Interim Consolidated Financial Statements

SIX MONTHS ENDED
30 JUNE 2021
(AMENDED)

In accordance with
International Financial
Reporting Standards

ATLANTIC SAPPHIRE®

STATEMENT BY THE BOARD OF DIRECTORS AND CEO
30 June 2021 Interim Consolidated Financial Statements

The Board of Directors and CEO 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.

To the best of our knowledge, we declare that the condensed set of interim consolidated financial statements, which have not been audited or reviewed by the Group's independent auditors, has been prepared in accordance with *IAS 34*, Interim Financial Reporting, and provides a true and fair view of the Group's assets, liabilities, and financial position as of 30 June 2021, as well as the Group's overall results for the period 1 January 2021 to 30 June 2021.

To the best of our knowledge, we declare that the Interim Management Report provides a true and fair review of important events that occurred during the accounting period, their impact on the condensed set of interim consolidated financial statements, principal risks and uncertainties for the remaining six months of the financial year, and material related party transactions.

The Board of Directors and CEO of Atlantic Sapphire ASA

Vikebukt, 14 January 2022

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

INTERIM MANAGEMENT REPORT
30 June 2021 Interim Consolidated Financial Statements

KEY HIGHLIGHTS – HALF YEAR 2021

- Substantial completion of US Phase 1 Bluehouse allows for fine-tuning of systems and stable production
- Ramp-up in US operational performance: US batches introduced in mid-2020 experienced more stable conditions in comparison to initial batches introduced during US Phase 1 start-up conditions
- Increased revenues from the commencement of its US harvests and experienced increased costs from its ramp-up of operations and personnel levels in the US
- Consistent premium price achievement on premium fish (superior, 3kg+)
- Total harvest volume of 1,275t HOG for H1'2021
- Focus on brand development to promote brand awareness, recognition, and partnership with key food service players
- Risk mitigation strategies implemented to address key operational, systemic, and diversification risks
- Creation of Facilities Operation Advisory Board established to prevent future incidents by reviewing and approving all nonstandard procedures
- US Phase 2 construction shifts project approach to optimize quality and efficiency while taking advantage of all previous learnings from US Phase 1 construction

KEY FIGURES

Unaudited (USD 1,000)	30 June 2021	30 June 2020	31 Dec 2020
Operating revenue	10,878	2,502	6,270
Operating EBIT	(49,732)	(23,211)	(46,595)
Operating EBIT %	-457.18%	-927.70%	-743.14%
EBITDA	(42,242)	(21,922)	(39,850)
Net loss	**(51,538)**	**(31,574)**	**(55,193)**
Earnings per share:			
Basic earnings per share	(0.57)	(0.46)	(0.74)
Diluted earnings per share	(0.57)	(0.46)	(0.74)
Non-IFRS measures			
Operating EBIT	(49,732)	(23,211)	(46,595)
Add back:			
Depreciation and amortization	7,490	1,289	6,745
Fair value adjustment on biological assets	(4,973)	11,216	9,478
EBITDA, pre-fair value adjustment on biological assets	**(47,215)**	**(10,706)**	**(30,372)**
Total assets	392,061	266,321	320,959
Net interest bearing debt	(37,234)	60,301	22,633
Equity share	81.77%	66.73%	79.59%
Volume of fish harvested during the period (tons gutted weight)	1,275	353	989
Operating EBIT / kg (gutted weight)	(39.01)	(65.75)	(47.11)

GROUP FINANCIAL PERFORMANCE

Overall Group Operations

Group net loss for the six months ended 30 June 2021 was USD 51.5m, which represents an increase in net loss of USD 19.9m compared to the Group's net loss of USD 31.6m for the six months ended 30 June 2020. Overall, the Group increased revenues from the commencement of its US harvests and experienced increased costs from its ramp-up of operations and personnel levels in the US.

Revenue and Harvest Volume

The Group's revenue for the six months ended 30 June 2021 was USD 10.9m, which represents an increase of USD 8.4m compared to the Group's revenue of USD 2.5m for the six months ended 30 June 2020. Total volume of fish harvested for the six months ended 30 June 2021 was 1,275 tons HOG, which represents a 922 ton increase in comparison to the Group's harvest volume of 353 tons for the six months ended 30 June 2020. The increase in both revenue and harvest volume was attributed to the ramp-up of operations following significant completion of the US Phase 1 Bluehouse.

Cost of Materials

The Group's cost of materials for the six months ended 30 June 2021 was USD 38.4m, which represents an increase of USD 33.1m over the Group's cost of materials of USD 5.3 for the six months ended 30 June 2020. The increase in cost of materials recognized for the current period is attributed to the initial US batches that carried higher production costs due to underutilization of plant capacity and the initial conditions during US Phase 1 construction. Of the current period amount, USD 17.8m was attributed to cost of fish sold, USD 16.3m was attributed to the write-off of biomass incidents and excess production costs from underutilized plant capacity, and USD 4.3m was attributed to processing and shipping costs.

