THE FUTURE OF FARMING

KALERA

ANNUAL REPORT 2020

kalera.com

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OUR MISSION

At Kalera we have a clearly defined mission as to why we exist:

TO SERVE HUMANITY, WHEREVER WE ARE, FRESH, SAFE, SUSTAINABLE, AFFORDABLE NOURISHMENT.

LETTER FROM OUR CEO

Dear shareholders, 2020 was unquestionably a year that will not easily be forgotten, for many reasons. Though it was a year that brought considerable challenges to the world, it was also a time of incredible growth and success for Kalera.

During this time, while much of the world was at a standstill, Kalera opened a new state-of-the-art facility in Orlando, grew from fifty-two employees to over a hundred, raised over $150 million in capital, assembled a world-class management team with global experience primed for accelerating growth in the coming years, and expanded the board of directors. We also became the fastest-growing vertical farming company in the world through announcements of planned expansion in 2021 and early 2022 to Atlanta (Georgia), Houston (Texas), Denver (Colorado), Honolulu (Hawaii), Seattle (Washington), and Columbus (Ohio) which will make Kalera the first pan-US vertical farm.

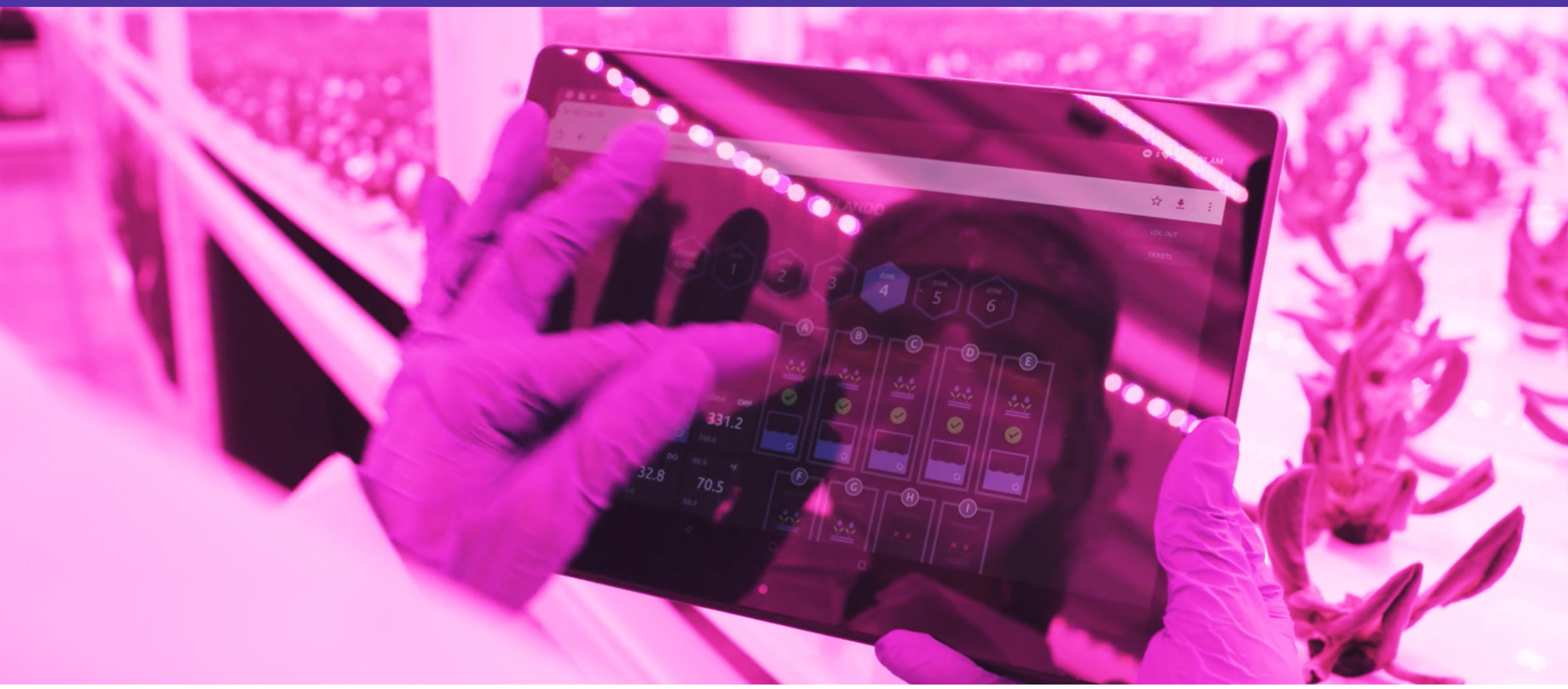
Early in the year, Kalera's first large-scale facility in Orlando, FL was opened with a capacity of over five million plants per year, successfully putting into practice ten years of research, plant science, and innovation at mass scale. The first harvest coincided with the beginning of the COVID-19 pandemic and resulted in our customers being forced to immediately close for months and not being able to receive orders. This presented a challenge to Kalera, but we were able to turn it into a marketing and brand awareness opportunity through giving back to our community during a time where fresh produce was difficult for many to secure. While we awaited the slow recovery and return of the foodservice and hospitality markets which began opening at limited capacity at the end of the year, we were able to successfully pivot and reinvent ourselves by serving the retail market through reconfiguring our facility while partnering with notable retailers such as Publix, the largest retailer in Orlando and Central Florida, as well as Winn-Dixie. The momentum of 2020 has carried over into 2021 as we have purchased a building for expansion to St. Paul, Minnesota, added two world-class Board Members, and successfully completed the acquisition of Vindara, a company that is revolutionizing the seed industry for Controlled Environment Agriculture. The future is exciting as we continue positioning Kalera as the global vertical farming leader!

Daniel Malechuk
CEO
Kalera AS
20 April, 2021

OUR RESPONSE TO THE CORONAVIRUS PANDEMIC

Kalera was uniquely well prepared for the COVID-19 pandemic as we employ the use of masks and other protective gear as part of our daily operations.

Maximizing efforts to ensure the cleanliness and safety of our healthy products has been foundational for our business since its inception. Issues of public health and safety are, and will always be, a major part of our corporate DNA. As the virus ravaged our local communities in Central Florida, we demonstrated our enduring belief that we can - and should - do well by doing good. This is especially the case when confronting something as catastrophic as a pandemic. We acted promptly on our beliefs and we take our core values seriously. We will always DO THE RIGHT THING and GROW THE FUTURE of the communities we serve. We provided giveaways of our produce to many Central Floridians in need who were suffering severe economic hardships due to COVID-19 and felt proud to help when help was most needed.



BOARD OF DIRECTORS

Kalera is a technology driven vertical farming company and is rapidly becoming a global leader with leading growth and unit economics. Kalera has a truly pan-US coverage having the ability to serve large national customers based on operating and announced projects.

Orlando opened with a production capacity of approximately 5.4 million plants per year. We recently opened Atlanta, our largest and most advanced facility, with a production capacity of about 10.2 million plants per year. Also, we announced six large-scale projects in Houston, Denver, Columbus, Seattle, Hawaii and Minnesota that all incorporate multiple design improvements vs. Orlando. New facilities and existing projects are all on-time and on-budget and have become a clear example of Kalera's execution success.

In addition to the progress we made in expanding our infrastructure, we were able to build a management team with global experience that can help Kalera to accelerate US and international growth in the coming years. Kalera was also able to adapt rapidly to a very challenging market due to COVID-19. While our core foodservice customers in the hospitality, entertainment, and restaurant sector were closed for most of 2020, we reconfigured our operations and strategy to serve the retail market. In a few months, we attracted the largest retailer in Florida and other key retailers that continue to increase their demand for Kalera products.

We recently increased our capabilities through the acquisition of Vindara, Inc. the leader in seed development for indoor farms. This acquisition will bring significant improvements to Kalera's operations and a new revenue stream to complement our portfolio of precision agriculture products.

All of these achievements demonstrate how far we have come in such a relatively short period and how far we are poised to go in the years ahead.

Bjorge Gretland
Chairman
Kalera AS
20 April, 2021

Umur Hursever
Member of the Board

Chris Logan
Member of the Board

Kim Lopdrup
Member of the Board

Camilla Magnus
Member of the Board

Sonny Perdue
Member of the Board

Maria Sastre
Member of the Board

Erik Sauar
Member of the Board

OUR PROGRESS

Kalera – the leading US vertical farmer

Kalera is one of the fastest growing vertical farming companies in the world in terms of production and, since our Q4 2020 new facility announcements, the only one with truly pan-US coverage – opening doors for national distribution discussions.

All eight large-scale projects announced to date remain on-time and on-budget, constructed at a significantly lower CapEx per lb of output than the industry average. All incorporate multiple design improvements vs. Orlando, and are expected to deliver ~5% unit cost savings.

Atlanta opened on-time and on-budget in March 2021, with a 10-month ramp-up period to full production; Houston to follow in July 2021.

The Orlando facility was built to serve the foodservice and leisure market. COVID-19 impacted our sales ramp-up due to having our target market in Central Florida closed during H2 2020. We decided to pivot our sales efforts and reconfigure our facility to serve the retail market, which has continued to accelerate at some key retail accounts - i.e., Publix doubling volume in the last 3 months and Winn-Dixie added in Q1 2021. We have also already added 5 new foodservice distributors so far in 2021.

Orlando's unit costs remain on-budget after adjusting for temporarily lower throughput yield at the maximum output due to airflow constraints. Additional airflow equipment was delayed by COVID-19 but has now begun installation. Average lettuce head sizes and weights have remained on target.

Foodservice and retail pricing remains firm and in-line with expectations. We remain purposefully at a retail price discount vs. most organic and other Controlled-Environment Agriculture (CEA) produce based on our retail surveys and buyer conversations.

The leadership team and senior management hires have been completed ahead of the initial plan, with some front-loading of corporate overhead in 2020 and 2021.

On 10 March, 2021 Kalera completed the acquisition of Vindara Inc., the leading indoor seed developer. This acquisition will generate both significant operational synergies and product expansion capabilities starting at the end of 2021.

The strategic review regarding a main market listing and potential SPAC remains ongoing.

OUR COMPANY

Kalera is a technology-driven vertical farming company with unique growing methods that combine optimized nutrients and light recipes, precise environmental controls, and clean room standards to produce safe, highly nutritious, pesticide-free, non-GMO vegetables with consistent high quality and longer shelf life on a year-round basis. Kalera's high-yield, automated, data-driven hydroponic production facilities have been designed for rapid roll-out with industry-leading payback times to grow vegetables faster, cleaner, at a lower cost, and with less environmental impact.

KALERA – A GLOBAL LEADER IN VERTICAL FARMING

Kalera continues to execute on its fast-paced global expansion and is rapidly becoming the fastest growing vertical farmer in the world, positioning the Company as the global leader for high quality leafy greens, with leading unit economics.

OUR COMPANY

Global Leader in Vertical Farming

- We grow clean, high quality, nutrient rich greens in a cost efficient and sustainable way near the point of consumption. They are contamination free, non-GMO vegetables, without chemicals or pesticides, that are local and supplied year round
- Kalera will be the only vertical farming business to offer a truly pan-US localized supply network by the end of 2021

Disruptive Technology

- Advanced plant science: optimized nutrient mixes/uptake and light recipes
- “Semiconductor based” clean room technology, no contamination of air and water, safe produce
- IoT, Big Data and AI - automated production controls and machine learning
- Growing environments: clean air & water, optimized temperature & humidity

Global Brand Name Customers

- Foodservice, Resort, Hospitality, Cruise Lines, Airlines, Grocery Chains, Restaurant Chains, Contract Foodservice providers (Event Venues, Hospitals, Universities)
- Key customers include: Sysco, US Foods, Marriott, Levy, FreshPoint, Publix, Winn-Dixie, Orlando Magic, Tampa Bay Buccaneers, and Universal Studios

Leading Unit Economics

- Customized growing layouts: Implementation of equipment/technology that ensures maximum yields per m^2
- Low capital expenditures: Attractive payback times
- A leader in project completion time: All projects on-time and on-budget
- Affordable: High quality and cleaner than organic produce sold at conventional prices

Rapid Roll-Out/Large Market Opportunity

- $30+ billion total addressable market opportunity for lettuce and chicory
- Business model to replicate rapid commercial roll-out and scaling
- New projects underway in Texas (Houston), Colorado (Denver), Washington (Seattle), Hawaii (Honolulu), Ohio (Columbus), and Minnesota (St. Paul) with more to come in the US and Internationally
- Reviewing several M&A opportunities to accelerate growth and maintain industry leadership

HISTORY AND IMPORTANT EVENTS

The operational entity in the Group, Kalera Inc., was established in 2010 and is incorporated in the state of Delaware, USA and headquartered in Orlando, Florida. Kalera has operations in the state of Florida and commenced operations in 2021 in the states of Georgia, Texas, Colorado, Ohio, Washington, Hawaii, and Minnesota.

MILESTONES

2010	Established Kalera, Inc.
2014	Tradeport R&D facility became operational.
2016	Started construction of Marriott World Center (HyCube) facility.
2018	Commenced of operations at the Marriott World Center (HyCube) facility.
2019	Began retrofitting existing warehouse for the first large-scale facility in Orlando.
2020	Commenced operations in large-scale at the Orlando facility.
2020	Began construction of new large-scale facilities in Atlanta, Houston, and Denver.
2020	Registered and traded in the NOTC-list in Norway followed by listing on Euronext Growth Oslo.
2020	Raised net proceeds of USD 145 million.
2020	Announced expansion to three new locations: Hawaii, Seattle and Columbus.
2021	Acquired leading indoor seed developer Vindara and announced expansion to Minnesota.

WHAT WE DO

KALERA GROWS LOCAL, FRESH, SAFE, SUSTAINABLE, AFFORDABLE NOURISHMENT

Kalera is a hydroponics company combining plant science, clean room technology and big data. Kalera plants non-GMO seeds, utilizing plant and data science driven methods to optimize nutrient mixtures, light recipes, and environmental controls. This results in highly nutritious vegetables with consistently high quality year-round.

Kalera grows clean, high quality, nutrient rich greens in a cost efficient and sustainable way near the point of consumption. Kalera has developed disruptive technologies with leading yields/ output per square foot and has an efficient CapEx utilization in its facilities. Kalera's customized growing layouts and equipment/ technology provide a basis for strong unit economics. Furthermore, Kalera has developed rapid buildout, installation and roll-out capabilities.

