



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 919 384 603  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: SALMON EVOLUTION NORWAY AS  
Forretningsadresse: Torget 5  
6440 ELNESVÅGEN

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Ja  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Trond Håkon Schaug-Pettersen  
Dato for fastsettelse av årsregnskapet: 17.04.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 26.05.2024



### Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	4,5	25 123 000	264 000
Annen driftsinntekt	4	486 000	22 000
<b>Sum inntekter</b>		<b>25 609 000</b>	<b>286 000</b>
<b>Kostnader</b>			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer	6	-35 861 000	
Varekostnad		41 403 000	220 000
Lønnskostnad	7,8	27 352 000	7 542 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	10,11	2 659 000	1 577 000
Annen driftskostnad	9	36 593 000	18 798 000
Fair value adjustment of biomass	6	-11 740 000	0
<b>Sum kostnader</b>		<b>60 406 000</b>	<b>28 137 000</b>
<b>Driftsresultat</b>		<b>-34 797 000</b>	<b>-27 851 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	12,13	39 845 000	5 593 000
<b>Sum finansinntekter</b>		<b>39 845 000</b>	<b>5 593 000</b>
Annen finanskostnad	12	12 523 000	6 388 000
<b>Sum finanskostnader</b>		<b>12 523 000</b>	<b>6 388 000</b>
<b>Netto finans</b>		<b>27 322 000</b>	<b>-795 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-7 475 000</b>	<b>-28 646 000</b>
Skattekostnad på ordinært resultat	14	0	0
<b>Ordinært resultat etter skattekostnad</b>		<b>-7 475 000</b>	<b>-28 646 000</b>
<b>Årsresultat</b>		<b>-7 475 000</b>	<b>-28 646 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-7 474 000	-28 646 000
<b>Sum overføringer og disponeringer</b>		<b>-7 474 000</b>	<b>-28 646 000</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
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### Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	10	1 754 000	1 754 000
<b>Sum immaterielle eiendeler</b>		<b>1 754 000</b>	<b>1 754 000</b>
<b>Varige driftsmidler</b>			
Assets under construction	10,15	1 759 968 000	981 894 000
Property, plant & equipment	10	7 904 000	1 310 000
Right-of-use assets	11	3 160 000	1 896 000
<b>Sum varige driftsmidler</b>		<b>1 771 032 000</b>	<b>985 100 000</b>
<b>Sum anleggsmidler</b>		<b>1 772 786 000</b>	<b>986 854 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varelager	6	1 355 000	0
Biological assets	6	46 246 000	0
<b>Sum varer</b>		<b>47 601 000</b>	<b>0</b>
<b>Fordringer</b>			
Kundefordringer	16	0	0
Andre fordringer	15,16	56 955 000	103 370 000
Konsernfordringer	17,22	22 265 000	242 000
<b>Sum fordringer</b>		<b>79 220 000</b>	<b>103 612 000</b>
<b>Investeringer</b>			
Financial derivatives	13	25 622 000	1 537 000
<b>Sum investeringer</b>		<b>25 622 000</b>	<b>1 537 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	18	19 091 000	140 964 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>19 091 000</b>	<b>140 964 000</b>
<b>Sum omløpsmidler</b>		<b>171 534 000</b>	<b>246 113 000</b>



### Balanse

Beløp i: NOK	Note	2022	2021
<b>SUM EIENDELER</b>		<b>1 944 320 000</b>	<b>1 232 967 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	19	5 405 000	5 405 000
Overkurs	19	305 678 000	305 678 000
Annen innskutt egenkapital		4 882 000	3 463 000
<b>Sum innskutt egenkapital</b>		<b>315 965 000</b>	<b>314 546 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		-12 862 000	-12 862 000
Udekket tap		66 778 000	59 304 000
<b>Sum opptjent egenkapital</b>		<b>-79 640 000</b>	<b>-72 166 000</b>
<b>Sum egenkapital</b>		<b>236 325 000</b>	<b>242 380 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	3,20	495 000 000	200 000 000
Langsiktig konserngjeld	17,20, 22	1 027 359 000	621 204 000
Lease liabilities - long term	11,20	2 076 000	749 000
<b>Sum annen langsiktig gjeld</b>		<b>1 524 435 000</b>	<b>821 953 000</b>
<b>Sum langsiktig gjeld</b>		<b>1 524 435 000</b>	<b>821 953 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	20	30 333 000	
Leverandørgjeld	17,20, 21,22	143 913 000	161 980 000
Skyldige offentlige avgifter	20,21	1 924 000	1 818 000
Lease liabilities - short term	11,20, 21	1 162 000	1 163 000



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
Other current liabilities	21	6 229 000	3 674 000
<b>Sum kortsiktig gjeld</b>		<b>183 561 000</b>	<b>168 635 000</b>
<b>Sum gjeld</b>		<b>1 707 996 000</b>	<b>990 588 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 944 321 000</b>	<b>1 232 968 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 457640

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#### Regnskapsregler

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årsregnskapet til selskapet: Forenklet IFRS

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Bekreftet av representant for selskapet: Trond Håkon Schaug-Pettersen  
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Brønnøysundregistrene, 10.06.2023



Organisasjonsnr: 919 384 603  
SALMON EVOLUTION NORWAY AS

## RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
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<b>Driftsresultat</b>		<b>-34 797 000</b>	<b>-27 851 000</b>
<b>Finansinntekter og finanskostnader</b>			
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<b>Ordinært resultat før skattekostnad</b>			
Skattekostnad på ordinært resultat	14	0	0
<b>Ordinært resultat etter skattekostnad</b>		<b>-7 475 000</b>	<b>-28 646 000</b>
<b>Årsresultat</b>		<b>-7 475 000</b>	<b>-28 646 000</b>
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Overføringer til/fra annen egenkapital		-7 474 000	-28 646 000
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Organisasjonsnr: 919 384 603  
SALMON EVOLUTION NORWAY AS

## BALANSE

**Beløp i: NOK** **Note** **2022** **2021**

### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	10	1 754 000	1 754 000
<b>Sum immaterielle eiendeler</b>		<b>1 754 000</b>	<b>1 754 000</b>

##### Varige driftsmidler

Assets under construction	10,15	1 759 968 000	981 894 000
Property, plant & equipment	10	7 904 000	1 310 000
Right-of-use assets	11	3 160 000	1 896 000
<b>Sum varige driftsmidler</b>		<b>1 771 032 000</b>	<b>985 100 000</b>

##### Sum anleggsmidler

**1 772 786 000** **986 854 000**

#### Omløpsmidler

##### Varer

Varelager	6	1 355 000	0
Biological assets	6	46 246 000	0
<b>Sum varer</b>		<b>47 601 000</b>	<b>0</b>

##### Fordringer

Kundefordringer	16	0	0
Andre fordringer	15,16	56 955 000	103 370 000
Konsernfordringer	17,22	22 265 000	242 000
<b>Sum fordringer</b>		<b>79 220 000</b>	<b>103 612 000</b>

##### Investeringer

Financial derivatives	13	25 622 000	1 537 000
<b>Sum investeringer</b>		<b>25 622 000</b>	<b>1 537 000</b>

##### Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter og lignende	18	19 091 000	140 964 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>19 091 000</b>	<b>140 964 000</b>

