



PROXIMAR

SEAFOOD

2nd half and full year 2021 reporting
30.3.2022



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Proximar Seafood's vision



*“Our vision is to be a leading provider
of sustainably produced seafood and contribute
to feed a growing population with proteins.”*



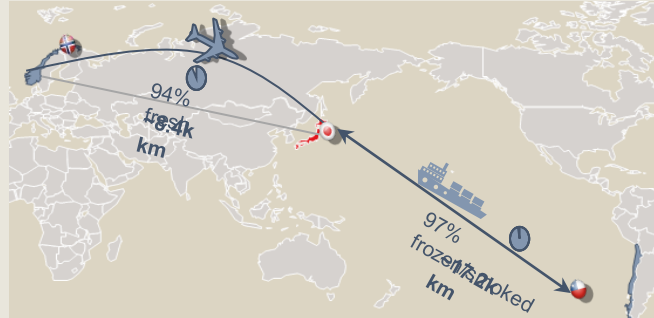
Proximar is **well positioned** to take advantage of the substantial cost advantage of local production, while contributing to reduced CO₂-emissions and Japan's self sufficiency of seafood

Facility



- Currently constructing the first large scale RAS facility for Atlantic salmon in Japan, targeted 5,300 tonnes annual production capacity (head-on-gutted)
- The facility, which is located by the foot of Mt. Fuji, 1.5 hours drive from Tokyo with a population close to 40 million people
- First eggs will be inserted into the hatchery in 3Q 2022, with expected first harvest in 2Q 2024

Sustainable business model



- The annual Japanese consumption of ~50 000 tonnes fresh Atlantic Salmon is being imported from other continents, which entails air freight
- By producing locally, Proximar saves significant transportation cost and CO₂-emissions
- Imported Atlantic salmon are receiving record high prices; thus, our business outlook looks promising
- Importance of sustainable food production and ESG trend is accelerating amongst Japanese consumers

Financial figures

In mNOK	2021 FY	2021 2H	2021 1H	2020 FY
Equity	390,4	390,4	398,0	34,1
Equity ratio	80%	80%	99%	88%
Cash	77,4	77,4	98,2	28,3
Net result	-25,0	-5,6	-19,4	-10,7

- First harvest in 2024, which is the time the company will start generating revenues
- Cost mainly related to G&A and currency
- ~450 mNOK of equity contributed through multiple share issues
- Targeting an equity ratio ~50 %



Proximar has experienced positive development on important matters in 2021



The construction is progressing according to **time and cost** with more than 95% of CAPEX fixed



The Japanese **market** for Atlantic Salmon even more attractive, with high prices and increased consumption, reaffirming Proximar's outlook



Secured equity, obtained Japanese debt and working on a number of different alternatives for further **financing**



The **technology** by AquaMaof has proved its functionality for farming Atlantic salmon for another year



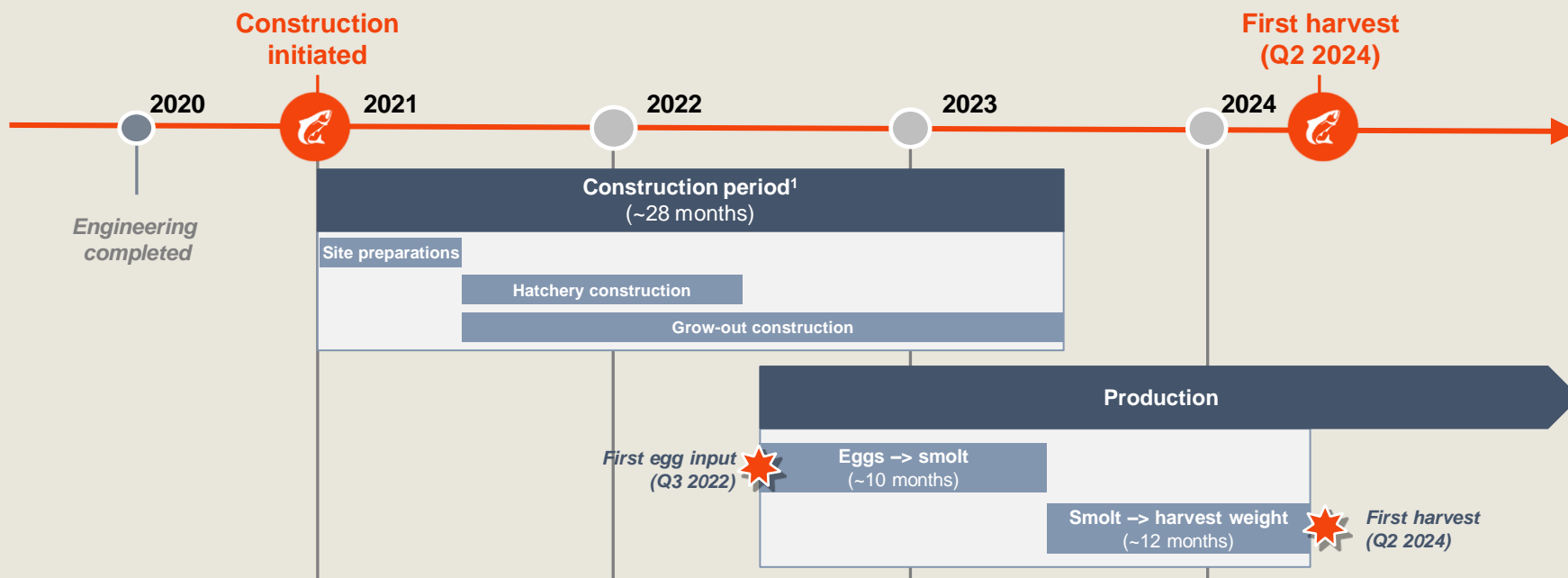
Organization significantly strengthened and **key employees** with relevant experience in place for successful operational start-up



