



Extending the ocean potential

Q3 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 a 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 capacity by 2024, clear roadmap for 70,000 by 2030
- Listed on Oslo Stock Exchange main list from July 2021
- Fully funded for 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 on budget
- Intensified focus on preparations for first smolt release at Indre Harøy in Q1 2022 – recruitment of operating personnel
- Acquired renowned smolt company Kraft Laks AS securing in-house sourcing of high quality smolt for Indre Harøy phase 1, with identified growth potential to cover smolt needs for at least Phase 2
- Kraft Laks smolt performing well, Indre Harøy March 2022 batch already 200+ gram
- First draw down under NOK 625m debt financing package
- Listing of the company's shares at the main list on Oslo Stock Exchange
- Available liquidity of NOK 1,198 million per 30 September 2021 including committed undrawn credit facilities and adjusted for Cargill USD 5m private placement

Subsequent events

- Entered strategic feed partnership with Cargill, combined with USD 5 million private placement towards Cargill

Key figures

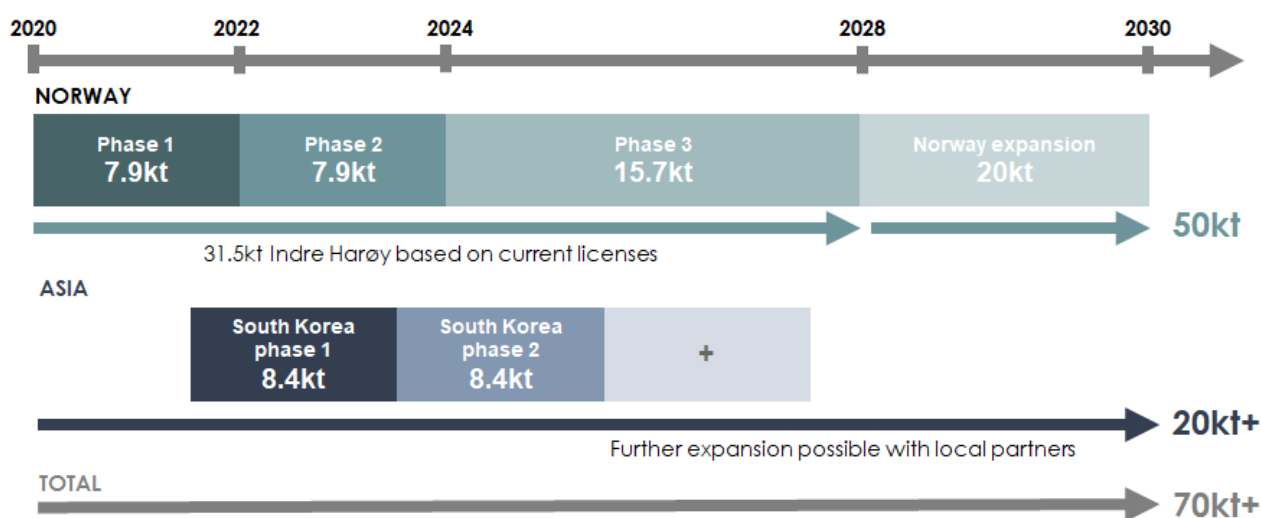
(figures in NOK 1000)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
IFRS main figures					
Operating Revenues	12 251	674	12 251	704	704
EBITDA	-4 028	-9 083	-24 013	-15 306	-17 126
EBIT	-4 671	-9 147	-25 423	-15 518	-17 676
Profit / (loss) before taxes	-5 627	-9 248	-21 201	-15 634	-16 826
Cash flow from investment activities	-324 823	-26 306	-544 403	-94 551	-165 961
Cash flow from financing activities	56 161	522 886	531 151	767 495	802 664
Net cash flow	-291 100	518 647	-71 053	687 654	626 682
Available cash	576 753	708 778	576 753	708 778	647 806
Net Interest-bearing liabilities	-495 174				
Total assets	1 491 326				
Equity	1 258 907				
Equity ratio	84 %				

Roadmap to 70,000 tonnes in 2030

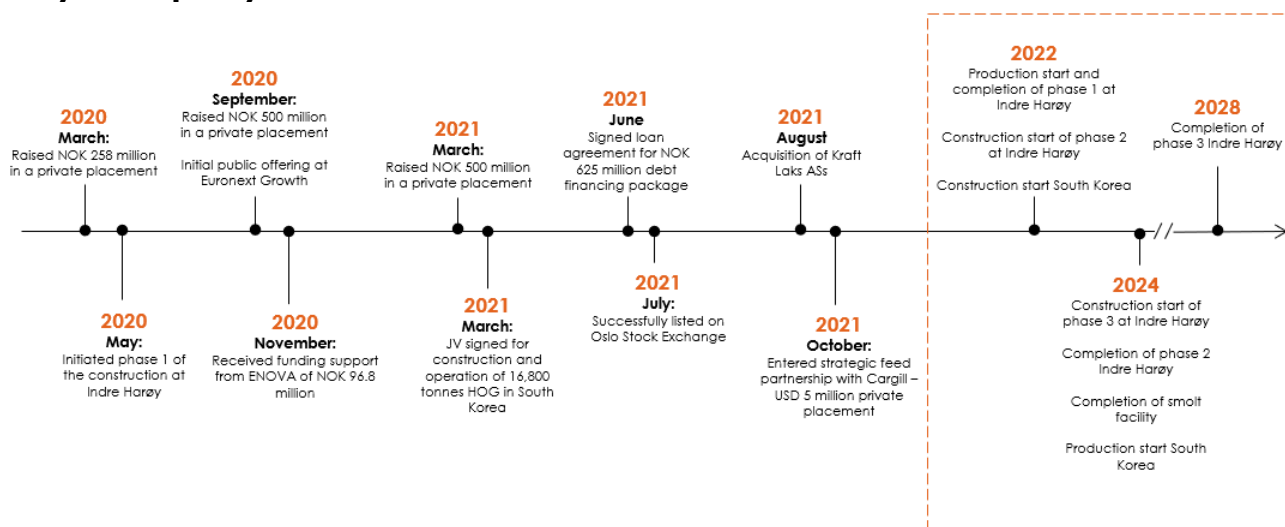
Salmon Evolution targets a leading position in the production of sustainable high-quality salmon from land-based facilities. In addition to its 31,500 tonnes project in Norway, the company is expanding internationally through a JV in South Korea. Through utilisation of technology, competence and experience from

domestic projects, Salmon Evolution aims 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



Key company milestones



Source: Salmon Evolution

Strategic feed partnership with Cargill

In October 2021 Salmon Evolution entered a strategic feed partnership with Cargill where Salmon Evolution will be their global flagship customer for land-based full grow out production. Under the agreement, Cargill will supply 100% of Salmon Evolution's feed volumes for the Indre Harøy facility.

Cargill has further committed to allocate significant resources and R&D capacity with the

ambition of developing sustainable feed solutions tailored to Salmon Evolution's operational targets, securing high biological performance and premium product quality.

As part of the agreement Salmon Evolution carried out a private placement towards Cargill of USD 5 million at a subscription price of NOK 7.71 per share (20 day VWAP).

Kraft Laks – Securing in-house smolt production

On 16 August 2021 Salmon Evolution announced that the company had entered into an agreement to acquire Kraft Laks AS ("Kraft Laks"), a family-owned smolt producer located in Dalsfjorden in Volda municipality. Kraft Laks currently has an annual production of around 1.8 million smolt p.a., but has a license to produce 5 million smolt p.a. subject to certain conditions.

Kraft Laks has a documented track record as a high quality smolt producer and the facility has been producing smolt since 1995 under the ownership of the selling family. Over the last years the majority of the smolt produced has been sold to one of the major salmon farmers.

One of the main advantages with Kraft Laks is the company's excellent freshwater supply. From 3 inlet stations (2 rivers) Kraft Laks has rich access to clean freshwater from the surrounding mountains. In addition, a royal resolution secures minimum freshwater supply from the local hydro power plant at all times.

The good freshwater access has enabled Kraft Laks to utilize a production technology similar to Salmon Evolution's hybrid flow-through system (HFS) with reuse of water, CO₂ stripping and oxygenation, making Kraft Laks an ideal fit for Salmon Evolution.



