



PROXIMAR

SEAFOOD

Half-year reporting 1H 2021
26.08.2021

PRIVATE AND CONFIDENTIAL



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Agenda

- I** Proximar at a glance
- II** Highlights H1 2021
- III** Progress phase 1
- IV** Financials H1 2021
- V** Financing
- VI** Appendix

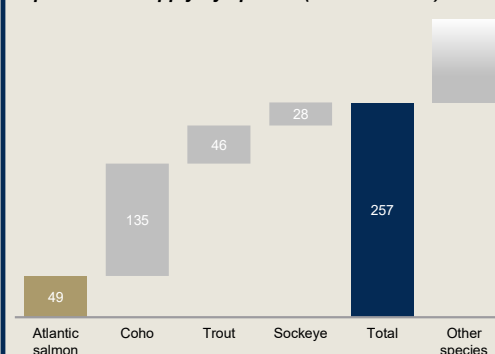




Proximar targets the attractive Japanese market with significant cost advantage of local and sustainable production

Japan is an attractive market with strong export potential...

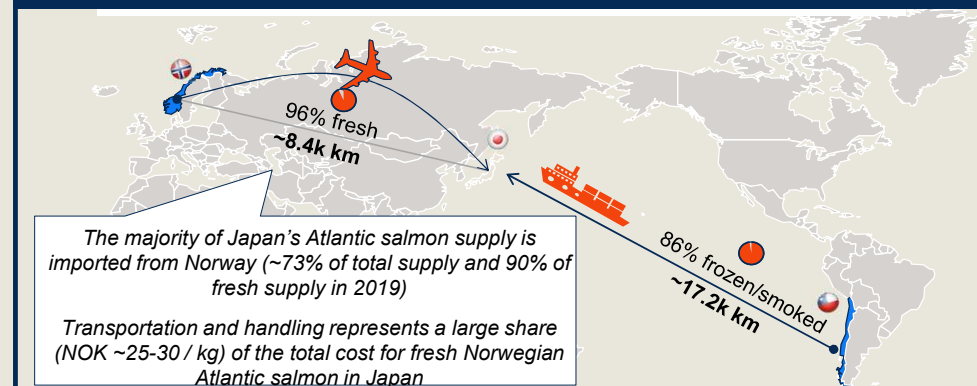
Japan – 2019 supply by species (kTonnes HOG)¹



Largest export partners



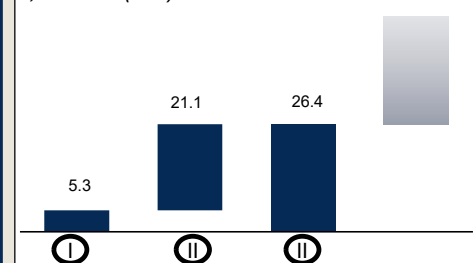
...with significant cost advantage for local production



Proximar with strong growth potential in a prime location...

Targeted production plan

1,000 tonnes (HOG)



Greater Tokyo area population of ~38 million

...and potential for premium pricing



- Unparalleled freshness
- Mt. Fuji branding
- Domestic produce
- Sustainable production
- Limited availability



CICERO
Dark Green

Source: Kontali

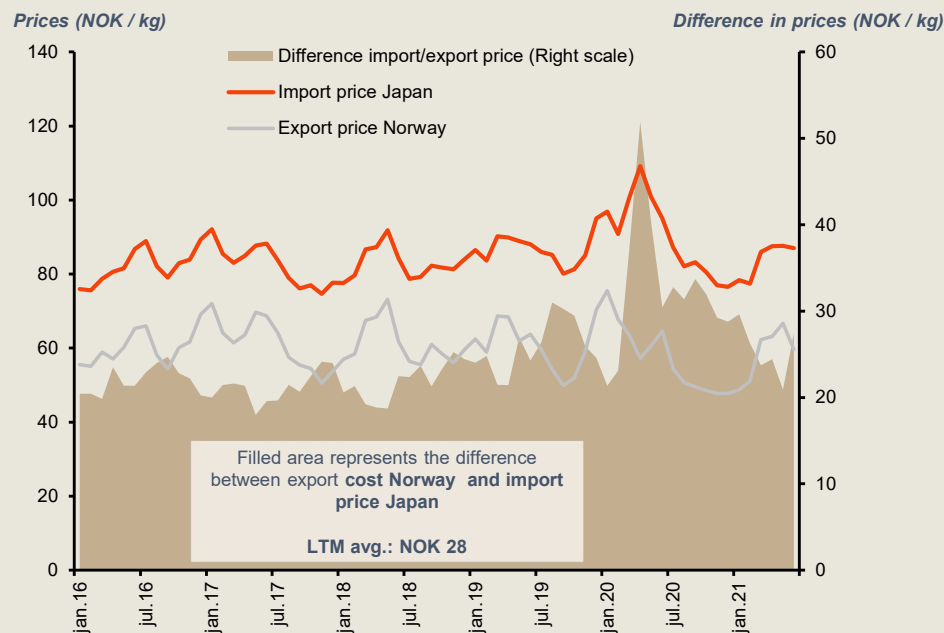
1) Other species include e.g. 1.0k tonnes HOG of Chinook, 38.9k tonnes of Chum and 7.9k tonnes of Pink in 2019



