ATLANTIC SAPPHIRE

Private Placement

Strengthening balance sheet for growth

9 September 2020

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SUMMARY OF KEY RISK FACTORS (1/2)

RISK FACTORS

In the following is a summary of the key risks facing the Group. Please see slide 14-19 for a full description of risk factors.

Key risks relating to the Group and the industry in which it operates:

- Land-based salmon farming is a new industry and is subject to inherent risk by being an industry in the development phase, as well as the risk that the Company's commercialization strategy may fail.
- The Company is vulnerable to errors in technology, production equipment and maintenance routines. Such errors could cause damage to the Group's production and biomass, which is the Group's most valuable asset.
- The Group has experienced two mass mortality incidents in the past and one recent emergency harvest incident, and it is not unlikely that similar incidents will happen again.
- No assurance can be given that the Group will achieve its objectives or other anticipated benefits and risks relating to the successful implementation of the Group's strategies may increase by a number of external factors, which may require the management's focus and resources, and which could in turn imply failure or delay in the successful adoption of the Group's business strategy.
- The Group's commercial success depends on entering into agreements with customer, distribution, marketing, sales and other agreements with third parties on commercially favourable terms.
- The Group's business depends on client goodwill, reputation and on maintaining good relationships with clients, partners, suppliers and employees, and circumstances that publicly damage the Group's goodwill, injure the Group's reputation or damage the Group's business relationships, may lead to a broader adverse effect than solely any monetary liability.
- Short-term or long-term decreases in the price of farmed salmon may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.
- The Group's operations are subject to several biological risks which could have a negative impact on future profitability and cash flows.
- The Group's activities are subject to extensive international and national regulations, in particular relating to environmental protection, food safety, hygiene and animal welfare, as well as extensive license and permit requirements and restrictions on international trade, and future changes in domestic and international laws and regulations applicable to the Group can be unpredictable and are beyond the control of the Group.
- The Group's operations depend on the quality and availability of salmon smolt and poor quality or small smolts may cause slow growth, reduced health, increased mortality, deformities, or inferior end products.
- The Group's senior management and key employees are important to the development and prospects of the Group.
- The Group has in the past and may in the future be subject to legal claims, including those arising out of normal course of business. Such litigation, claims and compliance risks, could potentially expose the Group to significant losses and liabilities.
- The global pandemic caused by the COVID-19 virus may have material adverse effects on the overall performance of the Company, including by causing delays on ongoing, planned and future construction efforts, and/or causing additional costs and liabilities to accrue. As the pandemic is still developing, and as no effective vaccine is not yet widely accessible, the COVID-19 pandemic may also effect the Group's prospects in ways that are currently not foreseeable.
- Atlantic Sapphire may be target of activism of various kinds with the aim to cause reputational damage or damage to production facilities (spread of information, sabotage, etc.).

SUMMARY OF KEY RISK FACTORS (2/2)

RISK FACTORS

- The Group's ongoing, planned and future construction projects are, and will be, subject to numerous risks, which may cause delays, cost overruns or adversely effect the running business.
- The Group's business and future plans are capital intensive and, to the extent the Group does not generate sufficient cash from operations in the long term, the Company or its subsidiaries may need to raise additional funds through public or private debt or equity financing.
- The Group may not be able to obtain financing (or refinancing) to fund the Group's growth or future capital expenditures, including its ongoing and/or planned constructions in Florida and in Denmark, nor may the Group be able to meet all conditions required to fully utilize any committed financing. Recent and additional cost overruns will increase the risk relating to the Company's ability to obtain financing or refinance its debt.
- The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing and/or in pursuing other business opportunities.
- The Company relies upon intellectual property and trade secrets rights (IPR) and laws to protect important proprietary rights, and, if these rights are not sufficiently protected, the Company's ability to compete and generate revenue may be negatively affected. Further, the Company may not obtain sufficient patent protection on the technology embodied in its products and production processes.
- Changes in applicable tax laws, regulations, or tax treaties, and the interpretation thereof in the various countries may result in the need for a restructuring of the Group's current legal structure and/or a materially higher effective tax rate on earnings.
- The Group's general liability and project insurance may not provide sufficient coverage.
- The Group is subject to currency fluctuations between NOK, DKK and USD.

Risks relating to the Shares:

- The market value of the Shares may fluctuate significantly, which could cause investors to lose a significant part or all of their investment.
- The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unwilling to pay any dividends in the future regardless of availability of distributable reserves.
- Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares.
- There can be no assurance that an active trading market will develop or be sustained nor that the shares may be resold at or above the subscription price in the Private Placement. Investors may be unable to exercise their voting rights for Shares registered in a nominee account.
- Norwegian law may limit shareholders' ability to bring an action against the Company.

