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# ANNUAL REPORT

FISH, PEOPLE, OCEAN

SALMON  
EVOLUTION®



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**Editorial team:**  
Salmon Evolution

**Layout:**  
Havnevik AS

**Photo:**  
Kristin Støylen, Tony Hall, Fuglefjellet  
og Marius Finckenhagen

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# Letter from the CEO

2024 has been an inspiring year for Salmon Evolution. It marked a major milestone in our journey as we achieved profitability in the first half of the year – a testament to the dedication of our team and the strong demand for our sustainable, high-quality salmon.

### 2024: A Year of Growth, Learning, and Milestones

We have seen a lot of interest for our project so far, and we are eagerly looking forward to completion of our Phase Two. This next phase represents a major milestone not only for Salmon Evolution but also for the entire land-based salmon industry.

### Building on a Strong Foundation

Phase One was a critical starting point, with an annual production capacity of 8,000 tons. Over the past 3 years, we've worked to optimize operations, refine our systems, and deepen our expertise. This learning curve has shaped a skilled team that understands every detail of our facility and the needs of our salmon.

Today, we are operating from a highly stable foundation. By scaling production cautiously in Phase One, we've built the confidence to accelerate growth in Phase Two – where our annual capacity will more than double to 18,000 tons. This will enable us to harvest salmon weekly, ensuring consistent access to fresh, sustainable seafood for our customers.



*Each milestone has reinforced our confidence in the strength of our vision and approach.*

### Unlocking New Opportunities

The completion of Phase Two will not only increase capacity but also open new doors for collaboration. With harvest every week, we will strengthen our market presence, build strategic partnerships in retail, and collaborate with other key players in the industry.

Economically, this phase is set to elevate Salmon Evolution's position significantly. We project annual revenues of NOK 1.5–2 billion and a free cash flow of approximately NOK 500 million. These figures reflect the growing demand for sustainable seafood and our ability to deliver it efficiently at scale.

### Pioneering the Future

As we set our sights on the road ahead, our commitment to delivering the most sustainable protein on the market remains steadfast. We are proud to lead innovation and growth in the land-based salmon industry, continuously advancing our technology, our team, and our product. Each milestone has reinforced our confidence in the strength of our vision and approach.

Thank you for being an integral part of this journey as we continue shaping the future together.

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# Key figures

	2024	2023
<b>Operational</b>		
Standing biomass (tonnes, LW)	2 023	2 204
Net growth (tonnes, LW)	5 706	3 751
Harvest volumes (tonnes, HOG)	4 891	1 874
All-in price realization/kg (NOK) <sup>1</sup>	93,4	82,0
Farming EBITDA/kg	23,0	NA
EBITDA farming cost/kg	69,4	NA
<b>Financial (in thousand)</b>		
Operating revenues	471 573	168 424
Operational EBITDA <sup>2</sup>	71 415	-83 950
Operational EBIT <sup>2</sup>	-4 727	-130 680
Profit (loss) before tax	-47 405	-145 773
Cash flow from operations	43 331	-124 445
Operational EBITDA Farming Norway <sup>2</sup>	112 425	-23 214
<b>Capital structure (in thousand)</b>		
Cash flow from investment activities	-342 562	-338 436
Cash flow from financing activities	342 297	570 516
Cash and cash equivalents	429 462	386 396
Net interest-bearing debt ("NIBD")	313 111	299 386
Equity ratio (%)	70 %	71 %
<b>Profitability</b>		
Earnings per share (NOK)	-0,11	-0,37

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

<sup>2</sup> Before fair value adjustment related to biological assets

**Abbreviations:** LW: Live weight, HOG: Head on gutted, HFS: Hybrid flow-through system, ESG: Environmental, Social and Governance, CAGR: Compounded Annual Growth Rate.



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### VISION

## Extending the ocean potential

We need innovative technologies to increase supply and meet the growing global demand for sustainable seafood. Our approach is to transfer the best conditions offered by the sea to farm fish on land through our chosen hybrid flow-through system (HFS) technology. This secures a sustainable production process with controlled and optimal growth conditions and limiting operational and biological risk.

### MISSION

## For people, fish and ocean

Our mission is to provide healthy and sustainable seafood by combining biology and innovative technology. Our salmon is raised in an optimal and closed environment ensuring excellent quality and the best fish welfare.

### VALUES

## Team player, Responsible, Competent & Innovative

Our values reflect who we are, what we stand for, and how we work together to achieve our goals. These principles shape our culture, drive our success, and inspire us to deliver sustainable excellence every day.

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# Our Strategy

Salmon Evolution is redefining aquaculture with its hybrid flow-through system, focusing on scalability, sustainability, and operational excellence.

### Our Strategy for Sustainable Growth

Our strategy prioritizes delivering premium-quality salmon, expanding responsibly, and leveraging innovation to set new industry standards.

Salmon Evolution has set an ambitious

target of achieving a production capacity of 100,000 tonnes. The company has invested heavily in building a robust organization, implementing high-quality control systems, and establishing an advanced digital infrastructure. Together, these elements form a solid operational platform, equipping the company with deep expertise in managing

hybrid flow-through salmon farms and laying the groundwork for future expansion.

### Sustainability at the Core

Sustainability drives everything we do. Our hybrid flow-through system minimizes environmental impact, optimizes profitability and reduces emissions compared to traditional

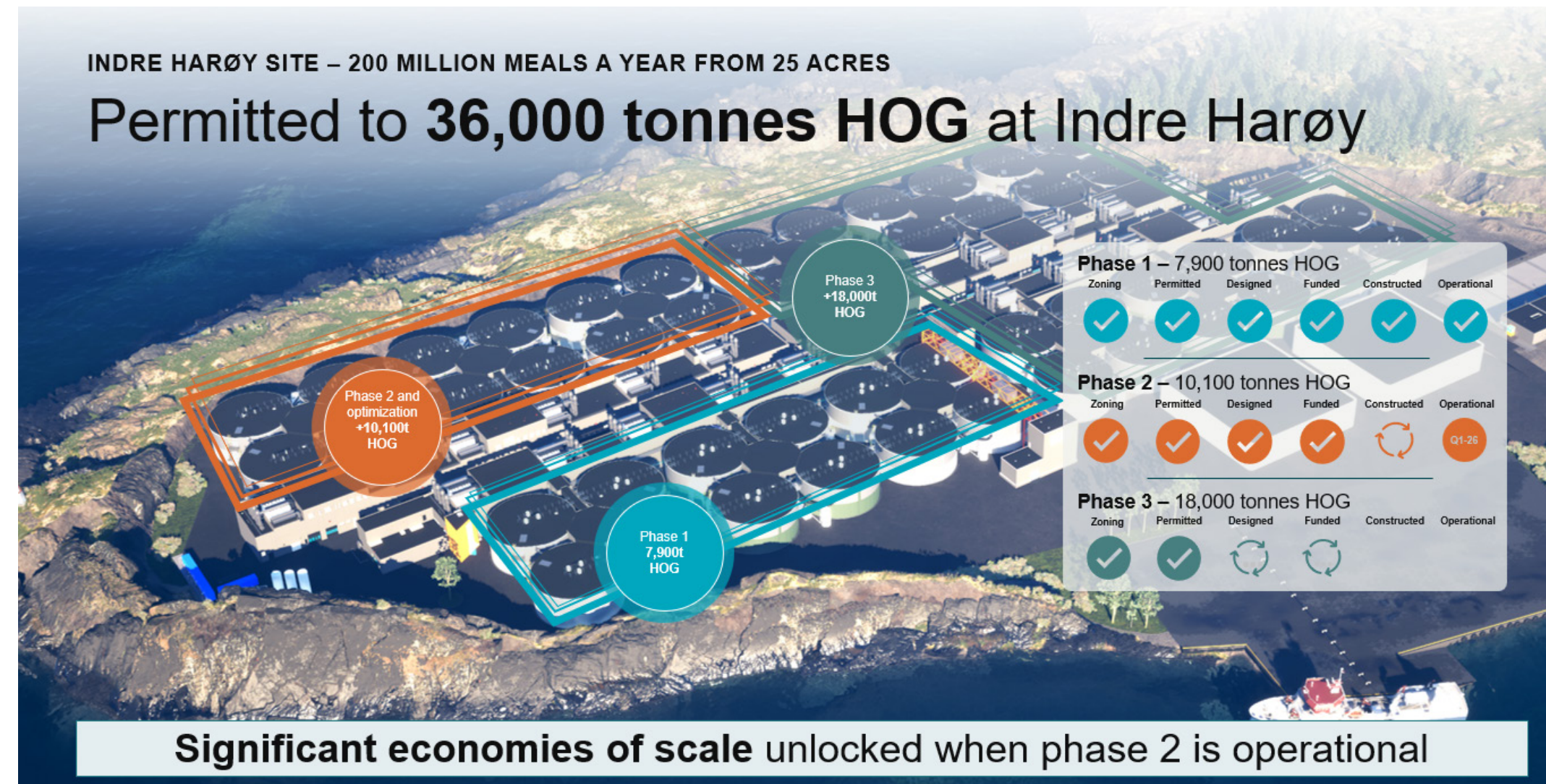
salmon farming. We are committed to creating an optimal environment for our salmon, thus maintaining the highest standards of fish welfare and biosecurity as we grow.

### Operational Excellence

Operational excellence is the core DNA in our strategy. 2024 was another year with stable production with an industry leading superior-grade share, confirming the reliability of our technology and processes. As we scale, we will continue optimizing operations, cost and delivering consistent, high-quality salmon, solidifying our role as a leader in sustainable salmon farming.

### The Road Ahead

The progress achieved in 2024 has laid a strong foundation for continued growth and innovation. As we enter 2025, our strategic focus is on scaling production capacity, driving cost-efficiency, and advancing sustainability initiatives. By optimizing conditions for salmon growth and maintaining disciplined cost management, we aim to enhance operational performance and long-term profitability. Guided by a clear strategy, we are confident in our ability to create lasting value for stakeholders and shape the future of aquaculture.



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# Our Technology

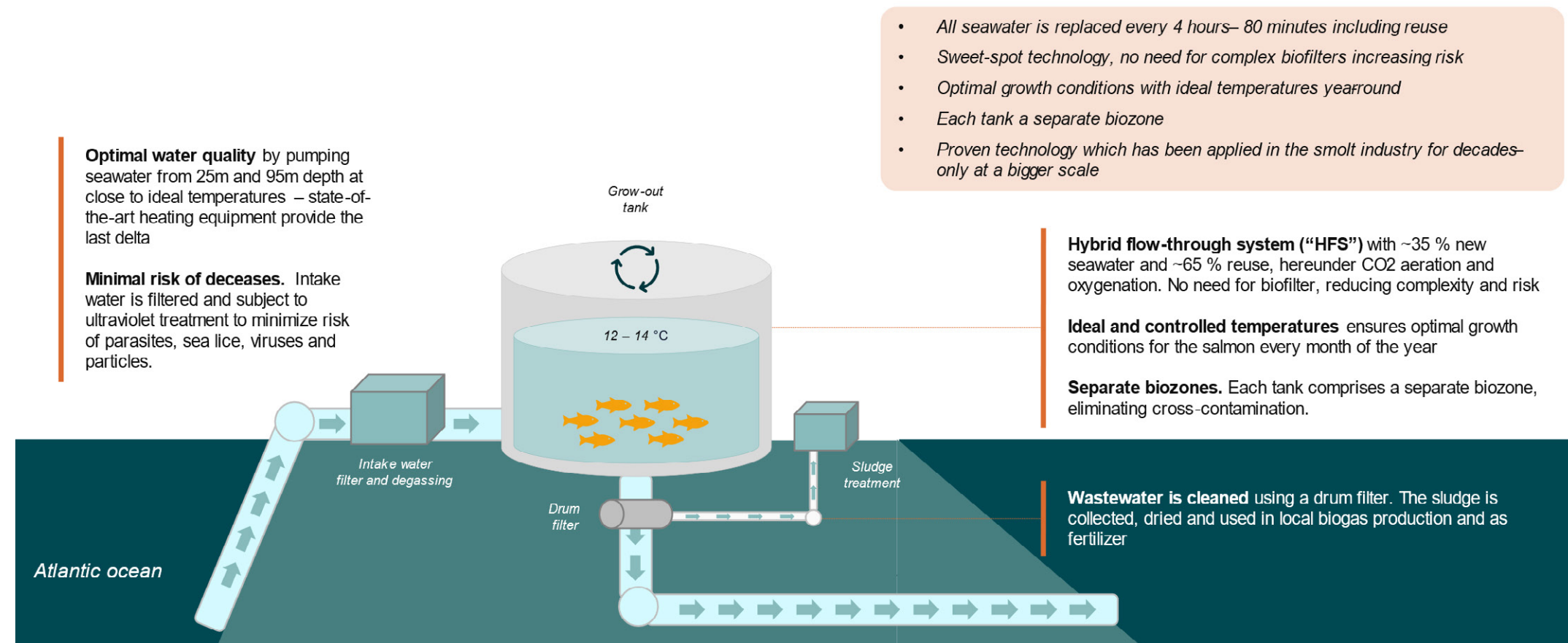
Salmon Evolution operates on the principle that optimal biological conditions drive economic performance. This core belief has guided the development of the Company's innovative production method and technology for land-based salmon farming.

The Company use a hybrid flow-through system (HFS) technology, which provides a steady supply of fresh, filtered seawater while reusing approximately 65% of the water. This reuse level represents what the Company considers the "sweet spot," balancing cost efficiency with operational risk. Higher reuse levels require extensive filtration and water treatment, increasing the energy consumption as well as complexity and operational risk. Lower reuse levels will significantly complicate filtration and UV treatment of incoming water, as well as maintaining a stable temperature at the farm.

At the Indre Harøy facility, seawater intake is based on two inlet pipes located at depths of 25 meters and 95 meters. This allows the Company to access seawater with optimal temperatures year-round, thus reducing the energy consumption related to heating the water to maintain a stable temperature. The incoming water is filtered and treated with UV to minimize the impact from parasites, viruses and other particles,

### Making a home for the salmon to thrive

Biology is our number one priority, leveraging abundant seawater resources, prioritizing impeccable water quality and temperature.



- All seawater is replaced every 4 hours– 80 minutes including reuse
- Sweet-spot technology, no need for complex biofilters increasing risk
- Optimal growth conditions with ideal temperatures yearround
- Each tank a separate biozone
- Proven technology which has been applied in the smolt industry for decades-only at a bigger scale

and eliminate the impact from sea lice, whilst ensuring a continuous flow of fresh, clean seawater.

To maintain optimal conditions biological and growth conditions in the fish tanks, oxygen and CO<sub>2</sub> levels are continuously monitored and adjusted. Each tank operates as a separate biological zone, ensuring that water does not mix between tanks. This design serves as a critical risk mitigation measure, as any potential dis-

ease outbreak is contained within the affected tank, preventing cross-contamination.

Aligned with its commitment to sustainability and circular economy principles, Salmon Evolution filters wastewater and collects sludge, which is then transported to a recirculation plant for conversion into fertilizer, biogas, or similar products.

Salmon Evolution use data and AI to continuously drive optimization and reduce risk, leveraging the benefits of land-based salmon farming The goal is to identify and replicate optimal conditions for fish growth. Every day over 40 million data points are logged at Indre Harøy, creating a vast pool of insights, that paired with deep operation expertise and know-how, provide actionable data for real-time decision making.



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# Management

The company has a dedicated management team with extensive experience from the aquaculture industry, and a well-developed organisation with the necessary competence and execution capabilities.



**Trond Håkon Schaug-Pettersen**

CEO



**Trond Vadset Veibust**

CFO



**Ingjarl Skarvøy**

COO



**Kamilla Mordal Holo**

Chief Project Officer



**Odd Frode Roaldsnes**

COO



**Henriette Nordstrand**

Technical Director



**Vidar Aslaksen Skjørli**

HR Director

**Want to know more?**

Read about the management on [salmonevolution.no](https://salmonevolution.no)



02

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# ESG in Brief

Salmon Evolution is focused on transferring the best preconditions offered by the sea to farm fish on land. Our hybrid flow-through system (HFS) technology secures a truly sustainable process with controlled and optimal growth conditions while limiting operational and biological risk.

We are committed to ensure that we are a responsible business and that we are sustainable in our operations and in everything we do. This is enshrined in our vision:

*“Extending the ocean potential”*

We build sustainability and social responsibility into the core of our business. Our commitment is integrated into every part of Salmon Evolution’s business model and implemented through our ethical guidelines. It is our firm belief that responsible and sustainable business behaviour contributes to better environmental, social, organisational, and financial results.

Salmon Evolution has a high potential to produce what the market demands: a fresh, healthy, and sustainable premium product. With the use of the HFS technology, we farm our salmon in a closed system with minimal impact on the environment, whilst providing the best conditions for optimal fish welfare.

We have created a truly sustainable approach to producing the world’s best and healthiest protein.

## ESG Reporting

This is our fifth annual report published and the fourth annual report with explicit Environmental, Social, and Governance (ESG) factors included. Our report is created with reference to the Global Reporting Initiative (GRI) Standards.

We have committed to establish plans for ESG monitoring to allow for comprehensive ESG reporting. We are consistently striving to gather and transparently present our information at the highest level of quality possible, with principles of:

- ✓ Accuracy
- ✓ Balance
- ✓ Comprehension
- ✓ Timing
- ✓ Reliability

After almost three years of operations, we still have limited comparative information from previous year or reporting periods. Going forward, we will present our information in a manner that is comparative on a year-by-year basis for our operations, to track our progress and ensure accountability to our goals.

In 2024 Salmon Evolution initiated the process to meet the requirements from the Corporate Sustainability Reporting Directive (CSRD). Throughout the year we have, among other things, conducted a double materiality assessment to evaluate which standards and topics that are most material for our business.

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# Stakeholders and Material Topics

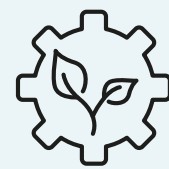
The Group ran the process by conducting a materiality assessment to map and determine our sustainability priority areas. We began by identifying our most important stakeholders (see page 24) as well as their primary areas of interest related to environmental, social, and governance factors. These stakeholders and sustainability priority areas have now been verified.

We have examined these areas to learn where our potential impacts are, and from this process, we established benchmarks for how we should identify and manage our sustainability risks and opportunities. This also gave clarity on how we should provide our stakeholders with material disclosures through our ESG reporting.

The materiality assessment was conducted through discussions with internal employees who are in regular contact with our key stakeholders. It was carried out in accordance with GRI Standards and the Guidelines to Issuers for ESG Reporting by Oslo Stock Exchange (Euronext).

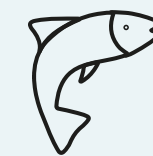
To ensure the necessary independence and integrity of the process, this assessment was conducted by a third-party organisation.

Our materiality assessment resulted in the following material topics being defined as priority areas:



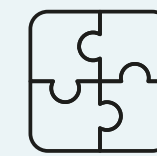
### ENVIRONMENT AND TECHNOLOGY

- Greenhouse gas (GHG) emissions
- Energy usage
- Circular economy
- Biodiversity and nature



### FISH AND WATER

- Fish health and welfare
- Sustainable food production
- Product certification and traceability (addressed in the Governance chapter)



### PEOPLE AND SOCIETY

- Employee health and safety
- Local jobs, cooperation and value creation
- Regulatory compliance
- Responsible supply chain

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# Governance and ESG

Corporate responsibility is an integrated part of Salmon Evolution's business practices. We strongly believe that we have a responsibility for the people, communities, and environment affected by our business. This is woven into our core values, responsible, competent, innovative and team player. It is the duty of the CEO to ensure that Salmon Evolution always operates according to these core values. The CEO must also ensure compliance with legislation and follow up on Salmon Evolution's governing documents.


*Our core values:  
Responsible, competent,  
innovative, team player*

The Board of Directors shall ensure that Salmon Evolution has sound internal control and systems for risk management. They shall also supervise Salmon Evolution's management and general activities. This includes ensuring compliance to company core values, ethical guidelines, and guidelines for corporate social responsibility. Our governing codes, policies, and procedures ensure that all our employees carry out their activities in an ethical manner, in accordance with current legislation and Salmon Evolution standards.

An overview of ESG topics covered by our governance system is presented here:


- Fish health and fish welfare policy
- Waste management policy
- HSEQ policy
- Supplier code of conduct
- Code of conduct
- Corporate governance policy
- Corporate social responsibility policy
- Anti-corruption compliance procedure

## Our core values




**RESPONSIBLE**

We use sustainable solutions to provide the world with healthy food. We are trustworthy, honest and reliable.




**COMPETENT**

Our organisation is interdisciplinary and data-driven, with diverse and highly skilled employees. We approach our vision by continually upskilling our employees and organisation.



**INNOVATIVE**

We are shaping the future of salmon farming, and creating enthusiasm and spin-offs for our local community, shareholders and consumers.



**TEAM PLAYER**

We create results together. How we come together as a team, combining our skills and knowledge, create synergies that propels us forward and enables us to overcome any challenge.

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# Environment and technology

There is a growing need for sustainably farmed salmon. The Food and Agriculture Organization (FAO) of the UN predicts that the world population will reach 9.7 billion

by 2050. The demand for food is set to increase by 50% and meeting this demand will require a significant increase in protein production.

## Protein production facts<sup>1</sup>

				
Carbon footprint (kg CO <sub>2</sub> /40g edible meat)	0.6	0.88	1.30	5.92
Land use (m <sup>2</sup> /100g edible protein)	3.7	7.1	11.0	102.0
Feed conversion ratio	1.2-1.5	1.7-2.0	2.7-5.0	6.0-10.0
Edible yield	68 %	46 %	52 %	No data
Water consumption (litres/kg)	2,000	4,300	6,000	15,400

(Source 1: Global salmon Initiative Organization, <https://globalsalmoninitiative.org/en/our-progress/sustainability-report/>)

Seafood is quickly becoming an important contributor to meeting this demand. However, a growing demand for seafood will increase the pressure on already over-exploited wild fish stocks and ocean resources. To alleviate this pressure, aquaculture, including salmon farming, is required to efficiently manage and maintain both wild fish stocks and the ocean's natural biodiversity.

Salmon are amongst the most efficient protein sources to produce. The feed conversion ratio (FCR) for salmon, or the amount of feed an animal needs to gain one kilogram of body weight, is well below other common protein sources.

Salmon has a high harvest yield in percentage (after inedible parts are removed)

compared to other farmed animals. This is shown in Table 1. In the future when more data is available, Salmon Evolution intends to measure the efficiency on the production and believe that land-based salmon should be even more competitive.

The global increase in food demand, combined with stronger preferences for healthy and sustainably produced proteins, has led to a high growth in demand for salmon over the last few decades.

This increase has mainly been met by a continuous expansion within conventional aquaculture. However, numerous challenges inhibit sustainable future growth for fish farming:

**CLIMATE CHANGE:** producing salmon on land can require high energy output. In countries that do not rely on renewable energy this can lead to high a CO<sub>2</sub> footprint.

Our response: located in Norway and through the hybrid flow-through technology, we optimise energy consumption, always using renewable energy.

**POLLUTION AND WASTE:** the nature of conventional salmon net pens creates issues with the discharge of untreated waste and pollution, as well as diseases and parasites into coastal waters.

Our response: minimizing pollution and treating water and waste

**BIODIVERSITY AND NATURE:** escapes in sea-based salmon farming are expensive and potentially damaging to local wildlife.

Our response: eliminating the risk of escape and protecting ocean biodiversity

**FISH HEALTH:** diseases, parasites, and sea lice are widespread in conventional salmon Farming, causing considerable damage commercially. In addition, mortality and losses in production are a challenge for sea-based salmon farmers. Our response: through our technology, water intake is filtered and uv-treated, and separated biological zones reduce opportunity for cross-contamination

**FISH WELFARE:** climate variability and increasing water temperatures can cause stress and reduce fish health and welfare.

Our response: by controlling water temperature and by continuous monitoring, we ensure greater fish welfare

New methods and technologies for addressing biological and environmental challenges are continually being developed, including a shift to more land-based farming practices. Land-based farming addresses a broad range of these industry challenges and represents a viable solution for sustainably expanding the ocean's essential resources.

Research and development are thus central to our value chain and help create efficient operations, drive innovation, and create improvements that ensure future sustainability. Our research is based on co-operation with several research communities and promotes knowledge transfer between internal and external stakeholders.

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# Our Commitment

Our vision is to be the globally leading producer of land-based Atlantic salmon by ensuring sustainability and extending the ocean potential. We aim to encourage the inclusive and prosperous development of the aquaculture industry, within a stable and resilient earth system.

To achieve this, we commit to promoting a culture where sustainability and profitability reinforce each other. We build sustainability into our core operations and through the use of the HFS technology, we transfer the best preconditions offered by the sea to the farming of fish on land.

Through our business strategy, we are committed to the external environment and to setting a high standard for fish health and fish welfare. Our objective is to monitor and reduce the environmental impact of our business, to ensure we produce a premium salmon product with a low environmental footprint.

We therefore place an emphasis on three key environmental areas:

- 1) Climate change impacts
- 2) Circular economy, pollution, and waste
- 3) Biodiversity and nature

By reusing water, we optimise energy consumption related to pumping and heating, which reduces our CO<sub>2</sub> footprint. By filtering and treating wastewater, we reuse more marine resources. Fish sludge is also collected and recycled, contributing to a circular economy. By having a closed farming system, we also minimize the risk of escapes and thus the potential harm to local biodiversity and nature.

Our environmental efforts should never compromise the health of our fish or our product quality. We therefore also focus on:

- 1) Fish health and welfare
- 2) Sustainable inputs and outputs
- 3) Product certification and traceability<sup>1</sup>

By using fresh seawater from the coast, we create optimal farming and environmental conditions for our fish, which result in better growth and a shorter production time. This enables a sustainable production process, with controlled and optimal growth conditions while limiting operational and biological risk.

