



Extending the ocean potential

Q1 2022

SALMON
EVOLUTION®

Salmon Evolution – Extending the Ocean Potential

A Norwegian salmon farming company targeting a global leading position in sustainable production of high-quality salmon from land-based facilities.

- Utilizing a hybrid flow-through ("HFS") system with 30%-35% fresh seawater intake, reducing complexity and biological risk and securing optimal growth at low cost
- 7,900 tonnes HOG Indre Harøy Phase 1 facility in operation – annual harvesting capacity of 31,500 tonnes HOG fully developed
- Joint venture with Dongwon Industries for a 16,800 tonnes HOG production facility in South Korea – planned construction start in 2022 and first grow-out production targeted in 2024
- On track for ~25,000 tonnes capacity by 2024, clear roadmap for 70,000 tonnes by 2030
- Listed on Oslo Stock Exchange main list from July 2021

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

Salmon Evolution in a nutshell

<p>1</p> <p>Biology is our most important consideration</p>  <p><i>Our technology captures the benefits of both land-based and sea-based farming</i></p>	<p>2</p> <p>Born in Norway – the cradle of salmon farming</p>  <p><i>There is much to learn, even though we have decades of experience</i></p>	<p>3</p> <p>International expansion with strong local partners</p>  <p><i>We don't go solo on our first projects overseas</i></p>	<p>4</p> <p>First-mover aiming for technology leadership</p>  <p><i>Developing superior cost position & opportunities to capitalize on technology</i></p>	<p>5</p> <p>Premium position based on quality & ESG</p>  <p><i>Committed to quality & sustainability</i></p>
<p>Conservative approach in a disruptive industry</p>			<p>Long-term competitive advantage & profitability</p>	

Highlights in the quarter

- First fish tanks and related technical installations at Indre Harøy completed and put into operation
- First smolt batch released at Indre Harøy late March as per original timeline – next smolt release planned in Q2 2022
- Batch 1 performing in line with expectations – stable farm conditions with strong initial feed numbers and low mortality – average weight of ~725 grams as of 21 May
- Phase 1 construction continuing according to plan – phase 1 capex estimate unchanged
- Initiated phase 2 preparations at Indre Harøy – signed Heads of Terms with Artec Aqua for phase 2 build-out
- Available liquidity of NOK 1,056 million per 31 March 2022 including committed undrawn credit facilities and adjusted for April 2022 private placement

Subsequent events

- Completed NOK 300 million private placement to partly fund planned Indre Harøy phase 2 build out and smolt facility expansion

Key figures

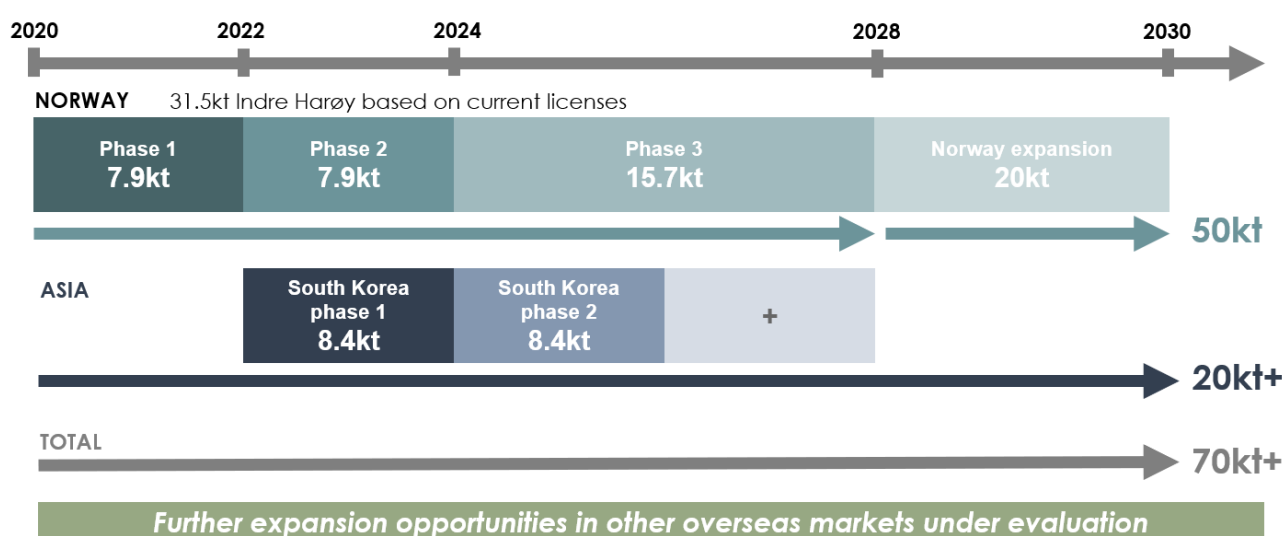
(figures in NOK 1000)	Q1 2022	Q1 2021	2021
IFRS main figures			
Operating Revenues	6,818	0	12,257
EBITDA	-9,992	-6,271	-35,612
EBIT	-11,035	-6,634	-37,841
Profit / (loss) before taxes	-1,570	-5,218	-30,729
Cash flow from investment activities	-278,167	-104,608	-754,553
Cash flow from financing activities	166,359	479,609	679,668
Net cash flow	-75,622	367,292	-142,260
Available cash	429,922	1,015,098	505,545
Net Interest-bearing liabilities	-43,613	-972,451	
Total assets	1,882,794	1,377,015	
Equity	1,304,343	1,262,097	
Equity ratio	69 %	92 %	

Roadmap to 70,000 tonnes in 2030

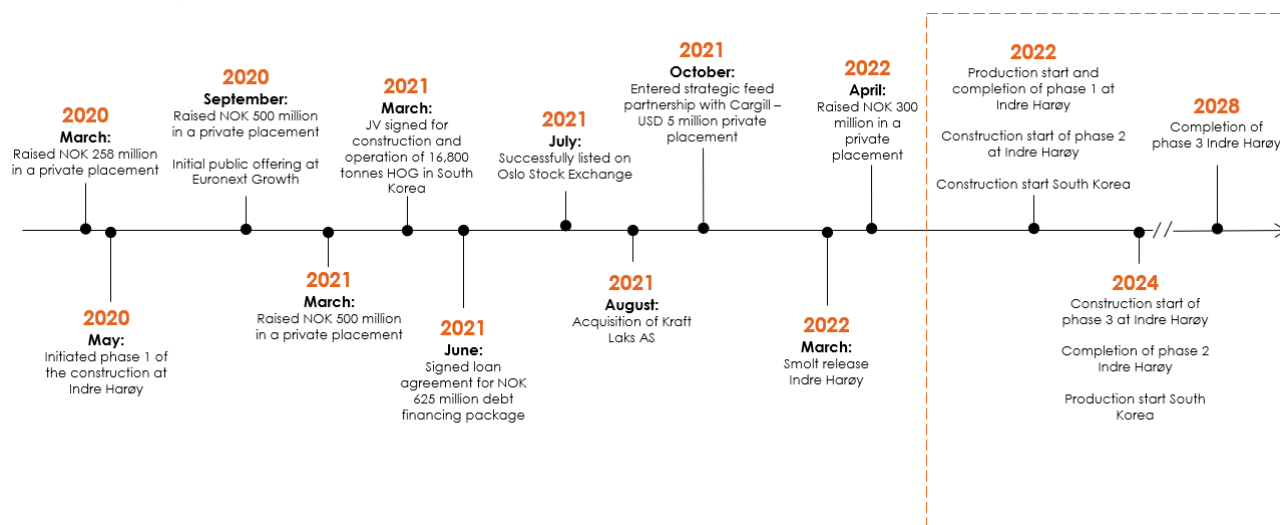
Salmon Evolution targets a leading position in the production of sustainable high-quality salmon from land-based facilities. In addition to its 31,500 tonnes project in Norway, the Company is expanding internationally through a JV in South Korea. Through utilisation of technology, competence and experience from

domestic projects, Salmon Evolution aims to develop projects in targeted growth markets in collaboration with local partners. The Company has a clear road map towards 70,000 tonnes production capacity by 2030 and is on track for ~25,000 tonnes by 2024.

Roadmap towards +70kt HOG annual harvest



Key Company milestones



Source: Salmon Evolution

Commencing farming operations at Indre Harøy

Following an extensive commissioning and testing period commenced already in December, Salmon Evolution took over the first part of the facility on 26 March. The handover included inter alia the water intake station and the first two fish tanks together with connecting infrastructure and technical installations.

Later the same day, Salmon Evolution successfully completed its first smolt release consisting of about 100,000 smolt with an average weight of around 300 grams.

The smolt was supplied by Kraft Laks, Salmon Evolution's in-house smolt facility acquired in August 2021 and well known for its long track record in providing first class smolt to Norwegian salmon farmers.

The smolt transportation from Kraft Laks to Indre Harøy was carried out with a live fish carrier after

which the fish was carefully pumped into the first fish tank at Indre Harøy. All relevant fish health parameters were constantly monitored during the process with no negative indicators identified.

Following the positive confirmation of the fish transfer process and a customary short adaption period for the fish, initial feeding commenced. The Company is pleased to see that the conditions in the farm have been stable to date with the fish responding very well to feeding.

Since the first smolt release Salmon Evolution has gradually increased feeding and feeding figures over the last month have been in line with expectations. The mortality to date has also been low, confirming good water quality and stable conditions within the farm.