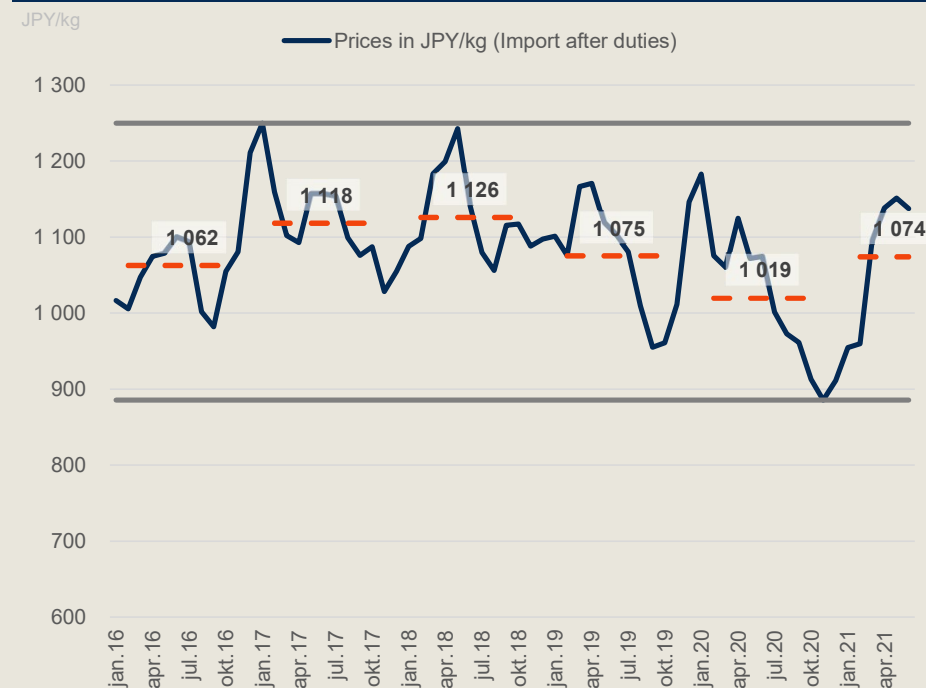
Strong economics with high earning resilience

High historical price resilience for Atlantic salmon import in Japan, despite COVID-19 market impact, confirming Proximar's business model and robustness to market prices

Difference between export cost Norway and import price Japan¹⁾



Price of imported Atlantic salmon to Japan 2016-2021¹⁾



The significant cost advantage by producing Atlantic salmon in Japan is a fundamental in Proximar's business model and rational for building a RAS facility in proximity to the market. Japan is a market with one of the highest costs of transportation associated with fresh salmon, and the robustness has been successfully demonstrated in 2020, despite the price shock experienced in global markets

Source: Kontali, Company

1) The graph shows import cost of Atlantic salmon (CIF), adding duties of 3.5%. No other associated import cost is considered for this purpose



Proximar's Atlantic salmon ticks all boxes to achieve premium pricing

#1 Freshness – by providing same-day-delivery, this will be a huge benefit for supermarkets as shelf life is important. The Japanese consumer also has a strong appreciation when it comes to freshness.

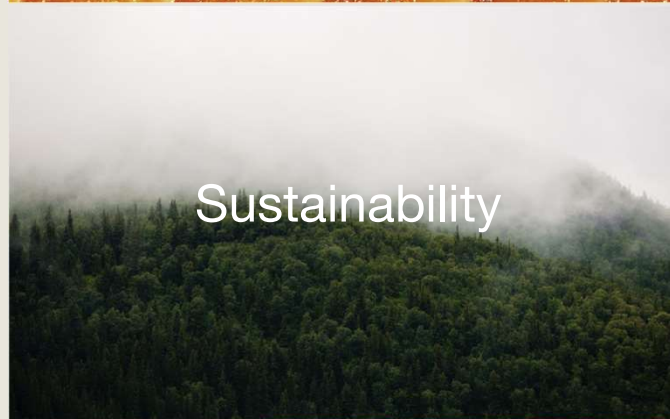
#2 Domestic – Japanese consumers know well the high standards domestic produced food represents. Proximar will be no exception.

#3 Mount Fuji – we will be associated with the purity of this sacred mountain and the high-quality groundwater from this area.

#4 Asia market potential – Japan is known by neighboring countries for the high-quality seafood. By combining this with the Mt Fuji location, the export potential is significant

#5 Limited availability – with limited supply from our facility, we should benefit from the same premium as other limited supplied seafood.

#6 Sustainability – we will not harm our environment and will make a significant impact on reduced CO₂ emissions





ESG with increased importance...