Each of our choices is weighed against alternatives to ensure that we carry out our operations responsibly. Sustainability and fish welfare are at the core of our vision as well as our actions as a firm. They are essential to the identity of Salmon Evolution, and we commit to carry this forward as our operations grow and as we expand globally.

<sup>1</sup> addressed in the Governance chapter



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# Climate Change Impact

Salmon Evolution's hybrid flow-through system (HFS) technology ensures rich access to fresh filtered seawater. At Indre Harøy, the seawater intake is based on two intake pipes at 25 meters and 95 meters, respectively, enabling us to tap into water at ideal temperatures.

By combining supplies of clean and fresh seawater with reuse, we minimise overall energy consumption for pumping and heating of seawater in the facility.

Our energy plant has a very high output in relation to the energy used.

### Estimated data for Phase 1 - full run rate:

- Electricity usage (MWh): ~60,000
- Electricity usage (kWh/kg biomass (LW)): ~6.3-6.8
- Renewable energy, Norwegian energy mix

The HFS technology reuses ~65% of the water, while the remaining ~35% is fresh seawater. This ratio is our "sweet spot", balancing cost and operational risk while ensuring maximum production output.

Higher reuse levels require more filtration and water treatment which again implies higher complexity and risk. On the other hand, a lower level of reuse will lead to significantly higher energy costs in connection with pumping and heating of water. The Company has a green power supply agreement with Statkraft, Europe's largest generator of renewable energy. Statkraft is fully owned by the Norwegian government and is Norway's largest supplier of electricity to power-intensive industries.

The partnership with Statkraft and location in the heart of Norwegian hydropower production, ensures sustainable electric power with low environmental impact. The CEO of Salmon Evolution, Mr. Trond Håkon Schaug-Pettersen, sees this as a very positive step forward:

*"In Norway 90 percent of electricity production is hydropower. Our customers can be certain that our salmon is produced with the lowest possible environmental footprint, setting a new benchmark for sustainably produced salmon."*

### Key Points – Climate Change Impacts

- Salmon is already a lower environmental impact protein, but through the HFS technology, we further reduce our climate impacts.
- We have a high performance and high output in relation to our energy consumption.
- Located in Norway, most of the electricity consumed will be made of hydropower.

The energy efficient system at Indre Harøy was given a grant of up to NOK 96.8 million from Enova. Enova is owned by the Norwegian Ministry of Climate and Environment and functions to promote the environmentally friendly production and consumption of energy. This grant has allowed us to use even more resources to reduce greenhouse gas emissions, to develop energy-saving and climate-friendly technology, and to strengthen the security of the Norwegian food supply.



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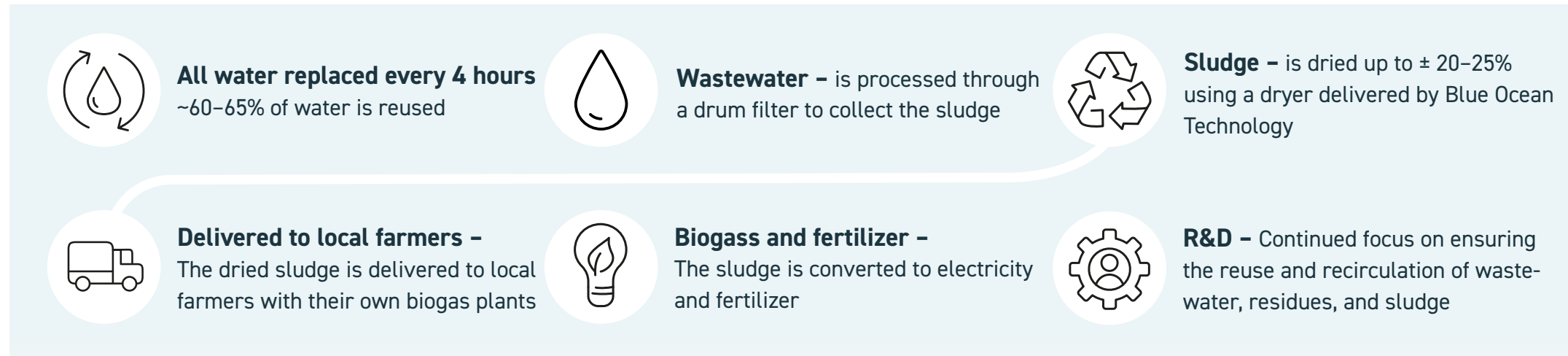
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### The circular economy in practice – our sludge becomes biogas and fertilizer



### Circular Economy, Pollution and Waste

The HFS technology is built to take in and reuse large quantities of clean and fresh seawater from the ocean. We are able to create an ideal balance, where we use water with the same high quality as traditional Norwegian cage-based farming, but where we also have sufficient space and access to the necessary resources for large-scale production on land.

This provides us the opportunity to commit to a truly sustainable production as well as to promote a circular economy.

We plan to achieve this through collecting, treating, and filtering feed residue and wastewater. These are then transported to a recirculation plant where they are converted into short-travelled fertilizer, biogas, or similar.

In addition to the ~65% of water being reused through the HFS technology, we also reuse the fish sludge as input for biogas or natural fertilizers. We are also conducting research for future usage areas.

Our wastewater from Indre Harøy, is processed through a drum filter and dried up to 20-25 % TS using a de-watering system. The dried sludge is then delivered to Havila Biogas, which convert the sludge into electricity and fertilizer.

#### Key Points – Circular Economy, Pollution, and Waste

- ~65% of water is reused.
- Wastewater and feed residue are collected, treated, and filtered.
- We are continuing research and development to ensure the responsible reuse and recirculation of wastewater, residues, and sludge.

By reusing and treating wastewater, and reusing water and sludge, we minimise our environmental footprint. Through our research, we aim to contribute to a circular economy by making these reuse solutions into feasible practices in the future.

#### Biodiversity and Nature

Our core business is about preserving and reusing marine resources and minimizing our environmental impact. The HFS technology operates in a land-based and enclosed system, which means that through greater production control, there is a close to zero risk of the salmon escaping from the farm. As a significant achievement towards responsible and sustainable salmon production we achieved the prestigious Aquaculture Stewardship Council («ASC») certification after only 18 months in operation. ASC is globally renowned for its stringent aquaculture standards focused on environmental sustainability and social responsibility.

Further, we are committed to minimize negative impact to the local environment. To make sure that we reach this important goal we have established a plan for monitoring local biodiversity and nature. This is done by collaborating with an external advisor.

#### Key Points – Biodiversity & Nature

- Our closed system ensures minimal escape risk.
- Achieved ASC certification in 2023.
- Continuously monitoring local biodiversity and nature.

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## Fish and Water

### Fish Health and Welfare

At Salmon Evolution, we believe that biology is key to ensure responsible practices in the aquaculture industry and ensuring fish health and welfare.

#### We understand fish welfare as:

- freedom from hunger, thirst, and malnutrition
- freedom from extreme cold and heat
- freedom from injuries and illnesses
- freedom from anxiety, stress, and fear
- freedom to practice normal behaviour

#### To ensure fish welfare, we focus on the following:

- access to fresh seawater and good nutrition
- access to optimal conditions, including space for protection and rest
- preventing and/or quickly diagnosing and treating injuries and illnesses
- providing sufficient area and excellent facilities aimed at recreating a living space for fish that is similar to their natural environment
- ensuring good conditions and treatment so that fish avoid mental or physical suffering

The HFS technology and the arrangement of our facility enable us to define each tank as an isolated biological zone. This means that water in one tank never mixes with water in another tank. Such an arrangement gives us full control of water parameters and the production environment and allows us to

ensure biosecurity. A potential biological outbreak in one tank will not impact or contaminate the fish swimming in another tank. To ensure excellent biosecurity in our operations, we have implemented a quality assurance system with dedicated personnel responsible for compliance and the training of staff. Our training program includes promoting general biosecurity knowledge and awareness, including the development of skills and the use of measures specifically relevant for Salmon Evolution's facility.

#### Estimated data for Phase 1 - full run rate:

- Mortality 3-5 %
- Density as measured in kg/m<sup>3</sup>:  
Minimum 7 kg/m<sup>3</sup>  
Maximum 85 kg/m<sup>3</sup>
- Oxygen consumption (biomass growth (LW)): 0.55 kg/tonnes

To ensure optimal biological and growth conditions in the fish tanks, oxygen and CO<sub>2</sub> levels are constantly monitored and adjusted. The HFS technology engages in CO<sub>2</sub> stripping and oxygenation to guarantee ideal environmental conditions for our fish.

By drawing seawater from depths of 25 and 95 meters, the HFS water intake is further filtered and treated with ultraviolet (UV) rays to eliminate parasites, sea lice, viruses, infection, and additional particles. Filtering and disinfecting intake water creates a controlled environment, reducing the risk of illness, and ensuring a rich flow of fresh and clean seawater into the tanks.



By optimizing water quality parameters with ideal and stable temperatures, we can reduce the time to harvesting for each batch from approximately 16 to 11 months with a 130g smolt insert weight. This increased growth creates the basis for greater production efficiency and optimal utilization of our licensed volume.

Finally, our operations reduce the handling of fish, which create better growth conditions. Finally, our operations reduce the handling of fish, which provide better opportunities for optimal feeding and reduces loss and stress during the production cycle.

#### Key Points – Fish Health & Welfare

- The HFS technology creates an optimal and stable growth environment, which is less stressful for our fish.
- We ensure biosecurity through separate tanks and distinct biological zones.
- Filtered seawater further minimises the risk of bacterial and viral pathogens; minimises risk of parasites; and limits threats of infection.
- We engage in minimal handling of our fish.

By maintaining control over the production environment and stable water parameters, we generate conditions for increased growth and a shorter time to harvest. Our approach

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ensures better fish health and well-being, including reduced mortality and losses in production.

### Sustainable Inputs and Outputs

At full run rate in phase 1, we estimate a harvest volume of approximately 7,900 tonnes (HOG, or head on gutted), with a strong focus on optimising our sustainable inputs while reducing negative impacts for our outputs for this volume. Our most

dominating inputs consist of seawater, feed, power, smolt, and oxygen.

Since 2021 Salmon Evolution has had a strategic feed partnership with Cargill. Salmon Evolution is Cargill's global flagship customer for land-based full grow out production.

Cargill has further committed to allocate significant resources and R&D capacity with

the ambition to develop sustainable feed solutions tailored to our operational targets: securing high biological performance and premium product quality.

Cargill also owns 2.0% of Salmon Evolution. When asked about the importance of the partnership with Cargill, the CEO of Salmon Evolution stated:

*“Having the best possible feed is essential for every salmon farmer. Particularly, in our HFS system where we create optimal and stable living conditions for the salmon, we see a strong and untapped potential in tailoring a feed focused on maximizing biological performance and product quality.”*

#### Estimated data for Phase 1 - full run rate:

- 100 % local seawater intake
- 9,300 tonnes of feed, corresponding to GHG emissions of 14,500 tons CO<sub>2</sub> eq. excluding land use change (GW\_E\_LUC) and 18,100 tons CO<sub>2</sub> eq. including land use change (GW\_I\_LUC).

Another important input is smolt. Salmon Evolution has its own smolt production at Salmon Evolution Dale AS in Dalsfjorden in Volda municipality, Norway. The location has a documented track record as a high quality smolt producer and has been producing smolt since 1995.

One of the major advantages with Salmon Evolution Dale is its excellent freshwater supply. Salmon Evolution Dale has access to clean freshwater from the surrounding mountains and is guaranteed a consistent supply of freshwater from the local power station.

This freshwater access enables Salmon Evolution Dale to utilize a similar production technology as Salmon Evolution uses at its grow-out facility, a hybrid flow-through system (HFS) with reuse of water, CO<sub>2</sub> stripping and oxygenation- making it a perfect fit for Salmon Evolution.

Having an inhouse smolt production gives Salmon Evolution operational control over a critical part of the value chain.

In addition to feed and smolt, another essential input is oxygen, which is supplied by Nippon Gases. We share many of the same values, making this an ideal partnership. During our selection process, one of the most important factors was the focus Nippon Gases has on sustainability.

By prioritizing responsible suppliers, we can ensure that we use sustainable inputs, leading us to create a truly healthy and sustainable final product.



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# Social

Salmon Evolution remains steadfast in our commitment to responsible business practices. Upholding human rights, ensuring labor standards, and fostering equality and non-discrimination are fundamental principles embedded in our operations.

We aim to be a safe, inclusive, and stimulating workplace while minimizing any potential negative societal impacts of our activities.

Through our investments, we have fostered positive ripple effects in local communities, contributing to social development and economic growth. To ensure accountability and transparency, we continue to implement and refine policies regarding health and safety, the working environment, stakeholder engagement, and the sustainable use of local resources.

We look forward to advancing these efforts holistically to align with our long-term vision for sustainable development.



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## Employee Well-Being, Health & Safety

### Safe and Secure Workplaces

We prioritize the highest standards of safety across our operations and expect our suppliers and partners to adhere to responsible labor practices. As part of our 2024 vision, we encourage all contractors and partners with operational activities to pursue ISO 45001 certification, the global standard for safe and healthy workplaces.

**Parental Leave:** One male and one female returned from parental leave started in 2023, one female and five male employees began and returned from leave, while one female and one male began their leave and had not returned by year-end.

The high activity and operational complexity at our Indre Harøy site in 2024 emphasized the importance of robust safety protocols. To mitigate risks and ensure safe working conditions, we maintained close collaboration with contractors and workers while enhancing safety routines.

Our Health, Safety & Environment (HSE) Coordinator oversees on-site training, preventive HSE activities, and incident investigations. All new employees and contractors participate in HSE induction training, with additional courses provided in first aid and safety awareness.

Safety Metrics:	2024		Contract Workers	2024	
Salmon Evolution Employees			Lost Time Injuries (LTI)	0	✓
Lost Time Injuries (LTI)	3	✓	Total Recordable Injuries (TRI)	0	✓
Total Recordable Injuries (TRI)	3	✓	Fatal Accidents	0	✓
Accidents	0	✓	Third Parties	0	✓
Fatal Accidents	0	✓	Fatal Accidents	0	✓
Sick leave (%):	2.7	✓			
Sick Leave Cases (<16 days)	98	✓			
Sick Leave Cases (>16 days)	8	✓			

Additionally, Salmon Evolution has appointed a Safety Representative to monitor compliance with established protocols. All documentation related to incidents, investigations, and preventive actions is managed through third-party systems, TQM and Interaxo, ensuring transparency and accountability in all safety-related efforts.

### Worker Organization and Collective Agreement

In 2024, our workers organized and joined a labor union, and Salmon Evolution signed an attachment agreement to the aquaculture collective agreement. This milestone highlights our commitment to fostering constructive dialogue with employees and ensuring fair and equitable working conditions.

### Apprentices

In 2024 we welcomed three new apprentices, totaling seven apprentices during the year. One apprentice graduated and was hired permanently. Historically we have had two apprentices that have graduated and been offered a permanent position whereas two have accepted the offer. 100% of our apprentices have passed their exams with great results.

### Engagement and Development

In 2024, we conducted four employee engagement surveys across the organization, achieving a 72% response rate and an average engagement score of 79, surpassing the external benchmark of 78. These results underscore the dedication and satisfaction of our workforce, as well as the effectiveness of our employee-centered initiatives.

We plan to continue conducting quarterly surveys to gain real-time insights into the organizational culture and use this feedback to drive positive changes and inform strategic decisions.

100% (discounting employees on parental leave) of our employees had performance and development reviews in 2024. We will continue our regular performance and career development reviews, conducted semi-annually.

To foster leadership within our organization, we established a leadership development program and sent five young leaders to participate in 2024. This program aims to cultivate future leaders, equipping them with the tools and knowledge necessary to drive both their personal growth and the company's progress.

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To support employee well-being outside of work, Salmon Evolution has established a corporate sports team to encourage health and wellness after working hours. In 2024, 20% of our employees participated in the Stranda Fjord Trail Race, completing a challenging course of 25 kilometers and 1,850 vertical meters. This achievement reflects our commitment to promoting an active and healthy lifestyle among our workforce.

### Diversity and Equal Opportunity

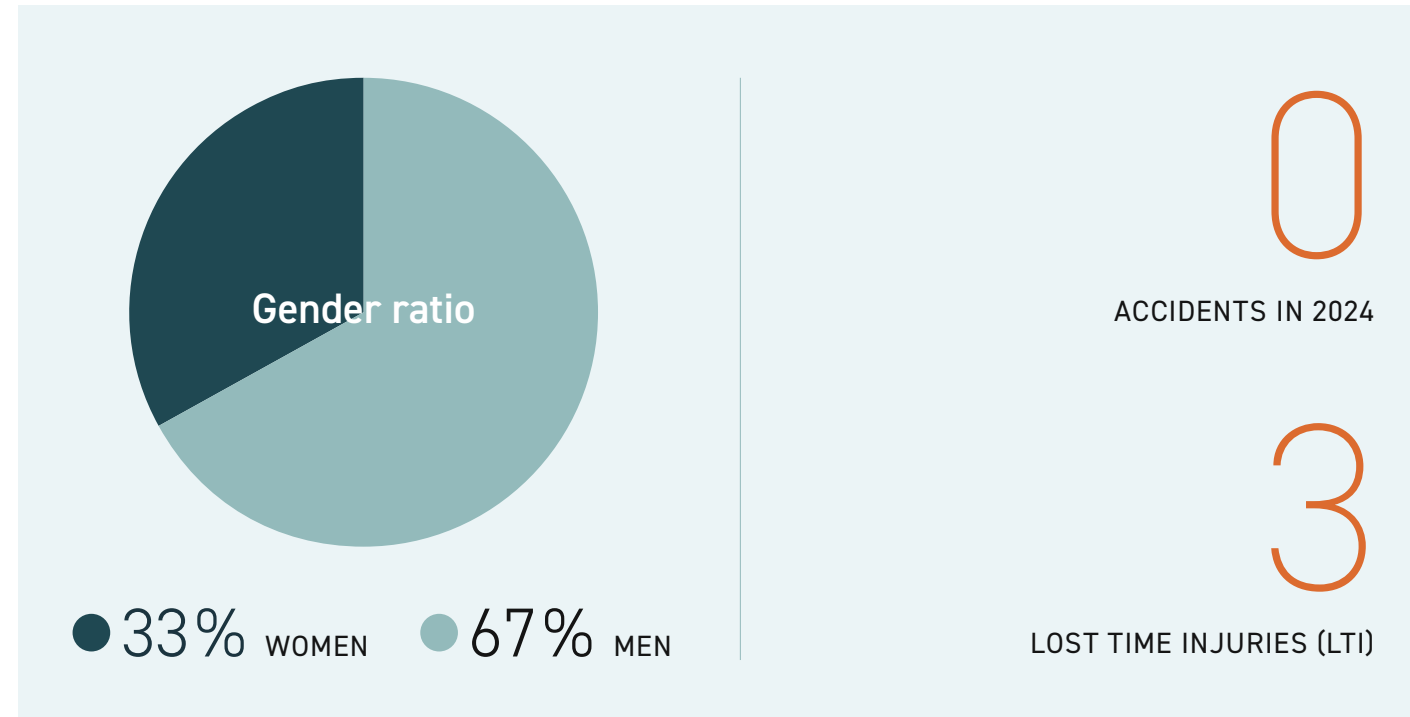
Salmon Evolution is committed to creating an inclusive workplace that attracts top talent and promotes equal opportunities. We continuously work to eliminate discrimination and harassment, ensuring fair treatment for all employees regardless of gender, ethnicity, nationality, religion, sexual orientation, or other personal attributes.

Our recruitment, training, and advancement processes prioritize qualifications, skills, and performance. We maintain a zero-tolerance policy for discrimination and harassment, as outlined in our Code of Conduct and Personnel Handbook.

### 2024 Metrics:

One case related to personnel matters was reported and resolved in accordance with our established procedures.

In 2025, we will further strengthen our diversity, equity, and inclusion initiatives to ensure Salmon Evolution remains a workplace where everyone can thrive.



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# Responsible Supply Chain

Our suppliers are important contributors to the success of our business. We believe that transparent and frequent communication with both our customers and suppliers is vital for our success. We work closely with our suppliers and customers to minimise negative impact from our supply chain and we will continue to develop partnerships focusing on sustainability.

Suppliers that are in breach of our basic standards for ethics and corporate social responsibilities can be disqualified for new tenders. However, if they do not comply with our standards, we first aim to work with the supplier to bring about improvements. If the supplier still does not comply, Salmon Evolution will seek to terminate the supplier relationship.

*Salmon Evolution suppliers shall have standards for ethics and corporate social responsibility that follow the UN Global Compact principles. This shall apply to all suppliers as well as partnerships and employees.*



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# Stakeholder and Local Engagement

## Local Value Creation

Given that our land-based facility is located on Indre Harøy in Hustadvika municipality, Norway, we decided in 2019 to move our head office from Molde municipality to Elnesvågen, Hustadvika. The physical relocation was done during the first two months of 2022.

For the first phase of construction, our total investment on Indre Harøy was approx. NOK 1.7 billion. From this, we have seen a major ripple effect for both the Møre og Romsdal region and Hustadvika municipality, in the form of large contracts to local suppliers. This has led to comprehensive investments in their own companies.

For example, food services are provided by local companies, many of whom have seen record growth, which has led to further investments in the municipality. Other investments our local suppliers have made include office premises and associated infrastructure, which have directly contributed to further local contracts and increased employment opportunities.

We are now in the process of building second phase at Indre Harøy, with a total investment of above NOK 2 billion, which we also expect will have further major ripple effects in the region and municipality.

In total, Indre Harøy has employed around 200 workers daily through these contracts. Many of the contractors are also temporarily housed at local hotels while working at the construction site. The communities we impact, from the municipality to local inhabitants, have reacted positively to these developments.

## Stakeholder Engagement

Dialogue and engagement with our stakeholders help us understand what is expected of us, what is most important to our stakeholders, how they are impacted by our operations, and how we can work together in solving common challenges.

In 2021, we reviewed our stakeholders and identified seven groups that we have the possibility to impact or be impacted by. These are listed below:

- Shareholders, investors, assets managers and analysts
- Employees and potential employees
- Local communities and municipalities
- Customers
- National authorities and regulators
- Financial institutions
- Suppliers and service providers



Throughout 2024 we have been in regular contact with our employees, the local community and municipality, our customers, and our suppliers and service providers as part of our daily operations. Quarterly reports and presentations, and the latest relevant news from our company, are presented on our website.

Over the next year, we commit to have a continued focus on creating arenas for systematic and open dialogue with these groups to understand our impacts. We are committed to being a responsible business through interacting with our stakeholders in both an ethical and transparent manner.



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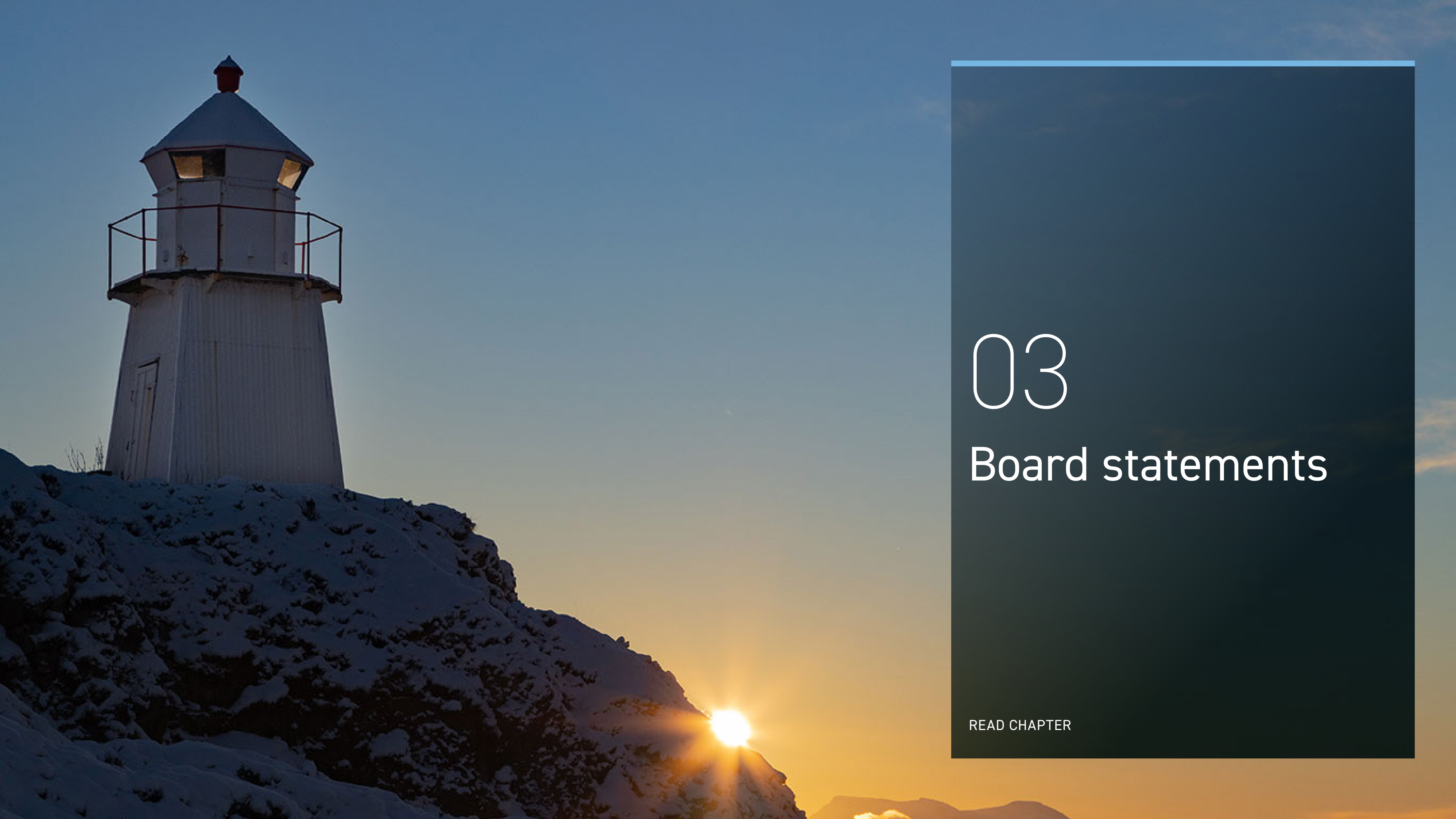
### Respectful Use of Land

The site of our land-based facility was originally a disused quarry. After over 30 years of operation, the quarry was emptied, and remained vacant. Because the land was left in this state, there was very limited need for intrusive activities in the nature to complete the construction of our facility for farming salmon.

