



PROXIMAR
SEAFOOD

Presentation of 4Q 2023

23.02.2024





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Today's speakers



Joachim Nielsen
CEO

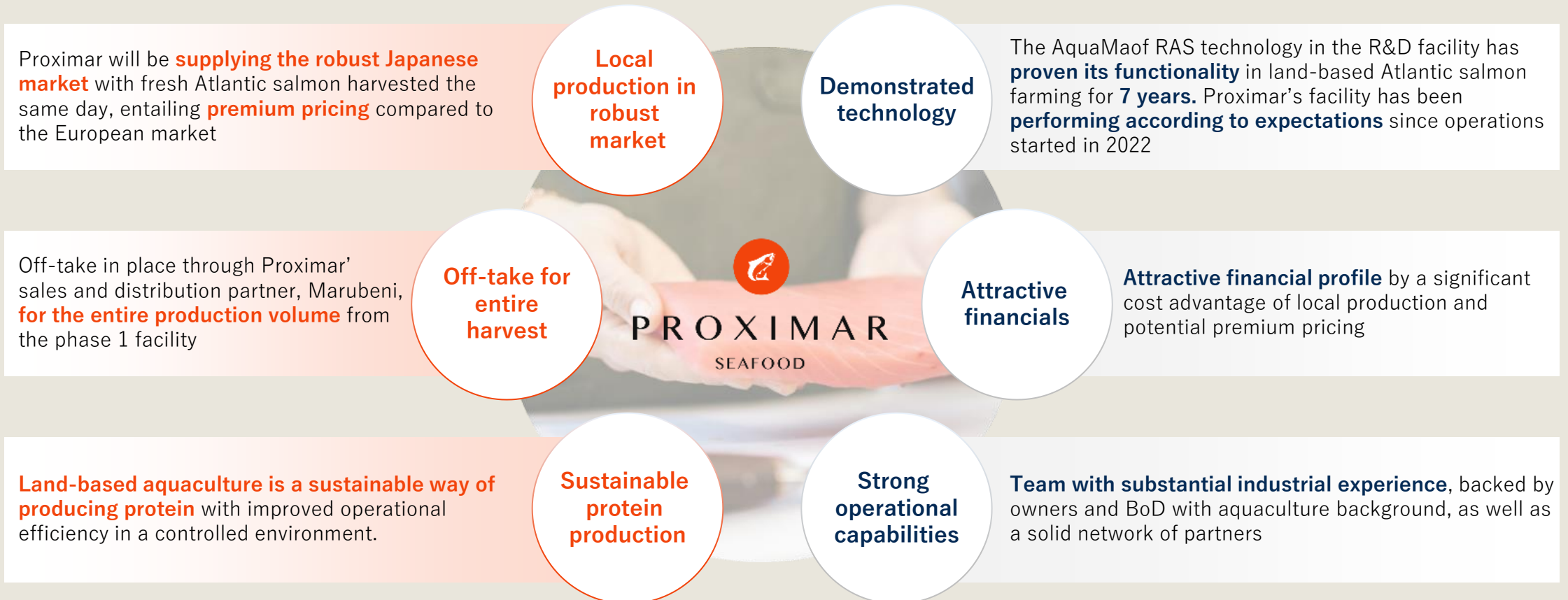


Ole Christian Willumsen
CFO

*“To be a leading provider of
sustainably produced seafood by
setting the standard for land-based
aquaculture”*



Proximar is well positioned to be a leading provider of sustainably produced seafood in Japan

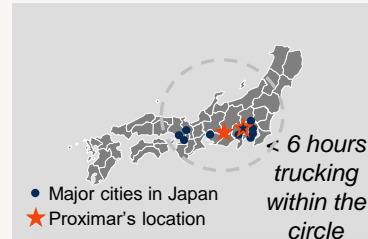




Proximar at a glance – 2024 a year of transition

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

- Stage I targeted production of **5,300 tonnes** (HOG)
- The facility is in operation, with the first batch of eggs successfully **inserted into hatchery in October 2022**,
- Currently a standing biomass of 57 tonnes and **first harvest expected in 3Q 2024**
- Long-term **sales and distribution agreement** in place with Marubeni Corporation
- A **significant cost advantage** by local production compared to imported fish
- **Prime location** close to the iconic Mount Fuji, adjacent market in greater Tokyo of ~38 million people



Construction works completed in 3Q 2023, equipment installation ongoing

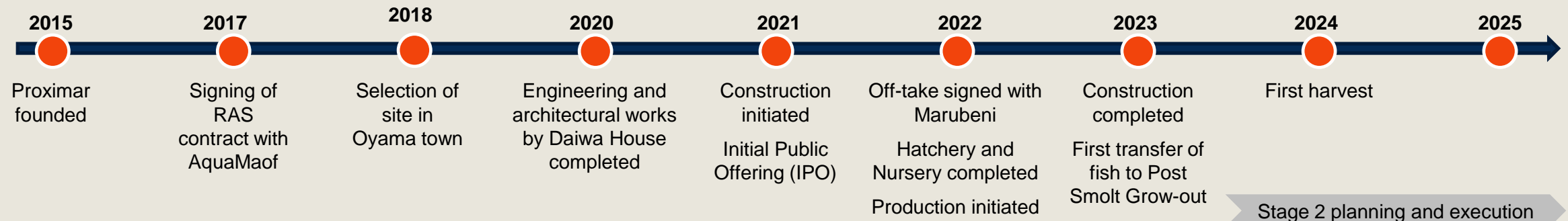
- Equipment installation ongoing in the post-smolt grow-out facility, 1 of 4 modules completed and in operation
- Next module to be completed and ready to receive first fish in April
- Module installation works aligned with production plan

Operations top priority and focus

- The Hatchery & Nursery production running very well and showing steady performance
- Encouraging initiation of post-smolt grow-out operations, providing excellent growth conditions following a start-up period
- Focus to build stable performance in the grow-out building in the coming months

Building consumer expectations towards first harvest in 3Q

- Together with Marubeni, Proximar is actively working on the planning of first harvest
- Sales discussions ongoing with selected potential buyers for fixed volume contracts

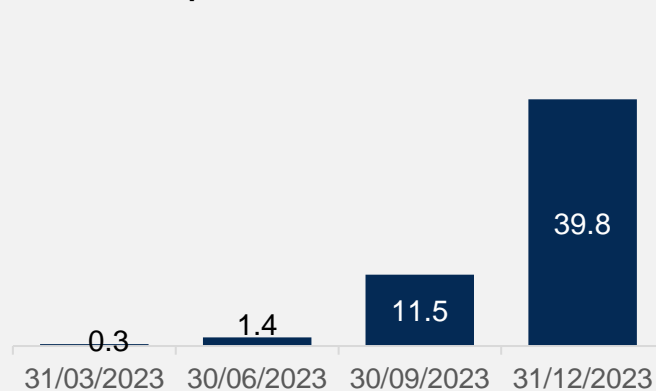




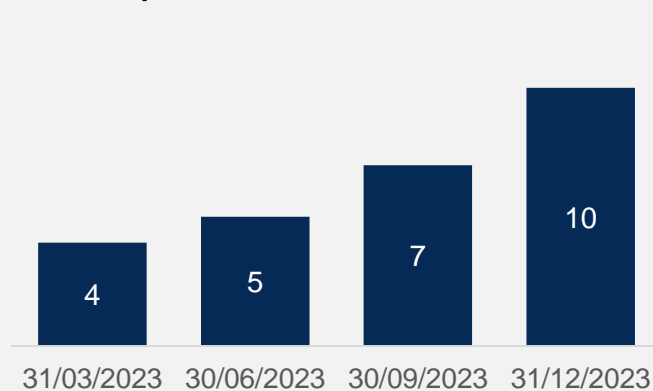
2023 has been a year of substantial development for Proximar

Important metrics development:

