



# First Half 2023 Presentation and Operational Update

August 24, 2023



# IMPORTANT INFORMATION

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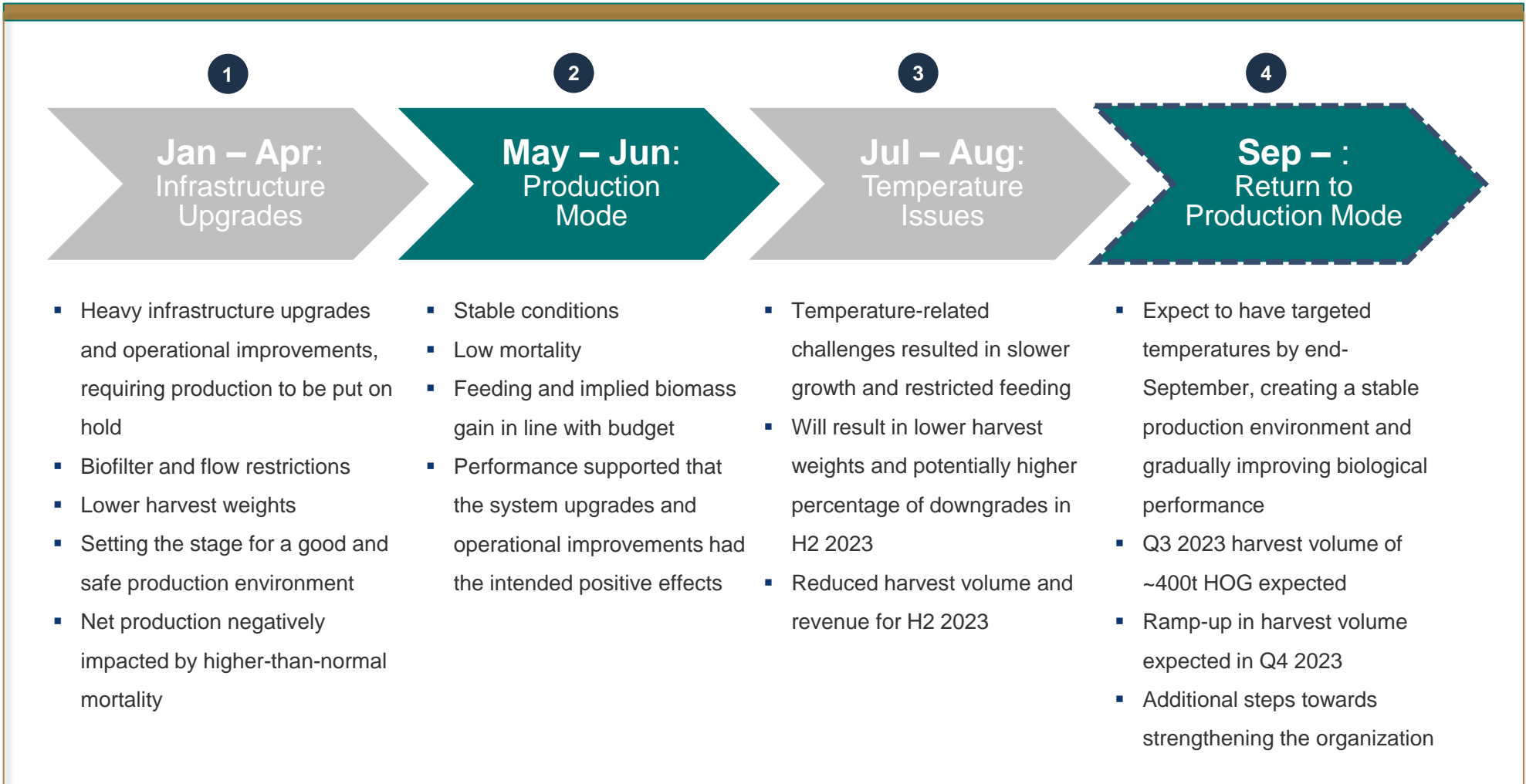
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- Focus on heavy infrastructure upgrades and operational improvements
- Approximately 2,100t RLW of gross biomass gain and harvest volume of 870t HOG
- Decrease in revenue driven by lower volume, partially offset by higher sales prices
- Consistent price achievement of ~USD 12/kg HOG on premium fish
- Increase in overall cost per kg of biomass produced compared to H1 2022
- Internal reorganization of the company initiated to streamline the organization and strengthen operational resources
- US Phase 2 construction currently focused on design and optimizing quality and cost of the project, limiting actual capital expenditures for the project to a minimum
- Extension of the debt facilities with DNB to April 2025 and a USD 55m Private Placement successfully completed