Using a closed loop nutrient distribution system, Kalera's plants grow while consuming 95% less water than traditional field farming. Furthermore, Kalera utilizes optimized nutrition uptake and distribution and has perfected nutrient mixture ratios for more than 150 produce varieties. The technology has several advantages including growth cycle acceleration, consistently high yields and a high-quality product. Kalera utilizes semi conductor-based cleanroom technology and processes to eliminate the use of chemicals. The cleanroom technology includes advanced air filtration and decontamination technologies, advanced water purification and decontamination technologies, and developed methods to avoid contamination of hardware, seeds, and media.

Kalera's innovative production method – involving Cloud-based and IoT-based automation and "big data" analytics and AI for precise control of air and water quality, temperature and humidity, lights, and nutrients – will allow for a steady yield of crisp, flavorful, and nutritious produce without seasonal and regional limitations. Essential plant growing parameters are under strict control and automatically adjusted, 24/7 internet monitoring of temperature, humidity, lights, nutrients, and maintenance events. Compared to existing commercial systems that can't meet the precision vertical farming needs, Kalera's system integrates large arrays of IoT (vs. just a few centralized sensors). Kalera uses adaptive ion-specific nutrient dosing controls (vs. traditional controls using global measures of nutrient concentration) which are deployed via a distributed, resilient, and scalable cluster-based hybrid Cloud architecture (vs. traditional centralized process control systems).

Kalera produces over 300 times more output per sqft. than traditional farming and without any seasons (365 days a year). With indoor facilities situated right where the demand is, Kalera is able to supply an abundance of produce locally, eliminating the need to travel long distances when shipping perishable products and ensuring the highest quality and freshness. The advanced plant science and cleanroom technology results in clean and safe produce, which is free of contamination and bacteria. In addition, there are no hormones, additives, pesticides, fungicides or insecticides involved. Consequently, the product has consistent quality, and is rich in vitamins and antioxidants.

Kalera delivers various types of lettuces, microgreens, and other leafy greens and herbs sold under the brands HyTaste and Kalera. The products are marketed as “better than organic“ as traditional organic produce uses small amounts of pesticides.

Clean & Safe

NON-GMO

Never Pesticides

Locally Grown

Stays Fresh Longer

Nutrient Rich

Delicious

Available Year Round

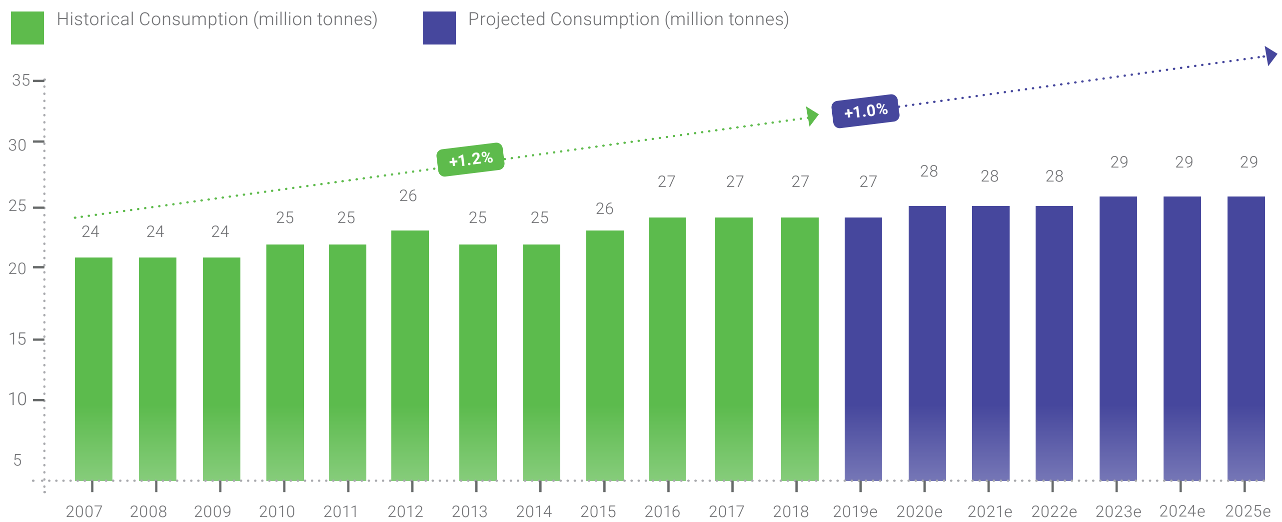
Consistent Quality

Sustainably Grown

OUR MARKET

Kalera currently operates mainly in the lettuce and chicory market. The global market for lettuce and chicory is around 27 million tonnes. This market has seen stable growth with a CAGR of 1.2% from 2007 to 2018. The market is projected to continue its stable development, growing at +1.0% p.a. from 2019 to 2025, resulting in an estimated market volume of 29 million tons in 2025. In terms of value, the global lettuce and chicory market, excluding logistics costs, retail marketing costs and margins, amounted to USD 30 billion in 2017.

$30 BILLION TOTAL ADDRESSABLE MARKET FOR LETTUCE AND CHICORY WORLDWIDE



Source: Indexbox: "World-Lettuce And Chicory - Market Analysis, Forecast, Size, Trends and Insights," 2019 (1) Excluding logistics costs, retail marketing costs, and retailers' margins, which is included in the final consumer price (2) Per Research Nester.

Geographically, Kalera operates in the US, which is the world's second largest producer of lettuce with ~3.8 million tonnes of annual production. The production of lettuce in the US is concentrated around Arizona and California. Hence, supply to the largest US cities implies transportation, often by trucks, which increases costs and results in an average spoilage of over 20% according to the USDA. Today, shipping to the US East Coast translates to a USD 6-8/case transportation cost for California and Arizona sourced produce. Depending on variety and packaging, transportation costs can average between USD 0.3-0.6/lb. By deploying its production facilities close to its markets, Kalera can significantly reduce transportation costs. In addition, Kalera products have ~10-14 days longer shelf life than traditional farmed products combined with an earlier store arrival, providing a significant potential to reduce cost from food waste.

OUR CUSTOMERS

TOP-TIER CUSTOMER BASE POSITIONED FOR FUTURE GROWTH

freshpoint a Sysco company

Winn-Dixie

US FOODS

Sysco

UNIVERSAL STUDIOS FLORIDA

MARRIOTT

Publix

Levy

OUR PRODUCTS

Kalera sells its products to foodservice companies, resorts, hospitality, cruise lines, airlines, grocery chains and restaurant chains. The product is beneficial for customers, retailers, foodservices and chefs, as it is healthy, fresh, has a longer shelf life, consistent quality and is available at an affordable price.

Butter

Frisée

Red Oak Leaf

Kalera Krunch

Baby Romaine

1. LETTUCE

Butter

Frisée

Red Oak Leaf

Kalera Krunch

Baby Romaine

2. MICROGREENS & OTHER LEAFY GREENS/HERBS

Popcorn Shoots

Red Sorrel

Cilantro

Spicy Mix

Pea Shoots

Basil

Mild Mix

OUR PRODUCTION FACILITIES

CURRENT FACILITIES

In April 2021, Kalera has two large-scale facilities and two pilot facilities in operation.

INCREASED PRODUCTION CAPACITY DURING 2020 DRIVEN BY THE ORLANDO FACILITY AFTER OPENING TRADEPORT R&D CENTER AND HYCUBE WITH ATLANTA OPENING IN MARCH 2021

IN OPERATION

ORLANDO, FLORIDA

Expected Plant Heads per Year: 5.1 million
Project Start Date: June 2019
Operations Start Date: February 2020

- Size: 33.120 sq ft total
- Vertical farm with largest output in Southeast US

ATLANTA, GEORGIA

Expected Plant Heads per Year: 10.2 million
Project Start Date: April 2020
Operations Start Date: March 2021

- Size: 76,995 sq ft total

The large-scale Orlando facility began operations in February 2020. While this facility's ramp-up was slower than projected, due to the COVID-19 pandemic, it accelerated in the second half of 2020. Our Atlanta facility began operations in March 2021, with the first harvest expected later in April.

NEW FACILITIES UNDER CONSTRUCTION

HOSTON, DENVER, SEATTLE, HONOLULU, COLUMBUS, AND SAINT PAUL

The Company has 6 facilities under construction, shown in the overview below.

UNDER CONSTRUCTION

HOUSTON, TEXAS

Expected Plant Heads per Year: **12.8 million**

Project Start Date: **July 2020**

Operations Starting Date (Estimated): **June 2021**

DENVER, COLORADO

Expected Plant Heads per Year: **11.1 million**

Project Start Date: **September 2020**

Operations Starting Date (Estimated): **August 2021**

SEATTLE, WASHINGTON

Expected Plant Heads per Year: **10.5 million**

Project Start Date: **December 2020**

Operations Starting Date (Estimated): **December 2021**

ADDITIONAL PROJECTS

HONOLULU, HAWAII

Expected Plant Heads per Year: **5.0 million**

Project Start Date: **January 2021**

Operations Starting Date (Estimated): **January 2022**

SAINT PAUL, MINNESOTA

Expected Plant Heads per Year: **7.7 million**

Project Start Date: **March 2021**

Operations Starting Date (Estimated): **January 2022**

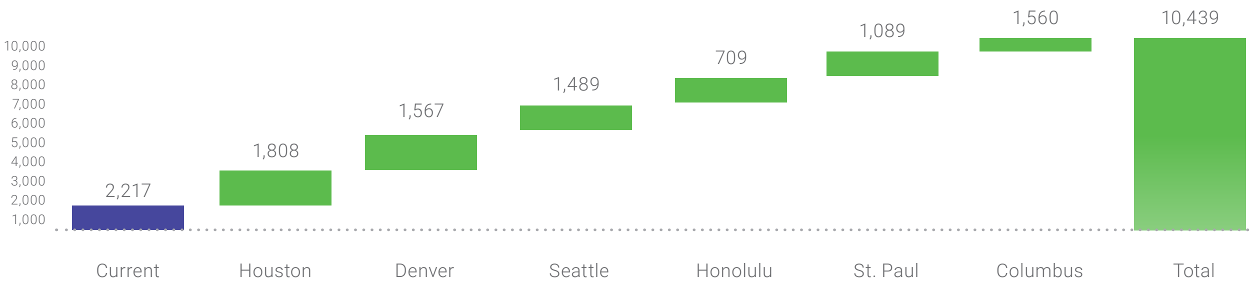
COLUMBUS, OHIO

Expected Plant Heads per Year: **11.0 million**

Project Start Date: **March 2021**

Operations Starting Date (Estimated): **February 2022**

MORE THAN 10,400 MT OF PRODUCTION CAPACITY

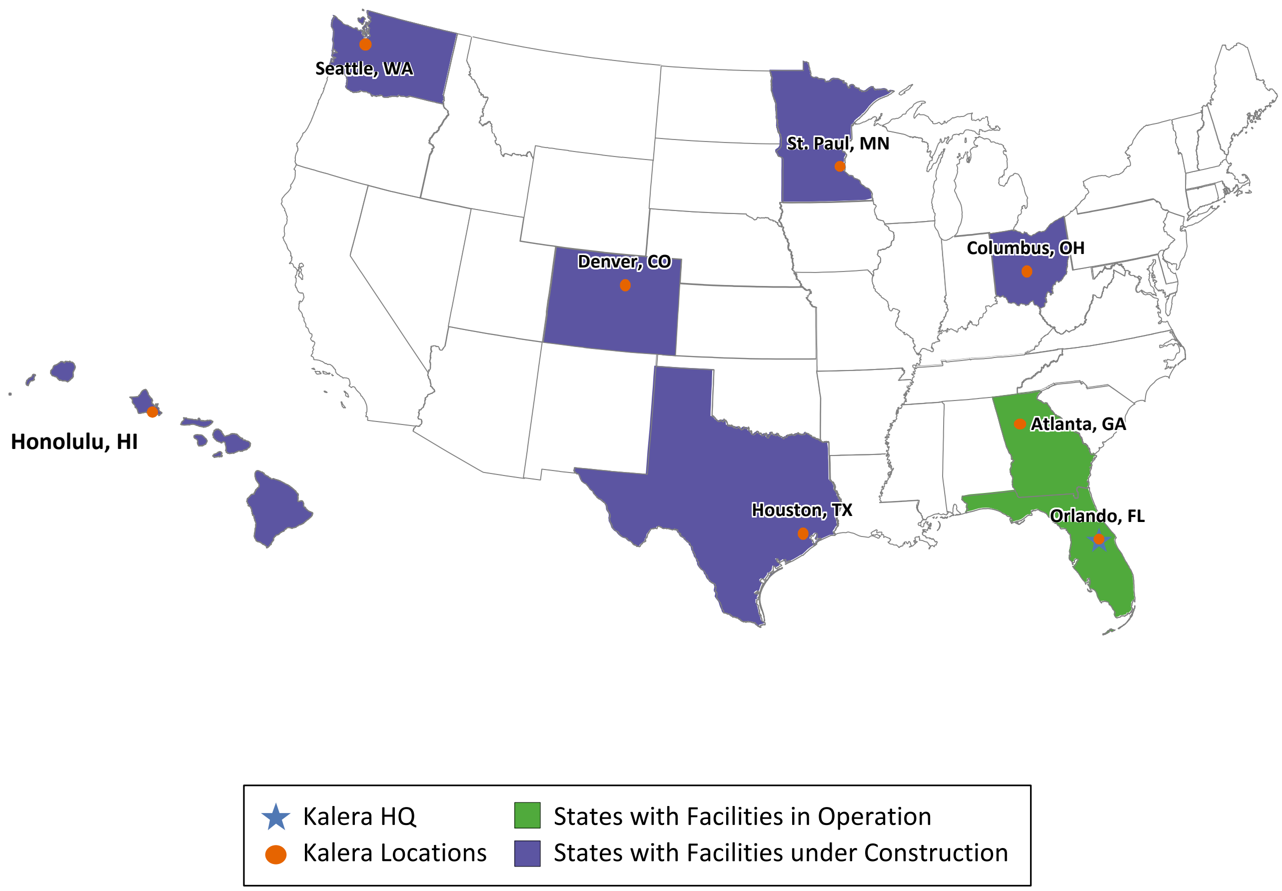


STRATEGY AND GROWTH PLANS

Kalera aims to continue its growth plan in domestic markets, as well as in new, international markets. As of the end of Q1 2021, Kalera has launched eight large facilities (including facilities under construction), and has a strong pipeline of new potential locations over the next 18 months. In addition, Kalera seeks to continue investing in its organization, to support the increased production footprint.