Converting the disused quarry has provided an opportunity for us to engage in value-creating activities in an area where there were limited opportunities for this. We made great efforts to create an optimal balance between generating value for local people and communities, while severely limiting land-conversion and our impact on the environment.

### Going Forward

Salmon Evolution will continue to prioritise local suppliers for our contracts. We will develop good relationships with local communities through creating an open dialogue and expanding our engagement efforts. We believe that our operations should have as little negative impact as possible, and as we grow, we will develop new ways to monitor and assess our efforts.



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# Board of directors report

2024 marked another year of progress for Salmon Evolution, reinforcing its position as the leading company in land-based salmon farming.

During the year Salmon Evolution harvested a total of 4,891 tonnes HOG salmon and continued to deliver strong biological KPIs from its land-based salmon farm at Indre Harøy, exemplified by an industry leading superior grade share and minimal mortality.

In June 2024 Salmon Evolution took the final investment decision to move ahead with the Indre Harøy phase 2 expansion, which upon completion in 2026 provide Salmon Evolu-

tion with an operational platform few – if none – in land-based salmon farming can rival. Indre Harøy phase 2 provides critical scale, and gives Salmon Evolution and strong cash generating platform to scale further on.

Financially it was also a transformative year, with the Group reporting a positive EBITDA of 71.4 NOKm in addition to positive cash flow from operations. Salmon Evolution

being the first land-based salmon farmer showing profitability at scale, a major milestone for both the Group and the industry.

The Board takes pride in Salmon Evolution operating within its ambitious targets on mortality and superior grade share. With this in place, full focus can be given on taking out the full potential at Indre Harøy and increasing the harvest weights.



### Important events in 2024



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# Operations in 2024

Through 2024 Salmon Evolution experienced continued stable operations with strong biological KPIs both at the smolt facility in Dale and at the grow-out facility on Indre Harøy. The biomass production increased by 52 %, from 3,751 tonnes LW in 2023 to 5,706 tonnes LW in 2024. Standing biomass ended at 2,023 tonnes LW compared to 2,092 tonnes LW in 2023.

Salmon Evolution has demonstrated strong operational performance in 2024, achieving key biological targets at commercial scale. Several groups recorded feed conversion ratios (FCR) close to 1.0, survival rates above 95%, and the superior grade share ended above 96 % for 2024 as a whole. These results significantly outperform traditional farming methods and validate the company's land-based farming model, underscoring its potential for cost-efficient, high-quality, and sustainable salmon production.

During the first half of 2024 the Group had some challenges with smolt quality leading to the smolt developing ulcers shortly after stocking at Indre Harøy, this ultimately led to culling of one smolt insert in May 2024. The Company quickly identified the root cause and implemented changes in the smoltification process and procedures at the smolt facility, in addition to additional vaccination. Following the smolt quality issues the Company had high focus on securing smolt and restocking the facility to minimize the impact on production and harvest volumes, but nevertheless biomass production especially in Q2 and Q3 of 2024 was impacted by this event.

Following this event and after restocking Indre Harøy, the Company has had a long period of stable operations with minimal mortality. Enabled by this, the Group has been fully focused on optimization and turning to take out the full growth potential in the farm with a wide range of optimization activities are ongoing, with different time frames and expected impact. This led to a steady improvement in daily growth rates during the second half of 2024 with biomass production accelerating towards the end of the year,

highlighting the positive impact of these activities. The tuning and optimization are deeply rooted in data – everyday Salmon Evolution collect over 40 million datapoints at Indre Harøy, providing insights that is key in taking out the full potential and beyond. Salmon Evolution ended the year with a fully stocked farm at Indre Harøy setting the stage for a good start to 2025.

At the smolt facility in Dale Salmon Evolution had a strong growing season, with bio-

mass growth 36% above 2023. During 2024 several upgrades have been made to the Dale smolt facility, including installing additional heating capacity to ensure a better and more stable growth environment in the winter season.

In 2024 the Group harvested 4,891 tonnes HOG salmon with an average weight of 3.5 kg HOG, an increase of 261 % from 2023. Average superior grade share during 2024 ended at 96 %, an indication of the strong fish health at Indre Harøy. Harvest weights in 2024 was impacted by low smolt stocking weights during 2023.

In the first half of 2024 pricing in the salmon market was strong, driven especially by biological issues for the traditional net-pen farmers in Norway leading to significant downgrades and a lack of superior grade fish in the market. With strong biological results and a high superior grade share Salmon Evolution was able to capitalize on this. During 2024 Salmon Evolution consistently was outperforming the Sitagri salmon index (previously known as the Nasdaq salmon index).



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## Indre Harøy phase 2

**Indre Harøy phase 1 and 2 represents a potent platform with strong expected cash flow generation, supporting a substantial organic investment capacity for Salmon Evolution.**

Leading up to the investment decision taken in Q2-24, the Group had a thorough tender process together with the contractors on all major components to have visibility on cost and reduce the risk in the cost estimates. The Group also builds on its extensive experience, after close to three years in operation as well as having successfully completed a project of this scale and magnitude before.

The phase 2 project is planned to add 10,100 tonnes HOG of annual harvest. This will take Salmon Evolution from its current production capacity of 7,900 tonnes to 18,000 tonnes HOG in full run-rate. The additional 2,200 tonnes HOG released, on top of the original plan of 15,800 tonnes HOG, is achieved through adding additional tank capacity, by introducing pre-grow-out tanks. This represents a highly capital efficient way to increase output at the facility, leveraging infrastructure that is already in place.

Under the new program, by adding the pre-grow-out tanks, the Group will 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 approximately 5.2 kg LW. In sum this will reduce the production cycle to ~8-9 months and enable an increase in the

number of smolt stockings from 6 to 8 per year per phase (i.e. 16 smolt stockings a year from phase 1 and 2 combined). Generally, this is a more conservative production plan with lower average harvest weight and peak densities through the production cycle, which also lower the operational risk through increased robustness and added operational flexibility.

The phase 2 grow-out project 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. Phase 2 is an improved copy of phase 1, incorporating key learnings after almost three years in operation. The project has a total estimated investment cost of up to 2.5 NOKbn including contingencies, buffers and the additional tank capacity. This figure also includes 200 NOKm in project contingencies and a project buffer of 100 NOKm.

### Project status – Indre Harøy phase 2

The project is developing according to plan, with targeted smolt release in Q1-26 and first harvest in Q4-26 as planned. In parallel Salmon Evolution is proceeding with the planning and engineering for the additional tank capacity with expected completion by 2026.

Tank installation for the first four tanks is well underway and there is continued good progress on other concrete works both in the grow-out section and for the intake station. Towards the end of the year the intake manifold was delivered, a major milestone for the project. Preparations for the intake pipe installation are well underway. Activity at the building site is expected to gradually increase towards the summer of 2025, at the end of the year there were approximately 90-100 workers working on site. At 31 December 2024 the accumulated investment in the project amounted to 407 NOKm.

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 Group will get better utilization of the smolt facility at Dale. Additionally, the Group is evaluating several options to increase smolt capacity, including temporary external sourcing, expansion opportunities at our existing smolt facility and other options.

Tank installations well underway (February 2025)



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# North America

## Project overview and status

When assessing possible sites, the Group focuses 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.

As previously communicated, the Group is in advanced negotiations for a high-potential site in North America. The initial site verification processes points to this being an ideal site for a hybrid flow-through system. The Group is monitoring the geopolitical situation closely and is currently assessing the impact from potential tariffs in the North American market.

For a project in North America, it is expected that site verification and relevant regulatory approval processes will take two to three years, 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.

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

# Korea

## Project overview and status

The Group has a joint venture 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, leveraging Salmon Evolution's human capital.

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

The Group 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 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 are expected during 2025. Meanwhile project activities have been scaled down and cash burn has been reduced to a minimum.



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# Financial performance

## Going concern

The consolidated financial statement is prepared in accordance with International Financial Reporting Standards (IFRS). The Board confirms that it is appropriate to prepare the Annual Report based on a going concern assumption. The Group believes it is adequately funded and has access to additional capital if required.

## Income statement

In 2024 the Group had operating revenues of 471.6 NOKm (168.4 NOKm), mostly related to harvest of 4,891 tonnes HOG salmon, including post smolt deliveries of 105 tonnes LW. The Group had some revenue from other sources, primarily government grants in relation to R&D projects. The 303 NOKm increase in revenues from 2023 reflects a 160 % increase in harvest volumes.

Operating expenses totalled 400.2 NOKm (204.7 NOKm). The increase from the same period last year is driven by the higher activity at the Group's grow-out facility at Indre Harøy.

In 2024 Salmon Evolution had a positive EBITDA of 71.4 NOKm compared to a negative EBITDA of 84.0 NOKm in 2023. In the Farming segment EBITDA amounted to 112,4 NOKm (negative 23.2 NOKm).

For the year depreciations amounted to 76.1 NOKm (46.7), mostly related to the facility at Indre Harøy. Depreciations for the Indre Harøy facility commenced in May 2023. Additionally, depreciations of the upgrades undertaken at the smolt facility in Dale commenced in Q1-24.

The fair value adjustment related to the biomass amounted to negative 10.5 NOKm, and the Group recorded an operating profit of negative 15.2 NOKm (loss of 110.5 NOKm) in 2024.

Net financials amounted to negative 32.2 NOKm (negative 35.2 NOKm), primarily due to interest rate expenses, partly offset by interest income on bank deposits and gain on the interest rate hedge. The Group recorded no tax cost, and the loss ended at 47.4 NOKm (loss of 145.8 NOKm).

## Cash flow

Cash flow from operating activities ended at 43.3 NOKm in 2024 (negative 124.4 NOKm), a significant improvement from the same period last year driven by the much higher harvest activity and strong financial results. With the Indre Harøy phase 2 expansion project the investments are ramping up. Net cash flow from investing activities were negative at 342.5 NOKm (negative 338.5 NOKm). Cash flow from financing activities in 2024 was driven by the successful equity raise that took place in June and ended at 342.3 NOKm (570.5 NOKm).

Net change in cash and cash equivalents for 2024 was 43.1 NOKm (107.6 NOKm), and as of 31 December 2024 cash and cash equivalents amounted to 429.4 NOKm and total available liquidity of 684 NOKm including committed undrawn credit facilities.

## Financial position

On 31 December 2024 the book value of the Group's assets was 3,184.8 NOKm (2,709.6 NOKm per 31.12.2023). The main increase from previous periods is related to the ongoing Indre Harøy phase 2 expansion project.

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 2,223.3 NOKm which corresponds to an equity ratio of 70%. Consolidated net interest-bearing liabilities totalled 313.1 NOKm at the end of the quarter.

In relation to its long-term financing the Group have financial covenants. These are described in detail in note 22.

## Income statement, cash flow and financial position Salmon Evolution ASA

Other income for Salmon Evolution ASA in 2024 was 33.2 NOKm (29.4 NOKm). Profit before tax in 2024 ended at 71.4 NOKm (4.1 NOKm). The Company recorded no tax cost in 2024. Net cash flow ended at 377.4 NOKm.

Total assets ended at 2,776.5 NOKm (2,350.4 NOKm). Total liabilities amounted to 190.4 NOKm (140.9 NOK). Equity totalled 2.586 NOKm equalling an equity ratio of 93 %.

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# Risk exposure and risk management

Salmon Evolution’s activities entail exposure to various types of risks and uncertainty, that may prevent us from reaching our goals and deliver our strategy. Risk management is a key function of the management team, and Salmon Evolution has systems and routines in place to significant risk factors in all business areas.

Through our risk management process we identify, quantify, and define actions to manage the risks we face. We split our defined risks into relevant subcategories, and efforts to reduce risk are addressed by our most capable people within each business area. Salmon Evolution has liability insurance which covering the Board of Directors, the CEO and executive management.

Salmon Evolution categorize risk into five categories:

- Operational risk
- Project execution risk
- Financial risk
- Reporting risk
- Regulatory risk

## Operational risk

Salmon Evolutions most important operational risks relate to the biological development of the salmon, both at the hatchery and in the grow-out facility.

It is the nature of salmon farming that inherent biological risks will always be present. Through our use of the hybrid flow-through technology at the grow-out facility Salmon Evolution seek to reduce the biological risk by providing the salmon with an optimal and controlled growth environment. At the same

time a hybrid-flowthrough facility is a large and complex process operation, and Salmon Evolution is vulnerable to errors in technology, follow up of operating procedures and maintenance routines.

Salmon Evolutions operating procedures are designed to reduce biological risk and risk of errors in operating the facility. At the grow-out facility critical parameters for all fish groups are monitored real-time, providing deep insight into the performance of each group and enabling preventive risk reduction measures.

Salmon Evolution has built up effective capabilities to deal with biological challenges. For instance, has the Group during 2024 installed vastly improved freshwater production capabilities at Indre Harøy (reverse osmosis plant). As a first mover utilizing the hybrid flow-through technology to produce salmon, Salmon Evolution has also built significant know-how in operating land-based salmon farms and turning know-how into risk reducing operation procedures are deeply rooted in the Company. Vaccination against various deceases is an integral part of the Groups operating procedures.

Access to sustainable feed materials is a vital part of risk management, as feed

is the most important input factor for the salmon during the lifecycle. Salmon Evolution, through its cooperation with Cargill, are continuously evaluating and improving the feed ingredients to optimize the feed composition.

## Project execution risk

Building a land-based salmon farm is a large and complex project. Successful execution and construction are critical for the Group's business plan. The most important risks are related to design and execution errors, delays during the execution phase and cost overruns.

Salmon Evolution has built up in-house capabilities on project execution, as well as employing subject matter experts in fields considered critical for the success of its farms. The vast amount of data and know-how Salmon Evolution possess on operating a hybrid flow-through facility, reduce the risk of design and execution errors.

Salmon Evolution has a defined contractor strategy, where the Company gradually take on more responsibility, exemplified in the differences in contract structure between Indre Harøy phase 1 and 2; in phase 1 Salmon Evolution had one contractor, in phase 2 there are two contractors in addition to own

deliverables. 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.

## Financial risks

Through its activities Salmon Evolution is exposed to various kinds of financial risk, i.e. market risk, currency risk, interest rate risk and liquidity risk. Group management oversees the management of these risks and draws up guidelines for addressing them. Financial risk is managed by the Chief Financial Officer of Salmon Evolution.

## Market/price risk

Salmon Evolutions entire business is related to the production and sale of salmon, and profitability and cash flow are closely linked to movements in the price of salmon. Historically salmon prices have been volatile with a clear seasonal pattern. Over a long period of time demand has grown steadily, whilst supply has varied more driven by fluctuations in sea temperatures and biological challenges for the net-pen farmers which in all material respect produce the salmon sold globally.

Salmon Evolution has not used fixed-price contracts to reduce the price risk but con-



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sider it likely that such hedging instruments will be used in the future as they are a good fit to the production model ensuring steady supply through the year.

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 2025-2027, with a gradually declining hedging profile.

### Currency risk

The Group's 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.

Salmon is predominantly sold in USD or EUR. The Group are using hedging instruments the hedge the currency exposure on

its sales contracts in the period from sale to settlement. The Group did not have any material exposure in foreign currency contracts at the end of the year.

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

### Interest Rate risk

The Group's interest rate risk relates primarily to borrowings from financial institutions with floating interest rates. The Group has a clear hedging policy and has entered into hedging programs to reduce this risk for parts of its current and planned borrowings in line with this policy. As of 31 December 2024, outstanding loans from credit institutions amounted to NOK 727.6 million (excluding financial leasing).

The Group's bank loans have an interest rate of NIBOR 3M plus an agreed margin. For further information see [note 22](#).

### 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. 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 31 December 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.

### Reporting risk

Salmon Evolution are subject to Norwegian and European Union financial market regulations, as well as the rules of the Oslo Stock Exchange. The follow up of internal controls related to financial is carried out through management's day-to-day supervision, and follow-up and monitoring by the Groups audit committee. Salmon Evolution has implemented a finance operating model and internal controls to address these risks, and have a continuous focus on improving the design and implementation of these.

### Regulatory risk

The land-based aquaculture industry is exposed to changes in laws and regulations that could materially impact current facilities and future growth opportunities. Salmon Evolution continuously monitors the development and provides input to relevant committees and hearings.

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# Responsible business practices

Salmon Evolution is committed to responsible business practices with respect to human rights, labor standards, equality, social matters, anti-corruption and the environment.

Salmon Evolution shall comply with the principles outlined with the UN Global Compact and OECD guidelines for multinational companies.

Salmon Evolution complies fully with the Norwegian Transparency Act ("Åpenhetsloven"). The report is available at [www.salmevolution.no](http://www.salmevolution.no) and will be updated by June 2025 as mandated by law.

Salmon Evolution has a Code of Conduct that applies to all employees, contract workers, board members and other persons acting on behalf of Salmon Evolution. The Code of Conduct is available at [www.salmevolution.no](http://www.salmevolution.no).

Salmon Evolution is committed to the Norwegian anti-discrimination act and strive to provide equal opportunities.

For further information related to environmental conditions see chapter for "Sustainability and corporate responsibility".



# People

## Health and safety

Salmon Evolution aims to have zero injuries amongst its staff, employee safety and a healthy working environment is high on the Board's agenda. In 2024 the company had 3 injuries that resulted in time lost from work (LTI).

## Diversity and equal rights

Salmon Evolution is committed to the Norwegian anti-discrimination act and strive to provide equal opportunities. The gender ratio in the Group 33 % women and 67 % men at the end of 2024. The Groups works actively in offering apprenticeships to young employees.

For further information related to sick leave see chapter for "Sustainability and corporate responsibility"

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# Outlook

2024 has been a transformative year, where Salmon Evolution has proven the concept of land-based salmon farming with a hybrid flow-through system, both technically and biologically. The technology and our highly skilled and motivated employees, coupled with a unique data driven growth environment, gives us insights and opportunities for further improvements of production, fish welfare and financial results. To further improve operations and build Indre Harøy phase 2 – which upon completion more than doubles the production capacity at Indre Harøy – will be Salmon Evolutions main priorities for the coming year.

With the phase 2 expansion at Indre Harøy progressing as planned, investments accelerated in 2024. Phase 2 will be transformative for Salmon Evolution, ensuring critical scale and supporting a substantial organic investment capacity for Salmon Evolution. Norway has many unique characteristics making it ideal for land-based salmon farming. The strong results achieved in 2024 further underscores this and the benefits of being in the hearth of the global aquaculture cluster, with easy access to the worlds most efficient salmon farming value chain. The Norwegian government also sent a suggestion rules for land-based aquaculture on

public hearing during 2024. These rules are expected to become law in 2025, significantly reducing the regulatory risk. This further underlines the relative attractiveness of Norway and sets Norway apart from other countries as the most attractive place to invest in and grow the business. What Salmon Evolution has built in Norway is truly unique and represents a strong platform for further growth in a world where the geopolitical uncertainty has increased. Looking ahead, Salmon Evolution enters 2025 with a solid foundation for continued growth. The company is well-positioned to benefit from a tight global salmon market, with supply growth expected to remain constrained. Industry forecasts indicate limited supply expansion, which, combined with strong demand, supports a positive pricing outlook for salmon in the coming years.

The company remains fully committed to its long-term vision: to be a global leader in land-based salmon farming, delivering sustainable, high-quality salmon while continuously driving biological and operational excellence. With phase 1 at Indre Harøy in full operation and phase 2 well underway, Salmon Evolution is in a unique position to capitalize on future opportunities and further solidify its leadership in the industry.



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# Board of directors

Regional and international entrenchment and industry-based expertise characterise our directors. Their common denominator and driving force are a belief in farming salmon sustainably on land, based on the board's overall expertise and the choice of the right technology.



**Tore Tønseth**  
Chairman of the board



**Peder Stette**  
Board Member



**Anne Breiby**  
Board Member



**Ingvild Vartdal**  
Board Member



**Vibecke Bondø**  
Board Member



**Eunhong Min**  
Board Member



**Jan-Emil Johannessen**  
Board Member

**Want to know more?**  
Read about them on [salmonevolution.no](https://salmonevolution.no)

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# Corporate governance

Salmon Evolution follows the Norwegian Code of Practice for Corporate Governance (“NUES” or the “Norwegian Code”). A full description of the Norwegian Code is available at [www.nues.no](http://www.nues.no). In the following sections Salmon Evolution has addressed the adherence to the 15 issues covered by the Norwegian Code. Salmon Evolution is fully compliant, except for section 14 regarding lack of explicit guidelines for dealing with takeover bids and section. Salmon Evolution currently does not have a remuneration committee as this is not considered necessary in the light of the composition of the board of directors but will consider establishing a remuneration committee going forward.

### 1. Implementation and reporting on corporate governance principles.

The Board of Directors of Salmon Evolution (the “Board”) is aware of its responsibilities with regards to development and implementation of internal rules, procedures and regulations to ensure the Company at its subsidiaries complies with the principles for good corporate governance. The governance documents and practices are subject to annual review.

Salmon Evolutions overall vision is “Extending the Ocean Potential”, and closely linked to this is the Company’s values “Responsible”, “Competent”, “Innovative” and “Team Player”.

Salmon Evolution is made up of individuals with different nationalities, cultures, and customs. The Code of Conduct sets standards for the expected behaviour between colleagues and defines what external parties can expect for employees and representatives of Salmon Evolution. The Code of Conduct was last updated in 2024. The Code of Conduct is available at [www.salmonevolution.no](http://www.salmonevolution.no).

The Norwegian Code of Practice for Corporate Governance		Compliance
1	Implementation and Reporting of Corporate Governance Principles	Compliant
2	Business	Compliant
3	Equity and Dividends	Compliant
4	Equal Treatment of Shareholders and Transactions with Related Parties	Compliant
5	Freely Negotiable Shares	Compliant
6	General Meeting	Partly compliant
7	Nomination Committee	Compliant
8	Corporate Assembly and Board of Directors: Composition and Independence	Compliant
9	The Work of the Board of Directors	Compliant
10	Risk Management and Internal Control	Compliant
11	Remuneration of the Board of Directors	Compliant
12	Remuneration of Executive Management	Compliant
13	Information and communications	Compliant
14	Takeovers	Partly compliant
15	Auditor	Compliant

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### 2. Business

Salmon Evolution is the world's largest land-based salmon farmer. The Company's objective is defined in the articles of association:

*"The company's operations are investments and land-based salmon farming, both nationally and internationally, and investments in companies connected to the aquaculture industry."*

The articles of association is available at Salmon Evolutions website [www.salmonevolution.no](http://www.salmonevolution.no).

Salmon Evolutions board has defined clear objectives and strategies to secure optimal value creation for its shareholders and other stakeholders. The strategic priorities defined by the board are systematically assessed at regular intervals by the group management team. The company's objectives and main strategies are shared in the annual report and can be found on the company's website [www.salmonevolution.no](http://www.salmonevolution.no).

### 3. Equity and dividends

The shareholders equity as at December 31, 2024 was NOK 3,090 million (2,806 million) which represents 97.0 % (103.6 %) of the total assets.

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.

The board has defined a clear dividend policy for Salmon Evolution.

The financial statements for the parent company show a net loss of NOK 47.4 million for the year. The Board of Directors proposes that the loss be covered by a transfer from other equity.

### 4. Equal treatment of shareholders and transactions with related parties

Salmon Evolution has one class of shares. All shares carry equal rights in the Company, and the Articles of Association do not contain any provisions restricting the exercise of voting rights.

Any purchase or sale by of own shares will be through the Oslo Stock Exchange or at prices quoted on the Oslo Stock Exchange.

Any transaction between the Company and a related party will be on arm's length terms or, if relevant, will rest on a valuation obtained from an independent third party.

In the event of capital increases based on authorisations issued by the general meeting of shareholders, where the existing shareholders' rights are waived, the reason for this will be provided in a public announcement in connection with the capital increase.

### 5. Freely negotiable shares

All shares in the Company have equal rights and may be traded freely.

### 6. General meeting

The company's highest decision-making body is the General Meeting of Shareholders, and the general meetings are open to participation by all shareholders.

An invitation to attend the AGM or an EGM will be issued no later than 21 days prior to the date of the meeting.

In accordance with the company's articles of association, documents relating to matters to be addressed at a general meeting of shareholders may be made available on Salmon Evolution ASA's website. The same applies to documents which by law must be included in or attached to the invitation to attend the general meeting. If the documents are made available in this way, the statutory requirement with respect to distribution to shareholders is not applicable. A shareholder may nevertheless ask to be sent documents relating to matters to be discussed at a general meeting by post. Case documents must contain all the documentation necessary to enable shareholders to take a standpoint on all matters to be addressed. Pursuant to section 5-11 of the Public Limited Companies Act, shareholders are also entitled to table their own items for consideration by the general meeting.

The deadline for notification of shareholders' intention to attend a general meeting is stipulated by the Board of Directors in the invitation thereto, no less than five days prior to the date of the meeting. Shareholders may send notification of their attendance, using the form provided, by post or email to the company's account manager DNB, or via the company's website [www.salmonevolution.no](http://www.salmonevolution.no).