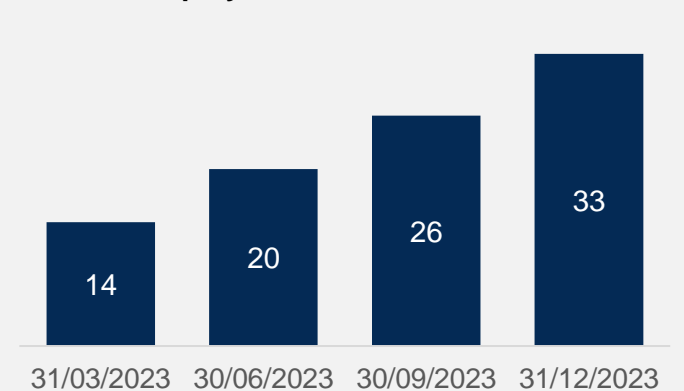
Biomass development



batches in production

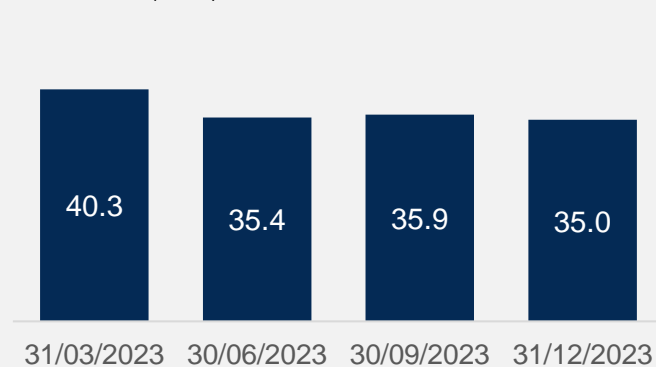


Proximar employees



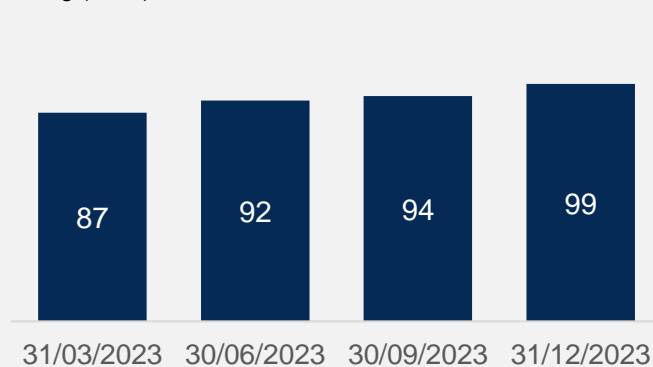
Japanese market (fresh Atlantic Salmon) LTM

In metric tonnes, (HOG)



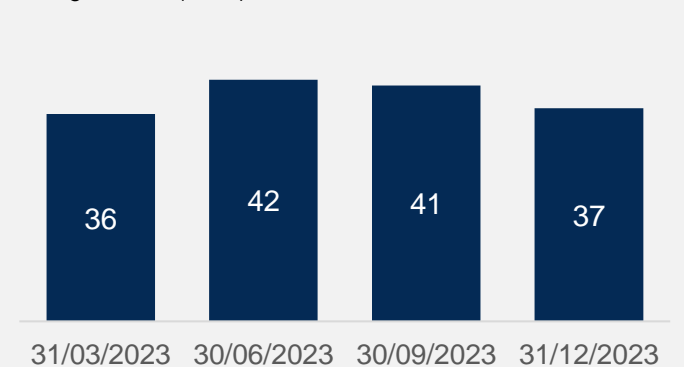
Fishpool forward price 2024

In NOK/kg (HOG)



Implied transportation cost Norway-Japan LTM

In NOK/kg, incl tax (HOG)





Highlights of the 4th quarter 2023 – start of operations in the grow out building



First transfer of fish to the grow-out building

- In December, the first batch of fish was transferred to the grow-out building
- Successful transfer with no irregular mortality during and post transfer



Successfully raising MNOK 140 in a private placement

- On 14th of December, the company raised MNOK 140 in a private placement
- The equity offering was significantly oversubscribed



Ramp-up of the organization

- Solidifying the company for the production phase with recruitment of both international industry experts and local operators
- Now totaling 38 employees of which 35 are in Japan



Continued encouraging growth and stable conditions

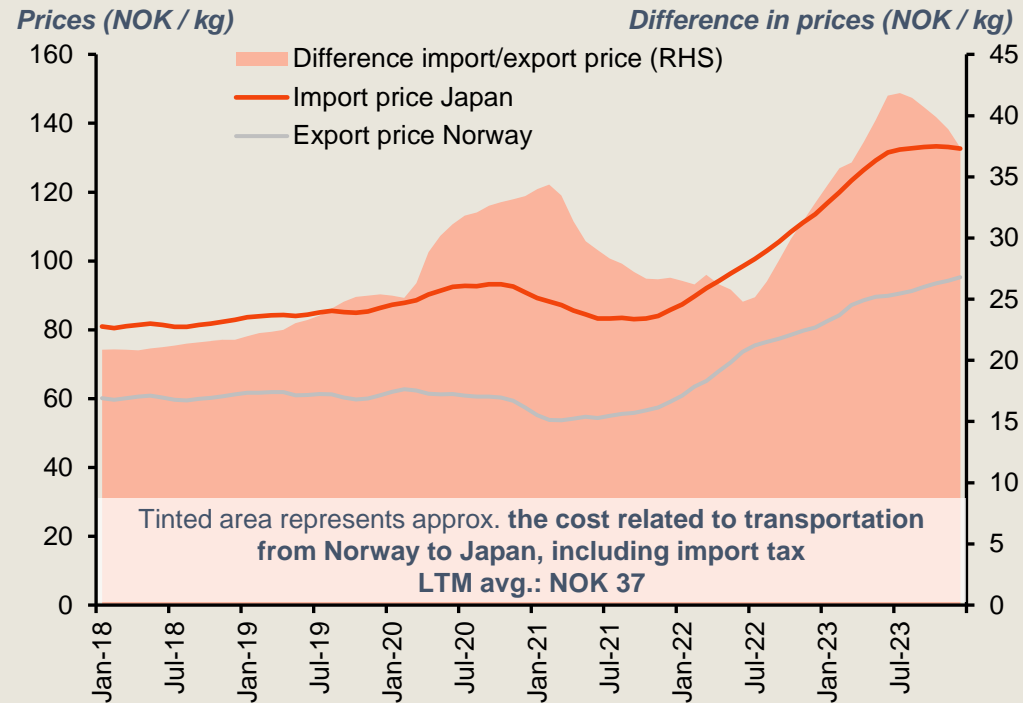
- The system is continuing to show stable water quality and growth conditions for the fish
- Good water quality is also demonstrated in good growth curves and fish health





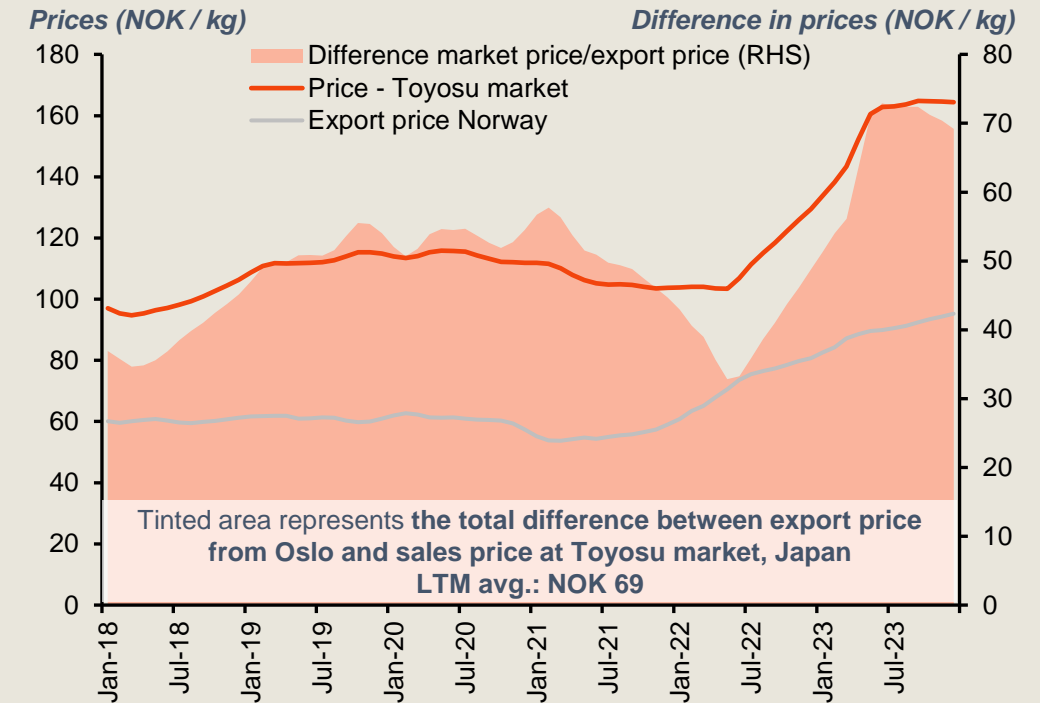
High transportation cost coupled with high salmon prices give strong pricing in the Japanese market

