

Q4 2020

QUARTERLY
REPORT



KALERA



KALERA AS QUARTERLY REPORT Q4 2020

OSLO, February 24, 2021 – Kalera AS (Symbol-KAL) today reported financial results for its fiscal quarter ended December 31st, 2020. Kalera is a vertical farm that uses technology to produce leafy greens at affordable prices that are always fresh, free from pesticides, non-GMO, and are local.

During Q4 2020 Kalera achieved many milestones that reflect focused execution including production ramp-up of the Orlando facility and construction of new facilities that are on time and on budget that will come into operation during 2021.

During the quarter, Kalera, grew Q4 2020 revenue to USD 226,651 a 716% year-over-year growth and a full fiscal year 2020 reached revenue of USD 886,675 a 776% year-over-year growth.

HIGHLIGHTS Q4 AND 2020

- As of 31 December 2020, Kalera has one large production facility in Orlando, three facilities under construction in Atlanta, Houston, and Denver, and three facilities under design and development in Columbus (Ohio), Honolulu (Hawaii), and Seattle (Washington). Construction for these three new facilities under lease contract, will start in 2021.
- Revenue of USD 226,651 in Q4 2020, compared to USD 27,786 in Q4 2019 and revenue of USD 886,675 in 2020, compared to USD 101,230 in 2019. COVID-19 negatively impacted Kalera's financial performance during 2020 due to the temporary closing and then partial reopening of foodservices in Florida, Kalera's core market focus.
- Operating loss of USD 3,254,094 in Q4 2020, compared to USD 1,654,372 in Q4 2019 and Operating loss of USD 9,060,198 in 2020, compared to USD 4,309,064 in 2019.
- EBITDA of USD -2,240,843 in Q4 2020, compared to USD -995,684 in Q4 2019 and EBITDA of USD -6,532,066 in 2020, compared to USD -3,342,175 in 2019.
- Net Cash used in operating activities of USD 3,784,982 in Q4 2020 and for the full year 2020 of USD 9,630,216. Net cash used in investing activities of USD 14,777,406 in Q4 2020 and for the full year 2020 of USD 20,845,853.
- Cash and cash equivalents as of December 31, 2020 were USD 113,353,320 including net proceeds of approx. USD 85,900,000 from the October 2020 private placement offering.

Kalera Group, headquartered in Orlando, FL, has over 100 employees and locations in Norway and USA.



KALERA STATEMENT BY MANAGEMENT AND THE BOARD OF DIRECTORS

Management and the Board of Directors have considered and approved the interim consolidated financial statements of Kalera AS ("the Company") and its subsidiaries (collectively, "the Group") for the quarter and year-to-date periods ending 31 December 2020. The interim report, which has not been audited or reviewed by the Group's independent auditors, has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU disclosure requirements for listed companies. In our opinion, the accounting policies used are appropriate, and the interim report gives a true and fair view of the Group's financial position as

of 31 December 2020, as well as the results for the Group's quarter and year-to-date operations, including cash flows, for the periods ending 31 December 2020. In our opinion, Management's review provides a true and fair presentation of developments, results for the respective periods, and overall financial position of the Group's operations in addition to a description of the most significant risks and elements of uncertainty facing the Group. Notwithstanding the disclosures included in the interim report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures in the annual report for 2019.