KALERA IS THE FIRST TRULY PAN-US VERTICAL FARMING COMPANY ABLE TO SERVE NATIONAL ACCOUNTS

The figure below shows Kalera's current announced expansion plan to Q1 2022, including both facilities in operation and those currently under construction.



Kalera seeks to achieve its growth plan through four main avenues, namely:

- Roll-out in additional US cities;
- International growth;
- Expansion of business line (i.e. Vindara);
- Expansion of product line; and
- M&A and partnerships

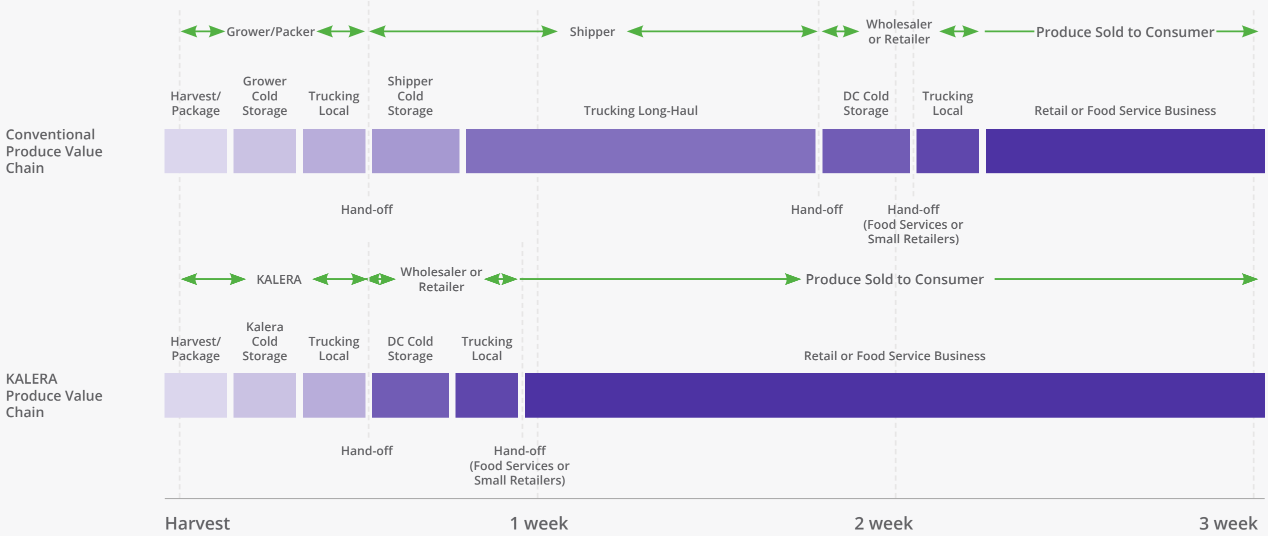
IN ADDITION TO THE ROLL-OUT PLAN, KALERA ALSO HAS A KEEN FOCUS ON CAPITAL PRODUCTIVITY AND UNIT ECONOMICS, AIMING TO DELIVER INDUSTRY LEADING RETURN ON CAPITAL

To address this sustained expansion plan, Kalera has developed rapid roll-out capabilities related to design, buildout and installation, centered around the following key aspects:

- Established supply chains for key technology and equipment;
- Replicable experience on design, installation, lease agreements and work relationships with architects and design companies;
- A proven ability to manage multiple construction projects at a time;
- Using general contractors and sub-contractors to provide supervision, manpower and materials to cover construction project workloads as needed;
- Modular designs – based on components that can be reused in various configurations; and.
- Standardization – shorten lead times and internal review by design teams to create streamlined franchise style builds.

KALERA PRODUCE VALUE CHAIN

Kalera significantly reduces the length and costs inherent in the conventional value chain while reducing the carbon footprint associated with long-haul trucking and storage.



Sources:

1. Roberta Cook, UC Davis, US Fresh Fruit and Vegetable Value Chain, 2010, based on UC Davis and Cornell U., compilations of USDA and US Census data.

2. Don Goodwin & Tom Thomson, Golden Sun Marketing and UC Davis, Controlled Environment Agriculture: Disruption in the California Leafy Green Industry.

TRANSFORMING OUR PORTFOLIO AND CAPABILITIES

TRANSACTION OVERVIEW

- On 10 March 2021 Kalera agreed to acquire the leading indoor seed developer Vindara
- Founded in 2018 in the North Carolina Research Triangle, Vindara is the first company to deliver seed varieties bred explicitly for use in fast growing, high-tech indoor farming operations
- This transaction represents the first instance of vertical integration in the industry: it combines the scientific leader in indoor seed development with the fastest growing operational leader in vertical farming
- Vindara Co-Founder and President Dr. Jade Stinson joined Kalera's senior management team in Orlando as part of this transaction

KALERA The Science of Great Greens + VINDARA

KALERA BENEFITS

- We expect this deal to be accretive to our unit economics and EBITDA starting in 2022 by:
  - Significantly increasing the output from Kalera´s current and future facilities by reducing the grow cycle and providing Kalera benefits of higher yields
  - Lowering costs of goods sold by reducing seeds costs and improving energy efficiency/automation
  - Significantly improving Kalera's future unit economics and EBITDA
  - Further differentiating Kalera's products and giving us improved ability to optimize color, texture, flavor, firmness and nutrient profile
  - Accelerating and expanding Vindara's seed research and development programs focused on the indoor farming sectors to support overall CEA market share growth
  - Developing a strong product pipeline beyond leafy greens to include high yield basil, spinach, and strawberries
  - Accelerating the development cycle of proprietary products with and for customers while also generating value through the development of custom seed for the indoor farming industry at large
  - Providing additional revenue generation opportunities to the CEA global market
- Vindara has already demonstrated substantial yield improvements in indoor-grown Romaine, with more varieties and crops in the pipeline
- The acquisition will accelerate Kalera's product development both within its existing segment to other lettuce varieties and leafy greens including basil and spinach, and to entirely new categories such as strawberries

BUILDING A FULLY INTEGRATED FARMING COMPANY

TOTAL PRECISION AGRICULTURE

LETTUCE

We grow perfectly clean, flavorful lettuce all year round without pesticides, utilizing clean-room technology to protect our produce from animal and human pathogens.

MICRO-GREENS

We grow specialized microgreens from non-GMO seeds that are colorful and delicious. Our microgreens are popular with clients to add unique flavors to their creations.

VINDARA SEEDS

Vindara is the first company to deliver seeds bred specifically for indoor farms. This elminates the limitations that traditional seeds have and provides customers with greater control.

Vindara is the first company to deliver seeds bred specifically for indoor farms, removing limitations that traditional seeds impose and giving growers, retailers, and consumers even greater control over their produce.

VINDARA IS GIVING GROWERS A CONTROL PANEL FOR DESIGNING THE PRODUCE OF TOMORROW — BUILT TO SPEC AND BROUGHT TO LIFE WITH UNPRECEDENTED SPEED

Vindara offers four unique value propositions:

1. INTENTIONALLY DESIGNED

Vindara is the first company dedicated exclusively to delivering the genetic varieties of seeds that indoor growers need to get the best results from their operations. Today's commercial outdoor seeds are almost exactly opposed to what indoor growers need, being bred for resistance to disease and pests and designed for long storage and transportation.

While necessary for outdoor conditions, this results in genetic tradeoffs that can produce a lack of flavor, color, and nutritional value. Vindara is lifting the burden imposed by today's off-the-shelf seeds with tailor-made alternatives bred specifically for indoor use, without sacrificing quality, taste, or nutrients.

2. DROP-IN SOLUTION

Vindara's seeds drop seamlessly into the systems indoor growers already use and continue to refine. Companies have spent significant time and effort creating advanced systems with everything from humidity and temperature sensors to precisely calibrated lighting conditions.

Vindara improves on these systems, not through complex changes but through the input themselves - the seeds. Vindara's seeds are not only better suited to their growing environments, but produce substantially better results with amplified appearance, nutrition, flavor and yield.

3. ADVANCED TECHNOLOGY

Vindara's seed development process is conducted entirely through analytics where no gene-editing or GMOs are required. We started by assembling the industry's largest database of worldwide produce, tracking thousands of varieties and looking at everything from physical measurements to texture and flavor. We then augmented our database to include data from outside resources, such as scientific journals and USDA documents.

The compiled data is then used to train our machine learning models to accurately predict the genetic underpinnings of entirely new varieties of plants, dialing in precise sets of desired properties. Our process provides a simpler, shorter path than traditional breeding methods, reducing the time needed from 5-7 years to a remarkable 12-18 months.

4. INCREASED CONTROL

By using an accelerated and data-driven approach that makes each property editable, Vindara has developed something truly unique, a seed design system that can deliver any kind of genetic variety, tailored to each customer's needs. Those needs could change over time, as color, texture, flavor, and nutrient profile are subjective, and are influenced by a range of cultural and generational pressures.

Vindara gives growers the flexibility they need to respond to these pressures with agility and precision. In short, Vindara gives growers a control panel for designing the produce of tomorrow— built to spec and brought to life with unprecedented speed.

But the potential doesn't end with growers. Vindara seeds enable successful indoor and vertical gardening through a variety of avenues. Food retailers and indoor agriculture technology companies not only benefit from being able to control the qualities of their produce, but from exclusive product access and brand differentiation as well.

THE DIFFERENCE IS IN THE SEEDS

Seeds bred specifically for indoor farms

A drop-in replacement for the systems indoor growers already use

Amplified yield, appearance, nutrition and flavor

Designed entirely through analytics, not gene-editing or GMOs

REPORT FROM THE BOARD OF DIRECTORS

The year 2020 was a standout, pivotal year for Kalera – one filled with significant milestones and achievements. All realized as we surmounted the unprecedented challenges posed by the worst pandemic in over a century.

We showcased every day the future of farming and the future of Kalera -- that of a dynamic, trailblazing business. Among our many accomplishments in 2020 and early 2021, we launched our first large scale facility in Orlando FL, with a capacity of approximately 5.4 million plants per year, where we are implementing 10 years of plant science on a mass scale.

During Q1 2021, we acquired Vindara, the first company to develop seeds specifically designed for use in vertical indoor farm environments as well as other Controlled Environment Agriculture (CEA) farming methods. And with our announced construction of new facilities in 2020 and 2021 our business expansion had reached the pinnacle of coast-to-coast operations.

This means that we are the fastest growing vertical farmer in the world and the only one with truly pan-US coverage -- providing many more grocers, restaurants, theme parks, airports, and other businesses reliable access to locally grown clean, safe, nutritious, price-stable, long-lasting greens.

COVID-19 did force our customers to close for months during 2020, and those that were able to open were at times operating at less than 25 percent capacity. We thus had to reinvent ourselves and reconfigure our Central Florida facility to be able to serve the retail market, which was the only market open throughout the entire year. Not to be intimidated, we turned adversity into a great opportunity to widen our footprint by selling produce to Publix, the largest retailer in the Central Florida area in addition to Winn-Dixie in Q1 2021, while starting conversations with other key retailers.

During the last year, we also were able to build further a management team with global experience that can allow Kalera to establish the necessary building blocks for accelerating growth in the coming years.

Some companies merely use today to prepare for the future; others make the future begin to happen today. Such is Kalera. We are one of those singular businesses whose visions extend well beyond the horizon but can also penetrate the most immediate, complex challenges and respond with groundbreaking solutions.

GROUP OVERVIEW

Kalera is a technology driven vertical farming company with unique growing methods combining optimized nutrients and light recipes, precise environmental controls, and clean room standards to produce safe, highly nutritious, pesticide-free, non-GMO vegetables with consistent high quality and longer shelf life year-round. Kalera's high yield, automated, data-driven hydroponic production facilities have been designed for rapid roll-out with industry-leading payback times to grow vegetables faster, cleaner, at a lower cost, and with less environmental impact.

The operational entity in the Group, Kalera Inc., was established in 2010 and is incorporated in the state of Delaware, USA and headquartered in Orlando, Florida with the main holding entity based in Oslo, Norway. Kalera has operations in the state of Florida and also operations in the states of Georgia, Texas, Colorado, Washington, Seattle, Ohio, Minnesota, and Hawaii. Kalera's vision is to become a global leader in vertical farming for leafy greens.

STRATEGY AND LONG-TERM TARGET

Our mission is to serve humanity, wherever we are, fresh, safe, sustainable, affordable nourishment. Kalera builds its operations on five strategic pillars:

- **High quality** – We grow clean, high quality, nutrient-rich greens in a cost-efficient and sustainable way that are contamination-free, non-GMO vegetables, without chemicals or pesticides
- **Local** – We establish our facilities near the point of consumption so our produce is not only harvested and delivered to customers on the same day but all year round, eliminating the need for long-haul distribution networks and reducing food waste - both helping to lower the carbon footprint of supply
- **Diverse geography** – We cover the US from coast-to-coast, allowing us to serve large customers through our distribution network, creating a one-stop shop for all their leafy greens needs, and avoiding them having to deal with product inconsistencies
- **Affordable** – We have customized layouts that allow us to both construct and operate efficiently. This enables us to bring to the market product that is better quality than organic at a competitive price
- **Delicious** – Kalera is a leader in plant science and has developed custom recipes and growing techniques that are not possible through conventional farming. These result in delicious, nutritious, and unique produce with high quantities of antioxidants, also delivering new flavours that are not possible from conventional produce. With the acquisition of Vindara, Kalera will be able to bring to market new types of produce that are unparalleled in the market and will open new possibilities for customers looking for the tastiest produce in the market

Based on these elements, the Company has developed a market-leading position in a short amount of time on precise agriculture and with a portfolio of lettuces, microgreens and seeds that were not available prior to the opening of our Orlando facility in March 2020.

Operational review

Kalera views its product portfolio as a value-added proposition. The Company offers lettuce and microgreens from its Orlando facility facility which was built to serve the foodservice and leisure market. Due to COVID-19 we decided to pivot our sales efforts and reconfigure our facility to be able to serve the retail market which has continued to accelerate at some key retail accounts – i.e., Publix doubling volume in the last eight weeks and Winn-Dixie added in Q1 2021.

