Annual Report 2021

kalera®

Our Mission, Vision and Values

Mission

Our mission is to serve humanity, wherever we are, fresh, safe, sustainable, affordable nourishment

Vision

Our vision is to become the global leader in vertical farming for leafy greens

Values

Our core values are:

- Do the right thing, always!
- Own it, all of it!
- Grow the future!

In 2010, a team of scientists and engineers founded Kalera, formerly known as Eco Convergence Group Inc., to envision and develop a green city of the future in Central Florida. They looked into sustainable construction materials, agriculture, and other ways to drive sustainability forward in an urban context and researched how to make these concepts and products available on a broader scale. One of the key technologies emerging from ECG was vertical farming.

In 2018, we opened the first vertical farm in the hospitality industry, the HyCube™ at the Orlando World Center Marriott®.

In April 2019, the company was renamed "Kalera." We kickstarted our mission to combine technology and plant science to give communities across the globe access to fresh, nutritious, affordable and clean greens.

In March 2020, we opened a second, larger scale farm in Orlando, followed in 2021 by two more large-sale farms located in Atlanta and Houston, and an additional one that opened in Denver in April 2022. Four more large-scale farms are currently under construction in the US. Through the acquisition of &ever GmbH (now Kalera GmbH), we now have operating farms in Germany and Kuwait, with an additional farm under construction in Singapore.

At Kalera, we are driven by our belief that vertical farming can play an important role in the coming years to secure access to fresh produce for a growing world population that is conscious about water conservations and is faced with climate change, reduction of fertile farmland, and soil erosion.

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Letter from Our CEO

Dear Fellow Shareholders,

Fiscal 2021 was a progressive, transformational year for Kalera unlike no other. During the year we completed three acquisitions, increased our geographic footprint across three continents, and opened two new farms. Our operations are now in the U.S., Europe, the Middle East, and Asia. The acquisitions of Vindara, &ever, and the &ever Middle East Holding Ltd. (Middle East JV) significantly expanded our product portfolio and provided us with additional seed and plant technology capabilities that will increase operating efficiency and reduce operating expenses.

As I reflect on the many challenges presented during the prior year, I am extraordinarily proud of the incredible accomplishments of the Kalera team. Consequently, we were able to successfully deliver for our customers, consumers, communities, and shareholders. By diligently adhering to our operational strategy, we were able to capitalize on an unprecedented time of consumer demand driven by the Covid pandemic. Over the last year, we acquired numerous new consumers, grew our market share across numerous product lines, and continued to invest in Kalera's future. This translated into record revenues for 2021 of $2.9 million that will rapidly grow as more farms are commissioned. The increase in sales resulted from continued growth in our retail and foodservice channels including sales to new customers including H-E-B, Performance Food Group, and Kroger.

Kalera's acquisition of the indoor seed development company Vindara in March 2021, will provide Kalera with the ability to improve unit economics by increasing crop yield and reducing growth cycle time for several crop varieties. Vindara's experienced team and proprietary technology will allow us to accelerate the development cycle of Kalera's proprietary products and provide additional seed revenue opportunities at premium pricing.

Many vertical farms use seeds intended for outdoor farms that are bred to resist disease and pests and sacrifice plant flavor, texture, and nutrients. Vertical farms are in fully controlled indoor environments that are not subject to pests with systems that have better control over monitoring plant disease. By combining genomics, machine learning and computational biology with traditional breeding techniques (that are non-GMO), Vindara has the ability to produce seeds that are bred for superior quality, nutrients, flavor, and color.

Kalera's global expansion into the Middle East, Asia, and Europe launched with the acquisition of &ever GmbH and the Middle East JV in October 2021. These acquisitions accelerated Kalera's geographical footprint with a farm operating in Germany and one in Kuwait (increasing Kalera's operating vertical farms to a total of seven) and one under construction in Singapore. Moreover &ever also expanded our technology base, patents and IP, management team, and customer base. Kalera offers the broadest range of products in the industry, including the following: whole head, teen leaf, baby leaf, cut leaf, herbs, and microgreens. Combined with Vindara seed technology from our previous acquisition, Kalera now leads the vertical farming industry with a truly global reach and international brand.

Three new farms (in Seattle,St. Paul, and Singapore) are expected to open in the second half of 2022. Collectively, Kalera's production capacity is expected to reach 16.5 million pounds by the end of 2022. The Houston farm, that began operating in late September 2021, is the largest farm constructed to date. The Houston farm launched with strong production results and the ramp up phase at the facility continues to make great progress ahead of schedule. The latest large farm that became operational is located in Denver, opened in April 2022. The new farms will benefit from Kalera's recently acquired technology and operational expertise.

By the nature of our business, we have a strong ESG profile. We are 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. Our hydroponic facilities produce several hundred times more output per square foot than traditional farming, use approximately 99% less land and seasonal and regional limitations. In addition, we estimate that our advanced recirculated irrigation systems consume approximately 95% less water than traditional field farming - with significantly reduced risk of environmentally harmful runoffs. Our advanced plant and seed science and air and water filtration and sanitation technology ensure that our produce is virtually free of contamination, including human pathogens, without the use of harmful chemicals and pesticides.

Kalera is at the forefront of new technology that is transforming the future of farming, especially with mounting challenges arising from climate change. With rising temperatures and with increasing water stress globally, Kalera's substantially lower use of water offers a more sustainable model compared to traditional farming, and consequently a lower risk with respect to water scarcity.

Kalera provides equal employment opportunities to all employees and applicants for employment without regard to race, creed, color, religion, national origin, ancestry, marital status, sex, age, physical or mental disability, genetic information, citizenship status, military or veteran status, or other classes protected by federal, state, or local law.

Kalera values our relationship between and among, our employees, and the communities and organizations in which we operate. For example, in Orlando, the farm currently sends donations to three locations: Second Harvest, Catholic Charities, and United Against Poverty. Additionally, our Orlando farm is currently working on projects to supply lettuce to manatees and Disney's Animal Kingdom. In Houston, the farm regularly donates leafy greens to the Houston Food Bank, which is the second largest food bank in the United States. In addition, In January 2022, the Houston farm had their first delivery to Brighter Bites, another donation partner. Brighter Bites is a Houston-based nonprofit founded in 2012 that delivers fresh fruits and vegetables directly into families' hands. These are just a few examples of Kalera's efforts to "give back" to the communities that we belong to.

The new habits and behaviors that have been firmly embedded in our lives, during the Covid pandemic, have resulted in increased levels of eating-at-home that we believe will be sustained for a long-term horizon. Additionally, fitness and wellness conscious consumers are increasingly embracing our products. We began to revamp our marketing and branding communications during late 2021 and plan to heavily invest in our brands during 2022 to create new and stronger connections with our consumers.

Fiscal 2022 will be an important year in Kalera's continued growth and development. The Company is well positioned to fully exploit our US footprint, expand internationally, and further capitalize on the Company's innovative technology leading to improved operating results as the year unfolds.

In June 2022, Kalera and Agrico are expected to complete the announced merger. The additional capital expected to be provided by the Agrico merger and the contemplated listing on the more liquid NASDAQ exchange poises Kalera for continued growth over the long-term.

In summary, I am proud of the entire Kalera team's accomplishments particularly given the challenging dynamics we faced during the year. Our strong operating results and growth are directly attributable to the tremendous efforts of the Kalera team during the year. We are confident that we are optimally poised to continue generating excellent results in 2022.

Sincerely,

Curtis McWilliams
Interim Chief Executive Officer

Kalera AS
28 April 2022

Board of Directors

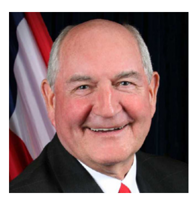
28 April 2022

Bjørge Gretland
Chairman of the Board

Chris Logan
Member of the Board

Umur Hürsever
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

Statement by the Board of Directors

Kalera is a global, technology driven vertical farming company. Kalera currently has five large-scale operating facilities in Florida, Georgia, Texas, Colorado, and Kuwait. Our additional large-scale projects in Washington, Hawaii, Minnesota, Ohio and Singapore will all incorporate multiple design improvements compared to the Orlando facility.

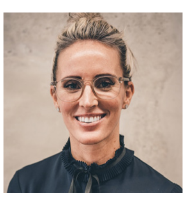
This will result in higher operating efficiency and shorter commissioning timelines. Many farms will also benefit from recently acquired technology and operating expertise. The Washington, Minnesota and Singapore facilities are expected to open during 2022.

The acquisition of Vindara Inc., the leader in seed development for indoor farms brought significant improvements to Kalera's operations and a new revenue stream to complement our portfolio of precision agriculture products. We are the first vertical farming company to be vertically integrated from seed to harvest. The acquisition of &ever and the Middle East JV propelled Kalera into becoming one of the fastest growing vertical farms in the world.

The successful completion of these achievements thoroughly demonstrate how completely Kalera has matured in a relatively short period and how well we are poised for success in the years ahead.

Management

The Group's senior management team consists of the following individuals:



Jade Stinson
President of Vindara

Aric Nissen
Chief Marketing Officer

Curtis McWilliams
Interim Chief Executive Officer

Austin Martin
Chief Operating Officer

Fernando Cornejo
Chief Financial Officer

Keri Gasiorowski
Chief Human Resources Officer

Cristian Toma
Chief Science Officer

Henner Schwarz
Managing Director EMEA

Heiko Hosse
SVP Design and Engineering

Jan-Gerd Frerichs
SVP Software

Our Company

Kalera is a Global Leader in Sustainable Vertical Farming

Kalera is one of the fastest growing vertical farming companies in the world. The Group utilizes proprietary technology and plant and seed science to sustainably grow year-round, local, non-GMO leafy greens that are nutrient-rich and free of harmful chemicals or pesticides. The Group's high-yield, automated, data-driven hydroponic production facilities have been designed for rapid roll-out with targeted attractive unit economics to grow leafy greens faster, cleaner and in a way that is better for the environment than traditional farming.

The Group's product portfolio consists of leafy green vegetables, microgreens and herbs and is sold under the single global brand Kalera™. The Group's customers are foodservice companies, resorts, hospitality chains, cruise lines, airlines, grocery chains, and restaurant chains. Some of Kalera's key customers include US Foods, Marriott, Levy, Gordon Food Services, Harvill's, FreshPoint (a Sysco company), Publix, Kroger, Disney, H-E-B, Performance Food Group, and Universal Studios.

Kalera currently has operational facilities in the US (Orlando, Florida, Atlanta, Georgia, Houston, Texas and Denver, Colorado), in Germany (in-store grow towers and grow boxes), and in Kuwait. The facility in Singapore is expected to commence operations during 2H 2022. New production facilities in Seattle, Washington and St. Paul, Minnesota are expected to open during 2022. New production facilities in Columbus, Ohio and a new facility in Central Florida are expected to open during 2023. The Group's indoor production facilities are strategically located near population and distribution centers, including markets isolated from farmland that have traditionally struggled to secure local and reliable sources of food. In contrast to produce that requires costly and extended long-haul supply chains, the Group's leafy greens are delivered within hours of harvesting, always fresh, and maintain a longer shelf life.

Global Leader in Vertical Farming

- We grow clean, high quality, nutrient rich greens in cost efficient and sustainable processes without harmful chemicals or pesticides, that are local and supplied year round.
- Kalera will be the first vertical farming business to offer a truly pan-US localized supply network.

Disruptive Technology

- Advanced plant science: optimized nutrient mixes/uptake and light recipes.
- "Semi-conductor 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 & optimized temperature & humidity.

Global Brand Name Customers

- Foodservices, Resorts, Hospitality, Cruise Lines, Airlines, Grocery Chains, Restaurant Chains, Contract Foodservice providers (Event Venues, Hospitals, Universities).
- Key customers include US Foods, Marriott, Levy, Gordon Food Services, Harvill's, FreshPoint (a Sysco company), Publix, Kroger, Disney, H-E-B, Performance Food Group, and Universal Studios.

Attractive Unit Economics

- Customized growing layouts: Implementation of equipment/technology that ensures maximum yields per m^2
- Low capital expenditures: Attractive payback times.
- 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 Washington (Seattle), Hawaii (Honolulu), Ohio (Columbus) Minnesota (St. Paul) and Singapore with more to come in the US and internationally.
- Reviewing M&A opportunities to accelerate growth and maintain industry leadership.

History and Important Events

- **2010** — Established Kalera Inc.
- **2013** — **Started construction for Tradeport R&D facility.**
- **2014** — **Tradeport R&D facility operational.**
- **2017** — **Started construction of Marriott World Center (HyCube) facility.**
- **2018** — **Commencement of operations at the Marriot World Center (HyCube) facility.**

Kalera Inc., established in 2010, is incorporated in the state of Delaware, USA and headquartered in Orlando, Florida. The timeline above outlines Kalera's key milestones since incorporation.

2019

- **Began retrofitting existing warehouse for the first large-scale facility in Orlando.**

2020

- **Kalera's large-scale facility in Orlando was completed and started to operate.**
- **Began construction of new large-scale facilities in Atlanta, Houston, and Denver.**
- **Registered and traded in the NOTC-list in Norway followed by listing on Euronext Growth Oslo.**
- **Raised** gross **proceeds of USD 145 million on Euronext Growth Oslo.**
- **Announced construction of new facilities in Hawaii, Seattle, and Columbus.**

2021

- **Kalera opened two new large-scale facilities in the US (Atlanta and Houston).**
- **Acquisition of Vindara Inc.**
- **Acquisition of &ever GmbH (Germany and Singapore facilities) and Middle East JV (100% of Kuwait facility).**
- **Additional blue-chip customers added, including Kroger, Disney, and H-E-B.**

2022

- **Announced the signing of the merger between Agrico and Kalera to list the combined company on NASDAQ.**
- **Opened one additional large-scale facility in the US (Denver).**

What We Do

Kalera's mission is to serve humanity, wherever we are, with fresh, safe, sustainable, and affordable nourishment.

Kalera is Better for the Environment than Traditional Farming

Kalera is a hydroponics company combining plant science, clean room technology, and big data analytics. Kalera plants non-GMO seeds and uses nutritional mixes and light recipes to grow healthy and clean leafy greens. This results in highly nutritious vegetables with consistently high quality all year round. Our facilities have been designed for rapid roll-out with targeted attractive unit economics to grow leafy greens faster, cleaner and in a way that is better for the environment than traditional farming. We aim to become a global leader in Controlled-Environment Agriculture (CEA) for leafy greens that has an addressable and expanding market of USD 30 billion.

Kalera Disrupts the Traditional Leafy Green Supply Chain. We have announced nine large-scale indoor hydroponic projects in the US, of which the facilities in Orlando, Atlanta, Houston and Denver have commenced operations. The large-scale indoor facilities are strategically located near to population and distribution centers, including markets isolated from farmland that have traditionally struggled to secure local and reliable sources of food. Kalera has a lower carbon footprint compared to traditional farming. In contrast to produce that requires costly and extended long-haul supply chains, Kalera's leafy greens are

- Clean and Safe
- Non-GMO
- Never Harmful Pesticides
- Locally Grown
- Stay Fresh Longer
- Nutrient Rich
- Delicious
- Available Year Round
- Consistent Quality
- Sustainably Grown

delivered within hours of harvesting, always fresh, and maintain a longer shelf life. Given Kalera's expanding facility footprint, Kalera expects to be the first pan-US vertical farming company able to serve both regional and national accounts. Kalera's leafy greens are marketed and sold under the Kalera brand, and now appeal to a broad range of customers across the foodservice, grocery, resort, hospitality, cruise line, airline and restaurant industries. Some of Kalera's key customers include US Foods, Marriott, Levy, Gordon Food Services, Harvill's, FreshPoint (a Sysco company), Publix, Kroger, Disney, H-E-B, Performance Food Group, and Universal Studios.

2021 was a Progressive, Transformational Year for Kalera

In addition to launching its own large-scale facilities, Kalera also executed transformative acquisitions, with the latest being the acquisition of &ever (in October 2021). This acquisition further strengthened Kalera's product offering and propelled Kalera into becoming an international player. &ever, a global leader in baby leaf vertical indoor farming, with operations in Germany, Singapore and Kuwait, has designed production facilities of various sizes, ranging from small-scale installations (in-store grow-boxes and grow-towers in Germany through Edeka) to large-scale facilities. Kalera added two facilities through the acquisition of &ever. The facility located in Kuwait is fully operational, while the large-scale facility in Singapore is under construction. The Singapore is expected to become operational in 2H 2022.

Underpinning Kalera's innovative production processes are our proprietary plant and seed science, production system automation, and IoT – big data and all capabilities that we have refined for on over 12 years of dedicated research and development. Kalera's technology provides us with the ability to optimize nutrient mixtures, light recipes, temperature and humidity. This results in nutrient-dense greens with consistent high quality year-round. Kalera's clean room technology includes advanced air and water filtration and decontamination adapted from semiconductor and biomedical industries. Kalera also utilizes cultivation methods that avoid contamination of hardware, seeds, and media. As a result, Kalera is able to eliminate the use of harmful chemicals and pesticides from its production process.

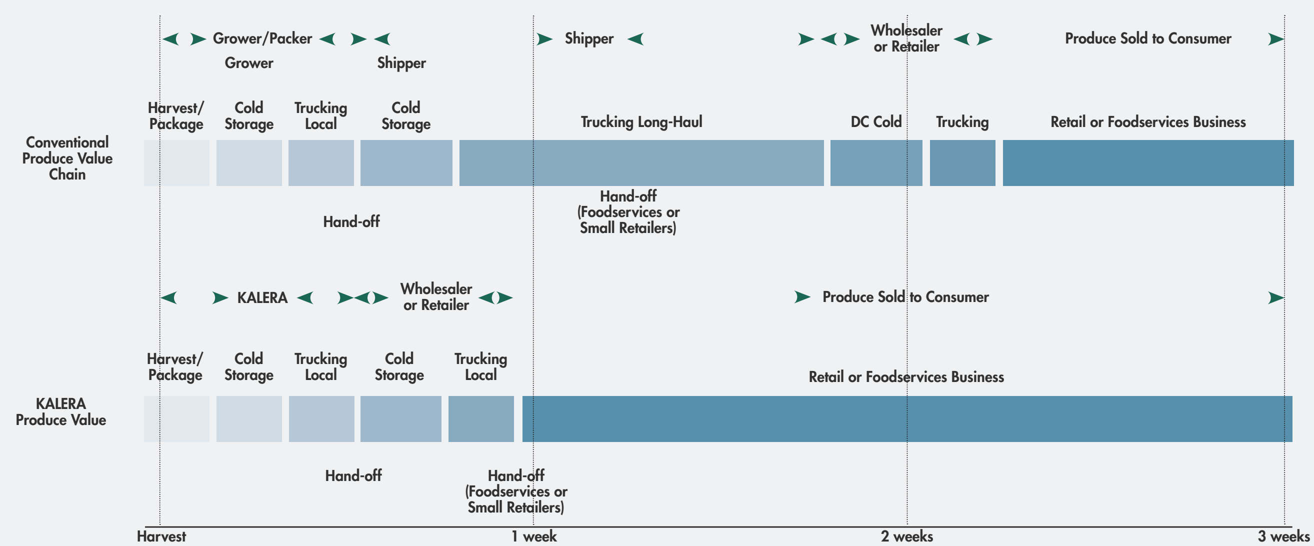
Kalera has a Strong and Sustainable ESG Profile

With expanding global populations, depleting arable land and water resources, and recurring outbreaks of foodborne illnesses, the need for safe, reliable, and sustainable agriculture solutions is more pressing than ever. Kalera believes that it can make a difference. Kalera's hydroponic facilities produce several hundred times more output per square foot than traditional farming, uses approximately 99% less land and is not subject to seasonal and regional limitations. In addition, Kalera's advanced recirculated irrigation systems consume approximately 95% less water than traditional field farming with significantly reduced risk of environmentally harmful runoffs. Kalera's advanced plant and seed science and clean room technology, ensure that Kalera's produce is free from contamination and bacteria, including human pathogens, without the use of harmful chemicals and pesticides. Kalera believes that vertical farming will be a major contributor towards a more sustainable future and aims to be a global leader in that endeavor. By the nature of Kalera's business, Kalera has a strong ESG profile. Kalera is at the forefront of CEA, which is transforming produce farming, addressing mounting global challenges regarding 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 tracking indicators, reporting processes, and systems, in accordance with accepted standards. As Kalera's additional production facilities become fully operational, data collection will expand in support of our ESG KPI reporting practices.

