



SALMON EVOLUTION[®]

extending the ocean potential

LANDBASERT PRODUKSJON AV ATLANTISK OPPDRETTSLAKS I NORGE

MARKEDSSEMINAR AQUA NOR 2021

LAND-BASED SOLUTIONS DEALS WITH ALL MAJOR CHALLENGES IN THE EXISTING SEA-BASED INDUSTRY



1 Untreated fish waste and waste handling: Nature of traditional salmon net pens imply issues with discharge of untreated sewage, diseases and parasites into coastal waters

2 CO₂ footprint that potentially could be reduced significantly from land-based salmon farming ¹

3 Diseases, parasites and sea lice are widespread in traditional salmon farming, causing considerable damage commercially

4 Varying climate and increasing water temperatures can potentially cause stressed and less healthy fish

5 Mortality and losses in production is known to be a challenge for sea-based salmon farmers

6 Escapes in sea-based salmon farming are expensive and potentially damaging to wildlife

SALMON EVOLUTION – EXTENDING THE OCEAN POTENTIAL

A Norwegian land-based salmon farming company with a goal to become a global supplier of high-quality and sustainable salmon



First production facility under construction in Norway – annual harvesting capacity of 31,500 tonnes head-on-gutted ("HOG") fully developed



Joint venture with Dongwon Industries for a 16,800 tonnes HOG production facility in South Korea – first grow-out production targeted in 2024



Utilizing hybrid flow-through system ("HFS") with 30%-35% fresh seawater intake, reducing complexity and biological risk and securing optimal growth at low cost



Targeting a position as a global leading land-based farmer, enabled by a strong ESG profile

Indre Hargy illustration – fully developed



South Korea project illustration (Source: Dongwon)





PLANNED FACILITY AT INDRE HARØY

- Seven out of twelve fish tanks assembled
- Phase 1 at Indre Harøy will consist of 12 fish tanks each with a diameter of 28 meter and a height of 13 meter
- Fully developed, Indre Harøy will consist of 48 fish tanks with a combined cubic capacity of 240,000m³



Photo taken 16th April 2021



Photo taken 8th August 2021



EXTENDING THE OCEAN POTENTIAL

Why do land based farming in Norway

ESTABLISHED INFRASTRUCTURE

- Access to quality smolt
- Wellboat capacity
- Processing capacity
- Industry research and development hub

COMPETENCE AND TECHNOLOGY CLUSTER

- Unmatched access to educated and experienced work force
- Forefront in technological development within salmon farming



WATER ACCESS

- Unlimited access to fresh Norwegian sea water with optimal temperature for salmon farming

RENEWABLE ENERGY

- Energy supplied from renewable hydro power secured

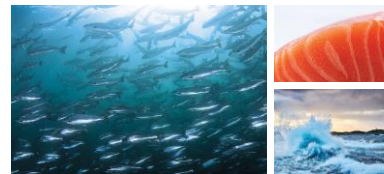
CONSERVATIVE APPROACH IN A “DISRUPTIVE INDUSTRY”

Salmon Evolution has chosen a “conservative” approach on three important aspects

1

Biology is the most important consideration

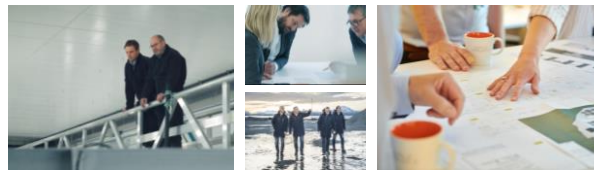
Shown through our choice of technology



2

There is much to learn, even though we have decades of experience

That's why we start in Norway



3

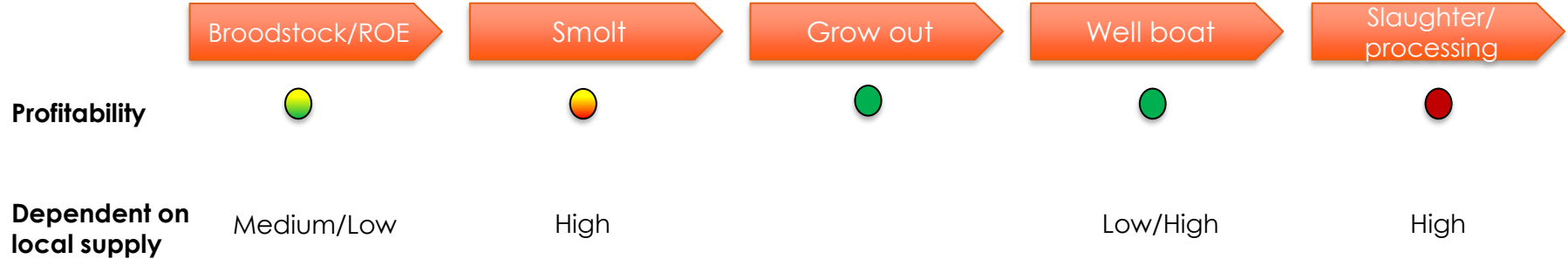
International expansion can be accelerated with strong local partners