During 2020 we announced six new facilities, including Houston (Texas), Atlanta (Georgia), Denver (Colorado), Columbus (Ohio), Honolulu (Hawaii), and Seattle (Washington) and in Q1 2021 added St. Paul (Minnesota). During the year we raised a total of USD 145 million in total capital to fuel organic growth for the rapid expansion of our business model worldwide, ending 2020 in a solid financial position with USD 113 million in cash.

Kalera ramped up production at the Orlando facility during Q4 2020. Foodservice and retail pricing remains firm and in-line with expectations. We remain purposefully at a retail price discount vs. most organic and other Controlled-Environment Agriculture (CEA) produce based on our retail surveys and buyer conversations.

Review of the annual accounts

In accordance with the provision of the Norwegian Accounting Act, the Board of Directors confirms that the accounts have been prepared on a going concern basis and that the going concern assumption applies. Kalera prepares consolidated annual accounts in accordance with IFRS (International Financial Reporting Standards) as approved by the EU, relevant interpretations, and the Norwegian Accounting Act.

Note that the Group has identified operating profit/(loss), EBITDA, and adjusted EBITDA as Alternative Performance Measures in addition to the financial information as prepared in accordance with IFRS as adopted by the EU.

INCOME STATEMENT

The Group classifies its revenues as sales of leafy greens.

Revenue			USD
	2020	2019	Change %
Total revenue	**886,675**	**101,230**	**775.9%**

Total revenue increased by 776% to USD 0.9 million in 2020, up from USD 0.1 million in 2019. Revenue from retail accounted for approximately 34% of total production, with the remaining 66% coming from foodservice. The revenue increase reflects the launching of our Orlando facility during March 2020 compared to sales from our HyCube and Tradeport facilities during 2019. Due to the COVID-19 pandemic, we had to reconfigure our facility to be able to serve the retail market as the foodservice market was closed or operating at less than 25% capacity when the Orlando facility opened.

Employee related expenses			USD
	2020	2019	Change %
Wages and benefits	4,623,275	2,092,401	121.0%
Share based compensation expense	1,508,816	-	-
Total employee related expenses	**6,132,091**	**2,092,401**	**193.1%**

Wages and benefits increased by 121% to USD 4.6 million in 2020, up from USD 2.1 million in 2019 driven by new hires to operate the Orlando facility, in addition to new hires at corporate in anticipation of new facilities to open during 2021. Non-cash items including share-based compensation during 2020 amounted to USD 1.5 million. No share-based compensation was recorded during 2019 as the Company listed on the Oslo NOTC market on 21 April 2020, and subsequently on the Oslo Euronext Growth on 29 October 2020.

Other operating expenses			USD
	2020	2019	Change %
Other operating expenses	**2,403,967**	**1,338,114**	**79.7%**

Other operating expenses increased by 80% to USD 2.4 million in 2020, up from USD 1.3 million in 2019 due to launching the Orlando facility during Q1 2020.

Total operating expenses			USD
	2020	2019	Change %
Wages and benefits	4,623,275	2,092,401	121.0%
Share based compensation expense	1,508,816	-	-
Other operating expenses	2,403,967	1,338,114	79.7%
Opex excl. D&A and Other	**8,536,058**	**3,430,515**	**148.8%**
Depreciation and amortization expense	1,019,317	404,481	152.0%
Other gains (losses)	-	(562,408)	-
Total operating expenses	**9,555,375**	**3,272,588**	**192.0%**

Total operating expenses increased by 192% to USD 9.6 million in 2020, up from USD 3.3 million in 2019. Employee-related expenses, other operating expenses, and depreciation expense in 2020 increased by USD 6.3 million driven by the Orlando facility opening and corporate related expenses compared to employee related expenses, other operating expenses, and depreciation expense from the HyCube and Tradeport facilities, and corporate expenses during 2019.

Finance costs - net			USD
	2020	2019	Change %
Financial income	24,360	6,803	258.1%
Financial costs	(476,991)	(227,434)	109.7%
Currency translation differences	(378,254)	(150,940)	150.6%
Finance income/(costs), net	**(830,885)**	**(371,571)**	**123.6%**
Change in fair value of liabilities	(382,286)	(1,027,286)	(62.8%)
Gain on financial assets	327,624	-	-
Finance costs - net	**(885,547)**	**(1,398,857)**	**(36.7%)**

Finance costs decreased by 37% to USD 0.9 million in 2020, down from USD 1.4 million in 2019. Changes to fair value of liabilities decreased by 63% to USD 0.4 million in 2020, down from USD 1.0 million in 2019 due to the convertible loan that was converted into common shares during April 2020. In addition, the gain on financial assets of USD 0.3 million in 2020 from the payroll protection program was offset by financial costs which increased by 110% to USD 0.4 million in 2020, from USD 0.2 million in 2019 driven by the interest expense associated with the lease liability for the Orlando facility. Currency translation differences increased by 151% to USD 0.4 million in 2020, up from USD 0.2 million in 2019 as a result of currency fluctuations between the US dollar and the Norwegian krone.

Operating profit/(loss), EBITDA, and adjusted EBITDA

Total operating expenses			USD
	2020	2019	Change %
Loss before income tax	(9,945,745)	(5,707,922)	74.2%
Finance costs - net	(885,547)	(1,398,857)	(36.7%)
Operating profit/(loss)	**(9,060,199)**	**(4,309,064)**	**110.3%**
Non-recurring losses	-	562,408	-
Depreciation and Amortization	1,019,317	404,481	152.0%
EBITDA	**(8,040,882)**	**(3,342,175)**	**140.6%**
Share based compensation expense	1,508,816	-	-
Adjusted EBITDA[1]	**(6,532,066)**	**(3,342,175)**	**95.4%**

1) Adjusted for non-cash items

Operating loss increased by 110% to USD 9.1 million in 2020, up from USD 4.3 million in 2019. Higher operating expenses from launching the Orlando facility and additional resources at corporate in anticipation of new facilities that will open during 2021 resulted in an increased operating loss compared to 2019.

Negative EBITDA increased by 141% to USD 8.0 million in 2020, up from negative EBITDA of USD 3.3 million in 2019. Adjusted negative EBITDA for non-cash items from share-based compensation expense increased by 95% to USD 6.5 million, up from negative EBITDA of USD 3.3 million in 2019. Employee-related expenses in addition to higher operating expenses from opening the Orlando facility and new corporate hires in anticipation of 2021 expansion, resulted in higher negative EBITDA in 2020 compared to negative EBITDA in 2019.

FINANCIAL POSITION

Balance sheet

Kalera had total assets of USD 155.1 million at the end of 2020, of which USD 113.9 million are current assets and USD 41.1 million are non-current assets.

These assets were financed by total equity of USD 144.1 million at the end of 2020, non-current liabilities of USD 9.6 million and current liabilities of USD 1.4 million.

Inventory amounted to USD 0.1 million at the end of 2020. No inventory was recorded during 2019. Trade and other receivables increased by 817% to USD 3.6 million in 2020, up from USD 0.4 million in 2019. The increase was driven by guarantee deposits for new leases in the amount of USD 3.1 million in 2020, up from USD 0.4 million in 2019.

Overall, net working capital amounted to USD 0.6 million in 2020. Short-term receivables in addition to inventory increase by USD 0.6 million while trade and other payables increased by USD 1.2 million when compared to 2019.

Non-current assets increased to USD 41.1 million at the end of 2020 compared to USD 12.8 million at the end of 2019, mainly reflecting increases of USD 20.3 million in fixed assets and USD 5.3 million in right-of-use assets when compared to 2019. Fixed assets totaled USD 28.0 million at year-end, up from USD 7.7 million in 2019 driven by the construction of new facilities.

Total shareholders' equity amounted to USD 144.1 million at the end of 2020, up from USD 7.3 million at the end of 2019. During 2020, we significantly strengthened our equity position primarily due to capital raises totaling USD 145.3 million in net proceeds.

Total liabilities amounted to USD 11.0 million, compared to USD 8.9 million at the end of 2019. Non-current liabilities increased to USD 9.6 million from USD 3.6 million. Lease liabilities of USD 9.5 million are included in non-current liabilities.

Current liabilities decreased to USD 1.4 million from USD 5.3 million. The decrease is mainly explained by the conversion of the convertible loan of USD 4.2 million in April 2020.

Cash flow and funding

Total operating expenses	USD	USD
	2020	2019
Operating activities	(9,630,216)	(3,412,464)
Investing activities	(20,845,853)	(5,667,960)
Financing activities	140,439,836	10,502,314
Currency adjustments	(5,243)	(76,794)
Net change in cash and cash equivalents	109,958,524	1,345,096
Cash and cash equivalents 1/1	3,394,796	2,049,700
Cash and cash equivalents 31/12	**113,353,320**	**3,394,796**

Negative cash flow from operating activities was USD 9.6 million in 2020, compared with negative cash flow from operating activities of USD 3.4 million in 2019. The negative operating cash flow is mainly the result of employee-related expenses, operating costs related to the Orlando facility launch, and new corporate hires in anticipation of new facilities to open during 2021.

Cash flow used for investing activities was USD 20.8 million in 2020, compared to USD 5.7 million in 2019. This included USD 5.9 million for the Orlando facility that opened during 2020 on-time and on-budget.

Cash inflow from financing activities was USD 140.4 million in 2020, mainly reflecting the various capital raises during the year of USD 145.3 million in net proceeds and an expense of USD 4.7 million from conversion of the convertible loan during April 2020.

As a result, there was a net cash inflow of USD 110.0 million in 2020 compared to a net cash inflow of USD 1.3 million in 2019. Total cash and cash equivalents at year-end were USD 113.4 million in 2020 including USD 5,243 from the effect of foreign exchange rate on cash and cash equivalents, compared to cash and cash equivalents of USD 3.4 million at year-end 2019 including USD 76,794 from the effect of foreign exchange rate on cash and cash equivalents.

Parent Company Review

The Board of Directors proposes to cover the net loss of NOK 125,274,872 by transfer of NOK 125,274,872 to other equity. Total equity at the end of 2020 is NOK 1,434,477,105.

Risk Management

The Board of Directors oversees the risk management process and carries out annual reviews of the Group's most important areas of exposure in addition to getting risk updates at board meetings.

Risk Factors

Based on the information currently known to us, we believe that the following information identifies the most significant risks affecting our business. Any of the factors described below, or any other risk factor discussed elsewhere in this report, could negatively impact our results.

Strategic risk and external factors

The Group is in an early commercial phase, and is highly dependent on a successful roll-out and commercialization strategy for its products.

In 2020, the Group started to execute a strategy for rapid capacity expansion based on installing and operating large-scale production facilities allowing the Group to target and expand its customer base to large US regional and national accounts such as grocery chains, distributors and contract food service companies. The Group is also seeking to establish itself internationally. The Group's failure to execute its roll-out and commercialization strategy or to manage its growth effectively could adversely affect the Group's business, financial condition, results of operations, cash flow and/or prospects.

Response: During 2020, Kalera established relationships with key customers passing the proof of concept stage and allowing the Company to solidify its position as leading supplier of high quality leafy greens. These key customers have increased demand for our products allowing us to expand commercialization strategy and product portfolio.

The Group is facing and will continue to face competition from other companies

The Group competes in an industry still under establishment that is competitive and expanding. Competition comes from both traditional farming and other vertical farming companies. The Group expects to continue to experience competition from existing and new competitors, some of which are more established and who may have (i) greater capital and/or commercial, marketing and technical resources, and/or (ii) more superior brand recognition than the Group.

Response: The Group believes that its business strategy and production methods enjoy a number of key advantages compared to its competitors that will enable the Group to compete successfully and bring an affordable product to the market that is priced below that of organic but that has superior quality.

The Group is reliant on key personnel and the ability to attract new, qualified personnel

The Group depends on having a qualified team and is therefore reliant on key personnel and the ability to retain and attract new, qualified personnel. The loss of a key person might impede the achievement of the development and commercial objectives. Competition for key personnel with the required competencies and experience is intense, and expected to remain so.

Response: The Group focuses on talent management and continues to develop organizational culture. We are continuously improving and adapting our internal policies to attract and retain key talent.

COVID-19

The Group's performance is affected by the global economic conditions in the market in which it operates

The global economy has been experiencing a period of uncertainty since the outbreak of COVID-19, which was recognized as a pandemic by the World Health Organization in March 2020 when we opened our Orlando large-scale facility. The global outbreak of COVID-19 had a significant impact on our customers, operations and employees. This has also increased the uncertainty in our business outlook and limited our foodservice customers' ability to operate.

Response: The Group had to make adjustments to the strategy and Orlando facility to be able to address the needs of the retail market as the foodservice market was closed or operating at less than 25% capacity during the last three quarters of 2020 right after the opening of our Orlando large-scale facility. We were successful and now retail is a core strategy for the Group and continues to grow driven by the importance of having local food production capabilities especially given the disruption to national and global supply chains.

Operational risk

The commercial success of the Group is dependent on the Group's ability to enter into distribution agreements and other agreements with third parties

The Group's large-scale production facilities in general serve customers within a 500-kilometer (km) radius of the relevant facility. As the Group continues its roll-out plan by building new facilities, it will be dependent on entering into produce distribution agreements with new customers located within the target radius or renegotiating existing produce distribution agreements to also cover such new areas.

Response: The Group's strategy is to expand its distribution network to serve our customers throughout the United States and internationally, strengthening our value proposition to large-scale foodservice chains and retailers looking for a single source for all their leafy greens.

A delay in the completion of, or cost overruns in relation to, the construction of new facilities may affect the Group's ability to achieve its operational plan and full schedule of production, thereby adversely impacting the Group's business and results of operations

As of the date of this report, the Group has six facilities under construction. Further, pursuant to our current roll-out plan, the Group will start construction of several new large-scale facilities in the US and internationally. For customizing the buildings, the Group relies on third party constructors and other service providers. Any delay by such third parties in the completion of construction may result in a deferral of revenues expected to be received by the Group from operations as a result of the commencement of full-scale operations on a date later than initially expected, thereby adversely impacting the Group's business and results of operations.

