COMPANY UPDATE

18 April 2023

SALMON EVOLUTION
extending the ocean potential

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SUMMARY OF RISK FACTORS

RISK FACTORS

In the following is a summary of the key risks facing the Company. Please see pages 38-46 for more detailed descriptions of risk factors pertaining to the Group, the Shares and the Private Placement.

Key risks relating to the Group and the industry in which it operates:

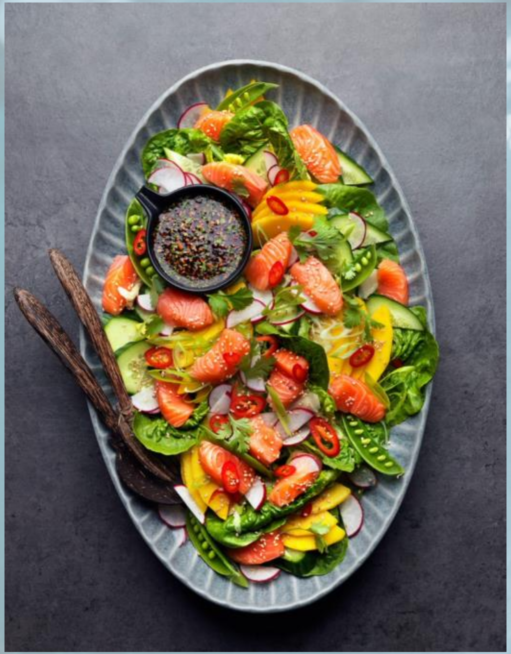
- Risks related to the Group's significant construction projects.
- The Group is subject to the risk of cost overruns and delays because of the size and technical complexity of the Indre Harøy Facility construction project.
- The Group is subject to the risk of cost overruns and delays because of legal and planning matters of the Indre Harøy Facility construction project, including that no construction agreements are entered into.
- The Second Phase of the planned Facility on Indre Harøy are not financed, and depends on inter alia the Private Placement combined with debt financing, cash flow from operations and other financing arrangements as well as possible further capital.
- The Third Phase of the planned Facility on Indre Harøy is not financed, and may depend on further equity injections, and will depend on further debt financing arrangements in order to be completed.
- As the Group will be operating in the newly established land-based salmon industry, the Group is exposed to various risks inherent to new industries.
- Risk relating to restrictive covenants and debt financing agreements.
- The Group is heavily dependent on technology and technology related errors could have an adverse effect on its business and financial position.
- There are inherent risks with the Group having limited operating history and past performance.
- If the Group is not able to attract and retain customers and commercial partners, this could adversely impact the Group's business and financial position.
- Substantial fluctuations in the price of salmon and critical input factors could have an adverse impact on the Group's business and its financial position.
- The Group's operations are subject to several biological risks which could have a negative impact on the Group's future profitability and cash flows, including quality and growing of farmed fish.
- The Group may be dependent on additional permits in order to realise its production volume targets in Norway or in other jurisdictions and no assurance can be given that the Group will be able to obtain such additional permits.
- The Group's business is inherently exposed to regulatory risk and amendments in legislation could potentially have an adverse effect on the Group's business and financial position.
- The Group's business is exposed to environmental risks which could have an adverse effect on the Group's business and financial position.
- Poor quality or small smolts could significantly impact the Group's business and financial position.
- Lack of ability to attract or to retain qualified and experienced personnel could adversely impact the Group's performance.
- Risk relating to the joint venture with Dongwon Industries in South Korea and any potential future joint ventures.
- The Group's business is capital intensive and there is a risk that the Group is not able to raise sufficient capital to fund its current and/or future projects.
- The Group may not be able to effectively compete with existing salmon farming methodologies and may change its current strategy and/or production method.

Risks relating to the Shares:

- Risk relating to completion of second tranche of the contemplated Private Placement.
- The Company may not pay any dividends for the foreseeable future. Shareholders may never obtain a return on their investment or may lose their total investment.
- Future issuances of shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares.

Agenda

- Investment highlights
- Fully funding phase 2 expansion
- Q1 operational update
- Extending the ocean potential™
- Appendices
  - Operations Norway
  - Operations International
  - Other



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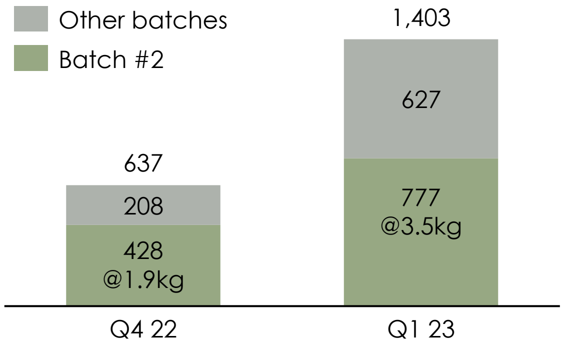
INVESTMENT HIGHLIGHTS

- First mover on HFS technology – proven operational model after ~1 year of production with strong biological results
- Phase 1 run-rate volume of 7,900t HOG expected reached during Q3 2023 – further upside potential identified
- Production cost expected on par with conventional farming already in Phase 1 – on track for profitable farming operations from Q2 2023
- New debt facility at competitive terms with incremental LTV of 60-65%
- Contemplated equity raise estimated to fully fund Phase 2 expansion, taking production to an estimated 15,800t HOG p.a.
- Substantial growth opportunities in North America and Asia with capital light partner strategy

ON TRACK FOR PROFITABLE FARMING OPERATIONS

Salmon Evolution will harvest out Batch 2 during Q2

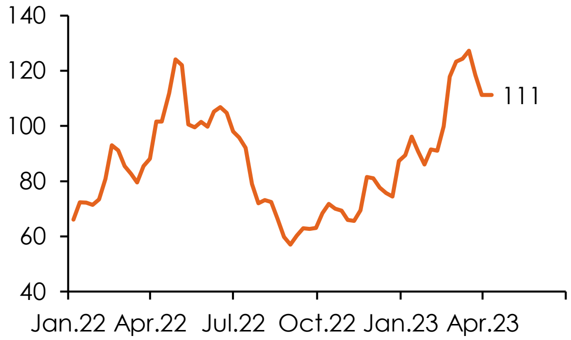
Biomass Indre Harøy (t, LW)



- Batch 2 to be harvested out during Q2, starting early May
- Optimizing harvest weight and sales price

Salmon prices are currently at above 100 NOK/kg HOG

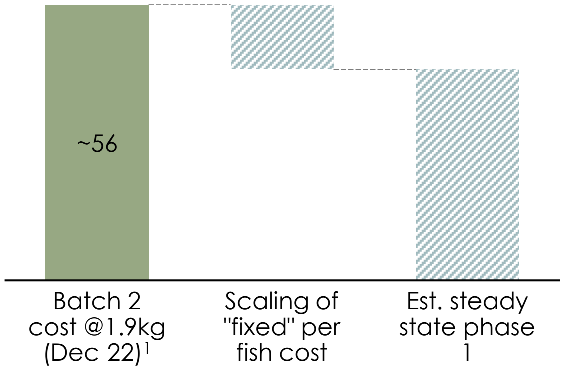
Salmon price NOK/kg HOG²



- Tight supply side supportive of current strong salmon price
- Forward prices are supportive with Q2 23 prices at 106 NOK/kg and ~84-85 NOK/kg for H2 23

Batch 2 production cost at 56 NOK/kg HOG per December 2022 @ 1.9 kg LW

Production cost illustration (NOK/kg HOG)



- Current production cost for Batch 2 support profitable farming operations given current salmon prices
- Increased production expected to bring production cost further down

1) Equal to «Farming EBITDA cost» as referred to in the Q4 2022 presentation (excluding SG&A allocated Norway Facility)
2) NASDAQ Salmon Index

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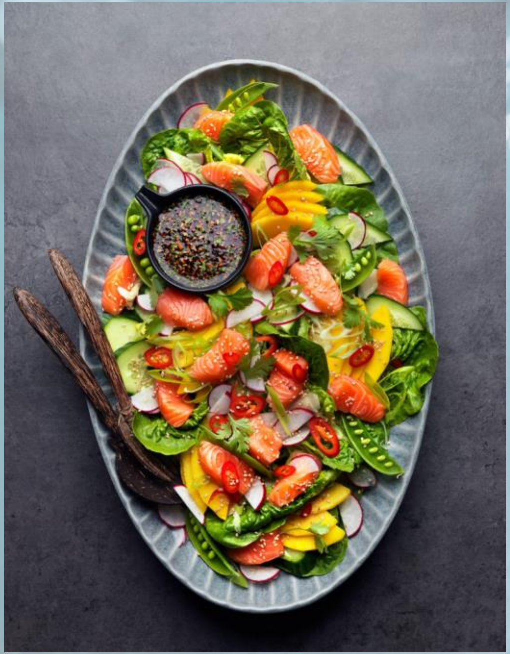

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CONTINUING INDRE HARØY PHASE 2 PREPARATIONS

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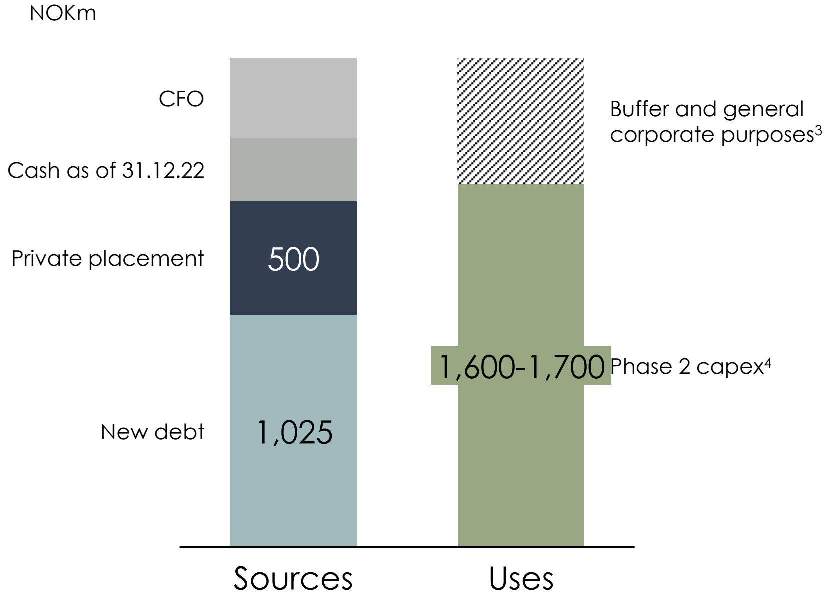
EQUITY RAISE TO SECURE PHASE 2 EXPANSION PLAN

Sources and uses[1,2]

- Remaining capex for Phase 2 to be funded through combination of debt, equity, excess liquidity and cash flow from operation (CFO)
- Additional buffer generated from Phase 1 operation and current excess liquidity
- Completion of the Phase 2 expansion plan is planned to result in production capacity at Indre Harøy of 15.8 kTonnes HOG
- No contractual phase 2 commitments taken on – maintaining full flexibility. Currently in advanced negotiations with contractors for phase 2 construction.

