



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 926 501 836  
Organisasjonsform: Allmennaksjeselskap  
Foretaksnavn: PRONOFA ASA  
Forretningsadresse: Øraveien 15B  
1630 GAMLE FREDRIKSTAD

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Bjørge Gretland  
Dato for fastsettelse av årsregnskapet: 23.05.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 02.08.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Lønnskostnad		884 966	
Avskrivning på varige driftsmidler og immaterielle eiendeler		3 443	
Annen driftskostnad		7 020 105	
<b>Sum kostnader</b>		<b>7 908 514</b>	
<b>Driftsresultat</b>		<b>-7 908 514</b>	
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt		3 168	
<b>Sum finansinntekter</b>		<b>3 168</b>	
Annen rentekostnad		49	
Nedskrivning investering i datterselskap		400 000	
<b>Sum finanskostnader</b>		<b>400 049</b>	
<b>Netto finans</b>		<b>-396 881</b>	
<b>Ordinært resultat før skattekostnad</b>		<b>-8 305 395</b>	<b>0</b>
Skattekostnad på ordinært resultat		0	
<b>Ordinært resultat etter skattekostnad</b>		<b>-8 305 395</b>	<b>0</b>
<b>Årsresultat</b>		<b>-8 305 395</b>	<b>0</b>
<b>Overføringer og disponeringer</b>			
Udekket tap		-8 305 395	
<b>Sum overføringer og disponeringer</b>		<b>-8 305 395</b>	



### Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		117 057	
<b>Sum varige driftsmidler</b>		<b>117 057</b>	
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap		18 300 540	
<b>Sum finansielle anleggsmidler</b>		<b>18 300 540</b>	
<b>Sum anleggsmidler</b>		<b>18 417 597</b>	<b>0</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Andre fordringer		930 378	
<b>Sum fordringer</b>		<b>930 378</b>	
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		34 171 738	
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>34 171 738</b>	
<b>Sum omløpsmidler</b>		<b>35 102 116</b>	<b>0</b>
<b>SUM EIENDELER</b>		<b>53 519 713</b>	<b>0</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital		1 000 000	
Annen innskutt egenkapital		55 827 164	



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Sum innskutt egenkapital</b>		<b>56 827 164</b>	
<b>Opptjent egenkapital</b>			
Udekket tap		8 305 395	
<b>Sum opptjent egenkapital</b>		<b>-8 305 395</b>	
<b>Sum egenkapital</b>		<b>48 521 769</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Skyldige offentlige avgifter		129 894	
Kortsiktig konserngjeld		197 418	
Annen kortsiktig gjeld		4 670 632	
<b>Sum kortsiktig gjeld</b>		<b>4 997 944</b>	
<b>Sum gjeld</b>		<b>4 997 944</b>	<b>0</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>53 519 713</b>	<b>0</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		21 681	
Annen driftsinntekt		61 539	
<b>Sum inntekter</b>		<b>83 220</b>	
<b>Kostnader</b>			
Varekostnad		57 327	
Lønnskostnad		1 088 616	
Avskrivning på varige driftsmidler og immaterielle eiendeler		260 392	
Annen driftskostnad		8 366 162	
<b>Sum kostnader</b>		<b>9 772 497</b>	
<b>Driftsresultat</b>		<b>-9 689 277</b>	
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		85	
Annen finansinntekt		4 030	
<b>Sum finansinntekter</b>		<b>4 115</b>	
Annen rentekostnad		22 223	
<b>Sum finanskostnader</b>		<b>22 223</b>	
<b>Netto finans</b>		<b>-18 108</b>	
<b>Ordinært resultat før skattekostnad</b>		<b>-9 707 385</b>	<b>0</b>
Skattekostnad på ordinært resultat		0	
<b>Ordinært resultat etter skattekostnad</b>		<b>-9 707 385</b>	<b>0</b>
<b>Årsresultat</b>		<b>-9 707 385</b>	<b>0</b>
<b>Overføringer og disponeringer</b>			
Udekket tap		-9 444 426	
Overføring minoritetsinteresser		-262 957	
<b>Sum overføringer og disponeringer</b>		<b>-9 707 383</b>	



## Konsernets balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling		1 866 667	
Goodwill		1 968 218	
<b>Sum immaterielle eiendeler</b>		<b>3 834 885</b>	
<b>Varige driftsmidler</b>			
Property, plant and equipment		3 824 343	
Right-of-use assets		699 240	
<b>Sum varige driftsmidler</b>		<b>4 523 583</b>	
<b>Sum anleggsmidler</b>		<b>8 358 468</b>	<b>0</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer		236 416	
<b>Sum varer</b>		<b>236 416</b>	
<b>Fordringer</b>			
Andre fordringer		5 722 768	
<b>Sum fordringer</b>		<b>5 722 768</b>	
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		47 019 299	
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>47 019 299</b>	
<b>Sum omløpsmidler</b>		<b>52 978 483</b>	<b>0</b>
<b>SUM EIENDELER</b>		<b>61 336 951</b>	<b>0</b>

## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital

#### Innskutt egenkapital



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Selskapskapital		1 000 000	
Annen innskutt egenkapital		55 827 164	
<b>Sum innskutt egenkapital</b>		<b>56 827 164</b>	
<b>Opptjent egenkapital</b>			
Udekket tap		9 444 426	
Minoritetsinteresser		4 859 573	
<b>Sum opptjent egenkapital</b>		<b>-4 584 853</b>	
<b>Sum egenkapital</b>		<b>52 242 311</b>	<b>0</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Lease Liability		522 091	
<b>Sum avsetninger for forpliktelser</b>		<b>522 091</b>	
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>522 091</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Skyldige offentlige avgifter		153 583	
Annen kortsiktig gjeld		8 234 216	
Lease liability		184 749	
<b>Sum kortsiktig gjeld</b>		<b>8 572 548</b>	
<b>Sum gjeld</b>		<b>9 094 639</b>	<b>0</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>61 336 950</b>	<b>0</b>



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 874779

**Enheten**

Organisasjonsnummer: 926 501 836  
Organisasjonsform: Allmennaksjeselskap  
Foretaksnavn: PRONOFA ASA  
Forretningsadresse: Øraveien 15B  
1630 GAMLE FREDRIKSTAD

**Regnskapsår**

Årsregnskapets periode: 01.01.2021 - 31.12.2021

**Konsern**

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

**Regnskapsregler**

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av  
årsregnskapet til konsernet: IFRS

**Årsregnskapet fastsatt av kompetent organ**

Bekreftet av representant for selskapet: Bjørge Gretland  
Dato for fastsettelse av årsregnskapet: 23.05.2022

**Grunnlag for avgivelse**

År 2021: Årsregnskap er elektronisk innlevert.  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

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Brønnøysundregistrene, 17.08.2022



Organisasjonsnr: 926 501 836  
PRONOFA ASA

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Lønnskostnad		884 966	
Avskrivning på varige driftsmidler og immaterielle eiendeler		3 443	
Annen driftskostnad		7 020 105	
<b>Sum kostnader</b>		<b>7 908 514</b>	
<b>Driftsresultat</b>		<b>-7 908 514</b>	
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt		3 168	
<b>Sum finansinntekter</b>		<b>3 168</b>	
Annen rentekostnad		49	
Nedskrivning investering i datterselskap		400 000	
<b>Sum finanskostnader</b>		<b>400 049</b>	
<b>Netto finans</b>		<b>-396 881</b>	
<b>Ordinært resultat før skattekostnad</b>		<b>-8 305 395</b>	<b>0</b>
Skattekostnad på ordinært resultat		0	
<b>Ordinært resultat etter skattekostnad</b>		<b>-8 305 395</b>	<b>0</b>
<b>Årsresultat</b>		<b>-8 305 395</b>	<b>0</b>
<b>Overføringer og disponeringer</b>			
Udekket tap		-8 305 395	
<b>Sum overføringer og disponeringer</b>		<b>-8 305 395</b>	



Organisasjonsnr: 926 501 836  
PRONOFA ASA

## BALANSE

**Beløp i: NOK** **Note** **2021** **2020**

### BALANSE - EIENDELER

#### Anleggsmidler Immaterielle eiendeler

**Varige driftsmidler**  
Driftsløsøre, inventar,  
verktøy, kontormaskiner  
og lignende 117 057  
**Sum varige driftsmidler** 117 057

**Finansielle anleggsmidler**  
Investering i datterselskap 18 300 540  
**Sum finansielle  
anleggsmidler** 18 300 540

**Sum anleggsmidler** 18 417 597 0

#### Omløpsmidler Varer

**Fordringer**  
Andre fordringer 930 378  
**Sum fordringer** 930 378

**Bankinnskudd, kontanter  
og lignende**  
Bankinnskudd, kontanter  
og lignende 34 171 738  
**Sum bankinnskudd,  
kontanter og lignende** 34 171 738