Fair Value Adjustment on Biological Assets

The Group's upward fair value adjustment on biological assets for the six months ended 30 June 2021 was USD 5.0m, which represents an increase of USD 16.2m compared to the Group's downward fair value adjustment on biological assets of USD 11.2 for the six months ended 30 June 2020. The increase was primarily attributed to the write-off of production costs from biomass incidents and underutilized plant capacity through cost of materials.

Salary and Personnel Costs

The Group's salary and personnel costs for the six months ended 30 June 2021 was USD 4.3m, which represents an increase of USD 1.5m compared to the Group's salary and personnel costs of USD 2.8m for the six months ended 30 June 2020. The increase was primarily attributed to the overall increase in personnel count and key new hires.

Other Operating Expenses

The Group's other operating expenses for the six months ended 30 June 2021 was USD 15.6m, which represents an increase of USD 10.5m compared to the Group's operating expenses of USD 5.1m for the six months ended 30 June 2020. Of the current period amount, approximately USD 7.4m consisted of temporary rental chillers and generators attributed to a breakdown in its internal chiller plant causing temporary temperature instability. The remaining other operating expenses were primarily attributed to the overall ramp-up in US operations towards steady-state production.

Depreciation and Amortization

The Group's depreciation and amortization for the six months ended 30 June 2021 was USD 7.5m, which represents an increase of USD 6.2m compared to the Group's depreciation and amortization of USD 1.3m for the six months ended 30 June 2020. The increase was primarily attributed to the substantial completion and commissioning of its fish systems in the Miami Bluehouse.

Non-Operating Items

The Group's non-operating loss items for the six months ended 30 June 2021 was USD 1.6m, which represents a 6.7m decrease of the Group's non-operating loss items of USD 8.3m for the six months ended 30 June 2020. The decrease was primarily attributed to the prior year USD 8.2m finance cost write-off of previously unamortized debt issuance cost upon amending the US Term Loan.

GROUP FINANCIAL POSITION

The Group's total assets as of 30 June 2021 were USD 392.1m, which represents an increase of USD 125.8m compared to the Group's total assets of USD 266.3m as of 30 June 2020. The increase is primarily attributed to significant completion of the Miami Bluehouse, proceeds of the 10 September 2020 and 3 June 2021 capital raises, and ramp-up in biological assets.

The Group's total equity as of 30 June 2021 was USD 320.6m, which represents an increase of USD 142.9m compared to the Group's total equity of USD 177.7m as of 30 June 2020. The increase is primarily attributed to proceeds of the 10 September 2020 and 3 June 2021 capital raises offset by net losses.

The Group completed capital raises on 10 September 2020 for NOK 905.5m (USD 100.4m) and on 3 June 2021 for NOK 1,016m (USD 121m). As of 30 June 2021, 91,013,551 shares were issued and outstanding.

The Group's total liabilities as of 30 June 2021 were USD 71.5m, which represents a decrease of USD 17.1m compared to the Group's total liabilities of USD 88.6m as of 30 June 2020. The decrease is primarily attributed to the USD 20m pay down against the US Term Loan.

The Group's debt to equity ratio as of 30 June 2021 was 22.3%, which represents a decrease of 27.6% from 49.9% as of 30 June 2020. The decrease was primarily attributed to the USD 20m paydown of the US Term Loan, proceeds from the 10 September 2020 and 3 June 2021 capital raises, and net losses.

On 18 April 2020, ASUS obtained a two-year loan payable to PNC Bank, National Association ("PNC") 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"). On 7 September 2021, the full USD 1.2m outstanding balance of the Group's PPP Loan was forgiven under the provisions of the CARES Act and recognized as other income in the accompanying consolidated statements of operations.

As of 30 June 2021, the Group's 2020 DNB Credit Facility totaled USD 200m of which USD 102m was committed and USD 98m uncommitted through an accordion facility. Of the committed amounts, USD 50m was outstanding as of 30 June 2021. Remaining undrawn committed amounts consist of a USD 16m US RCF, USD 4m DK RCF, and USD 32m committed term loan for Phase 2 capital expenditures.

GROUP CASH FLOWS

Group cash outflows from operations for the six months ended 30 June 2021 were USD 35.6m, which represents an increase of USD 17.0m compared to the Group's cash outflows from operations of USD 18.6m for the six months ended 30 June 2020. The increase in Group cash outflows from operations was primarily due to the Group's ramp-up of biomass cost of production in compared to prior periods, lower harvest volumes in comparison to production volume, high processing costs, and the breakdown of ASUS' internal chiller plant that resulted in USD 7.4m in short-term temporary rental chillers and generators through 30 June 2021.

