

Extending the ocean potential

Q3 2024

SALMON
EVOLUTION®

Highlights in the quarter

- Strong biological KPIs supported by continued stable operations
- Group EBITDA of -7.3 NOKm - Farming EBITDA of 2.2 NOKm and NOK 3.3 EBITDA/kg.
- Pushing harvest into Q4 to maximize price realization – full year harvest guidance unchanged.
- Continued stable performance and strong results with supportive growth KPIs at Indre Harøy and low mortality.
- Standing biomass near record levels going into Q4 at ~2,600 tonnes LW. Restocking of grow-out facility completed during the quarter, record number of individuals as of date.
- Indre Harøy phase 2 construction started - on track for targeted smolt release Q1-26 as planned.
- Strong financial position with 866 NOKm in available liquidity including committed undrawn credit facilities. Additionally, the Company has 1,450 NOKm in earmarked construction financing.

Key figures

Operational	Q3 24	Q3 23	YTD 24	YTD 23	2023
Standing biomass (tonnes, LW)	2 582	2 100	2 582	2 100	2 204
Net growth (tonnes, LW)	1 369	1 290	4 188	2 312	3 751
Harvest volumes (tonnes, HOG)	680	185	3 162	770	1 874
All-in price realization/kg (NOK) ¹	71,6	72,2	99,0	90,6	82,0
Farming EBITDA/kg	3,3	NA	30,7	NA	NA
Farming costs/kg (NOK)	69,9	NA	66,2	NA	NA
Financial (in thousand)					
Operating revenues	51 309	15 856	322 037	79 574	168 424
Operational EBITDA ²	-7 344	-24 637	62 167	-67 788	-83 950
Operational EBIT ²	-25 581	-40 699	6 564	-97 428	-130 680
Cash flow from operations	6 623	-74 691	42 365	-131 548	-124 445
Operational EBITDA Farming Norway ²	2 237	-8 115	97 101	-23 257	-23 214
Capital structure (in thousand)					
Cash flow from investment activities	-112 909	-64 892	-194 853	-289 773	-358 816
Cash flow from financing activities	-13 886	23 773	329 343	588 427	590 897
Cash and cash equivalents	563 251	445 865	563 251	445 865	386 396
Net Interest-bearing debt	135 223	231 090	135 223	231 090	299 386
Equity ratio (%)	72 %	71 %	72 %	71 %	71 %
Profitability					
Earnings per share (NOK)	-0,06	-0,09	-0,05	-0,25	-0,37

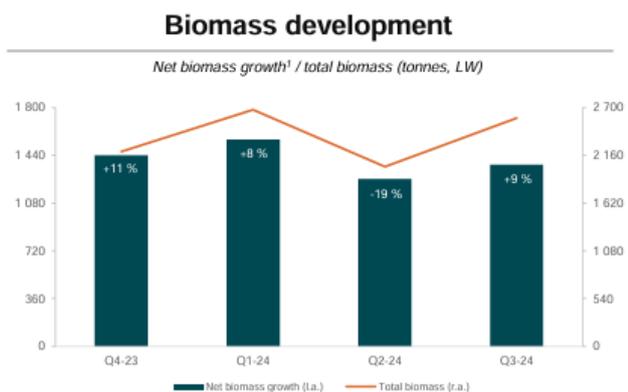
¹Calculated on a back to farm basis and adjusted for transport cost to Norway border (Nasdaq equivalent)

²Before fair value adjustment related to biological assets

Norway

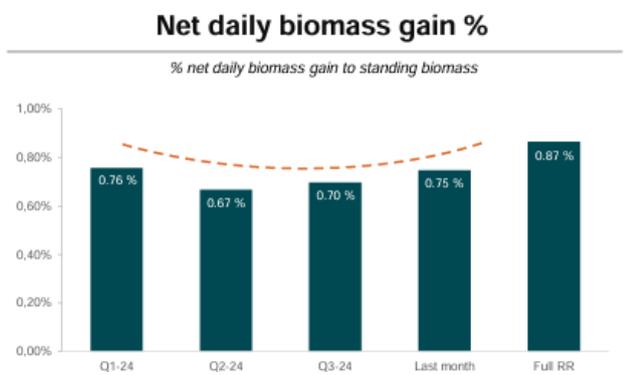
Operations

Salmon Evolution is experiencing continued stable operations with strong biological KPIs both at smolt facility in Dale and at the grow-out facility on Indre Harøy.



In Q3-24 the Company prioritized biomass buildup. Standing biomass at the end of the quarter amounted to 2,582 tonnes LW, which is close to all-time high levels.

During the quarter there were steady improvement in the daily growth rates, with biomass production accelerating towards the end of the quarter. The Company has a wide range of initiatives ongoing to take out the full growth potential at Indre Harøy.



Following the challenges related to smolt quality for certain smolt groups in the first half of 2024, the Company has had high focus on restocking

the Indre Harøy facility and this was completed during the quarter. Three new smolt batches was stocked in Q3, one in mid-July and two in August. All these had stocking weights on or above target (>130g). All three batches have shown good performance to date. For batch 12 which was stocked in May, where the Company had some initial challenges, the situation normalized during the quarter.

At the end of Q3-24 the number of individuals at Indre Harøy had never been higher.

At the smolt facility in Dale growth rates have been strong in 2024, with biomass growth to date 39 % above the same period last year. This is expected to result in good stocking weights on the remaining smolt insert in 2024 as well as for 2025. As previously mentioned, the Company during the quarter implemented enhanced vaccination protocols and changes to the smoltification process at the smolt facility. This is expected to result in a stronger and more adaptable smolt going forward. Additionally, several upgrades have been made to the Dale smolt facility during 2024, including installing additional heating capacity ensuring a better and more stable growth environment in the winter season.

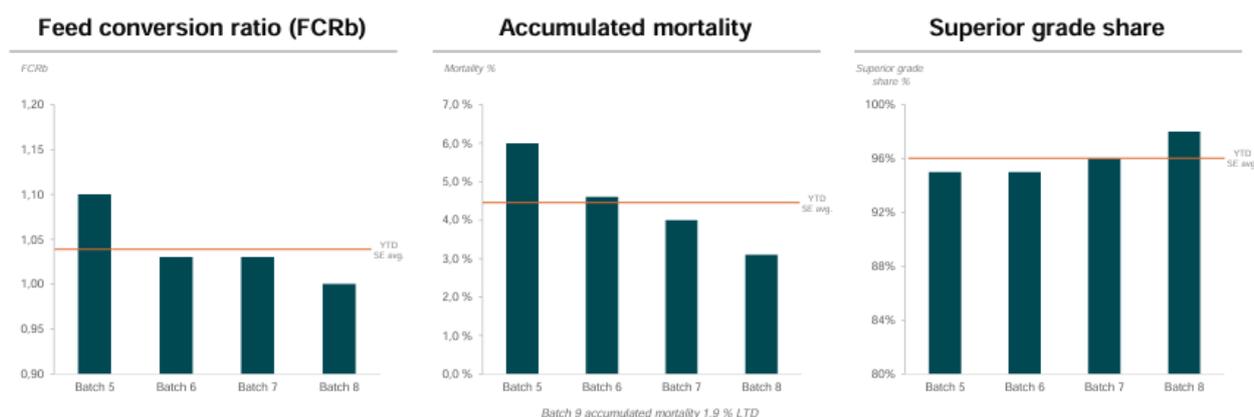
During the quarter the Company harvested 680 tonnes HOG with a superior grade share of 98 % and an average weight of ~3.3 kg HOG. The average harvest weight increased 10 % from the previous quarter but were still impacted by low smolt stocking weights in 2023. Salmon Evolution expects a further increase in harvest weights in Q4-24. As previously mentioned, the Company in Q3-24 chose to utilize some short-term excess tank capacity at Indre Harøy to push harvest into Q4 to maximize price realization in the

second half of 2024. As highlighted, this will not impact the overall 2024 harvest guidance.

The Company continues to see strong key performance indicators at Indre Harøy. The feed conversion ratio, mortality and superior grade

share has steadily improved through the year and is currently exceeding the already ambitious targets set by the Company. Overall, these results indicate consistently good fish health and a strong growth environment at the facility.

Strong key performance indicators



Development in key performance indicators indicate consistently good fish health

Harvest guidance

Harvest guidance for 2024 is unchanged at ~5,000 tonnes HOG, with the Company expecting Q4 harvest of ~1,800 tonnes HOG.

In 2025 the Company will prioritize biomass buildup and expects to increase production by ~40 % to a HOG equivalent of ~7,000 tonnes (~8,400 tonnes LW), planned to enable run-rate standing biomass during the first half of 2025.

The 2025 harvest volume is estimated at 6,000 – 6,500 tonnes HOG, reflecting the abovementioned planned biomass buildup. Current biomass composition following smolt quality issues in 1H 2024 will have a spillover-effects into the first quarter of 2025. This is expected to lead to lower harvest weights and volumes in Q1 2025, currently estimated at ~1,100 tonnes HOG.

Indre Harøy phase 2

Indre Harøy phase 1 and 2 represents a potent platform with strong expected cash flow generation, supporting a substantial organic investment capacity for Salmon Evolution.

Leading up to the investment decision taken in Q2-24, the Company had a thorough tender

process together with the contractors for all major components to have visibility on cost and reduce the risk in the cost estimates. The Company also builds on its extensive experience, after over two years in full operation as well as having successfully completed a project of this scale and magnitude before.

The phase 2 project is planned to add 10,100 tonnes HOG of annual harvest. This will take Salmon Evolution from its current production capacity of 7,900 tonnes to 18,000 tonnes HOG in full run-rate. This is enabled through optimizations where the Company release an additional 2,200 tonnes HOG, 1,100 tonnes HOG per phase, on top of the original plan of 7,900 tonnes HOG for phase 2. This is achieved through adding additional tank capacity, by introducing pre-grow-out tanks. This represents a highly capital efficient way to increase output at the facility, leveraging infrastructure that is already in place.