26 March 2022 – First smolt release at Indre Harøy



Photo: Salmon Evolution

Initiating phase 2 preparations – signed Heads of Terms with Artec Aqua

On 7 February 2022 Salmon Evolution announced that the company had entered into a Heads of Terms with Artec Aqua for the phase 2 build-out at Indre Harøy. Phase 2 is expected to in principle be identical to phase 1 and add a further 7,900 tons HOG of annual production, bringing the total planned production volume to 15,800 tons HOG per annum.

Artec Aqua is the total contractor for Salmon Evolution's phase 1 project at Indre Harøy where the first smolt was released in March 2022.

The purpose of the Heads of Terms is to enable Salmon Evolution to be in a position to swiftly commence construction of phase 2 following the completion of phase 1. Such timeline requires significant preparatory activities, including but not limited to, planning, concept and detailed engineering and structuring of subcontractor tender processes.

Additionally, this preparatory phase will focus on leveraging the know-how and experiences

gained from phase 1, facilitating implementation of identified areas of improvement, both from a biological, operational, and financial perspective. Given the timeline with first groundworks commencing after completion of phase 1, the parties should also be able to implement learning effects obtained during the first 12 months of production.

The Heads of Terms further sets out the main commercial terms to be reflected in a final design and construction agreement between the parties. Capex for phase 2 is currently estimated to NOK 1.3 – 1.4 billion, with final capex target expected to be set in 2H 2022.

The final design and construction agreement will include financing reservations providing Salmon Evolution with the necessary flexibility to align the phase 2 build out with the Company's overall financing plan.

Indre Harøy phase 2 illustration

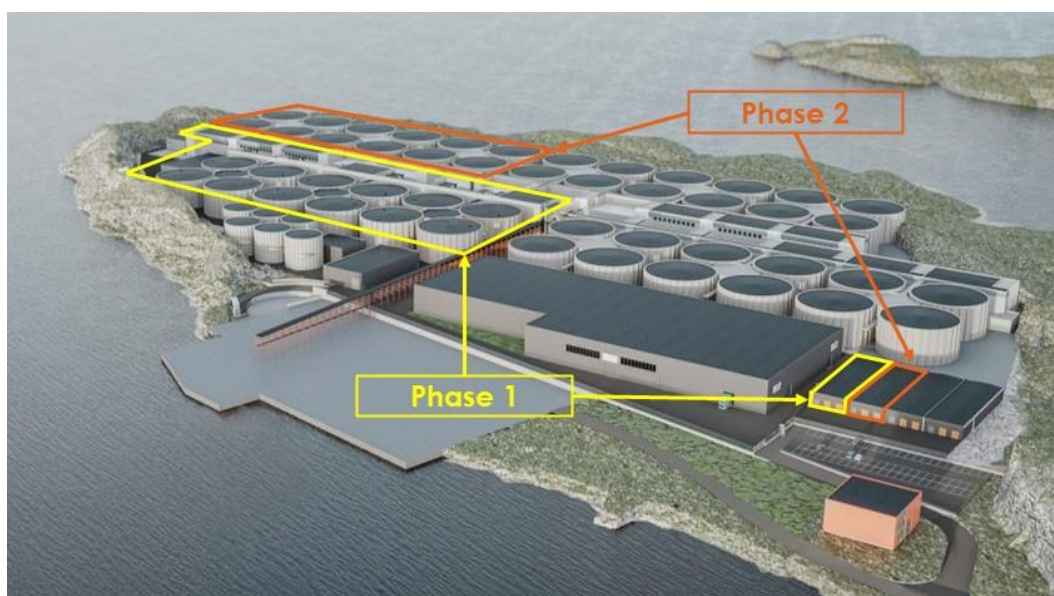


Photo: Salmon Evolution

Completed NOK 300 million private placement

On 5 April 2022 Salmon Evolution completed a private placement raising gross proceeds of NOK 300 million at a subscription price of NOK 9.00 per share.

The private placement attracted strong interest from Norwegian, Nordic and international high-quality investors and was significantly oversubscribed.

The net proceeds from the private placement will be used to (i) partly fund the second phase of the Indre Harøy facility, (ii) smolt facility expansion and (iii) for general corporate purposes.

As part of the private placement, Salmon Evolution issued 33,333,333 new shares, bringing the total number of outstanding shares to 345,754,822.

Filling of seawater in progress (January 2022)

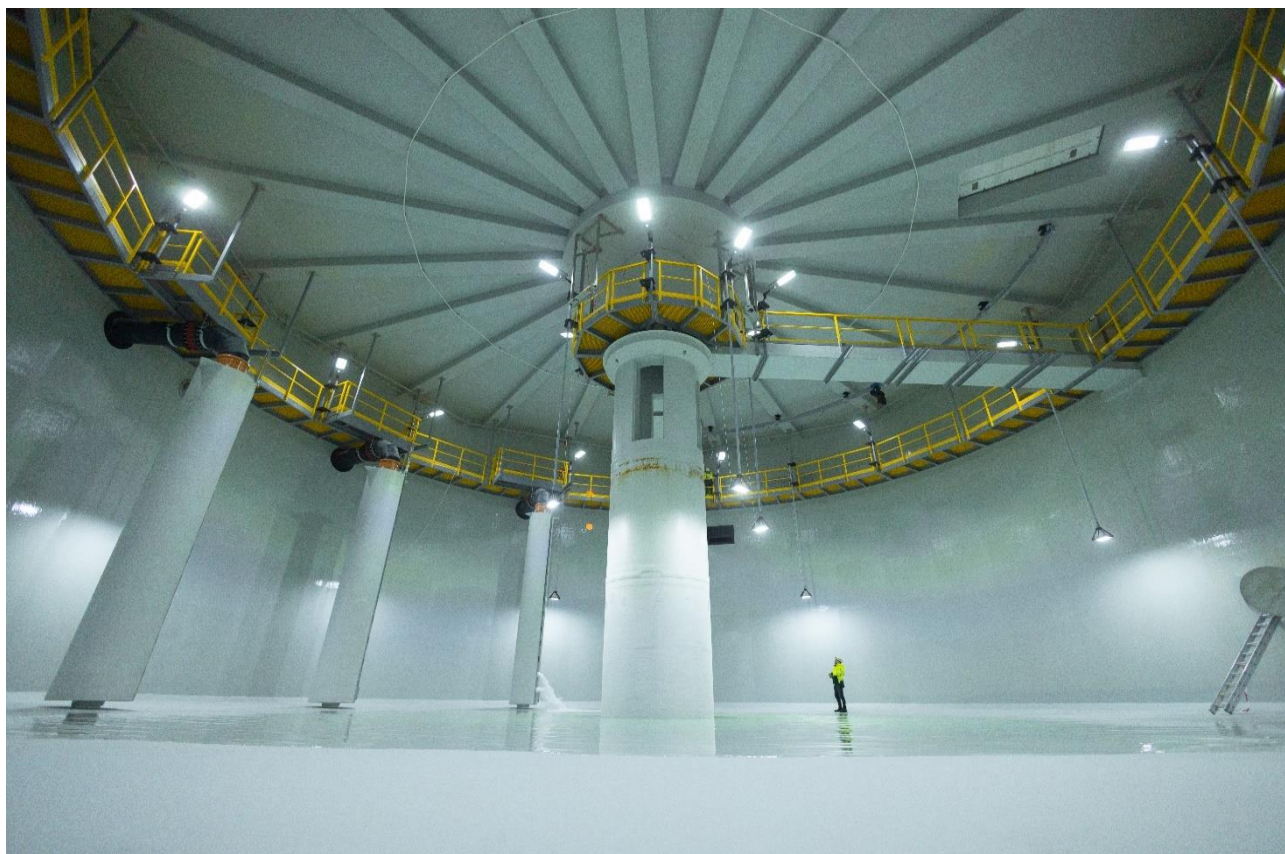


Photo: Salmon Evolution

Project review Indre Harøy

Status - Indre Harøy

All 12 fish tanks in phase 1 are now assembled with most of the structures and buildings completed as per end of the first quarter.

Following a period of testing and commissioning started in December last year with the first part of the facility commenced operations late March. This major milestone included Salmon Evolution taking over the intake station, the two first fish tanks and connecting technical room as well as other joint areas of the facility.

Over the coming months focus will be devoted on finalizing the remaining part of the facility, hereunder piping, completion of the feed storage and distribution system, fish logistics and installation of heat pumps, heat exchangers, O2 equipment and CO2 and nitrogen strippers.

In connection with the first hand over, the automation system was also completed, enabling the Company's farming technicians to fully monitor and operate the facility from a designated control room.