Group cash outflows from investing activities for the six months ended 30 June 2021 were USD 20.9m, which represents a decrease of USD 8.9m compared to the Group's cash outflows from investing activities of USD 29.8m. The decrease in Group cash outflows from investment activities was primarily attributed to US Phase 1 construction of the Miami Bluehouse nearing significant completion.

Group cash inflows from financing activities for the six months ended 30 June 2021 were USD 116.6m, which represents an increase of USD 81.1m compared to the Group's cash inflows from financing activities of USD 35.5m. The increase in Group cash inflows from financing activities was primarily attributed to the 3 June 2021 capital raise.

GROUP OPERATIONAL PERFORMANCE

Price Achievement and Geographic Market Presence

The Group has worked for more than seven years to position itself with strong relationships with food service players, distributors, restaurants, government contracts, and other selected partners.

We are steadily approaching one year of consecutive weekly harvest and currently supplying approximately 2,000 retail locations with continued strong demand for locally raised salmon in the US.

For the six months ended 30 June 2021, premium Bluehouse Salmon consistently achieved an average US price achievement of approximately 12 USD / kg on a return to farm basis (excluding freight costs) for fish graded as superior and above 3kg. In comparison, the commodity Fishpool index price during the same period, converted to USD using Norges Bank rates, averaged approximately 6 USD / kg.

Brand Development

The Group has taken strides to promote brand awareness and recognition with the purpose of generating product desirability, gaining strong traction from mainstream media of public relations efforts, and supporting a price premium via differentiated attributes and communication of environmental benefits.

The Group has also sought to continue brand development to promote our mission of Sustainable Profitable Growth to consumers by being relevant and top of mind, meeting consumers at the point of sale, and engaging consumers with social media and education. We have found that such methods have been successful to achieve consumer engagement levels above benchmark.

US Operations

From an operational standpoint, US Phase 1 conditions have stabilized after a long period of commissioning efforts and construction challenges, and we continue to see the importance of high smolt quality and avoiding stressors to ensure good biological results in the ongrowing stage of production.

The Group established the Facilities Operation Advisory Board to prevent future incidents by reviewing and approving all nonstandard procedures with experts with different backgrounds to ensure all risk areas are covered.

The initial US batches were exposed to suboptimal conditions due to production happening in parallel with US Phase 1 construction. This exposure to suboptimal conditions resulted in a negative trickle-down effect later in their life cycle. The US batches introduced from mid-2021 and onwards have experienced more stable conditions and we expect these newer batches will raise the bar on biological performance. Further, current biomass in the ongrowing systems is being optimized to ensure consistent supply to customers.

The Group had a US harvest volume of approximately 1,100t HOG in H2'2021. The Group expects steady-state operations from H2'2022 when the Group commences producing the equivalent of 9,500t HOG of annualized harvest volumes in the US.

Denmark Operations

Danish operations consisted of continued biomass ramp-up following the 29 February 2020 incident. Subsequently on 9 July 2021, ASDK experienced an incident in one of its grow-out systems in the Denmark Bluehouse that resulted in a loss of approximately 500 tons (HOG). Subsequently on 15 September 2021, a fire broke out in the Denmark Bluehouse. All employees were reported safe without injuries but substantially all property, plant, and equipment and standing biomass in the ongrowing systems were lost in the fire. The Danish facility is insured against fire for the full book value of the facility of approximately USD 33m. Investigation and claims process remains ongoing.

PRINCIPAL RISKS AND UNCERATINTIES

Atlantic Sapphire is pioneering Bluehouse® (land-raised) salmon farming, locally, and transforming protein production, globally. As pioneers in the land-based salmon farming industry, there are inherent challenges that arise as the Group continues to develop and improve upon its infrastructure, technology, and operating procedures.

The Group established its innovation center in Denmark in 2011 with a focus on developing sustainable, environmentally friendly farming methods that enable the Group to produce at scale in consumer end markets. Since its inception, the Group has identified and developed strategies to mitigate key operational, systemic, and diversification risks.

The Group faced operational risk through a fragmented subcontractor network, a smaller internal team, rapid organizational growth, and initial operational procedures that were yet to be established and fine-tuned. As Atlantic Sapphire continues to mature as a company, critical in-house systems have been established related to design, construction, and automation.

The Group also faced systemic risk through subpar equipment that resulted in frequent alarms (among other things), unfinished design at construction commencement, and production while constructing in the same systems. After many challenges and a long period of commissioning work, the Group is now experiencing stable US Phase 1 conditions.

The Group further faced diversification risk towards potential biomass incidents and has diligently worked in splitting its fish systems. For example, US Phase 1 originally commissioned six ongrowing systems with six tanks each. Today, each US Phase 1 ongrowing system has been split in two to provide twelve ongrowing systems with three tanks each.