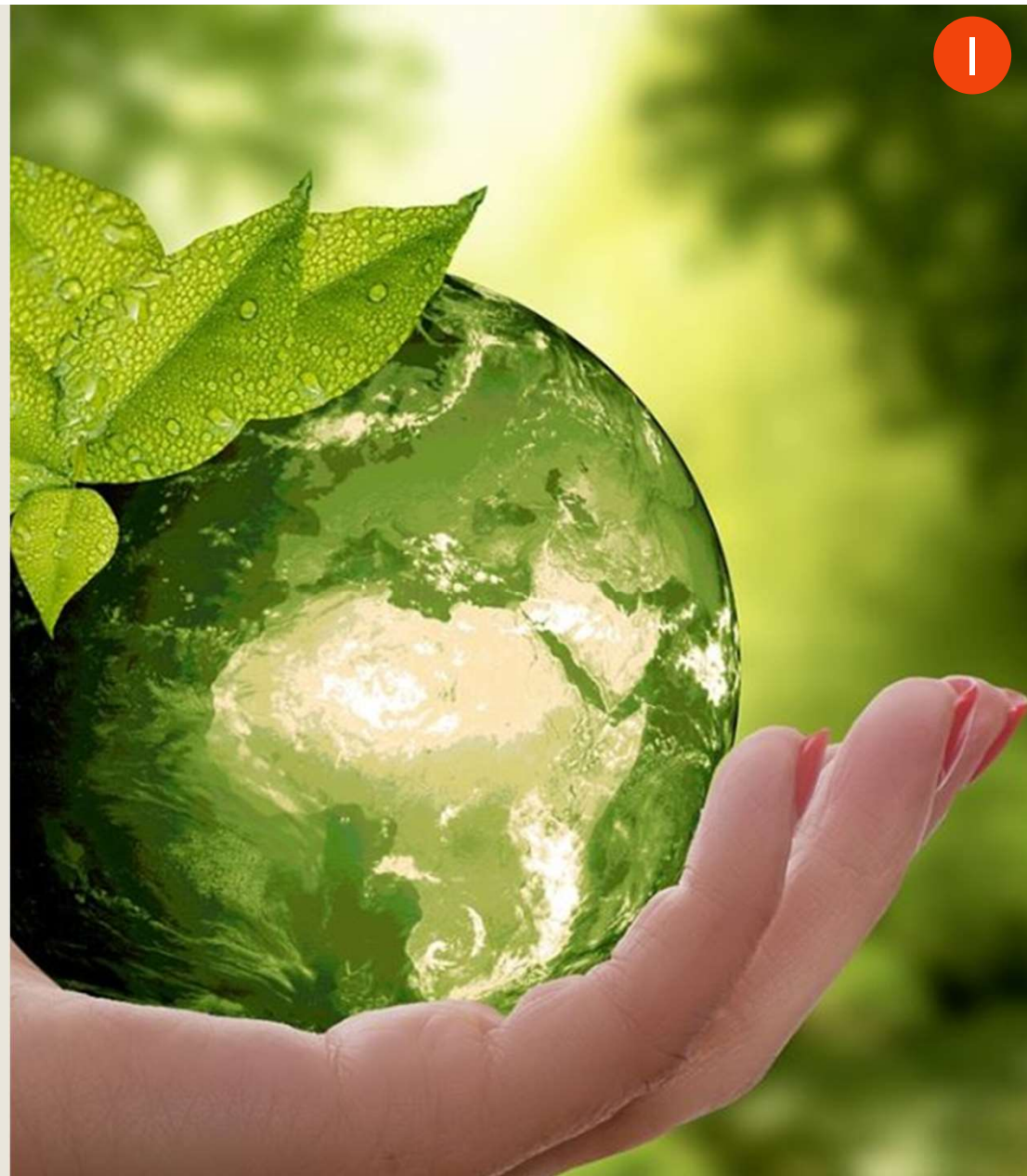
... not only amongst potential clients and consumers, but also within the financing space, we are experiencing ESG becoming an important part of the consideration, like seen in the US and Europe

How we will contribute:

- reduce transportation
- recycled and limited water requirement
- solar power
- waste disinfected and disposed in a safe way
- closed production environment
- no fish medication or vaccination

