

Salmon Evolution – Results for the third quarter 2022

Highlights in the quarter

- Proof of concept – continued strong biological performance for batch 1 with average weight end of quarter at 3.3 kg and 4.7 kg as per 15 November. Carried out extensive quality testing confirming good filet quality and excellent taste
- Batch 2 continuing to demonstrate excellent biological performance
- International expansion plan proceeding according to plan, both in South Korea and North America
- Indre Harøy phase 2 preparations continuing – monitoring market development and targeting cost savings
- Available liquidity of NOK 645 million per 30 September 2022 including committed undrawn credit facilities

Subsequent events

- First harvest of batch 1 successfully completed early November with the remainder of batch 1 to be harvested during Q4 – expected average harvest weight of around 4 kg HOG for the batch as a whole
- Continuing production ramp up with new successful smolt release – about 200,000 smolt with an average weight of 220 grams stocked late October
- Håkon André Berg stepped down as CEO for personal reasons – CFO Trond Håkon Schaug-Pettersen appointed Interim CEO

Following a little over seven months of operation at our Indre Harøy grow out facility, we have now successfully started harvesting of batch 1 which is a major milestone. Batch 1 was stocked late March at around 300 grams and as of 15 November the fish has reached an average weight of around 4.7 kg, validating the assumptions in our production plan.

In early November the Company started the harvesting of batch 1 with approximately 30,000 fish harvested. The fish was taken out of the tank using our highly automated fish logistics system and delivered to a live fish carrier which transported the fish in live condition to our nearby processing partner Vikenco. The process went according to plan with minimal registered mortality and overall good fish welfare throughout the process. The remainder of batch 1 is planned harvested during the fourth quarter and the Company expects an average harvest weight of around 4 kg HOG for batch 1 as a whole.

On 13 July Salmon Evolution also released its second smolt batch at Indre Harøy consisting of around 230,000 smolt with an average weight of around 125 grams. This went according to plan, building on the experiences obtained in connection with the first smolt release, enabling a steeper ramp-up in feeding levels.

Batch 2 is continuing to demonstrate excellent biological performance with growth rates exceeding what seen for batch 1, clearly demonstrating the upside potential in our operation as we obtain more and more knowledge about how to best operate the system. As per 30 September batch 2 had an average weight of 710 grams and as of 15 November the fish had already reached 1.2 kg, continuing to exceed our expectations.

Furthermore, the Company continued the production ramp-up post quarter with an additional ~200,000 smolt stocked late October at an average weight of around 220 grams, successfully completing our third smolt release so far in 2022. The fourth smolt release is expected to take place in December, with a planned volume of around 280,000 smolt which is in line with our steady state smolt release volume. For 2023 and onwards the Company expect to release smolt every second month, each consisting of around 280,000 individuals.

Conditions throughout the farm have also remained stable and the Company continues to see low mortality levels, also at higher densities. Salmon Evolution has over the last months also carried out extensive testing of the fish with very positive results as to quality and taste, confirming overall good fish health and fish welfare in our system.

Salmon Evolution expects phase 1 to be completed by Q1 2023. All buildings and structural facilities are now completed and the construction work during and post the third quarter has been centered around installation of equipment, piping, system integration and commissioning. As per today there are fish in 4 of the tanks with the next 2 tanks planned taken into operation shortly. The remaining tanks are planned taken into operation over the coming months allowing for stocking of new smolt batches and transfer of existing batches into new tanks.

As pointed out in the 2Q 2022 report, the Company has over the last months been experiencing somewhat lower productivity on the construction site. Furthermore, as the project is nearing completion and many of the sub-supplier contracts now being subject to final settlement, the Company is seeing a higher than expected level of variation orders, which again is likely to have an impact on the project cost. Accordingly, Salmon Evolution together with our contractor Artec Aqua has over the last month carried out a thorough review of the project cost. On this basis, the Company has revised its full phase 1 capex to NOK 1,560–1,590 million.

