PROXIMAR

SEAFOOD

Annual Report 2024

Contents

Introduction

Proximar in brief

Proximar Seafood is a Norwegian land-based salmon farming company, operating its first production facility at the foot of Mount Fuji in Japan. The company introduced its first batch of eggs in October 2022 and completed its first harvest on 30 September 2024.

The targeted long-term harvest level for Proximar is 5,300 tonnes (HOG) per year in Phase 1 and based on the performance of the system and biology, the company remains on track to reach the target utilisation in 2027.

Proximar's brand and logo (Fuji Atlantic Salmon) were officially launched in September 2024.

By leveraging high-quality groundwater near Mount Fuji, Proximar's land-based farming produces fresh Atlantic salmon. Its prime location near one of the world's largest fish markets offers major advantages, including lower costs and a reduced carbon footprint – particularly by eliminating the need for air freight.

Highlights 2024

- The biomass grew from 41 metric tonnes in January to 1,058 metric tonnes at the end of December
- The first sales agreement was reached in June, reflecting a price premium compared to the costs of imported Atlantic salmon from Norway
- The completion of the first commercial harvest in September marked a landmark operational and commercial milestone
- "Fuji Atlantic Salmon" brand launched in September
- Secured JPY 1 billion (approx. NOK 75 million) in additional funds in September and another combined 600 million (approx. NOK 44 million) in Q4
- Further enhanced operational expertise in Japan by hiring experienced staff in leadership positions, as well as local fish farm technicians. Total number of company employees was 59 in December
- The fourth and final module of the PSG was completed in December marking the completion of the grow-out facility

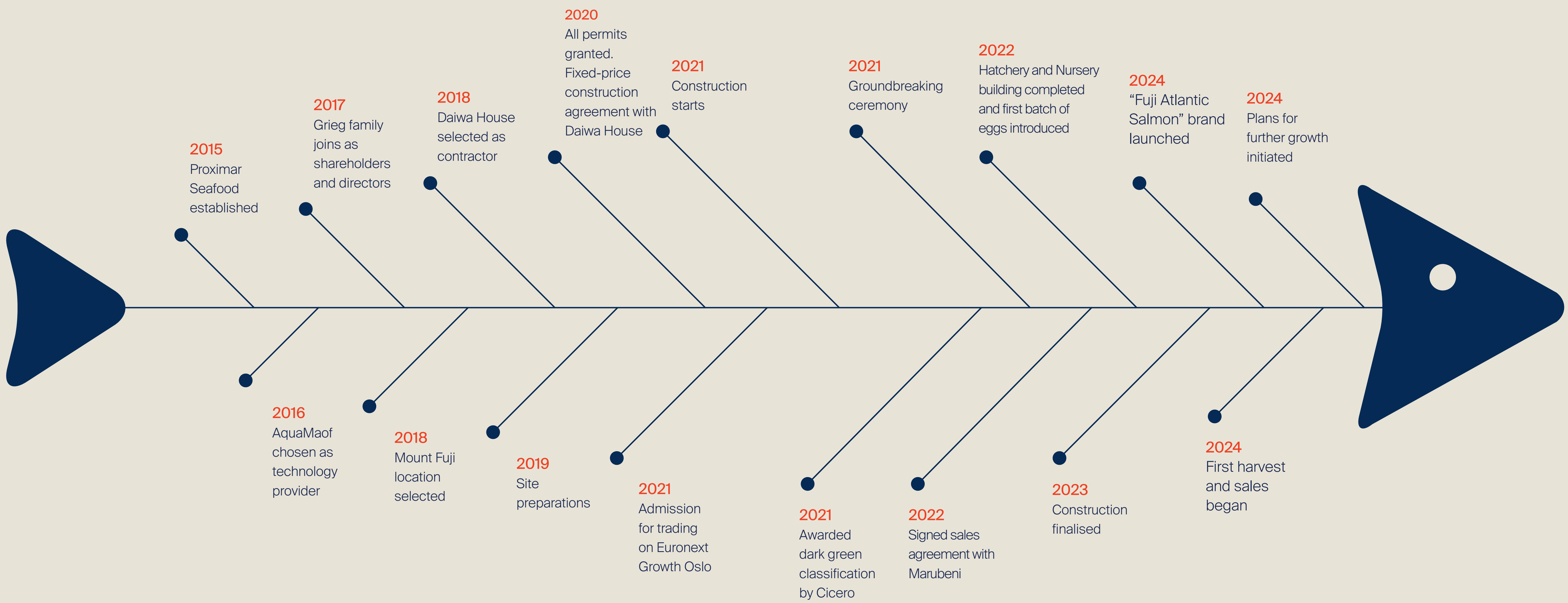
Adjacent market
~38
million people

First harvest
2024
Q3

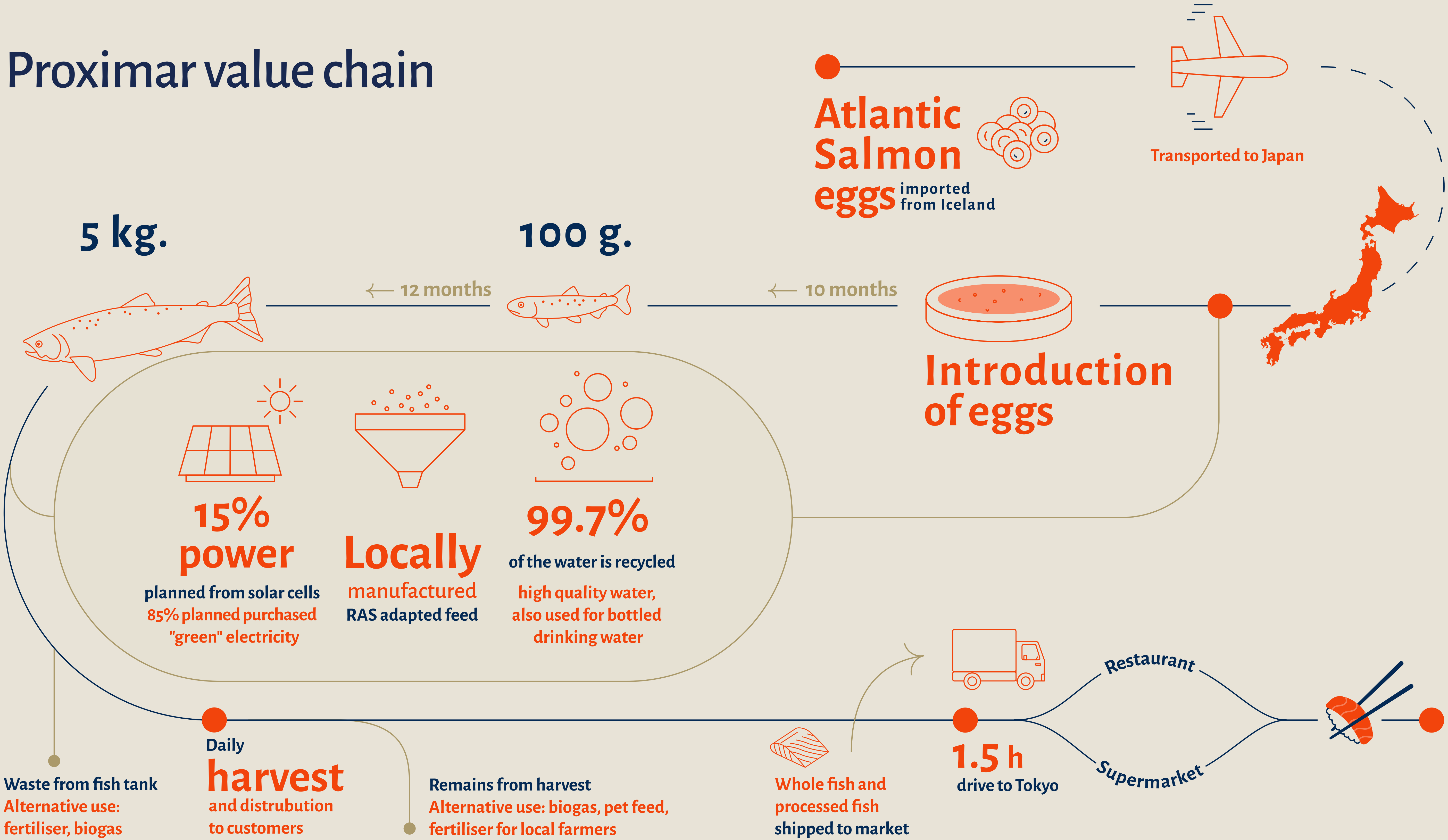
Phase 1 capasity
5,300
tonnes HOG

PSG
All production modules completed
Q4
2024

Proximar – history in brief



Proximar value chain



Letter from the CEO

A milestone year with successful first harvest and sales

After close to ten years of patient endeavour, Proximar was able to deliver its Fuji Atlantic salmon to the Japanese market in 2024, achieving premium prices and confirming the interest in our product from Japanese consumers.

As the first and only domestic producer of Atlantic salmon in Japan, Proximar is well positioned going forward to leverage the significant cost advantages offered by our business model.

Our facility has now been completed, and we are ramping up our harvesting and sales entering 2025.

Installation works completed

With some minor exceptions, the installation works for our facility are now complete, marking the end of a long planning and construction process.

The years of construction, including civil works and RAS installation works, have been challenging in many ways. However, our team has done a great job in overcoming challenges and finding good solutions. A combination of ongoing installation works and production has made the situation even more complex and challenging for our employees – and their achievements even more impressive.

Successful start-up despite construction-related challenges

As always during a start-up phase of a complex production facility, we knew that we would encounter challenges, but we have planned our operations and production activities accordingly.

In February, we suffered a tank breach resulting in a loss of approximately 50,000 fish. However, thanks to the unstinting efforts of our team, we managed

to save approximately 50,000 fish.

Delayed delivery and installation of our ozone system impacted our production in Q3 and into Q4, leading to high turbidity levels in our grow-out facility. To manage the situation and mitigate biological risk, we reduced feeding for several months. Following the completion of the ozone installation, turbidity dropped as expected, permitting the resumption of normal feeding.

In November and December, we experienced a breach in the support for some of our biofilters. Fortunately, this did not result in any mortality, and the water parameters were quickly stabilised. However, we once again restricted feeding to reduce biological risk until repair works are to be completed.

Despite these incidents, it is extremely encouraging to see that the system is working as expected, paving the way for the ramp-up in operations planned for the next few years.

High-performance system and good growth conditions

Our Hatchery & Nursery facility, which has been operational for more than two years, is continuing to deliver good and consistent results. Water quality has remained stable even at higher densities and with full load on the system. With strong fish health and low mortality, we are extremely satisfied with our Hatchery & Nursery department.

The growth curves for this department remain stable and on track with our production plan, ensuring consistent and reliable smolt output. High-quality smolt is a key foundation for strong production results in our grow-out department.

In the grow-out department, which became operational at the end of 2023, we are seeing the same positive trends as in the Hatchery & Nursery department. Water quality is good and stable, providing excellent growth conditions for the fish.

Despite the turbidity issues that were resolved in Q4 2024 the system is demonstrating stable water quality and capacity to maintain critical parameters well within the acceptable range for good growth conditions for Atlantic salmon.

We are also continuing to experience low natural mortality in the grow-out division, and fish health remains good as expected.

A major milestone with the start of harvesting and sales

At the end of September, we were finally able to carry out our first harvest after many years of perseverance and patience. Since inception, our business model has been rooted in the significant cost advantages offered by local production in Japan. Additionally, Proximar has anticipated that our product would command a price premium over imported Atlantic salmon from Norway.

It is therefore very encouraging to see how well our fish was received in the market, reaffirming our expectations for its premium pricing potential.

However, achieving this price premium would not be possible without meeting the high-quality expectations of Japanese consumers.

Although our harvested volumes for 2024 were still modest, the quality of our fish was 99.9 per cent superior-grade. This impressive result confirms that our production facility is delivering excellent conditions for our fish, something that would not be possible without high water quality.

Furthermore, the feedback we have received on taste, colour and fat has been wholly positive. Given that Japanese consumers have some of the most discerning palates in the world, this serves as yet another strong testament to our quality.

Throughout 2024, we worked closely with our sales and distribution partner, Marubeni Corporation,

preparing the market and building strong awareness of our product.

As part of our marketing and sales strategy, we also released our new brand and logo – Fuji Atlantic Salmon. The logo and brand name combine the key characteristics of Proximar and our product, Mt. Fuji and Atlantic salmon. This strengthens brand association and appeal, not just for Japanese consumers but across the broader Asian market.

Strong visibility and enthusiasm

Over the years, Proximar has become more and more visible in the Japanese media. As the only producer of domestically farmed Atlantic salmon in Japan, our company has been enthusiastically welcomed.

Proximar is leading the way in innovating and modernising Japan's aquaculture industry, and our efforts are not going unnoticed. This is evident from the extensive media coverage, strong backing from our stakeholders and partners, and a positive reception from Japanese authorities.

As the first to operate an industrial-scale RAS facility in Japan, Proximar is a leader in our field. We are proud to finally bring fresh, delicious Atlantic salmon from the foot of Mt. Fuji to Japanese consumers.

Ideally positioned for 2025, and determined to deliver on our plans

Proximar is uniquely positioned entering 2025. Our facility is complete, and we are now harvesting fish on a weekly basis. This marks the beginning of a new era, as we can finally start generating positive cash flow after a decade of significant investment.

We are incredibly proud and excited to see our strong production performance matched by the fantastic market reception of our fish.

However, these achievements and our confidence in delivering on our plans going forward would not be possible without our highly dedicated and experienced team. Seeing how they are handling challenges is both assuring and inspiring, and fills me with pride.

I can assure you that Proximar remains fully committed to delivering on our plans as we look ahead to 2025 and beyond. With our unique market position, we will continue to seize the opportunities ahead.

With our first facility now operational, expanding our capacity is a natural next step. Proximar is committed to becoming a leading supplier of Atlantic salmon in Japan, and we will continue to grow accordingly – creating value for our shareholders while supporting Japan's move towards greater food self-sufficiency.

Joachim Nielsen
Chief Executive Officer

Operations and Finance

Operations

Since introducing our first batch of eggs into the hatchery in October 2022, Proximar has steadily built up biomass day by day. In September 2024, we reached a major milestone – our first harvest. This not only validated our optimal growth conditions but, more importantly, confirmed quality and taste of our fish.

Fully operational facility, encouraging performance and a high-quality product

During the year, installation works in our grow-out building were largely completed. As we move into 2025, we will be harvesting weekly throughout the year, while steadily building our biomass. With new eggs arriving at the hatchery each month, we are on track to reach our target standing biomass.

The facility consistently provides good and stable water quality for our production. We are also seeing stable performance at higher densities. Even as we continue building biomass towards our target levels, we have already reached full utilisation at the modular level. This reinforces the system's ability to sustain optimal growth conditions, even at the loads and densities we aim for at full operational capacity.

Mortality remains low and fish health is good. This translates to favourable growth conditions and a high-quality product. Since harvesting began at the end of September, we consistently delivered a superior grade of 99.9 per cent in 2024. The quality is further confirmed by the positive feedback from customers and consumers regarding taste, colour, texture and fat content.

Anticipated start-up challenges and mitigation strategies

During the start-up phase of a RAS facility, we must expect the unexpected. To reduce the impact of potential higher mortality rates due to start-up-related challenges, we continued to introduce more eggs than our production plan requires during 2024, a practice we started in 2023.

Despite challenges in 2024, including a tank breach, turbidity issues and biofilter complications, only the initial incident led to any mortality. We are pleased to note that these issues related to construction and installation delays, and not system performance.

Despite the turbidity issues and biofilter incidents, we did not experience any abnormal mortality. However, feeding restrictions impacted growth, preventing us from following our planned feeding schedule in the second half of 2024 – something clearly reflected in the growth curves.

While the reduced feeding will impact harvest volumes in terms of average fish size, we remain confident of achieving our production targets once we can maintain stable feeding over time.

The turbidity issues were resolved through the installation of our ozone system. As for the biofilters, we are currently feeding somewhat below the planned levels. Repairs are expected to be largely completed in April 2025, allowing us to return to regular feeding from Q2 onwards.

We still consider 2025 a start-up year as we continue building biomass to reach stable levels. As a result, harvest sizes may vary more in the short term, but we expect these fluctuations to gradually stabilise as production levels become more consistent throughout the year.

Top-tier team, well positioned to meet operational targets

The Proximar team now consists of 59 employees, with 47 dedicated to production – farming fish and managing our RAS facility.

Our team is highly skilled in RAS-based Atlantic salmon farming, bringing together deep expertise in both recirculating aquaculture systems and land-based grow-out operations.

Running a successful RAS operation requires a blend of specialist skills. Beyond fish farming, it demands extensive expertise in water treatment, system functionality and a strong mix of practical and theoretical knowledge.

Proactive problem-solving is critical – preventing issues before they escalate takes years of practical experience. At Proximar, our team brings decades of combined RAS experience across various systems and species. This level of expertise is rare, especially given that large-scale RAS farming is still relatively new and Proximar is focused on a single facility.

Throughout 2024, we continued recruiting to meet our growing production needs while ensuring that knowledge is effectively transferred from our senior experts to build a strong, long-term organisation. As part of our commitment to developing local talent and expertise, we launched the Proximar Campus initiative.

With the experience gained from our facility so far, alongside strong water treatment capacity, healthy growth rates and excellent fish health, we are encouraged and remain confident of reaching our target facility utilisation by 2027.

Dharma Rajeswaran
COO

- More than 30 years' experience in Atlantic salmon farming
- Has worked with recirculating aquaculture systems (RAS) for more than ten years
- Joined Proximar in 2022 from the position of COO at Atlantic Sapphire in the USA

Javier Carreño
Production Manager

- Professional with more than 20 years' experience in the field of aquaculture, at companies including Mowi Chile, Cermaq and Atlantic Sapphire
- Extensive knowledge of the cultivation of salmonid over entire lifespan, in both recirculation systems and net pens
- Joined Proximar in 2023

Charlotte Okstad
Hatchery and Nursery manager

- More than 10 years in the aquaculture industry with Mowi and Lerøy Seafood Group, including five years working with various types of RAS systems
- Bachelor's degree in material technology, certificate of apprenticeship in aquaculture
- Joined Proximar in 2022

Nikolaj Schlie
Post-smolt Grow-out manager

- Seven years' experience in recirculating aquaculture systems (RAS)
- Joined Proximar in 2022 from the position of RAS Technologist with Atlantic Sapphire Denmark
- MSc in Biology
- Has worked with Yellowtail Kingfish and Atlantic Salmon

Financing activities

As we enter 2025 with an even stronger business model, Atlantic salmon export prices from Norway remain consistently high, along with transportation costs to Japan.