Response: Given that the Group has completed the construction of four facilities, all built on-time and on-budget, we anticipate this track record of success and the management team's experience on these projects will minimize this risk and increase the probability of success. Also, during Q1 2021 the Group implemented new IT systems that will allow the Group to digitally monitor and control the entire design and development process from one single data repository, increasing internal controls and management of each new project.

The Group faces risks inherent in the agriculture business, including the risks of diseases and pests

The Group is producing lettuce and chicory inside a growing facility. They are subject to the risks inherent in an agricultural business, such as downtime of equipment, plant and seed diseases and similar agricultural risks, which may include crop losses. Although the grocery will be grown in climate-controlled circumstances, there can be no assurance that natural elements will not have an effect on the production of these products.

Response: The Group has been perfecting plant science for more than 12 years to mitigate potential production issues that could affect output. Besides, building and operating the Orlando large-scale facility for more than one year has given the Group additional experience and know-how in mass-scale production environments that are now employed at the Atlanta facility and all future facilities to mitigate these risks.

Financial and market risk

Failure to obtain necessary capital when needed could force the Group to delay, limit, reduce or terminate its product development or commercialization efforts

The Company will require additional capital in the future to further pursue its business plan, and may require additional capital due to unforeseen liabilities, delayed or failed technical or commercial launch of its products and services or for it to take advantage of opportunities that may be presented to it.

Response: The Group has been able to successfully access capital for investment into its expansion plan, including organic and inorganic growth. It started 2021 with a strong cash position of USD 113.4 milllion. We believe that the Group will continue to attract investors as it continues to execute on its plans and besides the complexities in the marketplace presented by COVID-19, the Group is strategically positioned to become cash flow positive in the near future.

Interest-rate risk

The Group has no debt on its balance sheet and liabilities arise only from its building leases. We consider the direct risk associated with interest rate fluctuations is low. The Group might enter into loan or debt agreements in the future as part of its expansion strategy.

Foreign currency risk

The Group is exposed to foreign exchange risk. Given that the Group has selected the USD as its functional currency, future international expansion into foreign non-USD denominated economies, may impact profit margin.

Credit risk

The Group is exposed to credit risk related to customers. The Company has historically not suffered any write-offs from receivables. As the Group's revenues continue to grow, there could be increased risk of not being able to collect from customers and this may impact its profit margin.

Legal and compliance

The Group may become subject to litigation

The Group may become subject to litigation and disputes. Whether or not the Group ultimately prevails, legal disputes are costly and can divert Management's attention from the Group's business. A settlement or an unfavorable outcome in a legal dispute could have an adverse effect on the Group's business, financial condition, results of operations, cash flows, time to market and/or prospects.

Response: The Group follows very high standards in terms of quality assurance. The Group is also in the process of implementing an SQF certification in order to raise the standards of quality above those required by the industry. We believe these activities should limit potential liability.

The Group is exposed to risks related to regulatory processes and changes in regulatory environment

The manufacture and marketing of food products is highly regulated in the United States, and the Group is subject to a variety of laws and regulations. These laws and regulations apply to many aspects of the Group's business, including the manufacture, packaging, labeling, distribution, advertising, sale, quality, safety of its products, employees, and the environment.

Response: The Group follows strict processes and procedures at its existing facilities. The Group consults with industry experts for not only complying with existing regulations but also strives to implement higher standards of food safety, controls, and processes than those required by regulated environments. These actions are implemented to improve our operations and mitigate any potential effects from changes in regulations.

KALERA'S ESG APPROACH

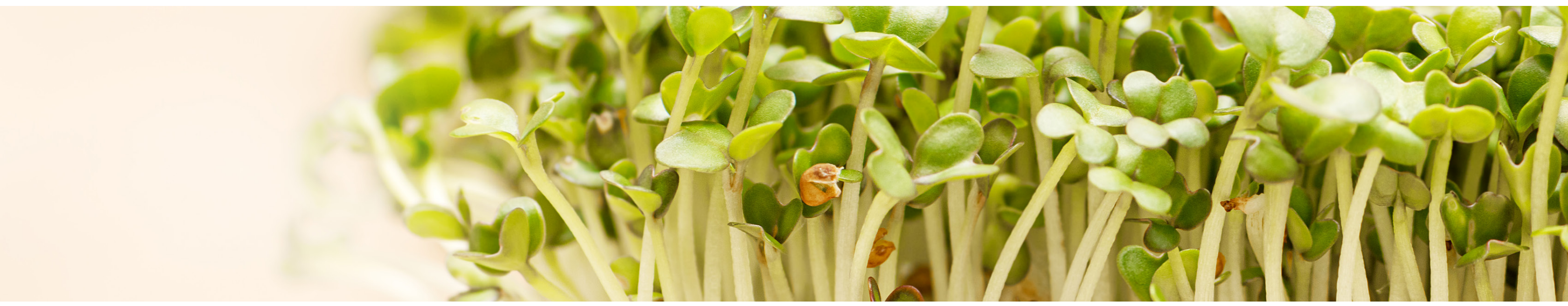
ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) FOCUS

By the nature of its business, Kalera has a strong ESG profile. Kalera is at the forefront of Controlled-Environment Agriculture (CEA), which is transforming produce farming, addressing mounting global challenges with regard to water stress, arable land erosion, fresh produce availability, quality and safety, and the climate impact of traditional, long-distance perishable food supply chains.

Kalera is committed to developing ESG indicator tracking and reporting processes and systems, in accordance to accepted reporting standards. As the company's expanding list of production facilities become fully operational, data collection will expand in support of ESG KPI reporting.

UN SUSTAINABLE DEVELOPMENT GOALS FOCUS

As a leader in vertical farming Kalera believes that advancing the UN Sustainable Development Goals (SDG) demands new approaches and continued innovation in fresh vegetable production. The company has identified several UN SDGs that are directly aligned with its business goals.



SDGs addressed by Kalera include:

#2 – ZERO HUNGER

Kalera grows and distributes reliable, nutritious produce with yield 300 times greater than traditional farming, utilizing technological advantages to both grow more food and distribute it efficiently. This contributes directly to the second UN SDG of working towards zero hunger by 2030. Additionally, Kalera's partnership with the Second Harvest Food Bank engages communities in an effort to help end hunger.

#3 – GOOD HEALTH AND WELL BEING

Kalera believes everyone should be able to afford to eat safe, fresh, and healthy produce, which is made possible by its high yields of pesticide-free, nutritious leafy vegetables. Through a combination of optimized growing conditions, plant genetics, and greatly shortened supply chains, the company has the ability to maximize the nutritional value of its produce for the benefit of consumers.

#5 – GENDER EQUALITY

With a growing number of work opportunities in all areas of operations, Kalera encourages equal representation and equal pay among genders when filling positions at all levels of responsibility. Kalera's employee guidebook has explicit direction on supporting ethical "moral north star" practices in behavior, conduct, and through policy, including gender equality.

#8 – DECENT WORK AND ECONOMIC GROWTH

Kalera provides meaningful work and economic growth through careers in varied and diverse areas including but not limited to harvesting, packing, logistics, horticulture, operations, sales, marketing, engineering, and information technology services. As the company grows, more and more of these positions will be needed, further driving growth.

#9 – INDUSTRY, INNOVATION, AND INFRASTRUCTURE

Kalera continues to be on the forefront of indoor farming technology. Kalera's proprietary technology continuously collects data and automates plant management. Real-time data points such as temperature, humidity, light intensity, productivity, plant weight and health are all collected and reported as KPIs to support data driven decisions. recirculated irrigation system consumes 95% less water than traditional farming. In June 2020 the company announced the development of effective light recipes to increase the nutritional quality of indoor-grown red-leaf lettuce. In February 2021, Kalera announced that is has acquired Vindara, the first company dedicated to using Machine Learning for developing non-GMO plant varieties optimized for Controlled Environment Agriculture.

#12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

All of Kalera's produce is grown responsibly without the use of pesticides, without chemical runoffs, and with ~95% less water than traditional farming. By producing food locally, within major urban areas, and delivering fresh produce with extended shelf life, Kalera helps reducing food waste at all levels of the food supply chain.

#13 – CLIMATE ACTION

Kalera helps reducing the climate impact of food production by supplying locally produced food in order to reduce the CO2 footprint of traditional long-distance refrigerated food supply chains. Kalera's approach helps improving food supply resilience in face of climate-related hazards, water stress, and accelerated arable soil erosion.

#14 – LIFE BELOW WATER

Kalera's recirculated irrigation system helps life below water by eliminating fertilizer runoff, which is a leading source of pollution in waterways, and the root cause for algal blooms.

#15 – LIFE ON LAND

By growing plants indoors in vertically stacked systems, Kalera contributes to preserving forested land for wildlife, helping therefore to protect biodiversity. At the same time, traditional agriculture is responsible for nearly half of worldwide deforestation.

EXTERNAL ENVIRONMENT

There are no aspects during the entire lifecycle of leafy greans production that could lead to contamination or pollution of the external environment to any extent.

FUTURE OUTLOOK

Kalera is poised to continue executing its sustained growth plans throughout 2021 and beyond. The company recently opened a production facility that is one of the largest hydroponic indoor farms in the United States. Kalera is also very well-positioned to continue its industry-leading and sustainable expansion plan in the near future, with a particular emphasis on addressing SDGs and implementing further ESG policies.

CLIMATE CHANGE

OUR APPROACH TO CLIMATE RESILIENCE

Historically, traditional agricultural methods have always been at the mercy of climate and environmental changes. Our business model has removed the dependence on natural climate from our crop production equation by creating our own balanced, indoor farming systems. The effect of this has been far-reaching as it also helps local communities become more resilient to climate change in the form of food security. Rain or shine, Kalera will be here to keep feeding our people.

We've managed to circumvent some of the biggest issues that weather has had on the farming industry. But the core issue of climate change still needs to be addressed — especially in terms of product packaging and powering our facilities. This is why fighting global warming still remains one of our top priorities as a business founded on the principle of protecting the Earth. Our sustainability approach gives a more detailed outline explaining how we are employing environmentally-conscious practices in our business.

BUSINESS CONTINUITY AND CLIMATE CHANGE

A key part of business continuity for Kalera is "climate-proofing" our farming practices by creating optimal indoor environments for plant cultivation. However, this doesn't mean that indirect effects of climate change aren't deeply felt in our business— especially through means such as public policy and market shifts. Other areas of our value chain such as packaging, transportation of produce, and powering of our facilities are particularly vulnerable to such indirect environmental risks.

This is why our Board and management team are always staying up-to-date with the latest changes in government policies regarding energy. We want to stay ahead of challenges, and not just respond to threats as they arise. With this strategy in mind, we are constantly assessing its effect on our long-term business growth and daily operations while designing solutions to our challenges in the near future.

MANAGING WATER IN OUR OPERATIONS

Global demand for clean, usable water is growing on a daily basis. But its availability is shrinking due to a combination of environmental, industrial, political, and social factors. A big part of our growing water imbalance comes from traditional farming methods, and it is estimated that 70% of the world's total water withdrawals come from agriculture, and this increases up to 90% for developing nations.

Kalera is solving this problem by making water conservation an inextricable part of our farming methods. With our closed-loop nutrient distribution system, any water unused by our plants or evaporated into the air remains within the system for recycling.

This allows us to consume approximately 95% less water than traditional farming methods — enabling a more water sustainable future for food production.

Because every drop counts, we have also taken precision farming to the next level — especially in terms of water consumption. We employ IoT-based automation, "big data" analytics, and AI technology to control water quality and volume.

MATERIAL CONTRACTS

Kalera has entered into certain material contracts in the ordinary course of business which are key to our operations and/or roll out plan. These are our lease agreements for the large-scale production facilities and the supplier agreement with Signify (Philips) for the LED grow lights used in the production facilities.

The lease agreements for the large-scale production facilities are all long-term agreements with extension options while our agreement with Signify (Philips) remains in force until the earlier of 31 December 2022 and the Group buying USD 10 million worth of products.

INTELLECTUAL PROPERTY RIGHTS

Kalera's intellectual property mainly relates to production processes and methods, plant nutrient mixture formulas, custom hardware and software code as well as its trademarks and is an inherent part of our business strategy. We believe its success depends, at least in part, on our ability to further develop and protect our intellectual property. It relies on a combination of patents, trade secrets and know-how which are protected through limiting access to key information, confidentiality provisions in agreements, confidentiality procedures and IT security.

R&D ACTIVITIES

We performed internal R&D activities during 2020 to validate our nutrient, light, and climate recipes for all variates growing in our system. We also performed research activities regarding testing and selection of plant varieties. Finally, we performed development of enhanced nutrient algorithms and procedures.

PEOPLE AND WORK ENVIRONMENT

Kalera is a heavily technology-driven company, but people will always remain at the heart of our purpose and practices. Without our employees, customers, partners, and the wider community, Kalera would not have seen the success that it's achieved. Because we've received so much, it's only natural for us to give back to each individual.

We're doing this by having a culture of care as the core value of all that we do for our people — whether it comes to internal or external relationships. We want to see each person that's part of the Kalera community grow and thrive.

We embrace inclusivity, social connection, safety, innovation, and compassion as part of our workplace environment for our employees. Within the wider community, we've partnered with organizations like Up Orlando to fight hunger and bring hope to those in need.

Regardless of the nature of each contributor's relationship with Kalera, we see each person as an individual to support and grow alongside us.

Culture

Kalera's culture is based on empowering people to play a key role in accelerating innovation and cooperation in the work environment. Our model is to entrust our teams at each facility and location to shape a worldwide organization.

Our core values are:

- **Do the Right Thing, Always!**
- **Own it, All of It!**
- **Grow the Future!**

We implemented these during 2020 fostering an ownership and responsibility mindset. We also implemented a number of policies including diversity, equality, cooperation, and dignity in the work place. With the hiring of our Head of Human Resources, we implemented these during the year so that every employee embraces our culture and values at the time of joining Kalera.

At the end of 2020, the Group had 107 employees. The number of employees increased by 106% from 52 at the end of 2019. The increase reflects increased plant personnel given the opening of the Orlando facility in Q1 2020 and additional corporate resources for new facilities to open during 2021.

We closed 2020 with no record of accidents at our production facilities or headquarters. The sick-leave percentage during the year was less than 4.6% despite the COVID-19 outbreak.

Non-discrimination, equality and diversity

The Board of Directors' work actively with the Management Team to enhance diversity and overall people's focus.