Clean and safe	• Free of contamination and bacteria: E-coli outbreaks have been linked to traditional romaine lettuce growers • No harmful chemicals, hormones, additives, pesticides, fungicides, or insecticides • Non-GMO seeds
Healthy	• Consistent quality, rich in minerals, vitamins, and antioxidants • Avoids the loss of nutritional value found with traditional (US West Coast grown) fresh produce, which can be significant for certain nutritional elements
Sustainable with a lower carbon footprint	• Produced locally and safe, reducing transportation emissions and extending shelf-life 5 to 14 days (depending upon variety) • 95% reduction in water consumption and 99% less land
No seasons	• Reducing unpredictability from changing climates, product becomes available 365 days a year • Product categories are determined by choice, not by market availability or seasonality
Space efficient	• Significantly better yields due to growth environment and vertical distribution • Several hundred times more output per square foot than traditional farming
Branding potential	• Kalera believes our product is "better than organic" which increases Kalera's ability to develop strong customer engagement, particularly with the health and wellness market segment

KALERA produce VALUE chain

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



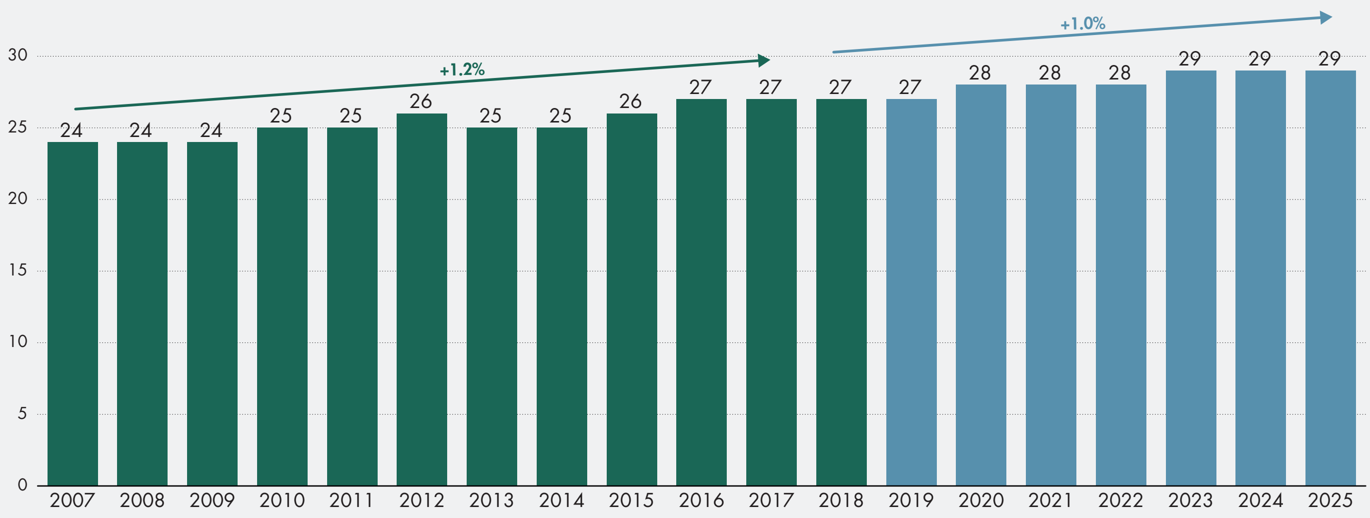
Source: Roberta Cook, UC Davis, US Fresh Fruit and Vegetable Value Chain, 2010, based on UC Davis and Cornell U., compilations of USDA and US Census data.
Don Goodwin & Tom Thomson, Golden Sun Marketing and UC Davis, Controlled Environment Agriculture: Disruption in the California Leafy Green Industry.

Our Markets

Kalera mainly operates in the lettuce and chicory market. According to IndexBox, the global market volume for lettuce and chicory was around 27 million tons in 2017, with stable growth – the CAGR was 1.2% from 2007 to 2017. This market is projected to continue its stable development, growing at over 1% per annum from 2019 to 2025, resulting in an estimated market volume of 29 million tons by 2025. The global lettuce and chicory market, excluding logistics costs, retail marketing costs and margins, amounted to over USD 30 billion in 2017, representing an increase of 16% compared to the preceding year.

The United States microgreens market is projected to register a CAGR of 10.1% from 2020 to 2025, according to Research Nester[1]. Additionally, in terms of value, the US microgreens market of USD 185 million forecasted in 2020 is projected to grow to USD 307 million by 2025. By sales channel, the restaurant segment dominates the market because microgreens are likely to influence produce shopping requirements in the near future. Microgreens are increasingly being treated as a culinary trend across the country's cuisines. The ongoing culinary trend for microgreen preference across United States cuisines together with the increasing supply to the hospitality segment is likely to enhance the sale of microgreens in the future.

Lettuce and Chicory Market Forecast to 2025



Source: IndexBox: "World - Lettuce And Chicory - Market Analysis, Forecast, Size, Trends and Insights", 2019.

1 Research Nester, 2019, US Hydroponics Market Outlook: Industry Analysis & Opportunity Evaluation.

Kalera believes that the Company is well positioned to take advantage of these macro- and micro-trends by building high-tech sustainable lettuce, microgreens, and herb production capacity in the United States and internationally. Kalera seeks to expand in certain markets and communities that do not have access to local and fresh produce. Kalera believes that the Company's revenue growth will allow us to capture an increased share of the broader lettuce and chicory and microgreens categories. This is supported by a number of key drivers, including our consumers, growing mainstream acceptance of Kalera's products, heightened consumer awareness of the role that food and nutrition play in long-term health and wellness, and increasing awareness of the reduced environmental impact of vertical farming compared to traditional farming.

Kalera Disrupts the Traditional Leafy Green Supply Chain

Geographically, Kalera predominantly operates in the US, which is the world's second largest producer of lettuce with approximately 8.6 billion heads of lettuce produced in 2020, according to the United States Department of Agriculture organization (USDA).

The US lettuce production is concentrated around Arizona and California. Supply to many of the largest cities within the US is typically via ground transportation trucks which increase costs and results in average spoilage of over 20%, according to the USDA. Today, shipping to the East Coast of the US 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/lbs. By deploying production facilities close to Kalera's markets, Kalera can significantly reduce transportation costs. In addition, earlier store arrival of Kalera's products adds approximately 5 to 14 days longer shelf life (depending upon the variety) than traditional farmed products, providing significant potential to reduce costs from waste.

Through the acquisition of &ever, Kalera expanded its geographical reach into the Middle East (Kuwait), Asia (Singapore) and Europe (Germany). All attractive markets for Kalera.

Kalera focuses its product varieties on the leafy and romaine lettuce market and not traditional head (iceberg) lettuce. Produce attributes, such as higher nutrition and more prominent taste, as well as being the cleanest produce, have resulted in leafy and romaine lettuce steadily taking market share from traditional outdoor produced lettuce.

Our Customers

Kalera Benefits from a Top Tier, Blue-Chip Customer Base that is Positioned to Grow

Progress During 2021

Retail	Foodservice	US & International
• Sales to key retail customers grew significantly	• Kalera's foodservice sector has expanded its reach to Denver, Virginia, Alabama, Miami, and Texas	• Business development in the US is gaining traction and experienced strong sales growth in Kuwait
• Launched sales to Kroger in three markets, with distribution to over 400 stores in Atlanta, Dallas, and Houston • Launched sales to H-E-B in the state of Texas, with distribution to over 300 stores • New test program launched with Walmart in Houston, with distribution to 80 stores • Additional engagements with key national accounts	• In 2021 Kalera onboarded a private label program for a leading distributor • In addition, during 2021 Kalera launched a new program with a leading healthcare chain that includes more than 100,000 properties nationally • In Q1 2022 onboarding continued with: • 20 new US Foods distribution centers • Initial program with 5,500 hospitals nationally	• Discussions are well underway with pilot and custom offerings for US customers that include new packaging alternatives • Conversations with existing and potential customers continued in Washington, Colorado, and Minnesota and are gaining positive traction ahead of the opening of the Seattle, and St. Paul production facilities • Good sales momentum in Kuwait

Marketing Efforts During 2021

	Goals	Recent Results
Campaigns to Drive Sales	Raise awareness, educate consumers, and drive trials to sell out farms	• All retailer campaigns launched - Kroger, H-E-B, Publix, and Walmart • Foodservices – Digital marketing campaign launched • Social influencers – gearing up campaigns with local chefs, dietitians, and lifestyle leaders with followers ranging from 10,000 to 35,000
Product Innovation	Improving volume and margins while appealing to a broader range of customers	• Launched loose leaf foodservices product for US customers • Loose leaf retail – prototypes successful, multiple retailer distribution • Initiated category data for sales and velocity analytics
Branding Upgrade	Developing a strong and differentiated brand that resonates with consumers	• Conducted extensive consumer research • Prepared new brand positioning – go live in Q2 2022 • Brand relaunch will comprise all customer touchpoints
Integrated Communications	Improving public and investor relations	• PR campaign paying off with multiple placements • New IR strategy gaining traction with consistent messaging • Social channels continue to grow

Our Products

Kalera's products are beneficial for consumers, retailers, foodservices, and chefs, as the products are healthy, fresh, have a longer shelf life, consistent quality, and are available at an affordable price.

Kalera produces various types of lettuce, baby leaves, microgreens, and other leafy greens and herbs. These products are grown from non-GMO seeds and feature "better than organic" characteristics as traditional organic produce may use small amounts of pesticides. Kalera's flagship product is Kalera Krunch; other lettuce products include, Butter Lettuce, Red Oak Leaf, Baby Romaine, and Frisee. The products are excellent sources of beneficial minerals such as potassium, calcium, phosphorous, and magnesium and are packed with vitamins A, C, and K, folates, phenols, and antioxidants. Kalera also grows specialized microgreens from non-GMO seeds. These microgreens are regarded as delicate, colorful, and tasty, and include, cilantro, red sorrel, pea shoots and basil.

Whole Head

- Butterhead
- Romaine
- Oak Leaf
- Crispy
- Multi Leaf
- Frisee
- Mini Gem
- Lollo

Cut Leaf

- Romaine
- Butterhead/Bibb
- Crispy
- Frisee
- Multi Leaf

Baby Leaf & Microgreens

- Spinach
- Arugula
- Kale
- Mizuna
- Basil
- Cilantro
- Mustard Greens
- Asian Mixes
- Microgreen Mixes

Harvest-on-Demand

- Lettuce
- Mustard
- Pak Choi
- Arugula
- Oak Leaf
- Basil
- Cilantro

Kalera’s Vindara is Revolutionizing the Future of Agriculture by Fueling the Indoor Farming Industry



Indoor farming has the potential to be a significantly larger, sustainable, market alternative to traditional farming. Vindara is the first company to deliver seeds specifically designed for use in indoor farms and the key to pushing market projections even further, removing limitations that traditional seeds impose and giving growers, retailers, and consumers even greater control over their produce.

Vindara Delivers an Immediate Increase in Value to Indoor Farming

For growers, we provide the foundation for every player in the space – and the only provider capable of keeping pace with our customers as their needs evolve in the years ahead. For consumers, we are enabling an era of abundant produce that lives up to the home garden experience – beautiful, delicious, and nutrient-dense.

The difference is in the seeds

Seeds bred specifically for indoor farms

A drop-in replacement for the systems indoor

Amplified yield, appearance

Designed entirely through analytics

Vindara Offers Four Unique Value Propositions:

Vindara is giving growers a control panel for designing the produce of tomorrow — built to spec and brought to life with unprecedented speed.

1. Intentionally Designed

We are 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. In essence, we are lifting the burden imposed by today's off-the-shelf outdoor farming seeds with tailor-made alternatives designed specifically for indoor use, without sacrificing quality, taste, and nutrients.

2. Drop-in Solution

Our seeds drop seamlessly into the systems indoor growers already use and continue to refine. We understand that time and effort have been spent in creating these advanced systems, with everything from humidity and temperature sensors to precisely calibrated lighting conditions. We improve on these systems, not through complex changes but through the input themselves – the seeds. Our seeds are not only better suited to their growing environment, but produce substantially better results with amplified appearance, nutrition, flavor, and increased yield.

3. Advanced Technology

Our seed development process is conducted entirely through analytics without gene-editing or GMO. 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 to 7 years to a remarkable 12 to 18 months.

4. Increased Control

By using an accelerated and data-driven approach that makes each property individually editable, we have 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 influenced by a range of cultural and generational pressures.

Our Production Facilities

Operational large-scale facilities

		United States				EMEA and Asia
In Operation	Expected Annual Output	**#1 Orlando, Florida** **~0.8mm lbs**	**#2 Atlanta, Georgia** **~2.6mm lbs**	**#3 Houston, Texas** **~3.3mm lbs**	**#4 Denver, Colorado*** **~2.9mm lbs**	**#5 Kuwait** **~0.3mm lbs**
	Operation Starting Date	1H 2020	1H 2021	2H 2021	1H 2022	1H 2020
						

*In addition 50k lbs of microgreens.

Orlando, Florida

The Orlando facility was Kalera's first large-scale facility. The facility was completed in early 2020. The facility currently has a total production capacity of approximately 800,000 pounds per year. Kalera plans to repurpose this facility after commissioning a new facility in Central Florida for the Florida market.

Atlanta, Georgia

The Atlanta facility commenced full operations in September 2021 (following the installation of new electrical components that drive the grow lights) and has a total production capacity of approximately 2.6 million pounds per year. The Atlanta facility is the highest-production vertical farm in the Southeast United States and was built to serve consumers in Georgia and neighboring states.

Houston, Texas

The facility started to operate in October 2021 and has a total production capacity of approximately 3.3 million pounds per year.

Denver, Colorado

The facility started to operate in April 2022 and has a total production capacity of approximately 2.9 million pounds per year.

Kuwait

The facility started to operate in March 2020, with ramp-up resuming in October 2021, after Kuwait's international travel ban was lifted, and has a total production capacity of approximately 280,000 pounds per year. The Kuwait facility was acquired with the acquisitions of &ever and th Middle East JV.

Large-scale Facilities under construction and planned facilities

Under Construction (2022)	Expected Annual Output	**#6 Seattle, Washington ~2.7mm lbs**	**#7 Saint Paul, Minessota ~2.0mm lbs**	**#8 Singapore ~0.6mm lbs**	**#9 Columbus, Ohio ~3.3mm lbs**	**#10 Honolulu, Hawaii ~1.3mm lbs**
	Operations Starting Date (Est.)	2H 2022	2H 2022	2H 2022	1H 2023	2023
						

Strategy and Growth Plans

Kalera intends to continue rapid growth initiatives in major cities

Kalera intends to achieve its growth plan and build sustainable competitive advantages through the following key initiatives:

- Rapid roll-out and ramp-up in additional US cities and internationally;
- Deliver on the mission of high quality nutrition for as many people as possible;
- Remain at the forefront of plant and seed science and technology;
- Local proximity and supply to maximize freshness and extend shelf life;
- Expansion of product lines; and
- Strategic mergers, acquisitions, and partnerships.

Rapid roll-out of new production facilities in the United States and internationally

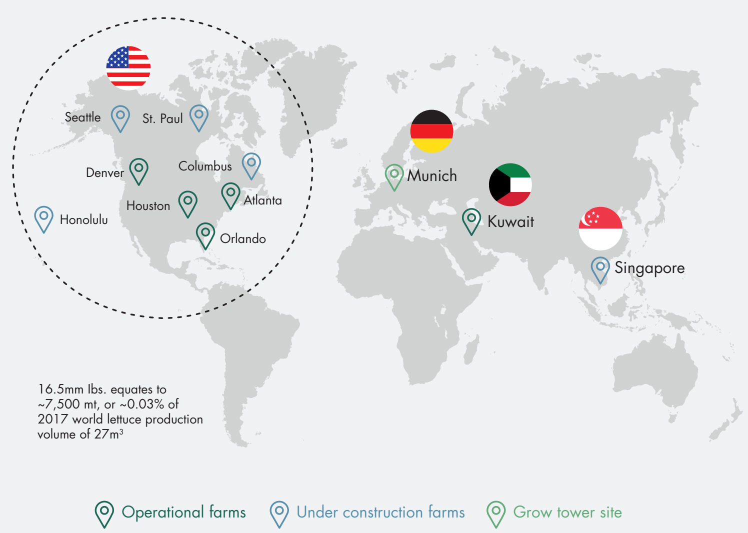
Kalera is committed to prioritizing investments in infrastructure and capabilities to support our strategic expansion plan to capture as much of the USD 30 billion global TAM opportunity for lettuce and chicory as possible. Following the success of our recent large-scale facilities (Atlanta, Houston, and Denver), Kalera plans to open three additional large-scale facilities in the US in 2022 (Seattle, St. Paul), and in Columbus and Hawaii in 2023. Kalera's large-scale facility in Singapore expected to open in 2H 2022. These new facilities and existing projects are a clear example of our execution expertise and notable ability to competently manage multiple construction projects concurrently.

We expect to be the first truly pan-US vertical farming company able to serve national accounts in addition to selected international locations.

Kalera's goal is to have 16 large-scale operating facilities in operation by the end of 2023, under a well-defined roll-out schedule, and expects the network of facilities to become denser as demand for our products grows.

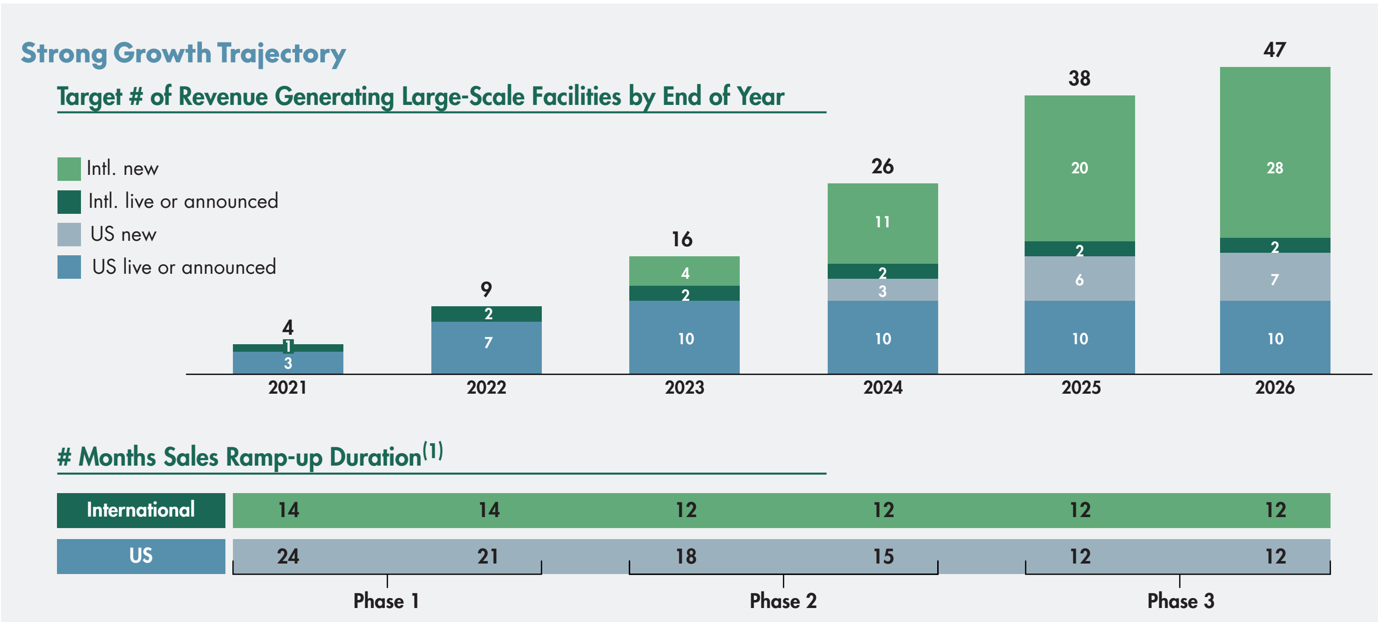
After acquiring &ever's technology and experience, we expect to construct larger facilities. New facilities are also expected to have the capability to produce whole head, cut leaf, baby leaf, herbs and microgreens. This portfolio of products is designed to maximize sell-through and optimize facility

Kalera's 2022 Production Capacity Will Reach ~17mm lbs.