The acquisition of Kraft Laks gives Salmon Evolution full operational control over the crucial parts of the value chain and secures in-house supply of smolt for phase 1 at Indre Harøy. In the evaluation leading up to the acquisition, Salmon Evolution has also identified significant expansion opportunities for Kraft Laks which, if realized, is expected to cover Salmon Evolution's smolt needs for at least phase 2 at Indre Harøy.

High quality smolt is a critical foundation for any successful salmon farming operation, and Salmon Evolution sees a strong strategic rationale in acquiring a well-established smolt producer in close proximity to the site at Indre Harøy, dedicated to providing the company with the best possible smolt.

The acquisition of Kraft Laks is the result of a thorough process where Salmon Evolution has evaluated a number of alternatives for sourcing of smolt. The company is confident that acquiring an existing operation with documented track record has a significant risk mitigating effect. It also provides flexibility with respect to the production plan at Indre Harøy and it does so in a cost and capex effective manner.

Kraft Laks is currently fully stocked with smolt to cover its existing customer contract. The existing inventory is also aligned to cover Salmon Evolution's expected smolt need, including the first smolt release at Indre Harøy planned in March 2022.

The founder, former majority owner and general manager of Kraft Laks, Knut Endre Heltne, will continue in his position, securing continuity for Kraft Laks.

Kraft Laks smolt facility

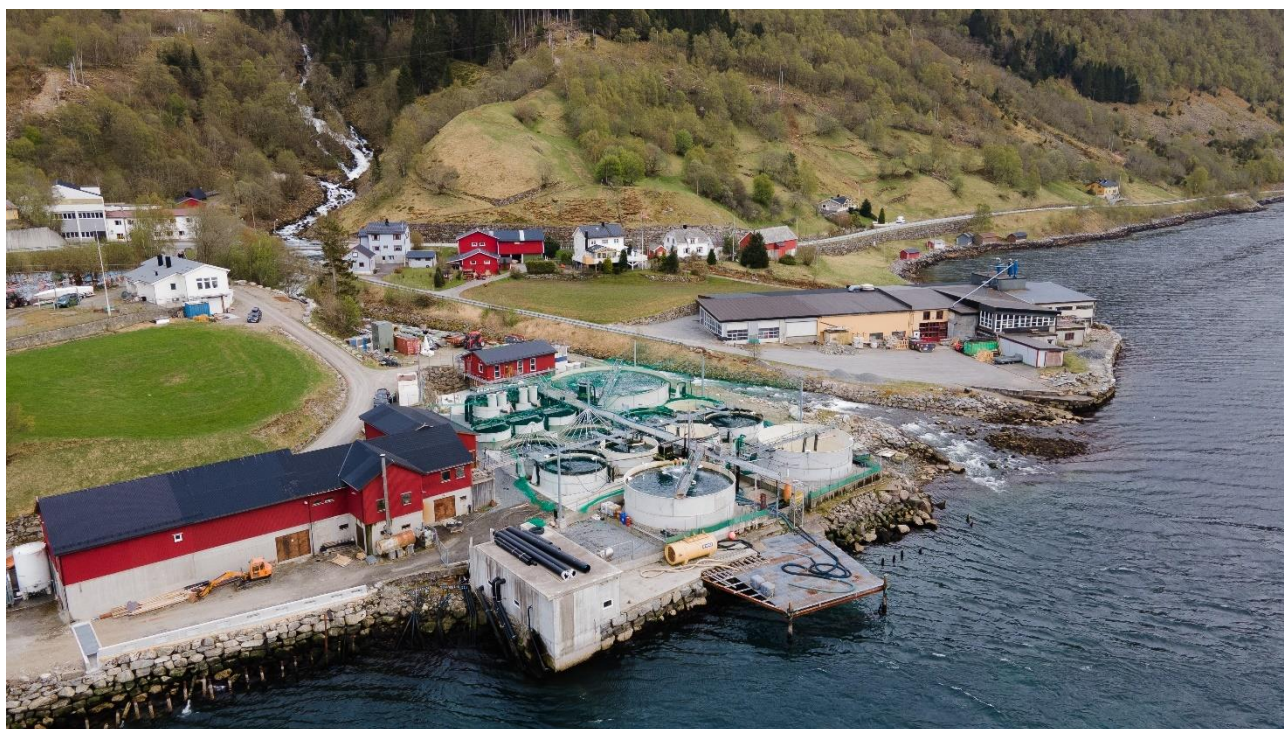


Photo: Salmon Evolution

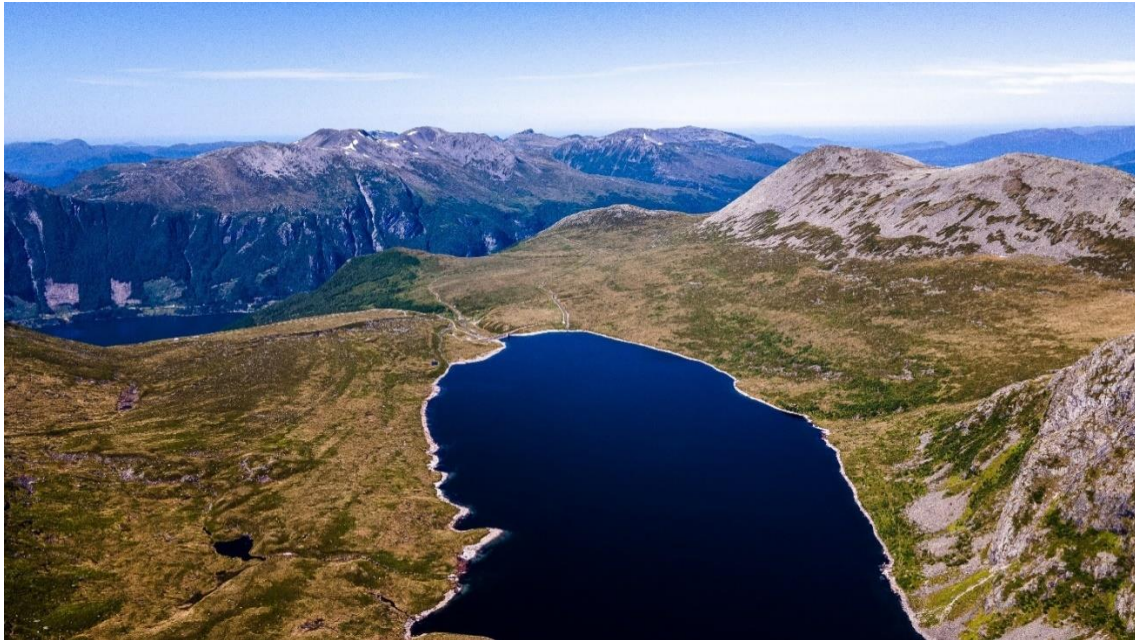
Kraft Laks has for many years had a stable and strong financial performance. The purchase price for the shares in Kraft Laks was NOK 76.5 million, based on an enterprise value of NOK 70 million on a cash and debt free basis. This equals an EV/EBITDA multiple of 7x based on average EBITDA for the last 3 years.

The purchase price of NOK 76.5 million is payable as follows:

- NOK 16.6 million in the form of new Salmon Evolution ASA shares at a subscription price of NOK 7.5775 per share which equals the volume weighted average price the last 20 days prior to the transaction. As a result, Salmon Evolution issued 2,190,694 new shares to the previous Kraft Laks owners during the quarter. These shares are subject to a 12-month lock-in.

- NOK 35 million payable in cash at closing
- NOK 24.9 million as a sellers credit with maturity after 12-18 months

Kraft Laks freshwater source at nearby mountain



March 2022 smolt already 200+ grams and thriving at Kraft Laks



Photo: COO Ingjarl Skarvøy (left) and Kraft Laks General Manager Knut Endre Heltne (right)

Project review Indre Harøy

Status - Indre Harøy

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

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 2020 and the tunnel for wastewater was successfully finished in December 2020.

Construction work during 2021 has mainly been focused on the production facilities, where the company has had solid progress on construction of buildings and structures. Ten out of twelve fish

tanks are now assembled, and the remaining tanks are expected to be completed in Q4 2021.

