PROSPECTUS

ATLANTIC SAPPHIRE ASA

(A public limited liability company incorporated under the laws of Norway)

Listing of 3,594,741 Non-Tradable Shares issued in connection with the Private Placement completed on 4 June 2021

This prospectus (the "**Prospectus**") has been prepared by Atlantic Sapphire ASA (the "**Company**" or "**Atlantic Sapphire**") a public limited liability company incorporated under the laws of Norway, (together with its consolidated subsidiaries, the "**Group**") in connection with the listing of 3,594,741 Non-Tradable Shares (as defined below) on the Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") issued in a private placement comprising a total of 10,300,000 new shares, each with a par value of NOK 0.10 issued at a subscription price of NOK 98.60 per share (the "**Private Placement**"). The shares issued in the Private Placement were issued to two ISINs, whereof 6,705,259 shares were issued at the ordinary ISIN of the Company as immediately tradable and listed shares on the Oslo Stock Exchange, in accordance with an exemption from prospectus requirements for admission to trading of new shares (the "**Tradable Shares**"), and the remaining 3,594,741 shares were issued on a separate ISIN, and such shares will only become tradable and listed on the Oslo Stock Exchange following approval and publication of this Prospectus (the "**Non-Tradable Shares**", and together with the Tradable Shares, the "**New Shares**").

Except where the context otherwise requires, references in this Prospectus to "Shares" will be deemed to include the existing Shares and the New Shares. All of the existing Shares, including the New Shares, are registered in the VPS in book-entry form. All of the issued Shares rank pari passu with one another and each carry one vote.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 17 "Selling and Transfer Restrictions".

THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR INVITATION TO PURCHASE, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SHARES OR OTHER SECURITIES ARE BEING OFFERED OR SOLD PURSUANT TO THIS PROSPECTUS IN ANY JURISDICTION.

Investing in the Company involves material risks. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk Factors" when considering an investment in the Company.

Trading in the Non-Tradable Shares on the Oslo Stock Exchange is expected to commence on or about 25 October 2021.

The date of this Prospectus is 22 October 2021

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Listing of the Non-Tradable Shares on the Oslo Stock Exchange, as described herein, and in order to provide information about the Group and its business. For the definitions of terms used throughout this Prospectus, see Section 20 "Definitions" of this Prospectus. All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended) (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**").

This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw: *Finanstilsynet*) (the "**NFSA**"), as competent authority under the EU Prospectus Regulation. The NFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Company engaged a syndicate of banks to act as "**Joint Global Coordinators**" in the Private Placement. The Joint Global Coordinators are together also referred to herein as the **"Managers**".

No person is authorised to give information or to make any representation concerning the Group other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company, the Managers or by any of their respective affiliates, representatives or advisors.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Shares in any jurisdiction, including in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of an investment in the Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 17 "Selling and Transfer Restrictions".

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the Shares, including the merits and risks involved. The Company, the Managers and their representatives and advisers are not making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares by such purchaser under the laws applicable to such purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied is made by the Managers as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement. Investing in the Company and its Shares involve a high degree of risk. See Section 2 "Risk Factors".

All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. As a result, it may be difficult for investors in the United States to effect service of process on persons connected to the Company (such as Directors or members of the Management) in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons based on the civil liability provisions of the U.S. securities laws. It is doubtful whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its directors or officers under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its directors or officers under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters with Norway.

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APPENDICES

1 SUMMARY

1.1 Introduction and warnings

1.1.1 Warnings

This summary contains all the sections required by the Prospectus Regulation to be included in a summary for a Prospectus regarding this type of securities and issuer. This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities described in this Prospectus should be based on a consideration of the Prospectus as a whole by the investor, including any appendices thereto. An investment in the Company's Shares involves inherent risk and an investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might under the applicable national legislation of a Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

1.1.2 Overview of the issuer, its securities and the competent authority having approved this Prospectus

Name of securities	Atlantic Sapphire (ticker "ASA")
ISIN	NO 0010768500
Issuer	Atlantic Sapphire ASA
Issuer's office address	Daugstadvegen 445, 6392 Vikebukt, Norway
Issuer's postal address	Daugstadvegen 445, 6392 Vikebukt, Norway
Issuer's LEI (Legal Entity Identifier)	213800WAVVOPS85N2205
Issuer's phone number	+1 7864311404
Issuer's e-mail	investorrelations@atlanticsapphire.com
Issuer's website	http://www.atlanticsapphire.com/. Note that the information on the website does not form part of the Prospectus unless such information is incorporated explicitly by reference into the Prospectus.
The competent authority approving the Prospectus	The Financial Supervisory Authority of Norway (Nw: *Finanstilsynet*).
Visiting address, the Financial Supervisory Authority of Norway	Revierstredet 3, 0151 Oslo, Norway
Postal address, the Financial Supervisory Authority of Norway	Postboks 1187, Sentrum 0107 Oslo, Norway
E-mail, the Financial Supervisory Authority of Norway	Post@finanstilsynet.no
Date of approval of this Prospectus	22 October 2021

1.2 Key information on Atlantic Sapphire

1.2.1 Who is the issuer of the securities?

Corporate information

The Company's legal and commercial name is Atlantic Sapphire ASA. The Company is a Norwegian public limited company incorporated in Norway under and governed by the Norwegian Public Limited Liability Companies Act, with business registration number 895 436 232. Atlantic Sapphire is domiciled in Vestnes, Norway. The Company's LEI (Legal Entity Identifier) number is 213800WAVVOPS85N2205.

The Company's subsidiaries are Atlantic Sapphire Denmark A/S ("**Atlantic Sapphire Denmark**"), S.F. Development, L.L.C., Atlantic Sapphire IP, LLC, Atlantic Sapphire USA LLC ("**Atlantic Sapphire USA**") and AS Purchasing, LLC (which is wholly-owned by Atlantic Sapphire USA).

Principal activities

Our Business

Atlantic Sapphire is a land-based Atlantic salmon farming company with production operations in Hvide Sande, Denmark (the "**Denmark Bluehouse**") and Homestead, Florida, USA (the "**Homestead Bluehouse**"). The Group uses Bluehouse® production technology (the "**Bluehouse**"), which was developed by the Group in collaboration with a wide range of supply chain partners to optimize growing conditions for Atlantic salmon. Each Bluehouse contains all facilities needed for a salmon's full growth cycle, from an egg hatchery to grow out tanks to harvest processing capabilities. Consolidated operations enable the Group to control the entire production cycle without having to transport salmon to sea-based net pens. The Homestead Bluehouse has a production capacity of approximately 9,500 tonnes (calculated using the head on-gutted measurement ("**HOG**")). On 15 September 2021, a fire broke out in the Denmark Bluehouse facility resulting in material and substantial damages, and as of the date of this Prospectus, the cause of the fire is unknown and no related injuries on personnel have been reported.

The Company has a target to gradually expand production at the Homestead Bluehouse up to 220,000 tonnes in annual capacity in 2031. No assurance can be given that the Group will actually expand capacity at the Homestead Bluehouse beyond its current level.

The Group's production cycle starts with the introduction of salmon eggs into the egg hatchery. As eggs hatch and develop, the fish are moved into larger freshwater tank systems until they reach the smolt stage in the production cycle. Smolt typically mature to approximately 100 to 200 grams before they are moved to saltwater grow-out tanks where the adult salmon are fed and raised to the target harvest size of 3 to 5 kilograms. Once harvested, the salmon are processed into consumer-ready products and loaded onto trucks for transportation to retailers, restaurants and other customers. The complete production cycle takes between 18 and 22 months.

The Group's activities include farming, harvesting, processing, marketing and sales of its products. The Group sells its products mainly in the Danish and US markets.

The Group's value and production chain is comprised of the following production cycles: (i) land-based freshwater hatching, fry and smoltification; (ii) land-based saltwater grow out; (iii) processing and (iv) distribution and sale.

As of 31 December 2020, the Group had approximately 158 employees.

Our Products
The Group's current range of products include fresh whole salmon and salmon fillets, frozen fillets and portions. The Group has mostly sold fresh whole fish (4-7 kg) and fillets up to 1.8 kg to the food service sectors, and mostly fillets between 0.9 to 1.8 kg to retailers. The Group is also working on additional products such as smoked salmon and other ready-to-eat and ready-to-cook items that will be launched in the near future.

Our Markets
The Group manages sales and operations from offices in Hvide Sande, Denmark and Miami, Florida, USA and sells its products throughout the United States, Denmark, the UK, France, Switzerland and the Netherlands, among others. In 2020, the Group harvested approximately 1,000 tonnes HOG of Atlantic salmon. In 2020, the Group's main export markets were as follows:

- United States (31%);
- Denmark (24%);
- Netherlands (19%); and
- Other countries (26%).

Going forward, the Group expects that the United States will be the main market for the Group's products.

Recent Developments
On 28 January 2021, the Company announced plans to upsize its US ‘phase 2’ expansion of the Miami Bluehouse® ("**Phase 2**"), increasing the annual production and harvest volume of the combined phase 1 and 2 by approximately 18,500t RLW (15,000t HOG) to 30,000t RLW (25,000t HOG). The first fish is expected to be stocked into the new phase 2 facility in 2022, with increased harvest volumes starting in 2023.

On 28 January 2021, the Group's Credit Facility (as defined herein) was amended to increase the total credit facility from USD 150m to USD 200 million, which is comprised of the existing USD 50 million term loan, a USD 20 million revolving credit facility available to Atlantic Sapphire USA and Atlantic Sapphire Denmark, a USD 32 million committed term loan for Phase 2 capital expenditures, and a USD 98 million uncommitted accordion facility on the same terms and conditions as the Group’s committed term loan. Further, pursuant to such amendment, the Group syndicated a portion of its Credit Facility to Farm Credit of Florida, ACA.

On 23 March 2021, a mortality incident occurred in one of the grow out systems at the Homestead facility, in which 500 tons (HOG) was lost.

In June 2021, the Company completed the Private Placement of 10,300,000 New Shares, raising gross proceeds of approximately NOK 1,015 million.

Major shareholders
As of the date of this Prospectus, the following shareholders own or control more than 5% of the issued share capital in the Company:

- Alsco AS;
- Skagen Kon-Tiki Verdipapirfond; and
- Vatne Equity AS.

In so far as is known to the Company, no person or entity, directly or indirectly, jointly or severally, may exercise or could exercise control over the Company. The Company is not aware of any agreements or similar understandings that the operation of which may at a subsequent date result in a change of control in the Company.

Executive management

The members of the Group's executive management are set forth in the table below:

Name	Position
Johan E. Andreassen	Chief Executive Officer of Atlantic Sapphire USA
Alejandro Castro	Chief Accounting Officer
Bjørn-Vegard Løvik	Interim Chief Operating Officer
Karl Øystein Øyehaug	Chief Financing Officer and Managing Director
Svein Taklo	Chief Development and Infrastructure Officer
Danielle Villoch	Chief Legal Officer

Statutory auditor

The Company's independent auditor is BDO AS with registration no. 993 606 650 and registered address at Munkedamsveien 45A, 0250 Oslo, Norway.

1.2.2 What is the key financial information regarding the issuer?

Selected consolidated statements of comprehensive loss

	Six months ended			Year ended 31 December	
(USD 1,000)	**30 June 2021**	**30 June 2020**	**2020**	**2019**	**2018**
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Revenue	10,878	2,502	6,270	5,540	481
Operating loss	(49,909)	(23,294)	(47,179)	(13,468)	(8,927)
Net loss for the period	(51,538)	(31,574)	(55,193)	(13,152)	(11,399)
Basic earnings per Share (USD)	(0.57)	(0.46)	(0.74)	(0.19)	(0.20)
Diluted earnings per Share (USD)	(0.57)	(0.46)	(0.74)	(0.19)	(0.20)

Selected consolidated statements of financial position

	As at			Year ended 31 December	
(USD 1,000)	**30 June 2021**	**30 June 2020**	**2020**	**2019**	**2018**
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Total assets	392,061	266,321	320,959	252,876	151,912
Total equity	320,572	177,706	255,459	208,679	137,439
Total liabilities	71,489	88,615	65,500	44,197	14,473
Total equity and liabilities	**392,061**	**266,321**	**320,959**	**252,876**	**151,912**

Selected consolidated statement of cash flows

	Six months ended			Year ended 31 December	
(USD 1,000)	**30 June 2021**	**30 June 2020**	**2020**	**2019**	**2018**
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Net cash used in operating activities	(35,648)	(18,648)	(46,959)	(18,462)	(16,009)
Net cash used in investing activities	(20,891)	(29,766)	(60,851)	(86,790)	(87,679)

Net cash provided by financing activities	116,660	50,485	111,964	110,834	71,914

1.2.3 What are the key risks specific to the issuer?

The Group's business is subject to numerous risks and uncertainties. Some of these risks include:

- The Group's operations involve inherent risks relating to control and stability of conditions in its facilities, many of which are outside of the Group's control, which could adversely impact production and financial performance. 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 three mortality incidents in its Denmark Bluehouse due to gas-related challenges and altered water levels, and two mortality incidents in its Homestead Bluehouse, one of which was due to stress from construction work nearby and the other one being caused by a flow of particles from a particle filtration system into the biofilters and trickling filters. The Group further experienced a mortality event when a fire erupted in the Denmark Bluehouse facility on 15 September 2021 also causing substantial and material damages to the facility. The financial consequences and the cause of the fire are not clear at the date of this Prospectus.
- Land-based salmon farming is a new, technology intensive method of salmon farming. The Group's inability to effectively compete with existing methodologies and increased competition from other land-based farming companies, could result in, among other things, a reduction of the Group's revenue. The Group's inability to compete effectively would also have an adverse effect on, or otherwise harm, its business, financial condition and operating results.
- The Group has incurred operating losses in the past, expects to incur operating losses in the future and may not achieve or maintain profitability in the future.
- The Group may require additional capital in the future.
- The Group is dependent on the consumer demand, consumer preferences and the market price for farmed salmon, all of which is subject to significant fluctuations.
- The Group has a limited operating history and the Group's past financial results may not be indicative of its future performance.
- The Group's operations are in areas exposed to natural disasters, such as flooding, tropical storms and hurricanes.
- The Group relies on a limited number of suppliers, manufacturers and third-party contractors to manage its systems and for production of its products and a failure of any of these partners to perform contracted service or a loss of any such partners could negatively affect its business.
- The Group is subject to laws and regulations (especially within environmental, agricultural and building regulations) in several jurisdictions and the Group's failure to comply with such laws and regulations could negatively affect its business.
- The Group is dependent on certain key personnel and highly skilled, technical expertise.
- The Group's Homestead Bluehouse is under construction, and any delay in the completion, or cost overruns in relation to, the construction of the Homestead Bluehouse may affect the Group's ability to achieve its operational plan and full schedule of production, thereby adversely impacting the Group's business and results of operations.

1.3 Key information of the securities

1.3.1 What are the main features of the securities?

The securities' type, class and ISIN	All of the Shares are ordinary shares in the Company have been created under the Norwegian Public Limited Liability Companies Act and are registered in book-entry form with the VPS under ISIN NO 0010768500.
The securities' currency, denomination, par value, the number of securities issued and the term of the securities	The Shares are issued in NOK. As of the date of this Prospectus, the Company's share capital is NOK 9,104,855.10, divided by 91,048,551 Shares, with each Share having a par value of NOK 0.10.
The rights attached to the securities	The Company has one class of Shares and each Share carries one vote. All the Shares are validly issued and fully paid. All shareholders have equal voting rights in the Company. Pursuant to the Norwegian Public Limited Liability Companies Act, the Shares have equal rights to the Company's profits, in the event of liquidation and to receive dividend, unless all the shareholders agree otherwise. In the event of insolvency, the Shares will be subordinated all debt.
Restrictions on transferability	The Shares are freely transferable. Neither the Norwegian Public Limited Liability Companies Act nor the Articles of Association provide for any restrictions on the transfer of Shares or a right of first refusal for the Company or its shareholders. Share transfers are not subject to approval by the Board of Directors. The transferability of the Shares may, however, be restricted in certain jurisdictions, and each investor in the Company should inform themselves about and observe such restrictions.
Dividend policy	Atlantic Sapphire does not expect to pay any dividend in the near future. The Company is focused on developing and commercializing its products, production methods and technology, as well as increasing facility capacity, and intends to retain future earnings to finance development activities, operations and growth of the business. Any future decision to pay a dividend will also depend on the Company's financial position, operating profit, capital requirement and the terms and conditions of the Company's debt facilities. The Company has not previously distributed any dividends to its shareholders.

1.3.2 Where will the securities be traded?

The Shares are listed and tradable on Oslo Stock Exchange under ticker "ASA". The Non-Tradable Shares will be listed and tradable on Oslo Børs as soon as possible after the publication of this Prospectus, and the Non-Tradable Shares are expected to be listed on the Oslo Stock Exchange on or about 25 October 2021.

The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

1.3.3 What are the key risks that are specific to the securities?

A brief summary of the key risks that are specific to the Shares are set out below:

- The trading price for the Shares may significantly fluctuate and may not always reflect the underlying asset value of the Group. A number of factors outside of the Company's control may impact its performance and the price of the Shares.
- Shareholders will be diluted if they are unable or unwilling to participate in future share issues.

1.4 Key information on the admission to trading on a regulated market

1.4.1 Under which conditions and timetable can I invest in this security?

The New Shares were issued to DNB Markets (being one of the Managers) (pursuant to a share lending arrangement, cf. below) at a Subscription Price of NOK 98.60 per New Share, thereby raising gross proceeds of up to USD 121 million (NOK 1,016 million). The Tradable Shares were issued and immediately tradeable and listed in accordance with an exemption from prospectus requirements for admission to trading of new shares. The Non-Tradable Shares will be tradable on Oslo Stock Exchange as soon as practically possible following the date of this Prospectus. This Prospectus relates solely to the listing of the Non-Tradable Shares and does not constitute an offer or an invitation to buy, subscribe or sell the New Shares or any other Shares of the Company.

The New Shares allocated to investors in the Private Placement were settled with existing and unencumbered Shares already listed on the Oslo Børs pursuant to a share lending agreement between the shareholders Alsco AS, JEA Invest AS and Vatne Equity AS (the "**Share Lenders**"), DNB Markets and the Company. The Shares delivered to investors in the Private Placement were thus tradable upon allocation and delivery.

In order to settle the share loans, the Board resolved to issue the New Shares to DNB Markets. Following registration of the share capital increases pertaining to the Private Placement, the New Shares were delivered directly to the Share Lenders. The Non-Tradable Shares this Prospectus relates to, were delivered on a separate ISIN which will be converted to the ordinary ISIN of the Company's Shares and become tradable on Oslo Stock Exchange as soon as practically possible following the date of this Prospectus.

The dilution for the existing shareholders from the issuance of the New Shares relative to the Shares outstanding prior to the issuance of the New Shares (i.e. on 4 June 2021) is approximately 11.32%.

Total expenses relating to Private Placement is estimated to approximately NOK 33 million.

1.4.2 Why is this Prospectus being produced?

This Prospectus has been produced to enable admission to trading of the Non-Tradable Shares.

Use and estimated net proceeds

The net proceeds of the Private Placement will be used to: (i) partially finance Phase 2 construction, (ii) finance the further expansion (pursuant to the so-called "Grand Master Plan") and initial, long lead investments and construction of centralized infrastructure such as power and chiller plant that will benefit subsequent buildouts, and (iii) general corporate purposes.

Underwriting

The Private Placement was not underwritten.

Material conflicts

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company. The Managers do not intend to disclose the extent of any such investments otherwise than in accordance with any legal obligation to do so. The Managers received fees, including a discretionary fee, in connection with the Private Placement.

2 RISK FACTORS

Investing in the Company's Shares involves a high degree of risk. An investor should consider carefully the risks and uncertainties described below, together with all of the other information in this Prospectus, including Section 11 "Operating and financial review" and the Financial Statements and the accompanying notes elsewhere in this Prospectus before deciding whether to invest in the Shares.