1 Kalera headquarters
2 Kalera Europe, Middle East and SE Asia office
3 IndexBox World Lettuce and Chicory Market Analysis, Forecast, Size, Trends and Insights, 2019

profitability. The approach to construction is exemplified by the Columbus "Farm of the Future" facility, where Kalera estimates an annual output of 1,557 metric tons of leafy greens from the ~136,000 square feet facility (targeted to be completed



1 Duration of sales ramp-up at 88% of theoretical sales capacity (100% of business plan); US farms have ~3.4 mm lbs production capacity, international farms have ~1.5 lbs capacity

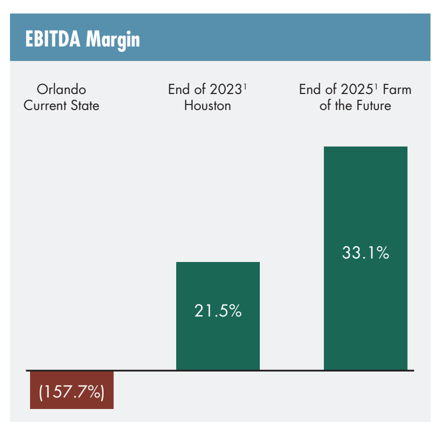
in 2023). This site will incorporate Kalera, &ever and Vindara systems, resulting in a facility with harvest automation, process automation, leading plant science, and packaging automation. The Columbus facility expected unit economics is shown below.

Kalera expects the brand and products to become better known over time thereby strengthening brand equity. Further, the portfolio is targeted to becoming increasingly diverse and attractive. As Kalera's farm network grows, national accounts are expected to lead to a faster ramp-up in sales post-opening. Similar ramp-up patterns have been observed by Kalera in other industries as part of our internal analysis.

Performance

Unit Economics ($ / lbs)

Orlando Current State ($ USD)		End of 2023[1] Houston ($ USD)		End of 2025 Farm of the Future ($ USD)	
Sales Price	$3.00	Sales Price	$5.51	Sales Price	$6.68
Cost[2]	$6.92	Cost[2]	$3.58	Cost[2]	$3.21
Margin	($3.92)	Margin	$1.93	Margin	$3.47
Packaging	$0.82	Packaging	$0.74	Packaging	$1.39
EBITDA	($4.74)	EBITDA	$1.19	EBITDA	$2.07
EBITDA Margin	(157.7%)	EBITDA Margin	21.5%	EBITDA Margin	33.1%

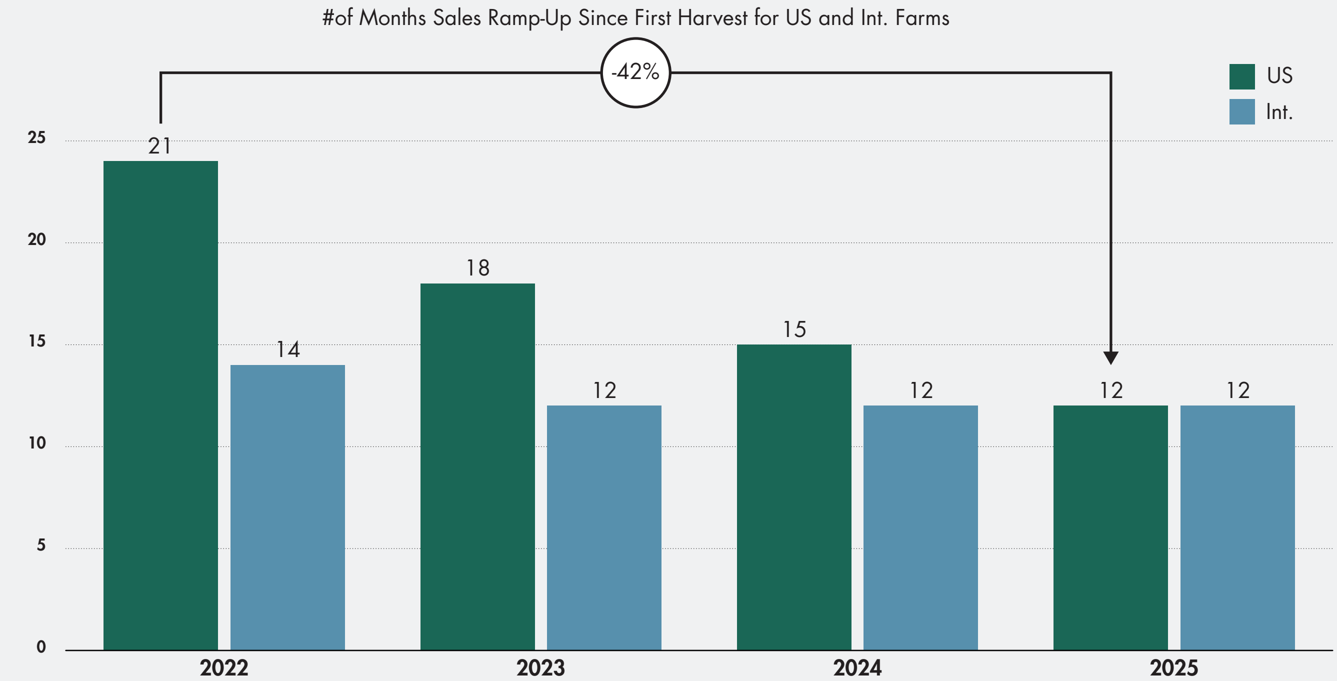


1 Stabilized farm
2 Excludes package costs

Efficient ramp-up and good yields

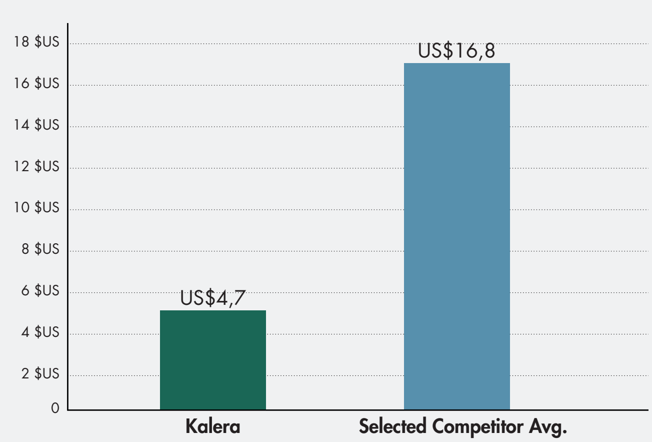
Kalera regards itself as a leader in capital efficiency. Kalera delivers leading CapEx numbers per pound of annual amount (based on publicly available information, industry average weighted by total production facility size). This is enabled through a ROI-driven automation adoption where the most labor-intensive operations are automated first after a diligent costs-versus-benefits analysis. We also focus on standardizing key equipment while also maintaining technological advantages. Further, we rely solely on in-house hardware and software related to Kalera's competitive IP for nutrient management, process automation, artificial intelligence, and more. Strong supply chain relationships across Kalera also help lower CapEx.

Lettuce and Chicory Market Forecast to 2025

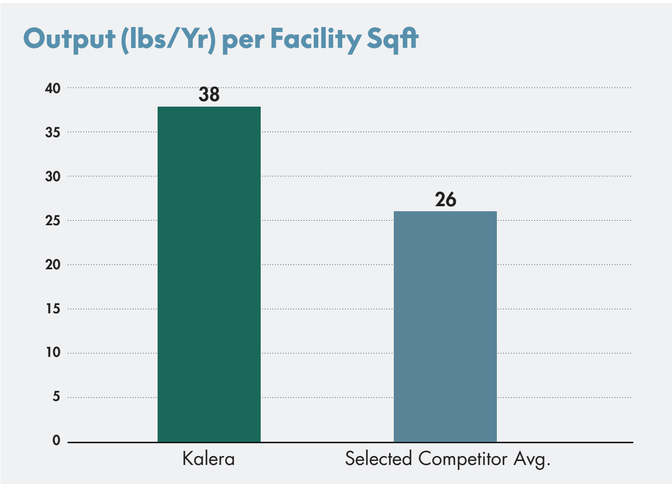


Note: International facilities more often could have offtake agreements.

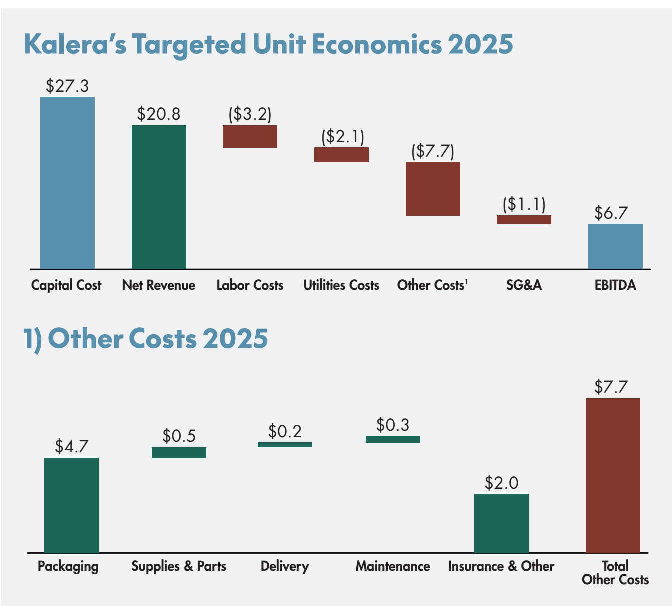
CapEx per lb of Annual Output



Kalera records strong yields (that we believe are leading in the industry) when measured in production output per facility size. When measured by yields per growing area (lbs/sqft of growing area/year), Kalera also scores highly. Kalera retains a cost-effective solution for maximizing the growing area in a facility.



In terms of operational efficiency, Kalera has set out a number of targets by the year 2025. An example of targeted unit economics is illustrated below:



Delivering on our mission of affordable nutrition for as many people as possible

While we believe our products are "better than organic" our mission is to serve humanity, wherever we are, with fresh, safe, sustainable, and affordable nourishment. Kalera intends its products remain at a competitive price compared to most organic and other CEA produce companies so that price is not a barrier and Kalera can have the broadest possible market distribution. We strongly believe that high quality food should be available to more than the wealthy few and target the large premium mass market. Prices today range between those of conventional produce and organic produce, depending on individual market characteristics.

Staying at the forefront of plant and seed science and technology

Kalera spent more than twelve years perfecting it's plant and seed science to produce products that are rich in flavor, high in nutritional content, clean, fresh, healthy and of high quality. Currently, we believe that we are one of the most advanced CEA companies and will strive to continuously improve our nutrient management algorithms, light recipes, product varieties, and expertise. Kalera is constantly finding ways to improve operations driven by these advancements and research efforts and intends to continue to maintain a competitive advantage in the sector through proprietary efforts, research and development, and inorganic initiatives (mergers and acquisitions). An example Kalera's acquisition of Vindara, which was completed in March 2021. Vindara was the first company to develop seeds specifically designed for use in vertical indoor farm environments as well as other CEA farming methods. Vindara's seeds are designed entirely through analytics, not gene-editing or GMOs, and offer growers the opportunity to capitalize on a significantly higher yield potential, production efficiencies and product customization in a fraction of the time by reducing the grow cycle. Vindara's breeding process shortens development time from the usual 5 to 7 years to a remarkable 12 to 18 months. Our seeds also shave several days off the plant growth cycle, resulting in increased output and optimizing yield and profitability. As a

1 Research Nester, 2019, US Hydroponics Market Outlook: Industry Analysis & Opportunity Evaluation.

result, Kalera's growth rates, yields, and seed costs will improve as Vindara's seed technology continues to be implemented.

Local production to maximize freshness and extend shelf life

With indoor production facilities strategically situated close to target markets, Kalera can significantly reduce the length of time and costs inherent in the conventional produce value chain, enabling produce to be sold to the consumer within hours of harvest, as opposed to over two weeks – typical of conventionally farmed products. This ensures that Kalera's produce retains superior quality and freshness. Important from a sustainability standpoint, Kalera's products have longer shelf life than traditional farmed products, and combined with earlier store arrival, this provides significant potential to reduce the cost and environmental damage generated from food waste.

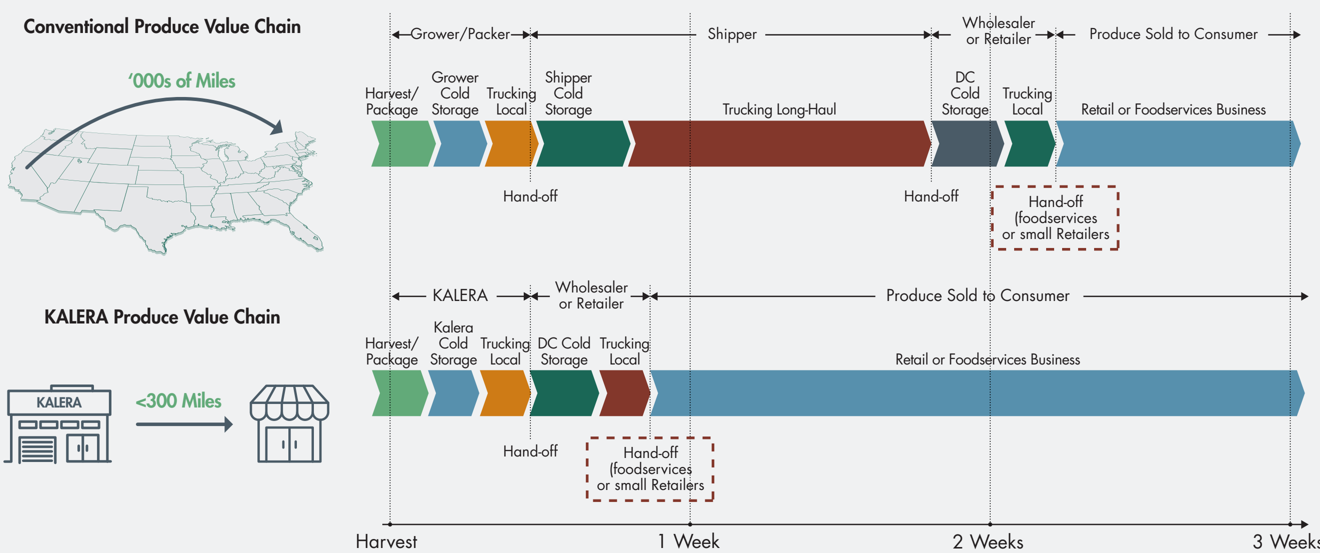
Kalera intends to place facilities in locations that are close to population and distribution centers, including areas isolated from farmland (such as islands) so that communities that do not have access to local, fresh produce will be able to enjoy a local and stable year-round supply of leafy greens. In addition to plans to unlock additional capacity domestically, Kalera plans to open facilities outside the US to enable supply to regional, national, and global customers.

Expansion of product lines

Kalera's growth strategy includes the expansion of product lines. Kalera intends to strengthen its product offerings by improving the formulations for the existing portfolio of products and creating new products to expand the portfolio. Kalera is continuously refining products to improve color, texture, flavor, firmness, and nutritional value. In addition, Kalera is continually testing new varieties and recipes to enhance all the benefits of the products in addition to bringing a differentiation factor to the sector by growing custom plants that are unique to each customer.

The acquisition of Vindara, a company developing seeds specifically for the indoor vertical farming environment and other CEA methods, is also expected to accelerate product development both within existing segments as well as in other lettuce and leafy greens varieties, including high yielding basil and spinach, and in entirely new categories such as blueberries. Vindara has

Lettuce and Chicory Market Forecast to 2025



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

already demonstrated substantial yield improvements in indoor-grown romaine with more varieties and crops in the pipeline. The acquisition of Vindara also gives Kalera the ability to generate value through the development of custom seeds for third parties in the indoor farming industry, thereby eliminating the limitations that traditional seeds have and providing customers greater control over their produce.

The acquisition of vertical farming company &ever is expected to develop Kalera's baby leaf products including spinach, arugula, kale, park choi, mesclun and mustard. Combined with Vindara's seed technology, we believe we are a worldwide leader in the vertical farming industry with a global reach and international brand.

Partnerships and acquisitions

Kalera is constantly reviewing opportunities for further partnerships similar to our venture with Signify, an indoor lighting leader that supplies Kalera with the LED grow lights used in our production facilities. Driven by the successful transaction with Vindara to accelerate development of seeds for the CEA industry, and the acquisition of &ever, Kalera is constantly evaluating opportunities to acquire companies with unique technologies, to improve the portfolio of precision agriculture products and capabilities.

Kalera has spent years perfecting and fine-tuning it's technology to position Kalera as one of the industry leaders in CEA and, the development of advanced technology for food production. Driven by all internal research initiatives, Kalera also collaborates with leading academic institutions in plant science such as the University of Florida for specific niche projects within advanced agriculture techniques. Through the acquisition of &ever, Kalera gained a collaborative relationship with A*STAR, Singapore's Agency for Science, Technology and Research. A*STAR is an umbrella organization for Singapore's universities and research centers, many are global leaders in their fields of work. As Kalera's growth accelerates over the next few years, we will continue to expand such strategic relationships and projects related to enhancing and expanding capabilities and development of technologies for indoor farming.

Agrico Merger

On 31 January 2022, Kalera AS announced that it entered into a definitive merger agreement with Agrico Acquisition Corp., a special purpose acquisition company (SPAC). As a result, Kalera will transition from its current Euronext Growth Oslo listing to a publicly listed company with its common shares traded on the NASDAQ stock market.

Agrico is incorporated as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. On 12 July 2021, Agrico closed its IPO of 14,375,000 Agrico units, with each Agrico unit consisting of one Agrico ordinary share and one half of one Agrico public warrant to purchase one ordinary share at a purchase price of USD 11.50. The issuance included the sale of 1,875,000 Agrico units which were subject to an over-allotment option granted to the underwriters of the Agrico IPO. The Agrico units from the Agrico IPO (including the over-allotment option) were sold at an offering price of USD 10.00 per unit, generating total gross proceeds of USD 143,750,000. Simultaneously with the consummation of the Agrico IPO and the exercise of the underwriters' over-allotment option, Agrico consummated the private sale of 7,250,000 warrants to DJCAAC LLC (sponsor) and Maxim Group, LLC (Agrico's underwriters in the Agrico IPO), in each case at USD 1.00 per warrant for an aggregate purchase price of USD 7,250,000 (with DJCAAC LLC purchasing 6,171,875 warrants and Maxim Group, LLC purchasing 1,078,125 warrants). A total of USD 146,625,000 was deposited into the Trust Account and the remaining proceeds became available to be used as working capital to provide for business, legal and accounting due diligence on prospective business combinations and continuing general and administrative expenses. The Agrico IPO was conducted pursuant to a registration statement on Form S-1 (Reg. No. 333-255426) that became effective on 7 July 2021.

Overview:

- Kalera and Agrico will merge to create a combined company that will be listed on NASDAQ.
- The share exchange ratio implies a pro forma equity valuation of the combined company of $375 million on a fully diluted basis, assuming no redemptions by shareholders of Agrico.
- If no public shareholders of Agrico exercise their redemption rights, existing Kalera equity holders will own approximately 52%, and Agrico shareholders would own approximately 48% of the issued and outstanding common stock of the combined company at closing. If some Agrico shareholders redeem their shares, Kalera shareholders would own a higher percentage of the combined company and Agrico shareholders would own a smaller percentage.
- Kalera and/or Agrico may raise additional capital prior to the closing of the transaction.
- The transaction, which has been approved by the Kalera and Agrico Boards of Directors, is expected to close in the second quarter of 2022. The transaction remains subject to approval by both Agrico and Kalera shareholders, as well as other customary closing conditions.

Report from the Board of Directors

The year 2021 was an exceptional, transformational year for Kalera – one filled with momentous milestones and achievements. We showcased the sustainable future of farming and Kalera as a dynamic, trailblazing business. Among our many accomplishments in 2021, we commissioned two new farms (Atlanta and Houston).

And during 2021, we completed three acquisitions and increased our geographic footprint across three continents. Our operations are now in the U.S., Europe, the Middle East, and Asia. The acquisitions of Vindara, &ever, and the &ever Middle East Holding Ltd. (Middle East JV) significantly expanded our product portfolio and provided us with additional seed and plant technology capabilities that will increase operating efficiency and reduce operating expenses. The &ever acquisition provided Kalera with an operating farm in Kuwait and a farm in Singapore that is expected to be commissioned in 2022. Vindara is 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. The acquisition of Vindara transformed us into a vertically integrated urban vertical farm. Furthermore, with our announced construction of new facilities in 2022, our business expansion will continue across the US and internationally

During the last year, we were able to further augment our management team by adding global experience, technology, and processes that provided Kalera with the ability to sustainably establish the necessary building blocks for accelerating growth in the coming years.

At the end of 2021 we were the fastest growing vertical farmer in the world – providing many more grocers, restaurants, theme parks, airports, and other businesses reliable access to locally grown clean, safe, nutritious, price-stable, long-lasting greens.

Some companies merely use today to prepare for the future; others make the future begin to happen today. Such is Kalera. We are a uniquely singular business 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, global 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, incorporated in the state of Delaware, USA and headquartered in Orlando, Florida. The main holding entity is based in Oslo, Norway. Kalera has large-scale operating farms in Florida, Georgia, Texas, Colorado and Kuwait. We will soon have operating farms in Washington, Seattle, Ohio, Minnesota, Hawaii and Singapore.