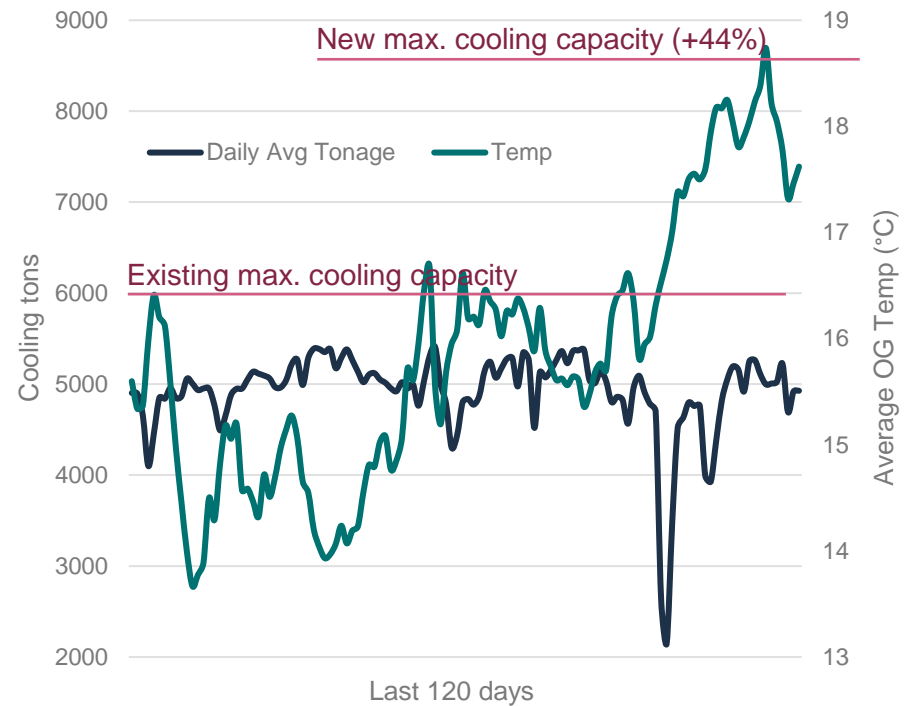


## Infrastructure Upgrades and Operational Improvements In Focus



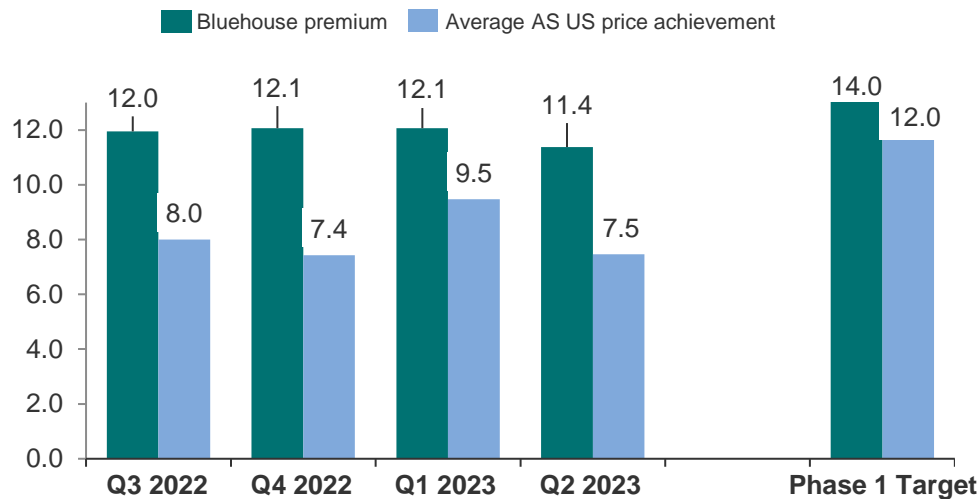
- Higher-than-anticipated downtime for maintenance and repairs of the rental chillers resulted in water temperature increases
- High water temperatures may lead to higher maturation, reduced SFR, increased FCR, higher risk of anaerobic conditions, higher O2 consumption, higher caustic consumption, higher turbidity, higher ammonia toxicity (NH3)
- Five additional chillers will be installed in September, adding 44% more capacity, resulting in more redundancy and a large over-capacity.
  - Opportunity to reduce the average electricity price by cooling more during off-peak hours
- A recently installed heat exchanger (pre-cooler) is estimated to take the intake water from 26°C to 12°C, allowing distribution of large volumes of cold water across the farm once the new chiller capacity is online
- Fish sampling does not indicate a spike in maturation levels, but the status of the biomass will be monitored closely given the recent temperature situation