Shareholders are entitled to make proposals and cast their votes either in person or through a proxy, including a proxy appointed by the company. The proxy form also enables shareholders to grant a proxy vote for each individual agenda item and in connection with the election of each board member. Shareholders are entitled to cast their votes on each individual item on the agenda, including each individual Director nominated to the Board or members for the Nomination Committee. The Board determines the agenda for the meeting, and the main issues to be dealt with by the AGM are regulated by Article 9 of the company's articles of association and section 5-6 of the Public Limited Companies Act. The Board Chair and the company's auditor will be represented at general meetings, which will normally be chaired by the Board Chair. Other members of the Board of Directors and members of the Nomination Committee may in addition be represented at general meetings.

Deviations from the code of practice: It is considered from time to time whether the entire Board of Directors and the Chair of the Nomination Committee will be present at the general meetings.

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### 7. Nomination Committee

The General Meeting of Shareholders elects the company's nomination committee (the "Nomination Committee"). The Nomination Committee consists of three members: Frode Håkon Kjølås (Chair), Berit Rogne and Trond Svinø. All members of the committee are independent of the Board and the company's executive management. The Nomination Committee submits its recommendations to the General Meeting of Shareholders regarding the election of members to the Board and the Nomination Committee and their respective remuneration.

The general meeting has approved a set of instructions defining the responsibilities of the Nomination Committee. These instructions are available at [www.salmonevolution.com](http://www.salmonevolution.com). All shareholders are invited to propose candidates to the Board and the Nomination Committee through the company's website.

### 8. Corporate assembly and Board of Directors: composition and independence

The company does not have a corporate assembly. According to the company's articles of association, the company shall have a Board consisting of a minimum of five and a maximum of nine members. The Chair of the Board is elected by the general meeting based on a proposal from the Nomination Committee, as are the other members representing the shareholders. Board members are elected for a period of two years at a time.

To ensure continuity, not all seats on the Board come up for election in the same year. At present, the Board consists of seven members. All Board members are considered independent of the company's executive management and material business partners. At present six out of seven board members own shares or are closely associated with large shareholders.

### 9. The work of the Board of Directors

According to the Norwegian Public Limited Liability Companies Act, the Board has overall responsibility to oversee the management of the company, while the CEO is responsible for day-to-day management.

The Board is responsible for ensuring that the Group's activities are soundly organised, and for approving all plans and budgets for the activities of the Group. The Board approves a statement of the CEO's duties, responsibilities and authorisations. The Board keeps itself informed about the Company's activities and financial situation and is under an obligation to ensure that its activities, financial statements, and asset management are subject to adequate control through the review and approval of the Company's monthly and quarterly reports, and annual financial statements. The Board shall also ensure that the Group has satisfactory internal control systems.

The CEO is in charge of the day-to-day management of Salmon Evolution and is responsible for ensuring that the Company is organised in accordance with applicable laws, the company's articles of association and the decisions adopted by the Board and the company's general meeting. The CEO has particular responsibility for ensuring that the Board receives accurate, relevant and timely information in order to enable it to carry out its duties. The CEO shall also ensure that the Group's financial statements comply with Norwegian legislation and regulations and that the assets of the company are soundly managed.

The Board makes an annual assessment of its own work and competence.

The Board held nineteen meetings during 2024.

Name	Role	Elected	Independent of management and material business associates? (yes/no)	Independent of major shareholder? (yes/no)	Board meeting attendance 2024	Comment
Tore Tønseth	Chair	2026	Yes	Yes	19/19	Closely associated with Ronja Capital Investment AS
Anne Breiby	Director	2025	Yes	Yes	19/19	
Peder Stette	Director	2025	Yes	Yes	18/19	Closely Associated with Stette Invest AS
Ingvild Vartdal	Director	2026	Yes	Yes	19/19	
Vibecke Bondø	Director	2025	Yes	Yes	18/19	Closely Associated with Bondø Invest AS
Jan-Emil Johannessen	Director	2025	Yes	Yes	18/19	Closely Associated with Jawendel AS
Eunhong Min	Director	2026	No	Yes	11/19	Closely associated with Dongwon Industries

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### 10. Risk management and internal control

The Board and Group management are responsible for establishing adequate risk management and internal control systems. The company's systems and procedures for risk management and internal control are intended to ensure compliance with relevant legislation and regulations, efficient operations, as well as timely and correct financial reporting.

The Board performs an annual review of the company's risk management and corporate governance. The most important risk factors of Salmon Evolution are biological risks related to the operation of the smolt and grow-out facility, technical risks primarily related to the operation of the grow-out facility and financial risks. The financial risks are predominately fluctuations in salmon price, currencies and interest rates.

It is the CEO's responsibility to ensure that the company operates in accordance with all relevant statutes and guidelines.

#### Internal control over financial reporting

The Board and Group management are responsible for establishing and maintaining adequate internal control over financial reporting, and the process for internal control is developed under the supervision of the Chief Financial Officer. The process is established to provide reasonable assurance of the reliability of financial reporting in the Company, as well as ensuring that the preparation of Salmon Evolutions financial statements are in accordance with the applicable Financial Reporting Standards.

The Audit Committee monitors financial reporting and its related internal controls, including application of accounting principles and informed judgements. The Chief Financial Officer and the Audit Committee have regular meetings with the external auditor present to discuss issues related to financial reporting.

#### Code of conduct and ethical guidelines

The Code of Conduct describes Salmon Evolution ASA's commitment and requirements in connection with ethical issues relevant to business practice and personal conduct. The Code of Conduct has been communicated to employees, and each employee is expected to make a personal commitment to abide by the Code of Conduct. Salmon Evolution ASA's whistle blowing procedure facilitates reporting concerns about potential violations of law and breaches of the Code of Conduct. On whistle blowing the Company had no reported cases in 2024.

### 11. Remuneration of the Board of Directors

Remuneration for the members of the Board is determined by the General Meeting of Shareholders. The remuneration reflects the Board's responsibility, expertise, time and the complexity of the Company's activities. The remuneration is not linked to the Company's performance. All members of the Board, with the exception of the Chair, receives the same remuneration. The members of the Audit Committee receive separate, additional remuneration. The fee paid to the members of the Board is fixed for

each 12-month period. The remuneration paid to members of the Board is disclosed in the Remuneration Report according to Allmennaksjeloven (The Public Limited Liability Companies Act) § 6-16 b.

### 12. Remuneration of Executive Management

The Board of Salmon Evolution ASA determines the principles applicable for compensation of senior executives. The Board is directly responsible for determining the CEO's salary and other benefits. The CEO is, in consultation with the Chair of the Board, responsible for determining the salary and other benefits for the Group's other senior executives.

Remuneration of the company's CEO and the executive management team is disclosed in the Remuneration Report according to Allmennaksjeloven (The Public Limited Liability Companies Act) § 6-16 b.

In compliance with the Norwegian Public Limited Liability Companies Act, the Board prepares a statement regarding the remuneration of the executive management team for consideration by the General Meeting of Shareholders. The remuneration package for corporate executive staff consists of the following main elements:

- Fixed salary
- Pension
- Benefits in kind
- Termination payment
- Incentive scheme

### 13. Information and communications

Each year the Company publishes its financial calendar detailing when it will present quarterly reports, the annual report and the date of the General Meeting of Shareholders.

All information concerning major events is publicly disclosed in accordance with the regulations of the Oslo Stock Exchange and posted on the Company's website.

The Company holds physical presentations of its quarterly results (also available via webcast).

#### Investor relations policy

Salmon Evolution's Investor Relations Policy sets the basic principles for our communication and dialogue with capital markets participants, including guidelines for contact with shareholders outside general meetings. We are committed to providing our shareholders with accurate, clear, relevant, and complete information on our performance and market position.

Communication with stakeholders shall be based on the principles of equal treatment and transparency, and we aim to continually ensure trust and stakeholder confidence. The responsibility for Salmon Evolution's investor relations activities lies with our Chief Financial Officer.



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### 14. Takeovers

In the event the Company becomes the subject of a takeover bid, the board of directors shall seek to ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The board of directors shall also ensure that the shareholders have sufficient information and time to assess the offer.

There are no defence mechanisms against takeover bids in the Company's Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company.

The board of directors has not established written guiding principles for how it will act in the event of a takeover bid.

### 15. Auditor

EY is the Company's elected auditor. The auditor is independent of Salmon Evolution ASA and is appointed by the General Meeting of Shareholders. The auditor's fee is approved by the General Meeting of Shareholders.

The auditor presents an audit plan to the Audit Committee and is present at Board meetings dealing with the preparation of the annual accounts where the audited financial statements and internal control procedures are reviewed and approved. The auditor participates in the General Meeting of Shareholders.





# 04

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# Group consolidated financial statements (IFRS)

Consolidated statement of profit or loss		2024	2023
(NOK thousands)		Consolidated	Consolidated
	Note		
Sales revenues from farming	4,5	467 742	153 325
Other income	4,5	3 831	15 099
<b>Total operating revenue and other income</b>		<b>471 573</b>	<b>168 424</b>
Change in inventory	6,7	29 603	78 476
Cost of materials	7	-200 933	-126 180
Personnel Expenses	8,9	-68 046	-76 052
Other Operating expenses	8,10	-160 781	-128 619
<b>Operational EBITDA</b>		<b>71 415</b>	<b>-83 950</b>
Depreciations	11	-76 142	-46 730
<b>Operational EBIT</b>		<b>-4 727</b>	<b>-130 680</b>
Fair value adjustment of biomass	6	-10 498	20 149
<b>Operating Profit (EBIT)</b>		<b>-15 225</b>	<b>-110 532</b>
Financial income	12	28 239	21 481
Financial expense	12	-52 610	-49 624
Share of net income from associated companies	13	-7 809	-7 098
<b>Net financial</b>		<b>-32 180</b>	<b>-35 241</b>
Profit/loss before tax		-47 405	-145 773
Income tax expense	14	0	0
<b>Profit/loss for the period</b>		<b>-47 405</b>	<b>-145 773</b>
Basic earnings per share (NOK)	15	-0,11	-0,37
Diluted earnings per share (NOK)	15	-0,11	-0,37

Consolidated statement of comprehensive income		2024	2023
(NOK thousands)		Consolidated	Consolidated
	Note		
<b>Profit/loss for the period</b>		<b>-47 405</b>	<b>-145 773</b>
<b>Items that are or may be reclassified to profit or loss:</b>			
Currency translation differences	13	-178	-861
<b>Total comprehensive income for the period, net of tax</b>		<b>-47 584</b>	<b>-146 634</b>

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Consolidated statement of financial position (NOK thousands)	Note	31.12.2024 Consolidated	31.12.2023 Consolidated
<b>Assets</b>			
Intangible assets	11,16	81 101	72 347
Deferred tax asset	14	0	415
Assets under construction	11	481 778	70 781
Assets in use, not allocated	11	0	54 019
Property, plant & equipment	11	1 824 284	1 848 190
Right-of-use assets	17	17 857	12 084
Investments in associated companies	13	10 689	18 676
<b>Total non-current assets</b>		<b>2 415 709</b>	<b>2 076 513</b>
Inventory	6	12 866	8 369
Biological assets	6	171 004	153 790
Trade receivables	3	90 522	40 496
Other current receivables	18	51 142	31 121
Financial derivatives	3,19	13 643	12 900
Cash and cash equivalents	3,20	429 462	386 396
<b>Total current assets</b>		<b>768 639</b>	<b>633 072</b>
<b>Total assets</b>		<b>3 184 348</b>	<b>2 709 585</b>

Consolidated statement of financial position (NOK thousands)	Note	31.12.2024 Consolidated	31.12.2023 Consolidated
<b>Equity and liabilities</b>			
Share capital	21	23 130	20 697
Share premium	21	2 415 049	2 124 647
Other reserves	9,21	11 483	10 758
Other equity		0	0
Uncovered losses		-226 402	-235 408
<b>Total equity</b>		<b>2 223 260</b>	<b>1 920 693</b>
Long-term interest-bearing debt	3,22	569 100	569 969
Lease liabilities - long term	3,17,22	9 668	8 189
Other long term liabilities	22	3 643	8 702
<b>Total non-current liabilities</b>		<b>582 411</b>	<b>586 859</b>
Short-term interest-bearing debt	3,22	158 488	103 275
Trade payables	3,23,24	193 384	71 499
Social security and other taxes	23	7 080	8 273
Lease liabilities - short term	3,17,22	5 317	4 350
Other short-term liabilities	23	14 408	14 635
<b>Total current liabilities</b>		<b>378 677</b>	<b>202 032</b>
<b>Total liabilities</b>		<b>961 088</b>	<b>788 892</b>
<b>Total equity and liabilities</b>		<b>3 184 348</b>	<b>2 709 585</b>

The Board of Directors of Salmon Evolution ASA  
Elnesvågen/Ålesund 10 April 2025

Tore A Tønseth  
CHAIR

Peder Stette  
DIRECTOR

Anne Breiby  
DIRECTOR

Ingvild Vartdal  
DIRECTOR

Vibecke Bondø  
DIRECTOR

Eunhong Min  
DIRECTOR

Jan-Emil Johannessen  
DIRECTOR

Trond Håkon  
Schaug-Pettersen  
CEO



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Consolidated statement of cash flows (NOK thousands)		2024	2023
	Note	Consolidated	Consolidated
<b>Cash flows from operating activities</b>			
Profit/loss for the period		-47 405	-145 773
<b>Adjustments for:</b>			
Depreciation, amortisation and impairment loss	11	76 142	46 730
Net financials	12	32 180	35 241
Share based payment expenses	21	726	2 438
<b>Changes in working capital:</b>			
Change in trade receivables		-50 026	-15 605
Change in other current receivables	16	-11 073	33 785
Change in inventory and biological assets	6	-32 209	-81 143
Change in fair value of biomass	6	10 498	-20 149
Change in trade payables	23	65 583	12 330
Change in social security and other taxes	23	-779	772
Change in other current liabilities	23	-306	6 928
<b>Cash (outflow) from operating activities</b>		<b>43 331</b>	<b>-124 445</b>
<b>Cash flow from investment activities</b>			
Payments for fixed assets	11,16	-358 584	-375 739
Proceeds from government grants	11,16	764	24 123
Payments for intangible assets	11	-12 176	-7 201
Financial income received	12	27 434	20 381
<b>Net cash (outflow) from investment activities</b>		<b>-342 562</b>	<b>-338 436</b>
Proceeds from issue of equity	21	365 000	525 000
Transaction costs	21	-15 575	-24 017
Proceeds from new borrowings	3,22	50 185	104 875
Repayment of borrowings	3,22	-900	0
Payments of principal portion of lease liabilities	17	-5 354	0
Interest paid lease liabilities	17	-941	0
Change in lease liabilities	17	0	227
Financial expenses paid	12	-50 118	-35 568
<b>Net cash (outflow) from financing activities</b>		<b>342 297</b>	<b>570 517</b>
<b>Net change in cash and cash equivalents</b>		<b>43 066</b>	<b>107 636</b>
Cash and cash equivalents at the beginning of the period	20	386 396	278 759
<b>Cash and cash equivalents at the end of the period</b>	<b>20</b>	<b>429 462</b>	<b>386 396</b>

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Consolidated statement of changes in equity (NOK thousands)	Notes	Share capital	Share premium	Other reserves	Other equity	Uncovered losses	Total equity
<b>Balance at 1 January 2023</b>	<b>20</b>	<b>17 288</b>	<b>1 627 073</b>	<b>8 320</b>	<b>0</b>	<b>-88 774</b>	<b>1 563 906</b>
Profit/loss for the period		0	0	0	0	-145 773	-145 773
Currency translation differences		0	0	0	0	-861	-861
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-146 634</b>	<b>-146 634</b>
Private placement, April 2023		3 409	521 591	0	0	0	525 000
Private placement, transaction cost		0	-24 017	0	0	0	-24 017
Share options issued	21	0	0	2 438	0	0	2 438
Share options exercised		0	0	0	0	0	0
<b>Transactions with owners</b>	<b>20</b>	<b>3 409</b>	<b>497 574</b>	<b>2 438</b>	<b>0</b>	<b>0</b>	<b>503 421</b>
<b>Balance at 31 December 2023</b>	<b>20</b>	<b>20 697</b>	<b>2 124 647</b>	<b>10 758</b>	<b>0</b>	<b>-235 408</b>	<b>1 920 693</b>
Profit/loss for the period		0	0	0	0	-47 405	-47 405
Other comprehensive income		0	0	0	0	-178	-178
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-47 584</b>	<b>-47 584</b>
Private placement June 2024		2 433	362 567	0	0	0	365 000
Private placement, transaction costs		0	-15 575	0	0	0	-15 575
Reclassification uncovered losses		0	-56 590	0	0	56 590	0
Share options issued		0	0	0	0	0	0
Share based payment expensed		0	0	726	0	0	726
<b>Transactions with owners</b>		<b>2 433</b>	<b>290 402</b>	<b>726</b>	<b>0</b>	<b>56 590</b>	<b>350 151</b>
<b>Balance at 31 December 2024</b>	<b>10</b>	<b>23 130</b>	<b>2 415 049</b>	<b>11 483</b>	<b>0</b>	<b>-226 402</b>	<b>2 223 260</b>

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## Note 1 - Summary of significant accounting policies

### General information

Salmon Evolution ASA is a Norwegian public limited liability company listed on Oslo Stock Exchange. 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 31,500 tons HOG fully developed of which phase 1 has a planned 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 I 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. Phase II consists of build out of an additional 12 grow out tanks with first smolt expected entered late Q1 2026. The last construction phase, phase III, consists of build-out of an additional 24 grow out tanks.

### Consolidation

These consolidated statements for the period ended 31 December 2024 include Salmon Evolution ASA together with its subsidiaries Salmon Evolution Norway AS, Salmon Evolution International AS, Salmon Evolution Sales AS and Salmon Evolution Dale AS.

### Consolidation principles

Subsidiaries are all entities over which the Group has control. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The accompanying consolidated financial statements include the accounts of the subsidiaries mentioned above. When necessary, adjustments are made to the local financial statements of the Group subsidiaries to conform with the consolidated Group's accounting policies presented under IFRS. All intercompany balances, transactions, and unrealized gains from intercompany transactions are eliminated upon consolidation. Unrealized losses from intercompany transactions are also eliminated upon consolidation unless the transaction provides evidence of an impairment of the transferred asset. The assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date in which the Group gains control until the date in which the Group ceases to control the subsidiary.

### Basis of preparation

The consolidated financial statements of the Group for the year ended 31 December 2024 is prepared in accordance with IFRS® Accounting Standards as adopted by the EU. The consolidated financial statements ended 31 December 2024 comprise the income statement, statement of comprehensive income, statement of financial position, statement of cash flow, statement of changes in equity and note disclosures.

### Going concern

The Group has prepared the consolidated financial statement on a going concern basis. When assessing this assumption, management has assessed all available information about the future. 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

#### Adoption of new and revised standards

There are no new standards that have been applied in 2024 with significant effect on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements is effective for reporting periods beginning on or after 1 January 2027. The Group is currently working to identify all impacts the new requirements for presentation will have on the primary financial statements and notes to the financial statements.

### Basis of measurement

The financial statements have been prepared under the historical cost basis, except for the following items:

- Financial derivatives, measured at fair value through profit or loss.
- Biological assets, measured at fair value through profit or loss.

### Use of estimates

Critical accounting judgments and estimates are disclosed in note 2.

### Functional and presentation currency

Items included in the financial statements are presented in the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Norwegian kroner (NOK), which is the Parent company, and substantial subsidiaries, functional and presentation currency.

### Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currency) are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other financial items. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not subsequently revaluated.

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### Revenue

Revenue from contracts with customers as defined in IFRS 15 is recognised when control of the goods are 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 both from the sale of smolt from contract with customer and sale of whole and processed salmon in the spot market. It has not been made any forward 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 has discrepancies compared to the agreed sales contract, cash refunds are given to the customer. Up until now, refunds are not material.

### Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and when the Group is compliant with all conditions attached. When the grant relates to an expense item, it is recognized as income over the period that the costs it is intended to compensate are expensed. When the grant relates to an asset, it is deducted from the carrying amount of the asset - the grant is then recognized in profit or loss over the useful life of a depreciable asset by way of a reduced depreciation charge. Government grants are presented in the accompanying statements of profit and loss as other income. See note 16 for further details.

### Employee benefits

Liabilities for wages and salaries, including equity settled share based payments, non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### Share based payments

The fair value of options granted under the scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (eg the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (eg profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (eg the requirement for employees to save or hold shares for a specific period of time).

Total fair value is expensed over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Information relating to the Groups's employee stock option scheme is set out in note 9.

### Current and change in deferred tax for the year

#### Income Tax

The tax expense represents the sum of the tax currently payable and change in deferred tax.

#### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

#### Current tax and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Deferred tax benefit has not been recognised in the balance sheet as the Group is in its 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.

#### Leases

The Group assesses whether a legally enforceable contract is or contains a lease at the inception date of the contract. The assessment includes several criteria to be determined based on judgment that includes whether there is an identifiable asset in connection to the lease, whether the Group has the right to control the use of the identifiable asset, and whether the Group can obtain substantially all economic benefits from the identifiable asset.

The Group recognizes a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The lease liability is calculated based on the present value of the contractual minimum lease payments using the incremental interest rate of the lease. The contractual minimum lease payments consist of fixed payments based on contractual amount at the time of conclusion of the agreement. The lease liability is subsequently measured at amortized cost under the effective interest rate during the



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lease term and may also be adjusted to management's reassessment of future lease payments based on options exercised renegotiations, or changes of an index rate. The ROU asset is calculated based on the lease liability, plus initial direct costs towards the lease, and less any incentives granted by the lessor. The ROU asset is subsequently amortized under the straight-line method under the shorter of the lease term or the useful life of the underlying asset and is included as part of depreciation and amortization in the accompanying statements of other comprehensive income.

Leases that fall under the IFRS 16 short-term exception are recognized on a straight-line basis over the lease term.

### Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

### Interest rate swap

The Group has entered into interest rate swap to hedge its risk exposure to interest-bearing debt. Changes in fair value of those derivatives is recognized as unrealized profit/loss under financial income/loss and allocated to, an unrealized profit/loss as other current receivables in the balance sheet.

### Currency hedging

Salmon Evolution Sales AS make use of forward currency contracts to hedge against fluctuations in exchange rates that arises during the period between when Salmon Evolution Sales enters into a sales contract and when the product is paid for. Changes in fair value of those contracts is recognized as unrealized profit/loss under financial income/loss and to other current receivables in the balance sheet.

### Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

### Trade receivables, loans and other receivables

Trade receivables, loans and other receivables are recognized at invoiced amount and subsequently measured at amortized cost using the effective interest method, less provision for impairment. See note 3, 17 and 18 for further information about the Group's accounting for trade receivables, loans, other receivables and credit risk.

### 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 profit and loss.

Depreciation is charged to expense when the property, plant or equipment is ready for intended use. The group considered the test- and verification phase for first phase of its Indre Harøy facility ready for intended use from April 2023, and started depreciations from that time. For the second phase build out, which expected to be ready for intended use during 2026, assets under construction is not depreciated.

### Intangible assets

Expenses related to research activities are expensed as incurred. Expenses related to development activities are capitalized if the product or process is technically and commercially feasible, and the Group has adequate resources to complete the development.

Patents are capitalized and measured at cost less accumulated amortization and any accumulated impairment losses, if any.

### Goodwill

When the Group assumes control over a separate business entity for a consideration that exceeds the fair value of the individual assets and liabilities assumed, the difference is entered as goodwill in the statement of financial position. Goodwill is not depreciated but is tested for impairment annually if there are indications that its value is lower than the carrying amount. See note 11 for further information.

### Impairment

Management reviews long-lived assets for impairment annually, or more frequently, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. When such assets are identified, with certain indicators, an impairment test will be carried out.

If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying value to determine if an adjustment for impairment to such asset is necessary. The effect of any impairment would be to expense the difference between the fair value of such asset and its carrying value. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

See note 11 for further description.

### Biological assets

Biological assets are, in accordance with IAS 41, measured at fair value. 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. For further information, please refer to note 6.

### Classification of current and non-current items

Assets are classified as current when it expected to be realized or sold, or to be used in the Group's normal operating cycle, or falls due or is expected to be realized within 12 months after the end of the reporting date. Assets that do not fall under this definition is classified as non-current. Liabilities are

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classified as current when they are expected to be settled in the normal operating cycle of the Group or are expected to be settled within 12 months after the reporting date, or if the Group does not have an unconditional right to postpone settlement for at least 12 months after the reporting date. Liabilities that do not fall under this definition are classified as non-current.

### Trade and Other Receivables

Trade receivables are initially recognized at amortized cost, less a provision for expected credit losses. Credit loss provisions are based on individual customer assessments over each reporting period and not on a 12-month period.

The Group has procedures to ensure that products are only sold to customers with satisfactory creditworthiness, where credit insurance is used when deemed necessary. This risk is, per 31.12.2024, not considered to be material.

In 2024 all produced fish was mainly sold to Salmon Evolution Sales AS, which in turn sold it to external customers. The sales company secures the bulk of its sales through credit insurance.

### Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Borrowings derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in consolidated statement of profit or loss within the line other financial items, net.

Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

### Borrowings cost

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.

### Trade and Other Payables

Trade and other payables represent unpaid liabilities for goods and services provided to the Group prior to the end of the financial year and are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognized initially at their fair value and are subsequently measured at amortized cost using the effective interest method.

### Pensions

The Group offers a defined contribution plan to its employees and pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions are recognized as employee benefit expense when they are due and are included as part of salary and personnel costs in the statement of profit and loss. Prepaid contributions are recognized as an asset to the extent in which a cash refund or a reduction in the future payments is available.