##### Sum omløpsmidler

**171 534 000** **246 113 000**

##### SUM EIENDELER

**1 944 320 000** **1 232 967 000**

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital



Selskapskapital	19	5 405 000	5 405 000
Overkurs	19	305 678 000	305 678 000
Annen innskutt egenkapital		4 882 000	3 463 000
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<b>Opptjent egenkapital</b>			
Annen egenkapital		-12 862 000	-12 862 000
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<b>Sum egenkapital</b>		<b>236 325 000</b>	<b>242 380 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til			
kredittinstitusjoner	3,20	495 000 000	200 000 000
Langsiktig konserngjeld	17,20,22	1 027 359 000	621 204 000
Lease liabilities - long term	11,20	2 076 000	749 000
<b>Sum annen langsiktig gjeld</b>		<b>1 524 435 000</b>	<b>821 953 000</b>
<b>Sum langsiktig gjeld</b>		<b>1 524 435 000</b>	<b>821 953 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til			
kredittinstitusjoner	20	30 333 000	
Leverandørgjeld	17,20,21,	143 913 000	161 980 000
Skyldige offentlige avgifter	20,21	1 924 000	1 818 000
Lease liabilities - short term	11,20,21	1 162 000	1 163 000
Other current liabilities	21	6 229 000	3 674 000
<b>Sum kortsiktig gjeld</b>		<b>183 561 000</b>	<b>168 635 000</b>
<b>Sum gjeld</b>		<b>1 707 996 000</b>	<b>990 588 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 944 321 000</b>	<b>1 232 968 000</b>



Organisasjonsnr: 919 384 603  
SALMON EVOLUTION NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
7

Antall årsverk i regnskapsåret  
34.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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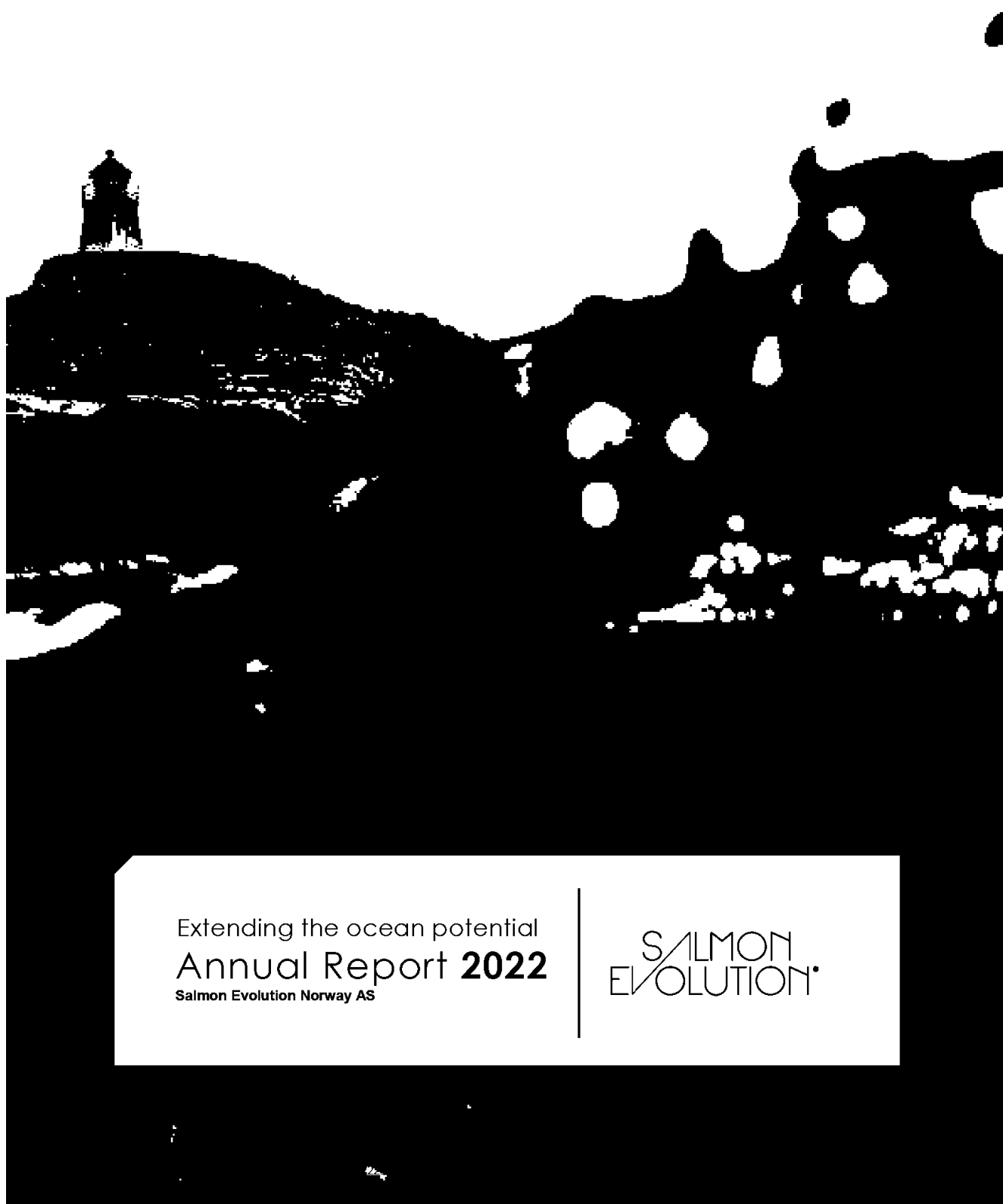
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Extending the ocean potential  
**Annual Report 2022**  
Salmon Evolution Norway AS

SALMON  
EVOLUTION\*



## Financial statements (IFRS)

### Statement of profit or loss

(NOK thousands)	Note	2022	2021
Sales revenue	4,5	25 123	264
Other Income	4	486	22
<b>Total operating revenue</b>		<b>25 610</b>	<b>286</b>
Change in inventory	6	35 861	0
Cost of materials		(41 403)	(220)
Personnel expenses	7,8	(27 352)	(7 542)
Other operating expenses	9	(36 593)	(18 798)
<b>Operational EBITDA</b>		<b>(43 877)</b>	<b>(26 274)</b>
Depreciations	10,11	(2 659)	(1 577)
<b>Operational EBIT</b>		<b>(46 536)</b>	<b>(27 851)</b>
Fair value adjustment of biomass	6	11 740	0
<b>Operating Profit (EBIT)</b>		<b>(34 796)</b>	<b>(27 851)</b>
Financial income	12,13	39 845	5 593
Financial expense	12	(12 523)	(6 388)
<b>Financial expense - net</b>		<b>27 322</b>	<b>(795)</b>
Profit/(loss) before tax		(7 474)	(28 646)
Income tax expense	14	0	0
Change in deferred tax	14	0	0
<b>Profit/(loss) for the period</b>		<b>(7 474)</b>	<b>(28 646)</b>





## Statement of financial position

(NOK thousands)	Note	31 Dec 2022	31 Dec 2021
<b>Assets</b>			
Intangible assets	10	1 754	1 754
Assets under construction	10,15	1 759 968	981 894
Property, plant & equipment	10	7 904	1 310
Right-of-use assets	11	3 160	1 896
<b>Total non-current assets</b>		<b>1 772 786</b>	<b>986 855</b>
Inventory	6	1 355	-
Biological assets	6	46 246	-
Trade receivables	16	-	-
Trade receivables from Group Companies	17,22	22 265	242
Other current receivables	15,16	56 955	103 370
Financial derivatives	13	25 622	1 537
Cash and cash equivalents	18	19 091	140 964
<b>Total current assets</b>		<b>171 534</b>	<b>246 114</b>
<b>Total assets</b>		<b>1 944 320</b>	<b>1 232 969</b>
<b>Equity and liabilities</b>			
Share capital	19	5 405	5 405
Share premium	19	305 678	305 678
Other reserves		4 882	3 463
Other equity		-12 862	-12 862
Uncovered losses		-66 778	-59 304
<b>Total equity</b>		<b>236 325</b>	<b>242 381</b>
Long-term interest bearing debt	3,20	495 000	200 000
Lease liabilities - long term	11,20	2 073	749
Long term intragroup debt	17,20,22	1 027 359	621 204
<b>Total non-current liabilities</b>		<b>1 524 433</b>	<b>821 953</b>
Short-term interest bearing debt	20	30 333	-
Trade payables	17,20,21,22	143 913	161 980
Social security and other taxes	20,21	1 924	1 818
Lease liabilities - short term	11,20,21	1 162	1 163
Other current liabilities	21	6 229	3 674
<b>Total current liabilities</b>		<b>183 562</b>	<b>168 635</b>
<b>Total liabilities</b>		<b>1 707 995</b>	<b>990 588</b>
<b>Total equity and liabilities</b>		<b>1 944 320</b>	<b>1 232 969</b>