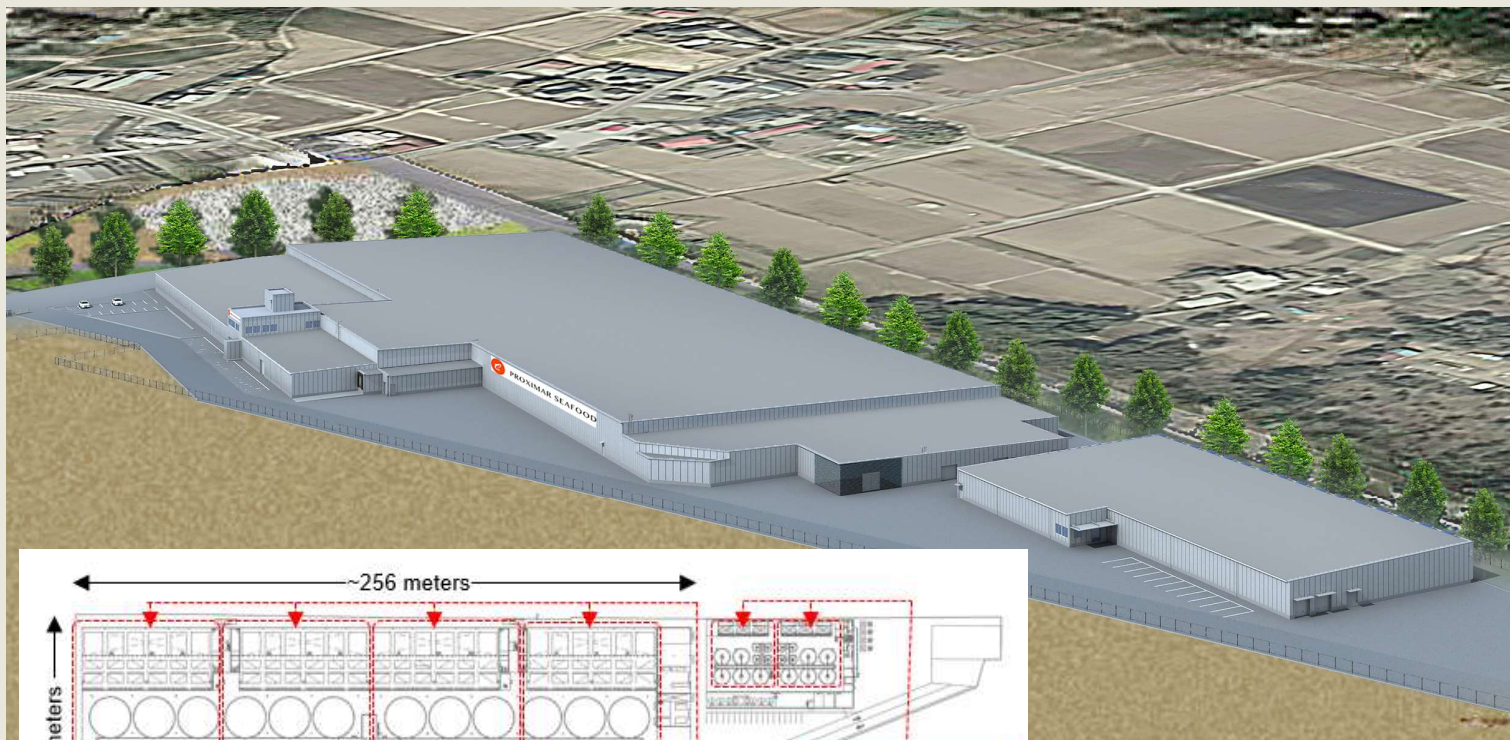


°CICERO
Dark Green





Our technical solution: Proximar facility consisting of two separate buildings
-Hatchery/Nursery building to be completed 3Q22, and eggs introduced after this

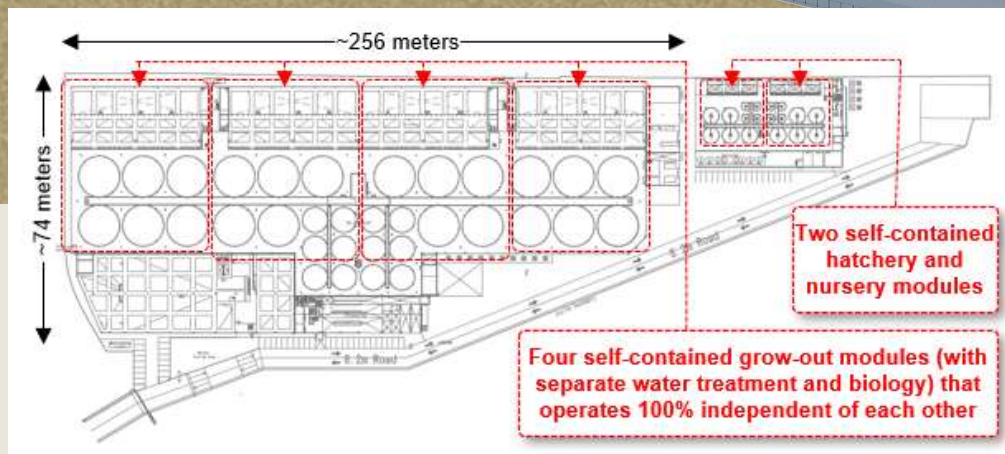


The Proximar facility

Six independent modules, two buildings

- 2 modules in Hatchery & Nursery building, where the fish is raised from egg to ~100g
- 4 modules in Post Smolt Grow out (PSG), where the fish is grown from ~100g to harvest size (~5kg)

Each module with its own independent water treatment





The technical solution proven successful for production

- Risk diversification by modular design, low maintenance/low complexity, 100% back up of all critical functions



The Aqua Maof solution has delivered satisfactory growth conditions for fish

Proven design

- Design remained unchanged for a decade, demonstrating the functionality

Proven water treatment capabilities

- The water treatment developed decades ago for AQM's own fish farming operations in Israel