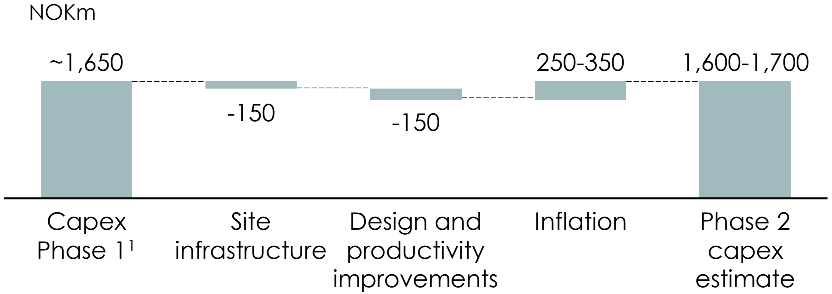


[1] If the EGM does not approve the issuance of the Offer Shares exceeding the current board authorisation, the Company will not receive any proceeds from the sale of these Offer Shares. The effective reduction in proceeds to the Company will in such event be allocated from the buffer (2) NWC mainly funded by overdraft facility of which NOK 100m is currently in place and with the new debt financing package allowing for an increase of this overdraft facility up to NOK 300m (3) Including phase 1 remaining capex and general corporate purposes (4) Based on management's current estimated capex for Phase 2 and is based on a number of assumptions which may change

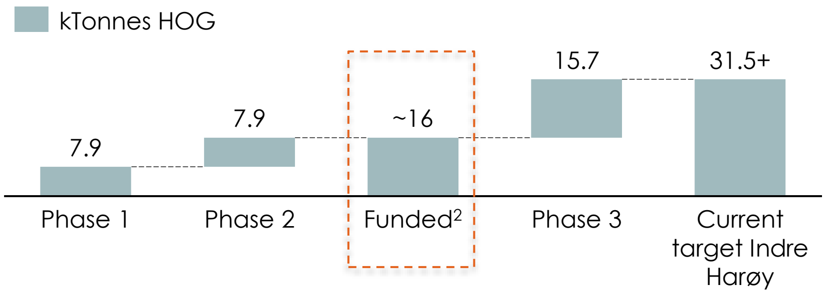
PRODUCTION CAPACITY TO DOUBLE IN PHASE 2

- Phase 1 fully taken over in April and completed[1)]
- Phase 2 to double production capacity on Indre Harøy to an estimated 15.8k Tonnes HOG annually
- Phase 2 preparations have been ongoing for the last 12 months – focus on implementing learning effects from Phase 1 and identifying cost savings
- Completed blasting and excavation works for water intake station for both phase 2 and phase 3 expects to reduce capex compared to phase 1
- Clear signs of normalization of construction markets after high inflation last ~18 months
- Phase 2 capex estimate based on bottom-up analysis of various project streams, expected savings and efficiency gains compared to Phase 1 and inflation effect – tendering processes to be conducted throughout 2023
- Phase 1&2 run-rate operations combined with expected additional debt financing to provide significant Phase 3 financing capacity

Phase 2 capex estimate vs Phase 1



Targeted capacity at Indre Harøy



1) Full phase 1 facility taken over, pending completion of outstanding claims and corrective work. Remaining capex for Phase 1 is based on management's current estimates for total capex for Phase 1 which is based on a number of assumptions such as finalization of contract settlements with suppliers, chosen de- and remobilization strategy between phase 1 and phase 2 and overall productivity at construction site 2) Assumes completion of contemplated equity raise and financing as described on page 11

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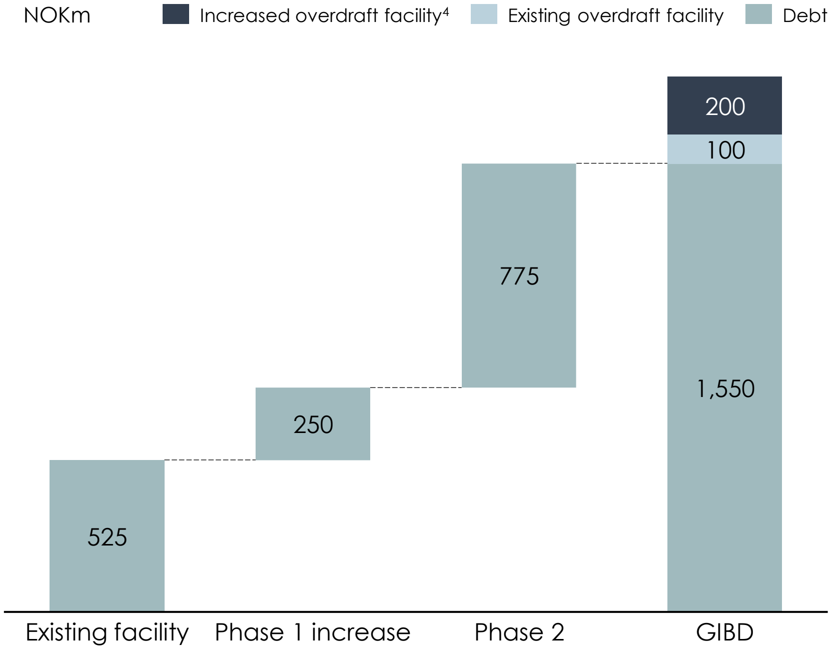
NEW GREEN DEBT FINANCING FACILITY IN PLACE

Debt funding plan Indre Harøy

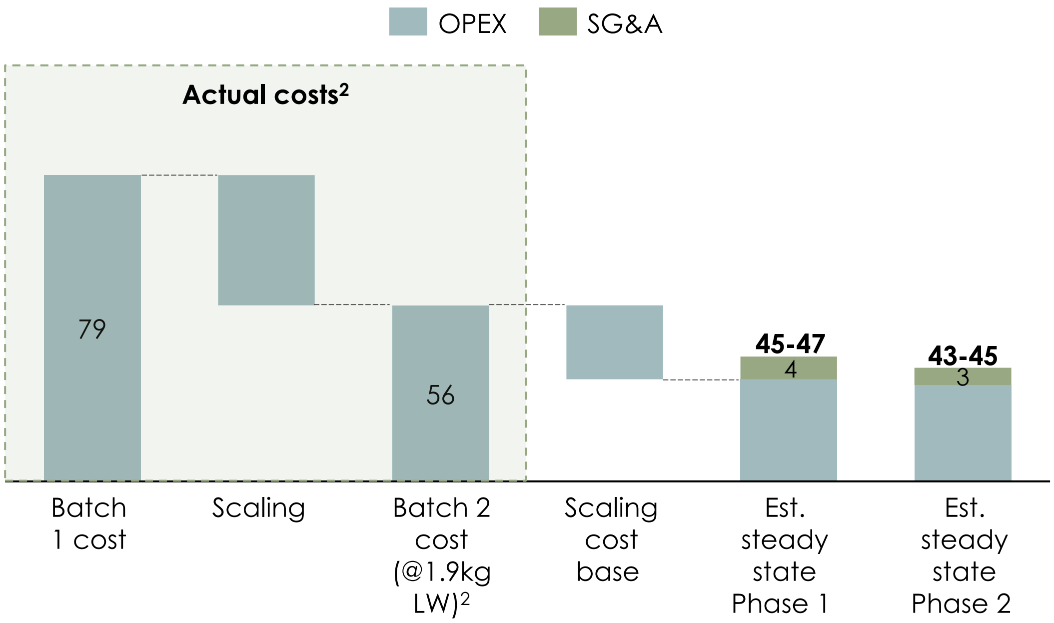
- New green debt financing facility arranged by DNB and Nordea
- Signed legally binding loan agreement[1] i) increasing debt on phase 1 facility with 250 NOKm and ii) securing 775 NOKm for Phase 2 capex
  - New debt levels correspond to combined c. 48%[2] LTV, and incremental LTV of c. 60-65%[3]
  - Competitive financing process with several potential lenders involved
- Improved flexibility yielding increased equity cash flows from
  I. Full facility non-amortizing until Q4'25 or completion of Phase 2
  II. Lower margin
  III. Covenants in line with existing facility
- Phase 2 construction facility subject to reaching fully-funded status through contemplated equity raise and final approval by banks
- Phase 1 refinancing unconditional on outcome of equity raise



(1) Closing expected during April 2023 (2) LTV calculation based on estimated capex for Phase 1&2 and debt funding plan of 1,550 NOKm (3) Incremental LTV based on estimated capex for Phase 2 and Phase 2 debt financing facility consisting (Phase 1 increase of 250 NOKm and Phase 2 construction facility of 775 NOKm) (4) Company's existing credit facility includes an overdraft facility of 100 NOKm, new debt financing package allows for an increase of this overdraft facility to 300 NOKm

PRODUCTION COST EXPECTED TO IMPROVE WITH SCALE

Targeted EBITDA cost bridge (NOK/kg HOG) Norway facility[1]



Comments

- Alongside increasing volumes, farming cost is coming down
- Batch 2 with NOK ~56/kg HOG farming EBITDA cost per Dec 2022 at a fish weight of 1.9kg LW
- Cost trend supporting steady state production cost on par with conventional farming already on Phase 1
- Phase 2 volumes estimated to further reduce production cost per kg as company can scale fixed costs, in particular related to personnel and other opex
- Further cost savings from phase 3 on energy, oxygen personnel and other opex
- Long lifetime of assets and expected limited maintenance capex in near to medium term supports strong cash flow generation

1) EBITDA cost for steady state 1 and 2 includes SG&A allocated to Norway Facility. Excluding other SG&A, e.g. South Korea and North America. All costs in 2022 NOK
2) Equal to «Farming EBITDA cost» as referred to in the Q4 2022 presentation (excluding SG&A allocated Norway Facility)

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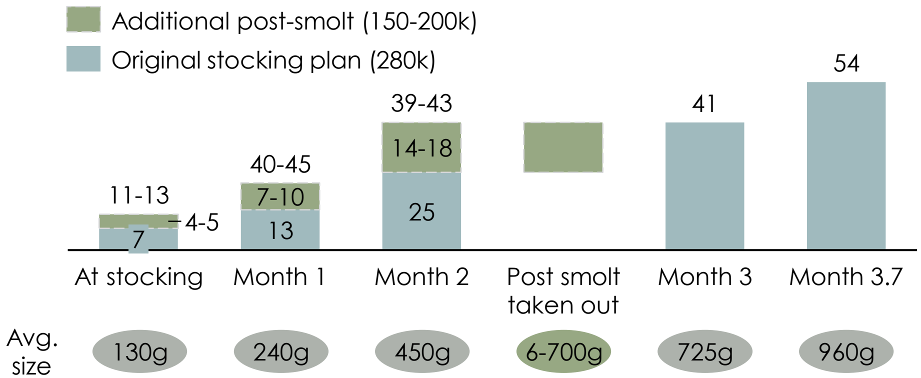
POTENTIAL NEW REVENUE STREAM FROM STOCKING OF POST-SMOLT

Unused tank capacity can be used to grow post-smolt

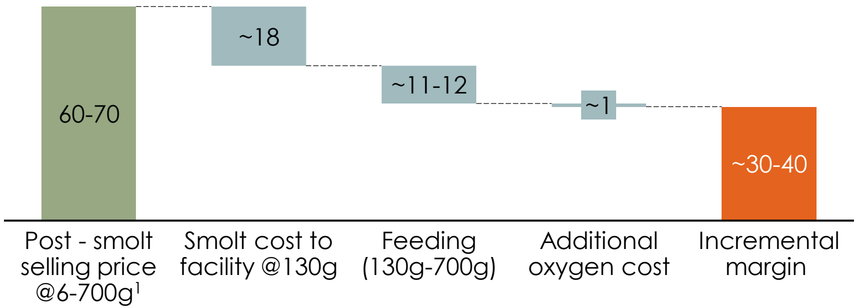
Stocking density (kg/m³)



