



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
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: 08.04.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 13.06.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	8	264 000	0
Annen driftsinntekt	8	22 000	704 000
Sum inntekter		286 000	704 000
Kostnader			
Varekostnad		220 000	
Lønnskostnad	9,18	7 542 000	8 877 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	5,16	1 577 000	550 000
Annen driftskostnad	10	18 798 000	8 934 000
Sum kostnader		28 137 000	18 361 000
Driftsresultat		-27 851 000	-17 657 000
Finansinntekter og finanskostnader			
Annen finansinntekt	11	5 593 000	720 000
Sum finansinntekter		5 593 000	720 000
Annen finanskostnad	11	6 388 000	139 000
Sum finanskostnader		6 388 000	139 000
Netto finans		-795 000	581 000
Ordinært resultat før skattekostnad		-28 646 000	-17 076 000
Skattekostnad på ordinært resultat	6	0	0
Ordinært resultat etter skattekostnad		-28 646 000	-17 076 000
Årsresultat		-28 646 000	-17 076 000
Overføringer og disponeringer			
Udekket tap		-28 646 000	-17 076 000
Sum overføringer og disponeringer		-28 646 000	-17 076 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	5	1 754 000	432 000
Sum immaterielle eiendeler		1 754 000	432 000
Varige driftsmidler			
Assets under construction	5	981 894 000	219 926 000
Maskiner og anlegg	5	1 310 000	331 000
Right-of-use assets	16	1 896 000	1 678 000
Sum varige driftsmidler		985 100 000	221 935 000
Sum anleggsmidler		986 854 000	222 367 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	7,13	105 149 000	22 449 000
Konsernfordringer	19	0	1 930 000
Sum fordringer		105 149 000	24 379 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	4,12	140 964 000	127 561 000
Sum bankinnskudd, kontanter og lignende		140 964 000	127 561 000
Sum omløpsmidler		246 113 000	151 940 000
SUM EIENDELER		1 232 967 000	374 307 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: NOK	Note	2021	2020
Selskapskapital	15	5 405 000	5 405 000
Overkurs	15	305 678 000	305 678 000
Annen innskutt egenkapital		3 463 000	2 974 000
Sum innskutt egenkapital		314 546 000	314 057 000
Opptjent egenkapital			
Annen egenkapital		-12 862 000	-12 863 000
Udekket tap		59 304 000	30 657 000
Sum opptjent egenkapital		-72 166 000	-43 520 000
Sum egenkapital		242 380 000	270 537 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	3,4	200 000 000	0
Langsiktig konserngjeld	4	621 204 000	0
Lease liabilities - long term	3,4,16	749 000	933 000
Sum annen langsiktig gjeld		821 953 000	933 000
Sum langsiktig gjeld		821 953 000	933 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	3,4	0	40 000 000
Leverandørgjeld	3,4,14	161 980 000	59 506 000
Skyldige offentlige avgifter	14	1 818 000	1 144 000
Lease liabilities - short term	3,4,14, 16	1 163 000	696 000
Other current liabilities	14	3 674 000	1 491 000
Sum kortsiktig gjeld		168 635 000	102 837 000
Sum gjeld		990 588 000	103 770 000
SUM EGENKAPITAL OG GJELD		1 232 968 000	374 307 000



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.



BDO AS
Nøisomhed
Serviceboks 15
6405 Molde

Independent Auditor's Report

To the General Meeting in 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 2021
- The income statement for 2021
- Statement of changes in equity
- Statement of cash flows for the year that ended 31 December 2021
- 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 2021, 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

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 laws and regulations and 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 and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are 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

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:

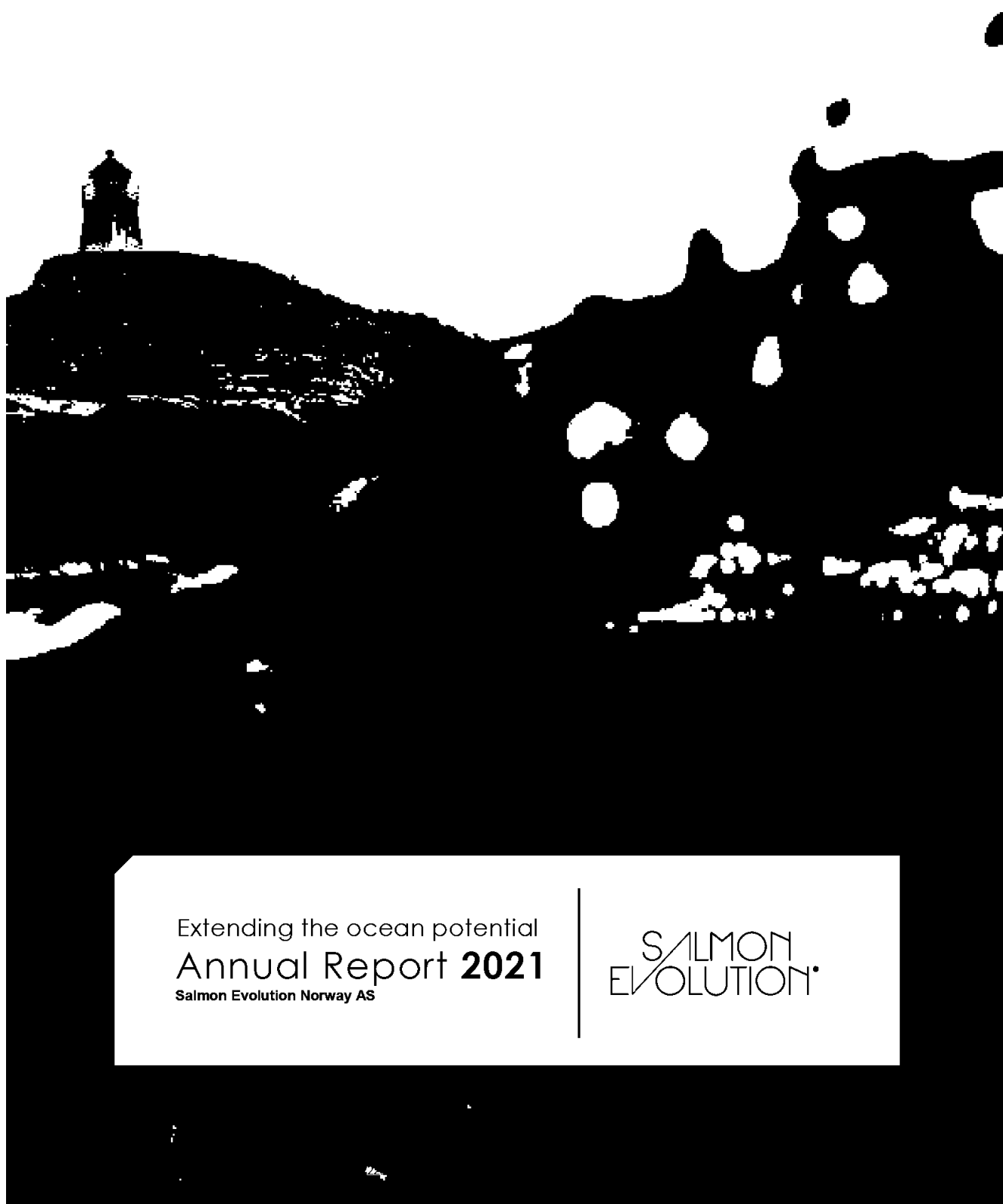
<https://revisorforeningen.no/revisjonsberetninger>

Molde, 8 April 2022

BDO AS

Roald Viken

State Authorised Public Accountant



Extending the ocean potential
Annual Report 2021
Salmon Evolution Norway AS

SALMON
EVOLUTION*



Financial statements (IFRS)

Statement of profit or loss

NOK thousands	Note	2021	2020
Revenue from contracts with customers	8	264	0
Other income	8	22	704
Total operating income		286	704
		0	
Cost of sold goods		(220)	0
Personnel expenses	9,18	(7 542)	(8 877)
Depreciation, amortisation and impairment loss	5,16	(1 577)	(550)
Other operating expenses	10	(18 798)	(8 934)
Operating profit (EBIT)		(27 851)	(17 656)
Financial income	11	5 593	720
Financial expenses	11	(6 388)	(139)
Financial expense - net		(795)	580
Profit/(loss) before tax		(28 646)	(17 076)
Income tax expense	6	0	0
Profit/(loss) for the period		(28 646)	(17 076)





