



Extending the ocean potential

Q1 2021

SALMON
EVOLUTION®

Salmon Evolution – Extending the Ocean Potential

A Norwegian salmon farming company targeting a global leading position in sustainable production of high-quality salmon from land-based facilities.

- Utilizing hybrid flow-through (“HFS”) system with 30%-35% fresh seawater intake, reducing complexity and biological risk and securing optimal growth at low cost
- First production facility under construction at Indre Harøy in Norway, with annual harvesting capacity of 31,500 tonnes HOG fully developed
- Joint venture with Dongwon Industries for a 16,800 tonnes HOG production facility in South Korea – planned construction start in 2022 and first grow-out production targeted in 2024
- On track for ~25,000 tonnes by 2024, clear roadmap for 70,000 by 2030
- Company converted to ASA and preparing for listing at Oslo Stock Exchange (main list) in Q3 2021
- Fully funded for existing committed projects in Norway and Korea

Salmon Evolution – Extending the ocean potential

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



First production facility under construction in Norway – annual harvesting capacity of 31,500 tonnes head-on-gutted (“HOG”) fully developed



Joint venture with Dongwon Industries for a 16,800 tonnes HOG production facility in South Korea – first grow-out production targeted in 2024



Utilizing hybrid flow-through system (“HFS”) 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

Indre Harøy illustration – fully developed



South Korea project illustration (Source: Dongwon)



Highlights in the quarter

- Construction of Phase 1 at Indre Harøy progressing according to plan – on time and on budget
- Formalized K Smart joint venture with Dongwon Industries for 16,800 tons facility in South Korea
- Strong interest from Norwegian, Nordic and international investors in successful private placement of NOK 500 million in March
- Converted to ASA - Process for up-listing to Oslo Stock Exchange main list started – expected Q3 2021
- Available cash of NOK 1,015 million (NOK 3.35 per share) on 31 March 2021

Subsequent events

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

Key figures

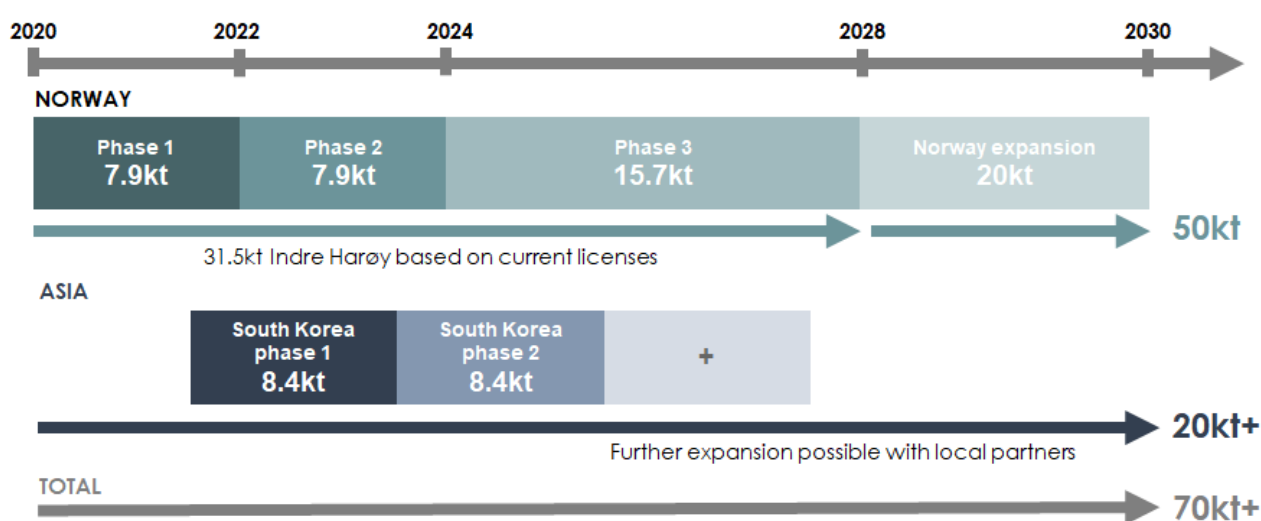
(figures in NOK 1000)	Q1 2021	Q1 2020	2020
IFRS main figures			
Operating Revenues	0	30	704
EBITDA	-6 271	-2 832	-17 126
EBIT	-6 634	-2 899	-17 676
Profit / (loss) before taxes	-5 581	-2 907	-16 826
Cash flow from investment activities	-104 608	-10 213	-165 961
Cash flow from financing activities	479 609	0	802 664
Net cash flow	367 292	-14 395	626 682
Available cash	1 015 098	6 729	647 806
Available cash per share	3,35		
Net Interest-bearing liabilities	-972 451		
Total assets	1 377 015		
Equity	1 262 097		
Equity ratio	92 %		

Roadmap to 70,000 tonnes in 2030

Salmon Evolution targets a leading position in the production of sustainable high-quality salmon from land-based facilities. In addition to its 31,500 tonnes project Norway, the company has international ambitions. Through utilisation of technology, competence and experience from

domestic projects, Salmon Evolution aim to develop projects in targeted growth markets in collaboration with local partners. The company has a clear road map towards +70,000 tonnes production capacity by 2030 and is on track for ~25,000 tonnes by 2024.

Roadmap towards +70kt HOG annual harvest



Signed JV with Dongwon Industries for a South Korean expansion

The company has entered into a joint venture with the South Korean seafood giant Dongwon Industries to develop, construct and operate a 16,800 tonnes HOG land-based salmon farming facility in South Korea, using Salmon Evolution's technology and competence.

The joint venture will be named K Smart Farming ("K Smart"). The project will be completed in two phases, with each phase aiming to achieve an annual capacity of 8,400 tonnes HOG, 16,800 tonnes combined. Total project cost for phase 1 is estimated to NOK 1.6 billion, including capex, project management, contingencies and working capital build-up.