Implied transportation cost Norway-Japan¹⁾, 12 month rolling



- Transportation cost has increased significantly following the Russian-Ukrainian conflict and recent inflation spike
- The long transportation from Norway involves several processes on top of air transportation from Norway to Japan, including storage, re-packaging and re-icing upon arrival, import duties (3.5%), custom clearance and local transport

Japan market price²⁾ vs Norway export price, 12 month rolling



- Market price in Japan has increased substantially for the last year, due to all-time high export prices from Norway, combined with the increased transportation cost
- LTM average market price in Japan is 164 NOK/kg (HOG) as of December 2023

Source: Kontali, Japan Ministry of Finance, SSB

1) Including 3.5 % import tax

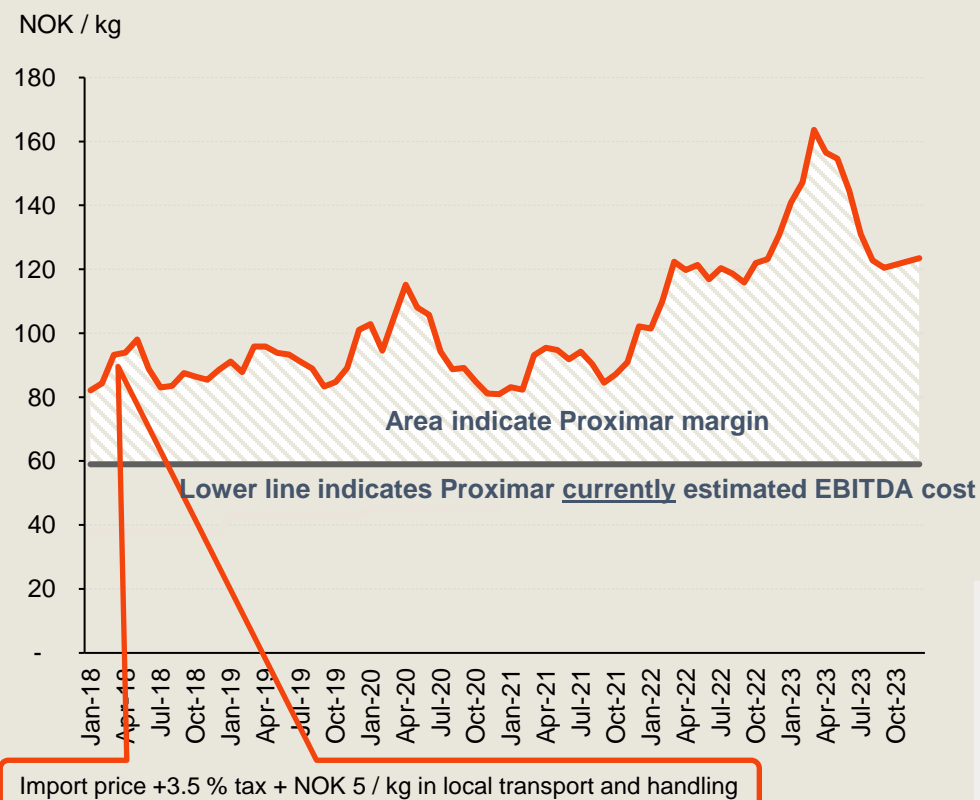
2) Toyosu market price in NOK



Robust outlook and attractive market fundamentals

Attractive market prices, driven by higher import costs – Proximar well positioned for attractive margins...

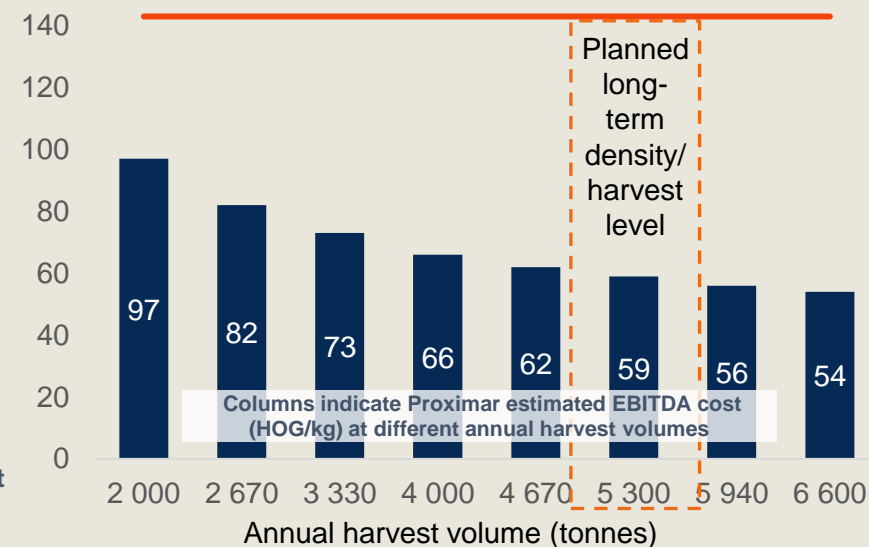
NOK / kg (HOG) at steady state production



... translating to robustness in our business model also in terms of volumes

EBITDA cost NOK / kg (HOG) at different annual harvest volumes

Proximar estimated net price¹:143



- With current pricing expectations, Proximar expect to be EBITDA 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 EBITDA cost of 59 NOK / kg



The business model of Proximar reflects a strong outlook and robustness

With the high price levels of Atlantic salmon in Japan, also impacted by the geopolitical situation affecting import costs, the economic outlook for Proximar continues to remain attractive

Even at lower harvest levels Proximar is expected to remain profitable, demonstrating the solidity in our business model

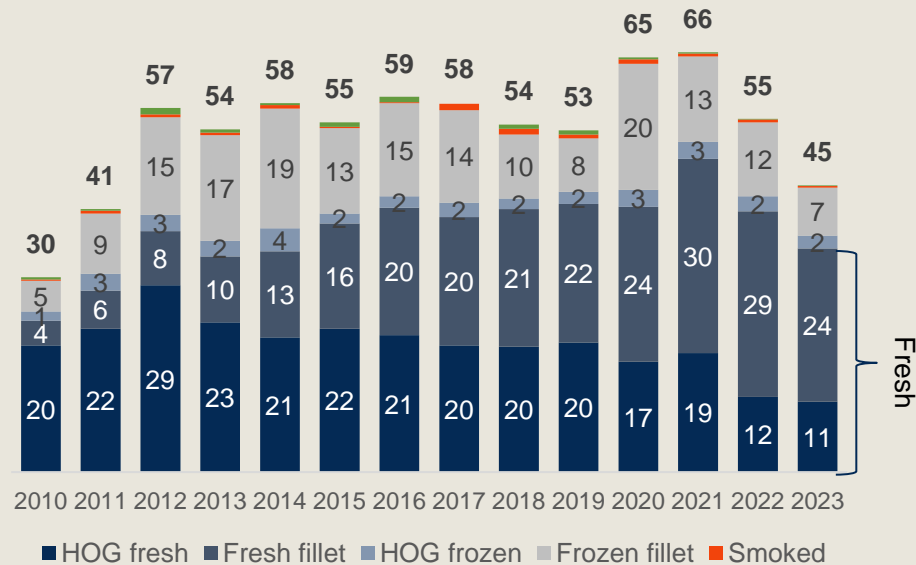


Japanese market impacted by the significant price increase in 2022/2023, but growth expected to continue long-term



Atlantic salmon consumption in Japan

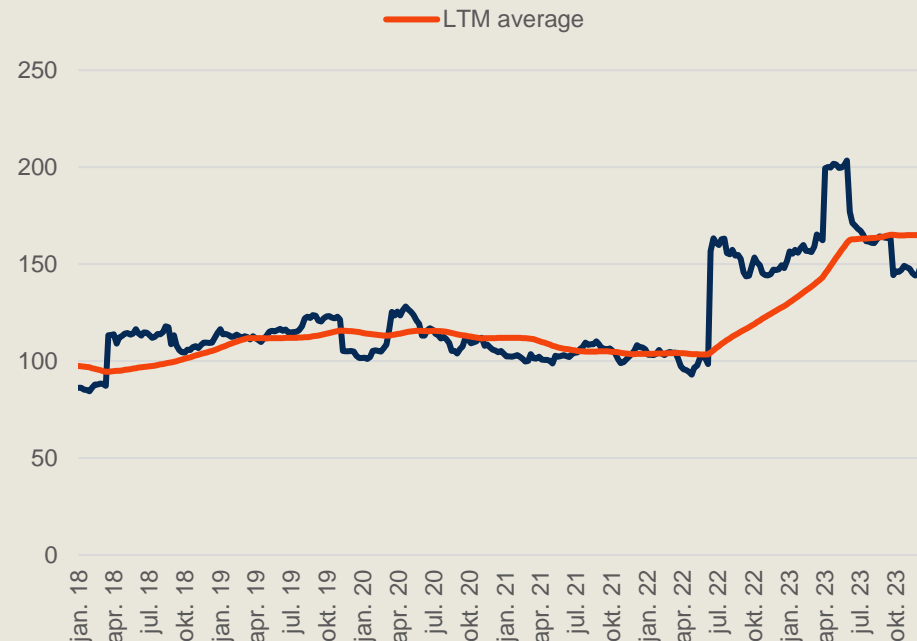
Figures in kMT, head-on-gutted equivalents



