

Extending the ocean potential

Q2 2024

SALMON
EVOLUTION®

Highlights in the quarter

- Positive cash flow from operations of 37.5 NOKm.
- Group EBITDA of 45.4 NOKm - Farming EBITDA of 58.6 NOKm and NOK 37.1 EBITDA/kg.
- Record high harvest in Q2-24 of 1,581 tonnes HOG. Continued strong all-in price realization of 106 NOK/kg driven by an industry leading superior grade share of 96 %.
- Net biomass growth of 1,261 tonnes LW. High focus on restocking the facility setting the stage for strong growth during the second half of 2024.
- Moving ahead with upsized Indre Harøy phase 2. Successfully completed private placement in June raising gross proceeds of 365 NOKm and 675 NOKm in increased in bank facilities to fund the project.
- Strong financial position with 983.4 NOKm in available liquidity including committed undrawn credit facilities.

Key figures

Operational	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Standing biomass (tonnes, LW)	2 032	1 047	2 032	1 047	2 204
Net biomass growth (tonnes, LW)	1 261	338	2 819	1 081	3 751
Harvest volumes (tonnes, HOG)	1 581	585	2 481	585	1 874
All-in price realization/kg (NOK) ¹	106,1	96,2	106,6	96,2	82,0
Farming EBITDA/kg	37,1	N/A	38,2	N/A	N/A
Financial					
Operating revenues (NOK 1000)	170 476	60 746	270 728	63 718	168 424
Operational EBITDA (NOK 1000)	45 394	-20 792	69 511	-43 152	-83 950
Operational EBIT (NOK 1000)	26 390	-32 172	32 145	-56 729	-130 680
Cash flow from operations (NOK 1000)	37 544	-25 085	35 742	-56 858	-124 445
Capital structure					
Cash flow from investment (NOK 1000)	-40 484	-72 726	-81 944	-224 880	-358 816
Cash flow from financing (NOK 1000)	346 163	488 132	343 229	564 654	590 897
Cash and cash equivalents (NOK 1000)	683 422	561 675	683 422	561 675	386 396
Net Interest-bearing debt (NOK 1000)	17 350	85 188	17 350	85 188	299 386
Equity ratio	74 %	72 %	74 %	72 %	71 %
Profitability					
Earnings per share (NOK)	0,01	-0,07	0,01	-0,16	-0,37

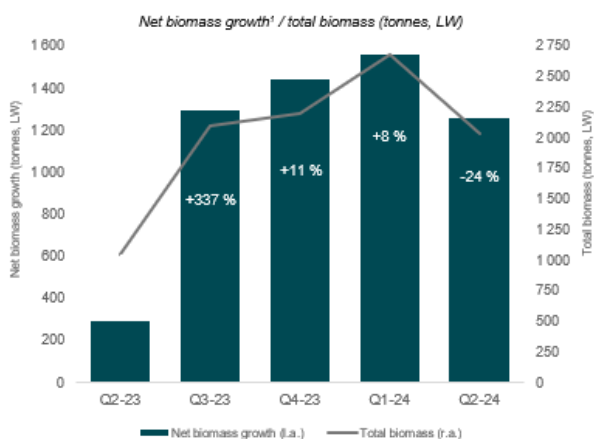
¹Calculated on a back to farm basis and adjusted for transport cost to Norway border (Nasdaq equivalent)

Norway

Operations

Salmon Evolution has started 2024 with continued stable operations at Indre Harøy and strong harvest results.

Biomass development



1) Net biomass growth includes mortality and culling

In Q2-24 high harvest activity during the quarter impacted both biomass volume and production. At the end of Q2 the standing biomass amounted to 2,032 tonnes LW. The biomass grew 1,261 tonnes LW during the quarter. Biomass production was also negatively affected by culling of batch 11 in May due to poor smolt quality, this group was originally stocked in March.

Batch 12 which was stocked in May saw good initial performance, however with increased daily mortality levels towards the end of June and into Q3 caused by ulcers. The Company has taken appropriate actions to normalise the situation for this group. Daily mortality is still at elevated levels, but the fish is showing good appetite which is a positive indicator that the situation is beginning to normalize.

Batch 13 and 14 stocked late June and mid-July has shown strong performance to date, with minimal mortality and growth well ahead of plan.

The Company has identified the root cause leading to the smolt developing ulcers shortly after stocking. To address this, future smolt groups will have additional vaccination. Furthermore, the Company has implemented changes to the smoltification process procedures at the smolt facility, which is expected to result in a stronger and more adaptable smolt once exposed to pure seawater at the Indre Harøy grow-out facility.

Following the smolt quality issues, the Company has had high focus on securing smolt and restocking the facility to minimize the impact on future harvest volumes and setting the stage for strong growth during the second half of 2024. In Q3-24 the Company plans to stock 3 batches by end of August. Furthermore, 2 additional batches are planned stocked in Q4. This is done through a combination of external sourcing and smolt coming from our own smolt facility at Dale.

In Q2-24 the Company had record high harvest volumes of 1,581 tonnes HOG with an average weight of ~3.6 kg LW and an industry leading superior grade share of 96 %. Harvest weights were impacted by opportunistic harvesting in April and May amid record high salmon prices, as well as impact from low stocking weights during spring and summer 2023. The groups that were harvested during Q2-24, had an accumulated mortality ranging between 3.0 – 4.6 %, underscoring the good biological conditions and fish welfare at Indre Harøy and in line with the Company's mortality target.

Guidance

The Company has reviewed its harvesting plan for Q3-24 and Q4-24. The culling of batch 11 has some impact on harvest volumes in the second half of 2024 and has created some excess tank capacity in the short term. The Company will

prioritize to utilize the excess tank capacity to increase harvest weights. Accordingly, the Company has revised its Q3-24 harvest expectation in the range of 1,200 to 1,300 tonnes HOG.

Indre Harøy phase 2

Indre Harøy phase 1 and 2 represents a highly potent platform with strong expected operational cash flow generation, thus the realization of phase 2 is an important milestone for the Company.

In Q2-24 the Company announced that it was moving ahead with the project, following a successful private placement generating gross proceeds of 365 NOKm as well as increasing the bank facilities dedicated to the project with 675 NOKm.

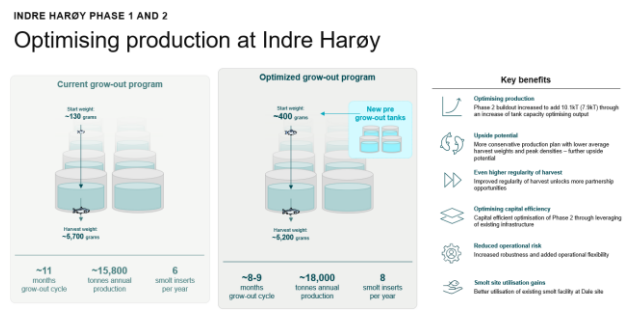
The Company has had a thorough process with the contractors leading up to the investment decision for phase 2. In the pre-project phase, the Company and its contractors have carried out bids on all major components to have visibility on cost and reduce the risk in the cost estimates. The Company also have the benefit building an improved copy of a facility that is already in operation, and the level of detail in the design and planning documentation for phase 2 is at a different level compared to phase 1. Additionally, the Company can build on the experiences from over two years in full operation as well as leveraging the human capital in the Company, possessing essential competence to carry out a project of this magnitude.

Indre Harøy phase 2 is an expansion on the existing plot and will leverage the significant infrastructure investments made in phase 1. The phase 2 projects are planned to add 10,100 tonnes HOG of annual harvest, increasing planned output of phase 1 and 2 from 15,800 tonnes to 18,000 tonnes HOG.

For the full second half of 2024 the Company expects to harvest in the range of 2,400 to 2,600 tonnes prioritizing to enter the 2025 winter season with a fully stocked farm and expected solid biomass volume.