The Board for Directors of Salmon Evolution Norway AS

Elnesvågen, 17.04.2023

THSP

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Trond Håkon Schaug-Pettersen

Chairman, CEO

IAS

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Ingjarl Atle Skarvøy

Board member

KMH

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Kamilla Mordal Holo

Board member





## Statement of cash flow

<b>NOK thousands</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>			
Profit before income taxes		(7 474)	(28 646)
			0
<b>Adjustments for:</b>			
Depreciation	10	2 659	1 577
Net finance	11	(27 322)	795
Share based payment expenses	8	1 419	489
Gain on lease modification		0	0
<b>Changes in working capital:</b>			
Change in inventory	6	(35 861)	0
Change in fair value adjustment of biomass	6	(11 740)	0
Change in trade receivables	16	0	0
Change in other current receivables	14,16	46 415	(39 489)
Change in trade payables	21	8 761	4 090
Change in social security and other taxes	21	(638)	1 298
Change in other current liabilities	21	3 297	1 629
Change in current receivables from Group companies (excl Group contributions)	17	(22 022)	1 930
<b>Cash (outflow) from operating activities</b>		<b>(42 506)</b>	<b>(56 328)</b>
Interest paid	8	(12 523)	(6 388)
Interest received	8	15 761	4 330
Income taxes paid		0	0
<b>Net cash (outflow) from operating activities</b>		<b>(39 269)</b>	<b>(58 386)</b>
<b>Cash flow from investment activities</b>			
Payments for fixed assets and other capitalizations	10	(753 510)	(806 407)
Change in trade payables investments	21	(26 828)	98 315
Payments for intangible assets	10	0	(1 322)
<b>Net cash (outflow) from investment activities</b>		<b>(780 338)</b>	<b>(709 414)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of equity, net of paid transaction costs		0	0
Proceeds from new borrowings	11,20	696 409	821 204
Repayment of borrowings	20	0	(40 000)
Change in lease liabilities	15	1 325	0
<b>Net cash (outflow) from financing activities</b>		<b>697 733</b>	<b>781 204</b>
Net change in cash and cash equivalents		(121 873)	13 404
Cash and cash equivalents at the beginning of the period	18	140 964	127 561
<b>Cash and cash equivalents at the end of the period</b>	<b>18</b>	<b>19 091</b>	<b>140 965</b>





## Statement of changes in equity

(NOK thousands)	Note	Share capital	Share premium	Other reserves	Other equity	Uncovered losses	Total equity
<b>Balance at 1 January 2021</b>		5 405	305 678	2 974	-12 862	-30 658	270 538
Profit/loss for the period		-	-	-	-	-28 646	-28 646
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income</b>		-	-	-	-	-28 646	-28 646
Capital increase, net of transaction costs		-	-	-	-	-	-
Share options issued		-	-	489	-	-	489
Share options exercised		-	-	-	-	-	-
<b>Transactions with owners</b>		-	-	489	-	-	489
Group contribution		-	-	-	-	-	-
<b>Balance at 31 December 2021</b>	<b>19</b>	<b>5 405</b>	<b>305 678</b>	<b>3 463</b>	<b>-12 862</b>	<b>-59 304</b>	<b>242 381</b>
Profit/loss for the period		-	-	-	-	-7 474	-7 474
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>5 405</b>	<b>305 678</b>	<b>3 463</b>	<b>-12 862</b>	<b>-66 778</b>	<b>234 906</b>
Capital increase, net of transaction costs		-	-	-	-	-	-
Share options issued	8	-	-	1 419	-	-	1 419
Share options exercised		-	-	-	-	-	-
<b>Transactions with owners</b>		-	-	1 419	-	-	1 419
Group contribution		-	-	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>19</b>	<b>5 405</b>	<b>305 678</b>	<b>4 882</b>	<b>-12 862</b>	<b>-66 778</b>	<b>236 325</b>





## Notes to the annual financial statements 2022

### General information

Salmon Evolution Norway AS ("SE" or the "Company") is a Norwegian business headquartered at Indre Harøy in Møre og Romsdal. The Company is a 100% owned subsidiary of Salmon Evolution ASA ("SE ASA"). The Company and SE ASA is jointly referred to as the "Group". Salmon Evolution ASA is a Norwegian business headquartered in Molde, Møre og Romsdal, and is listed on Oslo Børs under the ticker "SALME". The consolidated group financial statement can be obtained from the Group's website [www.salmonevolution.no](http://www.salmonevolution.no).

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 1 was in Q2 2020 and was completed mid April 2023. The first smolt batch was released at Indre Harøy late March 2022 as per original timeline, and the Company completed its first harvest in November 2022.

### Basis of preparation

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 the International Accounting Standards (IFRS) 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.

### Dividends and group contribution

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 are treated in accordance with the Norwegian Accounting Act and deviates from IAS 10 no. 12 and 13.

### Going concern

The financial statements are prepared 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 Company has adequate resources to continue its operational existence for the foreseeable future.

### Accounting policies

#### Adoption of new and revised standards

The following standards and amendments were mandatory application for the first time for the reporting period commencing 01.01.2022:

- Annual Improvements to IFRS: 2018-2020 Cycle amendments to IFRS 1, IFRS 9, IAS 41 and the Illustrative Examples accompanying IFRS 16





- Conceptual Framework for Financial Reporting (Amendments to IFRS 3)
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)
- IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use)

Except for the amendment to IAS 16, none of the amendments listed above have had any impact on the financial statements. As a result of the amendment to IAS 16 NOK 25.1 million is recognized as revenue from production facilities under construction.

#### Standards and amendments issued but not yet effective

The following standards and amendments was mandatory application for the first time for the reporting period commencing after 01.01.2022:

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendment to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendment to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)

None of the amendments listed above is expected to have any material impact on 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.

#### **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 Company's 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.

## **Revenue**

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

Revenue for the Company derives from the sale of farmed salmon to Salmon Evolution Sales AS, as well as revenue related to the sale of goods and services to other group companies. The Company recognizes 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 company is entitled to have for the goods.

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

## **Government grants**

Government grants are recognized when there is reasonable assurance that the grant will be received and when the Company 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.

## **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 recognized 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 8. The fair value of options granted under the scheme is recognized 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).

The total expense is recognized 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 recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

## **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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

### 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. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 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.

## **Leases**

All leasing agreements with a duration exceeding 12 months are capitalized as financial leases. The Company 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 Company has the right to control the use of the identifiable asset, and whether the Company 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 implicit interest rate of the lease. The Company uses the incremental borrowing rate in the case the implicit rate cannot be readily determined from the lease contract. The contractual minimum lease payments consist of fixed or variable payments, including those resulting from options in which management is reasonably certain it will exercise during the lease term. 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.

## **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 Company 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.

### Power hedging contract

The Company has entered into power supply contract with Statkraft in order to hedge its exposure to fluctuations in the power prices. Due to changes in the construction and production plan, a significant part of this energy contract has not been used for internal purposes. Hence, the contract is no longer considered as own use, and therefore measured at fair value. Changes in fair value in these 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.





## Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand.

## Trade receivables, loans and other receivables

Trade receivables, loans and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. See note 13 and 16 for further information about the Company'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 and estimated residual value at disposal. If a substantial part of an asset has an individual and different useful life, that portion is depreciated separately. The asset's residual value and useful life are evaluated annually. Gains or losses arising from the disposal or retirement of an asset are determined as the difference between the sales proceeds and the carrying amount of the asset and recognized as part of other income in the accompanying statements of other comprehensive income.

Depreciation is charged to expense when the property, plant or equipment is ready for intended use. As per 31.12.2022 the Company is still in a test- and verification phase for its Indre Harøy facility and the facility is therefore not deemed ready for intended use. As such, assets under construction are not depreciated. On the same note, all operating income is associated to the fact that the Company is still in a test-phase for its only operating facility. However, operating income is recognized in the P&L.

## 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 Company has adequate resources to complete the development.

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

## 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.

### **Biological assets**

Biological assets are, in accordance with IAS 41, measured at fair value unless the fair value cannot be measured reliably. For salmon in the grow-out facility, a present value model is applied to estimate the fair value. For roe, fry and smolt, historical cost is deemed to provide the best estimate of fair value, and hence applied. For further information, please refer to note 6.

### **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.

### **Trade and Other Receivables**

Trade receivables are initially recognized at amortized cost, less 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.

### **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 the statement of profit or loss within the line other financial items, net.

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

### **Borrowings cost**

The Company has entered into loan agreements of which the following principles related to borrowing costs have been applied, in accordance with IAS 23:

General and specific borrowing costs that are directly 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 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.

## **Pensions**

The Company 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 Company 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.





## 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 Company's accounting policies.

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

### 1) Capitalized costs as assets under construction

As part of the construction of the Company's production facilities, the Company 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 Company. Reference is made to note 10 for details of additions to "assets under construction".

### 2) Biological assets

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

The premises for valuating the biomass are divided into following categories; volume, sales price and discount rate. 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 Company 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.

Salmon prices are volatile. Sales price for the fish in the grow-out facility is based on forward prices from Fish Pool with relevant adjustments. The net sales value is adjusted for expected quality differences and harvesting, logistic and sales expenses. For Q2 2023 a discount of NOK 10/kg is applied due to high uncertainty in the contract market following the Norwegian Government's proposed resource tax.

Before the fish reaches a live weight of 4.60 kg, the fish is assumed non harvestable (immature fish). The fair value of immature fish is adjusted by the estimated remaining cost necessary to grow the fish to mentioned optimal harvest weight. Using estimated feed, electricity and oxygen prices, as well as other costs a forecast of remaining cost is made. One also have to adjust for expected mortality rates.

For further information, please refer to note 6.





Because of the volatility in the price of Atlantic salmon or changes in factor relating to production or harvesting schedules the estimated fair value varies. The Company considers sales price, volume and applied discount rate as the key parameters for valuation. To have a better view of the risk in the event of changes in these parameters a sensitivity analysis is done in the following table (showing the change in fair value, and hence the Company profit before tax);

### Sensitivity analysis of biomass

(NOK thousands)	2022	2021
Change in sales price +1 NOK/kg	2 717	-
Change in sales price -1 NOK/kg	-2 717	-
Changes in biomass volume -1% kg	-1 914	-
Changes in biomass volume +1% kg	1 914	-
Change in discount rate +1%	-550	-
Change in discount rate -1%	560	-

### 3) Financial derivatives

The purpose of the Company's risk management activities is to establish an overview of financial risks that exists at any given time. As of this date the Company 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 in the balance sheet.

The Company has a power supply contract with Statkraft. Due to changes in construction timeline and production plan, resulting in secured volume under the contract not being used for own use and hence sold in the spot market, the contract is no longer considered as for own use, and therefore measured at fair value. The power hedging contract with Statkraft is valued to NOK 13.9 million at end of 2022. The fair value is calculated by using contracted volumes to until 31.12.2023, and calculating net present value of these volumes by using relevant forward prices in the energy market (adjusted for EURNOK forward prices).

See note for 13 for more information on classes of financial instruments measured at fair value.





## Note 3 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 Company 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. Currently, the Company has entered into hedging programs to reduce this risk for only parts of its planned borrowings, thus the Company is exposed to changes in the interest rate. As of 31 December 2022, outstanding loans from credit institutions amounted to NOK 495 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 3.75%. In order to reduce exposure to fluctuations in the interest rate the Group has entered interest rate swap contracts with Nordea and Sparebanken Vest, of respectively NOK 150 million and NOK 50 million.

For further information see note 20.

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

Facility A: 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")

Facility B: 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.

### Interest rate sensitivity

(NOK thousands)	2022	2021
Interest expense effect of a 1% increase on floating interest rate	15 224	8 212

### 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. From time to time the company utilizes financial instruments to hedge its currency exposure.

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

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 dependent 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 Company's financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

### 31 December 2022

(NOK thousands)	Less than 3		
	months	3-12 months	1-5 years
Long term intragroup debt	0	0	1 027 359
Other borrowings	0	30 333	495 000
Lease liabilities	356	1 025	1 854
Trade payables	143 913	0	0
<b>Total financial liabilities</b>	<b>144 269</b>	<b>31 358</b>	<b>1 524 213</b>

### 31 December 2021

(NOK thousands)	Less than 3		
	months	3-12 months	1-5 years
Long term intragroup debt	0	0	621 204
Other borrowings	0	0	200 000
Lease liabilities	271	892	749
Trade payables	161 980	0	0
<b>Total financial liabilities</b>	<b>162 251</b>	<b>892</b>	<b>821 953</b>





## Note 4 – Revenue

<b>NOK thousands</b>	<b>2022</b>	<b>2021</b>
Sales revenue	25 123	264
Other income	486	22
<b>Total other operating income</b>	<b>25 610</b>	<b>286</b>

From Q4 2022, the company has revenues from the sale of farmed salmon for a total of NOK 25,123,179 to Salmon Evolution Sales AS, Ålesund.

Operating income in 2021 was mainly related to equipment sold to K Smart Farming Co Ltd and Kraft Laks AS (now Salmon Evolution Dale AS). In addition there was NOK 60 thousand related of consulting hours to project "Grønn Platform".

## 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 Company management. The Company has from Q4 2022 implemented segment reporting which consists of production of farmed salmon in Norway (Farming Norway) and other activities. The segment performance is monitored in order to assess performance and profitability at a strategic level. As a result of starting farming production at Indre Harøy in March 2022, there is no comparative numbers for 2021.

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 the sale of farmed salmon to Salmon Evolution Sales AS, Ålesund.

<b>(In thousand NOK)</b>			
<b>2022</b>	<b>Farming Norway</b>	<b>Other</b>	<b>Total</b>
Operating revenue	25 123	0	
Operational EBITDA	-43 877	0	
Operational EBIT	-46 536	0	
Harvested volum (tonnes, HOG)	340		
Operational EBITDA/kg (NOK)	N/A		
Operational EBIT/kg (NOK)	N/A		

<b>2021</b>	<b>Farming Norway</b>	<b>Other</b>	<b>Total</b>
Operating revenue			
Operational EBITDA			
Operational EBIT			
Harvested volum (tonnes, HOG)			
Operational EBITDA/kg (NOK)			
Operational EBIT/kg (NOK)			





## Note 6 – Biological assets and inventory

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

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

The Company 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.

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

Sales price for the fish in the grow-out facility is based on forward prices from Fish Pool with relevant adjustments. The Company have used a forward price of NOK 96,- in Q2 2023, 75,- in Q3 2023 and NOK 76,- in Q3 and Q4 2023 before adjustments for expected quality downgrades. For Q2 2023 a discount of NOK 10/kg is applied due to high uncertainty in the contract market following the Norwegian Government's proposed resource tax. The net sales value is adjusted for expected quality differences and harvesting, logistic and sales expenses. The estimated fair value is discounted by a monthly rate, which reflects a combination of the cost of capital for the biomass. The Company have used a discount rate of 8% in the model.