While the most material risk factor in each category is set out first, the remaining risk factors in each section are not ranked in order of materiality or probability of occurrence. The absence of negative past experiences associated with a given risk factor does not mean that the risks and uncertainties associated with that risk factor are not genuine or pose a potential threat to the Group. If any one of the following risks occur, the Group's business, financial condition, operating results and future prospects could be materially and adversely affected. In that event, the market price of the Company's Shares could decline, and resulting in loss of all or part of an investment in the Shares.

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

2.1.1 The Group's operations involve inherent risks relating to control and stability of conditions in its facilities, which could adversely impact production and financial performance

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 mortality incidents in its Denmark Bluehouse and two the Homestead Facility; (i) in 2017, the mortality incident at its Denmark Bluehouse was due to hydrogen sulphide poisoning caused by clogging (sedimentation build-up) in certain biofilters, (ii) in 2020, higher nitrogen levels than desired at its Denmark Bluehouse caused the mortality incident, (iii) in July 2020 Atlantic Sapphire USA, was forced to initiate an emergency harvest from one of its grow-out systems and the reason was assumed to be disruptive construction work close to the operating environment, including loud sounds and severe vibrations, which stressed the fish. There was no indication of intoxication or disease being the cause of this event, and (iv) in March 2021 at the Homestead Facility, significant amounts of particles to flow from the drum filters (particle filtration systems) into the biofilters and trickling filters. 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 further experienced a mortality event when a fire erupted in the Denmark Bluehouse facility on 15 September 2021, also resulting in material and substantial damages to the facility (the "**Denmark Bluehouse Fire**"). The financial consequences and the cause of the fire are not clear at the date of this Prospectus. For more information on the Denmark Bluehouse Fire, see Section 11.2 "Recent developments and trends".

2.1.2 Land-based salmon farming is a new, technology intensive method of salmon farming. If the Group is unable to effectively compete with existing methodologies, the Group's business and financial prospects would be adversely impacted.

The Group is applying recirculating aquaculture systems ("**RAS**") to farm salmon in land-based facilities, 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.

2.1.3 The Group has incurred operating losses in the past, expects to incur operating losses in the future and may not achieve or maintain profitability in the future

The Group has incurred operating losses each year since its inception in 2010 and expects to continue to incur net losses for the foreseeable 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.

2.1.4 The Group is dependent on consumer demand, consumer preferences and the market price for farmed salmon, which are all subject to significant fluctuations and could have an adverse effect on its business and operating results

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.

2.1.5 The Group has a limited operating history and the Group's past financial results may not be indicative of its future performance

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.

2.1.6 The Group's operations are in areas exposed to natural disasters, such as flooding, tropical storms and hurricanes

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.

2.1.7 The Group relies on a limited number of suppliers, manufacturers and third-party contractors to manage its systems and for production of its products and a failure of any of these partners to perform contracted service or a loss of any such partners could negatively affect its business

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, salmon eggs and other production input. 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 has recently experienced an issue with the stability of its supply of bulk liquid oxygen, which the Group relies on to maintain necessary water quality. Although the Group can temporarily reduce its reliance on and consumption of liquid oxygen, a prolonged shortage of liquid oxygen will have a material adverse effect on water quality and ultimately the Group's biomass. The Group depends on these contractors and suppliers 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.

2.1.8 The Group's intellectual property rights are valuable, and any inability to protect them could reduce the value of its business and products

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. The Group is currently working on numerous other patent applications which are currently pending. 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.

2.1.9 Cybersecurity risks could adversely affect the Group's business and disrupt its operations

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. Maintaining sufficient water quality is critical for the growth and wellbeing of the Group's biomass. Any cyber-attack or other security breach could jeopardize the performance of the Group's IT systems leading to a disruption or tampering of the Group's systems and, potentially, the loss of biomass. 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.

2.1.10 The Group's future success depends on the continuing efforts of its key employees and its ability to attract and retain highly skilled personnel and senior management

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 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.

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.

2.1.11 The Group has grown rapidly in recent years and has limited operating experience at its current scale of operations. If the Group is unable to manage its growth effectively, its company culture and financial performance may suffer.

The Group has expanded its operations rapidly and has limited operating experience at its current size. For example, between 31 December 2017 and 31 December 2020, the Group's employee headcount increased from 18 to 158, and the Group expects headcount growth to continue for the foreseeable future. Further, 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.

2.1.12 The Group's business involves certain operating risks and the Group's insurance may not be adequate to cover all insured losses or liabilities that the Group might incur in operations

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.[1]

2.1.13 A delay in the completion of, or cost overruns in relation to, the construction of the Homestead Bluehouse may affect the Group's ability to achieve its operational plan and full schedule of production, thereby adversely impacting the Group's business and results of operations

The Group has completed construction of the grow-out systems planned under Phase 1 of the construction on the Homestead Bluehouse. However, the Group has plans to further expand the Homestead Bluehouse through its Phase 2 expansion and in connection with such expansion Atlantic Sapphire USA has entered into contracts with Wharton-Smith Inc. as general contractor and Hazen and Sawyer, D.P.C. with regards to design (the "**Contractors**"). Pursuant to the contracts, the Contractors have agreed to comply with certain construction deadlines and project milestones. As of the date of this Prospectus, the construction has started and is expected to be completed by the end of 2022. Ramp-up in harvest volume is expected in the second half of 2023 of an annualized 25,000t (HOG).

However, if the Contractors do not meet the construction deadlines set forth in the contracts, the Group may not be able to achieve a full scale of operations in accordance with its business plan and may adversely impact the Group's results of operations. Although the Group is entitled to receive liquidated damages from the Contractors in certain circumstances, the Contractors could fail to compensate the Group for the applicable liquidated damages pursuant to the contracts, which would result in a delay in the Group's ability to collect the same or otherwise prevent the recovery of any such amounts. Furthermore, any delay in the completion of construction may result in a significant decrease in revenues expected to be received by the Group from operations as a result of the commencement of full-scale operations on a date later than originally expected, thereby adversely impacting the Group's business and results of operations.

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.

2.1.14 The industry in which the Group operates is competitive and subject to technological changes, and the Group may be unable to compete effectively in these markets

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.

[1]The Group has a fire insurance of approximately DKK 95 million for building and building components and DKK 125 million for equipment (jointly corresponding to approximately USD 33 million, which is equivalent to the book value of the facility). The Group does therefore not expect that lack of insurance coverage for the Denmark Bluehouse Fire constitutes a relevant risk by itself. For more information about the Denmark Bluehouse Fire, see Section 11.2 "Recent developments and trends" and reference is also made to the risk factor "The Group's operations involve inherent risks relating to control and stability of conditions in its facilities, which could adversely impact production and financial performance" in Section 2.1.1.

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.

2.2 Risks relating to laws and regulations

2.2.1 The Group is subject to laws and regulations in several jurisdictions and the Group's failure to comply with such laws and regulations could negatively affect its business

The Group's business and operations are subject to extensive laws and regulations, especially within environmental, agricultural and building regulations. Please see Section 7.9 "Regulatory framework" for a description of the laws and regulations that are most material to the Group. 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.

2.3 Financial risks

2.3.1 The Group may require additional capital in the future

The Group is in a capital-intensive construction phase, where the Company expects to incur an estimated USD 225 million of capital expenditures related to Phase 2. These capital expenditures are intended to be funded with the Group's Credit Facility and other available liquidity. However, the Credit Facility includes an uncommitted USD 98 million accordion facility, and the utilization of such accordion facility is at the discretion of the lenders. Consequently, no assurance can be given that the lenders will extend the full amount, or any amount, of such accordion facility. Consequently, the Credit Facility and other available liquidity may not be sufficient for the Group's current capital expenditure requirements as currently projected. In addition, the Group may require additional capital in the future pursuant to its business plan, due to unforeseen liabilities or in order for it to take advantage of opportunities that may be presented to it. Further, negative developments in costs related to construction activities, sales activities and/ or production cost may lead to a strained liquidity position and the potential need for additional funding through debt financing, equity funding or other means.

There can be no assurance that the Group will be able to obtain necessary funding in a timely manner and on acceptable terms. If the Company raises additional capital through equity financing, any such equity financing may be dilutive to the shareholders.

2.3.2 Covenants in the Group's Credit Facility and related security documents may restrict its operations, and if the Group does not effectively manage its business to comply with these covenants, its financial condition could be adversely impacted

The Group has been extended loans pursuant to its Credit Facility (see Section 11.9.1 "Credit Facility" for further details regarding the Credit Facility). 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 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 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. See Section 11.9 "Borrowings and other contractual obligations" for additional information.

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 which discuss grants of 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.

2.4 Risks relating to the Shares

2.4.1 Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Share

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 (as described in Section 11.9 "Borrowings and other contractual obligations") 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, as further described in Section 14.12.3 "Additional issuances and preferential rights".

2.4.2 The market value of the Shares may fluctuate

The trading price for the Shares may significantly fluctuate and may not always reflect the underlying asset value of the Group. A number of factors outside the Company's control may impact its performance and the price of the Shares, including, but not limited to, quarterly variations in operating results, adverse business developments, changes in market sentiment regarding the Shares, the operating and share price performance of other companies in the industry and markets in which the Company operates, changes in financial estimates and investment recommendations or ratings. Changes in market sentiment may be due to speculation about the Company's business in the media or investment community, changes to the Company's profit estimates, the publication of research reports by analysts and changes in general market conditions. If any of these factors actually occurs, this may have a material adverse effect on the pricing of the Shares.

The market price of the Shares could decline due to sales of a large number of the Shares in the market or the perception that such sales could occur. Such sales could also make it more difficult for the Company to offer equity securities in the future at a time and at a price that are deemed appropriate.

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the same industry as the Group. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Group, and these fluctuations may materially affect the price of the Shares.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Listing of the Non-Tradable Shares on the Oslo Stock Exchange and to provide information about the Company and its business.

The Board of Directors of the Company accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors hereby declare that the information contained in this Prospectus is, to the best of our knowledge in accordance with the facts and contains no omissions likely to affect its import.

22 October 2021

The Board of Directors of Atlantic Sapphire ASA

Johan Emil Andreassen
Chairman

Ellen Marie Sætre *Director*	André Skarbø *Director*
Tone Bjørnov *Director*	Alexander Reus *Director*
Patrice Anne Flanagan *Director*	Runar Vatne *Director*

4 GENERAL INFORMATION

4.1 The approval of this Prospectus by the Norwegian Financial Supervisory Authority

The Financial Supervisory Authority of Norway (Nw: *Finanstilsynet*) (the "**NFSA**") has reviewed and approved this Prospectus, as competent authority under the EU Prospectus Regulation. The NFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. The Prospectus was approved by the NFSA on 22 October 2021. This Prospectus is valid for a period of 12 months from the date of approval by the NFSA. **Investors should make their own assessment as to the suitability of investing in the Company's Shares.**

4.2 Other important investor information

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with article 23 of the Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, occurring between the time of approval of this Prospectus by the Norwegian FSA and the Listing of the Non-Tradable Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Company other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied is made by the Managers as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement. **Investing in the Company and its Shares involve a high degree of risk. See Section 2 "Risk Factors".**

4.3 Presentation of financial and other information

4.3.1 Financial information

The Group's audited consolidated financial statements as of, and for the years ended, 31 December 2020, 31 December 2019 and 31 December 2018, have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). The audited consolidated financial statements as of, and for the years ended, 31 December 2020, 31 December 2019 and 31 December 2018 are hereinafter referred to as the "**Annual Financial Statements**" and have been incorporated by reference into this Prospectus. The Company's unaudited financial statements as of and for first six months periods ended 30 June 2021 and 2020 (the "**Interim Financial Statements**", and together with the Annual Financial Statements, the "**Financial Statements**"), has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU and is also incorporated by reference into this Prospectus.

Please refer to Section 18 "Incorporation by Reference and Documents" for further information on documents incorporated by reference.

The Annual Financial Statements have been audited by BDO AS, as set forth in their report included in the Annual Financial Statements.

The Company presents the Historical Financial Information in USD (presentation currency).

4.3.2 Alternative performance measures (APMs)

The Financial Statements of the Company have been prepared in accordance with IFRS. In addition, the alternative performance measure "**EBITDA**" has been presented as a measurement in the operating segments of the Group, as further described in Section 11.7 "Segment information". This measurement has been included to enhance the understanding of the performance of the operating segments of the Group but does not replace the Financial Statements prepared in accordance with IFRS.

EBITDA is a non-IFRS financial measure and is defined in this Prospectus to mean earnings before interest, taxes, depreciation and amortization. EBITDA is an alternative performance measure ("**APM**") as defined by the European Securities and Markets Authority in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

Readers should note that APMs should not be viewed as substitutes for profit/(loss) for the period, profit/(loss) before tax from continuing operations, operating income, cash and cash equivalents at period end or other income statement or cash flow items computed in accordance with IFRS. The APMs do not necessarily indicate whether cash flow will be sufficient or available to meet the Group's cash requirements and may not be indicative of the Group's historical operating results, nor are APMs meant to be predictive of the Group's future results. Please note that EBITDA may be determined or calculated differently by other companies.

4.3.3 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to Atlantic Sapphire's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects Atlantic Sapphire's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants, subscribed research reports, analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as Atlantic Sapphire, as well as Atlantic Sapphire's internal data and its own experience, or on a combination of the foregoing.

Although Atlantic Sapphire believes its estimates to be reasonable, these estimates have not been verified by any independent sources, and Atlantic Sapphire cannot assure prospective investors as to their accuracy or that a third party using different methods to assemble, analyse or compute market data would obtain the same results. In addition, behaviour, preferences and trends in the marketplace tend to change. Atlantic Sapphire does not intend and does not assume any obligations to update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Atlantic Sapphire has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of Atlantic Sapphire's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.3.4 Currencies

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**DKK**" are to the lawful currency of Denmark, all references to "**USD**" are to the lawful currency of the United States of America and all references to "**EUR**" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency. The Financial Statements are presented in USD.

4.3.5 Rounding

Certain figures in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number, decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3.6 Exchange rates

The following table sets forth, for the previous three years as indicated, information regarding the average, high and low reference rates for NOK, expressed in NOK per USD, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

Fiscal year	Average	High	Low	Period end
2018	8.1338	8.7631	7.6579	8.6885
2019	8.8037	9.2607	8.4108	8.7803
2020	9.4004	11.3668	8.5326	8.5326

No representation is made that the NOK amounts have been or could have been converted into USD, or vice versa, at the exchange rates indicated in the tables above or any other exchange rate.

4.4 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Group's current intentions, beliefs or current expectations concerning, among other things, financial position, operating results, liquidity, prospects, growth, strategies and the industry and markets in which the Group operates. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "assumes", "believes", "can", "could", "continue", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. Forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts or circumstances. They appear in a number of places throughout this Prospectus, including, without limitation, in Section 7 "Business of the group", and include, among other things, statements relating to:

- the Group's strategy, outlook and growth prospects and the ability of the Group to implement its strategic initiatives;
- the Group's future results of operations;
- the Group's financial condition;
- the Group's working capital, cash flows and capital investments;
- the Group's dividend policy;
- the impact of regulations on the Group;
- general economic trends and trends in the Group's industry and markets;
- the competitive environment in which the Group's operates;
- political, governmental and regulatory changes;
- access to funding; and
- technological changes introduced into the Group's industry.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance, circumstances or events and that the Group's actual financial position, operating results and liquidity, and the development of the industries and markets in which the Group operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. The Group can provide no assurances that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur. These forward-looking statements are subject to risks, uncertainties and assumptions, including those discussed elsewhere in this Prospectus.

These forward-looking statements speak only as of the date of this Prospectus. Save as required by Article 23 of the EU Prospectus Regulations, by the stock exchange rules and by other applicable law, the Group expressly disclaims any obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Group or to persons acting on the Group's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus. Accordingly, prospective investors are urged not to place undue reliance on any of the forward-looking statements herein.

5 THE PRIVATE PLACEMENT

5.1 Description of the Private Placement

On 4 June 2021, the Company announced that it had completed the Private Placement, directed towards Norwegian and international investors, of 10,300,000 New Shares at a subscription price of NOK 98.60 per Share, thereby raising gross proceeds of USD 121 million (NOK 1,016 million).

The issue of the New Shares was made in two separate resolutions, one related to the 6,705,259 Tradable Shares, which were made as immediately tradable and listed shares on the Oslo Stock Exchange, in accordance with an exemption from prospectus requirements for admission to trading of new shares. The remaining Non-Tradable Shares were issued on a separate ISIN, and such Non-Tradable Shares will only become tradable and listed on the Oslo Stock Exchange following approval and publication of this Prospectus. The Board therefore passed two resolutions on the issuance of new shares, as set out in Section 5.1.1 below.

Prior to approving the Private Placement, the Board considered the principle of equal treatment of shareholders in relation to the Private Placement. The Private Placement constituted a deviation from the principle of equal treatment and the pre-emptive rights of the shareholders as not all shareholders were invited to subscribe for the New Shares. The Board considered that the deviation from the shareholders' pre-emptive rights is legitimate and in the best interests of the Company. The Board emphasized that the Private Placement enabled the Company to raise equity in an effective manner and without the need for a significant discount as is typically required in a rights issue, and where also the uncertainty of the number of subscribers and the gross proceeds the Company receive is normally bigger. The Board also noted that the subscription price in the Private Placement corresponded to the latest closing price of the Company's Shares, as well as the fact that the that there is good liquidity in the Company's Shares, and shareholders who wish to maintain their relative shareholding in the Company may do so through purchasing Shares in the open market.

The New Shares were issued based on an existing authorization to the Board to issue shares approved by the annual general meeting on 12 May 2021.

The net proceeds from the Private Placement of approximately NOK 983 million will be used to: (i) partially finance Phase 2 construction, (ii) finance the further expansion (pursuant to the so-called "Grand Master Plan") and initial, long lead investments and construction of centralized infrastructure such as power and chiller plant that will benefit subsequent buildouts, and (iii) general corporate purposes.

The share capital increase pertaining to the issuance of the New Shares was registered in the Norwegian Register of Business Enterprises on 10 June 2021.

5.1.1 Resolution to issue the New Shares

On 12 May 2021, the Company's general meeting adopted the following resolution to authorize the Board to increase the Company's share capital (translated from Norwegian):

(i) The authorization granted on 11 June 2020 is withdrawn.

(ii) The Board of Directors is given the authority to increase the share capital with up to NOK 1,600,000 through the issuance of up to 16,000,000 new shares, with a face value of NOK 0.10. Within this limit, the authorization may be used several times.

(iii) The subscription price and other subscription terms shall be determined by the Board of Directors.

(iv) The authorization shall include capital increases against contribution in kind or the right to subject

the company to specific obligations and contribution through set-off, cf. the Norwegian Public Limited Liability Companies Act section 10-14 (2) no. 4.

(v) The Board of Directors may deviate from the existing shareholders preferential rights to subscribe for shares pursuant to the Norwegian Public Limited Liability Companies Act Section 10-4.

(vi) The authorization does not include authorization to resolve mergers pursuant to the Norwegian Public Limited Liability Companies Act section 13-5.

(vii) The Board of Directors is given authorization to change the articles of association regarding the size of share capital in accordance with such share capital increases as decided by the Board of Directors under this authorization.

(viii) This authorization is valid until the annual general meeting in 2022, however not later than 30 June 2022.

On 4 June 2021, the Company's Board resolved to issue the Tradable Shares and the Non-Tradable Shares in two separate resolutions in order to facilitate for the immediate delivery of shares pursuant to the exemption from prospectus requirements for admission to trading of new shares. The following resolution relates to the issuance of the Tradable Shares pursuant to such exemption (translated from Norwegian):

(i) The share capital is increased with NOK 670,525.90, through issuance of 6,705,259 new shares (the "Offer Shares I"), each with a par value of NOK 0.10.

(ii) The Offer Shares I are subscribed for at a subscription price of NOK 98.60 per Offer Share. The Offer Shares I shall be issued at the ordinary ISIN of the Company's shares.

(iii) The Offer Shares I shall be subscribed by DNB Markets, a part of DNB Bank ASA on behalf of and pursuant to authorizations from the investors and with the amounts evident from Appendix 1. The existing shareholders' preferential right pursuant to the PLCA section 10-4 is set aside.

(iv) Subscription of Offer Shares I shall take place on a separate subscription document no later than 4 June 2021 at 09.00 CEST.

