



PRONOFA | Q3 2023 Presentation

November 17th 2023

PRONOFA



Agenda

Main developments

Company Highlights

Financial Summary

Main developments (1/2)

Main developments for the Tunicate business

- In summary, Pronofa has developed a versatile, tasty, nutritional and sustainable product with vast market potential. Our first facility was completed in October, and we have the knowhow to scale our business at new locations at attractive unit economics
- Construction of our first industrial plant for consumer products was completed in October (Stenungsund, Sweden). Initial tests of the facility are positive and will provide the basis for future scaling at other locations
- The facility produces minced meat and taste enhancers for the consumer market. Pronofa's mined meat, branded "Purply", will be sold directly to food service companies and to companies that make "ready to eat" products such as lasagne, pastas and other
- Pronofa's "Purply" minced meat is tasty, nutritional and sustainable, and will be used in the same versatile ways as traditional minced meat from beef. Pronofa's "Purply" product has a significantly lower CO2 footprint vs. comparable products
- Pronofa is in dialog with several potential food service customers and have received very positive feedback. We are working to announce our first commercial contracts in the near future. Pronofa is also in discussions with potential retail and industrial partners/customers
- Pronofa's R&D efforts are also advancing:
 - Our second-generation cultivation solutions are showing positive results which should improve yields and efficiency further



Purply
NATURAL MEAT
FIT FOR THE FUTURE

Main developments (2/2)

Main developments for the Insect business

- Pronofa has signed a partner agreement (September) with a leading European insect company. Their first large-scale facility will start production in December this year and Pronofa will be a value-added seller of their products in the Norwegian market from 2024 onwards. As such, Pronofa can provide i.e. protein meal to potential customers without our own facility (no capex)
- We have been in dialog with companies in both green and blue sector and are planning feed trials with potential clients. This will provide us with valuable insight into product qualities as well as demand and prices for 2024

Financial status

- Solid cash balance - NOKm 82 at end of Q3 2023 (vs. NOKm 100 at end of Q2 2023)
- Conservative cost base and capex



PURPLY PRODUCTS ARE MADE WITH CIONA MEAT, A NATURAL AND SUSTAINABLE MARINE PROTEIN THAT IS GROWN AND HARVESTED IN THE NORDICS.





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Pronofa - sustainable marine nutrients

Protein rich marine animals...

Tunicates grow naturally on excess ocean nutrients while cleaning the ocean in the process

- ✓ High quality products – rich in protein and omega-3
- ✓ Exceptionally low CO2 footprint
- ✓ No occupation of arable land, no fertilizers or pesticides
- ✓ Breaks down nitrogen in the ocean
- ✓ No use of feed in cultivation or freshwater in cultivation
- ✓ Contributes to biological diversity in the ocean
- ✓ Zero-waste production



...which can provide valuable products for the consumer and feed market

	Products (utilization from biomass)	Customer	Markets
Consumer market	<ul style="list-style-type: none"> ▪ Minced meat ▪ Burgers ▪ Meatballs ▪ Taste enhancers <p style="text-align: center;">} 35 - 40% 6%</p>	<ul style="list-style-type: none"> ▪ Retail ▪ Food Services ▪ White-label 	<ul style="list-style-type: none"> ▪ Norway ▪ Sweden ▪ <i>Opportunistic view towards new markets</i>
Feed market	<ul style="list-style-type: none"> ▪ Pet food - Canines and felines ▪ Industrial feed: - Aquaculture, Poultry, Pork <p style="text-align: center;">35 - 40% 35 - 40%</p>	<ul style="list-style-type: none"> ▪ Feed producers ▪ End-users (farming companies) 	<ul style="list-style-type: none"> ▪ Norway ▪ Sweden



Pronofa's Purply meat – tasty, nutritional and sustainable

Tasty, healthy and sustainable marine meat

Sustainability and high yielding

- Pronofa can produce 82 kg meat per m² of ocean surface as we can farm vertically with high throughput
- In addition, tunicates have all the benefits mentioned on the previous slide

Tasty

- Retains a neutral taste like traditional minced meat
- Just add desired flavor while cooking

Favorable nutrition

- Has fewer calories and less salt compared with traditional minced meat
- Contains healthy fatty acids like Omega-3

	Pronofa minced meat	Beef minced meat	Vegetable mince (average)
Kcal (100g)	148	194	155
Fat	9.3% (added rapeseed oil)	14%	6.4%
Carbs	2.2%	0	4.5%
Fiber	4.3%	0	5.2%
Salt	0.55%	1.1%	0.8%
Protein	12.5%	14%	14,5%
CO ₂ EQ (kg)	0.1-0.2	1.7–2.2*	0.68**