We are «**green**» in everything we do and have received external opinions confirming this



The construction is progressing according to **time and cost** with more than 95% of CAPEX fixed



Construction highlights 2021:

- › Signing of construction contract with Daiwa House
- › Construction start in March
- › Contract with HighComp for delivery of all fish production tanks

Post 2021: Signing of final major CAPEX related contract with Techno Ryowa for HVAC, bringing fixed cost to ~95 % of total CAPEX

Construction progress according to schedule:

- As of end of February 2022, ~37% of civil works completed, in accordance with the schedule
- Hatchery & Nursery building to be completed in 3rd quarter this year
- Steel erection of grow-out building (PSG) to start in April
- Significant extra efforts performed by the parties to avoid impact due to COVID-19 circumstances

Latest CAPEX estimates according to budget:

- More than 95% of CAPEX on fixed contracts
- Limited exposure to material cost changes
- CAPEX estimates unchanged at ~NOK 193/kg (including land)



We are currently finishing the structural works on PSG,
interior works ongoing in the Hatchery and Nursery building





Secured equity, obtained Japanese debt and working on a number of different alternatives for further **financing**



Raised capital

Equity:

- In January, Proximar successfully raised MNOK 400 through a private placement with subsequent listing on the Euronext Growth

Debt:

- Construction financing from JA Mitsui Leasing for 16 months was obtained in November
 - JPY 2.5 billion (~MNOK 190)
 - Guaranteed by Grieg Kapital
- Proximar consider this loan being an important recognition of our plans in Japan, and a confirmation of credibility
- The close dialogue with JA Mitsui Leasing has been ongoing since 2019, and is a highly appreciated local partner

Remaining capital requirement

- The loan from JA Mitsui Leasing has sent a positive signal to other Japanese financial institutions, stimulating interest
- Ongoing process with Japanese banks, moving positively forward
- Off-take being an important part for the Japanese financial institutions
- Pace of progress has been negatively impacted by travel restrictions (also for off-take negotiations), but have nevertheless made progress through 2021 and into 2022
- Several alternatives being considered to secure the remaining financing requirement, **maintaining our target of ~50% debt ratio**

Financing highlights 2021:

- Raised NOK 400 mill. through a private placement with subsequent listing on the Euronext Growth
- Construction financing from JA Mitsui Leasing Ltd of JPY 2.5 billion (~NOK 190 million)



Organization significantly strengthened and **key employees** with relevant experience in place for successful operational start-up



Organization

Strengthened our team in all levels, including administration, project and construction management, operations and production and local presence in Japan

Operational staffing

- Proximar is well-positioned for the future to secure a good execution of the construction and the operational start-up – we are also very encouraged to see the strong candidates we are attracting and consider this an acknowledgement of our plans
- Recruitment of COO, Dharma Rajeswaran from 1st of January 2022
- Lately, we have filled the positions for HN Manager and PSG Manager with experienced people from farming of Atlantic salmon in RAS
- All key operational/production positions are now filled, and we are prepared for operational start-up in 3Q



Dharma Rajeswaran
COO

Organizational highlights 2021:

- Recruitment of COO Dharma Rajeswaran
- Recruitment of administrative personnel and project manager
- Post 2021: Recruitment of HN Manager and PSG Manager