First smolt release (March 2022)

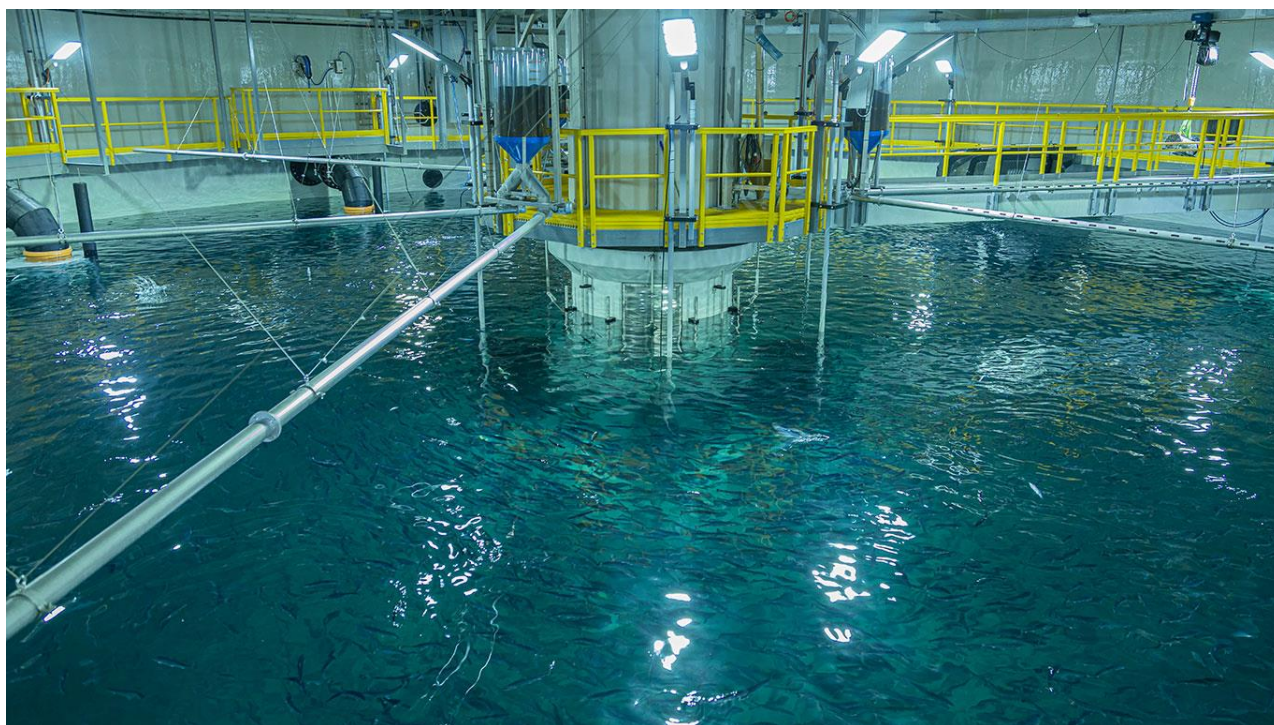


Photo: Salmon Evolution

The high workload over the last months is expected to come gradually down over the coming quarters as the full facility nears completion.

High activity also means high work-complexity. To reduce risk for accidents, Salmon Evolution aims for a close dialogue with contractors and

workers to secure controlled and safe project progression.

In connection with Salmon Evolution taking over additional parts of the Indre Harøy facility over the coming months, additional batches of smolt will be released with the next batch expected during Q2 2022.

First smolt release (March 2022)



Photo: Salmon Evolution

Farming operations

On 26 March 2022 Salmon Evolution completed its first smolt release at Indre Harøy comprising around 100,000 smolt with an average weight of around 300 grams.

The smolt was supplied by Kraft Laks, Salmon Evolution's in-house smolt facility acquired in August 2021 and well known for its long track record in providing first class smolt to Norwegian salmon farmers. Kraft Laks currently has a capacity to supply all of Indre Harøy phase 1 smolt needs.

The smolt transportation from Kraft Laks to Indre Harøy was carried out with a live fish carrier after which the fish was carefully pumped into the first fish tank at Indre Harøy. All relevant fish health parameters were constantly monitored during the process with no negative indicators identified.

Following the positive confirmation of the fish transfer process and a customary short

adaption period for the fish, initial feeding commenced. The Company is pleased to see that the conditions in the farm have been stable to date with the fish responding very well to feeding.

Along with the Company's technicians being accustomed with the facility, feeding has been gradually increased. Throughout this process feed waste have been carefully monitored to avoid overfeeding. The Company is very pleased to see that the fish is responding very well to feeding and on 30 April a significant milestone was reached when the daily feeding volume for the first time exceeded 1 ton, which represented more than 2% of the standing biomass. The positive trend has continued in May with average daily feeding exceeding 2% of the biomass.

Salmon Evolution is also pleased to see that mortality levels have been low. Outside the

normal mortality and culling the first days after the smolt transfer, minimal mortality has been registered, confirming good water quality and stable conditions within the farm.

When evaluating the biological performance, it should be noted that Salmon Evolution is in a testing period which continuously involve small adjustments and modifications which may

require pauses in feeding. Accordingly, the Company finds the current biomass development and feeding numbers very encouraging as to the long-term potential of the Indre Harøy facility.

Below tables shows the status of the company's biomass and performance:

Group biomass development							
Batch	31 March 2022			21 May 2022			Comments
	Units (#)	Weight (g)	Biomass (tonnes)	Units (#)	Weight (g)	Biomass (tonnes)	
Batch I	~100,000	~300	30	~100,000	~725	73	Stable conditions, gradual ramp-up of feeding during period
Total Indre Harøy	~100,000	~300	30	~100,000	~725	73	
Freshwater (Kraft Laks)*	~2,515,000	~44	111				About 650,000 smolt planned delivered to external customer in Q2 2022 to complete contract
Total Group	~2,615,000		141				

* Figures for Kraft Laks are only reported on a quarterly basis

Milestones

Phase 1 includes a stepwise construction of 12 grow-out tanks with an annual combined capacity of 7,900 tonnes HOG.

Handover of the first tanks was completed March 2022 and the remaining tanks will be completed consecutively throughout 2022.

Production of the first batch commenced in March and new batches will be added along with the completion of the remaining tanks. The Company expects first harvest in Q4 2022 and to reach steady state annualized harvest volumes of 7,900 tons HOG from Q3 2023.

Indre Harøy overview (May 2022)



Photo: Salmon Evolution

Project financials

When comparing cost estimates for Phase 1 and a fully built out facility, significant efficiency gains in both capex and opex are expected. Capex efficiencies are related to synergies between phases (groundwork, reduced mobilization costs, etc.), increased efficiency in assembly, and increased efficiency in planning, design and execution together with suppliers.

Capex overview Indre Harøy Phase 1¹⁾

	NOKm	%
Incurring per 31.03.22	1164	83 %
<i>Distribution</i>		
2019	19	1 %
2020	177	13 %
2021	723	52 %
2022	244	17 %
Remaining payment	236	17 %
<i>Distribution</i>		
2022	231	17 %
2023	5	0 %

Source: Company data

1) Net of grants directly tied to capital expenditure and exclusive of internal capitalized G&A costs.

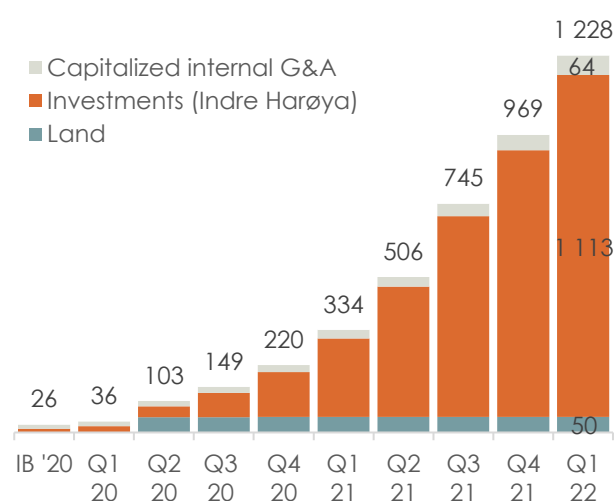
Capex during the first quarter amounted to 244 million. In addition, NOK 13.5m of internal G&A were capitalized. Q1 2022 saw good progress at the construction site. Together with timing effects as to delivery dates of high value equipment, this contributed to the high Q1 capex.

As per 31 March 2022, accumulated capex from project initiation in 2019 amounted to NOK 1,164 million. In addition, accumulated capitalized G&A amounted to NOK 64 million (including capitalized finance costs).

Full phase 1 capex estimate of NOK 1,400 million remains unchanged. The Company notes the

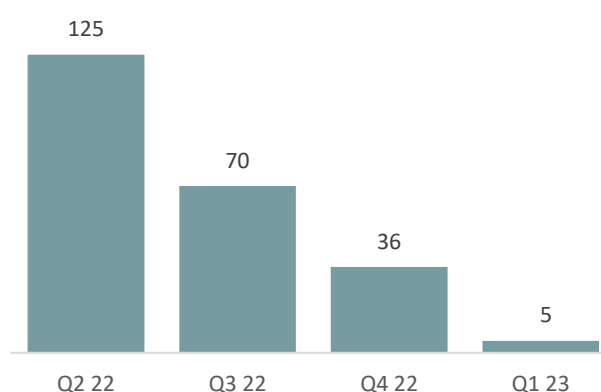
ongoing inflation pressure for most raw materials, but as buildings and structures to a large extent are already completed, the company has not identified any material effect from this as to phase 1 capex.

Accumulated CAPEX phase 1 (NOK million)



After some capex intensive quarters, the Company expects that capex will gradually decrease towards completion.

Capex plan Indre Harøy Phase 1 (NOK million)¹⁾



Source: Company data

1) Net of grants directly tied to capital expenditure and exclusive of internal capitalized G&A costs

Project review - Korea

The Company 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, using Salmon Evolution's technology and competence.

The joint venture is named K Smart Farming ("K Smart"). The project will be completed in two phases, with each phase aiming to achieve an annual capacity of 8,400 tonnes HOG, 16,800 tonnes combined.

Under the terms of the Joint Venture agreement, Dongwon Industries will facilitate 75% debt financing for K-Smart's phase 1 and Salmon Evolution's total equity contribution for 49% ownership is estimated to about NOK 200 million on a fully funded basis. Phase 2 of the project is planned financed through a combination of bank debt and retained earnings from ongoing operations.