Meanwhile, in 2024, Proximar successfully completed its Stage 1 facility. By the end of the year, Proximar had biomass across all departments, including the hatchery, first feeding, nursery and multiple modules within the post-smolt grow-out facility.

Equity

To further strengthen our equity following the private placement in December 2023, Proximar made a subsequent offering of NOK 25 million in February 2024. No further equity was raised during the year.

Debt

In H2 2024, Proximar continued to evaluate multiple sources of financing. The company signed four loan agreements with Japanese banks, securing a total of JPY 1.6 billion (approx. NOK 120 million) in additional funds.

In Norway the company secured further financing through sale of the 40 million convertible bonds owned and held by the company following the issue in October 2022.

Outlook

In 2024, Proximar actively engaged with several Japanese financial institutions and investors, encountering growing interest as the company began harvesting – which is set to scale up significantly in 2025.

The company has several loans maturing in H2 2025, including a syndicated loan, a shareholder loan and a loan from JAML, and is actively progressing with its refinancing plans.

Proximar enjoys strong partnerships in Japan, and with its facility fully operational and sales reaching Japanese consumers, interest from various stakeholders, including the media, is growing.

Building on the positive momentum of 2024 and into 2025, we remain committed to engaging with stakeholders and continuing to create shareholder value.

Our team
and organisation

Management team

Joachim Nielsen
CEO

- Co-founder of Proximar
- Previously served as CFO of railway construction company Team Bane
- Extensive financial background in investment banking, private equity and fund management

Ole Christian Willumsen
CFO

- Experienced leader, strategist and business developer.
- Has held multiple positions in Equinor, including Country Manager in Japan and China, Platform Manager and Investment Manager in Technology Ventures
- Joined Proximar in 2023

Lars Stigaard
CTO

- Third-generation fish farmer from Denmark
- Extensive experience in RAS, including design, construction and operation of RAS facilities
- Joined Proximar in 2017

Keisuke Nakayama
Director Business Development

- Involved as Special Advisor to Proximar in Japan through Innovation Norway Tokyo since 2015
- 24 years as advisor at the Norwegian Trade Council and Innovation Norway Tokyo
- Joined Proximar in 2021

Yoshihito Ito
MD

- Extensive senior management experience, in both operations and production.
- Held the position of General Manager of Skretting Japan and Nutreco Japan
- Joined Proximar in 2024

Dharma Rajeswaran
COO

- Over 30 years' experience in Atlantic salmon farming
- Has worked with RAS for more than ten years
- Joined Proximar from the position of COO with Atlantic Sapphire in 2022

Vivian Lunde
Director ESG & Business Operations

- Extensive experience from PwC as auditor, CFO and consultant in various industries
- Solid expertise as a strategic advisor and project manager in innovation work, HR and recruitment
- Joined Proximar in 2021

Yasumitsu Himeno
Corporate Development Director

- Extensive knowledge of the financial market in Japan with more than 15 years' experience at the Tokyo offices of Morgan Stanley, Merrill Lynch and the World Bank Group.
- Joined Proximar in 2024

Board of Directors

Kjell-Erik Østdahl
Chair

- More than 20 years' experience with Schlumberger across multiple countries in Europe, Asia and the USA. Holds an MSc in Electrical Engineering from NTNU
- Currently invests in technology start-ups and real estate, while serving as Senior Advisor to Ferd and Sumitomo Corporation
- Currently Board Chair at Sekal AS and Interwell AS and a board member at Windspider AS, Keystone AS and Cegal AS

Per Grieg jr.
Board member

- Founder of Grieg Seafood ASA in 1992 and actively involved in leading positions at the company since then, currently serving as Board Chair
- Experience in the establishment of companies in several sectors and from board positions at companies including Fjord Seafood ASA, Marine Farms ASA, Erfjord Stamfisk AS and AON Grieg, in addition to several companies in the Grieg Group

Siri Vike
Board member

- More than 25 years experience in fish farming and fish health, through companies including EWOS, Mainstream Chile, Cermaq, PHARMAQ Analytiq and Zoetis
- Currently Director of Fish Health and Welfare at Ovum AS. Holds an MSc in fish health from the University of Tromsø and a PhD in Chilean fish farming

Viggo Halseth
Board member

- 38 years of experience from the aquaculture feed industry through management positions in Nutreco/Skretting, including Chief Innovation Officer at Nutreco and CEO of Skretting Norway and Skretting Group
- Experience from RAS investments
- Currently Board Chair at Harbor AS and a board member at Norwegian Lobster Farm AS.

Elisabeth Adina Dyvik
Board member

- Extensive experience in the financial sector, including senior positions at Oslo Børs, Carnegie Kapitalforvaltning, Orkla and Norsk Hydro
- Former member of the Norwegian Corporate Governance Board (NUES) and CICERO Climate Finance Advisory Board
- Holds an MSc in International Accounting and Finance from LSE and an MSc in Economics and Business Administration from NHH

Market

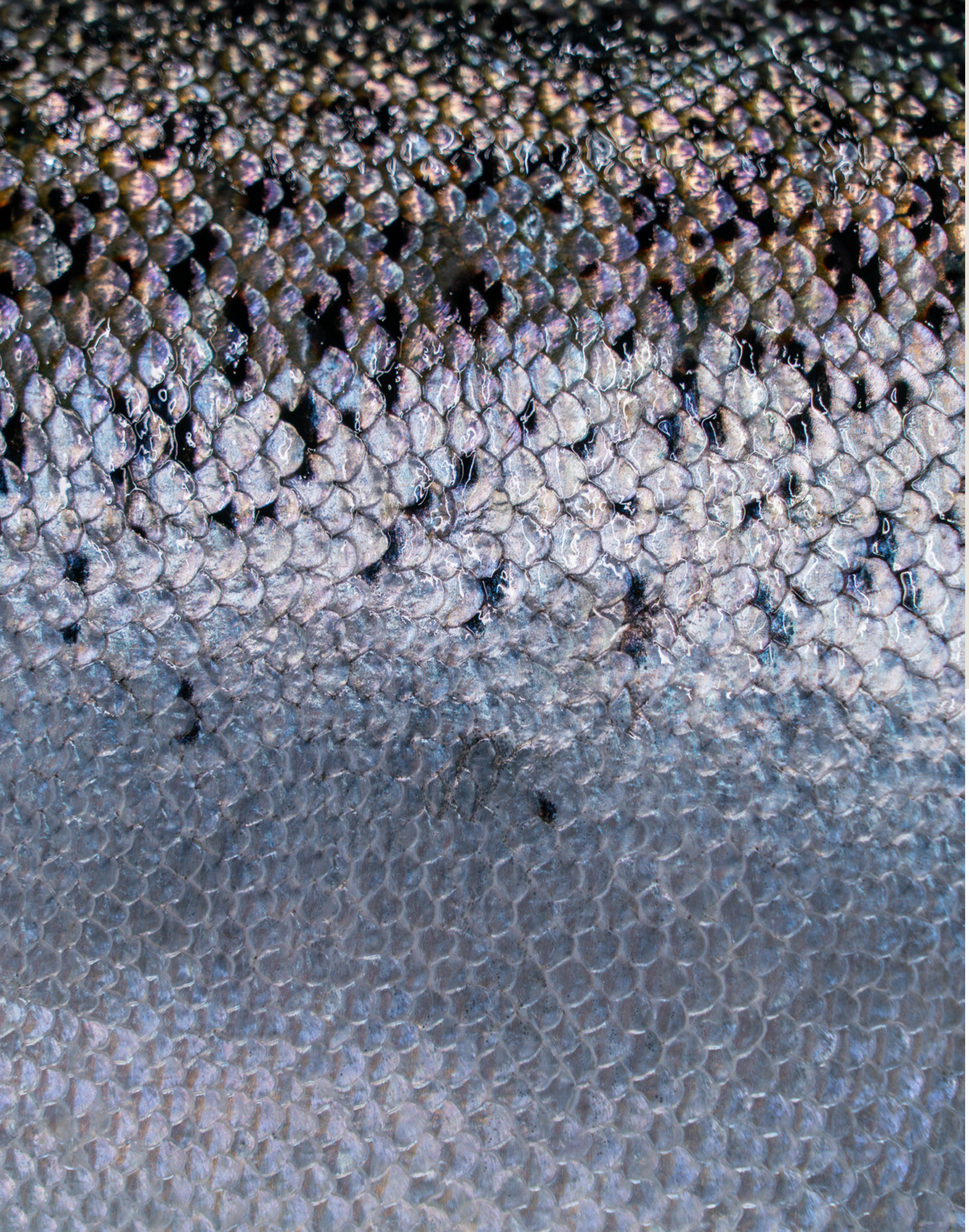
Japan's Atlantic Salmon Market

Despite a challenging economic environment in 2024, with rising inflation significantly impacting Japanese households, demand for Atlantic salmon remained strong, and imports from Norway remained at the same level as the previous year.

Trends in the Japanese Retail Seafood Market
Due to high spot prices in the first half of 2024, the total import volume from Norway dropped by 1%. However, the consumers were gradually adjusting to the new price range following the 2022 increase, which was driven by a weak Japanese Yen and high freight costs.

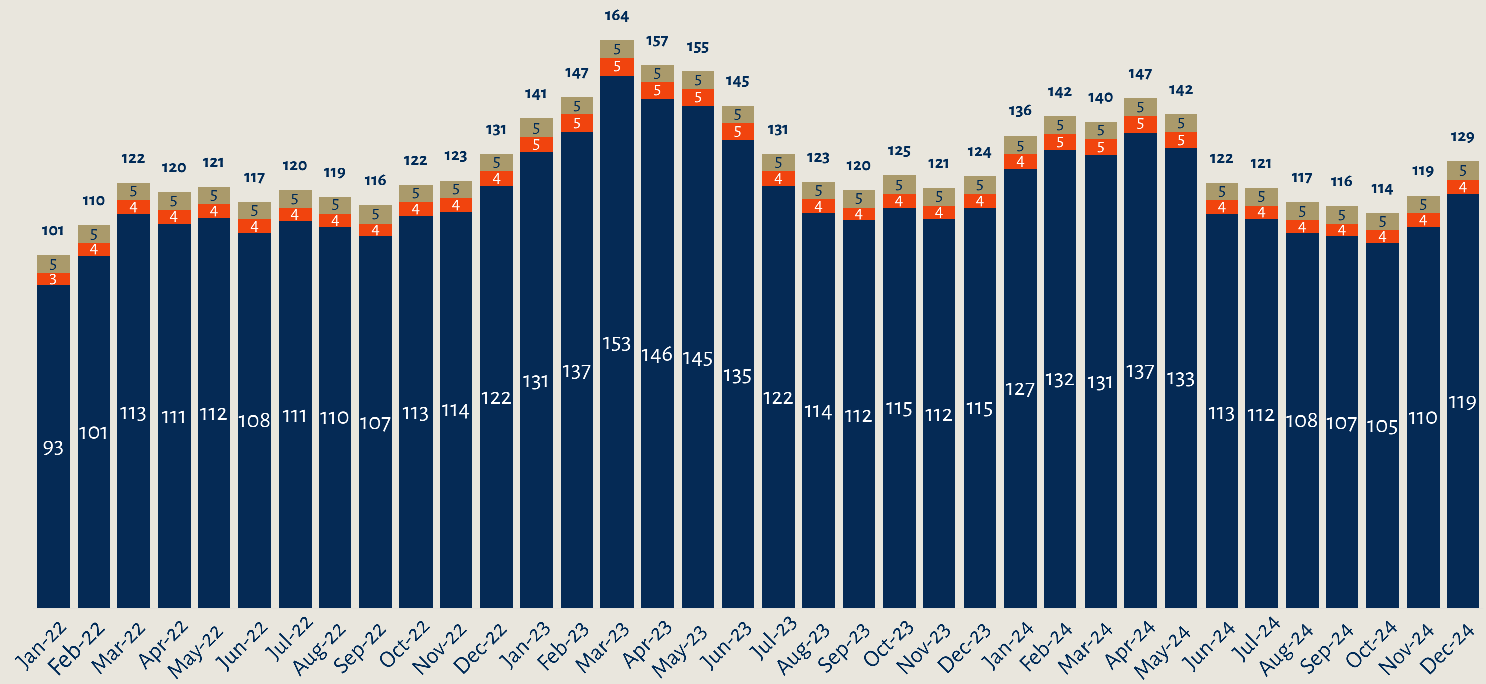
Additionally, the rise of "Fish Shop Sushi", a trend that took off during the COVID-19 pandemic, has helped sustain demand. Fresh salmon is a key ingredient in this style of sushi, serving as a marker of quality compared to Delica sushi. With "Fish Shop Sushi" remaining one of the few growth categories in the seafood section, this trend is expected to continue[1].

[1] "Fish shop Sushi" refers to sushi that is prepared and sold at seafood counters within grocery stores or at fish markets.



Cost development for import of Norwegian fresh Atlantic salmon in Japan

Figures in NOK/kg, head-on-gutted



■ Import price ■ 3.5% import tax ■ Local handling

Source: Japan Ministry of Finance, Central bank of Norway, company data

Demand for Locally Farmed Salmon

Japanese consumers generally have a strong preference for domestic products, and interest in Proximar and Fuji Atlantic salmon has considerably increased throughout the year. While consumer awareness of sustainability in Japan still lags behind other markets, it is becoming an increasing priority for our customers, including major retailers and sushi restaurant chains. This shift is being driven by an increasing awareness of environmental issues and the benefits of sustainable practices. Additionally, due to recent global warming, the amount and variety of wild fish caught are decreasing, creating a sense of urgency in securing products for sale. The growing awareness of environmental issues and the decreasing availability of wild fish make Proximar and our Fuji Atlantic salmon well positioned to meet future demand.

Premium Pricing and Strong Interest in Fuji Atlantic Salmon

The first harvest of our Fuji Atlantic salmon took place in late September 2024. While this coincided with weakening export prices from Norway, we successfully sold our salmon at a significant premium over Norwegian products. This premium pricing reflects the rarity and high perceived value of Fuji Atlantic salmon. To meet and exceed customer expectations, Proximar will continue strengthening its brand by prioritising quality and freshness.

Overall, we are delighted with the positive reception of Fuji Atlantic salmon and confident that strong interest will continue into the future.

Board of Directors' report

Board of Directors report

2024 was a landmark year for Proximar, marked by the completion of equipment installations and the company's long-awaited first harvest. Throughout the year, we steadily built biomass, with production showing strong potential despite challenges from turbidity and biofilter disruptions. However, the system's water quality, stability and demonstrated capacity give us confidence in hitting our production targets. Backed by a highly experienced team, we are well positioned for success in 2025 and beyond.

Business overview and strategy for Proximar Seafood Group

Proximar Seafood AS (Proximar) is a land-based salmon farming company operating the first commercial land-based facility for Atlantic salmon in Japan. Operations began in October 2022 at our facility at the foot of Mount Fuji in Oyama, just a 1.5-hour drive from Tokyo. In September 2024, we achieved a major milestone in our company's 10-year history by completing our first harvest on schedule. As Japan's first domestic producer of fresh Atlantic salmon, Proximar is delivering to the market years ahead of the competition. We aim to reach our full annual production capacity of 5,300 tonnes (head-on gutted) in 2027. Based on our experience to date, along with the proven capacity of our water treatment system and consistently strong water quality, even at full load on a modular basis, we remain confident of meeting our production goals.

Founded in 2015 and headquartered in Bergen, the company has established itself as a leader in the land-based aquaculture industry, backed by a highly experienced team with extensive expertise gained in both Norway and the global sector. In February 2021, the company reached another milestone, listing on Euronext Growth on the Oslo Stock Exchange.

Proximar's business strategy is built around bringing Atlantic salmon production closer to consumers in high-demand markets – a commitment which is also reflected in the company's name. By producing salmon near its core market, Proximar not only cuts transportation costs but also dramatically reduces carbon emissions, reinforcing the company's commitment to sustainability. Production takes place indoors, ensuring minimal impact on the external environment.

With a population of approximately 123 million and a deep-rooted appreciation of high-quality seafood, Japan has been the company's preferred market from the outset. Proximar aims to become a leading producer of Atlantic salmon in Asia, by focusing on safe and sustainable production. With the successful launch of production at our Phase 1 facility, the company is now gearing up for the next phase of growth. As an early mover with valuable practical experience, we are well placed to build on this momentum. We are also encouraged by the strong interest in Proximar, both in Japan and beyond, and believe the company is poised to play a key role in shaping the future of land-based aquaculture.

Key events in 2024

First harvest marks a major milestone in the company's history

After a decade of meticulous preparations and planning, Proximar achieved a significant milestone by completing its first harvest on schedule in September. The harvested fish averaged 4.2 kg HOG in 2024, reflecting the outstanding efforts of our dedicated team. This milestone is not just a historic moment for Proximar – it also highlights the company's strong cost advantage, as evidenced by the premium price secured for the harvested fish.

Completion of all major installation works in the grow-out building

During the year, all four modules in the PSG building were completed, leaving only a few minor equipment installations remaining. This marked the completion of Phase 1 facilities, providing a capacity of 5,300 tonnes per year (HOG).

Securing of financing

In January 2024, the company successfully completed a repair issue, raising an additional NOK 25 million in new equity from existing shareholders. During the year, the company also secured JPY 1.6 billion in additional financing for working capital purposes and sold NOK 40 million of convertible bonds held by the company.

Continuing to strengthen the team in Japan – enhancing operations and administration

Over the year, the team in Japan has grown significantly, both in operations and administration. This ensures the company is well equipped to meet future demands and transition from a project-based organisation to a fully operational entity with large-scale production, harvesting and sales.