Statement of financial position

NOK thousands	Note	31 Dec 2021	31 Dec 2020
Assets			
Intangible assets	5	1 754	432
Assets under construction	5,7	981 894	219 926
Property, plant & equipment	5	1 310	331
Right-of-use assets	16	1 896	1 678
Total non-current assets		986 855	222 367
		-	
Other current receivables	7,13	105 149	22 449
Current receivables from Group companies	19	-	1 930
Cash and cash equivalents	4,12	140 964	127 561
Total current assets		246 114	151 940
		-	
Total assets		1 232 969	374 307
		-	
Equity and liabilities			
		-	
Share capital	15	5 405	5 405
Share premium	15	305 678	305 678
Other reserves		3 463	2 974
Other equity		-12 862	(12 863)
Uncovered losses		-59 304	(30 657)
Total equity		242 381	270 538
		-	
Long-term interest bearing debt	3,4	200 000	0
Lease liabilities - long term	3,4,16	749	933
Long term intragroup debt	4	621 204	0
Total non-current liabilities		821 953	933
		-	
Short-term interest bearing debt	3,4	-	40 000
Trade payables	3,4,14	161 980	59 506
Social security and other taxes	14	1 818	1 144
Lease liabilities - short term	3,4,14,16	1 163	696
Other current liabilities	14	3 674	1 491
Total current liabilities		168 635	102 837
		-	
Total liabilities		990 588	103 770
		-	
Total equity and liabilities		1 232 969	374 307





Elnesvågen, 08.04.2022

Håkon André Berg
Chairman, CEO

Ingjarl Atle Skarvøy
Board member

Trond Håkon Schaug-Pettersen
Board member





Statement of cash flow

NOK thousands	Note	2021	2020
Cash flows from operating activities			
Profit before income taxes		(28 646)	(17 076)
		0	
Adjustments for:		0	
Depreciation	5	1 577	550
Net interest	11	795	(580)
Share based payment expenses	18	489	2 714
Gain on lease modification		0	(7)
		0	
Changes in working capital:		0	
Change in trade receivables	13	(242)	
Change in other current receivables	13	(39 247)	(19 700)
Change in trade payables	14	4 090	2 096
Change in social security and other taxes	14	1 298	345
Change in other current liabilities	14	1 629	528
Change in current receivables from Group companies (excl Group contributions)	19	1 930	(1 930)
Cash (outflow) from operating activities		(56 328)	(33 061)
Interest paid	11	(6 388)	(139)
Interest received	11	4 330	720
Income taxes paid		0	
Net cash (outflow) from operating activities		(58 387)	(32 480)
Cash flow from investment activities			
Payments for fixed assets and other capitalizations	5	(806 407)	(145 660)
Change in trade payables investments		98 315	0
Payments for intangible assets	5	(1 322)	(432)
Net cash (outflow) from investment activities		(709 414)	(146 092)
Cash flow from financing activities			
Proceeds from issue of equity, net of paid transaction costs		0	246 701
Proceeds from new borrowings	4,19	821 204	40 000
Repayment of borrowings	4	(40 000)	(1 500)
Change in lease liabilities	16	0	(191)
Net cash (outflow) from financing activities		781 204	285 010
Net change in cash and cash equivalents		13 403	106 438
Cash and cash equivalents at the beginning of the period	4	127 561	21 124
Cash and cash equivalents at the end of the period	4	140 964	127 561





Consolidated statement of changes in equity

NOK thousands	Share capital	Share premium	Other reserves	Other equity	Uncovered losses	Total equity
Balance at 1 January 2020	1 500	49 500	780	-	-13 581	38 198
Profit/loss for the period	-	-	-	-	-17 076	-17 076
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-17 076	-17 076
Capital increase, net of transaction costs	3 875	254 210	-	-13 382	-	244 703
Share options issued	-	-	2 714	-	-	2 714
Share options exercised	30	1 968	-520	520	-	1 998
Transactions with owners	3 905	256 178	2 194	-12 863	-	249 415
Group contribution	-	-	-	-	-	-
Balance at 31 December 2020	5 405	305 678	2 974	-12 863	-30 657	270 538
Balance at 1 January 2021	5 405	305 678	2 974	-12 862	-30 658	270 538
Profit/loss for the period	-	-	-	-	-28 646	-28 646
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-28 646	-28 646
Capital increase, net of transaction costs	-	-	-	-	-	-
Share options issued	-	-	489	-	-	489
Share options exercised	-	-	-	-	-	-
Transactions with owners	-	-	489	-	-	489
Group contribution	-	-	-	-	-	-
Balance at 31 December 2021	5 405	305 678	3 463	-12 862	-59 304	242 381