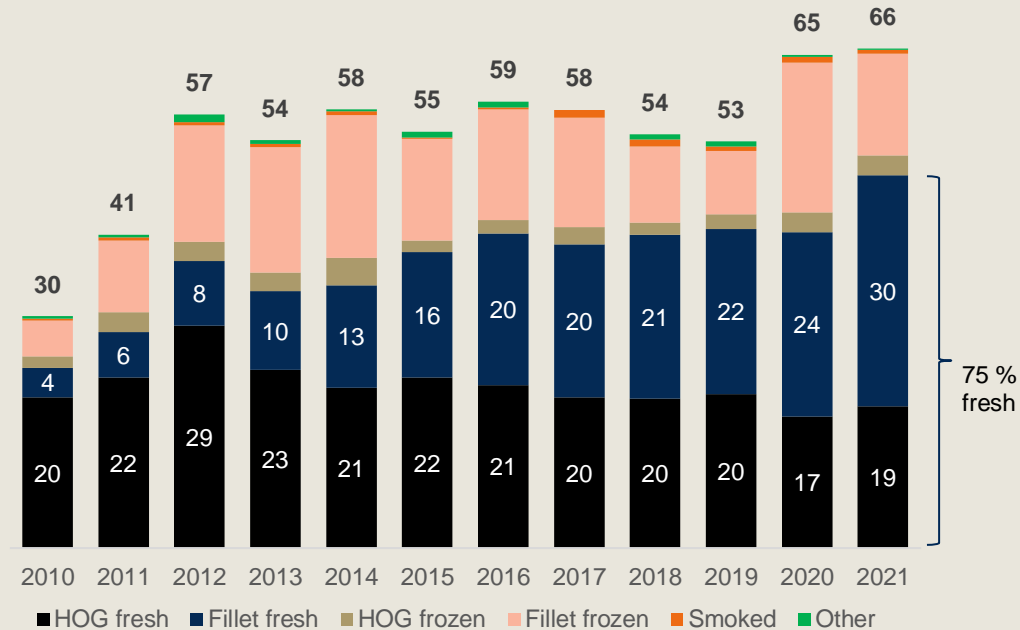


The Japanese **market** for Atlantic Salmon even more attractive, with high prices and increased consumption, reaffirming Proximar's outlook



Volume - import of Atlantic salmon by type

Figures 1,000 metric tons¹⁾

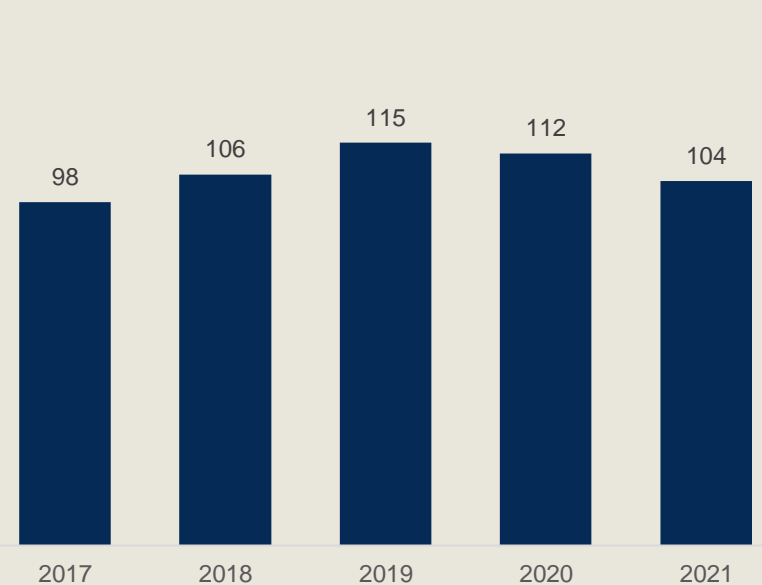


1) Head On Gutted (HOG) or HOG equivalents

- Household demand growth outpacing reduced demand from HORECA
- Increased consumption trend driven by younger generation and expected to continue

Price development Toyosu market

Figures in NOK/kg¹⁾



Sources: Kontali

Prices in the Japanese market remain high driven by:

- High export price (Oslo FCA)
- High transportation costs from Norway to Japan

Market highlights 2021:

- High growth seen of import of fresh Atlantic salmon to Japan
- Import and sales price remain at high levels demonstrating the significant cost advantage of Proximar
- MOU with Marubeni for off-take agreement signed in May, negotiations developing positively



The **technology** by AquaMaof has proved its functionality for farming Atlantic salmon for another year