Diversity is also part of our annual management business review. The Group is based on a diverse composition of skilled workforce in precision agriculture.

With 11 different nationalities represented at the Company's headquarters, Kalera has a unique position for fostering an inclusive and diverse company culture.

The Group has implemented a Non-Discrimination Policy: All Kalera employees shall be treated equally and with dignity, courtesy, and respect. Kalera prohibits any form of discrimination against and/or harassment of employees or applicants for employment due to race, color, nationality or ethnic origin, age, religion, disability, political opinions, gender or sexual orientation. Kalera's organizational culture shall be characterized by openness and good internal communication so that any misconduct or problems can be addressed, discussed and resolved promptly. Kalera's employees are encouraged to report any incident of discrimination to their nearest leader or Human Resources. Retaliation against any employee who has reported misconduct is prohibited.

The Management Team consists of 4 men and 2 women, whilst the Board of Directors consists of 6 male and 2 female elected members.

Corporate Governance

Kalera's corporate governance structure is based on the principles of efficiency, transparency, and accountability to protect stakeholder and shareholder interests. Our Board of Directors directly oversees and approves any business planning and strategy implementation efforts in collaboration with Management. This includes areas such as commercial strategy, financial management, risk assessments, technology and innovation, people and culture, sustainability, customer relations, and compliance. Our governance structure allows our Board to have close feedback with day-to-day business operations, allowing us to stay agile and make swift decisions in an era where adaptability is the key to survival. The guidelines also meet the disclosure requirements of the Norwegian Accounting Act and the Securities Trading Act.

Shareholder Matters

Kalera AS shares are listed on the Euronext Growth Oslo under the ticker KAL. Kalera shares closed at USD 3.77 at year-end 2020, corresponding to a market capitalization of USD 608.5 million.

Kalera had 161.0 million shares outstanding and approximately 800 shareholders at the end of 2020. The top 20 shareholders held 74.9% of the registered shares.

20 April 2021

Bjørge 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

Consolidated Income Statement and Other Comprehensive Income

Expressed in USD		Year Ended 31 December	
Continuing Operations	**Note**	**2020**	**2019**
Total revenue	**3**	**886,675**	**101,230**
Raw materials and consumables used	4	391,499	12,890
Wages and benefits expense	5	4,623,275	2,092,401
Share based compensation expense	12	1,508,816	-
Depreciation and amortization expense	8, 9	1,019,317	404,481
Other expenses	6	2,403,967	1,338,114
Other gains (losses)	15	-	(562,408)
Operating loss		**(9,060,199)**	**(4,309,064)**
Finance income/(costs), net	10	(830,885)	(371,571)
Change in fair value of liabilities	10, 17	(382,286)	(1,027,286)
Gain on financial assets	10, 15	327,624	-
Finance costs - net		**(885,547)**	**(1,398,857)**
Loss before income tax		**(9,945,745)**	**(5,707,922)**
Income tax expense	13	-	-
Loss for the year		**(9,945,745)**	**(5,707,922)**
Other comprehensive income:		-	-
Total comprehensive (loss) for the year		**(9,945,745)**	**(5,707,922)**

Earnings per share		
Basic earnings per share	(0.087)	(0.092)
Diluted earnings per share	(0.087)	(0.092)

The notes 1 - 18 are an integral part of these consolidated financial statements

Consolidated Statement of Financial Position

Expressed in USD		As of 31 December	
	Note	**2020**	**2019**
Assets			
Property, plant and equipment	8	28,013,509	7,690,337
Right-of-use asset (net)	9	9,279,427	3,952,293
Intangible assets	11	685,732	685,732
Deposits and other receivables	2	3,148,179	389,945
Total non-current assets		**41,126,847**	**12,718,307**
Current assets			
Trade and other receivables	2	486,771	6,348
Inventory	7	103,925	-
Cash and cash equivalents	1	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			
Equity attributable to owners of the parent			
Share capital	16	194,204	98,231
Share premium	16	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	9	9,534,876	3,570,256
Total non-current liabilities		**9,596,501**	**3,615,893**
Current liabilities			
Trade and other payables	2	1,214,147	167
Accrued liabilities		-	592,087
Convertible loans	17	-	4,223,286
Provision for other liabilities and charges		-	4,681
Short term lease liabilities	2, 9	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 - 18 are an integral part of these consolidated financial statements

20 April 2021

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Member of the Board

Sonny Perdue
Member of the Board

Maria Sastre
Member of the Board

Erik Sauar
Member of the Board

Consolidated Statement of Cash Flows

Expressed in USD		Year Ended 31 December	
	Note	2020	2019
Cash flows from operating activities			
Profit before income tax		(9,945,745)	(5,707,922)
Adjustments for:			
- Depreciation and amortization	8, 9	1,019,317	404,481
- Share based compensation	12	1,508,816	-
- Finance costs - net	10	503,261	427,302
- Trade, deposits and other receivables		(3,103,523)	82,131
- Trade and other payables	2	381,353	(158,301)
- Change in Inventory	7	(103,925)	-
- Net loss on operating assets	15	-	562,408
- Change in fair value of assets and liabilities	17	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	8	(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			
Proceed from issuance of shares	16	140,618,747	7,739,702
Proceeds from borrowings	17	-	3,000,000
Proceeds from forgiven loan	15	327,624	-
Repayment of loans and lease liabilities		(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
Effects of exchange rate changes 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 convertible loan to shares		4,676,591	
Write-off of loan to associates			562,408

The notes 1 - 18 are an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity

Expressed in USD	Note	Share Capital	Share Premium	Share Based	Other Reserves	Total Equity
Opening balance 2019		81,357	14,178,643	-	(9,039,145)	5,220,855
Issue of shares	16	16,874	7,722,830	-	-	7,739,704
Loss for the year		-	-	-	(5,707,921)	(5,707,921)
Balance, 31 December 2020		**98,231**	**21,901,473**	**-**	**(14,747,066)**	**7,252,638**
Issue of shares	16	95,973	145,199,366	-	-	145,295,339
Share based compensation	12	-	-	1,508,816	-	1,508,816
Loss for the year		-	-	-	(9,945,745)	(9,945,745)
Balance, 31 December 2020		**194,204**	**167,100,839**	**1,508,816**	**(24,692,810)**	**144,111,049**

The notes 1 - 18 are an integral part of these consolidated financial statements

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

Accounting Principles

General Information

Kalera AS ("the Company") and its subsidiaries (together, the "Kalera Group", or "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 building new plants in several locations, including Texas, Ohio, Colorado, Washington, Hawaii, and Minnesota. Also, the Group holds a license to patented technology related to geopolymer concrete through its subsidiary Iveron Materials, Inc. The registered office for Kalera AS is Tjuvholmen allé 19, 0252 Oslo, Norway.

The Kalera Group includes the following subsidiaries:

Kalera Group Subsidiaries	Office	Ownership
Kalera Inc.	Orlando, FL	100%
Iveron Materials Inc.	Orlando, FL	100%
Kalera Real Estate Holdings LLC[1]	Orlando, FL	100%
Vindara Inc.[2]	Orlando, FL	100%

1) Incorporated on 11 February, 2021

2) Acquired on 10 March, 2021

In October 2020, the Company was admitted to the Euronext Growth Oslo exchange under the ticker code KAL. Previous to Euronext Growth Oslo, the shares were registered on the N-OTC since 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.

Basis of Preparation

The consolidated financial statements of Kalera Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Company's financial statements have been prepared and presented in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles of Norway. The consolidated financial statements have been prepared under the historical cost convention and are presented in USD.

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

Basis of Consolidation

Historical cost convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities at fair value through the income statement.

Preparing financial statements in conformity with IFRS requires the management to use estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. Estimates and associated assumptions are based on historical experience and other factors regarded as reasonable in the circumstances. The actual result can vary from these estimates.

New and revised standards – adopted and not yet effective

There are no IFRS' or IFRIC interpretations that are adopted or not yet effective that are expected to have a material impact on the Group.

Principles of Consolidation

The consolidated financial statements comprise the Company's financial statements and its subsidiaries as at 31 December 2020.

Segment reporting

Our chief operating decision maker, or the CODM, being our Board of Directors, measures performance based on our overall return to shareholders based on consolidated net income. The CODM does not review a measure of operating result at a lower level than the consolidated group and we only have one reportable segment.

Subsidiaries

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.

Revenue Recognition

The Group recognizes revenue when control of a good or service transfers to a 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.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Leases

The Group recognizes a right-of-use asset (RoU) and a lease liability at the lease commencement date. The RoU asset is calculated based on the lease liability, plus initial direct costs towards the lease, less incentives granted by the lessor when these are received. An estimate of costs to dismantle and restore the site to the appropriate condition are estimated and included in the RoU and lease liability.

The RoU asset is subsequently depreciated under the straight-line method over the shorter of the lease term or the useful life of the underlying asset and is included as part of depreciation and amortization in the consolidated statements of operations.

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's uses its incremental borrowing rate. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk

for leases held by Kalera Inc., which does not have recent third-party financing, and

- makes adjustments specific to the lease, eg. term, country, currency and security.

Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that the lessor holds. Leased assets may not be used as security for borrowing purposes.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Please see note 9 for further details.

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 on a straight-line basis over the following estimated useful lives of the assets:

- Furniture, fittings and equipment: 7 years
- Hydroponic systems: 15 years
- Vehicles: 6 years
- Right-of-use assets (RoU): Depreciated over the expected lifetime of underlying lease agreement.

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 value. Expenditures for maintenance and repairs 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, typically a production facility. Please see note 8 for further details.

Intangible Assets

Goodwill. In 2013, Kalera Inc. acquired Kalera AS from an accounting perspective with Kalera AS as the legal acquirer. Goodwill was recorded based on the difference between the historical cost at the time of acquisition and the fair value of identifiable assets and debt of the Company.

Goodwill impairment reviews are undertaken annually or more frequently if circumstances indicate potential impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each subsidiary that is expected to benefit from the synergies of the combination, representing the lowest level (the "Unit") within the entity at which the goodwill is monitored for internal management purposes. The carrying value of the Unit is compared to its recoverable amount as defined by IFRS. If the carrying amount of the Unit exceeds its fair value, an impairment charge is recorded equal to the amount by which the carrying value exceeds the recoverable, up to the amount of goodwill. The remainder would be allocated to other assets in the Company as appropriate.

The level of allocation for goodwill is at the subsidiary level under our operating unit Kalera Inc. For impairment purposes, we monitor goodwill at Kalera, Inc. which is the level the impairment test is performed.

Licenses. Licenses reflect payments to the Catholic University of America (CUA) for exclusive access to necessary patents used at Iveron Materials, Inc. for the geopolymer business. Licenses are recorded at historical cost and impairment reviews are undertaken annually or more frequently if circumstances indicate potential impairment.

When patents are approved in respective jurisdictions and revenue is recognized by the Group for such licenses, the licenses will begin amortization.

The Group considers the need for an impairment review when events occur that indicate the book value of a license asset may exceed its recoverable value. The level of allocation for licenses is at the subsidiary level under Iveron Materials, Inc. For impairment purposes, we monitor licenses at the level of Iveron Materials, Inc. which is the level the impairment test is performed.

Trade and Other Receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for expected credit losses.

Trade and other receivables are classified as current assets if settlement is due within one year. Other non-current receivables include cash deposits in the form of escrows or letters of credit that serve as guarantees as required by some of our existing lease contracts.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments once past due for a period greater than 120 days.

Impairment losses on trade receivables and contract assets are presented net of impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Trade and other receivables	2020	2019
Trade Receivable	90,920	5,974
Other Receivables	395,851	374
Total	486,771	6,348

Inventory

Inventories are measured at the lower of cost or net realizable value under the first-in-first-out principle. Cost includes both the production and acquisition costs of goods and components.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, inclusive of restricted holdings, and exclusive of guarantees from our lease liabilities that are included under deposits and other receivables. Cash and cash equivalents at year end 2020 were USD 113.4 million (USD 3.4 million at 31 December 2019). Restricted cash was USD 7,354 at 31 December 2020 (USD 6,735 at 31 December 2019).

Share Based Compensation Benefits

Share options have been allotted 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 the grant date is determined using the Black-Scholes Model that considers the option's exercise price, term, grant date, share price, expected price volatility, and risk-free interest rate.

The total expense is recognised over the vesting period, which is when all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Foreign Currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary balance sheet items in foreign currency are translated into the functional currency using the exchange rate at the balance sheet date. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within “finance income or cost“.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

Provisions

A provision is recognized when the Group has a present liability (legal or implicit) resulting from a past event that is both estimatable and probable of requiring economic outflow of resources to settle the liability. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Income Tax Expense

Tax expense consists of the tax payable and changes to deferred tax. Tax is recognized in the accompanying consolidated statements of operations, except to the extent 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 such, the Group currently has not booked deferred tax assets in the statement of financial position but will so when a taxable position becomes probable. This does not impact the future utilization of tax benefits.

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.

Use of Estimates

The preparation of the financial statements requires Management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Estimates and judgments are continually evaluated and are for 2020 based on expectations of future events that are believed to be reasonable under the circumstances. Actual results can differ from these estimates.

Critical Judgments in the Company’s Accounting Policies

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of production facilities, the following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate)
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate)
- Otherwise, the Group considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset

Most extension options in production facility leases have been included in the lease liability because the Group considers it at least reasonably likely that such extensions will be exercised.

As at 31 December 2020, potential future cash outflows of USD 16,925,462 (undiscounted) have been included in the lease liability because it is reasonably likely that the leases will be extended (or not terminated) (2019 of USD 6,149,707 - undiscounted).

Changes in Accounting Policies

There were no changes to the Group's accounting policies in 2020.

NOTE 2

Financial Risk and Capital Management

2.1 Financial Risk

The Group's activities expose it to a variety of financial risks, including market and liquidity risks. The Group seeks to minimize potential adverse effects of such risks to the Group's financial performance.

(a) Market risk

Foreign exchange risk

The risk is just limited to an operational account in Norwegian krones as everything is functional USD, so there are small revaluations on transactions and cash value. The amounts are therefore taken through the Income statement on a continuous basis.