<b>Book value of inventory</b> <b>(NOK thousands)</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Raw materials	1 355	-
Biological assets	46 246	-
Finished goods	-	-
<b>Total</b>	<b>47 601</b>	<b>-</b>

<b>Biological assets</b> <b>(Tonnes)</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Biological assets beginning of period</b>	<b>0</b>	<b>0</b>
Increase due to production	1 054	-
Reduction due to harvest/sale	-417	-
Reduction due to incident based mortality	-	-
Fair value adjustment beginning of period	N/A	N/A
Fair value adjustment end of period	N/A	N/A
<b>Biological assets end of period</b>	<b>637</b>	<b>-</b>





<b>Biological assets</b> <b>(NOK thousands)</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Biological assets beginning of period</b>	<b>0</b>	<b>0</b>
Increase due to production	59 707	0
Reduction due to harvest/sale	-25 201	0
Reduction due to incident based mortality	0	0
Fair value adjustment beginning of period	0	0
Fair value adjustment end of period	11 740	0
<b>Biological assets end of period</b>	<b>46 246</b>	<b>0</b>

#### Specification of biological assets

<b>Biological assets per</b> <b>31.12.2022</b>	<b>Number of</b> <b>fish (1000)</b>	<b>Biomass</b> <b>(tonnes)</b>	<b>Cost of</b> <b>production</b> <b>(NOK 1000)</b>	<b>Fair value</b> <b>adjustment</b> <b>(NOK 1000)</b>	<b>Carrying</b> <b>amount (NOK</b> <b>1000)</b>
Smolt	-	-	-	-	-
Non-harvestable fish (<4.6 kg)	695	637	34 506	11 740	46 246
Harvestable fish (>4.6 kg)	-	-	-	-	-
<b>Total</b>	<b>695</b>	<b>637</b>	<b>34 506</b>	<b>11 740</b>	<b>46 246</b>

The Company is in an early stage of the production ramp-up at the grow-out facility at Indre Harøy, and hence the facility's production capacity is not fully utilized. Cost of production is therefore adjusted for unutilized production capacity. As per 31.12.2022 this adjustment amounted to NOK 13.6 million which has been expensed directly in the profit and loss statement.

The Company has not yet started depreciation of the grow-out facility at Indre Harøy. Accordingly, depreciation is not reflected in the cost of production and only partly in the fair value adjustment figures.

## Note 7 – Personnel expenses, remuneration to the board and auditor's fee

<b>(NOK thousands)</b>	<b>2022</b>	<b>2021</b>
Salaries	32 284	18 192
Social security	4 759	3 254
Pensions	1 761	920
Other benefits	355	610
Share-based payments	1 419	489
<b>Gross personnel expenses</b>	<b>40 578</b>	<b>23 465</b>
- Capitalized costs	(13 226)	(15 923)
<b>Total personnel expenses recognized in P&amp;L</b>	<b>27 352</b>	<b>7 542</b>

<b>Number of full-time employment equivalents</b>	<b>34</b>	<b>17</b>
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During the ordinary course of business, the Company capitalizes portions of total salary and personnel costs towards assets under construction.

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 2022

(NOK thousands)	Salary	Bonus	Options	Pension	Other	Total
Trond Håkon Schaug-Pettersen (CFO/CEO/Chairman)	2 228		1 399	67	246	3 940
Håkon André Berg (CEO/Chairman until oct.2022)	2 722		20	67	208	3 017
Ingjari Skarvøy (COO, Board member)	1 844		600	67	162	2 673
Kamilla Holo Mordal (Project Director, Board member)	1 482	100	567	67	8	2 225
Odd Frode Roaldsnes (CCO)	1 533		615	67	17	2 232
Henriette Nordstrand (Technical Director, from 15.08.22)	380			29	22	431
<b>Total executive management</b>	<b>10 190</b>	<b>100</b>	<b>3 201</b>	<b>363</b>	<b>663</b>	<b>14 517</b>

## Remuneration and compensation to executive management 2021

(NOK thousands)	Salary	Bonus	Options	Pension	Other	Total
Håkon André Berg (CEO)	2 329	2 200	609	56	13	5 207
Trond Håkon Schaug-Pettersen (CFO)	2 114	800	526	56	285	3 781
Ingjari Skarvøy (COO)	1 674	250	224	57	165	2 370
Kamilla Holo Mordal (Project Director)	1 207	250	212	52	23	1 745
Trond Valderhaug (CCO until sept-21)	1 328	-	-	56	26	1 410
Odd Frode Roaldsnes (CCO from sept -21)	513	-	53	18	5	588
<b>Total executive management</b>	<b>9 164</b>	<b>3 500</b>	<b>1 624</b>	<b>296</b>	<b>518</b>	<b>15 101</b>

The executive management of Salmon Evolution Norway AS are all employed in Salmon Evolution ASA as pr 31.12.22.

The board members of Salmon Evolution Norway have not received remuneration related to their board roles in Salmon Evolution Norway AS.

Trond Håkon Schaug-Pettersen (CEO) is entitled to 6-months' severance pay if the employment agreement is terminated by the Company. Selected key employees also have a non-compete clause in their employment agreement giving them right to 3-6 months' pay if such clause is triggered by the Company.

## Auditor's remuneration

(NOK thousands)	2022	2021
Statutory audit	294	210
Other services	72	83
<b>Total</b>	<b>367</b>	<b>294</b>





## Note 8 – Share based payments

The shareholder Salmon Evolution ASA has granted options to the Company's employees as of 31 December 2022. The options have been granted at different points in time during the year, and key assumptions listed below are as such averages of the different grants. Each option gives the holder the right to subscribe or purchase shares in Salmon Evolution at an average agreed exercise price of NOK 9,00. The options were granted on 27 August 2021 and 22 November 2021 and has a 18 month maturity. The options can be exercised at earliest, 12 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 15 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.

<b>Outstanding options (in thousands)</b>	<b>2022</b>	<b>2021</b>
Outstanding options 1 January	2 250	0
Options granted	0	2 250
Options exercised	800	0
Options forfeited	0	0
<b>Outstanding options at end of period</b>	<b>1 450</b>	<b>2 250</b>

<b>(NOK thousands)</b>	<b>2022</b>	<b>2021</b>
Ingjarl Skarvøy (COO)*	486	224
Kamilla Mordal Holo (Project Director)*	460	212
Odd Frode Roaldsnes (CCO)*	473	53
<b>Total cost</b>	<b>1 419</b>	<b>489</b>
Charges to income statement	819	196
Capitalized as part of asset under construction	601	293

\*Employed in Salmon Evolution Norway until 30.09.2022

<b>Key assumptions</b>	<b>2022</b>	<b>2021</b>
Average fair value (NOK)	1,47	1,36
Average exercise price (NOK)	10,35	10,35
Weighted expected average life (in years)	2,33	2,33
Estimated dividend per share (NOK)	0,00	0,00
Expected average volatility	29,2 %	29,2 %
Risk-free rate	1,65 %	1,65 %





## Note 9 – Other operating expenses

(NOK thousands)	2022	2021
Cost of premises (not defined as RoU)	1 785	314
Hired equipment	414	82
Direct operating expenses	16 755	0
Administrative expenses	6 355	4 094
Insurance	1 321	146
Consultancy fees	9 962	14 162
<b>Total other operating expenses</b>	<b>36 593</b>	<b>18 798</b>

