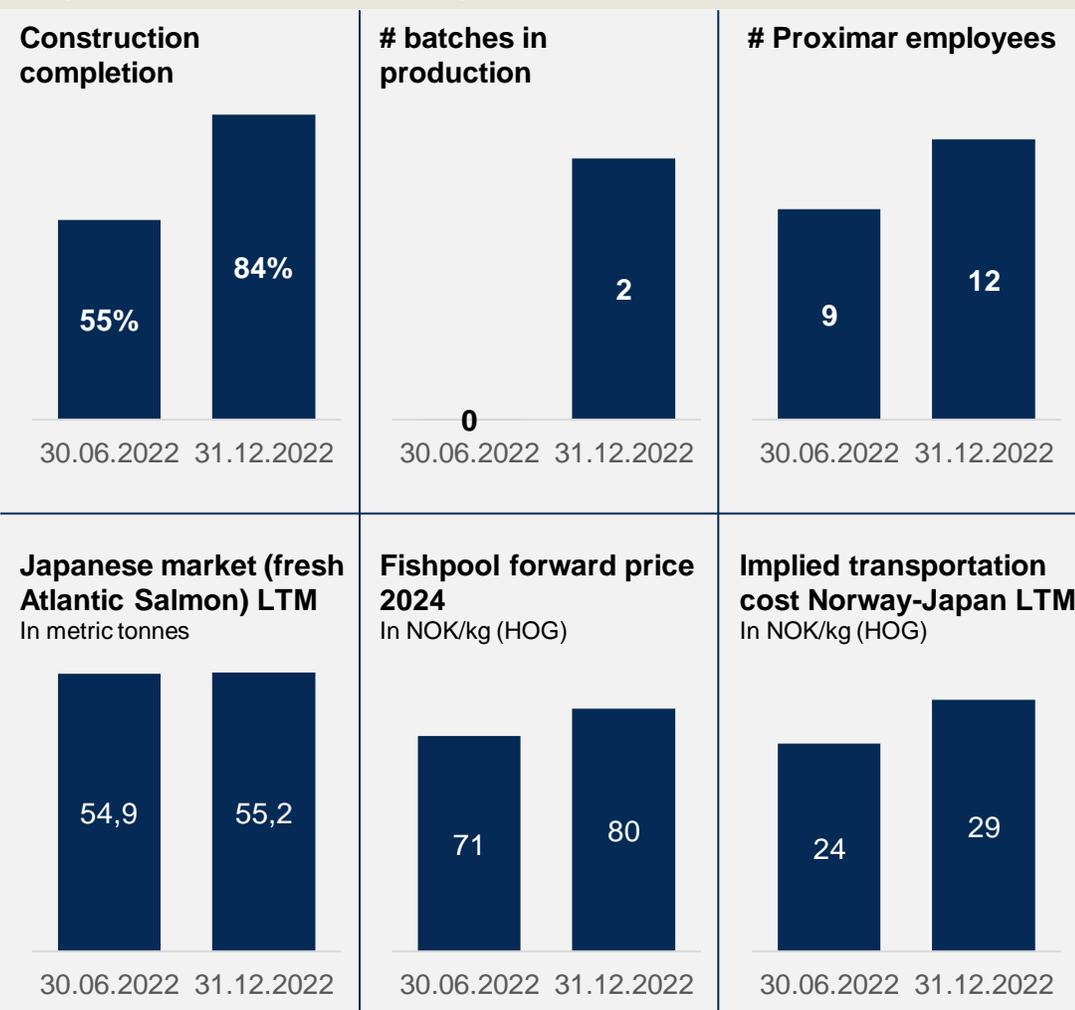
- First batch of eggs delivered 28th of October
- Second batch delivered in mid-December



Operation initiation ceremony 22th of November

- A historical moment marking the first commercial production of Atlantic salmon in Japan
- ~100 guests participating, including large media presence and coverage

Important metrics development:





Subsequent events

JPY 4.0 billion loan offer received

- Credit approved loan offer (~MNOK 300) for post construction financing
- Drawdown end of 2024
- Subject to syndication, but large interest of participation
- Permitting subordinated debt to accommodate Proximar's debt target

JPY 8.8 billion loan offer received

- Received loan offer from a syndicate consisting of two large Japanese banks for a corporate loan of JPY 8.8 billion (NOK ~680 million), in-line with planned capital structure of ~45% debt
- The offer is subject to customary conditions such as final credit committee approval, legal due diligence, and completion of loan documentation
- First drawdown expected in March, remaining drawdown at completion of the civil works in 3Q23

First feeding initiated

- Successful transfer of first batch of eggs to start feeding in January as planned
- The first batch is growing according to expectations, and the water treatment system from Aqua Maof is performing very well, maintaining good water conditions
- The first batch expected to be transferred to the nursery in March