Strategy and long-term goals

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, and without harmful 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 will soon 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 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 flavors 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 available in the market.

Based on these elements, the Company has developed a market-leading position, in a short amount of time using precise agriculture, and with a portfolio of lettuces, microgreens and seeds.

Operational review

Kalera views its product portfolio as a value-added proposition. The Company offers lettuce from its Orlando facility which was built to serve the foodservice and leisure markets.

During 2021 we opened two new facilities, Houston (Texas) and Atlanta (Georgia). During 2022, we opened Denver (Colorado) and we are constructing facilities in Columbus (Ohio), Seattle (Washington), St. Paul (Minnesota), and Singapore.

During the year we raised a total of USD 62.2 million in net proceeds to fuel our strategic acquisitions.

In accordance with the provisions of the Norwegian Accounting Act, the Board of Directors confirm 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 adopted by the EU, relevant interpretations, and the Norwegian Accounting Act. Please refer to page 54 regarding liquidity and going concern considerations.

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

Revenue (USD in thousands)

	2021	2020	Change %
Total revenue	2,855	877	221.9%

Total revenue increased by 222% to USD 2.9 million in 2021, up from USD 0.9 million in 2020. Revenue from retail customers accounted for approximately 45.2% of total production, with the remaining 54.8% resulting from foodservices. The revenue increase reflects the launch of our Atlanta and Houston facilities during late 2021 and a full year of operations for our Orlando facility compared to sales from only our Orlando facility in 2020, that was impacted by the COVID-19 pandemic.

Employee related expenses (USD in thousands)

	2021	2020	Change %
Wages and benefits	14,664	4,623	217.2%
Share-based compensation expense	2,844	1,509	88.5%
Total employee related expenses	17,508	6,132	185.5%

Wages and benefits increased by 217% to USD 14.7 million in 2021, up from USD 4.6 million in 2020 driven by new hires to operate the Orlando, Atlanta, and Houston facilities in addition to higher personnel expenses from the &ever GmbH and Vindara acquisitions. Non-cash items, including share-based compensation, during 2021 amounted to USD 2.8 million, up from USD 1.5 million in 2020, largely driven by additional personnel from Kalera's acquisitions and new hires to operate farms that either opened during 2021 or will open in early 2022.

Other expenses (USD in thousands)

	2021	2020	Change %
Other expenses	11,768	2,405	389.3%

Other operating expenses increased by 389% to USD 11.8 million in 2021, up from USD 2.4 million in 2020 related to launching the Atlanta and Houston facilities, and to expenses related to acquisitions performed during 2021 (including the Vindara, &ever GmbH, and the &ever Middle East JV) in 2021, compared to no acquisitions and only operating expenses related to operating the Orlando facility in 2020.

Operating expenses (USD in thousands)

	2021	2020	Change %
Wages and benefits	14,664	4,623	217.2%
Share-based compensation expense	2,844	1,509	88.5%
Other expenses	11,768	2,405	389.3%
Operating expenses excluding D&A and other gains / (losses)	29,276	8,537	242.9%
Depreciation and amortization expense	6,750	1,019	562.4%
Impairment and other gains / (losses), net	(685)	-	-
Operating expenses	35,341	9,556	269.8%

Operating expenses excluding D&A and other gains (losses) increased by 243%. The drivers behind this increase were higher wages and benefits and other expenses in 2021 from new facilities that open in 2021, compared to only expenses for the Orlando facility in 2020. Including D&A and impermanent and other gains/ losses, operating expenses increased by 270% in 2021.

Finance costs, net (USD in thousands)

	2021	2020	Change %
Finance income (costs), net	(5,204)	(831)	526.2%
Changes in fair value	-	(382)	(100.0%)
Gain on financial assets	-	327	NM
Loss on equity method investment	(74)	-	NM
Total finance costs, net	(5,278)	(886)	495.7%

Finance costs increased by 496% to USD 5.3 million in 2021, up from USD 0.9 million in 2020. This increase was driven by finance costs related to interest expense from the lease liabilities for the Orlando Headquarters and the following facilities: Orlando, Atlanta, Houston, Denver, and Seattle, as well as interest expense related to the DNB credit facility, compared to interest expense related to the lease liabilities for only the Orlando headquarters and the Orlando facility during 2020.

EBITDA and Adjusted EBITDA (USD in thousands)

	2021	2020	Change %
Net loss	(39,513)	(9,946)	297.3%
Income tax benefit	(1,027)	-	NM
Interest expense	5,204	886	487.4%
Loss on equity method investment	74	-	NM
Depreciation and amortization	6,750	1,019	562.4%
Impairment and other gains / (losses), net	1,051	-	-
EBITDA	(27,461)	(8,041)	241.5%
Other	(366)	-	NM
Share-based compensation expense	2,844	1,509	88.5%
One time accounting, consulting, and legal fees	528	-	NM
Adjusted EBITDA[1]	(24,455)	(6,532)	274.4%

1 Adjusted for non-cash items and non-recurring expenses.

Negative EBITDA increased by 242% to USD (27.5) million in 2021, up from negative EBITDA of USD (8.1) million in 2020. Employee-related expenses in addition to higher operating expenses arising from opening the Atlanta and Houston facilities and new corporate hires and personnel from Kalera's acquisitions in 2021, resulted in higher negative EBITDA in 2021 compared to negative EBITDA in 2020.

Financial Position

Kalera had total assets of USD 352.9 million at the end of 2021, of which USD 20.5 million are current assets and USD 332.4 are non-current assets.

These assets were financed by total equity of USD 267.7 million at the end of 2021, non-current liabilities of USD 69.6 million and current liabilities of USD 15.5 million.

Inventory amounted to USD 1.2 million at the end of 2021 compared to USD 0.1 million at the end of 2020. Trade and other receivables increased by 489% to USD 0.8 million compared to USD 0.1 million at the end of 2020. Prepaid and other current assets increased by 577% to USD 2.4 million compared to USD 0.4 million in 2020. The increases were the result of additional revenue and increases in operations during 2021 from our new facilities that opened in 2021, compared to only the Orlando facility during 2020.

Overall, negative working capital excluding cash amounted to USD 11.1 million in 2021, compared to negative working capital in 2020 of USD 0.8 million. The main driver for this increase was trade payables and accrued liabilities that increased to USD 13.5 million at the end of 2021 compared to trade payables and accrued liabilities of USD 1.2 million at the end of 2020.

Non-current assets increased to USD 332.4 million at the end of 2021 compared to USD 41.1 million at the end of 2020, mainly reflecting increased property, plant and equipment for either facilities that opened in 2021 or will open in 2022.

Total shareholders' equity amounted to USD 267.7 million at the end of 2021, up from USD 144.1 million at the end of 2020. During 2021, we closed two private placements raising a total of USD 61.7 million in net funds to finance for the acquisitions of Vindara, &ever, and the &ever Middle East JV.

Total liabilities amounted to USD 85.1 million in 2021 compared to total liabilities of USD 11.0 million in 2020. This increase reflects higher balances of lease liabilities of USD 61.4 million at the end of 2021, compared to lease liabilities of USD 9.7 million at the end of 2020.

Current liabilities increased to USD 15.5 million from USD 1.4 million. This increase was mainly driven by payments related to our construction activities for new farms that will open during 2022.

Cash Flow

Negative cash flow from operating activities was USD 22.5 million in 2021, compared with negative cash flow from operating activities of USD 9.6 million in 2020. The negative operating cash flow is mainly the result of employee-related expenses, operating costs related to launching of the Atlanta and Houston facilities, and new corporate hires in anticipation of new facilities that will open during 2022.

Cash flow used for investing activities was USD 134.9 million in 2021, compared to USD 20.8 million in 2020. This includes business acquisitions during 2021 and property, plant and equipment for facilities that either opened in 2021 or will open in early 2022.

Cash flow from financing activities was USD 61.2 million in 2021, mainly reflecting the capital raises during the year and the credit facility provided by DNB to close the &ever transaction during Q4-2021, compared to capital raises during 2020 of USD 145.3 million in net proceeds and an expense of USD 4.7 million from the conversion of the convertible loan during April 2020.

As a result, there was a net cash outflow of USD 96.1 million in 2021, compared to a net cash inflow of USD 110.0 million in 2020. Total cash and cash equivalents at year-end were USD 16.1 million in 2021, compared to USD 113.4 million in 2020.

Kalera AS Standalone Report

During 2021, total expenses increased to NOK 9,371 thousand compared to total expenses of NOK 3,197 thousand during 2020. This increase was driven by audit and legal expenses from increased corporate operations and business acquisitions performed during 2021 compared to no acquisitions and only expenses in connection to US operations only during 2020.

Net financial items during 2021 increased to NOK 48,136 thousand compared to negative net financial items of NOK -122,078 thousand during 2020. The increase during 2021 was mainly driven by currency gains from holding US denominated assets during 2021 compared to currency losses during 2020 from US denominated assets.

Results for the year 2021 for Kalera AS standalone resulted in net income of NOK 38,765 thousand compared to a net loss during 2020 of NOK -125,275 thousand.

Financial Position

Kalera AS had total fixed assets of NOK 2,935 million at the end of 2021 compared to NOK 505 million at the end of 2020. The increase in total fixed assets was the result of investments into subsidiaries including the Vindara Inc. and the &ever GmbH subsidiaries that were acquired during 2021 compared to no acquisitions during 2020.

Total assets increased to NOK 3,034 million at the end of 2021 compared to NOK 1,435 million at the end of 2020. The increase was the result of the increase in investments into new acquired subsidiaries during 2021.

Total liabilities increased to NOK 1.5 million during 2021 compared to total liabilities of NOK 0.6 million during 2020 resulting from increase activities at the holding level and increases in accounts payable. Total equity increased to NOK 3,032 million during 2021 compared to NOK 1,434 million during 2020 mainly driven by investments in subsidiaries and additional capital increases during 2021 compared to 2020.

Cash Flow

Cash from operating activities decreased to NOK -18 million at the end of 2021 compared to net cash from operating activities of NOK -3 million during 2020. This was the result of changes in net income and the effect of currency adjustments during 2021 compared to 2020 from US denominated investments.

Negative cash from investing activities increased to NOK 1,354 million during 2021 compared to NOK 307 million during 2020. This was driven by investments in new subsidiaries and loans into Group subsidiaries during 2021.

Cash from financing activities decreased to NOK 522 million during 2021 compared to cash from financing activities during 2020 of NOK 1,326 million during 2020. The decrease was driven by the company raising less capital during 2021 than in 2020 when the Company went public.

Allocation of Profit for Parent Company

The Board of Directors proposes to transfer the net profit of NOK 38,765,259 for the year ended 31 December 2021 to other equity. Total equity at the end of 2021 is NOK 3,032,266,852.

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.

Kalera is in an early commercial phase and is dependent upon the success of its roll-out and commercialization strategy in order to deliver future operating profits.

In 2020, Kalera started installing and operating large-scale production facilities allowing us to target large US regional and national accounts such as grocery chains, distributors and contract foodservice companies. Kalera's failure to execute our roll-out and commercialization strategy, or to manage our growth effectively, could adversely affect its business, financial condition, results of operations, cash flow and/or prospects. Additionally, vertical farming is a relatively new concept and the industry and Kalera's markets may fail to grow, or grow more slowly than expected.

Management Response: Kalera currently owns five operating large-scale facilities that are performing as expected. Kalera's recent launches of vertical farms have incorporated design and technology improvements that increased the efficiency of the construction and ramp-up period for new farms. The acquisition of &ever provided Kalera with access to proprietary technology and know-how. Kalera's management team will review and evaluate the business strategy with the board of directors on a regular basis, Kalera may decide to alter or discontinue elements of its business strategy and may adopt alternative or additional strategies in response to the current operating environment or competitive situation.

Kalera has incurred significant operating losses since its incorporation and expects to continue to experience cash flow losses going forward.

Historically, Kalera has financed operations through the sale of equity securities and through diverse financing arrangements. Going forward, Kalera expects to continue to incur operating losses for the foreseeable future and no assurances can be given on when, or if at all, Kalera will achieve profitability from our operations. The extent of Kalera's losses going forward will depend, in part, on our future expenses and our ability to generate revenue.

Management Response: In 2021 Kalera earned USD 2.9 million of Net Sales – a record revenue year for the Company as the farms Kalera built during the year were commissioned and began earning revenues. There is no indication these farms will stop generating cash flow in the foreseeable future. The continued negative cash flow is expected to derive from the construction of new farms going forward. Kalera has announced 16 farms that are expected to be operational by the end of 2023. As the new farms become fully operational, they will also begin to contribute revenue to the Company, mitigating losses in cash flow going forward. At the end of 2021, Agrico had ~$140 million of cash on hand. The merger with Agrico will provide the combined companies with access to a minimum of $100 million at closing, significantly alleviating many liquidity concerns.

Obtaining good production yields, is dependent upon a number of factors, where the most important is achieving good environmental conditions at the facilities, including temperature, humidity and sufficient airflow.

Additional factors include supplying adequate light to the crops, water, and fertilizers. Climate control, air flow, lighting, water treatment, irrigation, and nutrient dosage equipment may break down due to several possible causes, some of which are beyond Kalera's control. Returning equipment back to operation after a breakdown event may be delayed due to slow response times by manufacturers, suppliers, dealers, or repair service providers and/or by delayed availability of replacement parts. Ramping up and maintaining strong production yields is also dependent on availability and development of a trained work force. Lack of a trained work force may negatively affect production ramp-up plans and yields achieved. Should the production ramp-up phase take longer than projected at one or several facilities, or if Kalera does not succeed in obtaining strong production yields, this could have a material adverse effect on production and Kalera's business, results of operations, cash flows, financial condition and/or prospects.

Management Response: Kalera's technology provides us with the ability to optimize nutrient mixtures, light recipes, temperature and humidity. This results in nutrient-dense greens with consistent high quality year-round. Kalera's clean room technology includes advanced air and water filtration and decontamination adapted from semiconductor and biomedical industries. Kalera also utilizes cultivation methods that avoid contamination of hardware, seeds, and media. As a result, Kalera is able to eliminate the use of harmful chemicals and pesticides from its production process. Kalera's advanced plant and seed science and cleanroom technology ensure that Kalera's produce is free of contamination and bacteria, including human pathogens, without the use of harmful chemicals and pesticides. Kalera believes that vertical farming will be a major contributor towards a more sustainable future and aims to be a global leader in that endeavor.

The industry in which Kalera operates is highly competitive and Kalera may not be able to compete successfully.

Kalera competes in an industry still under establishment, that is increasingly competitive. The competition is comprised of both traditional farming and companies in CEA. Some of Kalera's competitors are more established and may have (i) greater capital and/or commercial, marketing, and technical resources, (ii) longer operating histories and/or (iii) superior brand recognition. Kalera's competitors may be able to adapt more quickly to new or emerging technologies, changes in customer requirements and changes in the regulatory environment. In addition, current and potential competitors have established or may establish financial or strategic relationships among themselves or with existing or potential customers or other third parties. Accordingly, new competitors or alliances among competitors could emerge and rapidly acquire significant market share.

Management Response: Kalera is one of the world's fastest growing vertical farms and has been able to stake ground in key competitive urban markets that have provided the Company with the "first-mover" competitive advantage. By the end of 2023, Kalera expects to have 16 operational facilities across three continents (US, Europe and Asia), in four countries (US, Germany, Kuwait, and Singapore). The first-mover competitive advantage, particularly in cities with large-scale facilities, discourages competitors from building in close proximity to Kalera's facilities. The acquisition of Vindara Inc., a leading indoor seed developer, in March 2021 allowed Kalera to realize significant operational synergies and innovative product expansion capabilities as Vindara is a driver of transformational seed innovation. Vindara's proprietary database captures physical measurements (e.g. diameter, nutritional density, etc.) and sensory properties (e.g. flavor, texture, color, etc.). This data is then used to train proprietary machine learning models that predict the genetic underpinnings of new varieties, dialed-in with a precise set of desired properties for the produce. Desirable produce properties (color, texture, flavor, and nutritional profiles) are subjective and depend upon a range of cultural and generational traditions. Vindara can provide growers with the ability to agilely and precisely accommodate differing tastes and desires in produce properties across these cultural and generational preferences. This is a keen competitive advantage compared to a wide swathe of Kalera's competitors.

Kalera's commercial success is dependent on its ability to enter into produce distribution agreements and other agreements with third parties.

Kalera's large-scale production facilities generally serve customers within a 300-mile radius of the relevant facility. As Kalera continues its roll-out plan by building new facilities, Kalera may be dependent upon entering into new produce distribution agreements with new customers located within the target radius or renegotiating existing produce distribution agreements to also cover such new areas. Should Kalera be unsuccessful in entering into new produce distribution agreements, this could in turn have a material adverse effect on its business, results of operations, financial condition and/or prospects. Conducting business internationally creates operational, financial and tax risks for Kalera's business.

Management Response: Kalera provides produce to many blue-chip, top tier companies including Sysco, Disney, Publix, Marriott and Universal Studios. In 2021, Kalera entered into distribution agreements with three new customers, Walmart, H-E-B, and Kroger. The quality of Kalera's produce, aided by the proprietary, innovative technology of Vindara's seeds, provides Kalera with a unique competitive advantage compared to its peers. In 2021, the Company gained strong sales momentum in raising brand awareness, product innovation, and branding upgrade.

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.

Management Response: The Group has been able to successfully access capital for investment into its expansion plan, including organic and inorganic growth. We believe that the Group will continue to attract investors as it continues to execute on its plans and the recent credit facilities that combined add to a total of USD 50 million in addition to the merger with Agrico, should provide Kalera with additional resources to be able to continue to invest in new farms and run existing operations.

Interest-rate risk

The Group has a bridge loan in the amount of USD 20 million and a credit agreement with Farm Credit in the amount of USD 30 million for a total of USD 50 million. These facilities have a fixed rate of interest and Kalera is not exposed to changes in interest rates that could increase the cost of these loans.

Foreign currency risk

The Group is exposed to foreign exchange risk. Given that the Group has selected the USD as has operations in Europe, Middle East, and Asia, there is risk that operations in non-US denominated currency could depreciate against the US dollar and may impact our profit margin.

Credit risk

The Group is exposed to credit risk related to customers. The Company suffered approximately 0.8% of write-offs during 2021. The company is constantly monitoring and evaluating potential credit risks and policies regarding credit to certain customers to minimize any potential impact due to credit risk. 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 our profit margin.

Legal and compliance

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

Management Response: Kalera follows very high standards in terms of quality assurance. Kalera also achieved the SQF certification in order to raise the standards of quality above those required by the industry. We believe these activities should limit potential liability.

Regulatory risk

Kalera 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 Company is subject to a variety of laws and regulations. These laws and regulations apply to many aspects of the Company's business, including the manufacture, packaging, labeling, distribution, advertising, sale, quality, safety of its products, employees, and the environment.

Management Response: Kalera follows strict processes and procedures at its existing facilities. The Company 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

By the very nature of our business, Kalera has a strong ESG profile. We are 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. Our hydroponic facilities produce several hundred times more output per square foot than traditional farming, use 99% less land, and are not subject to seasonal and regional limitations. In addition, we estimate that our advanced recirculated irrigation systems consume 95% less water than traditional field farming with significantly reduced risk of environmentally harmful runoffs. Our advanced plant and seed science and air and water filtration and sanitation technology ensure that our produce is virtually free of contamination, including human pathogens, without the use of harmful chemicals and pesticides.

In addition to a foundation of must-have ESG factors such as sound governance structures and social policies, we have identified the following key ESG impact areas for Kalera:

I. Water Stewardship
II. Reduction of Land Use
III. CO_2 Footprint Reduction
IV. Nutrition and Health
V. Developing the 21st Century Farming Workforce

We are committed to developing ESG KPI tracking and reporting processes and systems, in accordance with accepted reporting standards. In 2022, Kalera will publish its first ESG report. As our expanding list of production facilities becomes fully operational, data collection will expand in support of ESG KPI reporting. We believe that vertical farming will be a major contributor towards a more sustainable future, and we aim to be a global leader in that endeavor.

Climate Change

Kalera is at the forefront of new technology that is transforming the future of farming, especially given mounting challenges regarding climate change. With rising temperatures and increasing water stress globally, Kalera's substantially lower use of water offers a more sustainable model compared to traditional farming, and consequently a lower business risk with respect to water scarcity.