### Statement of cash flows

The accompanying statements of cash flows are prepared in accordance with the indirect method

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## Note 2 - Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Group's financial statements:

### 1) Biological assets

Biological assets comprise of eggs, smolt and live fish in each tank at the grow-out facility at Indre Harøy. These assets are accounted for in accordance with IAS 41, and measured at fair value unless the fair value cannot be measured reliably. The estimation of the fair value relies on a series of uncertain assumptions, e.g., biomass volume, quality, size, market prices, expected future costs, remaining time to harvest.

All deviations in biomass volume compared to estimates, is measured when a tank is harvested out. The deviations are normally relatively minor. Similarly, the quality if the fish can normally be estimated with a relatively high degree of certainty, based on historic data and regular controls, given that the fish is kept in a controlled environment in each tank. Categorization of quality is set at facility level. Given that Salmon Evolution split and grade each batch two times in each production cycle, the size distribution in each batch harvested out is normally minor.

The accumulated production cost of is based on an allocation of cost to each batch at tank level. The accumulated production cost per kg will normally only deviate from the estimate if the biomass volume is different from the estimate. For estimation of future production costs, there is uncertainty with regards to feed prices, other input costs and biological development. Salmon Evolution tracks and measures cost development vs. expectation for all batches as part of the normal monthly financial closing process. The estimation of future production costs influences the biomass value through the fair value adjustment.

A key estimate in the estimation of fair value is the assumed market price, which is the price that Salmon Evolution expect to receive at a future date when the live fish is harvested. Given that Salmon Evolution harvest salmon in Norway, Sisalmoni is used with relevant adjustments (see note 6 for more information).

See note 6 for sensitivity analysis of biomass.

### 2) Capitalised costs as assets under construction

As part of the construction of the Group's production facilities, the Group has capitalized certain costs (such as personnel expenses, rent of premises and equipment and other project related costs), as "assets under construction" in accordance with IAS 16 based on an allocation key. The allocation key is employee-based and has been calculated based on the employees that are directly involved in the assets under construction's share of the total salary in the Group. Reference is made to note 11 for details of additions to "assets under construction".

### 3) Financial derivatives

The purpose of the Group's risk management activities is to establish an overview of financial risks that exists at any given time. As of this date the Group has chosen to employ both interest rate swap agreements to create interest rate stability and power hedging contracts to create stable power supply prices.

The derivative financial assets relate to hedging contracts for the Company's interest rate exposure and consist of an interest rate swap contract of NOK 50 million in Sparebanken Vest and a similar contract of NOK 150 million in Nordea. Both contracts are due January 2028, and has to a swap fixed interest of 1.79 %. Changes in Market Value is registered as unrealized profit/loss under financial income and allocated to, an unrealized profit/loss as other current receivables and debt in the balance sheet.

See note 19 for more information on classes of financial instruments measured at fair value.

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## Note 3 - Financial risk and capital management

The Group's financial assets and liabilities include trade and other receivables, trade and other payables, cash, and borrowings necessary for its operations. The Group's risk management is carried out by the Group's finance department. The Group is exposed to market risk, credit risk, and liquidity risk.

### Market risk

Market risk is linked to both Interest Rate- and Currency fluctuations.

### Interest Rate

The Group's interest rate risk relates primarily to borrowings from financial institutions with variable interest rates. Currently, the Company does not have any fixed-interest loans nor hedge programs to reduce this risk, thus the Company is exposed to changes in the interest rate. As at 31 December 2024, outstanding long term loans from credit institutions amounted to NOK 525.0 million and is subject to an interest rate of NIBOR 3M plus an agreed margin. The company also have drawn NOK 145.0 million of the overdraft facility.

This loan is part of a financing package consisting of the following:

- NOK 525 million non-amortizing Term Loan Facility which will refinance the Company's existing NOK 525 million construction loan relating to phase 1 (the "Term Loan")
- NOK 250 million RCF Capex Facility available for general corporate purposes including Indre Harøy phase 2 capex (the "RCF Facility")
- NOK 1,450 million Construction Facility available for financing of capex relating to phase 2 at Indre Harøy (the "Construction Facility")

Additionally, the Group has a NOK 150 million Overdraft Facility with Nordea.

The loans are floating interest rate loans denominated in NOK with an interest charge based on NIBOR 3M plus an agreed margin.

Incurred interest expenses and establishing fees during construction period are capitalized as part of assets under construction, see note 11 for further details.

In addition, the Group has a debt financing package of NOK 60 million in relation to Salmon Evolution Dale. As per 31 December 2024 NOK 58 million of the NOK 60 million debt financing package was drawn.

The financial reporting does not include any other comprehensive income (OCI) effects, as the Group do not hold financial instruments measured at fair value through OCI, nor do we apply hedge accounting that would require recognition of gains or losses in OCI. All relevant financial instruments are either recognized through profit or loss or directly in equity as applicable.

Interest rate sensitivity (NOK thousands)	2024	2023
Interest expense effect of a 1% increase on floating interest rate	7 280	6 730

### Foreign Currency

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. As of 31 December 2024 the Group had made some currency forward contracts to hedge the effect of fluctuations in currency from the sales contracts. Besides these contracts the Group have no exposure to foreign exchange risk, and therefore not exposed to fluctuation in currencies. Value changes in forward contracts affect profit and loss.

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 counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group has procedures to ensure that products are only sold to customers with satisfactory creditworthiness, where credit insurance is used when deemed necessary. This risk is, per 31.12.2024, not considered to be material.

In 2024 the majority of produced fish was sold to Salmon Evolution Sales AS, which in turn sold it to external customers. The sales company secures the bulk of its sales through credit insurance. In addition, the Group also sold part of one group of post smolt to an external customer from Salmon Evolution Norway AS.

### 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) on the basis of expected cash flows. The Group's business plan and growth strategy is capital intensive and the Group may be dependant upon future equity issues and/or debt financing in order to finance its current long-term plans.

The table below presents the maturities on the Group's financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

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31 December 2024 (NOK thousands)	Less than 3 months	3-12 months	1-5 years	> 5 years
Borrowings	300	159 388	571 543	0
Interest (Long term debt)	15 325	45 974	245 194	0
Lease liabilities	1 329	4 087	9 043	797
Trade payables	193 384	0	0	0
<b>Total financial liabilities</b>	<b>210 338</b>	<b>209 448</b>	<b>825 780</b>	<b>797</b>

31 December 2023 (NOK thousands)	Less than 3 months	3-12 months	1-5 years	> 5 years
Borrowings	0	103 275	569 969	0
Interest (Long term debt)	13 005	40 017	213 426	0
Lease liabilities	1 088	3 263	8 189	491
Trade payables	71 499	0	0	0
<b>Total financial liabilities</b>	<b>85 592</b>	<b>146 554</b>	<b>791 584</b>	<b>491</b>

Trade receivables (NOK thousands)	2024	2023
Trade receivables	90 637	40 763
Provision for loss on claims	-115	-267
<b>Total financial liabilities</b>	<b>90 522</b>	<b>40 496</b>

Credit-insured share of trade receivables as of 31.12.2024 was TNOK 64,001

### Financial instruments – assessment of fair value

The table below shows financial instruments at fair value according to valuation method. The different levels are defined as follows:

**Level 1:** Price listed in an active market for identical assets or liabilities

**Level 2:** Valuation is based on other observable inputs either directly or indirectly than listed price (used in level 1) for the asset or liability

**Level 3:** Valuation based on inputs not derived from observable markets (non-observable assumptions)

31 December 2024 (NOK thousands)	FVPL*			Amortized cost	Fair value	Carrying amount
	Level 1	Level 2	Level 3			
<b>Financial assets:</b>						
Trade receivables	0	0	0	90 522	90 522	90 522
Financial derivatives	0	13 643	0	0	13 643	13 643
Energy contract	0	0	0	0	0	0
Other current receivables	0	0	0	51 142	51 142	51 142
Cash and cash equivalents	0	0	0	429 462	429 462	429 462
<b>Total financial assets</b>	<b>0</b>	<b>13 643</b>	<b>0</b>	<b>571 126</b>	<b>584 769</b>	<b>584 769</b>
<b>Financial liabilities:</b>						
Deferred tax	0	0	0	0	0	0
Long-term interests bearing debt	0	0	0	569 100	569 100	569 100
Other long term liabilities	0	0	0	3 643	3 643	3 643
Short-term interest bearing debt	0	0	0	158 488	158 488	158 488
Trade payables	0	0	0	193 384	193 384	193 384
Social security and other taxes	0	0	0	7 495	7 495	7 495
Other current liabilities	0	0	0	14 408	14 408	14 408
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>946 518</b>	<b>946 518</b>	<b>946 518</b>

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31 December 2023 (NOK thousands)	FVPL*			Amortized cost	Fair value	Carrying amount
	Level 1	Level 2	Level 3			
<b>Financial assets:</b>						
Trade receivables	0	0	0	40 496	40 496	40 496
Financial derivatives	0	12 900	0	0	12 900	12 900
Energy contract	0	0	0	0	0	0
Other current receivables	0	0	0	31 121	31 121	31 121
Cash and cash equivalents	0	0	0	386 396	386 396	386 396
<b>Total financial assets</b>	<b>0</b>	<b>12 900</b>	<b>0</b>	<b>458 013</b>	<b>470 913</b>	<b>470 913</b>
<b>Financial liabilities:</b>						
Deferred tax	0	0	0	0	0	0
Long-term interets bearing debt	0	0	0	569 969	569 969	569 969
Other long term liabilites	0	0	0	8 702	8 702	8 702
Short-term interest bearing debt	0	0	0	103 275	103 275	103 275
Trade payables	0	0	0	71 499	71 499	71 499
Social security and other taxes	0	0	0	8 273	8 273	8 273
Other current liabilities	0	0	0	14 635	14 635	14 635
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>776 353</b>	<b>776 353</b>	<b>776 353</b>

\*FVPL: Fair value through profit or loss

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## Note 4 - Operating revenue and other income

Operating revenue and other income (NOK thousands)	2024	2023
Sales revenues from farming	467 742	153 325
Smolt	0	0
Postsmolt	11 305	0
Atlantic Salmon (hog)	451 398	152 767
Atlantic Salmon (trimmed)	5 039	558
Other income	3 831	15 099
<b>Total operating revenue and other income</b>	<b>471 573</b>	<b>168 424</b>

Operating revenue in the Group for 2024 mainly derives sales of farmed salmon from Salmon Evolution Sales AS (who bought the salmon from Salmon Evolution Norway AS). Salmon Evolution Sales AS has in 2024 sold 4 803 tonnes Atlantic Salmon, and the distribution is as illustrated below. Additionally, 104 tonnes postsmolt were sold directly from Salmon Evolution Norway AS.

Other income in 2024 was mostly related services to K Smart Farming Co., Ltd. in South Korea.

Destination	2024 Sales quantity		2023 Sales quantity	
	(tonnes)	%	(tonnes)	%
Norway	2 642	55 %	1 306	70 %
EU ex. Norway	2 107	44 %	557	30 %
Asia	54	1 %	2	0 %
<b>Total</b>	<b>4 803</b>	<b>100 %</b>	<b>1 865</b>	<b>100 %</b>

Sales revenue atlantic salmon (NOK thousands)	2024	2023
Norway	245 786	105 743
EU ex. Norway	204 057	47 379
Asia	6 594	203
<b>Total</b>	<b>456 437</b>	<b>153 325</b>

Our land-based salmon have been distributed through Salmon Evolution Sales to a vast number of customers, across different segments and channels. The initial batch has been launched locally, nationally in Norway and internationally, in close collaboration with our partners, and has proven to be meet the highest standards, for both raw, heated and smoked products.

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## Note 5 - Segment

Operating segments are reported in a manner consistent with internal reporting to the chief operating decision-maker, which is responsible for allocating resources and assessing performance. The chief operating decision-maker has been identified as the Group management. 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 in Note 1 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, USA, Asia and other markets.

FY 2024 (NOK thousands)	Farming Norway	Other	Eliminations	Group
External revenue	467 742	3 831	0	471 573
Internal revenue	0	24 329	-24 329	0
<b>Operating revenue</b>	<b>467 742</b>	<b>28 160</b>	<b>-24 329</b>	<b>471 573</b>
Operational EBITDA	112 425	-41 010	0	71 415
Operational EBIT	37 884	-44 509	1 898	-4 727
Fair value adjustment of biomass				-10 498
Net financial				-32 180
<b>Profit/loss before tax</b>				<b>-47 405</b>
Harvested volum (tonnes, HOG)	4 891			4 891
Operational EBITDA/kg (NOK)	23,0			14,6
Operational EBIT/kg (NOK)	7,7			-1,0
<b>Total assets</b>	<b>2 371 935</b>	<b>33 086</b>	<b>0</b>	<b>2 405 021</b>
FY 2023 (NOK thousands)	Farming Norway	Other	Eliminations	Group
External revenue	158 248	10 176	0	168 424
Internal revenue	0	17 388	-17 388	0
<b>Operating revenue</b>	<b>158 248</b>	<b>27 564</b>	<b>-17 388</b>	<b>168 424</b>
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
<b>Profit/loss before tax</b>				<b>-145 773</b>
Harvested volum (tonnes, HOG)	1 874			1 874
Operational EBITDA/kg (NOK)	N/A			N/A
Operational EBIT/kg (NOK)	N/A			N/A
<b>Total assets</b>	<b>2 044 341</b>	<b>14 980</b>	<b>-1 899</b>	<b>2 057 422</b>



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## Note 6 - Biological assets and inventory

Biological assets are, in accordance with IAS 41, measured at fair value. 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.

In the event of incident-based mortality, all costs allocated to fish affected by incident-based mortality will be deducted from the book value of the inventory.

BOOK VALUE OF INVENTORY (NOK thousands)	FY 2024	FY 2023
Equipment	6 245	2 667
Raw materials	6 621	4 433
Biological assets	171 004	153 790
Finished goods	0	1 270
<b>Total</b>	<b>183 870</b>	<b>162 159</b>

### Biomass volume

BIOLOGICAL ASSETS (Tonnes)	FY 2024	FY 2023
Biological assets beginning of period	2 204	733
<b>Biological assets end of period</b>	<b>2 027</b>	<b>2 204</b>

### BIOLOGICAL ASSETS

(NOK thousands)

	FY 2024	FY 2023
<b>Biological assets beginning of period</b>	<b>153 790</b>	<b>58 927</b>
Increase due to production	371 472	218 496
Reduction due to harvest/sale	-334 727	-130 880
Reduction due to incident based mortality	-9 473	-12 901
Fair value adjustment beginning of period	-31 889	-11 740
Fair value adjustment end of period	21 391	31 889
<b>Biological assets end of period</b>	<b>171 004</b>	<b>153 790</b>

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.

The estimated sales price for the fish in the grow-out facility is based on forward prices from Sisalmoni with relevant adjustments. The net sales value is adjusted for expected quality differences and harvesting, logistics and sales expenses.

The Group is still in a ramp-up phase 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. Year-to-date 2024 this adjustment amounted to NOK 28.6 million (compared to NOK 41.3 million in 2023) which has been expensed directly in the profit and loss statement.

### Sensitivity analysis of biomass

This sensitivity analysis evaluates the impact of changes in key estimates on the fair value. It highlights how variations in factors such as sales prices, biomass volume, discount rate and superior share could affect the fair value measurement, providing a clearer understanding of potential financial impacts.

Sensitivity analysis of biomass (NOK thousands)	2024	2023
Change in sales price +1 NOK/kg	3 645	4 400
Change in sales price -1 NOK/kg	-3 645	-4 400
Changes in biomass volume -1% kg	-2 295	-3 500
Changes in biomass volume +1% kg	2 295	3 500
Change in discount rate +1%	-400	-300
Change in discount rate -1%	400	300
Change in superior share +1%	545	655
Change in superior share -1%	-545	-655

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## Note 7 - Cost of materials and change in inventory

	2024	2023
(NOK thousands)		
Cost of materials and change in inventory	-171 330	-47 704

Composition COGS:	2024	2023
(NOK thousands)		
Raw material cost	-200 933	-126 180
Inventory change	29 603	78 476
<b>Sum</b>	<b>-171 330</b>	<b>-47 704</b>

Composition inventory change:	2024	2023
(NOK thousands)		
Change due to production	371 472	218 496
Change due to harvest/sale	-336 093	-130 880
Change due to incident based mortality	-6 167	-12 901
Change inventory raw material	391	3 762
<b>Sum</b>	<b>29 603</b>	<b>78 476</b>

Composition - change due to production:	2024	2023
(NOK thousands)		
Raw material cost	200 542	122 419
Salaries	34 340	17 670
Energy cost	48 330	29 567
Depreciations	55 758	22 778
Other operating expenses	32 503	26 062
<b>Sum</b>	<b>371 472</b>	<b>218 496</b>

Inventory	Feed	Smolt	Salmon	Frozen products	Total at cost	Fair value adjustment
(NOK thousands)						
Value 31.12.2023	4 433	16 018	105 882	1 270	127 603	31 889
Change	2 188	7 413	20 300	-1 270	28 631	-10 498
<b>Value 31.12.2024</b>	<b>6 621</b>	<b>23 431</b>	<b>126 182</b>	<b>0</b>	<b>156 234</b>	<b>21 391</b>

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## Note 8 - Personnel expenses, remuneration to the board and auditor's fee

Personnel expenses (NOK thousands)	2024	2023
Salaries	76 550	67 102
Social security	12 256	11 054
Pensions	4 350	3 458
Other benefits	1 593	5 507
Share-based payments	726	2 441
Gross personnel expenses	95 475	89 562
- Capitalized costs	-27 428	-13 511
<b>Total personnel expenses recognized in P&amp;L</b>	<b>68 046</b>	<b>76 052</b>
<b>Number of full-time employment equivalents</b>	<b>81</b>	<b>69</b>

During the ordinary course of business, the Group capitalizes portions of total salary and personnel costs towards assets under construction. In addition, a portion of the salaries related to the production are recognised as part of the biomass value in the balance sheet. Salary allocated to biomass in 2024 was NOK 34.4 million (NOK 17,7 million in 2023).

Norwegian entities are obligated to establish a mandatory company pension. This obligation is fulfilled under the current pension plan. No loans or guarantees have been given to the members of the board of directors or executive management.

Remuneration and compensation to executive management and board of directors (NOK thousands)	2024	2023
Salaries and other short-term employee benefits	14 276	10 804
Share-based payments	313	2 210
Remuneration and compensation to members of the board	2 725	2 696

For personnel expenses and remuneration to the board see our remuneration report for 2024, published on our website [salmevolution.no](http://salmevolution.no).

Auditor's remuneration (NOK thousands)	2024	2023
Statutory audit	1423	1052
Service in relation to tax return	0	17
Tax advise	0	0
Service in relation to annual accounts	0	0
Other services	316	87
<b>Total</b>	<b>1 739</b>	<b>1 156</b>

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## Note 9 - Share based payments

In 2023 the Board of directors granted a tranche of stock options. Each option gives the holder the right to subscribe or purchase shares in Salmon Evolution at an average agreed exercise price of NOK 8.30. The issued options vest 50% after year one, and 50% after year two. The options were granted on 1 June for executive management and 7 July for key employees. 50% of the options can be exercised at earliest, 12 months after the grant date. The remaining 50% of the options can be exercised at earliest, 24 months after the grant date. To account for this, an adjusted Black & Scholes option-pricing model is used by applying a weighted expected average life of 18 months.

Furthermore, in 2024 the Board of directors granted another tranche of stock options. Each option gives the holder the right to subscribe or purchase shares in Salmon Evolution at an average agreed exercise price of NOK 7.50. The options were granted on 18 September for both executive management and key employees. The issued options vest 1/3 after year one, 1/3 after year two and 1/3 after year three. Further, 1/3 of the options can be exercised at earliest 12 months, 1/3 of the options can be exercised after 24 months, and 1/3 of the options can be exercised after 36 months, after the grant date. To account for this, an adjusted Black & Scholes option-pricing model is used by applying a weighted expected average life of 18 months.

The fair value of the options is set on the grant date and is expensed over its lifetime. The fair value of the options has been calculated using the adjusted Black & Scholes option-pricing model, which takes into account the exercise price, the term of the option, the share price at the grant date, expected price volatility of the underlying share, expected dividend and risk-free rates. Given the recent listing and lack of historical price and volatility data, the expected volatility is based on historical volatility for a selection of comparable companies listed on Oslo Stock Exchange ("Oslo Børs"). The risk-free interest rate is set to equal the interest on Norwegian government bonds with the same maturity as the option. Average key assumptions are listed below.

Outstanding options (NOK thousands)	2024	2023
Outstanding options 1 January	7 060	5 150
Options granted	3 880	1 910
Options exercised	0	0
Options forfeited	0	0
<b>Outstanding options at end of period</b>	<b>10 940</b>	<b>7 060</b>

(NOK thousands)	2024	2023
Charges to income statement	696	2 438
Charges to Asset under Construction	28	0
<b>Total charges</b>	<b>725</b>	<b>2 438</b>

Key assumptions	2024	2023
Average fair value (NOK)	1,10	0,83
Average exercise price (NOK)	7,50	8,30
Weighted expected average life (in years)	5,00	3,21
Estimated dividend per share (NOK)	0,00	0,00
Expected average volatility	26,9 %	19,6 %
Risk-free rate	3,62 %	3,31 %

Group management have the following holdings (NOK thousands)	Holding 01.01	Awarded	Exercised	Forfeited	Holding 31.12
Trond Håkon Schaug-Pettersen (CEO)	2 600	1 000	0	0	3 600
Ingjarl Skarvøy (COO)	750	300	0	0	1 050
Kamilla Mordal Holo (Project Director)	750	300	0	0	1 050
Odd Frode Roaldsnes (CCO)	750	300	0	0	1 050
Trond Vadset Veibust (CFO)	500	500	0	0	1 000
Henriette Nordstrand (Technical Director)	125	150	0	0	275
Tore-Jacob Reite (Director Strategic Projects)	125	100	0	0	225
<b>Total</b>	<b>5 600</b>	<b>2 650</b>	<b>0</b>	<b>0</b>	<b>8 250</b>

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## Note 10 - Other operating expenses

Other operating expenses (NOK thousands)	2024	2023
Cost of premises (not defined as RoU)	5 968	3 506
Rented equipment	6 900	5 565
Insurance	5 533	5 425
Consultancy fees	10 920	24 859
Electricity	48 287	29 428
Other operating expenses	41 329	26 201
Other administrative expenses	41 845	33 635
<b>Total other operating expenses</b>	<b>160 781</b>	<b>128 619</b>

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## Note 11 - Property, plant, equipment and intangible asset

Property, plant, equipment, intangibles & RoU assets (NOK thousands)	Intangible assets	Assets under construction	Assets in use, not allocated	Buildings	Fixtures and fittings	Right-of-use assets	Total
Cost 1 January 2023	65 149	1 713 491	0	7 607	26 419	18 562	1 831 228
Additions	7 201	269 490	0	2 157	438	3 601	282 887
Completed constructions	0	-1 912 199	54 019	1 573 232	284 031	0	-917
Cost 31 December 2023	72 350	70 781	54 019	1 582 996	310 888	22 163	2 113 198
Accumulated depreciation 1 January 2023	0	0	0	-951	-2 534	-5 561	-9 046
Depreciation for the period	-3	0	0	-26 760	-15 450	-4 518	-46 731
<b>Net book value 31 December 2023</b>	<b>72 347</b>	<b>70 781</b>	<b>54 019</b>	<b>1 555 286</b>	<b>292 904</b>	<b>12 084</b>	<b>2 057 422</b>

Property, plant, equipment, intangibles & RoU assets (NOK thousands)	Intangible assets	Assets under construction	Assets in use, not allocated	Buildings	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	2 113 198
Additions	12 184	391 137	0	7 987	9 502	7 623	428 433
Reclassified constructions	0	19 859	-54 019	7 756	26 404	0	0
Reclassification according to IFRS 16*	0	0	0	0	-4 692	0	-4 692
Other reclassifications	-3 398	0	0	0	0	3 398	0
<b>Cost 31 December 2024</b>	<b>81 136</b>	<b>481 778</b>	<b>0</b>	<b>1 598 740</b>	<b>342 102</b>	<b>33 185</b>	<b>2 536 939</b>
Acc. depreciation 1 January 2024	-3	0	0	-27 711	-17 984	-10 079	-55 776
Depreciation for the period	-32	0	0	-40 366	-30 496	-5 249	-76 143
<b>Net book value 31 December 2024</b>	<b>81 101</b>	<b>481 778</b>	<b>0</b>	<b>1 530 664</b>	<b>293 622</b>	<b>17 857</b>	<b>2 405 020</b>
Estimated lifetime	>3 years	n/a	n/a	10-75 years	3-50 years	3-5 years	
Depreciation method	Linear	n/a	n/a	Linear	Linear	Linear	

\* The previously capitalised value of leased land has been reclassified in accordance with IFRS 16 due to the fact that the lease payments are a variable cost based on a percentage of sales.

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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 intended use.

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.

Earned grants that goes in the balance sheets is included in new additions and is netted against the related asset's acquisition. See note 16 for further information.

### Capitalization of costs as asset under construction:

Costs incurred recognised as part of "Other operating expenses" in the "Statement of Profit or Loss" during 2024 has been capitalized as at 31 December 2024 as these costs are deemed to be part of the ongoing assets under construction and qualify for capitalisation in accordance with IAS 16. As a result, the reported "Other operating expenses" in 2024 reflects the incurred costs during this period, net of such capitalized costs related to the entire 12 months period ending 31 December 2024 which amounted to approximately NOK 39 million.

Capitalized internal cost (NOK thousands)	01.01.2024	Additions	31.12.2024
Salary	60 359	13 552	73 911
Rental/equipment	7 618	-	7 618
Interest	55 780	25 087	80 867
<b>Total</b>	<b>123 757</b>	<b>38 639</b>	<b>162 396</b>

Capitalized internal cost (NOK thousands)	01.01.2023	Additions	31.12.2023
Salary	51 127	9 232	60 359
Rental/equipment	-7 884	266	7 618
Interest	30 561	25 219	55 780
<b>Total</b>	<b>89 306</b>	<b>34 717</b>	<b>123 757</b>

### Contractual and financial commitments

Construction of phase 1 was completed medio April 2023 and remaining capital expenditures for phase 1 as per 31 December 2023 was moderate, consisting of improvements and adaptations. During 2024 the Group reached an agreement on the final settlement for the construction of phase 1 at Indre Harøy.