Required water quality maintained

- Demonstrated ability to produce fish, even above designed capacity

No mass mortalities experienced

- No mass mortalities due to system malfunctioning and H2S



Data from references by AQM:

Project	Volume	Cost	FCR
A	+33%	+3%	-11%
B	+18%	-7%	-7%
C	+12%	-13%	-15%
Avg.	+21%	-6%	-11%

Pictures from Aqua Maof



Aqua Maof has demonstrated stable performance and harvest in Poland for Atlantic salmon

Aqua Maof's Atlantic salmon facility in Poland

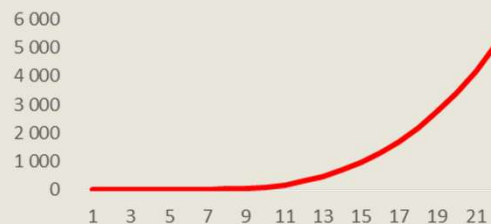
- Growing Atlantic salmon for ~4 years, harvesting steadily for last ~2 years
- Production and operational capabilities achieved at commercial conditions
- Growth rates according to expectations combined with low mortality

Achieved goals from various test

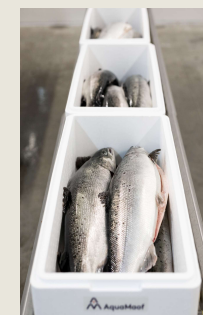
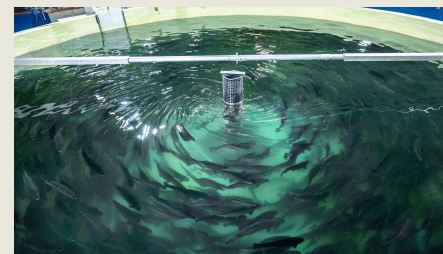
- ✓ Land based 5 KG market size Atlantic Salmon produced
- ✓ Production mkt. size Atlantic salmon in freshwater / low salinity
- ✓ Survival rate of above 95%
- ✓ No obligate pathogens (bacteria)
- ✓ eFCR¹ : 1.1
- ✓ Water quality maintained
- ✓ Selling salmon to distributor
- ✓ Taste
- ✓ Fish fillet colour tests

Growth performance

Size in grams/age per month till ~5 kg
(Growth curve below is based on Proximar production plan)



The fish in Poland are grown in low salinity water, negatively impacting the growth rate



Pictures from Aqua Maof

1) eFCR = kg of feed distributed / kg of fish produced, including losses due to uneaten feed and fish mortalities



1H 2021 Highlights (1/2)

Construction and contracts

- Fixed price contract and land purchase agreement signed with Daiwa House in March, and construction preparations started 19th of March, as scheduled
- Ground-breaking ceremony on 26 of April with prominent guests including the Mayor of Oyama Town and the Norwegian Ambassador to Japan attending, as well as a large Japanese media coverage with 20 journalists present
- In June, signing of contract for fish tanks and harvest channels with HighComp
- First installation of piping from Aqua Maof started in May
- *Subsequent event: Signing of framework agreement with Benchmark Genetics in July, securing delivery of high quality, disease-free eggs with demonstrated performance in RAS*

Organization

- Full-time employee in place in Japan
- Strengthening of administrative and project organization
- Technical Advisory Committee being established, with highly experienced people from the aquaculture industry
- Board strengthened with independent members, a planned change as a natural transition in becoming a listed company – bringing in extensive experience from banking, finance and Japanese experience



Picture from ground breaking ceremony



1H 2021 Highlights (2/2)

Financing

- In January, we raised MNOK 400 through a private placement with subsequent listing on the Euronext Growth
- Ongoing discussions with regards to debt financing. Japanese long term financing developing positively, however, progress is impacted by COVID-19 and travel restrictions

Marketing strategy/off-take

- Signed MOU with Marubeni for sales and marketing agreement, which we believe confirms the interest Proximar receives in Japan and the strong interest for our future product
- Off-take strategy is an important part of the long term financing tracks in Japan

ESG/sustainability

- Cicero Dark Green shading obtained for company and with regards to potential debt
- Proximar is the first company in the aquaculture and RAS space receiving the Dark Green
- ESG and sustainability rapidly gaining momentum over the last couple of years also in Japan, amongst both consumers and financial institutions