Under the new program, by adding the pre-grow-out tanks, the Company can increase the stocking weight in the grow-out department from current ~130 grams to ~400 grams. At the same time the targeted harvest weight is reduced to 5.2 kg LW. I sum this will reduce the

production cycle to ~8-9 months and enable an increase in the number of smolt stockings from 6 to 8 per year. Generally, this is a more conservative production plan with lower average harvest weights and peak densities, which also lowers the operational risk through increased robustness and added operational flexibility.

The phase 2 grow-out project is split in two parts, with Artec Aqua having responsibility for design, construction, and commissioning of the process facility and HENT for civil design and construction. Phase 2 is an improved copy of phase 1, incorporating key learnings after more than two years in operation. The project has a total estimated investment cost of up to 2.5 NOKbn including contingencies, buffers and the additional tank capacity. This figure also includes 200 NOKm in project contingencies and a project buffer of 100 NOKm.

Indre Harøy illustration

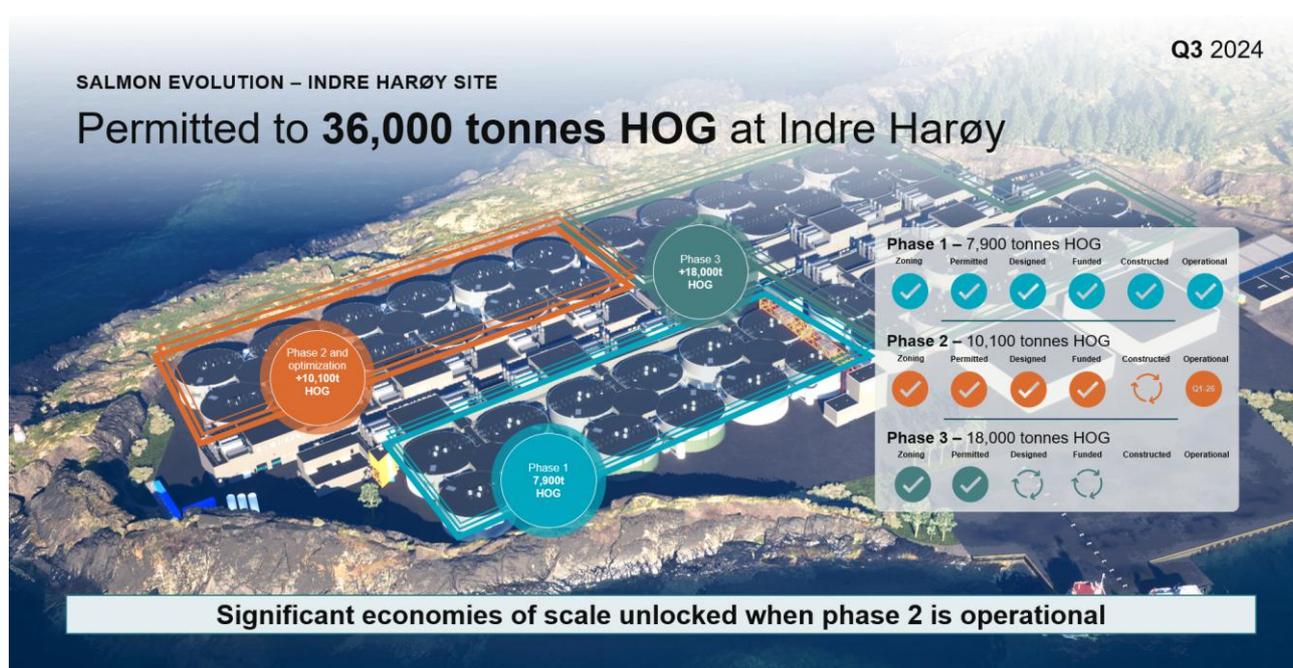


Illustration: Salmon Evolution

Project status – Indre Harøy phase 2

The project is developing according to plan, with targeted smolt release in Q1-26 and first harvest in Q4-26. In parallel Salmon Evolution is proceeding with the planning and engineering for the additional tank capacity with expected completion by 2026.

Groundworks for the grow-out section as well as intake station has previously been completed. The initial focus at the building site is centred

around concrete works for the intake station and the first four tanks, including technical rooms. Activity at the building site is expected to gradually increase towards year end, increasing from the current 50-60 workers to 90-100 workers working on site. At the end of Q3-24 the accumulated investment in the project amounted to 245 NOKm, of which 128 NOKm was invested during the quarter.

Phase 2 concrete works for first four tanks in good progress (October 2024)



Salmon Evolution is also developing a plan to cover the smolt needs for phase 2 and beyond. One of the benefits of the new grow-out program, is that the Company will get better utilization of the smolt facility at Dale.

Additionally, the Company is evaluating several options to increase smolt capacity, including temporary external sourcing, expansion opportunities at our existing smolt facility and other options.

North America

As part of Salmon Evolution's strategy towards a production capacity of 100kt HOG, the Company seeks to replicate its Norwegian success in the North American market.

As previously communicated, the Company is in advanced negotiations for a high-potential site in North America. The initial site verification processes are still ongoing, including fatal flaws analyses of both water, biological, technical, and regulatory aspects, points to this being an ideal site for a hybrid flow-through system.

When assessing possible sites, the Company focuses around areas with an established salmon farming industry, mirroring the Group's approach for Indre Harøy in Norway. Salmon Evolution sees a significant value in leveraging existing aquaculture infrastructure and value chains, enabling both scale and cost leadership, as well as reducing operational and biological risk.



It is expected that site verification and relevant regulatory approval processes will take two to three years, upon which the plan is to build a full scale 36kt HOG "Indre Harøy" facility drawing on the experiences learned from Norway.

To facilitate this expansion, the Company has established a dedicated team of both in-house and external resources.

The Company's strategy of pursuing accretive partnerships in overseas markets remains unchanged. As the project develops, Salmon Evolution aims to engage in partnership structures leveraging the human capital in our Company and maximizing shareholder value.

Korea

Project overview

The Company has a joint venture, K Smart Farming, 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 approach and competence. This is planned completed in two stages, each phase aiming for an annual capacity of 8,400 tonnes HOG.



Yangyang on-growing site

The project consists of a smolt facility at Jeongseon, a grow-out site at Yangyang and certain other infrastructure. At the site for the planned smolt facility at Jeongseon, there has been freshwater trout production for many years. The planned site for the grow-out facility at Yangyang, is located on the northeast coastline of South Korea.



Jeongseon smolt site

Project status

The design and engineering activities for the grow-out facility at Yangyang has been completed. Permitting work is on track and not considered a material risk for the realization of the project.

The Company currently sees the overall project economics as challenging, primarily driven by site specific circumstances at the Yangyang grow-out site, in particular related to the intake and discharge water solution due to a relatively long and shallow shoreline at the grow-out site.

Additionally, given that Korea has no existing salmon farming industry, certain other infrastructure items are impacting the project cost as well as operating cost.

The project is currently working with authorities in South Korea on governmental financial support, further clarifications expected to take within 6-9 months. Meanwhile project activities have been scaled down and cash burn has been reduced to a minimum.

Funding

Since its inception Salmon Evolution has actively been using the debt and capital markets to fund its growth roadmap. The Company is continually optimizing its capital structure through strategic financial management, carefully balancing debt and equity to maintain financial stability whilst also funding expansion projects. By regularly evaluating and adjusting its capital structure, the company aims to reduce costs and improve returns on capital employed.

In June 2024 the Group carried out a private placement, raising gross proceeds of approximately 365 NOKm through the allocation of 48,666,666 new shares in the Company, each at a subscription price of NOK 7.50 per share. This brings total raised equity to approximately 2.6 NOKbn.

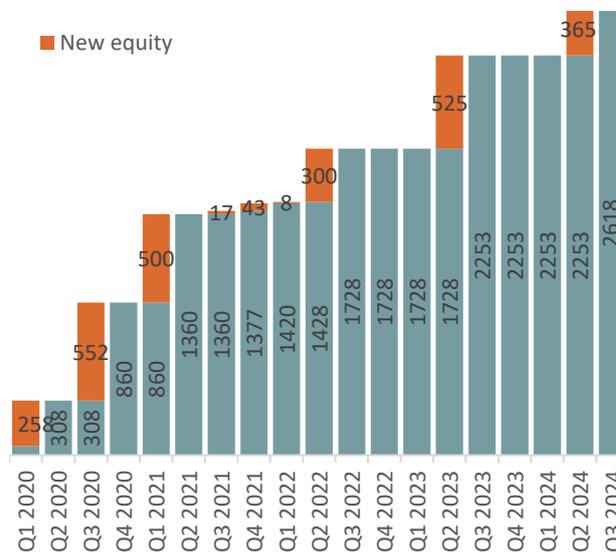
Funding Indre Harøy Phase 1 and 2

In June 2024 the Company expanded its existing senior secured debt financing package related to Indre Harøy Phase 1 and 2, from 1,550 NOKm to 2,225 NOKm, an increase of 675 NOKm.

The new debt funding package consists of the following credit facilities:

- 525 NOKm non-amortizing term loan facility (the "Term loan").
- 250 NOKm RCF facility available for general corporate purposes including Indre Harøy phase 2 capex (the "RCF facility")
- 1,225 NOKm construction facility available for financing of capex relating to the phase 2 grow-out facility at Indre Harøy (the "Construction Facility grow-out").

Development in paid-in equity (NOKm)



Source: Group data

- 225 NOKm construction facility available for financing of capex relating to the phase 2 additional tank capacity (the "Construction facility additional tank capacity").

Additionally, there is added flexibility under the improved debt financing facility, in the form of added flexibility on other financial services and a 100 NOKm accordion facility. The entire facility non-amortizing until Q4-26 or completion of phase 2.