- Potential to stock 150-200k additional smolt outside planned stocking of 280k @130g fish 6 times a year
- Opportunity arises from unused tank capacity in early stages – headroom to increase kg/m3 in first 2-3 months of the cycle
- Additional smolt to be taken out at approx. 6-700 grams between month 2 and 3 and sold as post-smolt – original smolt stocking moved to next system at ~960 grams after ~3.7 months

Limited additional cost due to scalable cost base

Illustrative margin potential (NOK per additional smolt stocked)



- Due to highly scalable cost structure, stocking additional smolt has a margin potential of ~30-40 NOK per smolt
- Stocking of an additional 0.9-1.2m (150-200k smolt 6 times) smolt per year equates to a **potential incremental EBITDA of ~30-50 NOKm per phase** and **~120-200m** for Indre Harøy at full capacity
- The Company will actively look into implementation of this strategy post achieving run-rate volumes for Phase 1 (during 2023)

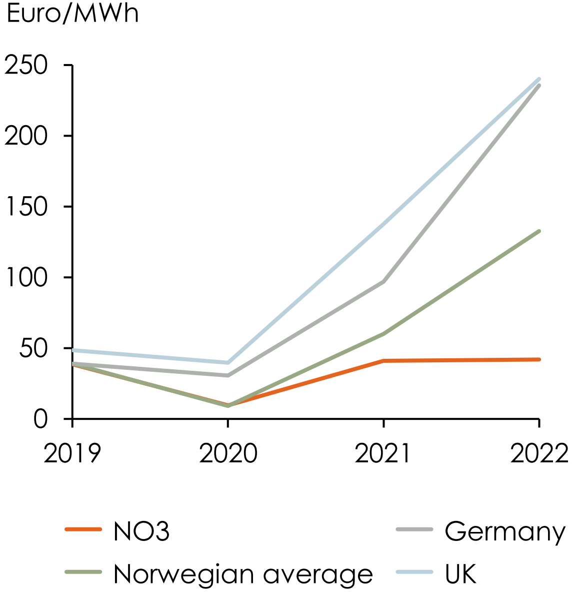
1) Based on inbound inquiries for post-smolt at approx 100 NOK/kg at size 6-700gram

SALMON EVOLUTION

LOW-COST AND STABLE ENERGY SUPPLY

Salmon Evolution is favorably located in power price area NO3

NO3 prices have been consistently lower than comparable prices



- Salmon Evolution is located in power price area 3 ("NO3")
- NO3 is not directly connected to the grid towards Europe, causing the prices to be set by local power supply and demand
- Has given lower prices compared to other areas in Norway and European prices
- Salmon Evolution has a green power purchase agreement with Statkraft, covering the vast majority of the Company's energy needs through 2023
- Prices for long term contracts from 2024 and beyond currently at acceptable levels in NO3

 Source: Volue. Prices in euro/MWh

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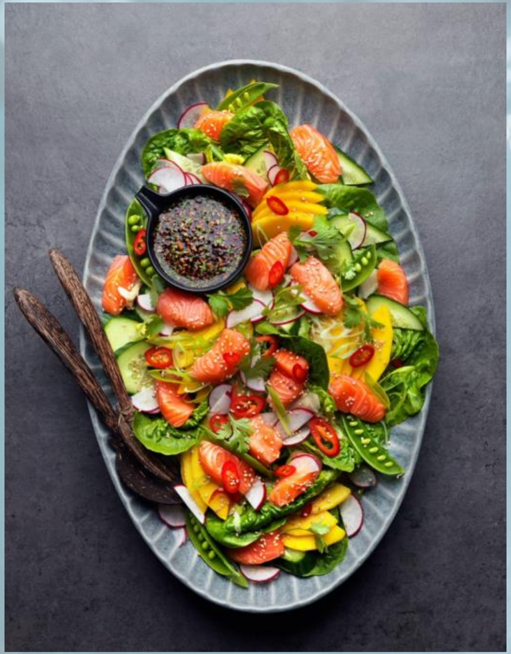
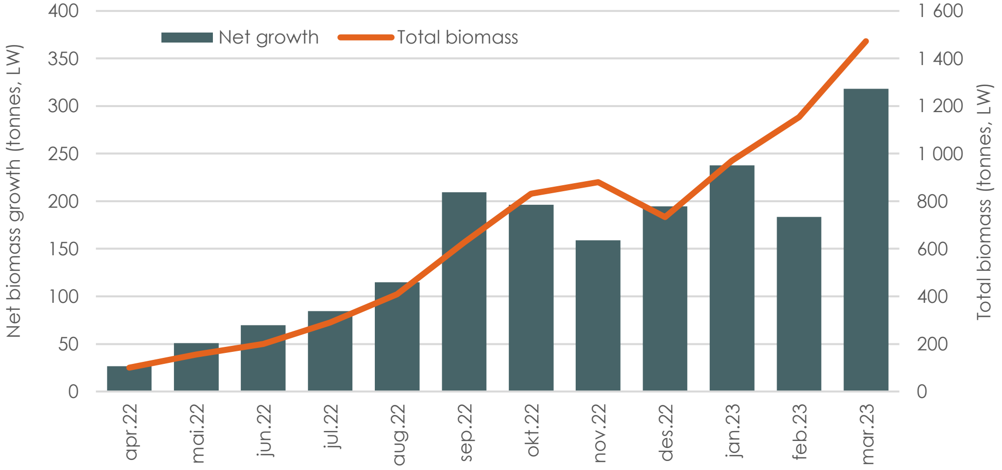


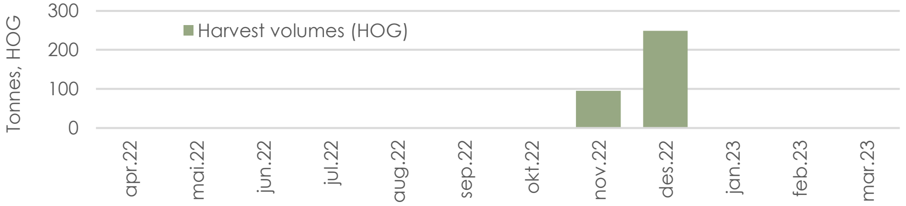
GEARING UP BIOMASS PRODUCTION

Comments

- New all-time high biomass production in March with about 320 tonnes in net biomass gain
- Standing biomass of almost 1,500 tonnes end of Q1, representing a doubling from 733 tonnes year end
- Batch 2, 3 and 4 successfully sorted and graded on size during February and early March – growth figures impacted by customary starvation prior to fish transfer
- Producing at targeted densities and continuing to verify system capacities – batch 2 split into new groups at 65 kg/m3 which is in line with production plan
- Batch 5 stocked in February – about 257,000 individuals with an average weight of 230 grams

Net biomass growth (LW) and harvest volumes (HOG)





GROUP BIOMASS OVERVIEW

Group biomass development

	31 December 2022			31 March 2023			
Batch	**Units (#)**	**Weight (g)**	**Biomass (tonnes)**	**Units (#)**	**Weight (g)**	**Biomass (tonnes)**	**Comments**
Batch #2	~228,000	~1,875	428	~225,000	~3,450	777	Stocked mid July
Batch #3	~200,000	~555	112	~198,000	~1,385	275	Stocked late October
Batch #4	~265,000	~360	96	~264,000	~970	256	Stocked early December
Batch #5				~257,000	~370	96	Stocked late February
Total Indre Harøy	**~695,000**	**~915**	**637**	**~945,000**	**~1,485**	**1,403**	
Smolt	~2,305,000	~42	96	~2,610,000	~26	69	
Total Group	**~3,000,000**		**733**	**~3,555,000**		**1,472**	

- Stable conditions throughout the farm – continued focus on optimizing production systems
- Harvesting of batch 2 planned initiated early May – to be fully harvested out during Q2 2023
- Batch 6 and 7 planned stocked in Q2 2023
- Continued low mortality – batch 2 accumulated mortality of 2.2% with ~1 month remaining until start of harvesting

SALMON EVOLUTION

SUMMARY

- Attractively positioned to benefit from exceptionally strong salmon market outlook
- Production ramp-up proceeding according to plan
- Stable conditions throughout the farm – also at targeted densities
- Batch 2 on track for harvesting during Q2 2023 with largest fish group at 3.7 kg end of Q1
- Following extensive fish transfer operations in February and early March, 9 out of 12 tanks are currently utilized
- Batch 3, 4 and majority of batch 5 planned harvested during 2H 2023
- On track for steady state production by late Q3 2023*

*Representing an annualized production of 7,900 tons HOG

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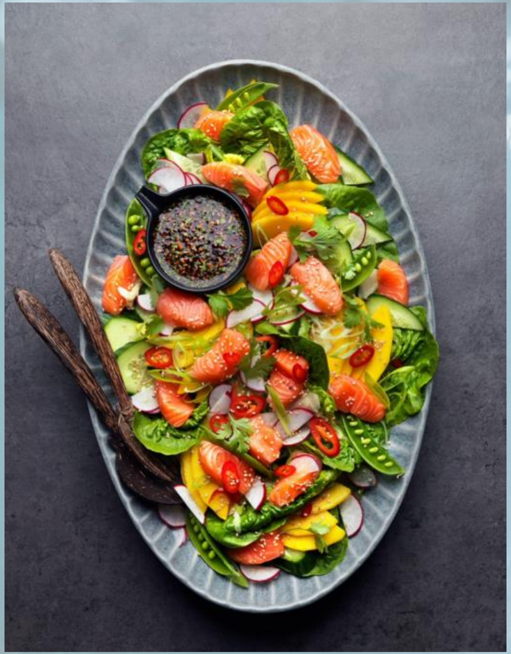
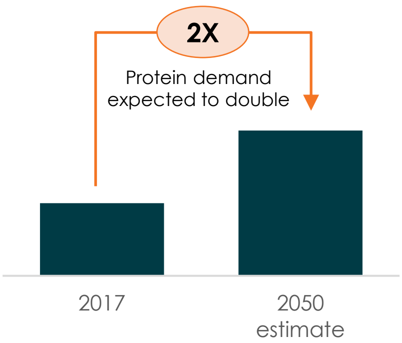


Land-based salmon farming is a response to long-term salmon demand growth, supply constraints & environmental challenges

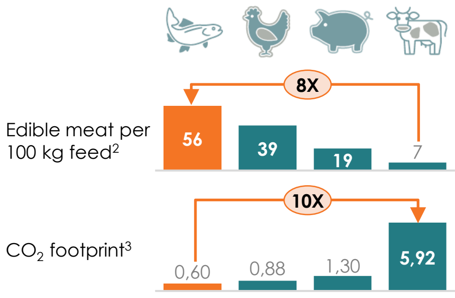
Protein demand is ever-increasing…

Protein demand forecast 2050[1]