Contents

Offering Summary

Transaction details

Issuer	▪ Atlantic Sapphire ASA. Atlantic Sapphire's shares are listed on the Oslo Stock Exchange (ticker code: ASA / ISIN: NO 0010768500
The Private Placement	▪ Total offering size up to the NOK equivalent of USD 100 million
Offer price	▪ To be set through an accelerated bookbuilding process
Use of proceeds	**The net proceeds of the Private Placement will be used for:** ▪ Partly repayment and cancellation of existing credit facility (USD 20m term loan) and repayment and cancellation of USD 30m in short-term facility – in total USD 50m in repayment to DNB Bank ASA ▪ Strengthen balance sheet and general corporate purposes ▪ Acceleration of further expansion
Pre-commitments	▪ Johan E. Andreassen, through Alsco AS, has pre-committed to subscribe for shares for a total of 2.7 USDm ▪ Runar Vatne, through Vatne Equity AS, has pre-committed to subscribe for his pro-rata share (equal to approximately 5.7 USDm) ▪ Andre Skarbø, a member of the board, through AS Invest AS, has pre-committed to subscribe for his pro-rata share (equal to approximately 1 USDm) ▪ Alexanders Reus, a member of the board, has pre-committed to subscribe for 100,000 shares ▪ Tone Bjørnov, a member of the board, has pre-committed to subscribe for 2,000 shares ▪ Thue Holm, Co-founder and CTO, has pre-committed to subscribe for 25,000 shares ▪ Svein Taklo, Chief Infrastructure and Development Officer, has pre-committed to subscribe for 2,000 shares ▪ Dharma Rajeswaran, COO, has pre-committed to subscribe for 1,000 shares
Lock-up	**Customary lock-up agreements expected with the following individuals and their related companies:** ▪ Johan E. Andreassen: 180 days (shares held indirectly through Platina Seafood, Inc, 225,500 shares in total, is exempted from the lock-up provision due to the upcoming liquidation of Platina Seafood, Inc in connection with the establishment of an in-house sales department, please see slide 10 for more information) ▪ Other selected key management: 180 days ▪ Board members: 90 days ▪ The Company: 180 days
Selling restrictions	▪ Institutional and professional investors in Norway and internationally, subject to applicable exemptions from the relevant registration, filing and prospectus requirements ▪ In the United States, to QIBs as defined in Rule 144a of the U.S. Securities Trading Act
Allocation criteria	▪ Allocation will be based on criteria such as (but not limited to), existing ownership in the Company, timeliness of the application, price leadership, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. There is no guarantee that any potential investor will be allocated shares
Managers	▪ DNB Markets acts as Sole Global Coordinator and Joint Bookrunner ▪ Arctic Securities acts as Joint Bookrunner

Transaction Rationale

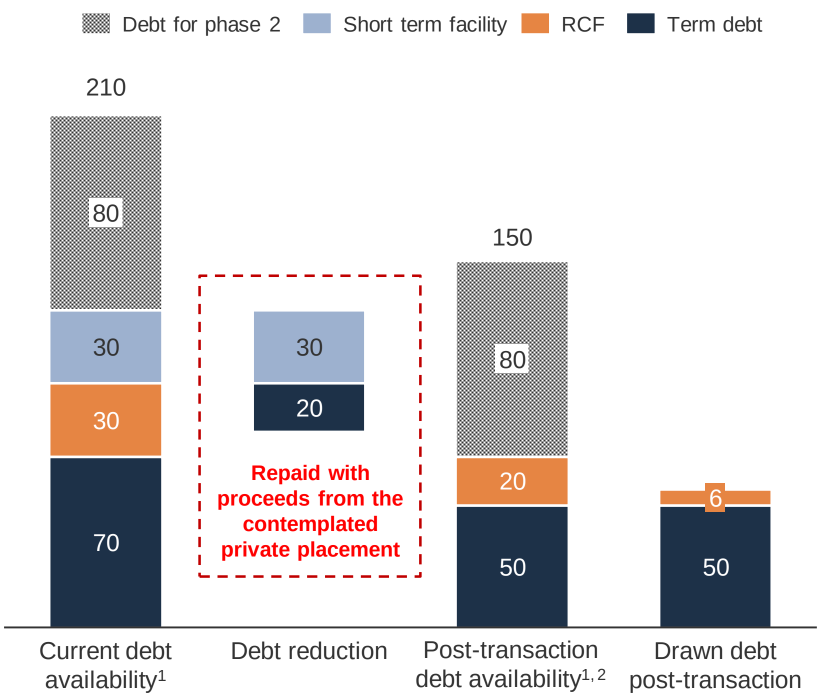
Strengthening of balance sheet

- Opens up for improved debt terms, incl. reduced debt interest expenses and financing fees
- The transaction triggers a 18 months maturity extension of the 50 USDm Term loan and the 20 USDm RCF, new maturity date is April 2023
- Increased future debt capacity
- Expected NIBD of approximately negative 15 USDm post-transaction (Company expected to have approximately 70 USDm cash in cash account)

Equity use of proceeds

- Short term debt facility (Nov 30, 2020 maturity) repaid (USD 30m)
- Existing long-term debt reduced (USD 20m)
- Acceleration of further expansion
- General corporate purposes

Gross debt availability (USDm)



Strengthening The Balance Sheet For Financial Flexibility and Strategic Growth

1: Availability of Committed "Debt for phase 2" is subject to fulfillment of certain milestones and/or conditions and parts of RCF is subject to sufficient borrowing base (i.e. biomass)
2: 10 USDm non-cash reduction in availability of RCF to 20 USDm
Note: The remaining delayed "Debt for phase 2" facility of 80 USDm will aimed to be syndicated to other banks or alternatively be cancelled before 30 November 2020