## Note 10 – Property, plant and equipment and intangible assets

(NOK thousands)	Intangible assets	Assets under construction	Property, plant & equipment	Right of use assets	Total
Cost 1 January 2022	1 754	981 894	1 944	3 889	989 481
Additions	0	778 074	7 412	3 105	788 591
Disposals	0	0	0	0	0
<b>Cost 31 December 2022</b>	<b>1 754</b>	<b>1 759 968</b>	<b>9 356</b>	<b>6 994</b>	<b>1 778 072</b>
Accumulated depreciation 1 January 2022	0	0	(634)	(1 993)	(2 627)
Depreciation for the period	0	0	(818)	(1 841)	(2 659)
<b>Net book value 31 December 2022</b>	<b>1 754</b>	<b>1 759 968</b>	<b>7 904</b>	<b>3 160</b>	<b>1 772 786</b>

NOK thousands	Intangible assets	Assets under construction	Property, plant & equipment	Right of use assets	Total
Cost 1 January 2021	432	219 926	739	3 032	224 129
Additions	1 322	761 969	1 205	857	765 353
Disposals	0	0	0	0	0
<b>Cost 31 December 2021</b>	<b>1 754</b>	<b>981 895</b>	<b>1 944</b>	<b>3 889</b>	<b>989 482</b>
Accumulated depreciation 1 January 2021	0	0	(409)	(642)	(1 051)
Depreciation for the period	0	0	(225)	(1 351)	(1 577)
<b>Net book value 31 December 2021</b>	<b>1 754</b>	<b>981 895</b>	<b>1 310</b>	<b>1 896</b>	<b>986 855</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. As per 31.12.2022 the Company is still in a test- and verification phase for its Indre Harøy facility and the facility is therefore not deemed ready for intended use. As such, assets under construction are not depreciated. On the same note, all operating income is associated to the fact that the Company is still in a test-phase for its only operating facility.

The intangible asset is related to a trademark considered to have a perpetual life. The trademark is not amortized.





## **Capitalization of costs as asset under construction:**

Costs incurred recognised as part of "Other operating expenses" in the "Statement of Profit or Loss" during 2022 has been capitalized as at 31 December 2022 as these costs are deemed to be part of the ongoing assets under construction and qualify for capitalization in accordance with IAS 16. As a result, the reported "Other operating expenses" in 2022 reflects the incurred costs during this period, net of such capitalized costs related to the entire 12 months period ending 31 December 2022 which amounted to approximately NOK 81 million.

<b>Capitalized internal cost</b>	<b>31.12.2021</b>	<b>Additions</b>	<b>31.12.2022</b>
Salary	32 631	18 496	51 127
Rental/equipment	4 454	3 164	7 618
Interest	6 526	24 035	30 561
Group interest	11 324	35 080	46 404
<b>Total</b>	<b>54 935</b>	<b>80 775</b>	<b>135 710</b>

## **Contractual and financial commitments**

Construction of phase 1 is completed medio April 2023 and remaining capital expenditures for phase 1 as per 31 December 2022 was expected to be moderate. The exact amount will depend on several factors, including finalization of contract settlements with suppliers, chosen de- and remobilization strategy between phase 1 and phase 2 and overall productivity during the remaining commissioning work.

As to phase 2 at Indre Harøy, the Company has not taken any material investment decision or entered into any definitive construction agreement and maintains full flexibility both as to timing and spending.

## **Note 11 – Leases**

### **Amounts recognised in the balance sheet**

<b>(NOK thousands)</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
<b>Right-of-use assets</b>		
Rent of premises	110	748
Car	652	384
Office and other operational supply	2 398	763
<b>Total right-of-use assets</b>	<b>3 160</b>	<b>1 896</b>
<b>Lease liabilities</b>		
Current	1 162	1 163
Non-current	2 073	749
<b>Total lease liabilities</b>	<b>3 236</b>	<b>1 912</b>





<b>Amounts recognised in the statement of profit or loss</b> (NOK thousands)	<b>2022</b>	<b>2021</b>
<b>Depreciation right-of-use assets</b>		
Rent of premises	665	716
Car	432	349
Office and other operational supply	744	287
<b>Gross depreciation</b>	<b>1 841</b>	<b>1 351</b>
- Capitalized as assets under construction		
<b>Net depreciation</b>	<b>1 841</b>	<b>1 351</b>
<b>Interest expense lease liability</b>	<b>168</b>	<b>95</b>

The total cash outflow for leases in 2022 was NOK 1 262 thousand.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period in order to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentive received
- any initial direct costs, and - restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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 12 – Financial income and expenses

(NOK thousands)	2022	2021
Interest income	14 950	308
Net change in value of financial derivatives	24 084	1 537
Other financial income	811	3 748
<b>Financial income</b>	<b>39 845</b>	<b>5 593</b>
Interest expense	(10 262)	(18)
Interest expense lease liability	(168)	(95)
Other financial expenses	(2 093)	(6 275)
<b>Financial expense</b>	<b>(12 523)</b>	<b>(6 388)</b>
<b>Net financial income (expense)</b>	<b>27 322</b>	<b>(795)</b>

Interest income is mainly related to interest on cash deposits held with Norwegian financial institutions. The company have paid NOK 24.0 million in interest for loan facilities from financial institutions. This amount is capitalized as asset under construction. The company has also capitalized an interest expense of NOK 35.0 million for internal loans from Salmon Evolution ASA.

The derivative financial assets related 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 under financial income and allocated to, an unrealized profit as other current receivables in the balance sheet.

## Note 13 – Derivative financial instruments

(NOK thousands)	31 Dec 2022	31 Dec 2021
<b>Derivative financial assets</b>		
Derivatives not designated as hedging instruments		
Interest rate swaps	11 719	1 263
Forward foreign exchange contracts	-	-
	<b>11 719</b>	<b>1 263</b>
Derivatives designated as hedging instruments		
Power hedging contract	13 903	274
<b>Total derivatives not designated as hedging instruments</b>	<b>13 903</b>	<b>274</b>
<b>Total derivative financial assets</b>	<b>25 622</b>	<b>1 537</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 January 2028, and has to a swap fixed





interest of 1.79 %. Changes in Market Value is registered as unrealized profit under financial income and allocated to, an unrealized profit as other current receivables in the balance sheet.

Due to changes in construction and production plan a significant part of the energy contract originally done to hedge the energy usage, the contract is no longer considered as own use, and therefor measured at fair value. The power hedging contract with Statkraft is valued to NOK 13.9 million at end of 2022. The fair value is calculated by using contracted volumes to until 31.12.2023, and calculating net present value of these volumes by using relevant forward prices in the energy market (adjusted for EURNOK forward prices).

## Note 14 – Taxes

### Calculation of deferred tax/deferred tax benefit

(NOK thousands)	2022	2021
Fixed assets	63 639	8 022
Right-of-use assets	3 160	1 896
Inventory	46 246	
Lease liabilities	(3 236)	(1 912)
Other current liabilities	0	0
<b>Net temporary differences</b>	<b>109 809</b>	<b>8 006</b>
Tax losses carried forward	(225 645)	(89 065)
Financial instruments	25 622	1 538
<b>Basis for deferred tax</b>	<b>(90 214)</b>	<b>(79 521)</b>
Deferred tax (22%)	(19 847)	(17 495)
Deferred tax benefit not recognized in the balance sheet*	19 847	17 495
<b>Deferred tax in the balance sheet</b>	<b>-</b>	<b>-</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.

