



Operational Update & Phase 2 Intro
First Half 2021 Report
August 26, 2021

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- US Operations
- US Biological Performance
- Past vs. Present: Incident Risk
- R&D: Trials On Rainbow Trout In Denmark
- Proven Offtake At Premium Pricing...
- ...Charting The Path For A Billion Dollar Brand
- First Half 2021 Consolidated Financial Statements
- Summary and H2 2021 Focus Areas

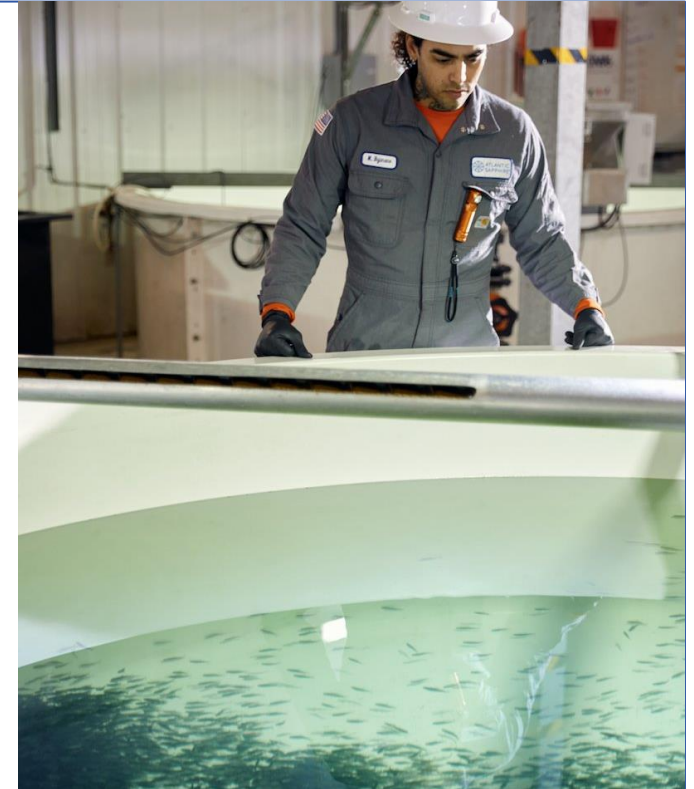
- Phase 2 Intro





Operational status

- Started Q3 2021 with good water quality parameters and biological performance
- Facilities Operation Advisory Board established to prevent future incidents by reviewing and approving all nonstandard procedures
 - Experts with different backgrounds to ensure all risk areas are covered
- Approaching one year of consecutive weekly harvest, currently supplying ~2000 retail locations
 - Continued strong demand for locally raised salmon in the US
 - Stable price achievement for premium Bluehouse salmon
- Unprecedented increase in demand for liquid oxygen related to Covid-19 spike is already impacting US operations
 - Steps currently being taken to minimize risk and reduce oxygen consumption, including controlled harvest of ~100,000 fish (sub-optimal weights) and paused feeding



Focus On Risk Management And Biological Performance



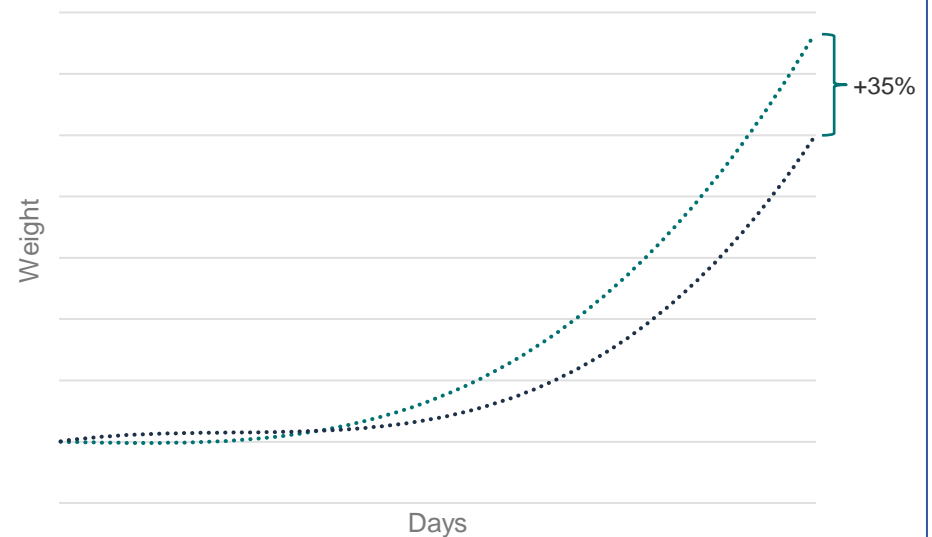
First US batches have mixed performance

- First batches have in periods been exposed to suboptimal conditions, which has negative trickle-down effects later in the life cycle
- Current biomass in the ongrowing systems is being optimized to ensure consistent supply to customers
- Estimating ~3,000t HOG in US harvest volume from the 'H2 2021 fish', half may be pushed into 2022
- Full steady state¹ harvest is expected in H2 2022, lower H1 2022 harvest volumes expected due to lower # of fish (H1 2021 losses)