Through optimising production at Indre Harøy, the Company releases an additional 2,200 tonnes HOG of annual harvest on top of the original plan of 7,900 tonnes HOG in phase 2. Higher output for phase 1 and 2 is achieved with additional tank capacity, by introducing pre grow-out tanks leveraging the existing infrastructure already in place. This represents a highly capital efficient way to increase the output from Indre Harøy, both at the grow-out and the smolt facility at Dale.

The project has a total estimated investment cost of 2.5 NOKbn including the additional tank capacity. This figure also includes 200 NOKm in project contingencies and a project buffer of 100 NOKm.



Under the new program, by adding the pre grow-out tanks, the Company can increase the stocking weight in the grow-out department from current ~130 grams to ~400 grams. At the same time the targeted harvest weight is reduced to 5.2 kg LW. I sum this will reduce the production cycle to ~8-9 months and enable an increase in the number of smolt inserts from 6 to 8 per year. Generally, this is a more conservative production plan with lower average harvest weights and peak densities, which also lowers

the operational risk through increased robustness and added operational flexibility.

The Indre Harøy phase 2 project (grow-out facility) is split in two parts, with Artec Aqua having responsibility for design, construction, and commissioning of the process facility and HENT for civil design and construction. Apart from optimising the facility through additional tank capacity, phase 2 will be an improved copy of phase 1, incorporating key learnings after more than two years in operation.

The initial groundworks for the grow-out section as well as preparations for the intake station has been completed previously. Mobilization and construction of the grow-out facility has already commenced. For phase 2 the Company targets to stock the first smolt in Q1-26 and first harvest in Q4-26. In parallel Salmon Evolution is proceeding with the planning and engineering for the additional tank capacity with expected completion by 2026.

Indre Harøy phase 2 illustration



Illustration: Salmon Evolution

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

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

North America

The North America expansion is an integral part of Salmon Evolution's strategy towards a production capacity of 100kt HOG.

Salmon Evolution is currently in advanced negotiations on a high-potential site in North America. The initial site verification processes, including fatal flaws analyses of both water, biological, technical, and regulatory aspects, points to this being an ideal site for a hybrid flow-through system.

As previously communicated the focus with respect to sites is centred around areas with an established salmon farming industry, mirroring the Group's approach for Indre Harøy in Norway. Salmon Evolution sees a significant value in leveraging existing aquaculture infrastructure and value chains, enabling both scale and cost leadership, as well as reducing operational and biological risk.



It is expected that site verification and relevant regulatory approval processes will take two to three years, allowing for construction start during 2026, upon which the plan is to build a full scale 36kt HOG "Indre Harøy" facility drawing on the experiences learned from Norway.

To facilitate this expansion, the Group has established a dedicated team of both in-house

and external resources and is currently in the process of ramping this team up.

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

Korea

Project overview

The Group has a joint venture, K Smart Farming, with the South Korean seafood giant Dongwon Industries where the plan is to develop, construct and operate a 16,800 tonnes HOG land-based salmon farming facility in South Korea, using Salmon Evolution's technology approach and competence. This is planned completed in two stages, each phase aiming for an annual capacity of 8,400 tonnes HOG.



Yangyang on-growing site

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



Jeongseon smolt site

Project status

The design and engineering activities for the grow-out facility at Yangyang was completed in Q1-24. Permitting work is on track and not considered a material risk for the realization of the project.

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

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

The project is currently working with authorities in South Korea on governmental financial support, further clarifications expected to take within 9-12 months. Meanwhile project activities have been scaled down and cash burn has been reduced to a minimum.

Funding

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

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

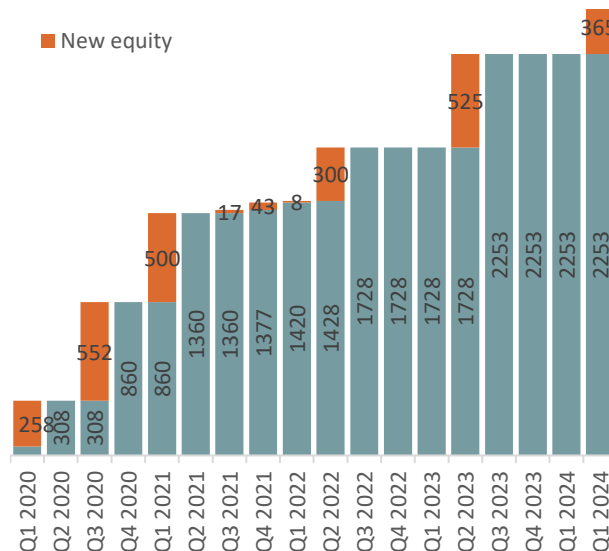
Funding Indre Harøy Phase 1 and 2

In June 2024 the Company expanded its existing senior secured debt financing package related to Indre Harøy Phase 1 and 2, from 1,550 NOKm to 2,225 NOKm, an increase of 675 NOKm. The new bank facilities are credit approved by DNB and Nordea Bank, and subject to customary closing conditions including final documentation which is currently in process.

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

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

Development in paid-in equity (NOKm)



Source: Group data

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

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

As per 30 June 2024, the Term Loan of 525 NOKm was fully drawn. Neither the RCF facility or construction facilities were drawn as per 30 June 2024.

In addition, the Group has a 100 NOKm overdraft facility for biomass and receivables financing of which 100 NOKm was drawn at the end of Q2. An increase of the overdraft facility of 50 NOKm has been credit approved.

Funding Salmon Evolution Dale

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

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

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

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

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

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

Extending the ocean potential

Our Technology – Hybrid flow through system (HFS)

Salmon Evolution is founded on the belief that good biology equals good economy. This belief has been essential when developing the production methods and technology that are to be applied in the Company's land-based salmon farming facilities.

Salmon Evolution's chosen hybrid flow-through system (HFS) technology ensures rich access of fresh filtered seawater while at the same time reducing energy consumption by reusing around 65% of the water.

A reusage level of around 65% is in the Company's view a "sweet spot" balancing cost and operational risk. Higher reusage levels require the introduction of more advanced filtration and water treatment and lead to an exponential increase in risk. On the other side, a low level of reusage leads to significantly higher energy costs in connection with pumping and heating of water.

At Indre Harøy the seawater intake is based on two inlet pipes at 25 meters and 95 meters, enabling the Company to tap into ideally

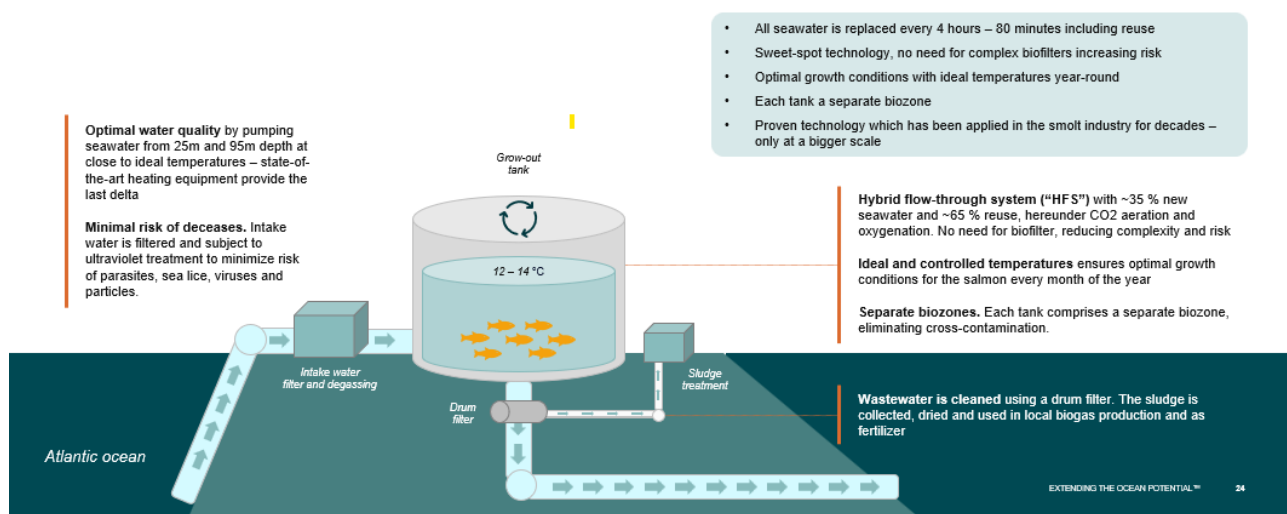
tempered water and hence reducing energy costs relating to heating of seawater.

