



ATLANTIC  
SAPPHIRE®



## Company Update

Equity Funding of Phase 2 Construction of the Miami Bluehouse

3<sup>rd</sup> of June 2021

# IMPORTANT INFORMATION

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# Q1 2021 - US Construction and Operational Update



## Q1 2021 operational issues addressed as planned

- Feeding held back in the beginning of Q2 2021 (risk reduction) while the action plan for the Q1 2021 issues was being implemented
- Now at all-time-high water quality parameters and growth rates across all grow-out systems, setting the stage for stable, good biological performance from Q3 2021

## Achieved sales prices at stable, high levels

- Low percentage of downgrades since March 2021, bringing the average price achievement close to the established premium pricing for Superior 3kg+ fish
- Holding back on harvest volumes in Q2 2021 to build biomass and maximize capacity utilization for 2021
- High product quality and taste, great customer feedback

## Phase 2 construction

- Phase 2 construction has started – expected completion of the first 1/3 of capacity in mid-2022
- Ramp-up in harvest volume from Q1 2023, full steady state phase 2 production expected in Q3 2023 of annualized 25,000t (HOG)
- Water treatment specialists Hazen & Sawyer and Wharton-Smith responsible for design and construction, respectively
- Ph. 2 capex budget of USD14/kg (HOG), plus USD1/kg (HOG) for centralized functions for expansion beyond ph. 2
  - Construction budget accounts for recent commodity price inflation

**Q1 2021 Challenges Have Been Addressed, Operations Now Back On Track**

## Q1 2021 – US Action Plan Status

US Q1 2021 challenges	Why it's important	What's been the Q1 impact	When it will be fixed	Current status
New center drain (design weakness)	Avoids clogging of tanks; ensures stable flow of new water into tanks even in case of elevated mortality.	Resulted in March 23 mortality event, because the new drains had not yet been installed	Q2 2021	<b>On track:</b> New center drains installed in half of the tanks
Splitting of grow-out systems	Risk mitigation; reduce financial impact of incidents	Higher financial impact of March 23 mortality event	Q2 2021	<b>On track:</b> One system left to split
Internal chiller plant breakdown	Temperature stability and cost of cooling	Temporary temperature instability and rental chillers and generators add short term cost	Electrified by Q2 2021, cutting chilling cost	<b>On track</b> to electrify remaining chillers
Drum filter area, ozone and protein skimmers not fully commissioned	Water quality optimization tools necessary to reach budgeted feeding	Reduced Q1 2021 feeding and growth, poor drum sump design triggered March 23 incident	Q2 2021	<b>Completed</b>
Batch 1 maturation	Reduced growth, high FCR and lower price achievement	Low biological performance and price achievement in Q4(20) & Q1(21)	Currently, normal maturation for Batch 2	<b>Completed:</b> Low maturation in batch 2
On Track To Get Back To Target JEA Index				



# Offering Summary

<b>Issuer</b>	<ul style="list-style-type: none"> <li>Atlantic Sapphire ASA ("Atlantic Sapphire" or the "Company")</li> </ul>
<b>The Private Placement</b>	<ul style="list-style-type: none"> <li>Private placement to raise the NOK equivalent of up to USD 120 million from the issuance of new ordinary shares in the Company (the "Offer Shares")</li> </ul>
<b>Offer price</b>	<ul style="list-style-type: none"> <li>To be determined through an accelerated bookbuilding process.</li> </ul>
<b>Use of proceeds</b>	<p><b>The net proceeds of the Private Placement will be used for:</b></p> <ul style="list-style-type: none"> <li>Partly finance Phase 2 construction anticipated to commence in Q2 2021</li> <li>Acceleration of further expansion ("Grand Master Plan"). Initial, long lead investments and construction of centralized infrastructure such as power and chiller plant that will benefit subsequent buildouts</li> <li>General corporate purposes</li> </ul>
<b>Pre-commitments from primary insiders</b>	<p><b><u>Primary insiders</u></b></p> <p>The following primary insiders and key employees have pre-committed to subscribe for Offer Shares in the Private Placement:</p> <ul style="list-style-type: none"> <li>Andre Skarbø, a member of the board, has pre-committed to subscribe for NOK 5 million</li> <li>Tone Bjørnov, a member of the board, has pre-committed to subscribe for 2,000 shares</li> </ul>
<b>Lock-up</b>	<p><b>Customary lock-up agreement expected with the following individuals and their related companies:</b></p> <ul style="list-style-type: none"> <li>Johan E. Andreassen: 180 days</li> <li>Other selected key management: 180 days</li> <li>Board members: 90 days</li> <li>The Company: 180 days</li> </ul>
<b>Selling restrictions</b>	<ul style="list-style-type: none"> <li>Institutional and professional investors in Norway and internationally, subject to applicable exemptions from the relevant registration, filing and prospectus requirements</li> <li>In the United States, to QIBs as defined in Rule 144a of the U.S. Securities Trading Act</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocation will be based on criteria such as (but not limited to), existing ownership in the Company, timeliness of the application, price leadership, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. There is no guarantee that any potential investor will be allocated shares</li> </ul>
<b>Managers</b>	<ul style="list-style-type: none"> <li>Arctic Securities AS, BofA Securities Europe SA and DNB Markets, a part of DNB Bank ASA are acting as joint bookrunners (together, the "Managers")</li> </ul>