Review of the consolidated financial statements

Statement of income

The group generated its first income in 2024, albeit at a very modest level of NOK 3.5 million. However, revenue is expected to grow significantly over the coming years. Operating expenses mainly related to the depreciation, cost of materials, personnel expenses and electricity costs. Financial expenses mainly comprised interest expenses. Adjusting for unutilised production capacity of NOK 48.0 million, the change in biomass and inventory in 2024 positively impacted the operating result in the amount of NOK 88.2 million. The net result for the year was a loss of NOK 139.2 million.

Balance sheet

At the end of 2024, the group had total equity of NOK 396.5 million, compared with NOK 372.4 million at the end of 2023. The equity ratio was 24 per cent, compared with 27 per cent the previous year-end. The group had NOK 60.9 million in cash and cash equivalents at the end of 2024, compared with NOK 39.2 million twelve months previously.

Operations

The group's operating loss for the year ending 31 December 2024 came in at NOK 93.9 million, higher than the NOK 63.8 million loss recorded in 2023. The weaker result is primarily attributable to higher operating and financial expenses in 2024.

Cash flow

The cash outflow from operating activities for the year ending 31 December 2024 was NOK 107.2 million, up NOK 97.0 million on the previous year. The cash outflow from investing activities for the year ending 31 December 2024 closed on NOK 101.0 million, where the decrease of 439.9 million compared with 2023 is mainly due to less capex spent on installation works in 2024 following the completion of the more costly construction work the year before. The cash inflow from financing activities in 2024 was NOK 225.5 million, down 346.5 million on 2023. Together, the change in cash and bank deposits decreased with NOK 3.8 million from 2023 to 2024.

Market review

The Atlantic salmon market in Japan experienced significant fluctuations throughout 2024. In response to soaring prices of Norwegian salmon in the first half of the year, more affordable Chilean salmon gained foothold among buyers, while Canadian salmon entered the spot market as a substitute for Norwegian supplies.

Japan's self-sufficiency rate for marine products stands at 56 per cent and has been on a downward trajectory for several years. The decline is particularly evident for sashimi-grade products. The depreciation of the Japanese Yen has significantly impacted selling prices across most sashimi offerings, including salmon. In the last financial year, the average price of Norwegian salmon rose by approximately NOK 10/kg compared to the previous year, yet import volumes only fell by 1-2 per cent. This illustrates the continued strong demand for fresh salmon, reinforcing its status as a highly sought-after product.

Proximar is committed to securing a strong foothold in the Japanese salmon market by consistently delivering high-quality salmon, building brand recognition and enhancing the value of the Fuji

Atlantic Salmon brand. Additionally, the company aims to capitalise on the premium appeal of locally farmed salmon.

Sustainability and corporate social responsibility

Sustainability

Increased consumption of seafood can reduce global greenhouse gas emissions (GHG) and improve human health[1].Through our land-based salmon farming operations in Japan, we are setting new standards for sustainable seafood production, eliminating the need for long-distance air transport and addressing key challenges in the aquaculture industry.

Japan recognises the potential for growth in seafood production and has set clear goals to boost domestic supply. However, the country has faced a long-term decline in food self-sufficiency, and now ranks below most other major nations. Proximar is proud to play a role in strengthening sustainable food production, bringing fresh expertise to the industry. The company's investment in people and operations has been met with strong support in Japan.

Recognising the challenges of land-based salmon farming, such as efficient energy management, sustainable feed sourcing and significant infrastructure investments, our commitment to sustainability is embedded in our Sustainability Framework[2]. This framework ensures that we systematically identify, assess and address material ESG impacts, risks and opportunities.

Equal opportunities and anti-discrimination

Proximar does not discriminate on the basis of race, religion, colour, national origin, gender, sexual orientation, gender identity, gender expression, age, protected veteran status, disability or any other applicable legally protected characteristics.

We strive to ensure fair employment, gender balance and equal opportunities. 15 per cent of our employees are women and 40 per cent of the board of directors are women.

Governance

The board of directors consists of five members, four of whom are independent, and includes two women (40 per cent) and three men (60 per cent). The board of directors is responsible for the management of Proximar and for safeguarding the proper organisation of its operations. In the board's view, sound corporate governance is vital for promoting the greatest possible value creation over time in the best interests of Proximar's shareholders, employees and other stakeholders. The board is committed to maintaining a high standard of corporate governance, in line with both Norwegian and international legislation, relevant principles and recommendations, as well as the company's internal code of conduct and ethical guidelines. Proximar has a third-party insurance agreement that covers members of the board and management for potential liability.

Although The Norwegian Transparency Act does not directly apply to Proximar, the company is committed to preventing human rights violations and unethical working conditions by ensuring transparency and accountability. The findings from Proximar's 2024 risk assessment will be published in our "Transparency Act Report" on the company's website by June 2025.

Employees and organisation

As a growing company, recruitment activities remained at a high level throughout 2024, and several key positions were filled with highly competent and experienced individuals. In 2024, the number of employees grew from 33 to 59, including the addition of a fully-staffed harvesting team. We also strengthened our administration in Japan by appointing a number of key roles, including the Managing Director.

Our diverse team comprises many nationalities, reflecting our commitment to inclusivity and global expertise.

Risk factors

Liquidity risk

The group adopts an active approach to liquidity risk management, which includes maintaining sufficient cash balances and securing funds through adequate credit facilities in order to meet all its financial obligations. The company has no history of defaults, and liquidity risk is expected to have peaked following the completion of capital expenditures for land acquisition, facility construction and close to full installation of RAS equipment for Phase 1. However, unforeseen operational challenges could create additional financing needs. Looking ahead, the company may also seek further funding to support the development of new production facilities in the coming years.

Operational risk

Proximar has full confidence in its RAS provider, AquaMaof, but recognises that designing and engineering a recirculating aquaculture system is inherently complex and comes with certain uncertainties.

The group's operations are subject to several biological risks, which could adversely impact future profitability and cash flows. A major disease outbreak or a critical RAS system failure could have significant financial consequences for the company, leading to fish losses, reduced biomass growth, premature harvesting and lower fish quality.

Market risk

Proximar's financial position and future prospects depend on the price of farmed salmon. Both short-term and long-term price reductions could have a materially adverse effect on the company's business, financial condition, results of operations and cash flow.

Fluctuations in foreign exchange rates could materially impact Proximar's operational performance. The group anticipates that the majority of its revenue will be in JPY, as will most of its operational and financial expenses. As a result, fluctuations in the JPY/NOK exchange rate could have a significant impact on the company's financial performance.

[1] The UN's High-Level Panel for a Sustainable Ocean Economy, 'The Ocean as a Solution to Climate Change: Five Opportunities for Action', 2019

[2] For further details, see the section on Sustainability.

Climate-related risk
Sea-based production facilities face a more immediate risk from rising sea temperatures and ecological shifts compared to their land-based counterparts.

The group has evaluated climate-related risks, including volcanic eruptions and earthquakes. Extreme weather events could threaten physical infrastructure, while severe droughts may limit water availability. Additionally, disruptions in the supply chain, caused by flooding, droughts or other extreme conditions, could affect the availability of raw materials and transportation. Other potential climate risks include rising emissions-related taxes on feed transport and other carbon-intensive activities.

However, the company does not view this as a major risk and concludes that climate-related factors do not introduce significant uncertainty in any of its recognised estimates.

Shareholders

At the end of 2024, Proximar Seafood AS had 142.17 million ordinary shares outstanding and around 2,000 shareholders. The company's shares are listed on Euronext Growth at the Oslo Stock Exchange under the ticker symbol PROXI.

Outlook

Proximar is making strong progress in scaling up production, and based on our performance in 2024, we remain confident of achieving our targets. It is also encouraging to see consumer reception and pricing expectations aligning with our projections.

The underlying market fundamentals remain highly promising, and the cost advantages of local Atlantic salmon production are now becoming evident. With its unique position in the market, Proximar is well placed to capitalise on strong demand, the growing focus on local food supply and increasing ESG priorities, ensuring it stays well ahead of the competition.

Proximar enjoys a significant first-mover advantage in Japan, presenting a unique market opportunity. While interest remains strong domestically, we are also seeing growing demand from international markets.

Working alongside our stakeholders, we are committed to driving long-term growth and creating lasting value for our shareholders.

Basis for financial reporting

The board is of the opinion that the financial statements give an accurate and fair presentation of the group's assets and liabilities, financial position and financial results. Based on the above presentation of the group's results and financial position, and in accordance with the applicable accounting standards, the board confirms that the annual financial statements have been prepared on a going-concern basis, and that the requirements for so doing have been met.

Bergen, March 21 2025
The Board of Directors of Proximar Seafood AS

Kjell-Erik Østdahl Chair	Per Grieg Director	Viggo Halseth Director	Siri Vike Director	Elisabeth Adina Dyvik Director	Joachim Nielsen CEO

Sustainability

Introduction

At Proximar, sustainability is at the core of our business strategy. We recognise our responsibility to minimise environmental impact while contributing to food security and economic development. Through our land-based salmon farming operations in Japan, we are setting new standards for sustainable seafood production, eliminating the need for long-distance air transport and addressing key challenges in the aquaculture industry.

Land-based salmon farming presents unique sustainability challenges and opportunities compared to conventional sea-based farming. While traditional aquaculture operations face issues such as sea lice, disease and environmental degradation due to escapes and waste discharge, land-based farming eliminates or significantly reduces these concerns by providing a controlled, bio-secure environment where fish health and welfare can be closely monitored.

However, land-based operations require efficient energy management, as recirculating aquaculture systems (RAS) require substantial electricity to maintain water quality, temperature and filtration. Feed composition is another key consideration, as land-based farming often relies on a higher share of marine ingredients to ensure optimal nutrition, increasing the need for sustainable sourcing practices. Furthermore, land-based farms require significant infrastructure investments, and their economic viability depends on achieving operational efficiency and cost-effective scaling over time.

Recognising these challenges, our commitment to sustainability is embedded in our Sustainability Framework, which ensures that we systematically identify, assess and address material ESG impacts, risks and opportunities.

Our mission
To produce seafood responsibly, with respect for fish welfare and nature, to provide a growing population with proteins.

Our vision
To be a leading provider of sustainably produced seafood by setting the standard for land-based aquaculture.

Our Sustainability Framework

Our sustainability efforts are guided by a methodical approach that includes ongoing supply chain risk assessments, stakeholder engagement and transparent reporting. The Framework is based on findings from our Sustainability Due Diligence.

Sustainability Due Diligence

Our Sustainability Due Diligence process consists of three components:

- **Supply Chain Risk Assessment:**
  Annually, we evaluate environmental and social risks across our supply chain, ensuring that our suppliers and partners align with our sustainability standards. Findings from the Supply Chain Risk Assessment, conducted in compliance with the Norwegian Transparency Act, are published in our Transparency Act Report, published on our website by June each year.
- **Materiality Assessment:**
  Conducted biennially, this process involves key stakeholders and helps us prioritise sustainability efforts based on impact and relevance.
- **Impact Assessment:**
  Applying the double materiality principle, we assess both the impact of our operations on the environment and society, as well as how sustainability-related risks and opportunities may affect our business.

This process allows us to evaluate sustainability factors across our operations and value chain, ensuring we take a holistic approach to addressing environmental and social impacts and challenges, while identifying opportunities for innovation and leadership in sustainable aquaculture.

Governance and Transparency

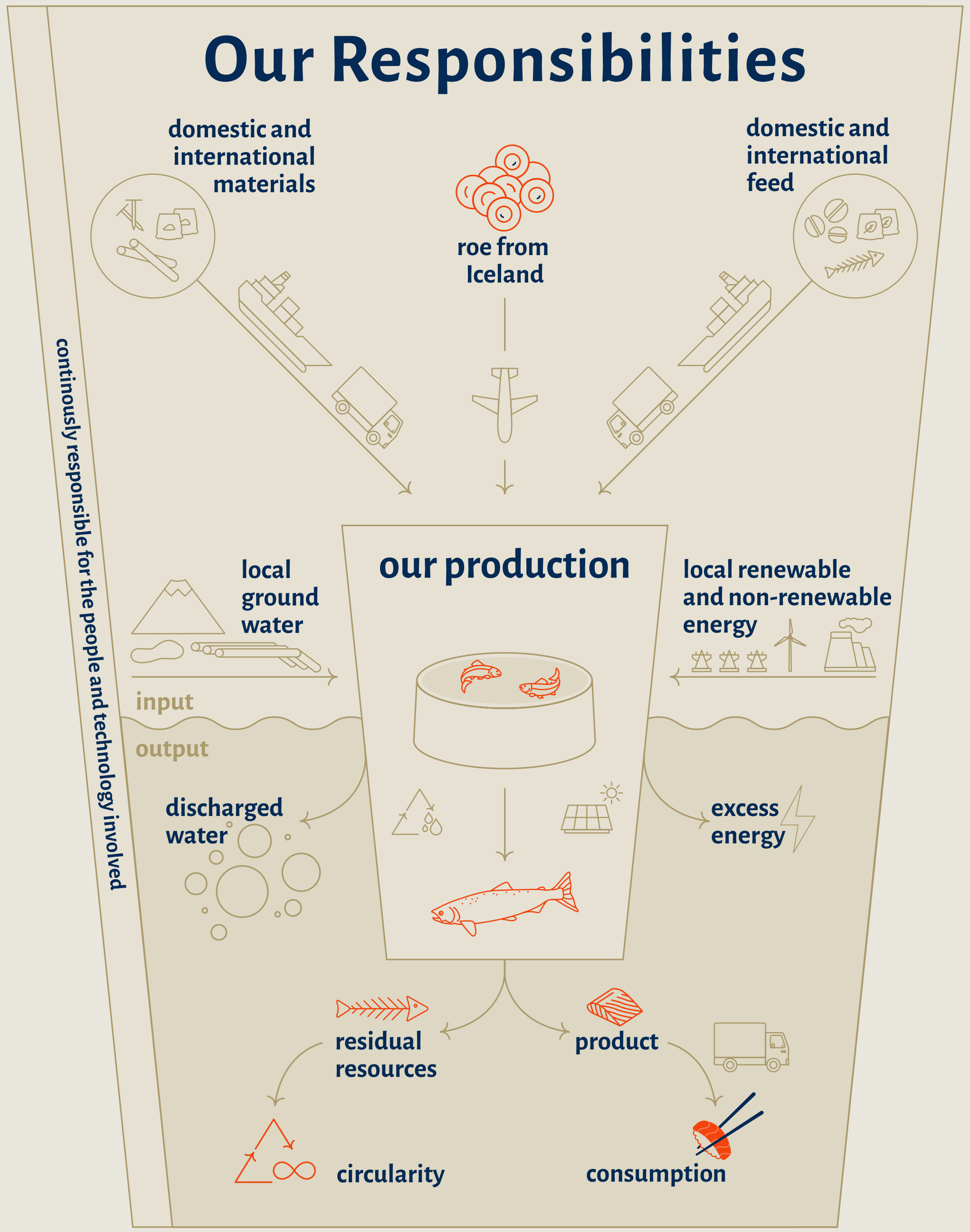
Strong governance is fundamental to our sustainability efforts. We are committed to transparency, ethical business practices and responsible decision-making in order to ensure that sustainability remains an integral part of our corporate strategy. As we develop our sustainability reporting, we aim to align with recognised international standards, including GRI and ESRS, and continue improving our disclosures to meet stakeholder expectations.

Certifications and Standards

To reinforce our commitment to sustainability, Proximar seeks external validation through recognised industry certifications and ratings. We intend to obtain Aquaculture Stewardship Council (ASC) certification when our production meets the relevant eligibility requirements. Additionally, our sustainability performance has been acknowledged through independent evaluations:

- In 2021, Cicero classified Proximar as “dark green,” recognising the strong environmental credentials of our operations.
- The Japan Credit Rating Agency (JCR) awarded Proximar the highest rating for our sustainability efforts in both 2022 and 2023.

Through these assessments, certifications and transparent reporting we continuously refine our approach to sustainability, making sure we meet both regulatory requirements and industry best practices.



Environmental Topics

Energy and Emissions

Energy is a critical factor in land-based salmon farming, representing a significant impact in both material and financial terms. Compared to traditional aquaculture, our operations require more energy to maintain optimal water quality and fish welfare. Our efforts to increase energy efficiency and minimise emissions include prioritising proximity to markets, investing in energy-efficient RAS technology and selecting low-emission feed. We aim to further improve energy efficiency and reduce greenhouse gas emissions by producing solar power on-site and increasing the share of renewable energy in our energy mix, combined with AI-driven energy optimisation initiatives.

Resources and Circularity

For farmed salmon that is not transported by air, feed is the most significant contributor to the environmental footprint, making the sourcing of sustainable feed ingredients critical. We have chosen Skretting as our feed supplier to ensure responsible sourcing, minimise emissions and optimise feed efficiency. By providing optimal growth conditions in a controlled farming environment, we improve feed efficiency and accelerate the growth of the fish, reducing the overall amount of feed required throughout their lifecycle.

In line with our commitment to circular economy principles, we actively repurpose byproducts from our operations. Fish cut-offs, such as guts, are utilised for pet food and fish meal, while nutrient-rich sludge is processed into fertilizer. Additionally, we continue to explore new ways to utilise residual resources, reduce waste and further minimise our environmental impact.

Water and Biodiversity

Proximar's land-based system is designed to achieve 99.7% water recirculation, minimising freshwater usage and wastewater discharge. By maintaining strict biosecurity and water treatment measures, we prevent contamination and protect local biodiversity. Compared to conventional sea-based farming, our controlled environment eliminates the risk of escapes and the spread of pathogens to wild populations.

However, we recognise that environmental impacts extend beyond our operations. Activities throughout our value chain, such as the sourcing of construction materials and feed ingredients, can contribute to land degradation, disruption of natural habitats and habitat loss. We are therefore committed to collaborating with suppliers who share our dedication to minimising these risks through sustainable practices.

Fish Health and Welfare

Fish health and welfare are fundamental to our operations, as they directly affect productivity, product quality and environmental sustainability. Through rigorous biosecurity measures, we maintain a disease-free environment, minimising the need for antibiotics and medication. We adhere to the Five Freedoms of animal welfare and continuously strive to improve fish health and welfare through optimised handling and superior living conditions, including high water quality and well-managed stocking densities.

