



# Interim Consolidated Financial Statements

SIX MONTHS ENDED  
30 JUNE 2021

In accordance with  
International Financial  
Reporting Standards

## STATEMENT BY MANAGEMENT AND THE BOARD OF DIRECTORS

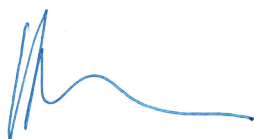
### 30 June 2021 Interim Consolidated Financial Statements

Management and the Board of Directors have today considered and approved the interim consolidated financial statements of Atlantic Sapphire ASA (collectively, the "Group") for the period 1 January 2021 to 30 June 2021. The interim report, which has not been audited or reviewed by the Group's independent auditors, has been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the EU disclosure requirements for listed companies. In our opinion, the accounting policies used are appropriate, and the interim report gives a true and fair view of the Group's financial position as of 30 June 2021, as well as the results of the Group's activities and cash flows for the period 1 January 2021 to 30 June 2021. In our opinion, Management's review provides a true and fair presentation of developments, results for the period, and overall financial position of the Group's operations in addition to a description of the most significant risks and elements of uncertainty facing the Group. Over and above the disclosures in the interim report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures in the annual report for 2020.


Vikebukt, 26 August 2021



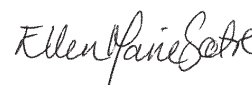
Johan E. Andreassen  
Chairman



Alexander Reus  
Director



André Skarbø  
Director



Ellen Marie Sætre  
Director



Patrice Flanagan  
Director



Runar Vatne  
Director



Tone Bjørnov  
Director



Karl Øystein Øyehaug  
Managing Director of ASA

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

### SIX MONTHS ENDED 30 JUNE 2021, 30 JUNE 2020, AND YEAR ENDED 31 DECEMBER 2020

Unaudited (USD 1,000)	Note	30 June 2021	30 June 2020	31 Dec 2020
Revenue		10,878	2,502	6,270
Expenses				
Cost of materials	3	38,365	5,328	18,169
Fair value adjustment on biological assets	3	(4,973)	11,216	9,478
Salary and personnel costs		4,285	2,831	7,448
Other operating expenses	8	15,620	5,132	11,609
Depreciation and amortization	4	7,490	1,289	6,745
<b>Total expenses</b>		<b>60,787</b>	<b>25,796</b>	<b>53,449</b>
<b>Operating loss</b>		<b>(49,909)</b>	<b>(23,294)</b>	<b>(47,179)</b>
Finance income		358	104	178
Finance expense		(2,164)	(8,467)	(8,776)
Other income, net		177	83	584
<b>Loss before income tax benefit</b>		<b>(51,538)</b>	<b>(31,574)</b>	<b>(55,193)</b>
Income tax benefit		-	-	-
<b>Net loss</b>		<b>(51,538)</b>	<b>(31,574)</b>	<b>(55,193)</b>
<b>Earnings per share:</b>				
Basic earnings per share		(0.57)	(0.46)	(0.74)
Diluted earnings per share		(0.57)	(0.46)	(0.74)

Unaudited (USD 1,000)	Note	30 June 2021	30 June 2020	31 Dec 2020
Net loss		(51,538)	(31,574)	(55,193)
Exchange difference on translation of foreign operations		(3,538)	(2,275)	2,401
<b>Total comprehensive loss</b>		<b>(55,076)</b>	<b>(33,849)</b>	<b>(52,792)</b>