(v) The subscription amount shall be paid by 10 June 2021 to a separate bank account with DNB Bank ASA.

(vi) The Offer Shares I shall rank pari passu with the existing shares and carry full shareholder rights in the Company, including the right to dividends, from the date of registration of the share capital increase in the Norwegian Register of Business Enterprises.

(vii) Section 4 of the Company's articles of association shall be amended accordingly.

(viii) The estimated expenses related to the share capital increase are NOK 16.3 million.

On 4 June 2021, the Company's Board also resolved to issue the 3,594,741 Non-Tradable Shares which requires the approval and publication a prospectus in order to become tradable (translated from Norwegian):

(i) The share capital is increased with NOK 359,474.10, through issuance of 3,594,741 new shares (the "Offer Shares II"), each with a par value of NOK 0.10.

(ii) *The Offer Shares II are subscribed for at a subscription price of NOK 98.60 per Offer Share. The Offer Shares II shall initially be issued at separate ISIN, and shall only be converted to the ordinary ISIN of the Company's shares following approval and publication of a listing prospectus.*

(iii) *The Offer Shares II shall be subscribed by DNB Markets, a part of DNB Bank ASA on behalf of and pursuant to authorizations from the investors and with the amounts evident from Appendix 1. The existing shareholders' preferential right pursuant to the PLCA section 10-4 is set aside.*

(iv) *Subscription of Offer Shares II shall take place on a separate subscription document no later than 4 June 2021 at 09.00 CEST.*

(v) *The subscription amount shall be paid within 10 June 2021 to a separate bank account with DNB Bank ASA.*

(vi) *The Offer Shares II shall rank pari passu with the existing shares and carry full shareholder rights in the Company, including the right to dividends, from the date of registration of the share capital increase in the Norwegian Register of Business Enterprises.*

(vii) *Section 4 of the Company's articles of association shall be amended accordingly.*

(viii) *The estimated expenses related to the share capital increase are NOK 16.3 million.*

5.2 Delivery and listing of the New Shares

The New Shares have been fully paid and the pertaining share capital increase have been registered in the Norwegian Register of Business Enterprises, and will in all respects be equal to the existing Shares of the Company. The Tradable Shares were tradeable immediately following delivery.

The Non-Tradable Shares will not be admitted to trading on the Oslo Stock Exchange until the NFSA has approved and the Company has published this Prospectus. Pending such approval and publication, the Non-Tradable Shares were issued in the VPS on 11 June 2021, on a separate and interim ISIN, namely ISIN NO 0011027054. Upon approval and publication of this Prospectus, the New Shares will be transferred to the same ISIN as the existing Shares in the Company (i.e. ISIN NO 0010768500). The New Shares will not be sought or admitted to trading on any other regulated market than the Oslo Stock Exchange. Please refer to Section 17 "Selling and Transfer Restrictions" for a description of certain selling and transfer restrictions applicable to the Tradable Shares and the Non-Tradable Shares.

5.3 Lock-up restrictions

Customary lock-up agreements have been entered into with the following individuals and their related companies:

- Johan E. Andreassen: 180 days
- Other selected key management: 180 days
- Board members: 90 days
- The Company: 180 days

The lock-up undertakings are further subject to customary terms and conditions.

5.4 The Tradable Shares and the Non-Tradable Shares

The Tradable Shares and the Non-Tradable Shares are ordinary shares in the Company each having a par value of NOK 0.10. The Tradable Shares and the Non-Tradable Shares are issued electronically in registered, book-entry form in accordance with the Norwegian Public Limited Companies Act ("**PLCA**").

The rights attached to the Tradable Shares and the Non-Tradable Shares are the same as those attached to the Company's existing Shares and all such shares rank pari passu with the existing Shares in all respects (including the right to receive dividends and vote). The Tradable Shares and the Non-Tradable Shares has held the right to receive dividends from the date the share capital increase relating to these shares was registered in the Norwegian Register of Business Enterprises (i.e. on 10 June 2021).

5.5 Participation of major existing shareholders and members of the Company's management, supervisory or administrative bodies

Save for ASInvest AS, a close associate of board member André Skarbø who were allocated 50,709 New Shares at the offer price of NOK 98.6, and Tone Bjørnov, board member, who were allocated 2,000 New Shares at the offer price of NOK 98.6, no major existing shareholders or member of the Company's management, supervisory or administrative bodies were allocated New Shares in the Private Placement.

In addition, it is noted that in order to facilitate for settlement on a delivery versus payment basis of the New Shares in the Private Placement, Alsco AS, JEA Invest and Vatne Equity AS lent 10,300,000 existing Shares in the Company to DNB Markets. Alsco AS is a close associate of chairman Johan E. Andreassen and interim COO Bjørn-Vegard Løvik. JEA Invest AS is a close associate of chairman Johan E. Andreassen. Vatne Equity AS is a close associate of board member Runar Vatne. This share lending agreement does not however imply a change in the number of Shares held by Alsco AS, JEA Invest and Vatne Equity AS.

5.6 Dilution

The dilution for the existing shareholders from the issuance of the New Shares relative to the Shares outstanding prior to the issuance of the New Shares (i.e. on 4 June 2021) is approximately 11.32%.

The net asset value per existing Share as at 30 June 2021 was USD 3.52 (calculated as total equity divided by the number of outstanding Shares as of 30 June 2021). The subscription price per New Share was NOK 98.60.

5.7 The Company's share capital following the issuance of New Shares

Following the issuance of the New Shares, the share capital of the Company was NOK 9,101,355.10 comprising of 91,013,551 Shares, each with a par value of NOK 0.10. As of the date of this Prospectus, the share capital of the Company is NOK 9,104,855.10 comprising of 91,048,551 Shares, each with a par value of NOK 0.10.

5.8 Interests of natural and legal persons

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company. The Managers do not intend to disclose the extent of any such investments otherwise than in accordance with any legal obligation to do so. The Managers received fees, including a discretionary fee, in connection with the Private Placement.

For their assistance with the Private Placement, the Managers received a success-based fee. The fee is a fixed percentage fee, calculated on the basis of the gross proceeds raised in the Private Placement. Thus, the Managers have an interest in the Private Placement.

Other than what is set out above, the Company is not aware of any other interests (including conflicts of interests) of natural and legal persons involved in the Private Placement.

5.9 Proceeds and expenses

The New Shares were issued for gross proceeds of USD 121 million (NOK 1,016 million). Costs in relation to the Private Placement and the issuance and listing of the New Shares, was approximately NOK 33 million, primarily for financial and legal advisors. The Private Placement consequently raised net proceeds of approximately NOK 983 million.

No expenses will be charged to the investors by the Company

5.10 Jurisdiction and choice of law

This Prospectus shall be governed by, and construed in accordance with, Norwegian law, and the New Shares have been issued pursuant to the the PLCA. Any dispute arising out of, or in connection with, this Prospectus shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo District Court as legal venue.

6 INDUSTRY AND MARKET OVERVIEW

The Company has used industry and market data obtained from independent industry publications, market research, publicly available information as well as subscribed industry reports from Kontali. While the Company has compiled, extracted and reproduced data from external sources, the Company has not independently verified the correctness of such data. The Company therefore cautions investors not to place undue reliance on the above-mentioned data. Unless otherwise indicated, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and can thus not give any assurances as to the accuracy of market data, which has been extracted from such publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and do not, necessarily, reflect actual market conditions. Such statistics are based on market research, which, itself, is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, investors should be aware that statistics, statements and other information relating to markets, market sizes, market shares, market positions and other industry data set forth in the following (and projections, assumptions and estimates based on such data) may not be reliable indicators of the Group's future performance and the future performance of the salmon industry.

The following discussion contain Forward-looking Statements, please see Section 4.4 "Cautionary note regarding forward-looking statements". The Forward-looking statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, and such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

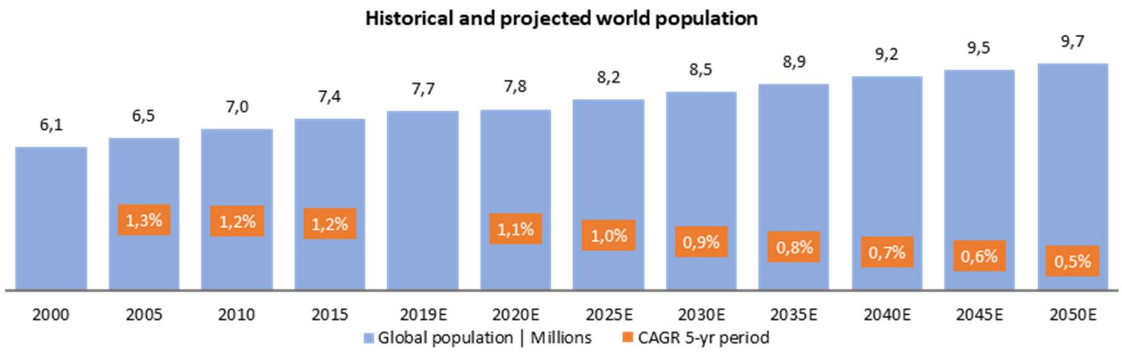
6.1 Principal markets

The following section will give a description of the dynamics affecting the salmon market, and the US salmon market in particular, as this is the market the Company is mainly targeting.

6.1.1 Global fish consumption

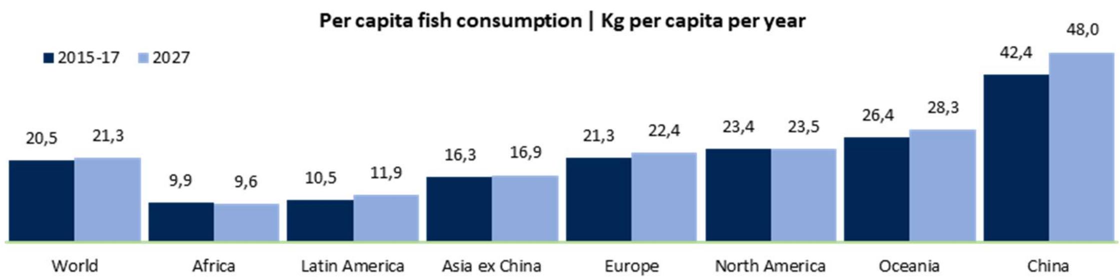
According to the Food and Agriculture Organization of the United Nations ("**FAO**"), global consumption of meat per capita (including seafood, poultry, pork, beef and other meat) almost doubled in the period between 1963 and 2011 and represented approximately 10% of the average human's total food consumption in 2011. Fish composed only 6% of the total human protein consumption in 2013, despite that the world's surface is covered by 70% ocean. In 2017, the production of animal proteins from Atlantic salmon was approximately 2.3 million tonnes.

United Nations estimates that the world population will reach 8.5 billion within 2030, and the FAO estimates that fish consumption per capita globally will rise from 20.5 kg in 2016 to 21.3 kg in 2027. While fish from wild catch is expected to remain flat in this period according to the FAO, fish from aquaculture is forecasted to grow at a compound annual growth rate ("**CAGR**") of approximately 2.6%. This will grow aquaculture's share of total fish supply from approximately 46% in 2016 to approximately 53% in 2026. According to Kontali, fish from aquaculture will grow faster than any other main source of animal protein, with a 2014 – 2024E supply CAGR of 2.8%. Salmon farming is expected to play an important role in this development.



Source: The United Nations World Population Prospects 2019

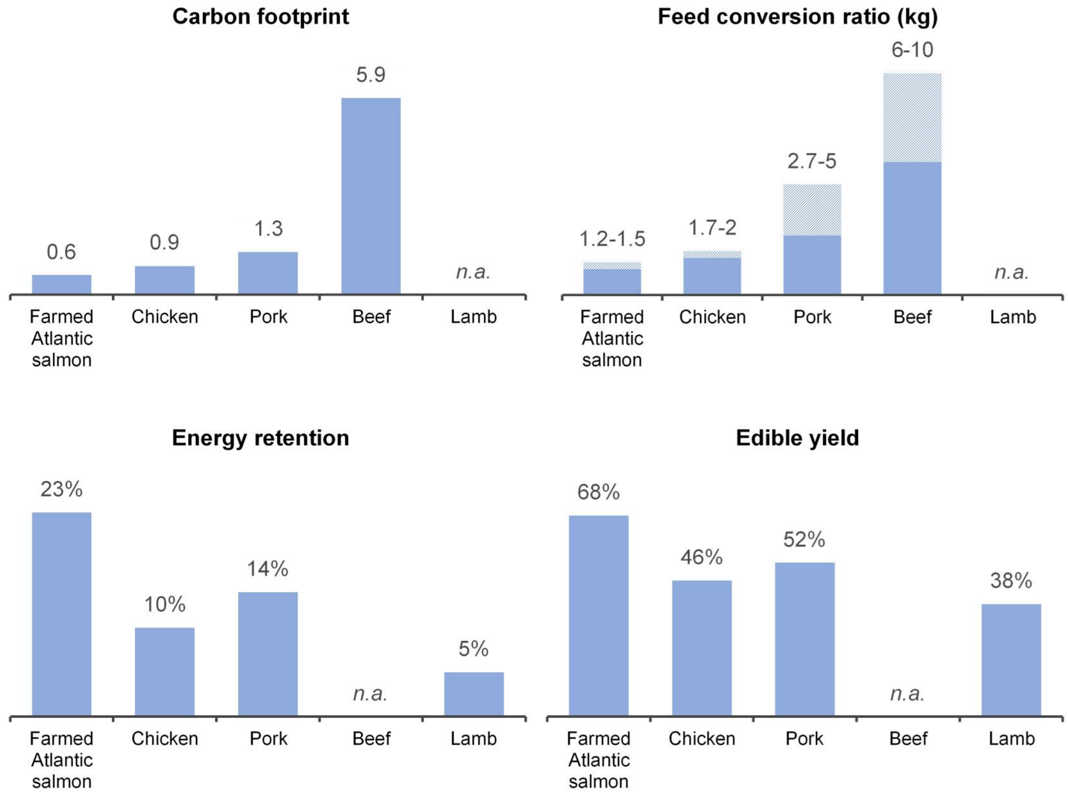
According to OECD-FAO Agricultural Outlook 2018 - 2027, the driving force behind fish consumption growth will be a combination of a rising income level, population growth and urbanization, together with a growing recognition of fish as healthy and nutritious food. Demand will also be stimulated by developments in food processing, packaging and distribution. Due to biological and environmental issues resulting in stricter governmental regulatory conditions there has been limited production growth in conventional open-net pen farming making it challenging to meet the growing demand for salmon. However, land-based salmon farming mitigates several of these challenges and is expected to add additional volumes to the market going forward.



Source: Organization for Economic Co-operation and Development (OECD)/FAO (2018), OECD-FAO Agricultural Outlook 2018 – 2027

6.1.2 Sustainability

Salmon production offers high resource efficiency compared to protein production from the main land animals. For example, salmon yields 61 kg of edible meat per 100 kg of feed fed compared to 24 kg for poultry and 17 kg for pork, and an energy retention (measured as energy in edible parts divided by gross energy fed) of 23% which is significantly higher than pork and chicken. Moreover, it has a highly favourable feed conversion ratio which is the amount (kg) of feed needed to grow the body weight of the animal by one kg. Salmon production also has a lower carbon footprint compared to other protein sources, as the production process requires less CO_2 than pork and cattle and significantly less water than poultry, pork and cattle.



Source: Global Salmon Initiative[2]

By moving salmon production on land and to geographical regions closer to end-consumers, the carbon footprint from salmon farming could be lowered significantly. Additionally, a shift towards land-based fish farming could lead to less local pollution, reduced risk of sea lice and fish escapes, and better utilisation of sludge.

Land-based salmon may appeal to many customers and investors for reasons such as the absence of pathogens or use of antibiotics, a smaller carbon footprint (air freight versus locally produced), and reduced impact on wildlife (depending on discharge method, water source, etc.).

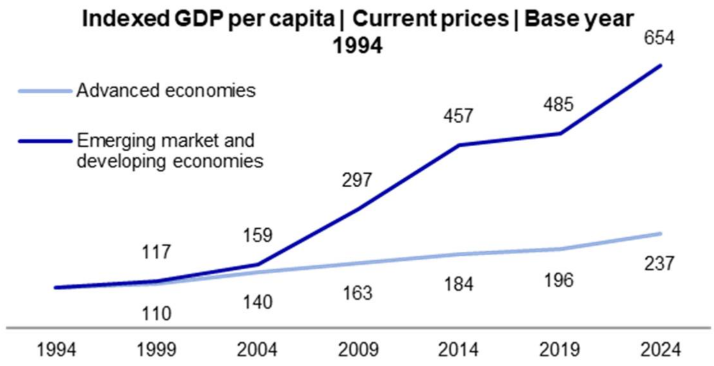
6.1.3 Health benefits

Seafood is considered a healthy source of protein compared to meat from land animals, due to its low cholesterol content and, in fish with high fat content such as salmon, high levels of Omega 3 and fatty acids with scientifically proven health benefits. In addition, salmon is rich in D and B12 vitamins as well as minerals such as iodine and selenium. FAO has previously highlighted that "*Fish is a food of excellent nutritional value, providing high quality protein and a wide variety of vitamins and minerals, including vitamins A and D, phosphorus, magnesium, selenium and iodine in marine fish*". Further, the US Department of Agriculture recommends an intake of at least 237 grams of seafood per week for Americans in general, while the Norwegian Directorate of Health has recommended to consume fish minimum two-three days a week, equaling approx. 400-600 grams of fish. In addition, the EAT-Lancet Commission recommends increased consumption of fish, dry beans and nuts as sustainable, healthy protein sources.

[2] The figures reflect data from farmed salmonids in general.

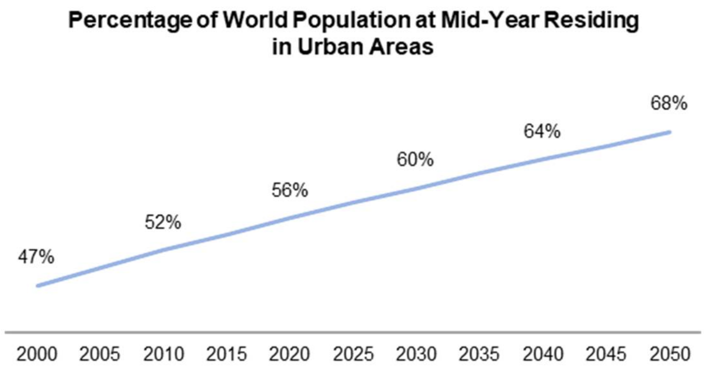
6.1.4 Consumer trends

The increase in consumption of farmed salmon has been fuelled by trends in consumer behaviour. First, consumption of premium food products such as salmon is strongly linked to disposable income and urbanisation, and increasingly sophisticated consumers have driven demand for restaurant meals and ready-to-cook supermarket products.



Source: IMF DataMapper

Over the most recent years, households have enjoyed higher income on average and financial wealth has increased in many OECD countries. On a per capita basis, emerging and developing economies have seen and are expected to continue to see a higher growth than developed economies. This growing middle class is likely to be attracted by the high-quality protein salmon has to offer.



Source: The United Nations World Population Prospects 2019

According to the UN, 55% of the world population live in urban areas. This share is expected to increase to 68% by 2050. UN projections show that urbanization, the gradual shift in residence of the human population from rural to urban areas, combined with the overall population growth, could add another 2.5 billion people to urban areas by 2050, with close to 90% of this increase taking place in Asia and Africa.