Social Topics

Own Workforce

As a growing international company, Proximar is committed to promoting a safe, inclusive and supportive working environment. Our employees are fundamental to our success, and we prioritise their well-being and professional development.

We value a diverse workforce and ensure equal opportunities for all our employees, regardless of gender, nationality or background. We uphold strict workplace safety protocols, provide comprehensive training and emphasise a culture of mutual responsibility, where both employees and leadership actively contribute to a safe and positive working environment.

By constantly refining our HR policies, training programmes and safety standards, we strive to maintain high employee satisfaction and retention, creating a workplace that attracts top talent both in Japan and globally. We are committed to maintaining close dialogue with our employees by collecting frequent feedback through annual employee surveys and regular meetings. This approach ensures that we stay attuned to our employees' needs and concerns, further enhancing our working environment and organisational culture.

Affected Communities

Proximar is committed to the communities we operate in, recognising our responsibility to support local economies, uphold ethical supply chains, drive infrastructure development and enhance food security.

We contribute to the local economy by creating jobs and collaborating with local industries. Our investment in sustainable aquaculture technology benefits both our operations and the broader community. By conducting regular risk assessments and working closely with suppliers, we promote ethical working conditions and transparency in labour practices throughout our supply chain.

Japan's low self-sufficiency rate makes sustainable domestic food production a national priority. By producing high-quality salmon locally, we strengthen food security while ensuring safe, nutritious seafood. Our controlled, disease-free environment provides consumers with fresh, high-quality salmon with a lower environmental impact.

Through community engagement, responsible supply chain management and sustainable food production, Proximar seeks to create a lasting positive impact on society while aligning with global sustainability goals.

Reporting

To enhance transparency, we have established a structured ESG database where we report key sustainability metrics. Starting in 2023, we began collecting and reporting on a set of sustainability indicators, expanding further in 2024, and we expect to increase our reporting scope in 2025. The ESG appendix provides detailed data for 2023 and 2024, covering environmental and social KPIs aligned with GRI standards.

We remain committed to continuous improvement. By integrating sustainability into every aspect of our operations, we aim to set a new standard for responsible aquaculture.

Financial Statements

Consolidated financial statments

Consolidated statement of comprehensive income

(Amounts in NOK 1,000)	Note	Q4 2024	Q4 2023	2024	2023
Revenue		3 365	-	3 509	-
Other income		-	-	-	6
Revenue and other income		3 365	-	3 509	6
Cost of materials		16 378	2 552	41 658	5 930
Changes in biomass	4	-32 375	-436	-88 218	-17 772
Net fair value adjustment biomass	4	6 151		-9 018	
Personnel expenses	7	12 751	11 608	39 857	29 871
Depreciation and Amortisation	3, 6	15 320	6 075	49 667	15 270
Other operating expenses	9, 16	31 657	10 458	63 488	30 473
Operating expenses		**49 882**	**30 257**	**97 432**	**63 771**
		-	-		
Operating loss		**-46 518**	**-30 258**	**-93 923**	**-63 765**
Interest income		329	1	1 098	29
Other financial income	17	2 700	67	9 952	470
Interest expenses		17 554	7 389	52 990	9 926
Other financial expenses	17	1 224	15 382	5 409	17 517
Loss before tax		**-62 266**	**-52 960**	**-141 270**	**-90 709**
Income tax expense (income)	8	1 218	-8 129	-2 066	2 635
Net loss for the period		**-63 484**	**-44 830**	**-139 204**	**-93 345**
Other comprehensive income/loss for the year					
Items that may be reclassified subsequently to profit or loss:					
Currency effect on investment in subsidiaries		-6 158	-14 964	890	-10 551
Currency effect on loans to subsidiaries	2	-5 534	37 091	3 668	-8 966
Income tax related to these items	8	1 218	-8 160	-807	1 972
Total compre. loss for the financial year, net of tax		**-73 959**	**-30 863**	**-135 453**	**-110 889**
Earnings per share:					
Basic earnings per share	10	-0,45	-0,75	-1,00	-1,79
Diluted earnings per share	10	-0,45	-0,75	-1,00	-1,79

Consolidated statement of financial position

(Amounts in NOK 1,000)	Note	2024	2023
ASSETS			
Non-current assets			
Assets under construction	3	154 177	339 042
Land	3	91 987	91 436
Property, plant and equipment incl. right-of-use assets	3, 6	1 178 858	848 832
Intangible assets		277	-
Long term receivables	16	14 307	403
Total non-current assets		**1 439 607**	**1 279 713**
Current Assets			
Inventory	5	4 600	1 023
Biological assets	4	118 718	19 750
Other short term receivables		15 256	48 276
Cash and bank deposits	11	60 934	39 159
Total current assets		**199 508**	**108 209**
TOTAL ASSETS		**1 639 115**	**1 387 922**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	14 217	5 967
Share premium reserve		373 561	366 597
Other equity		23 998	19 591
Translation differences		-15 232	-19 790
Total equity		**396 544**	**372 364**
Liabilities			
Non-current liabilities			
Convertible bond loan	2, 13	-	202 725
Non-current interest bearing debt	2, 13	116 332	615 396
Long term liabilities to related parties	2, 13, 15	-	95 693
Lease liabilities	2, 6, 13	11 285	240
Total non-current liabilities		**127 617**	**914 054**
Current liabilities			
Current portion of interest bearing debt	2, 13, 15	1 062 977	53 432
Current portion of lease liabilities	2, 6, 13	4 229	785
Trade payables	2, 13	37 821	17 664
Public duties payable	2, 13	576	490
Other short term liabilities	2, 13	9 351	29 132
Total current liabilities		**1 114 953**	**101 504**
Total liabilities		**1 242 571**	**1 015 557**
TOTAL EQUITY AND LIABILITIES		**1 639 115**	**1 387 922**

Bergen, March 21 2025
The Board of Directors of Proximar Seafood AS

Kjell-Erik Østdahl	Per Grieg	Viggo Halseth	Siri Vike	Elisabeth Adina Dyvik	Joachim Nielsen
Chair	Director	Director	Director	Director	CEO

Consolidated statement of cash flows

(Amounts in NOK 1,000)	Note	**Q4 2024**	**Q4 2023**	**2024**	**2023**
Cash flow from operating activities					
Loss before tax		-62 266	-52 960	-141 270	-90 709
Income taxes paid	8	-	-	-	-
Depreciation		15 320	6 075	49 667	15 270
Change trade receivables		163	6	-	-
Change other receivables		13 517	-	33 020	-
Gain from sales of fixed assets		-	-	-	-6
Net fair value adjustment biomass		6 151	-	-9 018	-
Change in biological asset		-31 252	-752	-89 950	-16 882
Change in inventory		-378	-771	-3 577	-1 009
Change trade payables		6 681	8 596	20 157	17 134
Other accruals etc.	16	4 411	8 163	-15 444	28 736
Net interest expense		12 810	17 287	49 180	37 268
Net foreign currency exchange rate difference		-		-	
Net cash flow from operating activities		**-34 844**	**-14 355**	**-107 236**	**-10 199**
Cash flow from investing activities					
Purchase of property, plant and equipment	3	-21 810	-60 149	-101 014	-540 865
Proceeds from sale of assets		-	-0	-	6
Net cash flow from investing activities		**-21 810**	**-60 150**	**-101 014**	**-540 859**
Cash flow from financing activities					
Proceeds from capital increases		-	-	156 795	70 526
Proceeds from loans and borrowings	13	42 125	-	154 936	776 938
Transaction costs	13	-100	-	-3 378	-26 314
Payments on leasing obligations	6, 13	-905	-483	-2 556	-1 775
Payments on loans and borrowings	13	-2 616	-179 755	-17 616	-205 025
Net interest paid		-20 834	-17 287	-62 715	-42 324
Net cash flow from financing activities		**17 670**	**-197 525**	**225 466**	**572 024**
Net change in cash and bank deposits		-38 984	-272 030	17 216	20 967
Cash and bank deposits as at first in period		114 368	289 061	39 159	37 709
Translation effects		-14 450	22 128	4 558	-19 516
Cash and bank deposits as at last in period	**11**	**60 934**	**39 159**	**60 934**	**39 159**

Consolidated statement of changes in equity

(Amounts in NOK 1,000)	Note	Share capital	Share premium reserve	Other equity	Translation differences	**Total equity**
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	2		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	13, 8	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**
Balance at 1 January 2024		**5 967**	**366 597**	**19 591**	**-19 790**	**372 364**
Loss for the period			-139 204			**-139 204**
Currency effect on investment in subsidiaries*					890	**890**
Currency effect on loans to subsidiaries	2		-807		3 668	**2 861**
Total comprehensive loss for the period		-	-140 011	-	4 558	**-135 453**
Conversion option for issued bond, net of tax	13, 8			4 407		**4 407**
Capital Increase		8 250	146 976			**155 226**
Balance at 31 December 2024		**14 217**	**373 561**	**23 998**	**-15 232**	**396 544**

* Currency effect on investments in subsidiaries relates to exchange differences araising from net investment in foreign entities, and are recognized in other comprehensive income.

Note 1 - Summary of material accounting policies

General information
Proximar Group is an early-stage Norwegian registered Seafood company engaged in land-based fish farming with head quarter located in Bergen, Norway. Proximar Group has a production facility for Atlantic salmon close to Mount Fuji, Japan, through the fully owned Japanese subsidiary Proximar Ltd.

The consolidated financial statement has been prepared according with international financial reporting standard (IFRS).

Basis for preparation of the annual accounts
The group prepares the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), relevant interpretations and additional requirements following the Norwegian Accounting Act of 1998. References to “IFRS” in these financial statements mean IFRS as adopted by the EU.

The consolidated financial statements have been prepared based on uniform accounting principles for similar transactions and events under otherwise similar circumstances. The consolidated financial statements for the period ended 31 December include Proximar Seafood AS and Proximar Ltd.

Consolidation
Consolidated financial statements present the group’s financial position, comprehensive income, changes in equity and cash flow. All intercompany transactions, receivables and liabilities are eliminated. Any unrealized gains from intercompany transactions are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group’s accounting policies.

Subsidiaries are all entities over which the group exercises control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary.

Revenue
The main source of revenue for the Group derives from sale of fish to one single customer, being the company’s distribution partner to the wider market and end-customers. Revenue is generally recognized on delivery of the goods, being when the distribution partner has loaded the truck outside the company’s facility following each harvest. The sales price is typically based on the available market price where the price will vary with both quality and size.

Customers do normally not pay any advances. The normal credit term is 10 days upon delivery and based on the nature of the product there is generally no right of return or warranties. A refund is only given if delivered goods are damaged or delivered with discrepancy compared to agreement. Up until now, refunds are not material/such is immaterial.

Biological assets
The Group is farming fish on a land-based facility.

Biological assets are measured at fair value unless the fair value cannot be measured reliably. For salmon in the grow-out facility a present value model is applied to estimate the fair value. Changes in fair value of biological assets are recognised in the statement of profit and loss.

Eggs and smolt are measured at cost less impairment losses. Cost is deemed a reasonable approximation for fair value for eggs and smolt as there is little biological transformation (IAS 41.24). Cost includes purchase price for eggs and directly attributable cost. The directly attributable cost include transportation, all variable costs, such as electricity, feeding, oxygen, labour cost of framing personnel and a proportion indirectly variable and fixed cost, such as depreciation. The Group is still in a ramp-up phase, and hence the facility’s production capacity is not fully used. Cost of production is therefore adjusted for unutilized production capacity.

Fair value of the biomass
Changes in the estimated fair value of the biomass are recognized in profit or loss. The fair value adjustment is presented in the statement of comprehensive income as “Net fair value adjustment biomass”. The net fair value adjustment consists of fair value adjustment on biological assets. The accumulated cost of incident-based mortality is included in “cost of materials” in the statement of comprehensive income. Fair value of biological assets is calculated based on a present value model which does not rely on historical cost. Fish ready for harvest (mature fish), are valued at expected sales price with a deduction of cost related to harvest, transport etc. For fish not ready for harvest (immature fish), cost to completion is also deducted, see details in Note 4.

Classification of current and non-current items
An asset is classified as current when it is expected to be realized or sold, or to be used in the group’s normal operating cycle or falls due or is expected to be realized within 12 months after the end of the reporting period. Other assets are classified as non-current. Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the group or are expected to be settled within 12 months of the end of the reporting period, or if the group does not have an unconditional right to postpone settlement for at least 12 months after the balance sheet date.

Foreign currency
Items included in the financial statements of each of the group’s entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Norwegian currency units (NOK), which is Proximar Seafoods AS’ functional and presentation currency.

Foreign currency transactions are translated using the exchange rate at the time of the transaction. Receivables, debt and other monetary items in foreign currency are measured at the exchange rate at the end of the reporting period, and the translation differences are recognized in profit or loss. Other assets in foreign currencies are translated at the exchange rate in effect on the transaction date.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income and accumulated in a foreign exchange translation reserve. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Profit or loss transactions in foreign subsidiaries are translated to the presentation currency using the average exchange rate for the period unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transaction are used. Assets and liabilities of foreign subsidiaries are translated at the exchange rate at the end of the reporting period.

Taxes
The tax expense consists of the tax payable and changes to deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated on the basis of temporary differences between the carrying amount of assets and liabilities in the financial statements and their tax base, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available, against which the assets can be utilized. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities. And, when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. The companies included in the consolidated financial statements are subject to income tax in the countries where they have business address.

Cash and bank balances
Cash and bank balances include cash in hand and bank deposits. Potential overdraft facilities will be presented as borrowings in the financial statement.

Trade and other receivables
Receivables arise from the trading of goods or services within the ordinary operating cycle, and under normal terms of payment are initially recognized at nominal value. Trade receivables with longer terms of payment are discounted to present value.

The group's financial assets, which consist of long- and short-term receivables are measured at amortised cost. Receivables are recognized in the financial statement at nominal value after a provision of bad debt. Provision for bad debts is estimated based on individual assessments for material accounts, minor accounts are estimated based on expected losses. We do not expect any loss on long term receivables consisting of deposits and other short-term receivables at year end.

Property, plant & equipment
Property, plant and equipment are capitalised at acquisition cost less accumulated depreciation and any impairment losses. Acquisition cost includes expenditure which is directly attributable to the acquisition of the items. Costs associated with normal maintenance and repairs are expensed as incurred. Costs for major replacements and renewals which substantially extend the economic life and functionality of the asset are capitalised. Assets are normally considered property, plant, and equipment if their useful economic life exceeds one year. Straight-line depreciation is applied over the useful life of property, plant, and equipment, based on the asset's historical cost and estimated residual value at disposal. If a substantial part of an asset has an individual and different useful life, this part is depreciated separately. The asset's residual value and useful life are evaluated annually. The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset.

Assets under construction are not depreciated. Depreciation is charged to expenses when the property, plant or equipment is ready for use.

Compound financial instruments
Compound financial instruments issued by the Group comprise convertible notes denominated in NOK that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Leases
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: fixed payments, variable lease payment that are based on an index or a rate, amounts expected to be payable by the group under residual value guarantees and the exercise price of a purchase option if the group is reasonably certain to exercise that option.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Finance cost is presented in operating activities in the cash flow.

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, and any initial direct costs.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Trade and other payables
These amounts represent unpaid liabilities for goods and services provided to the group prior to the end of the financial year. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Inventories
Inventories of goods are measured at the lower of cost and net realisable value.

Financial liabilities
All financial liabilities are recognised initially at fair value, and in the case of borrowings and payables, net of directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortization is included as finance costs in the income statement. Finance cost is presented in financing activities in the cash flow.

Personell expenses
Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect to employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Pensions
The group operates with defined contribution plans, the group pays contributions to publicly and privately administered pension insurance plans on a mandatory, contractual, and voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as personnel expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Earnings per share
Earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period.

Business Segment
The Group is still in a ramp-up phase, and The Group has not implemented segment reporting. The source of revenue in 2024 for the Group is sales of Atlantic salmon in Japan. Activity in the Group is related to the operation of the facility and production. Reporting to the management is prepared based on the same policies as described above. Since the activity is not split into segments, reporting is prepared in a consistent manner with internal reporting to the chief operating decision-maker.

Cash flow statement
The cash flow statement is prepared in accordance with the indirect method. This means that the statement is based on the Group's profit before tax in order to present cash flows from operating, investing and financing activities respectively. Cash payment made in acquiring subsidiaries less the cash acquired as part of the transactions is reported under Cash flows from investing activities.

Adoption of new and revised international financial reporting standards and interpretations standards and interpretations affecting amounts reported in the current period

All relevant new and revised IFRSs and IFRIC interpretations that are mandatory for periods commencing 1 January 2024 and earlier have been adopted for all periods presented in these consolidated financial statements.

At the date of authorisation of these financial statements, the following Standards and Interpretations had been issued by the IASB but were not effective for the financial year ended 31 December 2024. Management anticipates that these Standards and Interpretations will be adopted in the group's financial statements for the period beginning 1 January 2025 or later. Management considers that the impact of the adoption of these new and revised/amended Standards and Interpretations on the group will not be significant.

Standard/ Interpretation	Title	Date of issue	Applicable to accounting periods commencing on
Amendments to IAS 21 The Effects of Change in Foreign Exchange Rates	Lack of Exchangeability	August 2023	1 January 2025
Amendments to IFRS 9 Financial instruments and IFRS 7 Financial Instruments: Disclosures	Amendments to the Classification and Measurement of Financial Instruments	30 May 2024	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	New Standard IFRS 18. Replaces IAS 1.	April 2024	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	New Standard IFRS 19.	May 2024	1 January 2027

Critical accounting judgment and key sources of estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are:

Impairment test

The construction of the facility is now fully completed, and only minor works remain before the installation of all equipment are also completed for all the four modules in the post-smolt grow-out building. The asset is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. Management measures the recoverable amount of an asset or Cash Generating Unit (CGU) by comparing its carrying amount to the value in use that the asset or CGU is expected to generate over its remaining useful life. At the moment, fair value less cost of disposal is not readily available as there is no functioning market for this kind of asset.