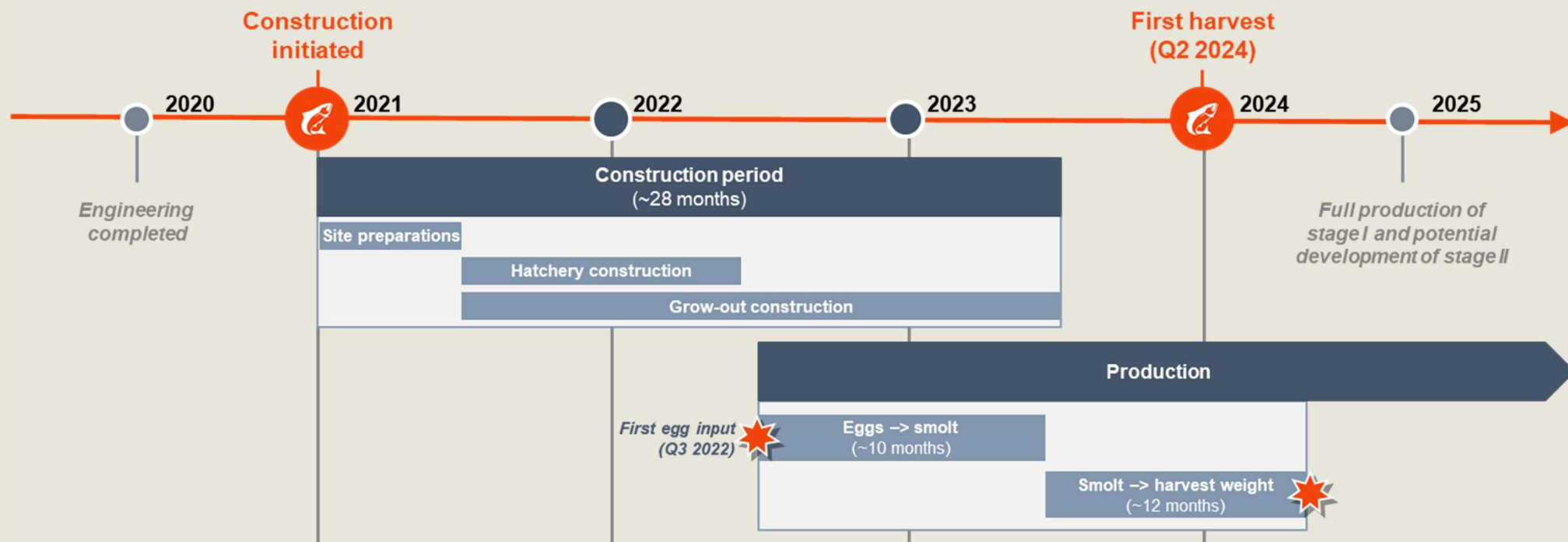


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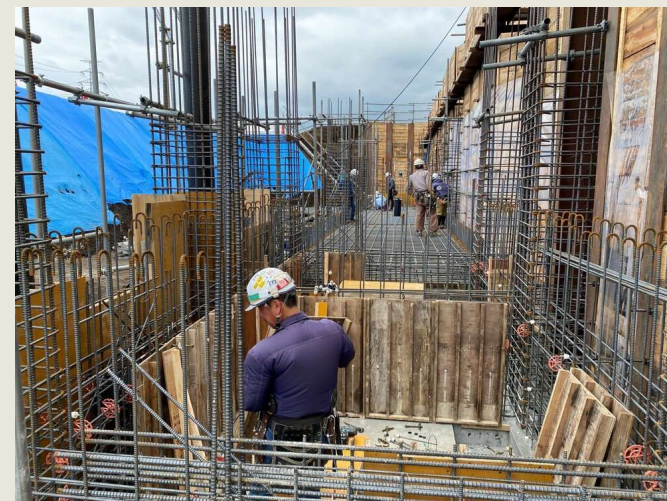
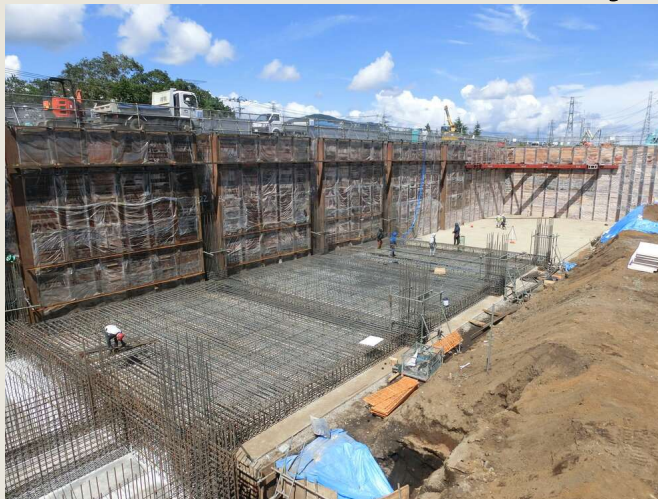
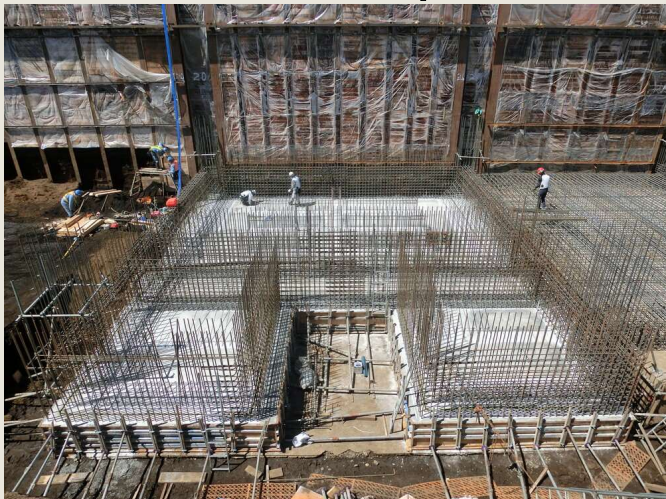
Project progressing on time and on budget – no changes to timeline