*From Norwegian, locally produced beef (average)

** Vegetable minced meat («Beyond **minced**»)

	Tunicate meat (cultivated vertically at sea)	Grains (cultivated on land)
Yield per m ² surface	82 kg	0,6 kg*

*Source: SSB, 2021. Example purposes only (volume)

Pronofa's minced meat has a neutral flavor, resulting in a versatile product with great capabilities
Our meat also has a significantly lower CO₂ footprint vs. comparable products

“Purply” – Locally produced marine proteins

Purply – look and feel of brand

Purply™

Food for thought

PURPLY PRODUCTS ARE MADE WITH CIONA MEAT, A NATURAL AND SUSTAINABLE MARINE PROTEIN THAT IS GROWN AND HARVESTED IN THE NORDICS.



Pronofa has streamlined a flexible production model

Pronofa's production

Biomass in water



Tunicates grow from larvae to full-grown in ~5 months

We regularly inspect our tunicate rigs during the growth phase

Harvest to facility



As full-grown tunicates can live on the rigs for 12-18 months, we can harvest volumes daily to our nearby facility

Pronofa Processing



At our new facility we process the tunicates into our two core products:

1. Minced meat (*frozen & fresh*)
2. Taste enhancers (*By products from production become our taste enhancer -no additives*)

Zero waste processing



Shipped to customers – potential for external processing

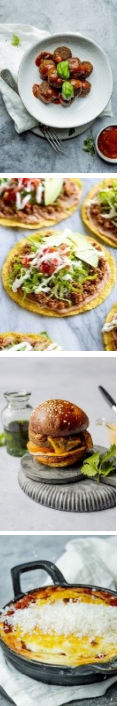
Pronofa's minced meat is ready to be sold directly to customers

Food service companies who make meals themselves

Companies that make "ready to eat" meals (lasagne, pasta, other)

Food Service clients may want us to provide "ready to eat" meals (lasagne, pasta, meatballs etc.). Thus, we are in dialog with companies that can produce such products externally for our clients