Fertile land is a limited resource. We need to increase food supply globally by 70% for the additional 2.7 billion people expected by 2050, while 80% of arable land is already in use. At the same time, every minute, 23 hectares of arable land are lost to erosion, pollution, and urban sprawl. By 2050, soil erosion alone could lead up to a 10% loss in crop production. Kalera's hydroponic grow methods are soil-less, and its indoor vertical farms are deployed in built environments, and use ~99% land vs. traditional farming at equivalent output, resulting in a lower risk with respect to arable land loss.

100% of Kalera's revenue comes from indoor farming, and therefore is linked to physical assets which may be affected by adverse climate events. Kalera has two farms in hurricane prone areas: Orlando and Houston. However, these physical assets are built environments – tilt-up concrete warehouses, built to local building codes, which provide much higher resilience compared to other forms of controlled environment agriculture such as green houses. To address these location-specific risks, Kalera has business continuity procedures. Furthermore, Kalera is currently a geographically diversified company, with additional operating farms in Atlanta, Denver, and Kuwait, and farms under construction in Seattle, St. Paul, Honolulu, Columbus, and Singapore.

Climate change and wars lead to disruptions in long-haul food distribution systems, that can lead to escalating transportation costs from higher fuel costs and inefficient shipping routes. Kalera's indoor vertical farms are deployed in urban areas. Approximately 70% of the world's food is eaten within cities, where 55% of world population lives today, 68% projected by 2050. Therefore, Kalera's farms are deployed locally to where the majority of consumers reside, leading to a marked reduction of food-miles from farm to fork, and with an inherent reduction of risk related to distribution risks.

Managing Water in Our Operations

Agriculture accounts on average for ~70% of all freshwater withdrawals globally – and an even higher share of consumptive water use, i.e., water removed from available supplies without return to the water resource system.

Kalera's hydroponic indoor vertical farms use closed irrigation circuits, with an estimated ~95% reduction of water use and virtually no fertilizer run-off compared to traditional farming. This is enabled by Kalera's precise plant nutrient solution dosage methods that virtually eliminate the need to flush nutrient-rich water tanks into the environment. Due to this approach we are able to operate farms in water-stressed areas, such as Kuwait.

We are currently evaluating technological solutions for further reducing our water footprint by capturing evaporated water and reintroducing it into the irrigation cycle, aiming to achieve a ~97% reduction of water consumption compared to traditional produce farming methods.

Material Contracts

Intellectual Property Rights

Our general intellectual property is an inherent part of our business strategy and mainly relates to production processes and methods, plant nutrient mixture formulas, custom hardware and software code as well as our trademarks and is an inherent part of our business strategy. We currently have two issued patents. Kalera including through its acquisition of &ever GmbH and Vindara Inc., has applications for 16 patent families. Our main trademarks are "Kalera", "HyCube", "HyTaste" and "Pick-to-Plate." We believe our success depends, at least in part, on our ability to further develop and protect our intellectual property and we rely on a combination of patents, trade secrets, and know-how that are protected through limiting access to key information, confidentiality provisions in agreements, confidentiality procedures, and IT security.

Research and Development Activities

We perform internal R&D activities to perfect our nutrient, light, and environment recipes for all varieties growing in our system. We also have research initiatives for trialing plant varieties suitable or optimized for our growing systems. We are developing advanced plant nutrient management algorithms and procedures, as well as data analytics and machine learning methods for advanced plant production process control on an ongoing basis. We have a global R&D team, including R&D centers in Orlando/US (plant science, variety selection), Munich/Germany (automated production systems, grow substrates), and Singapore (precision agriculture). We are collaborating with leading academic and research organizations such as University of Florida, and Singapore's Agency for Science, Technology and Research (A*STAR).

Under our seed science initiatives, 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.

In essence, we are lifting the burden imposed by today's off-the-shelf seeds with tailor-made alternatives designed specifically for indoor use, without sacrificing quality, taste and nutrients.

We improve 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 environment, but produce substantially better results with amplified appearance, nutrition, flavor, and increased yield.

Vindara's seed development process is conducted entirely through analytics - no gene-editing or GMOs 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 the usual 5 to 7 years to a remarkable 12 to 18 months.

Vindara provides growers with 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 specification, and brought to life with unprecedented speed.

External Environment

There are no aspects during the entire lifestyle of leafy greens productions, 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 2022 and beyond. The company recently opened a production facility in Denver that is one of the largest hydroponic indoor farms in the state of Colorado. Kalera is also very well-positioned to continue its industry-leading and sustainable expansion plan in the US and internationally with a particular emphasis on implementing ESG policies and KPIs during 2022.

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.

People and Work Environment

Kalera Culture and HR Policy

- The goal at Kalera is to build trust amongst all employees by means of a culture that encourages communication to discuss opinions, problems, suggestions, and comments. The objective is to work together as a team.
  - The goal of Kalera is also for our employees to be excited about coming to work, and share in the mission to change the world.
  - Kalera recognizes that our employees are our most valuable asset; our goal is to be the best company to work for.
- All employees are encouraged to communicate openly and directly, with their manager or Human Resources Business Partner, any and all concerns and feedback.
- When employees deal openly and directly with management/ Human Resources, the work environment is positive, communications are clear, and morale is strong.
- Kalera is committed to responding efficiently and effectively to all concerns.
- Core Values
  - Grow the Future.
  - Own It, All of It.
  - Do the Right Thing Always.

Non-Discrimination, Equality and Diversity

- Kalera provides equal employment opportunities to all employees and applicants for employment without regard to race, creed, color, religion, national origin, ancestry, marital status, sex, age, physical or mental disability, genetic information, citizenship status, military or veteran status, or any other classes protected by federal, state, or local law.
  - Kalera provides equal employment opportunities to disabled applicants and employees to ensure that all with the ability to perform essential job functions can enjoy the benefits of employment. If a qualified applicant or employee who is disabled requests a reasonable accommodation, Kalera will explore the possibilities and consider granting the accommodation. All decisions pertaining to accommodations and disabilities of qualified applicants and employees will exemplify the commitment to providing equal employment opportunities.
- Kalera is committed to maintaining a work environment that is free of discrimination. Kalera will not tolerate discrimination of company employees by anyone, including an employee, co-worker, or customer of the company. Kalera will not tolerate discriminating conduct by employees towards any of these individuals.
- Kalera's employment objective is to hire individuals who meet high standards of integrity, character, and occupational qualifications, who can work effectively and show the capacity for growth.

- Employees are encouraged to report any complaints of discrimination (observed or experienced) to any member of management with whom they feel most comfortable.
    - Kalera forbids retaliation against anyone who has reported a complaint of discrimination that is observed or experienced, and against anyone who participates in an investigation into a complaint of discrimination.

Training and Development

- Kalera has a passion for growth and continued development, and encourages employees to think big, look beyond their current position, and seriously consider the ways they can grow within the company. Kalera supports homegrown management and the promotion and transfer of employees.
- Kalera understands that beginning a new job requires an adjustment. Each employment relationship begins with a 90-day assimilation period. During this period, we conduct intensive training, and determine how an employee's talent level, capabilities, and interests fit with a new position.
    - During an introductory period, the employee's manager will closely inspect and observe their employee's work, including the ability and desire to learn, team spirit, productivity, communication skills, cooperation, quality of work, professionalism, interest, attendance, and performance.
- Kalera will arrange for employees to attend various training programs (in-house and off-site) that support growth and professional development. These training programs may be geared toward technical knowledge, safety, new regulations, management, industry matters, or other topics.
- Open and honest dialogue regarding performance.
- Two-way conversations on an on-going basis.

Liability insurance

Kalera Kalera AS has liability insurance coverage for its Directors and Officers (D&O). The 2021-22 D&O insurance policy was

underwritten by Berkshire Hathaway Specialty (Berkshire) and covers all loss from a claim or securities claim against an Insured Person and legal representation expenses in respect of an investigation made during the policy period. The insurance underwritten by Berkshire shall also respond to all loss for which Kalera AS indemnifies and Insured Person per the policy terms and conditions.

Relationship Between Kalera, Kalera Employees, and the Communities/Organizations We Are a Part Of.

- Orlando – The Orlando farm currently sends donations to three locations: Second Harvest, Catholic Charities, and United Against Poverty. Orlando is currently working on projects to supply lettuce to manatees and Disney's Animal Kingdom.
- Atlanta – Developing a relationship with the Atlanta Food Bank and the Atlanta Zoo.
- Houston – The Houston farm regularly donates leafy greens to the Houston Food Bank, which is the second largest food bank in the United States. In January 2022, the Houston farm made our first delivery to Brighter Bites, another donation partner. Brighter Bites is a Houston-based nonprofit founded in 2012 that delivers fresh fruits and vegetables directly into families' hands.

Bjørge Gretland
Chairman of the Board

Chris Logan
Member of the Board

Umur Hürsever
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

Financial Statements

Consolidated Statement of Operations and Comprehensive Loss ($ in thousands)

	Notes	Year-ended 31 Dec 2021	Year-ended 31 Dec 2020
Total revenue	20	2,855	887
Raw materials and consumables used	2	1,406	391
Wages and benefits	17	14,664	4,623
Share-based compensation expense	8	2,844	1,509
Depreciation and amortization expense	4, 7	6,750	1,019
Other expenses	18	11,768	2,405
Impairment and other gains / (losses), net	4, 21	(685)	-
Operating loss		(35,262)	(9,060)
Finance income (costs), net	19	(5,204)	(886)
Loss before income tax		(40,466)	(9,946)
Income tax benefit	11	1,027	-
Loss before equity in net earnings loss of affiliate		(39,439)	(9,946)
Loss on equity net loss of affiliate	15	(74)	-
Net loss		**(39,513)**	**(9,946)**
Currency translation adjustments	2	(1,169)	-
Total comprehensive loss		(40,682)	(9,946)
Basic and diluted loss per share:	23	(0.22)	(0.09)

Notes 1 to 24 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position ($ in thousands)

	Notes	31 Dec 2021	31 Dec 2020
Assets			
Property, plant and equipment, net	4	127,970	28,014
Right-of-use assets, net	5	56,909	9,279
Goodwill	6	68,421	156
Intangible	7	74,233	530
Equity method investment	15	1,487	-
Deposits and other receivables	2	3,353	3,148
Total non-current assets		332,373	41,127
Current assets			
Trade and other receivables	2	796	135
Prepaid and other current assets		2,386	352
Inventory	3	1,190	104
Cash and cash equivalents	1	16,146	113,353
Total current assets		20,518	113,944
Total assets		352,891	155,071
Equity and liabilities			
Share capital	9	206	194
Share premium	9	320,297	167,101
Shares to be issued	9	8,249	-
Share-based compensation	8	4,353	1,509
Accumulated deficit		(65,375)	(24,693)
Total equity		267,730	144,111
Liabilities			
Long term debt		69	62
Asset retirement obligations	10	1,476	-
Long term lease liabilities	5	59,352	9,535
Deferred tax liability	11	8,751	-
Total non-current liabilities		69,648	9,597
Current liabilities			
Trade payables and accrued liabilities		13,475	1,214
Short term lease liabilities	5	2,038	149
Total current liabilities		15,513	1,363
Total liabilities		85,161	10,960
Total equity and liabilities		352,891	155,071

Notes 1 to 24 are an integral part of these consolidated financial statements.

Year Ended 31 December 2021 and Year Ended 31 December 2020

28 April 2022

Bjørge Gretland
Chairman of the Board

Chris Logan
Chris Logan
Member of the Board

Umur Hürsever
Member of the Board

Camilla Magnus
Member of the Board

Sonny Perdue
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Maria Sastre
Member of the Board

Erik Sauar
Member of the Board

Consolidated Statement of Cash Flows ($ in thousands)

	Notes	For the twelve months ended 31 Dec 2021	For the twelve months ended 31 Dec 2020
Cash flows from operating activities			
Net loss before tax		(40,466)	(9,946)
Adjustments to reconcile net loss to cash used in operating activities:			
Depreciation and amortization	4, 7	6,750	1,019
Share-based compensation	8	2,844	1,509
Finance costs, net	19	5,204	503
Interest paid		(3,657)	(272)
Impairment on construction in progress assets	4, 21	1,051	-
Gain from insurance recoveries	4, 21	(650)	-
Changes in operating assets and liabilities (net of assets acquired and liabilities assumed in business combinations):			
Trade and other receivables		(1,266)	(3,103)
Trade and other payables		8, 766	381
Change in inventory	3	(1,076)	(103)
Change in fair value of assets and liabilities	19	-	382
Net cash used in operating activities		(22,500)	(9,630)
Cash flows from investing activities			
Insurance proceeds	4	650	-
Purchase of property, plant and equipment	4	(83,169)	(20,846)
Research and development	7	(2,444)	-
Net of business acquisitions cash acquired	6	(49,887)	-
Net cash used in investing activities		(134,850)	(20,846)
Cash flows from financing activities			
Net proceeds from issuance of shares	9	61,696	140,619
Proceeds from loan facility	14	34,000	328
Repayment of loans and lease liabilities	14	(34,457)	(507)
Net cash generated from financing activities		61,239	140,440
Net change in cash and cash equivalents		(96,111)	109,964
Cash and cash equivalents at the beginning of the period	2	113,353	3,395
Impact of foreign currency on cash and cash equivalents		(1,096)	(6)
Cash and cash equivalents at end of period		16,146	113,353

Notes 1 to 24 are an integral part of these consolidated financial statements.

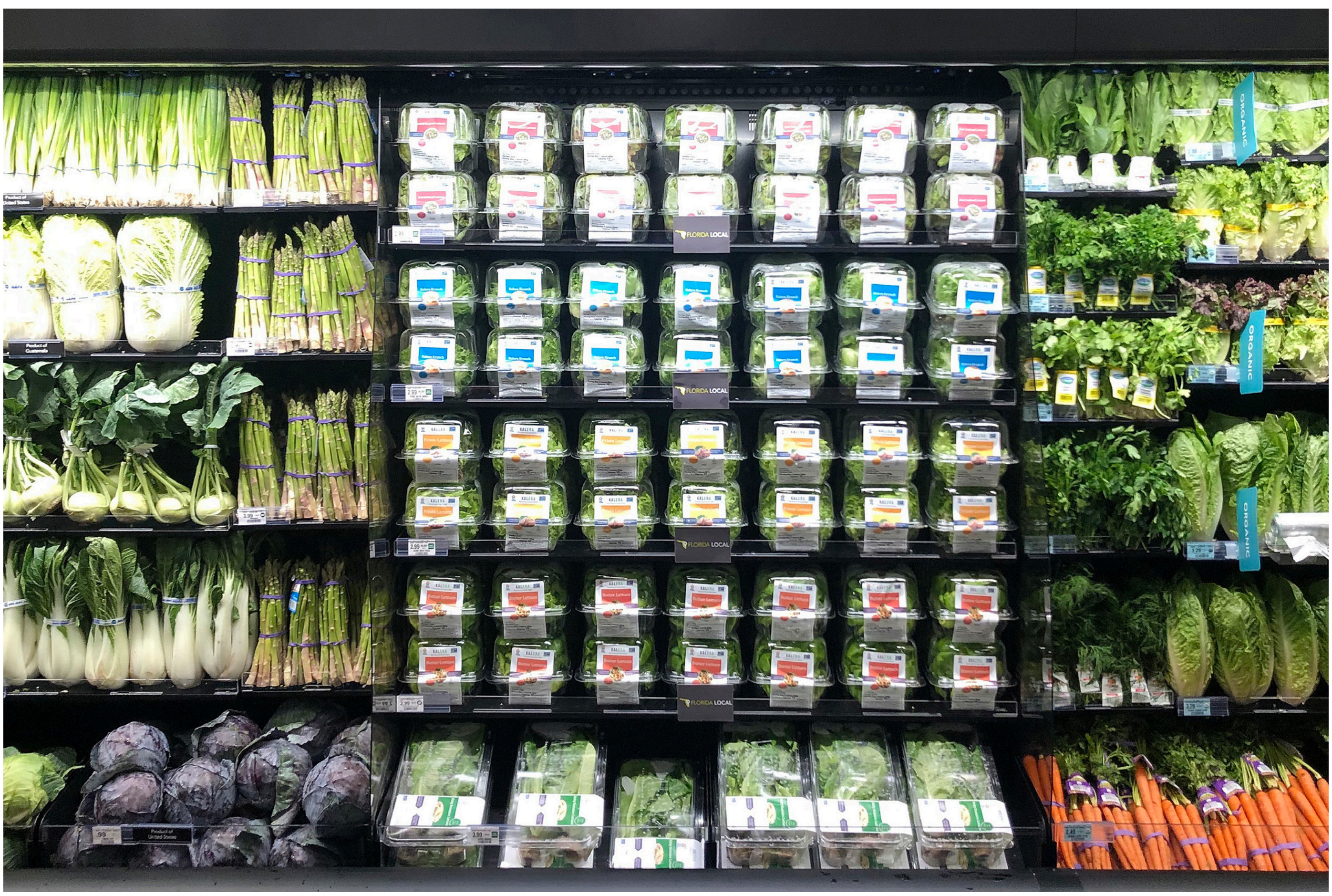
Consolidated Statement of Changes in Equity

($ in thousands, except per share and number of shares)

Year Ended 31 December, 2021 and Year Ended 31 December, 2020

	Note	Share capital	Share premium	Shares to be issued	Share-based compensation	Other reserves	Total equity
Balance, 1 January 2020		98	21,902	-	-	(14,747)	7,253
Issue of shares	9	83	123,650	-	-	-	123,733
Share-based compensation	8	-	-	-	1,509	-	1,509
Issue of shares	9	13	21,549	-	-	-	21,562
Loss for the period		-	-	-	-	(9,946)	(9,946)
Balance, 31 December 2020		194	167,101	-	1,509	(24,693)	144,111
Issue of shares	9	12	153,196	8,249	-	-	161,457
Share-based compensation	8	-	-	-	2,844	-	2,844
Comprehensive loss for the period		-	-	-	-	(40,682)	(40,682)
Balance, 31 December 2021		206	320,297	8,249	4,353	(65,375)	267,730

Notes 1 to 24 are an integral part of these consolidated financial statements.



Notes to the Consolidated Financial Statements ($ in thousands, except per share and number of shares)

Note 1: Description of Organization and Business Operations

Company Overview

Kalera AS (the "Company") and its subsidiaries (together the "Group") is a hydroponic vertical farming group. The Group operates vertical hydroponic farms and related technology development facilities that produce various lettuce and micro–greens for the retail and food service markets. The Company is a private limited liability company incorporated under the laws of Norway, and its shares are listed on Euronext Growth Oslo, a multilateral trading facility operated by the Oslo Stock Exchange. At 31 December 2021 the Group had four (4) large-scale operating hydroponic farms ("farms" or "production facilities") within Florida, Georgia, Texas and Kuwait and was building new farms in several locations, including Ohio, Colorado, Washington, Hawaii, Minnesota and Singapore. At the end of 31 December 2020, the Group had one (1) large-scale production facility within Florida and was building new farms in Georgia and Texas.

In March 2020, the World Health Organization declared the spread of the coronavirus ("COVID–19") a global pandemic. As a result of the pandemic, the vast majority of the Group's customers in the foodservice and hospitality industries had to close their operations temporarily. These closures resulted in the loss of sales during the year–ended 31 December 2020. During 2021, the industry recovered and the Group was able to increase its sales to its foodservice and hospitality customers.

Currently, all of the Group's operations are operating normally, however, the extent to which COVID–19 and the related global economic crisis affect the Group's business, results of operations and financial condition, will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and any recovery period, future actions taken by governmental authorities, central banks and other third parties (including new financial regulation and other regulatory reform) in response to the pandemic, and the effects on our products, clients, vendors and employees. The Group continues to service its customers amid uncertainty and disruption linked to COVID–19 and is actively managing its business to respond to the impact.

Note 2: Summary of Significant Accounting Policies

Basis for Presentation

The consolidated financial statements for the years ended 31 December 2021 and 2020 for the 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 Group financial statements have been prepared on a going concern basis.

Liquidity and Going Concern Considerations

Since inception, the Group has financed its operations primarily through the sale of shares of common stock and debt financing. The Group incurred losses during the years ended 31 December 2021 and 2020 of $40,466 thousand and $9,946 thousand, respectively, and has an accumulated deficit of $65,375 thousand at 31 December 2021. The Group expects to continue to generate operating losses and consume significant cash resources for the foreseeable future. These operating losses and accumulated deficits raise material uncertainty about the Group's ability to continue as a going concern for a period of twelve months from the date these consolidated financial statements are issued, meaning that the Group may be unable to continue operations for the foreseeable future or realize assets and discharge liabilities in the ordinary course of operations.