US Batches introduced from mid-2020 have had stable conditions and will raise the bar on biological performance

- Important with high smolt quality and to avoid stressors to ensure good biological results in salt water
- Phase 1 conditions now stable after a long period of commissioning efforts and construction challenges

Growth curve of batch introduced in 2019 vs. 2020



Transitioning To The Batches With Good Production Conditions Through The Life Cycle

¹ Steady state: When the Company produces the equivalent of 9,500t HOG of annualized harvest volumes in phase 1 in the given period in the US

Past: Phase 1 start-up conditions

- 1. Operational risk profile:** fragmented subcontractor network, smaller internal team, rapidly growing organization, all operational procedures not established
- 2. Systemic risk profile:** Subpar equipment (frequent alarms etc.), unfinished design at construction start, production while constructing in the same systems
- 3. Risk diversification:** Six newly commissioned on-growing systems with six tanks each

Present: Risk mitigation strategies implemented

- 1. Operational risk profile:** Critical systems established in-house (design/construction/automation), Facilities Operation Advisory Board overseeing all non-routine work, new Standard Operation Procedures (SOPs) being implemented constantly
- 2. Systemic risk profile:** Stable Phase 1 after a long period of commissioning work; Improved equipment/filters/center drains, completed design, multi-prong risk mitigation system (H₂S toxicity prevention), fewer alarms and irregularities, experienced workforce
- 3. Risk diversification:** Each Phase 1 on-growing system has been split in two, total of 12 on-growing systems

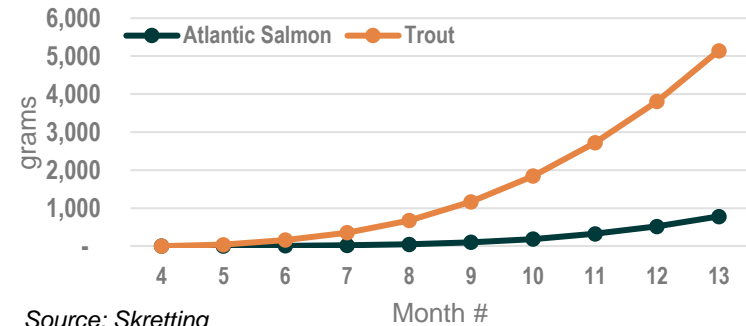
Actions Taken Across The Board To Avoid Future Mortality Events

Testing Rainbow trout as an addition to Atlantic Salmon

Gaining valuable experience with trout as a potential Bluehouse species:

- Trout genetics from bio-secure, land-based sources are now available
- Robust species for RAS, as it tolerates higher temperatures and densities than Atlantic salmon
- Higher JEA index and annual production due to steeper growth curve
 - Shorter cycles could lower risk and cost/kg
- High product quality, silver skin and intense red fillet color
- No modifications needed to Bluehouse infrastructure
- European commodity prices similar to salmon, room to develop the market and premium price achievement

Atlantic salmon vs. Steelhead growth curve



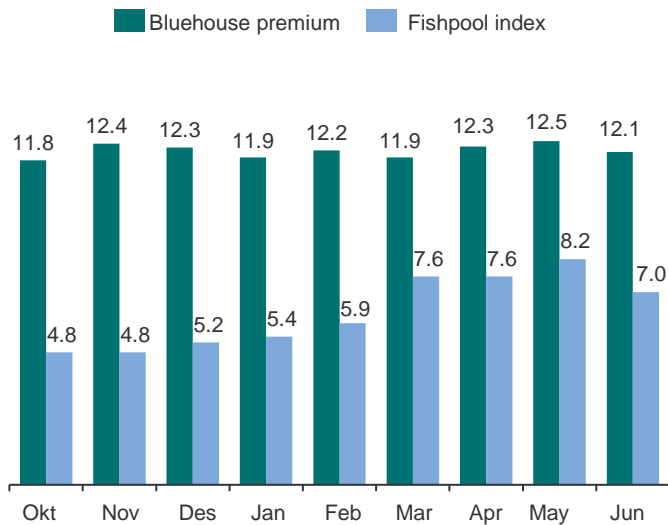
Atlantic salmon vs. Steelhead trout fillet color



Trout May Be An Ideal Species For Bluehouse Farming In The Future

Proven Offtake At Premium Pricing With Strong And Growing Retail Footprint...