- Japan remains a strong market for Atlantic salmon despite high salmon prices and interruptions of the logistics chain due to the conflict in Ukraine
- 14 % decline in consumption of fresh salmon in 2023, following a 15 % decrease from 2021 to 2022. Prior to this there was a 7 % compound annual growth rate from 2010 to 2021.
- Increased share of fresh products for the last three years

Toyusu market prices

Figures in NOK/kg, head-on-gutted



- Toyusu Market prices provide an indication of the Atlantic salmon spot market prices in Japan
- 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 from mid-2022 onwards
- For 2023, the reported prices were in average ~164 NOK/kg, a 50 % increase from pre-2022 levels

~50 % increase in market prices of Atlantic salmon in Japan since 2021 driven by a combination of high export prices from Norway and increased cost of transportation

~30 % reduction in consumption in the same period despite all-time-high prices and interruptions of logistics chain

Consumption of Atlantic salmon in Japan steadily growing by the younger generation demand - trend expected to continue going forward despite some short-term softening

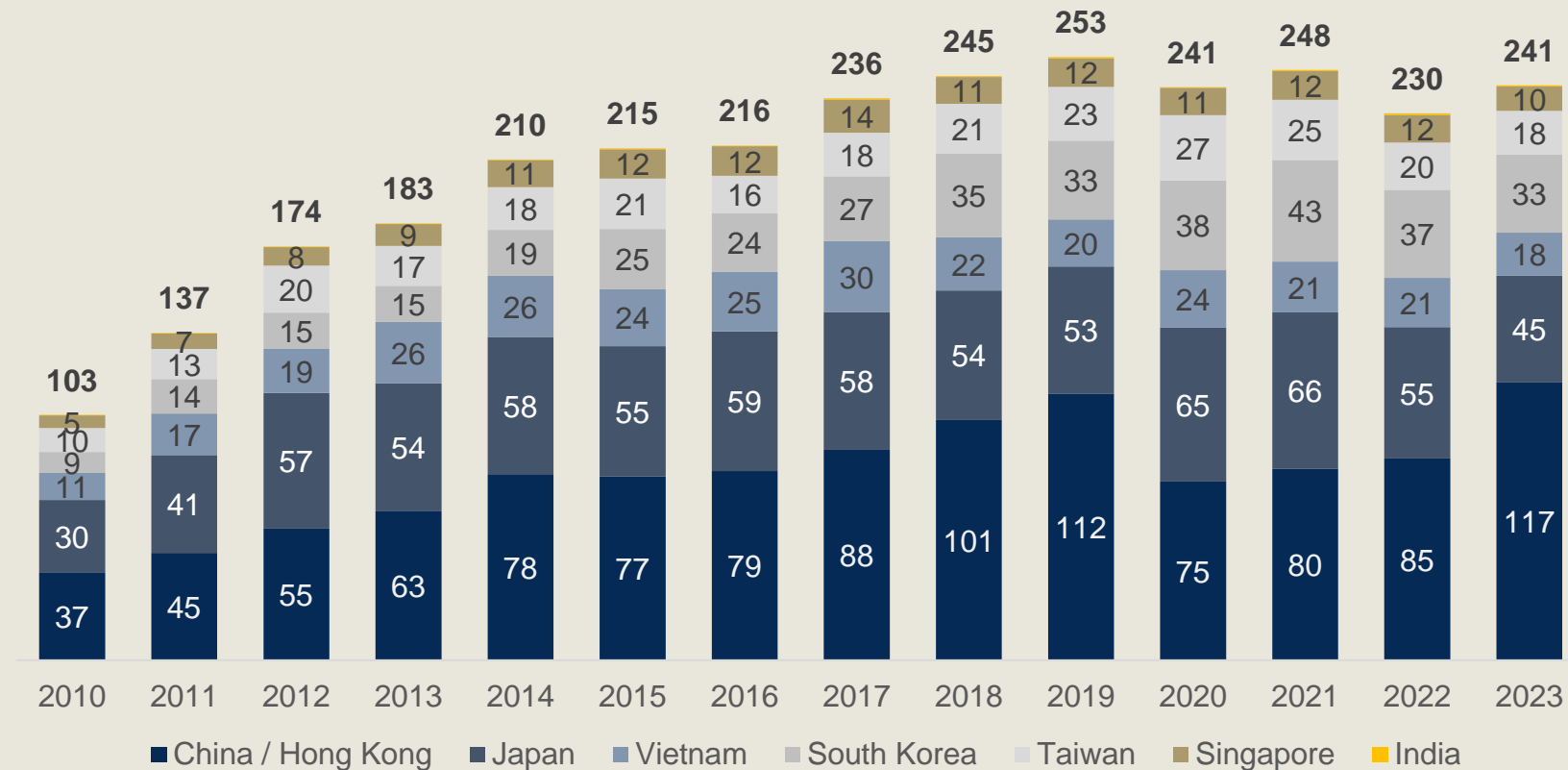


Consumption in Asia is significant and expected to grow – Proximar well positioned to export to adjacent countries



Atlantic salmon consumption in Eastern Asia

Figures in kMT, head-on-gutted equivalents



Source: Kontali

Supportive market development in Eastern Asian markets, despite sharp price increase and challenging logistics

Consumption in China returning to pre-Covid levels, making up for decrease in neighboring countries

Export to adjacent countries more relevant in conjunction with future expansions



De-risked sales & distribution with Marubeni off-take enabling Proximar to focus on production

10-year off-take / sales and distribution agreement with Marubeni Corporation signed in April 2022

- Marubeni and Proximar working closely together in the preparations related to sales activities, marketing and branding
- The off-take agreement covers all volumes produced by Proximar for the Japanese market and is based on a certain pricing mechanism / benchmark mechanism
- As Proximar is approaching first harvest and sales in 3Q, the ongoing activities are intensifying

Status:

- Progressing on brand name registration and logo
- From a wide range of discussions with potential customers, efforts are now being focused on a narrower and selected list of customers
- Current customer dialogues typically for contracting fixed volumes and prices – first contracts expected to be secured by end of 2Q
- Some production also targeted for the spot market

About Marubeni Corporation

- Founded in 1858, Marubeni is a major Japanese integrated trading and investment business conglomerate
- The company handles products and provides services in a broad range of sectors both in Japan and Internationally
- The group has 131 branches and offices and 45,995 employees
- Listed on the Tokyo Stock Exchange, market cap ~USD 26 billion

Marubeni



Close and active collaboration between Proximar and Marubeni on planning of the sales and marketing strategy

Strong interest and continued high activity

The discussions are now becoming more targeted, with a narrower list of potential customers

More specific contract discussions ongoing, including pricing request and volumes



Tank leakage causing breach in one of the large production tanks in the grow-out building

- On 3rd of February, we experienced a tank breach in the grow-out building
- The breach was caused by a leakage between the floor panels and the center module in the tank
- The leakage resulted in soil drainage in the foundation below the tank, causing a sudden breach in one of the floor panels

ACTIONS:

To prevent future leakage and risk of breach, Proximar is proceeding with the following actions:

- Foam injection around the center module to prevent drainage damaging the foundation and to secure extra support
- Polyurea coating of tank floors and connections with center module to avoid any leakage

An adhesive test of the polyurea to the GRP has been done with very supportive results in terms of strength and bonding



Caused identified and plan to repair the relevant tank and treat remaining tanks in the grow-out building to avoid risk of future leakage

Expected costs of fixing all relevant tanks in the grow-out building is estimated to be around MNOK 5



Tank Breach – implications of fish loss

- The estimated number of fish lost in the tank breach incident is around 50,000 fish (less than 5% of the current number of individuals in production). Will be updated if final conclusions divert substantially from the current estimate
- The relevant batch was planned harvested in end of 4Q 2024, and will impact expected harvest volume by approximately 250 tonnes
- The loss of fish has a short-term effect on harvest volumes and sales, however with limited impact on medium-term harvesting plans due to operational flexibility
- Proximar has taken possible start-up problems into the production plan by increasing the number of eggs inserted
- Reduced volumes has a net negative effect on cash situation towards the end of 2024, but within the company's financial flexibility/capacity



