

Salmon Evolution – Results for the first quarter 2022

First quarter highlights

- First fish tanks and related technical installations at Indre Harøy completed and put into operation
- First smolt batch released at Indre Harøy late March as per original timeline – next smolt release planned in Q2 2022
- Batch 1 performing in line with expectations – stable farm conditions with strong initial feed numbers and low mortality – average weight of ~725 grams as of 21 May
- Phase 1 construction continuing according to plan – phase 1 capex estimate unchanged
- Initiated phase 2 preparations at Indre Harøy – signed Heads of Terms with Artec Aqua for phase 2 build-out
- Available liquidity of NOK 1,056 million per 31 March 2022 including committed undrawn credit facilities and adjusted for April 2022 private placement

Subsequent events

- Completed NOK 300 million private placement to partly fund planned Indre Harøy phase 2 build out and smolt facility expansion

All 12 fish tanks in phase 1 are now assembled with most of the structures and buildings completed. Following a period of testing and commissioning started in December last year with the first part of the facility commenced operations late March.

Capex during the first quarter amounted to 244 million. In addition, NOK 13.5m of internal G&A were capitalized. Q1 2022 saw good progress at the construction site. Together with timing effects as to delivery dates of high value equipment, this contributed to the high Q1 capex.

Following an extensive commissioning and testing period commenced already in December, Salmon Evolution took over the first part of the facility on 26 March. The handover included inter alia the water intake station and the first two fish tanks together with connecting infrastructure and technical installations. Later the same day, Salmon Evolution successfully completed its first smolt release consisting of about 100,000 smolt with an average weight of around 300 grams. Following the positive confirmation of the fish transfer process and a customary short adaption period for the fish, initial feeding commenced.

Along with the Company's technicians being accustomed with the facility, feeding has been gradually increased. Throughout this process feed waste has been carefully monitored to avoid overfeeding. The Company is very pleased to see that the fish is responding very well to feeding and on 30 April a significant milestone was reached when the daily feeding volume for the first time

exceeded 1 ton, which represented more than 2% of the standing biomass. The positive trend has continued in May with average daily feeding exceeding 2% of the biomass.

Commenting on the development, CEO Håkon André Berg, said:

"Since we started construction back in May 2020, the first smolt release has been the moment that we all have been waiting for. I am extremely proud of our organization and the fact that we have been able to adhere to our ambitious timeline, even with the challenges faced us during the pandemic.

At the same time, this is just the beginning. As we now move forward, our number one priority is the biology in our farm. Good biology will improve fish quality and translate into strong growth, which finally will be reflected in the financial performance. With our organization now totaling almost 50 highly skilled employees, I am more confident than ever in our mission - extending the ocean potential."

In addition, on 7 February 2022 Salmon Evolution announced that the company had entered into a Heads of Terms with Artec Aqua for the phase 2 build-out at Indre Harøy. Phase 2 is expected to in principle be identical to phase 1 and add a further 7,900 tons HOG of annual production, bringing the total planned production volume to 15,800 tons HOG per annum. The final design and construction agreement will include financing reservations providing Salmon Evolution with the necessary flexibility to align the phase 2 build out with the Company's overall financing plan.

Further, on 5 April 2022 Salmon Evolution completed a private placement raising gross proceeds of NOK 300 million at a subscription price of NOK 9.00 per share. The private placement attracted strong interest from Norwegian, Nordic and international high-quality investors and was significantly oversubscribed. The net proceeds from the private placement will be used to (i) partly fund the second phase of the Indre Harøy facility, (ii) smolt facility expansion and (iii) for general corporate purposes.

Summary and outlook

Since Salmon Evolution was listed on Euronext Growth in September 2020, all eyes have been set at our targeted Q1 2022 milestone – first smolt release. The Company is very pleased to see that this target was achieved, transforming this ground-breaking building project at Indre Harøy into a full-fledged farming operation.

Moreover, after nearly two months of production the operating KPIs look very promising. The feeding has increased steadily throughout the period and stabilized at a level in line with the targets set out in our production plan which should yield an annualized production of 7,900 tons HOG for each phase.

The organization across the Group now totals nearly 50 skilled employees. The process leading up to the smolt release followed by initial operations have already provided our employees with valuable experience, strongly benefitting the next phase 1 construction milestones and upcoming smolt releases. Furthermore, these experiences will be vital as we move into our planned phase 2 expansion.

The Company also aims to utilize these experiences in our international expansion, first in Korea through our K Smart joint venture where initial design and engineering activities continued in the first quarter with K Smart also retaining Billund Aquaculture to assist in this respect.

With Salmon Evolution soon entering the operational and commercial phase, the Company is very pleased to see that the market fundamentals for salmon remain very strong. The average Fish Pool salmon price was NOK 80.0/kg in Q1 2022 compared to NOK 54.3/kg in Q1 2021, representing an increase of 47% year over year. Looking at the forward prices for the remainder of 2022, this points to a full year 2022 salmon price of more than NOK 80/kg. In comparison the full year salmon price for 2021 was NOK 58.4/kg. The Company also notes that airfreight costs for in particular the Asian market has been at elevated levels following the pandemic and war in Ukraine, resulting substantially higher salmon prices locally, e.g. in South Korea.

Looking at 2022 most analysts now expect neutral or slightly negative global supply growth which should support a scenario with high salmon prices. Salmon Evolution sees a significant demand growth potential for salmon over the coming decade subject to the industry being able to grow the supply side. In this context the Company remains firm in its belief that land-based farming will need to play an important role alongside conventional farming.

With our first fish now enjoying its new life at Indre Harøy and steadily growing every day, we look forward to first harvest during the fourth quarter and well ahead of year end. Salmon Evolution remains confident that 2022 will be a landmark year for the Company setting the stage for significant growth in the years to come. This in turn will enable Salmon Evolution to take a global frontrunner position in the future development of land-based salmon farming.

Results presentation

CEO Håkon André Berg and CFO Trond Håkon Schaug-Pettersen will present the results by webcast today, Tuesday 24 May at 08:00 a.m. CEST.

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

The presentation can be accessed at www.salmonevolution.no, or with the following link: <https://streams.eventcdn.net/salmonevolution/2022q1/>

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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 chosen 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 into 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 chosen HFS technology.

Salmon Evolution ASA is listed on Oslo Børs under the ticker SALME.

To learn more, please visit www.salmonevolution.no

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