US price achievement – premium fish (superior, 3kg+) – USD/kg RTF²



Consumer acceptance of price premium and good visibility on offtake by existing customers

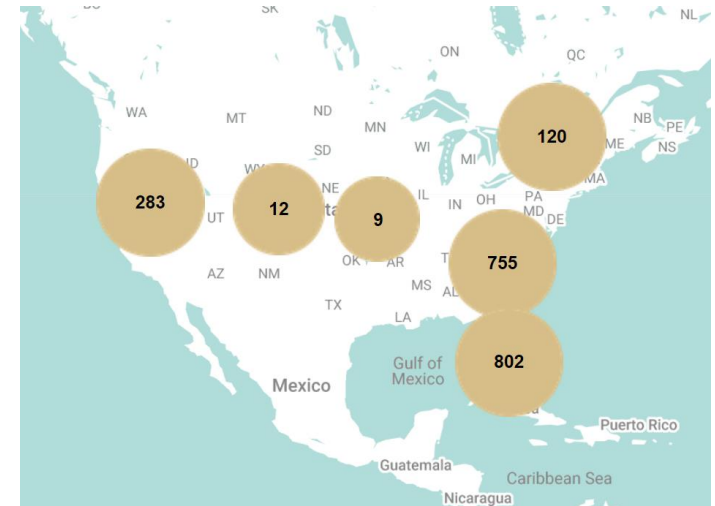
Selected partners

Publix.



Positioning work for +7 years resulting in strong relationships and off-take

Locations carrying Bluehouse Salmon¹



Several agreements in place with food service players, distributors, restaurants, government contracts and others

¹ Bluehouse Salmon store locator is updated 'live' at bluehousesalmon.com/where-to-buy/

² Atlantic Sapphire price for superior, 3kg+ salmon on Return To Farm basis (excluding freight costs). Fishpool index price converted to USD using Norges Bank fx rates

Brand awareness and recognition

- Generate product desirability and trial
- Strong traction from mainstream media of PR efforts
- Support price premium via differentiated attributes and communication of environmental benefits

Brand development

- Business drivers (metrics and KPI) + Buzz = Sustainable Profitable Growth
- Our mission and brand resonate with consumers
- Engagement levels above benchmark:
 - Social Media, website traffic

Bluehouse Salmon®

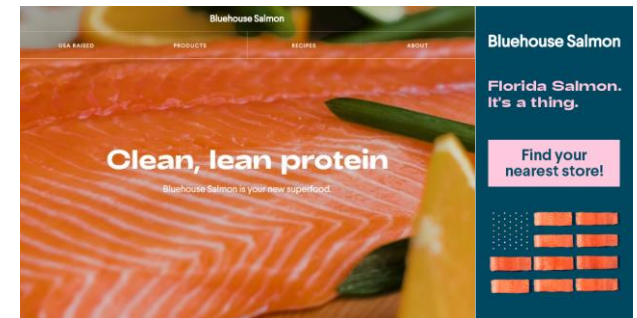
Being relevant and top of mind



Meeting consumers at the Point of Sale



Engaging consumers with social media and education



H1 2021 financials at a glance

- Total harvest volume of 1,275t HOG in the first six months of 2021, up from 989t HOG in FY 2020
- Stable and high premium price achievement combined with few downgrades in Q2 2021
- USD6.3m expensed through cost of materials for underutilized Phase 1 plant capacity
- Q1 2021 challenges: ~USD7m in temporary chiller and generator rental costs following the breakdown of the internal chiller plant in Q1 2021
 - Insurance and claim process ongoing
- NIBD as of June 30, 2021: USD(37.2)m
 - USD121m Private Placement in June 2021
 - USD20m RCF facility undrawn

Six months ended 30 June 2021	Fish farming			Consolidated
	Denmark	USA	Other and eliminations	
Unaudited (USD 1,000)				
Revenue from sale of salmon	3,348	7,530	-	10,878
EBITDA	(4,522)	(35,636)	(2,084)	(42,242)
EBITDA, pre-fair value adjustment on biological assets	(4,483)	(40,648)	(2,084)	(47,215)
Pre-tax loss	(6,847)	(45,023)	332	(51,538)
Total assets	40,715	287,013	64,333	392,061
Total liabilities	39,430	150,107	(118,048)	71,489
Depreciation and amortization	1,496	5,994	-	7,490
Capital expenditure	568	20,546	-	21,114
Six months ended 30 June 2020	Fish farming			Consolidated
Unaudited (USD 1,000)	Denmark	USA	Other and eliminations	
Revenue from sale of salmon	2,812	172	(482)	2,502
EBITDA	(6,243)	(14,136)	(1,543)	(21,922)
EBITDA, pre-fair value adjustment on biological assets	(4,188)	(4,975)	(1,543)	(10,706)
Pre-tax loss	(8,245)	(22,559)	(770)	(31,574)
Total assets	41,256	227,991	(2,926)	266,321
Total liabilities	37,551	85,350	(34,286)	88,615
Depreciation and amortization	1,215	74	-	1,289
Capital expenditure	1,474	31,284	-	32,758

Strong Balance Sheet With Net Cash Position, Ramping Up US Harvest Volumes

Summary

- Operational improvements after a challenging start to 2021
- US batches introduced from mid-2020 are raising the bar on biological performance compared to initial batches
- Incident risk expected to be significantly lower with actions taken
- Approaching one year of US harvest with consistent, strong price achievement