**Sum omløpsmidler** 35 102 116 0

**SUM EIENDELER** 53 519 713 0

### BALANSE - EGENKAPITAL OG GJELD

**Egenkapital**  
**Innskutt egenkapital**  
Selskapskapital 1 000 000  
Annen innskutt egenkapital 55 827 164  
**Sum innskutt egenkapital** 56 827 164

**Opptjent egenkapital**  
Udekket tap 8 305 395  
**Sum opptjent egenkapital** -8 305 395



<b>Sum egenkapital</b>	<b>48 521 769</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>	<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>		
Skyldige offentlige avgifter	129 894	
Kortsiktig konserngjeld	197 418	
Annen kortsiktig gjeld	4 670 632	
<b>Sum kortsiktig gjeld</b>	<b>4 997 944</b>	
<b>Sum gjeld</b>	<b>4 997 944</b>	<b>0</b>
<b>SUM EGENKAPITAL OG GJELD</b>	<b>53 519 713</b>	<b>0</b>



Organisasjonsnr: 926 501 836  
PRONOFA ASA

## KONSERNRESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		21 681	
Annen driftsinntekt		61 539	
<b>Sum inntekter</b>		<b>83 220</b>	
<b>Kostnader</b>			
Varekostnad		57 327	
Lønnskostnad		1 088 616	
Avskrivning på varige driftsmidler og immaterielle eiendeler		260 392	
Annen driftskostnad		8 366 162	
<b>Sum kostnader</b>		<b>9 772 497</b>	
<b>Driftsresultat</b>		<b>-9 689 277</b>	
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		85	
Annen finansinntekt		4 030	
<b>Sum finansinntekter</b>		<b>4 115</b>	
Annen rentekostnad		22 223	
<b>Sum finanskostnader</b>		<b>22 223</b>	
<b>Netto finans</b>		<b>-18 108</b>	
<b>Ordinært resultat før skattekostnad</b>		<b>-9 707 385</b>	<b>0</b>
Skattekostnad på ordinært resultat		0	
<b>Ordinært resultat etter skattekostnad</b>		<b>-9 707 385</b>	<b>0</b>
<b>Årsresultat</b>		<b>-9 707 385</b>	<b>0</b>
<b>Overføringer og disponeringer</b>			
Udekket tap		-9 444 426	
Overføring minoritetsinteresser		-262 957	
<b>Sum overføringer og disponeringer</b>		<b>-9 707 383</b>	



Organisasjonsnr: 926 501 836  
PRONOFA ASA

## KONSERNBALANSE

**Beløp i: NOK** **Note** **2021** **2020**

### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

Forskning og utvikling	1 866 667	
Goodwill	1 968 218	
<b>Sum immaterielle eiendeler</b>	<b>3 834 885</b>	

##### Varige driftsmidler

Property, plant and equipment	3 824 343	
Right-of-use assets	699 240	
<b>Sum varige driftsmidler</b>	<b>4 523 583</b>	

##### Sum anleggsmidler

8 358 468	0
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#### Omløpsmidler

##### Varer

Varer	236 416	
<b>Sum varer</b>	<b>236 416</b>	

##### Fordringer

Andre fordringer	5 722 768	
<b>Sum fordringer</b>	<b>5 722 768</b>	

##### Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter og lignende	47 019 299	
<b>Sum bankinnskudd, kontanter og lignende</b>	<b>47 019 299</b>	

##### Sum omløpsmidler

52 978 483	0
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##### SUM EIENDELER

61 336 951	0
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### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

Selskapskapital	1 000 000	
Annen innskutt egenkapital	55 827 164	
<b>Sum innskutt egenkapital</b>	<b>56 827 164</b>	

##### Opptjent egenkapital

Udekket tap	9 444 426	
Minoritetsinteresser	4 859 573	
<b>Sum opptjent egenkapital</b>	<b>-4 584 853</b>	



<b>Sum egenkapital</b>	<b>52 242 311</b>	<b>0</b>
<b>Gjeld</b>		
<b>Langsiktig gjeld</b>		
Lease Liability	522 091	
<b>Sum avsetninger for forpliktelser</b>	<b>522 091</b>	
<b>Annen langsiktig gjeld</b>		
<b>Sum langsiktig gjeld</b>	<b>522 091</b>	<b>0</b>
<b>Kortsiktig gjeld</b>		
Skyldige offentlige avgifter	153 583	
Annen kortsiktig gjeld	8 234 216	
Lease liability	184 749	
<b>Sum kortsiktig gjeld</b>	<b>8 572 548</b>	
<b>Sum gjeld</b>	<b>9 094 639</b>	<b>0</b>
<b>SUM EGENKAPITAL OG GJELD</b>	<b>61 336 950</b>	<b>0</b>



Organisasjonsnr: 926 501 836  
PRONOFA ASA

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
1

#### Regnskapsprinsipper

NOTE 1 ? GENERAL INFORMATION AND ACCOUNTING POLICIES Pronofa ASA is a limited liability company incorporated and domiciled in Norway, and the head office is in Fredrikstad, Norway. 1.1 GENERAL The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway. 1.2 USE OF ESTIMATES The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company?s accounting principles also requires management to apply assessments. In areas which either to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, these are described in the notes. 1.3 CLASSIFICATION OF BALANCE SHEET ITEMS Assets intended for long-term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year instalments on long-term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets. 1.4 CURRENCY The parent company accounts are reported in Norwegian kroner (NOK) which is also the functional currency for the parent company. Monetary balance sheet items in foreign currency are recorded at year-end exchange rates. Realized currency exchange gains or losses are recorded at the time of payment in other financial income or expenses. 1.5 CASH FLOW STATEMENT The cashflow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Note  
2

Antall årsverk i regnskapsåret  
1.00

Sum	Beløp
Balanseført verdi 31.12.	Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn



Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

**Fordringer**

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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**Kortsiktig gjeld**

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	197418.00	

<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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**Note**

2

**Lån og sikkerhetsstillelse til medlemmer**

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

**Opplysninger om:**

**Medlemmer av:**

**Mer om lån og sikkerhetsstillelse**



Organisasjonsnr: 926 501 836  
PRONOFA ASA

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

## Note

1

### Regnskapsprinsipper

NOTE 1 ? GENERAL INFORMATION Pronofa ASA is a limited liability company incorporated and domiciled in Norway, and the head office is in Fredrikstad, Norway. The company was incorporated 19.01.2021. Pronofa ASA (the Company) and its subsidiaries Ecoprot AS and Flying Feed AS (together the Group) specialize in the development and production of insect and marine (tunicate) proteins for food and animal nutrition. The Group operates a pilot plant in Meløy and has several test structures in Oslo Fjord with feed developments and feed trials. In addition, research and developing (R&D) activities are undertaken at the R&D center in Fredrikstad. The consolidated financial statements incorporate the financial statements of companies controlled (as set out below) by Pronofa ASA. Company - Location - Ownership Pronofa ASA - Fredrikstad - (Parent) Ecoprot AS - Meløy - 75,7 % Flying Feed Fredrikstad AS - Fredrikstad - 100 % NOTE 2 ? ACCOUNTING POLICIES The principal accounting policies applied in the preparation of these consolidated financial statements are set out below and throughout the report. These policies have been consistently applied to all the years presented, unless otherwise stated. 2.1 BASIS FOR PREPARATION The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and the Norwegian Accounting Act 1998. Pronofa ASA was established in January 2021. The Company has adopted IFRS for its consolidated financial statements as of 19 January 2021. New and revised standards that are adopted or not yet effective are not expected to have a material impact on the Group's consolidated financial statements. 2.2 CONSOLIDATION The consolidated financial statements are prepared using the historical cost approach, except for certain financial instruments measured at fair value. The consolidated financial statements are presented in NOK. Subsidiaries are all entities over which the Group has 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. All transactions and balances between Group companies are eliminated on consolidation, including intercompany loans, interest and unrealized gains and losses on transactions between Group companies. Accounting policies of subsidiaries have been harmonized where necessary to ensure consistency with the policies adopted by the Group. The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. 2.3 FOREIGN CURRENCY TRANSLATIONS Each entity in the group determines its functional currency based on the economic environment in which it operates, and items included in the



