



Proximar Seafood AS
Interim consolidated financial statements
Six months ended 30 June 2021



PROXIMAR
SEAFOOD

Dear shareholders

Letter from the CEO

We are pleased with the progress made in the first half of 2021, and despite the pandemic, we have proceeded according to schedule when it comes to the construction of our first land-based recirculation facility in Oyama Town, Shizuoka in Japan.

“According to schedule”

Located in proximity of Greater Tokyo with approx. 38 million people and serving a domestic market of approx. 126 million people, Proximar is uniquely positioned for serving the freshest Atlantic salmon to the Japanese consumers from 2024.

Since the start of construction preparations on the 19th of March, the progress made on site is according to the planned schedule. As for the construction cost, we are also in line with previous communication of approx. MNOK 915.

“According to cost”

At present, concrete works are ongoing for both the Hatchery and Nursery building (HN) as well as the Post Smolt Grow-out building (PSG). The first layers of pipes delivered by Aqua Maof are also installed and tested.

In June we signed a contract with HighComp for delivery of all fish tanks and harvest channels.

The completion of the Hatchery and Nursery building is scheduled for 3Q 2022. For the PSG, the scheduled completion is 3Q 2023. First harvest is expected in 2Q 2024.

We have been strengthening our team both for administration as well as operations and will continue our recruitment process going forward to secure a smooth start of

production. We are also encouraged by the strong interest from highly skilled candidates.

In May, we signed an MOU with Marubeni Corporation with regards to a potential sales and marketing agreement. Marubeni is one of the largest general trading companies in Japan, with 136 branches and offices in 68 countries and regions and ~45,000 employees. We also consider this as a confirmation of our plans and interest for our future product. The intention of the MOU is to agree on an off-take strategy, which is also an important part of the long-term financing in Japan.

In April, we received Dark Green shading from Cicero, both on a company level and with regards to debt financing. We are very proud to be the first company in our industry to receive the darkest shading and will strive to maintain this high standard. We consider this important for our future sales and marketing but are also pleased to see that ESG is becoming an important part also for Japanese banks and financial institutions.

In July, we signed a framework agreement with Benchmark Genetics, thereby securing high-quality and stable deliveries for both stage 1 and the planned expansions.

Benchmark Genetics is also supplying the eggs to the Aqua Maof facility in Poland, and the performance we see at this facility matches very well with our own production plans.

For the last four years, Aqua Maof has been growing Atlantic salmon in its facility in Poland. The facility, initially built for Tilapia and in operation since 2012, was rebuilt in 2016 for growing Atlantic salmon. From early 2017, the facility was restarted, and the production of Atlantic salmon initiated. The facility has demonstrated good performance and has been harvesting steadily since 2019.

The growth curves in Poland are in accordance with Proximar's production plan. We are also encouraged by the demonstrated results when it comes to the functionality of the technology.

We are in the process of establishing a Technical Advisory Committee, consisting of four members with relevant background from the aquaculture industry. Together with our own operational resources, we believe we will be very well positioned for the coming operations.

Following the transition from a private company to being a public company, the

significant debt, and an equity of MNOK 398. The funding so far has been used in accordance with the fixed price contracts, with no major deviations.

When it comes to financing, we raised MNOK 400 in a private placement in January. As for debt financing, we are progressing in our discussions with Japanese banks and financial institutions, with the aim of securing an attractive long-term structure. However, the pace of the negotiations has been hampered by the pandemic and travel restrictions and could impact the schedule.



Board composition was changed as planned. The new independent board members bring valuable experience from financing and banking, as well as long-term experience and relationships from doing business in Japan.

The financial results 1H 2021 are presented in this report. Most of our activity is directly related to the construction. The operational loss is MNOK 5,5. The company has no

At the end of 1H, the cash balance was MNOK 98,2. The construction start triggered the first milestone payments to both Aqua Maof and Daiwa House.

In terms of market outlook, we have seen a robustness in the demand for Atlantic salmon in Japan, despite the muted demand from the HORECA market.

The reduced demand in the HORECA market has been replaced by stronger household demand. This is clearly positive, and we expect consumption to continue growing going forward, as salmon is gaining popularity also driven by the younger generation's preference for salmon.

We are encouraged by the feedback we get from sources in the Japanese market, which supports our view on the market potential of our fish due to its freshness, Mt Fuji location, clear ESG profile and local origin. Our belief in a premium pricing potential is also confirmed.

Proximar is receiving strong interest and attention in Japan, and we have been mentioned in several articles in the Japanese media. We therefore retain a positive outlook on the prospects for our farming facility and move towards operational start-up with confidence and enthusiasm.