In assessing value in use, the estimated future cash flows are discounted to their present value using an average weighted cost of capital that reflects current market assessments. CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows form other assets or group of assets. The Group has currently one CGU.

If an asset or CGU is considered to be impaired, impairment is recognized in an amount equal to the excess of the carrying amount of the asset or CGU over its recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable since the last impairment loss was recognized. Any reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Factors that indicate impairment which trigger impairment testing may be significant decline in market prices for salmon in Japan, significant cost overruns compared to initial estimates, change in strategy for the business, significant negative industry or economic trends, significant unfavourable regulatory decisions. In addition, the company's market capitalization below the book value of equity would be an indicator of impairment.

The key assumptions used to determine the recoverable amount for the different CGUs are the projected harvest volumes (starting at 3.500 tonnes/year, steadily increasing to 5.300 tonnes/year), expected sales price (estimate based on European Salmon Futures on Euronext and implied transportation costs between Norway and Japan), COGS (feed, electricity, eggs, water, etc), other OPEX, capital expenditures and the discount rate. The significant key assumptions are the projected harvest volumes, sales price, and the feed costs. The estimates show robustness towards negative changes in any of the key assumptions in sensitivity evaluations. There are no indications of impairment due to either significant decline in market prices for salmon, significant cost overruns compared to initial estimates, change in strategy for the business, significant negative industry, or economic trends, nor significant unfavourable regulatory decisions.

The Group has assessed climate related risks, including volcanic eruptions and earthquakes. Extreme weather events may pose a threat to the physical facilities and in the event of extreme drought, water supply may be limited. However, the company does not consider this to be of significance and finds that climate risk is not assumed to affect the booked assets materially.

Note 2 - Financial risk and capital management

(Amounts in NOK 1,000)

The Group's financial assets and liabilities comprise of long and short term receivables, trade and other payables, cash deposits and borrowings necessary for its operations.

Foreign exchange risk

The group is exposed to changes in foreign exchange rates relating primarily to the Group's activities in Japan. The main currencies used are NOK, JPY, EUR and USD. Foreign exchange risk arises from future commercial transactions, recognized assets, and liabilities and net investments in foreign operations.

Net interest-bearing liabilities Currency in NOK as per 31 December 2024	**NOK**	**JPY**	**USD**	**EUR**	**Total**
Cash and bank deposits	17 334	43 223	375	1	60 934
Interest-bearing liabilities	102 070	827 914			929 984
Convertible bond loan	249 325				249 325
Lease	-	15 514			15 514
Net interest-bearing liabilities	**334 061**	**800 205**	**-375**	**-1**	**1 133 890**

The holding company in the Group extends current and non-current loans to the subsidiary denominated in the functional currency in this company, which is JPY. In addition, a loan denominated in USD was issued to the subsidiary in 2024. Final repayment date of the outstanding principal for non-current loans is by the year end 2030. The currency effect of loans is recognized under "currency effect on loans to subsidiaries" in other comprehensive loss. The numerical effects for 2024 and 2023 are presented below.

Currency effects on loans to subsidiaries	**2024**	**2023**
Currency effect (loss / negative)	3 668	-8 966
Tax effect (22%)	807	-1 972
Tax effect (22%) not recognized	-807	1 972
Net effect recognized in equity though OCI	**3 668**	**-8 966**

Interest rate risk

Since the Group has no significant interest-bearing assets apart from bank deposits, its income and operating cash flows are largely independent of changes in market interest rates. The Group's interest rate risk arises from borrowings. The interest rate for the syndicated loan and two of the bank loans from financial institutions is dependent on the Japanese TIBOR rate. The interest rate for the shareholder loan is dependent on the 1-month NIBOR rate. The convertible bond loan, two of the bank loans from financial institutions and the loan from JA Mitsui Leasing have fixed interest rates.

Market risk

Proximar's financial position and future prospect depend on the price of farmed salmon in Japan, which in turn mainly depends on a combination of export market prices from Norway and the cost of transportation from Norway to Japan (and added import duties of 3.5%). Adding a third element, the local handling charges in Japan before an importer can sell the salmon in the Japanese market, gives the benchmark-price that Proximar expects to achieve as sales income/kg. The combination of these three elements (Norwegian export price, transportation costs and local handling charges) will act as a floor for Proximar's expected price because an importer will have to sell at a loss if the price is lower than the benchmark price. As expected, the benchmark prices have varied over the years, mainly with the season where prices are higher in the period February through July and lower from August to January. Both short-term or long-term decreases in these elements may have a materially adverse effect on the company's business, financial condition, results of operations or cash flow. Based on the company's expectation to produce 5,300 tonnes/year HOG from 2027 onwards, a reduction in 1 NOK/kg will result in NOK 5.3 million in reduced sales income.

Credit risk

Credit risk is managed at Group level. Credit risk arises from transactions involving deposits in banks and transactions with customers. As the Group will only have Marubeni Corporation (MC) as its counterpart when selling all its Atlantic salmon in the Japanese market for a period of 10 years, the credit risk is considered to be low in the Group at the end of 2024. MC is one of Japan's largest conglomerates, with reported sales of approx. NOK 414 billion for the nine-month period ending 31 December 2024 (deviating fiscal year) and a market value of approx. NOK 287 billion as at 31 December 2024.

Financing risk

The company has over the last years financed the completion of both the construction (end-2023)- and equipment installation (end-2024, with some minor exceptions) through a combination of debt and equity. Unless experiencing major discrepancies from the current plans and budgets, cash flow generated from operations in 2025 is expected to be sufficient for operating the Group's requirements for its 5,300 tonnes/year facility in Oyama, Japan. Some additional working capital following lower harvest in H1 is being addressed through debt facilities. However, as the company is operating a facility where biology is at the core, no guarantees can be given against a possible further need for additional external financing. The refinancing of the majority of Proximar's debt it scheduled for 2025, and the company has started discussions with the aim of finalizing the various processes well in advance of the respective maturity dates. See note 13 for further details related to Proximar's borrowings.

Liquidity risk

The Group adopts an active approach to liquidity risk management, which includes maintaining sufficient cash and securing funds through sufficient credit facilities in order to meet all its financial obligations.

The company has no history of defaults, and the liquidity risk is expected to have peaked with the capex for acquiring the land, constructing the facilities and installing all necessary RAS-equipment for running the phase 1 at full capacity already spent. See also note 13 for further details.

At year-end 2024 the Group had cash reserves of NOK 60.9 million, of which NOK 4.9 million is restricted. The Group is continuously monitoring the liquidity levels.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flow) of financial liabilities already drawn up:

Year ended 31 December 2024	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings		822 413	6 559	91 014	21 701	941 686
Convertible bond loan		264 200				264 200
Lease liabilities	1 159	3 470	3 951	7 452	992	17 023
Trade and other payables	38 397	5 998				44 395
Interest on borrowings	13 385	26 014	401	364	254	40 419
Total	**52 941**	**1 122 095**	**10 911**	**98 830**	**22 946**	**1 307 724**

Year ended 31 December 2023	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	15 000	53 927	736 938			805 865
Convertible bond loan			224 200			224 200
Lease liabilities	341	432	772	251		1 795
Trade and other payables	18 154	24 160				42 314
Interest on borrowings	9 120	39 400	36 766			85 286
Total	**42 615**	**117 918**	**998 676**	**251**	**-**	**1 159 459**

Note 3 - Land, property, plant and equipment

(Amounts in NOK 1,000)

	2024	2023
Split between Right-of-use assets and owned assets:		
Carrying amount RoU-assets	15 371	922
Carrying amount owned assets	1 409 652	1 278 387
Total property, plant and equipment incl. right-of-use assets	**1 425 022**	**1 279 310**

Year ended 31 December 2024	Assets under construction	Land	Buildings	RAS	Equipment and vehicles	Total
Cost at 1 January 2024	339 042	91 436	629 664	169 440	64 484	1 294 067
Additions in the year/reclassifications	-186 906	-	10 133	282 404	66 026	171 656
Disposals						-
Currency effect*	2 042	551	3 792	1 020	290	7 695
Cost at 31 December 2024	**154 177**	**91 987**	**643 589**	**452 865**	**130 800**	**1 473 418**
Accumulated depreciation at 1 January 2024			4 082	5 968	5 629	15 680
Depreciation in the year			25 082	11 834	10 314	47 230
Disposals					-	-
Currency effect*			458	216	182	857
Accumulated depreciation at 31 December 2024			**29 623**	**18 018**	**16 125**	**63 767**
Net carrying amount at 31 December 2024	**154 177**	**91 987**	**613 966**	**434 847**	**114 675**	**1 409 652**

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

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**

Estimated useful life and depreciation plan is as follows:

	Assets under construction	Land	Buildings	RAS	Equipment and vehicles
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	650 368
Equipment	525 083
Land	95 298
Total	**1 270 749**
Progress per 31 December 2024 inclusive of land	100%

The construction work was completed in Q3 2023. With some minor exeptions, the RAS equipment installation was completed in Q4 2024.

Note 4 - Biological assets

(Amounts in NOK 1,000)

Valuation of biological asset

Biological assets are, in accordance with IAS 41 and IFRS 13, measured at fair value less the associated sales costs, unless the fair value cannot be measured reliably (in which case the cost-method will be applied as for the hatchery and nursery facility).

For salmon in the grow-out facility a present value model is applied to estimate fair value. Changes in fair value of biological assets are recognized in the statement of comprehensive income. At year end 2024 fair value adjustment is performed for the first ten batches.

The other batches, in the hatchery and nursery facility, are measured at cost less impairment losses. Cost is deemed a reasonable approximation for fair value for eggs and smolt as there is little biological transformation (IAS 41.24). Cost includes purchase price for eggs and direct attributable cost. The Group is still in a ramp-up phase, and hence the facility's production capacity is not fully used. The cost of production is therefore adjusted for unutilized production capacity, which is allocated directly to the profit and loss statement as a cost item.

Fair value of biological assets is calculated based on a cash flow-based present value model. Cash inflows are calculated as functions of estimated volume multiplied with estimated price. Fish ready for harvest (mature fish) is valued at the expected sales price with a deduction of cost related to harvest, transport etc. For fish not ready for harvest (immature fish), the model uses an interpolation methodology where the known data points are the value of the fish when being transferred to the post smolt grow-out facility and when recognized as mature fish. Cash outflows are based on historical data and estimation of known cost categories such as feed, personnel and electricity.

In accordance with IAS 41.16, a provision for onerous contracts is recorded by assessing if there are contracts in which the unavoidable costs of meeting the Company's obligations under the contract (where fair value adjustment of biological assets is included in the unavoidable costs) exceed the economic benefits expected to be received.

Assumptions used for determining fair value of live fish

The estimated fair value of the biomass will always be based on uncertain assumptions. Estimates are applied to the following factors: biomass volume, the quality of the biomass, size distribution, costs, mortality and market prices.

Biomass volume

The biomass volume is estimated based on the number of smolt moved from the hatchery and nursery department to the post smolt grow-out facility, the estimated growth from the time of stocking, estimated mortality in the period, etc. There is normally little uncertainty related to the biomass volume.

The level of uncertainty will, however, be higher if an incident occurs. In November and December production was influenced by biofilter issues. This has caused delayed growth as restricted feeding has continued to maintain water quality, leading to lower expectations for harvested volume for the batches involved. Our most updated knowledge of the various batches is applied in estimation of fair value. If the total biomass in the post smolt grow-out facility was 1% lower than our estimates, this would result in a change in value of NOK -3.0 million.

The quality of the biomass

The quality of the biomass can be difficult to assess prior to harvesting. The fish harvested in Q4 2024 was very well received in the market, and the feedback on quality and taste has been very positive. The quality of harvested fish has been extraordinary and over 99% of the fish were graded as Superior quality in 2024.

In Norway downgraded fish is normally priced according to standard rates of deduction compared to a Superior quality fish. In other countries, including Japan where Proximar is the first land-based company harvesting at scale, the price deductions related to quality are not as standardized.

Our fair value model is based on production of 95% of Superior quality fish, 2,5% downgraded to Ordinary quality with a 10% price reduction and 2,5% downgraded to Production class with price reduction of 40%.

A one percentage point change from Superior quality to Production grade quality would result in a change in value of NOK -1.3 million.

The size distribution

Fish grow at different rates, and even in a situation with good estimates for the average weight of the fish, there can be a considerable spread also in the weight of the fish. The size distribution affects the price achieved for the fish, as each size category of fish is priced separately in the market. When estimating the biomass value, a size distribution corresponding to the most updated knowledge of the various batches is applied.

Costs

Estimated remaining production costs are estimated as the necessary costs for farming the fish up until harvest date, including harvest- and sales costs. Costs until harvest for one batch have been calculated using the budget for that reference batch. The estimate for the total costs is then used for all other batches in the grow-out facility by adjusting for the number of individuals in those batches. Going forward, we plan to shift towards historical/experience-based cost estimates, as the company acquires more historical cost data. For the estimation of future costs, there is uncertainty with regard to feed prices, other input costs and biological development. The estimated remaining production costs are adjusted for unutilized production capacity for indirect production costs, which consist of personnel costs at the grow-out facility, depreciations, and other indirect production costs directly attributable to the fish. In determining the applicable capacity adjustment, the Company considers several factors including number of tanks in operation, amount of standing biomass and biomass production.

The fair value of the biomass is calculated using a present value model, applying a discount rate of 4% on the expected cash flow generated. The discount rate consists of the following factors: i) biological risk, both related to event-based mortality, and risk of growth-related issues that have been seen in other RAS-facilities, ii) uncertainty regarding price achievement in the Japanese market, both related to the underlying salmon price FCA Oslo, the implied transportation costs to Japan, and the expected price premium, iii) the time value of money and iv) uncertainty in the start-up phase, especially related to biological risk. The number of months left until harvesting will affect the risk and cash flow. Biological risk, the risk of increased costs and price risk will be the most important elements to be recognized.

Mortality

Normalized mortality will affect the fair value estimates both as a reduction of estimated harvesting volumes, and because the cost to completion includes cost, incurred for fish that eventually will perish. In the fair value model, we use 0,5% mortality per month. The estimate is based on our supplier's experience of other RAS facilities, and it is aligned with our own experience and a production plan which does not contain any planned culling. Incident based mortality is recognized when the smolt or grow-out facility experiences elevated or substantial mortality. In such cases, mortality expense is included as part of the cost of materials in the consolidated financial statements, and the fair value associated with the affected biomass is adjusted under fair value adjustments.

Market price

The market price assumption is very important for the valuation and even minor changes in the market price will result in material changes in the valuation.

In the fair value model, we use forward prices quoted at Euronext, European Salmon Futures (ESF). For 2025 forward prices recorded on 28 January 2025 have been used. The expected transportation costs from Norway to Japan, as well as the expected local handling charges, are added to the forward prices in order to get to the expected sales prices for the company.

A reduction in the sales price of 1 NOK/kg would result in a change in value of NOK -2.5 million.

	Tonnes	
Volume of biological assets	**2024**	**2023**
Biological assets beginning of period	40	-
Increase due to production	1 062	40
Reduction due to harvest/sale	-35	
Reduction due to incident based mortality	-9	
Volume of biomass	**1 058**	**40**

Reconciliation of changes in the carrying amount of biological assets	**2024**	**2023**
Biological assets as of period start	19 750	2 868
Cost to stock in in period*	93 809	17 772
Mortality for fish in period (incident based mortality)*	-1 682	
Net fair value adjustment in period**	9 018	
Cost of harvested fish	-3 908	
Currency translation differences in period*	1 731	-891
Total carrying amount of biological assets at period end	**118 718**	**19 750**

Carrying amount of biological assets	**2024**	**2023**
Biological assets as of 1 January	19 750	2 868
Currency translation differences for biological assets as of period start	119	
Increase due to production	95 523	16 882
Reduction due to harvest/sale	-1 713	
Reduction due to incident based mortality	-3 980	
Fair value adjustment beginning of period		
Fair value adjustment end of period	9 018	
Biological assets as of 31 December	**118 718**	**19 750**

* Changes in biomass in profit and loss is translated to the presentation currency using the average exchange rate for the period. Carrying amount is presented in the presentation currency using the exchange rate at the reporting date.

** Fair value adjustment is calculated using the average exchange rate for the reporting month.

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. As per 31 December 2024 this adjustment amounted to NOK 48 million which has been expensed directly in the profit and loss statement.

Specification of biological assets

Biological assets	**Number of fish (1000)**	**Biomass (tonnes)**	**Cost of production *****	**Fair value adjustment ****	**Carrying amount**
Smolt	1 025	26	16 722		16 722
Non-harvestable fish	1 020	1 032	92 978	9 018	101 996
Total 31 December 2024	**2 045**	**1 058**	**109 700**	**9 018**	**118 718**

Biological assets	**Number of fish (1000)**	**Biomass (tonnes)**	**Cost of production**	**Fair value adjustment**	**Carrying amount**
Smolt	1 136	40	19 750		19 750
Total 31 December 2023	**1 136**	**40**	**19 750**		**19 750**

** Fair value adjustment is calculated using the average exchange rate for the reporting month.

*** Cost of production is presented with exchange rate for the reporting date in this table. Production cost is adjusted for unutilized production capacity.

Note 5 - Inventories

(Amounts in NOK 1,000)

Inventory	**2024**	**2023**
Feed	4 261	807
Chemicals	339	216
Total inventory	**4 600**	**1 023**

Note 6 - Leases

(Amounts in NOK 1,000)

Proximar Seafood AS leasing agreements consists of buildings and equipment used in the administration. The leasing contract of buildings ended May 2024.