Concrete work on water intake station is completed, water pumps have been installed and the company is now in process of installing filters and electrical equipment.

In October Salmon Evolution also successfully installed the two water inlet pipes, one 425-meter-long pipe going down to 95 meters water depth and one 180-meter-long pipe going down to 25 meters water depth. The complete intake station is expected to be finalized during Q4 2021.

Assembly of fish-tanks nearing completion (October 2021)



Photo: Salmon Evolution

During the third quarter the company also made solid progress on installation of process equipment and pipes. In the first technical rooms, heat pump, heat exchangers, O₂ equipment and CO₂ and nitrogen strippers are currently being installed.

The first fish tanks are also progressing well towards completion – with the inner walk paths installed and the walls coated.

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

Currently some 150-200 workers are working on site and the high workload is expected to continue throughout the fourth quarter.

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.

Second floor water intake station (October 2021)

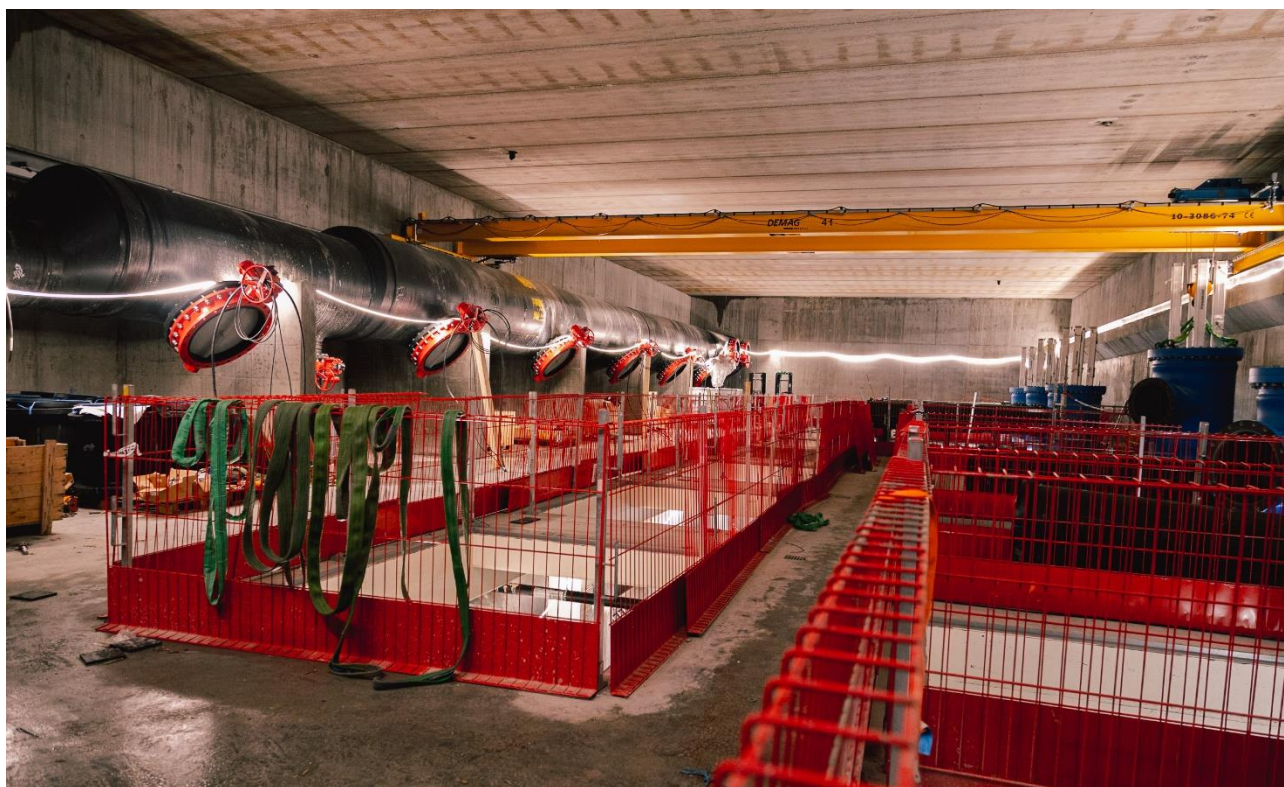


Photo: Salmon Evolution

Preparations for production start

The company is now putting a lot of focus and attention into planning for production start. During Q3 2021 several new employees were enrolled and the company will continue hiring highly qualified operating personnel in Q4, ensuring that a well function operating organization is in place well ahead of March 2022.

The fact that Salmon Evolution now has its own smolt facility has been a positive contribution to onboarding processes, as new employees are sent to Kraft Laks for training, also benefitting Kraft Laks as source of manpower.

Simultaneously, the company is putting in place systems for operational and quality reporting,

certifications, digital infrastructure and commercial activities.

Commissioning activity will start during December and continue until the first release of fish. Initially, focus will be on the individual sub-

systems, after which focus will turn to integrating all the various subsystems prior to production start.

Milestones

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. The company expect steady state annualized harvest volumes of 7,900 tons HOG from Q3 2023.

First floor intake station (October 2021)

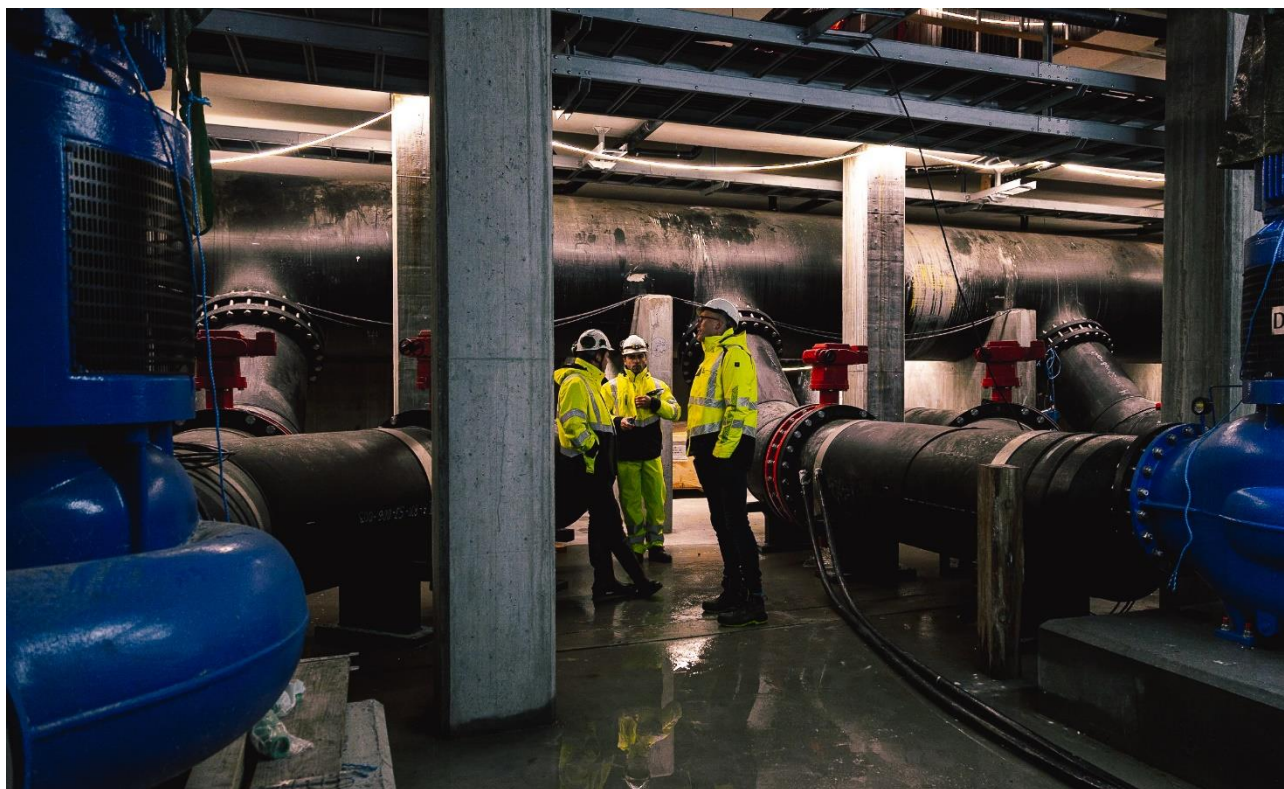


Photo: Salmon Evolution

Project financials

When comparing cost estimates for Phase 1 and a fully built out facility, significant 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.