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

### 30 JUNE 2021, 30 JUNE 2020, AND 31 DECEMBER 2020

Unaudited (USD 1,000)	Note	30 June 2021	30 June 2020	31 Dec 2020
<b>ASSETS</b>				
Non-current assets				
Property, plant, and equipment, net	4	269,861	241,147	257,080
Right of use asset		3,080	446	3,337
Security deposits		750	821	831
Other investments	5	6	11	7
Trade and other receivables (long-term)	5	32	81	30
<b>Total non-current assets</b>		<b>273,729</b>	<b>242,506</b>	<b>261,285</b>
Current assets				
Prepaid and other current assets		1,590	649	1,573
Inventories, net		2,892	3,337	2,713
Biological assets	3	22,512	8,070	24,610
Trade and other receivables, net	5	2,478	612	1,869
Restricted cash (short-term)	5	470	332	386
Cash and cash equivalents	5	88,390	10,815	28,523
<b>Total current assets</b>		<b>118,332</b>	<b>23,815</b>	<b>59,674</b>
<b>TOTAL ASSETS</b>		<b>392,061</b>	<b>266,321</b>	<b>320,959</b>

Unaudited (USD 1,000)	Note	30 June 2021	30 June 2020	31 Dec 2020
<b>EQUITY AND LIABILITIES</b>				
Equity				
Share capital	7	1,050	818	917
Share premium	7	454,144	236,851	335,337
Employee stock options	7	3,264	1,503	2,015
Accumulated deficit		(134,163)	(59,006)	(82,625)
Foreign exchange reserve		(3,723)	(2,460)	(185)
<b>Total equity</b>		<b>320,572</b>	<b>177,706</b>	<b>255,459</b>
Non-current liabilities				
Borrowings (long-term)	5, 6	50,000	71,116	51,156
Lease liability (long-term)		3,062	487	3,091
<b>Total non-current liabilities</b>		<b>53,062</b>	<b>71,603</b>	<b>54,247</b>
Current liabilities				
Borrowings (short-term)	5, 6	1,156	-	-
Lease liability (short-term)		307	-	482
Trade and other payables	5	16,964	17,012	10,771
<b>Total current liabilities</b>		<b>18,427</b>	<b>17,012</b>	<b>11,253</b>
<b>Total liabilities</b>		<b>71,489</b>	<b>88,615</b>	<b>65,500</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>392,061</b>	<b>266,321</b>	<b>320,959</b>

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

### SIX MONTHS ENDED 30 JUNE 2021 AND YEAR ENDED 31 DECEMBER 2020

Unaudited (USD 1,000)	Share capital	Share premium	Employee stock options	Accumulated deficit	Foreign exchange reserve	Total equity
Balance at 31 December 2019	818	236,819	1,060	(27,432)	(2,586)	208,679
Contributions	99	98,518	955	-	-	99,572
Net loss	-	-	-	(55,193)	-	(55,193)
Foreign currency translation adjustments	-	-	-	-	2,401	2,401
<b>Balance at 31 December 2020</b>	<b>917</b>	<b>335,337</b>	<b>2,015</b>	<b>(82,625)</b>	<b>(185)</b>	<b>255,459</b>
Contributions	133	118,807	1,249	-	-	120,189
Net loss	-	-	-	(51,538)	-	(51,538)
Foreign currency translation adjustments	-	-	-	-	(3,538)	(3,538)
<b>Balance at 30 June 2021</b>	<b>1,050</b>	<b>454,144</b>	<b>3,264</b>	<b>(134,163)</b>	<b>(3,723)</b>	<b>320,572</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

