

Proximar Seafood AS – Second Half Year 2022 Results

New milestones reached: Start-up of Atlantic salmon production and debt financing offers received

Bergen, Norway – 24 February 2023 – Proximar Seafood AS (PROXI) today reported its second half 2022 results.

“We are entering a new year with great progress on all fronts, proving both the strength in our business model and the efforts from Proximar’s team. Bringing the first eggs into the facility, we are now moving forward as a production company. Construction progress according to plan along with the new debt financing offers is boosting our confidence.” says Joachim Nielsen, CEO of Proximar Seafood.

Completion of Proximar’s facility is scheduled in the third quarter of 2023 and the company plans to harvest the first salmon medio-2024. Until harvest, the financial reporting will display limited revenues. The operating expenses increased from NOK 4.3 million in the in the second half of 2021 to NOK 14.4 million in the same period in 2022, due to preparations for start-up of production, including increased personnel expenses. Total equity amounted to NOK 390 million and the cash balance to NOK 37.7 million at the end of December 2022.

Production start-up as planned

The first batch of eggs was inserted into the facility in October and marked an important milestone for the company. This is the first commercial production of Atlantic salmon in Japan. Currently three batches are in production. The first batch is expected to be transferred to the nursery in March.

“Our production has started successfully as scheduled. The first batches are demonstrating good performance and we continue to receive strong interest in Japan. We keep building our team, ramping up production and becoming a leading provider of sustainably produced seafood.” says Nielsen.

Proximar expects new batches of eggs to arrive monthly, enabling continuous harvest from medio 2024. Proximar’s annual production capacity is 5 300 tonnes of Atlantic salmon for the first facility.

Debt financing offer received

Proximar has over the past two years worked on securing debt financing for the first facility. The efforts yielded results when the company received two important and independent loan offers in Japan in the start of 2023:

- Early January 2023, Proximar received a post-construction loan offer of JPY 4 billion (NOK ~300 million) from a Japanese bank (subject to syndication).
- A debt financing offer of JPY 8.8bn (NOK ~680 million) was received from a syndicate of two large Japanese banks mid-February (subject to final credit approval).

A debt ratio close to 45 per cent of the total investment for the first facility has been the targeted level since inception.

“Achieving a complete debt solution for both the construction and operating phases at attractive terms is a significant accomplishment for the company. Good progress in the debt discussions illustrates confidence from the credit providers in both our business model and development. The

off-take agreement with Marubeni has fuelled the progress with Japanese financial institutions as expected and previously communicated” says Nielsen.

Foreseeing solid demand for locally produced salmon

The long-term outlook of the Japanese market for Atlantic Salmon remains attractive, with high prices and long-term growth in consumption.

“We are a first mover in Japan, giving us a very attractive position toward competitors. We are experiencing strong interest, strengthening our confidence in our upcoming products. The demand side is also driven by increased interest in local and sustainable food production and increased focus on self-sufficiency.” says Nielsen.

Atlantic salmon is currently receiving high prices in Japan, and the average import price in second half of 2022 was NOK 110/kg (HOG). This compares to an average export price from Oslo for the same period of NOK 81/kg, illustrating the significant cost advantage of local production in Japan.

For more information, please see the presentation for the second half of 2022 attached.

Proximar Seafood will present its financial results for the second half of 2022 on Friday 24 February 2023, at 08:00 CEST. The investor presentation will be streamed and will be hosted by CEO Joachim Nielsen and CFO Pål K. Grimsrud. The presentation will be held in English and questions can be submitted throughout the event. The streaming event is available through:
<https://events.webcast.no/proximar/2022/yq0feDb6OWI7RHF1UrUK>

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About Proximar Seafood

Proximar Seafood is a Norwegian land-based salmon farming company with its first production facility and production at the foot of Mount Fuji in Japan. The company inserted its first batch in October 2022. Through land-based fish farming, using high-quality ground water secured close to Mount Fuji, the company will produce fresh Atlantic Salmon, harvested the same day. Proximar’s location, near one of the world’s most important fish markets, implies significant advantages, both in terms of reduced cost and carbon footprint.