Taste enhancers are ready to be sold to clients

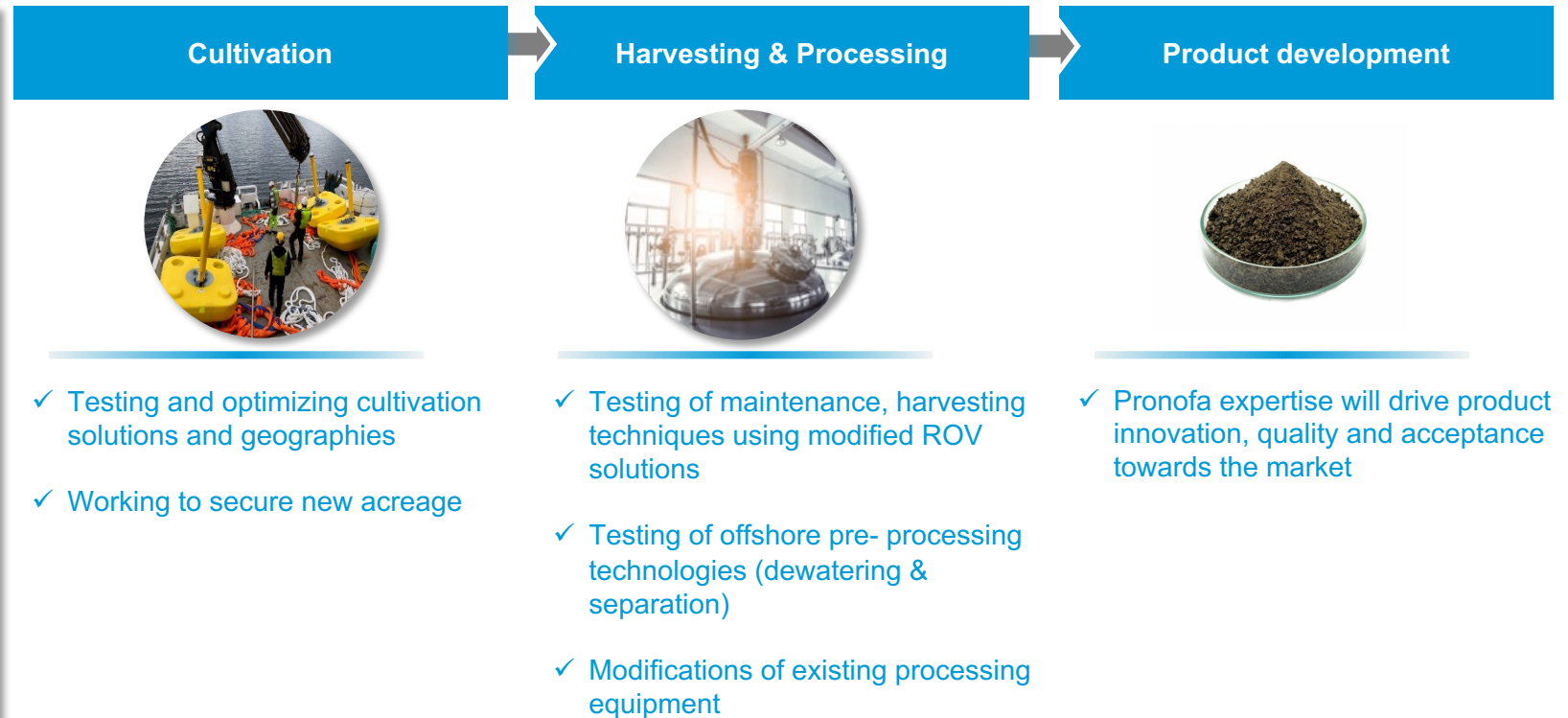


*Pronofa produces minced meat and taste enhancers at our facility in Sweden
If customers demand "ready to eat" meals – we will produce these externally*

R&D to improve costs, CAPEX and innovate new products

R&D to improve equipment and product innovation, as well as lower operative costs

- Pronofa is driving innovation for consumer products as well as R&D for new potential products towards the feed industry
- Pronofa has R&D at 4 sites in Norway and Sweden to develop and improve:
 - Cultivation solutions
 - Equipment for harvesting and maintenance
 - Processing techniques



Pronofa's R&D efforts will further improve cost and CAPEX base and aims to develop new products to met the strong demand for sustainable proteins

Pronofa sees strong potential for our tunicate business

Pronofa believes our meat has potential beyond Scandinavia

Pronofa sees huge potential in our minced meat

The market for minced meat in Scandinavia alone is ~500.000 tons per year

The world needs new protein sources

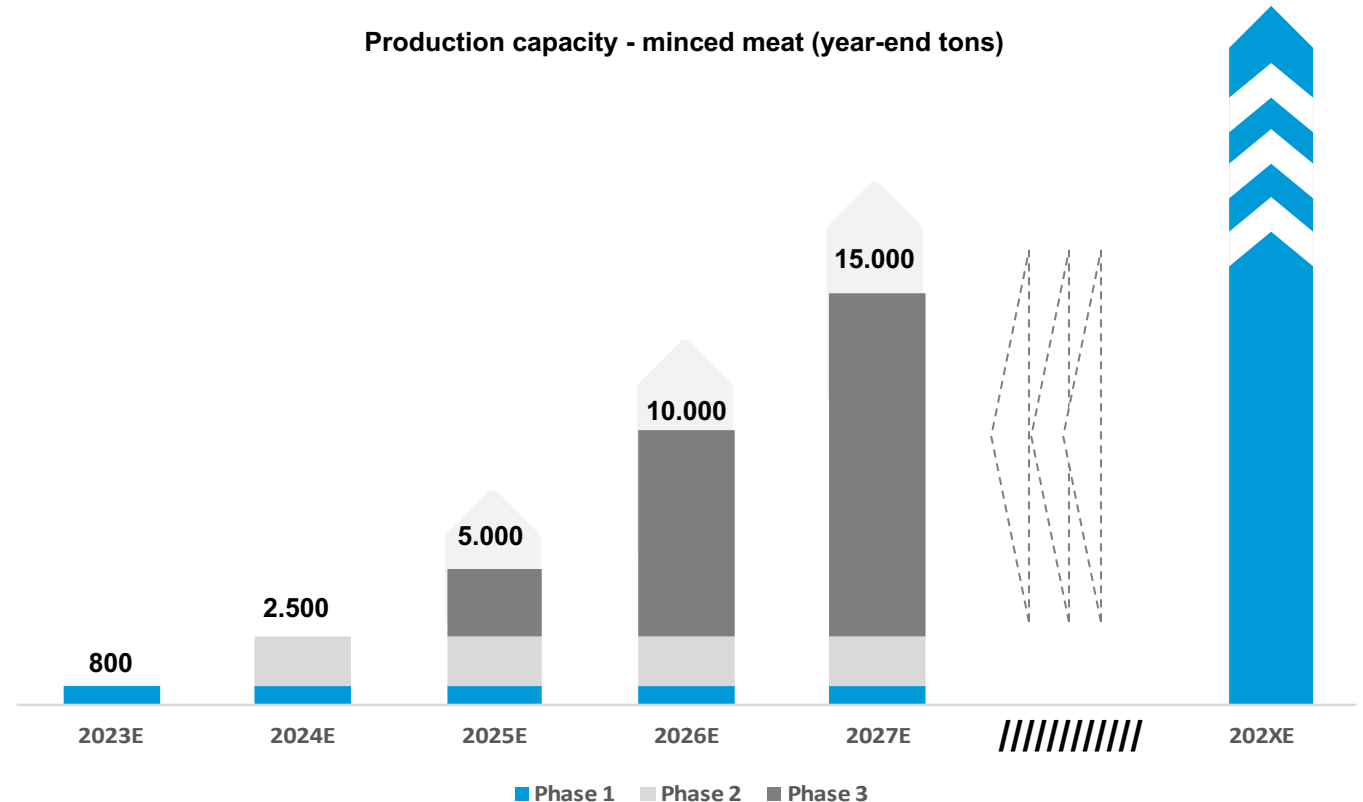
- A rapidly growing global population will put further pressure on agriculture – 70% more food needed by 2050 with limited resources