Capex overview Indre Harøy Phase 1¹⁾

	NOKm	%
Incurring per 30.09.21	704	54 %
<i>Distribution</i>		
2019	19	1 %
2020	177	14 %
2021	508	39 %
Remaining payment	603	46 %
<i>Distribution</i>		
2021	153	12 %
2022	426	33 %
2023	24	2 %

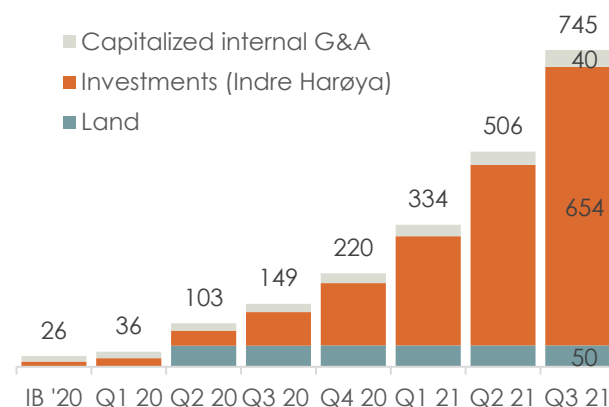
Source: Company data

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

Total capital expenditures during the third quarter amounted to NOK 238.5 million, of which NOK 229.7 million were investments mainly related to the turnkey project with Artec Aqua and NOK 8.8 million was capitalized personnel and shared cost.

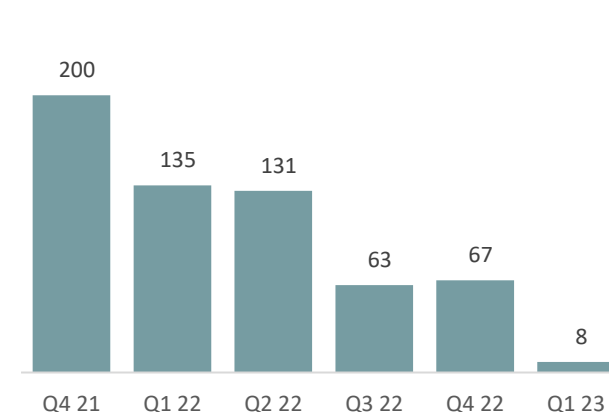
As per 30 September 2021, accumulated capex from project initiation in 2019 amounts to NOK 745 million of which NOK 51m relates to the land acquisition, NOK 654 million mainly relates to the Artec Aqua contract and NOK 40 million consist of capitalized internal G&A.

Accumulated CAPEX (NOK million)



According to the company's budget, Q3/Q4 2021 will represent peak capex and from then on capex will 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

Project review - Korea

The company has entered a joint venture with the South Korean seafood giant Dongwon Industries where the plan is 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 is 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 is split into milestone driven tranches, reflecting the overall progress of the project. Salmon Evolution executed its first tranche of NOK 27.4 million in 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 purpose

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 northeast coastline of South Korea, with solid data points on water quality and temperatures.



Yangyang on-growing site

The acquired smolt facility is based in Jeongseon and has had local production of trout for many years.



Jeongseon smolt site

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 also jointly consider future opportunities for scaling similar projects in other attractive markets in the region.

During the second quarter K Smart engaged Artec Aqua to do an extended feasibility study for both the smolt site and the grow out site. The initial report was delivered in October and K Smart is now in the process of tuning the facility layout and production plans.

K Smart has filed for most of the relevant permits which are currently pending approval from respective Korean authorities. The discussions with the respective authorities are progressing well and K Smart remains confident about receiving approvals needed to carry out the project.

Funding

During 2020, and further into 2021, the company secured both equity and debt financing and is continuously seeking to optimize its 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.

The group further raised NOK 16.6m in new equity in August as part consideration for the acquisition of Kraft.

In October the company also carried out a private placement of USD 5m (NOK ~43m) towards Cargill which brings the total raised equity to date to over NOK 1.4 billion

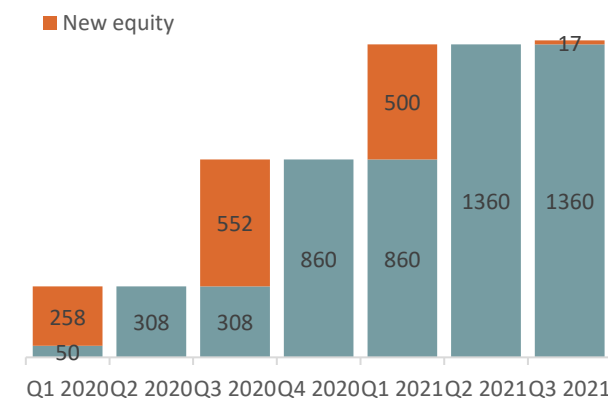
Funding Indre Harøy Phase 1

On 29 June 2021, the company announced the signing of legally binding loan documentation for a senior secured debt financing package of up to NOK 625 million related to the Phase 1 build out at Indre Harøy.

K Smart has established a project organization consisting of dedicated members from both Salmon Evolution and Dongwon Industries. Further, K Smart has engaged a highly experienced Korean civil engineering firm as well as a renowned Korean project management company with global experience to assist with the project.

Salmon Evolution's new Head of Asia and acting CCO, Odd Frode Roaldsnes started in his position in September.

Development in paid-in equity (NOK million)



Source: Company data.

The debt financing package consists of the following credit facilities:

- NOK 525 million senior secured credit facility with Nordea and Sparebanken Vest 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 Nordea and Sparebanken Vest (the “Term Loan Facility”)
 - NOK 140 million in a separate long-term loan facility with Innovation Norway (the “IN Facility”)
- NOK 100 million senior secured overdraft facility with Nordea (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 are partly guaranteed by Eksfin.

In July 2021 the company made a NOK 50 million draw down under the Construction Facility, of which NOK 40 million was used to fully repay the existing NOK 40 million bank loan raised in November 2020. From Q4 and onwards the company plans to fund the majority of the capex by drawing on the Construction Facility.

Funding K Smart Farming

Total project cost for the establishment and development of Phase 1 in K Smart is estimated to around NOK 1,600 million. The agreed funding structure of K Smart Farming is 25% equity and 75% debt, where Dongwon Industries is to facilitate debt financing at attractive cost levels.

Salmon Evolution’s total equity contribution into K Smart is estimated to NOK 200 million on a fully funded basis, including phase 2. The equity contribution is split in three milestone driven tranches where the company executed its first tranche of NOK 27.4 million in Q2 2021.

Funding Kraft Laks

At the date of the acquisition Kraft Laks had a net cash position with very limited financial debt. The NOK 35 million cash component of the purchase price was funded by cash at hand. The company is now in the process of obtaining debt financing relating to Kraft Laks for the purpose of securing take-out financing of the

NOK 25 million sellers credit, working capital financing and long-term debt for investment purposes within Kraft Laks. Preliminary feedback from banks are positive and the company targets to conclude such debt financing during the fourth quarter.

Overview phase 1 Indre Harøy (October 2021)



Photo: Salmon Evolution

Water intake station (October 2021)



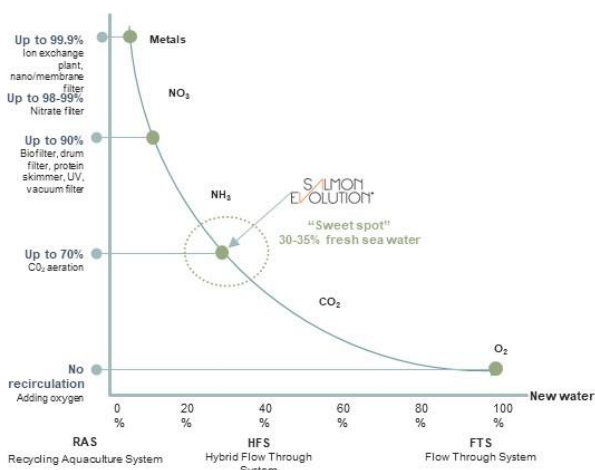
Photo: Salmon Evolution

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 side, a low level of reuse leads to significantly higher energy costs in connection with pumping and heating of water.