### SIX MONTHS ENDED 30 JUNE 2021, 30 JUNE 2020, AND YEAR ENDED 31 DECEMBER 2020

Unaudited (USD 1,000)	Note	30 June 2021	30 June 2020	31 Dec 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss		(51,538)	(31,574)	(55,193)
Adjustments to reconcile net loss to net cash used in operating activities				
Depreciation and amortization	4	7,490	1,289	6,745
Bad debt		1	-	11
Inventory write-down		-	-	1,639
Fair value adjustment on biological assets	3	(4,973)	11,216	9,478
Loss from disposition of other assets		(187)	31	576
Net interest received and paid		1,804	8,349	8,598
Non-cash employee stock options	7	1,249	443	955
Net foreign currency exchange rate differences		(2,186)	359	(1,570)
Changes in operating assets and liabilities				
Trade and other receivables		(636)	497	(627)
Biological assets, at cost	3	7,046	-	(18,943)
Inventories, at cost		(185)	(8,026)	(1,015)
Prepaid and other current assets		(18)	1,288	459
Security deposits		77	(95)	(95)
Trade and other payables		6,050	(2,439)	135
Interest received		358	14	1,888
<b>Net cash used in operating activities</b>		<b>(35,648)</b>	<b>(18,648)</b>	<b>(46,959)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of property, plant, and equipment	4	165	-	25
Payments towards property, plant, and equipment	4	(21,095)	(29,676)	(60,881)
Right of use asset		38	(90)	-
Other investments		1	-	5
<b>Net cash used in investing activities</b>		<b>(20,891)</b>	<b>(29,766)</b>	<b>(60,851)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	6	10,514	95,156	89,404
Payments towards borrowings	6	(10,514)	(51,438)	(74,001)
Payments towards lease liability		(275)	107	2
Proceeds from issuance of capital		118,940	32	98,617
Interest paid		(2,065)	(8,363)	(2,058)
<b>Net cash provided by financing activities</b>		<b>116,600</b>	<b>35,494</b>	<b>111,964</b>
<b>Net increase (decrease) in cash and restricted cash</b>		<b>60,061</b>	<b>(12,920)</b>	<b>4,154</b>
Cash and restricted cash at beginning of period		28,909	24,456	24,471
Effects of exchange rate on cash and restricted cash		(110)	(389)	284
<b>Cash and restricted cash at end of period</b>		<b>88,860</b>	<b>11,147</b>	<b>28,909</b>

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### General Information

Atlantic Sapphire ASA (“ASA”) is a Norwegian company headquartered at Vikebukt, Norway and listed on the Oslo Stock Exchange with the ticker symbol “ASA”. ASA owns the following subsidiaries (collectively, the “Group”):

- Atlantic Sapphire Denmark A/S (“ASDK”, registered in Hvide Sande, Denmark)
- Atlantic Sapphire USA LLC (“ASUS”, registered in Miami, Florida, USA)
- AS Purchasing, LLC (“ASP”, registered in Miami, Florida, USA)
- S.F. Development, L.L.C. (“ASSF”, registered in Miami, Florida, USA)
- Atlantic Sapphire IP, LLC (“ASIP”, registered in Miami, Florida, USA)

The Group’s interim consolidated statements for the half-year reporting period ended 30 June 2021 were prepared in accordance with *IAS 34*, Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim financial report is to be read in conjunction with the Group’s Annual Report for the year ended 31 December 2020 and any public announcements made by Atlantic Sapphire ASA during the interim reporting period. The interim report is unaudited and is presented in United States dollars (“USD”).

### Basis for Preparation of the Annual Accounts

The Group’s accounting policies adopted are consistent with those applied in the Group’s 2020 Annual Report as published on the Oslo Stock Exchange on 14 April 2021. No new standards under IFRS have been adopted by the Group in 2021.

### Reclassification

Certain amounts in the Group’s 2020 consolidated financial statements have been reclassified to conform to the 2021 presentation. The reclassifications have no effect on the Group’s consolidated financial position or previously reported results of consolidated operations.



## NOTE 2 – SEGMENTS

The Group's executive management reviews the internal management reports of each division, which represents its reportable segments. As of 30 June 2021, the Group's reportable segments consisted of fish farming production and sale of salmon in Hvide Sande, Denmark and Miami, Florida, USA.