That's why we don't go solo on our first project overseas



VALUE CHAIN - PROFITABILITY AND DEPENDENCY

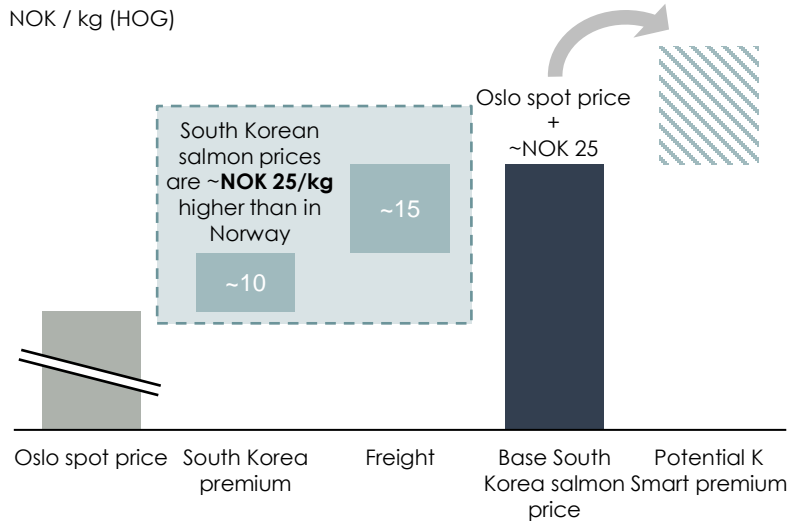
When investing in Norway we allocate capital to the most profitable part of the value chain



OBVIOUS ADVANTAGES ALSO IN OVERSEAS MARKETS

Positioned to achieve a premium on South Korean prices

NOK / kg (HOG)



Price premiums due to existing cost structure

- In overseas markets the actual cost pr/kilo can be 1-3 USD higher than in Europa, due to transportation costs and local import taxes

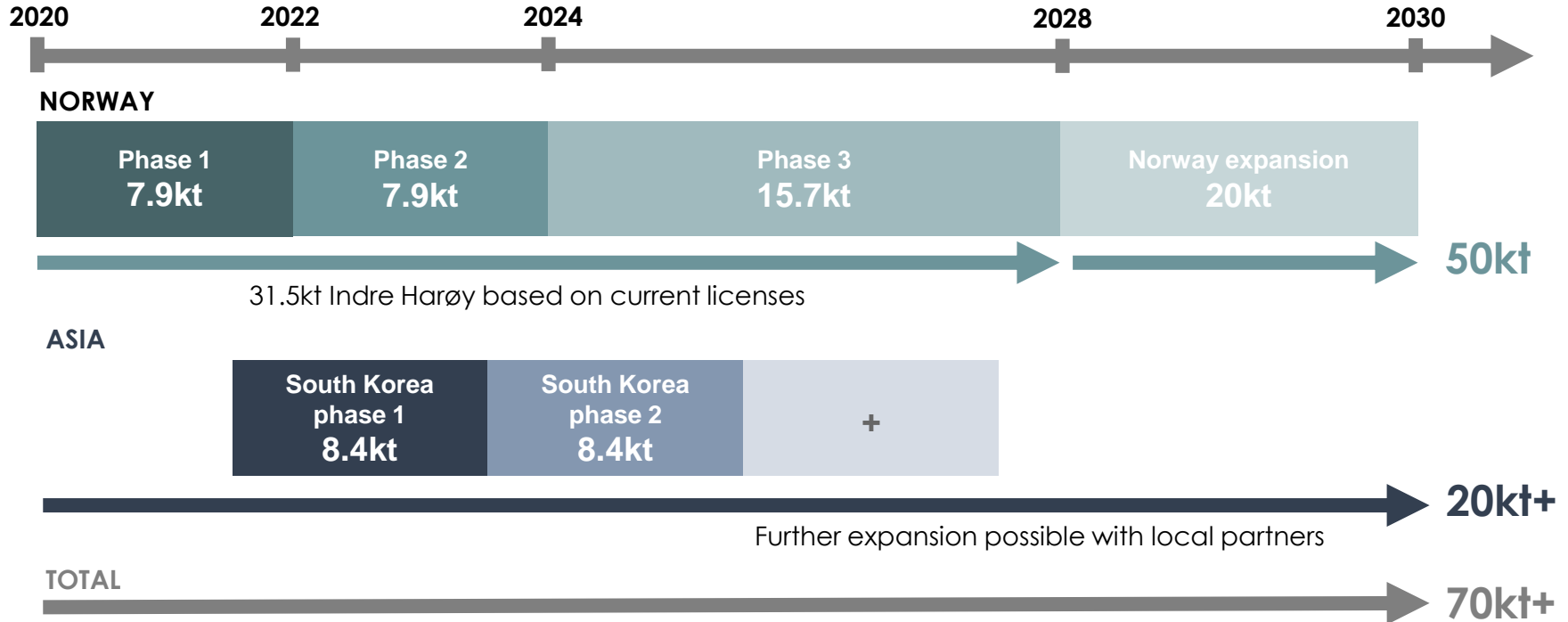
Air freight made redundant

- Significant reductions in carbon footprint when air freight is no longer needed

Increased flexibility

- A locally farmed salmon will maintain it's "fresh" status longer than Norwegian airborne salmon

ROADMAP TO 70,000 TONNES HOG



GROWTH BEYOND INDRE HARØY

International expansion with planned first step to be taken in South Korea together with Dongwon
Further opportunities in both Asia, North America and Europe not included in harvest goal



IT MAY BE THAT WE ARE UNDERESTIMATING THE LEVEL OF HUMAN CAPITAL WE NEED TO BE SUCCESSFUL

Selected suppliers with HQ in Mid-Norway





salmonevolution.no