**Chiller capacity in operation and average water temperature**



**Temperature Issue Expected To Resolved With Additional Chiller Capacity**

## US price achievement – premium fish (superior) and fresh average – USD/kg RTF<sup>1</sup>



- Good development of branded sales and programs for superior quality product
- Focus on new value-added and convenience product lines, such as smoked salmon
- Stable number of retail locations (~2,000)<sup>2</sup>
- As expected, price achievement in Q2 2023 was affected by high share of downgrades harvested
- Expect lower share of downgrades from Q4 2023
- Long-term under stable conditions, ~80-90% of total harvest is expected to be sold at the Bluehouse premium price, raising the average price achievement considerably
- Targeting ~USD 12/kg in average price achievement once in steady state production

**Improved Biological Performance Is Expected To Increase Price Achievement Over Time**

1: Atlantic Sapphire 'Bluehouse premium' is fresh, superior salmon on Return To Farm basis (excluding freight costs). Average price achievement does not include revenues from the sale of frozen inventory and certain by-products.

2: For details, see [bluehousesalmon.com/where-to-buy/](https://bluehousesalmon.com/where-to-buy/)

## Phase 2 capex status as of June 30, 2023

- Phase 2 is estimated to take the total run-rate production volume to 25,000t HOG annually
- ~USD 104m<sup>1</sup> invested, cash conservation currently in focus
- Approx. USD 7m in capex planned to be invested in H2 2023 (H1 2023: USD14.6m)
- Initial estimate for total Phase 2 capex is USD 275-300m<sup>2</sup>
- Focus on value engineering and working with contractors to optimize cost and quality for outstanding Phase 2 capex items

## Estimated project completion

- Focus on finalizing the design and Phase 2 budget
- The Company decides when and how funds should be deployed towards Phase 2



**Phase 2 Construction Spending Will Be Kept At A Minimum Until Phase 1 “Break-Even” Is Accomplished**

1: Management estimate, including capitalized operational expenses

2: Phase 2 timeline and funding plan will be determined once Phase 2 design and budget is complete

Unaudited (USD 1,000)	30 June 2023	30 June 2022	31 Dec 2022
Operating revenue	8,058	9,678	18,954
EBIT	(43,703)	(12,344)	(62,259)
EBIT %	-542.36%	-127.55%	-328.47%
EBITDA	(36,375)	(5,726)	(48,042)
Net loss	(48,377)	(14,472)	(65,006)
<b>Earnings per share:</b>			
Retrospectively adjusted basic earnings per share	(0.22)	(0.13)	(0.47)
Retrospectively adjusted diluted earnings per share	(0.22)	(0.13)	(0.47)
<b>Non-IFRS measures</b>			
EBIT	(43,703)	(12,344)	(62,259)
Add back:			
Depreciation and amortization	7,328	6,618	14,217
Fair value adjustment on biological assets	2,917	(1,917)	(95)
<b>EBITDA, pre-fair value adjustment on biological assets</b>	<b>(33,458)</b>	<b>(7,643)</b>	<b>(48,137)</b>
Add back:			
Denmark insurance proceeds	-	(25,289)	(25,322)
<b>EBITDA, adjusted *</b>	<b>(33,458)</b>	<b>(32,932)</b>	<b>(73,459)</b>
Total assets	365,654	363,421	357,551
Capital expenditures	14,551	33,642	52,447
Net interest bearing debt	20,991	41,395	23,154
Equity share	83.29%	71.92%	82.89%

\* EBITDA adjusted for fair value adjustment on biological assets and Denmark insurance proceeds



