



Q4 2020 PRESENTATION

2 March 2021

SALMON
EVOLUTION[®]
extending the ocean potential

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Agenda

- Introduction and highlights
- Operations
- Financials
- Summary and outlook

SALMON EVOLUTION – EXTENDING THE OCEAN POTENTIAL

A Norwegian land-based salmon farming company with a goal to be a global supplier of high quality and sustainable salmon from land-based facilities

- First production facility under construction in Norway, with annual harvesting capacity of 31,500 tonnes HOG fully developed
- Signed joint venture term sheet with Dongwon Industries for a 20,000 tonnes production facility in South Korea – first grow-out production targeted in 2024
- Utilizing hybrid flow-through (“HFS”) system with 30%-35% fresh seawater intake, reducing complexity and biological risk and securing optimal growth at low cost
- Targeting a position as a global leading land-based farmer, enabled by a strong ESG profile
- On track for ~25,000 tonnes by 2024, clear roadmap to 70,000 tonnes by 2030
- Preparations for listing at Oslo Stock Exchange (main list) has started, and is expected to be materialized in Q2/Q3 2021



Indre Harøy illustration – fully developed



South Korea project illustration (Source: Dongwon)

Q4 2020 HIGHLIGHTS

Q4 2020

- Construction of Phase 1 at Indre Harøy progressing according to plan – on time and on budget
- Critical infrastructure completed including wastewater tunnel – project execution risk significantly reduced
- Received support of NOK 96.8 million from Enova
- Available cash of NOK 648 million at 31 December, NOK 2.95 per share



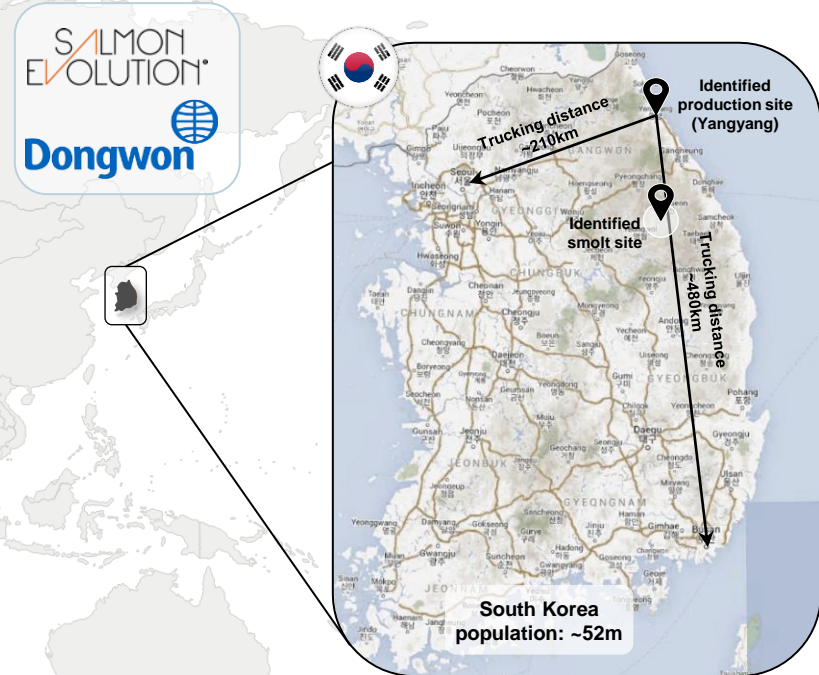
Indre Harøy, January 2021

Post quarter events

- Signed joint venture term sheet with Dongwon Industries for 20,000 tonnes project in South Korea
- Constructive discussions with banks for long term debt financing of phase 1 at Indre Harøy – committed term sheet expected finalized Q1/Q2 2021

SOUTH KOREA EXPANSION STARTED – 20KT JV WITH DONGWON

- SE has entered into a term sheet for a JV¹⁾ (“**K Smart**”) with seafood giant Dongwon Industries (“**Dongwon**”) to develop, construct and operate a **20,000 tonnes** LWE land-based salmon farming facility in South Korea using SE’s technology and competence
- Ownership split 49/51% for SE and Dongwon, respectively
- Facility expected to be built in **two phases**, each phase with an annual harvest volume capacity of **8,400 tonnes** (HOG)
- Target construction start for phase 1 during 2022 and first grow out production in 2024
- Highly attractive production site already identified in Yangyang on the north east coastline of South Korea
 - Very good data on water quality
 - Stable and optimal natural temperatures enabling highly attractive capex and opex efficiency
 - All of South Korea within less than 1 day trucking distance securing unparalleled freshness vs. other available fresh salmon distribution chains
- Separate smolt site also identified – existing salmonids production already in place with significant scaling potential