financial statements of each entity are measured using that functional currency. The functional currency of both Pronofa ASA and all its subsidiaries is Norwegian kroner (NOK). Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss. The presentation currency of the consolidated financial statements is NOK. NOTE 3 ? CRITICAL ACCOUNTING ESTIMATES Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Group management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below. 3.1 CRITICAL JUDGEMENT IN DETERMINING VALUE OF R&D IN PPA In determining the value of research and development through the acquisition of Ecoprot AS management have considered the replacement cost related to the prior activities. Previous costs related to R&D have been used as a reference in determining the estimate. NOTE 4 ? FINANCIAL RISK MANAGEMENT The group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance. 4.1 MARKET RISK (i) Foreign Exchange Risk: The risk of changes in foreign currency relates primarily to the ongoing business transactions in different currencies and in connection with clinical trial runs in different countries. The impact on the Company's income statement is limited and not material. (ii) Interest risk: The Group is equity financed and holds no long-term borrowings or bank deposits as of year-end 2021. The interest risk is therefor considered to be immaterial. 4.2 CREDIT RISK The Group is in a R&D phase and turnover are to be considered as immaterial. Other short-term receivable mainly consists of government grants with no or very limited credit risk. Cash is held at bank institutions with low credit risk. Therefore, the credit risk is to be considered as immaterial. 4.3 LIQUIDITY RISK Being in a development phase, the Company is reliant on capital contributions to finance its operations. Management monitors on a high frequency the liquidity forecasts to ensure that there is sufficient cash to meet the Company's strategic growth plans. As a part of the liquidity management, the Company received MNOK 60 in funding in 2021 through private placements. The Group holds no long-term borrowings. The maturity profile (nominal values) of lease liabilities is presented in note 11. The Group holds short-term liabilities of (except lease liabilities) of 8.387.799 NOK, with a maturity of less than 12 months.

## Note

6

## Antall årsverk i regnskapsåret

2.00

Sum

Beløp

Balanseført verdi 31.12.

Varige driftsmidler Immaterielle eiend.

## Konsernregnskap

**Morselskapet sitt navn**



Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

**Fordringer**

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.

**Note**

2

**Lån og sikkerhetsstillelse til medlemmer**

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

**Opplysninger om:**

**Medlemmer av:**

**Mer om lån og sikkerhetsstillelse**



Our date 08.02.2022	Your date 25.01.2022	Case officer Lars Waaltorp
800 80 000 skatteetaten.no	Your reference	Telephone +4790833418
Org. nr. 974761076	Our reference 2022/5066876	Postal address Postboks 9200 Grønland 0134 OSLO

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS  
Postboks 748 Sentrum  
0106 OSLO

*Callers from abroad, please call +47 22 07 70 00*

## Permission to prepare the annual accounts and directors' report in English language for Pronofa ASA, org. no 926 501 836

With reference to your letter of 25 January 2022 with respect to the above matter regarding Pronofa ASA.

Based on a total evaluation, the view of the tax office is that Pronofa ASA may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

### Background

Pronofa ASA is mainly owned by Norwegian and foreign professional investors. The company has ambitions for a listing on Euronext Growth and will in this connection also target foreign investors. The company caters to a professional market within the insect and tunicate alternative protein business and is in a pre-commercial phase developing products (nutrients) for the food and feed industry. Most of the working language and internal reporting are in English.

### Condition for the permission

According to the Norwegian Accounting Act § 3-4, third paragraph shall "the directors' report and annual accounts (...) be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors, which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the



economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information.”

One of the main goals of the Accounting Act is to contribute to “informative accounts for different users of accounts”. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors’ report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the tax office has emphasized that the company is owned by Norwegian and foreign professional investors. Furthermore, all key players and partners in this industry understand and use English.

Please state “our reference” (see above) in all written communication with the Norwegian Tax Authorities.

Yours sincerely,

Lars Waalorp  
Senior Adviser  
Customer Interaction Division, Customer Service  
The Norwegian Tax Administration

*This document has been electronically approved and therefore has no handwritten signatures.*



Pronofa ASA  
2021 Annual Report

PRONOFA



## **Board of Directors' Report**

Pronofa ASA (the Company) and its subsidiaries (together the Group or Pronofa) first year of operation was marked by a series of transformative investments, transactions and partnerships that will help grow Pronofa into an established planet-positive company. Pronofa completed two milestone investments in Flying Feed and Ecoprot and initiated several R&D programs with industrial partners to ensure Pronofa meets its goals. Going into 2022, Pronofa is benefiting from a strong industrial momentum, with several attractive project and investment opportunities, and a strengthened financial position.

## **Business model and strategy**

The agriculture industry is tasked with supplying nutrition to a rapidly growing global population with limited resources. At the same time, the industry is also a major source of global emissions, contributing an estimated 20% of GHG (Green House Gases). The aquaculture industry is also experiencing challenges as more than 90% of the global fish stock is either fully exploited or over-fished.

Pronofa is an agriculture biotech company dedicated to driving sustainable agriculture solutions. The Group focuses on cultivating and processing insects and marine resources into sustainable premium ingredients for improved nutrition and health in humans, animals and plants.

Pronofa was established in January 2021, and is headquartered in Fredrikstad, Norway. Pronofa is 31% percent owned by Denofa ASA, a Norwegian industrial company with a 110-year history. Denofa processes non-GMO, sustainable soybeans into soy meal, soy oil and lecithin which are sold to the feed market, mainly in Norway, Sweden and Finland. Pronofa is part of Denofa's ecosystem, which provides an industrial edge through alliances across a range of disciplines, access to expertise within R&D, operational and technical capabilities, and commercial synergies.

Pronofa aims to build industrial scale vertical farms for insects which will utilize organic waste streams and provide valuable nutrients which include protein meal, high value oils, organic fertilizer and chitin/chitosan. Pronofa is currently in the process of building an industrial scale pilot in Meløy outside of Bodø.

Pronofa also aims to build vertical farms for tunicates on an industrial scale. Tunicates, a marine animal, grow naturally in the ocean and have a high content of protein and omega-3 fatty acids. Tunicates also contain glucosamine which has pharmaceutical applications. The Group is working with several industrial partners and research agencies to drive this development.

Pronofa will continue to broaden its portfolio by exploring selective M&A opportunities in new areas and expanding its footprint within its current holdings. Its aim is to become a leading player in agricultural biotech and promote sustainable living, while providing substantial value creation over time.

## **Key developments in 2021**

Pronofa was established in January 2021 as a spin-off from Denofa AS. Denofa's leading industrial position within the protein feed market and internal technical and R&D capabilities support the development of Pronofa. Pronofa has benefited substantially in its development during 2021 from being a part of Denofa's ecosystem.



In May 2021, Pronofa acquired Flying Feed AS which was headed by David Tehrani. Through Flying Feed, Pronofa gained valuable insight into the biology of the Black Soldier Fly (BSF), including breeding and cultivation.

Starting August 2021, Pronofa leveraged Denofa's industrial network and began quality and feeding trials for the BSF with partners including Felleskjøpet, NMBU, Norgesfôr and Norsk Kylling.

In September, Pronofa became majority owner of Ecoprot AS (75.69%). Ecoprot, situated in Meløy was founded by brothers Asbjørn and Ole Torrissen. Ecoprot has significant industrial experience within the aquaculture industry and have driven R&D with BSFs since 2019.

Pronofa has also made important developments within its tunicate ambitions. Pronofa hired a leading tunicate expert (marine biologist), who together with Denofa's network have developed several partnerships which will create industrial technologies and capabilities within cultivation, maintenance and processing of tunicate nutrients.

In order to reach these ambitions, Pronofa completed two successful private placements during 2021 raising gross proceeds of NOK 60,000,000. In addition to Denofa AS, Pronofa attracted interest from quality institutional investors including Canica, Macama AS, Farvatn Private Equity, as well as Kreano AS (Bjørge Gretland, Chairman of the Board of Pronofa), Six-Seven AS (Haakon Sæter, Board Member of Pronofa).

## **Subsequent events**

In January, Pronofa announced that a total of 23,076,923 new shares had been allocated through a private placement, at a subscription price of NOK 6.50 per share, raising gross proceeds of approximately NOK 150,000,000.

The Private Placement attracted interest from high quality institutional investors including Denofa AS, Canica AS, Reitan Capital in addition to other existing and new shareholders also participating in this financing round.

The net proceeds from the Private Placement will be used to finance acquisitions, construction costs of the industrial plant in Meløy, Bodø and other growth opportunities.

## **Financial Performance - Going Concern**

Pronofa's annual accounts consist of the consolidated financial statements which include Flying Feed and Ecoprot. Pursuant to section 3-3a of the Norwegian Accounting Act, it is confirmed that the accounts have been prepared on the assumption that Pronofa is a going concern, and the Board confirms that this assumption continues to apply.

The Company was established on 19 January 2021. Accordingly, there are no comparative figures.