FEBRUARY 24, 2021



Bjørge Gretland
Chairman of the Board



Erik Sauar
Member of the Board



Daniel Malechuk
CEO



Cristian E. Toma
Member of the Board



Kim Lopdrup
Member of the Board



Sakip-Umur Hürsever
Member of the Board



Chris Logan
Member of the Board



INTERIM CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

Expressed in USD

Continuing operations	Note	Year-ended 31 December			
		Q4 2020	Q4 2019	FY 2020	FY 2019
Total revenue		226,651	27,786	886,675	101,230
Raw materials and consumables used		176,791	2,723	391,499	12,890
Employee benefit expense		1,493,132	671,028	4,623,275	2,092,401
Share based compensation expense		660,794	-	1,508,816	-
Depreciation and amortization expense	4, 5	352,457	96,280	1,019,317	404,481
Other expenses		797,571	349,719	2,403,966	1,338,114
Other gains (losses)	6		(562,408)	-	(562,408)
Operating loss		(3,254,094)	(1,654,372)	(9,060,198)	(4,309,064)
Finance income		23,687	6,759	24,361	6,803
Finance costs		(156,361)	(211,074)	(476,991)	(227,434)
Change in fair value of liabilities			(362,143)	(382,286)	(1,027,286)
Gain on financial assets	6	327,624	-	327,624	-
Finance costs - net		194,950	(566,458)	(507,292)	(1,247,917)
Loss before income tax		(3,059,144)	(2,220,830)	(9,567,490)	(5,556,981)
Income tax expense					
Loss for the period		(3,059,144)	(2,220,830)	(9,567,490)	(5,556,981)
Other comprehensive income:					
Currency translation differences		(175,389)	(98,256)	(378,254)	(150,940)
Total comprehensive (loss)		(3,234,533)	(2,319,086)	(9,945,744)	(5,707,921)
Earnings per share:					
Basic earnings per share		(0.020)	(0.034)	(0.084)	(0.090)
Diluted earnings per share		(0.020)	(0.034)	(0.084)	(0.090)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

Expressed in USD

Assets	Note	As at 31 December	
		2020	2019
Property, plant and equipment	5	28,013,509	7,690,337
Right of Use Asset (Net)	4	9,279,427	3,952,293
Intangible assets		685,732	685,732
Trade and other receivables		3,148,179	389,945
Total non-current assets		41,126,847	12,718,307
Current assets			
Trade and other receivables		486,771	6,348
Inventory		103,925	-
Cash and cash equivalents including bank overdrafts		113,353,320	3,394,796
Total current assets		113,944,016	3,401,144
Total assets		155,070,863	16,119,451
Equity and liabilities			
Share capital	2	194,204	98,231
Share premium	2	167,100,839	21,901,473
Share based compensation		1,508,816	-
Other reserves		(24,692,810)	(14,747,066)
Total equity		144,111,049	7,252,638
Liabilities			
Borrowings		61,625	45,637
Long term lease liabilities	4	9,534,876	3,570,256
Total non-current liabilities		9,596,501	3,615,893
Current liabilities			
Trade payables and accrued liabilities		1,214,147	592,254
Convertible loans		-	4,223,286
Provision for other liabilities and charges		-	4,681
Short term lease liabilities	4	149,166	430,699
Total current liabilities		1,363,313	5,250,920
Total liabilities		10,959,814	8,866,813
Total equity and liabilities		155,070,863	16,119,451

The notes 1 - 6 are an integrated part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

Expressed in USD

Cash flows from operating activities	Year-ended 31 December	
	2020	2019
Loss before income tax	(9,567,490)	(5,556,981)
Adjustments for:		
Depreciation and amortization	1,019,317	404,481
Share based compensation	1,508,816	-
Finance costs, net	125,005	276,360
Trade and other receivables	(3,103,523)	82,131
Trade and other payables	381,353	(158,301)
Change in inventory	(103,925)	-
Net loss on operating assets	-	562,408
Change in fair value of assets and liabilities	382,286	1,027,286
Interest paid	(272,055)	(49,848)
Net cash generated from operating activities	(9,630,216)	(3,412,464)
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,845,853)	(5,540,332)
Loans to associates	-	(127,628)
Net cash generated from investing activities	(20,845,853)	(5,667,960)
Cash flows from financing activities		
Net proceeds from issuance of shares	140,618,747	7,739,702
Proceeds from borrowings	-	3,000,000
Proceeds from forgiven loan	327,624	-
Repayment of loans	(506,535)	(237,388)
Net cash generated from financing activities	140,439,836	10,502,314
Net change in cash and cash equivalents	109,963,767	1,421,890
Cash at the beginning of the period	3,394,796	2,049,700
Impact of foreign currency on cash and cash equivalents	(5,243)	(76,794)
Cash and cash equivalents at end of year	113,353,320	3,394,796
Supplemental disclosure of non-cash information		
Conversion of a loan to shares	4,676,591	-