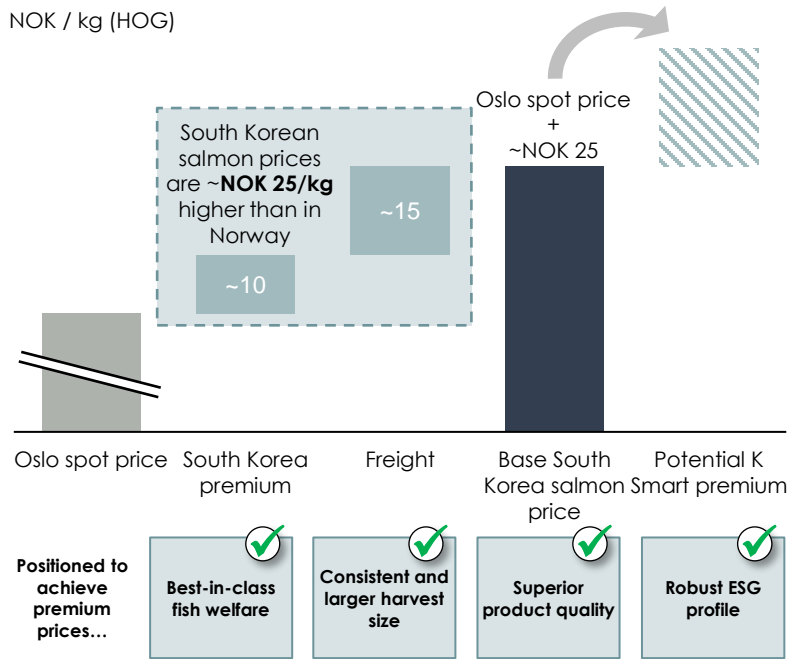




FIRST MOVER ADVANTAGE IN SOUTH KOREA – A FAST GROWING AND HIGH PAYING MARKET FOR SALMON WITH SOLID PRICE POTENTIAL

Positioned to achieve a premium on South Korean prices

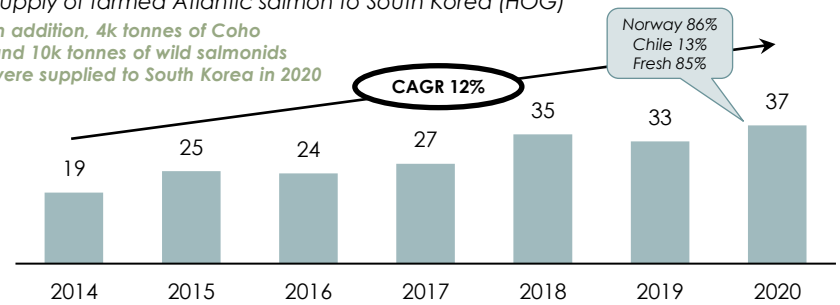
NOK / kg (HOG)



Salmon demand in South Korea is growing rapidly

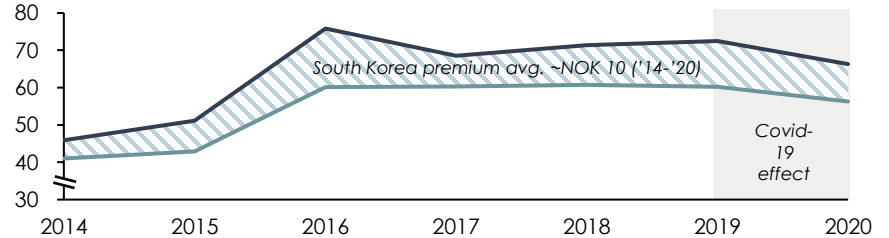
Supply of farmed Atlantic salmon to South Korea (HOG)

In addition, 4k tonnes of Coho and 10k tonnes of wild salmonids were supplied to South Korea in 2020



Consistent premium pricing of salmon to South Korea

NOK / kg (HOG)



