



QUARTERLY
Report

Q1 2021



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KALERA AS QUARTERLY REPORT Q1 2021

OSLO, 12 May 2021 – Kalera AS (Symbol - KAL) today reported financial results for its fiscal quarter ended 31 March, 2021. Kalera is a vertical farming company that uses technology to produce leafy greens at affordable prices that are always fresh, free from pesticides, non-GMO, and are produced locally.

During Q1 2021 Kalera achieved many milestones that reflect rapid growth and focused execution including:

- Q1 2021 revenue of USD 339K up 1,514% vs. prior year and 49% vs. the prior quarter
- the opening of its Atlanta (Georgia) facility, a 76,995 sq ft. facility, Kalera's largest production farm to date
- the acquisition of Vindara Inc., a seed development company for indoor farming
- the acquisition of a property in St. Paul, Minnesota that will be converted into a large-scale facility



Q1 2021 FINANCIAL HIGHLIGHTS

- ✓ Revenue of USD 339K in Q1 2021, compared to USD 21K in Q1 2020. COVID-19 is still significantly impacting Central Florida's foodservice sector with a partial reopening driven by the roll-out of COVID-19 vaccinations. However, Kalera's positive momentum accelerated during Q1 and has continued into Q2 2021.
- ✓ Operating loss of USD 4,612K in Q1 2021, compared to USD 1,357K in Q1 2020 driven by a front-loading of operating expenses required to manage new facilities opening during 2021.
- ✓ Negative cash from operating activities of USD 2,074K in Q1 2021 compared to negative cash of USD 1,316K in Q1 2020 driven by operating losses and changes in working capital. Net cash used for investment activities of USD 29,602K in Q1 2021 compared to cash used for investment activities of USD 862K in Q1 2020 from new facilities and the acquisition of Vindara announced in February 2021. Net cash from financing activities of USD 29,251K in Q1 2021 compared to negative net cash from financing activities of USD 61K in Q1 2020 mainly as a result of a capital injection in connection with the Vindara, Inc. acquisition.
- ✓ Cash and cash equivalents as of 31 March 2021 were USD 110,927K, compared to USD 113,353K as of 31 December 2020.
- ✓ Negative adjusted EBITDA¹ of USD 3,568K in Q1 2021, compared to negative adjusted EBITDA¹ of USD 1,035K in Q1 2020.

(1) Adjusted for non-cash items (share-based compensation)

Kalera Group, headquartered in Orlando, FL, has over 130 employees and locations in Norway and USA.



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 ending 31 March 2021. 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 March 2021,

as well as the results for the Group's operations during the quarter, including cash flows, for the period ending 31 March 2021. 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 2020 published on 21 April 2021.

11 May, 2021

Bjorge Gretland

Chairman of the Board

Daniel Malechuk

Chief Executive Officer

Chris Logan

Member of the Board

Umur Hürsever

Member of the Board

Camilla Magnus

Member of the Board

Kim Lopdrup

Member of the Board

Sonny Perdue

Member of the Board

Maria Sastre

Member of the Board

Erik Sauar

Member of the Board



FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

Expressed in USD (thousands)

		For the three months ended	
Operations	Note	March 31, 2021	March 31, 2020
Total revenue		339	21
Raw materials and consumables used		206	15
Wages and benefits		2,142	737
Share-based compensation expense		573	159
Depreciation and amortization expense	3, 4	471	163
Other expenses		1,558	303
Operating loss		(4,612)	(1,357)
Finance income		-	-
Finance costs		(179)	(393)
Change in fair value of liabilities		-	(381)
Finance costs - net		(179)	(774)
Loss before income tax		(4,791)	(2,132)
Income tax expense		-	-
Loss for the period		(4,791)	(2,132)
Other comprehensive income (loss)		-	-
Total comprehensive income (loss)		(4,791)	(2,132)
Earnings per share:			
Basic earnings per share		(0.029)	(0.031)
Diluted earnings per share		(0.029)	(0.031)

The notes 1 - 8 are an integral part of these consolidated financial statements



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

Expressed in USD (thousands)