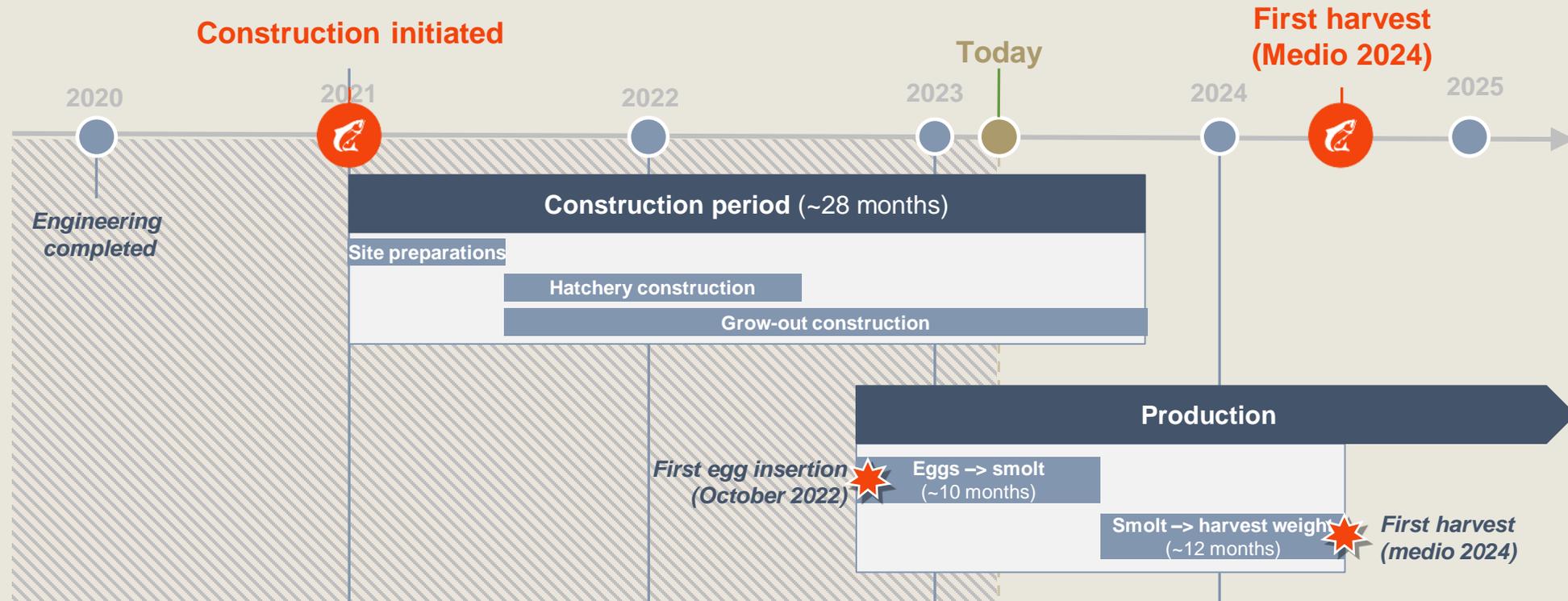
CFO resignation

- Pål K. Grimsrud, resigned from his position as CFO in order to pursue new opportunities
- Will remain in his current role during his notice period until August and will assist in the transition period
- Recruiting process initiated





Proximar has entered production phase, with completion of facility expected in ~6 months



As of December, ~84% of civil works completed, in accordance with the schedule



Hatchery & Nursery construction works completed – production initiated



Tank installation of grow-out building (PSG) well underway



Significant extra efforts performed by the parties to avoid impact due to COVID-19 circumstances



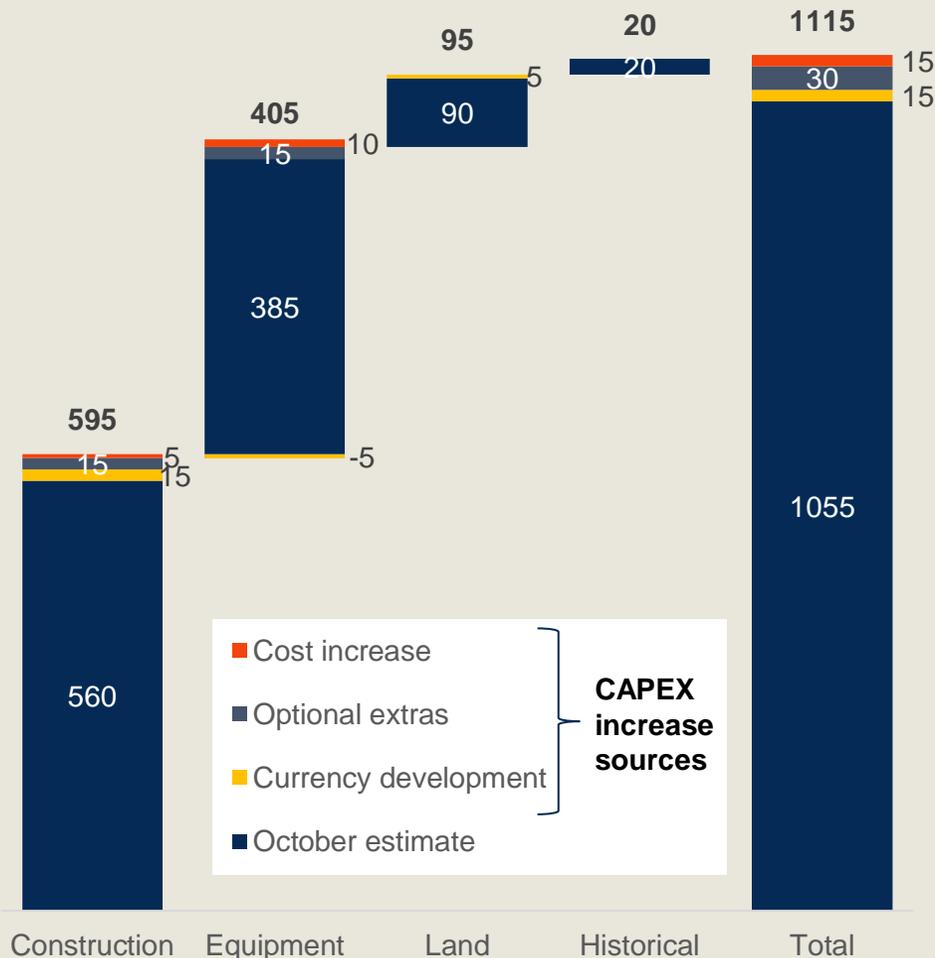
~6 % increase in CAPEX estimate, of which 3/4 relates to currency development and optional extras to enhance production & OPEX

Currency effect will be offset by Proximar raising debt in JPY



Proximar CAPEX update, comparison to October estimate

Figures in mNOK



Construction CAPEX increased from 560 mNOK to 595 mNOK

- + 15 mNOK due to development in NOK/JPY¹⁾, which is offset by Proximar raising debt in JPY
- + 5 mNOK in optional extras to enable rooftop solar panel installation
- + 10 mNOK in optional extras related to enhanced electricity blackout protection and minor construction improvements
- + 5 mNOK in other cost increase

Equipment CAPEX increased from 385 mNOK to 405 mNOK

- -5 mNOK related to development in NOK/USD¹⁾
- + 15 mNOK in upgraded and water-based feeding system, which will improve water quality, improve growth conditions and enhance feeding. It will also entail lower electricity consumption
- +10 mNOK in other cost increase

Land CAPEX increased from 90 mNOK to 95 mNOK due to development in NOK/JPY¹⁾, which is offset by Proximar raising debt in JPY

Proximar has chosen to upgrade feeding and electricity systems, while also preparing the facility for rooftop solar panel installation.

The improvements expected to enhance fish welfare, improve feed conversion and supply cheap and sustainable energy. The total CAPEX is ~30 mNOK.