Under the terms of the Joint Venture agreement, Dongwon Industries will facilitate 75% debt financing for K-Smart and Salmon Evolution's total equity contribution for 49% ownership is estimated to about NOK 200 million on a fully funded basis. Phase 2 of the project is planned financed through a combination of bank debt and retained earnings from ongoing operations.

Salmon Evolution's equity contribution will be split in milestone driven tranches, reflecting the overall progress of the project. Salmon Evolution executed its first tranche of about NOK 27.5 million during May 2021. Together with Dongwon's initial equity investment into K Smart,

the proceeds will be used to finance: (i) design and engineering, (ii) site evaluation and permitting, (iii) acquisition of an existing and

operating smolt facility in Jeongseon of which closing has already taken place and (iv) general corporate purposes.



Salmon Evolution and Dongwon target construction start in 2022, with commencement of grow out production in 2024. The parties have identified a production site in Yangyang on the north east coastline of South Korea, with solid data points on water quality and temperatures. Preliminary estimates indicate an EBITDA cost in the range of NOK 39-41/kg (HOG) and an EBIT cost of NOK 44-46/kg (HOG).

As part of the collaborations, the parties will cooperate to establish branding and marketing of premium, land-based Atlantic salmon from

K-Smart and Salmon Evolution in the Korean market. K Smart will be responsible for all development-costs and investments related to the project.

The Joint Venture agreement also contains a comprehensive set of corporate governance principles, aimed at serving as a solid foundation for a long-term partnership between Salmon Evolution and Dongwon.

The two parties will jointly consider future opportunities for scaling similar projects in other attractive markets in the region.

Project review

Status - Indre Harøy

Since the groundwork started in May 2020, the Phase 1 project at Indre Harøy has developed according to plan.

The main contractor, Artec Aqua, has entered into agreements with subcontractors who are currently working on site.

Blasting work for the fish-tanks and buildings is completed, and the masses have been transported out or crushed for reuse. Concrete works, including foundations for buildings and tanks, started in September and will continue in the coming quarters. Tunnel for wastewater was successfully finished in December.

Construction work through the first quarter 2021 has mainly been on the production facilities,

where the company has started the assembly of fish-tanks.

The company remains on track for the first smolt release which is scheduled to be in March 2022.

Currently some 100 workers are working on site. As workload increase the number of workers on site will increase going forward and is expected to peak at around 200 people during summer 2021.

Along with the higher activity work, complexity increases. To reduce risk for accidents, Salmon Evolution aims for a close dialogue with contractors and workers to secure controlled and safe project progression.

The assembly of fish-tanks has started (April 2021)



Photo: Salmon Evolution

Milestones

Following the ongoing groundworks, Phase 1 includes a stepwise construction of 12 grow-out tanks with an annual combined capacity of 7,900 tonnes HOG.

Handover of the first four tanks is scheduled for late Q1 2022, followed by completion of the remaining eight tanks consecutively throughout Q2 2022 to Q4 2022.

Production of the first batches is expected to commence in Q1 2022, with first harvest expected in Q4 2022 and steady state annualized harvest volumes of 7,900 tons HOG from Q3 2023.

Indre Harøy facility to be built in three Phases with a total annual harvest volume of 31.5kt HOG

Phase	Description	Capacity	Capex est.	EBIT Cost/kg***
Phase 1	- Land acquisition	~7,900t HOG	NOK 1.2 bn*	NOK 40.8
	- Building of foundations			
	- Construction of 12 grow-out tanks			
Phase 2	- Construction of additional 12 grow-out tanks	~7,900t HOG	NOK 1.2 bn**	NOK 38.6
Phase 3	- Construction of additional 24 grow-out tanks	~15,700t HOG	NOK 2.1 bn	NOK 36.1
	- Construction of 4 holding tanks			
	- Construction of intake station			
Total		~31,500t HOG	NOK 4.5 bn	NOK 36.1

* Capex exclusively related to phase 1

**Smolt facility not included

***Target EBIT cost at steady state full production volumes for each phase

Project financials

When comparing cost estimates for Phase 1 and a fully built out facility, efficiency gains in both capex and opex are expected. Capex efficiencies are related to synergies between phases (groundwork, reduced mobilization costs, etc.), increased efficiency in assembly, and increased efficiency in planning, design and execution together with suppliers. As of 31 March, total capital expenditure amounts to NOK 307 million¹, representing some 24% of total capital expenditure of about NOK 1.3 billion.

Capex overview Indre Harøy Phase 1¹⁾

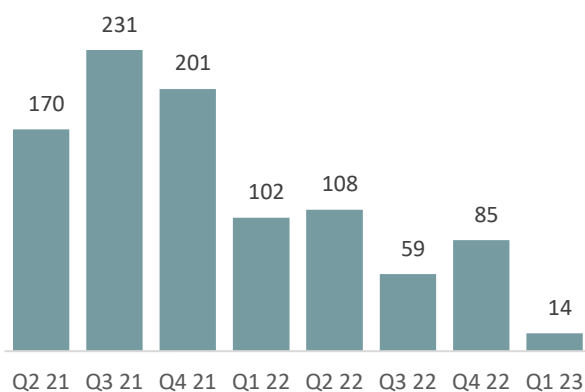
	NOKm	%
Paid per 31.03.21	307	24 %
<i>Distribution</i>		
2019	19	2 %
2020	177	14 %
2021	110	9 %
Remaining payment	969	76 %
<i>Distribution</i>		
2021	519	41 %
2022	426	33 %
2023	24	2 %

Source: Company data

1) Net of grants directly tied to capital expenditure and exclusive of internal capitalized G&A costs.

According to the company's capex plan, payments will peak in Q3/Q4 2021 and gradually decrease towards completion.