	Note	At 31 March 2021	At 31 December 2020
Assets			
Property, plant and equipment	4	43,244	28,014
Right-of-use asset	3	32,015	9,279
Intangible assets		24,766	686
Deposits and other receivables		3,554	3,148
Total non-current assets		103,579	41,127
Current assets			
Trade and other receivables		2,231	487
Inventory		299	104
Cash and cash equivalents		110,927	113,353
Total current assets		113,458	113,944
Total assets		217,037	155,071
Equity and liabilities			
Share capital	2	201	194
Share premium	2	196,378	167,101
Share-based compensation		2,082	1,509
Shares to be issued	6	9,728	-
Other reserves		(29,484)	(24,693)
Total equity		178,905	144,111
Non-current liabilities			
Borrowings		39	62
Long-term lease liabilities	3	32,554	9,535
Total non-current liabilities		32,593	9,597
Current liabilities			
Trade and other payables		5,261	1,214
Short-term lease liabilities	3	277	149
Total current liabilities		5,538	1,363
Total liabilities		38,131	10,960
Total equity and liabilities		217,037	155,071

The notes 1 - 8 are an integral part of these consolidated financial statements



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
Expressed in USD (thousands)

	<i>For the three months ended</i>	
	March 31, 2021	March 31, 2020
Cash flows from operating activities		
Loss before income tax	(4,791)	(2,132)
Adjustments for:		
Depreciation and amortization	471	163
Share based compensation	573	159
Finance costs, net	179	393
Trade, deposits, and other receivables	(2,136)	(59)
Trade and other payables	4,047	(167)
Change in inventory	(195)	-
Change in fair value of assets and liabilities	-	381
Interest paid	(222)	(56)
Net cash generated from operating activities	(2,074)	(1,316)
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,389)	(862)
Payment for acquisition of subsidiary, net of cash acquired	(14,213)	-
Net cash generated from investing activities	(29,602)	(862)
Cash flows from financing activities		
Net proceeds from issuance of shares	29,284	-
Repayment of loans	(34)	(61)
Net cash generated from financing activities	29,251	(61)
Net change in cash and cash equivalents	(2,426)	(2,239)
Cash and cash equivalents at the beginning of the period	113,353	3,395
Impact of foreign currency on cash and cash equivalents	-	(197)
Cash and cash equivalents at the end of the period	110,927	959

The notes 1 - 8 are an integral part of these consolidated financial statements



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Expressed in USD (thousands)

	Note	Share capital	Share Premium	Shares to be issued	Share based compensation	Other reserves	Total equity
Opening balance 2020		98	21,901	-	-	(14,747)	7,253
Issue of shares		-	-	-	-	-	-
Share based compensation		-	-	-	159	-	159
Loss for the period		-	-	-	-	(2,132)	(2,132)
Balance, 31 March 2020		98	21,901	-	159	(16,879)	5,280
Opening balance 2020		98	21,901	-	159	(16,879)	5,280
Issue of shares		96	145,199	-	-	-	145,295
Share based compensation		-	-	-	1,350	-	1,350
Loss for the period		-	-	-	-	(7,814)	(7,814)
Balance, 31 December 2020		194	167,101	-	1,509	(24,693)	144,111
Opening Balance 2021		194	167,101		1,509	(24,693)	144,111
Issue of shares	2	7	29,277	9,728	-	-	39,012
Share based compensation		-	-	-	573	-	573
Loss for the period		-	-	-	-	(4,791)	(4,791)
Other comprehensive loss		-	-	-	-	-	-
Balance, 31 March 2021		201	196,378	9,728	2,082	(29,484)	178,905

The notes 1 - 8 are an integral part of these consolidated financial statements



NOTE 1 - GENERAL INFORMATION

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 Georgia, and is in the process of building new plants in Texas, Ohio, Colorado, Washington State, Hawaii, and Minnesota. In addition, the Company holds a license to patented technology related to geopolymers concrete. The Company has four subsidiaries: Kalera Inc., Vindara Inc., Iveron Materials Inc., and Kalera Real Estate Holdings, LLC.

On 28 October 2020, the Company was admitted to the Euronext Growth Oslo stock exchange (ticker: KAL). Neither the Company, nor any other Group company, have securities listed on any other stock exchange or 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, Norway.

Basis For Preparation

The Group's interim consolidated financial statements for the three months ended 31 March 2021 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 period ended 31 December 2020 as published on 21 April 2021. This interim financial report does not include the complete set of accounting principles and disclosures with exception of the introduction of business combination accounting policy for this period, and should hence be read in conjunction with the Group's 2020 annual

report. This interim financial report is unaudited and presented in United States dollars ("USD").