Currency-related CAPEX increase of ~15 mNOK is offset by raising debt in JPY

Other cost increase of ~15 mNOK or 1.5 % of total CAPEX

1) October estimate based on Norges Bank's average exchange ratios from September 2022, this estimate is based the average exchange ratios for January 2023



The facility entering the final stages of construction works



Post smolt
grow out

Hatchery and nursery

Construction of facility according to original schedule – completion of construction targeted 3Q23

More than 95% of CAPEX fixed and limited exposure to material cost increase secures strong visibility

Ongoing commissioning in the Nursery department, final stages of construction works ongoing in the Post smolt grow out building

Post smolt grow out building:

- Ongoing tank installation and equipment installation underway
- Targeted completion construction works 3Q 2023

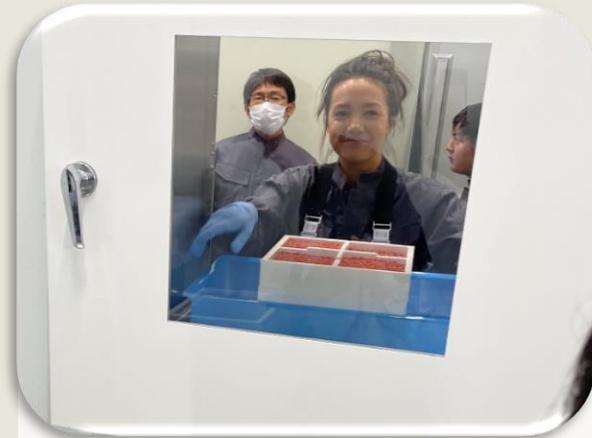
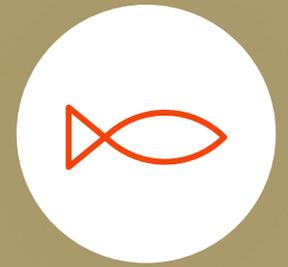
Hatchery and Nursery building:

- Hatchery and First feeding departments in operation
- Ongoing commissioning of the Nursery department



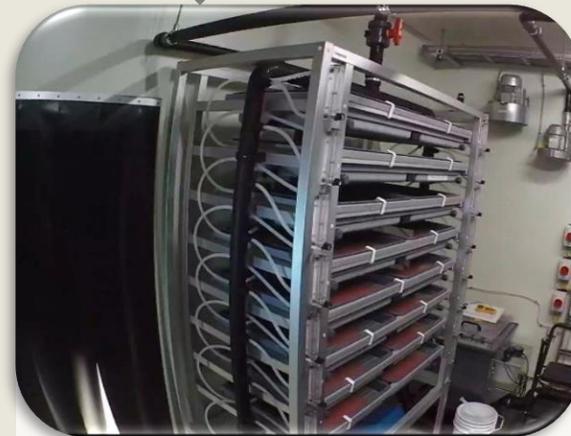
Production initiated with first batch of eggs in October

The juveniles are currently in start feeding and two additional batches has been inserted since



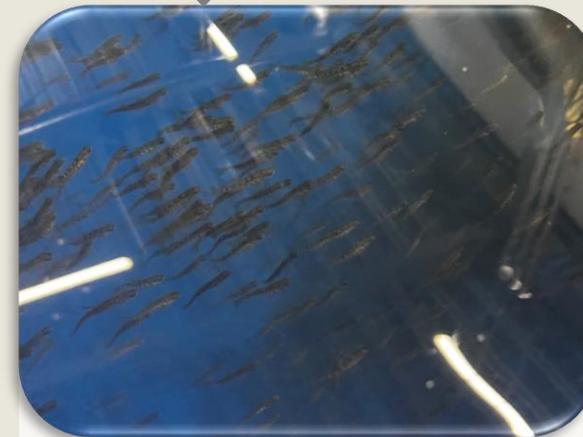
The very first batch off 125 000 eggs from Benchmark's Icelandic SalmoRas stock was inserted into the Hatchery and Nursery in October

Proximar has chosen to use all females, as this significantly reduces the early maturity challenge that many land-based farms are experiencing with mixed-sex populations.



The eggs were hatched in our Alvestad hatching cabinets. The cabinets have been in operation since October, and are performing according to expectations

New batches to be inserted into the facility every month going forward, meaning both cabinets will be in use



First batch was transferred to start feeding department in January, and is growing according to expectations

Water quality is maintained at very good levels, also demonstrating the functionality of the Aqua Maof solutions

Second batch to be transferred to start feeding at end of February

Proximar facility:

Performance according to our expectations and in-line with performance seen in other Aqua Maof facilities

Aqua Maof facility in Poland:

Continues to deliver consistent results, harvesting an average of ~300 metric tonnes per year

36 cohorts reached average size of 4-5 kg with survival rate of ~93 per cent in post smolt phase

From egg to harvest size (4-5 kg) in approximately 22 months at densities of around 85 kg/m³



Experiencing a significant interest for Proximar in Japan



Strong interest for Proximar in Japan, demonstrated by the broad coverage in the Japanese media following the ceremony in November

We are also experiencing keen interest from potential buyers of our fish through Marubeni - also for exports to other Asian countries

Too view some of the media coverage, visit <https://www.proximarseafood.com/news/>

Proximar is receiving significant positive interest for our business and our upcoming products in Japan, demonstrated at the production kick-off ceremony

- Ceremony arranged together with our important partners Daiwa House and Marubeni Corporation
- ~100 guests participating, including prominent guests from the Shizuoka Prefecture, Oyama Town, the Norwegian Embassy, Daiwa House, Marubeni, financial institutions and 20+ media channels, of which 7 TV-channels
- Broad coverage, including national coverage in news papers, magazines and TV following the event



Financial summary 2nd half 2022



P&L	H2 2022	H2 2021	Full-year 2022	Full-year 2021
Revenue and other income	0	0	0	0
Operating expenses	-14 408	-4 279	-25 485	-9 825
Net financials	- 3 248	-1 300	-3 236	-15 191
Earnings before taxes	-17 655	-5 579	-28 721	-25 016

Operating expenses increase due to operational start-up.

Strong equity of MNOK 390 and full effect of convertible bond and JA Mitsui Leasing debt.

Balance sheets shows construction activities during 2022, while the biological impact is presented for the first time.

Proximar's annual report 2022 will be published in March 2023 with full details

Balance sheet	31 December 2022	31 December 2021
Assets under construction	649 729	384 839
Property, plant and equipment incl. right-of-use assets	133 112	1 457
Long term receivables	10 662	24 807
Inventory and biological assets	2 883	0
Other short term receivables	26 371	3 555
Cash and bank deposits	37 709	73 796
TOTAL ASSETS	860 466	488 454
Equity	389 922	390 395
Non-current liabilities	457 413	94 310
Current liabilities	13 132	3 749
TOTAL EQUITY AND LIABILITIES	860 466	488 454



Debt financing update

Proximar has received a debt financing offer of JPY 8.8 bn from a syndicate of two large Japanese banks

Proximar Seafood AS has, through its subsidiary Proximar Ltd. (Japan), received a loan offer from a syndicate consisting of two large Japanese banks for a corporate loan of JPY 8.8 billion (NOK ~680 million).