Salmon Evolution's equity contribution is split into milestone driven tranches, reflecting the overall progress of the project. Salmon Evolution executed its first tranche of NOK ~27 million in May 2021.

Salmon Evolution and Dongwon target construction start in 2022, with commencement of production in 2024. The parties have identified a production site in Yangyang on the northeast coastline of South Korea, with solid data points on water quality and temperatures. In addition, K Smart has also acquired an existing smolt facility in Jeongseon which will be upgraded and used for supplying smolt to the grow out facility in Yangyang.



Yangyang on-growing site

The acquired smolt facility is based in Jeongseon and has had local production of trout for many years.



Jeongseon smolt site

As part of the collaborations, the parties will cooperate to establish branding and marketing of premium, land-based Atlantic salmon from K Smart and Salmon Evolution in the Korean market. K Smart will be responsible for all development-costs and investments related to this project.

The Joint Venture agreement also contains a comprehensive set of corporate governance principles, aimed at serving as a solid foundation for a long-term partnership between Salmon Evolution and Dongwon.

Following the completion of a feasibility study during the fourth quarter, Salmon Evolution and Dongwon have been working on tuning the facility layout and production plans in order to optimize the project.

During the first quarter of 2022 K Smart also rewarded Billund Aquaculture a design and engineering contract for the two planned facilities in Korea.

Billund Aquaculture has a long track record in building land-based salmon farming facilities. Moreover, Billund also has significant international experience and a demonstrated track record in working alongside with other contractors responsible for the civil parts of the construction projects which is deemed critical in Korea.

Billund will together with Salmon Evolution's in-house engineering and technology division be responsible for design and engineering of the

facilities in Korea and SE is confident that this model will enable K Smart to capitalize on the experiences and knowhow within the Salmon Evolution organization.

K Smart is continuing to make progress on the permitting process. The discussions with the respective authorities are developing and K Smart remains confident about receiving approvals needed to carry out the project.

K Smart has established a project organization consisting of dedicated members from both Salmon Evolution and Dongwon Industries and SE has also dispatched its first expatriates to Korea.

Funding

During 2020, and further throughout 2021, the Company secured both equity and debt financing and is continuously seeking to optimize its capital structure.

In March 2021, the Company issued 83,333,333 shares at a subscription price of NOK 6.0 per share, raising gross proceeds of NOK 500 million.

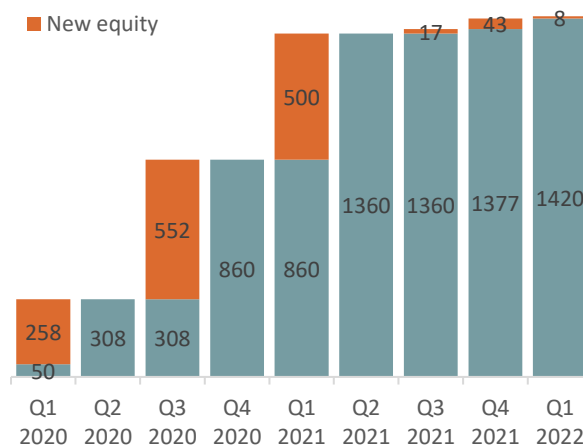
The group further raised NOK 16.6m in new equity in August 2021 as part consideration for the acquisition of Kraft.

In October 2021 the Company also 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.

Development in paid-in equity (NOK million)



Source: Company data.

Funding Indre Harøy Phase 1

On 29 June 2021, the Company announced the signing of legally binding loan documentation for a senior secured debt financing package of up to NOK 625 million related to the Phase 1 build out at Indre Harøy.

The debt financing package consists of the following credit facilities:

- NOK 525 million senior secured credit facility with Nordea and Sparebanken Vest which will be used to finance construction capex for Indre Harøy Phase 1 (the "Construction Facility")
- NOK 525 million in long-term debt which will refinance the Construction Facility upon completion of Indre Harøy Phase 1 and consisting of the following:

- NOK 385 million senior secured term loan facility with Nordea and Sparebanken Vest (the "Term Loan Facility")
- NOK 140 million in a separate long-term loan facility with Innovation Norway (the "IN Facility")

- NOK 100 million senior secured overdraft facility with Nordea (the "Overdraft Facility") which will be used for working capital purposes, hereunder financing of biomass and receivables

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

As per 31 March 2022, NOK 350 million was drawn under the Construction Facility, leaving NOK 175 million undrawn. No draw down were made on the Overdraft Facility.

Funding Indre Harøy Phase 2

In February 2022 Salmon Evolution announced that it had entered into a Heads of Terms with Artec Aqua relating to the phase 2 build out at Indre Harøy. The purpose of the agreement is to enable Salmon Evolution to be in a position to swiftly commence construction of phase 2 following the completion of phase 1. Such timeline requires significant preparatory activities, including but not limited to, planning,

concept and detailed engineering and structuring of subcontractor tender processes.

Although no investment decision has been made as to phase 2, the NOK 300 million private placement completed in April will partly be used to fund phase 2 including the pre-construction phase. If realized, financing of phase 2 is also expected to include significant levels of debt financing.

Funding K Smart Farming

The agreed funding structure of K Smart Farming is 25% equity and 75% debt, where Dongwon Industries is to facilitate debt financing at attractive cost levels (phase 1).

Salmon Evolution's total equity contribution into K Smart is estimated to NOK 200 million on a fully funded basis, including phase 2. The equity contribution is split in three milestone driven tranches where the Company executed its first tranche of NOK ~27 million in Q2 2021.

Funding Kraft Laks

At the date of the acquisition Kraft Laks had a net cash position with very limited financial debt. The NOK 35 million cash component of the purchase price was funded by cash at hand.

financing package of NOK 52 million in relation to Kraft Laks. The Company deems the bank debt to be at favourable commercial terms, reflecting the solid operational and financial track record of Kraft Laks.

In December the Company announced that it had signed binding agreements for a debt

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

- General corporate purposes, hereunder financing of working capital
- Investments relating to facility upgrades
- Refinancing of existing NOK 25 million seller's credit with previous owners

As part of the Indre Harøy phase 2 build out, the Company plans to expand the capacity at Kraft Laks, into which parts of the April 2022 private placement proceeds will be allocated. In such scenario further debt financing of Kraft Laks is expected.

Indre Harøy smolt release (March 2022)