Project plan stage 1





Construction of production facilities is well underway





Selected articles from the Japanese media





Financial highlights *(see appendix 2 for details)*

Results:

- First fish will be sold in 2024 and the company is not involved in other revenue generating activities
- The net result of H1 2021 is negative by MNOK 19,4 of which;
 - Operating expenses of MNOK 5,5 are personnel costs not directly related to construction, external advisors, including legal, accounting, auditor and other costs, with costs for both Japan and Norway reflected in the presented figures.
 - Financial costs of MNOK 13,5 are related to monthly valuation of intercompany debt (currency effect).

Balance:

- Cash balance of MNOK 98 by the end of June.
- Assets under construction is according to fixed price contracts with the amount of MNOK 267 by the end of H1.
- Other receivables and prepayments of MNOK 34 is related to VAT and land deposit.
- Equity raise of MNOK 400 in Q1 2021, with subsequent listing on Euronext Growth
- By the end of June, the equity is 398 MNOK

P&L	30.06.2021
Revenue and other income	-
Operating expenses	- 5 546
Net financials	- 13 891
Net result for the period	- 19 457

Balance sheet	30.06.2021
Assets under construction	269 334
Property, plant and equipment	26
Other short term receivables	34 456
Cash and bank deposits	98 226
Total Assets	402 042
Equity	398 025
Non-current liabilities	1 246
Current liabilities	2 772
Total Equity and Liabilities	402 042



Status financing

MNOK ~470 raised in equity since start. Capex estimate unchanged at MNOK ~915.

Conducted pre-sound meetings with bond investors in April regarding construction financing, but we decided not to pursue this alternative at that stage.

Ongoing discussions with Japanese banks and other financial institutions for debt financing. Travel restrictions following the pandemic makes the progress less efficient, but all tracks are developing positively.

We are actively working on short term / construction debt alternatives.





For more information, please contact:

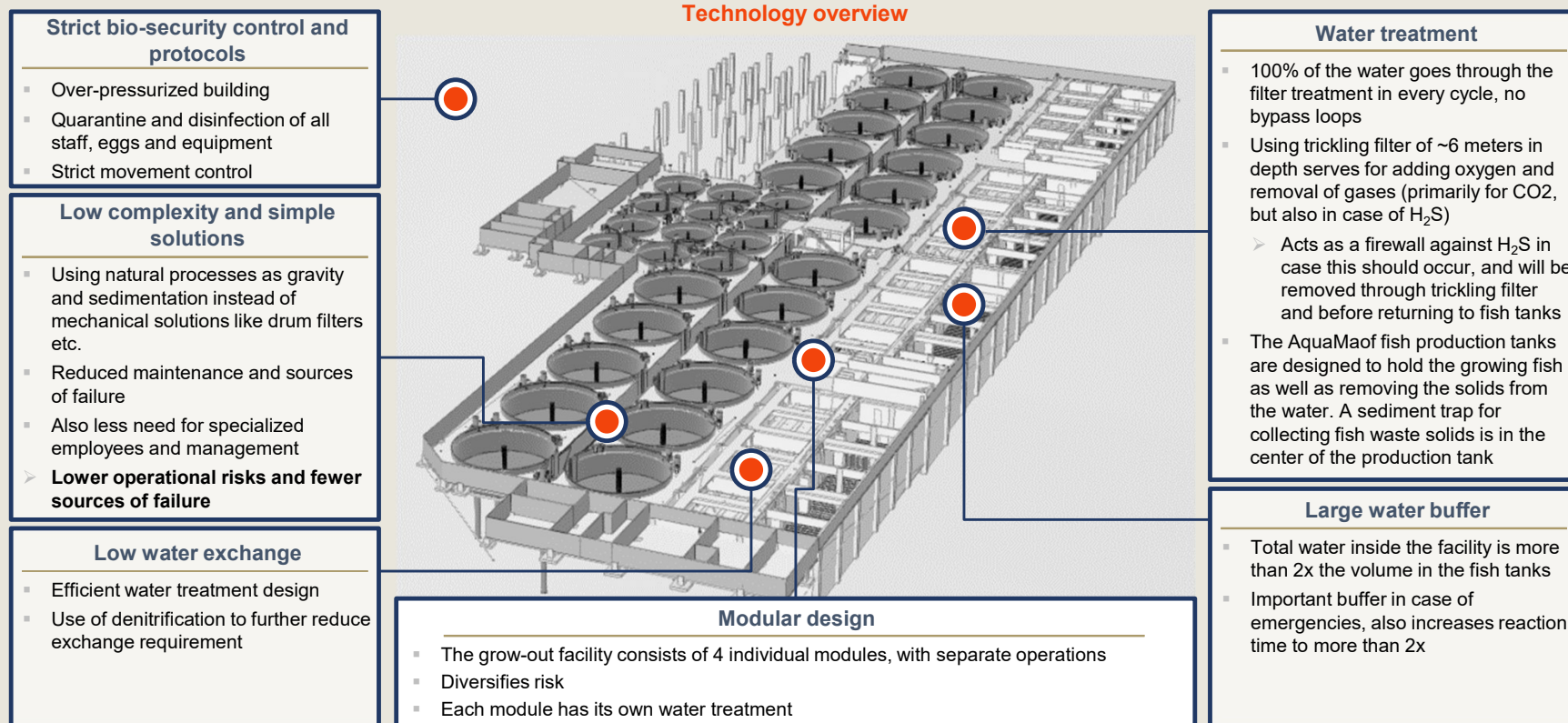
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Appendix 1: Simple and low complexity design provided by Aqua Maof