Interest risk

The Group is currently not exposed to significant interest rate risk in relation to interest rates on borrowings. The Group has entered into several significant lease agreements in connection with production facilities expected to open in 2021, which bear an inherent interest rate risk. In the event of re-financing of the Group's current lease agreements, the market interest rates could constitute a risk for the Group. In addition, the Group expects to continue to open several additional production facilities in future years, consistent with its growth strategy. As such, the Group's future agreements will bear the risk of changes in the interest rate environment at the time of agreement. The Group is currently not exposed to any variable interest rate borrowings.

(b) Liquidity risk

Cash flow forecasting is performed by the Group. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational and strategic growth plans. In 2020, the Group obtained USD 145.3 million in funding through several private placement equity offerings. Although, the Group's cash from operating and investing activities provided a net cash outflow in 2020, the equity issuances are expected to provide sufficient funding to meet the Group's obligations and strategic operating goals through 2021. As of 31 December 2020, the Company had USD 113.4 million in cash-on-hand.

During 2020, the Group entered into non-contractual supply agreements for equipment purchases with an outstanding balance as of 31 December 2020 in the amount of USD 5,365,535 to secure equipment for its new facilities.

The table below analyses the Group's short-term and long-term contractual financial liabilities. The amounts disclosed in the table are based on the contractual undiscounted cash flows.

Liquidity table	Less than 12 months	1-5 years	More than 5 years
Trade and other payables	1,214,147	-	-
Lease liabilities	1,814,001	22,246,020	76,993,141
Borrowings	-	61,625	-

Includes all the extension options for all signed leases at the end of 31 December 2020.

(c) Credit Risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. However, we believe this risk is remote, as deposits are with an established financial institution.

Credit risk also arises from exposures to wholesale and retail customers, including outstanding receivables. These are currently not significant to the Group, and the majority are not overdue.

Trade receivables	2020	2019
Current	58,908	5,974
More than 30 days	20,404	-
More than 60 days	5,346	-
More than 90 days	6,262	-
Total	**90,920**	**5,974**

As of 31 December 2020, no significant receivables are overdue. Trade receivables include the sale of leafy greens associated with our core operations. Deposits include guarantees under our existing building lease agreements.

2.2 Capital Management

The Group's primary objectives in managing capital are to safeguard the Group's ability to continue as a going concern by executing the Group's growth strategy to provide returns for shareholders while maintaining an optimal capital structure and reducing the cost of capital. As such, the Group may continue to adjust its capital structure through additional share issuances, borrowings, leases, or other strategic financing mechanisms to meet operational and strategic needs, as appropriate.

The Group monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated balance sheet plus net debt.

The gearing ratio at 31 December was as follows:

	2020	2019
Total borrowings	9,745,667	8,269,878
Cash and cash equivalents	(113,353,320)	(3,394,796)
Net debt	(103,607,653)	4,875,082
Total equity	144,111,049	7,252,638
Total capital	40,503,396	12,127,720
Gearing ratio	**(255.8%)**	**40.2%**

NOTE 3

Revenue Recognition

Revenues from external customers originate from the sale of leafy greens on a wholesale (foodservice) and retail basis. Revenues of approximately USD 429,619 and USD 235,307 are derived from two single external customers in the year ended on 31 December 2020. Revenue is 100% generated in the United States of America.

Revenue	2020	2019
Sale of leafy greens	886,675	101,230
Total revenue	**886,675**	**101 230**

NOTE 4

Raw materials and consumables used

Raw materials and consumables used include direct production costs, including seeds, nutrients, and growing media consumed while planting, growing, and harvesting our leafy greens. Packaging costs include costs associated with retail and foodservice packaging materials related to serving both our foodservice and retail channels.

Raw materials and consumables used	2020	2019
Direct materials	178,920	6,511
Packaging	212,579	6,379
Total	**391,499**	**12,890**

NOTE 5

Employee benefit Expense

This expense relates to liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be fully settled within twelve months after the end of the period in which the employees render the related service. These costs are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The Group had on average 76 full-time employees during 2020, compared to 38 full-time employees during 2019.

Employee benefit expense*	2020	2019
Wages and Salaries	4,146,737	1,764,960
Social Security Costs	236,638	143,702
Other remuneration	239,900	183,739
Total	**4,623,275**	**2,092,401**

* Includes all costs related to Iveron Materials, Inc.

The Group had 107 and 57 employees as of 31 December 2020 and 2019, respectively. The Group is not required to provide pension plans for its employees. The Group has no outstanding employee loans.

2020 Management Team Compensation

Employee	Base salary	Bonus	Social security	Other benefits	Total
Daniel Malechuk	325,000	398,705*	19,086	52,800	795,591
Austin Martin	213,269	10,000	11,830	4,950	240,049
Fernando Cornejo	95,191	25,000	9,097	3,300	132,588
Cristian Toma	170,000	-	11,020	7,200	188,220
Keri Gasiorowski	9,615	75,000	6,528	300	91,443

* Includes USD 150,000 one-off bonus in 2020 related to the appointment as CEO

For share based compensation, please refer to Note 12.

2020 Board of Directors Compensation

Member	Base salary	Bonus	Granted Options[2]	Social security	Total
Bjorge Gretland[1]	141,506	-	-	18,520	160,026
Kim Axel Lopdrup	-	-	250,000	-	-

1. No other member of the of the Board has received any cash remuneration during 2020
2. In 2021 Maria Sastre and Sonny Perdue were granted 250,000 share options each

NOTE 6

Operating Expenses

Operating expenses*	2020	2019
General and administrative expenses	1,605,609	723,482
Research and development	99,338	98,616
Travel expenses	104,448	94,359
Legal/Consulting fees	594,571	421,657
Total	**2,403,966**	**1,338,114**

* Includes all costs related to Iveron Materials, Inc.

Audit remuneration:

Auditor remuneration* costs	2020	2019
Audit services	98,619	31,237
Other assurance services	-	-
Tax related services	-	-
Other non-assurance services	30,607	14,199
Total	**129,226**	**45,436**

* Includes VAT

NOTE 7

Inventories

The Group's inventory consists of finished goods and components. The latter comprises seeds, nutrients, and packaging. Finished goods include ready-to-deliver produce, including packaging. The Company did not carry inventory as of the end of 2019.

Inventory	2020	2019
Raw materials and supplies	37,722	-
Work in process	11,084	-
Finished goods	55,119	-
Total	**103,925**	**-**

NOTE 8

Property, Plant and Equipment

2019 Activity	Furniture, Fittings & Equipment	HyCube	Production Facilities	Assets under Construction	Total
Opening net book amount	218,214	1,658,054	666,753	-	2,543,021
Additions	86,980	106,071	37,041	5,174,381	5,404,473
Disposals	-	121,410	-	-	121,410
Depreciation charge	41,284	42,726	51,737	-	135,747
Closing net book amount	**263,910**	**1,599,989**	**652,057**	**5,174,381**	**7,690,337**
At 31 Dec. 2019					
Cost or valuation	436,110	1,663,907	784,689	5,174,381	8,059,087
Accumulated depreciation	172,200	63,918	132,632	-	368,750
Net book amount	**263,910**	**1,599,989**	**652,057**	**5,174,381**	**7,690,337**

2020 Activity	Furniture, Fittings & Equipment	HyCube	Production Facilities	Assets under Construction	Total
Opening net book amount	263,910	1,599,989	652,057	5,174,381	7,690,337
Additions	575,806	42,492	162,749	20,064,806	20,845,853
Transfer In (Out)	-	15,039	5,884,207	(5,899,246)	-
Disposals	-	-	-	-	-
Depreciation charge	75,589	43,642	403,450	-	522,681
Closing net book amount	**764,127**	**1,613,878**	**6,295,563**	**19,339,941**	**28,013,509**
At 31 Dec. 2020					
Cost or valuation	1,011,916	1,721,437	6,831,695	19,339,941	28,904,989
Accumulated depreciation	247,789	107,559	536,132	-	891,480
Net book amount	**764,127**	**1,613,878**	**6,295,563**	**19,339,941**	**28,013,509**
Average Depreciation rate	5-7 years	15 years	15 years		

NOTE 9

Leases

The Group's leases primarily consist of property, including the Company's large vertical growing facilities that were either operational, under construction, or announced as of 31 December 2020, including Atlanta, Houston, and Orlando. The Group also leases certain equipment and vehicles.

The Group applied a 6.0% incremental borrowing rate to lease liabilities as of 31 December 2020 and 2019.

Right-of-use asset	Vehicles & Equipment	Facility Leases	Total
Right-of-use (net), 1 January 2019	-	425,386	425,386
Additions	124,156	3,673,753	3,673,753
Depreciation charge	8,286	(262,716)	(262,716)
Total right-of-use (net), 31 December 2019	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 2019	-	425,386	425,386
Current lease liability	17,198	413,501	430,699
Non-current lease liability	94,587	3,475,669	3,570,256
Total lease liabilities, 31 December 2019	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

Maturity analysis - contractual undiscounted cash flows	2019
Total leasing payments first 12 months	485,771
Total leasing payments 1 - 5 years	3,145,035
Total leasing payments more than 5 years*	13,834,801
Total minimum lease payments	17,465,607

* Including USD 11.1 million in lease agreements starting in 2020

Maturity analysis - contractual undiscounted cash flows	2020
Total leasing payments first 12 months*	1,814,001
Total leasing payments 1 - 5 years*	22,246,020
Total leasing payments more than 5 years*	76,993,141
Total minimum lease payments	101,053,161

* Including USD 84.1 million in lease agreements starting in 2021

NOTE 10

Finance Costs and Income

Finance costs and income	2020	2019
Interest expense:		
Borrowings	114,635	200,486
Interest expense on lease liability	362,356	26,948
Currency exchange differences	378,254	150,940
Change in fair value of assets and liabilities	382,286	1,027,286
Finance costs	1,237,531	1,405,660
Finance income:		
Interest income on short term bank deposits	24,361	6,803
Gain on financial assets	327,624	-
Finance income	351,985	6,803
Net finance costs	885,546	1,398,857

NOTE 11

Intangibles

(a) Goodwill

In 2013, Kalera Inc acquired Kalera AS from an accounting perspective, with Kalera AS as the legal acquirer, resulting in Goodwill recorded for the cost to purchase the business over the fair market value of its tangible assets.

(b) Licenses

Licenses reflect payments to the Catholic University of America (CUA) for exclusive access to the necessary patents for Iveron Materials, Inc's Geopolymer business. The Group will begin amortization when patents are approved in respective jurisdictions and revenue is recognised by the Group. At such

	Licenses	Goodwill	Total
Year ended 31 December 2019			
Opening amount at cost	530,035	155,697	685,732
Net change	-	-	-
Closing net book amount	530,035	155,697	685,732
Year ended 31 December 2020			
Opening net book amount	530,035	155,697	685,732
Net change	-	-	-
Closing net book amount	530,035	155,697	685,732

NOTE 12

Employee Share-Based Option Program

In accordance with the authorization granted by the Group's annual general meeting, the Group's Board of Directors introduced a share option program for senior executives and key personnel employed by the Group and its subsidiaries (the "Program").

As of 31 December 2020, the Program included 11,030,000 shares outstanding with a term of 4 years as follows:

Employee share based option program	Weighted average share price	Number of shares
Granted	1.45	11,030,000
Exercised	-	0
Forfeited	-	0
Outstanding at 31 December 2020	1.45	11,030,000

The exercise price of options outstanding as of 31 December 2020 ranged between USD 0.75 to USD 2.75 per option, and their weighted average contractual life was 2.6 years. As of 31 December 2020, the weighted average fair value of each option granted during the year was USD 1.31.

Employee	Granted options
Daniel Malechuk	4,000,000
Austin Martin	1,600,000
Fernando Cornejo	1,100,000
Keri Gasiorowski	1,000,000

Option pricing model	2020
Weigthed average share price at grant date (USD)	1.45
Weighted average exercise price (USD)	1.25
Weighted average contractual life (years)	2.6
Expected volatility (%)	45.4%
Expected dividend growth rate (%)	0.0%
Risk-free interest rate (%)	0.9%
Share Based Compensation Expense	1,508,816

NOTE 13

Current and Deferred Income Tax

For the year ended 31 December 2020, the Group has incurred no taxable income and no tax expense. Accumulated loss carried forward as of 31 December 2020 is USD 49,995,126.

Deferred tax assets are recognized in the statement of financial position based on expected utilization of tax losses carried forward and temporary differences. The calculated deferred tax assets are not booked in the position of financial statement but will be booked when the Group becomes liable to cash tax payments. This has no consequences on the future utilization of deferred tax assets.

Deferred taxes	2020	2019
Temporary differences	(343,247)	-
Fixed assets	-	-
Tax loss carried forward Norway	(25,161,846)	(1,846,254)
Tax loss carried forward US	(24,490,032)	(13,151,246)
Temporary differences, in total	(49,995,126)	(14,997,500)
Deferred tax assets	(10,754,027)	(3,167,937)
Not recognised deferred tax asset	10,754,027	3,167,937
Profit and loss before taxes	(9,945,745)	(5,707,922)
Tax rate Norway	22.00%	22.00%
Tax rate US	21.00%	21.00%

NOTE 14

Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2020	2019
Loss from continuing operations	(9,945,744)	(5,707,922)
Weighted average number of shares	114,160,429	62,003,714
Basic earnings per share	(0.087)	(0.092)
Diluted earnings per share	(0.087)	(0.092)

NOTE 15

Non-Operating Gains and Losses

In 2020, the Group received a forgivable loan of USD 327,624 under the Payment Protection Program (PPP) stimulus package for Small and Medium-sized Enterprises (SME's) following the COVID-19 outbreak. In connection with the loan being forgiven in 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 16

Share Capital and Shareholder Information

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or other equity instruments are shown in equity as a deduction, net of tax, from the proceeds.

Share capital and shareholder information	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	1.42	9,461,785
Share issue	3,333,333	3,333,333	0.0011	2.87	9,482,473
Share issue	27,900,000	27,900,000	0.0011	3.01	85,951,534
At 31 December 2020	161,024,239	161,024,239			167,295,042

* Net of transaction costs

NOTE 17

Loans from Related Parties

In May 2019 the Group obtained a convertible loan of USD 3 million from LGT Global Invest Limited, a company within the same Group as the Company's shareholder LGT Bank AG. The loan agreement contained a conversion feature in the event of a qualifying equity raise by the Group. The loan (including accumulated interest) was converted into equity in the Company in April 2020 in line with the convertible loan agreement (see note 16 for details). The Company has not entered into any related party loans as of 31 December 2020.

