



**Q3 2023
Operational
Update**

November 1, 2023



IMPORTANT INFORMATION

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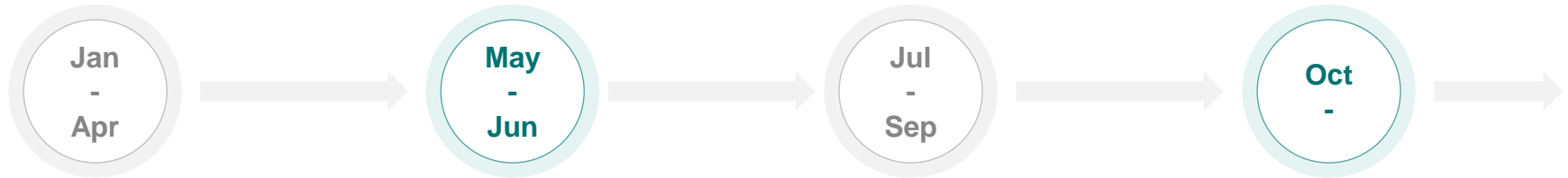
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2023 In Summary



Infrastructure Upgrades

- Heavy infrastructure upgrades and operational improvements, requiring production to be put on hold
- Biofilter and flow restrictions
- Lower harvest weights
- Setting the stage for a good and safe production environment thereafter
- Net production negatively impacted by higher-than-normal mortality

Production Mode

- Stable conditions
- Low mortality
- Feeding and implied biomass gain in line with budget
- Performance supported that the system upgrades and operational improvements had the intended positive effects

Temperature Issues

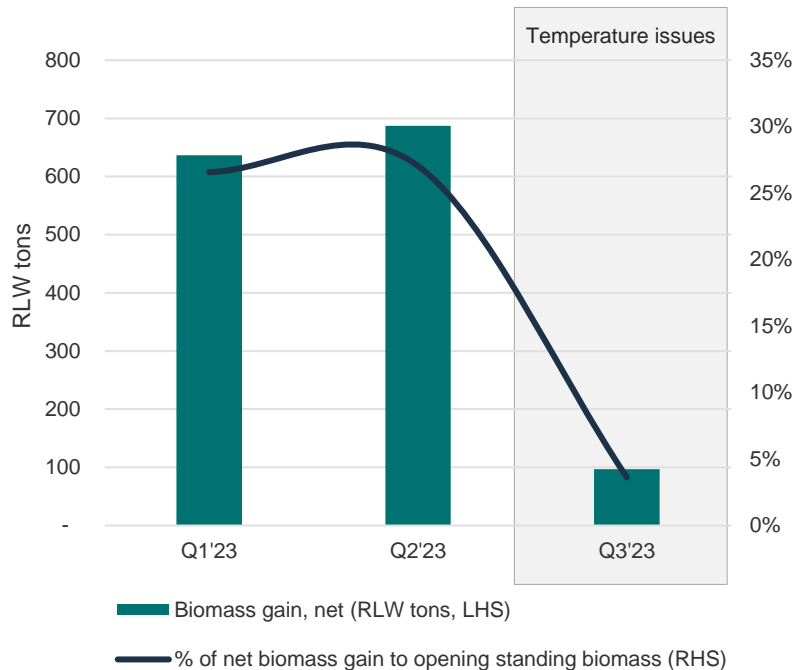
- Temperature-related challenges resulted in slower growth and restricted feeding
- Will result in lower harvest weights and potentially higher percentage of downgrades in H2 2023
- Reduced harvest volume and revenue for H2 2023

Return to Production Mode

- Expect to have targeted temperatures by end-September, creating a stable production environment and gradually improving biological performance
- Q4 2023 harvest volume of ~300t HOG expected
- Additional steps towards strengthening the organization, most notably the appointment of Mario Palma as Chief Operating Officer

Q3 2023 Biological Performance

Quarterly net biomass gain development



Comments

- Temperature-related challenges resulted in slower growth in Q3 2023, with a net biomass gain of approximately 100t RLW
- The standing biomass end-Q3 2023 was approximately 2,350t RLW
- The initial increase in temperatures resulted in a gradual reduction in water quality, as the volume of new makeup water (26°C) was reduced to minimize cooling demand, which negatively impacted the ability to feed the fish
- The biomass is being monitored closely following the Q3 2023 temperature issues, but we continue to expect a material uptick in biomass gain and harvest volume despite a higher share of the biomass showing signs of maturation now than in September
- **Since the temperature issue was resolved in October 2023, the feeding has been trending up, driven by improved water quality**