The offer consists of a Highly Confident Letter along with a term sheet. Subject to final approval, Proximar will consequently secure the complete debt financing according to the targeted capital structure (debt ratio at ~45 percent) for its first land-based salmon farming facility.

The presented terms are attractive with an interest rate below 5% p.a.

The loan is planned to be disbursed in two tranches, with the first disbursement in March 2023 and the last during summer 2023.



Proximar is well on track to deliver on targeted capital structure, securing Japanese debt

Attractive terms below 5% interest rate

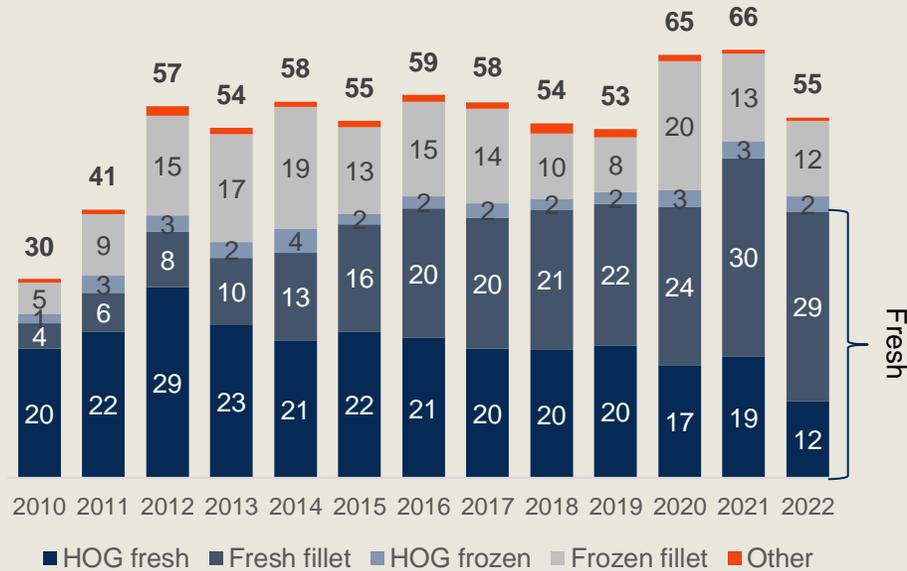


Japanese market for Atlantic salmon remains solid despite significant increase in prices



Atlantic salmon consumption in Japan

Figures in kMT, head-on-gutted equivalents



- Japan remains a strong and stable market for Atlantic salmon despite high salmon prices and interruptions of the logistics chain due to COVID-19 and the conflict in Ukraine
- 16 % decline in consumption in 2022, following a 7 % compound annual growth rate from 2010 to 2021.
- Increased share of fresh products for the last two years

Toyusu market prices

Figures in NOK/kg, head-on-gutted



- Toyusu Market prices provide an indication of the Atlantic salmon market prices
- After being relatively stable for a long time period, the sharp increase of Oslo FCA prices combined with higher costs of transportation impacted the market prices in Japan
- For the second half of 2022, the reported prices were ~150 NOK/kg, a 45 % increase from normal levels

~45 % increase in market prices of Atlantic salmon in Japan driven by a combination of high export prices from Norway and increased cost of transportation

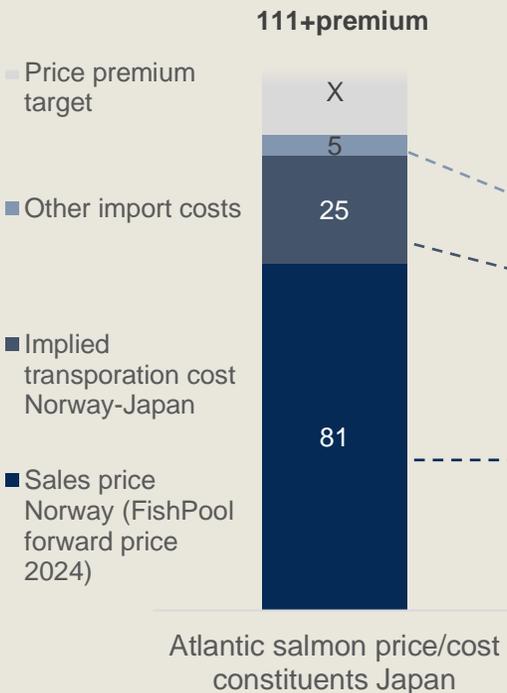
A limited 16 % reduction in consumption despite all-time-high prices and interruptions of the logistics chain



Increased implied transportation cost from Norway to Japan, with 2022 average of 29 NOK/kg