The implications of the tank breach is approx. 250 tonnes lower harvesting volumes in 2024

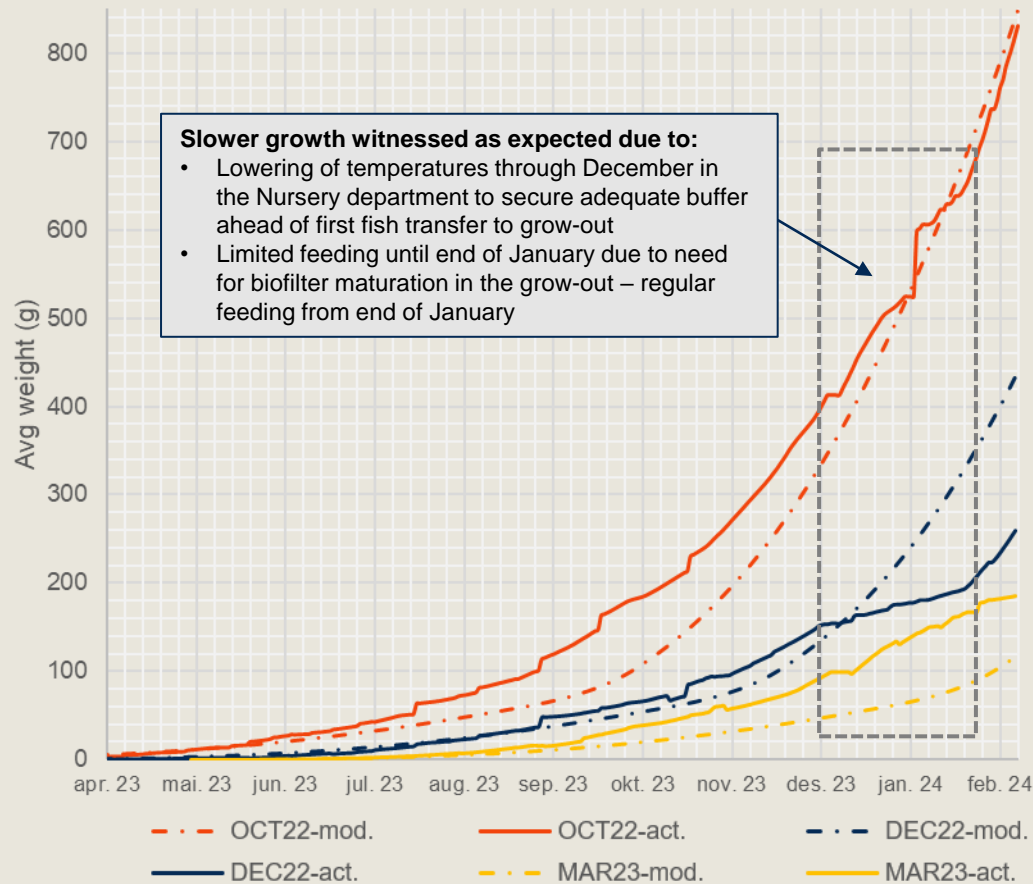
The breach and tank repairs is not expected to have any effect on the production

Limited impact on overall harvesting plan volumes in medium-term (2024/2025)

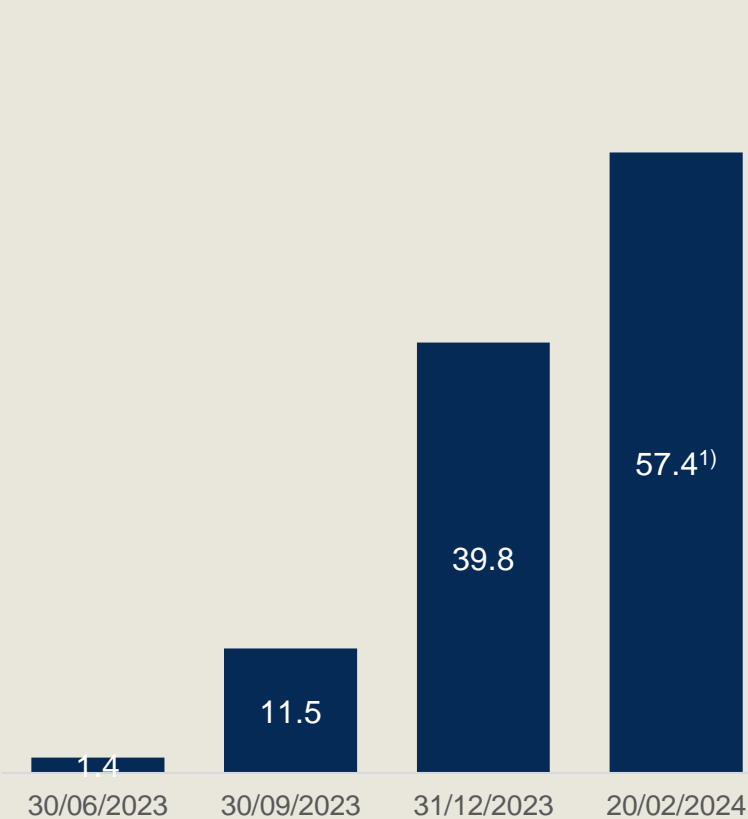


Production update: Encouraging growth through all batches, stable conditions in all departments

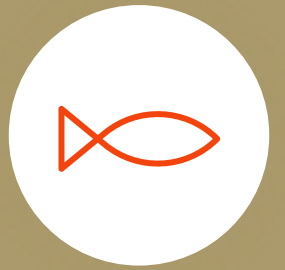
Growth curves for Proximar's first batches Compared to Skretting growth model, figures in grams



Proximar's biomass development In metric tonnes, live weight



1) Given estimation of 50 000 fish lost in tank breach event



Growth and number of individuals in line with production plan, continuing with additional inserts to maintain adequate contingency

No production / start-up related issues in 4Q, low mortality and encouraging biomass development

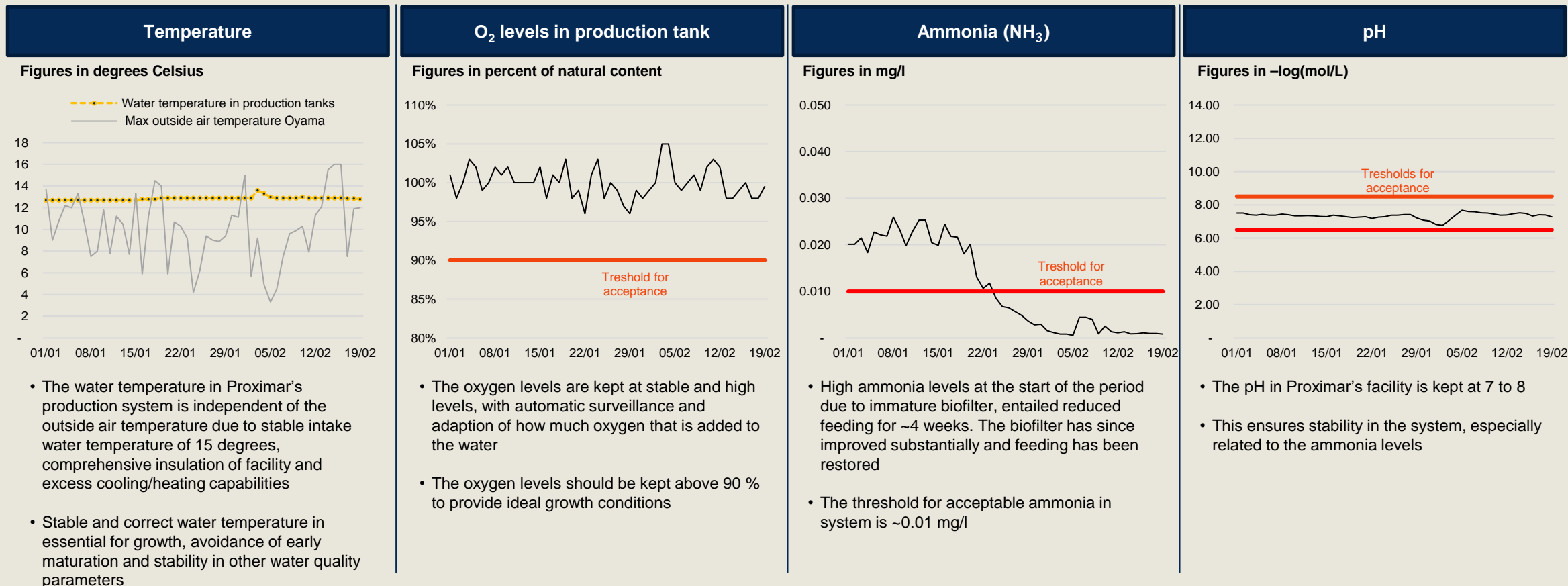
First transfer to the grow-out building as planned in December, no mortality seen in conjunction with the transfer