Pronofa can provide a tasty, nutritional and sustainable alternative

Pronofa's tunicate business model is highly scalable in Norway & Sweden

Pronofa may decide to accelerate roll-out faster than presented

Production capacity - minced meat (year-end tons)



Biomass	2023E	2024E	2025E	2026E	2027E
Tons in water	1.400	5.000	10.000	20.000	30.000

Pronofa can scale well beyond 15.000 tons during the next years based on additional demand

Alternative proteins – focusing on an asset light model

Partnering with international companies and focusing on market development

- Pronofa monitors the alternative protein market and is opportunistic towards new products
- Pronofa has signed an agreement with a European insect producer where we aim to test and enter the market with their products:
 - Feed trials scheduled for Q1 2024
 - Volumes available from Q1 '24 - protein meal & oil for the feed sector
 - Pronofa aims to build the Norwegian market and gain further market insight while generating revenue with limited investments

Alternative Proteins – Case study: Black Soldier Fly (Insect)

The insect and all input factors are processed into valuable products



- ✓ High quality products – rich in protein and omega-3
- ✓ Limited occupation of arable land, no fertilizers or pesticides
- ✓ No use of freshwater in cultivation
- ✓ Insects are highly efficient converters of bi-products
- ✓ Zero-waste production



Protein & Oils for animal feed



Organic Fertilizer from bi-product



Chitosan from insect larvae have industrial applications





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Pronofa - financial summary

Strong financial position with conservative cash burn

Solid financial position

- Q3 2023 ended with a cash balance of NOKm 82
- Solid cash position through private placements raising ~NOKm 200 in net proceeds
- Pronofa seeks to maintain a solid liquidity reserve, by proactively planning and diversifying sources of funding going forward (i.e. soft funding/grants etc)
- No interest-bearing debt

Conservative approach to use of capital

- Moderate cost base from utilizing Denofa expert resources at an on-demand basis - very cost efficient
- Capital has primarily gone towards company development, R&D, CAPEX towards our facility in Sweden and M&A
- M&A transactions have been done primarily through issuing stock plus growth capital injection after completion of acquisition

Limited committed CAPEX

- For the insect business, committed capital is geared towards R&D and verification of a viable business model
- The Tunicate business currently has committed capital towards our first production facility in Stenungsund, as well as an R&D track for developing a products toward the feed market