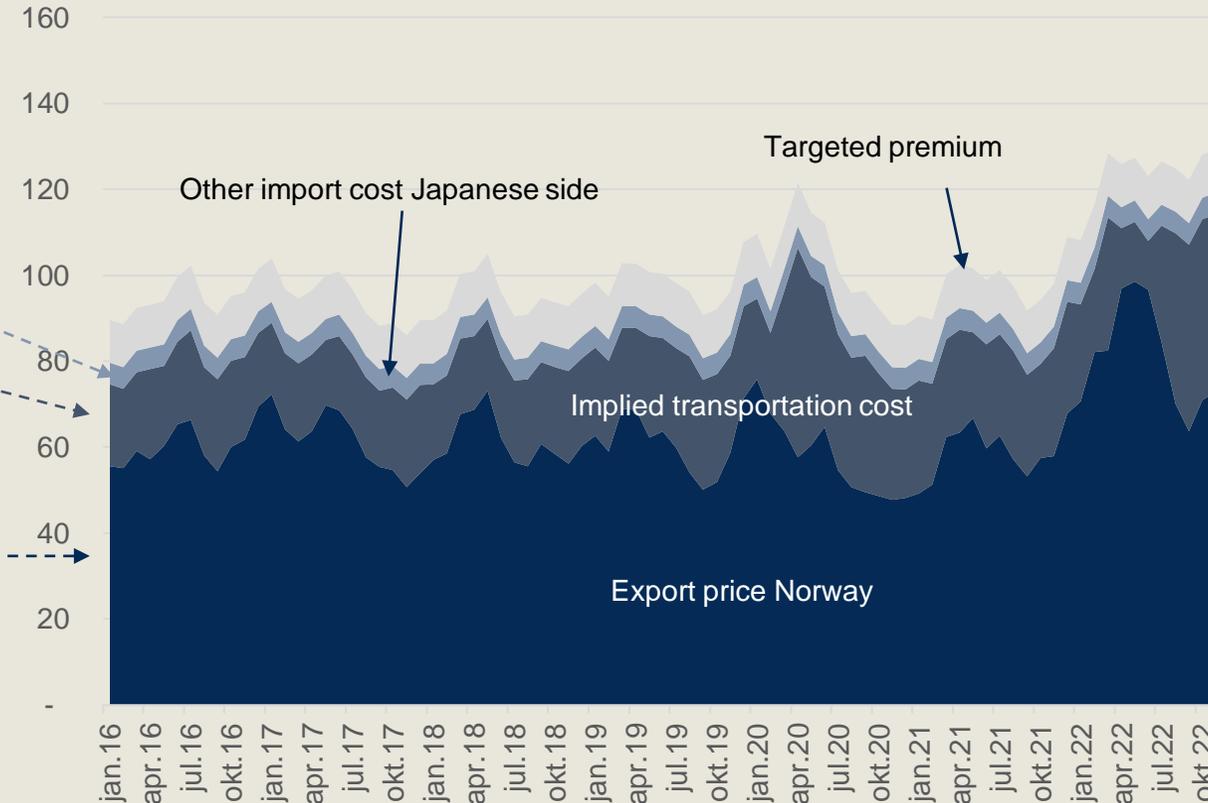


Atlantic salmon price/cost components Japan NOK/kg (HOG)



- Historically ~25 NOK/kg difference between export price Norway and import price Japan
- ~5 NOK/kg local handling such as replenish of ice and repackaging

Development in price/cost components NOK/kg (HOG)



- High export prices (Oslo FCA) for Atlantic salmon in 2022, averaging ~81 NOK/kg, compared to 2021 average of ~59 NOK/kg
- Implied transportation cost (import price Japan minus export price Norway), has increased substantially following the conflict in Ukraine, to **~29 NOK/kg in average for 2022, and ~39 NOK/kg for 2H 2022.**

General cost increase of transportation along with the conflict in Ukraine, has increased the implied transportation cost from Norway to Japan substantially

Along with high export prices from Norway, the calculated price/cost for Atlantic salmon to Japan in 2022 was at all-time-high-levels



Summary and outlook

Summary (end of) H2 2022:

- › On track on construction with regards to **time and cost**
- › **Production successfully started** according to schedule, and first batches demonstrating good performance
- › The **technology** by AquaMaof continued to prove its functionality showing stable performance and harvesting
- › Further strengthened the **production team** attracting very talented and qualified candidates
- › Proximar receiving **strong interest in Japan**, strengthening our confidence in the attractiveness of our upcoming products

Outlook 2023:

- › Good **progress in the debt discussions** now firming up in loan offers and progressing for final completion
- › The long-term outlook of the **Japanese market for Atlantic Salmon remains attractive**, with strong prices and long-term increase in consumption
- › A **first mover advantage** in Japan, years ahead of future competitors – and with advantageous construction costs, placing Proximar in a very attractive competitive position
- › **The macro conditions in favor of local food production**, driven by geopolitics, ESG and increased focus on self-sufficiency



Q & A



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Appendix: Consolidated statement
of comprehensive income



Statement from the Board of Directors

We hereby confirm that the financial statements for the period from 1 July through 31 December 2022 to the best of our knowledge have been prepared in accordance with IAS 34 Interim Financial Reporting, and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Proximar Seafood Group.

To the best of our knowledge, the half-year report gives a true and fair view of the main events during the accounting period and their effect on the accounts for the first half year, in addition to a description of the most significant risks and elements of uncertainty facing the Group and description of major transactions with related parties.

The board of directors and CEO

Bergen, 23 February 2023

Katrine Trovik
Chair

Per Grieg
Director

Peter Hermanrud
Director

Viggo Halseth
Director

Fridtjof Falck
Director

Joachim Nielsen
CEO



Consolidated statement of comprehensive income

(Amounts in NOK 1.000)

	Note	H2 2022	H2 2021	31 Dec 2022	31 Dec 2021
Revenue		-	-	0	-
Revenue and other income		-	-	-	-
Production cost		680		680	
Changes in biomass and inventory	3	-2 826		-2 826	
Personnel expenses		7 008	1 835	12 939	5 280
Depreciation and Amortisation	2	2 934	111	3 750	112
Other operating expenses		6 611	2 333	10 943	4 432
Operating expenses		14 408	4 279	25 485	9 825
Operating loss		-14 408	-4 279	-25 485	-9 825
Interest income		226		226	
Other financial income		47	-0	86	1
Interest expenses		72	94	82	530
Other financial expenses		3 449	1 205	3 466	14 662
Loss before tax		-17 655	-5 579	-28 721	-25 016
Income tax expense	4	-6 160	-	-6 160	-
Net loss for the period		-11 495	-5 579	-22 561	-25 016
Other comprehensive loss for the year					
Items that may be reclassified subsequently to profit or loss:					
Currency effect on investment in subsidiaries		-1 276	350	249	1 970
Currency effect on loans to subsidiaries		18 692	-2 402	-130	-2 402
Income tax related to these items	4	29		29	
Total comprehensive loss for the financial year, net of tax		5 950	-7 630	-22 413	-25 448
Earnings per share:					
Basic earnings per share		-0,29	-0,15	-0,57	-0,65
Diluted earnings per share		-0,29	-0,15	-0,57	-0,65