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Strategic Plan Development

160-acre Grand Master Plan

Developing centralized infrastructure for future expansions

- Centralized facilities currently being planned:
  - Maintenance
  - Energy center, including more renewable energy capacity
  - Feed
  - Sludge treatment
- Reduced cost of operation and improved operational efficiency and reliability
- Centralized functions and infrastructure will reduce risk, complexity and construction time in the future expansions
- Path to 220,000 tons annual capacity advancing

Positioned for future growth

Enhanced Strategic Planning Will Drive Capital Expenditure And Opex Efficiencies

US First Harvest

US H2 2020 Update

Construction updates

- Contingency in the construction timeline regained
- Covid-19 impacts reduced:
  - Access to foreign contractors re-established and fewer employees in Covid-19 quarantine

Biological performance

- Fish appetite and system capacity in line with expectations, when feeding is not held back due to construction delays

Processing

- Commissioning advancing, on track for first US harvest

DK H2 2020 Update

DK Bluehouse in harvest mode

- Excellent customer feedback on product quality and taste
- Premium prices achieved from an increasing base of European partners

JEA index (productivity: biomass gain in kg/m3/day)

- DK has reached steady state biomass gain and JEA of ~0.46, ahead of Q4(20) expectation
  - Supportive for cost assumptions[2]
- Supports US production volume assumptions

First US Harvest Weeks Away. 5.5 Million Atlantic Salmon In Production

[1] Cash cost: cost of production on an EBITDA level, excluding depreciation and interest expenses

[2] Management estimates

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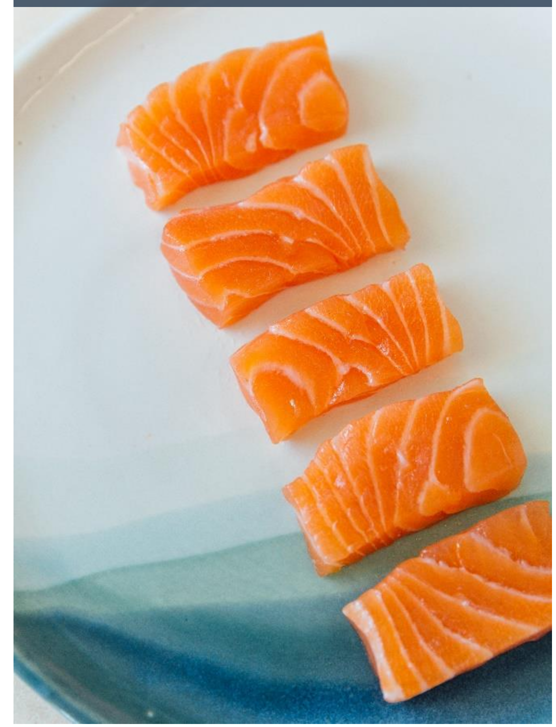
Sales And Distribution

Integration of Atlantic Sapphire's sales and distribution partner

- Sales team hired from Platina Seafood, Inc
- Over 100 years of combined experience selling salmon in the US market, with established distribution channels and systems
- Team has been specializing on Bluehouse salmon sales for the last five years
- Eliminating dependency on third party traders for offtake
- Non-exclusive sales relationship with Platina Seafood, Inc ended, thereby eliminating related party transactions and relationship, following integration by year-end '20
- Damien Claire appointed Chief Sales and Marketing Officer ("CSMO")
- Enhanced collaboration between marketing and sales

Bluehouse Salmon



Mission-Critical Function Established. Increased Profitability Expected

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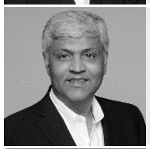
Management Changes

Selected management

Johan E. Andreassen
CEO, AS USA & Co-Founder
- Headed a 30,000 tonnes capacity salmon farming company, Villa Organic, from idea inception to IPO and strategic exit at age 32
- Was the lead supplier to Whole Foods for 7 years



Dharma Rajeswaran
COO
- More than 26 years of salmon farming experience
- More than 20 years in MOWI ASA, with main focus on their land-based RAS facilities for smolt/post-smolt

Svein Taklo
Chief Development and Infrastructure Officer (CDIO)
- Close to 20 years experience in the maritime industry including VP of Marine Operations in Royal Caribbean Cruise Lines

Cristina Espejo
Head of People
- 15 years human resource leadership experience.
- Worked 12 years in DNV GL, a global provider of classification and certification services

Danielle Villoch
Head of Legal
- 9 years of legal experience in capital markets and bank finance
- Advised borrowers and lenders in a variety of debt financing, refinancing and liability management transactions

Ole Spicker
Managing Director, AS Denmark
- 15 years of experience in Operational Manager positions
- Background as trout farm manager in AKVA Group Denmark

Thue Holm
CTO & Co-Founder
- Trained as an environmental biologist at Roskilde University in Denmark
- Worked 7 years in Billund Aquaculture, a leading supplier of RAS systems

Karl Øystein Øyehaug
Interim CFO & Managing Director, AS Norway
- 3 years as an Equity Analyst at Carnegie Investment Bank in Oslo, Norway, 2 years covering the fish farming sector

Damien Claire
Chief Sales and Marketing Officer
- Previously CEO of Platina Seafoods[1], until Sep 2020 the US sales channel of Atlantic Sapphire
- 10 years US salmon industry national account management experience

Mario Palma
Director of Aquaculture
- MOWI Chile RAS, water quality, water treatment and project engineering experience
- Extended experience in land-based aquaculture management

Eric Meyer
Director of Water Infrastructure
- Professional hydrogeologist
- Wastewater injection well design, permitting, construction
- Exploration and development of groundwater supply and operation

Damien Claire Appointed CSMO, and Karl Ø. Øyehaug Steps In As Interim CFO Following the Step-down of Jose Prado

[1] Platina Seafood Inc , majority owned by Johan E. Andreassen, has an arms length relationship with Atlantic Sapphire.