Notes to the annual financial statements 2021

General information

Salmon Evolution Norway AS, ("SE" or the "Company") is a Norwegian business headquartered in Hustadvika municipality in Møre og Romsdal. The Company is a 100% owned subsidiary of Salmon Evolution ASA ("SE ASA"). The consolidated group financial statement can be obtained for the Group's website www.salmonevolution.no

SE is in the process of constructing a land-based salmon farming facility with a planned annual harvesting capacity of 31,500 tonnes HOG fully developed. The build-out is expected to be in three phases, of which phase 1 which is currently under construction has a planned annual production of 7,900 tons HOG. Phase 1 consists of 12 large grow out tanks with corresponding infrastructure and is expected to be completed during Q4 2022. Initial production started in March 2022 and first harvest is expected in Q4 2022. SE will operate a hybrid flowthrough system ("HFS"), replacing the water every four hours with clear and fresh water from the Norwegian coast. Phase II is expected to consist of an additional 12 grow out tanks which is expected to generate an additional 7,900 tons HOG of production. The last construction phase, phase 3, consists of an additional 24 grow out tanks bringing the total expected production volume to 31,500 tons HOG per annum

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





Basis of measurement

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

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.

Non-monetary items that are measured at fair value in a foreign currency are converted to NOK using the exchange rates at the date when the fair value was determined. 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.

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 recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the





liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Information relating to the Company's employee option scheme is set out in note 19. The fair value of options granted under the scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Taxes

Income Tax

The tax expense represents the sum of the tax currently payable and 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 method over the lease term.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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 4 and 14 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 capitalized at acquisition cost, which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. Acquisition 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 use or placed in service. As such, assets under construction are not depreciated.

Intangible assets

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

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. As of 31 December 2020, and 2019, management did not consider an allowance for impairment necessary for long-lived assets.

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 are 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 are 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.

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 capitalised 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 recognised in the Company's financial statements:

1) Capitalised costs as assets under construction

As part of the construction of the Company's production facilities, the Company has capitalised 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 5 for details of additions to "assets under construction".





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

Interest Rate

The Company's interest rate risk relates primarily to borrowings from financial institutions with variable interest rates. As of 31 December 2021, outstanding loans from credit institutions amounted to NOK 200,000,000 (Construction Facility) and is subject to an interest rate of NIBOR 3M plus an agreed margin of 3.75%, thus the Company is exposed to changes in the interest rate. In order to reduce exposure to fluctuations in the interest rate the Company has entered into interest rate swap contracts with Nordea and Sparebanken Vest, of NOK 150 million and NOK 50 million, respectively.

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	2021	2020
Interest expense effect of a 1% increase on floating interest rate	2 000	111

Foreign Currency

The Company's foreign currency risk relates to the Company's operating, investing, and financing activities denominated in a foreign currency. This includes the Company's revenues, expenses and capital expenditures. As at 31 December 2020 the Company did not hold any cash balances, pay any expense, nor receive any revenue in currencies other than its presentation and functional currency. 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) based on 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.

Financial Covenants

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

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

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 2021	Less than 3 months	3-12 months	1-5 years
NOK thousands			
Borrowings	0	0	200 000
Lease liabilities	271	892	749
Trade payables	161 980	0	0
Total financial liabilities	162 251	892	200 749

31 December 2020	Less than 3 months	3-12 months	1-5 years
NOK thousands			
Borrowings	0	40 000	0
Lease liabilities	171	526	933
Trade payables	59 506	0	0
Total financial liabilities	59 676	40 526	933

31 December 2019	Less than 3 months	3-12 months	1-5 years
NOK thousands			
Borrowings	0	0	1 500
Lease liabilities	97	298	227
Trade payables	8 401	0	0
Total financial liabilities	8 498	298	1 727

Covid-19

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

The company has taken necessary measures in all sites and locations to be able to limit the spread of the virus. At the same time, the company works to ensure that the construction work progress on time and budget.