## **Income statement**

The Group had operating revenues of NOK 83,220 in 2021. Total operating expenses came in at NOK 9,772,496 in 2021. Expenses consisted mainly of personnel expenses, R&D and third-party consultants.

In 2021, depreciation and amortization amounted to NOK 260,392.



Net financial expenses were NOK 22,223 in 2021.

Pre-tax profit (loss) of NOK (9,707,383) and profit (loss) for the period showed a loss of NOK (9,707,383) in 2021.

The Company had NOK 0 in revenues, NOK 7,908,513 in operating expenses, NOK 3,443 in depreciation, NOK (8,305,395) in Pre-Tax profit (loss) and a profit (loss) for the period of NOK (8,305,395).

## **Balance sheet**

The Group's total assets amounted to NOK 61,336,950 as of 31 December 2021. Total non-current assets ended at NOK 8,358,467. The Group's total intangible assets totalled NOK 3,834,885 as of 31 December 2021.

Current assets were NOK 52,978,483 as of 31 December 2021. Cash position amounts to NOK 47,019,299.

Current liabilities amounted to NOK 8,572,548, while non-current liabilities totalled NOK 522,091 at year end 2021. The Group had no interest-bearing debt as of 31 December 2021.

The Group's equity ratio was 85.2 percent at the end of 2021.

The Company's total assets amounted to NOK 53,519,713, total non-current assets ended at NOK 18,417,597, current assets were NOK 35,102,116 and the cash position amounts to NOK 34,171,738. Current liabilities amounted to NOK 4,997,944, non-current liabilities of NOK 0. The Company's equity ratio was 90.1% percent at the end of 2021.

## **Cash flow statement**

The Group's cash balance was NOK 47,019,299 as of 31 December 2021. The Group's net cash flow from operations amounted to negative NOK 7,378,566 in 2021. Net cash flow from investment activities totalled negative NOK 2,305,109 in 2021.

Net cash flow from financing activities amounted to NOK 56,702,973 in 2021. Cash flow for the year from financing activities are primarily attributable to proceeds from two private placements which raised NOK 60,000,000 in gross proceeds.

The Company's cash balance was NOK 34,171,738 as of 31 December 2021. The Company's net cash flow from operations amounted to NOK negative 4,031,805, net cash flow from investment activities of negative NOK 18,421,040, net cash flow from financing activities amounted to NOK 56,624,583 in 2021.

## **Allocation of loss and dividend**

The Board of Directors has not proposed payment of a dividend for 2021. The Group's net loss for the year of NOK 8,305,395 is allocated to retained earnings.

## **Management model, corporate governance, control and compliance**

Good corporate governance provides the foundation for long-term value creation, for the benefit of shareholders, employees and other stakeholders.

Pronofa is a public limited liability company organized under Norwegian law and with a governance structure based on Norwegian corporate law, other regulatory requirements and the guidelines of the Norwegian Corporate Governance Board (the Norwegian Code of



Practice for Corporate Governance). Pronofa is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act.

Pronofa's Board of Directors consists of six members, two of whom represent Denofa AS. The majority of the shareholder-elected board members are independent of executive personnel and material business contacts. The Chair of the Board is elected by the General Meeting.

The directors and officers of Pronofa ASA are covered under a Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defence- and legal costs.

The Pronofa Board establishes the overall principles for governance and control in Pronofa through the adoption of governing documents.

Pronofa's corporate governance principles are based on the Norwegian Code of Practice for Corporate Governance. The Company's practice is largely in accordance with these recommendations.

## **Board of Directors' activities**

The Board prepares an annual plan for its work, which includes recurring key topics, such as strategy review, investment planning, risk and compliance oversight, financial reporting and budget review. Pronofa's Board of Directors held 13 meetings in 2021.

## **Business and society**

Pronofa's a planet-positive company that aims to create value for customers, shareholders, employees, partners and society at large by developing a company that solves fundamental sustainable challenges. As such, sustainability is at the core of Pronofa's mission and business operations.

Sustainability comprises of Environmental, Social and Governance (ESG) factors and relates to how Pronofa creates long-term value by implementing strategies that incorporate ESG dimensions. These include environmental issues such as climate change and resource scarcity, social issues such as labour practices, and governance matters such as corporate governance and business ethics.

Pronofa aims to be an attractive employer and a preferred partner for business relations, as well as a respected social actor and corporate citizen. Pronofa's most important contribution to society is to solve fundamental problems to sustainable existence and create value by developing a company that is run in a responsible manner. Sustainability and profitability are prerequisites for achieving these goals.

## **People**

Pronofa had 5 employees as of 31 December 2021, with a gender split of 100% percent men and 0% percent women. Pronofa has also leveraged Denofa's ecosystem through utilizing key personnel within management, finance and R&D. All business between Pronofa and Denofa is done with arms-length agreements which are approved by the Board. Pronofa will continue to work systematically for equality, diversity and inclusion throughout its business. During 2021 the Company had a no sick leave and no reported injuries.



## **Health, Safety, Security and Environment (HSSE)**

Pronofa works to ensure a secure working environment, which provides a basis for healthy and meaningful working conditions and ensures complete safety from harmful physical and mental influences and a standard of welfare consistent with the level of technological and social development of society. Pronofa shall strive to ensure non-excessive working hours and safeguard employees' work-life balance. Pronofa shall work systematically for health, safety and wellbeing, and strive for zero harm and for continuous improvements throughout the value chain. As part of Denofa's ecosystem, Pronofa has adapted their high HSSE standards.

## **Risks and risk management**

Pronofa is exposed to financial risk, including currency and interest rate risk and liquidity risk, in addition to market risks, legal and compliance risks, climate risk, and project and operational risks.

Pronofa has established a process for risk management based on the assessment and monitoring of major financial, strategic, legal, climate-related and operational risk factors. Mitigating actions have been identified for key risks and their implementation is assured and monitored. Risks and how they are managed are reported to Pronofa's Board on a regular basis.

Pronofa is dependent on functioning debt and equity markets to fund future growth, and access to external financing may affect the liquidity situation. Pronofa seeks to reduce the risk by maintaining a solid liquidity reserve, by proactively planning and diversifying sources of funding.

## **Outlook**

The agriculture industry is tasked with supplying nutrition to a rapidly growing global population with limited sustainable available land, while reducing GHG emissions. Balancing these two issues will be critical over the next decades.

The world population is estimated to reach 10 billion by 2050. Government agencies estimate the need for 60-70% more food at the end of this period which will put further pressure on an already strained agriculture industry.

The transition towards an emissions-free world, exemplified by the UN-backed global campaign rallying non-state actors, including companies, cities, regions, financial institutions to reduce emissions across all scopes in line with the Paris Agreement, is a long-term and global development that drives sustainable investment technologies. Government policies, company emission reduction targets and private capital inflows are expected to continue to support this trend.

Government agencies are setting sustainable agriculture high on the agenda. EU Green Deal 2030 ambitions has stated focus areas and goals including (i) organic farming and sustainable farming models, (ii) food waste reduction and sustainable diets and (iii) reduction of chemical pesticides.

The USDA has its own stated Agriculture Innovation Agenda which cements the need for increased food production while dramatically reducing its global footprint; (i) cutting environmental footprint of US farmers in half by 2050 and (ii) increase agricultural production by 40 percent.



In late February 2022, Russian troops invaded Ukraine, triggering a humanitarian crisis. Sharply increased geopolitical tension led to spikes in agriculture commodities, amid fears of disruptions to agricultural exports at a time of already tight supplies. The European economy is highly dependent on Russian and Ukraine agriculture products. As such the war is expected to further incentivize the EU to reduce its reliance imports, which could result in increased spending on alternative and local agriculture.

Pronofa's business model is set up to accelerate and scale the solution for sustainable agriculture while driving reductions in harmful emissions.