[2] Management and board account for approx. 25% direct and indirect equity.

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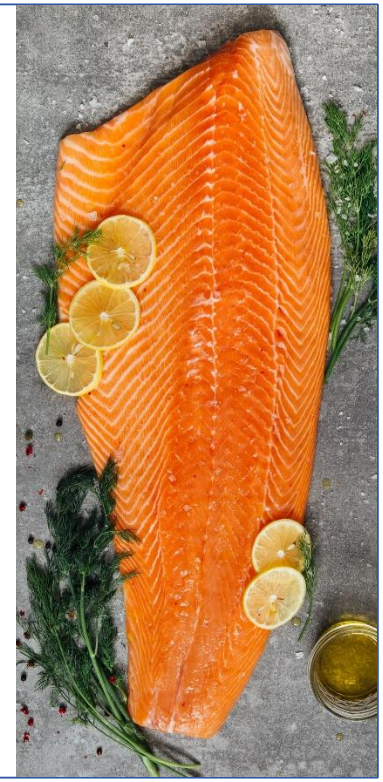
Summary

Atlantic Sapphire Today

- 5.5m fish, ~2,300t of biomass, swimming in US and DK Bluehouse facilities
- DK harvest commenced and 'steady state'[1] standing biomass achieved
- 121 full time employees as of June 30, 2020
- USD266m in total assets as of June 30, 2020

Key Upcoming Milestones

- DK: Steady state production and harvest expected in Q4 '20
- US: First US harvest in Sep '20, ~3 million meals sold by year-end '20
- US: Phase 1 construction completion in Q4 '20, 'steady state'[1] production by Q1 '21
- US: Phase 2 design and capex budget developed by Q1 '21, construction start in Q2 '21
- US: Advanced plan for current 160 acres of land by Q2 '21



5.5 Million Atlantic Salmon In Production. Path To Steady State Harvest Advancing

1 Steady state: When the Company produces the equivalent of 9,500t HOG of annualized harvest volumes in phase 1 in the given period in the US, and 2,400t HOG annualized harvest volumes in Denmark.

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Shareholder Overview (As of September 8th)

Atlantic Sapphire ASA
Total Shares Outstanding: 71,286,100
Oslo Børs Ticker Symbol: ASA
Share Price (As of September 8, 2020): NOK 103/share
Market Capitalization: NOK 7.3B

Rank	Holding	Stake	Name	Country	Type
1	9,459,849	13.3%	ALSCO AS	Norway	Ordinary
2	4,360,478	6.1%	REGENTS OF THE UNIVERSITY OF MICHIGA	United States	Ordinary
3	4,050,000	5.7%	VATNE EQUITY AS	Norway	Ordinary
4	3,877,995	5.4%	SKAGEN KON-TIKI VERDIPAPIRFOND	Norway	Ordinary
5	2,646,385	3.7%	State Street Bank and Trust Comp	United States	Nominee
6	2,365,963	3.3%	Morgan Stanley & Co. Int. Plc.	United Kingdom	Nominee
7	2,028,621	2.8%	Citibank, N.A.	Ireland	Nominee
8	2,008,733	2.8%	U.S. Bank National Association	United States	Nominee
9	1,487,839	2.1%	Brown Brothers Harriman & Co.	United States	Nominee
10	1,453,080	2.0%	PERSHING LLC	United States	Nominee
11	1,340,926	1.9%	JOH JOHANNSON EIENDOM AS	Norway	Ordinary
12	1,234,611	1.7%	VERDIPAPIRFONDET NORGE SELEKTIV	Norway	Ordinary
13	1,162,997	1.6%	LANI INVEST AS	Norway	Ordinary
14	1,073,770	1.5%	JEA INVEST AS	Norway	Ordinary
15	1,036,426	1.5%	UBS SWITZERLAND AG	Switzerland	Nominee
16	1,021,621	1.4%	BLUE FUTURE HOLDING AS	Norway	Ordinary
17	999,478	1.4%	Norron Sicav - Active	Luxembourg	Ordinary
18	945,644	1.3%	Goldman Sachs & Co. LLC	United States	Nominee
19	899,969	1.3%	Norron Sicav - Target	Luxembourg	Ordinary
20	883,834	1.2%	VERDIPAPIRFONDET DNB NORDEN	Norway	Ordinary
21	787,722	1.1%	UBS AG	United Kingdom	Nominee
22	712,479	1.0%	ASINVEST AS	Norway	Ordinary
23	700,000	1.0%	NORSK LANDBRUKSKJEMI AS	Norway	Ordinary
24	671,718	0.9%	J.P. Morgan Securities LLC	United States	Nominee
25	669,699	0.9%	INNOVATIVE AQUACULTURE INVESTMENTS	Norway	Ordinary
Top 25	47,879,837	67 %			
Other	23,406,263	33 %			
Total	71,286,100	100 %			

Share Price Performance (Last Twelve Months)

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KEY RISK FACTORS (1/6)

KEY RISK FACTORS

RISK FACTORS

Investing in the shares ("Shares") issued by Atlantic Sapphire AS ("Company" or "Atlantic Sapphire", and together with its subsidiaries, the "Group") involves inherent risk. Investors should consider all of the information set forth in this Presentation, and in particular, the risk factors set out below. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision. If any of the risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are the principal known risks and uncertainties faced by the Group as of the date hereof. Additional risks and uncertainties that the Group currently believes are immaterial, or that are currently not known to the Group, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The order in which the risks are presented is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. The risks mentioned herein could materialise individually or cumulatively.