The Group's continuation as a going concern is dependent upon its ability to obtain additional operating capital, complete development of new seeds and produce, and attain profitability. The Group has implemented and continues to implement plans to fund its operations and finance its future development activities and its working capital needs.

In the first quarter of 2022, the Group executed a sale-leaseback transaction that raised approximately $8,100 thousand (see Note 24). During the first quarter of 2022 the Group entered into a convertible bridge financing facility for up to $20,000 thousand with $10,000 thousand currently committed (see Note 24). In addition, The Group entered into a credit agreement with Farm Credit for $30 million with $20 million for CAPEX and $10 million available for working capital.

The Group also anticipates completing a merger with a special purpose acquisition group (see Note 24) by the second quarter of 2022, which will provide additional liquidity to support the Group's ongoing operations. The Group is also in negotiations for a second sale-leaseback transaction along with raising additional debt financing.

If the Group continues to seek additional financing to fund its business activities in the future and there remains doubt about its ability to continue as a going concern, investors or other financing sources may be unwilling to provide additional funding on commercially reasonable terms, or at all. If the Group is unable to raise the necessary funds when needed or other strategic objectives are not achieved, it may not be able to continue our operations, or it could be required to modify its operations, which could slow future growth.

The consolidated financial statements have been prepared assuming the Group will continue as a going concern, which contemplates the realization of assets and payments of liabilities in the ordinary course of business. Accordingly, the consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of and classification of liabilities that may result should the Group be unable to continue as a going concern.

Basis of Consolidation

The Group's consolidated financial statements include the accounts of the Group and its wholly-owned subsidiaries over which the Group has control. All intergroup transactions, balances and unrealized gains and losses from intergroup transactions have been eliminated in consolidation. The Group includes the following wholly-owned subsidiaries as of 31 December 2021:

Kalera AS

- Kalera Inc.
- Iveron Materials, Inc.
- Vindara Inc.
- Kalera GmbH (formerly known as &ever GmbH)
- Kalera S.A. (Luxembourg)
- Kalera Real Estate Holdings, LLC.
- Kalera Singapore PTE. LTD. (formerly known as &ever Singapore)
- Kalera Agriculture for Agriculture Contracting Group - SPC (Kuwait)

- Kalera Middle East Holding Ltd. (formerly &ever Middle East Holding Ltd.) (Dubai)

Segment Reporting

Our chief operating decision maker, or the CODM, is considered to be our Chief Operating Officer along with and supported by our Chief Executive Officer and Chief Financial Officer, together comprising our CODM. The CODM measures performance based on our overall return to shareholders based on consolidated returns to shareholders. The Group had one operating segment for the years ended 31 December 2021 and 2020 that is engaged in the sale and production of hydroponic lettuce and microgreens.

Use of Estimates

The preparation of the financial statements in accordance with IFRS requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may or may not differ from those estimates.

Revenue Recognition

The Group recognizes revenue in accordance with IFRS 15, the core principle of which is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to receive in exchange for those goods or services. To achieve this core principle, five basic criteria must be met before revenue can be recognized: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to performance obligations in the contract; and (5) recognize revenue when or the group satisfies a performance obligation.

The Group recognizes revenue through the sale of various varieties of lettuce and micro–greens, which are sold to food retail and distribution customers, generally with standard shipping terms. The Group's revenue results from the delivery of our products as the single performance obligation transferred at an agreed upon price per unit. The Group recognizes revenue for the sale of products at the point in time the performance obligation has been satisfied, which is when control of the product has transferred to the customer. Control of the product generally occurs upon shipment or delivery to the customer based on terms of the sale.

Revenue is measured as the amount of consideration the Group expects to receive in exchange for delivering products. The amount of revenue recognized is reduced for estimated returns, discounts and other customer credits. No significant element of financing is deemed present as the sales are made with a credit term of thirty (30) days, which is consistent with market practice. A trade 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 identifies leases by evaluating its contracts to determine if the contract conveys the right to use an identified asset for a stated period of time in exchange for consideration. The Group considers whether it can control the underlying asset and has the right to obtain substantially all of the economic benefits or outputs from the asset. The Group capitalizes the present value of the minimum lease payments including property taxes and other common area maintenance costs over the lease terms as a right–of–use asset with an offsetting lease liability. The discount rate used to calculate the present value of the minimum lease payments is based on an incremental borrowing rate, which approximates the rate of interest the Group would have to pay to borrow on a collateralized basis over a similar term. The lease term includes any noncancelable period for which the Group has the right to use the asset. Currently, all capitalized leases are classified as operating leases and the Group records lease expense on a straight–line basis over the term of the lease. Lease agreements with initial terms of 12 months or less are not recorded in the Group's balance sheets.

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.

Cash and Cash Equivalents

The Group considers short–term investment securities with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents at 31 December 2021 and 2020 were $16,146 thousand and $113,353 thousand, respectively.

Trade Receivables and Related Allowance for Credit Losses

Trade receivables are recognized initially at fair value less provision for expected credit losses. The Group records an allowance for doubtful accounts to allow for any amounts that may not be recoverable, which is based on an analysis of the Group's prior collection experience, customer creditworthiness, and current economic trends. Based on management's review of accounts receivable, an allowance for credit losses of $23 thousand was considered adequate at 31 December 2021. There was no allowance for doubtful accounts at 31 December 2020. Interest is typically not charged on past due invoices. Account balances are written-off after collection efforts have been made and the potential recovery is considered remote.

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.

Inventory and Cost of Goods Sold

Inventory is stated at the lower of cost or net realizable value and are accounted for using the first–in, first–out ("FIFO") method. Inventory costs include the costs of producing our products which include direct material costs such as seeds and nutrients, salaries and wages of the employees directly involved in farming production, farming facility costs including utility costs, insurance, maintenance, and other costs directly attributed to the vertical farming process and facilities. The inventory balance at 31 December 2021 and 2020 include direct materials not yet utilized in the farming process, cost of leafy greens currently growing, and fully grown leafy greens ready for sale.

Inventory costs including shipping and handling are reflected in the raw materials and consumables used at the time the product is sold and recognized in sales. For any inventory that is produced but is unsold prior to spoil date or is unfit for sale, the Group writes–off that inventory in accordance with the lower of cost or net realizable value principle.

During 2021 and 2020, the Group's facilities operated at higher capacity than was required to meet demand in order to test and condition the systems in our recently opened production facilities.

Property, Plant and Equipment, Net

Property and equipment exceeding over five thousand dollars are capitalized. Property, plant and equipment, net is stated at cost less accumulated depreciation. Depreciation is computed beginning on the date the asset is placed into service using the straight–line method over the estimated useful live. Leasehold improvements are amortized on a straight-line basis over the lesser of the useful life of the lease or the relevant lease term.

The estimated useful lives are as follows:

- Production facilities: 15 years
- Furniture, fitting and equipment: 5 years
- Industrial property: 20 years
- Vehicles: 6–10 years

Farming production facilities under construction are not depreciated until completed and ready for their intended use, at which point they are transferred to their own asset category. The Group reclassifies assets under construction, which include primarily farming production facilities, to property, plant, and equipment when the farming production facility is put into service and production begin. The Group capitalizes interest during construction of assets until construction is complete and the asset is placed in service.

Business Combinations

Business combination accounting requires the acquirer to recognize, separately from goodwill, the identifiable assets acquired, liabilities assumed, and any noncontrolling interest in the acquire, and to measure these items generally at their acquisition date fair values. Goodwill is recorded as the residual amount by which the purchase price exceeds the fair value of the net assets acquired. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group is required to report provisional amounts in the financial statements for the items for which the accounting is incomplete.

Adjustments to provisional amounts initially recorded that are identified during the measurement period are recognized in the reporting period in which the adjustment amounts are determined. During the measurement period, the Group is also required to recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of those assets and liabilities as of that date.

The measurement period ends the sooner of one year from the acquisition date or when the Group receives the information about facts and circumstances that existed as of the acquisition date or learn that more information is not obtainable.

When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing intangible assets include, but are not limited to, expected future cash flows, which include consideration of future growth rates and margins, future changes in technology and brand awareness, loyalty and position, and discount rates. Fair value estimates are based on the assumptions management believes a market participant would use in pricing the asset or liability.

Carrying Value of Long–Lived Assets

Long–lived assets such as intangible assets subject to amortization are reviewed annually for impairment or as events or changes in business circumstances occur, indicating that the carrying value of the asset may not be recoverable. The estimated cash flows produced by assets or asset groups, are compared to the asset carrying value to determine whether impairment exists. Such estimates involve considerable management judgment and are based upon assumptions about expected future operating performance. As a result, actual cash flows could differ from management's estimates due to changes in business conditions, operating performance, and economic and competitive conditions.

Maintenance and Repairs of Property and Equipment

Expenditures for maintenance and repairs are charged to expenses in the period incurred and recorded in other expenses on the consolidated statement of operations.

Goodwill and Intangible Assets

Goodwill – Goodwill represents the excess of costs over the fair value of identifiable assets acquired and liabilities assumed in business combinations. Goodwill is not amortized but is assessed for impairment annually or more frequently if circumstances indicate potential impairment. An impairment charge is recognized when and to the extent the carrying amount of goodwill is determined to exceed its fair value.

The Group has the option to first assess qualitatively whether it is more likely than not that a reporting unit's carrying amount exceeds its fair value. Events and circumstances that are considered in performing the qualitative assessment include macroeconomic conditions, industry and market conditions, cost factors, overall financial performance, events affecting the reporting unit or Group as a whole.

When performing the qualitative assessment, the Group examines those factors most likely to affect each reporting unit's fair value. If the Group concludes that it is more likely than not that the reporting unit's fair value is less than its carrying amount (that is, a likelihood of more than 50 percent) as a result of the qualitative assessment, or, if the qualitative assessment is not elected, then a quantitative assessment is performed in its place, to determine any impairment. There was no impairment of goodwill for the years ending 31 December 2021 or 2020.

Intangible Assets – Other intangible assets are comprised of technology related to vertical farming acquired from Kalera GmbH (formerly &ever GmbH) and Kalera Middle East Holding Ltd. (formerly &ever Middle East Holding Ltd.) and intellectual property related to indoor seed technology acquired from Vindara Inc during business acquisitions (see Note 6 for additional information on business acquisitions), and licenses and related costs incurred for exclusive access and development of patents owned by Iveron Materials, Inc. Intangible assets are recorded at historical cost and amortized on a straight-line basis on the date the asset is placed into service over the estimated useful lives. Impairment reviews are undertaken annually, or more frequently if circumstances indicate potential impairment.

Intangible assets are amortized using following useful lives:

- Intellectual property: 10 years
- Technology: 15 years
- Patents and licenses: 10 years

Other Non–Current Assets

Other non–current assets primarily consist of security deposits required for long–term operating lease agreements.

Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recorded in the period in which it is incurred if a reasonable estimate of fair value can be made. The Group's asset retirement obligations are generally a result of operating lease agreements for locations which the Group has built–out farming production facilities. The lease agreements often include provisions requiring the Group to return the leased space to its original state prior to the build out of the Group's farming production facility. These provisions result in costs to remove farming production equipment and repair the leased space prior to vacating the space. In periods subsequent to initial measurement, the Group recognizes period–to–period changes in the asset retirement obligation liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate. The increase in the carrying value of the associated long–lived asset is depreciated over its corresponding estimated economic life.

Stock–Based Compensation

The Group recognizes stock–based compensation expense associated with stock option awards based on an estimate of the grant–date fair value of each stock option award. The Group estimates the grant–date fair value of stock options granted based on the Black–Scholes model.

In valuing stock options, significant judgment is required in determining the expected life that individuals will hold their stock options prior to exercising. The expected term of stock options is derived from the historical actual term of option grants and an estimate of future exercises during the remaining contractual period of the option. Expected volatility for stock options is based on the historical and implied volatility of the Group's common stock.

While volatility and estimated life are assumptions that do not bear the risk of change subsequent to the grant date of stock options, these assumptions may be difficult to measure as they represent future expectations based on historical experience. Further, the expected volatility and expected life may change in the future, which could substantially change the grant-date fair value of future awards of stock options and, ultimately, the expense recorded. See Note 8 for additional information on the Group's stock–based compensation plans. The Group accounts for forfeitures as incurred.

Foreign Currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Assets and liabilities of consolidated subsidiaries whose functional currency is other than the U.S. dollar are translated into U.S. dollars using currency exchange rates at the balance sheet date. Revenues and expenses are translated using the average currency exchange rates during the period. 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 statement of operations as foreign exchange (losses) gains. Where the foreign local currency is used as the functional currency, translation adjustments are recorded as a separate component of accumulated other comprehensive loss.

Income Taxes

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income taxes are recorded and recognized for future tax effects of temporary differences between financial and income tax reporting. The Group records valuation allowances in situations where the realization of deferred tax assets is not more–likely–than–not.

The Group periodically reviews assumptions and estimates of the Group's probable tax obligations and effects on its liability for any uncertain tax positions, using informed judgment which may include the use of third–party consultants, advisors and legal counsel, as well as historical experience. If a tax position does not meet the minimum statutory threshold to avoid payment of penalties and interest, the Group recognizes an expense for the amount of the interest and penalty in the period in which the Group claims or expects to claim the position on its tax return.

For financial statement purposes, the Group is allowed to elect whether to classify such charges as either income tax expense or another expense classification. Should such expense be incurred in the future, the Group will classify such interest as a component of interest expense and penalties as a component of income tax expense. For further information regarding income taxes, refer to Note 11.

There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of 31 December 2021 and 2020, respectively. The Group is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Group is subject to income tax examinations by major taxing authorities since its inception.

The Group recorded an income tax benefit during the year ended December 31, 2021 due to the recognition of deferred tax benefits associated with its acquired businesses. The Group recorded no income tax benefit or expense for the year ended December 31, 2020. The Group recorded a valuation allowance as of December 31, 2021 and 2020, as management does not consider it more likely than not that the benefits from its deferred tax assets will be realized.

(Loss) Earnings Per Share

Basic loss or earnings per common share amounts are calculated using the weighted average number of common shares outstanding for the period. Diluted earnings per common share amounts are calculated using the weighted average number of common shares outstanding plus the additional dilution for all potentially dilutive securities. During loss periods, diluted loss per share amounts are based on the weighted average number of common shares outstanding, because the inclusion of common stock equivalents would be antidilutive.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

Level 1 — Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Amounts classified as cash and cash equivalents are considered level 1 and are measured based on quoted prices in active markets for identical assets.

Commitments and Contingencies

The Group, from time to time, is involved in various legal proceedings incidental to the conduct of its business, including claims by customers, employees or former employees. Once it becomes probable that the Group will incur costs in connection with a legal proceeding and such costs can be reasonably estimated, it establishes appropriate reserves. While legal proceedings are subject to uncertainties and the outcome of any such matter is not predictable, the Group is not aware of any legal proceedings pending or threatened against it that it expects to have a material adverse effect on its financial condition, results of operations or liquidity.

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 accounts in Norway, Germany, Kuwait and Singapore, 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 2022 and 2023, 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. During 2021 and 2020, the Group obtained USD 64.3 and USD 145.3 million in grass proceeds respectively in funding through several private placement equity offerings. Although, the Group's cash from operating and investing activities provided a net cash outflow in 2021 and 2020, the debt and equity issuances are expected to provide sufficient funding to meet the Group's obligations and strategic operating goals through 2022. As of 31 December 2021 and 2020, the Company had USD 16.1 million and USD 113.4 million in cash-on-hand, respectively.

c. Concentration of Credit Risk

The Group's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents and trade receivables. The Group maintains its cash and cash equivalents at what management believes to be major financial institutions. The Group has not experienced any realized losses in such accounts and believes it is not exposed to any significant credit risk.

The Group's top five customers accounted for 68% and 43% of sales for year ended 31 December 2021 and 2020, respectively. The loss of any of these top five customers could have a significant impact on the Group's sales and results of operations.

Recently Issued Accounting Pronouncements

The following new or amendments to standards and interpretations have been issued and become effective for annual reporting periods beginning on or after January 1, 2022, and earlier adoption is permitted. The Group has not early adopted the new or amended standards in preparing these accounts, and they are not expected to have a significant impact on the Group's consolidated financial statements:

- Provisions, contingent liabilities and contingent assets; costs of fulfilling a contract (Amendments to IAS 37).
- Property, plant and equipment: Proceeds before intended Use (Amendments to IAS 16).

The group has adopted all other new standards and amendments that are applicable as of January 1, 2021, which had no material impact on the Group's consolidated financial statements. These include Classification of liabilities as Current or Non-current (Amendments to IAS 1), COVID 19-related Rent concessions (Amendments to IFRS 16) and Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

Note 3: Inventory

The Group's inventory consists of finished goods from farming production, raw materials and supplies used in the farming production, and work–in-process farming production. Raw materials and supplies are comprised of seeds, nutrients, and packaging for finished goods. Work–in–process and finished goods include in–process and ready–to–eat lettuce varieties and microgreens, including the packaging for the finished product.

($ in thousands)

	31 Dec 2021	31 Dec 2020
Raw materials and supplies	456	38
Work-in-process	76	11
Finished goods	658	55
Total inventories	1,190	104

Note 4: Property, Plant and Equipment

Property, plant and equipment, net, consists of the following:

2021 ($ in thousands)

	Furniture, fixtures & equipment	Production facilities	Vehicles	Assets under construction	Real estate	Total
Net book value, 1 January 2021	732	7,909	33	19,340	-	28,014
Additions	1,399	20,947	198	58,436	3,659	84,639
Reclassifications	-	15,969	-	(15,969)	-	-
Acquired in business acquisition	1,265	9,810	-	7,451	-	18,526
Impairment of assets under construction	-	-	-	(1,051)		(1,051)
Depreciation	(284)	(1,862)	(12)	-	-	(2,158)
Net book value, 31 December 2021	3,112	52,773	219	68,207	3,659	127,970
Cost or valuation	5,227	55,800	244	68,207	3,659	133,136
Accumulated depreciation	(2,115)	(3,027)	(25)	-	-	(5,167)
Net book value, December 2021	3,112	52,773	219	68,207	3,659	127,970

2020 ($ in thousands)

	Furniture, fixtures & equipment	Production facilities	Vehicles	Assets under construction	Real estate	Total
Net book value, 1 January 2020	224	2,252	40	5,174	-	7,690
Additions	576	205	-	20,065	-	20,846
Reclassifications	-	5,899	-	(5,899)	-	-
Depreciation	(68)	(447)	(7)	-	-	(522)
Net book value, 31 December 2020	732	7,909	33	19,340	-	28,014
Cost or valuation	957	8,553	55	19,340	-	28,905
Accumulated depreciation	(225)	(644)	(22)	-	-	(891)
Net book value, 31 December 2020	732	7,909	33	19,340	-	28,014

Depreciation expense for the years ended 31 December 2021 and 2020 amounted to $2,158 thousand and $522 thousand, respectively.

The Group recorded an impairment on certain assets at a facility under construction during 2021 that were damaged. The total loss incurred was $1,051 thousand prior to any insurance reimbursements.

During 2021, the Group received approximately $650 thousand in proceeds from its insurance carrier which has been recorded in other income on the consolidated statements of operations. The Group expects to recover the remaining amount of the loss from its insurance carrier during the year ended 31 December 2021, less a standard deductible per the insurance policy.

Note 5: Leases

The Group has leases for its corporate offices, farming production facilities space, delivery vehicles, and production equipment. The majority of the lease obligations are a result of the lease agreements for the Group's large vertical farming facilities as of 31 December 2021 and 2020, respectively. Lease right–of–use ("ROU") assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligations to make lease payment arising from the lease. ROU assets and liabilities are based on the estimated present value of the lease payments over the lease term and are recognized at the lease commencement date. The Group uses the practical expedient to not separate lease and non–lease components. The Group's total lease cost was approximately $4,910 thousand and $796 thousand for the years ended 31 December 2021 and 2020, respectively.

Most space leased for vertical farming production have initial lease terms of up to ten years with two optional renewal periods each of five years. The lease agreements do not contain residual value guarantees. The Group anticipates renewing these leases for both renewal option periods. The Group's leases do not provide an implicit borrowing rate, thus the Group uses an estimated incremental borrowing rate in determining the present value of lease liabilities. The estimated incremental borrowing rate is derived from information available at the lease commencement date. For the years ended 31 December 2021 and 2020, the weighted average incremental borrowing rate for the leases is 7.66% and 9.14%, respectively and the weighted average lease term is 18.7 years and 17.7 years, respectively. Future minimum lease payments as of 31 December 2021 are as follows:

($ in thousands)

Maturity analysis - contractual undiscounted cash flows	2021	2020
Total lease payments first 12 months	5,590	1,814
Total lease payments 1-5 years	23,847	22,246
Total lease payments more than 5 years	83,619	76,993
Total minimum lease payments	113,055	101,053

Right-of-use assets increased to $56,909 thousand at 31 December 2021 from $9,279 thousand at 31 December 2020, resulting from leases for new facilities opened and additions from our business combination. The Group used incremental borrowing rates of 7.66% and 9.14% for all leases entered into during 2021 and 2020, respectively. Lease liabilities increased to $61,390 thousand at 31 December 2021 compared to $9,684 thousand at 31 December 2020 as a result of new leases for facilities that will open during 2022.