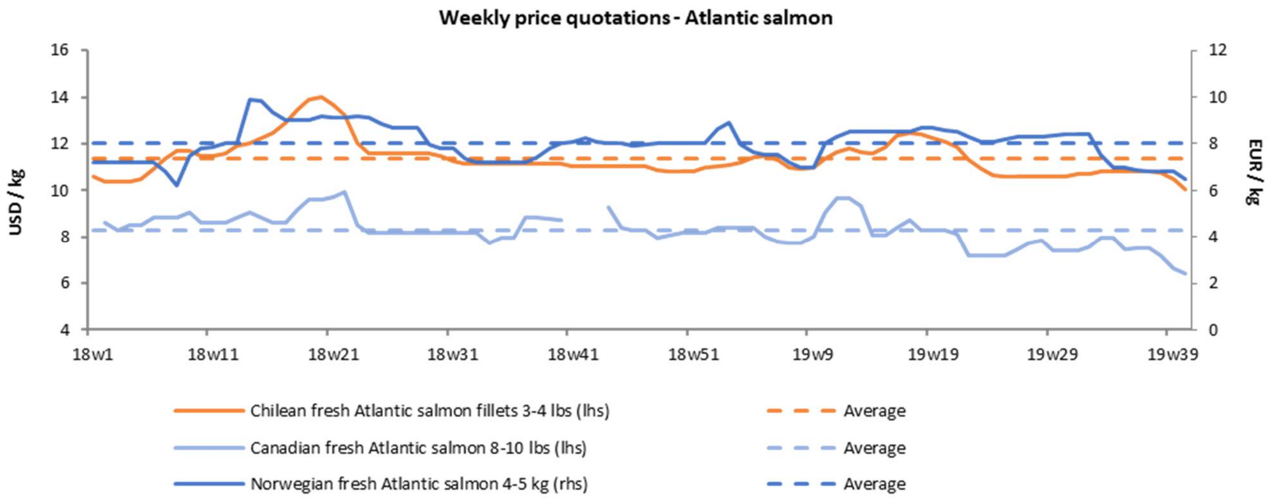
Second, sustainability and environmental friendliness has received more attention among consumers which has led both producers and retailers to focus more on sustainable production and transparency. The favourable characteristics compared to many other animal proteins related to e.g. animal welfare, resource efficiency and environmental impact highlights salmon as a good alternative for the consumer. Third, an increase in obesity and lifestyle diseases drives increased attention to the favourable health impacts of salmon compared to the alternative protein sources.

6.1.5 Pricing

The price for Atlantic salmon is generally determined in a spot or short-term contractual market, where the product is transferred to operators and payment is received upon delivery. This differs from many other commodities markets where participants can also speculate on prices without providing or taking physical delivery. The only significant futures market in existence for Atlantic salmon is Fish Pool, which is limited to

Norwegian production. The perishability of the product and variance in quality, as well as numerous commercial specifications, are contributing factors to this structure.

Prices for Atlantic salmon are somewhat correlated across regions due to the commodity nature of the product. While markets are clearly regional, temporary developments, such as increased Norwegian exports to the United States and Japan during the Chilean ISA Outbreak, play an important role in maintaining this correlation. In high price environments, where traditional sources face supply constraints, more distant producers can utilize airfreight and fill the gap, levelling out price differences across regions.

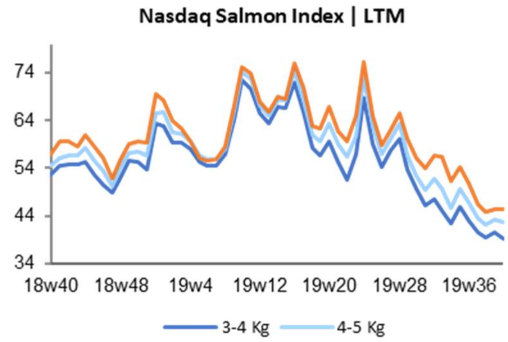


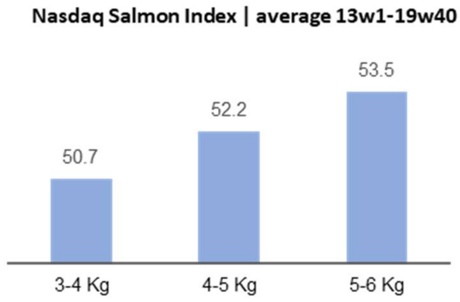
Source: Urner Barry and Nasdaq

The Company expects to achieve a higher price for its Atlantic Salmon in the US market as compared to salmon produced in other countries. This is due to the Group's products having a number of characteristics that differentiate them from other product offerings in the market. For example, producing salmon of US origin, which implies supporting local farmers, minimize transit costs and time, maximizing the freshness of the product (short time from farm to plate) and creating a positive local economic impact. The Group's products can also be marketed as "Raised in the USA", which is an important selling point in the US market and for US consumers.

The salmon market is characterized by a strong underlying demand and increased volumes are absorbed by development of new markets and growth in existing markets. The majority of the product is sold fresh and has to be consumed shortly thereafter due to perishability. With two- to three-year production cycles, supplied volume is relatively inelastic in the short term, causing price fluctuations. If growth in global production levels exceeds or is out-of-pace with growth in demand, downward pressure on prices in the future may be experienced.

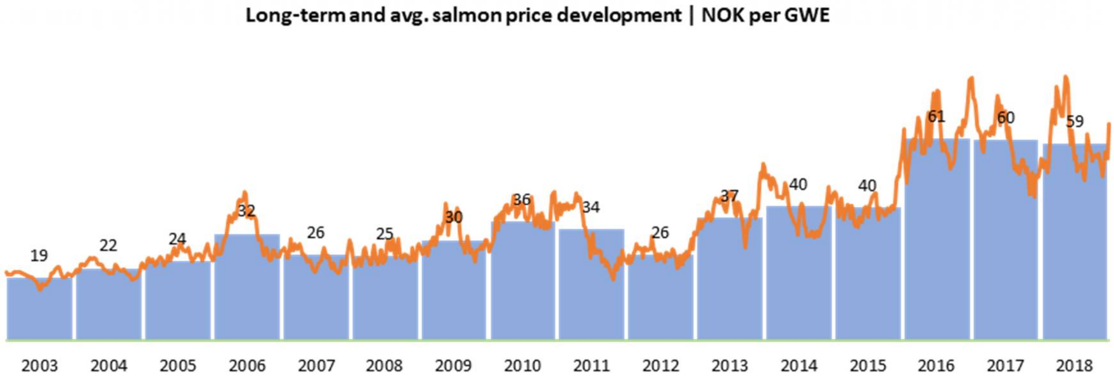
Beyond supply levels, a number of other factors also influence pricing, including absolute and seasonal variations in demand and the influence of sales contracts on spot market availability. Sales are often grouped into fish size classes, with larger than average fish selling at higher prices per pound and smaller sizes priced at a discount. In the period from 2013 to 2018 the average price premium of 5 – 6 kg versus 4 – 5 kg salmon has been 2.2%. During the same period, 3 – 4 kg salmon obtained an average price of 2.7% lower than the 4 – 5 kg. The freshness and visual presentation of the batch being sold also plays a significant role in the price realized.



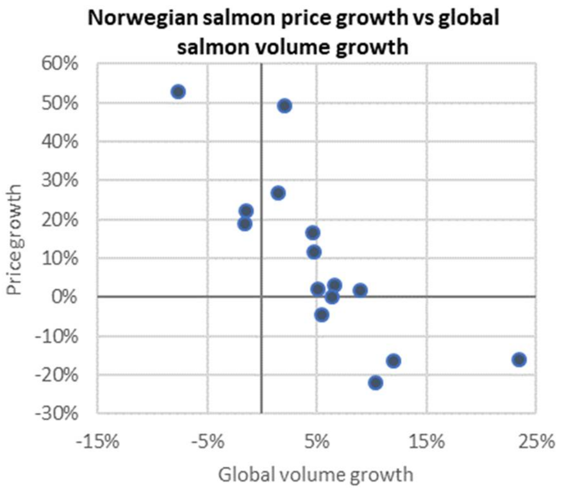


Source: Fish Pool

Although average salmon prices have increased with approx. 210% from 2003 to 2018, the salmon price is volatile as demand and supply varies throughout a year. The average price in the period from 2016 to 2018 has been relatively high compared to the last 10 years.



Source: Nasdaq

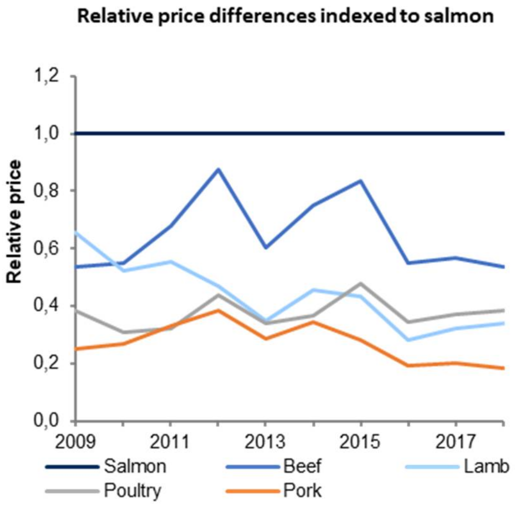


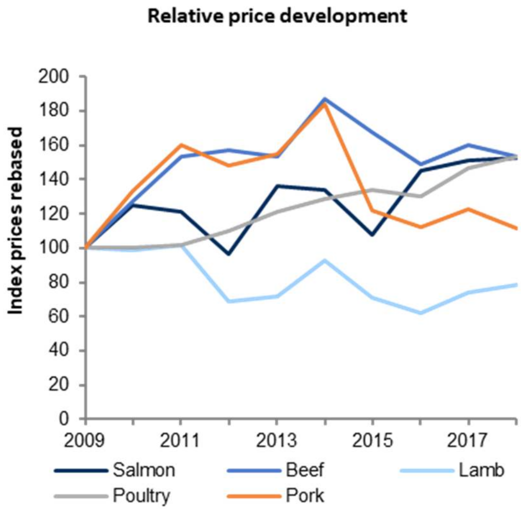
The supply of Atlantic salmon has grown 180% (CAGR of 6%) in the period from year 2000 to 2018. A linear regression of price and volume explains approximately 65% of the variation in price seen in the same period. History suggests that periods with higher supply growth are associated with periods of negative price growth and vice-versa. In 2016, supply growth was approximately -7%, which resulted in a price growth of approximately 55%. In the latter two years the supply growth was around 5-7% while the price growth was around 0%, suggesting that supply growth around these levels have been price neutral.

Source: Kontali Salmon Market Analysis 2019 (subscription and payment required)

Salmon has traditionally been a relative expensive source of protein and this trend has continued during the last decade. It is more than twice as expensive per kg as lamb, poultry and pork. While beef price per kg has neared salmon prices in e.g. 2012 and 2015, it is as of 2018 almost twice as cheap.

The price of salmon has increased during the last decade. Since 2009, the price has increased by 52.8%, roughly the same as beef and poultry. While the price of pork has also increased, though at a lower rate than salmon, the price of lamb has declined.





Source: IMF

6.1.6 Global supply

Atlantic salmon thrives in fjords with a temperature of 8-14 degrees Celsius (seasonality leads to temperatures significantly below or beyond this range) and the right current conditions, which leaves a limited amount of areas suitable for salmon farming. The main countries for conventional sea-based salmon production are Norway (52% of global supply in 2018), Chile (27%), the UK (6%), Canada (6%) and the Faroe Islands (3%). Global harvest declined by 6.5% in 2016, largely due to an algae bloom in Chile and challenges related to sea lice in Norway. Kontali expects supply to grow with 4% CAGR from 2018 to 2022, with Canada and Norway as the largest growth contributors.

Atlantic salmon – global supply overview

1 Production update · Atlantic salmon

HARVEST QUANTITY PER COUNTRY (in tonnes wfe)

	2017	2018		2019		2020		2021 E		2022 E	
Norway	1 207 900	1 253 400	4 %	1 333 400	6 %	1 369 000	3 %	1 461 800	7 %	1 524 800	4 %
Chile	564 100	660 000	17 %	690 300	5 %	778 300	13 %	658 600	-15 %	718 600	9 %
UK	177 200	152 100	-14 %	190 600	25 %	178 500	-6 %	208 500	17 %	200 900	-4 %
Canada	137 000	146 000	7 %	137 500	-6 %	136 800	-1 %	137 500	1 %	134 500	-2 %
Faroe Isl.	80 300	71 700	-11 %	86 600	21 %	80 700	-7 %	97 300	21 %	108 900	12 %
Ireland	17 000	14 300	-16 %	15 500	8 %	15 800	2 %	15 000	-5 %	16 500	10 %
USA	21 700	19 000	-12 %	20 800	9 %	20 000	-4 %	15 000	-25 %	14 500	-3 %
Australia	61 200	63 900	4 %	61 900	-3 %	82 700	34 %	88 000	6 %	95 000	8 %
Iceland	11 600	13 600	17 %	24 500	80 %	31 200	27 %	47 000	51 %	47 500	1 %
Others	13 000	10 200	-22 %	18 100	77 %	18 800	4 %	34 600	84 %	48 600	40 %
Total	2 291 000	2 404 200	5 %	2 579 200	7 %	2 711 800	5 %	2 763 300	2 %	2 909 800	5 %

Source: Kontali Harvest Estimates, June 2021

Generally, conventional sea-based salmon farming is exposed to several adverse biological and environmental factors, such as disease and sea lice. In particular, the sea lice have proved a persistent and growing problem which continues to influence public policies and the framing of regulations under which the industry operates in major producing countries such as Norway. Because of this, sea-based salmon farming has to a lesser extent been able meet the growing demand.

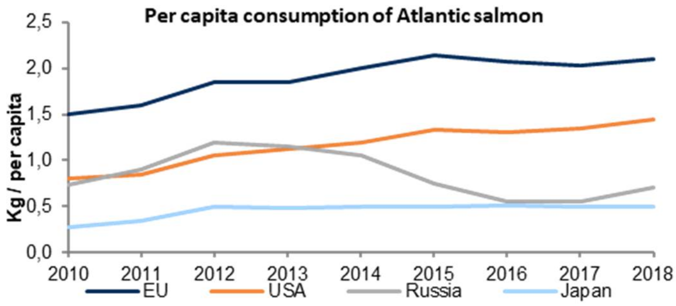
In the two largest producing regions, Norway and Chile, new regulations have recently been implemented. In Norway, the conventional net pen farmers have reached close to full capacity utilisation on outstanding licenses, and any significant growth in production volumes depend on more licenses being issued or increased size of existing licenses. As a means of balancing the necessity of the industry tackling the challenge posed by sea lice against the desire for growth and predictability, the Norwegian government in 2015 launched a new regulation called the "traffic light system". The new regulation is based on the division of the Norwegian coast in different regions. Every other year, based on scientific advice into the impact of sea lice on wild salmon, each region gets coloured with potential effects on existing capacity in that region. This way, the system is meant to incentivise producers to focus on tackling sea lice. Colour green implies that capacity can be increased by up to 6%, in yellow regions current capacity is maintained, and in red regions capacity is cut by 6%. The traffic light system was implemented in 2017 and the first assessment that led to cut in capacity (red colour) was made in February 2020. Two regions were coloured red, two yellow and nine green.

In Chile, they have aquaculture regulations being changed towards a biological performance-based growth model, whereas salmon farmers will have to adjust stocking or density based on a score on biological parameters in the previous period.

Potential sea-based salmon farming locations are limited due to sea temperature constraints resulting in few coastlines suitable for farming. A key condition to salmon farming is a sea temperature in the range of 0 – 20 degrees Celsius with 8 – 14 degrees facilitating for optimal conditions. An additional constraint is the amount of water flowing through the farm, hence the local current is also limiting the number of producing regions. These constraints usually make waters surrounded by archipelagos and fjords attractive salmon farming locations. Thirdly, local biological conditions must be at a certain level in order to allow for efficient production.

Land-based, closed-cage, and offshore farming could yield further growth for the industry. Land-based salmon farming is increasingly attracting investments; however, limited volumes have been harvested on land. As production technology matures the supply dynamics could change as land-based salmon gains traction and is commercialized. However, the impact of land-based supply would depend on the ability of facilities to scale up production. Several companies were producing salmon onshore in 2019 with expected harvest slightly above 10,000 tonnes of salmon in total for the year. Thus, land-based salmon farming is still in the early stages, but as experience and knowledge improve, it is expected to see increasing supply and production the coming years. More than 500,000 tonnes planned production for land-based facilities in all phases has been identified with expected realization by 2026. However, this estimate is highly uncertain as many of the identified projects are still in the planning process and the construction of such facilities has not yet commenced.

6.1.7 Demand

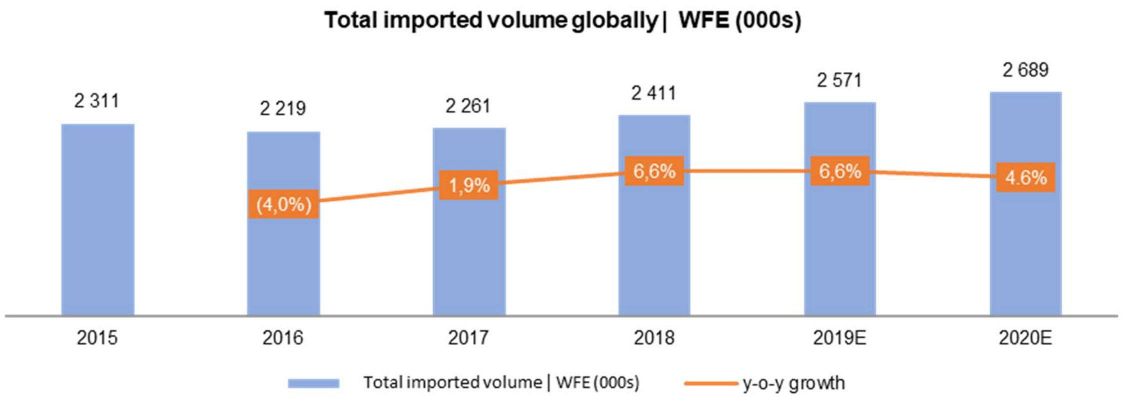


The largest end markets for Atlantic salmon are the EU, United States, Russia and Japan. Given salmon's freshness and limited shelf life, the fish produced in a given period will to a large extent be sold and consumed in the same period. Trade patterns are largely driven by logistical costs and trade barriers.

Source: Kontali (subscription and payment required)

The fastest growing markets have recently been the United States and emerging markets such as China, Brazil and Mexico.

Due to the nature of salmon being served best fresh, each producing region has focused on nearby markets. Norway has primarily served the EU, Russia (before import-ban in 2014) and China. Chile has covered demand in the US, South America and China. Canada has traditionally exported the most to the US west coast. Scotland has mainly provided products domestically / within the UK. Currently, more than 80% of fresh salmon exports from Europe to the US and Asia are transported by air. Consequently, The US and China are amongst the markets with good potential within land-based farming as locally produced salmon should have a significant cost advantage compared to the extra cost of air freight.



Source: Kontali Salmon Market Analysis 2019 (subscription and payment required)

In the last 10 years the price of Atlantic salmon has increased on the back of growing demand and limited supply growth. The global focus on sustainability in food production has also supported demand for farmed salmon compared to other protein sources. This has resulted in an ever-increasing interest in the market for land-based grow-out facilities for Atlantic salmon. The number of planned land-based projects has grown tremendously, however a significant amount of the projects are only in the initial phase and may never be realized.