Risks relating to the Group and its business and the industry in which it operates

- The Group's operations depend on control and stability of the systems used to develop and grow salmon, many of which are outside of the Group's control. The technology used in land-based salmon farming involves inherent risks, in particular related to; (i) management of gas levels resulting in oversaturation, (ii) management of water quality, (iii) periodic recycling of water, and (iv) mechanical risks such as the interruption of power supply and single points of mechanical failure (for example, with respect to the injection wells and dependency on central energy system). The Group has experienced two mass mortality incidents in its Denmark Bluehouse due to saturation of gas; in 2017, the mass mortality was due to hydrogen sulphide poisoning caused by clogging (sedimentation build-up) in certain biofilters, and in 2020, higher nitrogen levels than desired caused the mass mortality incident. This evidences that any change or interruption in the operation and management of these systems, including changes in nitrogen and hydrogen sulphide levels in the various tanks, could result in fish mortality, thereby adversely impacting production and the Group's revenues.
- The Group also experienced a emergency harvest incident in the US Bluehouse, on July 2020. It is likely that a primary cause of the incident was the ongoing construction work close to the operating environment, including loud sounds and severe vibrations, that stressed the fish. While some critical components and functionality of the farm were not operational at the time that would likely have mitigated the event, this incident demonstrates the challenges of completing construction commissioning of all Bluehouse systems and support functions while in operation.
- The Group is applying recirculating aquaculture systems ("RAS") to farm salmon in land-based facilities, using the Bluehouse® production technology ("Bluehouse"), creating a new alternative to sea-based net pen salmon farming. The Group faces significant competition from existing, well-established and low-cost alternatives within sea-based net pen salmon farming, and, in the future, the Company expects to face competition from new market entrants given that the technology surrounding land-based salmon farming, as well as offshore net pen solutions, is rapidly evolving. In addition, consumers of farm-raised salmon may be hesitant to switch to the Group's products. Further, while the Group works to complete the Homestead Bluehouse, competitors may be able to capitalize on the Group's work to compete more effectively with sea-based net pen farming. As the industry evolves, the Group expects to become subject to additional competition. In addition, the Group's competitors may adopt certain of the Group's technology and innovations in a more cost-effective manner. The Group's inability to effectively compete with existing farming methods and increased competition from other land-based farming companies and methods for land-based farming such as flow-through technology could result in, among other things, a reduction of the Group's revenue. For all of these reasons, the Group may not be able to compete successfully against its current and future competitors. The Group's inability to compete effectively would have an adverse effect on, or otherwise harm, its business, financial condition and operating results.

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KEY RISK FACTORS (2/6)

RISK FACTORS (CONTINUED)

- The Group has incurred operating losses each year since its inception in 2010 and expects to continue to incur net losses in the short term future. The Group expects its operating expenses to increase in the future as it increases its sales and marketing efforts, continues to invest in research and development, expands infrastructure and develops by-products. These efforts and additional expenses may be more costly than expected, and the Group cannot guarantee that it will be able to increase its revenue to offset its operating expenses. Revenue growth may slow, or revenue may decline for a number of other reasons, including reduced demand for the Group's product, increased competition, a decrease in the growth or reduction in size of the Group's overall market or if the Group cannot capitalize on growth opportunities. If the Group's revenue does not grow at a greater rate than its operating expenses, the Group will not be able to achieve and maintain profitability.
- The Group's financial position and future development depend on consumer demand, consumer preferences and the market price for farmed salmon, which are all subject to significant fluctuations.
- The development of wholesale, food service and retail consumer preference for the Group's land-based farmed salmon over other farmed salmon, wild-caught salmon or other seafood is critical to the Group's growth and expanding demand for its products. Therefore, a failure to obtain and increase wholesale, commercial and retail consumer acceptance of the Group's product could have a material adverse effect on the Group's growth, as well as its financial position, liquidity, results of operations and cash flows.
- In addition, the Group depends on consumers' willingness to pay a premium price for healthier, more sustainably farmed salmon, such as the Group's salmon farmed in Bluehouses. There can be no assurance that consumers will be willing to pay premium prices or that demand for farm-raised salmon will not decrease in the future. As a result of the long production cycle, the Group has limited flexibility to manage its harvest volumes and supply. Decreases in the prices of farmed salmon would in turn have an adverse effect on, or otherwise harm, the Company's business, financial condition and operating results.
- The Group began operations in 2010 and has a limited history of generating revenue. As a result of the Group's short operating history, the Group has limited financial data that can be used to evaluate its current business. Therefore, the Group's historical revenue growth should not be considered indicative of future performance. Estimates of future revenue growth are subject to many risks and uncertainties, such as the successful growth cycle of the first salmon hatched and raised in the Homestead Bluehouse, and future revenue may differ materially from projections. The Group has encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly changing industries, including technological challenges, risk of critical mechanical failures, third-party risk, human error, market acceptance of products and increasing competition and expenses as the Group expands its business. The Group cannot be sure that it will be successful in addressing these and other challenges it may face in the future, and its business may be adversely affected if it does not manage these risks.
- The Group's main facility is located in Homestead, Florida (the Homestead Bluehouse), which is in an area prone to exposure to tropical storms and hurricanes from June to November each year and, in particular, at risk of storm surge as a result of Category 4 or higher storms. In addition to flooding, hurricane force winds could cause severe damage to the Group's facility and systems and interrupt power supply, therefore leading to the closure of the Group's main operating facility and the loss of biomass. There can be no assurance that a potential future hurricane will not adversely affect the Group's facility. A tropical storm or hurricane would adversely impact the Group's business, financial condition and operating results.
- The pandemic caused by the COVID-19 virus may have material adverse effects on the Group's ability to perform its business as it is currently conducted. The pandemic may affect the overall performance of the Company, including by causing delays on ongoing, planned and future construction efforts, and/or causing additional costs and liabilities to accrue. Given that the Group is currently focused on constructing i.e. production facilities, the Group is particularly sensitive to new entry restrictions, outbreaks of disease among key personnel, and similar results of a virus there is currently no vaccine for. Further, the COVID-19 virus outbreak may cause difficulties for the Group's suppliers (e.g. financial distress), which in turn could delay or impede the Group's development process and hence the Group's ability to implement its business plan.