($ in thousands)

January 2021 to December 2021

Right-of-use assets	Vehicles & equipment	Facility leases	Total
Net - 1 January 2021	174	9,105	9,279
Additions	258	44,561	44,819
Acquired in business acquisition	-	5,552	5,552
Amortization	(59)	(2,682)	(2,741)
Total right-of-use assets, 31 December 2021	373	56,536	56,909
Current lease liability	80	1,958	2,038
Non-current lease liability	296	59,056	59,352
Total lease liabilities, 31 December 2021	376	61,014	61,390

($ in thousands)

January 2020 to December 2020

Right-of-use assets	Vehicles & equipment	Facility leases	Total
Net - 1 January 2020	116	3,836	3,952
Additions	77	5,753	5,830
Amortization	(19)	(484)	(503)
Total right-of-use assets, 31 December 2020	174	9,105	9,279
Current lease liability	29	120	149
Non-current lease liability	120	9,415	9,535
Total lease liabilities, 31 December 2020	149	9,535	9,684

($ in thousands)

Supplemental cash flow and other information related to operating leases are as follows:

	31 December 2021	31 December 2020
Cash paid for operating leases	2,371	507
Right-of-use assets obtained in exchange for new operating leases	50,371	5,830

Note 6: Goodwill and Business Acquisitions

Vindara Acquisition

The Group purchased 100% of the outstanding equity of Vindara Inc. ("Vindara") on 10 March 2021 for a purchase price of $22,629 thousand, net of cash acquired. Vindara is a leader in seed development for indoor farming facilities. This vertical integration acquisition is expected to generate both significant operational synergies and product expansion capabilities for Kalera. The results of Vindara's operations as of and after the date of the acquisition are included with the Group's results in the consolidated financial statements. The acquisition method of accounting was used by the Group for the business combination utilizing a discount cash flow method. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred. Any excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill.

During 2021, the Group incurred acquisition related costs of $300 thousand in connection with this acquisition recorded within other expenses in the consolidated statements of operations. Goodwill from this acquisition represents the portion of purchase prices in excess of the fair value of the net assets acquired. This goodwill is assigned to the whole Group and is not deductible for tax purposes. The expected economic life of the acquired identifiable assets is ten years.

The purchase price of $22,629 thousand was paid with $14,250 thousand in cash and $8,379 thousand in shares. The fair value of the shares of common stock issued reflects a discount for lack of marketability ("DLOM") given the restriction on sale of the shares by the sellers for a minimum period of time following the close of the acquisition. Based on the Group's analysis of Vindara's assets and liabilities, the allocation of the purchase price to the identifiable assets and liabilities is set out below:

($ in thousands)

Assets acquired and liabilities assumed	
Cash acquired	37
Prepaid expenses, deposits and fixed assets	59
Licenses	1,700
Intellectual property	9,250
Accounts payable and other liabilities	(50)
Accrued salary and benefits	(22)
Deferred tax liabilities	(2,775)
Net identifiable assets acquired	8,199
Goodwill	14,430
Consideration	22,629
Satisfied by:	
Cash consideration	14,250
Equity consideration	8,379
Total consideration	22,629

&ever GmbH Acquisition

The Group acquired 100% of the outstanding equity of &ever GmbH (&ever) on 1 October 2021 (&ever Acquisition). &ever focuses on the highly-automated production of baby leaf products including spinach, arugula and cilantro using proprietary technology and operations, enabling output of various scale from in-store grow-towers to mega-farms. This transaction represents the first instance of consolidation between vertical farmers: it combines a leader in plant science and unit economics for full head leafy greens with a leader in baby leaf production and technology to create a global vertical farming leader.

After 1 October 2021, &ever's results are included with the Group's results in the consolidated financial statements. The acquisition method of accounting was used by the Group for the business combination utilizing a discounted cash flow method. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are, with limited exceptions, measured initially at their fair values as of the acquisition date. Acquisition-related costs are expensed as incurred.

Goodwill from this acquisition represents the portion of purchase price in excess of the fair value of tangible assets, know-how, licenses, and technology to develop vertical farming. All of these that are attributable to the expected synergies to be achieved including increased revenues, combined talent, technology, production/yield improvements and cost reductions. This goodwill is assigned to the whole Group and is not deductible for tax purposes.

As part of the acquisition of &ever, the Group also acquired a 50% ownership interest in &ever Middle East Holding Ltd. The Group determined the fair value of its investment in &ever Middle East Holding Ltd. by utilizing a discounted cash flow method as of the acquisition date.

The Group incurred transaction costs of $421 thousand in connection with the &ever acquisition. The purchase price of $120,919 thousand was paid $35,897 thousand in cash and $85,022 thousand in shares. The fair value of the shares of common stock issued reflects a DLOM given the restriction on sale of the shares by the sellers for a minimum period of time following the close of the acquisition.

- Based on the Group's analysis of &ever GmbH's assets and liabilities, the allocation of the purchase price to the identifiable assets and liabilities is set out below:

($ in thousands)

Assets acquired and liabilities assumed	
Cash acquired	2,286
Right-of-use assets, net	5,552
Other assets	1,448
Equity investment-Smart Soil	1,394
Equity investments &ever Middle East Holding Ltd.	8,364
Fixed assets	8,711
Intangible asset - technology	61,100
Accounts payable and accruals	(3,140)
Lease liability	(5,941)
Deferred tax liability	(6,837)
Net identifiable assets acquired	72,937
Goodwill	47,982
Total consideration	120,919
Cash consideration	24,980
Shareholder loans paid off	10,917
Equity consideration	85,022
Total consideration	120,919

Assuming a transaction closing on 1 January 2021, pro-forma consolidated net loss for the Group for the twelve-month period ended 31 December 2021 including &ever, would have been approximately $55,267 thousand.

&ever Middle East Holding Ltd. Acquisition

On 13 October 2021, the Group through its wholly owned subsidiary &ever GmbH, acquired the remaining 50% equity interest in a step acquisition in &ever Middle East Holding Ltd. (Middle East JV) of which an initial 50% ownership was previously acquired on 1 October 2021 as part of the &ever Acquisition. &ever Middle East Holding Ltd. operations are comprised primarily of a vertical farm in Kuwait. This entity became a wholly-owned subsidiary of the Group as of 13 October 2021. No gain or loss was recognized on the remeasurement of the previously held interest in &ever Middle East Holding Ltd. due to the short time period from when the remaining controlling interest was acquired. The acquisition method of accounting using the discounted cash flow valuation model was used by the Group for the Middle East acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are, with limited exceptions, measured initially at their fair values as of acquisition date. Acquisition-related costs are expensed as incurred. Any excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. After 13 October 2021, &ever Middle East Holding Ltd. was fully consolidated into the Group's financial statements as a wholly-owned subsidiary and &ever Middle East Holding Ltd's results are included within the Group consolidated financial statements. Goodwill from this acquisition represents the portion of purchase prices in excess of the fair value of tangible assets, know-how, and intellectual property to develop vertical farming that are attributable to the expected synergies to be achieved including increased revenues, combined talent, technology, production/yield improvements and cost reductions. This goodwill is assigned to the whole Group and is not deductible for tax purposes. The purchase price of $8,364 thousand was paid $2,005 thousand in cash and $6,359 thousand in shares. The fair value of the shares of common stock issued reflects a DLOM given the restriction on sale of the shares by the sellers for a minimum period of time following the close of the acquisition.

Based on the Group's analysis of &ever Middle East Holding Ltd's assets and liabilities, the allocation of the purchase price to the identifiable assets and liabilities is set out below:

($ in thousands)

Assets acquired and liabilities assumed	
Cash acquired	106
Accounts receivable, prepaid expenses and inventory	359
Accounts payable and accrued liabilities	(284)
Fixed assets	9,810
Intangible asset-technology	1,050
Equity investment-owned (50% in %ever Middle East Holding Ltd)	(8,364)
Deferred tax liability	(166)
Net identifiable assets acquired	2,511
Goodwill	5,853
Total consideration	8,364
Cash consideration	2,005
Equity consideration	6,359
Total consideration	8,364

Note 7: Intangible Assets

Intangible assets, net, consists of the following:

($ in thousands)

	31 Dec 2021	31 Dec 2020
Technology	62,150	-
Intellectual property	9,250	-
Patents, licenses and software development	2,230	530
Research and development	2,454	-
Less: accumulated amortization	(1,851)	-
Total intangible assets, net	74,233	530

Amortization expense for the years ended 31 December 2021 amounted to $1,851 thousand. There was no amortization expense on intangible assets at 31 December 2020. Estimated amortization expense for each of the five succeeding years is as follows:

($ in thousands)

December 31,	Total
2022	5,455
2023	5,455
2024	5,455
2025	5,455
2026	5,455
Thereafter	46,958
Asset retirement obligations at year end	74,233

Note 8: Share-Based Compensation

On 21 October 2013, the Group's shareholders approved the 2013 Equity Incentive Plan (the "2013 Plan"), and subsequently amended the 2013 Plan. The amended 2013 Plan was approved on 18 June 2018 (the "2018 Plan"). The 2018 Plan is administered by the Board of Directors (the "Board"). The Board determines which eligible persons receive awards and the terms and conditions applicable to awards within the confines of the 2018 Plan's terms. The 2018 Plan may be amended or terminated by the Board at any time, subject to certain limitations requiring stockholder consent or the consent of the applicable participant. The 2018 Plan provides for the grant of stock options (including incentive stock options and non–qualified stock options) to eligible participants. Eligible participants are defined as employees, directors, and eligible consultants of the Group. The 2018 Plan contains provisions with respect to payment of exercise or purchase prices, vesting and expiration of awards, adjustments and treatment of awards upon certain corporate transactions, including recapitalizations and mergers, transferability of awards and tax withholding requirements.

The Option Price per Share at which an Option may be exercised shall be established by the Administrator and stated in the Award Agreement evidencing the grant of the Option; provided, that (i) the Option Price shall be no less than 100% of the Fair Market Value per Share as determined on the date the Option is granted (or 110% of the Fair Market Value with respect to Incentive Options granted to an Employee who owns stock possessing more than 10% of the total voting power of all classes of stock of the Group or a Parent or Subsidiary; and (ii) in no event shall the Option Price per share of any Option be less than the par value per Share. The Administrator may, in its discretion, grant Options with an Option Price greater than the Fair Market Value per Share. Notwithstanding the foregoing, the Administrator also may in its discretion authorize the grant of substitute or assumed options of an acquired entity with an Option Price not equal to at least 100% of the Fair Market Value of the Shares on the date of grant if the terms of such substitution or assumption otherwise comply, to the extent deemed applicable, with United States, Internal Revenue Code Section 409A and Code Section 424(a) or other applicable law).

The Plan may be amended, altered, suspended and/or terminated at any time by the Board; provided, that approval of an amendment to the Plan by the stockholders of the Group shall be required to the extent, if any, that stockholder approval of such amendment is required by Applicable Law. The Administrator may amend, alter, suspend and/or terminate any Award granted under the Plan, prospectively or retroactively, but such amendment, alteration, suspension or termination of an Award shall not, without the consent of the recipient of an outstanding Award, materially adversely affect the rights of the recipient with respect to the Award.

As of 31 December 2021 and 2020, the 2018 Plan authorized the issuance of 13,110 thousand and 10,930 thousand stock options, which generally vest in equal installments over a four year requisite service period from the date of the grant. The Group accounts for forfeitures as they occur. The following table represents stock option activity for the years ended 31 December 2021 and 2020, respectively:

($ in thousands)

Employee share-based option program	Weighted average exercise price	Number of shares (in thousands)
Options outstanding, 1 January 2020	0.75	5,000
Granted	0.75	5,930
Exercised	-	-
Forfeited, expired and canceled	-	-
Outstanding, 31 December 2020	0.75	10,930
Granted	3.34	4,165
Exercised	-	-
Forfeited, expired and canceled	(1.01)	(1,985)
Options outstanding, 31 December 2021	1.98	13,110

($ in thousands)

Employee share-based option program	Weighted average grant fair value	Number of shares (in thousands)
Options non-vested, 1 January 2020	0.93	5,000
Granted	0.93	5,930
Exercised	-	-
Forfeited, expired and canceled	-	-
Non-vested, 31 December 2020	0.93	10,930
Granted	1.52	4,165
Forfeited, expired and canceled	0.35	(1,985)
Vested	0.62	(5,115)
Non-vested, 31 December 2021	1.25	7,995

During the year ended 31 December 2021, the Group granted stock options, covering a total of 4,165 shares of common stock to employees, with exercise prices ranging between $1.64 and $5.00 per share. These stock option awards vest annually over four years, with an eight-year term and grant date fair values ranging between $0.80 and $3.35 per share

During the year ended 31 December 2020, the Group granted stock options, covering a total of 5,930 thousand shares of common stock to executives and key personnel, with exercise prices ranging between $1.00 and $2.75 per share. These stock option awards vest annually over four years, with an eight-year term and grant date fair values ranging between $0.20 and $2.09 per share.

Stock-based compensation is measured based on the grant date fair value of the Plan awards and subsequently recognized as expense ratably over their vesting periods. Stock-based compensation for awards with service or performance-based vesting requirements is adjusted to reflect actual vested awards, with forfeitures recorded as a reduction of expense at the time they occur.

Share-based compensation is measured based on the grant date fair value of the 2018 Plan awards and subsequently recognized as expense ratably over their vesting periods. Share-based compensation for awards with service or performance-based vesting requirements is adjusted to reflect actual vested awards, with forfeitures recorded as a reduction of expense at the time they occur.

The computation of the expense associated with share based compensation requires the use of certain valuation models. The Company currently uses a Black-Scholes option pricing model to calculate the fair value of its stock options. The Black-Scholes model requires the use of assumptions regarding the volatility of the Company's common stock, the expected life of the stock award, and the dividend ratio. The volatility assumptions are based on the Company's life-to-date historical volatility since inception. The risk-free rates are based on similar term U.S. Treasury rates in effect at the time of the stock grant. The expected stock option life represents the period of time that the stock options granted are expected to be outstanding and is based on historical experience. Share-based compensation expense is recognized only for those stock-based awards expected to vest.

The assumptions used in the Black-Scholes option pricing model, along with the certain other information regarding share-based compensation awards is as follows:

	31 Dec 2021	31 Dec 2020
Expected volatility (%)	66.00%	45.40%
Expected dividend growth rate (%)	0.00%	0.00%
Risk-free interest rate (%)	0.92%	0.90%
Weighted average contractual life (years)	3.76	3.50
Weighted average fair value of options granted	1.52	1.45
Weighted average exercise price - minimum	1.64	1.00
Weighted average exercise price - maximum	5.00	2.75
Compensation cost to be recognized for invested options	8,505	5,564
Share-based compensation expense	2,844	1,509

Note 9: Share Capital and Shareholder Information

Kalera increased its share capital during 2020 and 2021 through several rounds of share issuances. On 24 February 2021, the Group completed a private placement with net proceeds of USD 29.3 in connection with the acquisition of Vindara. In connection with the Vindara acquisition, the Group will issue 2,084,087 shares as deferred consideration of equity to the former owners of Vindara. These are classified as shares to be issued in our statement of financial position.

On 1 October 2021, the Group completed a second private placement with net proceeds of approximately USD 35,000 thousand, which were used to repay the debt facility described in Note 13. On 1 October 2021, the Group issued shares as consideration as part of the &ever acquisition and 2,724,499 shares as part of the consideration for the acquisition of the &ever Middle East Holding Ltd. joint venture.

	Number of shares	Ordinary shares	Share face value ($)	Share premium ($)	Total ($ in thousands)
At 1 January 2020	68,433,478	68,433,478	-	-	22,00
Share issue	20,000,000	20,000,000	0.001	0.75	14,021
Conversion of loan	6,265,762	6,265,762	0.001	0.52	4,661
Share issue	300,000	300,000	0.001	0.76	228
Share issue	25,401,600	25,401,600	0.0011	0.80	19,311
Share issue	2,723,400	2,723,400	0.0011	0.80	2,179
Share issue	6,666,666	6,666,666	0.0011	1.42	9,462
Share issue	3,333,333	3,333,333	0.0011	2.87	9,482
Share issue	27,900,000	27,900,000	0.0011	3.01	85,952
At 31 December 2020	161,024,239	161,024,239	-	-	167,295
Share issue	5,750,000	5,750,000	0.0012	5.44	29,284
Share issue	27,856,081	27,856,081	0.001	4.27	84,602
Share issue	12,000,000	12,000,000	0.001	2.91	32,962
Share issue	2,724,499	2,724,499	0.001	4.30	6.360
At 31 December 2021	209,354,819	209,354,819	-	-	320,503

The shares have a par value of NOK 0.01 at 31 December 2021 and 2020, respectively.

Note 10: Asset Retirement Obligations

The Group has asset retirement obligations as a result of its farming production facilities which are often located in leased spaces. The Group builds vertical farming production facilities within leased space including growing racks, electrical systems, water systems, storage areas, and production lines. The lease agreements often require the Group to return the leased space to its original state upon vacating the space at the end of the lease term.

The Group estimates asset retirement obligations which includes the total cost of disposing of the farming production facility and equipment from the leased space at the end of the lease term. The Group records the asset retirement obligations at fair value. The asset retirement obligation is valued using the Group's incremental borrowing rate and is accredited over the expected lease term.

The Group capitalizes the future cost of the retirement activities as part of the carrying amount of the farming production facilities at the in–service date. The asset is then depreciated on a straight–line basis over the expected lease term of the space.

($ in thousands)

	31 Dec 2021
Asset retirement obligations at the beginning of the year	588
Liabilities incurred	838
Accretion expenses	50
Asset retirement obligations at year end	1,476

Note 11: Income Taxes

The components of the income tax benefit are as follows:

($ in thousands)

	31 Dec 2021	31 Dec 2020
Deferred:		
Domestic - Federal	400	-
Foreign	627	-
Deferred income tax benefits	1,027	-

At 31 December 2021 and 2020 the Group had a net deferred tax liability of $8,751 thousand and net deferred tax asset of $0, respectively. The net deferred tax liability at 31 December 2021 was attributed to the intangible assets recorded in the Group's foreign subsidiary at &ever GmbH within the German taxing jurisdiction. Accumulated tax net operating loss carry forwards as of 31 December 2021 and 2020 totaled $102,970 thousand and $50,000 thousand, respectively. The net operating federal and state loss carryforwards generated in the U.S. jurisdiction will begin expiring in 2029 for those generated in 2018 and will be carried forward indefinitely for those generated thereafter. The net operating losses generated in Norway and Germany may be carried forward indefinitely. Deferred tax assets and liabilities are recognized in the consolidated balance sheet based on expected utilization of tax losses carried forward and temporary book to tax differences.

The realization of deferred tax assets is contingent upon the generation of future taxable income and other restrictions that may exist under the tax laws of the jurisdiction in which a deferred tax asset exists. The Group assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit the use of existing deferred tax assets. Management's evaluation begins with a jurisdictional review of cumulative gains or losses incurred over recent years. A significant piece of objective negative evidence exists when a jurisdiction has incurred cumulative losses over recent years. Such objective evidence limits the ability to consider other subjective evidence, such as the Group's projections for future growth. Based on the positive and negative evidence for recoverability, the Group establishes a valuation allowance against the net deferred tax assets of a taxing jurisdiction in which they operate unless it is "more likely than not" that we will recover such assets through the above means.

The Group has valuation allowances of $20,509 thousand and

$10,761 thousand for the years 31 December 2021 and 2020, respectively. The increase in the valuation allowance for the year ended 31 December 2021 primarily relates to the generation of additional net operating loss carryforwards that are not expected to be utilized in the near term.