Capex plan Indre Harøy Phase 1 (NOK million) ¹⁾



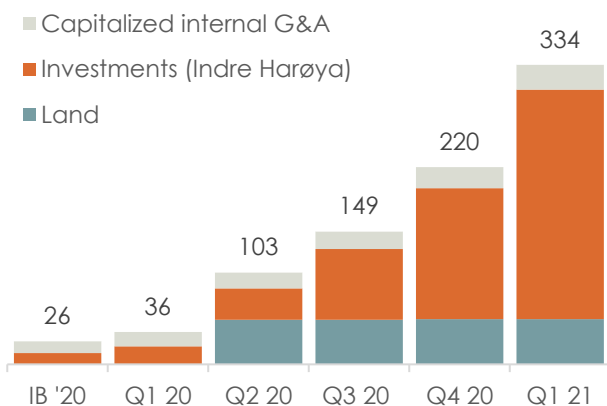
Source: Company data

1) Net of grants directly tied to capital expenditure and exclusive of internal capitalized G&A costs.

Capital Expenditures

Total capital expenditures during the first quarter amounted to NOK 114.1 million, of which NOK 109.9 million were investments related to the turnkey project with Artec Aqua and NOK 4.3 million was capitalized personnel and shared cost.

Accumulated CAPEX (NOK million)



Source: Company data

As per 31 March 2021, accumulated capex from project initiation in 2019 amounts to NOK 334 million.

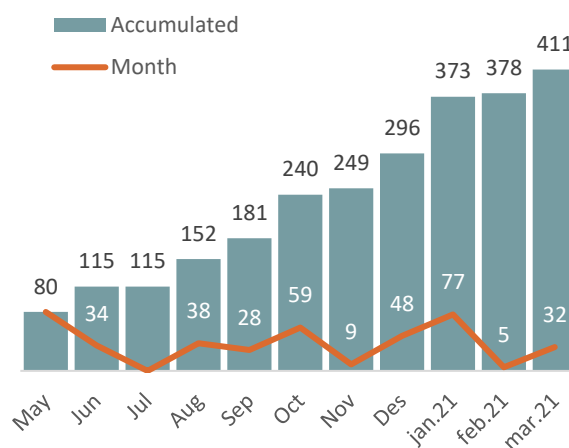
In May 2020, Salmon Evolution acquired necessary land for development and construction of the operations at Indre Harøy. Capex related to land investments accounts for approximately 15% of the total incurred capex.

Financial obligations

The turnkey project agreement with Artec Aqua includes a clause for financing reservations until further financing is secured. This means that Artec Aqua as main contractor cannot enter agreements with subcontractors until the financial reservation for the specific contract is related.

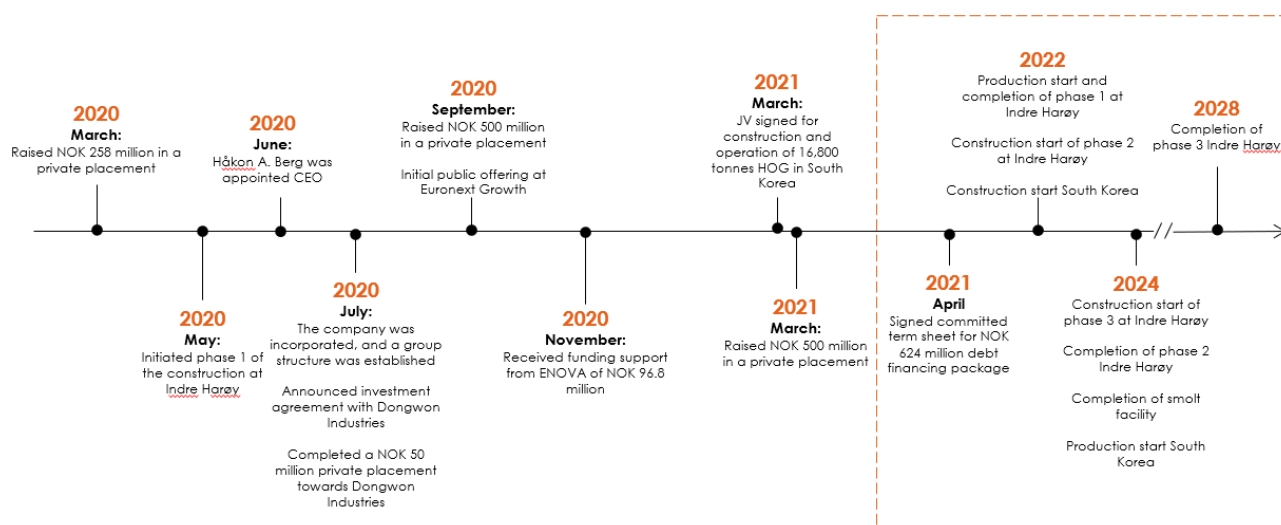
In first quarter, the company committed contracts with subcontractors of approximately NOK 114 million. These commitments consist of contracts and deliveries including concrete elements, energy installation- and plant and fish-feeding system.

Financial capex commitments (NOK million)



Source: Company data

Project timeline



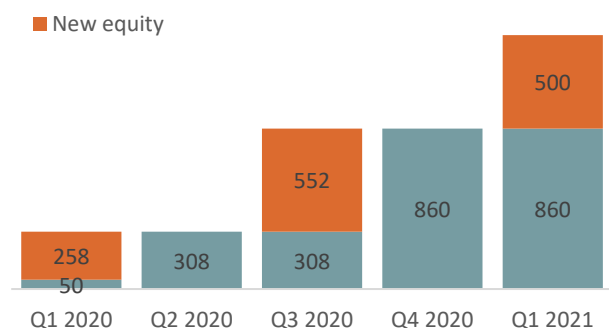
Source: Salmon Evolution

Funding

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

In March 2021, the company issued 83,333,333 shares at a subscription price of NOK 6.0 per share, raising gross proceeds of NOK 500 million.

Development in paid-in equity (NOK million)



Source: Company data

As of 31 March 2021, Salmon Evolution had available cash and cash equivalents amounting to NOK 1,015 million.

On 16 April 2021, the Company announced that it had entered a committed term sheet (the “Term Sheet”) with Nordea as agent and Sparebanken Vest as co-lender (jointly the “Lenders”) for a senior secured debt financing package of up to NOK 625 million relating to its Phase 1 build out at Indre Harøy.