# Transaction Summary

## Transaction background

- Contemplated equity issuance of up to 120 USDm, with use of proceeds to partly fund phase 2 construction of the Miami Bluehouse

## Equity use of proceeds

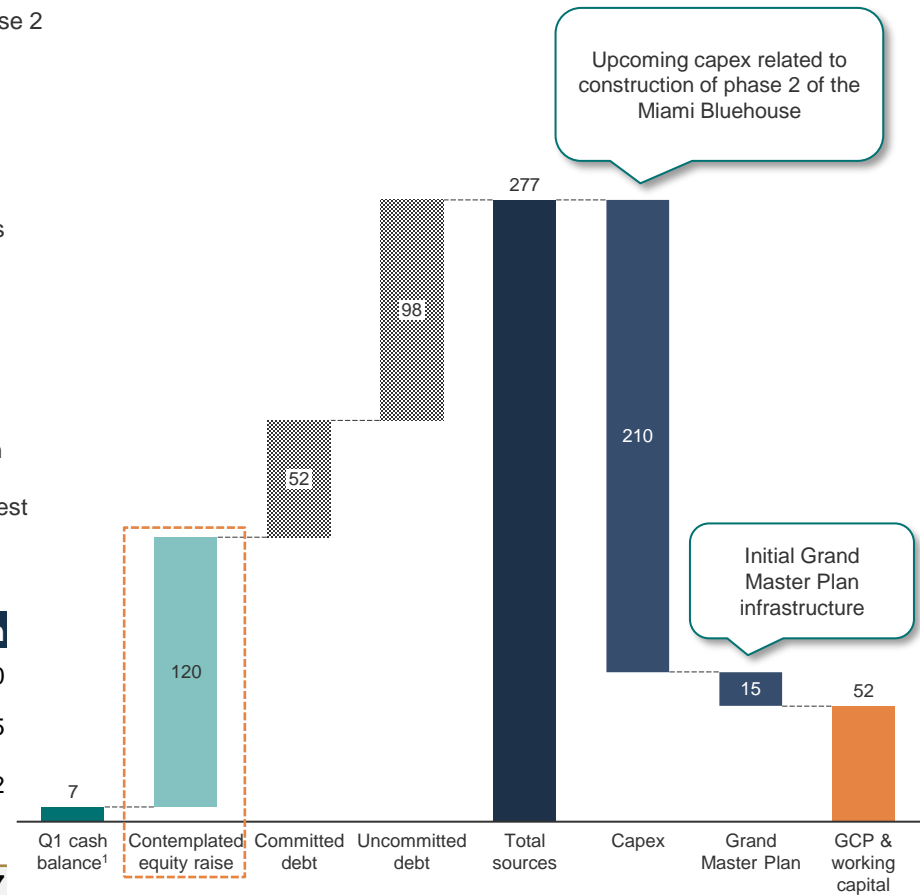
- Phase 2 construction commencing in Q2 2021
- Acceleration of further expansion ("Grand Master Plan")
  - Initial, long lead investments and construction of centralized infrastructure such as power and chiller plant that will benefit subsequent buildouts
- General corporate purposes

## Existing Undrawn Debt financing

- As previously communicated, the debt financing requirement of Phase 2 will be covered through already existing debt facilities of USD 150 million, comprised of USD 32 million committed facilities and USD 98 million uncommitted accordion facility. The USD 98 million facility amount is permitted to be incurred under the facility agreement subject to certain conditions including compliance with existing financial covenants. The Company may request existing and new lenders (existing lenders have first right of refusal) for this facility amount.
- Undrawn RCF of USD 20 million available for working capital based on a borrowing base

Sources	USDm	Uses	USDm
Private Placement	120	Phase 2 capex	210
Committed debt	52	"Grand Master Plan" capex	15
Uncommitted accordion debt	98	General corporate purposes and working capital	52
Q1 cash on balance sheet <sup>1</sup>	7		
<b>SUM</b>	<b>277</b>	<b>SUM</b>	<b>277</b>

## Funding plan for upcoming investments (USDm)



<sup>1</sup> RCF was undrawn as of end of Q1 2021

