



ATLANTIC  
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**Monthly Update – February 2022**

March 7, 2022

# IMPORTANT INFORMATION

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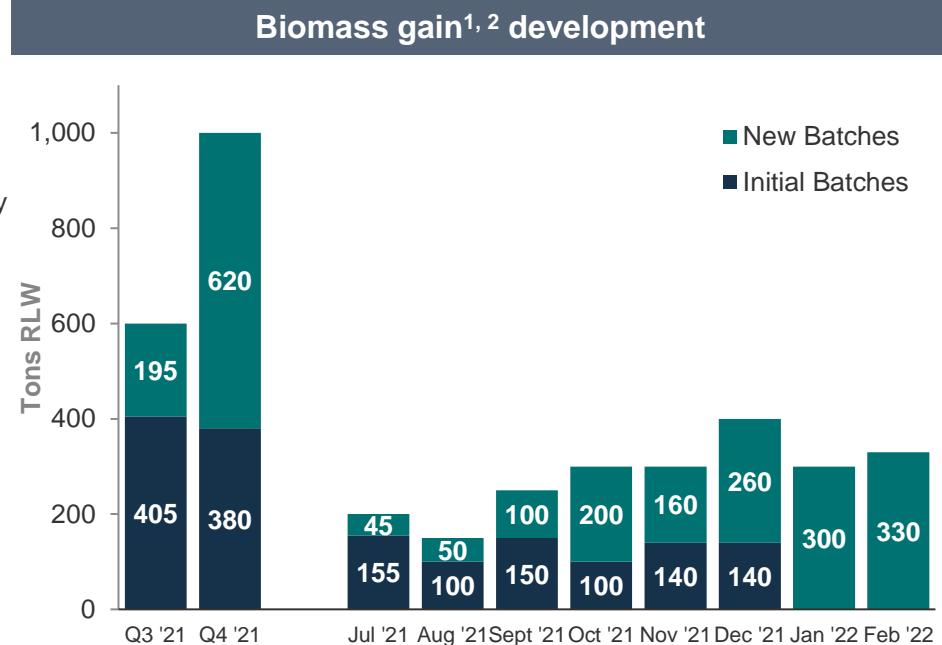
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## Highlights of the month

- New Batches continue to perform great and represent all the net biomass gain
- Similar to January, no net growth from the Initial Batches in February due to higher day-to-day mortality and FCR on mature fish
- February 2022 harvest volume of ~300t HOG
- Planning to harvest ~1,000t HOG in both Q1 and Q2 2022

## Water quality

- Stable operating conditions across the farm, including water quality and temperatures



**Under Stable Conditions, Biomass Gain Of New Batches Is Increasing Steadily**

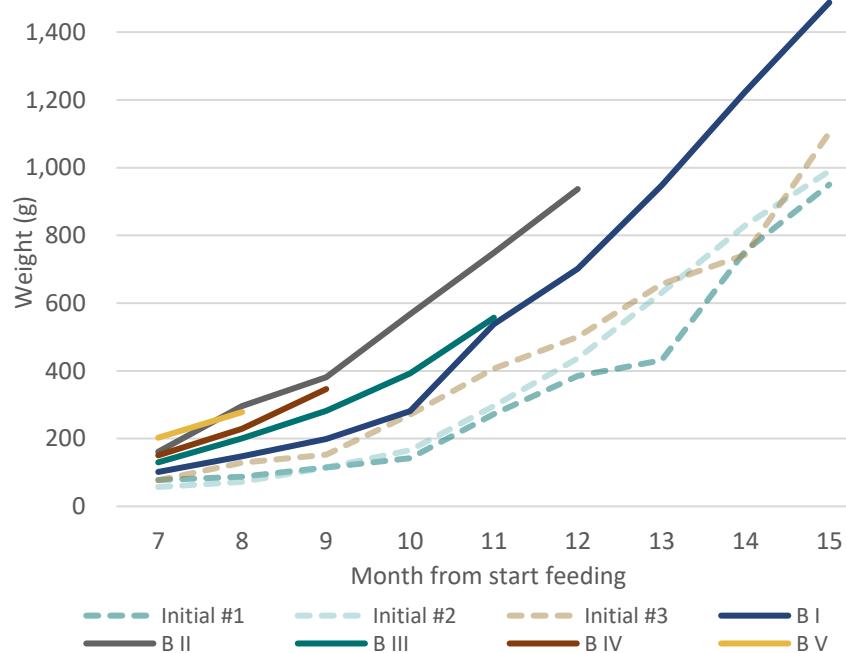
<sup>1</sup> Biomass gain: Estimated net change in standing biomass in the period, adjusted for actual harvest volumes. Includes any culling or mortality.