The debt financing package consists of the following credit facilities:

- NOK 525 million senior secured credit facility which will be used to finance construction capex for Indre Harøy Phase 1 (the “Construction Facility”)
- NOK 525 million in long-term debt which will refinance the Construction Facility upon completion of Indre Harøy Phase 1 and consisting of the following:
 - NOK 385 million senior secured term loan facility with the Lenders (the “Term Loan Facility”)
 - NOK 140 million in a separate long-term loan facility with a third-party lender (the “Third-Party Loan”). The Third-Party Loan will be subject to a coordination agreement with the Lenders and the

Company has a separate process ongoing to secure and finalize this facility

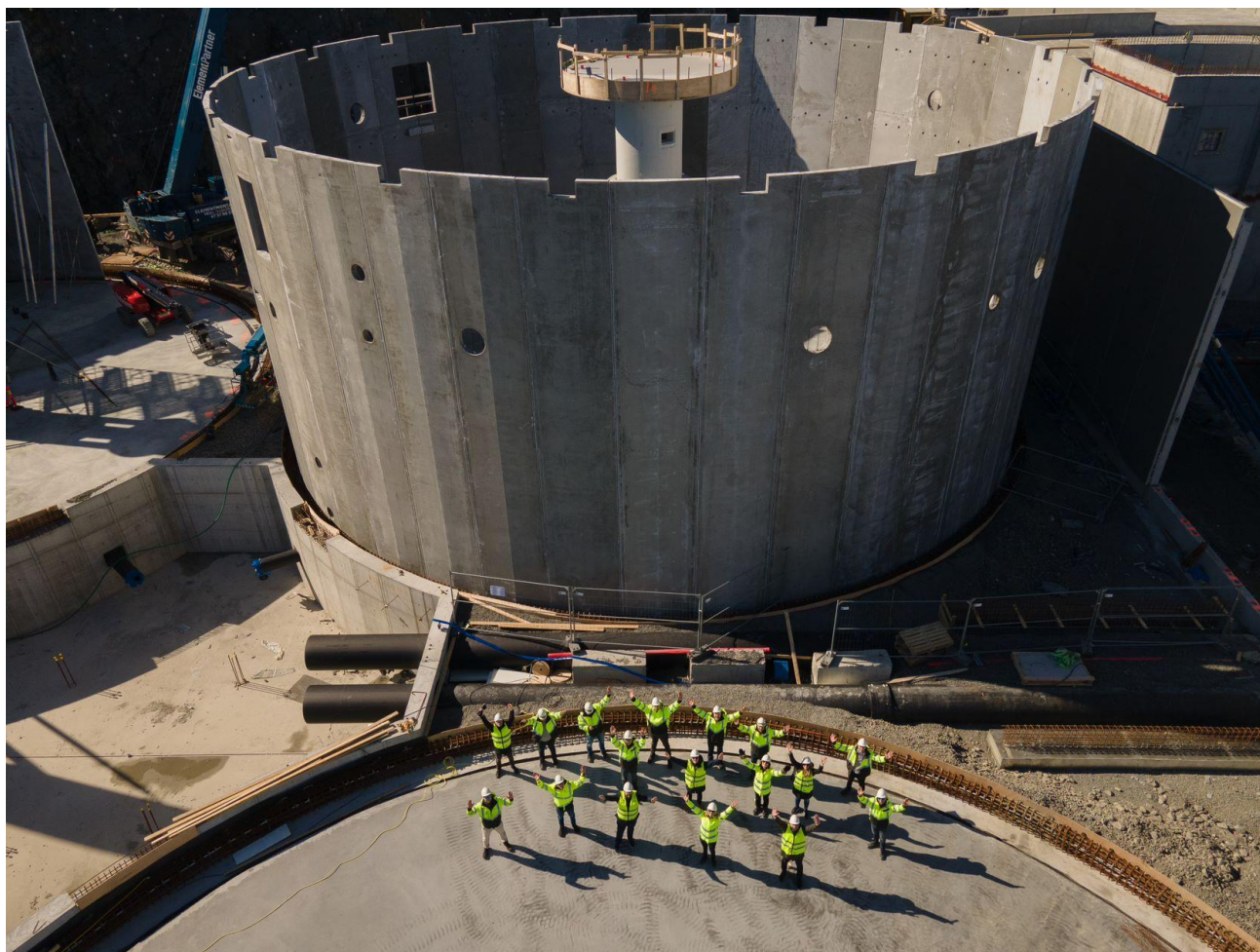
- NOK 100 million senior secured overdraft facility (the "Overdraft Facility") which will be used for working capital purposes, hereunder financing of biomass and receivables

The Construction Facility and the Term Loan Facility is partly guaranteed by the Norwegian Export Credit Guarantee Agency ("GIEK"). The Term Loan Facility will be repaid over a 15-year profile and have a 3-year term from completion

of Indre Harøy phase 1 with 2x1 year extension options.

Credit committee approvals have been undertaken by both the Lenders and GIEK and the debt financing package is further subject to customary conditions precedent, including due diligence and finalization and signing of legally binding documentation.

The Company expects closing of the respective facilities during Q2 2021.

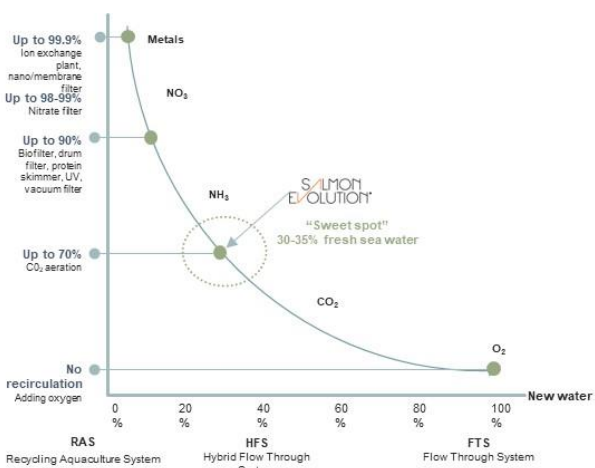


Extending the ocean potential

Our Technology – Hybrid flow through system (HFS)

Salmon Evolution is founded on the belief that good biology equals good economy. This belief has been essential when developing the production methods and technology that are to be applied in the company’s land-based salmon farming facilities.