Fredrikstad 23 May, 2022

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Hans Petter Olsen  
CEO

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Haakon Morten Sæter  
Board member

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Bjørge Gretland  
Chair

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Hans Martin Kjernsbæk  
Board member

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Hege Buer  
Board member

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Hege Rivedal Ødegaard  
Board member

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Hilde Christin Talseth  
Board member



Pronofa ASA - Annual Report 2021

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

<i>Amounts in NOK for the period ended 31 December</i>	<b>Notes</b>	<b>19.01-31.12.2021</b>
Revenue	5	21 681
Other operating income		61 539
<b>Total revenue</b>		<b>83 220</b>
Raw materials and consumables used		57 327
Salaries and personnel expense	6	1 088 616
Depreciation and amortization expense	10, 11, 12	260 392
Other operating expense	7	8 366 162
<b>Total operating expenses</b>		<b>9 772 496</b>
<b>Operating profit</b>		<b>-9 689 275</b>
Interest income		85
Other financial income		4 030
<b>Total financial income</b>	8	<b>4 116</b>
Interest expense		-22 223
Other financial expense		-
<b>Total financial expense</b>	8	<b>-22 223</b>
<b>Profit before income tax</b>		<b>-9 707 383</b>
Income tax expense	9	-
<b>Net profit /(loss) for the year</b>		<b>-9 707 383</b>
Other comprehensive income		-
<b>Total comprehensive (loss) for the year</b>		<b>-9 707 383</b>



Pronofa ASA - Annual Report 2021

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK</i>	<i>Notes</i>	<b>31.12.2021</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10	3 824 343
Research and development	12	1 866 667
Right-of-use assets	11	699 240
Goodwill	12, 16	1 968 218
<b>Total non-current assets</b>		<b>8 358 467</b>
<b>Current assets</b>		
Inventories	13	236 416
Other receivables		5 722 768
Cash and bank deposits	14	47 019 299
<b>Total current assets</b>		<b>52 978 483</b>
<b>Total assets</b>		<b>61 336 950</b>



Pronofa ASA - Annual Report 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK</i>	<i>Notes</i>	<b>31.12.2021</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	15	1 000 000
Other paid in capital	15	55 827 164
Retained earnings		-9 444 426
Minority Interests		4 859 573
<b>Total Equity</b>		<b>52 242 311</b>
<b>Non-current liabilities</b>		
Lease liabilities	11	522 091
<b>Total non-current liabilities</b>		<b>522 091</b>
<b>Current liabilities</b>		
Trade and other payables		8 234 216
Lease liabilities	12	184 749
Public duties payables		153 583
<b>Total current liabilities</b>		<b>8 572 548</b>
<b>Total equity and liabilities</b>		<b>61 336 950</b>

Fredrikstad, 23.05.2022

Hans Petter Olsen  
CEO

Haakon Morten Sæter  
Board member

Bjørge Gretland  
Chairman

Hans Martin Kjernsbæk  
Board member

Hege Buer  
Board member

Hege Rivedal Ødegaard  
Board member

Hilde Christin Talseth  
Board member



Pronofa ASA - Annual Report 2021

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK thousand</i>	Share capital	Other paid in capital	Retained earnings	Total	Minority interests	Total equity
Equity 01.01.2021	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-9 444 426	-9 444 426	-262 957	<b>-9 707 383</b>
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	<b>-9 444 426</b>	<b>-9 444 426</b>	<b>-262 957</b>	<b>-9 707 383</b>
<i>Transactions with owners</i>						
Deposit upon establishment of the company	50 000	-5 570	-	44 430	-	<b>44 430</b>
Capital increase february 2021	16 667	9 970 835	-	9 987 502	-	<b>9 987 502</b>
Capital increase july 2021	16 667	46 778 565	-	46 795 232	-	<b>46 795 232</b>
Conversion from AS to ASA	916 667	-916 667	-	-	-	-
Minority interest from business combinations					5 122 530	<b>5 122 530</b>
<b>Equity 31.12.2021</b>	<b>1 000 000</b>	<b>55 827 164</b>	<b>-9 444 426</b>	<b>47 382 738</b>	<b>4 859 573</b>	<b>52 242 311</b>



Pronofa ASA - Annual Report 2021

## CONSOLIDATED STATEMENT OF CASH FLOW

<i>Amounts in NOK for the period ended 31 December</i>	<b>Notes</b>	<b>31.12.2021</b>
<b>CASH FLOW FROM OPERATIONS</b>		
Profit before income taxes		-9 707 383
Depreciation, intangible and fixed assets	10, 11, 12	260 392
Net interest expense		22 137
Change in accounts receivable		-525
Change in inventory	13	-28 560
Change in accounts payable		10 956
Change in other accruals		<u>2 064 417</u>
Net cash flow from operations		<b>-7 378 566</b>
<b>CASH FLOW FROM INVESTMENTS</b>		
Purchase of fixed assets	10	-602 435
Investments in subsidiaries net of cash acquired	16	<u>-1 702 674</u>
Net cash flow from investments		<b>-2 305 109</b>
<b>CASH FLOW FROM FINANCING</b>		
Proceeds from capital contributions	15	56 827 165
Lease payments for the principal portion of lease liability	11	-102 054
Interest payments		<u>-22 137</u>
Net cash flow from financing		<b>56 702 973</b>
<b>Net changes in cash for the period</b>		<b>47 019 298</b>
Cash and cash equivalents as of 1.1		-
<b>Cash and cash equivalents as of 31.12</b>	14	<b>47 019 299</b>



Pronofa ASA - Annual Report 2021

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 – GENERAL INFORMATION

Pronofa ASA is a limited liability company incorporated and domiciled in Norway, and the head office is in Fredrikstad, Norway. The company was incorporated 19.01.2021.

Pronofa ASA ("the Company") and its subsidiaries Ecoprot AS and Flying Feed AS (together the "Group") specialize in the development and production of insect and marine (tunicate) proteins for food and animal nutrition. The Group operates a pilot plant in Meløy and has several test structures in Oslo Fjord with feed developments and feed trials. In addition, research and developing ("R&D") activities are undertaken at the R&D center in Fredrikstad.

The consolidated financial statements incorporate the financial statements of companies controlled (as set out below) by Pronofa ASA.

Company	Location	Ownership
Pronofa ASA	Fredrikstad	(Parent)
Ecoprot AS	Meløy	75,7 %
Flying Feed Fredrikstad AS	Fredrikstad	100 %

### NOTE 2 – ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below and throughout the report. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 BASIS FOR PREPARATION

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and the Norwegian Accounting Act 1998.

Pronofa ASA was established in January 2021. The Company has adopted IFRS for its consolidated financial statements as of 19 January 2021.

New and revised standards that are adopted or not yet effective are not expected to have a material impact on the Group's consolidated financial statements.

#### 2.2 CONSOLIDATION

The consolidated financial statements are prepared using the historical cost approach, except for certain financial instruments measured at fair value. The consolidated financial statements are presented in NOK.

Subsidiaries are all entities over which the Group has 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. All transactions and balances between Group companies are eliminated on consolidation, including intercompany loans, interest and unrealized gains and losses on transactions between Group companies. Accounting policies of subsidiaries have been harmonized where necessary to ensure consistency with the policies adopted by the Group.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and

**PRONOFA**

12



## Pronofa ASA - Annual Report 2021

contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group

recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

### 2.3 FOREIGN CURRENCY TRANSLATIONS

Each entity in the group determines its functional currency based on the economic environment in which it operates, and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of both Pronofa ASA and all its subsidiaries is Norwegian kroner (NOK).

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss. The presentation currency of the consolidated financial statements is NOK.

### NOTE 3 – CRITICAL ACCOUNTING ESTIMATES

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Group management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### 3.1 CRITICAL JUDGEMENT IN DETERMINING VALUE OF R&D IN PPA

In determining the value of research and development through the acquisition of Ecoprot AS management have considered the replacement cost related to the prior activities. Previous costs related to R&D have been used as a reference in determining the estimate.

### NOTE 4 – FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance.

#### 4.1 MARKET RISK

*(i) Foreign Exchange Risk:* The risk of changes in foreign currency relates primarily to the ongoing business transactions in different currencies and in connection with clinical trial runs in different countries. The impact on the Company's income statement is limited and not material.

*(ii) Interest risk:* The Group is equity financed and holds no long-term borrowings or bank deposits as of year-end 2021. The interest risk is therefor considered to be immaterial.

#### 4.2 CREDIT RISK

The Group is in a R&D phase and turnover are to be considered as immaterial. Other short-term receivable mainly consists of government grants with no or very limited credit risk. Cash is held at bank institutions with low credit risk. Therefore, the credit risk is to be considered as immaterial.



Pronofa ASA - Annual Report 2021

## 4.3 LIQUIDITY RISK

Being in a development phase, the Company is reliant on capital contributions to finance its operations. Management monitors on a high frequency the liquidity forecasts to ensure that there is sufficient cash to meet the Company's strategic growth plans. As a part of the liquidity management, the Company received MNOK 60 in funding in 2021 through private placements.

The Group holds no long-term borrowings. The maturity profile (nominal values) of lease liabilities is presented in note 11. The Group holds short-term liabilities of (except lease liabilities) of 8.387.799 NOK, with a maturity of less than 12 months.

## NOTE 5 – REVENUE

Revenue derives from the sale of insect and marine proteins. As of 2021 the sales relate to low volume products deriving from the R&D phase in the production facility in Meløy.