Management has identified the following risk factors that may impact the Company going-forward:

- Currency exchange risks which may impact the construction costs of the land-based salmon facility, measured in NOK.
- Long-term effects on salmon prices which may impact the financial results when the Company starts to generate revenue from the sale of salmon
- Delays in the construction of the Company's land-based farming facility as a result of any impacts on the Company's subcontractors

Note 4 - Financial assets and financial liabilities

Financial assets		
NOK thousands	31 Dec 2021	31 Dec 2020
Financial assets at amortised cost:		
Cash and cash equivalents	140 964	127 561
Other current receivables	105 149	22 449
Non-current receivables from Group companies	0	0
Current receivables from Group companies	0	1 930
Total financial assets	246 114	151 940

Financial liabilities		
NOK thousands	31 Dec 2021	31 Dec 2020
Financial liabilities at amortised cost:		
Long-term interest bearing debt	200 000	0
Long term intragroup debt	621 204	0
Short-term interest bearing debt	0	40 000
Lease liabilities	1 912	1 630
Trade payables	161 980	59 506
Social security and other taxes	1 818	1 144
Other current liabilities	3 674	1 491
Total financial liabilities	990 588	103 770

Interest bearing debt		
NOK thousands	31 Dec 2021	31 Dec 2020
Borrowings	200 000	40 000
Long term intragroup debt	621 204	0
Lease liabilities	1 912	1 630
Total interest bearing debt	823 116	41 630
Current portion	1 163	40 696
Non-current portion	821 953	933
Total interest bearing debt	823 116	41 630

The Company entered into a loan agreement as part of the financing of the land-based farming facility under construction at Indre Harøy. The first draw down was made in July with additional draw downs in November and December 2021.





The loans are floating interest rate loans denominated in NOK with an interest charge based on NIBOR 3M plus an agreed margin of 3,75%.

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

Note 5 - Property, plant and equipment and intangible assets

NOK thousands	Intangible assets	Assets under construction	Property, plant & equipment	Total
Cost 1 January 2021	432	219 926	739	220 688
Additions	1 322	761 969	1 205	764 496
Disposals	0	0	0	0
Cost 31 December 2021	1 754	981 894	1 944	985 184
Accumulated depreciation 1 January 2021	0	0	(409)	(409)
Depreciation for the period	0	0	(225)	(225)
Net book value 31 December 2021	1 754	981 894	1 310	984 550

NOK thousands	Intangible assets	Assets under construction	Fixtures and fittings	Total
Cost 1 January 2020	0	25 546	450	25 997
Additions	432	194 379	289	195 100
Disposals	0	0	0	0
Cost 31 December 2020	432	219 926	739	221 097
Accumulated depreciation 1 January 2020	0	0	(99)	(99)
Depreciation for the period	0	0	(310)	(310)
Net book value 31 December 2020	432	219 926	331	220 688

Straight-line depreciation is applied over the useful life of property, plant, and equipment based on the asset's historical cost and estimated residual value at disposal. Depreciation is charged to expense when the property, plant or equipment is ready for use or placed in service. As such, assets under construction are not depreciated. Assets under construction as at 31 December 2021 consisted mainly of capitalised costs related to the turnkey project with Artec Aqua for building a land-based salmon farming facility at Indre Harøy, Møre og Romsdal.

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 2021 has been capitalized as at 31 December 2021 as these costs are deemed to be part of the ongoing assets under construction and qualify for capitalisation in accordance with IAS 16. As a result, the reported "Other operating expenses" in 2021 reflects the incurred costs during this period, net of such capitalized costs related to the entire 12 months period ending 31 December 2021 which amounted to approximately NOK 21m.

Capitalized internal cost	01.01.2021	Additions	31.12.2021
Salary	14 446	18 185	32 631
Rental/equipment	1 630	2 825	4 454
Interest	447	6 079	6 526
Group interest	-	11 324	11 324
Total	16 522	38 413	54 935





Contractual and financial commitments

Construction of phase 1 of the Company's land-based salmon farming facility at Indre Harøy is planned completed during the fourth quarter of 2021. As per 31 December 2021 the remaining capital expenditure is estimated to NOK 480 million and split as follows:

(NOK thousands)	31 Dec 2021
Engineering and project management	71 000
Buildings	124 000
Equipment and process installation	261 000
Other	24 000
Total financial commitments	480 000