Proximar Ltd. leasing agreements consists of buildings, machine and vehicles used for personnel and in the operation activities. The leasing contract of buildings has a duration until June 2026. The leasing contract of machines has a duration until July 2027, Sep 2027 and Oct 2030. The leasing contract of vehicles has a duration until June 2025 and Nov 2026.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Year ended 31 December 2024	Machines	Property	Vehicles	Total
Cost at 1 January 2024		3 316	1 008	4 324
Additions in the year	14 048	2 739		16 787
Currency effect*	-13	88	18	93
Cost at 31 December 2024	**14 034**	**6 143**	**1 026**	**21 204**
Accumulated depreciation at 1 January 2024		2 935	466	3 402
Depreciation in the year	519	1 588	329	2 437
Currency effect*	-1	-12	9	-5
Accumulated depreciation at 31 December 2024	**518**	**4 511**	**804**	**5 834**
Net carrying amount at 31 December 2024	**13 516**	**1 632**	**222**	**15 371**

Year ended 31 December 2023	Property	Vehicles	Total
Cost at 1 January 2023	3 359	819	4 178
Additions in the year		212	212
Currency effect	-43	-23	-66
Cost at 31 December 2023	**3 316**	**1 008**	**4 324**
Accumulated depreciation at 1 January 2023	1 457	210	1 667
Depreciation in the year*	1 521	269	1 790
Currency effect	-43	-12	-55
Accumulated depreciation at 31 December 2023	**2 935**	**466**	**3 402**
Net carrying amount at 31 December 2023	**381**	**542**	**922**

* Currency effect is included in the line item "Property, plant and equipment incl. right-of-use assets" in the balance sheet.

Lease liabilities	2024	2023
Maturity analysis - contractual undiscounted cash flows		
Less than one year	4 629	786
One to five years	10 742	240
More than five years	1 653	
Total undiscounted lease liabilities at 31 December	**17 023**	**1 026**

Lease liabilities included in the statement of financial position at 31 December	2024	2023
Current	4 229	785
Non-Current	11 285	240
Total	**15 514**	**1 025**

Amounts recognised in the statement of profit and loss	2024	2023
Interest expense	202	61
Depreciation expense on right-of-use asset	2 437	1 790
Total cash outflows		
Principal payment	2 556	1 775
Total cash flow in financing activities	**2 556**	**1 775**
Interest expense	202	61
Expenses relating to short-term leases		295
Expenses relating to low-value leases	23	593
Total cash outflows in operating activities	**225**	**949**

Additional information / sensitivity analysis	2024	2023
Effect on lease liabilities if the discount rate increases by 1%	-329	-6
Effect on lease liabilities if the discount rate decreases by 1%	343	6
Other information		
The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position	4,41%	1,24%

Note 7 - Payroll costs, no. of employees, remunerations, employee loans, etc.

(Amounts in NOK 1,000)

Payroll costs	2024	2023
Salaries incl holiday pay and bonuses	35 273	27 233
Remuneration to Board of directors	1 125	1 350
Social security cost	2 473	2 178
Pension costs	2 544	1 539
Other benefits	1 124	704
Total gross	**42 539**	**33 004**
Payroll cost allocated to Assets under construction	-2 682	-3 134
Total net	**39 857**	**29 871**
Average number of full-time employees during the financial year	44	24

Remuneration to Executive Management	Salary	Bonus	Other benefits	Total	Options granted
Joachim Nielsen* (CEO)	6 287	296	856	7 440	2 664 794
Ole Christian Willumsen** (CFO)	2 413	600	74	3 086	940 000
Lars Stigaard (CTO)	1 651		425	2 076	608 333
Dharma Rajeswaran (COO)	2 401		467	2 868	608 333
Pål Karset Grimsrud (former CFO)		386		386	75 000
Kathrine Trovik*** (former Chair of the board)	450		-	450	100 000
Per Grieg (Board member)	225		-	225	
Viggo Halseth (Board member)	225		-	225	
Peter Hermanrud**** (former Board member)	225		-	225	
Fridtjof Falck***** (former board member)					50 000

* The CEO's salary includes cost recovery related to him and his family currently living in Japan. The CEO has a bonus agreement where he can receive up till 6 months salary in bonus.

** The company's CFO gets expenses for a commuting apartment covered by the parent company.

*** Kathrine Trovik was Chair of the board until 17 April 2024.

**** Peter Hermanrud was a Board member until 17 April 2024.

***** Fridtjof Falck was a Board member until 20 April 2023.

Pensions

Proximar Seafood AS has a pension scheme covering all employees at 31 December 2024. The company's pension schemes meets the requirements of the Norwegian law on compulsory occupational pension.

Proximar Ltd. has a pension scheme covering all full time employees at 31 December 2024. The company's pension schemes meets the requirements of the Japanese law on compulsory occupational pension.

Share based payments

The board of directors in Proximar Seafood AS (the "Company") has resolved to implement a long term incentive scheme for key employees in the Company and Proximar Ltd. Rights are granted by the Company on an individual basis to selected recipients. Employees are qualified for the incentive scheme when they have been employed for 12 months or earlier if the board sets out other milestones.

In accordance with the authorization granted by the annual general meeting on 17 April 2024, the Board of Directors of Proximar Seafood AS has granted share options pursuant to the Company's updated incentive program. The Company has awarded 4.870.000 new share options (the New Options""). At the same time, 976.254 unvested share options granted under previous programs (the ""Existing Unvested Options"") lapsed. Vested options, 563.127, from allotment in 2023 have strike price at NOK 7.00. These options must be excercised within 14 July 2025.

New options going forward shall be issued at market price + 25% at the time of grant, but the first grant of options following the recent OGM may be set at a strike as determined by the Board but in no event below market price of the time of grant. New options issued are subject to 3 years vesting, where 1/3 of the options vesting annually.

The strike price of the New Options was set at NOK 3.59 (the ""Strike Price""), corresponding to the average closing price over the 5 trading days prior to the board resolution to update the option program. Each share option gives the right to purchase one share in Proximar Seafood AS. The options are granted without consideration. The options must be exercised within 2 years from vesting.

In accordance with Proximar's incentive program and approved by the company's general meeting held 23rd November 2020, the board of directors in Proximar Seafood AS (the ""Company"") granted share options to board members as listed above, November 2021.

A total of 150.000 share options were granted at an exercise price at NOK 13.25. Each option, when exercised, will give the right to purchase one share in the Company. The options are granted without consideration. The options must be exercised at earliest 2 years and at latest 4 years after being granted and are unconditional.These options must be excercised within 22 October 2025.

Outstanding options	2024	2023
Outstanding options 1 January	1 689 382	150 000
Options granted	4 870 000	1 539 382
Options exercised	-	-
Options forfeited	-1 146 255	-
Outstanding options at end of period	**5 413 127**	**1 689 382**

Note 8 - Deferred tax and tax expense

Specification of income tax expense

The tax benefit/(expense) is calculated based on income before tax and consists of current tax and deferred tax.

Income tax expense	2024	2023
Deferred tax expense	-	-
Current tax expense	-2 066	2 635
Income tax expense	**-2 066**	**2 635**
Income tax liabilities (balance sheet)		
Income tax payable	-	-
Income tax liabilities (balance sheet)	**-**	**-**

Effective Tax Rate

The difference between income tax calculated at the applicable income tax rate and the income tax expense attributable to loss before income tax was as follows:

	2024	2023
Loss before income tax	-141 270	-90 709
Statutory income tax rate Norway	22%	22%
Expected income tax expense/(benefit)	-31 080	-19 956
Change in deferred tax asset not recognized	27 201	21 064
Permanent differences	-331	-1 689
Use of tax loss carried forward	-	-
Currency effect on loans to subsidiaries	-807	1 972
Other items	2 950	1 245
Income tax expense/income for the year	**-2 066**	**2 635**
Effective tax rate	1%	-3%

Specification of the tax effect of temporary differences and losses carried forward

The tax effects of temporary differences and tax losses carried forward at 31 December are as follows:

	2024	2023
Property, plant and equipment	15 835	3 970
Receivables	-14 789	
Tax losses carried forward	-258 724	-208 403
Disallowed interest expense carried forward	-75 331	-
Equity portion of convertible bond issue	30 840	25 116
Accruals	-172	-
Currency effect on tax losses carried forward	4 763	5 380
Sum temporary differences	-297 578	-173 936
Deferred tax assets not recognized	297 578	173 936
Deferred tax asset (liability)	**-**	**-**
Tax rate	22%	22%

Note 9 - Other operating expenses

(Amounts in NOK 1,000)

Breakdown of other operating expenses	2024	2023
Office supplies and expenses	22 304	8 800
Professional fees	6 982	11 865
Travel expenses	1 828	1 764
Marketing expenses	719	19
Other expenses	31 514	8 025
Total operating expenses	**63 348**	**30 473**

Fees to auditor	2024	2023
Statutory auditing services	907	784
Other certification services	118	178
Other services	302	66
Total fee to auditor	**1 327**	**1 028**

All service fees are exclusive of VAT.

Note 10 - Earnings per share

(Amounts in NOK 1,000)

	2024	2023
Profit (loss) for the year	-139 204 289	-93 344 517
Weighted average number of outstanding shares during the year	139 878 824	52 187 041
Earnings (loss) per share - basic and diluted (in NOK)	**-1.00**	**-1.79**

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

Note 11 - Cash and bank deposits

(Amounts in NOK 1,000)

Cash and bank deposits	2024	2023
Unrestricted cash and bank deposits	55 973	36 908
Restricted cash and bank deposits	4 960	2 252
Total cash and bank deposits	**60 934**	**39 159**

Note 12 - Share capital and shareholders

(Amounts in NOK 1,000)

The share capital of NOK 14.217.278 consisted of 142.172.780 shares, each with a nominal value of NOK 0.1 at the end of 2024. All shares carry equal rights. The movement in the number of shares during the year was as follows:

	2024	2023
Ordinary shares at beginning of period	59 672 780	39 787 650
Issue of ordinary shares	82 500 000	19 885 130
Ordinary shares at 31 December	**142 172 780**	**59 672 780**

List of main shareholders at 31 December 2024 and 2023

	2024		2023	
Shareholder	Number of shares	Ownership percentage	Number of shares	Ownership percentage
Grieg Kapital AS	14 690 049	10.3%	6 480 049	10.86%
Nordfjord AS	9 970 336	7.0%	425 000	0.71%
Kvasshøgdi AS	7 244 844	5.1%	2 744 844	4.60%
Helida AS	7 042 000	5.0%	4 042 000	6.77%
Six SIS AG	6 900 000	4.9%	-	0.00%
Myrlid AS	6 330 000	4.5%	1 458 060	2.44%
Daimyo Invest AS	4 683 240	3.3%	7 996 238	13.40%
M. Paulen AS	4 629 588	3.3%	1 488 773	2.49%
Jan Heggelund	4 303 178	3.0%	595 448	1.00%
OM Holding AS	3 871 555	2.7%	1 000 000	1.68%
Loyden AS	3 555 000	2.5%	2 805 000	4.70%
Ristora AS	3 402 087	2.4%	244 314	0.41%
Nordnet Livsforsikring AS	2 530 458	1.8%	1 096 561	1.84%
GBR Holding AS	2 251 580	1.6%	-	0.00%
Nutreco International B.V.	2 160 493	1.5%	2 160 493	3.62%
Kvasshovd AS	2 090 000	1.5%	590 000	0.99%
Sulefjell AS	1 843 543	1.3%	843 543	1.41%
UBS Switzerland AG	1 723 900	1.2%	75 361	0.13%
Pactum AS	1 397 023	1.0%	953 000	1.60%
HRH I AS	1 350 000	0.9%	600 000	1.01%
Total number of shares attributed to the largest shareholders	**91 968 874**	**64.7%**	**35 598 684**	**59.7%**
The number of shares attributed to the other shareholders	50 203 906	35.3%	24 074 096	40.3%
The total number of shares issued and outstanding	**142 172 780**	**100.0%**	**59 672 780**	**100.0%**

Shares owned by board members, group management and their related parties at 31 December 2024

Board of Directors	Number of shares	Ownership percentage
Per Grieg, Grieg Kapital AS and Kvasshøgdi AS	21 934 893	15.4%
Viggo Halseth	123 250	0.1%
Total number of shares held by Board members	**22 058 143**	**15.5%**
Group Management		
Joachim Nielsen, CEO, Loyden AS	3 555 000	2.5%
Ole Christian Willumsen CFO	628 286	0.4%
Dharmarajan Rajeswaran, COO	61 000	0.0%
Lars Stigaard, CTO	210 000	0.1%
Total number of shares held by Group management	**4 454 286**	**3.1%**

Note 13 - Borrowings and other current liabilites

(Amounts in NOK 1,000)

The Group has, through its subsidiary Proximar Ltd. (Japan), signed a new loan agreement with Japan Finance Corporation, securing JPY 300 million (approx. NOK 22 million) in additional funds. The loan, provided at 1.3% p.a., has a 2 years grace period followed by 13 years repayment.

The Group has, through its subsidiary Proximar Ltd. (Japan), signed a new loan agreement with a Japanese bank securing JPY 300 million (approx. NOK 22 million) in additional funds. The funds are to be used for working capital purposes and buffer liquidity. The loan, provided at attractive terms, matures on 31 August 2025.

The Group has, through its subsidiary Proximar Ltd. (Japan), signed a new loan agreement with Japanese bank securing JPY 500 million (approx. NOK 36 million) in additional funds. The funds are to be used for working capital purposes and buffer liquidity. The loan are second lien, provided at attractive terms, and have 3 years until maturity.

The Group has, through its subsidiary Proximar Ltd. (Japan), signed a new loan agreement with Japanese bank securing JPY 500 million (approx. NOK 35 million) in additional funds. The loan is a credit facility available for working capital purposes and buffer liquidity. The loan are second lien, provided at attractive terms, and have 3 years until maturity.

Proximar Seafood AS has registered share capital increases in January and February 2024. As a consequence of the private placement and the subsequent offering, the conversion price of the Bonds has been adjusted to NOK 4.0727 according to the Bond Terms Clause 13.1. No bonds were converted in 2024.

The Group released a tap issue of the bonds with an option for conversion to shares in the parent company. The total amount issued in 2023 was NOK 40 million and consisted of 40 million bonds. The bonds were held by the Company at year end 2023. Own bonds are not recognized in the financial statements in 2023. In August 2024 the bonds were sold for price NOK 99, and with transactioncosts of NOK 0.4 million. The conversion rate of the bond is NOK 4.0727, 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 5.7 million.

The convertible bond has an equity component and a debt component. Transaction costs have reduced the total proceeds received from the issue. The transaction costs have been split between the debt and equity component pro rata.

	Principal	Transaction costs	Amount at initial recognition
Debt component	34 277	343	33 934
Equity component	5 723	57	5 666
Total	**40 000**	**400**	**39 600**

	Principal
Bonds issued October 2022	250 000
Converted bonds during 2023	-25 800
Bonds sold during 2024	40 000
Face value at 31 December 2024	**264 200**

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 represents the effective interest rate less interest payable accrued in the period.

Carrying amount at 31 December 2023	202 725
Bonds sold 2024	33 934
Interest charged (using the effective interest rate)	12 666
Carrying amount at 31 December 2024	**249 325**

In 2023, major shareholder Grieg Kapital AS provided Proximar Seafood AS with a loan guarantee of up to NOK 130 million. Following the issue, a loan was executed for a total of NOK 104.2 million. The loan shall be repaid in 2.5 years, final maturity in October 2025, and shall carry an interest of NIBOR 1M + 2.25%. The loan was subject to an arrangement fee of 5% and a guarantee fee of 5%.

Non-current liabilities*	Borrowing company	Currency	2024	2023
Convertible bond loan	Proximar Seafood AS (Norway)	NOK	-	202 725
Non-current interest bearing debt	Proximar Seafood AS (Norway)	NOK	-	95 693
Loan to financial institution	Proximar Ltd (Japan)	JPY	116 332	615 396
Leasing	Proximar Ltd (Japan)	JPY	11 285	240
Total non-current liabilities*			**127 617**	**914 054**
Convertible bond loan	Proximar Seafood AS (Norway)	NOK	249 325	-
Current interest bearing debt	Proximar Seafood AS (Norway)	NOK	102 070	15 000
Loan to financial institution	Proximar Ltd (Japan)	JPY	657 331	-
Bullet credit facility	Proximar Ltd (Japan)	JPY	54 251	53 432
Leasing	Proximar Ltd (Japan)	JPY	4 229	515
Leasing	Proximar Seafood AS (Norway)	NOK	-	270
Current portion of interest bearing debt			**1 067 205**	**69 217**

* Carrying amount includes capitalised borrowing cost.

Payment profile non-current liabilities	2025	2026	2027	Total
At 31 December 2024				
Convertible bond loan	264 200	-	-	264 200
Non-current interest bearing debt	102 070	-	-	102 070
Loan to financial institution	666 092	6 559	112 714	785 366
Bullet credit facility	54 251			54 251
Leasing	4 229	3 299	9 496	17 023
Total	**69 712**	**961 378**	**-**	**1 031 089**

Description of liabilities	Currency	Interest rate	Final maturity*	Pledges
Convertible bond loan	NOK	7.0%	October 2025	None
Non-current interest bearing debt	NOK	NIBOR 1M + 2.25%	October 2025	Intercompany claims
Loan to financial institution	JPY	TIBOR + 4.0%	August 2025	All assets
Loan to financial institution	JPY	5.625%	September 2025	None
Loan to financial institution	JPY	TIBOR + 4.4%	September 2027	Second priority
Loan to financial institution	JPY	TIBOR + 5.0%	September 2027	Second priority
Loan to financial institution	JPY	1.3%	December 2039	Third priority
Bullet credit facility	JPY	2.65%	December 2025	Shares in Proximar Ltd

* See Note 2 for further details related to Proximar's financial risks

Credit facility guarantee

The bullet credit facility 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 110 mill, and to maintain liquidity-ratio (ratio of current assets to current liabilities) above 200% (adjusted for intercompany loans).

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.