K SMART – KEY FIGURES

Summary of estimated KPIs for the South Korean JV facility¹⁾

Item	Phase 1	Phase 2	Total
Capex	NOK 1,400m	NOK 1,300m	NOK 2,700m
Total project cost	NOK 1,600m	NOK 1,500m	NOK 3,100m
SE equity requirement	NOK 200m	NOK 0m	NOK 200m
Annual volume (HOG)	8,400t	8,400t	16,800t
Capex / kg (HOG)	NOK ~165	NOK ~155	NOK ~160
EBITDA cost / kg (HOG)	NOK 39-41	NOK 39-41	NOK 39-41
EBIT cost / kg (HOG)	NOK 44-46	NOK 44-46	NOK 44-46

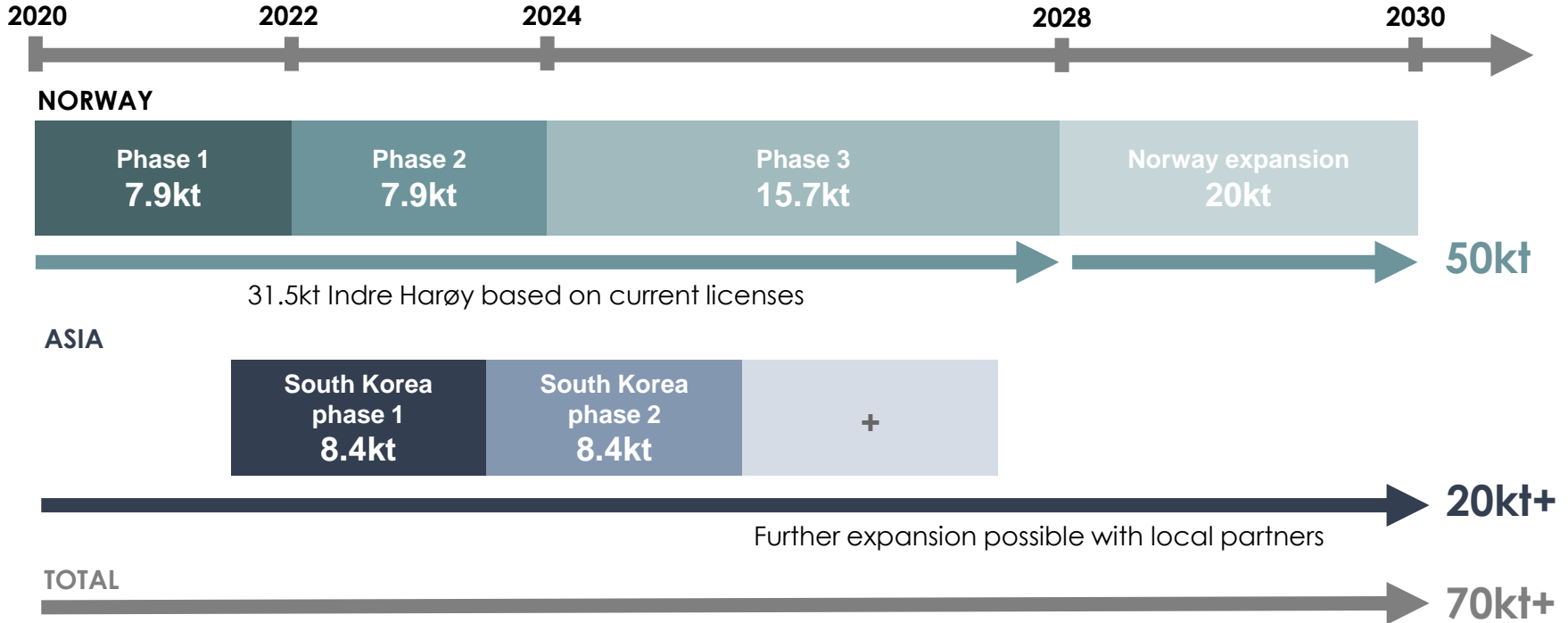
Expected strong relative price achievement combined with cost efficient operations enable solid operating margins and high return on invested equity

Dongwon to facilitate debt financing of K Smart¹⁾

*Salmon Evolution's capital contribution of ~NOK 200m is expected to be **sufficient to finance both phases***

*Phase 2 is expected to be financed with issuance of **local debt financing** and **retained earnings** from K Smart*

ROADMAP TO 70,000 TONNES HOG



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CONSERVATIVE APPROACH IN A “DISRUPTIVE INDUSTRY”