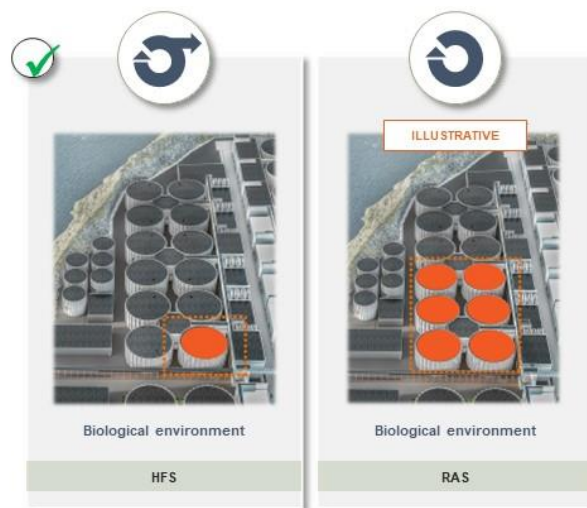
At Indre Harøy the seawater intake is based on two inlet pipes at 25 meters and 95 meters, respectively, enabling the company to tap into

ideally tempered water and hence reducing energy costs relating to heating of seawater.

The water inlet 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)	Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Total operating income		12 251	674	12 251	704	704
Cost of goods sold		-2 450		-2 450		
Personnel expenses	10	-5 423	-4 365	-14 148	-6 843	-8 877
Depreciations	2	-643	-64	-1 410	-212	-550
Other operating expenses		-8 407	-5 392	-19 666	-9 167	-8 954
Operating profit (EBIT)		-4 671	-9 147	-25 423	-15 518	-17 676
Financial income	8	4 213	0	9 463	1	1 114
Financial expense	8	-5 192	-101	-5 266	-117	-263
Share of net income from associated companies	8	23	0	26	0	0
Financial expense - net		-956	-101	4 223	-116	850
Profit/loss before tax		-5 627	-9 248	-21 201	-15 634	-16 826
Income tax expense	4	0	0	0	0	0
Profit/loss for the period	5	-5 627	-9 248	-21 201	-15 634	-16 826
Basic earnings per share (NOK)	5	-0,02	-0,06	-0,07	-0,16	-0,13
Diluted earnings per share (NOK)	5	-0,02	-0,06	-0,07	-0,16	-0,13

Statement of Comprehensive Income

Profit/(loss) for the period		-5 627	-9 248	-21 201	-15 634	-16 826
Exchange difference on translating foreign operation	8,9	-624	0	-585	0	0
Total comprehensive income for the period		-6 250	-9 248	-21 786	-15 634	-16 826

Q3 2021 results

Personnel expenses for the quarter totalled NOK 5.4 million. During the quarter approximately 60% of the total personnel expenses were capitalized.

Other operating expenses totalled to NOK 8.4 million during the quarter and consisted mainly of consultancy and legal fees and other administration expenses. In the third quarter the company had about NOK 4.0 million in one-off costs relating to the listing on Oslo Stock

Exchange, finalizing of the debt financing package and the acquisition of Kraft Laks.

The financial accounts of Kraft Laks were included in the company's consolidated accounts from August, and had a positive impact on both revenues (NOK 12.0 million) and operating profit (NOK 7.6 million).

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

Salmon Evolution recognized a net disagio of NOK 1.6 million in the third quarter relating to hedges for underlying EUR exposure under the construction contract at Indre Harøy.

Loss for the period was NOK 5.6 million.

From Q2 2021 Salmon Evolution's share of K Smart's net income is recognized in the profit and loss statement. The investment in K Smart is accounted for using the equity method where K Smart is regarded as an associated company.

YTD 2021 results

Personnel expenses as per 30 September 2021 summed up to NOK 14.1 million. Year-to-date approximately 50% of the total personnel expenses are capitalized. Other operating expenses totalled NOK 19.7 million, which is NOK 10.5 million higher than in the same period last year. The increase reflects the higher activity level in the company, continued progress at Indre Harøy and in South Korea and incorporation of newly added Kraft Laks into the accounts.

The operating loss year to date totalled NOK 25.4 million.

Total depreciations were NOK 1.4 million and net financials ended at NOK 4.2 million including a net positive agio of NOK 1.8 million.

Loss before tax was NOK 21.2 million as per 30 September 2021.

Assets under construction are not depreciated.

Cash flow

Consolidated net cash flow from operating activities was NOK -22.4 million in the third quarter. Year-to-date cash flow from operating activities is NOK -57.8 million. Compared to last year this is a change of NOK 72.5 million which reflects a higher activity level in the company, both in terms of a bigger organisation, continued progress at Indre Harøy and in South Korea and incorporation of Kraft Laks.

Q4 2021 after which it will gradually be reduced towards completion.

Cash flow from financing activities during the quarter was NOK 56.2 million. Year-to-date the cash flow from financing activities is NOK 531.2 million.

Net cash flow from investing activities was NOK -324.8 million during the quarter. Year-to-date cash flow from investment activities reached NOK -544.4 million. The investments are reflecting the increasing activity level at Indre Harøy and will continue at a similar high level in

Total net cash flow during the third quarter was NOK -291.1 million, and NOK -71.1 million year-to-date. The liquidity position at the end of the period was strong, with NOK 1,198 million in cash and committed undrawn credit facilities (adjusted for USD 5 million equity issue towards Cargill in October).

Cash flow summary

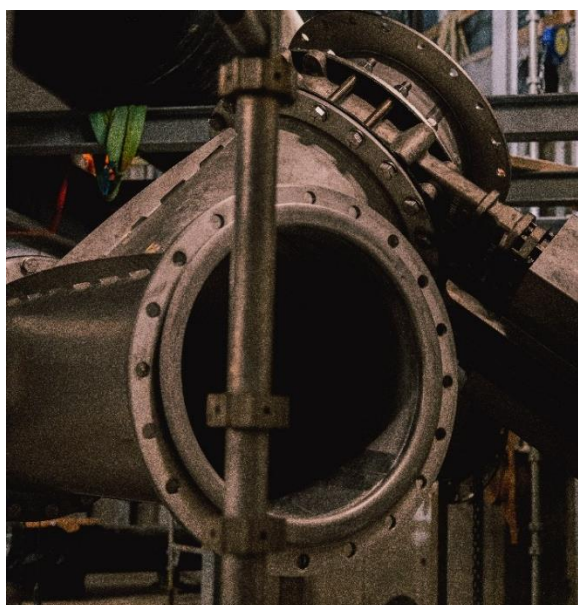
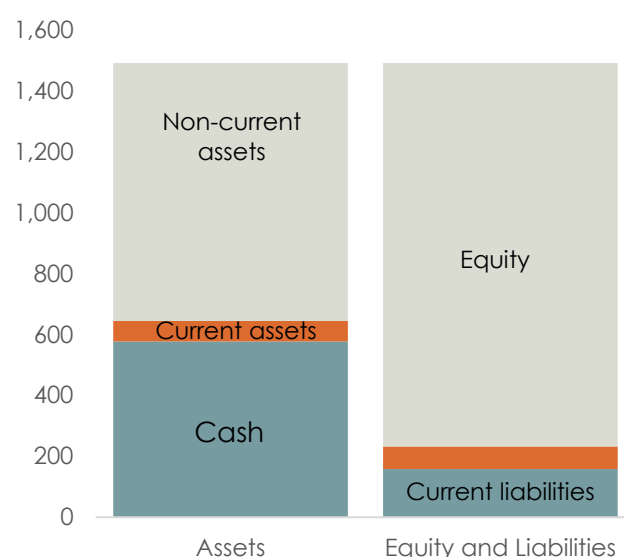
(figures in NOK 1000)

	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Net cash flow from operating activities	-22 438	22 067	-57 801	14 711	-10 021
Net cash flow from investments activities	-324 823	-26 306	-544 403	-94 551	-165 961
Net cash flow from financing activities	56 161	522 886	531 151	767 495	802 664
Net change in cash and cash equivalents	-291 100	518 647	-71 053	687 654	626 682
Cash and cash equivalents at start of period	867 853	190 131	647 806	21 124	21 124
Cash and cash equivalents at end of period	576 753	708 778	576 753	708 778	647 806

Financial position

The carrying amount of Salmon Evolution's total fixed assets as of 30 September 2021 was NOK 847.2 million, compared to NOK 149.3 million at 30 September 2020. Fixed assets are mainly related to the construction work at Indre Harøy, comprising capitalized costs related to both personnel expenses and construction cost, land acquisition and Kraft Laks as well other smaller items.