The Group recognizes revenue at the time when the Group transfers the control of a product or service to the customer. Revenue is measured at the fair value of the consideration the Group expects to receive for goods transferred to the customer, net of discounts, returns and sales taxes. No significant element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

<b>Sales revenue</b>	<b>2021</b>
Norway	21 681
Other countries	-
<b>Total sales revenue</b>	<b>21 681</b>

## NOTE 6 – EMPLOYEE REMUNERATION

The salary mainly relates to the R&D activities in Meløy and remuneration to employees in the head office in Fredrikstad. The Group has allocated share options to certain key employees. As of year-end 2021, the granted options are considered to have an immaterial value. Therefore, no share-based compensation expense is recognized in the financial statements. A total of 250.000 share options have been granted at a strike price of 6 NOK per share. Vesting is set to 25 % each year with the condition of employment.

<b>Salaries and payroll expense</b>	<b>2021</b>
Salary expenses including bonuses, vacation pay and other costs	947 094
Social security cost	138 209
Other benefits	3 312
<b>Total Personnel expenses</b>	<b>1 088 616</b>

Average number of employees 2

The CEO of Pronofa ASA holds a 50 % position in the company and does not receive any remuneration directly from the Company. The CEO is outsourced from Denofa AS. In 2021, total invoiced amount for the CEO position from Denofa AS is 1.093.092 NOK (ex. VAT), covering the period from August to December.

The Board of Directors have not received any remuneration in 2021. No loans or guaranties is held toward the CEO nor any member of the Board.



Pronofa ASA - Annual Report 2021

## NOTE 7 – OTHER OPERATING EXPENSES AND AUDIT FEE

Other operating expenses consulting fees and R&D

<b>Other operating expenses by nature</b>	<b>2021</b>
Legal/Consulting fees/Accounting/Audit	7 479 053
R&D activities	791 525
Repair and maintenance expense	41 049
Other operating expenses	54 535
<b>Total other operating expenses</b>	<b>8 366 162</b>

  

<b>Auditor's remuneration</b>	<b>2021</b>
Audit services	134 550
Other assurance services	37 651
Tax advice	-
Other non-assurance services	24 450
<b>Total auditor's remuneration</b>	<b>196 651</b>

## NOTE 8 – FINANCE INCOME AND FINANCE EXPENSES

<b>Finance Income</b>	<b>2021</b>
Interest income	85
Other finance income	4 030
<b>Total finance income</b>	<b>4 116</b>

<b>Finance Cost</b>	<b>2021</b>
Interest expense on lease liabilities	17 082
Other interest expense	5 141
<b>Total finance expense</b>	<b>22 223</b>

## NOTE 9 – CURRENT AND DEFERRED INCOME TAX

Tax expenses consist of the tax payable and changes to deferred tax. Tax is recognized in the accompanying consolidated financial statements of operations, except that it relates to items recognized in OCI or directly in equity.

Deferred tax assets are recognized in the statement of financial position based on expected utilization of tax losses carried forward and temporary differences. 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. As of 31.12.2021 no deferred tax asset has been recognized.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.



Pronofa ASA - Annual Report 2021

Tax expense/(income)	2021
Tax payable	-
Change in deferred tax asset	-
<b>Total tax expense</b>	<b>-</b>

Deferred Tax	2021
<i>(Amounts in NOK)</i>	
Tax loss carried forward Norway	-13 916 504
Temporary differences fixed assets	35 263
Temporary differences intangible assets	1 866 667
Other temporary differences	101 855
Temporary differences not recognized in the balance sheet	11 912 719
<b>Basis for deferred tax / deferred tax asset (-)</b>	<b>-</b>
<b>Deferred tax / deferred tax asset (-)</b>	<b>-</b>

Tax rate Norway	22 %
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## NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially stated at cost. Subsequent expenditures are included in the asset's carrying value when it is probable that the expenditure will provide a future economic benefit and can be measured reliably. Depreciation is recorded in a straight-line basis over the estimated useful lives of the assets. For more information on useful life, see table below.

The Group considers the need for an impairment review when events occur that indicate the book value of a long-life asset may exceed its recoverable amount. Expenditures for repair and maintenance are charged to other expenses in the period incurred. Assets under construction are not depreciated until completed and ready for their intended use, at which point they are transferred to their own asset category.

	Assets under construction	Machinery, fixtures and fittings	Total
Cost 19.01.2021	-	-	-
Acquired through business combinations	3 093 311	145 700	<b>3 239 011</b>
Additions in period	481 935	120 500	<b>602 435</b>
<b>Cost 31.12.2021</b>	<b>3 575 246</b>	<b>266 200</b>	<b>3 841 446</b>
Accumulated depreciation 19.01.2021	-	-	-
Depreciation in period	-	17 103	<b>17 103</b>
Impairments in period	-	-	-
<b>Accumulated depreciation 31.12.2021</b>	<b>-</b>	<b>17 103</b>	<b>17 103</b>
<b>Net book value 31.12.2021</b>	<b>3 575 246</b>	<b>249 097</b>	<b>3 824 343</b>
Useful life	Idefinite	5 years	NA
Depreciation method	NA	Straight line	NA

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16



Pronofa ASA - Annual Report 2021

## NOTE 11 – LEASE LIABILITY AND RIGHT-OF-USE ASSETS

The Group leases various offices, production facilities and other equipment. The Group recognizes a right-of-use (RoU) asset and a lease liability lease contracts that exceeds a rental period of more than 12 months. Payments associated with short-term leases and all leases of low-value assets are recognized through profit or loss.

The RoU is initially measured at cost, which includes the amount of lease liabilities recognized, plus initial direct costs towards the lease, less incentives received. The RoU is generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The RoU is adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of the future lease payments as of the commencement date, discounted using the interest rate implicit in the lease. If an implicit rate cannot be readily determined, the Group uses the incremental borrowing rate as the discount rate. The lease payments include fixed payments and variable payments that depend on an index or rate. Variable lease payments that do not depend on an index or rate are recognized as expenses. The lease liability is measured at amortized cost using the effective interest rate method. The lease liabilities are remeasured when there is a change in future lease payments arising from a change in index or rate, or a change in the assessment of whether to exercise an extension or termination option.

<b>Right-of-use asset</b>	<b>Offices</b>	<b>Equipment</b>	<b>Total</b>
Right-of-use asset (net) 19.01.2021	-	-	-
Additions	547 827	261 067	<b>808 894</b>
Depreciation charge	82 174	27 481	<b>109 655</b>
<b>Total right-of use asset (net) 31.12.2021</b>	<b>465 653</b>	<b>233 586</b>	<b>699 240</b>

<b>Lease liability</b>	<b>Offices</b>	<b>Equipment</b>	<b>Total</b>
Current lease liability	104 563	80 186	<b>184 749</b>
Non-current lease liability	367 298	154 793	<b>522 091</b>
<b>Total lease liabilities</b>	<b>471 861</b>	<b>234 979</b>	<b>706 840</b>

<b>Amount recognized in income statement</b>	<b>Offices</b>	<b>Equipment</b>	<b>Total</b>
Interest expense	14 034	3 048	<b>17 082</b>
Expense relating to short-term leases	48 000	-	<b>48 000</b>
Expense relating to leases of low-value assets	-	-	-
Expense relating to variable lease payments	-	-	-

<b>Contractual maturities (nominal values)</b>	<b>Offices</b>	<b>Equipment</b>	<b>Total</b>
Less than 1 year	120 000	87 408	<b>207 408</b>
1-3 years	240 000	160 248	<b>400 248</b>
4-5 years	150 000	-	<b>150 000</b>
more than 5 years	-	-	-
<b>Total contractual cash-flows</b>	<b>510 000</b>	<b>247 656</b>	<b>757 656</b>

<b>Lease liability</b>	<b>Offices</b>	<b>Equipment</b>	<b>Total</b>
Lease liability 19.01.2021	-	-	-
Additions	547 827	261 067	<b>808 894</b>
Principal payment	75 966	26 088	<b>102 054</b>
<b>Total lease liability 31.12.2021</b>	<b>471 861</b>	<b>234 979</b>	<b>706 840</b>



Pronofa ASA - Annual Report 2021

## NOTE 12 – GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets have been recognized through the acquisition of subsidiaries Ecoprot AS and Flying Feed Fredrikstad AS in 2021. Goodwill was recorded based on the difference between the purchase price and the fair value of identifiable assets and liabilities of the company. Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

For impairment testing, goodwill acquired is allocated to each subsidiary that is expected to benefit from the synergies of the combination, representing the lowest level within the entity at which goodwill is monitored for internal management purposes. In 2021 the Group has not performed an impairment test as the material part of goodwill relates to the Ecoprot transaction 31.08.2021 and no negative events has been identified compared to the expectations in the acquisition.