Loan from LGT Global Investment Limited	2020	2019
Principal amount USD	-	3,000,000
Accrued interest USD	-	196,000
Fair value adjustments	-	1,027,286
Total	-	4,223,286

Kalera AS management has no material ownership nor a controlling interest in any entity that trades with the Group.

NOTE 18

Shareholders

Top 20 shareholders as of 31 December 2020:

	Top Shareholders	No. of Shares	% Outstanding	Location
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 31 December 2020	161,024,239	100.00%	

Shares owned/controlled by members of the Board and senior management as of 31 December, 2020:

Name	Function	Served since	Shares[1]
Bjørge Andre Gretland	Chairman	June 2013	5,166,177[2]
Erik Sauar	Director	June 2018	641,676[3]
Cristian Eugen Toma	Director	June 2013	5,347,412
Umur Hürsever	Director	August 2018	270,000[4]
Chris Logan	Director	November 2020	95,000[5]

1 Total number of Shares owned by directors as of 31 December 2020 is of 11,520,265
2 Bjørge Gretland owns the 5,166,177 Shares through his wholly owned Company Convexa AS
3 Erik Sauar owns the 641,676 Shares through his wholly owned Company Sauar Invest AS
4 Umur Hürsever owns the 270,000 Shares indirectly through a nominee arrangement whereby LGT Global / LGT Bank is the nominee shareholder and holds the shares
5 Chris Logan directly owns 95,000 Shares

NOTE 19

Events After the Balance Sheet Date

On 10 March 2021, the Company completed the acquisition of all the outstanding shares of Vindara Inc. a seed development company for indoor farming and other Controlled-Environment Agriculture (CEA) farming methods, please refer to note 20.

On 24 February 2021, the Company completed a Private Placement with a total transaction size of approximately NOK 262 million (equivalent to approximately USD 30 million) by allocating 5,750,000 shares in the Company at a price of NOK 45.50 per share. The capital increase was registered with the Norwegian Register of Business Enterprises on 10 March 2021.

On 11 March 2021, the Company announced that it had completed its newest facility in Atlanta, Georgia on-time and on-budget. Planting has already begun and the first harvest is expected at the end of April. A gradual production ramp-up will be achieved throughout 2021.

On 15 March 2021, the Company announced the purchase of a real estate facility in St. Paul, Minnesota, for a total purchase price of USD 3.7 million, which will be converted to a vertical farming facility.

NOTE 20

Business Combination

On 10 March 2020, the Group completed the acquisition of 100% of all the outstanding shares of Vindara, Inc. a seed development company in North Carolina. The acquisition included members of the management team and employees in addition to Intellectual Property (IP) associated with the business.

As the business combination was completed only a short time prior to publication of the financial statements, it has not been practicable to complete a purchase price allocation, other than significantly all the consideration is attributable to the intellectual property of Vindara, Inc. It has also not been practicable to disclose the pro forma contribution to revenue and profit and loss had the acquisition of Vindara, Inc. taken place on 1 January 2020.

KALERA AS FINANCIAL STATEMENTS

Income statement 2020 KALERA AS

Expressed in NOK

	Note	2020	2019
Payroll expenses	6	(1,511,048)	(1,581,230)
Other operating expenses	6,7	(1,686,158)	(1,289,382)
Total expenses		**(3,197,206)**	**(2,870,612)**
Operating result		**(3,197,206)**	**(2,870,612)**
Other financial income	10	6,335,060	4,724,091
Other financial expense	10	(951,773)	(1,721,859)
Currency gains and losses		(127,460,953)	155,940
Net financial items		**(122,077,665)**	**3,158,171**
Operating result before tax		**(125,274,872)**	**287,559**
Tax on ordinary result	4	-	-
Results of the year		**(125,274,872)**	**287,559**
Transfers			
Transfers to/from other equity		(125,274,872)	287,559
Total transfers and allocations		**(125,274,872)**	**287,559**

Balance sheet, 31 December, 2020
KALERA AS

Expressed in NOK

ASSETS	Note	2020	2019
Fixed assets			
Financial fixed assets			
Investments in subsidiaries	1	431,246,932	1,010,893
Other receivables		90,000	-
Loans to group companies	9	73,661,217	194,418,485
Total financial fixed assets		**504,998,150**	**195,429,378**
Total fixed assets		**504,998,150**	**195,429,378**
Current assets			
Receivables			
Other short term recievables		375,000	-
Total receivables		**375,000**	**-**
Bank deposits, cash in hand, etc		929,710,391	18,526,837
Total bank deposits, cash in hand, etc		**929,710,391**	**18,526,837**
Total current assets		**930,085,391**	**18,526,837**
Total assets		**1,435,083,541**	**213,956,215**

Balance sheet 31 December, 2020
KALERA AS

Expressed in NOK

EQUITY AND LIABILITIES	Note	2020	2019
Equity			
Paid-in capital			
Share capital	2,3	1,610,242	684,335
Share premium reserve	2,3	1,555,918,762	184,761,718
Share based compensation	3	13,859,289	-
Total paid-in capital		**1,571,388,293**	**185,446,053**
Retained earnings			
Other equity	3	(136,911,189)	390,992
Total retained earnings		**(136,911,189)**	**390,992**
Total equity		**1,434,477,105**	**185,837,045**
Liabilities			
Current liabilities			
Trade creditors		385,825	16,227
Public duties payable		91,888	41,104
Other short-term liabilities		128,723	-
Convertible loans	8	-	28,061,839
Total current liabilities		**606,436**	**28,119,170**
Total liabilities		**606,436**	**28,119,170**
Total equity and liabilities		**1,435,083,541**	**213,956,215**

20 April 2021

Bjørge 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

KALERA AS

Expressed in NOK

Statement of cash flows	Note	2020	2019
Cash flows from operating activities			
Profit before income tax		(125,274,872)	287,559
Adjustments for:			
- Trade and other payables		549,105	(34,368)
- Trade and other receivables		(465,000)	-
- Net accrued interests from financing and investing activities		(5,381,553)	(2,991,194)
- Currency effects		127,460,953	(155,940)
Net cash generated from operating activities		**(3,111,367)**	**(2,893,943)**
Cash flows from investing activities			
Net borrowings to group companies	9	(299,137,384)	(90,163,799)
Investments in subsidiary		(7,950,742)	-
Net cash used in investing activities		**(307,088,126)**	**(90,163,799)**
Cash from financing activities			
Proceed from issuance of shares	3	1,326,397,662	68,139,317
Proceeds from other borrowings	8	-	26,496,840
Net cash used in financing activities		**1,326,397,662**	**94,636,157**
Net change in cash and cash equivalents		**1,016,198,170**	**1,578,415**
Cash at the beginning of the period		18,526,837	16,948,422
Exchange gains/losses on cash and cash equivalents		(105,014,615)	-
Cash and cash equivalents at end of year		**929,710,391**	**18,526,837**

ACCOUNTING PRINCIPLES

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

Kalera AS has choosen to use Norwegian kroners (NOK) as the accounting currency in compliance with the Norwegian Accounting Act. §3-4.

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's installment on long-term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

General principle for assessment of balances

Assets are booked at the lowest of cost and fair value.

Investments in subsidiaries

The cost method is applied to investments in subsidiaries. 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 contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Impairment tests are carried out if there is indication that the carrying amount of an investment exceeds the estimated recoverable amount.

Liabilities

Liabilities, with the exception of borrowings, are recognized in the balance sheet at nominal amount. Borrowings are recognized at amortized cost.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognized as financial income and expenses.

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 relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry forward losses for tax purposes at the year-end a deferred tax asset is not recognised in the balance sheet at this time.

NOTE 1

Subsidiaries

At 31 December 2020	Office	Ownership	Equity	Booked value
Total equity and liabilities				
Kalera Inc.	Orlando, Florida	100 %	294,190,493	423,183,752
Iveron Materials Inc.	Orlando, Florida	100 %	4,523,645	8,063,180
Total				**431,246,932**

Intercompany loans between Kalera AS and its subsidiaries were converted to equity as of 30 November, 2020. New funding during December 2020 from Kalera AS to Kalera Inc. is recognized as intercompany loans (please see note 9). In addition, share based compensation for employees in subsidiaries of Kalera AS has been recognised as a capital contribution from Kalera AS towards the subsidiaries.

NOTE 2

Share capital and premium

Expressed in NOK

	Number of shares	Ordinary shares	Share face value	Share premium	Total
At 1 January 2020	**68,433,478**	**68,433,478**			**185,446,053**
Share issue	20,000,000	20,000,000	0,01	7,85	149,624,001
Conversion of loan	6,265,762	6,265,762	0,01	5,36	32,043,839
Fair value adjustment of convertible loan	-	-	-	-	12,027,308
Share issue	300,000	300,000	0,01	7,85	2,244,360
Share issue	25,401,600	25,401,600	0,01	7,53	182,371,937
Share issue	2,723,400	2,723,400	0,01	7,53	19,552,774
Share issue	6,666,666	6,666,666	0,01	14,29	90,737,288
Share issue	3,333,333	3,333,333	0,01	27,29	86,621,607
Share issue	27,900,000	27,900,000	0,01	29,99	796,859,836
At 31 December 2020	**161,024,239**	**161,024,239**			**1,557,529,004**

Shareholders

	Top Shareholders	No. of Shares	% Outstanding	Location
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 31 December 2020	161,024,239	100.00%	

Shares owned/controlled by members of the Board and senior management as of 31 December 2020

Name	Function	Served since	Shares[1]
Bjørge Andre Gretland	Chairman	June 2013	5,166,177[2]
Erik Sauar	Director	June 2018	641,676[3]
Cristian Eugen Toma	Director	June 2013	5,347,412
Umur Hürsever	Director	August 2018	270,000[4]
Chris Logan	Director	November 2020	95,000[5]

1 Total number of Shares owned by directors as of 31 December 2020 is of 11,520,265

2 Bjørge Gretland owns the 5,166,177 Shares through his wholly owned Company Convexa AS

3 Erik Sauar owns the 641,676 Shares through his wholly owned Company Sauar Invest AS

4 Umur Hürsever owns the 270,000 Shares indirectly through a nominee arrangement whereby LGT Global / LGT Bank is the nominee shareholder and holds the shares

5 Chris Logan directly owns 95,000 Shares

NOTE 3

Equity

Expressed in NOK

	Share capital	Share premium reserve	Share based compensation	Other equity	Total
Equity 31 December 2019	**684,335**	**184,761,718**	**-**	**390,992**	**185,837,045**
Share issue*	925,908	1,359,129,735	-	-	1,360,055,642
Share based compensation	-	0	13,859,289	-	13,859,289
Change in fair value of derivative**	-	12,027,309	-	(12,027,309)	-
Result of the year	-	-	-	(125,274,872)	(125,274,872)
Equity 31 December 2020	**1,610,242**	**1,555,918,762**	**13,859,289**	**(136,911,189)**	**1,434,477,105**

* Net of transaction costs

** Reclassification of changes in fair value of convertible loan for comparability with the IFRS group financial statements

NOTE 4

Tax

Expressed in NOK

Calculation of deferred tax asset	2020	2019
Temporary differences	**-**	**-**
Net temporary differences	(2,928,793)	10,190,033
Loss carried forward	(214,695,970)	(16,210,662)
Reduction for costs related to incorporation booked towards equity	-	-
Basis for deferred tax	**(217,624,763)**	**(6,020,629)**
Deferred tax	(47,877,448)	(1,324,538)
Hereof not disclosed in the balance sheet	47,877,448	1,324,538
Deferred tax in the balance sheet	**-**	**-**
Deferred tax asset not in the balance sheet	**47,877,448**	**1,324,538**

NOTE 5

Cash and bank deposits.

The company has cash holdings at the end of the year of NOK 929,710,391.
Of this restricted cash amounts to NOK 63,244.

NOTE 6

Payroll etc.

Expressed in NOK

	2020	2019
The Company has no employees		
Remuneration for the board of directors	1,335,828	1,385,828
Social security tax	175,220	195,402
Other payroll cost	-	-
Total	**1,511,048**	**1,581,230**

NOTE 7

Other expenses

Expressed in NOK

	2020	2019
Other expenses (auditor fee, legal fee, office rent, travel expenses)	1,686,158	1,289,382
Total	**1,686,158**	**1,289,382**

Auditors fee (excl. VAT)	2020	2019
Audit fee	758,000	275,000
Fee for other services	228,000	125,000
Total	**986,000**	**400,000**

NOTE 8

Convertible loans

In May 2019 the Group obtained a convertible loan of USD 3 million from LGT Global Invest Limited, a company within the same Group as the Company's shareholder LGT Bank AG. The loan agreement contained a conversion feature in the event of a qualifying equity raise by the Group. The loan (including accumulated interests) was converted into equity in the Company in April 2020 in line with the convertible loan agreement. The Company has not entered into any related party loans as of 31 December 2020

Expressed in NOK

	2020	2019
Debentures and other loans principal amount	-	26,340,900
Accrued interest	-	1,720,939
Total borrowings	**-**	**28,061,839**

For more information refer to note 16 in the group financial statements.

NOTE 9

Loan to subsidiary

Expressed in NOK

	2020	2019
Loan to Kalera Inc	76,484,634	174,218,472
Accrued interest	105,376	10,009,980
Unrealized currency effects	(2,928,793)	10,190,033
Total	**73,661,217**	**194,418,485**

NOTE 10

Financial income and expense

Expressed in NOK

	2020	2019
Interest expense convertible loan	(951,716)	(1,720,939)
Interest income loans to subsidiary	6,333,268	4,712,133
Currency exchange gains and losses	(127,460,953)	155,940
Other financial income or expense	1,735	11,037
Net financial income and expense	**(122,077,665)**	**3,158,171**

NOTE 11

Subsequent events

Refer to Board of Directors report in the Group financial statements.

To the General Meeting of Kalera AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Kalera AS (the Company), which comprise the statement of financial position as at 31 December 2020, 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 Kalera AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, consolidated income statement and other comprehensive income, 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 are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 we have fulfilled our other ethical responsibilities in pwc

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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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.

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 20 April 2021
PricewaterhouseCoopers AS

Geir Haglund
State Authorised Public Accountant

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