Total equity amounted to NOK 1,258.9 million. With total assets of NOK 1,491.3 million, this corresponds to an equity ratio of 84%. Consolidated interest-bearing liabilities totalled NOK 81.6 million.

**Balance sheet as per 30.09.2021 (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 2020 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 development. The first payment of NOK 0.4 million took place in July 2021.

As per 30 September 2021 the company had bank debt of NOK 50 million which relates to the Construction Facility for Indre Harøy. For further description of the new financing package see section "Funding" above.

Installation of water inlet pipes (October 2021)



Photo: Salmon Evolution

Overview phase 1 Indre Harøy (October 2021)



Photo: Salmon Evolution

Subsequent events

October 2021 Salmon Evolution entered into a strategic feed partnership with Cargill where Salmon Evolution will be their global flagship customer for land-based full grow out production. Under the agreement, Cargill will supply 100% of Salmon Evolution's feed volumes for the Indre Harøy facility.

Cargill has further committed to allocate significant resources and R&D capacity with the

purpose of developing sustainable feed solutions tailored to Salmon Evolution's operational targets, including high biological performance and premium product quality.

As part of the agreement Salmon Evolution carried out a private placement towards Cargill in the amount of USD 5 million at a subscription price of NOK 7.71 per share (20 day VWAP).

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.

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

The construction work currently involves around 150-200 workers on site. Artec Aqua as contractor, is responsible for project coordination of all activities, and Salmon Evolution is in continuous dialogue with the contractor on the status, progress and actions taken to address and handle the challenges.

To minimize 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 AS, Salmon Evolution has had a significant volume of transactions year to date related to the ongoing construction of the production facilities at Indre Harøy. Artec Aqua AS was until mid-March 2021 a 100%-owned subsidiary of

Artec Holding AS, which per 30.09.2021 held 3.6% of the total shares outstanding in Salmon Evolution ASA.

Following the acquisition of Artec Aqua AS by Endur ASA in Q1 2021, Artec Aqua is no longer considered a related party to Salmon Evolution ASA. As a result of this there were no transactions with related parties during Q3 2021.

Share information

As per 30 September 2021, Salmon Evolution ASA had 305.06 million issued shares, divided between 7,813 shareholders.

Ronja Capital II AS is the company's largest shareholder with 26,687,687 shares, corresponding to 8.7% of total number of share outstanding. The 20 largest shareholders own 67.0% of the shares in the company.

The closing price for the company's share was NOK 7.33 per share as per 30 June, which corresponds to a market capitalization of NOK 2.24 billion.

During the quarter the average daily, traded volume was about 748,000 shares and the average daily traded value was about NOK 5.8 million.

Salmon Evolution ASA was listed on Oslo Børs on 9 July 2021.

20 largest shareholders 30 September 2021

Shareholder	# of shares	% share
Ronja Capital II AS	26 687 687	8,7 %
The Bank of New York Mellon SA/NV	21 178 464	6,9 %
Romsdalsfisk AS	21 089 339	6,9 %
Farvatn Private Equity AS	17 093 878	5,6 %
Dongwon Industries Co. Ltd	16 044 572	5,3 %
Rofisk AS	13 274 174	4,3 %
Stette Invest AS	11 236 005	3,7 %
Artec Holding AS	11 139 339	3,6 %
Verdipapirfondet Dnb Norge	10 871 240	3,6 %
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 %
Nordnet Livsforsikring AS	5 502 038	1,8 %
The Bank of New York Mellon SA/NV	4 612 921	1,5 %
Vpf Dnb Am Norske Aksjer	4 280 731	1,4 %
Skandinaviska Enskilda Banken AB	3 759 138	1,2 %
Salmoserve AS	3 727 366	1,2 %
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	204 368 369	67,0 %
Other shareholders	100 886 746	33,0 %
Total number of shares	305 255 115	100,0 %

Source: VPS, company

Risk and uncertainties

As described in the Annual Report for 2020, Salmon Evolution business activities entail exposure to various types of risk, including risk related to project, market-, operational- and financial development.

Project risk

Land-based salmon farming is a new industry and is subject to inherent risk by being an industry in the development phase, as well as the risk that the company's commercialization strategy may fail. The company is vulnerable to errors in technology, production equipment and maintenance routines. Over the next year the project will be centred around construction and execution. Successful project execution and construction are decisive for the company's

business and comes with numerous risks, including risk for delays or cost overruns.

Due to the size of these construction projects, any material delay or cost overrun could have adverse effects for the company's ability to realize its business plan. The chosen entrepreneur for the construction projects, Artec Aqua, has limited legal liability for cost overruns and delays.

Interest Rate

The Group's interest rate risk relates primarily to borrowings from financial institutions with variable interest rates. Currently, the Group does not have any fixed-interest loans nor hedge

programs to reduce this risk, thus the group is exposed to changes in the interest rate. On 30 September 2021, outstanding loans from credit institutions amounted to NOK 50,000,000.

Foreign Currency

The Group's foreign currency risk relates to the Group's operating, investing and financing activities denominated in a foreign currency. This includes the Group's revenues, expenses and capital expenditures. Under the construction contract for Indre Harøy, Salmon

Evolution has underlying EUR exposure which the company uses financial instruments to hedge.

The Group's presentation currency is Norwegian Kroner ("NOK").

Credit risk

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents, and other receivables, the Group's exposure to credit risk

arises from default of the relevant counterparty, with a maximum exposure equal to the carrying amount of these instruments. This risk is not considered to be material.

Liquidity risk

Management monitors rolling forecasts of the Group's liquidity reserve (comprising cash and cash equivalents) based on expected cash flows. The Group's business plan and growth

strategy is capital intensive, and the Group may be dependent upon future equity issues and/or debt financing in order to finance its current long-term plans.

Outlook

Salmon Evolution is now only some four months away from releasing the first smolts into the Company's fish tanks at Indre Harøy and the activity level at the construction site is at all-time high.

After putting a lot of efforts in securing a solid and fully financed platform for Salmon Evolution during the first half of 2021, recent months have been fully devoted to following up the construction project at Indre Harøy and preparing for operations.

In August the Company successfully acquired Kraft Laks, a well renowned smolt producer located in Volda municipality. Through this acquisition Salmon Evolution is self-supplied with smolt for phase 1 at Indre Harøy. Salmon Evolution has also identified significant growth opportunities for Kraft Laks enabling in-house sourcing of smolt for at least phase 2 at Indre Harøy as well. The Board is confident that having in-house control over smolt supply will be highly beneficial entering the operational phase.

Further, in October Salmon Evolution announced a strategic partnership with feed producer Cargill. The ambition is to develop sustainable feed solutions tailored to Salmon Evolution's operational targets, securing strong biological performance and premium product quality.

Through the partnership Salmon Evolution will be Cargill's flagship customer within land-based full grow out production and Cargill has also committed to devote significant R&D resources. As part of the partnership Salmon Evolution concluded a private placement of USD 5 million in October.

Salmon Evolutions success is dependent on the competence of the people in the organization.

As part of the operational planning, Salmon Evolution is now in process of hiring day to day operating personnel. In this context, the Board is very pleased to observe that Salmon Evolution is regarded as an attractive employer and that the Company is able to recruit tier 1 personnel across the entire organization.