1

Biology is the most important consideration

→ *Shown through our choice of technology*

2

There is much to learn, even though we have decades of experience

→ *That's why we start in Norway*

3

International expansion can be accelerated with strong local partners

→ *That's why we don't go solo on our first project overseas*

OPTIMIZED BIOLOGY WITH HFS TECHNOLOGY

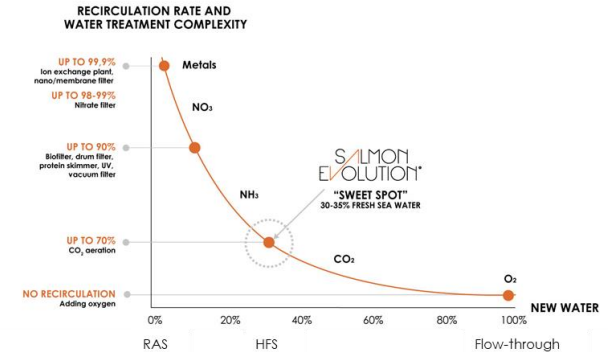
HYBRID FLOWTHROUGH ADVANTAGES

- Separate production tanks secure bio-control
- Maintenance flexibility, separate cleaning and disinfecting between biomass transfers
- Low complexity – easy to operate and reduced risk of technical accidents
- No biofilters
- Area efficient



INCREASED COMPLEXITY ABOVE 65% RECIRCULATION

- Known technology
- HFS with fresh sea water being replaced every 4th hour
- Optimal production environment
- Minimal handling of the fish



PROJECT STATUS INDRE HARØY

- Construction progress in accordance with plan
- Wastewater tunnel completed
- Blasting work for fish-tanks and buildings completed
- Currently some 80 workers on site, increasing to approx. 200 this summer
- Managing the COVID-19 situation with its highest priority to safeguard employees, suppliers and partners
- The company remains on track for the first smolt release which is scheduled to be in March 2022 with first harvest in Q4 2022



Blasting work for wastewater tunnel

- Preparations for installation of first four fish tanks well underway
– first centre column installed 23 February
- Phase 1 at Indre Harøy will consist of 12 fish tanks each with a diameter of 28 meter and a height of 13 meter
– fully developed, Indre Harøy will consist of 48 fish tanks with a combined cubic capacity of 240,000m³





- Preparations for intake station also well underway
- Two water intake pipes each with a diameter of 1.6m
- Seawater intake at 25 and 90 meter water depth ensuring fresh and ideally tempered seawater free from sea lice
- The seawater is pumped through UV-filters for cleansing and then distributed to the twelve independently connected fish tanks
- At maximum capacity in phase 1, 245,000 litres are pumped per minute

A STEPWISE DEVELOPMENT OF STAND ALONE UNITS

Description		2020	2021	2022	2023	2024	2025	2026	2027	2028	Capacity	CAPEX	Cost/kg	
Phase 1	<ul style="list-style-type: none"> Land acquisition Building of foundations Construction of 12 grow-out tanks 	Construction			Production start - smolt release	Production					~7,900t HOG	NOK 1.2 bn*	NOK 40.8	
Phase 2	<ul style="list-style-type: none"> Construction of additional 12 grow-out tanks Construction of smolt & hatchery facility 	Construction			Construction of smolt facility		Production					~7,900t HOG	NOK 1.2 bn**	NOK 38.6
Phase 3	<ul style="list-style-type: none"> Construction of additional 24 grow-out tanks Construction of 4 holding tanks Construction of intake station 	Construction				Production				~15,700t HOG	NOK 2.1 bn	NOK 36.1		
Total											~31,500t HOG	NOK 4.5 bn	NOK 36.1	

* Phase 1 related CAPEX only

** Smolt facility not included

◆ First sales

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PROFIT & LOSS

Summary of result

(figures in NOK 1000)