KEY RISK FACTORS (3/6)

RISK FACTORS (CONTINUED)

- The Group relies on third-party contractors, manufacturers and suppliers inter alia to provide design and technological services to its facilities and to provide feed and salmon eggs. In particular, the Group relies on certain contractors in connection with the design and maintenance of its RAS systems, which are complex and delicate systems that require precise and immediate attention. The Group depends on these contractors for the seamless operation of its infrastructure. The performance from such third-party contractors and suppliers are outside of the control of the Group. The failure of such third-party providers to perform could lead to technical errors, the loss of power, limits in capacity, breaches in routine and system failures, all of which could result in fish mortality and the loss of biomass, which would in turn have an adverse effect on, or otherwise harm, the Group's reputation, business, financial condition and operating results. Especially during seasons of peak demand, a failure to perform could cause the Group to experience a significant disruption in its ability to produce and deliver product to its customers.
- If the Group needs to replace an existing supplier or partner, it may be unable to supplement or replace them on acceptable terms without business interruption, incurring material additional costs and/ or substantial delays, which may undermine the Group's production capacity and quality. For example, it may take a significant amount of time to identify a feed supplier that has the capability and resources to provide enough feed of the correct quality and composition to meet the Group's daily needs to meet growth projections. Identifying suitable suppliers, manufacturers and contractors is an extensive process that requires significant time investment from the Group and key executives. Accordingly, a loss of any of the Group's significant suppliers, manufactures or partners could have an adverse effect on its business, financial condition and operating results.
- The Group's success depends in large part on its proprietary technology and patents, trade secrets, trademarks and other intellectual property rights. The Group relies on, and expects to continue to rely on, a combination of trademark, trade dress, copyright, trade secret and patent laws, as well as confidentiality and license agreements with its employees, contractors, consultants and third parties with whom it has relationships, to establish and protect its business and intellectual property rights. The Group's long-term competitive advantage depends, in part, on its ability to protect its intellectual property rights. However, there can be no assurance that the Group's intellectual property rights will be sufficient to protect against other building facilities that are substantially similar to the Group's and that compete with its business. The Group's current patents relating to its core technology are only registered in the United States. There is a general risk of third parties attempting to use substantial similar technology to build competing business, both in the United States and other jurisdictions.
- The Group's intellectual property rights may be challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. In order to protect the Group's intellectual property rights, the Group may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce the Group's intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of its intellectual property. Furthermore, the Group's efforts to enforce its intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of its intellectual property rights. The Group's failure to secure, protect and enforce its intellectual property rights could seriously damage its business.
- Threats to network and data security are increasingly diverse and sophisticated and the Group's servers, computer systems and those of third parties that it uses in its operations are vulnerable to cybersecurity risks, For example, the Group's operations depend on the maintenance and monitoring of water quality in general, and in particular keeping various gases in the tanks at specific levels, and such maintenance and monitoring depend to a large extent on uninterrupted performance of the Group's IT systems. Any cyber-attack that attempts to disrupt system service or otherwise access IT systems of the Group or those of third parties which the Group uses, if successful, could adversely affect the Group's business, financial condition and operating results and be expensive to remedy.
- The Group's future success depends, in part, on its ability to continue to identify, attract, develop, integrate and retain qualified and highly skilled personnel, including senior management and engineers. In particular, the Group is highly dependent on the services of Johan E. Andreassen, the Chief Executive Officer of the Company and Atlantic Sapphire USA and co-founder of the Company, who is critical to the development of the Group's business, future vision and strategic direction. Andreassen may terminate his employment with 30 days written notice upon his convenience. If Andreassen were to terminate his employment or involvement with the Group, this may have a material adverse effect on the business and prospects of the Group, as it may not be able to find a suitable replacement on a timely basis, or at all, nor without incurring increased costs for the Group.

