

Salmon Evolution - Q3 2020 results

Highlights

- Construction of Phase 1 at Indre Harøy progressing according to plan. Contractual target price formalized at NOK 1.3 billion
- Secured financing through pre-IPO private placement of NOK 500 million, direct equity investment of NOK 50 million and debt financing of NOK 40 million for land acquisition at Indre Harøy
- Available cash of NOK 709 million (NOK 3,23 per share) as of 30. September
- Signed term sheet with Dongwon Industries in South Korea - one of the world's leading seafood companies - for a potential joint venture for international expansion and sales & marketing collaboration
- Appointed Trond Håkon Schaug-Pettersen as CFO
- Listed on Merkur Market in September 2020 under the ticker SALME-ME

Since the groundwork started in May, Phase 1 at Indre Harøy has developed according to plan, time and budget. The main contractor, Artec Aqua, has entered into agreements with several subcontractors who are currently working on site.

During the quarter most of the groundwork for the fish-tanks and buildings has been completed. The drainpipe for wastewater has also been completed and works with the corresponding tunneling is on track. Concrete works, including foundations for buildings and tanks, started in September. From project initiation in 2019, capital expenditures have accumulated to approx. NOK 150 million, of which NOK 66 million came in the third quarter. Total capex for Phase 1 isolated is estimated to NOK 1.2 billion before finalization in late 2022.

Being a pre-revenue company, funding is crucial to secure project development. During the quarter, Salmon Evolution raised NOK 50 million in new equity through a direct investment from partner Dongwon Industries and NOK 500 million through a private placement in connection with the listing on Merkur Market.

Commenting on the development, CEO Håkon André Berg, said:

"The third quarter has been an eventful one for Salmon Evolution, with the raising of new capital and listing on Merkur Market, in addition to the continued development of our unique land-based salmon farming project. We are now well underway with the first construction phase, where we expect to harvest the first salmon late Q4 2022."

Berg added:

"With global demand for salmon continuously growing, we are convinced land-based farming is crucial to solve the industry's growth challenge. With new technologies for sustainable and stable production, we believe our project has great potential to produce what the market demands - a fresh, healthy and premium product. Using our Hybrid Flow-Through concept we will farm our salmon in a closed system that has minimum impact on the environment and that provides the best conditions for optimal fish welfare - "it's truly a sustainable approach to producing one of the world's best and healthiest proteins", says Berg.

Outlook

Salmon Evolution expects global demand of salmon to continue to grow in coming years, and thus see limited risk for the volume contribution from land-based suppliers bringing the salmon market out of balance. Salmon Evolution has clear ambitions to be among the leading players in this market. With current project and future expansion plans combined, the company has a clear road map towards a harvest of 70,000 tonnes HOG by 2030. The first international initiative is expected to be in South Korea, where the company plans to partner with Dongwon Industries.

Results presentation

CEO Håkon André Berg will present the results by webcast today, Thursday November 19. at 08:00 a.m. CET.

The presentation and subsequent Q&A will be held in English.

The presentation can be accessed at www.salmonevolution.no, or with the following link: <https://streams.eventcdn.net/salmonevolution/2020q3/>

For further information, please contact:

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About Salmon Evolution

Salmon Evolution is a Norwegian land-based salmon farming company with a vision to be a beacon for sustainable development.

The company's first production facility is under construction at Indre Harøy, strategically located on the Norwegian west coast with access to unlimited fresh seawater, renewable energy, established infrastructure for salmon farming, and an educated and experienced work force. The entire project is designed for an annual capacity of approx. 31,500 tonnes HOG.

The project is based on a hybrid flow-through system ("HFS"), securing controlled and optimal growth conditions, and limiting operational and biological risk.

Salmon Evolution Holding AS is listed at the Merkur Market under the ticker SALME-ME.

To learn more, please visit www.salmonevolution.no.

This information is subject of the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.