During the year 2020 and Q1 2021, 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 option 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.



NOTE 2 - SHARE CAPITAL AND SHARE PREMIUM

Share Capital and Share Premium

Kalera has increased its share capital during 2020 and Q1 2021 through several rounds of share issuances.

On 24 February 2021, the company completed a private placement with net proceeds of USD 29.3

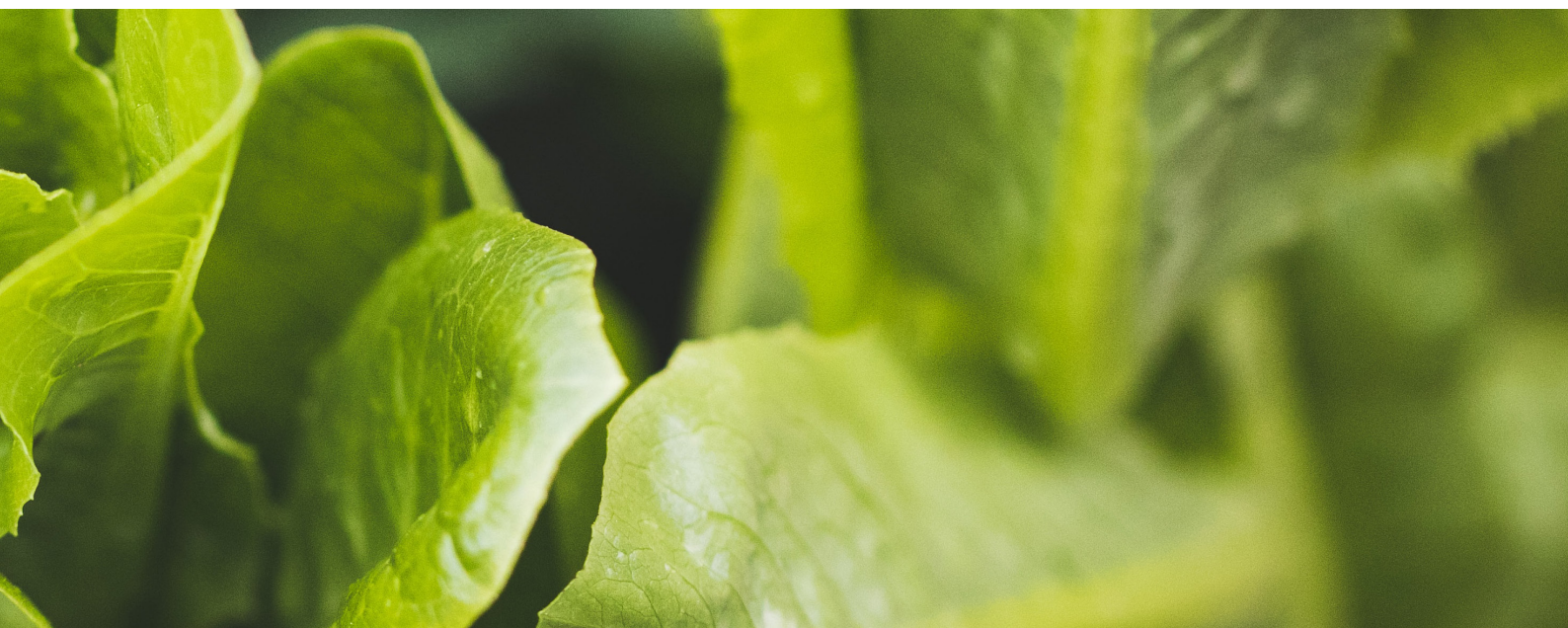
million in connection with the acquisition of Vindara. In connection with the Vindara acquisition, the company will issue 2,084,087 shares as deferred consideration of equity to the former owners of Vindara and that are classified as shares to be issued in our statement of financial position.