Feeding has been restrained during January, impacting growth due to need for biofilter maturation. Since the end of January, the biofilters showed full activity, and feeding resumed as normal



The post-smolt grow-out facility is providing excellent growth conditions, following a startup period with biofilter maturation

Development in important water quality parameters in Proximar's post-smolt grow-out facility in 2024



The system is providing good and stable water quality, while still improving with enhanced biofilter maturity



Successful recruitment continuing - well on track for 2024 and first harvest

The successful recruiting continues, with all key positions in place to secure good production results with relevant know-how

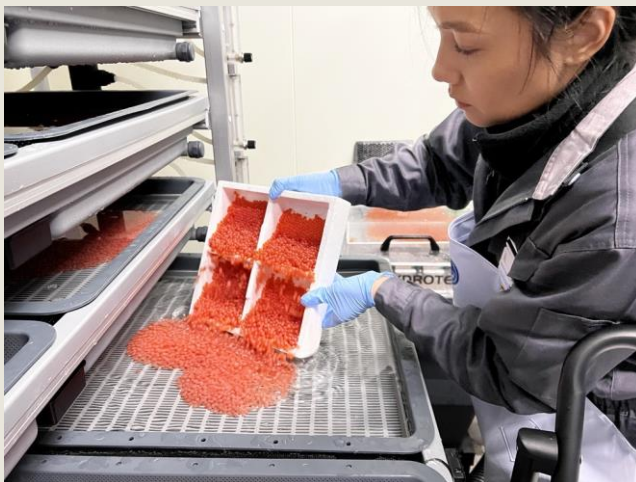
- A broad and experienced team with relevant background
 - Experience from several industries including farming of Atlantic salmon, RAS, wastewater, fish biology and water chemistry
- Ongoing internal recruitment to fill other relevant functions
- A highly dedicated and motivated team doing the utmost and contributing for Proximar to reach its goals



Production staffing secured and all relevant key positions have been filled

Continuing efforts on recruitment going forward to secure adequate resources and reduce vulnerability

38 employees and more joining in the coming months – well on track with the staffing plan





Financial summary 4th quarter 2023



P&L	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Revenue and other income	0	0	6	0
Operating expenses	-30 258	-8 220	-63 771	-25 485
Net financials	- 22 702	-1 002	-26 944	-3 236
Earnings before taxes	-52 960	-9 222	-90 709	-28 701

Balance sheet	31 December 2023	31 December 2022
Non-current assets	1 279 713	793 504
Inventory and biological assets	20 773	2 883
Other short term receivables	48 276	26 371
Cash and bank deposits	39 159	37 709
TOTAL ASSETS	1 387 922	860 466

Equity	372 364	389 922
Non-current liabilities	914 054	457 413
Current liabilities	101 504	13 132
TOTAL EQUITY AND LIABILITIES	1 387 922	860 466

Cost of production is adjusted for unutilized production capacity during 2023. As per 31 December 2023 this adjustment amounted to NOK 14.3 million which has been expensed directly in the profit and loss statement

Adjusted for this unutilized capacity effect, the Operating expenses are about 16 MNOK and Net loss about 30 MNOK

The majority of the net financials is related to diagio/currency loses (13,7 MNOK) and interest



Finance-related issues: Subsequent events

Successful Private Placement approved by the General Assembly on January 3:

- Substantially oversubscribed (x1,7)
- Approx. NOK 132 million in net proceedings
- Covering a large portion of the communicated funding requirement of NOK 165 million

A Subsequent Offering in February added additional capital

- The repair was also heavily oversubscribed (x3,4)
- Approx. NOK 23 million in net proceedings

Re-financing of the JAML loan

- The remaining part of this bullet loan is approx. NOK 53 million
- Current repayment date is 29 March 2024
- In the process of being extended by at least one year



The private placement and the subsequent offerings contributed with approx. NOK 155 million in additional liquidity

Together with the expected refinancing of the NOK 53 JAML loan, the communicated funding requirement of NOK 165 million in November is covered

The obtained buffer will be negatively affected by the tank breach, which results in an estimated 250 tonnes reduction in harvest volume in Q4 2024



Summary and outlook

Summary:

- › Production continues to show reassuring results, **steady growth and stable water quality**
- › All key functions of the production **team** in place with relevant experience
- › Start-up of **grow-out building** with the first batch of fish transferred in December
- › **Tank breach** negatively impacting harvest volumes, but medium-term impact on harvest volumes is limited due to higher number of eggs being inserted in the start-up phase
- › **MNOK 155 funding** secured in a private placement and repair offering

Outlook 2024:

- › Continue **building biomass** with regular inserts and focus on **transitioning to production and harvesting**
- › **Completion of equipment installation works** ongoing, with the next module to be operational in April
- › The long-term outlook of the **Japanese market for Atlantic salmon remains attractive**
- › A **first mover advantage** in Japan several years ahead of the competition and at attractive economics
- › Focus on **strategic opportunities** going forward and further positioning of Proximar for the future
- › On track for **first harvest in 3Q 2024**



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 January through 31 December 2023 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 quarterly report gives a true and fair view of the main events during the accounting period and their effect on the accounts for the first three quarters, 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, 22 February 2024

Katrine Trovik
Chair

Per Grieg
Director

Peter Hermanrud
Director

Viggo Halseth
Director

Joachim Nielsen
CEO



Consolidated statement of comprehensive income

(Amounts in NOK 1.000)

	Note	Q4 2023	Q4 2022	2023	2022
Revenue		-	-	-	-
Other income	2	-	-	6	-
Revenue and other income		-	-	6	-
Cost of materials		2 552	680	5 930	680
Changes in biomass	3	-436	-2 826	-17 772	-2 826
Personnel expenses		11 608	3 791	29 871	12 939
Depreciation and Amortisation	2	6 075	2 276	15 270	3 750
Other operating expenses		10 458	4 300	30 473	10 943
Operating expenses		30 257	8 220	63 771	25 485
		-	-		
Operating loss		-30 258	-8 220	-63 765	-25 485
Interest income		1	226	29	226
Other financial income		67	86	470	86
Interest expenses		7 389	7	9 926	82
Other financial expenses	7	15 382	1 307	17 517	3 466
Loss before tax		-52 960	-9 222	-90 709	-28 721
Income tax expense (income)		-8 129	-7 585	2 635	-6 160
Net loss for the period		-44 830	-1 636	-93 345	-22 561
Other comprehensive income/loss for the year					
Items that may be reclassified subsequently to profit or loss:					
Currency effect on investment in subsidiaries		-14 964	-53	-10 551	249
Currency effect on loans to subsidiaries		37 091	6 350	-8 966	-130
Income tax related to these items		-8 160	-1 397	1 972	29
Total compre. loss for the financial year, net of tax		-30 863	3 264	-110 889	-22 413
Earnings per share:					
Basic earnings per share	5	-0,75	-0,04	-1,79	-0,57
Diluted earnings per share	5	-0,75	-0,04	-1,79	-0,57



Consolidated statement of financial position

(Amounts in NOK 1.000)

	Note	2023	2022		Note	2023	2022
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity			
Assets under construction	2	339 042	618 161	Share capital	4	5 967	3 979
Land	2	91 436	31 568	Share premium reserve		366 597	363 654
Property, plant and equipment incl. right-of-use assets	2	848 832	133 112	Other equity	6	19 591	22 562
Long term receivables		403	10 662	Translation differences		-19 790	-274
Total non-current assets		1 279 713	793 504	Total equity		372 364	389 922
Current Assets				Liabilities			
Inventory		1 023	14	Non-current liabilities			
Biological assets	3	19 750	2 868	Convertible bond loan	6	202 725	214 720
Other short term receivables		48 276	26 371	Non-current interest bearing debt	6	615 396	241 815
Cash and bank deposits		39 159	37 709	Long term liabilities to related parties	6	95 693	-
Total current assets		108 209	66 963	Lease liabilities		240	879
				Total non-current liabilities		914 054	457 413
TOTAL ASSETS		1 387 922	860 466	Current liabilities			
				Current portion of interest bearing debt	6, 8	53 432	271
				Current portion of lease liabilities		785	1 758
				Trade payables		17 664	530
				Public duties payable		490	319
				Other short term liabilities		29 132	10 253
				Total current liabilities		101 504	13 132
				Total liabilities		1 015 557	470 545
				TOTAL EQUITY AND LIABILITIES		1 387 922	860 466