H2 2021 core focus areas

- Phase 2 construction
- Grand Master Plan development
- Fine tuning Phase 1 systems and processing facility

US phase 2 Bluehouse currently under construction



Focus On Execution



Phase 2 Intro

Phase 1 Challenges

1

Approached
a large-scale project with
a small number of
internal staff

2

Reliance on single RAS
system supplier with limited
experience at a large scale
and in the US


3

Prioritized a construction
manager with 'local
experience' rather than
'large complex water
system experience'



Large Scale Project with Small Team

Total annual key hires in Global & North America Operation

 New staff added




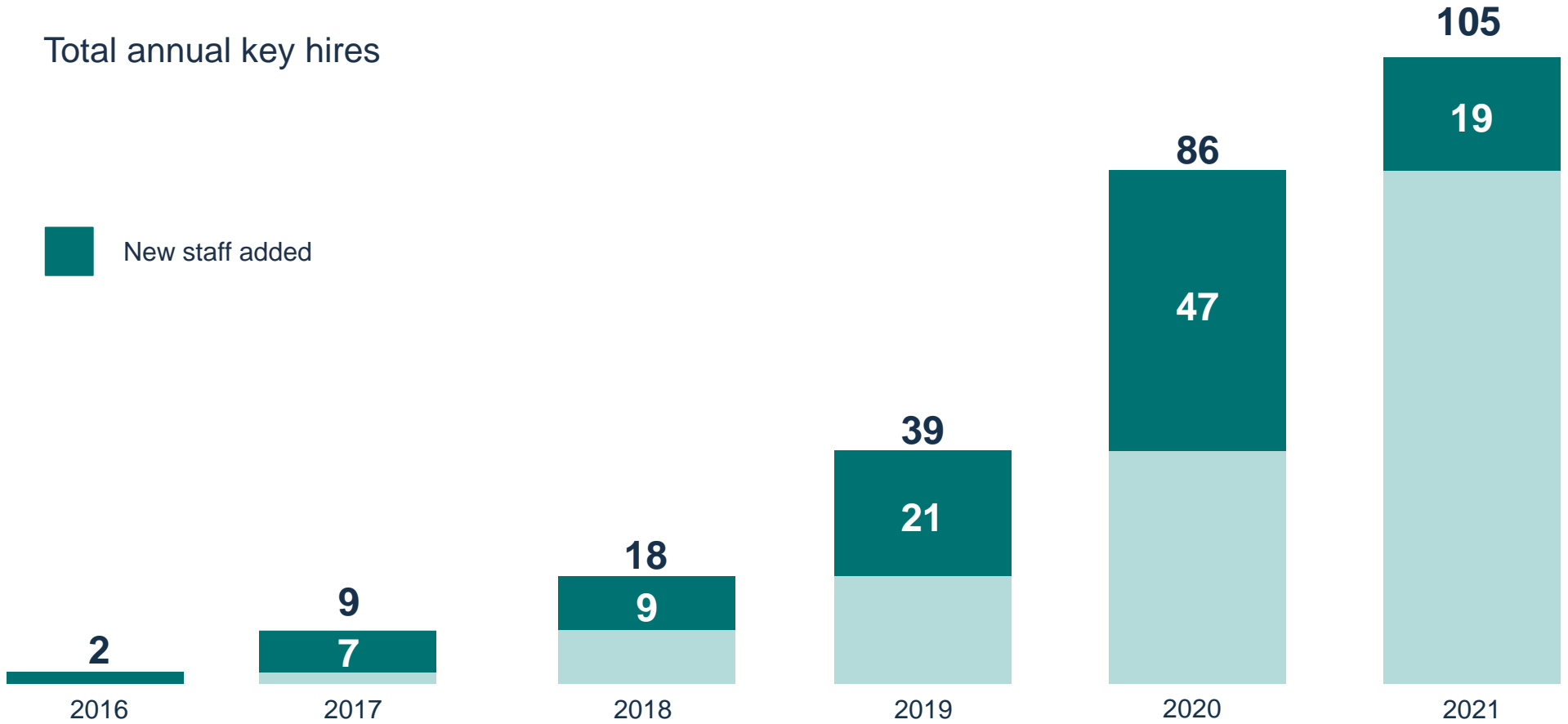
Key hire: Role critical to the delivery and operation of the facility.