Identified planned land-based capacity per year

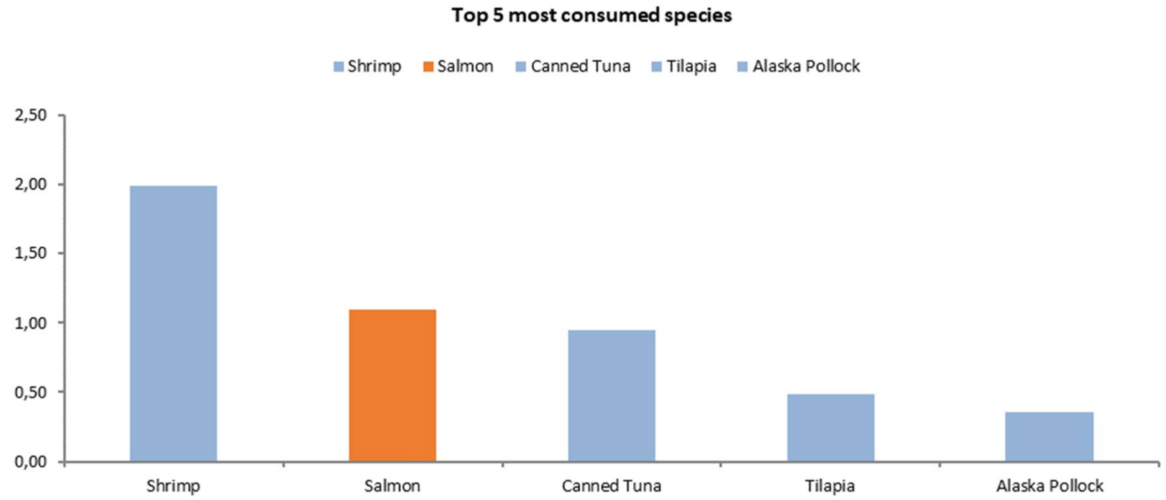
'000 tons	2019	2020	2021	2022+
Norway/Denmark	50.7	76.6	117.4	208.0

US/Canada	33.5	46.5	46.5	357.6
Other	23.5	28.9	38.9	407.6
Total	**107.8**	**152.1**	**202.9**	**973.2**

Source: The Norwegian Aquaculture Analysis 2019, EY

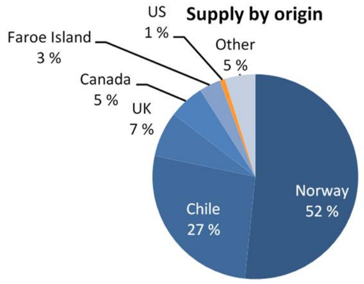
6.1.8 United States demand

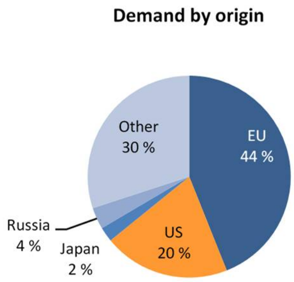
The US is the largest economy in the world, creating sizable market opportunity for producers of any product, including seafood. According to National Marine Fisheries Service, imports make up 91% of total seafood consumption in the US, of which it is estimated that over half of the imported seafood is farmed. With a growing and wealthy US population, there has been a shift away from lower-valued and lower-quality seafood products toward higher-valued and value-added products such as farmed Atlantic salmon.



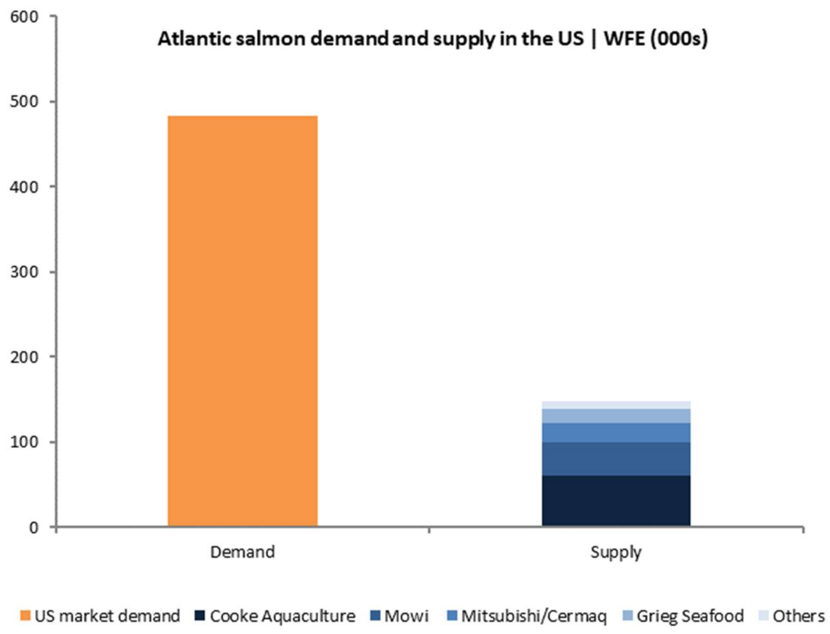
Source: NOAA Fisheries report 2017

In 2019, the US market ranked second in consumption of Atlantic salmon.





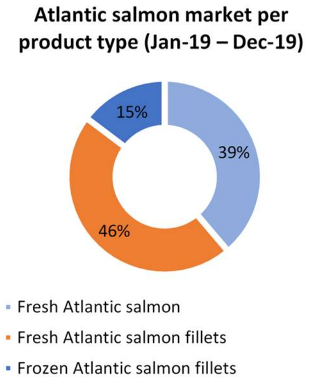
Source: Kontali Salmon Market Analysis 2019 (subscription and payment required)

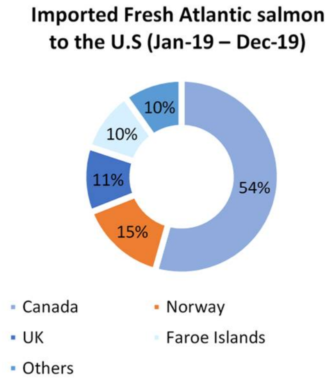


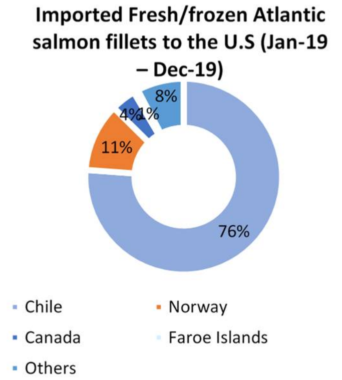
The demand for Atlantic salmon in the US is more than three times the country's supply. The consumption of salmon in the US reached a new all-time high in 2018 with approximately 490,000 tonnes consumed. From 2017 to 2018 consumption increased by 7% and consumption per capita was close to 1.5 kg.

Source: Kontali Salmon Market Analysis 2019 (subscription and payment required) and Mowi Salmon Farming Industry Handbook 2019

Fresh Atlantic salmon fillets are the most demanded product type for US consumers, followed by fresh Atlantic salmon and frozen Atlantic salmon fillets, according to Kontali Salmon Market Analysis 2019. The supply of fresh, whole Atlantic salmon decreased by 1% and ended at 131,400 tonnes weight in 2018, while the supply of fresh Atlantic salmon fillets increased by 16% and ended at 145,900 tonnes in 2018. These two products accounted for 68% of the total supply of salmon to the US.



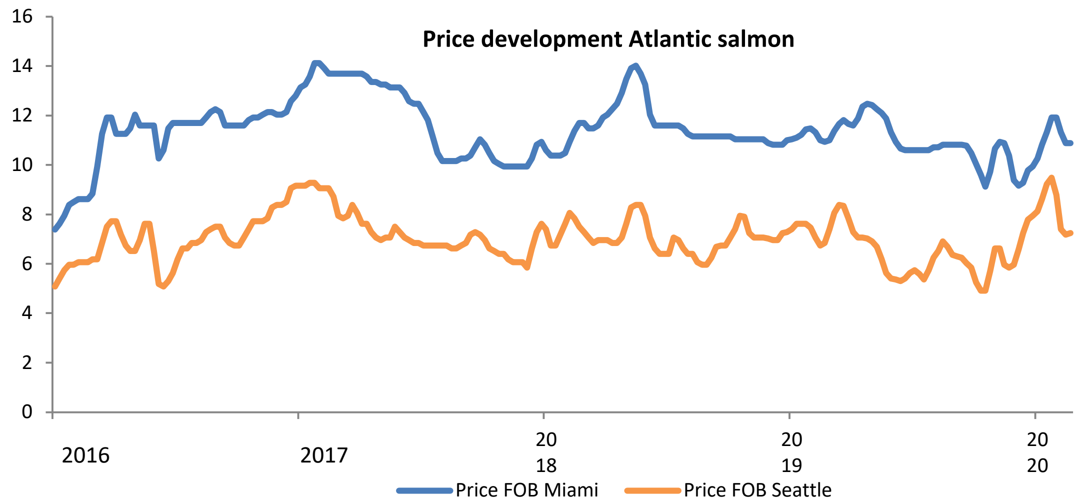




Source: Kontali, Monthly salmon report February 2020 (subscription and payment required). DNB Markets.

In 2019, 133,960 tonnes of fresh Atlantic salmon were imported into the US market. Fresh Atlantic salmon is the highest demanded product of Atlantic salmon in the US, most of which originates from Canada (54%) and Norway (15%). The total volumes represent a 10% total increase of imported demand for the year ended 31 December 2019 as compared to the year ended 31 December 2018. The average import price for 2019 totaled USD 8.91/kg.

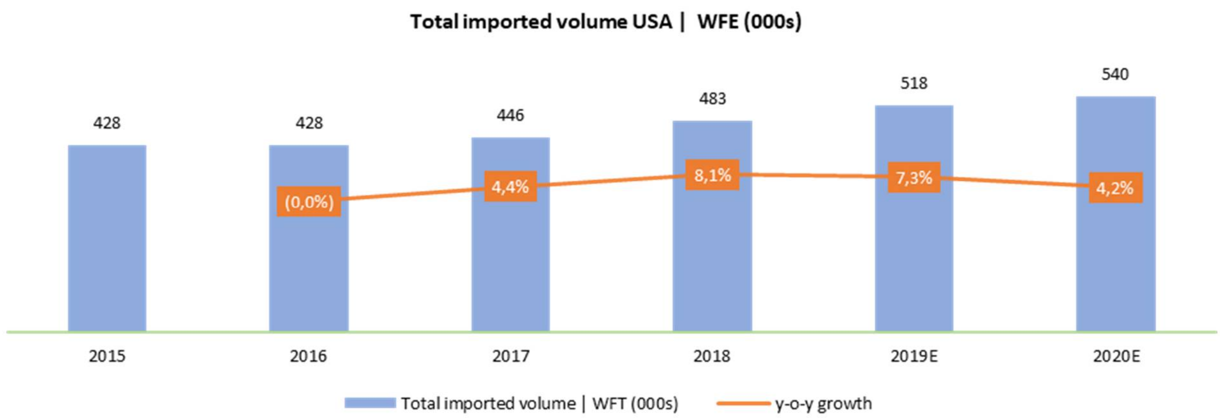
160,355 tonnes of fresh Atlantic salmon fillets (fresh/frozen) were imported into the US during 2019, representing an increase of 5% as compared to 2018, primarily from Chile (76%) and Norway (11%). The average import price was USD 13.02/kg during the year.



Source: Kontali Seafood Research (subscription and payment required)

Comparing FOB[3] Miami (Chilean salmon fillet, 3-4 lb) and FOB Seattle (Canadian salmon, 8-10 lb), there are clear indications of a price correlation. There is large volatility in the price achieved. The average price (GWT) for FOB Miami since 2016 has been USD 11.3/kg, and for FOB Seattle USD 7.0/kg.

Total imported volume in the US has experienced steady growth with a 2015 – 2018 CAGR of 4.1% strongly driven by increased volumes from Chile and Norway.



Source: Kontali Salmon Market Analysis 2019 (subscription and payment required)

The top three exporting countries to the US market are Chile (55%), Canada (19%) and Norway (14%) based on 2018 figures. According to Kontali Salmon Market Analysis 2019, the growth is expected to continue in 2019E and 2020E resulting in CAGR of 5.8% during the period.

[3] FOB, "Free On Board", is a term in international commercial law specifying at what point respective obligations, costs, and risk involved in the delivery of goods shift from the seller to the buyer under the Incoterms standard published by the International Chamber of Commerce.

Atlantic salmon - supply to US by region

'000 WFE	2015	2016	2017	2018	2019	2020E
Chile	224	217	220	267	292	296
Canada	93	101	92	91	92	98
Norway	51	56	68	67	67	70
USA	14	8	13	7	9	12
UK	16	13	18	16	22	22
Faroe Islands	15	17	15	13	18	18
Other	15	16	20	21	27	27
Total	**428**	**428**	**446**	**483**	**527**	**543**

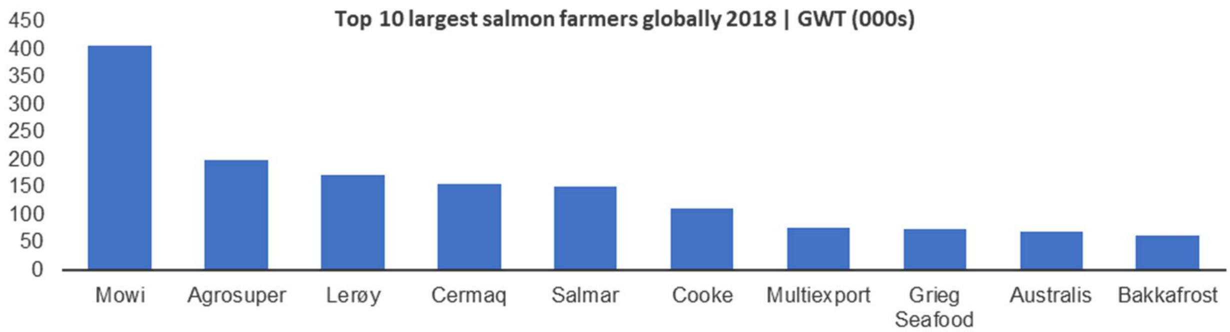
Source: Kontali Salmon Market Analysis (subscription and payment required)

Kontali expects continued volume growth to the US of 9.1% and 3.0% in 2019 and 2020, respectively.

6.1.9 Industry structure

The salmon farming industry is characterized by a limited number of multinational producers and several domestic producers. Most of the large salmon producers are primarily focused on farming of Atlantic salmon. However, some are also producing other species (e.g. Coho, Trout, etc.) and / or participate in wild catch (e.g. Cod, Saithe, etc.). The largest producers are operating their own farming operations, but with a varying degree of integration of the value chain (e.g. smolt production, well boat operations, etc.).

The top 10 producing companies harvested approx. 1.2 million Gutted Weight equivalent tonnes ("**GWT**") in 2018, which represents approx. 56% of the total global salmon production.



Source: Mowi Salmon Farming Industry Handbook 2019, Grieg Seafood CMU 2018

7 BUSINESS OF THE GROUP

7.1 Principal activities and product offering

7.1.1 Introduction

Atlantic Sapphire is a land-based salmon farming company with production operations in Homestead, Florida, USA (the "**Homestead Bluehouse**") and in Hvide Sande, Denmark (the "**Denmark Bluehouse**") prior to the Denmark Bluehouse Fire. The Group uses Bluehouse production technology, which was developed by the Group in collaboration with a wide range of supply chain partners to optimize growing conditions for Atlantic salmon. The Homestad Bluehouse contains all facilities needed for a salmon's full growth cycle, from an egg hatchery to grow out tanks to harvest processing capabilities. Consolidated operations enable the Group to control the entire production cycle without having to transport salmon to sea-based net pens and the same applied for Denmark Bluehouse prior to the Denmark Bluehouse Fire. The Homestead Bluehouse has a production capacity of approximately 9,500 tonnes HOG (prior to expansion of the Homestead Bluehouse as discussed below and in Section 11 "Operating and financial review").

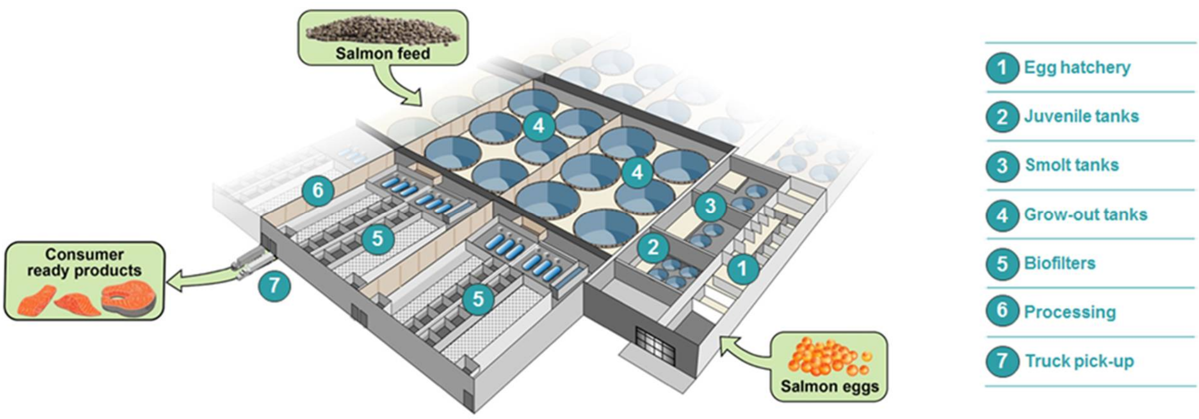
For more information about the Denmark Bluehouse Fire, see Section 11.2 "Recent developments and trends".

The Group's production cycle starts with the introduction of salmon eggs into the egg hatchery. As eggs hatch and develop, the fish are moved into larger freshwater tank systems until they reach the smolt stage in the production cycle. Smolt typically mature to approximately 100 to 200 grams before they are moved to saltwater grow-out tanks where the adult salmon are fed and raised to the target harvest size of 3 to 5 kilograms. Once harvested, the salmon are processed into consumer-ready products and loaded onto trucks for transportation to retailers, restaurants and other customers. The complete production cycle takes between 18 and 22 months.

The Group's activities include farming, harvesting, processing, marketing and sales of its products. The Group has historically sold its products mainly in the Danish and US markets, with Denmark as the largest market for the Group's products However, the Group aims for and expects that the United States will become the main market for the Group's products in the future.

The Group's value and production chain is comprised of the following production cycles: (i) land-based freshwater hatching, fry and smoltification; (ii) land-based saltwater grow out; (iii) processing and (iv) distribution and sale.

The diagram below sets forth the Group's full cycle of operations and activities in a Bluehouse.



Atlantic Sapphire ASA (the Company) is the holding company for the Group's operations in Denmark and Florida, and therefore has no operations itself. Atlantic Sapphire ASA (the Company), through its subsidiaries, Atlantic Sapphire USA and Atlantic Sapphire Denmark, conduct the Group's activities in Denmark and Florida. The Company was incorporated in 2010 in Norway. An organisation chart of the Group is included in Section 14.2 "Legal structure".

7.1.2 Denmark

The Group's initial production facility in Hvide Sande, Denmark is located on the west coast of Denmark and has been in operation since 2011 until the recent Denmark Bluehouse Fire. Since commencement of operations, approximately 44 batches of Atlantic salmon have been introduced into the Denmark Bluehouse. For the year ended 31 December 2020, production amounted to approximately 1,000 tonnes HOG.

Due to the recent Denmark Bluehouse Fire, the current status of the Denmark Bluehouse is unclear and no production or innovation activities can be anticipated from this facility in the short term. For more information about the Denmark Bluehouse Fire, see Section 11.2 "Recent trends and developments".

7.1.3 United States

The Group's US production facility in Homestead, Florida is located approximately 35 miles southwest of Miami, Florida on the Biscayne Aquifer.

The Company began construction of the Homestead Bluehouse in 2018. As portions of the facility were completed, such sections were commissioned for use in phases beginning with the hatchery and progressing through the tanks supporting each stage of the salmon growth cycle so that the Company could commence production at the facility. As such, the Company made significant capital expenditures in connection with such design, construction and real property improvements, together with investments in hiring additional employees, all in order to support the planned capacity expansion. The Homestead Bluehouse has completed the construction work under Phase 1, but the Phase 1 is still pending completion of final inspection and issuance of permits. The Group has also started Phase 2 of its construction build out and the Company completed the first commercial harvest from its Homestead Bluehouse facility on 29 September 2020. The Homestead Bluehouse facility is projected to harvest approximately 9,500 tons HOG of salmon annually commencing in Q3’2021.

The Company expects that the Phase 1 Homestead Bluehouse will have a production capacity of approximately 9,500 tonnes HOG and a tank volume of approximately 65,000 m^3, spread across seven fresh water systems (six sets of tank systems plus two hatcheries) and twelve grow-out systems (three grow-out tanks in each system), all of which are independent water systems.

Following the capacity expansion of an additional 9,500 tonnes in annual production capacity, the Company has a target to gradually expand production at the Homestead Bluehouse up to 220,000 tonnes in annual production capacity in 2031. It is however noted that no commitments have been made in respect of such capacity expansion as of the date of this Prospectus and no assurance can be given that the Group will actually expand capacity at the Homestead Bluehouse beyond its current level.

The Group has completed construction of the grow-out systems planned under Phase 1 of the construction on the Homestead Bluehouse. However, the Group has plans to further expand the Homestead Bluehouse through its Phase 2 expansion and the Group has entered into contracts with the Contractors with respect to the construction and design. As of the date of this Prospectus, the construction has started and is expected to be completed by the end of2022. Ramp-up in harvest volume and full steady state Phase 2 production is expected in the second half 2023 of an annualized 25,000t (HOG).