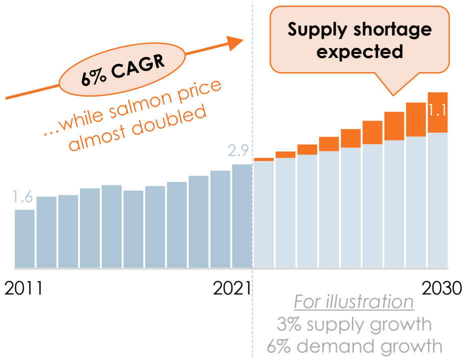
…and salmon is the most sustainable option

Comparison of animal protein sources



Traditional supply can't keep up with demand…

Salmon harvest 2011-2021[4]
and future supply-demand scenario



…and faces environmental issues

Environmental challenges of traditional salmon farming

- × Limited geographically by water temperature
- × Transport to market driving CO² emissions
- × Escape issues
- × Sea lice issues
- × Local sea pollution

Future demand growth for salmon is highly robust and land-based farming is needed to bridge the supply gap in a sustainable way

1) Source: United Nations
2) Source: Mowi Industry Handbook 2021
3) Source: Global Salmon Initiative (CO2 equivalents per kg of meat)
4) Source: Kontali (Atlantic salmon harvest globally in million tonnes whole fish equivalents, WFE)

SALMON EVOLUTION

Land-based farming solves the growth challenges of the salmon industry

ESG challenges of traditional salmon farming

1 Untreated fish waste

Nature of traditional salmon net pens imply issues with discharge of untreated sewage, diseases and parasites into coastal waters

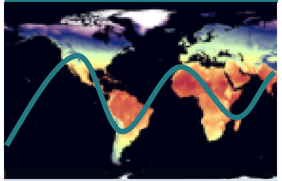
2 CO^2 footprint

Potential to significantly reduce CO^2 footprint with land-based farming closer to consumer markets[1]

3 Diseases, parasites and sea lice

Diseases, parasites and sea lice are key issues of traditional farming causing considerable damage commercially

4 Varying climate



Varying climate and increasing water temperatures can potentially cause stressed and less healthy fish

5 Mortality

Losses in production is known to be a key challenge for sea-based salmon farmers

6 Escapes

Escapes in sea-based salmon farming are expensive and potentially damaging to wildlife

1) According to The Freshwater Institute and SINTEF, comparing land-based salmon delivered fresh to the market in local U.S. markets, compared to salmon farmed in open net pens in Norway delivered to the U.S. by air freight

ESG = Environmental, social and governance

Source: Company

SALMON EVOLUTION

SALMON EVOLUTION AT A GLANCE

Company overview

- Established in 2017
- Based in Hustadvika, strategically located on the west coast of Norway
- Listed on main list at Oslo Stock Exchange in 2021
- Market capitalization of USD ~300m
- Highly competent management, all with >15 years of relevant experience
- ~60 FTEs across Management & Administration, Operations, Projects, Technology and Sales & Marketing
- First mover with Hybrid flow-through system (HFS) – setting Salmon Evolution apart from other land-based salmon farming players

Operational value chain

	Genetics	Smolt	Grow out farming	Processing	Downstream
Inhouse		SALMON EVOLUTION	SALMON EVOLUTION		SALMON EVOLUTION
Partners	Benchmark Genetics		Feed: Cargill; Energy: Statkraft; Oxygen: NIPPON GASES	Vikenco	

- ✓ Focusing own efforts where we are competitive and can create most value
- ✓ Securing key inputs through strategic partnerships with world-leading suppliers

Salmon farming facilities

Construction timeline	2020 2021 2022 2023 2024 2025 2026 2027 2028	Annual capacity (kt)
Phase 1 (Norway)	*Smolt released Q1 2022, first harvest Q4 2022*	8
Phase 2 (Norway)		8
Phase 3 (Norway)		16
Phase 1 (South Korea)		8
Phase 2 (South Korea)		8
North America		32
Further expansion		20
Total grow-out capacity		**100**

Production figures in thousand tonnes (kt) HOG (head-on-gutted) weight for grow out capacity and number of fish for smolt capacity

SALMON EVOLUTION

SALMON EVOLUTION IS AIMING TO BE THE GLOBAL LEADER IN LAND-BASED SALMON FARMING

Salmon Evolution in a nutshell

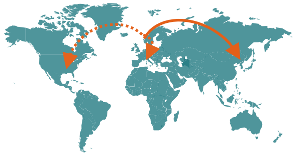
1 Biology is our most important consideration

Our technology captures the benefits of both land-based and sea-based farming

2 Born in Norway – the cradle of salmon farming

There is much to learn, even though we have decades of experience

3 International expansion with strong local partners



We don't go solo on our first projects overseas

4 First-mover aiming for technology leadership

Developing superior cost position & opportunities to capitalize on technology

5 Premium position based on quality & ESG

Committed to quality & sustainability

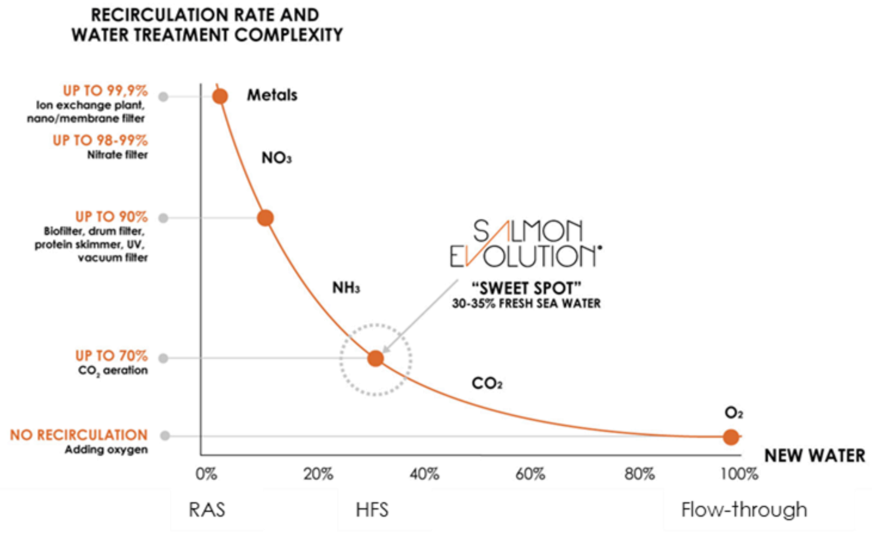
Conservative approach in a disruptive industry

Long-term competitive advantage & profitability

SALMON EVOLUTION

BIOLOGY IS OUR NUMBER ONE PRIORITY

1 We have found the sweet-spot: Hybrid flow-through system (HFS)[1]



2 Minimizing risk: Each tank is a separate biozone

RAS
Recirculating aquaculture system

Biofilter shared by several tanks – causing cross-contamination risk

SALMON EVOLUTION

No biofilter – each tank a separate biological zone, eliminating cross-contamination

Fresh seawater is our primary form of water treatment, complemented by standard CO_2 stripping and oxygenation – no need for complex systems that significantly increase biological risk

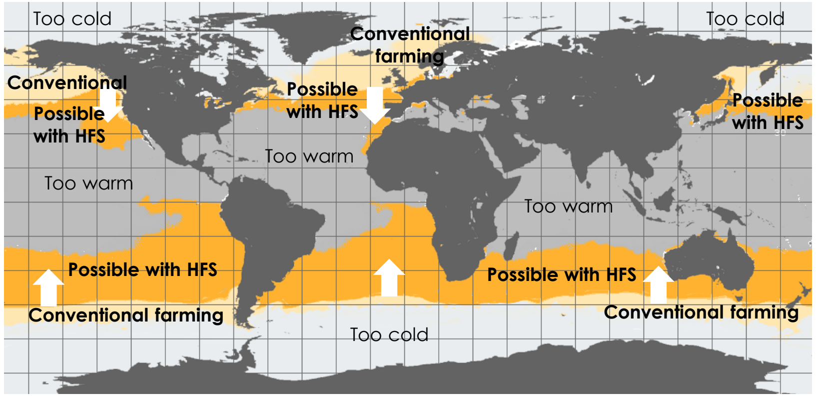
1. Source: Company (for illustrative purposes)

SALMON EVOLUTION

INTERNATIONAL EXPANSION ENABLED BY OUR COMPETENCE AND TRACK RECORD

Global opportunities enabled by HFS technology

Ocean temperatures and suitability for salmon farming



Taking water from different depths mitigates geographical limitations

An ocean of opportunities to farm salmon closer to consumers

Scalable and capital light expansion models enabled by technological & operational know-how

1. **Partnerships** – Partnership terms rewarding our know-how
2. **Royalties & services** – Actual revenue streams in exchange for technology/ services
3. **Selling project shares** – Releasing value created during development by selling shares when fully developed
4. **Sale-leaseback** – Releasing value created during development by selling to lease back facilities

... *Non-exhaustive*

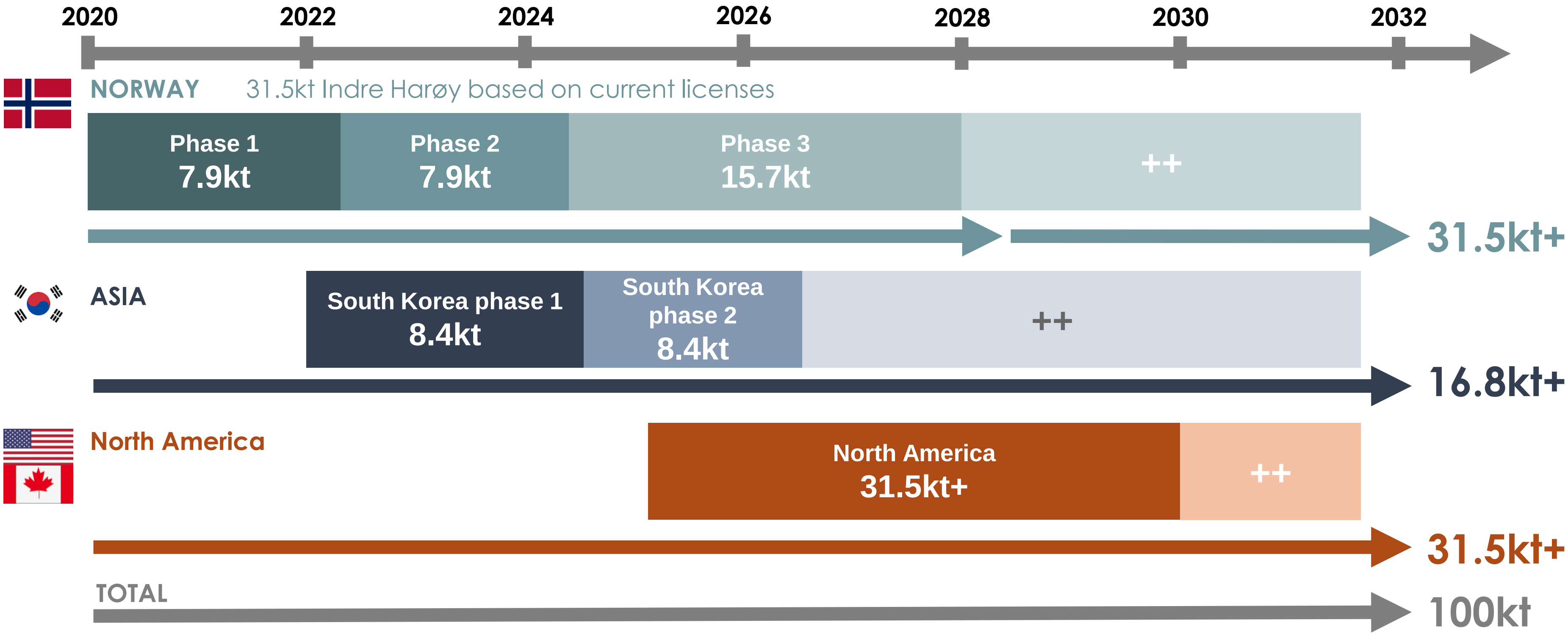
Exemplified by joint venture in South Korea