Note 6 - Taxes

Calculation of deferred tax/deferred tax benefit

NOK thousands	2021	2020
Fixed assets	8 022	(4 757)
Right-of-use assets	1 896	1 678
Lease liabilities	(1 912)	(1 755)
Other current liabilities	-	-
Net temporary differences	8 006	(4 833)
Tax losses carried forward	(89 065)	(41 745)
Financial instruments	1 538	-
Basis for deferred tax	(79 520)	(46 578)
Deferred tax (22%)	(17 494)	(10 247)
Deferred tax benefit not recognized in the balance sheet*	17 494	10 247
Deferred tax in the balance sheet	-	-

*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	2021	2020
Result before taxes	(28 646)	(17 076)
Permanent differences	(5 834)	(15 402)
Utilisation of tax losses through group contribution	-	0
Basis for the tax expense in the current year	(34 480)	(32 478)
Change in temporary differences	(12 839)	4 594
Basis for payable taxes in the income statement	(47 319)	(27 884)

Components of the tax expense

NOK thousands	2021	2020
Payable tax on this year's result	-	-
Total payable tax	-	-
Change in deferred tax	(7 247)	(7 145)
Change in deferred tax not shown in the balance sheet	7 247	7 145
Tax expense	-	-





Reconciliation of the tax expense with the nominal tax rate

NOK thousands	2021	2020
Result before taxes	(28 646)	(17 076)
Calculated tax (22%)	(6 302)	(3 757)
Tax expense	-	-
Difference	6 302	3 757

The difference consists of:

Tax on permanent differences	(1 283)	(3 388)
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	7 247	7 145
Change due to unrealized financial instruments	338	-
Sum explained differences	6 302	3 757

Note 7 – Government grants

The Company has received a commitment from the The Norwegian Research Council (Norsk Forskningsråd) for four projects. The grant is given for one period of three years and is related to the tax incentive scheme "SkatteFUNN" which is a government program designed to stimulate research and development (R&D) in Norwegian trade and industry. The receivable is accounted for as a short-term receivable from the tax authorities. In the financial accounts, the receivable related to the grant is netted against the related asset's acquisition cost. Grants for 2021 amounted to NOK 4,750,000

NOK thousands	2021	2020
Systems for water treatment in large-scale land based salmon farming	11 825	13 542
Logistics systems in large-scale land-based salmon farming	6 392	8 775
Washing and disinfection in land-based salmon farming	7 827	9 576
Total "SkatteFUNN" project costs	26 044	31 893

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 96 862 500,- 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 2021 amounted to NOK 59 929 757, of which NOK 16 433 199 was paid during 2021, and NOK 43 496 558 in February 2022.

NOK thousands	2021	2020
Energy-efficient land-based food fish plant for salmon	119 860	876
Total "Enova" project costs	119 860	876

Note 8 – Other income

NOK thousands	2021	2020
Revenue from contracts with customers	264	0
Other income	22	704
Total other operating income	286	704





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

Note 9 - Personnel expenses, remuneration to the board and auditor's fee

NOK thousands	2021	2020
Salaries	18 192	8 479
Social security	3 254	1 312
Pensions	920	500
Other benefits	610	797
Share-based payments	489	2 714
Gross personnel expenses	23 465	13 802
- Capitalized costs	(15 923)	(4 925)
Total personnel expenses recognized in P&L	7 542	8 877
Number of full-time employment equivalents	17	8

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 members of the board

NOK thousands	2021	2020
Håkon Andre Berg (Chairman SE)	0	0
Ingjarl Skarvøy (Board member SE)	0	0
Trond Håkon Schaug-Pettersen (Board member SE)	0	0
Tore Tønseth (Chairman of the Board SE ASA)	0	80
Kristofer Reiten (Member of the Board SE ASA)	0	240
Glen Bradley (Member of the Board SE ASA)	0	140
Peder Stette (Member of the Board SE ASA)	0	140
Anne Breiby (Member of the Board SE ASA)	0	0
Yun Ki Yun (Member of the board SE ASA) - From september 2020	0	0
Janne-Grethe A. Strand (Member of the board SE ASA) - From March 2021	0	0
Ingvild Vartdal (Member of the Board SE ASA) - from March 2021	0	0
Frode Kjølås (Member of the Board SE ASA) - Until March 2021	0	140
Ingjarl Skarvøy (Member of the Board SE ASA) – Until March 2020	0	100
Per Olav Mevold (Member of the Board SE ASA) – Until March 2020	0	100
Anders Sandøy (Member of the Board SE ASA) – Until March 2020	0	100
Frank Småge (Member of the Board SE ASA) – Until March 2020	0	100
Jonny Småge (Member of the Board SE ASA) – Until March 2020	0	na.
Total board of Directors	0	1 140

The table lays out the compensation paid to the board of Salmon Evolution ASA, in 2020 expensed through Salmon Evolution Norway AS. The board members of Salmon Evolution Norway AS are Håkon Andre Berg (Chairman) and Ingjarl Skarvøy and Trond Håkon Schaug-Pettersen (members of the Board) have not received remuneration related to their board roles in Salmon Evolution Norway AS.