The Group's segment information consisted of the following:

Six months ended 30 June 2021				
Unaudited (USD 1,000)	Fish farming		Other and eliminations	Consolidated
	Denmark	USA		
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				
Unaudited (USD 1,000)	Fish farming		Other and eliminations	Consolidated
	Denmark	USA		
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

Year ended 31 December 2020				
Unaudited (USD 1,000)	Fish farming		Other and eliminations	Consolidated
	Denmark	USA		
Revenue from sale of salmon	5,041	1,729	(500)	6,270
EBITDA	(8,111)	(30,645)	(1,094)	(39,850)
EBITDA, pre-fair value adjustment on biological assets	(6,355)	(22,923)	(1,094)	(30,372)
Pre-tax loss	(12,465)	(45,071)	2,343	(55,193)
Total assets	44,868	259,888	16,203	320,959
Total liabilities	36,600	141,759	(112,859)	65,500
Depreciation and amortization	2,563	4,182	-	6,745
Capital expenditure	2,514	52,041	-	54,555



The Group's revenue consisted of the sale of salmon, and the Group's disaggregation of revenue with customers consisted of the following:

Unaudited (USD 1,000)	30 June 2021	30 June 2020	31 Dec 2020
Revenue from external customers in:			
United States	7,207	639	1,964
Denmark	1,729	815	1,490
Netherlands	722	926	1,193
Other countries	1,220	122	1,623
<b>Total revenue from external customers</b>	<b>10,878</b>	<b>2,502</b>	<b>6,270</b>

The Group's concentration of revenue consisted of the following:

Unaudited (USD 1,000)	30 June 2021	30 June 2020	31 Dec 2020
Revenue per customer:			
Customer A	2,123	-	191
Customer B	960	-	467
Customer C	925	639	925
Customer D	827	382	83
Customer E	577	544	694
Other customers	5,466	937	3,910
<b>Total revenue from significant customers</b>	<b>10,878</b>	<b>2,502</b>	<b>6,270</b>

## NOTE 3 – BIOLOGICAL ASSETS

### Fair Value Measurement of Biological Assets

Under the provisions of *IAS 41*, the fair value of the Group's biological assets is calculated based on the market price for the relevant fish quality and size on the reporting period date. As the biomass input is mostly unobservable, biomass valuation is categorized at Level 3 in the fair value hierarchy under *IFRS 13*. The estimated market price in each market is normally derived from the development in recent market prices. Quoted forward prices from Fish Pool, a third-party, are considered in the estimation to improve reliability and comparability of the price estimation.

The valuation model for the Group's biological assets calculates the net present value of the expected cash flows from harvested biomass based on the actual number of fish as a starting point. The time to market for live fish is based on a growth table for each generation of fish. The Group considers a live fish weight of 4.5 kg to be the optimal harvest weight with an expected growth period of 21 months. Expected mortality rates are used to estimate the expected volume of biomass that will reach optimal harvest weight. On average, an estimated 64% of the number of fish is expected to reach the optimal harvest weight. This considers both natural mortality and culling. The Group's price and net expected cash flows are based on future price estimates at the time of harvest less estimated remaining costs to produce and sell. The discount rate used towards the Group's net present value calculation is based on the Group's annualized borrowing rate of LIBOR plus an applicable margin determined by a grid (4.5% as of 30 June 2021). The margin grid calls for a maximum of 4.5% and allows for a lower margin upon reaching certain milestones.

The Group's biological assets consisted of the following:

Unaudited (USD 1,000)	30 June 2021	30 June 2020	31 Dec 2020
Cost of biological assets	26,864	18,213	33,987
Fair value adjustments	(4,352)	(10,143)	(9,377)
<b>Total biological assets</b>	<b>22,512</b>	<b>8,070</b>	<b>24,610</b>

The following represents a reconciliation of changes in the carrying amount of the Group's biological assets:

Unaudited (USD 1,000)	30 June 2021	30 June 2020	31 Dec 2020
Biological assets at beginning of period	24,610	11,275	11,275
Gain (loss) arising from changes in fair value less costs to sell	4,974	(11,214)	(9,478)
Increases due to production and purchases	19,325	13,059	36,820
Net changes in production depreciation	(727)	-	2,430
Decreases due to harvest	(16,738)	(2,428)	(8,531)
Decreases due to mortality	(6,987)	(2,576)	(8,375)
Net exchange rate differences	(1,945)	(46)	469
<b>Biological assets at end of period</b>	<b>22,512</b>	<b>8,070</b>	<b>24,610</b>