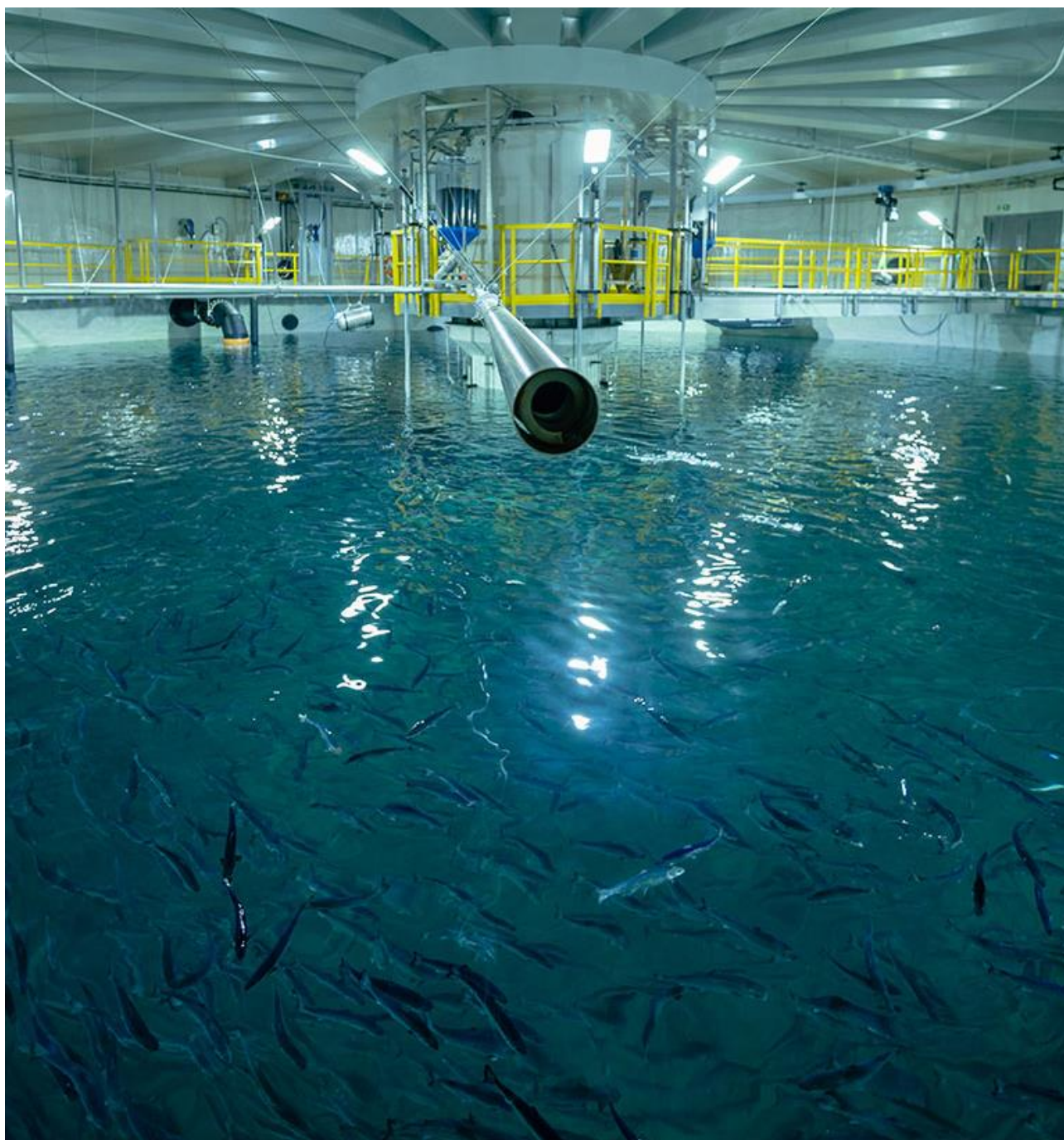


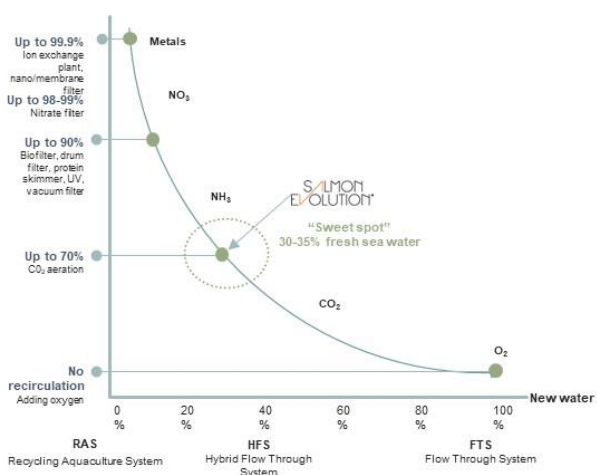
Photo: Salmon Evolution

Extending the ocean potential

Our Technology – Hybrid flow through system (HFS)

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

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



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

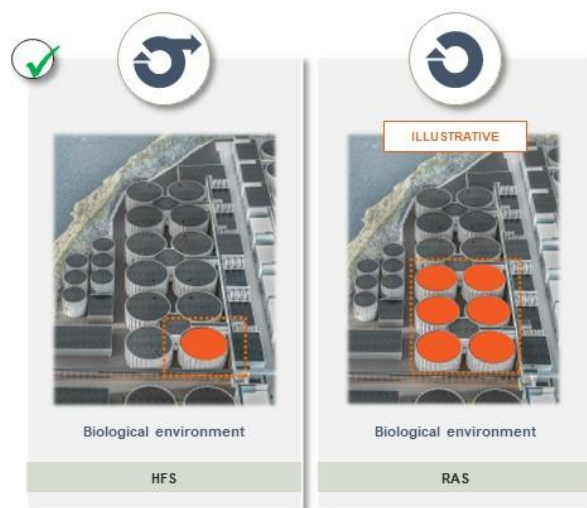
At Indre Harøy the seawater intake is based on two inlet pipes at 25 meters and 95 meters, respectively, enabling the Company to tap into

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

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

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

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



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

Financial review

Summary of result

(figures in NOK 1000)	Note	Q1 2022	Q1 2021	2021
Revenue from contracts with customers		6,826	0	12,047
Other income		-8	0	209
Total operating income		6,818	0	12,257
Cost of goods sold	12	-2,109	0	-908
Personnel expenses	10	-7,002	-2,725	-21,067
Other operating expenses		-7,698	-3,546	-25,894
EBITDA		-9,992	-6,271	-35,612
Depreciations	2	-1,043	-363	-2,229
Operating profit (EBIT)		-11,035	-6,634	-37,841
Financial income	8	10,190	1,233	12,852
Financial expense	8	-626	-180	-7,335
Share of net income from associated companies	8	-99	0	-634
Financial expense - net		9,465	1,053	4,884
Profit/loss before tax	4	-1,570	-5,218	-30,729
Income tax expense	4	0	0	0
Profit/loss for the period	5	-1,570	-5,218	-30,729
Basic earnings per share (NOK)	5	-0,01	-0,02	-0,11
Diluted earnings per share (NOK)	5	-0,01	-0,02	-0,11

Statement of Comprehensive Income

Profit/(loss) for the period		-1,570	-5,218	-30,729
Exchange difference on translating foreign operation	8,9	-758	0	-560
Total comprehensive income for the period		-2,328	-5,218	-31,289

Q1 2022 results

Revenues for the quarter totalled NOK 6.8 million, reflecting revenues from sale of smolt from Kraft Laks to an external client.

Personnel expenses for the quarter totalled NOK 7.0 million. During the quarter approximately 60% of the total personnel expenses were capitalized.

Other operating expenses totalled to NOK 7.7 million during the quarter and consisted mainly of consultancy and legal fees, operating

expenses at our facilities at Kraft Laks and Indre Harøy, and other administration expenses.

Operating loss for the period ended at NOK - 11.0 million.

Costs deemed to be part of the ongoing assets under construction are capitalized consecutively throughout the year.

Net financials for the quarter was positive with NOK 9.5 million reflecting about NOK 8.6 million

in unrealized profit from interest rate swaps used to hedge the Company's interest rate exposure.

Loss for the quarter was NOK 1.6 million.

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

Cash flow

Consolidated net cash flow from operating activities was NOK 36.2 million in the first quarter of 2022 compared to NOK 7.7 million for the same period last year. The positive change is mainly related to cash receipt of Enova grants.

Net cash flow from investment activities was NOK -278.0 million during the quarter. The investments are reflecting the high activity level at Indre Harøy, but the Company expects that this will gradually be reduced going forward towards completion of phase 1.

Cash flow from financing activities during the quarter was NOK 166.6 million, which mainly

consist of two drawdowns on the Construction facility.

Total net cash flow during the first quarter was NOK -75.6 million. The liquidity position at the end of the period was strong, with cash and cash equivalents of NOK 430 million and total available liquidity of NOK 1,056 million including committed undrawn credit facilities and adjusted for the NOK 300 million equity issue completed in April.

Cash flow summary

(figures in NOK 1000)

	Q1 2022	Q1 2021	2021
Net cash flow from operating activities	36,186	-7,709	-67,375
Net cash flow from investments activities	-278,167	-104,608	-754,553
Net cash flow from financing activities	166,359	479,609	679,668
Net change in cash and cash equivalents	-75,622	367,292	-142,260
Cash and cash equivalents at start of period	505,545	647,806	647,806
Cash and cash equivalents at end of period	429,922	1,015,098	505,546

Financial position

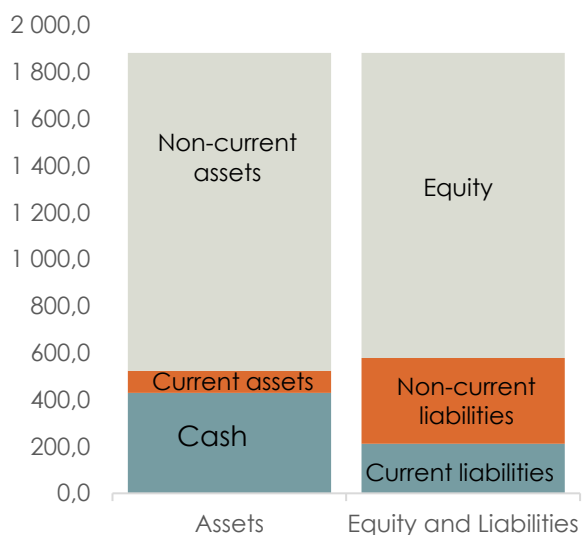
The carrying amount of Salmon Evolution's total fixed assets as of 31 March 2022 was NOK 1,359.2 million, compared to NOK 337.8 million 31 March 2021. Fixed assets are mainly related to the construction work at Indre Harøy, comprising capitalized costs related to both personnel

expenses and construction cost, land acquisition and Kraft Laks as well other smaller items.

Total equity amounted to NOK 1,304.3 million. With total assets of NOK 1,882.8 million, this

corresponds to an equity ratio of 69%. Consolidated interest-bearing liabilities totalled NOK 386.3 million.

Balance sheet as per 31.03.2022 (NOK million)



Source: Company data

In October 2020, Salmon Evolution was granted NOK 14 million in funding from the Norwegian tax incentive scheme Skattefunn. The tax incentive scheme will be distributed over a three-year period and is designed to stimulate research and development (R&D).

Furthermore, in November 2020 the Company was granted NOK 96.8 million in a funding commitment from ENOVA. The commitment is a cash grant, and the funding will not require any material additional investment needs from Salmon Evolution. The proceeds from this grant is expected paid out in tranches over the course of Indre Harøy Phase 1 development.



Both grants are recognized in the financial accounts as a reduction of fixed assets. As of Q1 2022 the Company has recognized NOK 9.5 million in Skattefunn grants and NOK 78 million in Enova grants of which NOK 4.8 million and NOK 60 million have been received by 31 March 2022, respectively.

As per 31 March 2021 the Company had bank debt of NOK 351 million, in all material aspects relating to the Construction Facility for Indre Harøy. For further description of the financing package see section "Funding" above.

Subsequent events

Completed NOK 300 million private placement

On 5 April 2022 Salmon Evolution completed a private placement raising gross proceeds of NOK 300 million at a subscription price of NOK 9.00 per share.

The private placement attracted strong interest from Norwegian, Nordic and international high-quality investors and was significantly oversubscribed.

The net proceeds from the private placement will be used to (i) partly fund the second phase of the Indre Harøy facility, (ii) smolt facility expansion and (iii) for general corporate purposes.