Non-current liabilities	Convertible bond loan	Lease liability	Non-current interest bearing debt	Total
Net debt as at 1 January 2024	**202 725**	**240**	**711 089**	**914 054**
Financing cash flows				
Proceeds from loans and borrowings	39 200	16 787	147 231	203 218
Transaction costs	-	-	-9 296	-9 296
Payments on leasing obligations	-	-2 556	-	-2 556
Payments on loans and borrowings	-	-	-2 616	-2 616
Net interest paid	-16 159	-	-39 068	-55 227
Net cash flow from financing activities	**23 041**	**14 231**	**96 251**	**133 523**
Interest expense	18 960	202	39 505	58 667
Converted bonds	0	-	-	-
Amortization	12 666	-	16 994	29 660
Interest expense accrued	-3 144	-	-1 810	-4 954
Reclassifying to equity and short term maturity 2025	-254 248	-3 444	-749 724	-1 007 416
Foreign exchange adjustments	-	56	4 028	4 084
Net debt as at 31 December 2024	**0**	**11 285**	**116 332**	**127 618**

Non-current liabilities	Convertible bond loan	Lease liability	Non-current interest bearing debt	Total
Net debt as at 1 January 2023	**214 719**	**879**	**241 815**	**457 413**
Financing cash flows				
Proceeds from loans and borrowings	40 000	-	736 938	776 938
Transaction costs	-	-	-31 524	-31 524
Payments on leasing obligations	-	-1 775	-	-1 775
Payments on loans and borrowings	-25 000	-	-179 755	-204 755
Net interest paid	-18 639		-18 472	-37 111
Net cash flow from financing activities	**-3 639**	**-1 775**	**507 186**	**501 772**
New leases	-	345	-	345
Interest expense	21 255	-	20 418	41 673
Converted bonds	-22 788	-		-22 788
Amortization	10 793	-	6 248	17 041
Interest payments (presented as operating cash flows)		-61	-	-61
Interest expense accrued	-2 615		-1 946	-4 561
Reclassifying to short term portion	-15 000	973	-53 432	-67 459
Foreign exchange adjustments		-121	-9 201	-9 322
Net debt as at 31 December 2023	**202 725**	**240**	**711 089**	**914 054**

Current trade payables and other payables	2024	2023
Current portion of borrowing and lease liabilities	1 067 206	54 217
Short term interest bearing debt	-	15 000
Trade payables	37 821	17 664
Taxes payable Japan	605	368
Social security and other taxes	576	490
Salaries and vacation pay due	1 295	2 520
Accrued interest	3 353	4 561
Accrued expenses	4 098	6 683
Sum current liabilities	**1 114 953**	**101 504**

Note 14 - Investment in subsidiaries

The consolidated financial statement from 2024 and 2023 includes the following subsidiaries

Company name	Date of acquisition	Registered	Ownership share
Proximar Ltd.	2017	Japan	100%

Note 15 - Related parties

Balances and transactions between Proximar Seafood AS and its subsidiary, which is a related party of Proximar Seafood AS, have been eliminated on consolidation and are not disclosed in this note.

The Group has entered into a bullet credit facility in 2021 (see note 13). The loan has been guaranteed by Grieg Kapital AS which is a shareholder. Per Grieg is a shareholder in Grieg Kapital AS and a board member of Proximar Seafood AS. The loan facility with JA Mitsui Leasing Ltd has been facilitated by Grieg Kapital AS. As guarantor for the facility, Grieg Kapital AS has financial covenants related to net assets, liquidity ratio and equity ratio. In 2024, a total fee of NOK 2.7 million has been paid to Grieg Kapital AS in connection to the guarantee. In 2023, a total fee of NOK 16.1 million has been paid to Grieg Kapital AS in connection to the guarantee, of which NOK 10.4 million relates to interest payments. This fee is calculated at an arms-length principle.

Proximar Seafood AS has entered a share pledge agreement for its subsidiary Proximar Ltd in favour of Grieg Kapital AS as a collateral for the credit facility.

In 2023, major shareholder Grieg Kapital AS provided Proximar Seafood AS 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 pledge for the loan is intercompany claims. The loan is subject to an payment guarantee fee of 5% in 2024, a total fee of NOK 6.6 million. Interest expense in 2024 is NOK 7.5 million. The loan was subject to an arrangement fee of 5% and an payment guarantee fee of 5% in 2023, a total fee of NOK 11.6 million. Interest expense in 2023 was NOK 4.3 million.

Note 16 - Long term receivables

In the process of completing the equipment-installation, the company has paid NOK 28.7 million to subcontractors of the company's contractual counterparty to ensure completion as the contractual counterparty has experienced payment difficulties. The company has established a claim against its contractual counterparty and is working on various solutions to obtain settlement for this claim. Because there is an objective uncertainty related to the repayment, the company has made a lifetime ECL assessment which results in a provision for losses of NOK 14.8 million.

Note 17 - Other financial income and expenses

(Amounts in NOK 1,000)

Breakdown of other financial income	2024	2023
Currency gains	7 491	385
Other financial income	2 461	85
Sum other financial income	**9 952**	**470**

Breakdown of other financial expenses	2024	2023
Currency losses	4 814	14 783
Leasing expenses	202	61
Other financial expenses	393	2 674
Sum other financial expenses	**5 409**	**17 517**

Financial statements – Proximar Seafood AS

Statement of income

(Amounts in NOK 1,000)	Note	2024	2023
Revenue	2	11 193	15 658
Revenue and other income		**11 193**	**15 658**
Personnel expenses	3	9 328	10 325
Depreciation and Amortisation	4	64	65
Other operating expenses	5, 6	22 346	9 842
Operating expenses		**31 738**	**20 232**
Operating income/loss		**-20 546**	**-4 574**
Interest income from subsidiary	2	-	25 176
Other interest income		1 035	25
Other financial income	7	5 440	84
Other interest expenses	2, 8	46 740	35 102
Other financial expenses	2, 7	4 264	25 503
Net finance		**-44 527**	**-35 319**
Loss before tax		**-65 074**	**-39 893**
Income tax expense	9	-1 259	663
Net loss for the period		**-63 815**	**-40 556**
Brought forward			
Transferred from other equity	10	-63 815	-40 556
Net brougt forward		**-63 815**	**-40 556**

Statement of financial position

(Amounts in NOK 1,000)	Note	2024	2023
ASSETS			
Tangible non-current assets			
Property, plant and equipment	4	16	80
Total non-current assets		**16**	**80**
Financial non-current assets			
Investment in subsidiary	11	519 271	519 271
Long term receivable from subsidiary	2	400 954	297 487
Long term receivable	6	13 950	49
Total non-current assets		**934 175**	**816 807**
Total non-current assets		**934 191**	**816 887**
Current Assets			
Other receivables and prepayments		1 413	9 736
Cash and bank deposits	12	20 242	2 594
Total current assets		**21 655**	**12 331**
TOTAL ASSETS		**955 846**	**829 218**
EQUITY AND LIABILITES			
Equity			
Share capital	10, 13	14 217	5 967
Share premium reserve	10	553 594	470 433
Other equity	10	23 998	19 591
Total equity		**591 809**	**495 991**
Liabilities			
Non-current liabilities			
Convertible bond	8	-	202 725
Non-current interest bearing debt	8	-	95 693
Total non-current liabilities		**-**	**298 418**
Current liabilities			
Convertible bond	8	249 325	-
Non-current interest bearing debt	8	102 070	-
Trade payables	8	6 093	9 043
Tax payable	9	-	-
Public duties payable	8	576	491
Other current debt	8	5 973	25 275
Total current liabilities		**364 037**	**34 809**
Total liabilities		**364 037**	**333 227**
TOTAL EQUITY AND LIABILITIES		**955 846**	**829 218**

Bergen, March 21 2025
The Board of Directors of Proximar Seafood AS

Kjell-Erik Østdahl	Per Grieg	Viggo Halseth	Siri Vike	Elisabeth Adina Dyvik	Joachim Nielsen
Chair	Director	Director	Director	Director	CEO

Statement of cash flows

(Amounts in NOK 1,000)	Note	2024	2023
Cash flow from operating activities			
Loss before tax		-65 074	-39 894
Depreciation	4	64	65
Change trade payables		-2 950	8 513
Other accruals etc.	6	-5 021	11 946
Net interest expense		45 546	3 416
Net cash flow from operating activities		**-27 435**	**-15 954**
Cash flow from investing activities			
Payments on purchases of fixed assets	4	-	-23
Payments on loans to subsidiaries	2	-103 467	-156 519
Net cash flow from investing activities		**-103 467**	**-156 543**
Cash flow from financing activities			
Proceeds from capital increases	10	156 795	70 527
Proceeds from loans and borrowings	8	39 200	144 200
Transaction costs	2	-1 569	-6 390
Payments on loans	8	-15 000	-25 270
Interest paid	2	-30 877	-29 240
Net cash flow from financing activities		**148 551**	**153 826**
Net change in bank deposits, cash and cash equivalents		17 648	-18 670
Cash and bank deposits as at 1 January		2 594	21 264
Cash and bank deposits as at 31 December	12	**20 242**	**2 594**

Note 1 - Accounting policies

General information

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Classification of current and non-current items

An asset is classified as current when it is expected to be realized or sold or to be used in the company's normal operating cycle or falls due or is expected to be realized within 12 months after the end of the reporting period. Other assets are classified as non-current. Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the group or are expected to be settled within 12 months of the end of the reporting period, or if the group does not have an unconditional right to postpone settlement for at least 12 months after the balance sheet date.

Current assets are valued at the lower of historical cost and fair value. Fixed assets are carried at historical cost but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Foreign currency

Foreign currency transactions are translated using the exchange rate at the time of the transaction. Receivables, debt, and other monetary items in foreign currency are measured at the exchange rate at the end of the reporting period, and the translation differences are recognized in profit or loss. Other assets in foreign currencies are translated at the exchange rate in effect on the transaction date.

Revenues

Revenue is recognised when it is earned, i.e., when the claim to remuneration arises. This occurs when the service is performed as the work is being done. The revenue is recognized at the value of the remuneration at the time of the transaction. Operating revenues are recognised less value added tax, discounts, bonuses, and other sales costs. The timing of the transfer of risk to the customer depends on the delivery terms noted in the sales contract.

Taxes

The tax expense consists of the tax payable and changes to deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated based on temporary differences between the carrying amount of assets and liabilities in the financial statements and their tax base, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available, against which the assets can be utilized. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Investment in subsidiary

The cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increase or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost.

Cash and bank balances
Cash and bank balances include cash in hand and bank deposits. Potential overdraft facilities will be presented as borrowings in the financial statement.

Trade and other receivables
Receivables arise from the trading of goods or services within the ordinary operating cycle, and under normal terms of payment are initially recognized at nominal value.

Receivables are recognised in the financial statement at nominal value after a provision for bad debt. Provision for bad debts is estimated based on individual assessments for material accounts. Minor accounts are estimated based on expected losses.

Property, plant & equipment
Property, plant, and equipment are capitalised at acquisition cost less accumulated depreciation and any impairment losses. Acquisition cost includes expenditure which is directly attributable to the acquisition of the items. Costs associated with normal maintenance and repairs are expensed as incurred. Costs of major replacements and renewals which substantially extend the economic life and functionality of the asset are capitalised. Assets are normally considered to be property, plant, and equipment if their useful economic life exceeds one year. Straight-line depreciation is applied over the useful life of property, plant, and equipment on the basis of the asset's historical cost and estimated residual value at disposal. If a substantial part of an asset has an individual and different useful life, this part is depreciated separately. The asset's residual value and useful life are evaluated annually. The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset. Assets under construction are not depreciated. Depreciation is charged to expenses when the property, plant or equipment is ready for use.

Trade and other payables
These amounts represent unpaid liabilities for goods and services provided to the group prior to the end of the financial year. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Personell expenses
Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect to employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Cash flow statement
The cash flow statement is prepared in accordance with the indirect method. This means that the statement is based on the Group's profit before tax in order to present cash flows from operating, investing and financing activities respectively. Cash payment made in acquiring subsidiaries less the cash acquired as part of the transactions is reported under Cash flows from investing activities.

Note 2 - Related parties

(Amounts in NOK 1,000)

During the year, the company entered into the following transactions with related parties:

Proximar Ltd.	2024	2023
Sale of management services	11 193	15 658
Interest income related to convertible bond loan used for financing of the construction in Japan	-	25 176

On 31 December, the Company had the following outstanding balances with related parties:

Proximar Ltd.	2024	2023
Long term receivables	400 954	297 487

The holding company in the Group extends current and non-current loans to the subsidiary denominated in the functional currency in this company, which is JPY. Final repayment date of the outstanding principal for non-current loans is by the year end 2030.

In 2024 a new loan denominated in USD was issued to the subsidiary. Other terms corresponds to the JPY loan.

In 2023, major shareholder Grieg Kapital AS provided Proximar Seafood AS with a loan guarantee of up to NOK 130 million. Following the issue, a loan was executed for a total of NOK 104.2 million. The pledge for the loan is intercompany claims. The loan is subject to an payment guarantee fee of 5% in 2024, a total fee of NOK 6.6 million. Interest expense in 2024 is NOK 7.5 million. The loan was subject to an arrangement fee of 5% and an payment guarantee fee of 5% in 2023, a total fee of NOK 11.6 million. Interest expense in 2023 was NOK 4.3 million.

Credit facility guarantee:
The subsidiary Proximar Ltd has entered into a loan facility in 2021. 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. The loan is subject to an payment guarantee fee of 5%, a total expense of NOK 2.7 million in 2024 and NOK 0,6 million in 2023.

Note 3 - Payroll costs, no. of employees, remunerations, employee loans, etc.

(Amounts in NOK 1,000)

Payroll costs	2024	2023
Salaries incl holiday pay and bonuses	5 982	6 839
Remuneration to Board of directors	1 125	1 350
Social security cost	1 301	1 339
Pension costs	785	742
Other benefits	136	54
Sum total	**9 328**	**10 325**
Average number of full-time employees during the financial year	3	3

Remuneration to Executive Management	Salary	Bonus	Other benefits	Total	Options granted
Joachim Nielsen* (CEO)	388	296	12	696	2 664 794
Ole Christian Willumsen** (CFO)	2 413	600	74	3 086	940 000
Pål Karset Grimsrud (former CFO)		386		386	75 000
Kathrine Trovik*** (former Chair of the board)	450		-	450	100 000
Per Grieg (Board member)	225		-	225	
Viggo Halseth (Board member)	225		-	225	
Peter Hermanrud**** (former Board member)	225		-	225	
Fridtjof Falck***** (former board member)					50 000

* The company's CEO is currently living in Japan. Part-time employee in the parent company and the rest in the subsidiary. The CEO has a bonus agreement where he can receive up till 6 months salary in bonus.

** The company`s CFO gets expenses for a commuting apartment covered by the parent company

*** Katrine Trovik was Chair of the Board until 17 April 2024

**** Peter Hermanrud was a member of the Board until 17 April 2024

***** Fridtjof Falck was a Board member until 25 April 2023.

Pensions

Proximar Seafood AS has a pension scheme covering all employees at 31 December. The company's pension schemes meets the requirements of the Norwegian law on compulsory occupational pension.

Share based payments

The board of directors in Proximar Seafood AS (the "Company") has resolved to implement a long term incentive scheme for key employees in the Company and Proximar Ltd. Rights are granted by the Company on an individual basis to selected recipients. Employees are qualified for the incentive scheme when they have been employed for 12 months or earlier if the board sets out other milestones.

In accordance with the authorization granted by the annual general meeting on 17 April 2024, the Board of Directors of Proximar Seafood AS has granted share options pursuant to the Company's updated incentive program. The Company has awarded 4.870.000 new share options (the New Options""). At the same time, 976.254 unvested share options granted under previous programs (the ""Existing Unvested Options"") lapsed. Vested options, 563.127, from allotment in 2023 have strike price at NOK 7.00. These options must be excercised within 14 July 2025.

New options going forward shall be issued at market price + 25% at the time of grant, but the first grant of options following the recent OGM may be set at a strike as determined by the Board but in no event below market price of the time of grant. New options issued are subject to 3 years vesting, where 1/3 of the options vesting annually.

The strike price of the New Options was set at NOK 3.59 (the ""Strike Price""), corresponding to the average closing price over the 5 trading days prior to the board resolution to update the option program. Each share option gives the right to purchase one share in Proximar Seafood AS. The options are granted without consideration. The options must be exercised within 2 years from vesting.

In accordance with Proximar's incentive program and approved by the company's general meeting held 23rd November 2020, the board of directors in Proximar Seafood AS (the ""Company"") granted share options to board members as listed above, November 2021.

A total of 150.000 share options were granted at an exercise price at NOK 13.25. Each option, when exercised, will give the right to purchase one share in the Company. The options are granted without consideration. The options must be exercised at earliest 2 years and at latest 4 years after being granted and are unconditional.These options must be excercised within 22 October 2025.

Outstanding options	2024	2023
Outstanding options 1 January	1 689 382	150 000
Options granted	4 870 000	1 539 382
Options exercised	-	-
Options forfeited	-976 255	-
Outstanding options at end of period	**5 583 127**	**1 689 382**

Note 4 - Land, property, plant and equipment

(Amounts in NOK 1,000)

	Property, Plant and equipment	Sum
Cost at 1 January 2024	211	211
Additions in the year	-	-
Disposals in the year	-	-
Cost at 31 December 2024	**211**	**211**
Accumulated depreciation at 1 January 2024	130	130
Depreciation in the year	64	64
Accumulated depreciation at 31 December 2024	**195**	**195**
Net carrying amount at 31 December 2024	**16**	**16**
Cost at 1 January 2023	188	188
Additions in the year	23	23
Disposals in the year	-	-
Cost at 31 December 2023	**211**	**211**
Accumulated depreciation at 1 January 2023	65	65
Depreciation in the year	65	65
Accumulated depreciation at 31 December 2023	**130**	**130**
Net carrying amount at 31 December 2023	**80**	**80**
Economic life	3-5 years	
Depreciation plan	Linear	

Note 5 - Auditor's fee

(Amounts in NOK 1,000)

	2024	2023
Statutory auditing services	907	784
Other certification services	118	178
Other services	302	66
Total fee to auditor	**1 327**	**1 028**

All service fees are exclusive of VAT.

Note 6 - Long term receivables

(Amounts in NOK 1,000)

In the process of completing the equipment-installation, the company has paid NOK 28.7 million to subcontractors of the company's contractual counterparty to ensure completion as the contractual counterparty has experienced payment difficulties. The company has established a claim against its contractual counterparty and is working on various solutions to obtain settlement for this claim. Because there is an objective uncertainty related to the repayment, the company has made a provision for losses of NOK 14.8 million.