Salmon Evolution’s hybrid flow-through system (HFS) technology ensures rich access of fresh filtered seawater while at the same time reducing energy consumption by reusing around 65% of the water.



A reuse level of around 65% is in the company’s view a “sweet spot” balancing cost and operational risk. Higher reuse levels require the introduction of more filtration and water treatment and lead to an exponential increase in risk. On the other will a lower level of reuse lead to significantly higher energy costs in connection with pumping and heating of water.

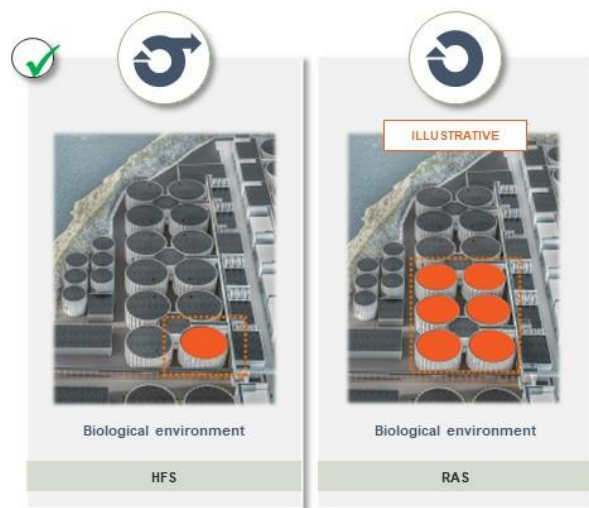
At Indre Harøy the seawater intake is based on two intake pipes at 25 meters and 90 meters, respectively, enabling the company to tap into ideally tempered water and hence reducing

energy costs in connection with the heating of seawater.

The water intake is further filtered and treated with UV to eliminate parasites, sea lice, viruses, and particles. This ensures a rich flow of fresh and clean seawater into the fish tanks.

To ensure optimal biological and growth conditions in the fish tanks, oxygen and CO2 levels are constantly monitored and adjusted.

Each of Salmon Evolution fish tanks represents an individual biological zone, meaning that water in one tank never mixes with water in the other tanks. This again serves as a significant risk reducing measure in case of diseases etc. where a potential outbreak in one tank never can contaminate the fish swimming in the other tanks.



As part of Salmon Evolution commitment to a truly sustainable production and circular economy, waste is filtered and collected, before being transported to a recirculation plant where it is converted into fertilizer, biogas or similar.

Financial review

Summary of result

(figures in NOK 1000)	Q1 2021	Q1 2020	2020
Total operating income	0	30	704
Personnel expenses	-2 725	-1 108	-8 877
Depreciations	-363	-67	-550
Other operating expenses	-3 546	-1 754	-8 954
Operating profit (EBIT)	-6 634	-2 899	-17 676
Financial income	1 233	0	1 114
Financial expenses	-179	-8	-263
Financial expense - net	1 053	-8	850
Profit/loss before tax	-5 581	-2 907	-16 826
Income tax expense	0	0	0
Profit/loss for the period	-5 581	-2 907	-16 826

Q1 2021 results

Personnel expenses for the quarter totalled NOK 2.7 million. During the quarter approx. 55% of the total personnel expenses were capitalized.

Other operating expenses totalled to NOK 3.5 million during the quarter and consisted mainly of consultancy and legal fees and other

administration expenses. Costs deemed to be part of the ongoing assets under construction are capitalized consecutively throughout the year.

Loss for the period was NOK 5.6 million in the first quarter in 2021.

Cash flow

Consolidated net cash flow from operating activities was NOK -7.7 million in the first quarter.

Net cash flow from investing activities was NOK -104.6 million during the quarter. Investments are related to the increasing activity at the facility at Indre Harøy, and will gradually increase as the extent of the project increases going forward.

Cash flow from financing activities during the quarter was positive by NOK 479.6 million. This

includes proceeds from the successful NOK 500 million private placement that was completed in March, less transaction cost relating to this transaction.

Total net cash flow during quarter was NOK 367.2 million. The level of free liquidity at the end of the period was strong, with available cash and cash equivalents totalling NOK 1015.1 million.

Cash flow summary

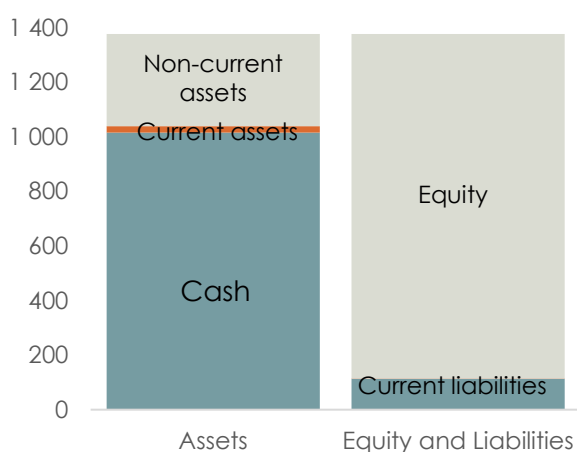
(figures in NOK 1000)

	Q1 2021	Q1 2020	2020
Net cash flow from operating activities	-7 709	-4 182	-10 021
Net cash flow from investments activities	-104 608	-10 213	-165 961
Net cash flow from financing activities	479 609	0	802 664
Net change in cash and cash equivalents	367 292	-14 395	626 682
Cash and cash equivalents at start of period	647 806	21 124	21 124
Cash and cash equivalents at end of period	1 015 098	6 729	647 806

Financial position

The carrying amount of Salmon Evolution's total fixed assets at 31 March 2021 was NOK 337.8 million, compared to NOK 36.7 million at 31 March 2020. The increase is mainly related to the purchase of the land and construction work at Indre Harøy, comprising capitalized costs related to both personnel expenses and construction cost, land acquisition, in addition to some minor amounts in inventory and receivables.