Pronofa - Profit & Loss

Consolidated Group figures 30.09.2023

NOK '000	2021	2022	Q1 2023	Q2 2023	Q3 2023	YTD
Revenue	22	168	143	162	131	436
Other operating income	62	66	0	0	0	0
Total revenue	83	234	143	162	131	436
						0
Raw materials and consumables used	57	427	387	608	851	1 846
Salaries and personnel expense	1 089	11 440	4 744	6 174	4 366	15 284
Depreciation and amortization expense	260	1 897	949	1 010	1 167	3 126
Other operating expense	8 366	21 801	4 823	6 174	5 306	16 302
Impairment of assets	0	15 916	0	0	0	0
Total operating expenses	9 772	51 480	10 903	13 965	11 690	36 559
						0
Operating profit	-9 689	-51 246	-10 761	-13 803	-11 559	-36 123
						0
Interest income	0	15	0	0	0	0
Other financial income	4	58	147	340	-291	196
Total financial income	4	73	147	340	-291	196
						0
Interest expense	-22	-99	-34	-42	-76	-152
Other financial expense	0	-735	-166	-234	-196	-596
Total financial expense	-22	-835	-200	-276	-271	-748
						0
Profit before income tax	-9 707	-52 008	-10 814	-13 739	-12 122	-36 675
						0
Income tax expense	0	232	116	116	116	349
						0
Net profit /(loss) for the year	-9 707	-51 776	-10 698	-13 623	-12 005	-36 326
Other comprehensive income	0	63	-541	263	181	-96
Total comprehensive (loss) for the year	-9 707	-51 713	-11 239	-13 359	-11 824	-36 422

Comments to P&L

- Revenue for 2023 stem from sale of products from Sweden – taste enhancers

Pronofa - Balance Sheet

Consolidated Group figures 30.09.2023

Amounts in NOK	31.12.2022	31.03.2023	30.06.2023	30.09.2023
ASSETS				
Non-current assets				
Property, plant and equipment	3 589	4 681	8 593	16 098
Research and development	26 733	26 216	26 316	25 749
Right-of-use assets	1 745	1 674	1 485	1 304
Goodwill	17 718	17 718	17 718	17 718
Investment in associated companies	0	0	0	0
Deferred tax assets	0	0	0	0
Other non-current assets	0	0	0	0
Total non-current assets	49 786	50 289	54 112	60 870
Current assets				
Inventories	0	0	0	0
Other current assets	0	0	0	0
Accounts receivable	95	10	565	581
Other receivables	4 823	2 583	3 108	3 424
Cash and bank deposits	124 591	117 926	99 758	81 781
Total current assets	129 509	120 518	103 431	85 785
Total assets	179 295	170 807	157 543	146 655

Amounts in NOK	31.12.2022	31.03.2023	30.06.2023	30.09.2023
EQUITY AND LIABILITIES				
Equity				
Share capital	1 613	1 613	1 613	1 613
Other paid in capital	219 362	219 361	219 360	219 359
Share based compensation	910	1 253	1 550	1 799
Retained earnings	-63 189	-74 417	-88 464	-99 569
Minority Interests	0	0	0	0
Total Equity	158 695	147 810	134 059	123 201
Non-current liabilities				
Borrowings	662	673	397	342
Lease liabilities	1 157	1 051	869	693
Deferred tax	5 832	5 716	5 600	5 483
Provisions	5 414	5 578	5 747	5 921
Total non-current liabilities	13 065	13 018	12 612	12 439
Current liabilities				
Trade and other payables	5 842	8 620	4 716	2 453
Accruals and Other Payables	0	0	3 846	6 312
Current tax liabilities	0	0	0	0
Borrowings	0	0	0	0
Lease liabilities	610	653	652	651
Public duties payables	1 083	706	1 658	1 599
Provisions	0	0	0	0
Total current liabilities	7 535	9 979	10 872	11 015
Total equity and liabilities	179 295	170 807	157 543	146 655