The Group's physical volumes of biological assets consisted of the following:

Physical quantities	30 June 2021	30 June 2020	31 Dec 2020
Live weight of biomass (in tons RLW)			
Non-harvestable fish	161	354	614
Harvestable fish	2,876	1,666	3,273
<b>Total live weight of biomass (in tons RLW)</b>	<b>3,037</b>	<b>2,020</b>	<b>3,887</b>
Number of fish (in thousands)			
Non-harvestable fish	3,387	3,490	4,064
Harvestable fish	1,125	1,176	1,271
<b>Total number of fish (in thousands)</b>	<b>4,512</b>	<b>4,666</b>	<b>5,335</b>
Volume of fish harvested during the period (tons gutted weight)	1,275	353	989

## Incident-Based Mortality

On 23 March 2021, ASUS experienced an incident in one of its grow-out systems in the Miami Bluehouse that resulted in approximately 500 tons (HOG) of fish lost with an average weight of approximately 1kg, equivalent of around 5% of annualized USA Phase 1 harvest volumes. Other independent systems in the Miami Bluehouse were unaffected. The Group's analysis, which remains subject to change, indicates that an identified design weakness from its RAS supplier resulted in elevated turbidity and possibly gasses that caused abnormal fish behavior. As a result, fish gathered at the bottom of the tanks and disrupted the flow of new water, which caused increased mortality. Based on a previous incident, the Group identified an opportunity to ensure uninterrupted water flow by modifying the center drain design in all of its grow-out tanks. Although this work had commenced prior to this incident, the center drain in the affected grow-out system had not yet been modified. Further, the Group is in the process of splitting its USA Phase 1 grow-out systems in half in order to reduce the impact of a potential incident in the future. Currently five out of six systems have been split.

## Production Costs

The cost of biological assets ("biomass costs") includes all costs required to raise salmon from roe to harvest. Key biomass costs are generally recognized on a historical basis and include salmon roe, fish feed, other raw materials, salary and personnel costs, utilities, depreciation, and other overhead from production.

For the six months ended 30 June 2021, cost of production incurred in 2021 expensed through cost of materials for underutilized plant capacity was USD 6.3m.