<b>Goodwill</b>	<b>Goodwill</b>	<b>R&amp;D</b>	<b>Total</b>
Cost 19.01.2021	-	-	-
Additions in period	1 968 218	2 000 000	3 968 218
<b>Cost 31.12.2021</b>	<b>1 968 218</b>	<b>2 000 000</b>	<b>3 968 218</b>
Accumulated impairment / amortization 19.01.2021	-	-	-
Amortization in period	-	133 333	133 333
Impairments in period	-	-	-
<b>Accumulated impairment / amortization 31.12.2021</b>	<b>-</b>	<b>133 333</b>	<b>133 333</b>
<b>Net book value 31.12.2021</b>	<b>1 968 218</b>	<b>1 866 667</b>	<b>3 834 885</b>

Useful life	Indefinite	5 years
Depreciation method	NA	Straight-line

For more information on goodwill and intangible assets, please refer to note 16 – Business Combinations

## NOTE 13 – INVENTORY

Inventories are measured at the lower of cost or net realizable value under the first-in-first-out (FIFO) principle. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes both the production and acquisition costs of goods and components.

<b>Inventory</b>	<b>2021</b>
Inventory at purchase cost	236 416
Inventory write-downs to net realizable value	-
<b>Inventories</b>	<b>236 416</b>



Pronofa ASA - Annual Report 2021

## NOTE 14 – CASH AND CASH EQUIVALENT

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. As of year-end 2021 the Group did not have any outstanding bank overdrafts.

Cash is initially recognized at fair value and subsequently measured at amortized cost.

Total cash in the Group is 47.019.299 NOK per 31.12.2021 which of 113.406 NOK are restricted cash in the form of employee tax deduction accounts

## NOTE 15 – SHARE CAPITAL

Share capital	# shares	Face value	Total face value
Incorporation of the parent company (19.01.2021)	5 000 000	0,010	<b>50 000</b>
Capital increase february 2021	1 666 667	0,010	<b>16 667</b>
Capital increase june 2021	1 666 667	0,010	<b>16 667</b>
Share split (5:1)	33 333 336	0,002	-
Conversion from AS to ASA	-	0,022	<b>916 667</b>
<b>At 31.12.2021</b>	<b>41 666 670</b>	<b>0,024</b>	<b>1 000 000</b>

The top 20 shareholders per 31.12	# Shares	Ownership
DENOFA AS	12 916 665	31,00 %
KREANO AS	6 416 665	15,40 %
SIX-SEVEN AS	6 250 000	15,00 %
CANICA AS	4 166 665	10,00 %
MACAMA AS	2 500 005	6,00 %
FARVATN PRIVATE EQUITY AS	1 516 650	3,64 %
LANI INVEST AS	1 250 000	3,00 %
GODTHÅB HOLDING AS	1 041 670	2,50 %
HORN, HANS HERMAN	917 325	2,20 %
ANDERSEN HOLDING AS	843 335	2,02 %
ARILD STEN LARSEN AS	625 000	1,50 %
DOMAREN I GØTEBORG AB	550 000	1,32 %
PRE INVEST AS	374 165	0,90 %
HAAS AS	333 335	0,80 %
NORUS HOLDING DATTER AS	250 000	0,60 %
NIAN AS	250 000	0,60 %
SILVERCOIN INDUSTRIES AS	166 665	0,40 %
FARVATN MEDINVESTERING 2 AS	150 015	0,36 %
HANSEGRUPPEN AS	125 000	0,30 %
ARNESEN, HANS CAPPELEN	108 500	0,26 %
Other	915 010	2,20 %
<b>Total</b>	<b>41 666 670</b>	<b>100,00 %</b>



Pronofa ASA - Annual Report 2021

## NOTE 16 – BUSINESS COMBINATIONS

### (a) ECOPROT AS

The Group purchased 75,69 % of the outstanding shares of Ecoprot AS on 31 August 2021 for a purchase price of 17.250.000 NOK.

Ecoprot AS has significant biological and industrial experience within the aquaculture industry and have driven R&D with BSFs for several years.

See table below for the purchase price allocation.

<b>Assets acquired and liabilities assumed</b>	<b>NOK</b>
Cash acquired	16 019 520
Trade and other receivables	482 279
Inventory	207 856
Property plant and equipment	3 218 111
Research & Development	2 000 000
Trade and other payables	-857 739
<b>Net identifiable assets acquired</b>	<b>21 070 027</b>
% of company acquired	76 %
<b>Net identifiable assets acquired allocated to majority interest</b>	<b>15 947 498</b>
Goodwill	1 302 503
<b>Consideration</b>	<b>17 250 000</b>
Minority interest	5 122 530

Turnover recognized in the Group's consolidated financial statement for the period 01.09.2021-31.12.2021 is 21.681 NOK, and net profit contributed for the same period is -156.398 NOK. Corresponding proforma numbers based on the period 01.01.2021-31.12.2021 is 65.043 NOK and -469.193 NOK respectively.

### (b) FLYING FEED FREDRIKSTAD AS

The Group purchased 100 % of the outstanding shares of Flying Feed Fredrikstad AS on 31 August 2021 for a purchase price of 500.000 NOK (cash consideration). The net identifiable assets from the PPA are estimated to -165.716 NOK. The residual between the consideration and the net identified assets are recognized as goodwill.

Through Flying, the Group added valuable insight into the biology of the Black Soldier Fly (BSF) including breeding and cultivation.



*Pronofa ASA - Annual Report 2021*

## **NOTE 17 – GOVERNMENT GRANTS AND OTHER GRANTS**

Government grants are recognized in the financial statements when there is a reasonable assurance that the requirements of the grants will be complied with and that the grants will be received. Grants related are presented as reduction of expenses they are intended to compensate for. Government grants that relate to assets are recognized as a reduction in the acquisition cost of the asset. The grant reduces the depreciation of the asset.

The Group recognized 2 282 060 NOK in government grants in 2021. Of this amount, 632 080 NOK was recognized as reduced expenses, while 1 649 980 NOK was recognized as a reduction of the acquisition cost of the asset concerned. The grants are provided by Innovasjon Norge, Norges Forskningsråd, Mabit and Skattefunn on research and development projects.

## **NOTE 18 – SUBSEQUENT EVENTS**

Please refer to the Board of Directors report for subsequent events



Pronofa ASA (parent) - Annual Report 2021

## PRONOFA ASA – STATEMENT OF PROFIT AND LOSS

<i>Amounts in NOK for the period ended 31 December</i>	<b>Notes</b>	<b>19.01-31.12.2021</b>
Salaries and personnel expense	2	884 966
Depreciation and amortization expense	3	3 443
Other operating expense	4	7 020 105
<b>Total operating expenses</b>		<b>7 908 513</b>
<b>Operating profit</b>		<b>-7 908 513</b>
Other financial income		3 168
<b>Total financial income</b>		<b>3 168</b>
Interest expense		-49
Write down of investment in subsidiary		-400 000
<b>Total financial expense</b>		<b>-400 049</b>
<b>Profit before income tax</b>		<b>-8 305 395</b>
Income tax expense	5	-
<b>Net profit / (loss) for the year</b>		<b>-8 305 395</b>
Profit attributable to:		
Allocated to retained earnings		-8 305 395
<b>Total allocation</b>		<b>-8 305 395</b>



Pronofa ASA (parent) - Annual Report 2021

PRONOFA ASA – BALANCE SHEET

<i>Amounts in NOK</i>	<i>Notes</i>	<b>31.12.2021</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2	117 057
Investment in subsidiaries	6	18 300 540
<b>Total non-current assets</b>		<b>18 417 597</b>
<b>Current assets</b>		
Other receivables		930 378
Cash and bank deposits	7	34 171 738
<b>Total current assets</b>		<b>35 102 116</b>
<b>Total assets</b>		<b>53 519 713</b>
<hr/>		
<i>Amounts in NOK</i>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	8	1 000 000
Other paid in capital	8	55 827 164
Retained earnings		-8 305 395
<b>Total Equity</b>	9	<b>48 521 769</b>
<b>Current liabilities</b>		
Trade and other payables		4 670 632
Intercompany payable		197 418
Public duties payables		129 894
<b>Total current liabilities</b>		<b>4 997 944</b>
<b>Total equity and liabilities</b>		<b>53 519 713</b>