Consolidated statement of changes in equity

(Amounts in NOK 1.000)		Share capital	Share premium reserve	Other equity	Translation differences	Total equity
	Note					
Balance at 1 January 2022		3 979	386 808	-	-393	390 394
Loss for the period			-23 183	622		-22 561
Currency effect on investment in subsidiaries*					249	249
Currency effect on loans to subsidiaries			29		-130	-101
Total comprehensive loss for the period		-	-23 154	622	119	-22 413
Conversion option for issued bond, net of tax	6			21 940		21 940
Balance at 31 December 2022		3 979	363 654	22 562	-274	389 922
Balance at 1 January 2023		3 979	363 654	22 562	-274	389 922
Loss for the period			-92 723	-622		-93 345
Currency effect on investment in subsidiaries*					-10 551	-10 551
Currency effect on loans to subsidiaries			1 972		-8 966	-6 993
Total comprehensive loss for the period		-	-90 750	-622	-19 516	-110 889
Conversion option for issued bond, net of tax	6	516	24 639	-2 350		22 806
Capital Increase		1 473	69 054			70 527
Balance at 31 December 2023		5 967	366 597	19 591	-19 790	372 364

* 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	Q4 2023	Q4 2022	2023	2022
Cash flow from operating activities					
Loss before tax		-52 960	-9 222	-90 709	-28 721
Depreciation	2	6 075	2 276	15 270	3 750
Gain from sales of fixed assets	2	0	-	-6	-
Change in biological asset	3	-752	-2 868	-16 882	-2 868
Change in inventory		-771	-14	-1 009	-14
Change trade payables		8 596	260	17 134	-630
Other accruals etc.		8 163	-14 540	28 889	11 510
Net interest expense		17 287	7	37 114	82
Net foreign currency exchange rate difference		22 128	6 297	-19 516	119
Net cash flow from operating activities		7 772	-17 806	-29 715	-16 773
Cash flow from investing activities					
Purchase of property, plant and equipment	2	-60 149	-246 493	-540 865	-406 809
Proceeds from sale of assets	2	-0	-	6	-
Net cash flow from investing activities		-60 149	-246 493	-540 859	-406 809
Cash flow from financing activities					
Proceeds from capital increases		-	-	70 526	-
Proceeds from loans and borrowings	6	-	303 268	776 938	398 857
Transaction costs		-0	-9 091	-31 524	-9 091
Payments on leasing obligations		-483	-554	-1 775	-1 538
Payments on loans and borrowings	6	-179 755	-650	-205 025	-650
Net interest paid		-17 287	-7	-37 114	-82
Net cash flow from financing activities		-197 525	292 967	572 024	387 496
Net change in cash and bank deposits		-249 902	28 668	1 450	-36 086
Cash and bank deposits as at first in period		289 062	9 041	37 709	73 796
Cash and bank deposits as at last in period		39 159	37 709	39 159	37 709



Note 1 - Summary of significant accounting policies

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 is constructing a production facility for Atlantic salmon close to Mount Fuji, Japan, through the fully owned Japanese subsidiary Proximar Ltd.

The Group's interim consolidated statements for the six months ended 31 December 2023 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 2022 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 2022 Annual Report.



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

Amounts in 1.000 NOK

Split between Right-of-use assets and owned assets:	2023	2022
Carrying amount RoU-assets	922	2 516
Carrying amount owned assets	1 278 387	780 326
Total property, plant and equipment incl. right-of-use assets	1 279 310	782 841

Year ended 31 December 2023	Assets under construction	Land	Buildings	RAS	Equipment and vehicles	Total
Cost at 1 January 2023	618 162	31 568	47 436	62 966	22 394	782 525
Additions in the year/reclassifications	-255 599	61 069	584 028	108 854	42 301	540 652
Disposals					-12	-12
Currency effect*	-23 520	-1 201	-1 799	-2 379	-198	-29 098
Cost at 31 December 2023	339 042	91 436	629 664	169 440	64 484	1 294 067

Accumulated depreciation at 1 January 2023			310	823	1 067	2 200
Depreciation in the year			3 946	5 382	4 414	13 742
Disposals					-12	-12
Currency effect*			-174	-237	161	-249
Accumulated depreciation at 31 December 2023			4 082	5 968	5 629	15 680

Net carrying amount at 31 December 2023	339 042	91 436	625 582	163 472	58 855	1 278 387
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Year ended 31 December 2022	Assets under construction	Land	Buildings	RAS	Equipment and vehicles	Total
Cost at 1 January 2022	384 839				168	385 007
Additions in the year/reclassifications	242 569	31 568	47 442	62 982	22 337	406 899
Currency effect*	-9 246		-6	-17	-112	-9 380
Cost at 31 December 2022	618 162	31 568	47 436	62 966	22 394	782 525

Accumulated depreciation at 1 January 2022					22	22
Depreciation in the year			310	823	1 045	2 178
Accumulated depreciation at 31 December 2022	0	0	310	823	1 067	2 200

Net carrying amount at 31 December 2022	618 162	31 568	47 126	62 143	21 327	780 325
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Note 2 - Land, property, plant and equipment (2/2)

Amounts in 1.000 NOK

Estimated useful life and depreciation plan is as follows:

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

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

Assets under construction relates to the building of a new plant in Japan, and 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, including instalment of RAS equipment. Total capital expenditure, i.e. construction cost excluding financing costs and activated internal costs, is estimated as per the table below:

Category	Total
Construction	655 496
Equipment	489 697
Land	95 928
Total	1 241 123

Progress per 31 December 2023 inclusive of land	96 %
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The construction work was completed in Q3 2023, while the RAS equipment installation is expected completed in Q3 2024.



Note 3 – Biological assets

Amounts in 1.000 NOK

The group started with production in October 2022. At year end 2023 biological assets consists of the first batches measured at cost.

Book value of inventory	2023		2022	
Raw materials				
	Tonnes	Tonnes	Count	Count
Volume of biological assets	2023	2022	2023	2022
Biological assets beginning of period	0		250 995	
Increase due to production	40	0	884 912	250 995
Volume of biomass	40	0	1 135 907	250 995
Carrying amount of biological assets			2023	2022
Biological assets as of 1 January			2 868	
Increase due to production in period 1 January to 30 September*			16 130	
Biological assets 30 September			18 998	
Increase due to production in period 1 October to 31 December**			752	2 868
Biological assets 31 December			19 750	2 868
Reconciliation of changes in the carrying amount of biological assets			2023	2022
Carrying amount as of 1 January			2 868	
Cost to stock in period 1 January to 30 September*			17 336	
Currency translation differences			-1 206	
Total carrying amount of biological assets 30 September			18 998	
Carrying amount as of 1 January			18 998	-
Cost to stock in period 1 October to 31 December**			436	2 826
Currency translation differences			315	42
Total carrying amount of biological assets 31 December			19 750	2 868

* Changes in biomass in profit and loss is translated to the presentation currency using the average exchange rate for the period.


** The company is in an early stage of the production ramp-up at the facility in Japan and the facility's production capacity is not fully utilized. Cost of production is therefore adjusted for unutilized production capacity during 2023 in December. As per 31 December 2023 this adjustment amounted to NOK 14.3 million which has been expensed directly in the profit and loss statement in December 2023.



Note 4 - Share capital and shareholders (1/2)

The share capital of NOK 5.967.278 consisted of 59.672.780 shares, each with a nominal value of NOK 0.1 at the end of 2023. All shares carry equal rights.