Total equity amounted to NOK 1,262.1 million. With total assets of NOK 1,377.0 million, this corresponds to an equity ratio of 92%. Consolidated non-interest-bearing liabilities totalled NOK 72.3 million

Balance sheet as per 31.03.2021 (NOK million)

Source: Company data

In October 2020, Salmon Evolution was granted NOK 14 million in funding from the Norwegian tax incentive scheme Skattefunn. The tax incentive scheme will be distributed over a three-year period and is designed to stimulate research and development (R&D). Furthermore, in November the company was granted NOK 96.8 million in a funding commitment from ENOVA. The commitment is a cash grant, and the funding will not require any material additional investment needs from Salmon Evolution. The proceeds from this grant is expected paid out in tranches over the course of Indre Harøy Phase 1.

The company currently has bank debt of NOK 40 million which will be refinanced by the new debt financing package as described under the "Funding" section above.

COVID-19

Salmon Evolution is managing the COVID-19 situation with its highest priority to safeguard its employees, suppliers and partners.

Salmon Evolution strives to follow and implement the local and national advice and recommendations regarding COVID-19. The company has taken necessary measures in all sites and locations to be able to limit the spread of the virus. The company has not registered any infection among the company's employees or contracted workers.

At the same time, the company works to ensure that the construction work progresses on time and budget.

The construction work currently involves 14 partners and suppliers with approximately 100 workers on site. Artec Aqua as contractor, is responsible for project coordination of all activities, and Salmon Evolution is in continuous close dialogue with the contractor on the status, progress and actions taken to address and handle the challenges.

To minimize the risk of contamination among workers, the work force is organized in teams, each operating separately.

Further, the company has developed extensive contingency plans to address possible outbreaks, including transport and logistics, isolation and quarantine routines.

Transactions with related parties

During the ordinary course of business, the company may engage in certain arm's length transactions with related parties.

Pursuant to the agreement entered with Artec Aqua, Salmon Evolution has had a significant volume of transactions in the first quarter related

to the ongoing construction of the production facilities at Indre Harøy. Artec Aqua was until mid-March 2021 a 100%-owned subsidiary of Artec Holding AS, which per 31.03.2021 held 3.7% of the total shares outstanding in Salmon Evolution.

Share information

Salmon Evolution was successfully listed on Merkur Market (now Euronext Growth) 19 September 2020. Per 31 March 2021, Salmon Evolution Holding ASA had 303.06 million issued shares, divided between 4,101 shareholders.

Ronja Capital is the company's largest shareholder with 26,687,687 shares, corresponding to 8.8% of total number of share outstanding. The 20 largest shareholders own 67.1% of the shares in the company.

The closing price for the company's share was NOK 6.04 per share as per 31 March, which corresponds to a market capitalization of NOK 1.8 billion.

During the quarter the average daily, traded volume was about 758,000 shares and the average daily traded value was about NOK 5.1 million.

20 largest shareholders 31 March 2021

Shareholder	# of shares	% share
Ronja Capital II AS	26 687 687	8,8 %
Romsdalsfisk AS	21 089 339	7,0 %
The Bank of New York Mellon SA/NV	19 910 027	6,6 %
Farvatn Private Equity AS	17 093 878	5,6 %
Dongwon Industries Co. Ltd	16 044 572	5,3 %
Rofisk AS	13 274 174	4,4 %
Verdipapirfondet Dnb Norge	12 305 528	4,1 %
Stette Invest AS	11 236 005	3,7 %
Artec Holding AS	11 139 339	3,7 %
Kjøllås Stansekniver AS	10 539 339	3,5 %
Jakob Hatteland Holding AS	8 706 006	2,9 %
Verdipapirfondet Norge Selektiv	5 776 133	1,9 %
Vpof Dnb Am Norske Aksjer	4 986 106	1,6 %
The Bank of New York Mellon SA/NV	4 750 000	1,6 %
Skandinaviska Enskilda Banken AB	3 817 295	1,3 %
Salmoserve AS	3 727 366	1,2 %
Svemorka Holding AS	3 350 000	1,1 %
Danske Invest Norge Vekst	3 150 000	1,0 %
Småge Eiendom AS	3 033 333	1,0 %
Møring AS	2 666 666	0,9 %
Total 20 largest shareholders	203 282 793	67,1 %
Other shareholders	99 781 628	32,9 %
Total number of shares	303 064 421	100,0 %

Outlook

Salmon Evolution was founded with an ambition to solve some of the most fundamental challenges in the salmon farming industry. With the assembly of the first fish tank started in March this year, the magnitude of the company's facility at Indre Harøy has become visible.

Salmon Evolution is now under one year away from releasing the first smolt into the fish tanks and just over 1.5 year away from its first harvest. Preparations for production start are well underway and the company will over the coming quarters devote significant resources in building internal systems and infrastructure so that operating procedures are comfortable in place ahead of the production start.

As of today, the organization counts 17 employees, but this will increase significantly

over the next quarters with the recruitment of operating personnel.

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.

South Korea is a highly attractive and fast-growing market for fresh Atlantic Salmon and landing such a landmark project with a first-class partner like Dongwon Industries, is a solid testament to all stakeholders of Salmon Evolution.

In March 2021, the company successfully raised NOK 500 million in equity through a private

placement towards existing and new shareholders. The placement was significantly oversubscribed and attracted strong interest in the market.

Further in April, the company announced the signing of a committed term sheet for a debt financing package of NOK 625m with Nordea and Sparebanken Vest and partially guaranteed by GIEK.

The NOK 500 million equity issue together with the debt financing package provides Salmon Evolution with a solid financial platform and ensures that the company is fully funded for both Indre Harøy Phase 1 and the investment in Korea.

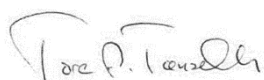
The salmon price has seen a remarkable recovery over the last months and is currently back at historically high levels. Although several countries have started opening society again following the successful rollout of Covid-19 vaccines, Salmon Evolution sees the strong price

development as a solid demonstration of the underlying strength of the salmon market.