Q3 2023 Temperature Challenges Now Resolved

Q3 2023 Temperature Challenges Resolved

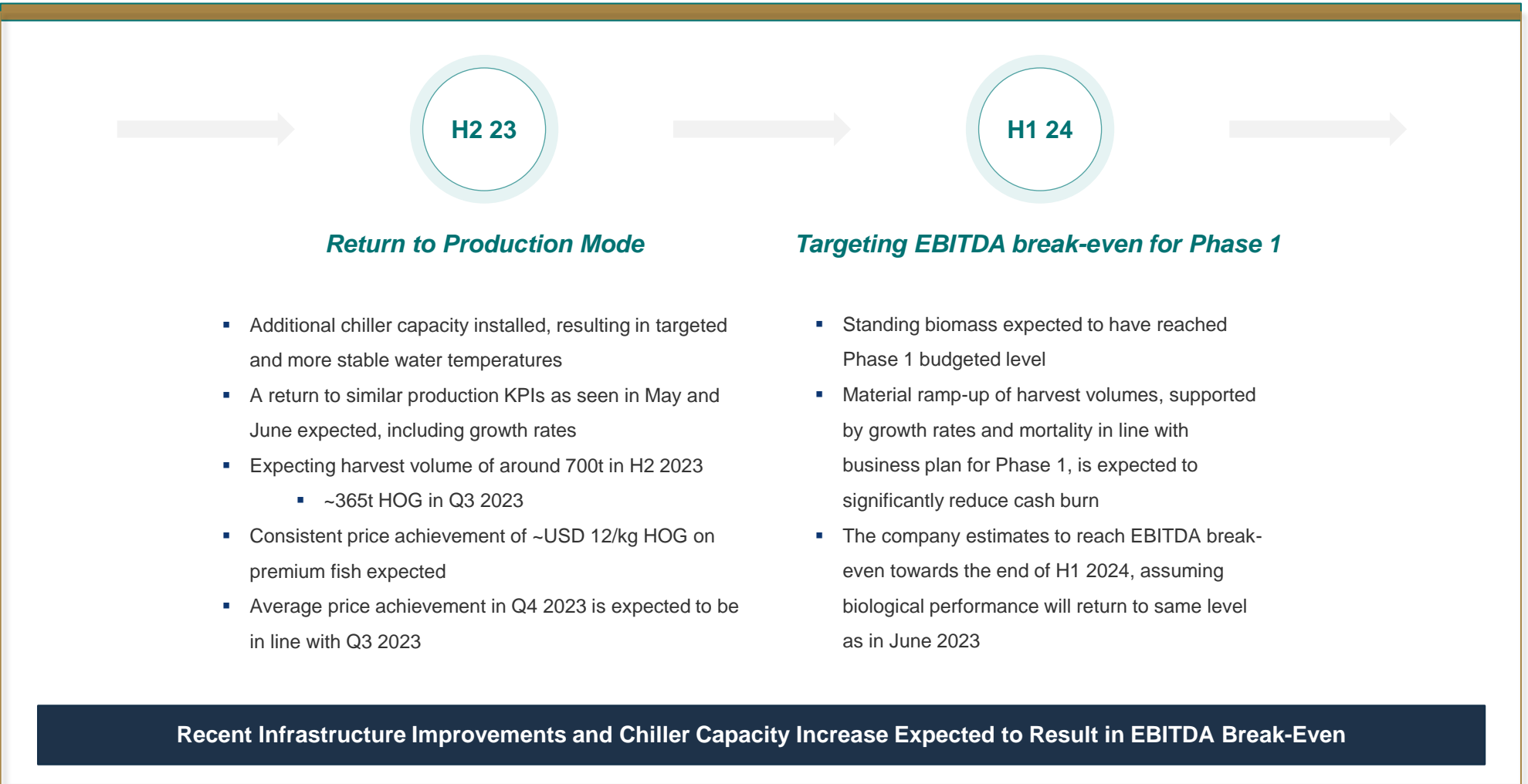
Comments

- New additional chillers have been installed
- **Temperatures brought down and stabilized at targeted levels of around 14°C in the saltwater systems**
- The recently installed heat exchanger (pre-cooler) is now fully engaged, taking the intake water from 26°C to 14°C, allowing distribution of large volumes of cold water across the farm and contributing to temperature stability
- The new chillers are proving to be effective and reliable, making an investment decision in a new Phase 1 & 2 chiller facility unlikely before Phase 2 is online
- Daily feeding currently approaching 20t

Weekly temperature and feeding (Sep – Oct 2023)