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

	2023 	2022
Ordinary shares at beginning of period	39 787 650	39 787 650
Issue of ordinary shares	19 885 130	-
Ordinary shares at 31 December	59 672 780	39 787 650

Shares owned by board members, group management and their related parties at 31 December 2023

	Number of shares	Ownership percentage
Board of Directors		
Katrine Trovik (Chair), Kvasshovd AS	590 000	1,0 %
Per Grieg, Grieg Kapital AS and Kvasshøgdi AS	9 224 893	15,5 %
Viggo Halseth	48 250	0,1 %
Total number of shares held by Board members	9 863 143	16,5 %
Group Management		
Joachim Nielsen, CEO, Loyden AS	2 805 000	4,7 %
Ole Christian Willumsen CFO	103 000	0,2 %
Dharmarajan Rajeswaran, COO	36 000	0,1 %
Lars Stigaard, CTO	83 445	0,1 %
Total number of shares held by Group management	3 027 445	5,1 %



Note 4 - Share capital and shareholders (2/2)


List of main shareholders at 31 December 2023 and 2022

Shareholder	2023		2022	
	Number of shares	Ownership percentage	Number of shares	Ownership percentage
Daimyo AS	7 996 238	13,4 %	3 996 238	10,0 %
Grieg Kapital AS	6 480 049	10,9 %	3 180 049	8,0 %
Helida AS	4 042 000	6,8 %	1 242 000	3,1 %
Loyden AS	2 805 000	4,7 %	2 805 000	7,0 %
Kvasshøgdi AS	2 744 844	4,6 %	2 744 844	6,9 %
Nutreco International B.V.	2 160 493	3,6 %	2 160 493	5,4 %
M. Paulen AS	1 488 773	2,5 %	-	0,0 %
Myrlid AS	1 458 060	2,4 %	-	0,0 %
T.D. Veen AS	1 181 219	2,0 %	1 384 567	3,5 %
Vitamar AS	1 109 026	1,9 %	640 000	1,6 %
Nordnet Livsforsikring AS	1 096 561	1,8 %	949 832	2,4 %
Zolen & Månen AS	1 000 000	1,7 %	1 031 250	2,6 %
OM Holding AS	1 000 000	1,7 %	750 000	1,9 %
Pactum AS	953 000	1,6 %	1 424 000	3,6 %
Sulefjell AS	843 543	1,4 %	543 543	1,4 %
HRH I AS	600 000	1,0 %	-	0,0 %
Jan Heggelund	595 448	1,0 %	-	0,0 %
Kvasshovd AS	590 000	1,0 %	100 000	0,3 %
Nordnet Bank AB	551 064	0,9 %	23 973	0,1 %
M Paulen Holding AS	502 475	0,8 %	502 475	1,3 %
Skandinaviska Enskilda Banken AB	500 000	0,8 %	50 000	0,1 %
Total number of shares attributed to the largest shareholders	45 002 150	75,4 %	26 707 408	67,1 %
The number of shares attributed to the other shareholders	14 670 630	24,6 %	13 080 242	32,9 %
The total number of shares issued and outstanding	59 672 780	100,0 %	39 787 650	100,0 %



Note 5 - Earnings per share

Amounts in NOK

	Q4 2023	Q4 2022	2023 	2022
Profit (loss) for the year	-44 830 499	-1 636 328	-93 344 517	-22 561 021
Weighted average number of outstanding shares during the year	59 586 258	39 787 650	52 187 041	39 787 650
Earnings (loss) per share - basic and diluted (in NOK)	-0,75	-0,04	-1,79	-0,57

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



Note 6 - Borrowings and other current liabilities (1/3)

Amounts in NOK

The Group has, through its subsidiary Proximar Ltd. (Japan), received a loan from a syndicate consisting of three large Japanese banks for a corporate loan of JPY 8.8 billion (NOK ~633 million). The Group shall repay the outstanding principal of the loan in full on the maturity date, 31 August 2025, unless instalment payment conditions occur based on certain levels of positive cash balance.

In December 2022 the Group renegotiated a credit facility of JPY 2.500.000.000. The agreement has a fixed interest rate of 2.65 % and a fee of JPY 27.500.000 (1 %) is recognised as transaction cost. Additionally, the loan facility was increased by JPY 750.000.000 in December 2022. The Group has repaid the outstanding principal of the term loan of JPY 750.000.000 and an instalment of JPY 1.750.000.000 for the credit facility of JPY 2.500.000.000. The outstanding principal of JPY 750.000.000 shall be paid in full on the maturity date (29 March 2024). Interests are paid quarterly. These facilities are classified as current. Grieg Kapital AS is guarantor to this facility, guarantee fee is charged with 5 % of principal amount.

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. 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.

25.8 mill bonds are converted in 2023 and the Group issued 5.160.000 shares, increasing the share capital by NOK 516.000.

The convertible bond has an 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.

Carrying amount at 31 December 2022	214 720
Converted bonds during 2023	-22 788
Interest charged (using the effective interest rate)	10 793
Carrying amount at 31 December 2023	202 725



Note 6 - Borrowings and other current liabilities (2/3)

Amounts in NOK

In April 2023, the Group released a tap issue of the bonds with an option for conversion to shares in the parent company. The total amount issued is NOK 40.000.000 and consists of 40 mill bonds. The company had a buy back option for the bonds and on 30 May 2023, the Company resolved to exercise the option to buy back all the convertible bonds under the Tap Issue. The bonds are held by the Company at year end 2023. Own bonds are not recognized in the financial statements.

The Company settled the buy-back with two of the bondholders, and in order to safeguard necessary liquidity requirements in the Company, it entered into an agreement with Daimyo Invest AS to defer settlement of the buy-back of their NOK 15 million convertible bonds. The deferred payment obligation was settled in full by the Company on 22 January 2024.

In conjunction with the equity issue in Q2 2023, major shareholder Grieg Kapital AS provided Proximar with a loan guarantee of up to NOK 130 million. Following the issue, the loan was executed for a total of NOK 104.2 million. The loan shall be repaid in 2.5 years, the loan was subject to an arrangement fee of 5 %, and shall carry an interest of NIBOR 1M + 7.25 % payable 3 months upfront, with a first upfront payment for 12 months for part of the interest (5 %).

Non-current liabilities*	Borrowing company	Currency	2023	2022
Convertible bond loan	Proximar Seafood AS (Norway)	NOK	202 725	214 720
Non-current interest bearing debt	Proximar Seafood AS (Norway)	NOK	95 693	-
Bullet credit facility**	Proximar Ltd (Japan)	JPY		241 815
Loan to financial institution	Proximar Ltd (Japan)	JPY	615 396	
Total non-current liabilities			913 814	456 535
Bullet credit facility**	Proximar Ltd (Japan)	JPY	53 432	
Current interest bearing debt	Proximar Seafood AS (Norway)	NOK	15 000	
Loan to financial institution	Proximar Seafood AS (Norway)	NOK		271
Current portion of interest bearing debt			68 432	271

*Carrying amount includes capitalised borrowing cost.

**The credit facility in Japan have maturity 29 March 2024 and are classified as short term.



Note 6 - Borrowings and other current liabilities (3/3)

Amounts in NOK

Payment profile non-current liabilities	2024	2025	2026	Total
At 31 December 2023				
Non-current bullet credit facility	53 927	-	-	53 927
Long term loan to financial institution		632 738	-	632 738
Short term loan	15 000			
Long term loan		104 200	-	104 200
Convertible bond loan		224 200	-	224 200
Leasing	785	240	-	1 025
Total	69 712	961 378	-	1 016 089

Description of liabilities	Currency	Interest rate	Final maturity	Pledges
Bullet credit facility	JPY	2,65 %	March 2024	Shares in Proximar Ltd
Loan to financial institution	JPY	TIBOR + 4.0 %	August 2025	All assets
Non-current interest bearing debt	NOK	NIBOR 1M + 2,25 %	October 2025	Shares in Proximar Ltd
Convertible bond loan	NOK	7,00 %	October 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 %.


Loan to financial institution:

For the syndicated loan provided by the three Japanese banks, the Group has provided all assets and main contracts as pledge and Proximar Seafood AS is the guarantor. There are reporting requirements at given deadlines.



Note 7 – Other financial expenses

(Amounts in NOK 1.000)

Breakdown of other financial expenses	Q4 2023	Q4 2022	2023 	2022
Currency losses	13 719	1 262	14 783	3 394
Leasing expenses	27	45	61	72
Other financial expenses	1 636	0	2 674	
Sum other financial expenses	15 382	1 307	17 517	3 466

In October 2023, part of the loan from the parent company to the subsidiary was converted to equity. The exchange rate loss in Q4 is mainly related to the exchange rate effect of this conversion.



Note 8 – Subsequent events

Proximar Seafood AS has registered a share capital increase pertaining to the private placement raising gross proceeds of NOK 140 million in January 2024, 70.000.000 new shares in the Company is issued, each at a subscription price of NOK 2.00 per new share. In February, an repair offering raised gross proceeds of NOK 25 million, issuing 12.5 million new shares at NOK 2.00 per new share.

As a consequence of the private placement approved by the general assembly on January 3 2024, the Company has received notice from Nordic Trustee AS, in the capacity as Bond Trustee for the convertible bonds, that the conversion price of the Bonds has been adjusted according to the Bond Terms Clause 13.1, from NOK 5 to NOK 4.1757. Following the completion of the subsequent (repair) offering in February, the conversion price has been further adjusted to NOK 4.0727.

On January 22 2024 the company repaid the deferred settlement of the NOK 15 million related to the tap of the convertible loan to Daimyo Invest AS in full.

The current loan to JAML of JPY 750 million is in the process of being extended by et least one year.

On February 3, a breach in the tanks resulted in a loss of approximately 50,000 fish which were expected to be harvested in Q4 2024.