Leveraging technology position for high growth, low risk expansion

JV = joint venture
HFS = hybrid flow-through technology

SALMON EVOLUTION

ROADMAP TO 100,000 TONNES HOG



Agenda

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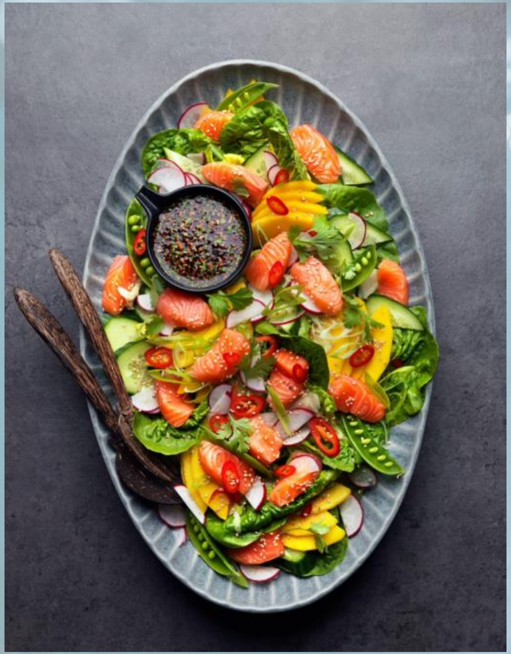
  - Operations Norway
  - Operations International
  - Other



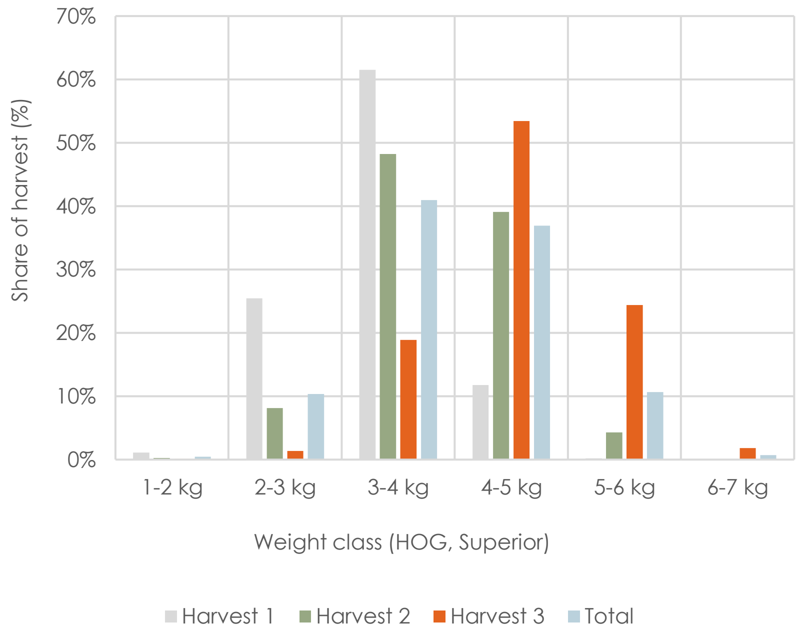
SALMON EVOLUTION

BATCH 1 FULLY HARVESTED OUT DURING Q4 2022 WITH VERY STRONG RESULTS

Comments

- Total batch 1 harvest volumes of ~340 tonnes HOG at an average weight of ~3.75 kg HOG (~4.5 kg LW)
- Harvest spread over 3 harvesting rounds from early November to early December – effective production cycle of around 7-8 months since stocking
- Strong product quality confirmed through industry leading superior share of 96% for batch 1 as a whole
- Very homogeneous weights across the batch despite not being sorted on size – confirms good feed distribution
- Last harvesting round with less than 2% below 3 kg HOG and ~80% above 4 kg HOG

Harvest weight distribution (HOG)



OUR SALMON WELL RECEIVED IN THE MARKET

World premiere – from local to global

Local	ZUUMA, FISKETORGET, EUROSPAR, Coop mega
National	MENY
Global	**Tier 1 international processors, importers and distributors**

- Harvest volume sold to more than 20 customers globally across different segments and channels
- Strong customer feedback - product proven to be well suited for both conventional cooking, raw consumption and smoked
- Average realized price of NOK 75/kg and NOK 78/kg for Superior 3+ kg HOG*, outperforming relevant Nasdaq prices by NOK ~3/kg
- Established solid commercial platform for increasing harvest volumes over the coming quarters, starting with batch 2 harvest in Q2 2023
- Received Global G.A.P. CoC certification in January 2023

Selected customer feedback

"Presentation of fillets – excellent, colour, trim, no gaping, no black spots (exactly how the conventional product comes in).
Taste – excellent , no off flavour, very clean taste, no fishy taste.
Not sure if it's the way I cooked it ,but it was very juicy, it was excellent, everyone enjoyed it. – no negative complaints. "

Major US distributor

"Very good quality, very nice fish. We want to buy again next time"

European processor & distributor

"Small head, ideal salmon shaped fish and no deformities on the skin.
Great taste, real salmon taste
Firm bite, strong meat"

European processor

"Average colour : 29~30
Fat : It had less fat than sea-farmed Norwegian salmon.
Taste : Not muddy smell, lighter taste than sea-farmed Norwegian salmon.
Others : It had a small head and looked like a trout."

Japanese importer & distributor

"Observed fillet yields are significantly higher than conventional salmon".

European processor & smokehouse

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

SIGNIFICANT OPPORTUNITY TO UNLOCK LONG-TERM POTENTIAL AT INDRE HARØY

Short term target	Focus areas	Long-term target	Implications
Achieve steady state production of 7,900 tonnes HOG	Optimizing production Feed Genetics AI	Capturing built-in upside potential in production plan	Improved profitability
Supported by existing production figures		***Increase current planned 6 smolt releases per year and/or utilizing spare tank capacity for post smolt***	***Reduced capex/kg and improved opex***

Continuous focus on improvement across all disciplines

SALMON EVOLUTION

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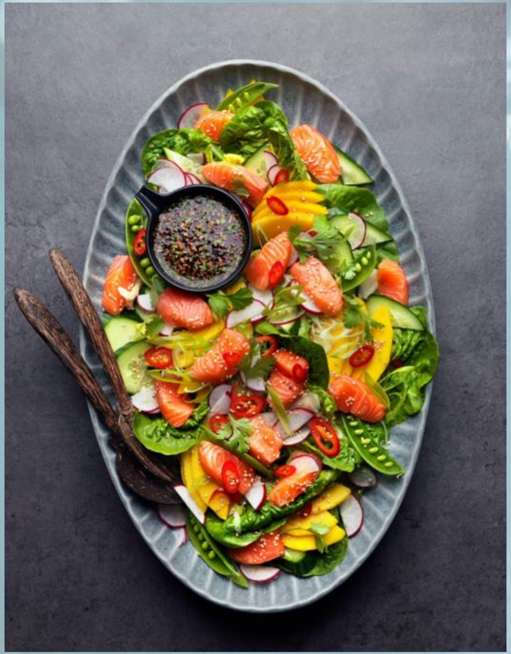


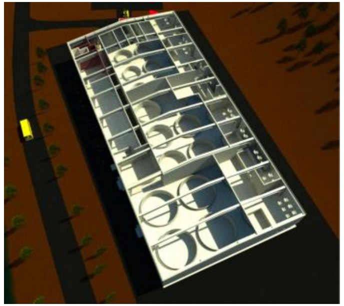
SALMON EVOLUTION

K SMART FARMING – FOCUS ON ENGINEERING AND PERMITS

- K Smart JV with Dongwon Industries formalized end of March 2021
- Ownership split 49/51% for SE and Dongwon, respectively. Dongwon to facilitate 75% debt financing
- Good progress on design and engineering activities
- 90% design review for Jeongseon smolt facility completed during Q1 2023
- Currently intensifying design works for Yangyang grow out facility
- Continuing work related to regulatory approvals – constructive dialogue with Korean authorities – clarification on several key permits expected over the coming months, allowing for construction start during 2023
- Fully developed production capacity of 16,800 tons HOG, consisting of 2 equal phases of 8,400 tons HOG each
- Dedicated organization located at Dongwon head office in Seoul – 4 FTEs from Salmon Evolution now based in Korea

Illustration – Yangyang on-growing site

Illustration – Jeongseon smolt site



NORTH AMERICA – BUILDING PIPELINE FOR FUTURE GROWTH

Comments

- Evaluating selected potential production sites in North America, both on the west and east coast
- Current focus is centred on site selection processes including fatal flaw analyses of both biological, technical and regulatory aspects
- Initiated engagements with relevant private and public stakeholders
- Targeting similar production capacity as Indre Harøy fully developed (31.5kt HOG)
- Established dedicated team and incorporated US corporate structure
- Partnership model to be pursued once project matures, leveraging Salmon Evolution's human capital and reduce equity contribution for the company

Tentative timeline

2022	2023	2024	2025	2026	2027	2028

Site selection and initial due diligence

Due diligence, regulatory work and approvals and design & engineering

Construction

Production

First harvest

SALMON EVOLUTION

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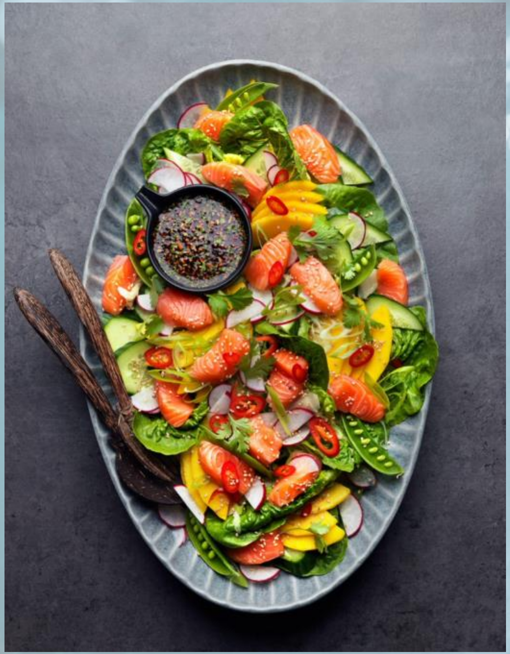


Strong management team with extensive experience leading a growing organization and corporation

Management team

Trond Håkon Schaug-Pettersen, CEO
- *>15 years experience from both salmon industry and capital markets notably at Hofseth International and Swedbank*