<sup>2</sup> Feb '22 biomass gain for Initial Batches: Elevated mortality and harvest deviations on the Initial Batches contributed with negative 130t RLW of biomass adjustment, which is excluded from the biomass gain development overview

**Batches introduced from mid-2020 have had stable conditions and deliver great biological performance**

- Performance of New Batches is in line budget expectations
  - The New Batches represented all the net biomass gain in January and February 2022
  - No maturation identified in New Batches
  - B V added to the biomass gain overview

## Biomass gain<sup>1</sup> of Initial Batches vs. New Batches



**Focus Is On The New Batches**

<sup>1</sup> Time from introduction into start feeding. The graph shows the fish in salt water.

## US standing biomass overview<sup>1</sup> as of February 28, 2022

Feb 28, 2022	Number	Average Weight (grams)	Standing Biomass (kg)	Quarter introduced in start-feed	Comment
Initial batches <sup>2</sup>	260k	3,400	884,000		Groups exposed to uneven and suboptimal conditions early in the cycle (chiller plant breakdown, key water treatment tools missing)
B I	415k	1,500	622,500	Q4 '20	Stable conditions in line with plan
B II	490k	950	465,500	Q1 '21	Stable conditions in line with plan
B III	360k	550	198,000	Q2 '21	Stable conditions in line with plan
B IV	180k	345	62,000	Q2 '21	Fungus in hatchery stage, stable conditions thereafter
Freshwater <sup>3</sup>	2,350k	70	164,500		Stable conditions in line with plan
<b>Total</b>	<b>4,055k</b>		<b>2,396,500</b>		

The New Batches Contribute Increasingly To Total Biomass Gain

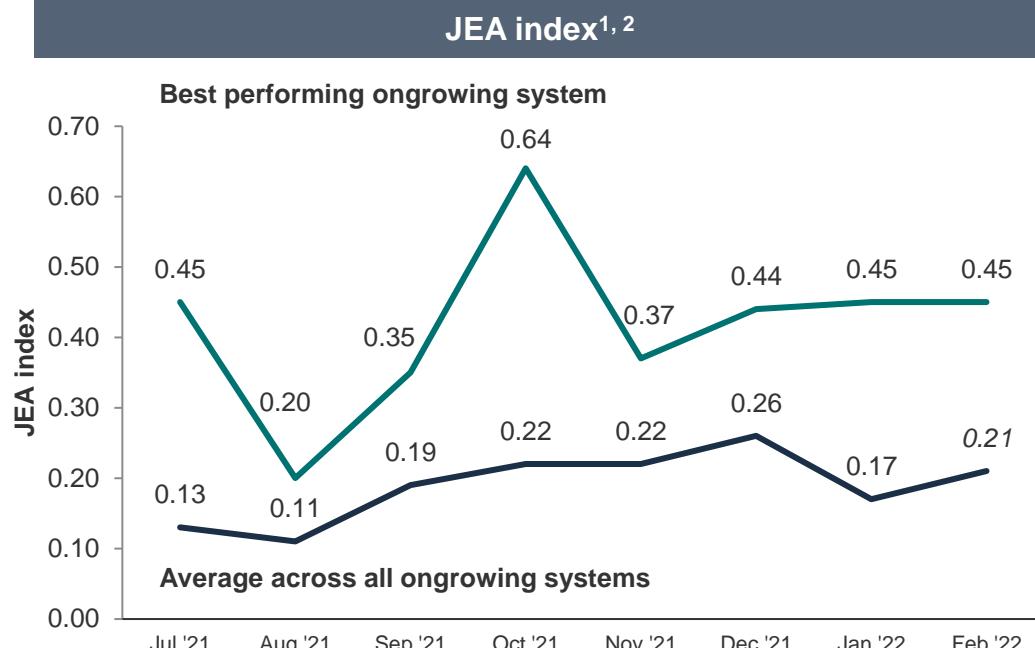
<sup>1</sup> The biomass overview is based on management estimates, and may change based on counting and weight sampling

<sup>2</sup> Remaining batches introduced before mid-2020, that have not had stable conditions and therefore have mixed biological performance. To be harvested out by Q2 2022.

<sup>3</sup> Excludes eggs in the hatchery

## Comments

- ~60% of the planned 'Ph. 1 steady state' standing biomass was stocked end-February
- Average JEA index will increase gradually with growing biomass and replacement of Initial Batches with New Batches
- 12 identical saltwater ongrowing systems
- Budget JEA Index of 0.47 in Phase 1, which yields ~9,500t HOG of annual production