KEY RISK FACTORS (4/6)

RISK FACTORS (CONTINUED)

- Competition for highly skilled personnel is often intense, especially in the salmon farming industry, which is of limited size. Further, the Group is developing operations in a geographic area where salmon farming did not previously exist and, therefore, is dependent on highly skilled personnel relocating from other areas. The Group may not be successful in attracting, integrating or retaining qualified personnel to fulfil its current or future needs. The Group has from time to time experienced, and it expects to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. In addition, job candidates and existing employees often consider the value of the equity-linked awards they receive in connection with their employment. If the value of the Company's Shares declines, it may adversely affect the Group's ability to hire or retain highly skilled employees. In addition, the Group may periodically change its equity-linked compensation practices, which may include reducing the number of employees eligible for equity-linked awards or reducing the size of equity-linked awards granted per employee. If the Group is unable to attract, integrate or retain the qualified and highly skilled personnel required to fulfil its current or future needs, the Group's business and future growth prospects could be harmed.
- The Group has expanded its operations rapidly and has limited operating experience at its current size. As the Group grows, its business becomes increasingly complex. Continued growth could strain existing resources, and the Group could experience ongoing operating difficulties in managing its business across jurisdictions. Successful implementation of the Group's growth strategy will require significant expenditures before any substantial associated revenue is generated and it cannot guarantee that these increased investments will result in corresponding and offsetting revenue growth.
- Because the Group has a limited history operating its business at its current scale, it is difficult to evaluate the current business and future prospects, including its ability to plan for and model future growth. This limited operating experience at this scale, combined with the substantial uncertainty concerning how the land-based salmon farming industry may develop, and other economic factors beyond the Group's control, reduces its ability to accurately forecast quarterly or annual revenue. Failure to manage future growth effectively could have an adverse effect on the Group's business, financial condition and operating results.
- The Group has insurance policies in place with respect to general liability, builder's risk, property damage, flood and workers' compensation. For losses in excess of the Group's self-insurance limits, it maintains insurance from unaffiliated commercial carriers. However, the Group's insurance may not be adequate to cover all losses or liabilities that it might incur in its operations. Furthermore, the Group's insurance may not adequately protect it against liability from all of the hazards of its business. In addition, for certain of these, such as the loss of eggs or biomass, there are limited insurance carriers in the market. The Group has biomass insurance for the facilities both in Denmark and the United States; however, the insurance is limited and involves high deductibles. As a result of market conditions, premiums and deductibles for certain of the Group's insurance policies may substantially increase. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. The Group also is subject to the risk that it may be unable to maintain or obtain insurance of the type and amount it desires at a reasonable cost. If the Group was to incur a significant liability for which it was uninsured or for which it was not fully insured, it could have a material adverse effect on the Group's financial position, results of operations and cash flows.
- The Group's planned and future construction projects are and will be subject to numerous risks, including shortages or delays in equipment, materials or skilled labour; failure of the equipment to meet quality and/or performance standards, inability to obtain or maintain required permits and approvals, unanticipated cost increases, design or engineering changes, labour disputes and adverse weather conditions or any other events of force majeure, all of which may cause delays or cost overruns. Significant cost overruns or delays could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

KEY RISK FACTORS (5/6)

RISK FACTORS (CONTINUED)

- The construction projects are also subject to other risks that may cause delays or cost overruns, which in turn could cause disruption in operations and the need to implement changes in production to adapt to such delays, including the commissioning of systems before final completion, all of which could have a material adverse effect on production and the Group's business, results of operations, cash flows and financial condition.
- The Group's ability to compete successfully depends heavily on its ability to continuously innovate production and processing methods for land-based salmon farming. As a result, the Group has historically made significant investments in research and development (R&D) and will continue to invest in R&D to advance its business. There can be no assurance that these investments will achieve expected returns, and the Group may not be able to sustain its development of technologies in this area.
- The Group currently holds a significant number of patents, trademarks and copyrights and has registered, and applied to register, numerous patents, trademarks and copyrights. The Group's competitors may compete with lower cost structures and infringing on its intellectual property. If the Group is unable to continue to develop innovative methods and compete with competitors with attractive margins or if competitors infringe on the Group's intellectual property, the Group's ability to maintain a competitive advantage could be adversely affected.