The water inlet is further filtered and treated with UV to eliminate parasites, sea lice, viruses, and particles. This ensures a rich flow of fresh and clean seawater into the fish tanks.

To ensure optimal biological and growth conditions in the fish tanks, oxygen and CO2 levels are constantly monitored and adjusted.

Each of Salmon Evolution fish tanks represents an individual biological zone, meaning that water in one tank never mixes with water in the other tanks. This again serves as a significant risk reducing measure in case of diseases etc. where a potential outbreak in one tank never can contaminate the fish swimming in the other tanks.

As part of Salmon Evolution commitment to a truly sustainable production and circular economy, waste is filtered and collected, before being transported to a recirculation plant where it is converted into fertilizer, biogas or similar.



Group financial review

Revenue and results for the second quarter 2024

Summary of result

(figures in NOK 1000)

	Q2 24	Q2 23	YTD 24	YTD 23	2023
Total operating revenue	170 476	60 746	270 728	63 718	168 424
Operational EBITDA	45 394	-20 792	69 511	-43 152	-83 950
Operational EBIT	26 390	-32 172	32 145	-56 729	-130 680
Fair value adjustment of biomass	-12 294	7 365	-11 352	7 912	20 149
Operating profit (EBIT)	14 096	-24 807	20 793	-48 817	-110 532
Net financials	-7 796	-1 205	-15 695	-9 572	-35 241
Profit/loss before tax	6 300	-26 013	5 098	-58 390	-145 773
Income tax expense	0	0	0	0	0
Profit/loss for the period	6 300	-26 013	5 098	-58 390	-145 773

Comparable figures for Q2 2023 in brackets

In Q2-24 the Company recorded operating revenues of 170.5 NOKm (60.7 NOKm), primarily related to harvest of 1,581 tonnes HOG. The continued strong all-in price realization of NOK ~106/kg was driven by an industry leading superior grade share of 96 %.

Operating expenses totalled 125.1 NOKm (81.5 NOKm). This consisted mainly of operating expenses at our facilities in Dale and Indre Harøy, costs related to the growth projects and other administration expenses. The Company recorded a net write down of biomass related to culling of batch 11 in May due to poor smolt quality of 6.2 NOKm in Q2.

The Company recorded depreciations of 19.0 NOKm (11.4 NOKm), mostly related to the facility at Indre Harøy. Depreciations for the Indre Harøy facility commenced in May 2023. The Company initiated depreciations of the upgrades undertaken at the smolt facility in Dale, in Q1 2024.

The Company had a positive EBITDA of 45.4 NOKm (negative 20.8 NOKm) in Q2-24, with

EBIT ending at 26.4 NOKm (negative 32.2 NOKm) in Q2-24. EBIT after fair value adjustment related to the biomass of -12.3 NOKm ended at 14.1 NOKm (negative 24.8 NOKm). In the quarter the Company recorded capacity adjustments for unutilized production capacity of 8.3 NOKm.

Net financials for the quarter were negative at 7.8 NOKm (negative 1.2 NOKm), primarily driven by interest rate costs, partly offset by a positive change in value of the interest rate swap contract and interest rate income on the bank deposits.

The Group recorded no tax cost in Q2, and the profit for the period ended at 6.3 NOKm (negative 26.0 NOKm).

Salmon Evolution's share of K Smart's net income is recognized in the profit and loss statement. The investment in K Smart is accounted for using the equity method where K Smart is considered an associated company.

Farming Norway

Farming Norway	Q2 24	Q2 23	YTD 24	YTD 23	2023
Operating revenue (NOK 1000)	170 476	58 319	268 666	58 319	158 248
Operational EBITDA (NOK 1000) ²	58 627	-5 933	94 863	-15 142	-23 214
Operational EBIT (NOK 1000) ²	39 955	-16 666	58 162	-27 333	-67 932
All-in price realization/kg (NOK) ¹	106,1	96,2	106,6	96,2	82,0
Harvest volumes (tonnes, HOG)	1 581	585	2 481	585	1 874
Operational EBITDA cost/kg	64,2	N/A	65,2	N/A	N/A
Operational EBITDA/kg (NOK)	37,1	N/A	38,2	N/A	N/A
Operational EBIT/kg (NOK)	25,3	N/A	23,4	N/A	N/A

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

²Before fair value adjustment related to biological assets

Farming Norway consists of the farming activities at Indre Harøy including smolt production at Salmon Evolution Dale and sales.

The harvest of 1,581 tonnes HOG in Q2-24 is the primary driver behind the reported revenues of 170.5 NOKm (58.3 NOKm). It includes revenues of 1.4 NOKm in relation to insurance settlement regarding culling of a smolt group. The continued strong all-in price realization of NOK ~106/kg was driven by an industry leading superior grade share of 96 %.

The reported all-in price realization is calculated on a back to farm basis and adjusted for transport cost to Norway border (Nasdaq equivalent) and includes all fish sold, including downgrades. The segment had six harvest weeks in Q2-24 relatively evenly spread throughout the quarter.

The farming EBITDA cost in the segment, including allocated G&A, ended at NOK 64.2 per kg. The farming EBITDA cost is the sum of all direct production and harvest cost and other operating expenses (G&A), divided by harvest volume. Incident based mortality, culling and exports costs are excluded. Compared to Q1-24, the farming EBITDA cost was somewhat impacted by harvest of smaller fish.

The segment recorded a write down of biomass related to culling of batch 11 in May due to poor smolt quality of 6.2 NOKm in Q2.

The farming segment had an EBITDA of 58.6 NOKm, with EBITDA per kg in line with Q1-24 when adjusting for mortality costs. EBIT ended at 40.0 NOKm.

The segment recorded capacity adjustments for unutilized production capacity of 8.3 NOKm.

Other

Other	Q2 24	Q2 23	YTD 24	YTD 23	2023
Operating revenue (NOK 1000)	5 355	5 234	11 833	13 037	27 564
Operational EBITDA (NOK 1000)	-13 233	-14 859	-25 352	-28 012	-60 737

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

In Q2-24 the Other segment had operating revenues of 5.4 NOKm related to sale of services to Group companies.

In the quarter the Company had high activity in relation to conclusion of the Indre Harøy phase

2 pre-project, the expanded bank facilities and equity raise.

The operational EBITDA ended at negative 13.2 NOKm. This result was driven by expansion costs and the abovementioned activities, which include headquarter costs, development costs for the overseas projects, and general corporate expenses including salaries.

Cash flow

Comparable figures for Q2 2023 in brackets

In Q2-24 the Company had a positive net cash flow from operating activities for the first time, reporting a consolidated net cash flow from operating activities of 37.5 NOKm (negative 25.1 NOKm).

The investments in the quarter were primarily driven by activities related to the project design for Indre Harøy phase 2 as well as the North America project.

Cash flow from financing activities during the quarter was positive with 346.2 NOKm (488.1 NOKm) related to the equity raise generating gross proceeds of approximately 365 NOKm.