As to phase 2 at Indre Harøy, the Company has startet the construction, with the first smolt expected entered late Q1 2026.

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### Intangible Assets

The group is working on several development projects aimed at optimizing both biological processes and technical/building designs. This work is carried out using internal resources across the corporate structure and through purchased services. For accounting purposes, expenses related to development projects are partly capitalized and partly expensed. The use of internal employees is primarily expensed, as we consider that the employees' time spent on development work also benefits ongoing operations.

External services are capitalized as R&D projects, and the depreciation period for each project will be assessed as the projects are completed, allowing for an estimation of their expected useful life.

Most intangible asset is ongoing development cost related to a FOU and Skattefun, and is not amortized. In addition, a substantial part of trademark are defined with indefinite life and therefor not amortized either.

Intangible Assets (NOK thousands)	01.01.2024	Reclassifications	Additions	Grants	Depreciations	31.12.2024
Development projects*	8 137	0	13 466	-1 596	0	20 008
Trademark	3 349	0	55	0	-32	3 372
Water rights	16 597	-3 398	289	0	0	13 487
Goodwill	44 235	0	0	0	0	44 235
<b>Total</b>	<b>72 318</b>	<b>-3 398</b>	<b>13 810</b>	<b>-1 596</b>	<b>-32</b>	<b>81 102</b>

\*See note 16 for more information

Intangible Assets (NOK thousands)	01.01.2023	Reclassifications	Additions	Grants	Depreciations	31.12.2023
Development projects*	1 250	0	7 681	-794	0	8 137
Trademark	3 068	0	283	0	-3	3 349
Water rights	16 597	0	0	0	0	16 597
Goodwill	44 235	0	0	0	0	44 235
<b>Total</b>	<b>65 149</b>	<b>0</b>	<b>7 965</b>	<b>-794</b>	<b>-3</b>	<b>72 318</b>

\*See note 16 for more information

### Impairment testing of goodwill and intangibles

Goodwill and intangibles with undefined economic lives is subject to an annual impairment test. The Group did not recognize any impairment of goodwill and intangibles in 2024. In 2024 the Group has asset that need to be impairment tested (including goodwill, water right, trademark). The Group has defined the Farming segment as a cash generating unit (CGU), and goodwill and water rights corresponding to 57.7 mnok is allocated to this CGU.

The impairment is done using the Groups rolling projections which is based on financial budgets where cash generating activities forms the basis of the valuation. This is done over a five-year period. The key assumptions for the analysis are EBITDA, EBITDA development within the company, and WACC.

Budgeted EBITDA margin is calculated using a forward salmon price in line with marked expectations, and an expected cost of production that is somewhat declining over the coming years (in line with scalling of operations). Further, the annual reinvestment is assumed to be equal to annual depreciations. Cash flow forecasts are estimated after tax, and weighted average cost of capital is set to be 8%. The cost of capital is calculated using a WACC model where market expectations in regards to risk free rate and risk premiums (both marked and debt risk), and the beta is calculated using the average beta of several peers. It is not expected that using a before tax rate would have given any value adjustments. Terminal value is calculated using Gordons Growth Model and a growth rate of 2%. As a result of the impairment testing, no need for impairment has been identified.



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## Note 12 - Finance income & finance cost

Finance income (NOK thousands)	2024	2023
Interest income	21 250	15 591
Net change in value of financial derivatives	977	947
Foreign exchange gains	5 338	4 937
Other finance income	674	6
<b>Financial income</b>	<b>28 239</b>	<b>21 481</b>
Share of net income from associated companies	-7 809	-7 098
<b>Total financial income</b>	<b>20 430</b>	<b>14 383</b>

Finance expenses (NOK thousands)	2024	2023
Interest on debts and borrowings	53 232	33 914
Realized loss/-gain on interest derivative	-5 966	-3 027
Foreign exchange losses	4 460	4 195
Reduced value of contract related to power supply	0	13 903
Other finance expenses	884	640
<b>Total financial expenses</b>	<b>52 610</b>	<b>49 624</b>
<b>Net financial income/- expenses</b>	<b>-32 180</b>	<b>-35 241</b>

Fair value adjustments - financial assets (NOK thousands)	2024	2023
Unrealised changes in the value of interest rate swap	977	947
Unrealised changes in the value of contract related to power supply	0	-13 903
Realised profit (loss) related to power supply contract	0	0
<b>Fair value adjustments recognised in profit and loss</b>	<b>977</b>	<b>-12 956</b>

Interest income is mainly related to interest on cash deposits held with Norwegian financial institutions.

Incurred interest expenses and establishing fees are capitalized as part of assets under construction in accordance with IAS 23.

The negative impact from share of net income from associated companies are related to a loss at K Smart Farming.

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

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## Note 13 - Investment in associated companies

The group has the following investments in associated companies:

	Location and place of business	Ownership	Voting share
K Smart Farming Co., Ltd	Gangwangnak-ro, South Korea	49 %	49 %

<b>Net book value 31 December 2022</b>	<b>26 635</b>
Share of net income 2023	-7 098
Foreign currency translation gain/(loss) YTD 2023	-861
<b>Net book value 31 Dec 2023</b>	<b>18 676</b>
Share of net income YTD 2024	-7 809
Foreign currency translation gain/(loss) YTD 2024	-178
<b>Net book value 31 Dec 2024</b>	<b>10 689</b>

Investments in associated companies are recognized using the equity method.

K Smart Farming Co., Ltd is a joint venture between Salmon Evolution and the south Korean seafood firm Dongwon Industries, with Dongwon Industries holding 51 % ownership and voting rights. The JV agreement includes several elements that is in place to balance the controll.

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 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 are expected during 2025. Meanwhile project activities have been scaled down and cash burn has been reduced to a minimum.

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## Note 14 - Taxes

### Calculation of current and deferred tax/ deferred tax benefit

(NOK thousands)	2024	2023
Intangible assets	57 722	57 722
Fixed assets	230 277	145 389
Accounts receivable	-115	-267
Inventories	171 004	153 790
Right-of-use assets	17 857	19 886
Lease liabilities	-18 629	-21 240
Other current liabilities	0	0
<b>Net temporary differences</b>	<b>458 117</b>	<b>355 280</b>
Tax losses carried forward	-805 166	-642 780
Change due to unrealized financial instruments	12 666	12 900
<b>Basis for deferred tax (deferred tax asset)</b>	<b>-334 383</b>	<b>-274 600</b>
Deferred tax (22%)	-73 564	-60 412
Deferred tax benefit not recognized in the balance sheet*	73 564	59 997
<b>Deferred tax in the balance sheet</b>	<b>0</b>	<b>-415</b>

\*Deferred tax benefit has historically not been recognized in the balance sheet as the Group is in its 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. As of 31.12.2024 there is a basis for payable tax in the subsidiary Salmon Evolution Sales AS. This will be offset with a group contribution from Salmon Evolution ASA. The tax effect of the group contribution is recognized as a deferred tax asset.

### Basis for income tax expense, changes in deferred tax and tax payable

(NOK thousands)	2024	2023
Result before taxes	-47 405	-145 773
Permanent differences in relation to skattefunn	-2 258	-2 037
Other permanent differences	-8 121	-1 244
Basis for the tax expense	-57 784	-149 054
Change in temporary differences	-103 874	-219 880
Change due to equity transactions	0	0
Change in tax losses carried forward	-161 658	-368 934
<b>Basis for payable taxes in the income statement</b>	<b>0</b>	<b>1 887</b>

### Components of the tax expense

(NOK thousands)	2024	2023
Payable tax on this year's result	0	415
Total payable tax	0	415
Change in deferred tax	-13 152	-33 878
Change in deferred tax due to previous year group contribution	-415	-2 077
Change in deferred tax not capitalized in the balance sheet	13 567	35 539
<b>Tax expense</b>	<b>0</b>	<b>0</b>

### Reconciliation of the tax expense with the nominal tax rate

(NOK thousands)	2024	2023
Result before taxes	-47 405	-145 773
Calculated tax (22%)	-10 429	-32 070
Tax expense	0	0
<b>Difference</b>	<b>10 429</b>	<b>32 070</b>

### The difference consists of:

Tax on permanent differences	-2 283	-722
Change in tax rate	0	0
Change in deferred tax	0	0
Change in deferred tax due to change in tax rate	0	0
Change in deferred tax not shown in the balance sheet	13 567	35 539
Change in deferred tax due to acquisition	0	0
Change due to unrealized financial instruments	-855	-2 747
<b>Sum explained differences</b>	<b>10 429</b>	<b>32 070</b>

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## Note 15 - Earnings per share

Earnings per share (NOK thousands)	2024	2023
Loss attributable to the equity owners of the Parent company	-47 405	-145 773
<b>Loss for calculation of diluted earnings per share</b>	<b>-47 405</b>	<b>-145 773</b>
Weighted average number of shares outstanding	440 297 748	391 209 367
Dilutive options	0	0
<b>Average number of shares and options used in calculation for diluted EPS</b>	<b>440 297 748</b>	<b>391 209 367</b>
<b>Basic earnings per share (NOK)</b>	<b>-0,11</b>	<b>-0,37</b>
<b>Diluted earnings per share (NOK)</b>	<b>-0,11</b>	<b>-0,37</b>

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

FY 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 2024 has been calculated by applying a weight of 5.5/12 of the number of shares before the capital raise, and 6.5/12 of the total number of shares after the capital raise (462,603,300 shares).

FY 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 2023 has been calculated by applying a weight of 4/12 of the number of shares before the capital raise, and 8/12 of the total number of shares after the capital raise (413,936,640 shares).

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## Note 16 - Government grants

The Group has received a commitment from the The Norwegian Research Council (Norsk Forskningsråd) for two projects started in 2023. The grant is given for one period of three years and is related to the tax incentive scheme SkatteFUNN which is a government program designed to stimulate research and development (R&D) in Norwegian trade and industry. The receivable is accounted for as a short-term receivable from the tax authorities. In the financial accounts the receivable related to the grant is netted partly against the related asset's acquisition cost, partly against expenses recognised in the income statement. Grants for 2024 amounted to NOK 2,258 thousand (NOK 2,037 thousands in 2023).

SkatteFUNN (NOK thousands)	Expense	Capitalized	FY 2024
Systems for data input, handling and analytics	839	6 107	6 946
Grants	-159	-1 160	-1 320
Landbased Salmon	1 828	1 822	3 650
Grants	-347	-346	-694
Light in the fry phase	817	469	1 286
Grants	-155	-89	-244
<b>Total SkatteFUNN project costs</b>	<b>2 823</b>	<b>6 803</b>	<b>9 624</b>

SkatteFUNN (NOK thousands)	Expense	Capitalized	FY 2024
Systems for data input, handling and analytics	2 514	4 378	6 892
Grants	-768	-542	-1 310
Landbased Salmon	2 278	1 551	3 829
Grants	-505	-222	-727
<b>Total SkatteFUNN project costs</b>	<b>3 519</b>	<b>5 165</b>	<b>8 684</b>

Further, the Group has received a commitment from Fisheries and Aquaculture Industry Research Funding (FHF) for the project "Realization of the potential sensor data for improved efficiency and fish welfare. In the financial accounts, these grants are recognised as income in the P&L. Grants for 2024 amounted to NOK 1,673 million.

Other grants received (NOK thousands)	2024	2023
RFF	-	500
FHF	1 673	1 755
<b>Total grants received</b>	<b>1 673</b>	<b>2 255</b>

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## Note 17 - Leases

Amounts recognised in the balance sheet (NOK thousands)	31 Dec 2024	31 Dec 2023
<b>Right-of-use assets</b>		
Water rights (reclassified from intangibles as of 31.12.2024)*	3 398	0
Rent of premises	4 630	6 153
Car	1 911	2 639
Other equipment	7 918	3 292
<b>Total right-of-use assets</b>	<b>17 857</b>	<b>12 084</b>
<b>Lease liabilities</b>		
Current	5 317	4 350
Non-current	13 311	8 189
<b>Total lease liabilities</b>	<b>18 629</b>	<b>12 539</b>

\* Leased water rights at Dale have previously been classified as intangible assets, but have been reclassified to ROU from 31.12.2024 in accordance with IFRS 16. See note 11.

Amounts recognised in the statement of profit or loss (NOK thousands)	31 Dec 2024	31 Dec 2023
<b>Depreciation right-of-use assets</b>		
Rent of premises	2 149	2 058
Car	764	988
Other equipment	2 336	1 472
Gross depreciation	5 249	4 518
- Capitalized as assets under construction	0	0
<b>Net depreciation</b>	<b>5 249</b>	<b>4 518</b>

Interest expense lease liability	690	633
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The total cash outflow for leases in 2024 was NOK 5,390 thousand.

2023 (NOK thousands)	Rent of premises	Vehicles	Equipment
Right-of-use assets 01.01.2023	8 211	1 079	3 711
Additions	0	2 548	1 053
Depreciations	-2 058	-988	-1 472
<b>Right-of-use assets 31.12.2023</b>	<b>6 153</b>	<b>2 639</b>	<b>3 292</b>
Lease liabilities 01.01.2023	8 175	1 119	3 934
Additions	0	2 548	1 053
Repayments	-1 782	-1 674	-835
<b>Lease liabilities 31.12.2023</b>	<b>6 393</b>	<b>1 993</b>	<b>4 152</b>

2024 (NOK thousands)	Water rights	Rent of premises	Vehicles	Equipment
Right-of-use assets 01.01.2024	0	6 153	2 639	3 292
Reclassifications	3 398	0	0	0
Additions	0	626	36	6 962
Depreciations	0	-2 149	-764	-2 336
<b>Right-of-use assets 31.12.2024</b>	<b>3 398</b>	<b>4 630</b>	<b>1 911</b>	<b>7 918</b>
Lease liabilities 01.01.2024	0	6 393	2 792	3 353
Additions	3 643	626	36	6 962
Repayments	0	-2 097	-323	-2 756
<b>Lease liabilities 31.12.2024</b>	<b>3 643</b>	<b>4 922</b>	<b>2 505</b>	<b>7 559</b>
<b>Leasing period</b>	Infinite	3-5 years	3-10 years	3-8 years

The Group has entered into several lease agreements that are considered to qualify as short-term and/or low-value in accordance with IFRS 16. Payments associated with such short-term and low-value leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture. The total cost of renting equipment not categorized as ROU amounted to 6,9 MNOK in 2024.

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## Note 18 - Other current receivables and prepayments

Other current receivables (NOK thousands)	31 Dec 2024	31 Dec 2023
Other current prepayments	22 745	24 684
VAT receivable	26 129	0
Other receivables	10	4 400
Tax incentive scheme ("Skattefunn")	2 258	2 037
<b>Total other current receivables and prepayments</b>	<b>51 142</b>	<b>31 121</b>

Current receivables pr 31.12.24 (NOK thousands)	0-3 months	4-12 months	Total
VAT receivables	26 129	0	26 129
Other receivables	10	0	10
Tax incentive scheme ("Skattefunn")	0	2 258	2 258
<b>Total other current receivables</b>	<b>26 139</b>	<b>2 258</b>	<b>28 397</b>

As of 31 December 2024 all of the Group's other current receivables were due within one year and considered fully collectible. Accordingly, the fair value of the Group's other current receivables was equal to nominal value, no bad debt was recognized for the years then ended, and management did not consider a provision for uncollectible accounts necessary.

As of 31 December 2024 the Group did not have any current receivables in foreign currencies, nor in 2023.

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## Note 19 - Derivative financial instruments

Financial assets (NOK thousands)	31 Dec 2024	31 Dec 2023
<b>Derivative financial assets</b>		
Derivatives not designated as hedging instruments		
Interest rate swaps	13 643	12 666
Currency hedging	0	234
<b>Total derivative financial assets</b>	<b>13 643</b>	<b>12 900</b>

The derivative financial assets relate to hedging contracts for the Company's interest rate exposure and consist of an interest rate swap contract of NOK 50 million in Sparebanken Vest and a similar contract of NOK 150 million in Nordea. Both contracts are due in January 2028 and have a fixed interest swap of 1.79%. Changes in market value are registered as unrealized profit/loss under financial income and allocated as unrealized profit/loss under other current receivables in the balance sheet.

In addition, the Company holds Power Purchase Agreements (PPAs), which are contracts to purchase electricity at a fixed price for its own consumption. These agreements are established to secure future electricity prices and are exclusively for internal use. Since they are not intended for trading and involve the physical delivery of electricity, they do not meet the criteria for recognition as derivatives. Consequently, the financial implications of these agreements are not reflected on the balance sheet as derivative instruments.

See note 3 for further description and more details on valuation method.

## Note 20 - Cash and restricted cash

Cash and cash equivalents (NOK thousands)	31 Dec 2024	31 Dec 2023
Cash in bank	425 818	382 826
Restricted bank deposits	3 644	3 570
<b>Total cash and cash equivalents</b>	<b>429 462</b>	<b>386 396</b>

Restricted cash are related to tax withholdings for employees (NOK 3,644 thousand).



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## Note 21 - Share Capital & Capital history

	Nominal value	31 Dec 2024	31 Dec 2023
(NOK thousands)			
Ordinary shares	0,05	462 603 306	413 936 640
Average number of shares	0,05	440 297 748	395 531 302
Share capital		23 130	20 697
Share premium		2 415 049	2 124 647
<b>Total</b>		<b>2 438 179</b>	<b>2 145 344</b>

The number of shares issued in the company at 31 December 2024 was 462,603,306 with a nominal value of NOK 0.05 each. All shares carry equal voting rights.

20 largest shareholders as of 31.12.24	No of shares	Percentage share
Ronja Capital Investment AS	32 407 311	7,0 %
DNB Asset Management	30 181 466	6,5 %
Arctic Fund Management	24 569 080	5,3 %
Handelsbanken Fonder	22 931 481	5,0 %
Farvatn AS	21 168 366	4,6 %
Dongwon Industries	17 932 838	3,9 %
Nordea Investment Management	16 702 022	3,6 %
Rofisk AS	15 204 563	3,3 %
Kjølås Stansekniver AS	13 173 105	2,8 %
Stette Invest AS	12 410 954	2,7 %
Jakob Hatteland Holding AS	9 790 519	2,1 %
Ewos AS	9 480 984	2,0 %
Mevold Invest AS	9 074 474	2,0 %
Lyingheim Invest AS	8 449 252	1,8 %
Kristofer Reiten	7 569 330	1,6 %
Bondø Invest AS	4 614 718	1,0 %
Salmoserve AS	4 136 666	0,9 %
Hustadlitt AS	3 624 094	0,8 %
Nordnet Livsforsikring AS	3 349 404	0,7 %
AS Straen	3 300 000	0,7 %
<b>Total 20 largest shareholders</b>	<b>270 070 627</b>	<b>58,4 %</b>
Other shareholders	192 532 679	41,6 %
<b>Total number of shares</b>	<b>462 603 306</b>	<b>100,0 %</b>

As of 31 December 2024, shares directly held by members of the Board of Directors, Chief Executive officer, and Executive Management consisted of the following:

	No of shares	Percentage share
Peder Stette, Member of the board - Stette Invest AS	12 410 954	2,8 %
Vibecke Bondø, Member of the board - Bondø Invest AS	4 614 718	0,5 %
Ingjarl Skarvøy, COO - Terra Mare AS and private	1 800 150	0,4 %
Trond Håkon Schaug-Pettersen, CEO - Troha Invest AS	500 000	0,1 %
Odd Frode Roaldsnes, CCO - Anno Invest AS	275 000	0,1 %
Jan-Emil Johannessen, Member of the board - Jawendel AS	173 333	0,0 %
Anne Breiby, Member of the board	168 935	0,0 %
Kamilla Mordal Holo, Project Director - C10 Holding AS & private	160 060	0,0 %
Trond Vadset Veibust, CFO - Trollkyrkja AS	90 000	0,0 %
Henriette Nordstrand, Technical Director - Heno Holding AS	50 000	0,0 %
Tore-Jakob Reite, Director Strategic Projects	1 250	0,0 %
<b>Total</b>	<b>20 244 400</b>	<b>4,0 %</b>

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Capital history (NOK thousands)	Date	Capital Increase	Share Capital After Change	Par Value	Subscription price per share	New shares	Total no. of outstanding shares
<b>Opening balance 1 July 2020</b>			<b>5 375 159</b>	<b>0,05</b>			<b>107 503 182</b>
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 private placement towards Dongwon Industries in July 2020.

The Company 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 Company also raised another NOK 500 million in a private placement in March 2021.

In August 2021 the Company acquired 100% of the shares in Kraft Laks AS. As part of the settlement the Company 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 Company carried out a private placement of USD 5m (NOK ~43m) towards Cargill.

Further, in April 2022 the Company carried out a private placement raising gross proceeds of NOK 300 million at a subscription price of NOK 9.00 per share, bringing total raised equity to more than NOK 1.7 billion.

In April 2023 the Company carried out a private placement raising gross proceeds of NOK 525 million at a subscription price of NOK 7.7 per share, bringing total raised equity to more than NOK 2.2 billion.

In June 2024 the Company carried out a private placement raising gross proceed of NOK 365 million at a subscription price of NOK 7.5 per share, bringing total raised equity to more than NOK 2.5 billion.

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## Note 22 - Interest bearing debt

Long-term interest bearing debt (NOK thousands)	31.12.2024	31.12.2023
Debt to credit institutions	569 100	569 969
Other long-term interest bearing debt	0	0
Leasing liabilities	9 668	8 189
<b>Total long-term interest-bearing debt</b>	<b>578 768</b>	<b>578 158</b>

Short-term interest bearing debt (NOK thousands)	31.12.2024	31.12.2023
Debt to credit institutions	158 488	103 275
Other short-term interest bearing debt	0	0
Leasing liabilities	5 317	4 350
<b>Total short-term interest-bearing debt</b>	<b>163 805</b>	<b>107 625</b>
<b>Total interest-bearing debt</b>	<b>742 573</b>	<b>685 783</b>
Cash & cash equivalents	429 462	386 396
<b>Net interest-bearing debt</b>	<b>313 111</b>	<b>299 387</b>

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 new 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.

In June 2024 the Group expanded its existing senior secured debt financing package related to Indre Harøy Phase 1 and 2, from 1,550 NOKm to 2,225 NOKm. Additionally, the Company has a NOK 150 million Overdraft Facility with Nordea.

As per 31 December 2024, NOK 525 million was drawn of the secured green debt financing package. In addition, the Company has drawn NOK 145 million, of the NOK 150 million available, of the Overdraft Facility.

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 58 million was drawn as per 31 December 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 3.6 million related to water rights in Salmon Evolution Dale AS.

The loans are floating interest rate loans denominated in NOK with an interest charge based on NIBOR 3M plus an agreed margin.

### 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 250 million on a last 12-month basis from Q2 2027. Quarterly EBITDA figures shall be measured from Q2 2024 with set minimum EBITDA levels reflecting the company's gradual ramp up of production volumes and profitability. In anticipation of not being able to meet its minimum EBITDA requirement for Q4 2024, Q1 2025 and Q2 2025 the loan agreement was amended from lender dated 4 December 2024.

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 31 December 2024 the Company is in compliance with all financial covenants.

Information supporting the cash flows (NOK thousands)	Interest bearing debt	
	Short term	Long term
<b>Balance at January 1, 2023</b>	<b>58 906</b>	<b>531 394</b>
Repayment of loans and borrowings	-12 841	0
Proceeds from new bank loan	60 763	56 800
Obligations due to land and water rights	0	153
Change in lease liabilities	797	-1 487
<b>Balance at Dec 31, 2023</b>	<b>107 625</b>	<b>586 859</b>
<b>Balance at January 1, 2024</b>	<b>107 625</b>	<b>586 859</b>
Repayment of loans and borrowings	0	-869
Proceeds from new bank loan	55 213	0
Change in obligations due to land and water rights	0	-5 059
Change in lease liabilities*	968	1 480
<b>Balance at Dec 31, 2024</b>	<b>163 805</b>	<b>582 411</b>

\*See note 17 for more information about leases

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## Note 23 - Trade and other current liabilities

Trade payables (NOK thousands)	31 Dec 2024	31 Dec 2023
Trade payables operation	98 527	33 812
Trade payable constructions	94 857	37 687
<b>Total trade payables</b>	<b>193 384</b>	<b>71 499</b>

Social security and other taxes (NOK thousands)	31 Dec 2024	31 Dec 2023
Tax payable	0	415
Payroll withholding tax	3 641	3 563
Employer's national insurance contributions	3 439	3 329
VAT payable	0	966
<b>Total social security and other taxes</b>	<b>7 080</b>	<b>8 273</b>

Other current liabilities (NOK thousands)	31 Dec 2024	31 Dec 2023
Accrued salaries, holiday pay and bonus provisions	9 846	10 410
Accrued interest expense	4 562	4 225
<b>Total other current liabilities</b>	<b>14 408</b>	<b>14 635</b>

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## Note 24 - Related party balances and transactions

During the ordinary course of business, the Group engages in certain transactions with related parties. The following is a summary of related party transactions carried out in the period:

The Group has a consultancy agreement with Ronja Capital Investment AS (Tore Tønseth, chair of the Board) and Kjølås Stansekniver AS (Frode Kjølås, chair nomination committee) relating to assistance in certain projects on an ad-hoc basis.

The Group has during 2024 purchased legal services from Adviso Advokatfirma AS in the amount of NOK 55,000 (77,000 in 2023) in its ordinary course of business. Board member Ingvild Vartdal is a partner at Adviso Advokatfirma AS but has not had any role in the services rendered to Salmon Evolution.