Further increase in salmon demand following a continued normalization of societies around the world coupled with limited growth in supply in the near to medium term, makes the Board optimistic as to the future development of the salmon market.

Although there are many land-based salmon farming projects under planning, the Board notes that the sentiment in the capital market has eased somewhat over the last months. Going forward there is reason to believe that access to financing will be an issue for many of these projects, both when it comes to equity and debt. Accordingly, the board sees limited growth from land-based salmon the next couple of years and thus believe Salmon Evolution is uniquely positioned to take a global frontrunner position in the future development of land-based salmon farming.

The Board of Directors of Salmon Evolution Holding ASA
Aalesund/Molde 19 May 2021



Tore Tønseth
Chair



Kristofer Reiten
Director



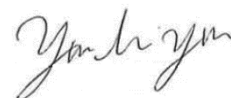
Anne Breiby
Director



Ingvild Vartdal
Director



Peder Stette
Director



Kiyun Yun
Director



Glen Allan Bradley
Director



Janne-Grethe Strand Aasnæs
Director



Håkon André Berg
CEO

Interim financial statements (IFRS)

Statement of Profit and Loss

Summary of result (figures in NOK 1000)	Q1 2021	Q1 2020	2020
Total operating income	0	30	704
Personnel expenses	-2 725	-1 108	-8 877
Depreciations	-363	-67	-550
Other operating expenses	-3 546	-1 754	-8 954
Operating profit (EBIT)	-6 634	-2 899	-17 676
Financial income	1 233	0	1 114
Financial expenses	-179	-8	-263
Financial expense - net	1 053	-8	850
Profit/loss before tax	-5 581	-2 907	-16 826
Income tax expense	0	0	0
Profit/loss for the period	-5 581	-2 907	-16 826
Basic earnings per share (NOK)	-0,02	-0,10	-0,13
Diluted earnings per share (NOK)	-0,02	-0,10	-0,13

Statement of Comprehensive Income

Profit/(loss) for the period	-5 581	-2 907	-16 826
Total comprehensive income for the period	-5 581	-2 907	-16 826

Statements of financial position

(figures in NOK 1000)	31 March 2021	31 March 2020	31 Dec 2020
Assets			
Intangible assets	796	0	432
Assets under construction	333 964	35 744	219 926
Property, plant & equipment	474	352	331
Right-of-use assets	2 603	588	1 678
Total non-current assets	337 837	36 683	222 367
Other current receivables	24 079	1 304	22 638
Cash and cash equivalents	1 015 098	6 729	647 806
Total current assets	1 039 177	8 033	670 444
Total assets	1 377 015	44 716	892 810
Equity and liabilities			
Share capital	15 153	1 500	10 987
Share premium	1 279 393	49 500	804 369
Other reserves	2 974	780	2 974
Other equity	520		520
Uncovered losses	-35 944	-16 488	-30 407
Total equity	1 262 097	35 291	788 442
Long-term interest-bearing debt	0	1 500	0
Lease liabilities - long term	1 226	126	933
Total non-current liabilities	1 226	1 626	933
Short-term interest-bearing debt	40 000	0	40 000
Trade payables	63 820	5 813	60 104
Social security and other taxes	1 130	619	1 144
Lease liabilities - short term	1 421	399	696
Other current liabilities	7 321	967	1 491
Total current liabilities	113 692	7 800	103 435
Total liabilities	114 918	9 425	104 368
Total equity and liabilities	1 377 015	44 716	892 810

Statement of cash flow

(figures in NOK 1000)	Q1 2021	Q1 2020	2020
Cash flow from operations			
Profit before income taxes	-5 581	-2 907	-16 826
Adjustments for:			
Depreciation	-363	15	550
Net interest	-1 200	1	-850
Share based payment expenses	0	0	2 714
Gain on lease modification	0	0	-7
Changes in working capital:			
Change in other current receivables	122	164	-20
Change in trade payables	-1 102	-2 588	2 695
Change in social security and other taxes	-1 572	1 129	345
Change in other current liabilities	788	5	528
Cash generated from operations	-8 908	-4 182	-10 871
Interest paid	-33	-1	-263
Interest received	1 233	0	1 114
Net cash flow from operations	-7 709	-4 182	-10 021
Cash flow from investment activities			
Payments for fixed assets and other capitalizations	-114 224	-10 213	-165 529
Payments for intangible assets	-364	0	-432
Change in trade payables investments	4 818		
Change in other current liabilities	5 163		
Net cash flow from investment activities	-104 608	-10 213	-165 961
Cash flow from financing activities			
Proceeds from issue of equity	479 192	0	764 355
Proceeds from new borrowings	0	0	40 000
Repayment of borrowings	0	0	-1 500
Repayment of lease liabilities	417	0	-191
Net cash flow from financing activities	479 609	0	802 664
Net change in cash and cash equivalents	367 292	-14 395	626 682
Cash and cash equ. at the beginning of the period	647 806	21 124	21 124
Cash and cash equ. at the end of the period	1 015 098	6 729	647 806

Statement of Changes in Equity

(figures in NOK 1000)	Share capital	Share premium	Other reserves	Other equity	Uncovered losses	Total equity
Balance at 1 January 2020	1 500	49 500	780	0	-13 581	38 198
Profit/loss for the period	0	0	0	0	-2 907	-2 907
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	-2 907	-2 907
Capital increase, net of transaction costs	0	0	0	0	0	0
Share options issued	0	0	0	0	0	0
Share options exercised	0	0	0	0	0	0
Transactions with owners	0	0	0	0	0	0
Balance at 31 March 2020	1 500	49 500	780	0	-16 488	35 291
Balance at 1 January 2021	10 987	804 369	2 974	520	-30 407	788 442
Profit/loss for the period	0	0	0	0	-5 581	-5 581
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	-5 581	-5 581
Capital increase, net of transaction costs	4 167	475 069	0	0	0	479 236
Share options issued	0	0	0	0	0	0
Share options exercised	0	0	0	0	0	0
Transactions with owners	4 167	475 069	0	0	0	479 236
Balance at 31 March 2021	15 153	1 279 437	2 974	520	-35 988	1 262 097

