



ATLANTIC™  
SAPPHIRE

**NASF 2020 Update**  
March 5<sup>th</sup>, 2020



**How Bluehouse™ farming is transforming the salmon sector**

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## **Biological and water quality performance in line with expectations**

- ~3.1m fish in total across 7 batches
- First transfer to grow-out completed in Feb '20. First harvest in Q3(20)
  - ~0.5m fish in lead batch with an average weight of ~600g
- Water quality and fish appetite in first grow-out system supporting long term expectations

## **Risk of simultaneous construction, commissioning and operations remains high**

- Commissioning of 5 grow-out systems remaining
- Onsite processing line to be completed for whole fish and fillets

## **Phase 2**

- Construction start expected in H2(20)

**US On Track For First Harvest In Q3(20)**

# US Photos

Saltwater grow-out system particle filtration (Jan '20)



Fish movement into saltwater grow-out system (Jan '20)



Florida-raised salmon from the lead batch (Jan '20)



## **February 29<sup>th</sup> incident in grow-out system #2**

- Mortality incident likely due to nitrogen supersaturation, ~227,000 fish lost
- Retrofitting of improved oxygen injectors revealed design flaw driving high nitrogen levels
- These design issues now addressed in DK & US, mitigating risk of a future similar event
- Demonstrates value of multiple independent systems, finishing commissioning and strategic role of DK as an innovation pilot.
- Harvest and revenue pushed back ~4 months
- Biomass insured, but complete financial impact assessment in progress

## **Denmark KPIs trending positively towards steady state plan**

- Biomass gain increased in Q4(19), despite ongoing commissioning work (buffer tank)

**Learnings From February 29 Incident Already Implemented Across US And DK, Mitigating Future Event Risk**

## **Phase 2 debt financing**

- Advanced discussions underway with a leading financial institution
- USD210m to refinance existing debt, as well as fund US phase 2 construction
- A committed term sheet is expected in the near future

## **Contemplated listing on the Oslo Stock Exchange**

- Transaction requires transfer from the Merkur Market to the OSE main list by end-2020

## **Miami-Dade County \$5m performance-based incentive awarded, payable over 10 years**

- Job creation and investment tax rebate awarded, based on 2020-2022 plan achievement. Supports alignment with responsible economic development in Miami-Dade County.

**Completion Of US Phase 2 Financing Underway For Commencement Of Construction In 2020**

# Product & Market Update

## Premium US Bluehouse™ market developing

- DK fish meeting target quality specifications since Q3(19)
- Solid US retail and restaurant adoption, with strong price achievement
- Quality testing of the US fish showing excellent color and taste

## Retail point of sale (Feb '20)



## High-end restaurants (Feb '20)



# ATLANTIC SAPPHIRE



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