In Addition, the Group have purchased well boat services both from Rostein AS in the amount of NOK 10.9 million. Rofisk AS owns Rostein AS (100%), and former board member (until 2023) Glen Allan Bradley is the chair of the Board in Rofisk AS.

Income from related parties (NOK thousands)	2024	2023
K Smart Farming Co., Ltd (Board member)	2 047	9 765
<b>Total (incl.VAT)</b>	<b>2 047</b>	<b>9 765</b>

Expenses to related parties (incl.VAT) (NOK thousands)	2024	2023
Rofisk AS (Board member, until 2023)	10 898	4 291
Adviso Advokatfirma AS (Board member)	55	77
Kjølås Stansekniver AS (Nomination committee)	181	1 081
Stette Eiendom AS (Board member)	0	15
Ronja Capital Investment AS (Chair of the board)	828	0
<b>Total (incl.VAT)</b>	<b>11 961</b>	<b>5 464</b>

Current liabilities to related parties (NOK thousands)	2024	2023
Rofisk AS (Board member, until 2023)	868	890
Kjølås Stansekniver AS (Nomination committee)	0	40
<b>Total current liabilities to related parties</b>	<b>868</b>	<b>930</b>

Current receivables from related parties (NOK thousands)	2024	2023
K Smart Farming Co., Ltd (Board member)	14 834	11 326
<b>Total current liabilities to related parties</b>	<b>14 834</b>	<b>11 326</b>

There were no non-current liabilities to related parties as of 31.12.24

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## Note 25 - Climate risk

Climate risks may affect both production and financial performance through physical and transitional risk.

### Physical Risks

Although the company operates in closed systems, its operations may still be impacted by changes in weather and temperature conditions. Climate change could lead to rising water temperatures, which in turn may affect water quality. As the operation is land-based, the company already closely monitors and controls water quality, which helps minimize the potential negative effects of changes in water temperature.

Furthermore, extreme weather events, such as heavy rainfall, storms, or flooding, could cause operational disruptions, infrastructure damage, and increased maintenance costs, which may affect production. During the design and construction of the facility, physical climate risks were taken into consideration, and contingency plans have been implemented to minimize potential disruptions to operations.

### Transitional Risks

Transitional risks include regulatory changes and requirements, as well as shifts in consumer behavior, which could impact the group's operational and financial performance. The company is actively working to reduce its carbon footprint through energy efficiency measures and circular production processes. The growing demand for sustainable farmed salmon is seen as an opportunity rather than a risk, and the company is well-positioned to meet this demand.

### Accounting Implications

In accordance with IFRS, the company considers climate risks as part of its asset and liability valuations. Based on the current assessment of climate risks, the company has concluded that these risks do not currently have a material impact on the financial statements. Necessary investments in technology and compliance with evolving regulations are considered manageable within the company's existing capital structure. No immediate need for asset impairments or other significant adjustments to

the financial statements due to climate risks has been identified.

The company will continue to monitor the development of climate risks and make any necessary adjustments to ensure long-term sustainable operations and compliance with all regulatory requirements. The group is committed to aligning with climate risk reporting standards. For more information on how we manage climate risks and minimize their impact, please refer to our ESG report.

## Note 26 - Events after the reporting date

No material subsequent events.

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Statement of profit or loss (NOK thousands)	Note	2024	2023
Other income	3	33 244	29 376
<b>Total operating revenue</b>		<b>33 244</b>	<b>29 376</b>
Personnel expenses	4 5	-49 343	-49 403
Depreciation	6 7	-3 499	-3 119
Other operating expenses	4 8	-24 858	-38 838
<b>Operating profit (EBIT)</b>		<b>-44 455</b>	<b>-61 984</b>
Financial income	3	128 021	76 850
Financial expenses	3 9	-12 120	-11 497
<b>Net financials</b>		<b>115 901</b>	<b>65 353</b>
<b>Profit/loss before tax</b>		<b>71 446</b>	<b>3 369</b>
Income tax expense	10	0	763
<b>Profit/loss for the period</b>		<b>71 446</b>	<b>4 132</b>

Statement of comprehensive income (NOK thousands)	2024	2023
<b>Profit/loss for the period</b>	<b>71 446</b>	<b>4 132</b>

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Statement of financial position (NOK thousands)	Note	31.12.2024	31.12.2023
<b>Assets</b>			
Intangible assets	6	8 382	5 835
Deferred tax asset	10	3 891	3 891
Property, plant & equipment	7	18 754	835
Right-of-use assets	6,7	5 949	8 309
Group non-current receivables	3	1 307 354	1 429 342
Investment in subsidiaries	11	859 438	359 288
<b>Total non-current assets</b>		<b>2 203 769</b>	<b>1 807 501</b>
Other current receivables	3	174 910	120 512
Cash and cash equivalents	12	397 819	377 427
<b>Total current assets</b>		<b>572 729</b>	<b>497 940</b>
<b>Total assets</b>		<b>2 776 498</b>	<b>2 305 440</b>

Statement of financial position (NOK thousands)	Note	31.12.2024	31.12.2023
<b>Equity and liabilities</b>			
Share capital	13	23 130	20 697
Share premium	13	2 450 459	2 103 467
Other reserves	5	10 703	9 978
Other equity		0	0
Retained earnings		101 781	30 335
<b>Total equity</b>		<b>2 586 073</b>	<b>2 164 476</b>
Long-term interest bearing debt	9	25 000	25 000
Lease liabilities - long term	7	3 353	5 790
<b>Total non-current liabilities</b>		<b>28 353</b>	<b>30 790</b>
Short-term interest bearing debt	9	145 018	90 069
Trade payables	14	2 041	2 836
Current liabilities to Group Companies	3	1 415	3 476
Lease liabilities - short term	7	2 955	2 797
Other current liabilities	14	10 643	10 995
<b>Total current liabilities</b>		<b>162 072</b>	<b>110 174</b>
<b>Total liabilities</b>		<b>190 425</b>	<b>140 964</b>
<b>Total equity and liabilities</b>		<b>2 776 498</b>	<b>2 305 440</b>

The Board of Directors of Salmon Evolution ASA  
Elnesvågen/Ålesund 10 April 2025

Tore A Tønseth  
CHAIR

Peder Stette  
DIRECTOR

Anne Breiby  
DIRECTOR

Ingvild Vartdal  
DIRECTOR

Vibecke Bondø  
DIRECTOR

Eunhong Min  
DIRECTOR

Jan-Emil Johannessen  
DIRECTOR

Trond Håkon  
Schaug-Pettersen  
CEO





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Statement of cash flows (NOK thousands)	Note	2024	2023
<b>Cash flow from operations</b>			
Profit before income taxes		71 446	3 369
<b>Adjustments for:</b>			
Depreciation	6	3 499	3 119
Net financials	3	-115 901	-65 353
Share based payment expenses	4	726	2 438
<b>Changes in working capital:</b>			
Change in trade receivables		-6 170	-13 439
Change in other current receivables		-46 426	-64 262
Change in trade payables		-795	-2 579
Change in current liabilities to Group companies	3	-2 061	3 440
Change in other current liabilities		-352	-5 753
<b>Cash generated from operations</b>		<b>-96 034</b>	<b>-139 020</b>
<b>Cash flow from investment activities</b>			
Investment in Group Companies	11	-500 000	-1 156
Payments for intangible assets	6	-2 893	-3 271
Proceeds from government grants		346	0
Payments for fixed assets and other capitalizations	6	-18 226	-41
Financial income received		35 045	-11 497
<b>Net cash flow from investment activities</b>		<b>-485 728</b>	<b>-15 964</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of equity, net of paid transaction costs	13	349 425	500 982
Proceeds from intercompany borrowings	3	213 000	-309 638
Proceeds from new borrowings	9	54 949	72 236
Repayment of borrowings	9	0	0
Payments of principal portion of lease liabilities		-3 096	-2 697
Interest paid lease liabilities		-158	0
Financial expenses paid		-11 966	16 918
<b>Net cash flow from financing activities</b>		<b>602 154</b>	<b>277 801</b>
Net change in cash and cash equivalents		20 392	122 817
Cash and cash equivalents at the beginning of the period		377 427	254 610
<b>Cash and cash equivalents at the end of the period</b>		<b>397 819</b>	<b>377 427</b>

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Statement of changes in equity (NOK thousands)	Notes	Share capital	Share premium	Retained Earnings	Other Reserves	Total equity
<b>Balance at 1 January 2023</b>		<b>17 288</b>	<b>1 605 894</b>	<b>26 202</b>	<b>7 540</b>	<b>1 656 923</b>
Profit/loss for the period		0	0	4 132	0	4 132
Other comprehensive income		0	0	0	0	0
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>4 132</b>	<b>0</b>	<b>4 132</b>
Share options exercised		0	0	0	0	0
Private placement, April 2023		3 409	521 591	0	0	525 000
Private placements, transaction costs		0	-24 018	0	0	-24 018
Share options issued		0	0	0	2 438	2 438
<b>Transactions with owners</b>	<b>13</b>	<b>3 409</b>	<b>497 573</b>	<b>0</b>	<b>2 438</b>	<b>503 420</b>
<b>Balance at 31 December 2023</b>		<b>20 697</b>	<b>2 103 467</b>	<b>30 335</b>	<b>9 978</b>	<b>2 164 476</b>
<b>Balance at 1 January 2024</b>		<b>20 697</b>	<b>2 103 467</b>	<b>30 335</b>	<b>9 978</b>	<b>2 164 476</b>
Profit/loss for the period		0	0	71 446	0	71 446
Other comprehensive income		0	0	0	0	0
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>71 446</b>	<b>0</b>	<b>71 446</b>
Private placement June 2024		2 433	362 567	0	0	365 000
Private placement, transaction costs		0	-15 575	0	0	-15 575
Share options issued		0	0	0	0	0
Share based payment expensed		0	0	0	726	726
<b>Transactions with owners</b>	<b>13</b>	<b>2 433</b>	<b>346 992</b>	<b>0</b>	<b>726</b>	<b>350 151</b>
<b>Balance at 31 December 2024</b>	<b>13</b>	<b>23 130</b>	<b>2 450 459</b>	<b>101 781</b>	<b>10 704</b>	<b>2 586 073</b>

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## Note 1 - Summary of significant accounting policies

### General information

Salmon Evolution ASA is a Norwegian business headquartered in Hustadvika, Møre og Romsdal and listed on the Oslo Børs with the ticker symbol "SALME". Salmon Evolution ASA owns the following subsidiaries (collectively "the Group" or "SE");

- Salmon Evolution Norway AS, headquartered and located in Elnesvågen, Norway
- Salmon Evolution International AS,
- Salmon Evolution Dale AS,
- Salmon Evolution Sales AS

SE is in the process of constructing a land-based salmon farming facility with a planned annual harvesting capacity of 31,500 tonnes HOG. The build-out is expected to be in three phases, with the first phase expected to consist of build out of land acquisition, building of foundation, water pumps supporting all three phases and build out of 12 grow out tanks and hatchery. SE operates a hybrid flow-through system ("HFS"), replacing the water every four hours with clear and fresh water from the Norwegian coast. Construction start of phase I was in Q1 2020 with completion in Q2 2023. Production started in the end of Q1 2022 when the first smolt was entered the first tank with first harvest late Q4 2022. Phase II consists of build out of an additional 12 grow out tanks with first smolt expected entered late Q1 2026. The last construction phase, phase III, consists of build-out of an additional 24 grow out tanks.

### Basis of preparation and accounting principles

The financial statements of the Company have been prepared in accordance with the Norwegian Accounting Act § 3-9 and Finance Ministry's prescribed regulations from 21 January 2008 on simplified IFRS. Principally this means that recognition and measurement comply with IFRS® International Accounting Standards and presentation and note disclosures are in accordance with the Norwegian Accounting Act and generally accepted accounting principles. Any exceptions from measurement and recognition according to IFRS is disclosed below.

### Accounting period

The company was incorporated on 3 July 2020. The accounting period for the financial statements are 1 January 2024 - 31 December 2024.

### Going concern

The Company has adopted the going concern basis in preparing its 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 Company has adequate resources to continue its operational existence for the foreseeable future.

### Basis of measurement

The financial statements have been prepared under the historical cost basis.

### Investments in subsidiaries

Investments in subsidiaries are valued at cost in the company accounts. The investment is valued as cost of acquiring shares, providing they are not impaired. An impairment loss is recognised for the amount by which the carrying amount of the subsidiary exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost to sell and value in use. The recoverable amount of an investment in a subsidiary would normally be based on the present value of the subsidiary's future cash flow.

### Dividends and group contributions

The Company has applied simplifications in regard to the Directives specified by the Norwegian Ministry of Finance on 21. of January 2008, related to accounting treatment of dividends and group contributions: Dividends and group contributions will be treated in accordance with the Norwegian Accounting Act and deviates from IAS 10 no. 12 and 13.

### Classification of current and non-current items

Assets are classified as current when it is expected to be realized or sold, or to be used in the Company's normal operating cycle, or falls due or is expected to be realized within 12 months after the end of the reporting date. Assets that do not fall under this definition is classified as non-current. Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the Company or are expected to be settled within 12 months after the reporting date, or if the Company does not have an unconditional right to postpone settlement for at least 12 months after the reporting date. Liabilities that do not fall under this definition are classified as non-current.

### Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### Share based payments

Information relating to the Company's employee option scheme is set out in note 5. The fair value of options granted under the scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (eg the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (eg profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (eg the requirement for employees to save or holdings shares for a specific period of time).

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The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### Pensions

The Group offers a defined contribution plan to its employees and pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions are recognized as employee benefit expense when they are due and are included as part of salary and personnel costs in the statement of profit and loss. Prepaid contributions are recognized as an asset to the extent in which a cash refund or a reduction in the future payments is available.

### Current and change in deferred tax for the year

#### Income Tax

The tax expense represents the sum of the tax currently payable and change in deferred tax.

#### Current tax

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Deferred tax benefit has not been recognised in the balance sheet as the Company is in its 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.

#### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

#### Leases

All leasing agreements with a duration exceeding 12 months are capitalized. The Group assesses whether a legally enforceable contract is or contains a lease at the inception date of the contract. The assessment includes several criteria to be determined based on judgment that includes whether there is an identifiable asset in connection to the lease, whether the Group has the right to control the use of the identifiable asset, and whether the Group can obtain substantially all economic benefits from the identifiable asset.

The Company recognizes a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The lease liability is calculated based on the present value of the contractual minimum lease payments using the incremental interest rate of the lease. The contractual minimum lease payments consist of fixed payments based on contractual amount at the time of conclusion of the agreement. The lease liability is subsequently measured at amortized cost under the effective interest rate during the lease term and may also be adjusted to management's reassessment of future lease payments based on options exercised, renegotiations, or changes of an index rate.

The ROU asset is calculated based on the lease liability, plus initial direct costs towards the lease, and less any incentives granted by the lessor. The ROU asset is subsequently amortized under the straight-line method under the shorter of the lease term or the useful life of the underlying asset and is included as part of depreciation and amortization in the accompanying statements of other comprehensive income.

Leases that fall under the IFRS 16 short-term exception are recognized on a straight-line basis over the lease term.

#### Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

#### Trade and Other Receivables

Trade receivables are initially recognized at amortized cost, less a provision for expected credit losses. Credit loss provisions are based on individual customer assessments over each reporting period and not on a 12-month period.

#### Trade and other payables

Trade and other payables represent unpaid liabilities for goods and services provided to the Company prior to the end of the financial year and are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognized initially at their fair value and are subsequently measured at amortized cost using the effective interest method.

#### Statement of cash flows

The accompanying statements of cash flows are prepared in accordance with the indirect method.

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## Note 2 - Financial risk and capital management

The Company's financial assets and liabilities include trade and other receivables, trade and other payables, cash, and borrowings necessary for its operations. The Company's risk management is carried out by the Company's finance department. The Group is exposed to market risk, credit risk, and liquidity risk.

### Market risk

Market risk is linked to both Interest Rate- and Currency fluctuations.

### Interest Rate

The Company's interest rate risk relates primarily to borrowings from financial institutions with variable interest rates. As of 31 December 2024 Salmon Evolution Norway AS, a subsidiary of Salmon Evolution ASA, has outstanding loans from credit institutions amounted to NOK 670 million (excluding financial leasing). The Construction Facility which represents the vast majority of the Company's loan with financial institutions has an interest rate of NIBOR 3M plus an agreed margin of 3 %. In order to reduce exposure to fluctuations in the interest rate Salmon Evolution Norway AS has entered interest rate swap contracts with Nordea and Sparebanken Vest, of respectively NOK 150 million and NOK 50 million. Salmon Evolution ASA is guarantor for the loan.

The Construction Facility and the Term Loan Facility are partly guaranteed by Eksfin.

### Foreign Currency

The Company's foreign currency risk relates to the Company's operating, investing, and financing activities denominated in a foreign currency. This includes the Company's revenues, expenses and capital expenditures. As of 31 December 2024 the Company had not made any contracts.

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

### Credit risk

With respect to credit risk arising from the financial assets of the Company, which comprise cash and cash equivalents, and other receivables, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. This risk is not considered to be material.

### Liquidity risk

A lack of liquidity will entail a risk that the Company will not be able to pay its obligations on maturity. Management monitors rolling forecasts of the Company's liquidity reserve (comprising cash and cash equivalents) on the basis of expected cash flows. The Company's business plan and growth strategy is capital intensive and the Company may be dependant upon future equity issues and/or debt financing in order to finance its current long-term plans.

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## Note 3 - Intercompany balances and intercompany transactions

Intercompany balances 31.12.2024 (NOK thousands)	Non-current receivables	Current receivables	Non-current liabilities	Current liabilities
Salmon Evolution Norway AS	1 265 971	9 317	0	919
Salmon Evolution International AS	33 108	0	0	0
Salmon Evolution Dale AS	7 275	534	0	0
Salmon Evolution Sales AS	1 000	0	0	81
K Smart Farming Co., Ltd	0	14 834	0	0
<b>Total</b>	<b>1 307 354</b>	<b>24 685</b>	<b>0</b>	<b>1 000</b>

Intercompany balances 31.12.2023 (NOK thousands)	Non-current receivables	Current receivables	Non-current liabilities	Current liabilities
Salmon Evolution Norway AS	1 395 187	89 736	0	3 310
Salmon Evolution International AS	31 190	0	0	0
Salmon Evolution Dale AS	0	3 075	0	166
Salmon Evolution Sales AS	1 000	27	0	0
Salmon Evolution North America	1 964	0	0	0
K Smart Farming Co., Ltd	0	11 326	0	0
<b>Total</b>	<b>1 429 342</b>	<b>104 164</b>	<b>0</b>	<b>3 476</b>

Intercompany and related party transactions: (NOK thousands)	Revenue	Interest
Salmon Evolution Norway AS	30 662	98 743
Salmon Evolution International AS	0	1 848
Salmon Evolution Dale AS	469	275
Salmon Evolution Sales AS	0	-208
K Smart Farming Co., Ltd	2 047	0
<b>Total intercompany transactions</b>	<b>33 178</b>	<b>100 658</b>

Investments in Salmon Evolution Norway AS and Salmon Evolution International AS is partly financed with loan from Salmon Evolution ASA. The interest rate on these loans is set at an interest rate of 3 months Nibor + a margin of 3 %.

Intercompany receivables to Salmon Evolution Norway AS are unsecured. The bank loans have security in all material assets of Salmon Evolution Norway AS, including but not limited to land and plant and machinery. Salmon Evolution ASA as parent company of the Group has also fully guaranteed the Group's bank loans.

Carrying value of the investment property pledged as security is NOK 2,314 million.

Salmon Evolution ASA also requires an administration fee from group companies. This fee covers administration, advice and development of the company, and is invoiced based on time spent by the employees of the parent company in the various areas. Total amount in 2024 was NOK 30,7 million (NOK 19.3 million in 2023).

In addition, the company has required refund of costs from K Smart Farming Co., Ltd to expats posted in Korea, and also apprentices from Korea who have had residency in Norway.

There were no other significant transactions with group companies and related parties in 2024.

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### Note 4 - Personnel expenses, remuneration to the board and auditor's fee

Personnel expenses, remuneration to executives and accrued liabilities to be paid in 2024 (NOK thousands)	2024	2023
Salaries	37 472	35 240
Social security	6 379	6 074
Pensions	2 054	1 859
Other benefits	1 176	695
Share-based payments	726	2 347
Director's fee (both paid in 2023 and liabilities to be paid 2024)	2 893	3 188
<b>Gross personnel expenses</b>	<b>50 699</b>	<b>49 403</b>
- Capitalized costs	-1 356	0
<b>Total personnel expenses recognized in P&amp;L</b>	<b>49 343</b>	<b>49 403</b>
<b>Number of full-time employment equivalents</b>	<b>34</b>	<b>30</b>

Norwegian entities are obligated to establish a mandatory company pension. This obligation is fulfilled under the current pension plan. No loans or guarantees have been given to the members of the board of directors or executive management.

For personnel expenses and remuneration to the board please see group note 8 and our remuneration report for 2024, published on our website [salmonevolution.no](http://salmonevolution.no).

Auditor's remuneration (NOK thousands)	2024	2023
Statutory audit	1 018	568
Service in relation to tax return	0	6
Other services	278	19
<b>Total</b>	<b>1 296</b>	<b>593</b>

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## Note 5 - Share based payments

In 2023 the Board of directors granted another tranche of stock options. Each option gives the holder the right to subscribe or purchase shares in Salmon Evolution at an average agreed exercise price of NOK 8.30. The options were granted on 1 June for executive management and 7 July for key employees. 50% of the options can be exercised at earliest, 12 months after the grant date. The remaining 50% of the options can be exercised at earliest, 24 months after the grant date. To account for this, an adjusted Black & Scholes option-pricing model is used by applying a weighted expected average life of 18 months.

Furthermore, in 2024 the Board of directors granted another tranche of stock options. Each option gives the holder the right to subscribe or purchase shares in Salmon Evolution at an average agreed exercise price of NOK 7.50. The options were granted on 18 September for both executive management and key employees. 1/3 of the options can be exercised at earliest 12 months, 1/3 of the options can be exercised after 24 months, and 1/3 of the options can be exercised after 36 months after the grant date. To account for this, an adjusted Black & Scholes option-pricing model is used by applying a weighted expected average life of 18 months.

The fair value of the options is set on the grant date and is expensed over its lifetime. The fair value of the options has been calculated using the adjusted Black & Scholes option-pricing model, which takes into account the exercise price, the term of the option, the share price at the grant date, expected price volatility of the underlying share, expected dividend and risk-free rates. Given the recent listing and lack of historical price and volatility data, the expected volatility is based on historical volatility for a selection of comparable companies listed on Oslo Stock Exchange ("Oslo Børs"). The risk-free interest rate is set to equal the interest on Norwegian government bonds with the same maturity as the option. Average key assumptions are listed below.

Outstanding options (NOK thousands)	2024	2023
Outstanding options 1 January	7 060	5 150
Options granted	3 880	1 910
Options exercised	0	0
Options forfeited	0	0
<b>Outstanding options at end of period</b>	<b>10 940</b>	<b>7 060</b>

(NOK thousands)	2024	2023
Charges to income statement, Salmon Evolution ASA	576	2 347
Charges to the shares in Salmon Evolution Norway AS	120	73
Charges to the shares in Salmon Evolution Dale AS	29	18

Key assumptions	2024	2023
Average fair value (NOK)	1,10	0,83
Average exercise price (NOK)	7,50	8,30
Weighted expected average life (in years)	5,0	3,2
Estimated dividend per share (NOK)	0	0
Expected average volatility	26,9 %	19,6 %
Risk-free rate	3,62 %	3,31 %



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## Note 6 - Property, plant, equipment, right-of-use assets and intangible assets

Property, plant, equipment, intangibles assets (NOK thousands)	Intangible assets	Assets under construction	Fixtures and fittings	Right-of-use assets	Total
Cost 1 January 2024	5 835	0	1 234	12 973	20 042
Additions	3 806	18 162	64	831	22 862
Disposals	-1 259	0	0	0	-1 259
<b>Cost 31 December 2024</b>	<b>8 382</b>	<b>18 162</b>	<b>1 298</b>	<b>13 804</b>	<b>41 646</b>
Accumulated depreciation 1 January 2024	0	0	399	4 664	5 062
Depreciation for the period	0	0	307	3 192	3 499
<b>Net book value 31 December 2024</b>	<b>8 382</b>	<b>18 162</b>	<b>593</b>	<b>5 950</b>	<b>33 086</b>
Estimated lifetime	n/a	n/a	3-5 years	3-5 years	
Depreciation method	n/a	n/a	Linear	Linear	

Property, plant and equipment (NOK thousands)	Intangible assets	Assets under construction	Assets in use, not allocated	Buildings	Fixtures and fittings
Cost 1 January 2023	2 564	0	1 193	11 682	15 439
Additions	6 059	0	41	1 291	7 391
Disposals	-2 788	0	0	0	-2 788
<b>Cost 31 December 2023</b>	<b>5 835</b>	<b>0</b>	<b>1 234</b>	<b>12 973</b>	<b>20 042</b>
Accumulated depreciation 1 January 2023	0	0	103	1 841	1 944
Depreciation for the period	0	0	296	2 823	3 119
<b>Net book value 31 December 2023</b>	<b>5 835</b>	<b>0</b>	<b>835</b>	<b>8 309</b>	<b>14 980</b>

Intangible Assets (NOK thousands)	01.01.2024	Additions	Grants	Disposals	31.12.2024
Skattefunn-project	1 329	1 822	-346	0	2 805
Other research and development projects	1 250	1 017	0	0	2 267
Protection rights	3 256	55	0	0	3 311
<b>Total</b>	<b>5 835</b>	<b>2 893</b>	<b>-346</b>	<b>0</b>	<b>8 382</b>

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.

Capitalised development costs are related to building strategy and purchase of rights for sale and development of own branding.