As part of the private placement, Salmon Evolution issued 33,333,333 new shares, bringing the total number of outstanding shares to 345,754,822.

COVID-19

Salmon Evolution is managing the COVID-19 situation with its highest priority to safeguard its employees, suppliers and partners.

Salmon Evolution strives to follow and implement the local and national advice and recommendations regarding COVID-19. The Company has taken necessary measures in all sites and locations to be able to limit the spread of the virus.

At the same time, the Company works to ensure that the construction work progresses on time and budget.

The construction work currently involves around 150-200 workers on site. Artec Aqua as contractor, is responsible for project coordination of all activities, and Salmon Evolution is in continuous dialogue with the contractor on the status, progress and actions taken to address and handle the challenges.

Further, the Company has developed extensive contingency plans to address possible outbreaks, including transport and logistics, isolation and quarantine routines.

Transactions with related parties

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

There were no material transactions with related parties during the first quarter.

Share information

As per 31 March 2022, Salmon Evolution ASA had 312.4 million issued shares and a total of 11,230 shareholders.

Ronja Capital II AS was the Company's largest shareholder with 26,687,687 shares, corresponding to 8.6% of the total number of shares outstanding. The 20 largest shareholders held 62.3% of the shares in the Company.

The closing price for the Company's share was NOK 10.00 per share as per 31 March, which corresponded to a market capitalization of NOK 3.1 billion.

During the quarter the average daily, traded volume was about 1,660,000 shares and the average daily traded value was about NOK 15.7 million.

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

On 5 April 2022 Salmon Evolution completed a private placement raising gross proceeds of NOK 300 million through the issuance of 33,333,333 new shares. Following the registration of the new shares the total shares outstanding was 345,754,822.

20 largest shareholders 31 March 2022

Shareholder	# of shares	% share
Ronja Capital II AS	26,837,687	8.6 %
The Bank of New York Mellon SA/NV	18,397,943	5.9 %
Farvatn Private Equity AS	17,093,878	5.5 %
Dongwon Industries Co. Ltd	16,044,572	5.1 %
Rofisk AS	13,475,440	4.3 %
Stette Invest AS	11,236,005	3.6 %
Artec Holding AS	11,139,339	3.6 %
Kjøllås Stansekniver AS	10,874,405	3.5 %
Mevold Invest AS	8,141,141	2.6 %
Lyndheim Invest AS	7,891,141	2.5 %
Jakob Hatteland Holding AS	7,810,734	2.5 %
Verdipapirfondet Dnb Norge	7,551,461	2.4 %
Bortebakken AS	7,526,040	2.4 %
Nordnet Livsforsikring AS	5,591,522	1.8 %
EWOS AS	5,541,374	1.8 %
Verdipapirfondet DNB SMB	5,123,615	1.6 %
Verdipapirfondet Norge Selektiv	4,815,572	1.5 %
Salmoserve AS	3,727,366	1.2 %
Småge Eiendom AS	3,033,333	1.0 %
Møring AS	2,666,666	0.9 %
Total 20 largest shareholders	194,519,234	62.3 %
Other shareholders	117,902,255	37.7 %
Total number of shares	312,421,489	100.0 %

Source: VPS, Company

Risk and uncertainties

As described in the Annual Report for 2021, Salmon Evolution's business activities entail exposure to various types of risk, including risk related to project, market-, operational- and financial development.

Project risk

Land-based salmon farming is a new industry and is subject to inherent risk by being an industry in the development phase, as well as the risk that the Company's commercialization strategy may fail. The Company is vulnerable to

errors in technology, production equipment and maintenance routines. Over the next year the project will be centred around construction, execution and production ramp up.

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

Due to the size of these construction projects, any material delay or cost overrun could have adverse effects for the Company's ability to realize its business plan. The chosen

entrepreneur for the construction projects, Artec Aqua, has limited legal liability for cost overruns and delays.

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

Interest Rate

The Group's interest rate risk relates primarily to borrowings from financial institutions with variable interest rates. Currently, the Group has entered into hedge programs to reduce this risk for only parts of its planned borrowings, thus the

Group remains exposed to changes in the interest rate. As of 31 March 2022, outstanding loans from credit institutions amounted to NOK 351 million (excluding financial leasing).

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. From time to time the group utilizes financial instruments to hedge its

currency exposure. As of 31 March 2022 there were no such instruments outstanding.

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

Credit risk

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents, and other receivables, the Group's exposure to credit risk

arises from default of the relevant counterparty, with a maximum exposure equal to the carrying amount of these instruments. This risk is not considered to be material.

Liquidity risk

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 in order to finance its current and long-term plans.

Summary and Outlook

Since Salmon Evolution was listed on Euronext Growth in September 2020, all eyes have been set at our targeted Q1 2022 milestone – first smolt release.

Having gone through a pandemic and facing serious challenges and disruptions in global supply chains, the Company is very pleased to see that the target was achieved, transforming the ground-breaking building project at Indre Harøy into a full-fledged farming operation.

Moreover, after nearly two months of production the operating KPIs look very promising. The feeding has increased steadily throughout the period and stabilized at a level in line with the targets set out in our production plan which should yield an annualized production of 7,900 tons HOG for each phase.

Combined with the low registered mortality levels, the Company already look forward to the next smolt release scheduled for Q2 and the gradual production ramp-up for the remainder of the year.

The organization across the Group now totals nearly 50 skilled employees. The process leading up to the smolt release followed by initial operations have already provided our employees with valuable experience, strongly benefitting the next phase 1 construction milestones and upcoming smolt releases. Furthermore, these experiences will be vital as we move into our planned phase 2 expansion.

The Company also aims to utilize these experiences in our international expansion, first in Korea through our K Smart joint venture where initial design and engineering activities continued in the first quarter with K Smart also retaining Billund Aquaculture to assist in this respect.

In April Salmon Evolution successfully completed a NOK 300 million private placement enabling the Company to keep the momentum as to phase 2 while at the same time maintaining a strong financial position. The Company is pleased to see that the placement attracted strong interest from Norwegian and international high-quality investors.

With Salmon Evolution now having entered the operational and commercial phase, the Company is pleased to see that the market fundamentals for salmon remain very strong.

The average Fish Pool salmon price was NOK 80.0/kg in Q1 2022 compared to NOK 54.3/kg in Q1 2021, representing an increase of 47% year over year. Looking at the forward prices for the remainder of 2022, this points to a full year 2022 salmon price of more than NOK 80/kg. In comparison the full year salmon price for 2021 was NOK 58.4/kg. The Company also notes that airfreight costs for in particular the Asian market has been at elevated levels following the pandemic and war in Ukraine, resulting substantially higher salmon prices locally, e.g. in South Korea.

Total Norwegian exports of salmon during Q1 2022 was 277,000 tons compared to 291,000 tons in Q1 2021, a decrease of 4.8%. Given the magnitude of the price increase during the quarter, this reduction in supply is believed to only partly explain the strong prices seen during the quarter.

Looking at 2022 most analysts now expect neutral or slightly negative global supply growth which should support a scenario with high salmon prices. Salmon Evolution sees a significant demand growth potential for salmon over the coming decade subject to the industry being able to grow the supply side. In this context the Company remains firm in its belief

that land-based farming will need to play an important role alongside conventional farming.

With our first fish now enjoying its new life at Indre Harøy and steadily growing every day, we look forward to first harvest during the fourth quarter and well ahead of year end.

Salmon Evolution remains confident that 2022 will be a landmark year for the Company setting the stage for significant growth in the years to come. This in turn will enable Salmon Evolution to take a global frontrunner position in the future development of land-based salmon farming.

First smolt release (March 2022)



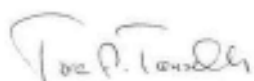
Photo: Salmon Evolution

Responsibility Statement

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

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 31 March 2022 has been prepared in accordance with IAS 34 – Interim Financial Reporting and gives a true and fair view of the Company's and group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the period and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties facing the group, and major related parties' transactions.

The Board of Directors of Salmon Evolution ASA
Aalesund/Molde 23 May 2022



Tore Tønseth
Chair



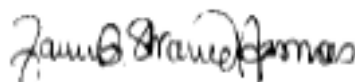
Kristofer Reiten
Director



Anne Breiby
Director



Ingvild Vartdal
Director



Janne-Grethe Strand Aasnæs
Director



Glen Allan Bradley
Director



Peder Stette
Director



Håkon André Berg
CEO

Interim financial statements (IFRS)

Statement of Profit and Loss

Summary of result				
(figures in NOK 1000)	Note	Q1 2022	Q1 2021	2021
Revenue from contracts with customers		6,826	0	12,047
Other income		-8	0	209
Total operating income		6,818	0	12,257
Cost of goods sold	12	-2,109	0	-908
Personnel expenses	10	-7,002	-2,725	-21,067
Other operating expenses		-7,698	-3,546	-25,894
EBITDA		-9,992	-6,271	-35,612
Depreciations	2	-1,043	-363	-2,229
Operating profit (EBIT)		-11,035	-6,634	-37,841
Financial income	8	10,190	1,233	12,852
Financial expense	8	-626	-180	-7,335
Share of net income from associated companies	8	-99	0	-634
Financial expense - net		9,465	1,053	4,884
Profit/loss before tax	4	-1,570	-5,218	-30,729
Income tax expense	4	0	0	0
Profit/loss for the period	5	-1,570	-5,218	-30,729
Basic earnings per share (NOK)	5	-0,01	-0,02	-0,11
Diluted earnings per share (NOK)	5	-0,01	-0,02	-0,11
Statement of Comprehensive Income				
Profit/(loss) for the period		-1,570	-5,218	-30,729
Exchange difference on translating foreign operation	8,9	-758	0	-560
Total comprehensive income for the period		-2,328	-5,218	-31,289