The successful construction of the Group's Bluehouse facilities and continuous improvements towards its operational procedures are critical for Group to successfully achieve its business plan. Material delays, cost overruns, or errors in design and execution on the Group's Bluehouse facilities could result in an adverse situation that may hinder the Group's ability to successfully achieve its business plan.

Capital Management and Financial Risk

Capital management represents the Group's policy to assess, acquire, and utilize its capital base efficiently towards satisfactory operations and future development of the business to foster and maintain investor, lender, and market confidence. The Group's capital management contemplates available alternatives, the cyclical nature of the fish farming industry, and current socioeconomic factors.

Access to borrowings is monitored periodically and the Group engages in dialogue continuously with its lenders. The Group has obtained capital primarily from equity raises and interest-bearing borrowings. The Group's interest-bearing borrowings requires certain financial covenants to be maintained. Please refer to Note 6 – Borrowings for further detail.

As of 30 June 2021, the Group's consolidated equity consisted of USD 320.6m and an 81.8% equity to asset ratio. Net interest-bearing debt, which comprise of total interest-bearing borrowings less cash and cash equivalents, was negative USD 37.2m. The Group's Board of Directors considers the Group's capital base adequate given the scale of its operations.

From the Group's AGM on 11 June 2020, ASA's Board of Directors were given proxy to increase the share capital with up to NOK 1,000,000 through the issuance of up to 10,000,000 new shares, with a face value of NOK 0.10. The authorization may be used several times within this limit. The Group holds financial instruments necessary for its operations.

The Group's principal financial liabilities, other than interest-bearing borrowings and excluding the effects of *IFRS 16*, consist of trade and other payables and comprise most of the Group's third-party financing. The Group's principal financial assets consist of trade and other receivables, cash and restricted cash, and other investments.

The Group's risk management is carried out by the Group's finance department. The Group is exposed to market risk, credit risk, and liquidity risk.

Market Risk

The Group is exposed to interest rate risk and exchange rate risk. The Group's interest rate risk relates primarily from borrowings from financial institutions with variable rate interest. When possible, the Group manages its interest rate risk by entering fixed-interest loans.

The Group currently holds debt with a floating interest rate and does not maintain a program to hedge this exposure. Changes in the interest rate may affect future investment opportunities.

The Group's foreign currency risk relates to the Group's operating, investing, and financing activities denominated in a foreign currency. This includes the Group's revenues, expenses, capital expenditures, and net investments in foreign subsidiaries. The Group's reporting currency is the United States dollar ("USD"), and the predominant currencies transacted by the Group's subsidiaries are the USD, the Norwegian krone ("NOK"), the Danish krone ("DKK"), and the EU euro ("EUR").

The Group manages its foreign currency risk by maintaining cash balances in foreign denominated bank accounts, analyzing future obligations by currency, and transferring available funds as needed.

The Group has not entered into derivative or other agreements to reduce the exchange rate risk and the related market risk.

Credit Risk

The Group is exposed to credit risk from its operating activities, primarily from cash and trade receivables. Cash is maintained with major financial institutions. Management regularly monitors trade receivables for aging. The Group trades only with recognized and creditworthy third parties.

The Group subjects all potential customers to credit verification procedures as part of its policy and monitors its outstanding trade receivable balances on an ongoing basis. Further, the Group's trade receivables are credit insured unless an exception is approved by the CEO. The Group monitors exposure towards individual customers closely and was not substantially exposed in relation to any individual customer or contractual partner as of 30 June 2021.

Liquidity Risk

The Group continuously monitors liquidity and financial projections through budgets and monthly updated forecasts. The Group's financial position depends significantly on salmon spot prices which have historically been volatile. Other liquidity risks include the impacts from fluctuations in production and harvest volumes, biological issues, and changes in feed prices. Feed prices generally correlate to the marine and agricultural commodity prices of the main ingredients.

The provisions of the 2020 DNB Credit Facility contain financial covenants to be maintained by the Group. As of 30 June 2021, the Group's EBITDA was required to exceed a minimum requirement of negative USD 7m. However, the Group's EBITDA for the six months ended 30 June 2021 was negative USD 42.2m and the Group received a formal waiver from the Lenders dated 18 August 2021 (see Note 6 – Borrowings).

OUTLOOK

US Biological Outlook

Batches introduced prior to mid-2020 are expected to show mixed biological performances as they were farmed in the middle of construction activity, which resulted in unstable conditions with water quality and temperature fluctuations. Positively, the batches introduced into the farm after mid-2020 have received a stable environment to thrive and grow in. We expect these batches will outperform the initial batches.