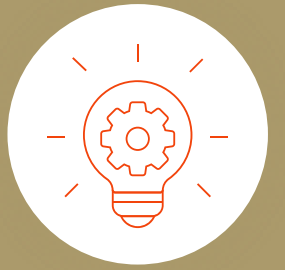


Technological highlights 2021:

- Another year passed showing stable production and harvest of Atlantic Salmon harvesting at Aqua Maof's facility in Poland



The **technology** by AquaMaof has proved its functionality for farming Atlantic salmon for another year



Aqua Maof's Atlantic salmon facility in Poland

- We continue to see strong and supportive performance from the similar facility owned and operated by AquaMaof in Poland
- Producing Atlantic salmon since 2017, harvesting steadily since 2019
- Operating at commercial densities, demonstrating the technology's capacity to maintain adequate water quality for growing Atlantic salmon
- Consistent performance and growth curves, low mortality and no mass mortality experienced
- Proximar has visited the facility several times in 2021 and 2022, and are convinced about the benefits of the AquaMaof solution, with a low complexity approach and natural processes for water treatment rather than complex mechanical solutions
- In 2021, we have also sent fish from Poland to Japan for tasting, receiving very positive feedback



Technological highlights 2021:

- Another year passed showing stable production and harvest of Atlantic Salmon harvesting at Aqua Maof's facility in Poland



We are «green» in everything we do and have received external opinions confirming this



Proximar has a «green» business model...



The **Carbon Footprint** in Proximar's supply chain is significantly lower than the current import, based on long distance freight



Proximar **recycles** the water used in production and plans to install solar panels on the roof supplying a large part of the electricity required



Proximar is located in a precious area and environment in Japan. The company is always searching for **sustainable solutions** in both construction and operation



Proximar will offer fresh salmon to the Asian market, free of medication and the traditional challenges of lice and micro plastics

...and has received certification confirming this

- In April, Proximar received Cicero's Dark Green shading as the first first company in the aquaculture and RAS space
- Especially important with regards to potential debt
- Proximar experiences increased focus on sustainable food production, origin and ESG in discussions with its surroundings
- Also seen this amongst financial institutions in Japan in the recent year
- We are welcoming this trend and make the necessary investments to maintain the strongest ESG rating long term



°CICERO
Dark Green

ESG highlights 2021:

- Received Cicero's Dark Green shading as the first company in the aquaculture and RAS space
- Experiencing increased focus on sustainability, also amongst Japanese financial institutions



Financial highlights *(see appendix/Annual Report 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 2021 is negative with 25 MNOK, of which:
- Operating expenses of MNOK 9.8 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. The corresponding H2 figure is 4.3 MNOK
- Financial costs of MNOK 15.2 is related to loan from JAML as well as monthly valuation of intercompany debt (currency effect). The corresponding H2 figure is 1.3 MNOK

Balance:

- Cash balance of MNOK 77 by the end of 2021
- Assets under construction is according to fixed price contracts with the amount of MNOK 385 by the end of the year
- Other receivables and prepayments of MNOK 30 is related to VAT and land deposit.
- Equity raise of MNOK 400 in 2021, with subsequent listing on Euronext Growth
- By the end of 2021 the equity is 390 MNOK



Financial highlights *(see appendix for details)*

P&L	H2 2021
Revenue and other income	-
Operating expenses	- 4 279
Net financials	- 1 301
Net result for the period	- 5 559

P&L	Full year 2021
Revenue and other income	-
Operating expenses	- 9 825
Net financials	- 15 192
Net result for the period	- 25 016

Balance sheet	31.12.2021
Assets under construction	384 839
Property, plant and equipment	1 457
Long term receivables	24 807
Other short term receivables	3 555
Cash and bank deposits	77 351
Total Assets	488 454

Equity	390 395
Non-current liabilities	94 310
Current liabilities	3 749
Total Equity and Liabilities	488 454



Summary

- › The construction is progressing according to **time and cost** with more than 95% of CAPEX fixed
- › The Japanese **market** for Atlantic Salmon even more attractive, with high prices and increased consumption, reaffirming Proximar's outlook
- › The **technology** by AquaMaof has proved its functionality for farming Atlantic salmon for another year
- › Organization significantly strengthened and **key employees** with relevant experience in place for successful operational start-up
- › Secured equity, obtained Japanese debt and working on a number of different alternatives for further **financing**
- › We are «**green**» in everything we do and have received external opinions confirming this



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Appendix: Financial figures – P&L 2021

(Amounts in NOK 1.000)