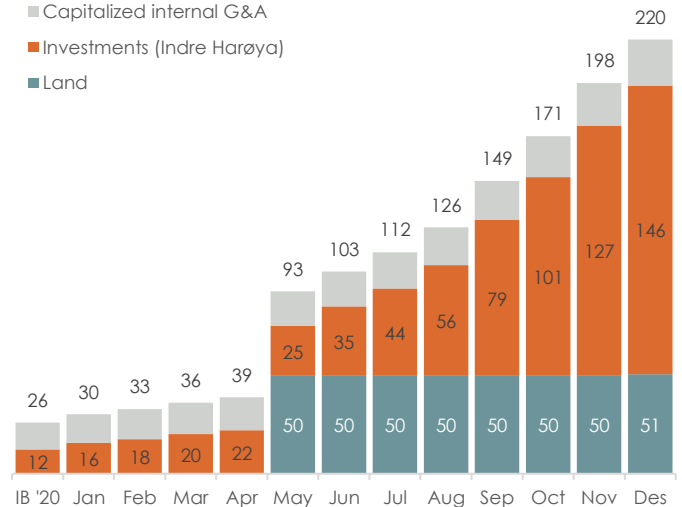
	Q4 2020	Q4 2019	YTD 2020	YTD 2019
Total operating income	0	0	704	-175
Personnel expenses	-2,034	-2,265	-8,877	-3,754
Depreciations	-337	-91	-550	-181
Other operating expenses	214	-1,570	-8,954	-7,752
Operating profit (EBIT)	-2,158	-3,926	-17,676	-11,862
Financial income	1,113	622	1,114	622
Financial expenses	-147	-9	-263	-30
Financial expense - net	966	614	850	593
Profit/loss before tax	-1,192	-3,313	-16,826	-11,269
Income tax expense	0	0	0	0
Profit/loss for the period	-1,192	-3,313	-16,826	-11,269

- Expenses mainly comprise personnel and other G&A
- Key management positions in place
- Increasing focus on implementation of quality systems, certifications, digital infrastructure and preparations for commercial activities
- Gradual build-up of organization during 2021 ahead of first smolt release in March 2022

CAPEX INDRE HARØY

- On time on budget
- Investments gradually increasing with higher workload and increased complexity on site
- Total CAPEX of NOK 71.8 million in Q4
 - NOK 68.3 million related to turnkey project with Artec Aqua
 - NOK 3.2 million capitalized personnel and shared cost
- Accumulated capex of NOK 220 million from project initiation in 2019

Accumulated CAPEX YE 2020
(NOK million)



CASH FLOW

Cash flow summary

(figures in NOK 1000)

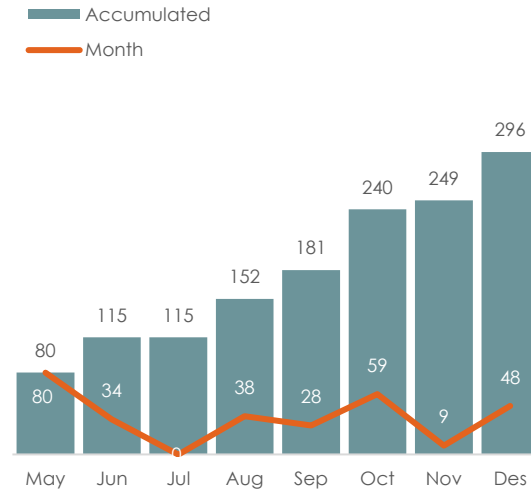
	Q4 2020	Q4 2019	YTD 2020	YTD 2019
Net cash flow from operating activities	-8,311	4,746	-29,890	-2,553
Net cash flow from investments activities	-58,755	-14,732	-146,092	-25,021
Net cash flow from financing activities	6,094	-1,479	802,664	48,328
Net change in cash and cash equivalents	-60,972	-11,464	626,682	20,753
Cash and cash equivalents at start of period	708,778	32,588	21,124	370
Cash and cash equivalents at end of period	647,806	21,124	647,806	21,124

- Solid funding base secured during 2020
 - NOK 40 million bank debt drawn in Q4 2020
 - NOK 500 million equity issue in connection with Euronext Growth listing
 - NOK 50 million equity investment from Dongwon in July 2020
 - NOK 258 million equity issue in March 2020
- Increasing appetite amongst banks for land-based salmon farming

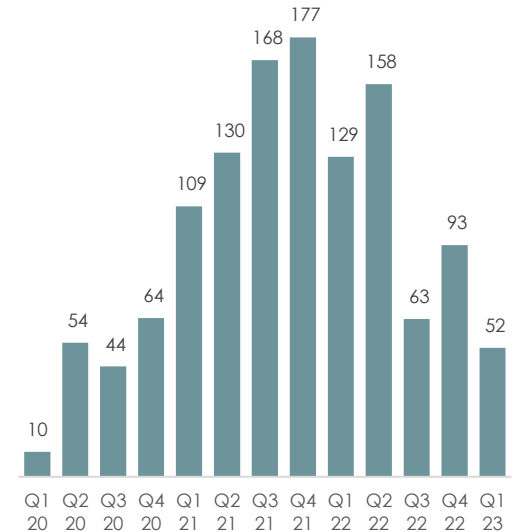
FINANCING RESERVATIONS SECURE PROJECT CONTROL