Staffed Up to Meet Project Demands

Total annual key hires

 New staff added

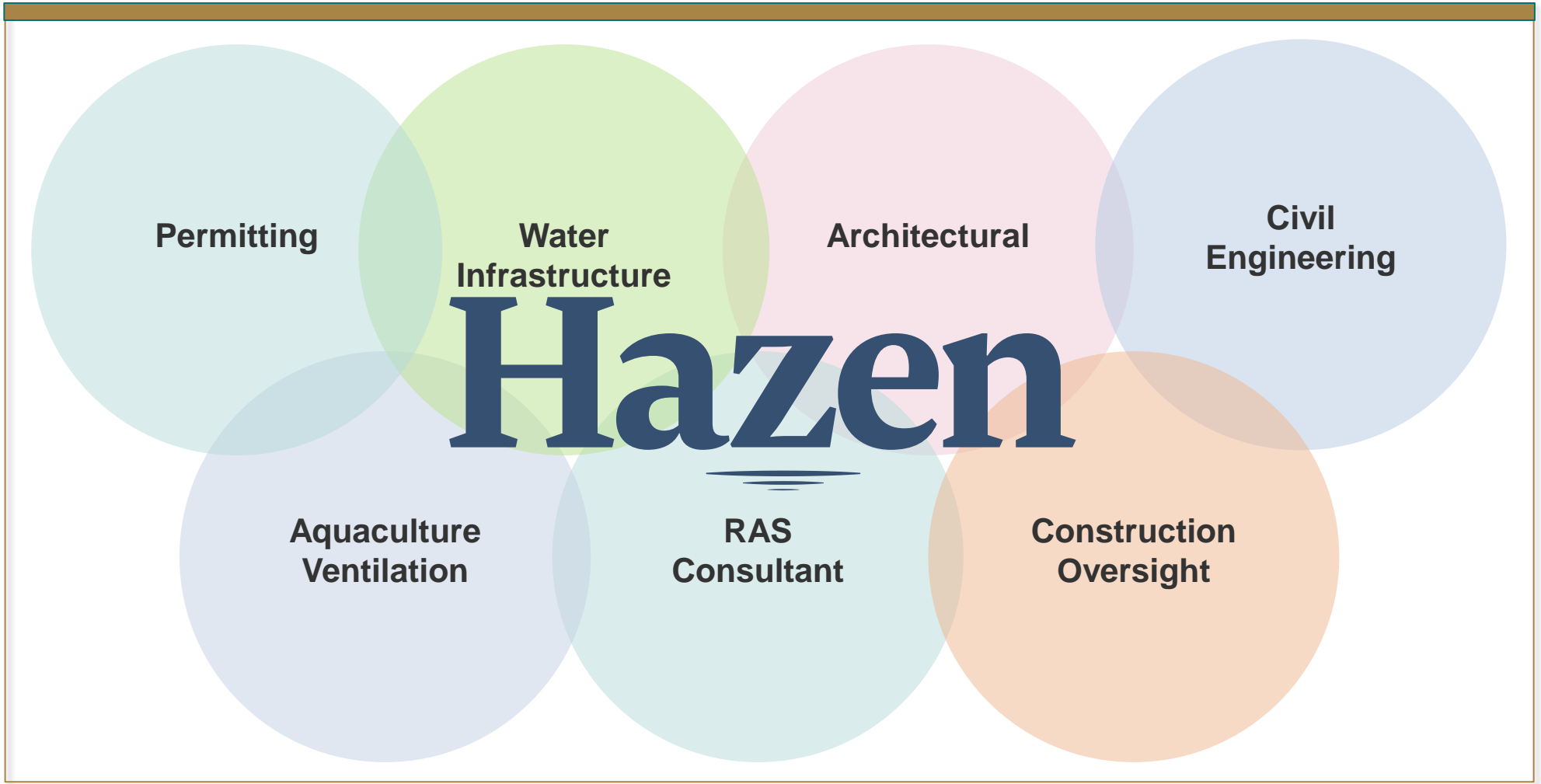


! Limitations of RAS-focused design for Salmon Farming

	Biofiltration	RAS Particle Management	Gas Management	Fish Movement	Power and Cooling	Construction Engineering	Permitting and Approval Process	Water Supply and Disposal	Fish Processing	Vertical Integration Opportunities	Aquaculture Specs
Traditional RAS Suppliers	✓	✓	✓								✓
Water Treatment Designer	✓	✓	✓		✓	✓	✓	✓		✓	
Specialized Suppliers				✓	✓	✓			✓		