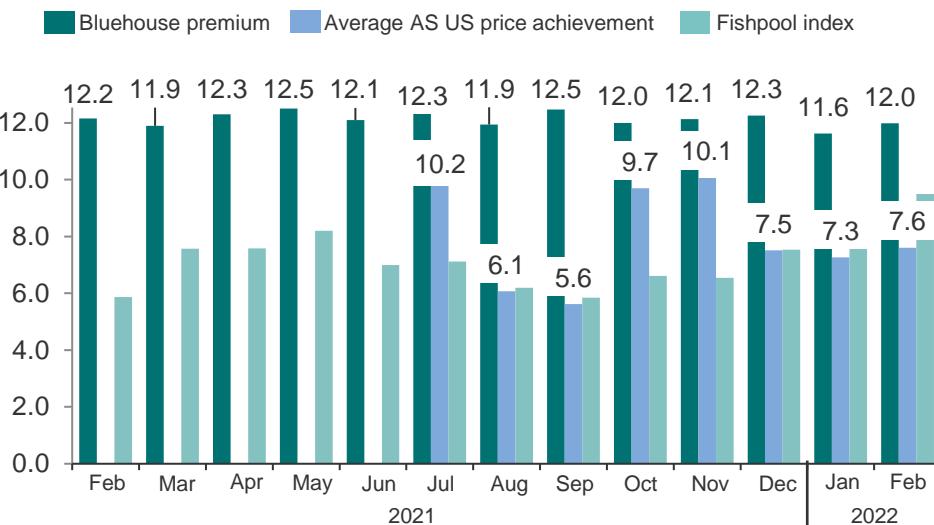


## JEA Index To Increase With Growing Biomass

<sup>1</sup> Johan E. Andreassen (JEA) Index on operational performance based on management estimates: kg RLW biomass gain per m<sup>3</sup> per day

<sup>2</sup> Feb '22 biomass gain for Initial Batches: Elevated mortality and harvest deviations on the Initial Batches contributed with negative 130t RLW of biomass adjustment, which is excluded from the JEA index overview

### US price achievement – premium fish (superior, 3kg+) and average – USD/kg RTF<sup>2</sup>



### ~2,000 locations carrying Bluehouse Salmon<sup>1</sup>



Consistently High Price Achievement For Premium Bluehouse Salmon

1 Bluehouse Salmon store locator is updated 'live' at [bluehousesalmon.com/where-to-buy/](http://bluehousesalmon.com/where-to-buy/)

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

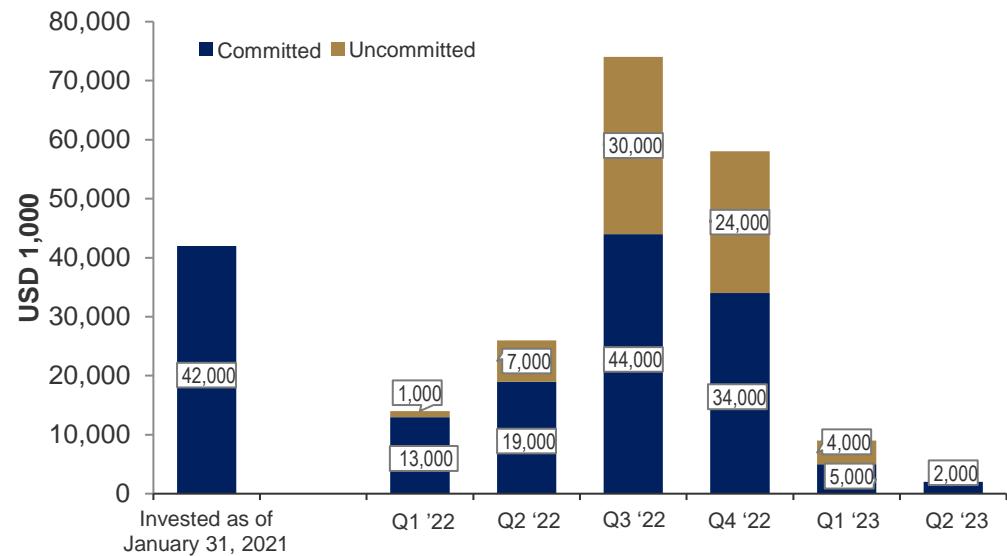
## Capex Status as of January 31, 2022

- \$225 million total budget
  - \$159 million committed, of which
    - \$42 million invested
    - \$117 million forecasted
  - \$66 million currently uncommitted
- Phase 2 construction capex and speed remains solely at the Company's discretion

## Schedule of Estimated Project Completion

- Phase 2 expected to be ready for fish early 2023
- Forecasted amounts are based on expected cash flows from future bid packages

## Monthly capex spending and commitments



## Phase 2 Construction Progressing According To Plan



Phase 2 Will Bring Total Annual Harvest Volume Capacity To 25,000t HOG

## Jon-Birger Løvik appointed Chief Operating Officer (COO)

- Mr. Løvik joined the AS USA in April 2021 as Director of Aqua Technology
  - In charge of farm operations since August 2021, based in Miami, FL
  - Involved directly and indirectly in Atlantic Sapphire since inception of the Company in 2010
- Contributes with ~20 years of experience from the broader seafood industry
  - Managing Director of Atlantic Sapphire Denmark (Jun '15 - Dec '18)
  - Production Manager in Villa Organic, a 30,000t capacity salmon farming company
  - Responsible for building up and operating land-based smolt facilities in Norway





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