Total biomass gain in H2'2021 is expected to be approximately 1,600t RLW. Monthly biomass gain is expected to increase gradually throughout H2'2021 and H1'2022 until the Group reaches approximately 4,200t RLW of standing biomass and approximately 950t RLW of biomass gain per month ("steady state"). The Group is expected to reach US Phase 1 steady state standing biomass by the end of Q2'2022.

Sales and Marketing Outlook

We will continue to invest in the development of the Bluehouse Salmon brand and in the education of buyers and consumers. Since our first US harvest in September 2020, Atlantic Sapphire has consistently achieved a revenue per kg of approximately USD 12 for fish graded as superior and above 3kg. Notably, the price achievement has been stable despite significant fluctuations in the salmon commodity price, proving that Bluehouse Salmon is not seen as a direct substitute for other farmed Atlantic salmon. The product has been met by high demand, both among existing customers and potential new customers, giving the Group confidence that premium price achievement will be sustained.

Key Developments on Risk Mitigation

Atlantic Sapphire has taken large steps in minimizing operational risks, most notably against mortality events. Bluehouse farming is designed to produce high-quality biomass at scale. With high intensity farming comes added complexity. Atlantic Sapphire has developed an industry-leading experience in identifying and mitigating risks that come with scaling RAS technologies to large size.

Today, Atlantic Sapphire is more robust than at any other point in its past. Tangible and quantifiable changes have been made in response to historical incidents and operational experience. Recent initiatives include:

- Operational changes in water chemistry to reduce the risk of hydrogen sulfide intoxication (H2S)
- Changes to organizational structure
- Development of protocols to mitigate supply chain risk such as oxygen demand increases
- Streamlining of the temporary chiller system by powering them to the commercial electrical grid, which decreases operational, fire, and environmental risk, and achieves significant financial savings
- Creation of the Facilities Operation Advisory Board which draws from internal multidisciplinary talent to scrutinize and document non-routine activities in operations

US Phase 2 Construction

We have changed our approach on the US Phase 2 project to optimize quality and efficiency. In contrast to the US Phase 1 project, we now have the appropriate staffing level for a large-scale project, we have strategically selected a design consultant with proven experience on water facilities, and we have partnered with a construction contractor with vast experience in constructing water treatment facilities.

The US Phase 2 budget is estimated at USD 225m, of which USD 210m is attributed to approximately 15,000t HOG of production expansion and USD 15m is allocated to the Group's Grand Master Plan initiatives that will benefit subsequent buildouts. The first fish is expected to be introduced into the US Phase 2 systems in the start of 2023.

RELATED PARTY TRANSACTIONS

During the ordinary course of business, the Group engages in certain arm's length transactions with related parties.

During the ordinary course of business, Langsand Processing AS ("LPAS"), a related party, provides harvesting services for ASDK. Although the Group holds a minority ownership interest in LPAS, the Group does not hold control over LPAS for consolidation purposes. For the six months ended 30 June 2021 and 2020, ASDK incurred harvesting costs of USD 402k and USD 226k, respectively. Such amounts are included as part of cost of materials in the accompanying consolidated statements of operations.

During the ordinary course of business, the Group sells salmon products to Platina Seafood, Inc. ("Platina"), an entity under majority ownership by a related party of Johan E. Andreassen, the Group's Chairman of the Board and CEO. For the six months ended 30 June 2021 and 2020, the Group sold USD 925k and USD 468k, respectively, of salmon products to Platina.

The Group held a non-exclusive commercial relationship with Platina for sales and distribution services. In exchange, Platina received a sales commission equal to 7% of gross revenue earned on sales of salmon purchased from the Group. For the six months ended 30 June 2020, total commissions earned and paid to Platina were USD 26k, and the amounts are recognized against the Group's revenue in the accompanying consolidated statements of operations. No commissions were earned and paid to Platina during 2021 and the non-exclusive commercial relationship was concluded.

SIGNIFICANT AND SUBSEQUENT EVENTS

Reference is made to Note 9 regarding amendments to the interim consolidated financial statements and Note 10 regarding significant and subsequent events.

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	8	10,878	2,502	6,270
Expenses				
Cost of materials	3,8	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	10	15,620	5,132	11,609
Depreciation and amortization	4	7,490	1,289	6,745
Total expenses		**60,787**	**25,796**	**53,449**
Operating loss		**(49,909)**	**(23,294)**	**(47,179)**
Finance income		358	104	178
Finance expense		(2,164)	(8,467)	(8,776)
Other income, net		177	83	584
Loss before income tax benefit		**(51,538)**	**(31,574)**	**(55,193)**
Income tax benefit		-	-	-
Net loss		**(51,538)**	**(31,574)**	**(55,193)**
Earnings per share:				
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
Total comprehensive loss		**(55,076)**	**(33,849)**	**(52,792)**