## NOTE 4 – PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consisted of the following:

Unaudited (USD 1,000)	Land	Buildings	Production, plant, and machinery	Equipment and other movables	Software	Assets under construction	Total
At 1 January 2021							
Cost	8,714	134,641	84,323	1,379	561	42,810	272,428
Less: accumulated depreciation	-	(4,983)	(9,738)	(565)	(62)	-	(15,348)
<b>Net book amount</b>	<b>8,714</b>	<b>129,658</b>	<b>74,585</b>	<b>814</b>	<b>499</b>	<b>42,810</b>	<b>257,080</b>
Six months ended 30 June 2021							
Opening net book amount	8,714	129,658	74,585	814	499	42,810	257,080
Additions	-	54	13	44	138	20,865	21,114
Reclassifications	-	20,609	12,308	26	-	(32,943)	-
Disposals	-	-	-	(47)	-	-	(47)
Depreciation charge	-	(2,721)	(4,371)	(114)	(116)	-	(7,322)
Reversed depreciation	-	-	-	42	-	-	42
Net exchange rate differences	-	(469)	(599)	(7)	-	69	(1,006)
<b>Closing net book amount</b>	<b>8,714</b>	<b>147,131</b>	<b>81,936</b>	<b>758</b>	<b>521</b>	<b>30,801</b>	<b>269,861</b>
At 30 June 2021							
Cost	8,714	154,835	96,045	1,395	699	30,801	292,489
Less: accumulated depreciation	-	(7,704)	(14,109)	(637)	(178)	-	(22,628)
<b>Net book amount</b>	<b>8,714</b>	<b>147,131</b>	<b>81,936</b>	<b>758</b>	<b>521</b>	<b>30,801</b>	<b>269,861</b>
At 1 January 2020							
Cost	8,714	15,218	22,840	1,019	180	167,070	215,041
Less: accumulated depreciation	-	(1,317)	(3,746)	(362)	-	-	(5,425)
<b>Net book amount</b>	<b>8,714</b>	<b>13,901</b>	<b>19,094</b>	<b>657</b>	<b>180</b>	<b>167,070</b>	<b>209,616</b>
Year ended 31 December 2020							
Opening net book amount	8,714	13,901	19,094	657	180	167,070	209,616
Additions	-	-	-	223	382	53,950	54,555
Reclassifications	-	118,109	60,042	115	-	(178,266)	-
Disposals	-	-	(341)	-	-	-	(341)
Depreciation charge	-	(3,666)	(6,054)	(203)	(62)	-	(9,985)
Reversed depreciation	-	-	62	-	-	-	135
Net exchange rate differences	-	1,314	1,782	22	(1)	56	3,173
<b>Closing net book amount</b>	<b>8,714</b>	<b>129,658</b>	<b>74,585</b>	<b>814</b>	<b>499</b>	<b>42,810</b>	<b>257,153</b>
At 31 December 2020							
Cost	8,714	134,641	84,323	1,379	561	42,810	272,428
Less: accumulated depreciation	-	(4,983)	(9,738)	(565)	(62)	-	(15,348)
<b>Net book amount</b>	<b>8,714</b>	<b>129,658</b>	<b>74,585</b>	<b>814</b>	<b>499</b>	<b>42,810</b>	<b>257,080</b>

## Depreciation Expense

The Group's depreciation and amortization consisted of the following:

Unaudited (USD 1,000)	30 June 2021	30 June 2020	31 Dec 2020
Fixed asset depreciation and amortization	7,322	1,278	9,846
Right of use depreciation	223	11	153
Changes in biomass	(55)	-	(3,254)
<b>Depreciation and amortization</b>	<b>7,490</b>	<b>1,289</b>	<b>6,745</b>

The depreciation and amortization expense on the Group's accompanying consolidated statements of operations is presented net of depreciation attributed to changes in in biomass.

## NOTE 5 – FINANCIAL INSTRUMENTS

Financial instruments consisted of the following:

Financial assets Unaudited (USD 1,000)	Amortized cost	Fair value through OCI	Total
<b>As of 30 June 2021</b>			
Trade and other receivables*	2,510	-	2,510
Cash	88,390	-	88,390
Restricted cash (short-term)	470	-	470
Other investments	-	6	6
<b>Total financial assets</b>	<b>91,370</b>	<b>6</b>	<b>91,376</b>
<b>As of 30 June 2020</b>			
Trade and other receivables*	693	-	693
Cash	10,815	-	10,815
Restricted cash (short-term)	332	-	332
Other investments	-	11	11
<b>Total financial assets</b>	<b>11,840</b>	<b>11</b>	<b>11,851</b>
<b>As of 31 December 2020</b>			
Trade and other receivables*	1,899	-	1,899
Cash	28,523	-	28,523
Restricted cash (short-term)	386	-	386
Other investments	-	7	7
<b>Total financial assets</b>	<b>30,808</b>	<b>7</b>	<b>30,815</b>

\* Prepayments are not included in trade and other payables.

Financial liabilities Unaudited (USD 1,000)	Amortized cost	Fair value through OCI	Total
<b>As of 30 June 2021</b>			
Trade and other payables*	16,964	-	16,964
Borrowings	51,156	-	51,156
<b>Total financial liabilities</b>	<b>68,120</b>	<b>-</b>	<b>68,120</b>
<b>As of 30 June 2020</b>			
Trade and other payables*	17,012	-	17,012
Borrowings	71,116	-	71,116
<b>Total financial liabilities</b>	<b>88,128</b>	<b>-</b>	<b>88,128</b>
<b>As of 31 December 2020</b>			
Trade and other payables*	10,771	-	10,771
Borrowings	51,156	-	51,156
<b>Total financial liabilities</b>	<b>61,927</b>	<b>-</b>	<b>61,927</b>

\* Prepayments are not included in trade and other payables.