Consolidated statement of financial position

<i>(Amounts in NOK 1.000)</i>	<u>Note</u>	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>	<i>(Amounts in NOK 1.000)</i>	<u>Note</u>	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
ASSETS				Equity and liabilities			
Non-current assets				Equity			
Assets under construction	2	649 729	384 839	Share capital	5	3 979	3 979
Property, plant and equipment incl. right-of-use assets	2	133 112	1 457	Share premium reserve		364 276	386 809
Long term receivables		10 662	24 807	Other equity		21 940	
Total non-current assets		793 504	411 102	Translation differences		-274	-393
Current Assets				Total equity		389 922	390 395
Inventory		14	-	Liabilities			
Biological assets	3	2 868	-	Non-current liabilities			
Other short term receivables		26 371	3 555	Convertible bond loan	7	214 720	
Cash and bank deposits		37 709	73 796	Non-current interest bearing debt	7	241 815	93 509
Total current assets		66 963	77 351	Lease liabilities	7	879	801
TOTAL ASSETS		860 466	488 454	Total non-current liabilities		457 413	94 310
				Current liabilities			
				Current portion of interest bearing debt	7	271	650
				Current portion of lease liabilities	7	1 758	515
				Trade payables	7	530	1 160
				Public duties payable	7	319	461
				Other short term liabilities	7	10 253	963
				Total current liabilities		13 132	3 749
				Total liabilities		470 545	98 059
				TOTAL EQUITY AND LIABILITIES		860 466	488 454



Consolidated statement of changes in equity

(Amounts in NOK 1.000)	Note	Share capital	Share premium reserve	Other equity	Translation differences	Total equity
Balance at 1 January 2021		1 510	32 579	-	39	34 128
Loss for the period			-25 544			-25 544
Currency effect on investment in subsidiaries *					1 970	1 970
Currency effect on loans to subsidiaries	4		528		-2 402	-1 873
Total comprehensive loss for the period		-	-25 016		-432	-25 448
Capital increase		2 469	379 245			381 714
Balance at 31 December 2021		3 979	386 809	-	-393	390 395
Balance at 1 January 2022		3 979	386 809	-	-393	390 395
Loss for the period			-22 561			-22 561
Currency effect on investment in subsidiaries *					249	249
Currency effect on loans to subsidiaries	4		29		-130	-101
Total comprehensive loss for the period		-	-22 532	-	119	-22 413
Conversion option for issued bond, net of tax	4, 7			21 940		21 940
Balance at 31 December 2022		3 979	364 276	21 940	-274	389 922

* Currency effect on investments in subsidiaries relates to exchange differences arising from net investment in foreign entities, and are recognized in other comprehensive income.



Consolidated statement of cash flows

(Amounts in NOK 1.000)	Note	H2 2022	H2 2021	31 Dec 2022	31 Dec 2021
Cash flow from operating activities					
Loss before tax		-17 655	-5 579	-28 721	-25 016
Income taxes paid		-	-6	-	-6
Depreciation	2	2 934	111	3 750	112
Change in biological asset	3	-2 868		-2 868	
Change in inventory		-14		-14	
Change trade payables		-474	-628	-630	1 041
Other accruals etc.		-12 287	31 141	-3 535	-4 165
Net interest expense		72	95	82	530
Net foreign currency exchange rate difference		4 099	-2 052	119	-432
Net cash flow from operating activities		-26 195	23 083	-31 818	-27 935
Cash flow from investing activities					
Payments on purchases of fixed assets		-311 370	-115 647	-397 518	-375 955
Payments of VAT on purchases of fixed assets		5 754	-24 603	5 754	-24 603
Net cash flow from investing activities		-305 616	-140 250	-391 764	-400 558
Cash flow from financing activities					
Proceeds from capital increases		-	0		381 714
Proceeds from loans and borrowings		306 194	93 238	398 857	93 238
Transaction costs	7	-9 091		-9 091	
Payments on leasing obligations		-931	-84	-1 538	-84
Payments on loans and borrowings		-325	-325	-650	-379
Net interest paid		-72	-95	-82	-530
Net cash flow from financing activities		295 775	92 734	387 496	473 959
Net change in cash and bank deposits		-36 035	-24 431	-36 087	45 466
Cash and bank deposits as at first in period		73 745	98 226	73 796	28 330
Cash and bank deposits as at last in period		37 709	73 795	37 709	73 796



Note 1 - Summary of significant accounting policies

The Proximar Seafood group is an Norwegian-registered seafood company engaged in land-based fish farming, with its head office in Bergen, Norway. The Proximar group has started the construction of a production facility for Atlantic salmon close to Mount Fuji in Japan through the wholly owned Japanese subsidiary Proximar Ltd.

The Group's interim consolidated statements for the six months ended 31 December 2022 were prepared in accordance with IAS 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim financial report is to be read in conjunction with the Group's Annual Report for the year ended 31 December 2021 and any public announcements made by Proximar Seafood AS during the interim reporting period. The interim report is unaudited and is presented in Norwegian kroner ("NOK").

The Group's accounting policies adopted are consistent with those applied in the Group's 2021 Annual Report, except from the principles mentioned below.

Biological assets

The Group is farming fish on a land-based facility. As of year-end 2022 the first two batches of eggs have started the life-cycle.

Biological assets are measured at fair value less costs to sell. Changes in fair value of biological assets are recognised in the statement of profit and loss.

Eggs and smolt are measured at cost less impairment losses. Cost is deemed a reasonable approximation for fair value for eggs and smolt as there is little biological transformation (IAS 41.24). Cost includes purchase price for eggs and directly attributable cost. The directly attributable cost include transportation, all variable costs, such as electricity, feeding, oxygen, labour cost of framing personnel and a proportion indirectly variable and fixed cost, such as depreciation. Proportion of fixed costs is limited to utilisation of normal capacity.

Inventories

Inventories comprise of feed. Inventories of goods are measured at the lower of cost and net realisable value.



Note 2 - Land, property, plant and equipment (1/2)

Amounts in 1.000 NOK

Period ended 31 December 2022	Assets under construction	Buildings	RAS	Equipment and vehicles	Right-of-use assets	Total
Cost at 1. July 2022	451 730	-	-	1 850	3 430	457 009
Additions in the period	189 670	47 442	62 982	20 656	748	321 499
Currency effect *	8 330	-6	-17	-112	0	8 195
Cost at 31 December 2022	649 729	47 436	62 966	22 394	4 178	786 703
Accumulated depreciation at 1 July 2022	-	-	-	216	712	929
Depreciation in the period	-	310	823	850	949	2 933
Accumulated depreciation at 31 December 2022	-	310	823	1 067	1 662	3 861
Net carrying amount at 31 December 2022	649 729	47 126	62 143	21 327	2 516	782 842

Period ended 31 December 2021	Assets under construction	Buildings	RAS	Equipment and vehicles	Right-of-use assets	Total
Cost at 1. July 2021	269 334	-	-	27	-	269 361
Additions in the period	115 505	-	-	141	1 401	117 047
Currency effect *	-	-	-	-	-	-
Cost at 31 December 2021	384 839	-	-	168	1 401	386 408
Accumulated depreciation at 1 July 2021	-	-	-	1	-	1
Depreciation in the period	-	-	-	21	90	111
Accumulated depreciation at 31 December 2021	-	-	-	22	90	112
Net carrying amount at 31 December 2021	384 839	-	-	146	1 311	386 296

Estimated useful life and depreciation plan is as follows:

Economic life	Not applicable	25 years	25 years	3-15 years	2,5 years
Depreciation plan	Not applicable	Linear	Declining	Linear	Linear

* Currency effect relates to exchange differences arising from net investment in foreign entities.