Selected notes to the quarterly financial statements

Note 1 – Summary of significant accounting policies

General information

Salmon Evolution Holding ASA and its subsidiary, Salmon Evolution AS, (together "SE" or "the Group") is a Norwegian business headquartered at Indre Harøy in Møre og Romsdal. SE is building a land-based salmon farming facility with a planned annual production of 31,500t HOG. The build-out is expected to be in three phases, with the first phase expected to consist of build out of land acquisition, building of foundation, water pumps supporting all three phases and build out of 12 grow out tanks and hatchery. SE will operate a hybrid flow-through (HFS) system, replacing the water every four hours with clear

and fresh water from the Norwegian coast. Construction start of phase I was in Q2 2020 with expected completion in Q4 2022. Production is expected to start during Q1 2022 when the first smolt is expected to enter the holding tanks with expected harvest in Q4 2022.

These interim financial statements were approved by the Board of Directors for issue on 19 May 2021.

These interim financial statements have not been audited.

Consolidation

Salmon Evolution Holding ASA was incorporated on 23 July 2020 prior to the planned listing on Merkur Market (now Euronext Growth) which was completed on 18 September 2020. These condensed consolidated statements for the period ended

31 March 2021 include Salmon Evolution Holding together with its subsidiary Salmon Evolution AS. Please note that the comparable previous periods financial statement periods (Q1 2020) only reflect Salmon Evolution AS.

Consolidation principles

Subsidiaries are all entities over which the Group has control. The Group considers control over an entity to exist when the Group is exposed to, or has the right to, variable returns from its involvement with the entity and can affect those returns through its ability to direct the operations of the entity. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The accompanying consolidated financial statements include the accounts of Salmon Evolution AS. When necessary, adjustments are made to the local financial statements of the Group subsidiaries to conform with the consolidated Group's

accounting policies presented under IFRS. All intercompany balances, transactions, and unrealized gains from intercompany transactions are eliminated upon consolidation. Unrealized losses from intercompany transactions are also eliminated upon consolidation unless the transaction provides evidence of an impairment of the transferred asset. The assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date in which the Group gains control until the date in which the Group ceases to control the subsidiary.

Basis of preparation

These interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim financial reporting". These interim financial statements do not provide the same scope of information

Going concern

The Group has adopted the going concern basis in preparing its consolidated financial statements. When assessing this assumption, management has assessed all available information about the future. This comprises information about net cash flows from existing customer contracts and other service

Accounting principles

The accounting policies adopted are consistent with those of the previous financial year except that income tax expense is recognized in each interim period using the expected weighted average annual income

Borrowing costs

The Group entered into loan agreements during Q4 2020, of which the following principles related to borrowing costs are applied, in accordance with IAS 23:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time

as the annual financial statement and should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with IFRS.

contracts, debt service and obligations. After making such assessments, management has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

tax rate for the full financial year. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

Note 2 – Property, plant and equipment

(figures in NOK 1000)	Intangible assets	Assets under construction	Fixtures and fittings	Total
Cost 1 January 2021	432	219 926	739	221 097
Additions	364	114 038	186	114 589
Disposals	-	-	-	-
Cost 31 March 2021	796	333 964	925	335 686
Accumulated depreciation 1 January 2021	-	-	409	409
Depreciation for the period	-	-	42	42
Net book value 31 March 2021	796	333 964	474	335 235

Straight-line depreciation is applied over the useful life of property, plant, and equipment based on the asset's historical cost and estimated residual value at disposal. Depreciation is charged to expense when the property, plant or equipment is ready for use or placed in service. As such, assets under

construction are not depreciated. Assets under construction at 31 March 2021 consisted mainly of capitalised costs related to the turnkey project with Artec Aqua for building a land-based salmon farming facility at Indre Harøy, Møre.

Contractual and financial commitments

The company is in the process of building a land-based salmon farming facility at Indre Harøy. The turnkey project agreement with Artec Aqua includes a clause for financing reservations until further financing is secured,

limiting the Group's financial commitments to the following items where the financing reservation has been lifted as of 31 March 2021:

(figures in NOK 1000)	31 March 2021
Ground enterprise contract	180 268
Engineering	70 797
Technical equipment	71 861
Fishing tanks	53 117
Concrete element	34 691
Fish handling and transport	0
Total financial commitments	410 734

Note 3 – Share capital and capital history

(figures in NOK 1000)	Date	Capital Increase	Share Capital After Change	Par Value	Subscription price per share	New shares	Total no. of outstanding shares
Opening balance 1 July 2020				0,05			107 503 182
Share options exercised	10 July 2020	5 405 159	5 405 159	0,05	3,33	600 000	108 103 182
Private placement	23 July 2020	581 395	5 986 554	0,05	4,30	11 627 906	119 731 088
Private placement	11 September 2020	5 000 000	10 986 554	0,05	5,00	100 000 000	219 731 088
Private placement	23 March 2021	4 166 667	15 153 221	0,05	6,00	83 333 333	303 064 421

The Company entered into an investment agreement with Dongwon Industries and completed a NOK 50 million private placement towards Dongwon Industries in July 2020.

The Company raised NOK 500 million in a private placement in connection with its initial

public offering related to the admission on Merkur Market (now Euronext Growth) in September 2020.

Further, the Company also raised another NOK 500 million in a private placement in March 2021.

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.



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Chairman of the Board

Kristofer Reiten
Board Member

Anne Breiby
Board Member

Ingvild Vartdal
Board Member

Peder Stette
Board Member

Janne-Grethe Strand Aasnæs
Board Member

Glen Allan Bradley
Board Member

Kiyun Yun
Board Member

MANAGEMENT

Håkon Andre Berg
CEO

Trond Håkon Schaug-Pettersen
CFO

Ingjarl Skarvøy
COO

Trond Valderhaug
CCO

Kamilla Mordal Holo
Project Director

Hans Petter Mortveit
Finance Manager