Production from the Homestead Bluehouse will be transported via ground freight to various states within the US, Canada and Mexico.

The Group expects to have an all-in cost delivered US (including freight costs) that is well below the incumbent industry. This is specifically because the Group will have lower transportation costs to its markets in the US, Canada and Mexico compared to salmon which is transported by air freight from for example Norway or Chile. The Group will not face costs to air freight, which represents a large cost advantage. When it comes to pure production costs, the Group expects to have a cost/kg "farm-gate"[4] that is higher than sea-based production initially, but the production cost will decrease once the US production increases in scale.

The Company selected Homestead, Florida as the location for its operations in the US because it is situated above abundant amounts of both fresh and saline groundwater in different layers of the unique South Florida aquifers. The Group has access to fresh water through the Biscayne Aquifer, access to saline water through the Floridan Aquifer and can sustainably dispose its wastewater into the Boulder Zone. Other land-based RAS may depend on sea water that has been exposed to biological activity. The Company expects that the use of groundwater without biological activity will reduce the risk of contamination and increase the stability in operations. The Company has secured groundwater infrastructure rights and received a discharge permit for 19.93 million gallons of water per day. The Company extracts fresh water from approximately 45 feet below the surface and saline water from up to approximately 2,000 feet below the surface. Following use in the Homestead Bluehouse treatment, the Company disposes treated water through disposal wells to 3,000 feet.

The constant stability of the water in the aquifers makes it easy for the Group to dimension the necessary pre-treatment of its intake water, as the intake water constantly has the same quality and specifications. The freshwater is sent through a basic filtration system before being introduced to the Bluehouse, which effectively kills of any potential threats to the system that might have come through the intake water. Similarly, the saline water from the Floridan aquifer, which does not require any pumping to get out of the ground as the water source is under artesian pressure, is sent through pre-treatment before it enters the system (e.g. de-gassing, removal of metals) to make sure that the water that enters the farm is completely dead and does not represent any harm to either fish or the system. The pre-treatment systems utilize technology that has been developed for water treatment in various industries. The water temperature straight from the source is around 26 Celsius, hence the water has to be cooled down to the ideal water temperature in the Bluehouse of around 14 Celsius.

Once the water enters the Bluehouse, the new intake water is heat-exchanged with the cool water leaving the Bluehouse for the injection well. Thereafter, the water is cooled further down to the ideal temperature, around 15 Celsius, and enters the internal loop of the system. As the Group operates two saltwater wells, one with brackish, low salinity water, the other with high salinity water (same salinity as sea water), these two water sources are then blended to reach the desired salinity.

In short, all the water in every tank is sent through the RAS system for filtration (the internal loop) approximately every 30 minutes, while all the water is exchanged with new intake water from the aquifers approximately every 10 days (the external loop).

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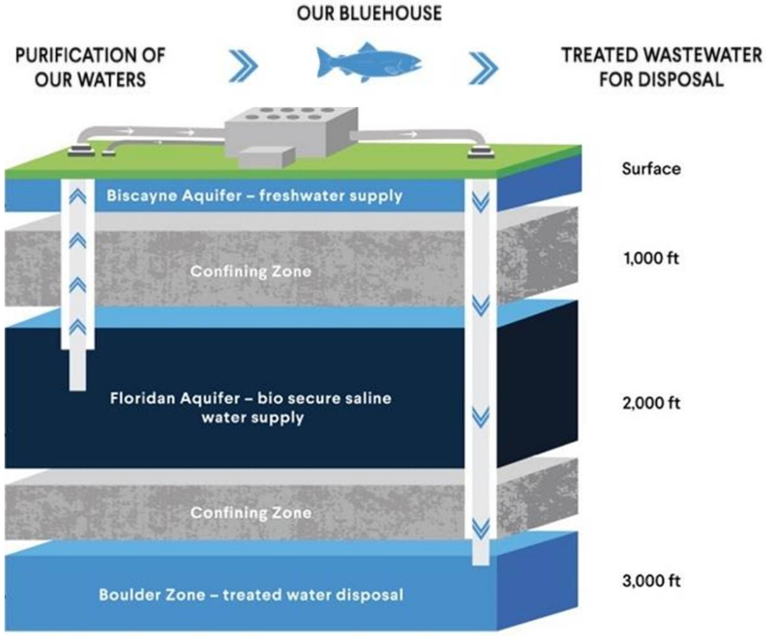
[4] Farm-gate is defined as the cost of production or price achievement to a farm, i.e., the cost of production before any transportation costs, further value added processing or other sales related expenses (non-exhaustive list). Similarly, on price achievement, it's the net price returned to farm after subtracting costs related to transportation, further value added and other sales costs. In short, "farm-gate" can be defined as what the fish farmers ends up with.

The processes and technology used by the Group to extract and dispose of water used in its operations is currently patented through 2036. The diagram below sets forth additional detail regarding this process and the use of water from the Biscayne Aquifer.



7.1.4 Products

The Group's current range of products include fresh whole salmon and salmon fillets, frozen fillets and portions. The Group has mostly sold fresh whole fish (2 – 6 kg) and fillets of up to 1.8 kg to the food service sectors, and mostly fillets between 0.9 to 1.8 kg to retailers.

The Group is also working on additional products, i.e. smoked salmon and other ready-to-eat and ready-to-cook items that will be launched in the near future. The Group plans begin to selling its smoked salmon by the end of Q3 2021.

7.1.5 Sales and marketing

The Group's Bluehouse salmon is currently available in approximately 2,000 retail locations in North America and has been available with various retailers such as Publix (an American supermarket chain), Albertsons (an American leading food and drug retailer), H-E-B (an American chain of privately owned supermarkets), Sprouts Farmers Market (an American supermarket chain), Wegman's (an American supermarket chain) and New Seasons Market (a chain of privately owned grocery stores) in the US, and Sobeys (the second largest food retailer in Canada) and Longo's (an up-scale grocery chain in the Greater Toronto and Hamilton Area in Ontario) in Canada. The Group is also working with The Chef's Warehouse (a specialty food distributor to the food service sector, i.e. restaurants, hotels, caterers and gourmet stores) in North America for sales to more than 100 restaurants.

The Group has also sold fish to distributors in Europe, and these distributors resell the fish to the retail and food service sectors. The retailers in Europe include Globus (a German retail chain of hypermarkets), Edeka (the largest German supermarket corporation as of 2017) and Metro (a multinational company based in Düsseldorf holding wholesale stores, primarily under the Metro brand, in Europe, India, Japan, Kazakhstan, Myanmar and Pakistan).

The sales and marketing strategy of the Group has been to create brand awareness for Bluehouse Salmon and leverage in store marketing, public relations as well as different digital and social media tactics to generate product trial at the point of sale. The brand building efforts create value by achieving a price premium centred around our messaging on (i) the uniqueness of having healthy salmon raised without antibiotics or hormones, (ii) raising salmon locally in the USA with no negative effect on coastal areas or wild species, (iii) reducing the carbon footprint of the traditional value chain within farming and sales, (iv) supporting the local economy, and (v) increasing the resiliency of the US food system and ensuring food security for the American people.

7.2 History and important events

The table below provides an overview of key events in the Group's history:

Year	Event / milestone
2010	Incorporation of the Company
2012	Denmark Bluehouse grow out systems construction completed
2013	First harvest at Denmark Bluehouse
2016	The Company secured water usage and well drilling permits in Florida
2016	USD 12 million equity raise completed
2017	Well drilling and construction of phase one of Homestead Bluehouse commences
2017	Incident at the Denmark Bluehouse where the Group experienced a mass mortality event, where 90% of the biomass in the facility died in a short period of time, due to hydrogen sulphide poisoning caused by clogging (sedimentation build-up) in certain biofilters.
2017	NOK 64 million equity raise completed
2018	NOK 600 million equity raise completed
	Listing of the Company's Shares on Euronext Growth.
2019	NOK 783 million equity raise completed
	USD 54 million debt financing completed
2020	Incident at the Denmark Bluehouse where the Group experienced a mass mortality event. Approximately 227,000 fish died in a short period of time, due to higher nitrogen levels than desired.
2020	Closing of the Credit Facility, consisting of a USD 180 million term loan and a USD 30 million revolving credit facility. Simultaneously, the Refinancing was completed.
2020	Incident in Atlantic Sapphire’s US facility, forcing the Group to initiate an emergency harvest from one of its grow-out systems. Approximately 200,000 salmon with a total weight of approximately 400 tons HOG were harvested.
2020	Completed first harvest of USA-raised Bluehouse Salmon at scale.
2021	Incident in Atlantic Sapphire’s US facility where approximately 600,000 salmon were lost.
2021	Increase of the Credit Facility, increasing the facility up to USD 200 million, and with Farm Credit joining the lending syndicate.
2021	USD 121 million equity raise completed.
2021	Incident in the Denmark Bluehouse where approximately 400 tons (HOG) of fish was lost.
2021	The Denmark Bluehouse Fire incident where approximately 150 tons (HOG) of fish was last lost and the facility sustained substantial and material damages.

7.3 Research and development

An important aspect of the Group's business and strategy is the focus on research and development of new technologies related to RAS. During 2020, the Group's main focus areas of research and development were related to the technical and biological issues present in RAS operations.

The main expenditures in connection with research and development activities include department salaries, IP legal fees, external consultants, and overhead costs. Total research and development investments for 2020 were USD 1,034,000, an increase of USD 309,000 from 2019, driven by increased headcount and consultants hired to work on water quality and flavour management as described in the table below.

USD	2020	2019	Variance
Salaries	475,506	388,301	87,205
Legal fees	206,487	87,948	118,539
Consultants	39,454	179,757	(140,303)
Administrative costs	312,163	68,872	243,291
Total R&D costs	1,033,610	724,878	308,732

7.4 The Group's strategy and objectives

The Company's goal is to strengthen its position as a producer of land-based farmed salmon globally. To achieve this objective, the Company intends to focus on innovation and execution of the following key strategies:

- Reduce cost by developing integrated facilities in market.
- Capitalize on consumer trends and branding towards healthy and sustainable products.
- Develop and protect patents and other intellectual property rights related to the Bluehouse facilities.
- Expand capacity at the Homestead Bluehouse to 220,000 tonnes HOG annually by 2031.
- Partner in vertical integration opportunities including value-added products, genetics, feed, renewable energy, sustainable packaging and oxygen production.

The Group's main challenges in reaching its overall goal and objectives as described above, are related to; (i) successful construction to expand capacity at the Homestead Bluehouse to the long-term goal of 220,000 tonnes HOG annually by 2031, (ii) managing control and stability of conditions in its Bluehouses, (iii) consumer demand and consumer preferences for farmed salmon, and (iv) retaining key personnel.

In addition to the main challenges listed above, Atlantic Sapphire has recently experienced a shortage of bulk liquid oxygen. Atlantic Sapphire uses bulk liquid oxygen in its operations and requires steady supply of bulk liquid oxygen. As a result of the ongoing COVID-19 pandemic and a recent increase in hospitalizations in Florida, the usage of bulk liquid oxygen by hospitals has increased, leading to bulk liquid oxygen supply shortages as it is used in the treatment of COVID-19. In this context, Atlantic Sapphire can modify operations to reduce its consumption of bulk liquid oxygen and obtain the necessary bulk liquid oxygen from alternative suppliers, including Miami-Dade County, at market cost. Following the mentioned increase in hospitalizations, the number of hospitalizations has (as of the date of this Prospectus) decreased and regular delivery of bulk liquid oxygen has resumed. The Company believes that the situation has now stabilized and, in addition, that the Company is well-positioned to handle any future supply issues.

7.5 Competition

The Company faces competition primarily from traditional Atlantic salmon farming companies that use sea-based net pens. Net pen Atlantic salmon farming companies currently produce approximately 99% of farm-raised salmon. While there are other land-based salmon farming companies, as far as the Company is aware no other company has been able to produce sufficient quantities of salmon at scale to be financially viable. In the view of the Company, the Group does therefore not currently face material competition within the land-based salmon farming industry.

Sea-based net pen farming, however, impacts the quality of ocean water, coastal environments and has a high carbon footprint due to the required mid-production transit of the salmon to the net pens and, in many cases, the subsequent air freight from remote locations to consumers in the US and other markets. Moreover, Bluehouse produced salmon is free of antibiotics, hormones, pesticides, PCBs, heavy metals and synthetic pigment. Most importantly, local production avoids airborne freight which enables a substantial reduction of the carbon footprint and freight costs, improved freshness and extended shelf life. The vast majority of the Group's US production is expected to be sold in the North American market (US and Canada), which is in trucking distance from the Homestead Bluehouse, thereby eliminating the need for airborne freight for most of the Company's output.

7.6 The Group's intellectual property rights

The Group, through its direct, wholly-owned subsidiary Atlantic Sapphire IP, LLC, owns and controls a variety of intellectual property. This intellectual property includes, but is not limited to, patents, proprietary information and applications that, in the aggregate, are material to the Group's business. The Group holds, and continues to seek and protect, numerous patents, trade secrets, or other intellectual property rights covering its processes, designs, or inventions in general.

The table below shows the Group's registered patents and pending patent applications:

Patent Title	Geographical Protection Area	Status	Application No.	Patent No. (If Applicable)	Filing Date (or Issue Date, if Issued)
SYSTEMS AND METHODS OF INTENSIVE RECIRCULATING AQUACULTURE	**United States**	**Issued Patent**	**15/157,296**	**10,694,722**	**June 30 2020**
SYSTEMS AND METHODS OF INTENSIVE RECIRCULATING AQUACULTURE	**United States**	**Issued Patent**	**15/867,100**	**10,034,461**	**July 18 2018**
BOTTOM GRADING APPARATUSES FOR AQUACULTURE SYSTEMS	**United States**	**Issued Patent**	**15/862,573**	**10,959,411**	**Mar. 30 2021**

The table below shows the Group's registered trademark and trademark applications:

TRADEMARK	Geographical Protection Area	Status	Application No.	Registration No. (if Applicable)	In Connection With
ATLANTIC SAPPHIRE and Design:	United States	Incontestable Registered Trademark	79/099,146	4,095,182	Fish
ATLANTIC SAPPHIRE	United States	Registered Trademark	79/095,499	4,040,433	Fish, not live; fish fillets; fish, preserved
ATLANTIC SAPPHIRE	United States	Pending USPTO Review	90/375,559		Fish, not live, namely, salmon
SAPPHIRE SALMON	United States	Pending USPTO Review	90/343,088		Fish, not live, namely, salmon
MADE WITH LOVE IN THE USA	United States	Pending USPTO Review	90/343,074		Fish, not live, namely, salmon
OCEAN SAFE SUSTAINABLY LAND RAISED and Design:	United States	Allowed (will become Registered)	90/160,605		Smoked fish, namely, salmon; the foregoing being land raised and farmed using ocean safe methods
NON GMO SALMON and Design:	United States	Allowed (will become Registered)	90/160,629		Smoked fish, namely, salmon; the foregoing being non-genetically modified
BLUEHOUSE	United States	Registered Trademark	87/682,377	6,403,811	Seafood products, namely, cold smoked seafood, hot smoked seafood
BLUEHOUSE	United States	Registered Trademark	87/983,588	6,251,784	Seafood, not live; frozen fish; fish fillets
					Seafood, not live; seafood products, namely, cold

BLUE IS THE NEW GREEN	United States	Allowed (will become Registered)	87/922,213		smoked seafood, hot smoked seafood, breaded seafood, coated seafood and seafood sausages; frozen fish; fish fillets; smoked fish; fresh and frozen prepared meals consisting substantially of seafood; fresh and frozen prepared entrees consisting substantially of seafood
OCEAN SAFE SUSTAINABLY LAND RAISED and Design:	United States	Pending	90/498,210		Fish, not live, namely, salmon; the foregoing being land raised and farmed using ocean safe methods
NON GMO SALMON and Design:	United States	Pending	90/498,239		Smoked fish, namely, salmon; the foregoing being non-genetically modified
ATLANTIC SAPPHIRE	Norway	Registered Trademark	2010/13,241	260,046	Fish (not live); fish fillets; fish, preserved
ATLANTIC SAPPHIRE and Design:	Norway	Registered Trademark	2011/02,931	261,166	Meat, fish, poultry and game; meat extracts; preserved, dried, frozen and cooked fruits and vegetables, jellies, jams, compotes, eggs, milk and dairy products; edible oils and fats
SAPPHIRE SALMON	European Union (now excluding the United Kingdom)	Pending	18,348,751		Seafood, not live, namely salmon; seafood products, namely, cold smoked seafood, hot smoked seafood, breaded seafood, coated seafood, and seafood sausages; frozen fish; fish fillets; smoked fish; fresh and frozen prepared

					meals consisting substantially of seafood; fresh and frozen prepared entrees consisting substantially of seafood
BLUEHOUSE	European Union (now excluding the United Kingdom)	Pending	18,349,089		Seafood, not live, namely salmon; seafood products, namely, cold smoked seafood, hot smoked seafood, breaded seafood, coated seafood, and seafood sausages; frozen fish; fish fillets; smoked fish; fresh and frozen prepared meals consisting substantially of seafood; fresh and frozen prepared entrees consisting substantially of seafood
BLUEHOUSE	Canada	Pending	2,069,440		Seafood, not live, namely salmon; seafood products, namely, cold smoked seafood, hot smoked seafood, breaded seafood, coated seafood, and seafood sausages; frozen fish; fish fillets; smoked fish; fresh and frozen prepared meals consisting substantially of seafood; fresh and frozen prepared entrees consisting substantially of seafood
BLUEHOUSE	Mexico	Pending	2,468,108		Seafood, not live, namely salmon; seafood products, namely, cold smoked seafood, hot smoked seafood, breaded seafood, coated seafood, and seafood sausages; frozen fish; fish fillets; smoked fish; fresh and frozen prepared meals consisting substantially of seafood; fresh and frozen prepared

					entrees consisting substantially of seafood

7.7 Dependency on contracts, patents and licenses

The Group is in a construction phase with regards to Phase 1 and Phase 2 of the Homestead Bluehouse, and Atlantic Sapphire USA has therefore entered into agreement with Wharton-Smith (as Construction Manager/ General Contractor) for work and services related to such construction. The work and services to be performed shall be carried out on a "Cost Plus Basis", with a guaranteed maximum price. Atlantic Sapphire USA has also entered in agreement for engineering services with Hazen and Sawyer, whereas Hazen and Sawyer will provide services within master planning, design and construction management related to the Homestead Bluehouse. The Group is dependent on its agreement with these Contractors to progress the construction activities at the Homestead Bluehouse.

The Group is dependent on the Credit Facility as further described on Section 11.9 "Borrowings and other contractual obligations", in order to finance the completion of construction of the Homestead Bluehouse, to finance contemplated future capacity expansions of the Homestead Bluehouse and to provide the Group with funds for working capital, capital expenditures and general corporate purposes.

Further, the Group is dependent on its patents, as described in Section 7.6 "The Group's intellectual property rights" in order to commercialize its Bluehouse production technology and maintain its advantage in the land-based RAS industry.

Finally, the Group is dependent on certain licenses from federal and Florida state authorities to operate the Homestead Bluehouse and certain registration from Denmark to operate the Denmark Bluehouse. See Section 7.9 "Regulatory framework".

Apart from the above, the Group is not dependent on any patents, licenses, nor any industrial, commercial or financial contracts.

7.8 Office leases or other fixed assets

Although the Company is incorporated under the laws of Norway, the Group maintains a leased office space located at 801 Brickell Avenue, Suite 2400, Miami, Florida 33133. The lease for this property expires on 30 April 2027.

The Group's main fixed assets are the Group's land-based farming sites, which includes the various hatcheries, smolt, post-smolt and grow out tanks, harvest processing capabilities, land and machinery and related equipment. Management believes that all of the Group's property, plants and equipment have fair values that are not significantly different from their respective book values. As of 31 December 2020, plant and equipment, buildings and land had a book value of USD 257.1 million. The Company believes that there are no material encumbrances or liens on its plants, facilities and equipment, other than those in favour of the administrative agent for the benefit of the lenders under the Group's Credit Facility.