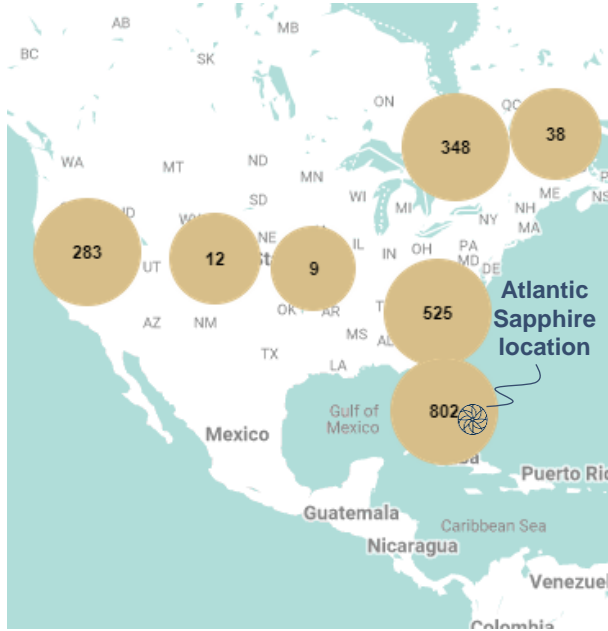
Operational Expectations Going Forward



Offtake and Price Achievement

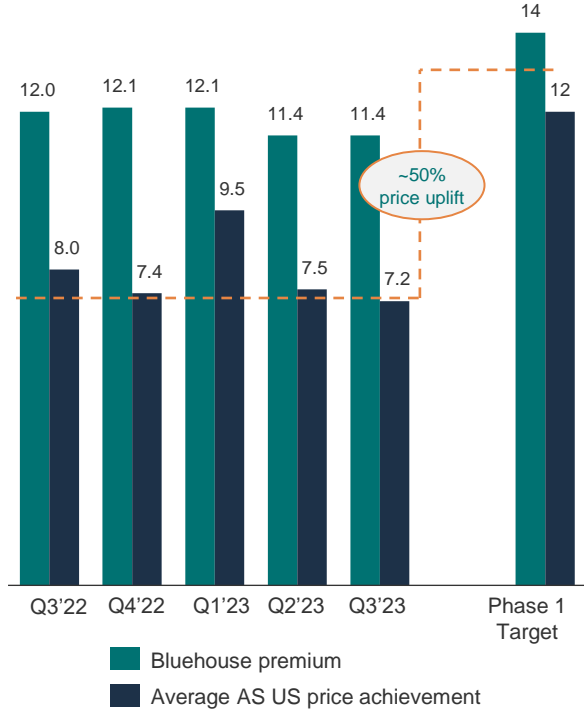
Highly developed footprint in close proximity to Atlantic Sapphire

~2,000 locations carrying Bluehouse Salmon



Significant upside on price achievement to follow satisfactory operational performance

US price achievement: Premium fish (superior) and fresh average – USD/kg RTF¹



Commentary

- 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 full production
- Price achievement in Q3 2023 affected by production setbacks, with a higher share of downgrades harvested
- Good development of branded sales and programs for superior quality product
- Focus on new value-added and convenience product lines, such as smoked salmon

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.

Powerful Equity Story With Strong Growth Potential



Atlantic Sapphire is capturing a US megatrend

- The US is by far the largest salmon consumer market in the world with ~600,000 tons per year
- However, US production is scarce with consumers generally reliant on European or South-American salmon imports today with significant freight cost.



Large-scale site already operational and approaching EBITDA break-even

- Atlantic Sapphire is currently operating its Phase 1 site in Florida with ~9,500t HOG capacity.
- Several operational improvements have been completed and the Company is targeting Phase 1 EBITDA break-even in H1 2024.



Phase 2 under construction to more than double capacity

- The company has invested more than USD 100m in Phase 2, capturing key historical learnings in the build-out.
- Once completed, total production capacity will be ~25,000t (HOG).
- Undrawn term loan of USD 100m for continued build-out.



Unique economic and environmental proposition

- Proven ability to extract US premium pricing for superior grade fish
- Significant cost saving by removing air freight from conventional production markets (USD 2-4/kg), as well as notable reduction in CO2 footprint.
- Network of ~2,000 stores across the US selling Atlantic Sapphire's salmon.



Backed by highly renowned financial sponsors and industry experts

- Having invested ~USD 645m of equity since inception, Atlantic Sapphire has had strong supporters both in the equity and debt markets.
- Leading salmon farmer and largest shareholder Nordlaks is showing continued support through additional operational support and resources on the ground in Miami.

Source: Mowi Industry Handbook 2023, Atlantic Sapphire, Arctic Securities Research