## H1 2023 Consolidated Statement of Operations

- **Harvest volume:** 870t HOG in H1 2023 (*H1 2022: 1,217t HOG*)
- **Cost of Good Sold** in H1 2023 up by USD4.3m Y/Y, despite lower harvest volume
  - Mortality cost of USD7.2m (*H1 2022: USD1.3m*)
  - USD13.4m of indirect production costs expensed through cost of materials for underutilized capacity (*H1 2022: USD8.2m*)
- Approx. USD5m in extraordinary costs tied to infrastructure upgrades in H1 2023 (outsourced labor costs and maintenance), expected to return to normal in H2 2023
- **SG&A:** USD2.2m in temporary chiller rental costs now classified as cost of production / COGS (*H1 2022: USD2.7m classified under SG&A*)

## H2 2023 Cost Outlook

- **Cost inflation** has eased across most key production inputs
  - Q3 2023 feed price stable: USD2.3/kg (*incl. USD0.3/kg in transportation*)
- **Chillers:** Five additional rental chillers from mid-September 2023 will add around USD0.1m in additional monthly rental costs (cost of production)

Unaudited (USD 1,000)	30 June 2023	30 June 2022
<b>Revenue</b>	8,058	9,678
<b>Expenses</b>		
Cost of goods sold	36,432	32,084
Fair value adjustment on biological assets	2,917	(1,917)
Salary and personnel costs	2,551	3,437
Selling, general, and administrative costs	4,303	7,476
Other income, net	(1,770)	(25,676)
Depreciation and amortization	7,328	6,618
<b>Total expenses</b>	<b>51,761</b>	<b>22,022</b>
<b>Operating loss</b>	<b>(43,703)</b>	<b>(12,344)</b>
Finance income	747	627
Finance expense	(5,421)	(2,755)
<b>Loss before income tax</b>	<b>(48,377)</b>	<b>(14,472)</b>
Income tax	-	-
<b>Net loss</b>	<b>(48,377)</b>	<b>(14,472)</b>
<b>Earnings per share:</b>		
Retrospectively adjusted basic earnings per share	(0.22)	(0.13)
Retrospectively adjusted diluted earnings per share	(0.22)	(0.13)

**Lower fixed costs expected in H2 2023 as the infrastructure upgrades are finalized**

## H1 2023

### Consolidated Statement of Financial Position

- **Cash:** USD23.6m
- **NIBD:** USD 21.0m in H1 2023 (*H1 2022: USD 41.4m*)
- **Capex:** USD13.4m invested in phase 2 capex and USD1.2m invested in other capex

Unaudited (USD 1,000)	30 June 2023	30 June 2022
<b>ASSETS</b>		
Non-current assets		
Property, plant, and equipment, net	310,740	291,323
Right of use asset	2,187	2,462
Security deposits	1,448	1,167
Other investments	6	6
Trade and other receivables (non-current)	1,146	375
<b>Total non-current assets</b>	<b>315,527</b>	<b>295,333</b>
Current assets		
Prepaid and other current assets	708	1,188
Inventories, net	4,955	4,599
Biological assets	18,623	21,336
Trade and other receivables, net	1,617	1,455
Restricted cash	615	427
Cash	23,609	39,083
<b>Total current assets</b>	<b>50,127</b>	<b>68,088</b>
<b>TOTAL ASSETS</b>	<b>365,654</b>	<b>363,421</b>

Unaudited (USD 1,000)	30 June 2023	30 June 2022
<b>EQUITY AND LIABILITIES</b>		
Equity		
Share capital	3,123	1,246
Share premium	633,909	490,177
Employee stock options	4,500	4,079
Accumulated deficit	(328,786)	(229,875)
Accumulated translation differences	(8,185)	(4,272)
<b>Total equity</b>	<b>304,561</b>	<b>261,355</b>
Non-current liabilities		
Borrowings (non-current)	44,600	-
Lease liability (non-current)	1,955	2,286
<b>Total non-current liabilities</b>	<b>46,555</b>	<b>2,286</b>
Current liabilities		
Borrowings (current)	-	80,478
Lease liability (current)	433	248
Trade and other payables	14,105	19,054
<b>Total current liabilities</b>	<b>14,538</b>	<b>99,780</b>
<b>Total liabilities</b>	<b>61,093</b>	<b>102,066</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>365,654</b>	<b>363,421</b>

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