Remuneration and compensation to executive management 2021

NOK thousands	Salary	Bonus	Pension	Other	Total
Håkon André Berg (CEO/CFO) 1)	2 329	2 200	56	13	4 598
Ingjarl Skarvøy (COO)	1 674	250	57	165	2 146
Trond Håkon Schaug-Pettersen (CFO) 1)	2 114	800	56	285	3 255
Trond Valderhaug (CCO)	1 328		56	26	1 410
Kamilla Holo Mordal (Project Director)	1 207	250	52	23	1 533
Odd Frode Roaldsnes (CCO from sept -21)	513		18	5	535
Total executive management	9 164	3 500	296	518	13 477

1) Håkon André Berg and Trond Håkon Schaug-Pettersen are part of the executive management of Salmon Evolution Norway, but are both employed in Salmon Evolution ASA.

Ingjarl Skarvøy (COO), Håkon André Berg (CEO) and Trond Håkon Schaug-Pettersen (CFO) have all non-compete clauses in their employment agreements which entitle them to a compensation corresponding to 6 months' severance pay.

Auditor's remuneration

NOK thousands	2021	2020
Statutory audit	210	205
Other services	83	77
Total	294	282

Note 10 – Other operating expenses

NOK thousands	2021	2020
Cost of premises	314	156
Hired equipment	82	21
Other operating and administrative expenses	4 094	2 091
Insurance	146	173
Consultancy fees	14 162	6 493
Total other operating expenses	18 798	8 934

Note 11 – Financial income and expenses

NOK thousands	2021	2020
Interest income	1 571	720
Other financial income	4 022	
Financial income	5 593	720
Interest expense	(18)	(29)
Interest expense lease liability	(95)	(28)
Other financial expenses	(6 275)	(82)
Financial expense	(6 388)	(139)
Net financial income (expense)	(795)	580

Interest income is mainly related to interest on cash deposits held with Norwegian financial institutions. The company have paid TNOK 6 526 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 TNOK 11 324 for internal loans from Salmon Evolution ASA.

Note 12 - Cash and restricted cash

NOK thousands	31 Dec 2021	31 Dec 2020
Cash in bank	139 733	126 765
Restricted bank deposits	1 232	796
Total cash and cash equivalents	140 964	127 561

Restricted cash are related to tax withholdings for employees (NOK 1,232m). The Company has no undrawn credit facilities as of 31 December 2021.

Note 13 - Other current receivables

NOK thousands	31 Dec 2021	31 Dec 2020
Trade receivables	242	0
Prepaid expenses	6 124	58
VAT receivable	48 924	16 860
Other receivables	1 264	350
Government grant ("Enova")	43 516	431
Tax incentive scheme ("Skattefunn")	4 750	4 750
Total other current receivables	104 821	22 449

As of 31 December 2021 and 2020, 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 2021 and 2020, the Company's other current receivables, specified by currencies, consisted of the following:

NOK thousands	31 Dec 2021	31 Dec 2020
NOK	104 821	22 449
Other	0	0
Total other current receivables	104 821	22 449

Note 14 - Trade and other current liabilities

NOK thousands	31 Dec 2021	31 Dec 2020
Trade payables	161 980	59 506
Total trade payables	161 980	59 506

NOK thousands	31 Dec 2021	31 Dec 2020
Payroll withholding tax	1 232	796
Employer's national insurance contributions	587	347
Total social security and other taxes	1 818	1 144





NOK thousands	31 Dec 2021	31 Dec 2020
Accrued employer's social security contribution	744	121
Accrued salaries, holiday pay and bonus provisions	1 941	1 024
Accrued interest expense	989	277
Other current liabilities	0	69
Lease liabilities	1 163	696
Total other current liabilities	4 837	2 187

Note 15 - Share capital

	Outstanding	Nominal value
Ordinary shares	108 103 182	0,05

NOK thousands	31 Dec 2021	31 Dec 2020
Share capital	5 405	5 405
Share premium	305 678	305 678
Total	311 084	311 084

The number of shares issued in the Company at 31 December 2021 was 108 103 182 with a nominal value of NOK 0.05 each. All shares carry equal voting rights.