The company has also activated costs for a development project with grants (Skattefunn) from The Research Council of Norway to improve the quality of landbased salmon. Total cost for this project in 2024 was NOK 3,650 thousand (3,829 thousand in 2023). The receivable is accounted for as a short-term receivable from the tax authorities. In the financial accounts the receivable related to the grant is netted partly against the related asset's acquisition cost and partly against expenses recognised in the income statement. Grants for 2024 amounted to NOK 694 thousand (728 thousand in 2023).

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## Note 7 - Leases

Amounts recognised in the balance sheet (NOK thousands)	31 Dec 2024	31 Dec 2023
<b>Right-of-use assets</b>		
Rent of premises	4 630	6 153
Car	421	938
Office supply	899	1 218
<b>Total right-of-use assets</b>	<b>5 949</b>	<b>8 309</b>
<b>Lease liabilities</b>		
Current	2 955	2 797
Non-current	3 353	5 790
<b>Total lease liabilities</b>	<b>6 307</b>	<b>8 587</b>

Amounts recognised in the statement of profit or loss (NOK thousands)	31 Dec 2024	31 Dec 2023
<b>Depreciation right-of-use assets</b>		
Rent of premises	-2 149	-1 948
Car	-561	-473
Office supply	-482	-395
Gross depreciation	-3 192	-2 816
- Capitalized as assets under construction	0	0
<b>Net depreciation</b>	<b>-3 192</b>	<b>-2 816</b>
Leasing period	3-5 years	3-5 years
Interest expense lease liability	158	434

The total cash outflow for leases in 2024 was NOK 3,254 thousand (3,148 thousand in 2023).

The Company has entered into several lease agreements that are considered to qualify as short-term and/or low-value in accordance with IFRS 16. Payments associated with such short-term and low-value leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

## Note 8 - Other operating expenses

Other operating expenses (NOK thousands)	2024	2023
Cost of premises (not defined as RoU)	1 455	781
Other operating and administrative expenses	13 379	14 820
Insurance	841	699
Consultancy fees	7 909	21 305
Other fees (Oslo Børs, VPS)	1 275	1 233
<b>Total other operating expenses</b>	<b>24 858</b>	<b>38 838</b>

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## Note 9 - Debt

Long-term interest bearing debt (NOK thousands)	31 Dec 2024	31 Dec 2023
Debt to credit institutions	25 000	25 000
Other long-term interest bearing debt	0	0
Leasing liabilities	3 353	5 790
<b>Total long-term interest-bearing debt</b>	<b>28 353</b>	<b>30 790</b>

Short-term interest bearing debt (NOK thousands)	31 Dec 2024	31 Dec 2023
Debt to credit institutions	145 018	90 069
Other short-term interest bearing debt	0	0
Leasing liabilities	2 955	2 797
<b>Total short-term interest-bearing debt</b>	<b>147 973</b>	<b>92 866</b>
<b>Total interest-bearing debt</b>	<b>176 326</b>	<b>123 656</b>
<b>Cash &amp; cash equivalents</b>	<b>397 819</b>	<b>377 427</b>
<b>Net interest-bearing debt</b>	<b>-221 494</b>	<b>-253 771</b>

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 new 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.

In June 2024 the Group expanded its existing senior secured debt financing package related to Indre Harøy Phase 1 and 2, from 1,550 NOKm to 2,225 NOKm. Additionally, the Company has a NOK 150 million Overdraft Facility with Nordea.

As per 31 December 2024, NOK 525 million was drawn of the secured green debt financing package. In addition, the Company has drawn NOK 145 million, of the NOK 150 million available, of the Overdraft Facility.

The loans are floating interest rate loans denominated in NOK with an interest charge based on NIBOR 3M plus an agreed margin.

Incurred interest expenses and establishing fees during construction period are capitalized as part of assets under construction in accordance with IAS 23.

### 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 250 million on a last 12-month basis from Q2 2027. Quarterly EBITDA figures shall be measured from Q2 2024 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 31 December 2024 the Company is in compliance with all financial covenants.

### Security

The Company's bank debt facilities are fully guaranteed by Salmon Evolution ASA. The respective lenders also have a pledge over 100% of the shares in 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.

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## Note 10 - Taxes

Calculation of deferred tax/deferred tax benefit (NOK thousands)	2024	2023
Fixed assets	-483	-54
Right-of-use assets	5 949	8 309
Lease liabilities	-6 307	-8 587
<b>Net temporary differences</b>	<b>-841</b>	<b>-331</b>
Tax losses carried forward	4 690	62 453
<b>Basis for deferred tax</b>	<b>5 531</b>	<b>62 769</b>
Deferred tax (22%)	1 217	13 809
Deferred tax benefit not recognised in the balance sheet*	-5 108	-9 918
<b>Deferred tax in the balance sheet</b>	<b>3 891</b>	<b>3 891</b>

\*Deferred tax benefit has not been recognised in the balance sheet as the Company is in its 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. However, there is payable tax in the subsidiary Salmon Evolution Sales AS and deferred tax liability in the subsidiary Salmon Evolution Dale AS. The group assumes to utilize tax losses carried forward against tax positions in its subsidiaries.

Basis for income tax expense, changes in deferred tax and tax payable (NOK thousands)	2024	2023
Result before taxes	71 446	3 369
Permanent differences*	-16 096	-21 635
Basis for the tax expense	55 350	-18 266
Change in temporary differences	510	370
Application of loss carry forwards	-55 861	0
<b>Basis for payable taxes in the income statement</b>	<b>0</b>	<b>-17 897</b>

The company does not have any temporary differences given rise to deferred tax/deferred tax benefit

Components of the tax expense (NOK thousands)	2024	2023
Payable tax on this year's result	0	0
Change in deferred tax	12 592	-1 942
Change in deferred tax due to previous year group contribution	-415	-2 077
Change in deferred tax not capitalized in the balance sheet	-4 810	3 255
<b>Calculated tax expense</b>	<b>7 368</b>	<b>-764</b>

Reconciliation of the tax expense with the nominal tax rate (NOK thousands)	2024	2023
Result before taxes	71 446	3 369
Calculated tax (22%)	15 718	741
Tax expense	0	-764
<b>Difference</b>	<b>-15 718</b>	<b>-1 505</b>

### The difference consists of:

Tax on permanent differences	-3 541	-4 760
Change in tax rate	0	0
Change in deferred tax due to change in tax rate	0	0
Change in deferred tax not shown in the balance sheet	-4 810	3 255
Change due to application of loss carry forwards	-7 368	0
Change due to group contribution from previous year (tax wise)	0	0
<b>Sum explained differences</b>	<b>-15 718</b>	<b>-1 505</b>

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## Note 11 - Investments in subsidiaries

(NOK thousands)	Location and place of business	Ownership/ voting right	Equity 31.12.24 (100%)	Result 2024 (100%)	Balance sheet value
Salmon Evolution Norway AS	Hustadvika, Norway	100 %	493 782	-111 712	781 332
Salmon Evolution International AS	Hustadvika, Norway	100 %	-20 848	-9 889	1 000
Salmon Evolution Dale AS	Folkestad, Norway	100 %	21 113	964	1 000
Salmon Evolution Sales AS	Ålesund, Norway	100 %	1 723	-812	76 106
K Smart Farming Co., Ltd*	Gangwangnak-ro, South Korea	49 %	16 780	-7 987	0
<b>Balance sheet value as of 31 December 2024</b>					<b>859 438</b>

\*K Smart Farming Co., Ltd is owned through Salmon Evolution International AS

Investments in subsidiaries are valued at cost in the company accounts. The investment is valued as cost of acquiring shares, providing they are not impaired. An impairment loss is recognised for the amount by which the carrying amount of the subsidiary exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost to sell and value in use. The recoverable amount of an investment in a subsidiary would normally be based on the present value of the subsidiary's future cash flow. As of 31.12.2024 no impairment indicators was assessed to be present for the Company's investments.

### Movement in investment in subsidiaries during 2024 is analysed in the following way:

(NOK thousands)	
Opening balance 01 January 2024	359 288
Share options issued (Salmon Evolution Norway)	120
Share options issued (Salmon Evolution Dale)	29
<b>Closing balance 31 December 2023</b>	<b>359 438</b>

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## Note 12 - Cash and restricted cash

Operating income (NOK thousands)	31 Dec 2024	31 Dec 2023
Cash in bank	395 911	375 377
Restricted bank deposits	1 908	2 050
<b>Total cash and cash equivalents</b>	<b>397 819</b>	<b>377 427</b>

Restricted cash are related to tax withholdings for employees (NOK 1,908 thousand).

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## Note 13 - Share capital

	Nominal value	31 Dec 2024	31 Dec 2023
(NOK thousands)			
Ordinary shares	0,05	462 603 306	413 936 640
Average number of shares	0,05	440 297 748	395 531 302
Share capital		23 130	20 697
Share premium		2 450 459	2 103 467
<b>Total</b>		<b>2 438 179</b>	<b>2 124 164</b>

The number of shares issued in the company at 31 December 2024 was 462,603,306 with a nominal value of NOK 0.05 each. All shares carry equal voting rights.

20 largest shareholders as of 31.12.24	No of shares	Percentage share
Ronja Capital Investment AS	32 407 311	7,0 %
DNB Asset Management	30 181 466	6,5 %
Arctic Fund Management	24 569 080	5,3 %
Handelsbanken Fonder	22 931 481	5,0 %
Farvatn AS	21 168 366	4,6 %
Dongwon Industries	17 932 838	3,9 %
Nordea Investment Management	16 702 022	3,6 %
Rofisk AS	15 204 563	3,3 %
Frode Kjølås	13 173 105	2,8 %
Stette Invest AS	12 410 954	2,7 %
Jakob Hatteland Holding AS	9 790 519	2,1 %
Ewos AS	9 480 984	2,0 %
Mevold Invest AS	9 074 474	2,0 %
Lyingheim Invest AS	8 449 252	1,8 %
Kristofer Reiten	7 569 330	1,6 %
Bondø Invest AS	4 614 718	1,0 %
Salmoserve AS	4 136 666	0,9 %
Hustadlitt AS	3 624 094	0,8 %
Nordnet Livsforsikring AS	3 349 404	0,7 %
AS Straen	3 300 000	0,7 %
<b>Total 20 largest shareholders</b>	<b>270 070 627</b>	<b>58,4 %</b>
Other shareholders	192 532 679	41,6 %
<b>Total number of shares</b>	<b>462 603 306</b>	<b>100,0 %</b>

As of 31 December 2024, shares directly held by members of the Board of Directors, Chief Executive officer, and Executive Management consisted of the following:

	No of shares	Percentage share
Peder Stette, Member of the board - Stette Invest AS	12 410 954	2,8 %
Vibecke Bondø, Member of the board - Bondø Invest AS	4 614 718	0,5 %
Ingjarl Skarvøy, COO - Terra Mare AS and private	1 800 150	0,4 %
Trond Håkon Schaug-Pettersen, CEO - Troha Invest AS	500 000	0,1 %
Odd Frode Roaldsnes, CCO - Anno Invest AS	275 000	0,1 %
Jan-Emil Johannessen, Member of the board - Jawendel AS	173 333	0,0 %
Anne Breiby, Member of the board	168 935	0,0 %
Kamilla Mordal Holo, Project Director - C10 Holding AS & private	160 060	0,0 %
Trond Vadset Veibust, CFO - Trollkyrkja AS	90 000	0,0 %
Henriette Nordstrand, Technical Director - Heno Holding AS	50 000	0,0 %
Tore-Jakob Reite, Director Strategic Projects	1 250	0,0 %
<b>Total</b>	<b>20 244 400</b>	<b>4,0 %</b>

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Capital history (NOK thousands)	Date	Capital Increase	Share Capital After Change	Par Value	Subscription price per share	New shares	Total no. of outstanding shares
<b>Opening balance 1 July 2020</b>			<b>5 375 159</b>	<b>0,05</b>			<b>107 503 182</b>
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 private placement towards Dongwon Industries in July 2020.

The Company 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 Company also raised another NOK 500 million in a private placement in March 2021.

In August 2021 the Company acquired 100% of the shares in Kraft Laks AS (now Salmon Evolution Dale AS). As part of the settlement the Company 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 Company carried out a private placement of USD 5m (NOK ~43m) towards Cargill.

Further, in April 2022 the Company carried out a private placement raising gross proceeds of NOK 300 million at a subscription price of NOK 9.00 per share, bringing total raised equity to more than NOK 1.7 billion.

In April 2023 the Company carried out a private placement raising gross proceeds of NOK 525 million at a subscription price of NOK 7,7 per share, bringing total raised equity to more than NOK 2.2 billion.

In June 2024 the Company carried out a private placement raising gross proceed of NOK 365 million at a subscription price of NOK 7.5 per share, bringing total raised equity to more than NOK 2.5 billion.



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### Note 14 - Trade and other current liabilities

Trade payables (NOK thousands)	31 Dec 2024	31 Dec 2023
Trade payables	2 041	2 836
<b>Total trade payables</b>	<b>2 041</b>	<b>2 836</b>

Other current liabilities (NOK thousands)	31 Dec 2024	31 Dec 2023
Payroll withholding tax, VAT and other taxes	1 911	2 049
Employer's national insurance contributions	1 790	1 822
Accrued salaries, holiday pay and bonus provisions	6 942	7 084
<b>Total other current liabilities</b>	<b>10 643</b>	<b>10 955</b>

### Note 15 - Events after the reporting date

No material subsequent events.

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# Directors responsibility statement

Today, the Board of Directors and the Chief Executive Officer reviewed and approved the Board of Director's report and the consolidated and separate annual financial statements for Salmon Evolution ASA for the fiscal year ended December 31, 2024 (Annual report 2024).

Salmon Evolution ASA's consolidated financial statements have been prepared in accordance with IFRSs and IFRICs as adopted by the EU and applicable additional disclosure requirements in the Norwegian Accounting act. The separate financial statements for Salmon Evolution ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of December 31, 2024. The Board of Directors' report for the Group and the parent company is in accordance with the requirements in the Norwegian Accounting Act and Norwegian accounting standard no 16, as of December 31, 2024.

### To the best of our knowledge:

- The annual financial statements for 2024 have been prepared in accordance with applicable financial reporting standards
- The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit as a whole as of 31 December 2024 for the Group and the parent company.
- The Board of Directors' report for the Group includes a fair review of:
  - the development and performance of the business and the position of the Group, and the parent company
  - the principal risks and uncertainties the Group and parent company face.

The Board of Directors of Salmon Evolution ASA  
Elnesvågen/Ålesund 10 April 2025

Tore A Tønseth  
CHAIR

Peder Stette  
DIRECTOR

Anne Breiby  
DIRECTOR

Ingvild Vartdal  
DIRECTOR

Vibecke Bondø  
DIRECTOR

Eunhong Min  
DIRECTOR

Jan-Emil Johannessen  
DIRECTOR

Trond Håkon  
Schaug-Pettersen  
CEO



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# Independent auditor's report



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Statsautoriserede revisorer  
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen  
Postboks 6163, 5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA  
Tlf: +47 24 00 24 00

www.ey.no  
Medlemmer av Den norske Revisorforening

To the General Meeting in Salmon Evolution ASA

### INDEPENDENT AUDITOR'S REPORT

#### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Salmon Evolution ASA (the Company) which comprise:

- The financial statements of the Company, which comprise the statement of financial position as at 31 December 2024, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise the statement of financial position as at 31 December 2024, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 1 year from the election by the general meeting of the shareholders on 5 June 2024 for the accounting year 2024.

#### Other matters

The financial statements for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 16 April 2024.

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#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Valuation of biological assets

##### Basis for the key audit matter

The biological assets are valued at fair value less cost to sell in accordance with IFRS. As at 31 December 2024 biological assets amounted to NOK 171 million, which is 5% of the Group's total assets. The fair value adjustment included in the carrying amount was NOK 21.4 million.

The estimation of fair value less cost to sell of biological assets is complex and requires significant judgment from management. For salmon in the grow-out facility, a present value model is applied to estimate the fair value less cost to sell. The calculation was based on assumptions such as biomass volume, quality, market prices, remaining expenses and remaining time to salmon harvest.

Given the significant amount of biological assets and the degree of judgement involved in the estimation, we consider valuation of biological assets to be a key audit matter.

##### Our audit response

We evaluated the accounting principles, industry practice and assessed the model used for the fair value estimate. We compared the estimated future market prices applied for the period when harvesting is expected with observable available market prices.

We assessed whether the biomass and quantity of fish used in the Group's model for calculating the fair value of biological assets were in line with the Group's biomass systems and tested the mathematical accuracy of the model.

We evaluated the estimated remaining expenses to produce the harvest ready fish, including assumptions applied such as harvesting plans, estimated growth rate and estimates for mortality and quality.

We refer to note 1, 2 and 6 in the consolidated financial statements.

#### Other information

The Board of Directors and the Chief Executive Officer (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information comprises the information included in the annual report other than the financial statements and our auditor's report. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

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- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statement on Corporate Governance.

#### Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

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- evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirement

##### Report on compliance with regulation on European Single Electronic Format (ESEF)

###### Opinion

As part of the audit of the financial statements of Salmon Evolution ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name same-2024-12-31-0-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

###### Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

###### Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance

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about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 10 April 2025  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Jørn Knutsen  
State Authorised Public Accountant (Norway)

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# Alternative Performance Measures

APM	Definition & calculation	Reason for applying APM
Operational EBIT	Operational EBIT is calculated by adding the fair value adjustment of biomass to financial statement line-item Operating Profit (EBIT). For further information on revenues, other income, cost of materials, change in inventory, personnel expenses and other operating expenses see notes 4, 7, 8, 10.	Operational EBIT are used by management, analysts, investors and is a well-known industry-measure to assess our performance. In addition, excluding fair value assessments that are linked to assumptions about the future from our EBIT gives a better comparability of our operational performance.
Operational EBITDA	Operational EBITDA is operational EBIT plus depreciations, write-downs and amortization. Operational EBITDA is reported in the Group's segment reporting (see Note 5). For further information in revenues, other income, cost of materials, change in inventory, personnel expenses and other operating expenses see notes 4, 7, 8, 10.	Operational EBITDA are used by management, analysts, investors and is a well-known industry-measure to assess our performance. In addition, excluding fair value assessments that are linked to assumptions about the future, and depreciations, write-downs and amortization, from our EBIT gives a better comparability of our operational performance.
NIBD	Net interest-bearing debt (NIBD) comprises interest-bearing loans and borrowings and lease liabilities, after deducting cash and cash equivalents. The metric is reported as a key figure of the Group and also reported in Note 22 in the annual report.	Net interest-bearing liabilities is a measure of the Group's net debt and borrowing commitments and is useful to assess the financial robustness and flexibility of the capital structure of the Group.
Equity ratio	Equity ratio is calculated according to the Statement of Financial Position divided by total equity and liabilities according to the Statement of Financial Position. The metric is reported as a key figure of the Group.	Equity ratio captures the financial solidity of the Group. Equity-ratio is, together with NIBD, useful to assess the financial robustness and -flexibility of the capital structure of the Group.

## Reconciliations

Operational EBIT (NOK thousands)	2024	2023
Operational EBIT	-4 727	-130 680
Fair value adjustments:		
Change in fair value of the biological assets	-10 498	20 149
<b>Operating profit/loss</b>	<b>-15 225</b>	<b>-110 532</b>

Operational EBITDA (NOK thousands)	2024	2023
Operational EBIT	-4 727	-130 680
Depreciation	-76 142	-46 730
<b>Operational EBITDA</b>	<b>71 415</b>	<b>-83 950</b>

Net interest bearing debt (NOK thousands)	2024	2023
Long-term debt to credit institutions	569 100	569 969
Short-term debt to credit institutions	158 488	103 275
Cash & cash equivalents	429 462	386 396
<b>Net interest-bearing debt (NIBD)</b>	<b>298 126</b>	<b>286 848</b>
Lease liabilities	14 986	12 539
<b>NIBD incl. Lease liabilities</b>	<b>313 111</b>	<b>299 387</b>

Equity ratio (NOK thousands)	2024	2023
Total equity	2 223 260	1 920 693
Total liabilities	961 088	788 892
<b>Equity ratio</b>	<b>70 %</b>	<b>71 %</b>

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# Sustainability Indicators and GRI Index

Being transparent in our reporting and operation have been important factors for us from the start. Therefore, we have chosen to report on our environmental, social, and governance factors in 2022. Due to the fact that we are still growing and there is still a lot of uncertainty on actual impact, we have chosen to report with reference to the Global Reporting Initiative (GRI) Standards (2021) in the 2022 reporting. We have ambitions for reporting in accordance with from next year and have plans in place to extend and enhance our reporting process going forward.

GRI DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	
2-1 Organizational details	pp. 3, 7-9
2-2 Entities included in the organization's sustainability reporting	Salmon Evolution ASA with subsidiaries, p. 47
2-3 Reporting period, frequency and contact point	01.01.2024-31.12.2024 – Annual reports from 2024 – Contact point: CFO
2-4 Restatements of information	p. 11
2-5 External assurance	N/A – no external assurance of ESG reporting for the 2024 report
2-6 Activities, value chain and other business relationships	pp. 3, 17-19, 23-24
2-7 Employees	pp. 20-22
2-8 Workers who are not employees	N/A – only employees or subcontractors
2-9 Governance structure and composition	pp. 13, 37
2-10 Nomination and selection of the highest governance body	pp. 37-40
2-11 Chair of the highest governance body	p. 39
2-12 Role of the highest governance body in overseeing the management of impacts	p. 39
2-13 Delegation of responsibility for managing impacts	pp. 12, 15, 24-25
2-15 Conflicts of interest	pp. 23-24, 37
2-16 Communication of critical concerns	p. 38
2-17 Collective knowledge of the highest governance body	p. 36
2-19 Remuneration policies	p. 40
2-20 Process to determine remuneration	p. 40
2-22 Statement on sustainable development strategy	pp. 13-14
2-23 Policy commitments	p. 15
2-24 Embedding policy commitments	p. 15
2-27 Compliance with laws and regulations	p. 37
2-28 Membership associations	p. 39
2-29 Approach to stakeholder engagement	pp. 24-25
2-30 Collective bargaining agreements	p. 21

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GRI DISCLOSURE	LOCATION
<b>GRI 3: Material Topics</b>	
3-1 Process to determine material topics	p. 12
3-2 List of material topics	p. 12
3-3 Management of material topics	p. 12
<b>GRI 201: Economic Performance</b>	
201-1 Direct economic value generated and distributed	See financial statements and notes pp. 43-78
201-2 Financial implications and other risks and opportunities due to climate change	pp. 16-17
201-3 Defined benefit plan obligations and other retirement plans	See financial statements and notes pp. 43-78
201-4 Financial assistance received from government	See financial statements and notes pp. 43-78
<b>GRI 205: Anti-corruption</b>	
205-2 Communication and training about anti-corruption policies and procedures	pp. 13, 34
205-3 Confirmed incidents of corruption and actions taken	Zero (0) incidents
<b>GRI 301: Materials</b>	
301-1 Materials used by weight or volume	p. 19
301-2 Recycled input materials used	pp. 15-17
<b>GRI 302: Energy</b>	
302-1 Energy consumption within the organization	p. 16
302-2 Energy consumption outside of the organization	p. 16
<b>GRI 303: Water and Effluents</b>	
303-1 Interactions with water as a shared resource	pp. 15-19
303-2 Management of water discharge-related impacts	pp. 15-19
303-3 Water withdrawal	pp. 15-19
303-4 Water discharge	pp. 15-19
303-5 Water consumption	pp. 15-19
<b>GRI 304: Biodiversity</b>	
304-2 Significant impacts of activities, products and services on biodiversity	p. 17
<b>GRI 305: Emissions</b>	
305-1 Direct (Scope 1) GHG emissions	p. 19
305-2 Energy indirect (Scope 2) GHG emissions	p. 16 – 100% renewable energy
305-5 Reduction of GHG emissions	p. 19



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GRI DISCLOSURE	LOCATION
<b>GRI 306: Waste</b>	
306-1 Waste generation and significant waste-related impacts	p. 17
<b>GRI 401: Employment</b>	
401-1 New employee hires and employee turnover	9 new employees, 2% turnover
401-3 Parental leave	p. 21
<b>GRI 403: Occupational Health and Safety</b>	
403-1 Occupational health and safety management system	pp. 21-22
403-2 Hazard identification, risk assessment, and incident investigation	pp. 21-22
403-3 Occupational health services	pp. 21-22
403-4 Worker participation, consultation, and communication on occupational health and safety	pp. 21-22
403-5 Worker training on occupational health and safety	Health and safety training for all employees
403-6 Promotion of worker health	pp. 21-22
403-9 Work-related injuries	pp. 21-22
403-10 Work-related ill health	Zero (0) incidents
<b>GRI 404: Training and Education</b>	
404-1 Average hours of training per year per employee	p. 21
404-2 Programs for upgrading employee skills and transition assistance programs	p. 21
404-3 Percentage of employees receiving regular performance and career development reviews	p. 21
<b>GRI 405: Diversity and Equal Opportunity</b>	
405-1 Diversity of governance bodies and employees	pp. 9, 22, 34, 36(BoD)
405-2 Ratio of basic salary and remuneration of women to men	p. 34
<b>GRI 406: Non-discrimination</b>	
406-1 Incidents of discrimination and corrective actions taken	Zero (0) incidents reported
<b>GRI 413: Local Communities</b>	
413-1 Operations with local community engagement, impact assessments, and development programs	p. 24

## 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](http://www.salmevolution.no).

**SALMON  
EVOLUTION®**

### OFFICE ADDRESS

Torget 5, 6440 Elnesvågen, Norway

### PRODUCTION SITE

Indre Harøyvegen 88, 6430 Bud, Norway

### BUSINESS REGISTRATION NUMBER

NO 925 344 877 MVA

E-mail: [post@salme.no](mailto:post@salme.no)

Web: [salmevolution.no](http://salmevolution.no)