As per 30 September 2024, the Term Loan of 525 NOKm was fully drawn. Neither the RCF facility nor construction facilities were drawn as per 30 September 2024.

In addition, the Group has a 150 NOKm overdraft facility for biomass and receivables financing of which 100 NOKm was drawn at the end of Q3.

Funding Salmon Evolution Dale

The Group has a debt financing package of 60 NOKm in relation to Salmon Evolution Dale at favourable commercial terms reflecting the solid operational and financial track record of the facility.

The bank debt package is split across three separate facilities and will be used as follows:

- General corporate purposes, hereunder financing of working capital
- Investments relating to facility upgrades

- 25 NOKm in acquisition financing utilized for refinancing of seller's credit with previous owners

As part of the Indre Harøy phase 2 build out, the Group is evaluating expansion opportunities at Dale. In such scenario further debt financing of Salmon Evolution Dale is expected.

As per 30 September 2024 about 57 NOKm of the 60 NOKm debt financing package was drawn.

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 chosen 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 reusage level of around 65% is in the Company's view a "sweet spot" balancing cost and operational risk. Higher reusage levels require the introduction of more advanced filtration and water treatment and lead to an exponential increase in risk. On the other side, a low level of reusage 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, enabling the Company to tap into ideally

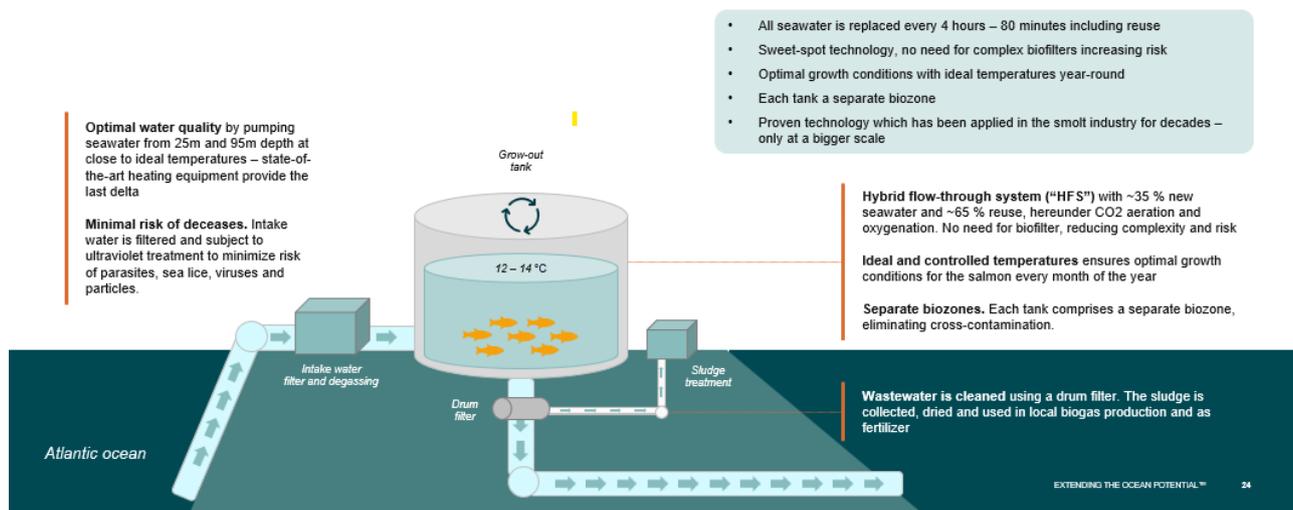
tempered water and hence reducing energy costs relating to heating of seawater.

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.



Group financial review

Revenue and results for the third quarter 2024

Comparable figures for Q3-23 in brackets

Summary of result

(figures in NOK 1000)	Q3 24	Q3 23	YTD 24	YTD 23	2023
Total operating revenue	51 309	15 856	322 037	79 574	168 424
Operational EBITDA	-7 344	-24 637	62 167	-67 788	-83 950
Operational EBIT	-25 581	-40 699	6 564	-97 428	-130 680
Fair value adjustment of biomass	11 347	14 843	-5	22 755	20 149
Operating profit (EBIT)	-14 234	-25 857	6 559	-74 673	-110 532
Net financials	-11 344	-10 640	-27 039	-20 212	-35 241
Profit/loss before tax	-25 578	-36 497	-20 480	-94 885	-145 773
Income tax expense	0	0	0	0	0
Profit/loss for the period	-25 578	-36 497	-20 480	-94 885	-145 773

Following harvest of 680 tonnes HOG Salmon Evolution in Q3-24 recorded operating revenues of 51.3 NOKm (15.9 NOKm). The Company harvested salmon in the first weeks of July and August, achieving an all-in price realization of NOK ~71.6/kg. The strong price realization was driven by an industry leading superior grade share of 98 %.

Operating expenses totalled 58.6 NOKm (40.5 NOKm). This consisted mainly of operating expenses at our facilities in Dale and Indre Harøy, primarily production costs in relation to harvest of 680 tonnes HOG, costs related to the growth projects and other administration expenses.

The Company recorded depreciations of 18.2 NOKm (16.0 NOKm), mostly related to the facility at Indre Harøy. The increase from the same period last year, is primarily driven by initiation of depreciations of the upgrades undertaken at the smolt facility in Dale.

The Company had a negative EBITDA of 7.3 NOKm (negative 24.6 NOKm) in the quarter, with

EBIT ending at negative 25.6 NOKm (negative 40.7 NOKm). EBIT after fair value adjustment related to the biomass of 11.3 NOKm ended at 14.2 NOKm (negative 25.9 NOKm). In the quarter the Company recorded capacity adjustments for unutilized production capacity of 8.5 NOKm. Capacity adjustments are gradually decreasing alongside increased utilization of the facility.

Net financials for the quarter were negative at 11.3 NOKm (negative 10.6 NOKm), primarily driven by interest rate costs, partly offset by a positive change in value of the interest rate swap contract and interest rate income on the bank deposits.

The Group recorded no tax cost in Q3, and the loss for the period ended at 11.3 NOKm (negative 36.5 NOKm).

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 considered an associated company.

Farming Norway

(in NOK thousand)	Q3 24	Q3 23	YTD 24	YTD 23	2023
Operating revenue (NOK 1000)	51 071	13 349	317 688	69 731	158 248
Operational EBITDA (NOK 1000)²	2 237	-8 115	97 101	-23 257	-23 214
Operational EBIT (NOK 1000)²	-16 397	-23 877	41 766	-51 210	-67 932
All-in price realization/kg (NOK) ¹	71,6	72,2	99,0	90,6	82,0
Harvest volumes (tonnes, HOG)	680	185	3 162	770	1 874
Operational EBITDA cost/kg	69,9	N/A	66,2	N/A	N/A
Operational EBITDA/kg (NOK)	3,3	N/A	30,7	N/A	N/A
Operational EBIT/kg (NOK)	-24,1	N/A	13,2	N/A	N/A

¹Calculated on a back to farm basis and adjusted for transport cost to Norway border (Nasdaq equivalent)

²Before fair value adjustment related to biological assets

Farming Norway consists of the farming activities at the grow-out facility at Indre Harøy, smolt production at Salmon Evolution Dale and sales.

The segment had revenues of 51.0 NOKm (13.3 NOK) in the quarter after harvesting 680 tonnes HOG. Of this 1.4 NOKm was related to sale of frozen inventory. Planned harvest in the quarter was higher, but the Company decided to use current flexibility to push harvest into Q4-24 to maximize price realization on back of higher expected prices the next quarter. Harvest guidance of 2,500 tonnes HOG in the second half of 2024 remains unchanged.

In the quarter harvest took place the first weeks of July and August, resulting in an all-in price realization of NOK ~71.6/kg. The strong price realization was driven by an industry leading superior grade share of 98 %, with continued excellent feedback on product quality and taste. The all-in price realization is calculated on a back to farm basis and adjusted for transport cost to Norway border (Nasdaq equivalent) and includes all fish sold, including downgrades. The overall price achieved by Salmon Evolution on superior grade fish is strong and consistently above the reference price.

The farming EBITDA cost in the segment, including allocated G&A, ended at NOK 69.9 per kg. The farming EBITDA cost is the sum of all direct production and harvest cost and other operating expenses (G&A), divided by harvest volume. Incident based mortality, culling and exports costs are excluded. The farming EBITDA cost was slightly up from the previous quarter, driven by lower scaling of the fixed cost base as the harvest volume was also lower.

Sale of frozen inventory had a positive EBITDA/kg contribution of NOK ~1/kg in the quarter.

The strong development in the underlying biological KPIs and low mortality is having a positive impact on the farming EBITDA cost. Coupled with increased biomass production and increasing harvest volumes, the farming EBITDA cost is expected to continue trending downwards in future periods.

The farming segment had an EBITDA of 2.2 NOKm, with EBITDA per kg of 3.3 NOK.

The segment recorded capacity adjustments for unutilized production capacity of 8.5 NOKm.

Other

(in NOK thousand)	Q3 24	Q3 23	YTD 24	YTD 23	2023
Operating revenue	7 143	7 003	21 025	20 040	27 564
Operational EBITDA	-9 569	-16 522	-34 921	-44 532	-60 737

In the Other segment all the resources related to projects and technology are employed, as well as general corporate functions. A significant portion of costs are related to future expansion.

In Q3-24 the Other segment had operating revenues of 7.2 NOKm (7.0 NOKm) related to sale of services to the Farming segment and growth projects. Operating expenses totalled 16.8 NOKm (23.5 NOKm), down a couple of millions from the previous quarter.

The cost base in the segment is primarily driven by salaries, representing ~75 % of operating costs in the segment in Q3-24. A portion of this is

re invoiced to the Farming segment for services rendered, as well as salaries relating to personnel taking part in the Indre Harøy phase 2 expansion project.