Note 7 - Other financial income and expenses

(Amounts in NOK 1,000)

Breakdown of other financial income	**2024**	**2023**
Agio, realized foreign exchange gain	907	84
Agio, unrealized foreign exchange gain	4 534	-
Sum other financial income	**5 440**	**84**

Breakdown of other financial expenses	**2024**	**2023**
Disagio, realized foreign exchange loss	1 188	14 560
Disagio, unrealized foreign exchange loss	-	8 457
Others	3 076	2 486
Sum other financial expenses	**4 264**	**25 503**

Note 8 - Borrowings and other current liabilities

(Amounts in NOK 1,000)

Proximar Seafood AS has registered share capital increases in January and February 2024. As a consequence of the private placement and the subsequent offering, the conversion price of the Bonds has been adjusted to NOK 4.0727 according to the Bond Terms Clause 13.1. No bonds were converted in 2024.

The Group released a tap issue of the bonds with an option for conversion to shares in the parent company. The total amount issued in 2023 was NOK 40.000.000 and consisted of 40 mill bonds. The bonds were held by the Company at year end 2023. Own bonds are not recognized in the financial statements in 2023. In August 2024 the bonds were sold for price 99, and with transactioncosts of NOK 400.000.

The conversion rate of the bond is NOK 4.0727, 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 5.7 million.

The convertible bond has an equity component and a debt component. Transaction costs have reduced the total proceeds received from the issue. The transaction costs have been split between the debt and equity component pro rata.

	Principal	Transaction costs	Amount at initial recognition
Debt component	34 277	343	33 934
Equity component	5 723	57	5 666
Total	**40 000**	**400**	**39 600**

	Principal
Bonds issued October 2022	250 000
Converted bonds during 2023	-25 800
Bonds sold during 2024	40 000
Face value at 31 December 2024	**264 200**

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 represents the effective interest rate less interest payable accrued in the period.

Carrying amount at 31 December 2023	202 725
Bonds sold 2024	33 934
Interest charged (using the effective interest rate)	12 666
Carrying amount at 31 December 2024	**249 325**

In 2023, major shareholder Grieg Kapital AS provided Proximar Seafood AS with a loan guarantee of up to NOK 130 million. Following the issue, a loan was executed for a total of NOK 104.2 million. The loan shall be repaid in 2.5 years, with final maturity in October 2025, and shall carry an interest of NIBOR 1M + 7.25%. The loan was subject to an arrangement fee of 5% and a guarantee fee of 5%.

Non-current liabilities*	**2024**	**2023**
Convertible bond loan	-	202 725
Non-current interest bearing debt	-	95 693
Total non-current liabilities	**-**	**298 418**

Current liabilities*	**2024**	**2023**
Convertible bond loan	249 325	0
Non-current interest bearing debt	102 070	0
Current portion of non-current liabilities	**351 395**	**0**

* Carrying amount includes capitalised borrowing cost.

Payment profile non-current liabilities at 31 December 2024	**2025**	**2026**	**2027**	**Total**
Non-current interest bearing debt	104 200	-	-	104 200
Convertible bond loan	264 200	-	-	264 200
Total	**368 400**	**-**	**-**	**368 400**

Current trade payables and other payables	**2024**	**2023**
Trade payables	6 093	9 043
Social security and other taxes	576	786
Salaries and vacation pay due	1 394	2 520
Accrued interest	3 082	4 561
Short term loan	-	15 000
Accrued expenses	1 497	2 898
Sum current liabilities	**12 642**	**34 809**

Note 9 - Deferred tax and tax expense

(Amounts in NOK 1,000)

Specification of income tax expense

The tax expense/benefit is calculated based on income before tax and consists of current tax and deferred tax.

Income tax expense	2024	2023
Deferred tax expense	-	-
Current tax expense	-1 259	663
Income tax expense	**-1 259**	**663**

Income tax liabilities (balance sheet)	2024	2023
Income tax payable	-	-
Income tax liabilities (balance sheet)	**-**	**-**

Taxable income	2024	2023
Net loss before income taxes	-65 074	-39 894
Change in temporary differences	9 102	3 040
Permanent differences	-8 988	-3 788
Equity portion of convertible bond issue	5 723	-3 012
Disallowed interest expenses	48 388	-
Tax loss carried forward	10 848	43 655
Taxable income for the year	**-**	**-**

Effective Tax Rate

The difference between income tax calculated at the applicable income tax rate and the income tax exepense attributable to loss before income tax was as follows:

	2024	2023
Loss before income tax	-65 074	-39 894
Statutory income tax rate	22%	22%
Expected income tax expense/benefit	-14 316	-8 777
Change in deferred tax asset not recognized	15 035	10 273
Effect of permanent differences	-1 977	-833
Income tax expense/income for the year	**-1 259**	**663**
Effective tax rate	2%	-2%

Specification of the tax effect of temporary differences and losses carried forward

The tax effects of temporary differences and tax losses carried forward at 31 December are as follows:

	2024	2023
Property, plant and equipment	-70	-33
Receivables	-14 789	-
Other differences, equity portion of convertible bond issue	30 840	25 116
Tax losses carried forward	-111 472	-100 624
Disallowed interest expenses carried forward	-48 388	-
Sum temporary differences	**-143 880**	**-75 541**
Deferred tax asset (liability) calculated (22%)	-31 654	-16 619
Deferred tax asset (liability) not recognized	31 654	16 619
Deferred tax asset (liability)	**-**	**-**

Note 10 - Equity

(Amounts in NOK 1,000)

For the period ended 31 December	Share capital	Share premium reserve	Other equity	Total equity
Balance at 1 January 2024	5 967	470 433	19 591	495 991
Profit (loss) for the period		-63 815		-63 815
Conversion option for issued bond, net of tax			4 407	4 407
Capital increase	8 250	146 976		155 226
Balance at 31 December 2024	**14 217**	**553 594**	**23 998**	**591 809**
Balance at 1 January 2023	3 979	416 675	22 562	443 216
Profit (loss) for the period		-39 934	-622	-40 556
Conversion option for issued bond, net of tax	516	24 639	-2 350	22 805
Capital increase	1 473	69 054		70 527
Balance at 31 December 2023	**5 967**	**470 433**	**19 591**	**495 991**

Note 11 - Investment in subsidiaries

(Amounts in NOK 1,000)

Proximar Seafood AS has the following investment in subsidiaries:

Year ended 31 December 2024

Company name	Registered office	Voting share	Ownership share	Equity at 31 December 2024	Net loss for year ended 31 December 2024	Balance sheet in parent company
Proximar Ltd.	Yokohama, Japan	100%	100%	314 908	-81 675	519 271

Note 12 - Cash and equivalents

(Amounts in NOK 1,000)

Cash and equivalents	2024	2023
Bank deposits, cash and equivalents	15 282	342
Restricted cash	4 960	2 252
Total cash and cash equivalents	**20 242**	**2 594**

Note 13 - Share capital and shareholders

The share capital of NOK 14.217.278 consisted of 142.172.780 shares, each with a nominal value of NOK 0.1 at the end of 2024. All shares carry equal rights.

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

	2024	2023
Ordinary shares at beginning of period	59 672 780	39 787 650
Issue of ordinary shares	82 500 000	19 885 130
Ordinary shares at 31 December	**142 172 780**	**59 672 780**

List of main shareholders at 31 December 2024 and 2023

	2024		2023	
Shareholder	Number of shares	Ownership percentage	Number of shares	Ownership percentage
Grieg Kapital AS	14 690 049	10.3%	6 480 049	10.86%
Nordfjord AS	9 970 336	7.0%	425 000	0.71%
Kvasshøgdi AS	7 244 844	5.1%	2 744 844	4.60%
Helida AS	7 042 000	5.0%	4 042 000	6.77%
Six SIS AG	6 900 000	4.9%	-	0.00%
Myrlid AS	6 330 000	4.5%	1 458 060	2.44%
Daimyo Invest AS	4 683 240	3.3%	7 996 238	13.40%
M. Paulen AS	4 629 588	3.3%	1 488 773	2.49%
Jan Heggelund	4 303 178	3.0%	595 448	1.00%
OM Holding AS	-	2.7%	1 000 000	1.68%
Loyden AS	3 555 000	2.5%	2 805 000	4.70%
Ristora AS	3 402 087	2.4%	244 314	0.41%
Nordnet Livsforsikring AS	2 530 458	1.8%	1 096 561	1.84%
GBR Holding AS	2 251 580	1.6%	-	0.00%
Nutreco International B.V.	2 160 493	1.5%	2 160 493	3.62%
Kvasshovd AS	2 090 000	1.5%	590 000	0.99%
Sulefjell AS	1 843 543	1.3%	843 543	1.41%
UBS Switzerland AG	1 723 900	1.2%	75 361	0.13%
Pactum AS	1 397 023	1.0%	953 000	1.60%
HRH I AS	1 350 000	0.9%	600 000	1.01%
Total number of shares attributed to the 20 largest shareholders	**91 968 874**	**64.7%**	**35 598 684**	**59.7%**
The number of shares attributed to the other shareholders	50 203 906	35.3%	24 074 096	40.3%
The total number of shares issued and outstanding	**142 172 780**	**100.0%**	**59 672 780**	**100.0%**

Shares owned by board members, group management and their related parties at 31 December 2024

Board of Directors	Number of shares	Ownership percentage
Per Grieg, Grieg Kapital AS and Kvasshøgdi AS	21 934 893	15.4%
Viggo Halseth	123 250	0.1%
Total number of shares held by Board members	**22 058 143**	**15.5%**
Group Management		
Joachim Nielsen, CEO, Loyden AS	3 555 000	2.5%
Ole Christian Willumsen CFO	628 286	0.4%
Dharmarajan Rajeswaran, COO	61 000	0.0%
Lars Stigaard, CTO	210 000	0.1%
Total number of shares held by Group management	**4 454 286**	**3.1%**

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To the General Meeting of Proximar Seafood AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Proximar Seafood AS, which comprise:

- The financial statements of the parent company Proximar Seafood AS (the Company), which comprise the balance sheet as of 31 December 2024, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The consolidated financial statements of Proximar Seafood AS and its subsidiaries (the Group), which comprise the balance sheet as of 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bergen, 21 March 2025
Deloitte AS

Tord Teige

Tord Teige
State Authorised Public Accountant

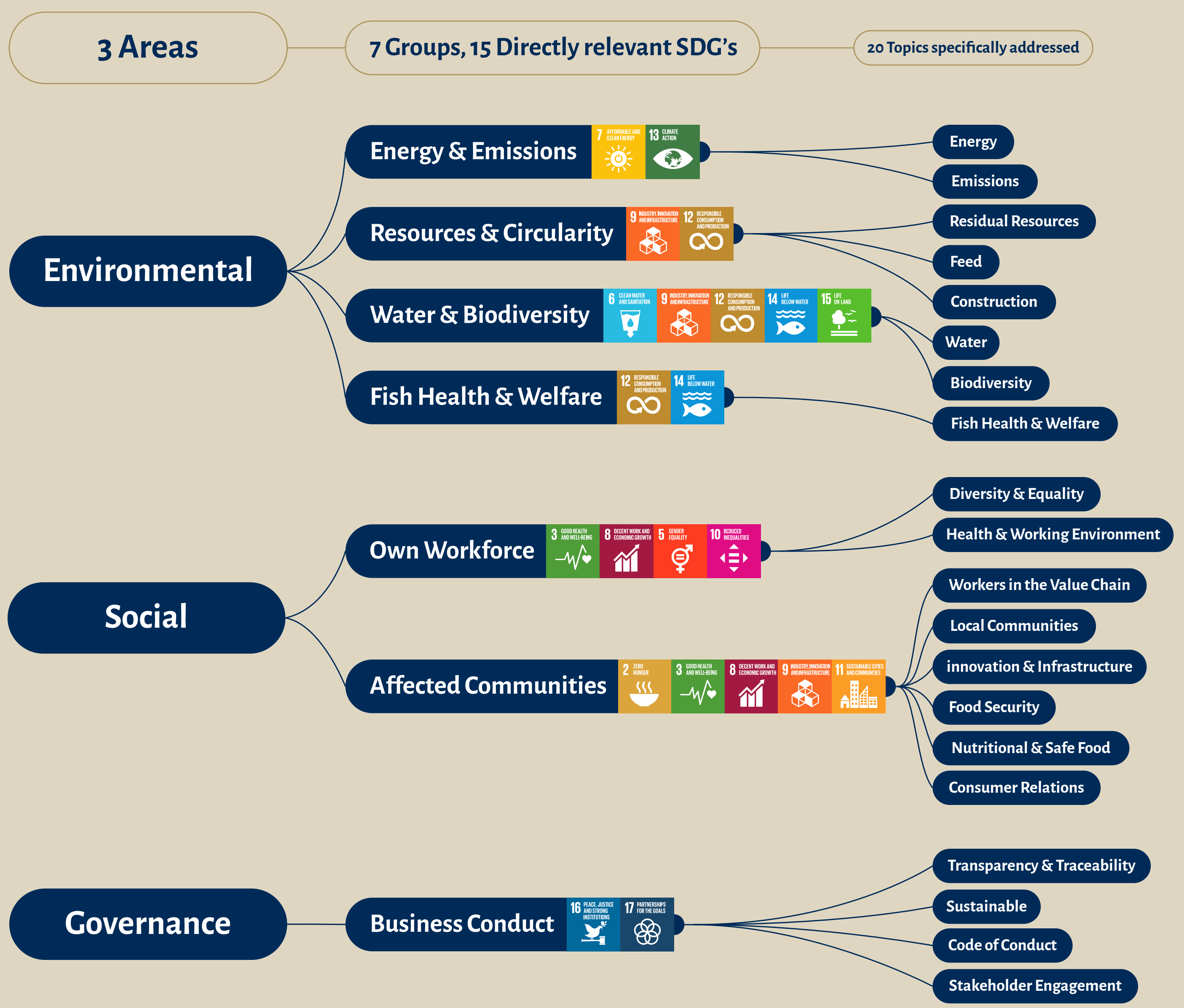
Note: This translation from Norwegian has been prepared for information purposes only.

ESG Index

ESG Index 2024

Proximar collects and reports on various sustainability metrics. The table below compiles our environmental and social data to support further analysis.

Our ESG Structure



Energy & Emissions

Energy (MWh)	GRI KPI	2024 Data	2023 Data
Total energy from non-renewable sources	302-1	10 288	NA
Total energy from renewable sources	302-1	541	NA
% Produced renewable energy		0%	NA

GHG emissions (tCO2e)	GRI KPI	2024 Data	2023 Data
Scope 1 Emissions	305-1	6	NA
Scope 2 Emissions	305-2	4 418	NA
Scope 3 Emissions*	305-3	2 092	NA
Total GHG Emissions		6 516	NA
Total saved GHG Emissions due to eliminated air freight		303	NA

* Limited to GHG from feed. No data available for other scope 3 emissions

Resources & Circularity

Residual Resources	GRI KPI	2024 Data	2023 Data
T Waste generated	306-3	1 064	NA
T Waste diverted from disposal	306-4	450	NA
T Waste directed to disposal	306-5	614	NA
T Waste directed to pet food and fish meal		2	NA
T Waste directed to fertilizer		448	NA

Feed	GRI KPI	2024 Data	2023 Data
T feed used		1 216	37
GHG/kg feed produced		1.33	1.25
GHG/kg feed transported		0.39	0.31
GHG feed used (tCO2e)		2 092	57 133
Biological Feed Conversion Ratio		1.14	NA
Economic Feed Conversion Ratio		1.19	NA
% Marine Ingredients		64%	NA

Construction	GRI KPI	2024 Data	2023 Data
T Concrete used in construction	301-1	56 705	NA
T Steel used in construction	301-1	5 503	NA
T CO2e Emissions from concrete in construction		32 889	NA
T CO2e Emissions from steel in construction		7 759	NA
Kg CO2e from construction per kg full capacity**		0.26	NA
Land use (m2)	304-1	56 762	NA
Expected kg Protein/m2 at full production		12.57	NA
Actual kg Protein/m2		0.07	NA

** Calculated based on an expected lifespan of 30 years.

Water & Biodiversity

Biodiversity	GRI KPI	2024 Data	2023 Data
Number of escape incidents		0	NA

Fish Health & Welfare

Fish Health & Welfare	GRI KPI	2024 Data	2023 Data
Survival Rate excl. incidents		97.8%	NA
Survival Rate incl. incidents		93.3%	NA
% of fish with detected disease		0%	0%
Average number of adult female sea lice per fish		0	0
% of fish treated		0%	0%
Use of antibiotics (l)		0	0
Growth		See quarterly reports	NA

Own Workforce

Diversity & Equality	GRI KPI	2024 Data	2023 Data
Employees, % Female	405-1	15%	NA
Employees, % Male	405-1	85%	NA
Employees, % Age <30	405-1	25%	NA
Employees, % Age 30-50	405-1	55%	NA
Employees, % Age >50	405-1	20%	NA
Employees, % Nationality Japan	405-1	46%	52%
Employees, % Nationality Scandinavia	405-1	15%	24%
Employees, % Nationality APAC ex. Japan	405-1	35%	18%
Employees, % Nationality Other	405-1	4%	6%
Board, % Female	405-1	40%	25%
Board, % Male	405-1	60%	75%
Board, % Age >50	405-1	100%	100%

Health & Working Environment	GRI KPI	2024 Data	2023 Data
Reported workplace incidents	405-2	1	1
Documented workplace injuries	405-2	1	0
# Whistleblowing cases		0	0
Employment type, Permanent		41	25
Employment type, Temporary		10	8
Employment type, Third-party		8	0
Employee response rate of annual employee survey		90%	NA

Affected Communities

Local Communities	GRI KPI	2024 Data	2023 Data
# Employees in Shizuoka		50	26
# Employees in Kanagawa		6	4
# Employees in Norway		3	3

Food security	GRI KPI	2024 Data	2023 Data
T fish slaugtered		29.2	NA
# Meals (portions) produced		1 118	NA

Nutrional & safe food	GRI KPI	2024 Data	2023 Data
% Protein content of filets		20.1%	NA
% Fat content of filets		16.4%	NA
# Callbacks		0	NA

PROXIMAR

SEAFOOD

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