The average Fish Pool salmon price was NOK 55.5/kg in Q3 2021 compared to NOK 48.6/kg in Q3 2020, representing an increase of 14% year over year.

Q3 2021 has also seen record high export volumes of salmon out of Norway with volumes this quarter showing an increase of 17% year over year.

The solid price development for salmon in parallel with strong volume growth is a robust signal about the underlying strength of the salmon market and a clear indication that the market is well underway to recover from the challenges caused by Covid-19.

Salmon Evolution reiterates its view that land-based salmon farming will play a vital role in growing the overall salmon market. However, it will take time before meaningful volumes are brought forward as lead times are long, capital intensity is high and access to competent and experienced personnel may become a bottleneck.

With all committed projects fully funded, the first smolt soon to enter the fish tanks, a solid organization and world leading partners across the value chain, the Board is of the opinion that Salmon Evolution is uniquely positioned to take a global frontrunner position in the future development of land-based salmon farming.

Inside fish tank nearing completion (October 2021)



Photo: Salmon Evolution

Indre Harøy overview (October 2021)



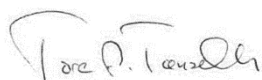
Photo: Salmon Evolution

Responsibility Statement

Responsibility statement From the Board of Directors and CEO of Salmon Evolution ASA.

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 September 2021 has been prepared in accordance with IAS 34 – Interim Financial Reporting and gives a true and fair view of the (company's and) group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first nine months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining three months of the financial year, and major related parties' transactions.

The Board of Directors of Salmon Evolution ASA
Aalesund/Molde 15 November 2021



Tore Tønseth
Chair



Kristofer Reiten
Director



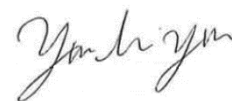
Anne Breiby
Director



Ingvild Vartdal
Director



Peder Stette
Director



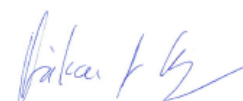
Kiyun Yun
Director



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)	Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Total operating income		12 251	674	12 251	704	704
Cost of goods sold		-2 450		-2 450		
Personnel expenses	10	-5 423	-4 365	-14 148	-6 843	-8 877
Depreciations	2	-643	-64	-1 410	-212	-550
Other operating expenses		-8 407	-5 392	-19 666	-9 167	-8 954
Operating profit (EBIT)		-4 671	-9 147	-25 423	-15 518	-17 676
Financial income	8	4 213	0	9 463	1	1 114
Financial expense	8	-5 192	-101	-5 266	-117	-263
Share of net income from associated companies	8	23	0	26	0	0
Financial expense - net		-956	-101	4 223	-116	850
Profit/loss before tax		-5 627	-9 248	-21 201	-15 634	-16 826
Income tax expense	4	0	0	0	0	0
Profit/loss for the period	5	-5 627	-9 248	-21 201	-15 634	-16 826
Basic earnings per share (NOK)	5	-0,02	-0,06	-0,07	-0,16	-0,13
Diluted earnings per share (NOK)	5	-0,02	-0,06	-0,07	-0,16	-0,13

Statement of Comprehensive Income

Profit/(loss) for the period		-5 627	-9 248	-21 201	-15 634	-16 826
Exchange difference on translating foreign operation	8,9	-624	0	-585	0	0
Total comprehensive income for the period		-6 250	-9 248	-21 786	-15 634	-16 826

Statements of financial position

(figures in NOK 1000)	Note	30 Sept 2021	30 June 2021	31 Dec 2020	30 Sept 2020
Assets					
Intangible assets	2	59 212	980	432	0
Assets under construction	2,10	745 139	501 995	219 926	148 037
Property, plant & equipment	2	10 231	1 141	331	453
Right-of-use assets		5 649	2 401	1 678	833
Investment in associated companies	9	26 985	27 454	0	0
Total non-current assets		847 215	533 970	222 367	149 323
Inventory		12 828			
Trade receivables		6 892	0	0	0
Other current receivables		47 638	44 863	22 638	12 433
Cash and cash equivalents		576 753	867 853	647 806	708 778
Total current assets		644 111	912 717	670 444	721 211
Total assets		1 491 326	1 446 686	892 810	870 534
Equity and liabilities					
Share capital	3	15 263	15 153	10 987	10 987
Share premium	3	1 291 968	1 275 478	804 369	850 097
Other reserves	10	3 869	3 494	2 974	2 527
Other equity		0	0	520	-41 938
Uncovered losses		-52 193	-45 942	-30 407	-29 215
Total equity		1 258 907	1 248 183	788 442	792 458
Deferred tax		6 513			
Long-term interest-bearing debt		63 421	0	0	1 500
Lease liabilities - long term		4 194	1 190	933	525
Total non-current liabilities		74 128	1 190	933	2 025
Short-term interest-bearing debt		12 487	40 000	40 000	0
Trade payables		137 757	150 638	60 104	74 373
Social security and other taxes		3 026	3 238	1 144	544
Lease liabilities - short term		1 477	1 203	696	245
Other short-term liabilities		3 544	2 234	1 491	890
Total current liabilities		158 291	197 313	103 435	76 052
Total liabilities		232 418	198 504	104 368	78 077
Total equity and liabilities		1 491 326	1 446 686	892 810	870 534

Statement of cash flow

(figures in NOK 1000)	Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Cash flow from operations						
Profit before income taxes		-5 627	-9 248	-21 201	-15 634	-16 826
Adjustments for:						
Depreciation		643	64	1 410	212	550
Net interest		979	101	-4 197	116	-850
Share based payment expenses		0	2 267	0	2 267	2 714
Gain on lease modification		0	-7	0	-7	-7
Changes in working capital:						
Change in other current receivables		-9 681	-8 409	-31 909	-9 684	-20
Change in inventory		-12 828		-12 828		
Change in trade payables		-3 070	37 601	-4 236	37 884	2 695
Change in social security and other taxes		6 316	-124	8 410	-255	345
Change in other current liabilities		1 809	-77	2 553	-73	528
Cash generated from operations		-21 459	22 168	-61 997	14 827	-10 871
Interest paid		-5 192	-101	-5 266	-117	-263
Interest received		4 213	0	9 463	1	1 114
Net cash flow from operations		-22 438	22 067	-57 801	14 711	-10 021
Cash flow from investment activities						
Payments for fixed assets and other capitalizations	2	-256 125	-26 306	-539 444	-94 551	-165 529
Payments for intangible assets	2	-58 232	0	-58 780	0	-432
Change in trade payables investments		-10 311	0	81 389	0	0
Investment in associated companies		-155	0	-27 568	0	0
Net cash flow from investment activities		-324 823	-26 306	-544 403	-94 551	-165 961
Cash flow from financing activities						
Proceeds from issue of equity		16 975	522 923	492 206	767 626	764 355
Proceeds from new borrowings		76 108	0	76 108	0	40 000
Repayment of borrowings		-40 200	0	-40 200	0	-1 500
Change lease liabilities		3 278	-37	3 037	-131	-191
Net cash flow from financing activities		56 161	522 886	531 151	767 495	802 664
Net change in cash and cash equivalents		-291 100	518 647	-71 053	687 654	626 682
Cash and cash equ. at the beginning of the period		867 853	190 131	647 806	21 124	21 124
Cash and cash equ. at the end of the period		576 753	708 778	576 753	708 778	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	-15 634	-15 634
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	-15 634	-15 634
Capital increase, net of transaction cost	9 457	798 629	0	-42 458	0	765 628
Share options issued	0	0	2 267	0	0	2 267
Share options exercised	30	1 968	-520	520	0	1 998
Transactions with owners	9 487	800 597	1 747	-41 938	0	769 893
Balance at 30 September 2020	10 987	850 097	2 527	-41 938	-29 215	792 457
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	-21 201	-21 201
Other comprehensive income	0	0	0	0	-585	-585
Total comprehensive income	0	0	0	0	-21 786	-21 786
Capital increase, net of transaction cost	4 276	487 601	0	0	0	491 877
Share options issued	0	0	895	-520	0	375
Share options exercised	0	0	0	0	0	0
Transactions with owners	4 276	487 601	895	-520	0	492 252
Balance at 30 September 2021	15 263	1 291 969	3 869	0	-52 193	1 258 907

Selected notes to the quarterly financial statements

Note 1 – Summary of significant accounting policies

General information

Salmon Evolution ASA and its subsidiaries, Salmon Evolution Norway AS, Salmon Evolution Asia AS and Kraft Laks AS, (together "SE" or "the Group") is a Norwegian business headquartered in Molde in Møre og Romsdal. SE is building a land-based salmon farming facility at Indre Harøy, 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 12 large grow out tanks with corresponding infrastructure. SE will operate a hybrid flow-through (HFS) system, replacing the water every four hours with clear and fresh water from the Norwegian coast.