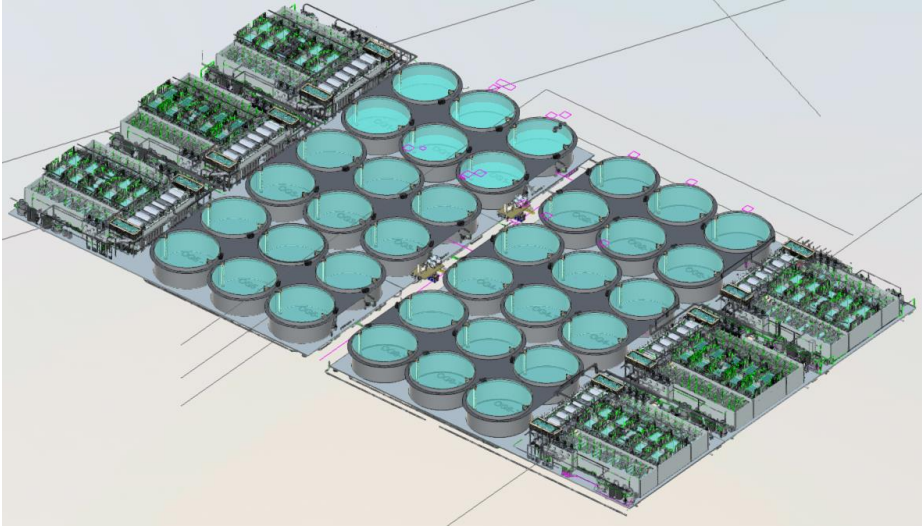
Centralized Accountability



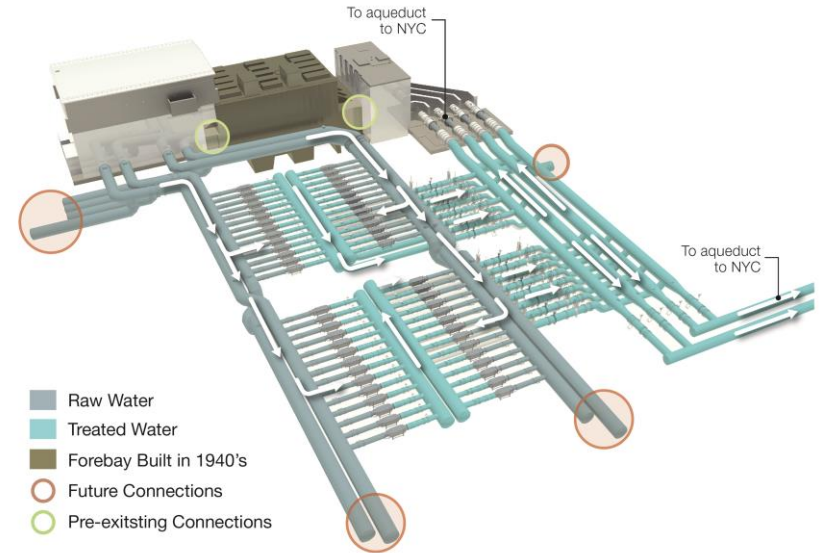


Large Scale Water Treatment Design

Similar piping, pumping and filtration systems are used for Bluehouse and municipal water treatment construction.