The preparatory activities for phase 2 have continued throughout the quarter with focus on implementing learning effects from phase 1, identifying savings and scaling effects from phase 1, defining a cooperation model designed at further optimizing the project management and develop a cost budget for phase 2. Salmon Evolution has made no contractual commitments as to phase 2, although the plan is to commence phase 2 in continuation to the completion of phase 1.

For our K Smart project in South Korea activities have during the third quarter been focused around design and engineering activities in cooperation with Billund Aquaculture as design partner. K Smart is also working actively with the permitting processes and significant resources have been devoted to document the environmental effect of the project. The company is continuing to experience strong support from both local, regional and national stakeholders and expect clarification on several key permits over the coming months.

Salmon Evolution has also initiated a process with the aim of expanding its farming operations into North America and at the same time raising its production capacity target to 100,000 tonnes HOG by 2032. Salmon Evolution is currently evaluating selected identified potential production sites in North America. As part of the site verification processes which include fatal flaws analyses of both

water, biological, technical and regulatory aspects, the Company is currently in dialogue with various stakeholders, both public and private. The Company expects to use the next quarters for such site selection and initial site verifications.

Summary and outlook

Salmon Evolution has now been operating the Indre Harøy facility for more than 7 months, successfully completed 3 smolt releases and finally completed the first harvest. Although it has been a steep learning curve for the organization, the Company has managed to provide the salmon with stable conditions throughout the period, demonstrated by the low observed mortality. The performance of batch 1 has been strong with performance in line with our expectations even though there has been a continuous process as to tuning and modification works on the systems.

For batch 2, the performance has been exceeding batch 1, clearly demonstrating the upside potential for this operation going forward. The Company's ambition is to continuously identify and implement learning effects in order to maximize output and produce a salmon with the highest possible quality.

The first harvest also marks the beginning of our commercial operations which has been in the planning for some time. Harvest volumes in the fourth quarter will give selected customers in Norway and abroad the opportunity to fully test out the product and verify the quality ahead of the significant volume ramp-up planned for 2023, where regularity on harvest volumes will significantly increase. Initial feedback from customers have been very positive, clearly demonstrating the strong opportunity for our product in the market.

Based on the data so far and the expectations for the remainder of year, around neutral global supply growth is expected for the full year of 2022. Going into 2023 most analysts expect low single digit global supply growth which should support a scenario with strong salmon prices. With Salmon Evolution now in the process of ramping up production, the Company should be in a good position to benefit from this over the course of 2023.

Looking further ahead, the Company continues to see a significant demand growth potential for salmon and the Company remains firm in its belief 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 a fully operational Indre Harøy facility, Salmon Evolution has a unique opportunity to significantly grow the Company's operations over the coming decade and solidifying its position as the global leader within land-based salmon farming.

Results presentation

Interim CEO & CFO Trond Håkon Schaug-Pettersen together with Chief Commercial Officer Odd Frode Roaldsnes will present the results at Hotel Continental in Oslo, Wednesday 16 November at 08:00 a.m. CET.

Participants may also follow the presentation and submit questions through a live webcast available on www.salmonevolution.no, or with the following link: <https://events.webcast.no/viewer-registration/3my08Srg/register>

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

For further information, please contact:

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About Salmon Evolution

Salmon Evolution is a Norwegian land-based salmon farming company targeting a production capacity of 100,000 tonnes HOG by 2032. The Company's core focus is 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 strategically located at Indre Harøy on the Norwegian west coast with unlimited access to fresh seawater, renewable energy, established infrastructure, and an educated and experienced work force. Phase 1 is already in operation and will have an annual capacity of 7,900 tonnes HOG at steady state. Fully developed, the Indre Harøy facility will have an annual capacity of 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.

Furthermore, Salmon Evolution has initiated a process with the aim of establishing a land-based salmon farming operation in North America.

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.