The Company had extraordinary activity in Q2-24 related to conclusion of the Indre Harøy phase 2 pre-project, expanding the bank and raising equity. This resulted in higher than normal legal and consulting costs. In Q3-24 these costs returned to normal levels.

The operational EBITDA ended at negative 9.6 NOKm (negative 16.5 NOKm).

Cash flow

(figures in NOK 1000)	Q3 24	Q3 23	YTD 24	YTD 23	2023
Net cash flow from operating activities	6 623	-74 691	42 365	-131 548	-124 445
Net cash flow from investments activities	-112 909	-64 892	-194 853	-289 773	-358 816
Net cash flow from financing activities	-13 886	23 773	329 343	588 427	590 897
Net change in cash and cash equivalents	-120 171	-115 810	176 855	167 105	107 636
Cash and cash equivalents at start of period	683 422	561 675	386 396	278 759	278 759
Cash and cash equivalents at end of period	563 251	445 865	563 251	445 865	386 396

Despite a biomass buildup of ~500 tonnes LW during the quarter, the Company had a positive net cash flow from operating activities of 6.6 NOKm (negative 74.6 NOKm).

Having initiated the Indre Harøy phase 2 expansion project, there was a significant increase in investments compared to previous quarters. The net cash flow from investment activities ended at negative 112.9 NOKm (64.9 NOKm).

In the initial project phase investments are primarily funded by cash, thus despite significant

investments cash flow from financing activities was negative with 13.9 NOKm (23.8 NOKm)

Total net cash flow during the second quarter was negative 120.2 NOKm (115.8 NOKm). The liquidity position at the end of the period was strong, with cash and cash equivalents of 563.2 NOKm.

Total available liquidity ended at of 866.2 NOKm, this includes available committed undrawn credit facilities but excludes the construction facilities in relation to Indre Harøy Phase 2 of 1,450 NOKm.

Financial position

(figures in NOK 1000)	30 Sept 2024	30 June 2024	31 Dec 2023	30 Sept 2023
Non-current assets	2 247 238	2 108 566	2 076 513	2 039 203
Current assets	867 540	972 059	633 072	720 175
Total assets	3 114 778	3 080 625	2 709 585	2 759 378
Equity	2 250 426	2 276 565	1 920 693	1 971 054
Non-current liabilities	585 575	586 065	586 859	577 400
Current liabilities	278 777	217 995	202 032	210 923
Total equity and liabilities	3 114 778	3 080 625	2 709 585	2 759 378

On 30 September 2024 the book value of the Company's assets was 3,114.8 NOKm (2,759.4 NOKm). The main increase from previous periods is related to the ongoing Indre Harøy phase 2 expansion project.

The fixed assets in the Company mostly relate to the facility at Indre Harøy, comprising land, buildings, and production equipment, as well as the Dale smolt facility and other smaller items. There are no significant movements from the previous quarter.

The current assets in the Company are primarily biological assets, other current receivables, and cash & cash equivalents.

Total equity amounted to 2,250.4 NOKm (2,276.6 NOKm). This corresponds to an equity ratio of 72% (75%).

Consolidated net interest-bearing liabilities totalled 135.2 NOKm at the end of the quarter.

Summary for the first nine months of 2024

Comparable figures for the first nine months of 2023 in brackets

In the first nine months of 2024 the Company had operating revenues of 322.0 NOKm (79.6 NOKm), where 317.7 NOKm (69.7 NOKm) were related to the farming segment. The increase from the same period last year is linked to the increased harvest activities. Salmon Evolution harvested 3,162 tonnes HOG compared to 770 tonnes HOG in the same period last year. Additionally, the Company sold services, had revenues from government grants and revenues related to insurance settlement.

Operating expenses totalled 259.8 NOKm (147.4 NOKm). The increase from the same period last year is driven by much higher activity at the Company's grow-out facility at Indre Harøy.

Salmon Evolution had a positive EBITDA of 62.2 NOKm year-to-date 2024 compared to a negative EBITDA of 67.8 NOKm in the same period last year.

The Company recorded depreciations of 55.6 NOKm (29.6), mostly related to the facility at Indre Harøy. Depreciations for the Indre Harøy facility commenced in May 2023. Additionally, depreciations of the upgrades undertaken at the smolt facility in Dale commenced in Q1-24.

The fair value adjustment related to the biomass amounted to 0.0 NOKm, and the Company recorded an operating profit of 6.6 NOKm (negative 74.6 NOKm) during the first nine months of 2024.

Net financials amounted to negative 27.0 NOKm (negative 20.2 NOKm), primarily due to

interest rate expenses. The Company recorded no tax cost, and the loss ended at 20.5 NOKm (loss of 94.9 NOKm).

Net cash flow from operating activities ended at 42.4 NOKm in the period (negative 131.6 NOKm), a significant improvement from the same period last year driven by the much higher harvest activity and strong financial results.

With the Indre Harøy phase 2 expansion project the investments are ramping up. Net cash flow from investing activities were negative at 194.9 NOKm (negative 290.8 NOKm).

Cash flow from financing activities in the first nine months of 2024 was driven by the successful equity raise that took place in June and ended at 329.3 NOKm (588.4 NOKm).

Net change in cash and cash equivalents for the first nine months of 2024 was 176.9 NOKm (167.1 NOKm), and as of 30 September 2024 cash and cash equivalents amounted to 563.2 NOKm and total available liquidity of 866.2 NOKm including committed undrawn credit facilities.

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.

Subsequent events

No material subsequent events.

Transactions with related parties

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

There were no material transactions with related parties as per 30 September 2024

Share information

As per 30 September 2024 Ronja Capital AS was the Company's largest shareholder with 32,407,311 shares, corresponding to 7.0% of the total number of shares outstanding. The 20 largest shareholders held 53.1% of the shares in the Company.

During the quarter the average daily traded volume was about 650,000 shares and the average daily traded value was about NOK 4.5 million (Oslo Børs).

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

20 largest shareholders 30 September 2024

Shareholder	# of shares	% share
Ronja Capital II AS	32 407 311	7,0 %
The Bank of New York Mellon SA/NV	24 569 080	5,3 %
Farv atn Private Equity AS	21 168 366	4,6 %
Dongwon Industries Co. Ltd	17 932 838	3,9 %
J.P. Morgan SE	17 477 015	3,8 %
Verdipapirfondet Dnb Norge	16 120 578	3,5 %
Rofisk AS	15 204 563	3,3 %
Kjøllås Stansekniver AS	13 173 105	2,8 %
Stette Invest AS	12 410 954	2,7 %
Jakob Hatteland Holding AS	9 790 519	2,1 %
Ewos AS	9 480 984	2,0 %
Mevold Invest AS	9 074 474	2,0 %
Lynghheim Invest AS	8 449 252	1,8 %
Bortebakken AS	7 569 330	1,6 %
VPF DNB Norge Selektiv	6 860 999	1,5 %
J.P. Morgan SE	6 419 275	1,4 %
J.P. Morgan SE	6 379 173	1,4 %
Verdipapirfondet DNB SMB	5 887 586	1,3 %
Bondø Invest AS	4 614 718	1,0 %
Salmoserve AS	4 036 666	0,9 %
Total 20 largest shareholders	249 026 786	53,8 %
Other shareholders	213 576 520	46,2 %
Total number of shares	462 603 306	100,0 %

Source: VPS, Company

Risk and uncertainties

As described in the Annual Report for 2023, Salmon Evolution's business activities entail exposure to various types of risk, including risk related to project, market-, operational- and financial development. The Company's internal controls and risk exposure are subject to continuous monitoring and improvement, and efforts to reduce risk in different areas have a high priority. Below is a summary of some of the risks facing the Company.

Operational risk

The greatest operational risk relates to biological incidents within the Company's aquaculture operations. Although Salmon Evolution has been operating for over two years, land-based salmon farming is still a relatively young industry and is subject to inherent risk by being an industry in a development phase. The Company is vulnerable to errors in technology, production

equipment and maintenance routines as well as diseases which may have a material adverse effect.

Further, challenges or incidents in connection with the ongoing production ramp up could also have adverse effects for the Company's ability to realize its business plan.

Project risk

Successful project execution and construction are decisive for the Company's business and comes with numerous risks, including risk for delays or cost overruns.

adverse effects for the Company's ability to realize its business plan.

Due to the size of these construction projects, any material delay or cost overrun could have

In the current contract structure for phase 2 there are moderate risk sharing elements to incentivise realization of the project at target price and on-time.

Market risk

The Company is exposed to the fluctuations and overall development of the salmon prices. Through 2023 and first half of 2024 salmon prices remained strong, supported by strong demand. As of 30 September 2024, the Company has not entered any hedging programs to reduce its exposure to the salmon price.

Furthermore, the Company is exposed to changes in market prices for the input factors used in the production process, in particular feed prices and electricity prices. As to the latter, the Company has hedged about half of its expected electricity needs for 2024-2026, with a gradually declining hedging profile.

Interest Rate risk

The Company's interest rate risk relates primarily to borrowings from financial institutions with floating interest rates. Currently, the Company has entered into hedging programs to reduce this risk for parts of its planned borrowings. As of 30 September 2024, outstanding loans from credit institutions amounted to NOK 687.3 million (excluding financial leasing).

The Company's bank loans have an interest rate of NIBOR 3M plus an agreed margin. To reduce exposure to fluctuations in the interest rate the Company has entered interest rate swap contracts for a total amount of NOK 200 million.

Foreign Currency risk

The Company's foreign currency risk relates to the Company's operating, investing, and financing activities denominated in a foreign currency. This includes the Company's revenues, expenses, and capital expenditures. From time to time the Company utilizes financial instruments to hedge its currency exposure. As

per 30 September 2024 the Company did not have material any exposure in foreign currency contracts.