Total net cash flow during the second quarter was positive with 343.2 NOKm (488.1 NOKm). The liquidity position at the end of the period was strong, with cash and cash equivalents of 683.4 NOKm.

Total available liquidity ended at of 983.4 NOKm, this includes available committed undrawn credit facilities, but excludes the committed construction facilities in relation to Indre Harøy Phase 2.

(figures in NOK 1000)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Net cash flow from operating activities	37 544	-25 085	35 742	-56 858	-124 445
Net cash flow from investments activities	-40 484	-72 726	-81 944	-224 880	-358 816
Net cash flow from financing activities	346 163	488 132	343 229	564 654	590 897
Net change in cash and cash equivalents	343 223	390 322	297 026	282 916	107 636
Cash and cash equivalents at start of period	340 199	171 353	386 396	278 759	278 759
Cash and cash equivalents at end of period	683 422	561 675	683 422	561 675	386 396

Financial position

Comparable figures for Q2 2023 in brackets

(figures in NOK 1000)	30 June 2024	31 March 2024	31 Dec 2023	30 June 2023
Non-current assets	2 108 566	2 099 098	2 076 513	2 004 856
Current assets	972 059	632 584	633 072	766 290
Total assets	3 080 625	2 731 682	2 709 585	2 771 144
Equity	2 276 565	1 919 953	1 920 693	2 008 594
Non-current liabilities	586 065	586 208	586 859	573 318
Current liabilities	217 995	225 521	202 032	189 232
Total equity and liabilities	3 080 625	2 731 682	2 709 585	2 771 144

On 30 June 2024 the book value of the Group's assets was 3,080.6 NOKm (2,771.1 NOKm). The increase from 30 June 2024 is primarily related to the successful private placement that took place in June, raising gross proceeds of approximately 365 NOKm.

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

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

Total equity amounted to 2,276.6 NOKm (2,008.6 NOKm). This corresponds to an equity ratio of 74% (72%).

Consolidated net interest-bearing liabilities totalled 17.4 NOKm (85.2 NOKm) which mainly relates to the financing of Indre Harøy phase 1.

Summary for the first half of 2024

Comparable figures for the first half of 2023 in brackets

In the first half of 2024 the Group had operating revenues of 270.7 NOKm (63.7 NOKm), where 268.7 NOKm (58.3 NOKm) were related to the farming segment. The increase from the same period last year is linked to the increased harvest activities, having harvested 2,481 tonnes HOG in the first half of 2024 compared to 585 tonnes HOG in the same period last year. Additionally, the Group sold services totalling 4.1 NOKm, and had revenues from government grants and revenues related to insurance settlement.

Personnel expenses and other operating expenses amounted to 117.7 NOKm (92.6 NOKm). The increase from the same period last year is driven by much higher activity at the Group's grow-out facility at Indre Harøy than the corresponding period in 2023.

Salmon Evolution had a positive EBITDA of 69.5 NOKm in the first half of 2024 compared to a negative EBITDA of 43.2 NOKm in the same period last year.

The Group recorded depreciations of 37.4 NOKm (13.6 NOKm) in the first half of 2024, mostly related to the facility at Indre Harøy. Depreciations for the Indre Harøy facility commenced in May 2023.

After a negative fair value adjustment related to the biomass of 12.3 NOKm, the Group recorded an operating profit of 20.8 NOKm (negative 48.8 NOKm) the first half of 2024.

Net financials amounted to negative 15.7 NOKm (negative 9.6 NOKm), primarily due to

interest rate expenses. The Group recorded no tax cost for the first half of 2023, and the profit ended at 5.1 NOKm (loss 58.4 NOKm).

Net cash flow from operating activities ended at 35.7 NOKm in the first half of 2024 (negative 56.9 NOKm), a significant improvement from the same period last year driven by the much higher harvest activity in the first half of 2024 compared to 2023.

Having completed the grow-out facility at Indre Harøy in April 2023, the net cash flow from investing activities was significantly reduced from the same period in 2023 and ended at negative 81.9 NOKm (negative 224.9 NOKm).

Cash flow from financing activities in the first half of 2024 was driven by the successful equity raise that took place in June and ended at 346.2 NOKm (564.7 NOKm).

Net change in cash and cash equivalents for the first half of 2024 was 343.2 NOKm (282.9 NOKm), and as of 30 June 2024 cash and cash equivalents amounted to 683.4 NOKm and total available liquidity of 983.4 NOKm including committed undrawn credit facilities.

Salmon Evolution's share of K Smart's net income is recognized in the profit and loss statement. The investment in K Smart is accounted for using the equity method where K Smart is regarded as an associated company.

Subsequent events

No material subsequent events.

Transactions with related parties

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

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

Share information

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

During the quarter the average daily traded volume was about 1,068,000 shares and the average daily traded value was about NOK 8.1 million (Oslo Børs).

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

20 largest shareholders 30 June 2024

Shareholder	# of shares	% share
Ronja Capital AS	32 407 311	7,0 %
The Bank of New York Mellon SA/NV	24 359 292	5,3 %
Farv atn Private Equity AS	21 168 366	4,6 %
J.P. Morgan SE	16 776 244	3,6 %
Verdipapirfondet Dnb Norge	16 120 578	3,5 %
Dongwon Industries Co. Ltd	16 044 572	3,5 %
Rofisk AS	15 204 563	3,3 %
Kjøllås Stansekniver AS	13 173 105	2,9 %
Stette Invest AS	12 410 954	2,7 %
Jakob Hatteland Holding AS	9 790 519	2,1 %
Ewos AS	9 480 984	2,1 %
Mevold Invest AS	9 074 474	2,0 %
Lynghheim Invest AS	8 449 252	1,8 %
Bortebakken AS	7 569 330	1,6 %
VPF DNB Norge Selektiv	6 860 999	1,5 %
Verdipapirfondet DNB SMB	5 887 586	1,3 %
J.P. Morgan SE	5 531 819	1,2 %
J.P. Morgan SE	4 912 500	1,1 %
Nordnet Livsforsikring AS	4 901 360	1,1 %
Bondø Invest AS	4 614 718	1,0 %
Total 20 largest shareholders	244 738 526	53,1 %
Other shareholders	215 976 514	46,9 %
Total number of shares	460 715 040	100,0 %

Source: VPS, Company

Risk and uncertainties

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

Operational risk

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

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

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

Project risk

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

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

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

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

Market risk

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

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

Interest Rate risk

The Group's interest rate risk relates primarily to borrowings from financial institutions with floating interest rates. Currently, the Group has entered into hedging programs to reduce this risk for parts of its planned borrowings. As of 30 June 2024, outstanding loans from credit institutions amounted to NOK 688.4 million (excluding financial leasing).

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

Foreign Currency risk

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

currency exposure. As per 30 June 2024 the Group did not have material any exposure in foreign currency contracts.

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

Credit risk

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

amount of these instruments. The Group has procedures in place to ensure that products are only sold to customers with satisfactory creditworthiness, and in all material respect use credit insurance. This risk is not considered to be material on 30 June 2024.

Liquidity risk

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

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

Outlook statement from the board of directors

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

The first half of 2024 has been a period marked by significant milestones for Salmon Evolution. The Company harvested about 2,500 tonnes HOG with excellent results, highlighted by an industry leading superior grade share of 96 % in the first half of 2024. Another important metric is that the groups harvested during the first half of 2024 had an accumulated mortality of between 3.0 – 6.0 %, underscoring the good biological conditions and fish welfare at Indre Harøy.

The Company is very pleased with the strong reception our salmon has received in the market with customers highlighting an excellent taste and a product fully competitive to conventional salmon. Our salmon is also highly versatile and well suited for both conventional cooking, smoking and raw consumption.