Cash and restricted cash (USD 1,000)	30 June 2021	30 June 2020	31 Dec 2020
A+ or better	88,860	11,147	28,909

## NOTE 6 – BORROWINGS

On 28 January 2021, the Group's 2020 DNB Credit Facility was amended to increase the total credit facility from USD 150m to USD 200m comprising of the existing USD 50m USA Term Loan, USD 16m USA RCF, USD 4m DK RCF, USD 32m committed term loan for Phase 2 capital expenditures, and a USD 98m uncommitted accordion facility on the same terms and conditions as the Group's committed term loans. Further, the Group syndicated a portion of its existing credit facility to Farm Credit of Florida, ACA as part of its strategy to increase its access to lenders. The senior secured debt facility is labeled "Green" in line with the criteria listed in the Group's Green Finance Framework, where the Group has received a second party opinion from CICERO Shades of Green, giving the framework a Medium Green score and confirming its alignment with the LMA/LSTA Green Loan Principles. As of 30 June 2021, the amended 2020 DNB Credit Facility carried an annualized borrowing rate of LIBOR plus an applicable margin determined by a grid (4.5% as of 30 June 2021). The margin grid calls for a maximum of 4.5% and allows for a lower margin upon reaching certain milestones.

The Group's borrowings consisted of the following:

Unaudited (USD 1,000)	30 June 2021	30 June 2020	31 Dec 2020
ASUS has an amended USD 50m term loan with DNB (the "USA Term Loan"). The USA Term Loan bears an amended interest rate of LIBOR plus an applicable margin (4.5% at 30 June 2021) and the maturity date was amended to 21 April 2023. USD 50m was outstanding on the USA Term Loan as of 30 June 2021.	50,000	69,960	50,000
ASUS has an amended three-year USD 16m revolving credit facility commitment with DNB (the "USA RCF"). The USA RCF will finance ASUS' working capital requirements, and no funds were outstanding as of 30 June 2021.	-	-	-
ASDK has a three-year USD 4m revolving credit facility commitment with DNB (the "DK RCF"). The DK RCF will finance ASDK's working capital requirements, and no funds were outstanding as of 30 June 2021.	-	-	-
ASUS has a two-year loan payable (the "PPP Loan") to PNC Bank, National Association ("PNC"). The PPP Loan was obtained on April 2020 under the paycheck Protection Program (the "Program") as part of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act passed in March 2020. The PPP Loan bears an interest rate of 1% and matures on April 2022. Payment is deferred for the first six months at which point the outstanding principal of the PPP Loan that is not unforgiven under the Program is payable to the maturity date.	1,156	1,156	1,156
<b>Total borrowings</b>	<b>51,156</b>	<b>71,116</b>	<b>51,156</b>
Less: short-term portion of borrowings	(1,156)	-	-
<b>Long-term portion of borrowings</b>	<b>50,000</b>	<b>71,116</b>	<b>51,156</b>



## NOTE 7 – SHARE CAPITAL AND SHAREHOLDERS

The total number of shares issued and outstanding consisted of the following:

Shareholder	30 June 2021	
	Number of shares	% of shares
Alsco AS	9,699,540	10.66%
Skagen Kon-Tiki Verdipapirfond	4,931,417	5.42%
Vatne Equity AS	4,552,778	5.00%
The Bank of New York Mellon	4,199,153	4.61%
Morgan Stanley & Co. Int. Plc.	3,477,991	3.82%
UBS Switzerland AG	2,924,486	3.21%
The Northern Trust Comp, London Branch	2,474,000	2.72%
J.P. Morgan Bank Luxembourg S.A. (Handelsbanken Nordiska Smabolag)	2,342,370	2.57%
RBC Investor Services Bank S.A.	2,336,457	2.57%
State Street Bank and Trust Comp (Omnibus F)	2,296,308	2.52%
Citibank, N.A.	2,204,276	2.42%
State Street Bank and Trust Comp (Omnibus A)	1,905,447	2.09%
U.S. Bank National Association	1,827,504	2.01%
BNP Paribas Securities Services	1,736,397	1.91%
Joh Johansson Eiendom AS	1,698,967	1.87%
Pershing LLC	1,412,525	1.55%
J.P. Morgan Bank Luxembourg S.A. (Handelsbanken Hallbar Energi)	1,273,311	1.40%
Lani Invest AS	1,197,997	1.32%
Skøien AS	1,150,000	1.26%
JEA Invest AS	1,073,770	1.18%
<b>Total number of shares attributed to the 20 largest shareholders</b>	<b>54,714,694</b>	<b>60.12%</b>
Total number of shares attributed to other shareholders	36,298,857	39.88%
<b>Total number of shares issued and outstanding</b>	<b>91,013,551</b>	<b>100.00%</b>

## Equity Financing

On 28 January 2021, the Group authorized a share capital increase of approximately NOK 5k through the issuance of 50,000 new shares with a par value of NOK 0.10 pursuant to an authorization granted by the Group's AGM on 20 June 2019. The new shares were subscribed on 10 February 2021 at a price of NOK 28 per share pursuant to an employee share option agreement.

On 3 June 2021, the Group raised approximately NOK 1,016m (USD 121m) in gross proceeds through a private placement of 10,300,000 new shares, at a price per share of NOK 98.60, which is approximately equal to the last closing price on 2 June 2021. Net proceeds from the transaction were NOK 985m (USD 119m).

## NOTE 8 – SIGNIFICANT AND SUBSEQUENT EVENTS

In January 2021, ASUS experienced a breakdown in its internal chiller plant causing temporary temperature instability. As a result, ASUS incurred USD 7.4m in short-term costs including temporary rental chillers and generators. The amounts exclude any future insurance or claim proceeds and are included as part of other operating expenses in the accompanying consolidated statements of operations.

On 9 July 2021, ASDK experienced an incident in one of its grow-out systems in the Denmark Bluehouse that resulted in approximately 400 tons (HOG) of fish is expected to be lost, equivalent of around 17% of annualized harvest volumes from the Denmark facility at steady state production. Other independent systems in the Denmark Bluehouse were unaffected. While ASDK is currently in the process of assessing the complete financial impact of the event, the fish would have been harvestable in the second half of 2021 and the direct financial impact of the incident after expected insurance proceeds is estimated to USD 3 million. The Group's preliminary analysis, which remains subject to change, indicates that maintenance work performed in the filtration system caused water quality to quickly deteriorate, resulting in elevated mortality. Atlantic Sapphire is continuously improving its operating procedures to ensure that all actions taken by the farm operators do not pose a risk to the stability of the systems, therefore impacting the fish. To minimize the risk of a similar incident reoccurring, the Group has updated certain operating procedures and such changes will take effect immediately. Further, the system in question had a larger standing biomass than the grow-out systems in the USA (split in two). The Denmark facility had not been split in two, because this modification was not practically possible with the farm fully stocked with fish. Now this modification is possible and will be performed, which will reduce the impact of such an event in the future.

Recent developments with respect to the COVID-19-virus (the "Coronavirus"), an infectious virus closely related to the SARS virus, may impact regulatory, supply chain, and construction operations of the Group. As of the date of this report, deliveries of oxygen in Florida are in extremely high demand from health and public safety customers. Limited supply of oxygen in the USA, coupled with USA federal working hour restrictions on truck drivers, has constrained their ability to deliver oxygen. This is expected to be ongoing for the next few weeks. Ultimately, the consequences and timeline of the Coronavirus are still unclear and the overall effect on the business is uncertain.