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

Credit risk

With respect to credit risk arising from the financial assets of the Company, which comprise cash and cash equivalents, and other receivables, the Company's exposure to credit risk arises from default of the relevant counterparty, with a maximum exposure equal to the carrying amount of these instruments. The

Company has procedures in place to ensure that products are only sold to customers with satisfactory creditworthiness, and in all material respect use credit insurance. This risk is not considered to be material on 30 September 2024.

Liquidity risk

A lack of liquidity will entail a risk that the Company will not be able to pay its obligations on maturity. Management monitors rolling forecasts of the Company's liquidity reserve (comprising cash and cash equivalents) based on expected cash flows. The Company's

business plan and growth strategy is capital intensive, and the Company may be dependent upon future equity issues and/or debt financing to finance its current and long-term plans.

Outlook statement from the board of directors

When the Company was founded, the ambition was to produce salmon in a better and more sustainable way. Over the last few years, Salmon Evolution has made significant strides toward this objective. By employing a hybrid flow-through system, we produce salmon in a controlled environment, ensuring optimal growth conditions. This, paired with a strong operational team determined to improve every day, has put the Company on the forefront of the land-based salmon farming industry.

At the end of the second quarter the Company took the final decision to move ahead with the Indre Harøy phase 2 expansion project. Combined phase 1 and 2 is planned to yield 18,000 tonnes HOG of annual harvest, representing a strong platform with substantial cash generating abilities, and a solid foundation for further expansion. As of date the project is progressing according to plan and budget.

From Salmon Evolution's perspective, Norway is becoming increasingly attractive for land-based salmon farming. With its world leading aquaculture cluster, proposed framework for land-based aquaculture and commitment to sustainable aquaculture practices, Norway offers a unique environment that supports the growth of innovative land-based operations. The country's advanced infrastructure, plentiful access to clean water, and expertise in aquaculture make it an ideal location for expanding land-based salmon farming, aligning perfectly with our goals of sustainability and high-quality production.

As 2024 is nearing an end, Salmon Evolution reflects on a year of significant milestones. Over 3,000 tonnes HOG of high-quality salmon have been harvested, delivering excellent results. The strong performance in key metrics highlights the stability of our operations and the optimal growth environment created for the salmon. After just two years in operation, the company is surpassing its ambitious targets for feed

conversion, mortality rates, and superior grade share, demonstrating the effectiveness of the hybrid flow-through system and the significant success in creating a good and sustainable growth environment for the salmon.

The board is pleased to note the strong market reception of our salmon, with customers praising its excellent taste and recognizing it as fully competitive with conventional salmon. The choice of technology, access to talent and location are key enablers to this.

In addition to achieving strong biological and harvest results, Salmon Evolution reached profitability and generated positive operational cash flow in the first half of 2024. This milestone highlights the robust operational and financial foundation the company has built in a relatively short amount of time.

In summary, these accomplishments underscore the company's commitment to innovation, sustainability, and growth, firmly positioning Salmon Evolution as a leader in the land-based salmon farming industry. They also demonstrate the value of leveraging an established value chain and talent pool, which helps to lower operational costs and reduce operational risks.

Overall salmon supply estimates for 2024 have been consistently revised downwards throughout the year. Despite a strong growing season driven by high sea temperatures in Norway, 2024 will likely see minimal growth in the global supply of Atlantic salmon. This is primarily due to biological challenges, particularly in Norway, where conventional sea-based farmers have faced significant issues with jellyfish and winter wounds during the first half of the year, leading to record-high volumes of downgraded fish.

The market for 2025 and beyond looks tight, supporting a scenario with high salmon prices going forward. Being in the process of ramping

up production and harvest volumes, Salmon Evolution is in a solid position to benefit from this over the coming quarters and years.

Salmon Evolution continues to see a significant demand growth potential for salmon and believes that land-based farming will need to

play an important role, alongside conventional farming, for the industry to be able utilize the demand potential. With phase 1 at Indre Harøy in full operation and phase 2 on the way, Salmon Evolution is in a unique position to continue to lead and shape the development of this industry.

Summary year to date

- Harvest of 3,162 tonnes HOG, with an industry leading superior grade share of 96 % and strong all-in price realization.
- Strong operating result and positive cash flow from operations.
- Moving ahead with Indre Harøy phase 2, creating an 18,000 tonnes HOG platform with substantial cash flow generating capabilities.
- Successfully completed private placement in June 2024 raising gross proceeds of approximately 365 NOKm as well as a credit approved increase of 675 NOKm on the debt package to fund Indre Harøy phase 2 expansion.
- Continued strong biological key performance metrics, targets on feed conversion, mortality and superior grade share met og exceeded.
- Strong financial position with available liquidity of 866.2 NOKm per 30 September 2024 including committed available undrawn credit facilities, excluding the construction facilities in relation to Indre Harøy phase 2.

Responsibility Statement

Responsibility statement in connection with interim management report by 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 2024 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 period and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties facing the group, and major related parties' transactions.

The Board of Directors of Salmon Evolution ASA
Ålesund/Elnesvågen 6 November 2024



Tore Tønseth
Chair



Peder Stette
Director



Anne Breiby
Director



Ingvild Vartdal
Director



Vibecke Bondø
Director



Jan-Emil Johannessen
Director



Eunhong Min
Director



Trond Håkon Schaug-Pettersen
CEO

Interim financial statements

Statement of Profit and Loss

(figures in NOK 1000)	Note	Q3 24	Q3 23	YTD 24	YTD 23	2023
Sales revenues	2	51 071	13 349	317 688	69 731	153 325
Other income		238	2 508	4 349	9 843	15 099
Total operating revenue		51 309	15 856	322 037	79 574	168 424
Change in inventory	3,4	46 384	52 294	58 054	81 285	78 476
Cost of materials	3,4	-50 249	-38 024	-145 432	-81 293	-126 180
Personnel expenses	5	-19 056	-21 708	-55 194	-54 900	-76 052
Other operating expenses		-35 732	-33 056	-117 297	-92 456	-128 619
Operational EBITDA		-7 344	-24 637	62 167	-67 788	-83 950
Depreciations	6	-18 237	-16 062	-55 603	-29 639	-46 730
Operational EBIT		-25 581	-40 699	6 564	-97 428	-130 680
Fair value adjustment of biomass	3	11 347	14 843	-5	22 755	20 149
Operating Profit (EBIT)		-14 234	-25 857	6 559	-74 673	-110 532
Financial income	7	3 904	5 700	17 426	21 751	21 481
Financial expense	7	-13 317	-14 394	-39 419	-37 172	-49 624
Share of net income from associated companies	8	-1 930	-1 946	-5 046	-4 792	-7 098
Financial expense - net		-11 344	-10 640	-27 039	-20 212	-35 241
Profit/loss before tax		-25 578	-36 497	-20 480	-94 885	-145 773
Income tax expense	9	0	0	0	0	0
Profit/loss for the period	10	-25 578	-36 497	-20 480	-94 885	-145 773
Basic earnings per share (NOK)	10	-0,06	-0,09	-0,05	-0,25	-0,37
Diluted earnings per share (NOK)	10	-0,06	-0,09	-0,05	-0,25	-0,37

Statement of Comprehensive Income

Profit/(loss) for the period		-25 578	-36 497	-20 480	-94 885	-145 773
Currency translation differences	8	514	-717	301	-805	-861
Total comprehensive income for the period		-25 065	-37 214	-20 179	-95 690	-146 634

Statements of financial position

(figures in NOK 1000)	Note	30 Sept 2024	30 June 2024	31 Dec 2023	30 Sept 2023
Assets					
Intangible assets	6	76 750	75 496	72 347	66 714
Deferred tax assets	9	415	415	415	0
Assets under construction	6	291 973	142 794	70 781	75 620
Assets in use, not allocated	6	15 986	9 785	54 019	6 211
Property, plant & equipment	6	1 836 692	1 852 866	1 848 190	1 856 540
Right-of-use assets	6	11 491	11 862	12 084	13 079
Investment in associated companies	8	13 930	15 347	18 676	21 038
Total non-current assets		2 247 238	2 108 566	2 076 513	2 039 203
Inventory	3	11 739	10 574	8 369	5 609
Biological assets	3	210 696	153 899	153 790	161 185
Trade receivables		14 665	56 846	40 496	21 424
Other current receivables		55 762	52 573	31 121	68 210
Financial derivatives	7	11 427	14 744	12 900	17 883
Cash and cash equivalents		563 251	683 422	386 396	445 865
Total current assets		867 540	972 059	633 072	720 175
Total assets		3 114 778	3 080 625	2 709 585	2 759 378
Equity and liabilities					
Share capital	11	23 130	23 130	20 697	20 697
Share premium	11	2 415 165	2 472 973	2 124 647	2 124 647
Other reserves	5	11 129	10 985	10 758	10 175
Other equity		0	0	0	0
Uncovered losses		-198 998	-230 523	-235 408	-184 465
Total equity		2 250 426	2 276 565	1 920 693	1 971 054
Long-term interest-bearing debt	12	569 400	569 700	569 969	559 669
Lease liabilities - long term	12	7 473	7 663	8 189	9 182
Other long-term liabilities	12	8 702	8 702	8 702	8 549
Total non-current liabilities		585 575	586 065	586 859	577 400
Short-term interest-bearing debt	12	117 945	118 667	103 275	103 766
Trade payables		141 424	77 416	71 499	86 512
Social security and other taxes		4 658	7 231	8 273	3 863
Lease liabilities - short term	12	3 657	4 743	4 350	4 338
Other short-term liabilities		11 094	9 939	14 635	12 444
Total current liabilities		278 777	217 995	202 032	210 923
Total liabilities		864 352	804 060	788 891	788 323
Total equity and liabilities		3 114 778	3 080 625	2 709 585	2 759 378