Note 2 - Land, property, plant and equipment (2/2)

Amounts in 1.000 NOK

Assets under construction is recognized based on milestone payments. The management has assessed that the payment schedule is the best estimate to reflect the percentage of completion on the construction process. Total capital expenditure, i.e. construction cost excluding financing costs and activated internal costs, is estimated as per the table below:

Category	Total
Construction	592 724
Equipment	399 602
Land	93 832
Total	1 086 158

Progress per 31.12.2022 inclusive of land 64 %

The facility is expected to be completed in Q3 2023. The amount recognized also contains a payment of TNOK 32,356 related to the purchase of the land where the site is located. Under Japanese law, the formal ownership of the land cannot be transferred to Proximar Ltd. before the construction process has been completed. Proximar Ltd. has an obligation to purchase the land within one year after the completion of the construction process, remaining payment is TNOK 61,476.



Note 3 – Biological assets

Amounts in 1.000 NOK

The group started with production in October. At year end 2022 biological assets consists of the two first batches of eggs measured at cost.

Volumes of biomass

(count)	2022	2021
Volume of biomass	250 995	-

Production cost *

Depreciation	212	
Salaries	1 144	
Purchase of eggs	666	
Other costs	709	
Other employee cost	81	
Total	2 812	

* Translated to the presentation currency using the average exchange rate for the period.

Reconciliation of changes in the carrying amount of biological assets	2022	2021
Carrying amount as of 01.01		
Cost to stock **	2 868	
Total carrying amount of biological assets as of 31.12	2 868	

** Translated at the exchange rate at the end of the reporting period.



Note 4 - Deferred tax and tax expense

Amounts in 1.000 NOK

Specification of income tax expense

The tax benefit/(expense) is calculated based on income before tax and consists of current tax and deferred tax.

	2022	2021
Income tax expense		
Current tax expense	-6 160	528
Income tax expense	-6 160	528

Tax on equity portion of convertible bond with MNOK 6,189 was at initial recognition posted directly to equity. At year end tax effect is reversed through tax expense in profit and loss.

Specification of the tax effect of temporary differences and losses carried forward

The tax effects of temporary differences and tax losses carried forward at 31 December are as follows:

	2022	2021
Property, plant and equipment	3 808	14
Tax losses carried forward	-112 662	-84 133
Equity portion of convertible bond issue	28 129	-
Currency effect on tax losses carried forward	2 533	
Sum temporary differences	-78 192	-84 120
Deferred tax assets not recognized	78 192	84 120
Deferred tax asset (liability)	-	-



Note 5 - Share capital and shareholders (1/2)

The share capital of NOK 3,978,765 consisted of 39,787,650 shares, each with a nominal value of NOK 0,1 at the end of 2022. All shares carry equal rights.

The movement in the number of shares during the year was as follows:

	2022	2021
Ordinary shares at beginning of period	39 787 650	15 096 290
Issue of ordinary shares		24 691 360
Ordinary shares at 31 December	39 787 650	39 787 650

Shares owned by board members, group management and their related parties at 31 Desember 2022

	Number of shares	Ownership percentage
Board of Directors		
Katrine Trovik (Chair), Kvasshovd AS	100 000	0,3 %
Per Grieg, Grieg Kapital AS and Kvasshøgdi AS	5 924 893	14,9 %
Fridjof Botvid Falck, IFG Holding AS	250 000	0,6 %
Viggo Halseth	28 250	0,1 %
Total number of shares held by Board members	6 303 143	15,8 %
Group Management		
Joachim Nielsen, CEO, Loyden AS	2 805 000	7,0 %
Pål Karset Grimsrud, CFO, Elgheia AS	175 990	0,4 %
Dharmarajan Rajeswaran, COO	16 000	0,0 %
Lars Stigaard, CTO	11 320	0,0 %
Total number of shares held by Group management	3 008 310	7,6 %



Note 5 - Share capital and shareholders (2/2)

List of main shareholders at 31 Desember 2022 and 2021

Shareholder	31 Dec 2022		31 Dec 2021	
	Number of shares	Ownership percentage	Number of shares	Ownership percentage
Daimyo AS	3 996 238	10,0 %	3 996 238	10,0 %
Grieg Kapital AS	3 180 049	8,0 %	3 180 049	8,0 %
Loyden AS	2 805 000	7,0 %	2 805 000	7,0 %
Kvasshøgdi AS	2 744 844	6,9 %	2 484 844	6,2 %
Nutreco International B.V.	2 160 493	5,4 %	2 160 493	5,4 %
Pactum AS	1 424 000	3,6 %	1 474 567	3,7 %
T.D. Veen AS	1 384 567	3,5 %	1 384 567	3,5 %
Helida AS	1 242 000	3,1 %	1 112 000	2,8 %
Zolen & Månen AS	1 031 250	2,6 %	1 002 750	2,5 %
Nordnet Livsforsikring AS	949 832	2,4 %	528 503	1,3 %
OM Holding AS	750 000	1,9 %	750 000	1,9 %
Vitamar AS	640 000	1,6 %	640 000	1,6 %
Sulefjell AS	543 543	1,4 %	543 543	1,4 %
MPaulen Holding AS	502 475	1,3 %	0	0,0 %
Tomas Frafjord	401 000	1,0 %	355 000	0,9 %
Art Group AS	400 000	1,0 %	400 000	1,0 %
Agito Invest AS	375 000	0,9 %	375 000	0,9 %
Nordic Delta AS	317 423	0,8 %	2 288 253	5,8 %
IFG Holding AS	250 000	0,6 %	200 000	0,5 %
Øystein Kveim	245 000	0,6 %	200 000	0,5 %
LMJ Holding AS	225 102	0,6 %	255 000	0,6 %
Mondrian AS	0	0,0 %	741 972	1,9 %
Even Malvin Norheim	0	0,0 %	252 700	0,6 %
Total number of shares attributed to the 20 largest shareholders	25 567 816	64,3 %	27 130 479	68,2 %
The number of shares attributed to the other shareholders	14 219 834	35,7 %	12 657 171	31,8 %
The total number of shares issued and outstanding	39 787 650	100,0 %	39 787 650	100,0 %



Note 6 - Earnings per share

Amounts in NOK

	H2 2022	H2 2021	31 Dec 2022	31 Dec 2021
Profit (loss) for the year	-11 495 361	-5 578 985	-22 560 824	-25 015 878
Weighted average number of outstanding shares during the year	39 787 650	38 430 982	39 787 650	38 430 982
<u>Earnings (loss) per share - basic and diluted (in NOK)</u>	<u>-0,29</u>	<u>-0,15</u>	<u>-0,57</u>	<u>-0,65</u>

Earnings per share calculation is based on profit/loss in the consolidated financial statement divided by the weighted average of common shares.