Trond Vadset Veibust, CFO
- *>12 years experience.*
- *Former SVP Global Operations at Ekornes. Has also worked 4 years as auditor at EYY*

Ingjarl Skarvøy, COO
- *>30 years experience in the seafood industry including at Salmar and Pan Fish*
- *Co-founder of Salmon Evolution*

Kamilla Mordal Holo, CPO
- *>15 years experience from the construction industry including at the Norwegian Public Roads Administration*

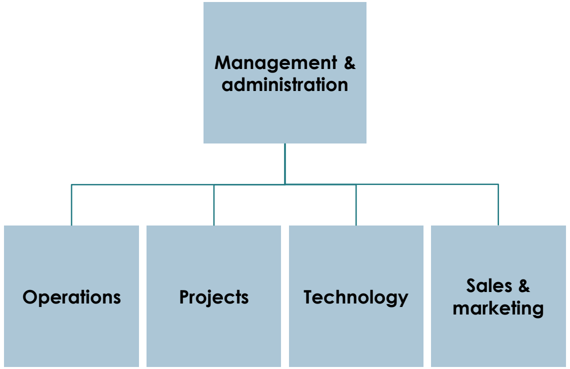
Odd Frode Roaldsnes, CCO
- *>15 years experience in seafood sales and marketing notably as Sales Director at Ocean Supreme*

Henriette Nordstrand, Technical Director
- *Joined SE in 2022*
- *Head of smolt operations at Hofseth Aqua the last 5 years*

Highly experienced management team

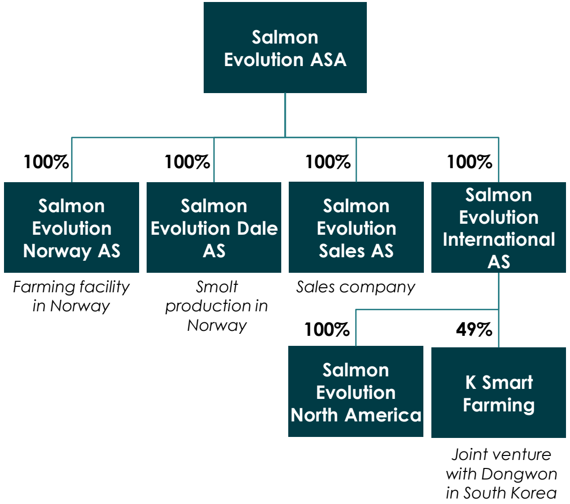
Organizational structure

About 65 FTEs across the Group



Core organization in place and growing

Corporate structure



Effective corporate structure optimized for clean reporting, ownership and financing

SALMON EVOLUTION

Highly competent board of directors backed by strong owners

Board of directors

Tore A. Tønseth
Chairman of the board
- *Investment Director at Ronja Capital*
- *>15 years experience in finance*

Eunhong Min
Board member
- *Chief Executive Officer of Dongwon Industries, one of the largest seafood groups globally*

Peder Stette
Board member
- *>20 years experience from technology development in the seafood industry*

Ingvild Vartdal
Board member
- *Partner at Adviso law firm specialized in corporate and international tax*

Glen Bradley
Board member
- *Vice President and Chairman of Rostein, one of the largest wellboat operators globally*

Janne-Grethe Strand Aasnæs
Board member
- *Chief Executive Officer and majority owner of Strand Havfiske*

Anne Breiby
Board member
- *Extensive experience from board positions in companies such as Ulstein Group, Rem Offshore and Akva Group*

Håkon André Berg
Board member
- *Chief Executive Officer Skeie Technology. Former CEO Salmon Evolution*

Competent board of directors with extensive industrial experience

Ownership as per 31 December 2022

Shareholders	Ownership share	Board representative	Comments
Ronja Capital II AS	7.9 %	Tore Tønseth	Owned by founder of Sølvtrans, a leading wellboat company
The Bank of New York Mellon SA/NV	6.5 %		
Farvatn Private Equity AS	5.1 %		
Dongwon Idustries	4.6 %	Eunhong Min	JV partner in South Korea
Rofisk AS	4.2 %	Glen Bradley	Owner of Rostein, a leading wellboat company
Stette Invest AS	3.3 %	Peder Stette	Former key executive and shareholder in Optimar
Kjølås Stansekniver AS	3.2 %	(Frode H. Kjølås, Chair Nomination Com.)	Former key executive and shareholder in Optimar
Mevold Invest AS	2.4 %		Shareholder in processing partner Vikenco
Lyngheim Invest AS	2.3 %		Shareholder in processing partner Vikenco
Jakob Hatteland Holding AS	2.3 %		
Ewos AS	2.2 %		Subsidiary of Cargill, strategic feed supplier to Salmon Evolution
Bortebakken AS	2.2 %		Shareholder in processing partner Vikenco
J.P. Morgan SE	2.1 %		
Verdipapirfondet DNB Norge	1.7 %		
Others	50.1%		
Total	**100.0 %**		

Strong backing including highly strategic owners across the value chain

SALMON EVOLUTION

RISK FACTORS (1/9)

General:

An investment in shares and the Company involves inherent risks. Investors should consider all information set forth in this document and, in particular, the specific risk factors set out below. An investment in the shares of the Company is suitable only for investors who understand the risks associated with this type of high-risk investment and who can afford a loss of all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision. If any of the risks described below materialise, individually or together with other circumstances, they may have material adverse effects on the Company's business, financial condition, results of operations and cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the shares of the Company. Risks and uncertainties described below are the principal known risks and uncertainties faced by the Company as of the date hereof. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow, and may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The information in this Section is as of the date of this document.

Risks related to the Group's significant construction projects:

The Group's planned and future construction projects for construction of the Facility on Indre Harøy (comprising the "First", "Second" and "Third Phase" as defined below) are decisive for the Group's business, as well as being significant and complex undertakings. The First Phase is closer to completion, while the Second and the Third Phase have not been initiated nor have any construction project agreements for these two Phases been entered into. Such projects will be subject to many risks, including funding required capital, shortages or delays in equipment, materials or skilled labour; failure of the equipment to meet quality and/or performance standards, inability to obtain required permits and approvals, unanticipated cost increases, design or engineering changes, labour disputes or any events of force majeure, all of which individually or in the aggregate may cause delays or cost overruns. Experience has shown that large construction projects are particularly exposed to risk of cost overruns and delays. Where the builder has contractually agreed on set time-schedules and target prices with entrepreneurs for the execution and completion of present and future constructions of different Phases, there can be no assurance that the Facility or the specific Phase, is completed on time, or at costs as planned, or even at all. Significant cost overruns or delays, and other aforementioned risks, could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

The chosen entrepreneur for the First Phase, Artec Aqua, has under the Construction Contract (as defined below) limited liability for cost overruns and delays. Investors are also cautioned that the Group has relied primarily on its own experience and competence for the specification, projecting, and process plan for the construction projects, as opposed to obtaining third party validation.

Under the First Phase, the Group's construction contract with Artec Aqua deviates from the market standard by, inter alia, not imposing any obligation for the Group and Artec Aqua to sign warranties as a security for the fulfilment of their contract obligations. Some of the construction contract's deviations from the market standard are not beneficial to the Group and could hinder or slow down the construction of the Group's Facility and thus have a material adverse effect on the Group's business, prospects and financial condition, including its ability to comply with the financial covenants pursuant to its financing arrangements.

The Group is subject to the risk of cost overruns because of the size and technical complexity of the Indre Harøy Facility construction project:

While the First Phase of the Facility is nearing completion, there are still few comparable land-based production facilities that have been built. This adds to the complexity and risk of cost-overruns of the project. Any significant cost-overruns and/or delays may negatively impact the economics, KPIs, and the financial break-even point of the planned business model of the Group.

SALMON EVOLUTION

RISK FACTORS (2/9)

The Group is subject to the risk of cost overruns and delays because of legal and planning matters of the Indre Harøy Facility construction project:

The Group has made no binding contractual commitments with entrepreneurs as to the Second Phase (or Third Phase). The Group has signed a non-binding Head of Terms with Artec Aqua regarding the Second Phase, but no final project agreements have been entered into with the consequence that no material costs or capex have been contracted. There is also inherent risks of delays of such large constructions projects. As no constructions agreements are yet entered into, there are no contracted time schedule for a completion of the Second Phase (or Third Phase).

In addition, that the Group has made no binding contractual commitments for the Second Phase of the build-out at Indre Harøy raises additional risks. For example, since costs and other key terms have not been agreed upon with any entrepreneur, there is the risk that the construction of the Second Phase may not occur on favourable terms or in line with current project estimates. Should the Group not be able to procure terms for the Second Phase of the build-out that is within the Group's financing capacity and current estimates, there is the risk that the Group will have to seek more equity injections, and/or more debt. There is also the risk that any costs in excess of the Group's financing capacity may cause lenders to withdraw its commitments, upon which there is the risk that the Group may be not be able to obtain financing at reasonable terms, or at all. Were this risk to materialize, this might have a material adverse effect upon the Group and its operations.

The Second Phase of the planned Facility on Indre Harøy is not fully-financed, and depends on the Private Placement combined with debt financing arrangements and other sources of cash and funding:

Although the production from the First Phase is currently yielding some operational cash flow, the production yield will not provide the Group with a positive cash flow from operations, and in any event not until all the 12 grow out tanks are put into operation as the full completion of the First Phase is required to provide the economies of scale required. The cash flow from the First Phase is not sufficient to fund further build-outs. The Second Phase of the build-out is currently expected to require additional investments of approximately NOK 1.6-1.7 billion. It is a risk that this estimate proves to be too low and consequently requires significant further capital. While the Company has recently signed (as announced) financing agreements with banks for debt financing related to part of the funding required for the Second Phase build-out based on current estimated costs, such agreements include various terms and conditions in order to be able to drawdown any amounts under any such financing. The Group may not be able to satisfy such terms and conditions, including if the Group is not able to raise the required equity financing and/or other financing or access to sources of capital/cash in general or as a result of cost overruns or for other reasons. If the Group is not able to provide financing for the Second Phase build-out, this could have a material adverse effect on the Group's business, financial condition, and prospects.

The estimated capital needed to construct the Second Phase are only preliminary estimates, based on extrapolated cost data from the First Phase, and expected synergy effects thereof, including a customary buffer. The actual capital needed to fully finance and complete the Second Phase may therefore change and will be subject to final adjustments as part of the projecting phase for the Second Phase.

Furthermore, the issuance of additional equity securities will dilute the existing shareholders' interest in the Group, and further debt financing can introduce further share price volatility.

RISK FACTORS (3/9)

The Third Phase of the planned Facility on Indre Harøy is not financed, and may depend on further equity injections, and will depend on further debt financing arrangements in order to be completed:

The Third Phase is expected to require additional investments of approximately NOK 3 billion. The estimated capital needed to construct the Third Phase are preliminary estimates, based only on extrapolated data from the cost of the First Phase and expected synergy effects thereof, including a customary buffer. The actual capital needed may therefore change and will be subject to final adjustments as part of the projecting phase for the Third Phase. Consequently, there is a significant risk that the Group may not obtain sufficient financing to realize the Group's full strategy and planned operations. If the Group is not able to raise the required financing, through equity injections or debt financing arrangements to complete and finalize further construction phases, this could have a negative effect on the Group's business, financial condition and prospects.