Statement of cash flow

(figures in NOK 1000)	Note	Q3 24	Q3 23	YTD 24	YTD 23	2023
Cash flow from operations						
Profit/loss before tax		-25 578	-36 497	-20 480	-94 885	-145 773
Adjustments for:						
Depreciation	6	18 237	16 062	55 603	29 639	46 730
Net financials		11 344	10 640	27 039	20 212	35 241
Share based payment expenses		143	671	371	1 856	2 438
Changes in working capital:						
Change in trade receivables		42 181	-12 149	25 832	1 656	-15 605
Change in other current receivables		1 284	7 988	-4 280	-1 259	33 785
Change in inventory and biological assets	3	-46 614	-54 181	-60 281	-83 171	-81 143
Change in fair value of biomass	3	-11 347	-14 843	5	-22 755	-20 149
Change in trade payables		18 240	8 758	25 507	15 643	12 330
Change in social security and other taxes		-2 573	-795	-3 615	-3 222	772
Change in other current liabilities		1 307	-345	-3 335	4 737	6 928
Net cash flow from operations		6 623	-74 691	42 365	-131 548	-124 445
Cash flow from investment activities						
Payments for fixed assets net of gov. grants	6	-157 415	-52 837	-234 853	-223 979	-275 686
Payments for intangible assets	6	-1 262	-120	-4 419	-1 565	-7 201
Change in trade payables investments		45 768	-11 935	44 418	-64 229	-75 929
Net cash flow from investment activities		-112 909	-64 892	-194 853	-289 773	-358 816
Cash flow from financing activities						
Proceeds from issue of equity, net paid trans. costs		-1 218	-999	349 541	500 982	500 982
Proceeds from new borrowings	12	-722	29 888	14 701	94 912	104 875
Repayment of borrowings		-300	0	-600	0	0
Net change in right of use assets and liabilities		-925	89	-856	214	227
Financial expenses paid		-13 244	-10 617	-41 025	-21 823	-35 568
Financial income received		2 524	5 412	7 582	14 141	20 381
Net cash flow from financing activities		-13 886	23 773	329 343	588 427	590 897
Net change in cash and cash equivalents		-120 171	-115 810	176 855	167 105	107 636
Cash and cash equ. at the beginning of the period		683 422	561 675	386 396	278 759	278 759
Cash and cash equ. at the end of the period		563 251	445 865	563 251	445 865	386 396

Statement of Changes in Equity

(figures in NOK 1000)	Note	Share capital	Share premium	Other reserves	Other equity	Uncovered losses	Total equity
Balance at 1 January 2023	11	17 288	1 627 073	8 320	0	-88 774	1 563 906
Profit/loss for the period		0	0	0	0	-94 885	-94 885
Other comprehensive income		0	0	0	0	-805	-805
Total comprehensive income		0	0	0	0	-95 690	-95 690
Private placement, April 2023		3 409	497 574	0	0	0	500 983
Share options issued		0	0	0	0	0	0
Share based payment expensed		0	0	1 856	0	0	1 856
Transactions with owners		3 409	497 574	1 856	0	0	502 839
Balance at 30 Sept 2023	11	20 697	2 124 647	10 175	0	-184 465	1 971 054
Balance at 1 January 2024	11	20 697	2 124 647	10 758	0	-235 408	1 920 693
Profit/loss for the period		0	0	0	0	-20 480	-20 480
Other comprehensive income		0	0	0	0	301	301
Total comprehensive income		0	0	0	0	-20 179	-20 179
Private placement June 2024		2 433	347 108	0	0	0	349 541
Reclassification uncovered losses		0	-56 590	0	0	56 590	0
Share options issued		0	0	0	0	0	0
Share based payment expensed		0	0	371	0	0	371
Transactions with owners		2 433	290 518	371	0	56 590	349 912
Balance at 30 Sept 2024	11	23 130	2 415 165	11 129	0	-198 998	2 250 426

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 International AS, Salmon Evolution Dale AS and Salmon Evolution Sales AS (the "Company", "SE" or "the Company") is a Norwegian business headquartered in Hustadvika kommune in Møre og Romsdal.

Salmon Evolution operates a hybrid flow-through (HFS) system, utilizing fresh seawater from the Norwegian coast. The Company is building a land-based salmon farming facility at Indre Harøy, with a planned annual production of 36,000 tons HOG fully built. Phase 1 with a planned annual production of 7,900 tons HOG is in full operation, whilst construction of phase 2 planned to add an addition 10,100 tons HOG bringing total production up to 18,000 tons HOG was initiated in August 2024. Salmon Evolution has significant growth ambitions outside Indre Harøy.

These interim financial statements were approved by the Board of Directors for issue on 6 November 2024.

These interim financial statements have not been audited.

Consolidation

These condensed consolidated statements for the period ended 30 September 2024 include Salmon Evolution ASA together with its subsidiaries Salmon Evolution Norway AS, Salmon Evolution International AS, Salmon Evolution Dale AS and Salmon Evolution Sales AS (Established in July 2022).

In 2022 the Company established two new companies – Salmon Evolution North America Holdings LLC and Salmon Evolution North America LLC - that is not yet taken into operation. Both Companies is a subsidiary of Salmon Evolution International AS, owned 100%.

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 as the annual financial statement and should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

Going concern

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

Accounting policies

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 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. The Company does not include net deferred tax benefits in its balance that exceeds the tax effect of group contributions in order to equalize tax payable in its subsidiaries.

Revenue

Revenue from contracts with customers as defined in IFRS 15 is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods.

Revenue for the Company derives from sale of whole and processed salmon in the spot market. It has not been made any sales contracts. The Company recognised revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the expected amount that the group is entitled to have for the goods. The sales price is based on available market price where the price will vary with both quality and size.

Normal credit term of the sales transactions is 30 days. If the delivered products have discrepancies compared to the agreed sales contract, cash refunds are given to the customer. Up until now, refunds are not material.

Property, plant & equipment

Property, plant, and equipment is measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and costs include expenditures that are directly attributable to the acquisition and placement of fixed assets in service. Costs of major replacements and renewals that substantially extend the economic life and functionality of fixed asset are capitalized. Costs associated with normal maintenance and repairs are expensed as incurred.

Assets are normally considered property, plant, and equipment if the useful economic life exceeds one year. Straight-line depreciation is applied over the useful life of property, plant, and equipment based on the asset's historical cost. If a substantial part of an asset has an individual and different useful life, that portion is depreciated separately. The asset's residual value and useful life are evaluated annually. Gains or losses arising from the disposal or retirement of an asset are determined as the difference between the sales proceeds and the carrying amount of the asset and recognized as part of other income in the accompanying statements of other comprehensive income.

Depreciation is charged to expense when the property, plant or equipment is ready for intended use. In April 2023 the Company completed takeover of phase 1 at Indre Harøy, and the relevant assets have therefore commenced depreciation.

Biological assets

Biological assets are, in accordance with IAS 41, measured at fair value unless the fair value cannot be measured reliably. For salmon in the grow-out facility, a present value model is applied to estimate the fair value. For roe, fry and smolt, historical cost is deemed to provide the best estimate of fair value, and hence applied.

The Company is still in a ramp-up phase and not yet at steady state production volumes for the grow-out facility at Indre Harøy, and hence the facility's production capacity is not fully utilized. Cost of production is therefore adjusted for unutilized production capacity.

For further information, please refer to note 3.

Borrowing costs

In accordance with IAS 23, the Company's loan agreements are subject to the following principles relating to borrowing costs:

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

The Group has implemented segment reporting which consists of production of farmed salmon in Norway (Farming Norway), other activities (Other), and eliminations. The segment performance is monitored to assess performance and profitability at a strategic level.

Farming Norway consists of Salmon Evolution Norway AS (grow-out facility), Salmon Evolution Dale AS (smolt facility) and Salmon Evolution Sales AS. Additionally a portion of the Group overhead costs is allocated to the segment. Other consist of both revenue and costs not attributable to the farming segment.

The same accounting principles as described for the Group financial statements have been applied for the segment reporting, where internal transactions are entered into under normal commercial terms and conditions.

Sales revenue from contracts with customers comes from both Continental Europe, UK, Asia and other markets.

(In thousand NOK)	Farming Norway	Other	Eliminations	Group
Q3 2024				
External revenue	51 071	238		51 309
Internal revenue	0	6 905	-6 905	0
Operating revenue	51 071	7 143	-6 905	51 309
Operational EBITDA	2 237	-9 569	-12	-7 344
Operational EBIT	-16 397	-9 647	462	-25 581
Fair value adjustment of biomass				11 347
Net financial				-11 344
Profit/loss before tax				-25 578
Harvested volum (tonnes, HOG)	680			680
Operational EBITDA/kg (NOK)	3,3			-10,8
Operational EBIT/kg (NOK)	-24,1			-37,6
Total PPE	2 200 672	32 696	-476	2 232 892
(In thousand NOK)	Farming Norway	Other	Eliminations	Group
Q3 2023				
External revenue	13 349	2 508	0	15 857
Internal revenue	0	4 495	-4 495	0
Operating revenue	13 349	7 003	-4 495	15 857
Operational EBITDA	-8 115	-16 522	0	-24 637
Operational EBIT	-23 877	-17 318	496	-40 699
Fair value adjustment of biomass				14 843
Net financial				-10 640
Profit/loss before tax				-36 497
Harvested volum (tonnes, HOG)	185			185
Operational EBITDA/kg (NOK)	N/A			N/A
Operational EBIT/kg (NOK)	N/A			N/A
Total PPE	2 006 757	13 780	-2 374	2 018 164