	Note	2021	2020
Revenue		-	-
Revenue and other income		-	-
Personnel expenses	5	5 280	3 118
Depreciation and Amortisation	3	112	-
Other operating expenses	7	4 432	8 021
Operating expenses		9 825	11 140
Operating loss		-9 825	-11 140
Other financial income		1	1 403
Interest expenses		530	382
Other financial expenses	15	14 662	549
Loss before tax		-25 016	-10 667
Income tax expense	6	-	6
Net loss for the period		-25 016	-10 673
Other comprehensive loss for the year			
Items that will not be reclassified subsequently to profit or loss:			
Currency effect on investment in subsidiaries		1 970	159
Currency effect on loans to subsidiaries		-2 402	-
Total comprehensive loss for the financial year, net of tax		-25 448	-10 514
Earnings per share:			
Basic earnings per share		-0,65	-0,85
Diluted earnings per share		-0,65	-0,85



Appendix: Financial figures – Cash flow 2021

(Amounts in NOK 1.000)

	Note	2021	2020
Cash flow from operating activities			
Loss before tax		-25 016	-10 667
Income taxes paid	6	-6	-6
Depreciation		112	-
Change trade payables		1 041	33
Other accruals etc.		-4 165	-412
Net interest expense		530	382
Net foreign currency exchange rate difference		-432	159
Net cash flow from operating activities		-27 935	-10 511
Cash flow from investing activities			
Payments on purchases of fixed assets	3	-375 955	-1 670
Payments of VAT on purchases of fixed assets	14	-24 603	
Net cash flow from investing activities		-400 558	-1 670
Cash flow from financing activities			
Proceeds from capital increases	10	381 714	37 906
Proceeds from loans and borrowings	11	93 238	1 300
Payments on leasing obligations		-84	-
Payments on loans and borrowings		-379	-
Net interest paid		-530	-15
Net cash flow from financing activities		473 959	39 191
 Net change in cash and bank deposits		 45 466	 27 010
Cash and bank deposits as at first in period		28 330	1 320
Cash and bank deposits as at last in period	9	73 796	28 330



Appendix: Financial figures – Balance sheet as of 31.12.2021

(Amounts in NOK 1.000)

	Note	2021	2020
ASSETS			
Non-current assets			
Assets under construction	3	384 839	9 052
Property, plant and equipment incl. right-of-use assets	3, 4	1 457	-
Long term receivables	14	24 807	-
Total non-current assets		411 102	9 052
Current Assets			
Other short term receivables		3 555	1 239
Cash and bank deposits	9	73 796	28 330
Total current assets		77 351	29 569
TOTAL ASSETS		488 454	38 622
Equity and liabilities			
Equity			
Share capital	10	3 979	1 510
Share premium reserve		386 416	32 618
Total equity		390 395	34 128
Liabilities			
Non-current liabilities			
Non-current interest bearing debt	2, 11	93 509	1 300
Lease liabilities	4	801	-
Total non-current liabilities		94 310	1 300
Current liabilities			
Current portion of interest bearing debt	2, 11	650	-
Current portion of lease liabilities	4	515	-
Trade payables	2	1 160	119
Tax payable	2, 6	-	6
Public duties payable	2	461	134
Other short term liabilities	2	963	2 935
Total current liabilities		3 749	3 194
Total liabilities		98 059	4 494
TOTAL EQUITY AND LIABILITIES		488 454	38 622



Appendix: Our ESG advantage

Proximar's business model puts sustainability at centre



The **Carbon Footprint** in Proximar's supply chain is significantly lower than the current import, based on long distance freight



Increases **local food supply** and **food security** through sustainable seafood production



Efficient production through low feed conversion rate, and reducing waste due to longer shelf life



Proximar **recycles** 99.7% of the water used in production. High quality and clean **water** supplied by groundwater at ~100 m depth



Proximar's closed system eliminates threats to local **marine life** and its ecosystems, as well as provides a **safe environment** for the fish



Proximar has strong requirements relating to the **feed supply** and have chosen a supplier who works actively to be sustainable



Proximar is located in a precious area and environment in Japan. The company is always searching for **sustainable solutions** in both construction and operation



Secures access to **renewable energy** by installing rooftop solar power system and purchase of renewable energy certificates



Proximar will provide **local employment** while promoting diversity and equality



Proximar will offer fresh salmon to the Asian market, **free of medication** and the traditional challenges of lice and micro plastics



All **waste** is handled and disposed in a safe way. Water is treated and disinfected before dispatch



Proximar has received **Cicero's Dark Green** shading. In the coming years, Proximar aims to obtain an ASC certification.