As well as strong harvest results, the Company reached another significant milestone by reporting its first positive operating result in Q1-24. In Q2-24 this was followed by a solid positive net cash flow from operating activities. This after operating the Indre Harøy facility for just over two years, underlining the strong operational and financial platform Salmon Evolution has established.

In June 2024 Salmon Evolution announced that it was moving ahead with Indre Harøy phase 2. Indre Harøy phase 1 and 2 represents a potent platform to yield substantial cash flow and a

strong foundation for further expansion. This puts the Company in a unique position compared to other land-based salmon farming companies.

As a part of this, Salmon Evolution also announced that it has identified optimisations to release an addition ~2,200 tonnes HOG of production on top of the original plan for phase 1 and 2, increasing the planned volume from 15,800 tonnes HOG to 18,000 tonnes HOG annually. This is made possible by adding additional tank capacity at Indre Harøy, leveraging the significant infrastructure investments already made. Not only is this a capital efficient way to grow, but it also creates additional positive scaling effects on the existing cost base.

To fund the upsized phase 2 project, the Company successfully completed a private placement in June 2024 as well as expanding the bank debt facilities at very attractive terms. This highlights the strong support the Company have in the equity and debt markets.

These accomplishments underscore the Company's commitment to innovation, sustainability, and growth, positioning Salmon Evolution as a leader in the land-based salmon farming industry.

Having a strong operational and financial proof of concept, is an ideal backdrop to continue scaling the Company further in Norway and abroad. The operational and financial performance of our Indre Harøy facility highlights the value of tapping into an existing value chain and talent base. This is a key reason why Salmon Evolution is targeting areas with an established salmon farming industry for its North America expansion. Mirroring the approach for Indre Harøy in Norway, Salmon Evolution sees a significant value in leveraging existing aquaculture infrastructure and value chains,

enabling both scale and cost leadership, as well as reducing operational and biological risk.

Supply estimates for 2024 has consistently been revised downwards during the first half of 2024. This is driven by a challenging biology, especially in Norway where the conventional sea-based farmers have seen significant challenges with jellyfish and winter wounds in the first half of 2024, causing record high volumes of downgraded fish. The market for 2024 and beyond looks tight, supporting a scenario with high salmon prices going forward. With being in the process of ramping up production and harvest volumes,

Salmon Evolution is in a solid position to benefit from this over the coming quarters and years.

Salmon Evolution continues to see a significant demand growth potential for salmon and believes that land-based farming will need to play an important role, alongside conventional farming, for the industry to be able utilize the demand potential. With phase 1 at Indre Harøy in full operation and phase 2 on the way, Salmon Evolution is in a unique position to continue to lead and shape the development of this industry.

Summary year to date

- Harvest of 2,481 tonnes HOG, with an industry leading superior grade share of 96 % and strong all-in price realization.
- Strong operating result and positive cash flow from operations in the first half of 2024.
- Moving ahead with Indre Harøy phase 2, creating an even more potent platform with substantial cash flow generating capabilities.
- Identified optimisations and included this in the phase 2 project, to release additional ~2,200 tonnes HOG on top of the original plan for Indre Harøy phase 1 and 2 increasing the planned volume from 15,800 tonnes HOG to 18,000 tonnes HOG.
- Successfully completed private placement in June 2024 raising gross proceeds of approximately 365 NOKm as well as a credit approved increase of 675 NOKm on the debt package to fund Indre Harøy phase 2 expansion.
- Strong financial position with available liquidity of 983.4 NOKm per 30 June 2024 including committed available undrawn credit facilities, excluding the construction facilities in relation to Indre Harøy phase 2.

Responsibility Statement

Responsibility statement in connection with interim management report by the Board of Directors and CEO of Salmon Evolution ASA.

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2024 has been prepared in accordance with IAS 34 – Interim Financial Reporting and gives a true and fair view of the Company's and Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the period and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties facing the group, and major related parties' transactions.

The Board of Directors of Salmon Evolution ASA
Ålesund/Elnesvågen 14 August 2024



Tore Tønseth
Chair



Peder Stette
Director



Anne Breiby
Director



Ingvild Vartdal
Director



Vibecke Bondø
Director



Jan-Emil Johannessen
Director



Eunhong Min
Director



Trond Håkon Schaug-Pettersen
CEO

Interim financial statements

Statement of Profit and Loss

(figures in NOK 1000)	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Sales revenues	2	169 094	56 287	266 617	56 287	153 325
Other income		1 382	4 459	4 111	7 431	15 099
Total operating revenue		170 476	60 746	270 728	63 718	168 424
Change in inventory	3,4	-19 158	-8 587	11 669	28 991	78 476
Cost of materials	3,4	-46 589	-22 018	-95 183	-43 268	-126 180
Personnel expenses	5	-18 026	-15 216	-36 138	-33 192	-76 052
Other operating expenses		-41 308	-35 717	-81 565	-59 401	-128 619
Operational EBITDA		45 394	-20 792	69 511	-43 152	-83 950
Depreciations	6	-19 005	-11 380	-37 366	-13 577	-46 730
Operational EBIT		26 390	-32 172	32 145	-56 729	-130 680
Fair value adjustment of biomass	3	-12 294	7 365	-11 352	7 912	20 149
Operating Profit (EBIT)		14 096	-24 807	20 793	-48 817	-110 532
Financial income	7	6 377	14 206	13 523	16 051	21 481
Financial expense	7	-12 894	-13 637	-26 102	-22 778	-49 624
Share of net income from associated companies	8	-1 279	-1 774	-3 116	-2 845	-7 098
Financial expense - net		-7 796	-1 205	-15 695	-9 572	-35 241
Profit/loss before tax		6 300	-26 013	5 098	-58 390	-145 773
Income tax expense	9	0	0	0	0	0
Profit/loss for the period	10	6 300	-26 013	5 098	-58 390	-145 773
Basic earnings per share (NOK)	10	0,01	-0,07	0,01	-0,16	-0,37
Diluted earnings per share (NOK)	10	0,01	-0,07	0,01	-0,16	-0,37

Statement of Comprehensive Income

Profit/(loss) for the period		6 300	-26 013	5 098	-58 390	-145 773
Currency translation differences	8	-561	396	-213	-88	-861
Total comprehensive income for the period		5 739	-25 617	4 885	-58 478	-146 634

Statements of financial position

(figures in NOK 1000)	Note	30 June 2024	31 March 2024	31 Dec 2023	30 June 2023
Assets					
Intangible assets	6	75 496	73 228	72 347	66 594
Deferred tax assets	9	415	415	415	0
Assets under construction	6	142 794	106 827	70 781	42 599
Assets in use, not allocated	6	9 785	23 293	54 019	1 826 853
Property, plant & equipment	6	1 852 866	1 866 979	1 848 190	32 143
Right-of-use assets	6	11 862	11 170	12 084	12 965
Investment in associated companies	8	15 347	17 186	18 676	23 702
Total non-current assets		2 108 566	2 099 098	2 076 513	2 004 856
Inventory	3	10 574	11 195	8 369	3 067
Biological assets	3	153 899	182 627	153 790	94 704
Trade receivables		56 846	38 506	40 496	9 275
Other current receivables		52 573	45 064	31 121	76 198
Financial derivatives	7	14 744	14 993	12 900	21 371
Cash and cash equivalents		683 422	340 199	386 396	561 675
Total current assets		972 059	632 584	633 072	766 290
Total assets		3 080 625	2 731 682	2 709 585	2 771 144
Equity and liabilities					
Share capital	11	23 130	20 697	20 697	20 697
Share premium	11	2 472 973	2 124 647	2 124 647	2 125 645
Other reserves	5	10 985	10 871	10 758	9 505
Other equity		0	0	0	0
Uncovered losses		-230 523	-236 262	-235 408	-147 252
Total equity		2 276 565	1 919 953	1 920 693	2 008 594
Long-term interest-bearing debt	12	569 700	570 000	569 969	555 669
Lease liabilities - long term	12	7 663	7 506	8 189	9 101
Other long-term liabilities	12	8 702	8 702	8 702	8 549
Total non-current liabilities		586 065	586 208	586 859	573 318
Short-term interest-bearing debt	12	118 667	113 798	103 275	77 878
Trade payables		77 416	86 110	71 499	89 689
Social security and other taxes		7 231	4 639	8 273	4 659
Lease liabilities - short term	12	4 743	4 240	4 350	4 215
Other short-term liabilities		9 939	16 734	14 635	12 791
Total current liabilities		217 995	225 521	202 032	189 232
Total liabilities		804 060	811 729	788 891	762 550
Total equity and liabilities		3 080 625	2 731 682	2 709 585	2 771 144