Note 7 - Borrowings and other current liabilities (1/3)

Amounts in NOK

The Group has two loans from credit institutions and one convertible bond in 2022.

In September 2021 the Group entered into a credit facility with a Japanese credit institution. The total financing agreement is JPY 2.500.000.000. The first disbursement of JPY 1.250.000.000 was released in 2021, and the second disbursement of JPY 1.250.000.000 was released in 2022. The agreement of the JPY 2.500.000.000 loan was renegotiated in December 2022 and at the original maturity date 31 March 2023 fixed interest rate will be increased from 2,3 % up to 2,65 % and fee of JPY 27.500.000 (1%) will be charged. Additionally, the loan facility was increased by JPY 750.000.000. The Group will have funds available dependent on counter guarantors, which by 31.12.2022 added to the full amount of JPY 3.250.000.000. The Group shall repay the outstanding principal of the term loan of JPY 2.500.000.000 and JPY 750.000.000 in full on the maturity date (29 March 2024). Interests are paid quarterly.

Grieg Kapital AS is guarantor to this facility. 5 % of the full loan amount, JPY 162.500.000, is restricted funds.

In October 2022, the Group issued a bond with an option for conversion to shares in the parent company. The total amount issued is NOK 250.000.000 and consists of 250 mill bonds. This finances the payments of the building of facilities in Japan. The conversion rate of the bond is NOK 5, and the conversion right can be exercised at any time from loan issue until 10 days before maturity. If a share issue is carried through in the borrowing period at a lower rate than the conversion rate, the conversion rate will be adjusted accordingly. The bond is subordinated debt. In the accounts the conversions option is measured and classified as equity. At initial recognition the equity effect was NOK 28,1 mill.

The convertible bond have a equity component and a debt component. Transaction costs have reduced the total proceeds received from the issue. The transaction cost have been split between the debt and equity component pro rata.

	Principal	Transaction costs	Amount at initial recognition
Debt component	-220 810	8 029	-212 781
Equity component	-29 190	1 061	-28 129
Total	-250 000	9 091	-240 909

The interest expensed for the year is calculated by applying an effective interest rate to the debt component for the period from issue to year end. The difference between the amount of the debt component at initial recognition and the carrying amount at year end represent the effective interest rate less interest payable accrued in the period.

Debt component at initial recognition	212 781
Intrest charged (using the effective interest rate)	1 939
Carrying amount at 31 December 2022	214 720

The Group also has a long term loan to a Norwegian credit institution.



Note 7 - Borrowings and other current liabilities (2/3)

Amounts in NOK

Non-current liabilities	Borrowing company	Currency	2022	2021
Non-current bullet credit facility	Proximar Ltd (Japan)	JPY	242 925	95 766
Long term loan to financial institution	(Norway)	NOK	0	921
Convertible bond	(Norway)	NOK	214 720	0
Total			457 645	96 687
Amortization effects of loans			-1 110	-2 528
Total non-current liabilities			456 535	94 159

Payment profile non-current liabilities	2023	2024	2025	Total
At 31. December 2022				
Non-current bullet credit facility		242 925	-	242 925
Long term loan to financial institution	271			271
Leasing	1 758	561	318	2 637
Convertible bond			250 000	250 000
Total	2 029	243 485	250 318	495 832

Description of liabilities	Currency	Interest rate	Final maturity	Pledges
Non-current bullet credit facility	JPY	2,30 %	March 2024	None
Non-current bullet credit facility	JPY	2,65 %	March 2024	None
Long term loan to financial institution	NOK	2,55 %	May 2023	None
Convertible bond	NOK	7,00 %	April 2025	None

Credit facility guarantee:

The loan is guaranteed by Grieg Kapital AS, who is also a shareholder. As security for Proximar Ltd's payment obligations, the Guarantor has a first priority pledge of all shares in Proximar Ltd and a first priority pledge of all claims Proximar Seafood AS has towards Proximar Ltd.

Credit facility covenants:

Covenants of Proximar Seafood AS: reporting of financial statements and / or progress reports at given deadlines.

Covenants of Guarantor: to maintain own equity ratio above 50%, to maintain own total equity above NOK 500 mill, and to maintain liquidity-ratio (ratio of current assets to current liabilities) above 200%.

Long term loan to financial institution:

The Group has made no pledges or guarantees for the loan. The loan is guaranteed by the Norwegian government as part of the Covid-19 relief package for small and medium sized entities.



Note 7 - Borrowings and other current liabilities (3/3)

Amounts in NOK

Current trade payables and other payables	2022	2021
Current portion of borrowing and lease liabilities	2 029	1 165
Trade payables	530	1 160
Taxes payable Japan	1 448	0
Social security and other taxes	319	461
Salaries and vacation pay due	600	633
Accrued interest	3 116	
Accrued expenses	5 088	329
Sum current liabilities	13 132	3 749



Note 8 - Subsequent events

The Group has, through its subsidiary Proximar Ltd. (Japan), received a loan offer from a syndicate consisting of two large Japanese banks for a corporate loan of JPY 8.8 billion (NOK ~680 million). The offer consists of a Highly Confident Letter along with a term sheet.

The Highly Confident Letter and Term Sheet received by Proximar have been approved internally in the two banks. It is therefore to be considered a strong statement of comfort from the banks to provide the financing according to the received Term Sheet. The loan offer is structured as a syndicate, fully covered by the two involved banks. The loan is considered to be offered at attractive terms with an interest rate below 5% and addresses both the remaining construction financing as well as operational financing.

The offer is subject to customary conditions such as final credit committee approval, legal due diligence, and completion of loan documentation. Disbursement of the first part of the loan is scheduled for March 2023 and the second during summer 2023, at the time of take-over of the post-smolt grow-out building.