The Group's facility in Homestead, Florida (United States) (Homestead Bluehouse) has a capacity of approximately 9,500 tonnes HOG.

The Company is not aware of any material contamination or production issues at the Homestead Bluehouse. There are no pending investigations or remediation actions imposed on the Group that affect the use of its facilities. For more information on the regulatory framework the Group is subject to, see Section 7.9 "Regulatory framework" below. Further, the Company is not aware of any environmental issues that may affect its use of its property and facilities.

For information about the Denmark Bluehouse Fire and its effect on Denmark Bluehouse, see Section 11.2 "Recent trends and developments".

7.9 Regulatory framework

The legal framework applicable to the land-based salmon farming industry varies based on the location of each Bluehouse. Please see below for a summary of the regulatory framework applicable in each of the jurisdictions in which the Company operates.

7.9.1 Homestead Bluehouse

Aquaculture in the US is regulated at the federal and state level. The Food and Drug Administration (the "**FDA**") of the Department of Health and Human Service (the "**DHHS**"), the Department of Agriculture (the "**USDA**") and the Environmental Protection Agency, are the leading federal agencies that regulate aquaculture within the US. There are other agencies and programs at the federal level involved in aquaculture activities, such as the National Oceanic and Atmospheric Administration in the Department of Commerce, the Joint Subcommittee on Aquaculture, the Center for Veterinary Medicine, the Animal and Plant Health Inspection Service and the US Fish and Wildlife Service of the Department of the Interior. The federal government regulates aquaculture activities that involve the trade of goods and services between the states or internationally.

The relevant federal statutes rarely address aquaculture directly, and more detailed legislation exists at the state level. For example, the Federal Water Pollution Control Act, the Food, Drug & Cosmetic Act, the Animal Drug Availability Act, and the Magnuson-Stevens Fisheries Conservation Act do not significantly address aquaculture, but provide the statutory framework for regulating food safety, veterinary medicines, HACCP programs, coastal zone management, and other activities related to aquaculture. In many instances, it is the state that monitors and enforces both federal and state aquaculture regulations. Federal regulations become applicable within the state when aquaculture activities involve interstate modes of transport, or interstate waters.

In Florida, aquaculture is defined in the Aquaculture Policy Act, which is a part of the Florida Statutes on Agriculture, Horticulture and Animal Industry (Chapter 597, Title XXXV). Aquaculture is also defined in the annual Florida Aquaculture Plan. "Aquaculture" is defined as "the cultivation of aquatic organisms". In Florida, the Division of Aquaculture regulates and certifies aquaculture activities within the state. Any person engaging in aquaculture must be certified by the Division of Aquaculture. The Group currently has an active agriculture certification in accordance with the Florida Aquaculture Policy Act, Chapter 597, Florida Statutes. In addition, in accordance with requirements under Aquaculture Best Management Practices, the Group has the following plans in place: Solid Waste Management Plan and an Aquatic Animal Health Management Plan.

Wastewater discharge and water quality are controlled at both the federal and the state level. The Environmental Protection Agency (the "**EPA**") is the lead federal agency that regulates water quality, and the Department of Environmental Protection handles water management in Florida. In Florida, the Department is further divided into five water management districts, each of which issues a separate consumptive use permit. Under the Federal Water Pollution Control Act (the "**Clean Water Act**"), any activity that may result in a discharge of pollutants into navigable waters, including construction or operation of a facility, must provide a state-issued permit, certifying the discharge is in compliance with specified federal standards. The Group has a permit from the Florida Department of Environmental Protection for wastewater disposal and a general permit for thermal wells. The permit for wastewater disposal expires on 15 December 2021, however the Company does not currently expect any issues relating to the extension of this permit beyond this date. In connection with the extension of the permit, the Company will prepare and submit an application to the Florida Department of Environmental Protection at least 60 days prior to the expiration date of the permit. As part of the application review process, the Florida Department of Environmental Protection will also initiate a 14-day public notice and review period.

The Clean Water Act also directs the EPA to review effluent guidelines and set schedules for effluent guidelines within federal waters. In 2004, the EPA finalized the Effluent Limitations Guidelines and New Source Performance Standards for the Concentrated Aquatic Animal Production Point Source Category. The rule establishes effluent limitations guidelines (ELGs) for facilities that directly discharge wastewater, produce at least 100,000 pounds of fish a year, and use flow-through, recirculating, or net pen systems.

A Prior Notice of Imported Food Shipments must be filed with the FDA before the arrival of fish into the US. The FDA also regulates the importation, interstate movement and field testing of genetically modified organisms (GMOs), including fish, pursuant to its regulatory authority under the Plant Protection Act of 2000. Exporters of fish or fish products must keep records demonstrating that the products meet the requirements the Federal Food Drug & Cosmetic Act. Records related to food should be kept for a minimum of three years and all other records should be kept for a time period required by good manufacturing practice or quality systems regulations. Depending on the foreign nation, an export health certificate endorsed by the USDA's Animal and Plant Health Inspection Service may be required to verify the health status of the fish. A food permit from the Florida Department of Agriculture and Consumer Services is required for the processing and sale of food products. The FDA regulates the use of feed additives, used in aquaculture activities and the safety of food and drugs in fish and fish products and the facility must be registered with the FDA.

As it relates to onsite processing of fish products, the Group has received approval from the Florida Environmental Quality Control Board for a variance on wastewater disposal for fish processing onsite. As of the date of this Prospectus, the harvest processing capabilities onsite has not yet been constructed and the Group is in the process of identifying additional permit requirements and licenses relevant to this portion of the business, however the Group does not anticipate any issues with obtaining any such approvals. All seafood processors must comply with FDA Fish and Fishery Products HACCP regulation (21 C.F.R. § 123). The FDA HACCP program focuses on food safety hazards associated with fish species and processes. The FDA has enforcement authority and may take regulatory action in the event of non-compliance with HACCP regulations. The federal HACCP plan must list the food safety hazards associated with fish species and processes that are likely to occur and identify the conditions that must be controlled for fish products. The Company is in the process of establishing its HACCP plan and expects to have such plan in place prior to the commencement of harvest processing onsite in the third quarter of 2020. A certificate of use and/or certificate of occupancy for the Homestead Bluehouse is pending submission and will be submitted upon completion of construction.

7.9.2 Denmark Bluehouse

Aquaculture in Denmark is strictly regulated by environmental rules. All Danish fish farms must be officially approved in accordance with the Danish Environmental Protection Act and obtain a license for operation. A fixed feed quota is assigned to each individual farm in addition to specific requirements including feed conversion ratios, water use and treatment, effluents, removal of waste and offal, etc. The aquaculture industry is covered by the Fisheries Act under the Ministry of Food, Agriculture and Fisheries.

The Ministry of the Environment oversees administrative and research activities in the area of environmental protection and planning. The Ministry has three agencies, one corporate management centre and two independent research institutes. The Fisheries Act regulates the management, control and development of fisheries and aquatic resources in Denmark. For aquaculture facilities taking in fresh water and for facilities that are placed on land taking in marine water, no regulations have been issued pursuant to the Fisheries Act concerning licensing. For fish farming that requires feed, however, an approval according to the Environment Protection Act is required.

Applied research in relation to aquaculture in Denmark is primarily undertaken by the Danish Institute for Fisheries Research (DIFRES) under the Ministry of Food, Agriculture and Fisheries as well as a few other government-run research institutions.

7.10 Insurance

The Group has (and is required, pursuant to the terms of the Credit Facility) several insurance policies, including general commercial liability insurance. In addition, the Group has real property insurance, which covers buildings, installations, industrial property and equipment. The Group does not carry business interruption insurance and risks resulting from the same are uninsured.

The Company considers the Group and its business to be adequately insured regarding the nature of its business activities and the related risks in the context of available insurance offerings and premiums. The Company regularly reviews the adequacy of the Group's insurance coverage.

7.11 Legal and arbitration proceedings

The Group is involved in various claims, lawsuits and legal proceedings that arise from time to time in the ordinary course of its business. Litigation is subject to inherent uncertainties, and an adverse result in there or other matters that may arise in the future may harm the Group's business.

As of the date of this Prospectus, the Group is not, nor has been during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

8 MATERIAL CONTRACTS

Other than the Credit Facility described in Section 11.9 "Borrowings and other contractual obligations", neither the Company nor any member of the Group has entered into any material contract outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, neither the Company nor any member of the Group has entered into any other contract outside the ordinary course of business that contains any provision under which the Company or any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus.

9 RELATED PARTY TRANSACTIONS

In the ordinary course of its business activities, the Company and/or other Group companies have entered into transactions with related parties, as described below. The Group has terminated some of the previously entered into agreements with related parties.

9.1 Related parties' agreements in force as of the date of this prospectus

The Group has entered into an agreement with Langsand Processing ApS (a company in which Atlantic Sapphire has ownership interest), for harvesting services in Denmark. The total costs for the Group under this agreement was approximately USD 61,000 in 2018, USD 719,000 for 2019 and USD 544,000 for 2020. The Group has also purchased harvesting services in Denmark from Langsand Processing ApS in the period from 31 December 2020 until the date of this Prospectus.

During the ordinary course of business, the Company may provide loans or pay expenses on behalf of its subsidiaries. Such transactions create amounts due within the Group that are eliminated in the consolidated Financial Statements. For the years ended 31 December 2020, 2019 and 2018, total outstanding amounts due from related parties in connection with such transactions consisted of NOK 995.4 million, NOK 284.4 million and NOK 217.5 million, respectively.

During the ordinary course of business, the Company performs management and administrative tasks on behalf of subsidiaries within the Group. For the years ended 31 December 2020 and 2019, Atlantic Sapphire charged management fees of NOK 10.1m and NOK 5.2m, respectively. As of 31 December 2020 and 2019, total outstanding amounts due from related parties in connection to such transactions consisted of NOK 10.1 million and NOK 5.2 million, respectively.

9.2 Terminated or completed related parties' transactions or agreements

The Group has previously cooperated with Platina Seafood, Inc. ("**Platina**"), which has previously been majority-owned by Johan E. Andreassen both with regards to sale, distribution and lease of office spaces. The Group has terminated these agreements, and the following descriptions only provides information on previous cooperation to fulfil the obligation to describe related party transactions carried out in period covered by the historical financial information. As of the date of this Prospectus, Platina is only a customer buying products on equal terms as other customers.

The Group has previously sold salmon products to Platina. For the years ended 31 December 2020, 2019 and 2018, Atlantic Sapphire Denmark sold salmon products to Platina for approximately USD 925,000, USD 410,000 and USD 75,000, respectively.

The Group has also previously purchased salmon products from Platina. For the year ended 31 December 2019, Atlantic Sapphire Denmark purchased USD 2.5 million of finished goods inventory from Platina, which was held in Miami, Florida, by a third-party company. The purchase represented a strategic acquisition by the Group for re-sale when the commodity prices for salmon products become more favourable.

Platina has also provided sales and distribution services for Atlantic Sapphire USA and Atlantic Sapphire Denmark. Pursuant to this arrangement, Platina provided sales and distribution services on behalf of the Group for the Group's products in exchange for a sales commission equal to 7% of the gross revenue earned by Platina on sales of Atlantic salmon products purchased from the Group. This arrangement was non-exclusive and at arm's-length. In connection with such arrangement, Platina earned a sales commission equal to USD 26,000 for the year ended 31 December 2020 and USD 137,000 for the year ended 31 December 2019. The Group has terminated this agreement and the Group handles sales internally.

For the year ended 31 December 2018 and for the year ended 31 December 2019, Atlantic Sapphire USA leased office space from Platina. Total lease costs pursuant to this agreement were approximately USD 18,000 in 2018 and USD 18,000 in 2019. Atlantic Sapphire USA has entered into new lease agreements with a third party as of the year ended 31 December 2020.

S.F. Development, L.L.C. has paid Platina and Johan E. Andreassen for personal guarantees on two real estate property mortgages. Total payments made were USD 34,000 in 2017, USD 60,000 in 2018, and USD 10,000 in 2019. These two property mortgages were paid off on 19 February 2019.

Apart from the above, there have been no transactions between the Company and related parties during the period covered by the Financial Statements and up to the date of this Prospectus.

10 CERTAIN FINANCIAL AND OPERATIONAL INFORMATION

10.1 Capitalisation and indebtedness

10.1.1 Introduction

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular the Financial Statements and related notes, incorporated by reference herein.

This Section provides information of the Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 30 June 2021. There has been no material change to the Group's unaudited consolidated capitalisation and net financial indebtedness since 30 June 2021.

10.2 Capitalisation

(USD 1,000)	**As of 30 June 2021** (unaudited)
Indebtedness	
Total current debt:	
Guaranteed	-
Secured	1,156[1)]
Unguaranteed/ unsecured	16,964
Total non-current debt:	
Guaranteed	-
Secured	50,000[2)]
Unguaranteed/ unsecured	-
Total indebtedness	**68,120**
Equity	
Share capital	1,050
Share premium account	454,144
Employee stock options	3,264
Accumulated deficit	(134,163)
Foreign exchange reserve	(3,723)
Total equity	**320,572**
Total capitalisation	**388,692**

1) The secured, current debt relates to a two-year loan payable to PNC Bank, National Association under the Paycheck Protection Program as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed in March 2020. As authorised by Section 1106 of the CARES Act, the outstanding principal balance under this loan was forgiven on 7 September 2021 and no debt under this loan remains outstanding as of the date of this Prospectus.
2) The secured, non-current debt relates to debt outstanding under the Credit Facility. The Group's obligations under the Credit Facility are secured by all the Group's material assets, including intellectual property rights, real estate mortgages on its real property located in Homestead, Florida, USA, an

indemnity deed of the Group's leasehold interest in the Denmark Facility and pledges of the shares in all of its subsidiaries.

10.3 Indebtedness

(USD 1,000)		As of 30 June 2021 (unaudited)
(A)	Cash	88,390
(B)	Cash equivalents	470
(C)	Trading securities	6
(D)	**Liquidity (A)+(B)+(C)**	**88,866**
(E)	**Current financial receivables**	**2,510**
(F)	Current bank debt	1,156
(G)	Current portion of non-current debt	16,964
(H)	Other current financial debt	0
(I)	**Current financial debt (F)+(G)+(H)**	**18,120**
(J)	**Net current financial indebtedness (I)-(E)-(D)**	**(73,256)**
(K)	Non-current bank loans	50,000
(L)	Bonds issued	0
(M)	Other non-current loans	0
(N)	**Non-current financial indebtedness (K)+(L)+(M)**	**50,000**
(O)	**Net financial indebtedness (J)+(N)**	**(23,256)**

10.4 Working capital statement

The Company is of the opinion that the working capital currently available to the Group is not sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

The Company is in a capital-intensive construction phase at the Homestead Bluehouse (i.e. the Phase 2 expansion). Over the next two years, the Company expects to incur an estimated USD 225 million of capital expenditures related to Phase 2. These capital expenditures are intended to be funded with the Group's Credit Facility and other available liquidity (including the proceeds from the Private Placement). Although the Company's current working capital forecast for the period covering the 12 months from the date of this Prospectus does not indicate a shortfall in available liquidity, the forecast assumes that the Group will have access to the USD 98 million uncommitted accordion facility included in the Credit Facility. As such, the Group's utilization of such facility will be at the discretion of the lenders pursuant to the terms of the Credit Facility and no assurance can be given that the lenders will extend the full amount of such accordion facility.

If the Group is unable to draw on any or all of the accordion facility, the Group will not have sufficient capital available to meet its capital expenditure requirements in connection with its Phase 2 expansion plans as currently projected.

However, if the Group is unable to access the accordion facility, the Group will have the option to access capital from other funding sources, which can include subordinated debt, bonds or equity. In addition, the Company expects increased sales revenues in period covering the 12 months from the date of this Prospectus, which could alleviate the need for additional outside capital to fund Phase 2. Furthermore, the Company has the option of readjusting or delaying certain expansion plans related to Phase 2. The Company believes that it will be able to manage any cash flow requirements during such 12-month period through any combination of the above, however there is no certainty that they will succeed.

10.5 Contingent and indirect indebtedness

The Group does not have any material contingent or indirect indebtedness as of the date of this Prospectus.

11 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with the Financial Statements and related notes included therein. The Financial Statements have been incorporated by reference into this Prospectus.

This section also contains forward-looking statements that are based on the Management's current expectations, estimates and projections about the Group's business and operations and are subject to a number of risks and uncertainties. The forward-looking statements are not guarantees of future performance, and the Group's actual results may differ materially from the results referred to in the forward-looking statements. See Section 2 "Risk Factors" and Section 4.4 "Cautionary note regarding forward-looking statements".

11.1 Significant factors affecting the Group's results of operations and financial performance

The Group's operations and results of operations have been, and may continue to be, affected by a range of factors. The factors that the Management believes have had a material effect on the Group's results of operations presented below, as well as those considered to have a material effect on its results of operations in the future, are described below.

11.1.1 Market price of farmed salmon

One of the most significant factors impacting the Group's financial results is the market price of farmed salmon. The market price of farmed salmon primarily fluctuates in response to short-term global supply. As the Group does not currently engage in any hedging transactions, the Group manages such price fluctuations by controlling inventory levels and managing the timing of harvests. The market price of farmed salmon has been, and will likely continue to be, extremely sensitive to Norwegian and Chilean supply conditions.

Global demand is a driver of the Group's growth and if continued growth in global production levels exceed global demand, the market price of salmon could decrease in the future and negatively impact the Group's financial results.

11.1.2 Harvest volumes and inventories

The volume of product the Group harvest reflects stocking plans, mortality rates, availability of independent water systems, Bluehouse management and maintenance and growth through capital expenditures (including the completion of construction at the Homestead Bluehouse). The Group tracks its inventories by reviewing the total number and total biomass of fish harvested. In 2017, 2020 and 2021, including the Denmark Bluehouse Fire, the Group experienced mortality events at its Denmark Bluehouse and its Homestead Bluehouse, which has had and is expected to have a significant impact on the Group's short-term harvest volumes.

The design and management of the RAS at the Group's Bluehouses has a direct impact on the Group's harvest volumes and, therefore, financial results. The Group's ability to maintain consistent and predictable harvest volumes are dependent on the management of gas levels in each Bluehouse in order to successfully bring larger-sized salmon to market.

11.1.3 Production costs

The key drivers of production costs of biomass are size, survival and feed conversion. As the fish increase in size, the cost of production per kilogram of biomass decreases. As such, the Group focuses on increasing the size of fish in the growth cycle. Depending on the occurrence and timing of fish moralities, however, mortalities can have an adverse effect on the Group's costs. Fish feed and electricity costs are the largest cost components in the production process. The Group is exposed to fluctuations in the costs of fish meal and fish oil, and the underlying commodities.

11.2 Recent developments and trends

On 23 March 2021, Atlantic Sapphire USA experienced a mortality event in one of its grow-out systems that resulted in approximately 600,000 salmon lost, equivalent to 500 tons HOG of fish with an average weight of 1 kg lost, which represents an equivalent of approximately 5% of annualized USA Phase 1 harvest volumes at steady-state production. The value of the biomass represented by the affected fish was insured. Preliminary estimates project current losses net of insurance proceeds of USD 3.5m. The incident did not affect the continuity of supply to customers.

On 15 September 2021, a fire broke out in the Denmark Bluehouse (Denmark Bluehouse Fire). All of the Group's employees that work in the Denmark Bluehouse are accounted for and no injuries have been reported. The damages were material and substantial, and all standing biomass in the Denmark Bluehouse, except for in the hatchery and smolt department, was lost. The Group has a fire insurance of approximately DKK 95 million for building and building components and DKK 125 million for equipment (jointly corresponding to approximately USD 33 million, which is equivalent to the book value of the facility, and the Denmark Bluehouse facility is thus fully insured. As of the date of this Prospectus, the cause of the Denmark Bluehouse Fire is unknown.

Save for the abovementioned, the Group has not experienced or has any information about significant trends in production, sales and inventory, costs and selling prices, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for the current financial year, nor has the Group experienced any significant change in the financial performance of the Group for the period following 30 June 2021 until the date of this Prospectus.

11.3 Results of operations

11.3.1 Summarized result of operations information

The following table summarizes data of the Group's historical results of operations and is extracted from the Annual Financial Statements for the years ended 31 December 2020, 2019, and 2018, and from the Interim Financial Statements for the six month periods ended 30 June 2021 and 30 June 2020.