Fredrikstad, 23.05.2022

Hans Petter Olsen  
CEO

Haakon Morten Sæter  
Board member

Bjørge Gretland  
Chairman

Hans Martin Kjernsbæk  
Board member

Hege Buer  
Board member

Hege Rivedal Ødegaard  
Board member

Hilde Christin Talseth  
Board member

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23



Pronofa ASA (parent) - Annual Report 2021

## PRONOFA ASA – STATEMENT OF CASH FLOW

<i>Amounts in NOK for the period ended 31 December</i>	<b>Notes</b>	<b>31.12.2021</b>
<b>CASH FLOW FROM OPERATIONS</b>		
Profit before income taxes		-8 305 395
Depreciation, intangible and fixed assets		3 443
Write down of investment in subsidiary		400 000
Change in other accruals		3 870 147
Net cash flow from operations		<b>-4 031 805</b>
<b>CASH FLOW FROM INVESTMENTS</b>		
Purchase of fixed assets		-120 500
Investments in subsidiaries		-18 300 540
Net cash flow from investments		<b>-18 421 040</b>
<b>CASH FLOW FROM FINANCING</b>		
Proceeds from capital contributions		56 827 165
Given intra-group loans		-202 582
Net cash flow from financing		<b>56 624 583</b>
<b>Net changes in cash for the period</b>		<b>34 171 738</b>
Cash and cash equivalents as of 19.01		-
<b>Cash and cash equivalents as of 31.12</b>		<b>34 171 738</b>



Pronofa ASA (parent) - Annual Report 2021

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 – GENERAL INFORMATION AND ACCOUNTING POLICIES

Pronofa ASA is a limited liability company incorporated and domiciled in Norway, and the head office is in Fredrikstad, Norway.

#### 1.1 GENERAL

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

#### 1.2 USE OF ESTIMATES

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also requires management to apply assessments. In areas which either to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, these are described in the notes.

#### 1.3 CLASSIFICATION OF BALANCE SHEET ITEMS

Assets intended for long-term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year instalments on long-term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

#### 1.4 CURRENCY

The parent company accounts are reported in Norwegian kroner (NOK) which is also the Functional currency for the parent company. Monetary balance sheet items in foreign currency are recorded at year-end exchange rates. Realized currency exchange gains or losses are recorded at the time of payment in other financial income or expenses.

#### 1.5 CASH FLOW STATEMENT

The cashflow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.



Pronofa ASA (parent) - Annual Report 2021

## NOTE 2 – EMPLOYEE REMUNERATION

<b>Salaries and payroll expense</b>	<b>2021</b>
Salary expenses including bonuses, vacation pay and other costs	753 648
Social security cost	128 344
Other benefits	2 974
<b>Total Personnel expenses</b>	<b>884 966</b>

Average number of employees 1

The CEO of Pronofa ASA holds a 50 % position in the company and does not receive any remuneration directly from the Company. The CEO is outsourced from Denofa AS. In 2021, total invoiced amount for the CEO position from Denofa AS is 1.093.092 NOK (ex. VAT), covering the period from August to December.

The Board of Directors have not received any remuneration in 2021. No loans or guaranties is held toward the CEO nor any member of the Board.

## NOTE 3 – PROPERTY PLANT AND EQUIPMENT

<b>Property, plant and equipment</b>	<b>Machinery, fixtures and fittings</b>
Cost 19.01.2021	-
Additions in period	120 500
<b>Cost 31.12.2021</b>	<b>120 500</b>
Accumulated depreciation 19.01.2021	-
Depreciation in period	3 443
Impairments in period	-
<b>Accumulated depreciation 31.12.2021</b>	<b>3 443</b>
<b>Net book value 31.12.2021</b>	<b>117 057</b>
Useful life	5 years
Depreciation method	Straight line



Pronofa ASA (parent) - Annual Report 2021

## NOTE 4 – OTHER OPERATING EXPENSES AND AUDIT FEE

<b>Other operating expenses by nature</b>	<b>2021</b>
Legal/Consulting fees/Accounting/Audit	6 611 217
Office rental	112 500
Repair and maintenance expense	2 625
Other operating expenses	293 763
<b>Total other operating expenses</b>	<b>7 020 105</b>

  

<b>Auditor's remuneration</b>	<b>2021</b>
Audit services	39 373
Other assurance services	37 651
Tax advice	-
Other non-assurance services	24 450
<b>Total auditor's remuneration</b>	<b>101 474</b>

## NOTE 5 – CURRENT AND DEFERRED INCOME TAX

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 22 % tax rate based on the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at year-end. As of 31.12.2021 deferred tax asset is not recognized in the balance sheet.

<b>Tax expense/(income)</b>	<b>2021</b>
Tax payable	-
Change in deferred tax asset	-
<b>Total tax expense</b>	<b>-</b>

<b>Deferred Tax</b>	<b>2021</b>
<i>(Amounts in NOK)</i>	
Tax loss carried forward Norway	-11 736 259
Temporary differences fixed assets	20 657
Temporary differences not recognized in the balance sheet	11 715 602
<b>Basis for deferred tax / deferred tax asset (-)</b>	<b>-</b>
<b>Deferred tax / deferred tax asset (-)</b>	<b>-</b>
Tax rate	22 %



Pronofa ASA (parent) - Annual Report 2021

## NOTE 6 – INVESTMENTS IN SUBSIDIARIES

The cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases 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. Dividend/ group contributions from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividends from other companies are reflected as financial income when it has been approved.

<b>Subsidiary</b>	<b>Location</b>	<b>Ownership</b>	<b>Woting rights</b>
Ecoprot AS	Meløy	76 %	76 %
Flying Feed Fredrikstad AS	Fredrikstad	100 %	100 %

Pronofa ASA has made a group contribution of NOK 400.000 to Flying Feed Fredrikstad AS without tax effect.

## NOTE 7 – CASH AND CASH EQUIVALENT

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. As of year-end 2021 the Company did not have any outstanding bank overdrafts.

Total cash in the Company is 34.171.738 NOK per 31.12.2021 which of 76.245 NOK are restricted cash in the form of employee tax deduction accounts



Pronofa ASA (parent) - Annual Report 2021

## NOTE 8 – SHARE CAPITAL

The share capital of NOK 1.000.000 consists of 41.666.670 shares with a nominal value of NOK 0.024 each. Top 20 shareholders as of 31.12.21 was:

The top 20 shareholders per 31.12	# Shares	Ownership
DENOFA AS	12 916 665	31,00 %
KREANO AS	6 416 665	15,40 %
SIX-SEVEN AS	6 250 000	15,00 %
CANICA AS	4 166 665	10,00 %
MACAMA AS	2 500 005	6,00 %
FARVATN PRIVATE EQUITY AS	1 516 650	3,64 %
LANI INVEST AS	1 250 000	3,00 %
GODTHÅB HOLDING AS	1 041 670	2,50 %
HORN, HANS HERMAN	917 325	2,20 %
ANDERSEN HOLDING AS	843 335	2,02 %
ARILD STEN LARSEN AS	625 000	1,50 %
DOMAREN I GØTEBORG AB	550 000	1,32 %
PRE INVEST AS	374 165	0,90 %
HAAS AS	333 335	0,80 %
NORUS HOLDING DATTER AS	250 000	0,60 %
NIAN AS	250 000	0,60 %
SILVERCOIN INDUSTRIES AS	166 665	0,40 %
FARVATN MEDINVESTERING 2 AS	150 015	0,36 %
HANSENGRUPPEN AS	125 000	0,30 %
ARNESEN, HANS CAPPELEN	108 500	0,26 %
Other	915 010	2,20 %
<b>Total</b>	<b>41 666 670</b>	<b>100,00 %</b>

## NOTE 9 – EQUITY

Amounts in NOK thousand	Share capital	Other paid in capital	Retained earnings	Total
Deposit upon establishment of the company (19.01.2021)	50 000	-5 570	-	44 430
Capital increase february 2021	16 667	9 970 835	-	9 987 502
Capital increase july 2021	16 667	46 778 565	-	46 795 232
Conversion from AS to ASA	916 667	-916 667	-	-
Profit/(loss) for the year	-	-	-8 305 395	-8 305 395
<b>Equity 31.12.2021</b>	<b>1 000 000</b>	<b>55 827 164</b>	<b>-8 305 395</b>	<b>48 521 769</b>

## NOTE 10 – SUBSEQUENT EVENTS

Please refer to the consolidated financial statement for the Group for subsequent events.



To the General Meeting of Pronofa ASA

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Pronofa ASA, which comprise:

- the financial statements of the parent company Pronofa ASA (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Pronofa ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2021, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 laws and regulations 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. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. 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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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.

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 legal requirements.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements 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 and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and 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 consolidated 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 as a whole 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 on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 23 May 2022

**PricewaterhouseCoopers AS**

**Geir Haglund**  
State Authorised Public Accountant