Joachim Nielsen
Chief Executive Officer

First half 2021 - Highlights

Financial highlights

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

Operational highlights

- Signed contracts with Daiwa House (construction) and HighComp (tanks)
- Construction started 19th March with a total construction time of 28 months
 - By the end of H1, the project is running according to time schedule and cost estimates.
- MOU signed with Marubeni regarding a sales and marketing agreement for the fish
- Received a Dark Green shading from Cicero for our sustainability efforts and plans

Statement from the Board of Directors

We hereby confirm that the financial statements for the period from 1 January to 30 June 2021, to the best of our knowledge, have been prepared in accordance with IAS 34 – Interim Financial Reporting – and that the information in the accounts gives a true and fair view of Proximar Seafood AS (collectively, the “Group”) and of the Group’s assets, liabilities, financial position and overall results.

We also confirm that, 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.

The Board of Directors
Bergen, 25th of August 2021

Katrine Trovik (Chair)

Per Grieg Jr

Espen Aubert

Fridtjof Falck

Consolidated statement of comprehensive income

Unaudited (Amounts in NOK 1,000)

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

Consolidated statement of financial position

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

Consolidated statement of changes in equity

(Amounts in NOK 1,000)	Share capital	Share premium reserve	Translation differences	Total equity
Balance at 1 January 2021	1 510	32 579	39	34 128
Profit (loss) for the period		-19 437		-19 437
Other comprehensive income (loss) for the period net of income tax			1 620	1 620
Total comprehensive income for the period	-	-19 437	1 620	-17 818
Capital increase	2 469	379 245		381 714
Balance at 30 Juni 2021	3 979	392 387	1 659	398 024

Consolidated statement of cash flows

(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	-	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

Note 01: Accounting policies

The Proximar Seafood group is an early-stage 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 30 June 2021 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 2020 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 2020 Annual Report.

Note 02: Land, property, plant and equipment

(Amounts in NOK 1,000)

Period ended 30 June 2021	Property, Plant and		Sum
	Assets under construction	equipment	
Cost at 1 January 2021	9 052	-	9 052
Additions in the period	260 282	27	260 308
Cost at 31 January 2021	269 334	27	269 360
Accumulated depreciation at 1 January 2021	-	-	-
Depreciation in the period	-	1	1
Net carrying amount at 30 June 2021	269 334	26	269 360

Note 03: Share capital and shareholders

The share capital of NOK 3 978 765 consisted of 39 787 650 shares, each with a nominal value of NOK 0.1 at 30.06.2021.

All shares carry equal rights.

The movement in the number of shares during the last six months was as follows:

Ordinary shares at beginning of period	15 096 280
Issue of ordinary shares	24 691 370
Ordinary shares at 30 June	39 787 659

List of main shareholders as of 30.06.2021:

Shareholder	Number of shares	Ownership percentage
Daimyo AS	3 821 238	9,6 %
Grieg Kapital AS	3 180 049	8,0 %
Loyden AS	2 790 000	7,0 %
Kvasshøgdi AS	2 484 844	6,2 %
Nutreco International B.V.	2 160 493	5,4 %
Nordic Delta AS	2 088 253	5,2 %
Pactum AS	1 474 567	3,7 %
T.D. Veen AS	1 384 567	3,5 %
Helida AS	1 095 000	2,8 %
Zolen & Månen AS	899 500	2,3 %
OM Holding AS	750 000	1,9 %
Middelborg Invest AS	737 350	1,9 %
Nordnet Livsforsikring AS	721 359	1,8 %
Vitamar AS	640 000	1,6 %
Sulefjell AS	443 543	1,1 %
Klaveness Marine Finance AS	440 963	1,1 %
ART Group AS	400 000	1,0 %
Agito Invest AS	350 000	0,9 %
Mondrian AS	345 000	0,9 %
Even Malvin Norheim	293 521	0,7 %
Total number of shares attributed to the 20 largest shareholders	26 500 247	66,6 %
Total number of shares attributed to other shareholders	13 287 403	33,4 %
Total number of shares issued and outstanding	39 787 650	100,0 %

Joachim Nielsen is a shareholder through his holding company Loyden AS and is the group CEO.

04: Subsequent events

In July, a contract with egg supplier Benchmark Genetics was signed. This will secure the steady supply of eggs from Iceland, both for the first stage facility and the planned expansion.

Proximar has attracted highly skilled employees who share the dedication for the project. These new colleagues will join the company during 2H 2021 and strengthen our project control and prepare the company for the operational phase.



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