Shareholders of 31.12.21

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

As of 31 December 2021, no shares were held by members of the Board of Directors or executive management.

Note 16 – Leases

Amounts recognised in the balance sheet

NOK thousands	31 Dec 2021	31 Dec 2020
Right-of-use assets		
Rent of premises	748	919
Car	384	205
Office supply	763	554
Total right-of-use assets	1 896	1 678
Lease liabilities		
Current	1 163	696
Non-current	749	933
Total lease liabilities	1 912	1 630

Amounts recognised in the statement of profit or loss

NOK thousands	2021	2020
Rent of premises	716	145
Car	349	145
Office supply	287	50
Gross depreciation	1 351	340
- Capitalized as assets under construction		(100)
Net depreciation	1 351	240
Interest expense lease liability	95	28





The total cash outflow for leases in 2021 was NOK 1 394 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 17 - Related party transactions

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

Pursuant to the agreement entered with Artec Aqua AS, Salmon Evolution has had a significant volume of transactions during 2021 related to the ongoing construction of the production facilities at Indre Harøy. Artec Aqua AS was until mid-March 2021 a 100%-owned subsidiary of Artec Holding AS, which per 31.12.2021 held 3.6% of the total shares outstanding in Salmon Evolution ASA.

Following 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 company have bought consultancy services from Stette Eiendom AS, owned by Peder Stette, board member in Salmon Evolution ASA, for 117 885 in 2021.

There were no other material transactions with related parties during 2021.





Note 18 - Share based payments

The shareholder Salmon Evolution ASA has granted options to the Company's employees as of 31 December 2021. 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.

Outstanding options (in thousands)	2021	2020
Outstanding options 1 January	0	900
Options granted	2 250	1 625
Options exercised	0	600
Options forfeited	0	300
Outstanding options at end of period	2 250	1 625

NOK thousands	2021	2020
Ingjarl Skarvøy (COO)	224	0
Kamilla Mordal Holo (Project Director)	212	0
Odd Frode Roaldsnes (CCO)	53	0
Other/IPO	0	2 714
Charges to income statement	489	2 714

Key assumptions	2021	2020
Average fair value (NOK)	1,36	5,25
Average exercise price (NOK)	10,35	5,25
Weighted expected average life (in years)	2,33	1,25
Estimated dividend per share (NOK)	0,00	0,00
Expected average volatility	29,2 %	71,3 %
Risk-free rate	0,86 %	0,21 %

Management have the following holdings	Holding 01.01	Awarded	Exercised	Forfeited	Holding 31.12
Ingjarl Skarvøy (COO)	100	750	0	0	850
Kamilla Mordal Holo (Project Director)	100	750	0	0	850
Odd Frode Roaldsnes (CCO)	0	750	0	0	750
Charges to income statement	200	2 250	0	0	2 450





Note 19 – Intercompany balances

NOK thousands	Non-current receivables	Current receivables	Non-current liabilities	Current liabilities
Salmon Evolution ASA	0	0	621 204	2 165
Total intercompany balances	0	0	621 204	2 165

NOK thousands	Revenue	Cost
Salmon Evolution ASA (Administration fee)	0	9 868
Kraft Laks AS	22	0
Total intercompany transactions	22	9 868

Intercompany and related party transactions:

There were no other transactions with group companies in 2021 or 2020. Refer to Note 17 for other related party transactions.

Note 20 - Events after the reporting date

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

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

The Heads of Terms further sets out the main commercial terms to be reflected in a final design and construction agreement between the parties.

The final design and construction agreement is expected to be effectuated during first half of 2022 and will include financing reservations providing Salmon Evolution with the necessary flexibility to align the phase 2 build out with the Company's overall financing plan.





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

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PRODUCTION SITE

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Verifikasjon

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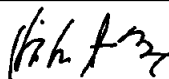
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BankID issued by "BankID - Bankenes ID-tjeneste AS"
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