Statements of financial position

(figures in NOK 1000)	Note	31 March 2022	31 March 2021	31 Dec 2021
Assets				
Intangible assets	2	62,670	796	62,586
Deferred tax assets		1,026	0	1,026
Assets under construction	2,1	1,241,960	333,964	971,122
Property, plant & equipment	2	17,394	474	15,601
Right-of-use assets	2	10,746	2,603	2,112
Investment in associated companies	9	25,361	0	26,219
Total non-current assets		1,359,157	337,837	1,078,664
Inventory	13	15,626	0	15,050
Trade receivables		8,705	0	382
Other current receivables		69,382	24,079	106,262
Cash and cash equivalents		429,922	1,015,098	505,545
Total current assets		523,636	1,039,177	627,239
Total assets		1,882,794	1,377,015	1,705,903
Equity and liabilities				
Share capital	3	15,621	15,153	15,540
Share premium	3	1,342,007	1,279,393	1,334,283
Other reserves	10	6,455	2,974	5,118
Other equity		0	520	0
Uncovered losses		-59,739	-35,944	-57,411
Total equity		1,304,343	1,262,097	1,297,530
Long-term interest-bearing debt	11	350,644	0	212,352
Lease liabilities - long term	11	7,626	1,226	892
Other long-term liabilities	11	7,976	0	7,976
Total non-current liabilities		366,246	1,226	221,221
Short-term interest-bearing debt	11	24,893	40,000	13,086
Trade payables		171,298	63,820	162,071
Social security and other taxes		4,671	1,130	4,946
Lease liabilities - short term	11	3,147	1,421	1,236
Other short-term liabilities		8,195	7,321	5,812
Total current liabilities		212,205	113,692	187,152
Total liabilities		578,450	114,918	408,373
Total equity and liabilities		1,882,794	1,377,015	1,705,903

Statement of cash flow

(figures in NOK 1000)	Note	Q1 2022	Q1 2021	2021
Cash flow from operations				
Profit before income taxes		-1,570	-5,581	-32,957
Adjustments for:				
Depreciation		1,043	-363	2,229
Net finance		-9,465	-1,200	-4,884
Share based payment expenses		1,336	0	1,624
Gain on lease modification		0	0	66
Changes in working capital:				
Change in trade receivables		-8,324	-530	-382
Change in other current receivables		45,994	652	-29,217
Change in inventory		-576	0	-1,702
Change in trade payables		5,000	-1,102	-684
Change in social security and other taxes		-275	-1,572	-4,387
Change in other current liabilities		2,382	788	3,584
Cash generated from operations		35,546	-8,908	-66,710
Financial expenses paid		-437	-33	-11,980
Financial income received		1,077	1,233	11,315
Net cash flow from operations		36,186	-7,709	-67,375
Cash flow from investment activities				
Payments for fixed assets and other capitalizations	2	-282,309	-114,224	-797,959
Payments for intangible assets	2	-84	-364	-881
Acquisition of Kraft Laks		0	0	-27,249
Change in trade payables investments		4,226	4,818	98,315
Investment in associated companies		0	5,163	-26,779
Net cash flow from investment activities		-278,167	-104,608	-754,553
Cash flow from financing activities				
Proceeds from issue of equity		7,805	479,192	517,868
Proceeds from new borrowings		150,644	0	202,600
Repayment of borrowings		-733	0	-40,800
Repayment of lease liabilities		8,644	417	0
Net cash flow from financing activities		166,359	479,609	679,668
Net change in cash and cash equivalents		-75,622	367,292	-142,260
Cash and cash equ. at the beginning of the period		505,545	647,806	647,806
Cash and cash equ. at the end of the period		429,922	1,015,098	505,546

Statement of Changes in Equity

(figures in NOK 1000)	Share capital	Share premium	Other reserves	Other equity	Uncovered losses	Total equity
Balance at 1 January 2021	10 987	804 369	2 974	520	-30 407	788 442
Profit/loss for the period	0	0	0	0	-5 537	-5 537
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	-5 537	-5 537
Capital increase, net of transaction cost:	4 167	475 024	0	0	0	479 191
Share options issued	0	0	0	0	0	0
Share options exercised	0	0	0	0	0	0
Transactions with owners	4 167	475 024	0	0	0	479 191
Balance at 31 March 2021	15 154	1 279 393	2 974	520	-35 944	1 262 097
Balance at 1 January 2022	15 540	1 334 283	5 118	0	-57 411	1 297 530
Profit/loss for the period	0	0	0	0	-1 570	-1 570
Other comprehensive income	0	0	0	0	-758	-758
Total comprehensive income	0	0	0	0	-2 328	-2 328
Capital increase, net of transaction cost:	81	7 724	0	0	0	7 805
Share options issued	0	0	1 336	0	0	1 336
Share options exercised	0	0	0	0	0	0
Transactions with owners	81	7 724	1 336	0	0	9 141
Balance at 31 March 2022	15 621	1 342 007	6 455	0	-59 739	1 304 343

Selected notes to the quarterly financial statements

Note 1 – Summary of significant accounting policies

General information

Salmon Evolution ASA and its subsidiaries, Salmon Evolution Norway AS, Salmon Evolution Asia AS and Kraft Laks AS, (the "Company", "SE" or "the Group") is a Norwegian business headquartered in Molde 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 of which phase 1 currently under construction 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,

Consolidation

These condensed consolidated statements for the period ended 31 March 2022 include Salmon Evolution ASA together with its subsidiaries Salmon Evolution Norway AS, Salmon Evolution Asia AS and Kraft Laks AS.

Basis of preparation

These interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim financial reporting". These interim financial statements do not provide the same scope of information

Going concern

The Group has adopted the going concern basis in preparing its consolidated financial statements. When assessing this assumption, management has assessed all available information about the future. This comprises information about net cash flows from existing customer contracts and other service

replacing the water every four hours with clear and fresh water from the Norwegian coast. Construction start of phase 1 was in Q2 2020 with expected completion in Q4 2022. First smolt batch was released at Indre Harøy late March 2022 as per original timeline, and the Group still expect first harvest to be in Q4 2022.

These interim financial statements were approved by the Board of Directors for issue on 23 May 2022.

These interim financial statements have not been audited.

Please note that the comparable previous periods financial statement periods only reflect Salmon Evolution Norway AS and Salmon Evolution ASA.

as the annual financial statement and should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS.

contracts, debt service and obligations. After making such assessments, management has a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future.

Accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that income tax expense is recognized in each interim period using the expected weighted average annual income

Borrowing costs

The Group entered into loan agreements during Q2 2021, of which the following principles related to borrowing costs are applied, in accordance with IAS 23:

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

tax rate for the full financial year. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Note 2 – Property, plant and equipment

(figures in NOK 1000)	Intangible assets	Assets under construction	Buildings	Fixtures and fittings	Right-of-use assets	Total
Cost 1 January 2021	432	219 926	0	739	3 187	224 284
Additions	364	114 038	0	186	482	115 071
Disposals						0
Cost 31 March 2021	796	333 964	0	926	3 669	339 355
Accumulated depreciation 1 January 2021	0	0	0	-409	-745	-1 154
Depreciation for the period	0	0	0	-42	-321	-363
Net book value 31 March 2021	796	333 964	0	474	2 603	337 837

(figures in NOK 1000)	Intangible assets	Assets under construction	Buildings	Fixtures and fittings	Right-of-use assets	Total
Cost 1 January 2022	62 586	971 122	7 607	8 966	3 997	1 054 277
Additions	84	270 838	0	2 262	9 287	282 471
Disposals			0			0
Cost 31 March 2022	62 670	1 241 960	7 607	11 227	13 284	1 336 748
Accumulated depreciation 1 January 2022	0	0	-302	-670	-1 985	-2 957
Depreciation for the period	0	0	-162	-307	-553	-1 021
Net book value 31 March 2022	62 670	1 241 960	7 143	10 251	10 746	1 332 770

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. As such, assets under

construction are not depreciated. Assets under construction per 31 March 2022 consisted mainly of capitalised costs related to the turnkey project with Artec Aqua for building a land-based salmon farming facility at Indre Harøy, Møre og Romsdal.

Note 3 – Share capital and capital history

(figures in NOK 1000)	Date	Capital Increase	Share Capital After Change	Par Value	Subscription price per share	New shares	Total no. of outstanding shares
Opening balance 1 July 2020			5 375 159	0,05			107 503 182
Share options exercised	10 July 2020	30 000	5 405 159	0,05	3,33	600 000	108 103 182
Private placement	23 July 2020	581 395	5 986 554	0,05	4,30	11 627 906	119 731 088
Private placement	11 September 2020	5 000 000	10 986 554	0,05	5,00	100 000 000	219 731 088
Private placement	23 March 2021	4 166 667	15 153 221	0,05	6,00	83 333 333	303 064 421
Acquisition Kraft Laks	16 August 2021	109 535	15 262 756	0,05	7,58	2 190 694	305 255 115
Private placement	12 October 2021	277 068	15 539 824	0,05	7,71	5 541 374	310 796 489
Share options exercised	26 March 2022	81 250	15 621 074	0,05	4,80	1 625 000	312 421 489

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.