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Expressed in USD

	Note	Share capital	Share Premium	Stock-Based Comp.	Other reserves	Accum. OCI	Total Equity
Opening balance 2019		81,357	14,178,643	-	(9,045,314)	6,169	5,220,855
Issue of shares	2	16,874	7,722,830	-	-	-	7,739,704
Loss for the year		-	-	-	(5,556,981)	-	(5,556,981)
Other comprehensive loss		-	-	-	-	(150,940)	(150,940)
Balance, 31 December 2019		98,231	21,901,473	-	(14,602,295)	(144,771)	7,252,638
Issue of shares	2	95,973	145,199,366	-	-	-	145,295,339
Share based compensation		-	-	1,508,816	-	-	1,508,816
Loss for the year		-	-	-	(9,567,490)	-	(9,567,490)
Other comprehensive loss		-	-	-	-	(378,254)	(378,254)
Balance, 31 December 2020		194,204	167,100,839	1,508,816	(24,169,785)	(523,025)	144,111,049



NOTE 1 GENERAL INFORMATION

Kalera AS ("the Company") and its subsidiaries (together, "the Group") develop technology driven vertical farming techniques to conduct operations related to hydroponic food production. The Group has operating hydroponic plants in Florida and is in the process of building new plants in locations outside Florida. In addition, the Company holds a license to patented technology related to geopolymers concrete. The Company has two subsidiaries: Kalera Inc and Iveron Materials Inc.

On 28 October 2020, the Company was admitted to the Euronext Growth Oslo (ticker: KAL). Neither the Company, nor any other Group company, have securities listed on any stock exchange or other regulated marketplace. The shares were previously registered on the N-OTC from 21 April 2020 under the ticker code "KALERA." Prior to commencement of trading on Euronext Growth Oslo, the Shares were deregistered from the N-OTC. The address of its registered office is Tjuvholmen allé 19, 0252 Oslo.

BASIS FOR PREPARATION

The Group's interim consolidated financial statements for the three and twelve months ended 31 December 2020 were prepared in accordance with IAS 34, Interim Financial Reporting in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU). The consolidated financial statements have been prepared under the historical cost convention.

All accounting principles applied in preparing this interim financial statement are consistent with the Group's annual report for the year ended 31 December 2019 as published on the Euronext Growth Oslo on 27 October 2020. This interim financial report does not include the complete set of accounting principles and disclosures and should hence be read in conjunction with the Group's 2019 annual report. This interim financial report is unaudited and presented in United States dollars ("USD").

During the year 2020, share options have been granted to management and selected key employees. Each share option allows for the subscription of one share in Kalera AS on a future date at a predetermined strike price. The fair value of the options is calculated on the grant date and expensed over the vesting period in accordance with IFRS 2, Share Based Payments. The fair value at grant date is determined using the Black Scholes Model that considers the option's exercise price, term, grant date, share price, price volatility, and risk-free interest rate.

The consolidated financial statements have been prepared on a going concern basis.

RECLASSIFICATION

Certain amounts related to equipment financing and interest under operating leases previously under the Group's 2019 consolidated financial statements have been reclassified to conform to the 2020 presentation. The reclassifications have no effect on the Group's consolidated financial position or previously reported results of consolidated operations.

NOTE 2

SHARE CAPITAL AND SHARE PREMIUM

Kalera has increased the share capital during 2020 through several rounds of share issuances.

In April 2020, the company completed a private placement of USD 15.0 million and at the same time converted a convertible loan with a stated value of USD 3.0 million. The fair value of the loan at conversion was USD 4.7 million. Furthermore, Arctic Securities received a fee through the issuance of 300,000 shares as compensation for their services during the private placement.

In June 2020, the Company completed two separate private placements, netting USD 21.5 million and an additional private placement, netting USD 9.5 million.

In July 2020, the Company had a private placement netting USD 9.5 million. During October 2020 the Company had an additional private placement netting approximately USD 86.0 million. Following the registration of these additional shares, the Company has 161,024,239 shares outstanding.

In total, the Company has raised net USD 145.3 million in 2020, including conversion of the convertible loan.