Statement of cash flow

(figures in NOK 1000)	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Cash flow from operations						
Profit/loss before tax		6 300	-26 013	5 098	-58 390	-145 773
Adjustments for:						
Depreciation	6	19 005	11 380	37 366	13 577	46 730
Net financials		7 796	1 205	15 695	9 572	35 241
Share based payment expenses		114	593	228	1 185	2 438
Changes in working capital:						
Change in trade receivables		-18 340	-5 476	-16 349	13 805	-15 605
Change in other current receivables		-4 700	-17 376	-5 563	-9 246	33 785
Change in inventory and biological assets	3	17 055	8 587	-13 666	-28 991	-81 143
Change in fair value of biomass	3	12 294	-7 365	11 352	-7 912	-20 149
Change in trade payables		2 170	6 316	7 267	6 885	12 330
Change in social security and other taxes		2 592	-932	-1 042	-2 427	772
Change in other current liabilities		-6 741	3 995	-4 642	5 084	6 928
Net cash flow from operations		37 544	-25 085	35 742	-56 858	-124 445
Cash flow from investment activities						
Payments for fixed assets net of government grants	6	-38 208	-71 367	-78 788	-223 436	-351 615
Payments for intangible assets	6	-2 276	-1 359	-3 157	-1 445	-7 201
Net cash flow from investment activities		-40 484	-72 726	-81 944	-224 880	-358 816
Cash flow from financing activities						
Proceeds from issue of equity, net paid transaction costs		350 759	501 981	350 759	501 981	500 982
Proceeds from new borrowings	12	4 869	-12 165	15 423	65 025	104 875
Repayment of borrowings		-300	0	-300	0	0
Net change in right of use assets and liabilities		-40	43	69	124	227
Financial expenses paid		-13 201	-9 084	-27 781	-11 205	-35 568
Financial income received		4 076	7 356	5 058	8 729	20 381
Net cash flow from financing activities		346 163	488 132	343 229	564 654	590 897
Net change in cash and cash equivalents		343 223	390 322	297 026	282 916	107 636
Cash and cash equ. at the beginning of the period		340 199	171 353	386 396	278 759	278 759
Cash and cash equ. at the end of the period		683 422	561 675	683 422	561 675	386 396

Statement of Changes in Equity

(figures in NOK 1000)	Note	Share capital	Share premium	Other reserves	Other equity	Uncovered losses	Total equity
Balance at 1 January 2023	11	17 288	1 627 073	8 320	0	-88 774	1 563 906
Profit/loss for the period		0	0	0	0	-58 390	-58 390
Other comprehensive income		0	0	0	0	-88	-88
Total comprehensive income		0	0	0	0	-58 478	-58 478
Private placement, April 2023		3 409	498 572	0	0	0	501 981
Share options issued		0	0	0	0	0	0
Share based payment expensed		0	0	1 185	0	0	1 185
Transactions with owners		3 409	498 572	1 185	0	0	503 166
Balance at 30 June 2023	11	20 697	2 125 645	9 505	0	-147 252	2 008 594
Balance at 1 January 2024	11	20 697	2 124 647	10 758	0	-235 408	1 920 693
Profit/loss for the period		0	0	0	0	5 098	5 098
Other comprehensive income		0	0	0	0	-213	-213
Total comprehensive income		0	0	0	0	4 885	4 885
Private placement June 2024		2 433	348 326	0	0	0	350 759
Share options issued		0	0	0	0	0	0
Share based payment expensed		0	0	228	0	0	228
Transactions with owners		2 433	348 326	228	0	0	350 987
Balance at 30 June 2024	11	23 130	2 472 973	10 985	0	-230 523	2 276 565

Selected notes to the quarterly financial statements

Note 1 – Summary of significant accounting policies

General information

Salmon Evolution ASA and its subsidiaries, Salmon Evolution Norway AS, Salmon Evolution International AS, Salmon Evolution Dale AS and Salmon Evolution Sales AS (the "Company", "SE" or "the Group") is a Norwegian business headquartered in Hustadvika kommune in Møre og Romsdal. SE is building a land-based salmon farming facility at Indre Harøy, with a planned annual production of 36,000 tons HOG of which phase 1 recently is completed and has an annual production of 7,900 tons HOG.

The build-out consists of three phases, with the first phase consisting of 12 large grow out tanks with corresponding infrastructure. SE will operate a hybrid flow-through (HFS) system, utilizing fresh seawater from the Norwegian coast. Construction start of phase 1 was in Q2 2020, and was completed mid April 2023. The first smolt batch was released at Indre Harøy late March 2022 as per original timeline, and the Group completed its first harvest in November 2022.

These interim financial statements were approved by the Board of Directors for issue on 14 August 2024.

These interim financial statements have not been audited.

Consolidation

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

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

Basis of preparation

These interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim financial reporting". These interim financial statements do not provide the same scope of information as the annual financial statement and should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

Going concern

The Group has adopted the going concern basis in preparing its consolidated financial statements. When assessing this assumption, management has assessed all available information about the future. This comprises information about net cash flows from existing customer contracts and other service contracts, debt service and obligations. After making such assessments, management has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

Accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that income tax expense is recognized in each interim period using the expected weighted average annual income tax rate for the full financial year. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss. The Group does not include net deferred tax benefits in its balance that exceeds the tax effect of group contributions in order to equalize tax payable in its subsidiaries.

Revenue

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

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

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

Property, plant & equipment

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

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

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

Biological assets

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

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

For further information, please refer to note 3.

Borrowing costs

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

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

Note 2 – Segment

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

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

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

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

(In thousand NOK)	Farming Norway	Other	Eliminations	Group
Q2 2024				
External revenue	170 476	0	0	170 476
Internal revenue	0	5 355	-5 355	0
Operating revenue	170 476	5 355	-5 355	170 476
Operational EBITDA	58 627	-13 233	0	45 394
Operational EBIT	39 955	-13 976	410	26 390
Fair value adjustment of biomass				-12 294
Net financial				-7 796
Profit/loss before tax				6 300
Harvested volum (tonnes, HOG)	1 581			1 581
Operational EBITDA/kg (NOK)	37,1			28,7
Operational EBIT/kg (NOK)	25,3			16,7
Total PPE	2 069 995	23 759	-951	2 092 803

(In thousand NOK)	Farming Norway	Other	Eliminations	Group
Q2 2023				
External revenue	58 319	2 427	0	60 746
Internal revenue	0	2 806	-2 806	0
Operating revenue	58 319	5 234	-2 806	60 746
Operational EBITDA	-5 933	-14 859	0	-20 793
Operational EBIT	-16 666	-15 643	136	-32 173
Fair value adjustment of biomass				7 365
Net financial				-1 205
Profit/loss before tax				-26 013
Harvested volum (tonnes, HOG)	585			585
Operational EBITDA/kg (NOK)	N/A			N/A
Operational EBIT/kg (NOK)	N/A			N/A
Total PPE	1 969 780	14 245	-2 869	1 981 156

