

# SALMON EVOLUTION

## Salmon Evolution Holding ASA: Results for the first quarter 2021

### First quarter highlights

- Construction of Phase 1 at Indre Harøy progressing according to plan, on time on budget
- Formalized K Smart joint venture with Dongwon Industries in South Korea
- Successful private placement of NOK 500 million
- Converted to ASA - Process for up-listing to Oslo Stock Exchange main list started
- Available cash of NOK 1 billion (NOK 3.35 per share) on 31 March 2021

### Subsequent events

- Signed term sheet for NOK 625 million bank financing with Nordea, Sparebanken Vest and GIEK on very competitive terms, securing a funding for Indre Harøy Phase 1 and equity commitment for K Smart
- Appointed Odd Frode Roaldsnes as Head of Asia, responsible for Dongwon partnership and expansion opportunities in this high growth region

Since the groundwork at Indre Harøy started in May 2020, Phase 1 has developed according to plan, on time and on budget. Construction work through the first quarter of 2021 has mainly been on the production facilities, where the company has started the assembly of fish-tanks. The plan for first smolt release in March 2022 remains on track.

Total capital expenditures during the quarter was NOK 114 million, of which NOK 110 million were investments related to the turnkey project with Artec Aqua at Indre Harøy. As per 31 March 2021, accumulated capex from project initiation in 2019 amounts to NOK 334 million.

During the quarter, Salmon Evolution formalized the joint venture with South Korean Dongwon Industries for the construction and operation of a 16,800 tonnes HOG capacity land-based salmon farming facility. Construction start is expected in 2022, with commencement of grow out production in 2024. South Korea is a highly attractive and fast-growing market for fresh Atlantic Salmon and landing a landmark project with a first-class partner like Dongwon Industries, is a solid testament to all stakeholders of Salmon Evolution.

Commenting on the K Smart Joint Venture, CEO Håkon André Berg, said:

*“The joint venture with Dongwon Industries represents a massive opportunity for Salmon Evolution to leverage its human capital and build on the experiences from Indre Harøy as well as securing the company a very tangible pipeline for the coming years.”*

During 2020, and further into first quarter of 2021, Salmon Evolution secured both equity and debt financing and is continuously seeking to optimize the company's capital structure.

In March 2021, the company issued 83.3 million shares at a subscription price of NOK 6.00 per share, raising gross proceeds of NOK 500 million. On 16 April 2021, the Company announced the signing of a committed term sheet for a NOK 625 million bank debt financing package with Nordea, Sparebanken Vest and GIEK on very competitive terms, securing a fully funded platform for both Phase 1 at Indre Harøy Phase and the Company's equity investment in K Smart.

*“We are very grateful for the support shown by Nordea, Sparebanken Vest and GIEK and view this as yet another testament to Salmon Evolution's technology approach and overall business model”, says Berg.*

## **Outlook**

Salmon Evolution is now under one year away from releasing the first smolt into the fish tanks and just over 1.5 years away from first harvest. Preparations for production-start are well underway and over the coming quarters the company will devote significant resources in building internal systems and infrastructure, securing that all operating procedures are in place in due time before production start.

Following a volatile 2020, salmon prices has seen a remarkable recovery over the last months and is currently back at historically high levels. Salmon Evolution sees the strong price development as a demonstration of the underlying strength of the salmon market.

Sentiment in the capital market has eased somewhat during the recent months. With a broad range of land-based salmon farming projects entering capital intensive phases, there is reason to believe that access to financing might be an issue for many of these projects, limiting growth potential from land-based salmon farming the next couple of years. With funding in place and projects well underway, Salmon Evolution is uniquely positioned to take a global frontrunner position in the future development of land-based salmon farming.

## **Results presentation**

CEO Håkon André Berg and CFO Trond Håkon Schaug-Pettersen will present the results by webcast today, Thursday May 20 at 08:00 a.m. CEST.

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

The presentation can be accessed at [www.salmonevolution.no](http://www.salmonevolution.no), or with the following link: <https://streams.eventcdn.net/salmonevolution/2021q1>

## **For further information, please contact:**

Håkon André Berg, CEO, Salmon Evolution  
[hakon.andre.berg@salmone.no](mailto:hakon.andre.berg@salmone.no)  
+47 41 19 22 57

Trond Håkon Schaug-Pettersen, CFO, Salmon Evolution  
[thsp@salmone.no](mailto:thsp@salmone.no)  
+47 91 19 13 27

## **About Salmon Evolution**

Salmon Evolution is a Norwegian land-based salmon farming company focused on extending the ocean's potential by transferring the best preconditions offered by the sea to farm fish on land through its hybrid flow-through system technology (HFS). This secures a truly sustainable production process with controlled and optimal growth conditions and limiting operational and biological risk.

The Company's first production facility is under construction at Indre Harøy, strategically located on the Norwegian west coast with unlimited access to 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 Company has also entered a joint venture with Dongwon Industries where the parties will develop, construct and operate a land-based salmon farming facility in South Korea with an annual production capacity of 16,800 tonnes HOG, using Salmon Evolution's HFS technology.

Salmon Evolution Holding ASA is listed at Euronext Growth under the ticker SALME.



To learn more, please visit [www.salmonevolution.no](http://www.salmonevolution.no).

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