Expressed in USD (thousands)

	Number of Shares	Ordinary Shares	Share face value*	Share premium	Total**
At 1 January 2020	68,433,478	68,433,478			22,000
Share issue	20,000,000	20,000,000	0.0010	0.75	14,021
Conversion of loan	6,265,762	6,265,762	0.0010	0.52	4,661
Share issue	300,000	300,000	0.0010	0.76	228
Share issue	25,401,600	25,401,600	0.0011	0.80	19,311
Share issue	2,723,400	2,723,400	0.0011	0.80	2,179
Share issue	6,666,666	6,666,666	0.0011	1.42	9,462
Share issue	3,333,333	3,333,333	0.0011	2.87	9,482
Share issue	27,900,000	27,900,000	0.0011	3.01	85,952
At 31 December 2020	161,024,239	161,024,239			167,295
At 1 January 2021	161,024,239	161,024,239			167,295
Share issue	5,750,000	5,750,000	0.0012	5.44	29,284
At 31 March 2021	166,774,239	166,774,239			196,579

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

** Net of transaction costs



NOTE 3 - LEASES

Leases

The Group used an incremental borrowing rate of 6% for all leases entered into during 2021 and 2020. Under IFRS 16 all right-of-use assets increased to USD 32M at 31 March 2021 from USD 9M at 31 December 2020, mainly driven by leases for new facilities to open during 2021.

Expressed in USD (thousands)

Right-of-use asset	Vehicles & Equipment	Facility Leases	Total
Right-of-use (net), 1 January 2020	116	3,836	3,952
Additions	78	5,753	5,831
Depreciation charge	19	484	504
Total Right-of-use (net), 31 December 2020	175	9,105	9,279

Right-of-use asset	Vehicles & Equipment	Facility Leases	Total
Right-of-use (net), 1 January 2021	175	9,105	9,279
Additions	12	23,027	23,039
Depreciation charge	9	294	303
Total Right-of-use (net), 31 March 2021	177	31,838	32,015



Leases

The Group used an incremental borrowing rate of 6% for all leases entered into during 2021 and 2020. Lease liabilities increased to USD 33M at 31 March 2021 compared to USD 10M at 31 December 2020 as a result of new leases for facilities that will open in 2021.

Expressed in USD (thousands)

Lease liability	Vehicles & Equipment	Facility Leases	Total
Lease liability, 1 January 2020	112	3,889	4,001
Current lease liability	29	120	149
Non-current lease liability	120	9,415	9,535
Total lease liabilities, 31 December 2020	149	9,535	9,684

Lease liability	Vehicles & Equipment	Facility Leases	Total
Lease liability, 1 January 2021	149	9,535	9,684
Current lease liability	38	239	277
Non-current lease liability	140	32,414	32,554
Total lease liabilities, 31 March 2021	178	32,653	32,831



NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment

Expressed in USD (thousands)

	Furniture, fittings & equipment	Production facilities	Vehicles	Assets under construction	Total
2020 Activity					
Opening net book amount	224	2,252	40	5,174	7,690
Additions	576	205	-	20,065	20,846
Transfer In (Out)	-	5,899	-	(5,899)	-
Disposals	-	-	-	-	-
Depreciation charge	68	447	7	-	523
Closing net book amount	732	7,909	32	19,340	28,014
At 31 December 2020					
Cost or valuation	957	8,553	55	19,340	28,905
Accumulated depreciation	225	644	22	-	891
Net book amount	732	7,909	32	19,340	28,014
Q1 2021 Activity					
Opening net book amount	732	7,909	32	19,340	28,014
Additions	144	3,650	-	11,601	15,395
Transfer In (Out)	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation charge	37	123	4	-	165
Closing net book amount	839	11,436	28	30,941	43,244
At 31 March 2021					
Cost or valuation	1,089	12,203	41	30,941	44,274
Accumulated depreciation	251	767	13	-	1,031
Net book amount	839	11,436	28	30,941	43,244
Depreciation rate	5-7 years linear	15 years linear	6 years linear		



NOTE 5 - ALTERNATIVE PERFORMANCE MEASURES

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 (thousands)

	Q1 2021	Q1 2020
Loss for the period	(4,791)	(2,132)
Non-recurring losses (a)	-	381
Underlying income (loss)	(4,791)	(1,750)
Interest costs, net	179	393
Taxes	-	-
Share based compensation expense	573	159
Depreciation & Amortization	471	163
EBITDA (b)	(4,141)	(1,194)
Adjusted EBITDA (c)	(3,568)	(1,035)

(a) Reflects fair value loss of USD 381K due to conversion of convertible loan

(b) Includes share based compensation expense

(c) Excludes share based compensation expense



NOTE 6 - VINDARA ACQUISITION

On 10 March 2021, Kalera closed the acquisition of Vindara, Inc., a seed development company for indoor farming for a total purchase price of USD 14,250K in cash plus 12,500 preferred shares in Vindara, Inc. that can be converted into 2,084,087 Kalera AS shares at an exchange ratio of 166.7 Kalera AS shares for each preferred share. The share consideration is subject to a lock-up period of nine months.