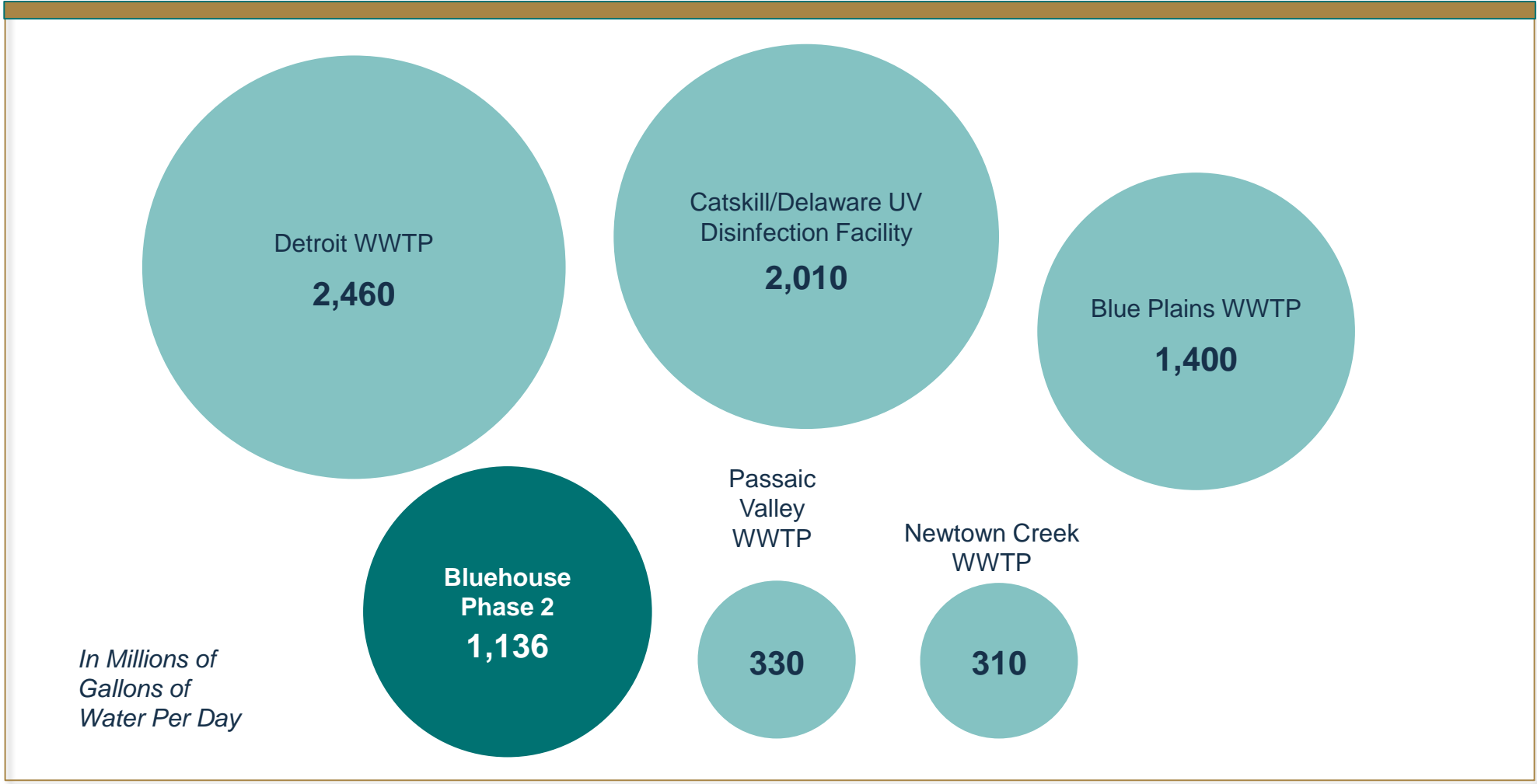
**Bluehouse
Phase 2
1,136 mgd¹**



**Catskill/Delaware
UV Disinfection Facility
2,010 mgd¹**

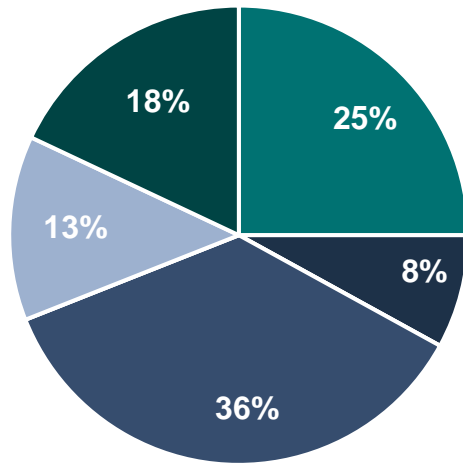
1 mgd: million gallons per day

✓ Municipal Water Treatment Requires Design at Large Scale

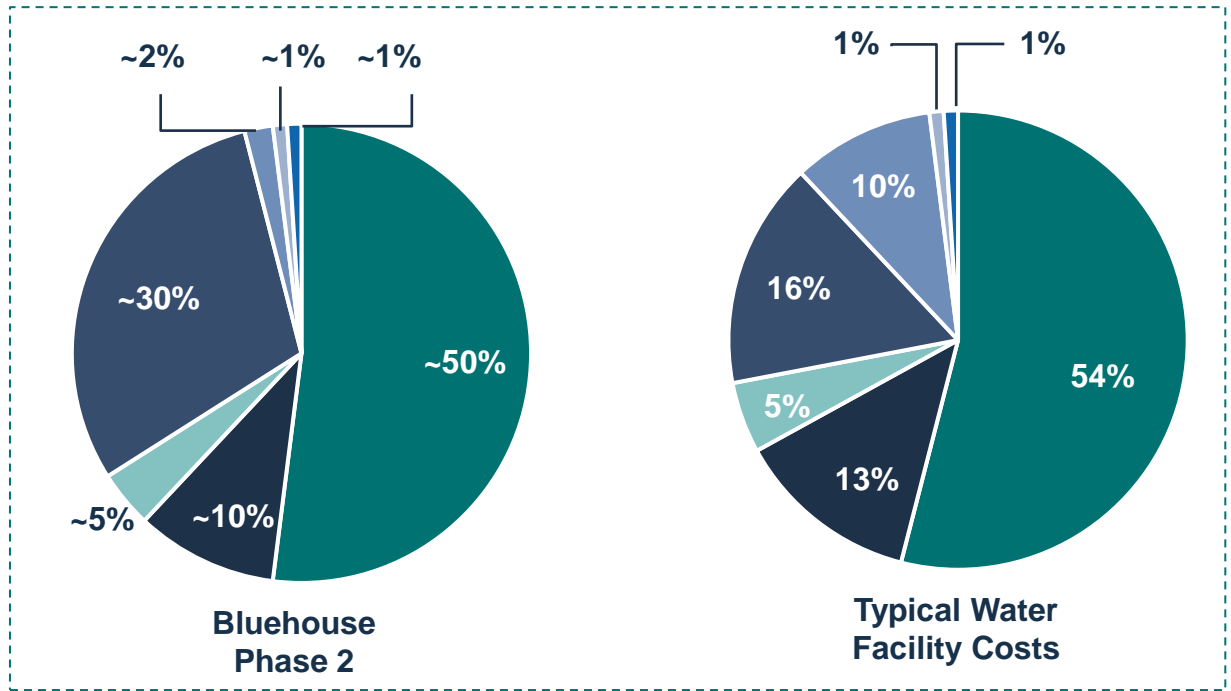




Commercial Construction Does Not Equal Water Facility Construction



Typical Commercial Construction Costs



Bluehouse Phase 2

Typical Water Facility Costs

Source: Hazen & Sawyer estimates



Design and Construction Team Has Experience in Large Complex Water Systems in Southeast U.S.