Pronofa - Cash flow statement

Consolidated Group figures 30.09.2023

NOK '000	31.12.2021	31.12.2022	Q1 2023	Q2 2023	Q3 2023	YTD
CASH FLOW FROM OPERATIONS						
Profit before income taxes	-9 707	-51 997	-10 814	-13 739	-12 122	-36 675
Depreciation, intangible and fixed assets	260	1 722	949	1 010	1 167	3 126
Net interest expense	22	60	34	42	76	152
Impairment of assets	0	15 916	0	0	0	0
Change in accounts receivable	-1	-113	-85	601	-1 760	-1 244
Change in inventory	-29	0	0	0	0	0
Change in accounts payable	11	0	0	2 736	2 396	5 132
Change in other accruals	2 064	-6 889	5 154	-3 609	363	1 908
Effect of exchange fluctuations	0	0	-541	-90	-282	-913
Net cash flow from operations	-7 379	-41 300	-5 302	-13 049	-10 163	-28 514
CASH FLOW FROM INVESTMENTS						
Purchase of fixed assets	-602	-6 486	-1 162	-4 237	-7 588	-12 987
Sale of fixed assets	0	0	0	-690	7	-683
Purchase of intangible assets	0	-158	-10	10	0	0
Investments in subsidiaries net of cash acquired	-1 703	-16 317	0	0	0	0
Investments in subsidiaries	0	0	0	0	0	0
Net cash flow from investments	-2 305	-22 961	-1 172	-4 917	-7 581	-13 670
CASH FLOW FROM FINANCING						
Proceeds from capital contributions	56 827	141 998	0	0	0	0
Received intra-group loans	0	0	0	0	0	0
Given intra-group loans	0	0	0	0	0	0
Lease payments for the principal portion of lease liability	-102	-105	-155	-162	-157	-474
Interest payments	-22	-60	-34	-42	-76	-152
Net cash flow from financing	56 703	141 833	-189	-203	-233	-625
Net changes in cash for the period	47 019	77 571	-6 664	-18 169	-17 977	-42 810
Cash and cash equivalents IB	0	47 019	124 591	117 927	99 758	124 591
Cash and cash equivalents OB	47 019	124 591	117 927	99 758	81 781	81 781

Comments

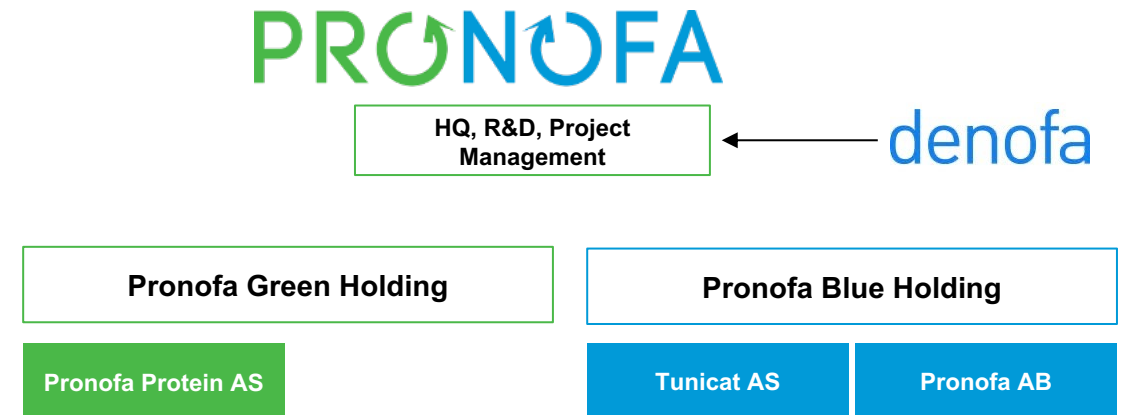
- Conservative cash use
- Solid financial position

Shareholder overview as of November

Shareholders as of November 16th 2023

#	Shareholder	Shares	%	Comment
1	DENOFA AS	20 070 511	29,9 %	
2	GODTHÅB HOLDING AS	11 481 414	17,1 %	
3	CONVEXA ASYMMETRIC AS	6 570 511	9,8 %	Bjørge Gretland (Chairperson Board)
4	REITAN KAPITAL AS	6 474 360	9,6 %	
5	SILVERCOIN INDUSTRIES AS	6 132 353	9,1 %	Håkon Sæter (Board Member)
6	FARVATN PRIVATE EQUITY AS	3 404 616	5,1 %	
7	NORUS HOLDING DATTER AS	1 387 325	2,1 %	
8	LANI INVEST AS	1 250 000	1,9 %	
9	NORDNET BANK AB	1 050 890	1,6 %	
10	ANDERSEN HOLDING AS	843 335	1,3 %	
11	SINKABERGHANSEN AS	769 230	1,1 %	
12	ARILD STEN LARSEN AS	753 095	1,1 %	
13	DOMAREN I GÖTEBORG AKTIEBOLAG	734 615	1,1 %	
14	SALTHAVN AS	615 384	0,9 %	
15	The Bank of New York Mellon	536 000	0,8 %	
16	SVENSKA HANDELSBANKEN AB	533 433	0,8 %	
17	HAAS AS	517 965	0,8 %	
18	SULEFJELL AS	461 538	0,7 %	
19	PRE INVEST AS	374 165	0,6 %	
20	ROAR STEEN EDVARDSEN	346 552	0,5 %	
TOP 20 SHAREHOLDERS		64 307 292	95,7 %	
TOTAL SHARES		67 204 662	100,0 %	

Corporate Structure





THANK YOU

PRONOFIA