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

(NOK thousands)	2022	2021
Result before taxes	(7 474)	(28 646)
Permanent differences	(27 303)	(5 834)
Utilisation of tax losses through group contribution		
<b>Basis for the tax expense in the current year</b>	<b>(34 777)</b>	<b>(34 480)</b>
Change in temporary differences	(101 803)	(12 839)
<b>Basis for payable taxes in the income statement</b>	<b>(136 580)</b>	<b>(47 319)</b>

### Components of the tax expense

(NOK thousands)	2022	2021
Payable tax on this year's result	-	-
<b>Total payable tax</b>	<b>-</b>	<b>-</b>
Change in deferred tax	(2 352)	(7 247)
Change in deferred tax not shown in the balance sheet	2 352	7 247
<b>Tax expense</b>	<b>-</b>	<b>-</b>





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

(NOK thousands)	2022	2021
Result before taxes	(7 474)	(28 646)
<b>Calculated tax (22%)</b>	<b>(1 644)</b>	<b>(6 302)</b>
Tax expense	-	-
<b>Difference</b>	<b>1 644</b>	<b>6 302</b>

### The difference consists of:

Tax on permanent differences	(6 007)	(1 283)
Change in tax rate	-	-
Change in deferred tax	-	-
Change in deferred tax due to change in tax rate	-	-
Change in deferred tax not shown in the balance sheet	2 352	7 247
Change due to unrealized financial instruments	5 298	338
<b>Sum explained differences</b>	<b>1 644</b>	<b>6 302</b>

## Note 15 – Government grants

The Company has received a commitment from The Norwegian Research Council (Norsk Forskningsråd) for three projects. The grant is given for a 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 against the related asset's acquisition cost. Grants for 2022 amounted to NOK 4,750,000

(NOK thousands)	2022	2021	2020
Systems for water treatment in large-scale land based salmon farming	8 116	11 825	13 542
Logistics systems in large-scale land-based salmon farming	9 722	6 392	8 775
Washing and disinfection in land-based salmon farming	10 026	7 827	9 576
<b>Total "SkatteFUNN" project costs</b>	<b>27 864</b>	<b>26 044</b>	<b>31 893</b>

Further, the Company has received a commitment from Enova, Enova SF is owned by the Ministry of Climate and Environment and contributes to reduced greenhouse gas emissions, development of energy and climate technology and a strengthened security of supply. The total commitment from Enova is up to NOK 96.9 million and the grant is given over a period of three years. 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 against the related asset's acquisition cost. Grants for 2022 amounted to NOK 36.5 million, of which NOK 17.1 million was paid during 2022, and the rest is expected received during Q1 2023.

(NOK thousands)	2022	2021	2020
Energy-efficient land-based food fish plant for salmon	84 117	119 684	861
<b>Total "Enova" project costs</b>	<b>84 117</b>	<b>119 860</b>	<b>861</b>





## Note 16 – Other current receivables

(NOK thousands)	31 Dec 2022	31 Dec 2021
Trade receivables	0	0
Prepaid expenses	7 160	6 124
VAT receivable	15 598	48 924
Government grant ("Enova")	19 373	43 516
Tax incentive scheme ("Skattefunn")	4 750	4 750
Other receivables	10 074	55
<b>Total other current receivables</b>	<b>56 955</b>	<b>103 370</b>

As of 31 December 2022 and 2021, the Company's other current receivables were due within one year and considered fully collectible. Accordingly, the fair value of the Company'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.

Receivables denominated in foreign currencies are valued at the daily rate. Due to the short-term nature of current receivables, their carrying amount is considered equal to their fair value. As of 31 December 2022 and 2021, the Company's other current receivables, specified by currencies, consisted of the following:

(NOK thousands)	31 Dec 2022	31 Dec 2021
NOK	56 955	103 370
Other	0	0
<b>Total other current receivables</b>	<b>56 955</b>	<b>103 370</b>

## Note 17 – Intercompany balances and intercompany transactions

(NOK thousands)	Non-current receivables	Current receivables	Non-current liabilities	Current liabilities
Salmon Evolution ASA	-	37	1 027 359	33 365
Salmon Evolution Sales AS	-	22 229	-	-
Salmon Evolution Dale AS	-	-	-	17 913
<b>Total intercompany balances</b>	<b>-</b>	<b>22 265</b>	<b>1 027 359</b>	<b>51 278</b>

(NOK thousands)	Revenue	Cost
Salmon Evolution ASA (Administration fee)	0	13 665
Salmon Evolution Sales AS	25 123	-
Salmon Evolution Dale AS	0	19 196
<b>Total intercompany transactions</b>	<b>25 123</b>	<b>32 861</b>

### Intercompany and related party transactions:

There were no other transactions with group companies in 2022. Refer to Note 23 for other related party transactions.





## Note 18 – Cash and restricted cash

(NOK thousands)	31 Dec 2022	31 Dec 2021
Cash in bank	18 172	139 733
Restricted bank deposits	919	1 232
<b>Total cash and cash equivalents</b>	<b>19 091</b>	<b>140 964</b>

Restricted cash are related to tax withholdings for employees (NOK 0.9 million).

## Note 19 – Share capital

(NOK thousands)	Outstanding	Nominal value
Ordinary shares	108 103 182	0,05

(NOK thousands)	31 Dec 2022	31 Dec 2021
Share capital	5 405	5 405
Share premium	305 678	305 678
<b>Total</b>	<b>311 084</b>	<b>311 084</b>

The number of shares issued in the Company at 31 December 2022 was 108,103,182 with a nominal value of NOK 0.05 each. All shares carry equal voting rights.

Shareholders of 31.12.22	No of shares	Percentage share
Salmon Evolution ASA	108 103 182	100,0 %

As of 31 December 2022, no shares were directly held by members of the Board of Directors or executive management. 0,6 % of the shares are indirectly owned by management and members of the board through ownership in the parent company Salmon Evolution ASA.

## Note 20 – Financial assets and financial liabilities

(NOK thousands)	31 Dec 2022	31 Dec 2021
<b>Financial assets at amortised cost:</b>		
Trade receivables	0	0
Trade receivables from Group companies	22 265	242
Other current receivables	56 955	103 370
Financial derivatives	25 622	1 537
Non-current receivables from Group companies	0	0
Cash and cash equivalents	19 091	140 964
<b>Total financial assets</b>	<b>123 933</b>	<b>246 114</b>





(NOK thousands)	31 Dec 2022	31 Dec 2021
<b>Financial liabilities at amortised cost:</b>		
Long-term interest bearing debt	495 000	200 000
Long term intragroup debt	1 027 359	621 204
Short-term interest bearing debt	30 333	0
Lease liabilities	3 236	1 912
Trade payables	126 001	161 980
Trade payables to Group companies	17 913	
Social security and other taxes	1 924	1 818
Other current liabilities	6 229	3 674
<b>Total financial liabilities</b>	<b>1 707 995</b>	<b>990 588</b>

(NOK thousands)	31 Dec 2022	31 Dec 2021
<b>Interest bearing debt</b>		
Borrowings	495 000	200 000
Long term intragroup debt	1 027 359	621 204
Short-term interest bearing debt	30 333	0
Lease liabilities	3 236	1 912
<b>Total interest bearing debt</b>	<b>1 555 928</b>	<b>823 116</b>

Current portion	31 495	1 163
Non-current portion	1 524 433	821 953
<b>Total interest bearing debt</b>	<b>1 555 928</b>	<b>823 116</b>

The Company has entered into a senior secured NOK 625 million debt financing package relating to its phase 1 build out at Indre Harøy with Nordea, Sparebanken Vest and Innovation Norway. This package consists of a NOK 525 million senior secured credit facility that are to finance the construction CAPEX at Indre Harøy (Construction Facility) as well as a NOK 100 million overdraft facility. Per 31.12.22 the Company had made drawdowns of NOK 495 million under the Construction Facility. 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, the Company has drawn NOK 30 million on 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 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 Company are, respectively, a solvency requirement that the Company's book equity ratio (including intra-group loans) shall exceed 50%. Further, there is a profitability requirement linked to the borrower's EBITDA which 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 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 Company, hereunder inter alia, land, plant and machinery, operating licenses, inventory and receivables.