Consolidation

Salmon Evolution ASA was incorporated on 23 July 2020 prior to the planned listing on Merkur Market (now Oslo Børs) which was completed on 18 September 2020. These condensed consolidated statements for the period ended 30 September 2021 include Salmon Evolution ASA together with its subsidiaries Salmon

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 Norway AS, Salmon Evolution Asia AS and Kraft Laks AS. When necessary, adjustments are made to the local financial statements of the Group subsidiaries to

Construction start of phase 1 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 and with expected harvest in Q4 2022.

These interim financial statements were approved by the Board of Directors for issue on 15 November 2021.

These interim financial statements have not been audited.

Evolution Norway AS, Salmon Evolution Asia AS and Kraft Laks AS. Please note that the comparable previous periods financial statement periods (year-to-date 2020) only reflect Salmon Evolution Norway AS and Salmon Evolution ASA.

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 Q2 2021, 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	Buildings	Fixtures and fittings	Total
Cost 1 January 2020	0	25 546	0	450	25 996
Additions	0	122 491	0	148	122 639
Disposals					0
Cost 30 September 2020	0	148 037	0	598	148 635
Accumulated depreciation 1 January 2020	0	0	0	-99	-99
Depreciation for the period	0	0	0	-46	-46
Net book value 30 September 2020	0	148 037	0	453	148 490

(figures in NOK 1000)	Intangible assets	Assets under construction	Buildings	Fixtures and fittings	Total
Cost 1 January 2021	432	219 926	0	739	221 097
Additions	58 780	525 213	7 607	2 620	594 220
Disposals					0
Cost 30 September 2021	59 212	745 139	7 607	3 359	815 317
Accumulated depreciation 1 January 2021	0	0	0	-409	-409
Depreciation for the period	0	0	-99	-227	-327
Net book value 30 September 2021	59 212	745 139	7 508	2 723	814 581

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 30 September 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 og Romsdal.

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			5 375 159	0,05			107 503 182
Share options exercised	10 July 2020	30 000	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
Acquisition Kraft Laks	16 August 2021	109 535	15 262 756	0,05	7,58	2 190 694	305 255 115

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 Oslo Børs) in September 2020.

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

In August 2021 the Company acquired 100% of the shares in Kraft Laks AS. As part of the settlement the Company issued 2,190,694 new shares of NOK 7.5775 per share, and thereby increased its equity by NOK 16.6 million.

Note 4 – Tax

Taxes

(figures in NOK 1000)	YTD Q3 2021	YTD Q3 2020
Profit/loss before tax	-21 201	-15 634
Calculated tax (22%)	-4 664	-3 439
Tax payable	0	0
Change in deferred tax (asset)	-4 664	-3 439
Change in deferred tax not shown in the balance sheet	4 664	3 439
Tax expense	0	0

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period ended 30 September 2021 is 22%, compared to 22% for the period ended 30 September 2020.

Deferred tax benefit has not been recognised in the balance sheet as the Company is in its start-up phase and does not have any historical results to refer to when assessing whether future taxable profits will be sufficient to utilize the tax benefit.

Note 5 – Earnings per share

Earnings per share

(figures in NOK 1000)	YTD Q3 2021	YTD Q3 2020
Loss attributable to the equity owners of the Company	-21 201	-15 634
Loss for calculation of diluted earnings per share	-21 201	-15 634
Weighted average number of shares outstanding ¹⁾	284 789 313	95 563 878
Dilutive options	0	0
Average number om shares and options used in calculation for diluted EPS	284 789 313	95 563 878
Basic earnings per share (NOK)	-0,07	-0,16
Diluted earnings per share (NOK)	-0,07	-0,16

Basic earnings per share are based on the weighted average number of common shares outstanding during the period.

1)

YTD 2021: The Company issued 83,333,333 new shares in a capital raise in March 2021, and another 2,190,694 in August 2021. The weighted average number of shares outstanding YTD 2021 has been calculated by applying a weight of 2/9 of the number of shares before the capital raise in March 2021 (219,731,088 shares), 6/9 of the number of shares after the capital raise (303,064,421 shares), and 1/9 of the total number after the final adjustment in September 2021 (305,255,115).

YTD 2020: The Company issued 77,503,182 new shares in a capital raise in March 2020. The weighted average number of shares outstanding YTD 2020 has been calculated by applying a weight of 3/9 the number of shares before the capital raise in March 2020 (30,000,000 shares), and 3/9 to the total number of shares after the capital raise (107,503,182 shares). Further the Company had issued 108,103,182 in July, 119,731,088 in August and 219,731,088, calculated with 1/9 each.

Note 6 – 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 AS, Salmon Evolution has had a significant volume of transactions year to date related to the ongoing construction of the production facilities at Indre Harøy. Artec Aqua AS was until mid-March 2021 a 100%-owned subsidiary of

Artec Holding AS, which per 31.09.2021 held 3.6% of the total shares outstanding in Salmon Evolution ASA.

Due to the acquisition of Artec Aqua AS by Endur ASA in Q1 2021, Artec Aqua is no longer considered a related party to Salmon Evolution ASA. As a result of this there were no transactions with related parties during Q3 2021.

Note 7 – Significant and subsequent events

October 2021 Salmon Evolution entered into a strategic feed partnership with Cargill where Salmon Evolution will be their global flagship customer for land-based full grow out production. Under the agreement, Cargill will supply 100% of Salmon Evolution's feed volumes for the Indre Harøy facility.

Cargill has further committed to allocate significant resources and R&D capacity with the

purpose of developing sustainable feed solutions tailored to Salmon Evolution's operational targets, hereunder high biological performance and premium product quality.

As part of the agreement Salmon Evolution carried out a private placement towards Cargill in the amount of USD 5 million at a subscription price of NOK 7.71 per share (20 day VWAP).

Note 8 – Finance income & finance cost

Finance income and finance cost

(figures in NOK 1000)

Finance income	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Interest income	779	0	2 578	1	1 114
Foreign exchange gains	3 434	0	6 884	0	0
Financial income	4 213	0	9 463	1	1 114
Share of net income from associated companies	23		26		0
Total financial income	4 236	0	9 488	1	1 114
Finance expenses	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Interest on debts and borrowings	124	101	190	117	263
Foreign exchange losses	5 068	0	5 076	0	
Total financial expenses	5 192	101	5 266	117	263
Net financial income/- expenses	-956	-101	4 223	-116	850

Foreign exchange gains are related to hedging activities in relation to underlying EUR exposure the company's construction contract at Indre Harøy.

Note 9 – Investment in associated companies

Investment in associated companies

(figures in NOK 1000)	Country	Ownership	Voting share
K Smart Farming Co., Ltd	Korea	49 %	49 %
Investment cost 31.05.21		27 413	
Share of net income		26	
Foreign currency translation gain/(loss)		-585	
Net book value 30 September 2021		26 853	

The group has the following investments in associated companies.

Investments in associated companies are recognized using the equity method.

Note 10 – Options

Options

Effects on financial statement:

NOK thousands	30.09.2021
Other paid-in capital	375
Net BS	375
	Q3 2021
Option cost	-142
Net PL	-142
	30.09.2021
Capitalized option cost	-232
Allocated to CAPEX	232

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 ASA is listed at Oslo Stock Exchange under the ticker SALME.

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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
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Trond Håkon Schaug-Pettersen
CFO

Ingjarl Skarvøy
COO

Odd Forde Roaldsnes
Head of Asia and acting CCO

Kamilla Mordal Holo
Project Director

Hans Petter Mortveit
Finance Manager