-Risk diversification by modular design, low maintenance and low complexity, 100% back up of all critical functions



Successful and demonstrated track record by several facilities since the first commercial facility was put in operation in 2012. The current technological solutions are identical as the first, with no design changes made other than general optimization



Appendix 2: Financial figures – P&L last six months as of 30.06.2021

Unaudited (Amounts in NOK 1,000)

Note	30 June 2021	30 June 2020	31 Dec 2020
Revenue	-	-	-
Revenue and other income	-	-	-
Personnel expenses	3 445	999	3 118
Depreciation and Amortisation	1	-	-
Other operating expenses	2 100	2 018	8 021
Operating expenses	5 546	3 017	11 140
Operating loss	-5 546	-3 017	-11 140
Interest income	1	111	0
Other financial income	-	105	1 403
Interest expenses	436	-	382
Other financial expenses	13 457	-	549
Loss before tax	-19 437	-2 800	-10 667
Income tax expense	-	-	6
Net loss for the period	-19 437	-2 800	-10 673
Other comprehensive income (loss) for the year	-	-	-
Items that will not be reclassified subsequently to profit or loss:			
Foreign currency translation	1 620	652	159
Total comprehensive loss for the financial year, net of tax	-17 818	-2 148	-10 514
Earnings per share:			
Basic earnings per share	- 0,52	- 0,25	- 1,54
Diluted earnings per share	- 0,52	- 0,25	- 1,54



Appendix 2: Financial figures – Cash flow last six months as of 30.06.2021

(Amounts in NOK)

	Note	30 Juni 2021	30 Juni 2020	Year Ended 31 December 2020
Cash flow from operating activities				
Loss before tax		-19 437	-2 800	-10 667
Income taxes paid		-	-	-6
Depreciation		1	-	-
Change trade payables		1 669	414	33
Other accruals etc.		-35 306	-600	-412
Net interest expense		435	-111	382
Net foreign currency exchange rate difference		1 620	652	159
Net cash flow from operating activities		-51 020	-2 446	-10 511
Cash flow from investing activities				
Payments on purchases of fixed assets	2	-260 308	-1 123	-1 670
Net cash flow from investing activities		-260 308	-1 123	-1 670
Cash flow from financing activities				
Proceeds from capital increases	3	381 714	-	37 906
Proceeds from loans and borrowings		0	3 300	1 300
Payments on loans and borrowings		-54	-	-
Net interest paid		-435	111	-15
Net cash flow from financing activities		381 225	3 411	39 191
Net change in cash and bank deposits		69 897	- 157	27 010
Cash and bank deposits as at first in period		28 330	1 320	1 320
Translation effects		-	-	-
Cash and bank deposits as at last in period		98 227	1 162	28 330



Appendix 2: Financial figures – Balance sheet as of 30.06.2021

Unaudited (Amounts in NOK 1,000)

	Note	30 June 2021	30 June 2020	31 Dec 2020
ASSETS				
Non-current assets				
Assets under construction	2	269 334	8 505	9 052
Property, Plant and equipment		26	0	0
Total non-current assets		269 360	8 505	9 052
Current Assets				
Other short term receivables		34 456	31	1 239
Cash and bank deposits		98 226	1 162	28 330
Total current assets		132 682	1 193	29 569
TOTAL ASSETS		402 042	9 698	38 622
Equity and liabilities				
Equity				
Share capital	3	3 979	1 132	1 510
Share premium reserve		394 046	-8 139	32 618
Other equity		-	-	-
Translation differences		-	-	-
Total equity		398 025	-7 007	34 128
Liabilities				
Non-current liabilities				
Non-current interest bearing debt		1 246	1 300	1 300
Total non-current liabilities		1 246	1 300	1 300
Current liabilities				
Trade payables		1 788	501	119
Tax payable		-	-	6
Public duties payable		705	101	134
Shareholder loans		-	13 227	-
Other short term liabilities		279	1 576	2 935
Total current liabilities		2 772	15 405	3 194
Total liabilities		4 017	16 705	4 494
TOTAL EQUITY AND LIABILITIES		402 042	9 698	38 622