

SALMON EVOLUTION

Salmon Evolution ASA: Results for the first quarter 2023

Highlights in the quarter

- Continued production ramp up at Indre Harøy. Batch 5 stocked in February and all-time high biomass production in March.
- Focus on international expansion plans, both in South Korea and North America.
- Indre Harøy phase 2 preparations ongoing – clear signs of normalization in the construction market
- Signed agreement with DNB and Nordea for a new green debt financing package totaling NOK 1,550 million relating to phase 1 and 2 at Indre Harøy.
- Available liquidity of NOK 454 million per 31 March 2023 including committed undrawn credit facilities.

Subsequent events

- Completed takeover of the last two remaining tanks in phase 1 at Indre Harøy on the 17th of April 2023.
- Carried out NOK 525 million private placement on 18th April 2023 as part of the Indre Harøy phase 2 financing.
- On 29th April 2023 the Company reported that it was experiencing increased mortality in selected fish groups at Indre Harøy. The Company has taken swift and appropriate actions to remedy the situation and the situation is now stabilizing with daily mortality back to normal levels post freshwater treatment.

The increase in biomass production continued in the first quarter with the Group having a net biomass production of around 740 tonnes and all-time high biomass production of around 320 tonnes in March alone. As per 31 March 2023 the Company had a total standing biomass of almost 1,500 tonnes.

Phase 1 of Indre Harøy was finalized in April 2023. With all the 12 tanks completed, this will allow for a streamlining of the production process with both production lines fully operational. The preparatory activities for phase 2 continued in the quarter. The Company has made no contractual commitments but is in advanced negotiations with contractors for phase 2 construction. The plan is to commence construction during the second half of 2023.

Work on the international expansion plans in South Korea through K Smart Farming and in North America continued in the quarter. 90 % design review for the smolt site in South Korea was completed as planned and work on the grow-out site has been intensified. In parallel, the permitting processes

continued with important clarifications received with regards to key permits. In North America the Company continues to evaluate identified potential production sites as well as maintaining dialogue with various stakeholders, both public and private.

Summary and outlook

Since initiating operations at the Indre Harøy facility about 14 months ago, the Company has gradually ramped up production and a total of five batches have been stocked. Two smolt releases are scheduled for the second quarter, and three more are planned in the second half of 2023.

The increased mortality reported ultimo April was triggered by AGD, causing problems with gill health and is an important reminder of the biological aspect of the operation. Salmon farming is a complex operation and unexpected things can and will happen, stressing the importance of having a strong and capable organization. The event demonstrated the value of being located in the heart of the aquaculture cluster with solid access to competent people and suppliers and relevant infrastructure.

The Company has taken swift and appropriate actions to remedy the situation, including reduced temperatures and feeding, increased UV dosage on intake water, fast tracking harvest of batch 2 in a historically strong market and completed freshwater treatment of all remaining fish groups.

The freshwater treatment appears to have had a good effect, and the situation is now stabilizing with daily mortality back to normal levels post freshwater treatment. The Company has also recommenced feeding across the farm and is closely monitoring the situation.

Furthermore, the Company has implemented a number of actions to minimize the risk of such event happening in the future. This includes inter alia on-site freshwater production capabilities to be installed over the next couple of weeks, reducing response time to a minimum going forward and also enabling precautionary freshwater treatments, for example in connection with fish transfers.

-We are pleased to see that the decisive actions taken over the last weeks is now stabilizing the situation and enabling the Company to transition back to production modus, says CEO in Salmon Evolution Trond Håkon Schaug-Pettersen.

-The successfully completed freshwater treatment also gives invaluable operational experience that will enhance our capabilities to tackle challenges going forward, says Schaug-Pettersen.

Salmon Evolution continues to see a significant demand growth potential for salmon and the Company believes that land-based farming will need to play an important role alongside conventional farming for the industry to be able utilize the demand potential. With phase 1 at Indre Harøy now completed and having a strong financial platform, Salmon Evolution is in a unique position to continue to lead and shape the development of this industry.

Results presentation

CEO Trond Håkon Schaug-Pettersen and CFO Trond Vadset Veibust will present the results at Hotel Continental in Oslo, Tuesday 23 May at 08:00 a.m. CEST.

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/OGhLeEcM/register>.

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

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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.

This release was sent by [Salmon Evolution](#)

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