(In thousand NOK)	Farming Norway	Other	Eliminations	Group
YTD 2024				
External revenue	317 688	4 349	0	322 037
Internal revenue	0	16 676	-16 676	0
Operating revenue	317 688	21 025	-16 676	322 037
Operational EBITDA	97 101	-34 921	-12	62 167
Operational EBIT	41 766	-36 613	1 411	6 564
Fair value adjustment of biomass				-5
Net financial				-27 039
Profit/loss before tax				-20 480
Harvested volum (tonnes, HOG)	3 162			3 162
Operational EBITDA/kg (NOK)	30,7			19,7
Operational EBIT/kg (NOK)	13,2			2,1
Total PPE	2 200 672	32 696	-476	2 232 892

(In thousand NOK)	Farming Norway	Other	Eliminations	Group
YTD 2023				
External revenue	69 731	9 844	0	79 575
Internal revenue	0	10 196	-10 196	0
Operating revenue	69 731	20 040	-10 196	79 575
Operational EBITDA	-23 257	-44 532	0	-67 789
Operational EBIT	-51 210	-46 851	633	-97 428
Fair value adjustment of biomass				22 755
Net financial				-20 212
Profit/loss before tax				-94 885
Harvested volum (tonnes, HOG)	770			770
Operational EBITDA/kg (NOK)	N/A			N/A
Operational EBIT/kg (NOK)	N/A			N/A
Total PPE	2 006 757	13 780	-2 374	2 018 164

(In thousand NOK)	Farming Norway	Other	Eliminations	Group
FY 2023				
External revenue	158 248	10 176	0	168 424
Internal revenue	0	17 388	-17 388	0
Operating revenue	158 248	27 564	-17 388	168 424
Operational EBITDA	-23 214	-60 737	0	-83 950
Operational EBIT	-67 932	-63 855	1 107	-130 680
Fair value adjustment of biomass				20 149
Net financial				-35 241
Profit/loss before tax				-145 773
Harvested volum (tonnes, HOG)	1 874			1 874
Operational EBITDA/kg (NOK)	N/A			N/A
Operational EBIT/kg (NOK)	N/A			N/A
Total PPE	2 044 341	14 980	-1 899	2 057 422

Note 3 – Biological assets and inventory

Biological assets are, in accordance with IAS 41, measured at fair value unless the fair value cannot be measured reliably. For salmon in the grow-out facility, a present value model is applied to estimate the fair value. For roe, fry and smolt, historical cost is deemed to provide the best estimate of fair value, and hence applied.

The fair value of fish in the grow-out facility is calculated by multiplying the estimated biomass at the time of harvest with the estimated sales price at the same time and deducted for estimated costs to sell. For fish not ready for harvest, remaining production costs to grow the fish to harvest weight are deducted. The cash flow is further discounted by a discount rate considering both risk adjustment and time value.

The Group considers that fish greater than 4.6 kg is ready for harvest (about 3.8 kg gutted weight), and such fish is thus classified as harvestable fish. Fish that have not achieved this weight are classified as non-harvestable.

BOOK VALUE OF INVENTORY	NOK 1000		
	Q3 2024	Q3 2023	FY 2023
Equipment	6 163	1 886	2 667
Raw materials	5 576	3 722	4 433
Biological assets	210 696	161 185	153 790
Finished goods	0	0	1 270
Total	222 435	166 794	162 159

BIOLOGICAL ASSETS	TONNES		
	Q3 2024	Q3 2023	FY 2023
Biological assets end of period	2 582	2 100	2 204

	NOK 1000				
	Q3 2024	YTD 2024	Q3 2023	YTD 2023	FY 2023
Biological assets beginning of period	153 899	153 790	94 704	58 927	58 927
Increase due to production	93 426	272 209	67 138	143 851	218 496
Reduction due to harvest/sale	-46 476	-207 631	-15 499	-51 446	-130 880
Reduction due to incident based mortality	-1 500	-7 667	0	-12 901	-12 901
Fair value adjustment beginning of period	-20 537	-31 889	-19 652	-11 740	-11 740
Fair value adjustment end of period	31 884	31 884	34 495	34 495	31 889
Biological assets end of period	210 696	210 696	161 185	161 185	153 790

The estimated biomass volume is based on the actual number of individuals in the grow-out departments on the balance sheet date, adjusted for projected mortality up to harvest time and multiplied with the estimated harvest weight per individual at harvest time.

Sales price for the fish in the grow-out facility is based on forward prices from Sitagri Salmon Spot Index with relevant adjustments. The net sales value is adjusted for expected quality differences and harvesting, logistics and sales expenses.

The Company is still in a ramp-up phase and not yet at steady state production volumes for the grow-out facility at Indre Harøy, and hence the facility's production capacity is not fully utilized. Cost of

production is therefore adjusted for unutilized production capacity. As per 30 September 2024 this adjustment amounted to 24.6 NOKm (8.5 NOKm in Q3-24) which has been expensed directly in the profit and loss statement.

Note 4 – Cost of materials and change in inventory

(numbers in thousand NOK)	Q3 2024	YTD 2024	Q3 2023	YTD 2023	FY 2023
Cost of materials and change in inventory	-3 865	-87 354	14 271	-7	-47 704
Composition COGS:					
Inventory change	46 384	58 054	52 294	81 285	78 476
Raw material purchase	-50 249	-145 407	-38 024	-81 293	-126 180
Sum	-3 865	-87 354	14 271	-7	-47 704
Composition inventory change:					
Change due to production	93 426	272 209	67 138	143 851	218 496
Change due to harvest/sale	-46 476	-207 631	-15 499	-51 446	-130 880
Change due to incident based mortality	-1 500	-7 667	0	-12 901	-12 901
Change inventory raw material	934	1 143	655	1 782	3 762
Sum	46 384	58 054	52 294	81 285	78 476
Composition - change due to production:					
Raw material cost	49 315	144 265	37 368	79 511	122 419
Salaries	8 562	24 198	5 636	15 253	17 670
Energy cost	10 584	36 115	9 070	19 659	29 567
Depreciations	13 362	39 872	7 560	12 146	22 778
Other operating expenses	11 604	27 759	7 503	17 283	26 062
Sum	93 426	272 209	67 138	143 851	218 496

Note 5 – Share based payment expenses

Effects on financial statement:

NOK thousands	30.09.2024
Other paid-in capital	371
Net BS	371
	30.09.2024
Option cost	356
Net PL	356
	30.09.2024
Capitalized option cost	15
Allocated to CAPEX	15

In September 2024 the Board of Salmon Evolution ASA approved the award and allocation of 3,880,000 share options, at a strike price of NOK 7.50 per share, to members of the Company's management and key employees.

The options vest annually with 1/3 over the next 3 years. Subject to the vesting periods, the options may be exercised at any time, but no later than the fifth anniversary of the grant date.

Following the grant of these options, the total number of options outstanding is 10,940,000, including options granted under the Company's previous long-term incentive program for executive management and key employees.

Note 6 – Property, plant and equipment

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.

In April 2023 the Group completed takeover of phase 1 at Indre Harøy, subsequently the Indre Harøy facility has been reclassified from asset under construction. These assets have commenced depreciation from May 2023.

(figures in NOK 1000)	Intangible assets	Assets under construction	Assets in use, not allocated	Buildings and property	Fixtures and fittings	Right-of-use assets	Total
Cost 1 January 2023	65 149	1 713 490	0	7 607	26 419	18 562	1 831 228
Additions	1 565	212 037	0	2 147	6 455	3 419	225 622
Completed constructions	0	-1 849 906	6 211	1 573 252	270 443	0	0
Cost 30 September 2023	66 714	75 621	6 211	1 583 006	303 317	21 981	2 056 850
Acc. depreciation 1 January 2023	0	0	0	-951	-2 534	-5 561	-9 046
Depreciation for the period	0	0	0	-16 861	-9 438	-3 340	-29 639
Net book value 30 September 2023	66 714	75 620	6 211	1 565 194	291 345	13 079	2 018 165

(figures in NOK 1000)	Intangible assets	Assets under construction	Assets in use, not allocated	Buildings and property	Fixtures and fittings	Right-of-use assets	Total
Cost 1 January 2024	72 350	70 781	54 019	1 582 996	310 888	22 163	2 113 197
Additions	4 427	221 191	-1 813	1 026	4 022	2 221	231 073
Reclassification	0	0	0	-17 236	17 236	0	0
Completed constructions	0	0	-36 220	36 220	0	0	0
Cost 30 Sept 2024	76 775	291 973	15 986	1 603 006	332 146	24 384	2 344 271
Acc. depreciation 1 January 2024	-3	0	0	-27 711	-17 984	-10 079	-55 776
Depreciation for the period	-24	0	0	-30 191	-22 575	-2 814	-55 603
Net book value 30 Sept 2024	76 750	291 973	15 986	1 545 104	291 588	11 491	2 232 892

Note 7 – Finance income and finance cost

(figures in NOK 1000)

Finance income	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Interest income	6 066	4 696	15 727	11 250	15 591
Net change in value of financial derivatives	-3 317	288	-1 239	7 610	947
Foreign exchange gains	1 154	716	2 920	2 877	4 937
Other finance income	0	0	18	14	6
Financial income	3 904	5 700	17 426	21 751	21 481
Share of net income from associated companies	-1 930	-1 946	-5 046	-4 792	-7 098
Total financial income	1 973	3 754	12 380	16 959	14 384

Finance expenses	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Interest on debts and borrowings	13 010	10 198	39 660	18 890	33 914
Realized loss/gain on interest derivative	-1 478	0	-4 463	0	-3 027
Foreign exchange losses	893	420	3 332	2 446	4 195
Reduced value of contract related to power supply	0	3 777	0	15 349	13 903
Other finance expenses	893	0	890	487	640
Total financial expenses	13 317	14 396	39 419	37 171	49 624

Net financial income/- expenses	-11 344	-10 642	-27 039	-20 212	-35 241
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Fair value adjustments - financial assets

(NOK thousand)	30.09.2024	30.09.2023	31.12.2023
Unrealised changes in the value of interest rate swap	-1 239	7 610	947
Unrealised changes in the value of contract related to power supply	0	-15 349	-13 903
Fair value adjustments recognised in profit and loss	-1 239	-7 739	-12 956

The Group did not have any fair value adjustments of financial liabilities in 2024, nor in 2023.