(In thousand NOK)	Farming Norway	Other	Eliminations	Group
H1 2024				
External revenue	268 666	2 062	0	270 728
Internal revenue	0	9 771	-9 771	0
Operating revenue	268 666	11 833	-9 771	270 728
Operational EBITDA	94 863	-25 352	0	69 511
Operational EBIT	58 162	-26 966	949	32 145
Fair value adjustment of biomass				-11 352
Net financial				-15 695
Profit/loss before tax				5 098
Harvested volum (tonnes, HOG)	2 482			2 482
Operational EBITDA/kg (NOK)	38,2			28,0
Operational EBIT/kg (NOK)	23,4			13,0
Total PPE	2 069 995	23 759	-951	2 092 803

(In thousand NOK)	Farming Norway	Other	Eliminations	Group
H1 2023				
External revenue	58 319	5 399	0	63 718
Internal revenue	0	7 638	-7 638	0
Operating revenue	58 319	13 037	-7 638	63 718
Operational EBITDA	-15 142	-28 012	0	-43 153
Operational EBIT	-27 333	-29 534	136	-56 731
Fair value adjustment of biomass				7 912
Net financial				-9 572
Profit/loss before tax				-58 390
Harvested volum (tonnes, HOG)	585			585
Operational EBITDA/kg (NOK)	N/A			N/A
Operational EBIT/kg (NOK)	N/A			N/A
Total PPE	1 969 780	8	-2 869	1 981 156

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

Note 3 – Biological assets and inventory

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

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

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

BOOK VALUE OF INVENTORY	NOK 1000			
	Q2 2024	Q1 2024	Q2 2023	FY 2023
Equipment	4 838	3 470	0	2 667
Raw materials	4 641	7 365	3 067	4 433
Biological assets	153 899	182 627	94 704	153 790
Finished goods	1 096	359	0	1 270
Total	164 474	193 822	97 770	162 159

BIOLOGICAL ASSETS	TONNES				
	Q2 2024	YTD 2024	Q2 2023	YTD 2023	FY 2023
Biological assets end of period	2 032	2 032	1 047	1 047	2 204

	NOK 1000				
	Q2 2024	YTD 2024	Q2 2023	YTD 2023	FY 2023
Biological assets beginning of period	182 627	153 790	95 483	58 927	58 927
Increase due to production	89 141	178 783	40 705	76 714	218 496
Reduction due to harvest/sale	-99 409	-161 155	-35 947	-35 947	-130 880
Reduction due to incident based mortality	-6 167	-6 167	-12 901	-12 901	-12 901
Fair value adjustment beginning of period	-32 831	-31 889	-12 288	-11 740	-11 740
Fair value adjustment end of period	20 537	20 537	19 652	19 652	31 889
Biological assets end of period	153 899	153 899	94 704	94 704	153 790

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

Sales price for the fish in the grow-out facility is based on forward prices from Fish Pool with relevant adjustments. The net sales value is adjusted for expected quality differences and harvesting, logistics and sales expenses. In the absence of price quotations on Fish Pool for 2024, and lack of data on the Sitagri Salmon Spot Index, forward prices for 2025 have been calculated based on price expectations obtained from industry analysts.

The Company is still in a ramp-up phase and not yet at steady state production volumes for the grow-out facility at Indre Harøy, and hence the facility's production capacity is not fully utilized. Cost of production is therefore adjusted for unutilized production capacity. As per 30 June 2024 this adjustment amounted to 16.1 NOKm (8.3 NOKm in Q2-24) which has been expensed directly in the profit and loss statement.

Note 4 – Cost of materials and change in inventory

(numbers in thousand NOK)	Q2 2024	YTD 2024	Q2 2023	YTD 2023	FY 2023
Cost of materials and change in inventory	-65 748	-83 514	-30 605	-14 277	-47 704

Composition COGS:

Inventory change	-19 158	11 669	-8 587	28 991	78 476
Raw material purchase	-46 589	-95 183	-22 018	-43 268	-126 180
Sum	-65 748	-83 514	-30 605	-14 277	-47 704

Composition inventory change:

Change due to production	89 141	178 783	40 705	76 714	218 496
Change due to harvest/sale	-99 409	-161 155	-35 947	-35 947	-130 880
Change due to incident based mortality	-6 167	-6 167	-12 901	-12 901	-12 901
Change inventory raw material	-2 725	208	-444	1 125	3 762
Sum	-19 158	11 669	-8 587	28 991	78 476

Composition - change due to production:

Raw material cost	49 314	94 975	22 462	42 143	122 419
Salaries	7 852	12 553	4 725	7 515	17 670
Energy cost	11 976	24 780	5 522	9 998	29 567
Depreciations	13 587	26 510	4 155	4 586	22 778
Other operating expenses	6 412	19 964	3 841	12 472	26 062
Sum	89 141	178 783	40 705	76 714	218 496

Note 5 – Share based payment expenses

Effects on financial statement:

NOK thousands	30.06.2024
Other paid-in capital	228
Net BS	228
	30.06.2024
Option cost	218
Net PL	218
	30.06.2024
Capitalized option cost	9
Allocated to CAPEX	9

Note 6 – Property, plant and equipment

Straight-line depreciation is applied over the useful life of property, plant, and equipment based on the asset's historical cost and estimated residual value at disposal. Depreciation is charged to expense when the property, plant or equipment is ready for use or placed in service.

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

(figures in NOK 1000)	Intangible assets	Assets under construction	Assets in use, not allocated	Buildings and property	Fixtures and fittings	Right-of-use assets	Total
Cost 1 January 2023	65 149	1 713 490	0	7 607	26 419	18 562	1 831 228
Additions	1 445	164 944	0	0	4 028	2 132	172 549
Completed constructions	0	-1 835 835	1 835 835	0	0	0	0
Cost 30 June 2023	66 594	42 599	1 835 835	7 607	30 447	20 695	2 003 777
Acc. depreciation 1 January 2023	0	0	0	-951	-2 534	-5 561	-9 046
Depreciation for the period	0	0	-8 982	-327	-2 099	-2 169	-13 577
Net book value 30 June 2023	66 594	42 599	1 826 853	6 329	25 814	12 965	1 981 155

(figures in NOK 1000)	Intangible assets	Assets under construction	Assets in use, not allocated	Buildings and property	Fixtures and fittings	Right-of-use assets	Total
Cost 1 January 2024	72 350	70 781	54 019	1 582 996	310 888	22 163	2 113 197
Additions	3 165	72 013	7 036	1 360	6 883	2 140	92 597
Reclassification	0	0	0	-17 236	17 236	0	0
Completed constructions	0	0	-51 269	35 336	-3 914	0	-19 847
Cost 30 June 2024	75 513	142 794	9 785	1 602 456	331 094	24 303	2 185 947
Acc. depreciation 1 January 2024	-3	0	0	-27 711	-17 984	-10 079	-55 776
Depreciation for the period	-16	0	0	-20 083	-14 906	-2 362	-37 366
Net book value 30 June 2024	75 496	142 794	9 785	1 554 662	298 204	11 862	2 092 804

Note 7 – Finance income and finance cost

(figures in NOK 1000)

Finance income	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Interest income	5 755	6 542	9 660	6 554	15 591
Net change in value of financial derivatives	-249	7 287	2 079	7 759	947
Foreign exchange gains	853	384	1 766	1 724	4 937
Other finance income	18	-6	18	14	6
Financial income	6 377	14 206	13 523	16 051	21 481
Share of net income from associated companies	-1 279	-1 774	-3 116	-2 845	-7 098
Total financial income	5 099	12 432	10 407	13 206	14 384