Resulting from this transaction, the equity consideration is included in the Group's balance sheet as of the date of closing as described in the following table.

Expressed in USD (thousands)

Equity	Shares	USD
Shares to be Issued*	2,084,087	9,728

*Net from Vindara acquisition transaction expenses of USD 130K



NOTE 7 - BUSINESS COMBINATION

In connection with the acquisition of Vindara Inc. members of the Vindara Management Team and employees in addition to the Intellectual Property (IP) and licenses associated with the business are now combined with the Group's results. The acquisition method of accounting is used by the Group for the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred. Any excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. Based on our preliminary analysis of Vindara's assets and liabilities, the provisional allocation of the purchase price to the identifiable assets and liabilities is set out below.

Expressed in USD (thousands)

Balance sheet items	USD
Prepaid Expenses	50
Deposits and Other Receivables	4
Fixed Assets	5
Licenses	1,700
Intellectual Property	9,250
Accounts Payable	(47)
Other Liabilities	(3)
Accrued Salaries and Benefits	(22)
Net Identifiable Assets Acquired	10,937
Preliminary Goodwill Arising on Acquisition	13,134
Consideration	24,071

Satisfied by:	USD
Cash Consideration	14,250
Equity Consideration (2,084,087 shares*)	9,858**
Cash Acquired	(37)
Total Consideration	24,071

*As of 10 March 2021

**Excludes transaction costs

The acquisition date was 10 March 2021, meaning the business acquired did not contribute to any profit and loss in 2020. During Q1 2021, we incurred transaction costs of USD 0.3 million in connection with this acquisition.

Goodwill from this acquisition represents the portion of purchase prices in excess of the fair value of the know-how, licenses, and intellectual property to develop seeds that is attributable to the expected synergies to be achieved including increased revenues, combined talent, technology, production/yield improvements and cost reductions. This goodwill is assigned to the whole Group.

The expected economic lifetime of identifiable assets is ten years for accounting and tax purposes. Goodwill is tested for impairment annually, first will be in Q4 2021.

Assuming a transaction closing on 1 January 2021, pro-forma Group loss for the three-month period ending 31 March 2021 including Vindara is of USD 4,909K.



NOTE 8 - SHAREHOLDERS

Shareholders

Top 20 shareholders as of 31 March 2021

		Shares	% of Total	Country
1	LGT BANK AG	20,717,366	12.4%	Liechtenstein
2	PERSHING LLC	15,810,089	9.5%	United States
3	CANICA AS	10,509,656	6.3%	Norway
4	Citibank, N.A.	10,040,626	6.0%	Ireland
5	J.P. Morgan Securities LLC	7,429,992	4.5%	United States
6	State Street Bank and Trust Comp	5,685,153	3.4%	United States
7	MACAMA AS	5,493,949	3.3%	Norway
8	Goldman Sachs & Co. LLC	5,269,457	3.2%	United States
9	CONVEXA AS	5,166,177	3.1%	Norway
10	LANI INVEST AS	5,005,650	3.0%	Norway
11	JPMorgan Chase Bank, N.A., London	4,301,147	2.6%	Luxembourg
12	Skandinaviska Enskilda Banken AB	4,005,000	2.4%	Luxembourg
13	UFI AS	3,642,561	2.2%	Norway
14	JPMorgan Chase Bank, N.A., London	2,600,000	1.6%	Luxembourg
15	State Street Bank and Trust Comp	2,424,968	1.5%	United States
16	VERDIPAPIRFONDET DNB SMB	2,313,168	1.4%	Norway
17	VERDIPAPIRFONDET KLP AKSJENORGE	2,270,865	1.4%	Norway
18	CLEARSTREAM BANKING S.A.	2,245,262	1.4%	Luxembourg
19	Pictet & Cie (Europe) S.A.	1,767,922	1.1%	Luxembourg
20	Skandinaviska Enskilda Banken AB	1,718,250	1.0%	Luxembourg
Total number owned by top 20		118,417,258	71.0%	
Total number of shares		166,774,239	100.0 %	







Quarterly Report
Q1 2021

www.kalera.com