- Project turnkey-agreement includes clause for financing reservations until financing is secured
- In Q4 2020 the company committed contracts with subcontractors of NOK 116 million
 - Precast concrete elements
 - Energy installation- and plant
 - Fish-feeding system
- Payments will peak in Q4 2021

Financial commitments YTD
(NOK million)

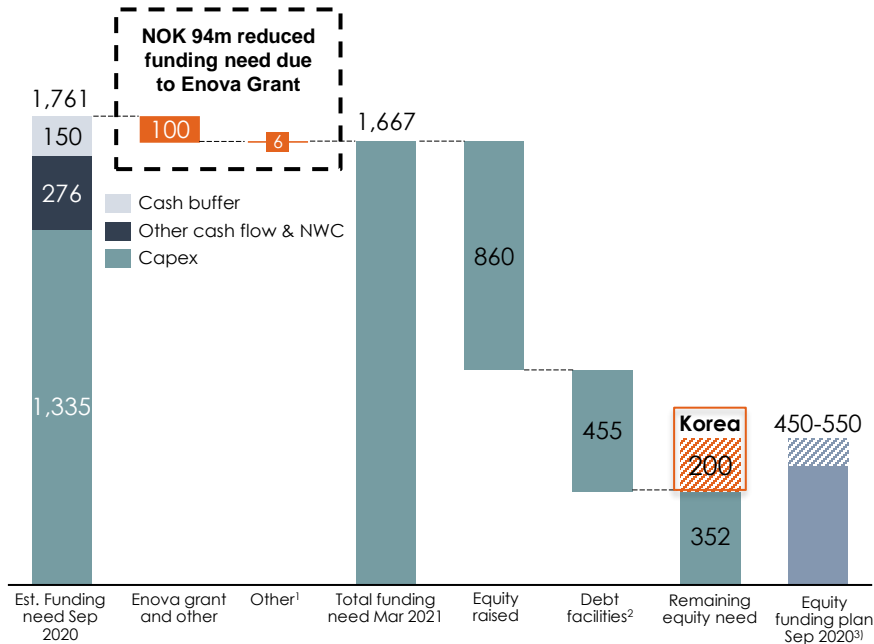


Capex plan for Phase 1
(NOK million)



IMPROVED EQUITY FUNDING FLEXIBILITY FOLLOWING FOCUSED PROJECT EXECUTION, STRONG COST CONTROL AND RECEIVED GRANTS

Indre Harøy I - Project cost bridge from Sep 2020 to Mar 2021 (NOKm)



- Received total grants of NOK 111 million in 2020 - Continuously monitoring opportunities to apply for public funding and grants
 - Granted funding commitments from Enova of NOK 96.8 million
 - Granted NOK 14 million in SkatteFUNN tax incentive scheme
- Project visibility significantly strengthened during last 6 months
- Total raised equity of NOK 860 million of which NOK 810 million in 2020
- Remaining equity need for Indre Harøy reduced, enabling financing of South Korea project within existing equity funding plan
- Constructive discussions with banks for long term debt financing at Indre Harøy, committed term sheet expected finalized during Q1/Q2 2021

1) Include net effect of strategic upgrades, change in NWC, CF projections and used cash buffer

2) Assuming NOK 400m in long term bank debt and NOK 55m in working capital facility

3) As guided in Admission Document in connection with the listing on Euronext Growth in September 2020

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SUMMARY & OUTLOOK

- Construction of facility at Indre Harøy progressing according to plan – on time and on budget
- International ambitions. JV term sheet with Dongwon formalized, with target construction start during 2022
- Global demand growth for salmon expected to continue
- Salmon Evolution's HFS technology addressing industry growth and ESG challenges
- Solid funding supported by committed owners



A scenic view of a lighthouse on a rocky island. The lighthouse is white with a red top and is situated on a rocky outcrop. The foreground shows waves crashing against the rocks, creating white foam. The sky is overcast and grey.

NEXT EVENT
Q1 2021
20 MAY 2021

Q&A

www.salmonevolution.no