Note 4 – Tax

(figures in NOK 1000)	Q1 2022	Q1 2021
Profit/loss before tax	-1,570	-5,218
Calculated tax (22%)	-345	-1,148
Tax payable	0	0
Change in deferred tax (asset)	-345	-1,148
Change in deferred tax not shown in the balance sheet	345	1,148
Tax expense	0	0

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period ended 31 March 2022 is 22%, compared to 22% for the period ended 31 March 2021.

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.

Note 5 – Earnings per share

Earnings per share

(figures in NOK 1000)	Q1 2022	Q1 2021
Loss attributable to the equity owners of the Company	-1,570	-5,218
Loss for calculation of diluted earnings per share	-1,570	-5,218
Weighted average number of shares outstanding ¹⁾	310,796,489	247,508,866
Dilutive options	0	0
Average number of shares and options used in calculation for diluted EPS	310,796,489	247,508,866
Basic earnings per share (NOK)	-0,01	-0,02
Diluted earnings per share (NOK)	-0,01	-0,02

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

Q1 2022: The Company have had 310,796,489 shares for the whole period.

Q1 2021: The Company started the year with 219,731,088 shares and issued 83,333,333 new shares in a capital raise in March 2021. The weighted average number of shares outstanding in Q1 2021 has been calculated by applying a weight of 2/3 of the number of shares before the capital raise in March 2021 (219,731,088 shares), and 1/3 of the total number of shares after the capital raise (303,064,421 shares).

Note 6 – Transactions with related parties

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

There were no other material transactions with related parties during Q1 2022.

Note 7 – Significant and subsequent events

Completed NOK 300 million private placement

On 5 April 2022 Salmon Evolution completed a private placement raising gross proceeds of NOK 300 million at a subscription price of NOK 9.00 per share.

The private placement attracted strong interest from Norwegian, Nordic and international high-quality investors and was significantly oversubscribed.

The net proceeds from the private placement will be used to (i) partly fund the second phase of the Indre Harøy facility, (ii) smolt facility expansion and (iii) for general corporate purposes.

As part of the private placement, Salmon Evolution issued 33,333,333 new shares, bringing the total number of outstanding shares to 345,754,822.

Note 8 – Finance income & finance cost

(figures in NOK 1000)

Finance income	Q1 2022	Q1 2021	YTD 2022	YTD 2021	2021
Interest income	1 074	1 233	1 074	1 233	4 331
Change in value of financial derivatives	9 113	0	9 113	0	1 263
Foreign exchange gains	2	0	2	0	7 062
Other finance income	0	0	0	0	196
Financial income	10 190	1 233	10 190	1 233	12 852
Share of net income from associated companies	-99	0	-99		-634
Total financial income	10 091	1 233	10 091	1 233	12 218

Finance expenses	Q1 2022	Q1 2021	YTD 2022	YTD 2021	2021
Interest on debts and borrowings	267	33	267	33	1 007
Foreign exchange losses	333	0	333	0	6 287
Other finance expenses	25	146	25	146	40
Total financial expenses	626	179	626	179	7 335

Net financial income/- expenses	9 465	1 053	9 465	1 053	4 884
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Foreign exchange gains are related to hedging activities in relation to underlying EUR exposure the Company's construction contract at Indre Harøy.

Fair value adjustments - financial assets

(NOK thousand)	31.03.2022	31.03.2021	31.12.2021
Unrealised changes in the value of interest rate swap	8 589	-	1 263
Unrealised changes in the value of contract related to power supply	525	-	274
Fair value adjustments recognised in profit and loss	9 113	-	1 537

The Group did not have any fair value adjustments of financial liabilities in Q1 2022, nor in 2021.

Note 9 – Investment in associated companies

The group has the following investments in associated companies:

(figures in NOK 1000)	Country	Ownership	Voting share
K Smart Farming Co., Ltd	Korea	49 %	49 %
Investment cost 31.05.21		27 413	
Share of net income 2021		-634	
Foreign currency translation gain/(loss) 2021		-560	
Net book value 31 December 2021		26 219	
Share of net income YTD 2022		-99	
Foreign currency translation gain/(loss) YTD 2022		-759	
Net book value 31 March 2022		25 361	

Investments in associated companies are recognized using the equity method.

Note 10 – Options

Options

Effects on financial statement:

NOK thousands	31.03.2022
Other paid-in capital	1336
Net BS	1336
	31.03.2022
Option cost	-495
Net PL	-495
	31.03.2022
Capitalized option cost	-842
Allocated to CAPEX	842

Note 11 – Interest-bearing debt

Long-term interest bearing debt

(NOK thousand)	31.03.2022	31.03.2021	31.12.2021
Debt to credit institutions	350 644	-	200 000
Other long-term interest bearing debt	-	-	12 352
Leasing liabilities	7 626	1 226	892
Total long-term interest-bearing debt 31.12	358 269	1 226	213 245

Short-term interest bearing debt

(NOK thousand)	31.03.2022	31.03.2021	31.12.2021
Debt to credit institutions	-	40 000	733
Other short-term interest bearing debt	24 893	-	12 352
Leasing liabilities	3 147	1 421	1 236
Total short-term interest-bearing debt 31.12	28 041	41 421	14 322

Total interest-bearing debt	386 310	42 647	227 567
Cash & cash equivalents	429 922	1 015 098	505 545
Net interest-bearing debt	-43 613	-972 451	-277 978

The Group entered a senior secured NOK 625 million debt financing relating to its First Phase build out at Indre Harøy with Nordea, Sparebanken Vest and Innovation Norway. This facility consists of a NOK 525 million senior secured credit facility that are to finance the construction CAPEX at Indre Harøy (Construction Facility). Per 31.03.22 the Group had made drawdowns of NOK 350 million. The Construction Facility has no repayments during the construction period and will be converted into a long-term debt facility at completion of Phase 1.

In addition, when acquiring smolt producer Kraft Laks the sellers provided the Company with a seller credit of NOK 24.9 million, which is classified as short-term debt.

The above table does not include other long-term liabilities of NOK 8.0 million related to property and water rights in Kraft Laks.

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) equity ratio (including intra-group loans) shall exceed 50%. Further, there is a profitability requirement linked to minimum EBITDA shall be greater than NOK 100 million on a last 12-month basis from Q2 2024. Quarterly EBITDA figures shall be measured from Q3 2023 with set minimum EBITDA levels reflecting the company's gradual ramp up of production volumes and profitability.

Finally, there is a minimum cash requirement that stipulates that the cash balance shall be greater than NOK 100 million during construction, and greater than NOK 50 million after completion of the construction work.

Security

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

Cash movements in financing activities (NOK thousand)	Interest bearing debt	
	Short term	Long term
Balance at January 1, 2022	14 322	213 245
Repayment of loans and borrowings	-733	-
Proceeds from new bank loan	-	150 644
Seller credit Kraft Laks	12 541	-12 352
Obligations due to land and water rights	-	-
Change in obligations under leases	1 911	6 733
Balance at March 31, 2022	28 041	358 269
Transaction cost related to loans and borrowings	-	
Capitalised borrowing cost	3 874	
Interest expense	208	
Interest paid	-3 437	
Total liability-related other changes	646	

Note 12 – Inventory

Inventory comprises feed, smolt (freshwater) and live fish (saltwater) and are recognized at cost price.

The general industry rule is that live fish are to be accounted for in accordance with IFRS 13 and that such assets are measured at fair value less estimated remaining cost to produce and sell. Smolt and live fish up to 1 kg are valued at historic cost as historical cost is deemed to be the best estimate of fair value for these assets.

Smolt biomass per 31 March 2022 consisted of about 2,500,000 individuals with an average weight of around 44 gram and a total biomass of about 111 tons.

Live fish biomass less than 1 kg consisted of about 100,000 individuals with an average weight of around 300 gram and a total biomass of about 30 tons.

Book value of inventory

(NOK thousands)	Q1 2022	Q1 2021	31.12.2021
Raw materials	787	-	112
Biological assets	14 839	-	14 939
- Smolt (freshwater)	12 162	-	14 939
- Live fish < 1.0 kg	2 677	-	-
- Live fish > 1.0 kg	-	-	-
Total	15 626	-	15 050

ABOUT SALMON EVOLUTION

Salmon Evolution is a Norwegian land-based salmon farming company focused on extending the ocean's potential by transferring the best preconditions offered by the sea to farm fish on land through its hybrid flow-through system technology (HFS). This secures a truly sustainable production process with controlled and optimal growth conditions and limiting operational and biological risk.

The Company's first production facility is under construction at Indre Harøy, strategically located on the Norwegian west coast with unlimited access to fresh seawater, renewable energy, established infrastructure for salmon farming, and an educated and experienced work force. The entire project is designed for an annual capacity of approx. 31,500 tonnes HOG.

The Company has also entered a joint venture with Dongwon Industries where the parties will develop, construct and operate a land-based salmon farming facility in South Korea with an annual production capacity of 16,800 tonnes HOG, using Salmon Evolution's HFS technology.

Salmon Evolution ASA is listed at Oslo Stock Exchange under the ticker SALME.



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Anne Breiby
Board Member

Ingvild Vartdal
Board Member

Peder Stette
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Janne-Grethe Strand Aasnæs
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Glen Allan Bradley
Board Member

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Trond Håkon Schaug-Pettersen
CFO

Ingjarl Skarvøy
COO

Odd Frode Roaldsnes
Head of Asia and CCO

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Project Director

Hans Petter Mortveit
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