As the Group will be operating in the newly established land-based salmon industry, the Group is exposed to various risks inherent to new industries:

Land-based salmon farming is a new industry and, as a result, experience with land-based salmon farming has been developing rapidly due to the practical implementation of research taking place in several companies. The Group seeks to benefit from the fish farming knowledge built up from traditional salmon farming, even though realising that land-based fish farming has its own challenges such as maintaining ideal living conditions for the fish with stable and good water quality, management of gas injection (such as oxygen), gas stripping (such as carbon dioxide), fish logistics and dependency on a supply of constant, uninterrupted electrical power. As such, there are still major biological and operational challenges to overcome prior to establishing a fully predictable production cycle. Salmon Evolution is actively taking a lead in this development together with respected suppliers of aquaculture technology and production equipment, as well as other land-based fish farming players. This will impact the success of the Group as well as the development of the whole industry. In addition to the inherent risks involved by being in a development phase in a new industry, such as faults in production, operations, maintenance, etc., there is also a risk that the Group's commercialization strategy proves not to be the best, and that other players in the same industry are able to commercialize in a more rapid pace and/or at more attractive commercial terms than the Group, which may in turn have material adverse effects on the Group's results, financial condition, cash flow and prospects.

Risk relating to restrictive covenants and debt financing agreements:

The recently signed (as announced) bank financing related to the Second Phase buil-out includes various terms and conditions for draw-down of amount thereunder, as well as various restrictive covenants, which may lead to that the funding under these financing agreements may not be available as expected or at all. As the Group has made no binding contractual commitments for the Second Phase of the build-out at Indre Harøy increases this risk. Should the Group not be able to procure terms for the Second Phase of the build-out that is within the Group's financing capacity, there is the risk that the Group cannot utilize its financing arrangements, for example as the current financing facility related to the Second Phase build out requires documentation that the Second Phase build-out is fully funded, which might not be the case should the Second Phase costs exceed the Group's current cost estimates, cost overruns, or for any other reason. Should this risk materialise, the Group might have to seek more equity injections or access other sources of financing to make up for the shortfall. There is also the risk that any costs in excess of the Group's financing capacity may cause lenders to withdraw its commitments, upon which there is the risk that the Group may not be able to obtain financing at all, or at disadvantageous terms.

Loan agreements and arrangements also contain terms, conditions and covenants that may be challenging to comply with and may require the Group to agree to restrictions and limitations on the Group's business operations and capital structure, may force the Group to issue additional equity, possibly on unfavourable terms, increase the Group's vulnerability to adverse economic and industry conditions, limit the Group's flexibility to make, or react to, changes in the business and industry, restrict the Company in respect of additional investments and/or restrict the Group's freedom to operate, restrict the Groups' freedom to obtain new debt or other financing and/or place the Group at a competitive disadvantage. Any non-compliance with debt financing agreements may also have an adverse effect on the Group's business, financial condition and prospects.

RISK FACTORS (4/9)

The Group's indebtedness could furthermore affect the Group's future operations, since a portion of the Group's cash flow from operations will be dedicated to the payment of interest and principal on such debt, and will hence not be available for other purposes. Financial covenants in such arrangements will require the Group to meet certain financial tests and non-financial tests, which may affect the Group's flexibility in planning for, and reacting to, changes in its business or economic conditions, may limit the Group's ability to dispose of assets or place restrictions on the use of proceeds from such dispositions, withstand current or future economic or industry downturns, and compete with others in the Group's industry for strategic opportunities, and may limit the Group's ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate and other purposes.

The Group is heavily dependent on technology and technology related errors could have an adverse effect on its business and financial position:

The Group is vulnerable to errors in technology, production equipment and maintenance routines. Such errors could cause damage to the Group's production equipment and biomass, which is the Group's most valuable asset. For example, through the Group's chosen hybrid flow-through system (HFS) it is possible to access fresh filtered seawater in combination with reuse of water, both of which requiring usage of energy. The Group attempts provide good water quality and to mitigate energy costs through reusing around 65% of the water (the stated sweet-spot). However, there is the risk that operationally the Group is unable to consistently reach 65% reuse, with higher re-usage levels requiring more filtration and water treatment or else the biomass may be damaged, while too low levels of re-usage will lead to significantly higher energy costs associated with pumping and heating sea water. Therefore, it is of high importance that the Group holds the ability to implement routines and safety measures to protect its production line and develop its biomass. The Group is partly reliant on third-party suppliers of technical production equipment, as well as sufficient maintenance routines for its production facilities. Despite the security and maintenance measures in place, the Group's facilities and systems, and those of its third-party service providers, may be vulnerable to technical errors, limits in capacity, breaches in routines, lack of surveillance, acts of vandalism, human errors or other similar events.

There are inherent risks with the Group having limited operating history and past performance:

The Group is in an ongoing developing and commercialization process where the Group's key strategy is to develop and build a land-based flow through aquaculture system for farming of Atlantic salmon, in Norway. The Group has limited operating history, and implementing its strategy requires management to make complex judgments. In addition, it may be the risk that scaling production involves an exponentially increasing operational complexity which the Group may not be able to manage. Hence, no assurance can be given that the Group will achieve its objectives or other anticipated benefits. Further, risks relating to the successful implementation of the Group's strategies may increase by a number of external factors, such as downturn in salmon prices, increased competition, unexpected changes in regulation or the materialization of any of the risk factors mentioned herein, which may require the management's focus and resources, and which could in turn imply failure or delay in the successful adoption of the Group's business strategy. Failure to implement the Group's business strategy, including but not limited to successful construction of the Facility and subsequent commencement of production as well as realisation of commercial strategy as to the sale of fish, could have a material adverse effect on the Group's results, financial condition, cash flow and prospects.

If the Group is not able to attract and retain customers and commercial partners, this could adversely impact the Group's business and financial position:

Salmon Evolution's commercialization strategy involves entering into customer, distribution, marketing, sales and other agreements with third parties. A commercial success of the Group will require such agreements to be entered into with professional third parties on commercially favourable terms. If the Group does not succeed in continuing to attract and retain new customers, it could have a material adverse effect on its results of operations, financial condition, cash flows and prospects and its ability to complete the Facility.

The Group's business depends on client goodwill, reputation and on maintaining good relationships with clients, partners, suppliers and employees. Any circumstances that publicly damage the Group's goodwill, injure the Group's reputation or damage the Group's business relationships, may lead to a broader adverse effect than solely the monetary liability arising directly from the damaging events by way of loss of business, goodwill, clients, partners and employees.

RISK FACTORS (5/9)

Substantial fluctuations in the price of salmon and critical input factors could have an adverse impact on the Group's business and its financial position:

The Group's financial position and future prospect depend on the price of farmed salmon, which has historically been subject to substantial fluctuations. Farmed salmon is a commodity, and the Group therefore assumes that the market price will continue to follow a cyclical pattern based on the balance between total supply and demand. The Group has entered into hedging arrangements to attempt to reduce this risk, however the risk remains that the hedging arrangements does not sufficiently remove the Group from market risk exposure. No assurance can be given that the demand for farmed salmon will not decrease in the future. Furthermore, fluctuations in the global economy could result in a higher demand for low-cost food alternatives, and thus a decrease in the salmon prices.

Farmed salmon is furthermore generally sold as a fresh commodity with limitation on the time available between harvesting and consumption. Short-term overproduction may therefore result in very low spot prices obtained in the market. The entrants of new producing nations or the issuance of new production licenses could result in a general overproduction in the industry. Short-term or long-term decreases in the price of farmed salmon may have a material adverse effect on the business, financial condition, results of operations, cash flows, financial condition and/or prospects of the Group.

Furthermore, the Group is exposed to changes in market prices for input factors, such as feed and electricity prices. However, the Group attempts to limit the risk involved with energy prices through hedging arrangements. The Group is also actively evaluating entering into long-term contracts to hedge and limit the risk of fluctuations in energy prices longer term.

The Group's operations are expected to be subject to several biological risks which could have a negative impact on the Group's future profitability and cash flows:

The Group's operations are subject to several biological risks which could have a negative impact on future profitability and cash flows. Biological risks include for instance oxygen depletion, diseases, viruses, bacteria, parasites, algae blooms, jelly fish and other contaminants, which may have adverse effects on fish survival, health, growth and welfare and result in reduced harvest weight and volume, downgrading of products and claims from customers. An outbreak of a significant or severe disease represents a cost for the Group through e.g. direct loss of fish, loss of biomass growth, accelerated harvesting and poorer quality on the harvested fish and may also be followed by a subsequent period of reduced production capacity and loss of income. The most severe diseases may require culling and disposal of the entire stock, disinfection of the farm and a long subsequent fallow period as preventative measures to stop the disease from spreading. Market access could be impeded by strict border controls, not only for salmon from the infected farm, but also for products originating from a wider geographical area surrounding the site of an outbreak. Continued disease problems may also attract negative media attention and public concerns. Salmon farming has historically experienced several episodes with extensive disease problems and no assurance can be given that this will not also happen in the future. Epidemic outbreaks of diseases may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

The Group may be dependent on additional permits in order to realise its production volume targets in Norway or in other jurisdictions and no assurance can be given that the Group will be able to obtain such additional permits:

Møre og Romsdal County Municipality has granted the Group an aquaculture license for production of salmon based on 13,300 metric tons of maximum allowed biomass (MAB) in Indre Harøy, Norway. The related permits from the Norwegian Food Safety Authority include a wording referring to an "annual production of 28,800 tons". It is a risk that this may be enforced as a production limitation and that additional licenses would be required in order for the Group to realise the annual production capacity of 31,500 metric tons HOG in the fully developed grow out Facility. There is a risk that the Group will not be able to obtain further licenses in order to reach the desired production volume, should this be enforced as a production limitation. Furthermore, there can be no assurance that the Group will be able to obtain further licenses in accordance with any expansion plans, including with respect to any permits required in South Korea for the planned 16,800 HOG production facility, where no permits are yet obtained, which in turn may negatively impact the financial prospects of the Group. The Group is also planning a process with the aim of establishing a land-based salmon farming operation in North America, where no permits are yet obtained, where similar regulatory challenges regarding how the Group may obtain permits, and/or on what conditions the permits are obtained, may apply.

RISK FACTORS (6/9)

The Group's business is inherently exposed to regulatory risk and amendments in legislation could potentially have an adverse effect on the Group's business and financial position:

The Group's activities are subject to extensive international and national regulations, in particular relating to environmental protection, food safety, hygiene and animal welfare.

The Group's sale of its products is also subject to restrictions on international trade.

Further, salmon farming is strictly regulated by licenses and permits granted by the authorities. Given that the Group intends to carry out salmon farming in several jurisdictions, the Group is overall subject to a number of laws and regulations, which may be subject to changes from time to time. Future changes in the domestic and international laws and regulations applicable to the Group (in particular related to animal welfare, environmental protection (pollution from production facilities), food safety and hygiene) and implementation of specific taxes or charges on land-based salmon farming can be unpredictable and are beyond the control of the Group, and such changes could, among other things, imply the need to materially alter the Group's operations and set-up and may prompt the need to apply for further permits or granted permits may be adjusted or revoked, which could in turn have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

The Group's business is exposed to environmental risks which could have an adverse effect on the Group's business and financial position:

The Group and its business are subject to environmental laws and regulations which may affect the Group's utilisation of permits and tangible fixed assets. Furthermore, the Group's operations involve risk of environmental liability, including a risk of emissions to the surrounding marine environment of waste and faeces as well as greenhouse gas emissions to air, leakage from its operations facilities to water and/or surface or soils. Sanctions for non-compliance with applicable environmental laws and regulations could result in shutdown of the Group's operations, fines and penalties, revocation of permits, demand for remediation or corrective measures and liability claims for exposure to hazardous materials, waste or personal injuries, among other things.