Hazen





Hazen/Wharton-Smith Team: Completed Projects

Project	Location
Snow Hill Rd PS and FM Replacement	Durham County, NC
Leaf River Raw Water Reactor Clarifier	New Augusta, MS
Foley WWQI Fenholloway Pipeline	Georgia-Pacific
Thomas P. Smith WRF	City of Tallahassee, FL
Thomas P. Smith WRF Package 2	City of Tallahassee, FL
Thomas P. Smith WRF Package 2B	City of Tallahassee, FL
Biosolids Dewatering Building	Davenport, FL
Miramar East WTP	City of Miramar, FL
FEMA Pump Stations	City of St. Augustine, FL
Chlorine Gas to Bulk Sodium Hypochlorite Conversion	Orlando Utilities Commission, FL

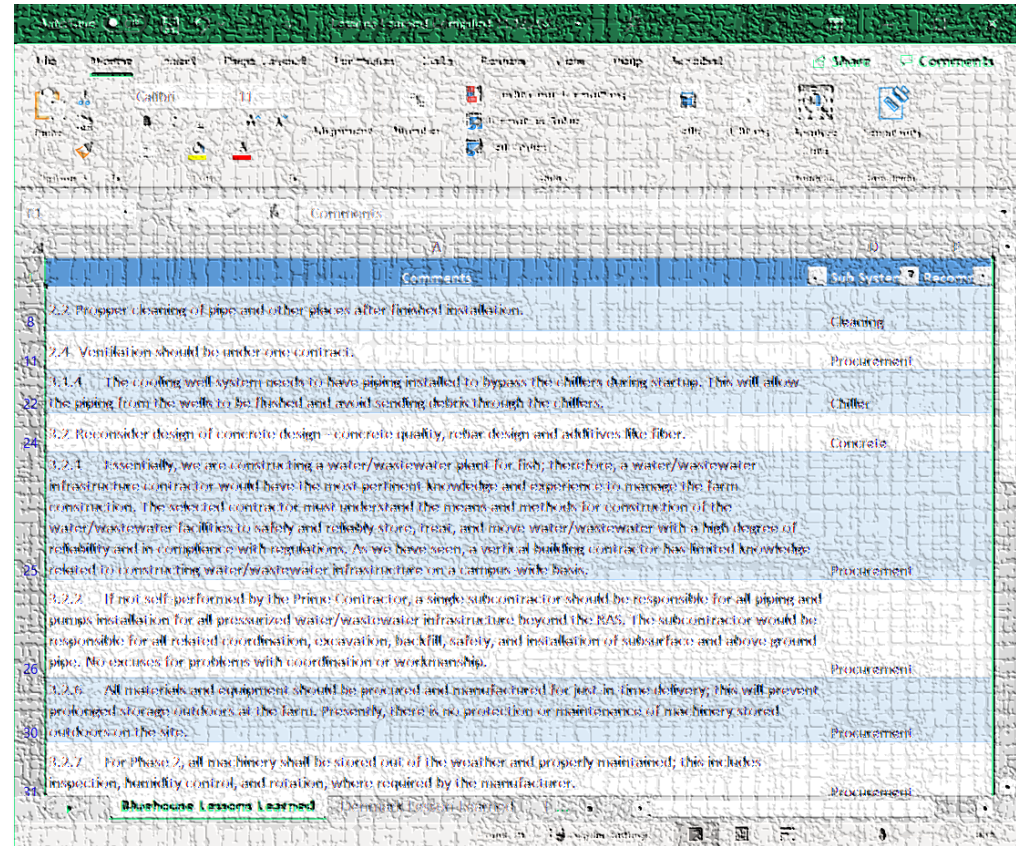
*\$500m in Joint
Project Value
Experience*

*Over \$4.2B
Combined
Project Value
Experience*

Phase 2 Takes Advantage Of All Phase 1 Learnings

Continuous Improvement

Atlantic Sapphire has identified over 500 “Possibilities for improvement” that will be incorporated in Phase 2



Our New Phase 2 Delivery and Teaming Approach

We have changed how we are approaching the project to optimize quality and efficiency

Atlantic Sapphire

Establishing criteria for Bluehouse Farming

Leading design consultant in water treatment industry

Hazen and Sawyer

Phase 2

Aquaculture industry partners

Leaders in aquaculture fish movement, feed, filtering and farming

Top construction contractor for water systems

Wharton-Smith

Phase 2 Approach Is The Solution To The Phase 1 Challenges



1

Appropriate staffing levels for large-scale project



2

Strategic selection of design consultant with proven experience on water facilities



3

Selection of construction contractor with vast experience on water facilities

 ATLANTIC
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