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
ASSETS				
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
Total non-current assets		**273,729**	**242,506**	**261,285**
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
Total current assets		**118,332**	**23,815**	**59,674**
TOTAL ASSETS		**392,061**	**266,321**	**320,959**

Unaudited (USD 1,000)	Note	30 June 2021	30 June 2020	31 Dec 2020
EQUITY AND LIABILITIES				
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)
Total equity		**320,572**	**177,706**	**255,459**
Non-current liabilities				
Borrowings (long-term)	5,6,9	-	71,116	51,156
Lease liability (long-term)		3,062	487	3,091
Total non-current liabilities		**3,062**	**71,603**	**54,247**
Current liabilities				
Borrowings (short-term)	5,6,9	51,156	-	-
Lease liability (short-term)		307	-	482
Trade and other payables	5	16,964	17,012	10,771
Total current liabilities		**68,427**	**17,012**	**11,253**
Total liabilities		**71,489**	**88,615**	**65,500**
TOTAL EQUITY AND LIABILITIES		**392,061**	**266,321**	**320,959**

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
Balance at 31 December 2020	**917**	**335,337**	**2,015**	**(82,625)**	**(185)**	**255,459**
Contributions	133	118,807	1,249	-	-	120,189
Net loss	-	-	-	(51,538)	-	(51,538)
Foreign currency translation adjustments	-	-	-	-	(3,538)	(3,538)
Balance at 30 June 2021	**1,050**	**454,144**	**3,264**	**(134,163)**	**(3,723)**	**320,572**

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
CASH FLOWS FROM OPERATING ACTIVITIES				
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
Net cash used in operating activities		**(35,648)**	**(18,648)**	**(46,959)**
CASH FLOWS FROM INVESTING ACTIVITIES				
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
Net cash used in investing activities		**(20,891)**	**(29,766)**	**(60,851)**
CASH FLOWS FROM FINANCING ACTIVITIES				
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)
Net cash provided by financing activities		**116,600**	**35,494**	**111,964**
Net increase (decrease) in cash and restricted cash		**60,061**	**(12,920)**	**4,154**
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
Cash and restricted cash at end of period		**88,860**	**11,147**	**28,909**

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, US)
- AS Purchasing, LLC ("ASP", registered in Miami, Florida, US)
- S.F. Development, L.L.C. ("ASSF", registered in Miami, Florida, US)
- Atlantic Sapphire IP, LLC ("ASIP", registered in Miami, Florida, US)

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, US.

The Group's segment information consisted of the following:

Six months ended 30 June 2021	Fish farming			
Unaudited (USD 1,000)	Denmark	US	Other and eliminations	Consolidated
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	Fish farming			
Unaudited (USD 1,000)	Denmark	US	Other and eliminations	Consolidated
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	Fish farming			
Unaudited (USD 1,000)	Denmark	US	Other and eliminations	Consolidated
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
Total revenue from external customers	**10,878**	**2,502**	**6,270**

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
Total revenue from significant customers	**10,878**	**2,502**	**6,270**

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)
Total biological assets	**22,512**	**8,070**	**24,610**

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
Biological assets at end of period	**22,512**	**8,070**	**24,610**

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
Total live weight of biomass (in tons RLW)	**3,037**	**2,020**	**3,887**
Number of fish (in thousands)			
Non-harvestable fish	3,387	3,490	4,064
Harvestable fish	1,125	1,176	1,271
Total number of fish (in thousands)	**4,512**	**4,666**	**5,335**
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 US 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 undisrupted 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 US 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)
Net book amount	**8,714**	**129,658**	**74,585**	**814**	**499**	**42,810**	**257,080**
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)
Closing net book amount	**8,714**	**147,131**	**81,936**	**758**	**521**	**30,801**	**269,861**
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)
Net book amount	**8,714**	**147,131**	**81,936**	**758**	**521**	**30,801**	**269,861**

Unaudited (USD 1,000)	Land	Buildings	Production, plant, and machinery	Equipment and other movables	Software	Assets under construction	Total
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)
Net book amount	**8,714**	**13,901**	**19,094**	**657**	**180**	**167,070**	**209,616**
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	-	-	-	62
Net exchange rate differences	-	1,314	1,782	22	(1)	56	3,173
Closing net book amount	**8,714**	**129,658**	**74,585**	**814**	**499**	**42,810**	**257,080**
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)
Net book amount	**8,714**	**129,658**	**74,585**	**814**	**499**	**42,810**	**257,080**

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)
Depreciation and amortization	**7,490**	**1,289**	**6,745**

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
As of 30 June 2021			
Trade and other receivables*	2,510	-	2,510
Cash	88,390	-	88,390
Restricted cash (short-term)	470	-	470
Other investments	-	6	6
Total financial assets	**91,370**	**6**	**91,376**
As of 30 June 2020			
Trade and other receivables*	693	-	693
Cash	10,815	-	10,815
Restricted cash (short-term)	332	-	332
Other investments	-	11	11
Total financial assets	**11,840**	**11**	**11,851**
As of 31 December 2020			
Trade and other receivables*	1,899	-	1,899
Cash	28,523	-	28,523
Restricted cash (short-term)	386	-	386
Other investments	-	7	7
Total financial assets	**30,808**	**7**	**30,815**

* Prepayments are not included in trade and other receivables.