## Note 21 – Trade and other current liabilities

(NOK thousands)	31 Dec 2022	31 Dec 2021
Trade payables	30 297	19 344
Trade payable investments	113 616	142 636
<b>Total trade payables</b>	<b>143 913</b>	<b>161 980</b>

(NOK thousands)	31 Dec 2022	31 Dec 2021
Payroll withholding tax	913	1 231
Employer's national insurance contributions	525	587
Accrued employer's social security contribution	486	0
<b>Total social security and other taxes</b>	<b>1 924</b>	<b>1 818</b>

(NOK thousands)	31 Dec 2022	31 Dec 2021
Accrued salaries, holiday pay and bonus provisions	3 460	2 685
Severance pay accrual	0	0
Accrued interest expense	2 769	989
Lease liabilities	1 162	1 163
<b>Total other current liabilities</b>	<b>7 391</b>	<b>4 837</b>

## Note 22 – Related party transactions

### Income from related parties:

(NOK thousands)	2022	2021
Salmon Evolution Sales AS	25 123	-
<b>Total income from related parties (excl.VAT)</b>	<b>25 123</b>	<b>-</b>

### Expenses to related parties:

(NOK thousands)	2022	2021
Artec Aqua AS*	N/A	107 990
Rofisk AS (100% owner of Rostein AS)	1 686	-
Salmon Evolution Dale AS	19 196	-
Salmon Evolution ASA	13 665	6 049
<b>Total expenses to related parties (excl. VAT)</b>	<b>34 547</b>	<b>114 040</b>

\*Due to the acquisition of Artec Aqua AS by Endur ASA in Q1 2021, Artec Aqua is no longer considered a related party to Salmon Evolution ASA. The amount shows expenses for the period January-March 2021





## Current liabilities to related parties

(NOK thousands)	2022	2021
Artec Aqua AS*	N/A	35 201
Rofisk AS (100% owner of Rostein AS)	150	-
Salmon Evolution Dale AS	6 039	-
Salmon Evolution ASA	1 076	-
<b>Total current liabilities to related parties</b>	<b>7 265</b>	<b>35 201</b>

\*Due to the acquisition of Artec Aqua AS by Endur ASA in Q1 2021, Artec Aqua is no longer considered a related party to Salmon Evolution ASA. The amount shows liabilities as of 31.03.21

## Current receivables from related parties

(NOK thousands)	2022	2021
Salmon Evolution Sales AS	22 229	-
Salmon Evolution ASA	37	-
<b>Total current liabilities to related parties</b>	<b>22 265</b>	<b>-</b>

## Non-current liabilities to related parties

(NOK thousands)	2022	2021
Salmon Evolution ASA	1 027 359	621 204
<b>Total non-current liabilities to related parties</b>	<b>1 027 359</b>	<b>621 204</b>

## Note 23 - Events after the reporting date

### Signed agreement for new 1,550 million green debt financing package

The Company has entered into a binding loan agreement with DNB and Nordea for a new green debt financing package totaling NOK 1,550 million relating to phase 1 and 2 at Indre Harøy.

The new debt financing package consists of the following facilities:

- 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 775 million Construction Facility available for financing of capex relating to phase 2 at Indre Harøy (the "Construction Facility")





#### ABOUT SALMON EVOLUTION

A Norwegian land-based salmon farming company with a goal to be a global supplier of high quality and sustainable salmon from land-based facilities.

The company is using hybrid flow-through system with 30%-35% freshwater intake, reducing the complexity and biological risk, and securing optimal growth at low cost.

Targeting a position as a global leading land-based farmer, enable by a unique ESG profile.

SALMON  
EVOLUTION

#### OFFICE ADDRESS

Torget 5,  
6440 Elnesvågen, Norway

#### PRODUCTION SITE

Indre Hørøyvegen 88,  
6430 Bud, Norway

#### ORG NUMBER

NO 919 384 603 MVA

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

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





## Verifikasjon

Transaksjon 09222115557490921414

### Dokument

Salmon Evolution Norway AS Annual Report 2022  
Hoveddokument  
35 sider  
Initiert på 2023-04-16 11:01:20 CEST (+0200) av Hans  
Petter Mortveit (HPM)  
Ferdigstilt den 2023-04-17 08:23:15 CEST (+0200)

### Initiativtaker

Hans Petter Mortveit (HPM)  
Salmon Evolution ASA  
hans.petter.mortveit@salmone.no

### Signerende parter

Trond Håkon Schaug-Pettersen (THS)  
Salmon Evolution Norway AS  
thsp@salmone.no  
+4791191327

 bankID

*THSP*

Navnet norsk BankID oppga var "TROND HÅKON  
SCHAUG-PETTERSEN"  
BankID utstedt av "BankID - Bankenes ID-tjeneste AS"  
2022-01-13 02:36:41 CET (+0100)  
Signert 2023-04-16 19:56:28 CEST (+0200)

Ingjarl Skarvøy (IS)  
Salmon Evolution Norway AS  
ingjarl@salmone.no  
+4790116803

 bankID

*IS*

Navnet norsk BankID oppga var "Ingjarl Atle Skarvøy"  
BankID utstedt av "SpareBank 1 Utvikling DA"  
2022-07-29 13:48:46 CEST (+0200)  
Signert 2023-04-17 08:23:15 CEST (+0200)

Kamilla Mordal Holo (KMH)  
Salmon Evolution Norway AS  
kamilla.holo@salmone.no  
+4790281470

 bankID

*KMH*

Navnet norsk BankID oppga var "Kamilla Mordal Holo"  
BankID utstedt av "BankID - Bankenes ID-tjeneste AS"  
2023-03-07 15:15:12 CET (+0100)  
Signert 2023-04-17 07:55:42 CEST (+0200)





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Transaksjon 09222115557490921414

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BDO AS  
Nøisomhed  
Serviceboks 15  
6405 Molde

## Independent Auditor's Report

To the Annual Shareholders meeting of Salmon Evolution Norway AS

### Opinion

---

We have audited the financial statements of Salmon Evolution Norway AS.

#### The financial statements comprise:

- The balance sheet as at 31 December 2022
- The income statement for 2022
- Statement of changes in equity
- Statement of cash flows for the year that ended 31 December 2022
- Notes to the financial statements, including a summary of significant accounting policies

#### In our opinion:

- The financial statements comply with applicable statutory requirements, and
- The financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its 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.

### Basis for Opinion

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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 as required by 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) (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.

### Responsibilities of the Board of Directors for the Financial Statements

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Management is responsible for the preparation of financial statements 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 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 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 to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

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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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Molde, 17 April 2023

BDO AS

Roald Viken

State Authorised Public Accountant



Skatteetaten

Vår dato  
17.08.2020

Din/Deres dato  
31.07.2020

Saksbehandler  
Vibeke Horne

800 80 000  
Skatteetaten.no

Din/Deres referanse

Telefon  
32212250

Org.nr  
974761076

Vår referanse  
2020/5685882

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

BDO AS AVD MOLDE  
Postboks 2615  
6405 MOLDE

Att. Roald Viken

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 31. juli 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

**Salmon Evolution AS**

**org.nr. 919 384 603**

**Salmon Evolution Holding AS**

**org.nr. 925 344 877**

Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

### Bakgrunn

Selskapene har profesjonelle eiere. Selskapene driver virksomhet knyttet internasjonal fiskeoppdrett og er i dialog med utenlandske investorer.

### Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives,



f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt vekt på at selskapene har profesjonelle eiere. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Home  
rådgiver  
Brukerdialog, brukerkontakt  
Skatteetaten

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*