Poor quality or small smolts could significantly impact the Group's business and financial position:

The Group's operations depend on the quality and availability of salmon smolt. The quality of smolts impacts the volume and quality of the harvested fish. Poor quality or small smolts may cause slow growth, reduced health, increased mortality, deformities, or inferior end products. Further, as the aquaculture industry has intensified production, the biological limits for how fast fish can grow have also been challenged. As with all other forms of intensive food production, a number of production-related disorders arise, i.e. disorders caused by intensive farming methods. As a rule, such disorders appear infrequently, are multifactorial, and with variable severity. The most important production-related disorders relate to physical deformities and cataracts, which may lead to financial loss in the form of reduced growth and health, reduced quality on harvesting, and damage the industry's reputation, which may in turn have a material adverse effect on the Group's results, financial condition, cash flow and prospects.

Lack of ability to attract or to retain qualified and experienced personnel could adversely impact the Group's performance:

The Group's senior management and key employees are important to the development and prospects of the Group. Further, the Group's performance is to a large extent dependent on highly qualified personnel and management, and the continued ability of the Group to compete effectively and implement its strategy depends on its ability to attract new and well qualified employees and retain and motivate existing employees. Due to the complexity in the land-based salmon industry, the Group's growth plans and the limited availability of qualified personnel, any loss of the services of key employees, particularly to competitors, or the inability to attract and retain highly skilled personnel could have a material adverse effect on the Group's business, results of operation, financial condition and/or prospects.

RISK FACTORS (7/9)

Risk relating to the joint venture with Dongwon Industries in South Korea and any potential future joint ventures:

The Group has entered into an agreement for a joint venture (the "JV Agreement") with the Korean seafood giant and larger shareholder in the Company, Dongwon Industries, for a 16,800 metric tons HOG production facility in South Korea.

As per the JV Agreement, the joint venture is organized as a Korean joint stock company named K Smart Farming Co., Ltd. ("K Smart") that plans to develop, construct, and operate a land-based salmon farming facility of harvestable Atlantic salmon, using Salmon Evolution's hybrid flow-through system technology.

The Company through its wholly owned subsidiary SE International owns 49% of the shares in K Smart, with Dongwon Industries holding the remaining 51%. Even though the parties, through the JV Agreement, has agreed upon comprehensive corporate governance principles that aims to ensure transparency and mutual influence and balance in the partnership structure, Salmon Evolution could with its 49% ownership have limited influence over decision-making in such joint venture. Conflict or disagreement with Dongwon Industries may lead to majority decisions against the Group's interests or a deadlock and result in the Group's inability to pursue its desired strategy and/or force it to exit from such joint venture.

Also, agreements with Dongwon Industries, or the virtue of not being the sole shareholder, may restrict the Group's freedom to carry out its business.

There can be no assurance that Dongwon Industries will continue their relationships with the Group in the future, that any agreements entered into have encountered for all situations or potential conflicts between shareholders, or that the Group will be able to pursue its stated strategies with respect to its current or future joint ventures and the markets in which they operate.

Furthermore, Dongwon Industries and any other partners in potential future joint ventures may (i) have economic or business interests or goals that are inconsistent with those of the Group; (ii) be subject to a change of control; (iii) experience financial and other difficulties; or (iv) be unable or unwilling to fulfil their obligations under the joint ventures, which may materially adversely affect the Group's revenues, profitability, cash flows and financial condition.

The Group has no previous experience with joint ventures or doing business in South Korea, which may be a more challenging market than operating in Norway.

If the Group fails to overcome the challenges that it encounters in its international operations, currently limited to South Korea, the Group's business, results of operations, financial position, cash flows and/or prospects could be materially, adversely affected. Furthermore, K Smart will need significant funding to carry out the planned project. There is risk that the costs may be significantly higher than previously estimated. The Group's planned capital commitments for K Smart are planned financed through equity, bank loans and grants, but such financing is not committed and there is an inherent risk that such financing may not be obtained at attractive terms or at all, or that planned costs could exceed the current budget. In such event the Company may need to raise additional equity or debt capital, or pursue other financing means to secure the funding required to execute the project as planned. The Group may neither be able to maintain its pro rata ownership in K Smart if it is not successful in obtaining such additional capital. In any event, such cost overruns could have a material adverse effect on the Group's financial results, cash flows and financial condition. There is also a risk that the project in South Korea is delayed or not completed at all.

In addition, Morgan Stanley Capital International (MSCI Inc.) has classified South Korea as an emerging market country, which normally implies that the country imposes (or may impose) restrictions on, inter alia, foreign ownership, capital import/export, foreign exchange rates, market regulations, clearing and settlement relating to trading, stock lending, stock selling and so on. Specifically, South Korea was classified as an emerging market due to a lack of accessibility for foreign investors into South Korean financial market, lack of investor information translated in English, restrictions on short selling, and a lack of an offshore currency market for the Korean won. This could mean that by holding shares in the Group, investors may be indirectly exposed to emerging markets risk factors which is normally seen as a more risky investment than investing into a develop market country.

RISK FACTORS (8/9)

The Group's business is capital intensive and there is a risk that the Group is not able to raise sufficient capital to fund its current and/or future projects:

The Group's business and future plans are capital intensive. While the aim is to fully fund the Second Phase through a combination of equity injections, cash flow from operations and debt financing, there is no guarantee this is successful. In addition, the Group may be able to successfully complete its intended capital raise through equity injections, but the Second Phase could still be unable to be fully financed due to cost overruns. Should the Group be unable to raise sufficient capital for the Second Phase, this might have a material adverse effect on the Group.

The Third Phase is not financed, and will require further external debt, cash flow from operations and possible other sources of funding such as equity.

Furthermore, the production from the First Phase will likely not provide the Group with a positive cash flow from operations – at least until all the 12 grow out tanks are put into operations. To the extent the Group does not generate sufficient cash from operations in the long term, the Company or its subsidiaries may need to raise additional funds through public or private debt or equity financing to execute the Group's growth strategy and to fund capital expenditures. The same applies for inter alia any delays or cost overruns for its construction projects.

Adequate sources of capital funding may not be available when needed or may not be available on favorable terms – or may not be available at all. Consequently, the Group may not be able to obtain financing to fund future capital expenditures.

If the Company raises additional funds by issuing additional equity securities, holdings and voting interests of existing shareholders could be diluted. If funding is insufficient at any time in the future, the Group may be unable to fund maintenance requirements and acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's financial condition and results of operations. The Group's existing or future debt arrangements could also limit the Group's liquidity and flexibility in obtaining additional financing and/or in pursuing other business opportunities.

Further, the Group's future ability to obtain bank financing or to access the capital markets for any future debt or equity offerings may be limited by the Group's financial condition at the time of such financing or offering, as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond the Group's control.

Any delay or failure to obtain funds for future capital expenditures could result in the Group's projects being delayed or not completed at all, which in turn could impact the Group's results of operations, financial condition and prospects. The issuance of additional equity securities will dilute existing shareholders' interest in the Group.

The Group may not be able to effectively compete with existing salmon farming methodologies and may change its current strategy and/or production method:

The Group may, due to external factors or internal decisions, change its current strategy and pursue alternative strategies. The Group may also fail to execute its strategy, including but not limited to successful construction of the Facility and subsequent commencement of production as well as the commercial sale of fish, due to e.g. changed market conditions, regulatory framework, available expertise and resources, and funding. The Group will face substantial competition from existing, entrenched and low-cost alternatives within sea-based net pen salmon farming and may thus not be able to effectively compete with existing salmon farming methodologies. In a scenario where the Group is not able to compete with existing salmon farming methodologies, inter alia due to higher cost levels, the Group may be forced to reduce its selling prices or ultimately decide to change its strategy and production method, which in turn could increase the Group's costs and impact its profitability negatively in the transition period.

The Company may not pay any dividends for the foreseeable future. Shareholders may never obtain a return on their investment or may lose their total investment:

As of the date of this document, the Company is in a growth phase and will prioritise to invest in organisational, product and technology development, and development of its ongoing Phases. Thus, the Company does not expect to pay dividends in the near future. Any payment of future dividends will depend on legal restrictions, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions in its borrowing arrangements or other contractual arrangements. Pursuant to current financing agreements, the Company's subsidiary Salmon Evolution Norway AS is currently subject to certain restrictions in respect of distribution of dividend to the Company, which in turn may prohibit the Company from paying dividend.

RISK FACTORS (9/9)

Future issuances of shares or other securities in the Company may dilute the holdings of shareholders and could materially affect the price of the Shares:

In order to finance the Group's strategy, the Group may be dependent on raising additional equity and external debt. For the Third Phase, the Group expects to raise additional capital through external debt, however additional equity injections might be necessary to fund the Third Phase of the planned Facility on Indre Harøy. Any further equity injections may have the effect of diluting existing shareholders, and there can be no guarantee that existing shareholders may be able to maintain their shareholding through for example subsequent offers.

Furthermore, the Company may decide to offer new shares or other securities in order to finance other capital-intensive investments in the future in connection with unanticipated liabilities or expenses, or for any other purposes. In connection with such share offerings, the Company may also deviate from the existing shareholders' pre-emptive rights, either subject to 2/3 majority approval by the shareholders' attending the relevant general meeting or based on an authorization granted to the Board (if and to the extent applicable).

Any such offering could reduce the proportionate ownership and voting interests of holders of Shares as well as the earnings per Share and the net asset value per Share of the Company, and any offering by the Company could have a material adverse effect on the market price of the Shares. Depending on the structure of such future offerings, certain existing shareholders may due to selling and trading restrictions in such shareholders' jurisdictions not be able to participate in such offering(s).

Risk relating to completion of second tranche of the contemplated Private Placement:

The allocation of new shares and completion of the Private Placement by delivery of new shares to applicants will be divided in two tranches. The first tranche is subject to approval by the board pursuant to an authorization to the board to issue shares as granted by the ordinary general meeting held 14 June 2022, whilst the second tranche is subject to approval by the board and approval by an extraordinary general meeting of the Company (expected to be held on or about medio May 2023). The issue of new shares in the first tranche is not conditional on the issue of new shares in the second tranche, and there is therefore a risk that only the first tranche will be completed if the extraordinary general meeting does not approve the issue of new shares in the second tranche. If the second tranche is not completed, only 51 863 220 news shares in the first tranche will be issued with proceeds to the Company, and will result in that the Group will not receive the proceeds from the second tranche (in such event the second tranche will be deemed a sale of shares by the share lender Ronja Capital II AS with proceeds to such share lender). If such risk should materialize, the Company would need to find other means of financing the needed capital, and if that should not be possible at attractive terms or at all, the Company will not be able to complete Phase 2 at Indre Harøy as contemplated or at all. Any such risk would have a material adverse effect for the Company.