Expressed in USD

	Number of Shares	Ordinary Shares	Share face value	Share premium*	Total**
At 1 January 2019	53,673,188	53,673,188			14,260,001
Share issue	10,461,962	10,461,962	0,0012	0,45	4,659,431
Share issue	4,098,328	4,098,328	0,0011	0,75	2,930,271
Share issue	200,000	200,000	0,0011	0,75	150,000
At 31 December 2019	68,433,478	68,433,478			21,999,703
At 1 January 2020	68,433,478	68,433,478			21,999,703
Share issue	20,000,000	20,000,000	0,0010	0,75	14,021,387
Conversion of Loan	6,265,762	6,265,762	0,0010	0,52	4,661,091
Share issue	300,000	300,000	0,0010	0,76	227,614
Share issue	25,401,600	25,401,600	0,0011	0,80	19,310,735
Share issue	2,723,400	2,723,400	0,0011	0,80	2,178,720
Share issue	6,666,666	6,666,666	0,0011	1,50	9,461,785
Share issue	3,333,333	3,333,333	0,0011	3,00	9,482,473
Share issue	27,900,000	27,900,000	0,0011	3,23	85,951,534
At 31 December 2020	161,024,239	161,024,239			167,295,042

* Share Par value is stated in NOK and was translated to USD based on the historical value.

** Net of transaction costs.

NOTE 3
TOP 20 SHAREHOLDERS
AS OF 31 DECEMBER 2020

		Shares	% of Total	Country
1	LGT BANK AG	20,704,366	12.86%	Liechtenstein
2	PERSHING LLC	16,050,706	9.97%	United States
3	Interactive Brokers LLC	11,542,960	7.17%	United States
4	CANICA AS	10,509,656	6.53%	Norway
5	J.P. Morgan Securities LLC	8,442,005	5.24%	United States
6	State Street Bank and Trust Comp	5,558,687	3.45%	United States
7	MACAMA AS	5,493,949	3.41%	Norway
8	Goldman Sachs & Co. LLC	5,236,122	3.25%	United States
9	CONVEXA AS	5,166,177	3.21%	Norway
10	UFI AS	5,142,561	3.19%	Norway
11	LANI INVEST AS	5,005,650	3.11%	Norway
12	Skandinaviska Enskilda Banken AB	4,000,000	2.48%	Luxembourg
13	VERDIPAPIRFONDET DNB SMB	3,251,984	2.02%	Norway
14	VERDIPAPIRFONDET KLP AKSJENORGE	3,070,865	1.91%	Norway
15	JPMorgan Chase Bank, N.A., London	2,237,499	1.39%	Luxembourg
16	State Street Bank and Trust Comp	2,167,011	1.35%	United States
17	VERDIPAPIRFONDET NORGE SELEKTIV	1,868,316	1.16%	Norway
18	JPMorgan Chase Bank, N.A., London	1,807,502	1.12%	Luxembourg
19	Pictet & Cie (Europe) S.A.	1,767,922	1.10%	Luxembourg
20	LARSEN OIL & GAS AS	1,722,608	1.07%	Norway
Total shares owned by top 20		120,746,546	74.99%	
Total number of shares as of 31 December 2020		161,024,239	100.00%	

NOTE 4 LEASES

The Group used an incremental borrowing rate of 6% for all leases entered into during 2020 and 2019.

Expressed in USD

Right of use asset	Vehicles & Equipment	Facility Leases	Total
Right of use (net), 1 January 2020	115,870	3,836,423	3,952,293
Additions	77,733	5,752,915	5,830,648
Depreciation charge	(19,096)	(484,418)	(503,514)
Total right of use (net), 31 December 2020	174,507	9,104,920	9,279,427
Lease liability	Vehicles & Equipment	Facility Leases	Total
Lease liability, 1 January 2020	111,785	3,889,170	4,000,955
Current lease liability	28,692	120,474	149,166
Non-current lease liability	119,533	9,415,343	9,534,876
Total lease liabilities, 31 December 2020	148,225	9,535,817	9,684,042

During 2020, the Group entered into five additional leases that do not commence until 2021. As a result, the Company expects to record in Q1 2021 a total of USD 49.7 million and USD 50.3 million in additional right of use assets and lease liabilities, respectively.



NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Expressed in USD

	Furniture, fittings & equipment	HyCube	Tradeport	Vehicles	Orlando Production Facility	Assets under Construction	Total
2019 Activity							
Opening net book amount	170,773	1,658,054	666,753	47,441	-	-	2,543,021
Additions	86,980	106,071	37,041	-	-	5,174,381	5,404,473
Disposals	-	121,410	-	-	-	-	121,410
Depreciation charge	33,784	42,726	51,737	7,500	-	-	135,747
Closing net book amount	223,969	1,599,989	652,057	39,941	-	5,174,381	7,690,337
At 31 Dec. 2019							
Cost or valuation	381,169	1,663,907	784,689	54,941	-	5,174,381	8,059,087
Accumulated depreciation	157,200	63,918	132,632	15,000	-	-	368,750
Net book amount	223,969	1,599,989	652,057	39,941	-	5,174,381	7,690,337
2020 Activity							
Opening net book amount	223,969	1,599,989	652,057	39,941	-	5,174,381	7,690,337
Additions	575,806	42,492	3,718	-	159,031	20,064,806	20,845,853
Transfer In (Out)	-	15,039	(15,039)	-	5,899,246	(5,899,246)	-
Disposals	-	-	-	-	-	-	-
Depreciation charge	68,090	43,642	70,230	7,499	333,220	-	522,681
Closing net book amount	731,685	1,613,878	570,506	32,442	5,725,057	19,339,941	28,013,509
At 31 Dec. 2020							
Cost or valuation	956,975	1,721,437	773,418	54,941	6,058,277	19,339,941	28,904,989
Accumulated depreciation	225,290	107,559	202,912	22,499	333,220	-	891,480
Net book amount	731,685	1,613,878	570,506	32,442	5,725,057	19,339,941	28,013,509
Depreciation rate	5-7 years linear	15 years linear	15 years linear	6 years linear	15 years linear		

NOTE 6 NON-OPERATING GAINS AND LOSSES

In 2020, the Group received a forgivable loan of USD 327,624 under the PPP stimulus package for SME's following the COVID-19 outbreak. In connection with the loan being forgiven in Q4 2020, the Group recorded a gain on financial assets and included this amount under net finance costs in 2020.

In 2019, the Group recognized losses of USD 562,408 related to investments in projects in which the Group chose not to proceed. This amount was recorded under other gains and losses.



NOTE 7

ALTERNATIVE PERFORMANCE MEASURES: ADJUSTED EBITDA

Adjusted EBITDA is operating profit before charges/credits relating to depreciation, amortization, impairment, interest, taxes and other non-recurring items that do not reflect the performance of the Group's underlying operations. Adjusted EBITDA should be used as supplemental financial information and not as a replacement for the Group's results as reported under IFRS. A reconciliation of the Group's net loss under IFRS to adjusted EBITDA is provided below.

Expressed in USD

	Year-ended 31 December			
	Q4 2020	Q4 2019	FY 2020	FY 2019
Loss for the period	(3,059,144)	(2,220,830)	(9,567,490)	(5,556,981)
Non-recurring losses (a)	-	924,551	382,286	1,589,694
Non-recurring gains (b)	(327,624)	-	(327,624)	-
Underlying income (loss)	(3,386,768)	(1,296,279)	(9,512,828)	(3,967,287)
Interest Costs, net	132,673	204,315	452,629	220,631
Taxes	-	-	-	-
Share based compensation expense	660,794	-	1,508,816	-
Depreciation & Amortization	352,457	96,280	1,019,317	404,481
EBITDA (c)	(2,901,637)	(995,684)	(8,040,882)	(3,342,175)
Adjusted EBITDA (d)	(2,240,843)	(995,684)	(6,532,066)	(3,342,175)

(a) Reflects impairment of USD 562,408 from investments in projects in which the Group chose not to proceed in Q4 2019. In addition, the Group recorded USD 362,143 and USD 1,027,286 in Q4 2019 and full year 2019, respectively, in connection with the change in fair value of borrowings that were convertible into equity shares, contingent on certain conditions.

(b) Reflects USD 327,624 in loans received from the U.S. government in connection with COVID-19 that were forgiven in Q4 2020.

(c) includes Share based compensation expense.

(d) Excludes Share based compensation expense.

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