For the years ended 31 December 2021 and 2020, the Group's income tax balances including deferred income taxes as identified below:

($ in thousands)

	31 Dec 2021	31 Dec 2020
Deferred tax assets:		
Accrued expenses	430	63
Right-of-use asset	1,456	-
Federal NOL	19,989	10,338
State NOL	2,035	697
Research and development credits	266	354
Valuation allowances	(20,032)	(10,761)
Total deferred tax assets	4,144	691
Deferred tax liabilities:		
Property, plant and equipment	521	648
Intangibles	12,241	-
Prepaid expenses	133	6
Right-of-use asset depreciation	-	37
Total deferred tax liabilities	12,895	691
Net deferred tax liabilities	8,751	-

The effective income tax rate differs from the statutory rate as follows:

	31 Dec 2021	31 Dec 2020
Statutory rate	22.00%	22.00%
Foreign rate difference	(1.42%)	(1.00%)
Permanent differences	(1.60%)	0.70%
Research and development credits	0.00%	(0.90%)
State income tax, net	3.51%	(1.90%)
Valuation allowance	(22.89%)	(18.90%)
Other	2.93%	0.00%
Effective tax rate	2.53%	0.00%

As of 31 December 2021 and 2020 the Group has no uncertain tax positions. The Group generally remained subject to examination by federal and state tax authorities for the years 2018 through 2021. The Group is no longer subject to examinations by tax authorities for the years 2017 and prior.

Note 12: Convertible Loan

For the year ended 31 December 2019, the Group obtained a loan in the amount of $3,000 thousand which included a mandatory conversion feature upon a qualifying equity raise by the Group. The conversion feature specified a conversion rate for the balance of the loan into common shares of the Group's stock less a specified discount. In the year–ended 31 December 2020, the Group had a qualifying equity raise, which triggered a conversion of the loan into 6,266 thousand shares of the Group's common stock. There was no convertible loan at 31 December 2021 or 2020.

Note 13: Gain on Forgiveness of Debt

For the year ended 31 December 2020, the Group received a forgivable loan of $328 thousand under the Payment Protection Program stimulus package from the United States government following the COVID–19 outbreak. The loan had a term of two years with an interest rate of 1%. For the year ended 31 December 2020, the Group recorded a gain on forgiveness of debt when the loan was forgiven of $328 thousand. The Group did not receive any additional loans under the Payment Protection Program for the year ending 31 December 2021.

Note 14: Debt

On 9 August 2021, the Group entered into a debt facility agreement with DNB Bank ASA. The agreement allowed the Group to borrow up to $35,000 thousand to fund the acquisition of &ever GmbH, had a term of three months and expiration on 31 December 2021. The Group borrowed $34,000 thousand under this agreement on 30 September 2021 in anticipation of closing the &ever acquisition. The Group repaid the principal amount of $34,000 thousand and fees and interest in the amount of $1,800 thousand in October 2021 and had no additional borrowings under this debt agreement thereafter. The contractual interest rate was 8.0% per annum under this agreement.

Note 15: Equity Method Investment

As part of the acquisition of &ever GmbH, the Group now holds an investment in Smart Soil Technologies GmbH ("Smart Soil"), a German start-up entity that develops high-yielding, organic, and long lasting soil. In exchange for voting interests, &ever had invested a total of $1,322 thousand in Smart Soil. Prior to the &ever Acquisition, &ever acquired a 25% voting interest in Smart Soil and is able to exercise significant influence, but not control, as it does not have the ability to direct the decisions that most significantly impact its economic performance. The Group accounts for this investment using the equity method and records its share of net earnings or losses on the investment in "Equity in net loss of affiliate" on the consolidated statements of operations and comprehensive loss.

The balance of the equity method investment was $1,487 thousand at 31 December 2021. There were no equity method investments at 31 December 2020. During the year ended 31 December 2021, the Group incurred a net loss of $74 thousand in this investment.

Note 16: Retirement Plan

The Group has a defined contribution savings plan covering all employees who have six months of service and who are at least 21 years of age. Employees may contribute up to a maximum amount allowable per the Internal Revenue Code. Employer contributions are determined at the discretion of the Group's Board of Directors. The Group's contributions with respect to the plan were approximately $68 thousand for the year ended 31 December 2021. There were no contributions by the Group to the plan for the year ended 31 December 2020.

Note 17: 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 an average of 203 full time employees during fiscal year 2021, compared to an average of 79 full-time employees during fiscal year 2020.

($ in thousands)

Employee benefit expense	2021	2020
Wages and salaries	11,825	4,147
Social security costs	771	237
Other remuneration	2,068	240
Total	14,664	4,623

The Group is not required to provide pension plans for its employees. The Group has no outstanding employee loans.

2021 Management Team Compensation

($ in thousands)

Employee	Base salary	Bonus	Share based compensation expenses	Social security	Other benefits	Total
Curtis McWilliams	-	-	11	-	-	11
Austin Martin	284	-	89	14	13	400
Fernando Cornejo	242	-	231	13	10	495
Cristian Toma	185	246	-	17	13	460
Keri Gasiorowski	239	-	339	13	7	597
Henner Schwartz	60	-	106	5	3	173
Jade Stinson	204	-	212	12	6	435
Aric Niseen	69	-	5	3	4	81
Daniel Malechuck	336	50	354	16	13	770

2021 Board of Directors Compensation

($ in thousands)

Member	Remuneration	Share based compensation expenses	Social security	Total
Bjørge Gretland	164	-	23	187
Chris Logan	33	-	5	38
Kim Lopdrup	-	104	-	104
Sonny Perdue	-	181	-	181
Maria Sastre	-	181	--	181
Erik Sauar	44	-	6	50

Note 18: Operating Expenses

($ in thousands)

	2021	2020
General and administrative expenses	8,601	1,606
Research and development	199	100
Travel expenses	767	104
Legal/Consulting fees	2,201	595
Total	11,768	2,405

Auditor remuneration costs	2021	2020
Audit services	494	99
Other non-assurance services	-	31
Total	494	130

Note 19: Finance Costs and Income

($ in thousands)

	2021	2020
Interest expensive:		
Interest expense	1,677	116
Interest expense on lease liability	3,564	362
Currency exchange differences	-	378
Change in fair value of assets and liabilities	-	382
Net finance costs	5,241	1,238
Finance income:		
Interest income	37	24
Gain on financial assets	-	328
Net finance income	37	352
Net finance costs	5,204	886

Note 20: Disaggregated Revenues by Customer

The Group recognized revenues of $2,855 thousand and $887 thousand for the years ended 31 December 2021 and 2020, respectively. Substantially all of the Group's revenues are generated from the sale of lettuce and micro-greens sold to retail and distribution customers globally.

($ in thousands)

	31 Dec 2021	31 Dec 2020
Food service revenue	1,575	169
Retail revenue	1,280	718
Net sales	2,855	887

Note 21: Alternative Performance Measures

EBITDA is calculated as the operating loss excluding share-based compensation, depreciation, amortization, impairment, interest, and taxes that do not reflect the performance of the Group's underlying operations. Adjusted EBITDA is EBITDA further adjusted for what management believes are one time non-recurring charges that should be excluded as these charges do not reflect the performance of the Group's underlying operations. EBITDA and adjusted EBITDA should be used as supplemental financial information and not as a replacement for the Group's results as reported under IFRS. A reconciliation of the Group's net loss under IFRS to EBITDA and adjusted EBITDA is provided below:

($ in thousands)

	31 Dec 2021	31 Dec 2020
Loss for the period	(40,540)	(9,946)
Interest expense	5,204	831
Loss on equity method investment	74	-
Depreciation and amortization	6,750	1,019
Impairment of assets under construction	1,051	-
EBITDA	(27,461)	(8,096)
Other (gains) / losses, net	(366)	-
Share-based compensation expense	2,844	1,509
One time accounting, consulting, and legal fees	528	-
Adjusted EBITDA	(24,455)	(6,587)

Note 22: Top 20 Shareholders as of 31 December 2021

Rank	Investor	Number of shares	% of total	Type	Country
1	LGT BANK AG	20,727,366	9.90%	Nominee	Liechtenstein
2	UBS Switzerland AG	20,138,510	9.62%	Nominee	Switzerland
3	Pershing LLC	15,267,185	7.29%	Nominee	United States
4	CANICA AS	12,195,412	5.83%	Ordinary	Norway
5	Citibank, N.A.	10,389,284	4.96%	Nominee	Ireland
6	CLEARSTREAM BANKING S.A.	9,698,296	4.63%	Nominee	Luxembourg
7	JPMorgan Chase Bank, N.A., London	7,758,442	3.71%	Nominee	Germany
8	J.P. Morgan Securities LLC	7,360,492	3.52%	Nominee	United States
9	Deutsche Bank Aktiengesellschaft	6,299,454	3.01%	Nominee	Germany
10	MACAMA AS	6,170,701	2.95%	Ordinary	Norway
11	Goldman Sachs & Co. LLC	5,146,265	2.46%	Nominee	United States
12	LANI INVEST AS	5,005,650	2.39%	Ordinary	Norway
13	State Street Bank and Trust Comp	4,670,418	2.23%	Nominee	United States
14	JPMorgan Chase Bank, N.A., London	4,199,000	2.01%	Nominee	United Kingdom
15	Skandinaviska Enskilda Banken AB	4,005,000	1.91%	Nominee	Luxembourg
16	KREANO AS	4,000,000	1.91%	Ordinary	Norway
17	DNB Markets Aksjehandel/-analyse	3,805,911	1.82%	Ordinary	Norway
18	State Street Bank and Trust Comp	2,642,260	1.26%	Nominee	United States
19	SIX SIS AG	2,300,700	1.10%	Nominee	Switzerland
20	Skandinaviska Enskilda Banken AB	2,142,250	1.02%	Nominee	Luxembourg
	Total number owned by top 20	153,922,596	73.52%		
	Total number of shares	209,354,819	100.00%		

Note 23: 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.

	2021	2020
Net loss ($ in thousands)	(39,513)	(9,946)
Weighted average number of shares	175,795,786	114,160,429
Basic earnings per share ($)	(0.22)	(0.09)

Note 24: Subsequent Events

Sale Leaseback of St. Paul Farming Facility

On 25 January 2022, the Group entered into a purchase and sale agreement for a sale-leaseback transaction with a third party related to its industrial property in St. Paul, Minnesota. The Group plans to sell the property to this third party and then enter into a new lease with them. The Group received approximately $8,100 thousand in gross proceeds related to the sale of this property in connection with the sale-leaseback.

Agrico Merger

On 31 January 2022, the Group announced it will merge with a special acquisition group, Agrico Acquisition Corp. ("Agrico"). The transaction will result in the Group becoming a publicly listed group on NASDAQ and delisting from the Euronext Growth Oslo exchange during the second quarter of 2022. There can be no assurance that this transaction will be consummated or successful.

Key highlights of the merger include:

- The all-stock transaction creates a combined group with an equity value of approximately $375,000 thousand on a fully diluted pro forma basis, assuming no redemptions from Agrico's shareholders.
- Based on the common stock of Agrico at $10 per share, the transaction implies an exchange ratio of 0.091 for existing Group shareholders.
- In addition to shares of Agrico common stock, the Group's shareholders will receive one contractual Contingent Value Right per share of common stock that will entitle them to receive up to two stock payments upon the achievement of certain milestones. Each stock payment will consist of shares representing 5% of the fully diluted equity of the Group at the date of completion of the transaction.

New capital is expected to provide the Group the flexibility to fuel the next generation of farms in the US and International locations.

Bridge Financing Facility

On 7 March 2022, the group announced it entered a secured convertible bridge financing facility for up to $20,000 thousand. The lenders committed to lend the Group $10,000 thousand under the facility. The facility, which matures one year from the drawdown date, will bear PIK interest at 8%, is secured by certain assets of Kalera and, subject to required corporate approvals, will be convertible by the lenders into shares at any time following the consummation of the announced merger with Agrico Acquisition Corp and the Nasdaq listing at a conversion price of US$10.00 / share in the merged entity.

Secured Credit Facility

On 19 April 2022, the Company secured a $30,000 thousand, Senior Secured Credit Facility with Farm Credit of Central Florida. $20,000 thousand of the facility is available under a term loan to support capital expenditures, whereas the remaining $10,000 thousand is available under a revolving loan for working capital needs of the Company in the United States. The credit agreement has a term of 120 months which includes standard terms and conditions customary in secured financing transactions of this nature.

KALERA AS Standalone Financial Statements

Income Statement 2021

Expressed in NOK

	Note	2021	2020
Payroll expenses	6	(2 493 549)	(1 511 048)
Other operation cost	6,7	(6 877 605)	(1 686 158)
Total Expenses		(9 371 154)	(3 197 206)
Operating results		(9 371 154)	(3 197 206)
Other financial income	9	13 562 274	6 335 060
Other financial expense	9	(15 076 025)	(951 773)
Currency gains (losses)	9	49 650 164	(127 460 953)
Net financial items		48 136 413	(122 077 666)
Operating results before tax		38 765 259	(125 274 872)
Tax on ordinary results	4		
Results of the year		38 765 259	(125 274 872)
Transfers			
Transfer to/from other equity	3	38 765 259	(125 274 872)
Total Transfer and allocations		38 765 259	(125 274 872)

Balance sheet, 31 December 2021

Kalera AS Standalone

Expressed in NOK

Assets	Note	2021	2020
Financial fixed assets			
Investments in subsidiaries	1	2 007 203 338	431 246 932
Other receivables		90 000	90 000
Loans to group companies	8	927 512 769	73 661 217
Total financial fixed assets		2 934 806 107	504 998 149
Total fixed assets		2 934 806 107	504 998 149
Current assets			
Other short term receivables		1 232 349	375 000
Total receivables		1 232 349	375 000
Bank, deposits, cash on hand etc	5	97 701 215	929 710 391
Total bank deposits, cash on hand, etc		97 701 215	929 710 391
Total current assets		98 933 564	930 085 391
Total assets		3 033 739 672	1 435 083 540

Balance sheet, 31 December 2021

Kalera AS Standalone

Expressed in NOK

Equity and liabilities	Note	2021	2020
Paid-in-capital			
Share capital	2.3	2 093 548	1 610 242
Share premium	2.3	3 007 033 538	1 555 918 762
Shares to be issued	2.3	82 499 292	-
Share based compensation	3	38 786 404	13 859 289
Total paid-in-capital		3 130 412 782	1 571 388 293
Other equity	3	(98 145 930)	(136 911 189)
Total equity		3 032 266 852	1 434 477 104
Current liabilities			
Trade creditors		901 226	385 825
Public duties payable		87 537	91 888
Short term liabilities		484 057	128 723
Total current liabilities		1 472 820	606 436
Total liabilities		1 472 820	606 436
Total equity and liabilities		3 033 739 672	1 435 083 540

28 April 2022

Bjørge Gretland
Chairman of the Board

Chris Logan
Chris Logan
Member of the Board

Umur Hürsever
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

Curtis Williams
Chief Executive Officer

Cashflow

Kalera AS Standalone

Expressed in NOK

	Note	2021	2020
Cash flows from operating activities			
Profit before income tax		38 765 259	(125 274 872)
Adjustments for:			
• Trade, deposits and other receivables		(857 349)	(465 000)
• Trade and other payables		866 382	549 105
• Net accrued interest from financing and investing activities		(7 545 851)	(5 381 553)
• Currency effect		(49 650 164)	127 460 953
Net cash used in operating activities		(18 421 723)	(3 111 367)
Cash flows from investing activities			
Net borrowings to group companies	9	(1 064 924 711)	(299 137 384)
Investments in subsidiary		(288 671 622)	(7 950 742)
Net cash used in investing activities		(1 353 596 333)	(307 088 126)
Cash flows from financing activities			
Proceeds from issuance of shares	3	522 913 489	1 326 397 662
Net cash generated from financing activities		522 913 489	1 326 397 662
Net change in cash and cash equivalents		(849 104 567)	1 016 198 169
Cash at the beginning of the period		929 710 391	18 526 837
Exchange gains/losses on cash and cash equivalents		17 095 390	(105 014 615)
Cash at the end of the period		97 701 215	929 710 391

Accounting Principles

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

Kalera AS has chosen to use Norwegian kroner (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 lower 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. Dividends/group contributions from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividends from other companies are reflected as financial income when it has been approved. 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 recognized in the balance sheet at this time.

Note 1 - Subsidiaries

Kalera AS Subsidiaries	Office	Ownership	Book value of equity
Kalera Inc.	Orlando, FL	100 %	444 165 428
Iveron Materials Inc.	Orlando, FL	100 %	8 063 073
Vindara Inc.	Orlando, FL	100 %	206 589 666
Kalera S.A.	Luxembourg	100%	305 151
&ever Gmbh	Munich Bayern	100 %	1 348 080 019
At 31 December 2021			2 007 203 338

Note 2 - Share capital and premium

Expressed in NOK

Share capital and premium	Number of shares	Ordinary shares	Share face value	Share premium	Total
At 1 January 2021	161 021 239	161 021 239			1 557 529 004
Share issue	5 750 000	5 750 000	0,01	45,50	261 625 000
Share issue	27 856 081	27 856 081	0,01	31,05	864 931 315
Share issue	12 000 000	12 000 000	0,01	25,00	300 000 000
Share issue	2 724 499	2 724 499	0,01	23,40	63 753 277
At 31 December 2021	209 351 819	209 351 819			3 047 838 596

Note 3 - Equity

Expressed in NOK

Equity	Share capital	Share premium reserve	Share to be issued	Share based compensation	Other equity	Total
Equity as of December 2020	1 610 242	1 555 918 762		13 859 289	(136 911 189)	1 434 477 104
Share issue	483 306	1 451 114 776	82 499 292			1 534 097 374
Share based compensation				24 927 115		24 927 115
Result of the year					38 765 259	38 765 259
Equity as of December 2021	2 093 548	3 007 033 538	82 499 292	38 786 404	(98 145 930)	3 032 266 852

* Net of transaction costs.

Note 4 - Calculation of deferred tax asset

Expressed in NOK

Calculation of deferred tax assets	2021	2020
Net temporary differences	31 547 605	(2 928 793)
Loss carry forward	(249 115 518)	(214 695 970)
Basis for deferred tax	(217 567 913)	(217 622 743)
Deferred tax	(47 864 941)	(47 877 448)
Not disclosed in the balance sheet	47 864 941	47 877 448
Deferred tax in the balance sheet	-	-
Deferred tax not in the balance sheet	47 864 941	47 877 448

Note 5 - Cash and bank deposits

Expressed in NOK

Cash and bank deposits
The company have cash holdings per 31.12.2021 of NOK 97 701 215. Restricted cash amounts to 59 510.

Note 6 - Payroll expenses

Expressed in NOK

Payroll, etc.	2021	2020
The company has no employees		
Remuneration for the board of directors	2 184 728	1 335 828
Social security tax	308 821	175 220
Other	2 493 549	1 511 048

Note 7 - Other operating cost

Expressed in NOK

Operating expenses	2021	2020
General and administrative expenses	6 877 605	1 686 158
Total	6 877 605	1 686 158

Expressed in NOK

Auditor remuneration costs	2021	2020
Audit services	843 750	758 000
Other assurance services	463 862	228 000
Total	1 307 612	986 000

Note 8 - Loan to subsidiaries

Expressed in NOK

Statement of cashflows	2021	2020
Cash flows from operating activities		
Loan to Kalera Inc.	888 185 717	76 484 634
Accrued interest	13 651 608	105 376
Unrealized currency effects	12 892 992	-2 928 793
Total	914 730 317	73 661 217
Loan to Iveron Materials	247 142	0
Accrued interest	5 330	0
Unrealized currency effects	179 857	0
Total	432 329	0
Loan to Vindara	12 158 489	0
Accrued interest	136 001	0
Unrealized currency effects	55 633	0
Total	12 350 123	0

Note 9 - Financial income and expense

Expressed in NOK

Financial income and expense	2021	2020
Interest expense external loan	(15 073 962)	(951 716)
Interest income to subsidiaries	13 562 284	6 333 268
Currency exchange gains and losses	49 650 155	(127 460 953)
Other financial (expense) income	(2 064)	1 735
Net financial income and expense	48 136 413	(122 077 666)

Note 10 - Subsequent events

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

To the General Meeting of Kalera AS

Independent Auditor's Report

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 balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Kalera AS and its subsidiaries (the Group), which comprise the Statement of Financial Position as at 31 December 2021, the statement of Operations and Comprehensive Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and

- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of $39,513 thousand during the year ended 31 December 2021 and, as of that date, the Company has an accumulated deficit of $65,375 thousand. As stated in Note 2, these conditions, along with being dependent upon obtaining additional operating capital, completing development of new seeds and produce, and attaining profitability as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. We emphasize that the financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of and classification of liabilities that may result should the Group be unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information. The purpose is to consider if there is material inconsistency between the other information and the financial statements or our knowledge obtained in the audit, or whether the other information appears to be materially misstated. We are required to report if there is a material misstatement in the other information. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Oslo, 28 April 2022
PricewaterhouseCoopers AS

P.Wallace

Peter Wallace
State Authorised Public Accountant

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