Finance expenses	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
Interest on debts and borrowings	13 355	7 761	26 651	8 692	33 914
Realized loss/gain on interest derivative	-1 482	0	-2 985	0	-3 027
Foreign exchange losses	1 026	938	2 439	2 027	4 195
Reduced value of contract related to power supply	0	4 553	0	11 572	13 903
Other finance expenses	-4	385	-3	487	640
Total financial expenses	12 894	13 637	26 102	22 777	49 624

Net financial income/- expenses	-7 796	-1 205	-15 695	-9 572	-35 241
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Fair value adjustments - financial assets

(NOK thousand)	30.06.2024	30.06.2023	31.12.2023
Unrealised changes in the value of interest rate swap	1 844	7 759	947
Unrealised changes in the value of contract related to power supply	0	-11 572	-13 903
Fair value adjustments recognised in profit and loss	1 844	-3 813	-12 956

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

Note 8 – Investment in associated companies

The group has the following investments in associated companies:

(figures in NOK 1000)	Country	Ownership	Voting share
K Smart Farming Co., Ltd	Korea	49 %	49 %
Net book value 31 December 2022		26 635	
Share of net income YTD 2023		-7 098	
Foreign currency translation gain/(loss) YTD 2023		-861	
Net book value 30 June 2023		18 676	
Share of net income YTD 2024		-3 116	
Foreign currency translation gain/(loss) YTD 2024		-213	
Net book value 30 June 2024		15 347	

Investments in associated companies are recognized using the equity method.

Note 9 – Tax

(figures in NOK 1000)	H1 2024	H1 2023
Profit/loss before tax	5 098	-58 390
Calculated tax (22%)	1 122	-12 846
Tax payable	0	0
Change in deferred tax (asset)	1 122	-12 846
Change in deferred tax not recognised in the balance sheet	-1 122	12 846
Tax expense	0	0

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period ended 30 June 2024 is 22%, compared to 22% for the period ended 30 June 2023.

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

Deferred tax benefit has not been recognised in the balance sheet as the Companies within the group are in their start-up phase and does not have any historical results to refer to when assessing whether future taxable profits will be sufficient to utilize the tax benefit.

Note 10 – Earnings per share

(figures in NOK 1000)	H1 2024	H1 2023
Gain/loss attributable to the equity owners of the Company	5 098	-58 390
Gain/loss for calculation of diluted earnings per share	5 098	-58 390
Weighted average number of shares outstanding ¹⁾	417 992 195	368 482 095
Dilutive options	0	0
Average number om shares and options used in calculation for diluted EPS	417 992 195	368 482 095
Basic earnings per share (NOK)	0,01	-0,16
Diluted earnings per share (NOK)	0,01	-0,16

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

Q1 2024: The Company had 413,936,640 until mid June 2024. In June the Company made an issue of 48,666,660 new shares in a capital raise. Therefor the weighted average number of shares outstanding in H1 2024 has been calculated by applying a weight of 5.5/6 of the number of shares before the capital raise, and 0.5/6 of the total number of shares after the capital raise (462,603,300 shares).

Q1 2023: The Company had 345,754,822 shares for the first four months of the year. In April the Company made an issue of 68,181,818 new shares in a capital raise. Therefor the weighted average number of shares outstanding in H1 2023 has been calculated by applying a weight of 4/6 of the number of shares before the capital raise, and 2/6 of the total number of shares after the capital raise (413,936,640 shares).

Note 11- Share capital & capital history

(figures in NOK 1000)	Date	Capital Increase	Share Capital After Change	Par Value	Subscription price per share	New shares	Total no. of outstanding shares
Opening balance 1 July 2020			5 375 159	0,05			107 503 182
Share options exercised	10 July 2020	30 000	5 405 159	0,05	3,33	600 000	108 103 182
Private placement	23 July 2020	581 395	5 986 554	0,05	4,30	11 627 906	119 731 088
Private placement	11 September 2020	5 000 000	10 986 554	0,05	5,00	100 000 000	219 731 088
Private placement	23 March 2021	4 166 667	15 153 221	0,05	6,00	83 333 333	303 064 421
Acquisition Kraft Laks	16 August 2021	109 535	15 262 756	0,05	7,58	2 190 694	305 255 115
Private placement	12 October 2021	277 068	15 539 824	0,05	7,71	5 541 374	310 796 489
Share options exercised	26 March 2022	81 250	15 621 074	0,05	4,80	1 625 000	312 421 489
Private placement	5 April 2022	1 666 667	17 287 741	0,05	9,00	33 333 333	345 754 822
Private placement	18 April 2023	3 409 091	20 696 832	0,05	7,70	68 181 818	413 936 640
Private placement	18 June 2024	2 433 333	23 130 165	0,05	7,50	48 666 660	462 603 300

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

The Group raised NOK 500 million in a private placement in connection with its initial public offering related to the admission on Merkur Market (now Oslo Børs) in September 2020. Further, the Group also raised another NOK 500 million in a private placement in March 2021.

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

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

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

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

Note 12 – Interest bearing debt

Long-term interest bearing debt			
(NOK thousand)	30.06.2024	30.06.2023	31.12.2023
Debt to credit institutions	569 700	555 669	569 969
Leasing liabilities	7 663	9 101	8 189
Total long-term interest-bearing debt	577 363	564 769	578 158
Short-term interest bearing debt			
(NOK thousand)	30.06.2024	30.06.2023	31.12.2023
Debt to credit institutions	118 667	77 878	103 275
Other short-term interest bearing debt	0	0	0
Leasing liabilities	4 743	4 215	4 350
Total short-term interest-bearing debt	123 409	82 093	107 625
Total interest-bearing debt	700 772	646 862	685 783
Cash & cash equivalents	683 422	561 675	386 396
Net interest-bearing debt	17 350	85 188	299 387

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

In June 2024 the Company expanded its existing senior secured debt financing package related to Indre Harøy Phase 1 and 2, from 1,550 NOKm to 2,225NOKm. DNB and Nordea Bank has credit approved the increase of bank facilities of 675 NOKm. The increased bank facilities are subject to customary conditions including final documentation.

As per 30 June 2024, NOK 525 million was drawn of the secured green debt financing package. In addition, the Company has drawn NOK 100 million of the Overdraft Facility. An increase of the overdraft facility of 50 NOKm has been credit approved.

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

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

Financial covenants

The most important financial covenants for the long-term financing of the Group are, respectively, a solvency requirement that the borrower's (Salmon Evolution Norway AS) book equity ratio (including intra-group loans) shall be minimum 45%. Further, there is a profitability requirement linked to the borrower's EBITDA which shall be greater than NOK 150 million on a last 12-month basis from Q4 2025. Quarterly EBITDA figures shall be measured from Q4 2023 with set minimum EBITDA levels reflecting the company's gradual ramp up of production volumes and profitability.

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

As per 30 June 2024 the Group is in compliance with all financial covenants.

Security

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

Cash movements in financing activities (NOK thousand)	Interest bearing debt	
	Short term	Long term
Balance at January 1, 2023	58 906	522 845
Repayment of loans and borrowings	-12 841	0
Proceeds from new bank loan	36 691	42 500
Change in obligations under leases	-663	-575
Balance at June 30, 2023	82 093	564 770
Balance at January 1, 2024	107 625	578 157
Repayment of loans and borrowings	0	-300
Proceeds from new bank loan	15 391	31
Change in obligations under leases	393	-526
Balance at June 30, 2024	123 410	577 363

Note 13 – Transactions with related parties

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

There were no material transactions with related parties in H1 2024.

Note 14 – Significant and subsequent events

No material subsequent events.

ABOUT SALMON EVOLUTION

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

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

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

SALMON
EVOLUTION*

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Anne Breiby

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Board Member

Peder Stette

Board Member

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