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

* Prepayments are not included in trade and other payables.

Cash and restricted cash Unaudited (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 US Term Loan, USD 16m US 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 "US Term Loan"). The US 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 US 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 "US RCF"). The US 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 bore an interest rate of 1% with a maturity date of April 2022. The outstanding balance of the PPP Loan was subsequently forgiven on 7 September 2021.	1,156	1,156	1,156
Total borrowings	**51,156**	**71,116**	**51,156**
Less: short-term portion of borrowings	(51,156)	-	-
Long-term portion of borrowings	**-**	**71,116**	**51,156**

The provisions of the 2020 DNB Credit Facility require, among other things, certain financial performance covenants to be maintained as defined in the agreements. This includes certain covenants that limit the Group's ability to, among other things, grant liens, incur additional indebtedness, make acquisitions or investments, dispose of certain assets, make dividends and distributions, change the nature of their businesses, enter certain transactions with affiliates, or amend the terms of material indebtedness.

As of 30 June 2021, the Group's EBITDA was required to exceed a minimum requirement of negative USD 7m. However, the Group's EBITDA for the six months ended 30 June 2021 was negative USD 42.2m. Although the Group received a formal waiver from the Lenders dated 18 August 2021 and prior to the original issuance date of the Group's interim consolidated financial statements, the covenant breach implied that the Lenders had a right to require repayment of amounts outstanding under the 2020 Credit Facility as of 30 June 2021 and the amounts outstanding were therefore considered part of the Group's current liabilities in accordance with *IAS 1.74*, Presentation of Financial Statements.

Following the receipt of the waiver from the Lenders dated 18 August 2021, the outstanding amounts under the 2020 Credit Facility were reclassified back to non-current liabilities.

As of 30 September 2021, the Group was actively working with the Lenders to adjust the Group's minimum EBITDA covenant levels. Although the Group was not in compliance with its minimum EBITDA covenant at that time, the Lenders did not demand payment on the outstanding amounts.

By 31 December 2021, the Group's 2020 DNB Credit Facility had been amended to adjust the Group's minimum EBITDA covenant levels to reflect the Group's updated financial projections. Further, the Lenders allowed a portion of the US RCF and DK RCF to be used as standby Letters of Credit towards equipment financing.

As of 31 December 2021, the Group was in compliance with all financial covenants.

Subsequently on 7 September 2021, the full USD 1.2m outstanding balance of the Group's PPP Loan was forgiven under the provisions of the CARES Act and recognized as other income in the accompanying consolidated statements of operations.

NOTE 7 – SHARE CAPITAL AND SHAREHOLDERS

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

	30 June 2021	
Shareholder	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 Johannson 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%
Total number of shares attributed to the 20 largest shareholders	**54,714,694**	**60.12%**
Total number of shares attributed to other shareholders	36,298,857	39.88%
Total number of shares issued and outstanding	**91,013,551**	**100.00%**

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).

Subsequently on 26 September 2021, 35,000 shares were issued related to the Group's employee share program, bringing the total shares outstanding to 91,048,551, each with a par value of NOK 0.1.

NOTE 8 – RELATED PARTY TRANSACTIONS

During the ordinary course of business, the Group engages in certain arm's length transactions with related parties.

During the ordinary course of business, Langsand Processing AS ("LPAS"), a related party, provides harvesting services for ASDK. Although the Group holds a minority ownership interest in LPAS, the Group does not hold control over LPAS for consolidation purposes. For the six months ended 30 June 2021 and 2020, ASDK incurred harvesting costs of USD 402k and USD 226k, respectively. Such amounts are included as part of cost of materials in the accompanying consolidated statements of operations.

During the ordinary course of business, the Group sells salmon products to Platina Seafood, Inc. ("Platina"), an entity owned by a related party of Johan E. Andreassen, the Group's Chairman of the Board and CEO. For the six months ended 30 June 2021 and 2020, the Group sold USD 925k and USD 468k, respectively, of salmon products to Platina.

The Group held a non-exclusive commercial relationship with Platina for sales and distribution services. In exchange, Platina received a sales commission equal to 7% of gross revenue earned on sales of salmon purchased from the Group. For the six months ended 30 June 2020, total commissions earned and paid to Platina were USD 26k, and the amounts are recognized against the Group's revenue in the accompanying consolidated statements of operations. No commissions were earned and paid to Platina during 2021 and the non-exclusive commercial relationship was concluded.