Risks relating to laws and regulations

- The Group's business and operations are subject to extensive laws and regulations, especially within environmental, agricultural and building regulations. Further, the Group's operations are dependent on obtaining and maintaining permits in Denmark and the United States (and, in particular, Miami-Dade County and the City of Homestead) in connection with construction, operations, water management and processing. To the Company's knowledge, the Group has obtained and is maintaining all required permits to produce land-based salmon and otherwise carry out its Denmark Bluehouse business and has been granted all federal and state level necessary to carry out its Homestead Bluehouse business at this stage in the construction process, including permits relating to construction, water management and aquaculture certification. The Group will need to obtain several additional licenses in the future in order to be able to carry out the contemplated business in the United States at full scale and no assurances can be given that such licenses will be obtained. The Group's failure to obtain or maintain, or loss of, any of the permits it requires to operate its business could materially impact production and results of operations.
- Salmon farming is strictly regulated by licenses and permits granted by governmental authorities in Denmark and the United States. In addition, the Group's operations pose risks of environmental liability, including leakage from its operations to surface or subsurface soils, surface water or groundwater (including the Biscayne Aquifer). Some environmental laws and regulations may impose strict liability, joint and several liability, or both. Therefore, in some situations, the Group could be exposed to liability as a result of its conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, third parties without regard to whether the Group caused or contributed to the conditions. Actions arising under these laws and regulations could result in the shutdown of the Group's operations, fines and penalties, expenditures for remediation or other corrective measures, and claims for liability for property damage, exposure to hazardous materials, exposure to hazardous waste or personal injuries. Sanctions for noncompliance with applicable environmental laws and regulations also may include the assessment of administrative, civil or criminal penalties, revocation of permits, temporary or permanent cessation of operations in a particular location and issuance of corrective action orders. In addition, in certain instances strict liability attached to such permits. For example the Group's water permit providing for its right to utilise fresh and saline groundwater in from the Biscayne Aquifer is issued with the condition that Atlantic Sapphire USA agrees to hold and save the South Florida Water Management District agency and its successors harmless from any and all damages, claims or liabilities that may arise from the construction, maintenance or use of activities authorised by the water permit. Such claims, sanctions or indemnities and related costs could cause us to incur substantial costs or losses and could have a material adverse effect on the Group's business, financial condition, results of operations and cash flow. Future changes in applicable municipal, state, federal and international laws and regulations could adversely affect the Group's business, financial condition and results of operations.

KEY RISK FACTORS (6/6)

RISK FACTORS (CONTINUED

Financial risks

- The Group has entered into a USD 210 million senior secured credit facility with DNB Bank ASA, New York Branch, providing for a USD 180 million in term loan commitments (of which USD 30 million is a short term facility with maturity 30 November 2020) to Atlantic Sapphire USA, and a USD 30 million revolving credit facility available to Atlantic Sapphire USA, provided that up to USD 4 million of such revolving credit facility shall be available to Atlantic Sapphire Denmark. The Credit Facility contains various covenants, including, among other things, a requirement that Johan E. Andreassen shall remain involved with the day-to-day operations of Atlantic Sapphire USA, minimum liquidity and revenue requirements, restrictions on the Group's ability to dispose of assets, make acquisitions or investments, incur debt or provide/ accept liens, enter into, modify or amend certain material contracts, make distributions to the Company's shareholders or enter into certain types of related party transactions and that the Company shall hold and maintain authorizations from its general meeting to increase the share capital and to issue convertible bonds (the Company will decide, in its sole discretion, whether these authorizations shall be used). These restrictions may restrict the Group's current and future operations, particularly its ability to respond to certain changes in its business or take future actions. Pursuant to the Credit Facility, the Group granted the parties thereto a security interest in substantially all of its assets.
- Further, the Credit Facility requires the Company to observe certain financial covenants, including, among other things, maintenance of minimum levels for book equity ratio and maximum levels of Net-Interest Bearing Debt to EBITDA.
- The Group's ability to comply with the covenants described above can be impacted by events beyond its control and it may be unable to do so, and the requirements to hold and maintain authorizations to increase the share capital and to issue convertible bonds are subject to approval by a qualified majority of the shareholders present at the general meetings discussing these authorizations. The Credit Facility and related security documents provide that the Group's breach or failure to satisfy certain covenants constitutes an event of default. Upon the occurrence of an event of default, the lenders could elect to declare all amounts outstanding under the Credit Facility to be immediately due and payable. In addition, the lenders would have the right to proceed against the assets the Group provided as collateral pursuant to the related security agreements. If the debt under its Credit Facility was to be accelerated, the Group may not have sufficient cash on hand, or be able to refinance the loan or to sell sufficient collateral to repay it, which would have an immediate adverse effect on its business and operating results. This could potentially cause the Group to cease operations and result in a complete loss of an investment in the Shares.
- The Group may require additional debt financing, and/ or refinancing of its current debt (including the USD 30 million short term facility), where the availability of such financing or refinancing may be limited or unavailable to the Group.

Risks relating to the Shares

- The Norwegian stock market has historically been subject to volatility and the price of the Shares may be subject to considerable fluctuation. In particular, the price of the Shares may be affected by supply and demand of the Shares, fluctuations in actual or projected results, changes in earnings forecasts, failure to meet analysts' earnings expectations, dividend earnings on the Shares, changes in general economic conditions and yield on alternative investments, changes in regulatory conditions and other factors. Moreover, the general volatility of share prices may create pressure on the share price even if there might be no reason for this in the Company's operations or earnings potential.
- The Company may, in the future, decide to offer additional Shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes which require additional funding of the Group. Additionally, one of the covenants under the Credit Facility states that the Company shall obtain annual resolutions from the Company's general meeting to issue convertible bonds in the principal aggregate amount of up to USD 150,000,000. If such bonds are issued, the Company's current and other future shareholders may not have pre-emptive rights to participate in any conversion of such bonds and could hence be diluted. Depending on the structure of any future offerings, the holdings and voting interests of existing shareholders could be diluted and the market price of the Shares could be materially and adversely affected. In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases.

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