Note 8 – Investment in associated companies

The group has the following investments in associated companies:

(figures in NOK 1000)	Country	Ownership	Voting share
K Smart Farming Co., Ltd	Korea	49 %	49 %
Net book value 31 December 2022		26 635	
Share of net income YTD 2023		-4 792	
Foreign currency translation gain/(loss) YTD 2023		-805	
Net book value 30 Sept 2023		21 038	
Share of net income 2023		-7 098	
Foreign currency translation gain/(loss) 2023		-861	
Net book value 31 Dec 2023		18 676	
Share of net income YTD 2024		-5 046	
Foreign currency translation gain/(loss) YTD 2024		301	
Net book value 30 Sept 2024		13 930	

Investments in associated companies are recognized using the equity method.

Note 9 – Tax

(figures in NOK 1000)	YTD 2024	YTD 2023
Profit/loss before tax	-20 480	-94 885
Calculated tax (22%)	-4 506	-20 875
Tax payable	0	0
Change in deferred tax (asset)	-4 506	-20 875
Change in deferred tax not recognised in the balance sheet	4 506	20 875
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 2024 is 22%, compared to 22% for the period ended 30 September 2023.

From 31.12.2023 there was a basis for payable tax in the subsidiary Salmon Evolution Sales AS. This was offset with a group contribution from Salmon Evolution ASA. The tax effect of the group contribution is recognized as a deferred tax asset.

Deferred tax benefit has not been recognised in the balance sheet as the Companies within the group are in their 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 10 – Earnings per share

(figures in NOK 1000)	YTD 2024	YTD 2023
Gain/loss attributable to the equity owners of the Company	-20 480	-94 885
Gain/loss for calculation of diluted earnings per share	-20 480	-94 885
Weighted average number of shares outstanding ¹⁾	432 862 563	383 633 610
Dilutive options	0	0
Average number om shares and options used in calculation for diluted EPS	432 862 563	383 633 610
Basic earnings per share (NOK)	-0,05	-0,25
Diluted earnings per share (NOK)	-0,05	-0,25

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

YTD 2024: The Company had 413,936,640 until mid June 2024. In June the Company made an issue of 48,666,660 new shares in a capital raise. Therefor the weighted average number of shares outstanding YTD 2024 has been calculated by applying a weight of 5.5/9 of the number of shares before the capital raise, and 3.5/9 of the total number of shares after the capital raise (462,603,300 shares).

YTD 2023: The Company had 345,754,822 shares for the first four months of the year. In April the Company made an issue of 68,181,818 new shares in a capital raise. Therefor the weighted average number of shares outstanding YTD 2023 has been calculated by applying a weight of 4/9 of the number of shares before the capital raise, and 5/9 of the total number of shares after the capital raise (413,936,640 shares).

Note 11- Share capital & 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
Private placement	12 October 2021	277 068	15 539 824	0,05	7,71	5 541 374	310 796 489
Share options exercised	26 March 2022	81 250	15 621 074	0,05	4,80	1 625 000	312 421 489
Private placement	5 April 2022	1 666 667	17 287 741	0,05	9,00	33 333 333	345 754 822
Private placement	18 April 2023	3 409 091	20 696 832	0,05	7,70	68 181 818	413 936 640
Private placement	18 June 2024	2 433 333	23 130 165	0,05	7,50	48 666 660	462 603 300

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

The Group 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 Group also raised another NOK 500 million in a private placement in March 2021.

In August 2021 the Group acquired 100% of the shares in Kraft Laks AS. As part of the settlement the Group issued 2,190,694 new shares of NOK 7.5775 per share, and thereby increased its equity by NOK 16.6 million. In October 2021 the Group carried out a private placement of USD 5m (NOK ~43m) towards Cargill.

Further, in April 2022 the Group carried out a private placement raising gross proceeds of NOK 300 million at a subscription price of NOK 9.00 per share.

In April 2023 the Group carried out a private placement raising gross proceed of NOK 525 million at a subscription price of NOK 7.7 per share.

In June 2024 the Group carried out a private placement raising gross proceed of NOK approximately 365 million at a subscription price of NOK 7.5 per share.

Note 12 – Interest bearing debt

Long-term interest bearing debt			
(NOK thousand)	30.09.2024	30.09.2023	31.12.2023
Debt to credit institutions	569 400	559 669	569 969
Leasing liabilities	7 473	9 182	8 189
Total long-term interest-bearing debt	576 873	568 851	578 158
Short-term interest bearing debt			
(NOK thousand)	30.09.2024	30.09.2023	31.12.2023
Debt to credit institutions	117 945	103 766	103 275
Other short-term interest bearing debt	0	0	0
Leasing liabilities	3 657	4 338	4 350
Total short-term interest-bearing debt	121 601	108 104	107 625
Total interest-bearing debt	698 474	676 955	685 783
Cash & cash equivalents	563 251	445 865	386 396
Net interest-bearing debt	135 223	231 090	299 387

In Q1 2023 the Company signed a NOK 1,550 million green debt financing package with DNB and Nordea relating to phase 1 and 2 at Indre Harøy, thus refinancing the existing senior secured debt financing package. The package consisted of a NOK 525 million non-amortizing term loan facility to the existing NOK 525 million construction loan relating to phase 1, a NOK 250 million revolving credit facility available for general corporate purposes including Indre Harøy phase 2 capex and a NOK 775 million construction facility available for financing of capex relating to phase 2 at Indre Harøy. Additionally, the Company has a NOK 100 million Overdraft Facility with Nordea. The refinancing was completed in April 2023.

In June 2024 the Company expanded its existing senior secured debt financing package related to Indre Harøy Phase 1 and 2, from 1,550 NOKm to 2,225NOKm. Additionally, the Company has a NOK 150 million Overdraft Facility with Nordea.

As per 30 September 2024, NOK 525 million was drawn of the secured green debt financing package. In addition, the Company has drawn NOK 100 million of the Overdraft Facility.

The Company has also entered into loan agreements for a total of NOK 60 million relating to Salmon Evolution Dale AS of which around NOK 57 million was drawn as per 30 September 2024. This financing is for financing of working capital, investments in Salmon Evolution Dale as well as refinancing of the seller's credit from the acquisition of Salmon Evolution Dale AS.

The above table does not include other long-term liabilities of NOK 8.7 million related to property and water rights in Salmon Evolution Dale AS.

Financial covenants

The most important financial covenants for the long-term financing of the Company are, respectively, a solvency requirement that the borrower's (Salmon Evolution Norway AS) book equity ratio (including intra-group loans) shall be minimum 45%. Further, there is a profitability requirement linked to the borrower's EBITDA which shall be greater than NOK 250 million on a last 12-month basis from Q2 2027. Quarterly EBITDA figures shall be measured from Q2 2024 with set minimum EBITDA levels reflecting the company's gradual ramp up of production volumes and profitability.

Finally, there is a minimum cash requirement that stipulates that the obligors (Salmon Evolution Norway AS, Salmon Evolution Sales AS and Salmon Evolution ASA) cash balance shall be greater than NOK 100 million at any time. Any undrawn and available amounts under the revolving facility and the overdraft is included in the calculation of the cash balance.

As per 30 September 2024 the Company is in compliance with all financial covenants.

Security

The Company's bank debt facilities are fully guaranteed by Salmon Evolution ASA. The respective lenders also have a pledge over 100% of the shares in the borrower, Salmon Evolution Norway AS and Salmon Evolution Dale AS. Furthermore, the respective lenders have a pledge over all material operating assets of the Company, hereunder inter alia, land, plant and machinery, operating licenses, inventory and receivables.

Cash movements in financing activities (NOK thousand)	Interest bearing debt	
	Short term	Long term
Balance at January 1, 2023	58 906	522 845
Repayment of loans and borrowings	-12 841	0
Proceeds from new bank loan	61 254	46 500
Change in obligations under leases	785	-493
Balance at September 30, 2023	108 104	568 851
Balance at January 1, 2024	107 625	578 157
Repayment of loans and borrowings	0	-569
Proceeds from new bank loan	14 669	0
Change in obligations under leases	-693	-716
Balance at September 30, 2024	121 601	576 873

Note 13 – Transactions with related parties

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

There were no material transactions with related parties in Q3 2024.

Note 14 – Significant and subsequent events

No material subsequent events.

ABOUT SALMON EVOLUTION

Salmon Evolution is the global leader within land-based salmon farming with a clear roadmap for 100,000 tonnes HOG annual production capacity. Pioneering the hybrid flow-through system (HFS), Salmon Evolution is Extending the Ocean Potential by creating optimal growth conditions in a controlled environment on land. This approach, capturing the benefits of both land-based and sea-based farming, puts biology first and limits operational and biological risk.

Salmon Evolution is strategically located the heart of the global aquaculture industry on the west coast of Norway, where the Company has its first facility and global centre of excellence fully operational at industrial scale. Enabled by the proof of concept in Norway, Salmon Evolution targets significant international expansion.

Salmon Evolution is listed on Oslo Børs under the ticker SALME. To learn more, please visit www.salmevolution.no.

SALMON
EVOLUTION*

OFFICE ADDRESS

Target 5, 6440 Elnesvågen (HQ)
Keiser Wilhelms gate 22, 6003 Ålesund

PRODUCTION SITES

Grow-out: Indre Harøyvegen 88, 6430 Bud
Smolt: Dalsfjordvegen 2805, 6120 Folkestad

ORG NUMBER

NO 925 344 877 MVA

E-mail: post@salme.no

Web: salmevolution.no

BOARD OF DIRECTORS

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Chairman of the Board

Anne Breiby

Board Member

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Board Member

Peder Stette

Board Member

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