NOTE 9 – AMENDMENTS TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Group was notified by the Financial Supervisory Authority of Norway ("NFSA") of certain matters to be amended within the interim consolidated statements for the half-year reporting period ended 30 June 2021 originally authorized for issue on 26 August 2021.

In accordance with *IAS 1.74*, Presentation of Financial Statements, a liability with breached conditions at the reporting date is payable on demand and classified as current, even if the lender has agreed, after the reporting date but before the financial statements are authorized for issue, not to demand repayment because of the breach. As of the 30 June 2021 reporting date, the Group was in technical breach of its requirement to exceed a minimum EBITDA of negative USD 7m and obtained a formal waiver from the Lenders prior to the original authorized date of issue. Because the formal waiver was not obtained on or before the reporting date, the Group should have classified its outstanding USD 50m US Term Loan as current and therefore overstated its long-term portion of borrowings and understated its short-term portion of borrowings by USD 50m. Following the receipt of the waiver from the Lenders dated 18 August 2021, the outstanding amounts under the 2020 Credit Facility were reclassified back to non-current liabilities. The correction is reflected in the Group's amended consolidated statements of financial position and Note 6 – Borrowings was updated to disclose the technical breach and the grant of the formal waiver as a non-adjusting event.

In accordance with *IAS 34*, Interim Financial Reporting, and the Norwegian Securities Act Section 5-6, information regarding related party transactions should have been provided in the interim reporting, unless they were not material. The Group did not provide this information previously and the correction is reflected by the inclusion of Note 8 – Related Party Transactions within the Group's amended half-year financial report.

The Group's Statement by the Board of Directors and CEO was amended in accordance with the Norwegian Securities Act Section 5-6. Further, an Interim Management Report is now included within the Group's half-yearly financial report that highlights important events that occurred during the accounting period, their impact on the interim consolidated financial statements, and the principal risks and uncertainties for the remainder of the year. Such highlights were previously presented in the Group's Half-Year 2021 Operational Update.

NOTE 10 – 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 through 30 June 2021 in short-term costs including temporary chiller and generator rentals. 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. The Group subsequently incurred USD 3.6m in short-term costs from temporary rental chillers and generators through 31 December 2021.

On 9 July 2021, ASDK experienced an incident in one of its grow-out systems in the Denmark Bluehouse that resulted in a loss of approximately 500 tons (HOG). Other independent systems in the Denmark Bluehouse were unaffected. The financial impact of the incident after expected insurance proceeds was USD 2.8m. 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.

Recent developments with respect to the COVID-19-virus (the "Coronavirus") may impact regulatory, supply chain, and construction operations of the Group. In August 2021, the Group experienced a COVID-19 related liquid oxygen ("LOX") shortage in the US in which deliveries of liquid oxygen in Florida were in extremely high demand from health and public safety customers. Limited supply of LOX in the US, coupled with US federal working hour restrictions on truck drivers, constrained the Group's ability to obtain LOX. In response to the shortage in the US market and potential negative effects on Group operations, management took precautionary measures both to reduce its oxygen consumption and to engage in alternative supply sources to avoid putting its biomass at risk. By the end of August 2021, the Group was able to source adequate LOX deliveries from various sources and normal production of fish was restored across US freshwater and saltwater systems. The financial impact of the LOX shortage resulted in approximately USD 0.3m in additional costs that were included as part of the cost of production of biological assets.

On 15 September 2021, a fire broke out in the Denmark Bluehouse. All employees were reported safe without injuries. Substantially all property, plant, and equipment were lost in the fire. The Danish facility is insured against fire for the full book value of the facility of approximately USD 33m. Investigation and claims process remains ongoing. Additionally, approximately 170 tons of standing biomass in the Danish facility's ongrowing systems with a book value of USD 0.8m were lost.

On 10 November 2021, the Group and Skretting announced Skretting's intention to construct a specialized state-of-the-art feed plant for land-based salmon in Florida to serve the Group's US operations with market-leading feeds specialized for Bluehouse farming. The construction of the feed plant is subject to Skretting receiving all necessary permits to build and operate the feed plant after which a final investment decision will be taken. Skretting intends to build and finance a local feed plant, while Atlantic Sapphire will commit to source most of its salmon feed demand from Skretting over the contract period, which is expected to span ten years. The all-in feed price will be determined by the actual cost per specific diet and can only be influenced by factors outside the control of Skretting. Skretting and Atlantic Sapphire expect continuous improvements going forward that will result in better fish welfare, higher product quality, improved sustainability, and lower cost of production. A local feed plant will minimize the carbon footprint of transporting the feed to the facility and is expected to cut the Group's logistics cost, and thereby its cost of production, by approximately USD 0.3/kg HOG.

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