	Six months ended		**Year ended 31 December**		
(USD 1,000)	**30 June 2021**	**30 June 2020**	**2020**	**2019**	**2018**
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Revenue	10,878	2,502	6,270	5,540	481
Operating expenses	53,297	24,507	46,704	16,722	8,352
Depreciation and amortization	7,490	1,289	6,745	2,286	1,056
Financial income (expense), net	(1,806)	(8,363)	8,598	302	(2,496)
Other income, net	177	83	584	14	24
Net loss	**(51,538)**	**(31,574)**	**(55,193)**	**(13,152)**	**(11,399)**

11.3.2 Results of operations for the six-month period ended 30 June 2021 compared to the six month period ended 30 June 2020

Revenue from contracts with customers increased approximately 334.8 % from USD 2.502 million for the six-month period ended 30 June 2020 to USD 10.878 million for the six month period ended 30 June 2021. This increase in revenue was primarily attributable to the commencement of USA harvest from the Homestead Bluehouse in the third quarter of 2020 and continued ramp-up of USA harvest volumes.

Total operating expenses, including depreciation and amortization, increased approximately 135.7% from USD 25.796 million for the six month period ended 30 June 2020 to USD 60.787 million for the six month period ended 30 June 2021. The increase in operating costs was primarily a result of continued ramp-up in USA operations towards steady-state production and the substantial completion and commissioning of its fish systems in the Homestead Bluehouse.

Depreciation and amortization increased approximately 481.1% from USD 1.289 million for the six month period ended 30 June 2020 to USD 7.490 million for the six month period ended 30 June 2021. The increase in costs associated with depreciation and amortization was primarily attributed to the substantial completion and commissioning of its fish systems in the Homestead Bluehouse.

Operating losses increased approximately 114.3% from USD 23.294 million for the six month period ended 30 June 2020 to USD 49.909 million for the six month period ended 30 June 2021. The increase in operating losses was primarily driven by continued ramp-up in USA operations, cost of mortality, and cost of production from underutilized plant capacity.

The net total of financial income and financial expense decreased with approximately 463.1% from USD (8.363) million for the for the six month period ended 30 June 2020 to USD (1.806) million for the six month period ended 30 June 2021. The decrease was primarily driven by the USD 8.2 million finance cost write-off of previously unamortized debt issuance costs in 2020 upon amending the USA Term Loan under the Credit Facility, with no similar costs in 2021.

Net loss increased approximately 63.2% from USD 31.574 million for the six month period ended 30 June 2020 to USD 51.538 million for the six month period ended 30 June 2021. The increase in net loss was primarily driven by continued ramp-up in USA operations, cost of mortality, and cost of production from underutilized plant capacity.

11.3.3 Results of operations for the year ended 31 December 2020 compared to the year ended 31 December 2019

Revenue from contracts with customers increased approximately 13.2 % from USD 5.540 million for the year ended 31 December 2019 to USD 6.270 million for the year ended 31 December 2020, which represents a USD 730k increase over the prior year. This increase in revenue was primarily attributable the commencement of its USA harvests from the Homestead Bluehouse and overall higher sales price achievement in the USA than in Denmark during 2020.

Total operating expenses, including depreciation and amortization, increased approximately 181.2% from USD 19.008 million for the year ended 31 December 2019 to USD 53.449 million for the year ended 31 December 2020. The increase in operating costs was primarily a result of increases in salary and personnel costs (primarily attributable to an overall ramp-up of the Group's US operations in which Atlantic Sapphire USA doubled its personnel count from 61 to 131 from 2019 to 2020), increase in cost of materials (due to biomass incidents in

2020 and initial production carrying higher costs due to underutilization of plant capacity as operations are ramping up), increase in the litem item "Fair Value Adjustment on Biological Assets" in connection with higher costs due to underutilization of plant capacity from continued recovery of the 2020 biomass incidents. Finally, other operating expenses increased, primarily attributable to the overall-ramp up in the US operations towards steady-state production.

Depreciation and amortization increased approximately 195.1% from USD 2.286 million for the year ended 31 December 2019 to USD 6.745 million for the year ended 31 December 2020. The increase in costs associated with depreciation and amortization was primarily attributed to the substantial completion and commissioning of the fish systems in the Homestead Bluehouse.

Operating losses increased approximately 250.3% from USD 13.468 for the year ended 31 December 2019 to USD 47.179 million for the year ended 31 December 2020. The increase in operating losses was primarily driven by increased costs from its ramp-up of operations and personnel levels in the USA.

The net total of financial income and financial expense decreased with approximately 2,847.0% from USD 302 thousand for the year ended 31 December 2019 to USD (8.598) million for the year ended 31 December 2020. The decrease was primarily driven by debt issuance costs from the Credit Facility.

Net loss increased approximately 319.7% from USD (13.152) million for the year ended 31 December 2019 to USD (55.193) million for the year ended 31 December 2020. The increase in net loss was primarily driven by the increase in operating expenses and the operating losses discussed above.

11.3.4 Results of operations for the year ended 31 December 2019 compared to the year ended 31 December 2018

Revenue from contracts with customers increased approximately 1,052% from USD 481 thousand for the year ended 31 December 2018 to USD 5.540 million for the year ended 31 December 2019. This increase in revenue was primarily attributable to a ramp up in sales associated with the harvest of salmon grown in the Group's Denmark Bluehouse.

Total operating expenses, including depreciation and amortization, increased approximately 102.0% from USD 9.408 million for the year ended 31 December 2018 to USD 19.008 million for the year ended 31 December 2019. The increase in operating costs was primarily a result of a 890% increase in costs associated with the cost of materials from USD 665 thousand for the year ended 31 December 2018 to USD 6.582 million for the year ended 31 December 2019 in connection with an increase amounts spent on eggs, feed and other production costs due to the ramp up of production in the Denmark Bluehouse and commencement of operations in the Homestead Bluehouse. Such increase in operating expenses was also a result of a 36.0% increase in salary and personnel costs, which increased from USD 2.790 million for the year ended 31 December 2018 to USD 3.795 million for the year ended 31 December 2019 as a result of an increase in headcount in the US. The increase in total operating expenses was also caused by an increase of USD 2.021 million in "other operating expenses" from USD 4.782 million for the year ended 31 December 2018 to USD 6.803 million for the year ended 31 December 2019. The line item "other operating expenses" mainly consists of costs related to auditor's fees and expenses under rent and lease agreement, and the increase in other operating expenses was primarily attributable to advisor and other professional service fees incurred in connection with its Existing Credit Facility.

Depreciation and amortization increased approximately 116.5% from USD 1.056 million for the year ended 31 December 2018 to USD 2.286 million for the year ended 31 December 2019. The increase in costs associated with depreciation and amortization was primarily a result of an increase in capital expenditures associated with the Denmark Bluehouse.

Operating losses increased approximately 50.9% from USD 8.927 million for the year ended 31 December 2018 to USD 13.468 million for the year ended 31 December 2019. The increase in operating losses was primarily driven by the increase in total operating expenses as a result of the ramp up of operations and production of the Denmark Bluehouse.

The net total of financial income and financial expense increased with USD 2.798 million from USD (2.496) million to USD 0.302 million. The increase in financial income was primarily driven by a reduction in loan commitments fees of USD 1.5 million and foreign currency exchange gains of USD 1.3 million.

Net loss increased approximately 15.4% from USD 11.399 million for the year ended 31 December 2019 to USD 13.152 million for the year ended 31 December 2019. The increase in net loss was primarily driven by the increase in operating expenses and the operating losses discussed above.

11.4 Balance sheet

11.4.1 Summarized balance sheet data

The following table shows summarized historical balance sheet data related to the Group's activities and is extracted from the Annual Financial Statements for the years ended 31 December 2020, 2019 and 2018, and from the Interim Financial Statements for the six month periods ended 30 June 2021 and 2020.

	Six months ended		**Year ended 31 December**		
(USD 1,000)	**30 June 2021**	**30 June 2020**	**2020**	**2019**	**2018**
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Total non-current assets	273,729	242,506	261,285	225,826	126,423
Total current assets	118,332	23,815	59,674	27,050	25,489
Total assets	**392,061**	**266,321**	**320,959**	**252,876**	**151,912**
Total equity	320,572	177,706	255,459	208,679	137,439
Total non-current liabilities	53,062	71,603	54,247	27,421	904
Total current liabilities	18,427	17,012	11,253	16,776	13,569
Total liabilities	**71,489**	**88,615**	**65,500**	**44,197**	**14,473**
Total equity and liabilities	**392.061**	**266,321**	**320,959**	**252,876**	**151,912**

11.4.2 Balance sheet data for the six months ended 30 June 2021 compared to the six months ended 30 June 2020

Total assets increased approximately 47.2% from USD 266.321 million for the six month period ended 30 June 2020 to USD 392.061 million for the six month period ended 30 June 2021. The increase is primarily driven by capital expenditures in connection with continued innovations of the Denmark Bluehouse and the continued construction of the Homestead Bluehouse. Additionally, Group total assets increased from proceeds of a private placement completed on 10 September 2020 and the Private Placement on 3 June 2021 and ramp-up in biological assets.

Total equity increased approximately 80.4% from USD 177.706 million for the six month period ended 30 June 2020 to USD 320.572 million for the six month period ended 30 June 2021. This increase was primarily attributable to the private placement completed on 10 September 2020 and the Private Placement on 3 June 2021 offset by net losses.

Total liabilities decreased approximately 19.3% from USD 88.615 million for the six month period ended 30 June 2020 to USD 71.489 million for the six month period ended 30 June 2021. This decrease was primarily attributable to paydown of existing debt following the private placement completed on 10 September 2020.

Total equity and liabilities increased approximately 47.2% from USD 266.321 million for the six month period ended 30 June 2020 to USD 392.061 million for the six month period ended 30 June 2021. This increase was primarily attributable to the private placement completed on 10 September 2020 and the Private Placement on 3 June 2021 offset by net losses and paydown of existing debt.

11.4.3 Balance sheet data for the year ended 31 December 2020 compared to the year ended 31 December 2019

Total assets increased approximately 26.9% from USD 252.876 million for the year ended 31 December 2019 to USD 320.959 million for the year ended 31 December 2020, which represents a USD 68.083 million increase over the prior year. The increase is primarily driven by capital expenditures in connection with continued innovations of the Denmark Bluehouse (USD 2.5m) and the continued construction in the USA of the Miami Bluehouse (USD 52m). Additionally, Group total assets increased from proceeds of the 10 September 2020 capital raise and ramp-up in biological assets.

Total equity increased approximately 22.4% from USD 208.679 million for the year ended 31 December 2019 to USD 255.459 million for the year ended 31 December 2020. This increase was primarily attributable to a 41.6% increase in share premium from USD 236.819 million for the year ended 31 December 2019 to USD 335.337 million for the year ended 31 December 2020 resulting from an increase in the number of shares issued and outstanding of the Company.

Total liabilities increased approximately 48.2% from USD 44.197 million for the year ended 31 December 2019 to USD 65.500 million for the year ended 31 December 2020. This increase was primarily attributable to an increase in outstanding debt under the Group's Credit Facility.

Total equity and liabilities increased approximately 26.9% from USD 252.876 million for the year ended 31 December 2019 to USD 320.959 million for the year ended 31 December 2020. This increase was primarily attributable to the reasons discussed above.

11.4.4 Balance sheet data for the year ended 31 December 2019 compared to the year ended 31 December 2018

Total assets increased approximately 66% from USD 151.912 million for the year ended 31 December 2018 to USD 252.876 million for the year ended 31 December 2019. This increase was primarily driven by a 79% increase in total non-current assets from USD 126.423 million for the year ended 31 December 2018 to USD 225.826 million for the year ended 31 December 2019, which resulted from an increase in the non-current assets attributable to property, plant, and equipment associated with the Homestead Bluehouse and construction related thereto. The value of Company's biological assets increased from USD 3.283 million for the fiscal year ended 31 December 2018 to USD 11.275 million for the fiscal year ended 31 December 2019. This increase was a result in the continued growth and recovery of biomass at the Denmark Bluehouse following the mortality event in the Denmark Bluehouse in June 2017 and the addition of biomass in connection with the commissioning of tanks and commencement of operations at the Homestead Bluehouse. For additional information, see Note 5 of the Annual Financial Statements for the year ended 31 December 2019. The Company's cash and restricted cash increased from USD 19.018 million for the fiscal year ended 31 December 2019 to USD 9.1 million for the fiscal year ended 31 December 2019. This increase was a result of restricted cash on borrowings offset by increased expenditures associated with the continuation of construction of the Homestead Bluehouse.

Total equity increased approximately 51.8% from USD 137.439 million for the year ended 31 December 2018 to USD 208.679 million for the year ended 31 December 2019. This increase was primarily attributable to a 56.0% increase in share premium from USD 151.764 million for the year ended 31 December 2018 to USD 236.819 million for the year ended 31 December 2019 resulting from an increase in the number of shares issued and outstanding of the Company. This increase was partially offset by an increase in the accumulated deficit from USD 14.280 million for the year ended 31 December 2018 to USD 27.4 million for the year ended 31 December 2019 as a result of an increase in the net losses for the corresponding year.

Total liabilities increased approximately 205.4% from USD 14.473 million for the year ended 31 December 2018 to USD 44.197 million for the year ended 31 December 2019. This increase was primarily attributable to a 2,933% increase in long-term liabilities from USD 904 thousand for the year ended 31 December 2018 to USD 27.421 million for the year ended 31 December 2019 resulting from the receipt of proceeds under the Old Credit Facility.

Total equity and liabilities increased approximately 66.5% from USD 151.912 million for the year ended 31 December 2018 to USD 252.876 million for the year ended 31 December 2019. This increase was primarily attributable to the reasons discussed above.

11.5 Liquidity and capital resources

11.5.1 Sources and uses of cash

The Group's liquidity requirements are primarily driven by working capital requirements, operating expenses and capital expenditures. The Credit Facility provides the Group with a facility comprised of a committed term loan, a revolving credit facility and uncommitted term loans. Please refer to Section 11.9 "Borrowings and other contractual obligations" for further information about the Credit Facility, which also describe the interest rates applicable to the Credit Facility.

As of 30 June 2020 and 30 June 2021, the Group's debt-to-equity ratio decreased from 49.9% to 22.3%, respectively. These changes are primarily due to the private placement completed on 10 September 2020 and the Private Placement on 3 June 2021 offset by net losses and paydown of existing debt.

As of 31 December 2019 and 31 December 2020, the Group's debt-to-equity ratio increased from 21.2% to 25.6%, respectively. These changes are primarily due to the USD 20 million drawdown on 21 April 2020 from the Credit Facility offset by the proceeds of USD 100.4 million from the private placement completed on 10 September 2020.

As of 31 December 2018 and 31 December 2019, the Group's debt to equity ratio increased from 10.7% to 21.2%, respectively. These changes are primarily due to the USD 30 million drawdown in February 2019 of Old Credit Facility offset by the USD 90 million equity raise in May 2019.

The Group's ability to generate cash from operations depends on its future operating performance and, in particular, revenue from future harvests at its Homestead Bluehouse once the ramp up phase is complete. The Group's future operating performance is also dependent, to some extent, on general economic and financial conditions, market competition and other regulatory matters that are beyond the Group's control. See Section 2 "Risk Factors".

The Group holds its cash in USD, NOK, DKK and EUR. The Group does not use financial instruments for hedging purposes.

The Group's expected liquidity needs for the twelve-month period following the date of this Prospectus primarily relate to the requirement to fund operating expenses and capital expenditures in connection with the construction at the Homestead Bluehouse and the growth of its business. The Group believes that its borrowing capacity under the Credit Facility and, eventually, operating cash flows, will be sufficient to meet its requirements for the 12 month period from the date of this Prospectus. This is however subject to the Group being able to utilize access the accordion facility included in the Credit Facility, as further detailed in Section 10.4 "Working capital statement". The Group's actual financing requirements depend on a number of factors, many of which are beyond its control. Management identifies, evaluates and manages the Group's financial risks in cooperation and consultation with the Board of Directors. The Board of Directors provides guidance in respect of overall risk management, as well as policies regarding liquidity and credit risks.

11.6 Cash flows

11.6.1 Summarized cash flow information

The following table summarizes the Group's historical cash flows and is extracted from the Annual Financial Statements for the years ended 31 December 2020, 2019, and 2018, and from the Interim Financial Statements for the six month periods ended 30 June 2021 and 30 June 2020.

	Six months ended		Year ended 31 December		
(USD 1,000)	**30 June 2021**	**30 June 2020**	**2020**	**2019**	**2018**
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Net cash used in operating activities	(35,648)	(18,648)	(46,959)	(18,462)	(16,009)
Net cash used in investing activities	(20,891)	(29,766)	(60,851)	(86,790)	(87,679)
Net cash provided by financing activities	116,600	35,494	111,964	110,834	72,233

Net increase (decrease) in cash and restricted	**60,061**	**(12,920)**	**4,154**	**5,582**	**(31,455)**
Cash at beginning of period	28,909	24,456	24,471	19,018	53,069
Effects of exchange rate on cash	(110)	(389)	284	(129)	(2,596)
Cash at end of period	**88,860**	**11,147**	**28,909**	**24,471**	**19,018**

11.6.2 Operating activities

Six months ended 30 June 2021 compared to the six months ended 30 June 2020

Net cash used in operating activities for the six months ended 30 June 2021 amounted to USD (35,648) million as compared to USD (18.648) million for the six months ended 30 June 2020, an increase of 91.2%. The increase in net cash used in operating activities was primarily due to continued ramp-up of USA operations.

Year ended 31 December 2020 compared to the year ended 31 December 2019

Net cash used in operating activities for the year ended 31 December 2020 amounted to USD 46.959 million as compared to USD 18.462 million for the year ended 31 December 2019, an increase of 154.4%. The increase in net cash used in operating activities was primarily due to continued biomass build-up in Denmark and the USA, and the ramp-up of continued operational and startup costs related to Phase 1.

Year ended 31 December 2019 compared to the year ended 31 December 2018

Net cash used in operating activities for the year ended 31 December 2019 amounted to USD 18.462 million as compared to USD 16.009 million for the year ended 31 December 2018, an increase of 15.3%. The increase in net cash used in operating activities was primarily driven by the incurrence of additional costs associated with the ramping up of operations in the USA and Denmark, including the building up of biomass and an increase in feed purchased for operations. As part of this increase, the line item "Depreciation and amortization" increased USD 1.230 million from USD 1.056 million for the year ended 31 December 2018 to USD 2.286 million for the year ended 31 December 2019 due to previous assets under construction in Denmark being placed into operation during the period, and the line item "Inventories (and biomass at cost)" decreased from USD (2.934) million to USD (10.793) million due primarily to the net gain in biomass.

11.6.3 Investing activities

Six months ended 30 June 2021 compared to the six months ended 30 June 2020

Net cash used in investing activities decreased to USD (20.891) million for the six months ended 30 June 2021 from USD (29.766) million for the six months ended 30 June 2020, a decrease of 29.8%. The decrease in net cash used in investing activities is primarily attributable to a higher overall level of construction in 2020 attributed to Phase 1 in comparison to lower overall level of construction in 2021 attributed to Phase 2.

Year ended 31 December 2020 compared to the year ended 31 December 2019

Net cash used in investing activities decreased to USD 60.851 million for the year ended 31 December 2020 from USD 86.790 million for the year ended 31 December 2019, a decrease of 39.9%. The decrease in net cash used in investing activities is primarily attributable to Phase 1 construction of the Homestead Bluehouse nearing completion.

Year ended 31 December 2019 compared to the year ended 31 December 2018

Net cash used in investing activities remained relatively consistent amounting to USD 87.679 million for the year ended 31 December 2018 and USD 86.790 million for the year ended 31 December 2019. This was primarily due to the continued implementation of the Company's capacity expansion plans across its Bluehouses.

11.6.4 Financing activities

Six months ended 30 June 2021 compared to the six months ended 30 June 2020

Net cash from financing activities increased to USD 116.600 million for the six months ended 30 June 2021 from USD 50.485 million for the six months ended 30 June 2020, an increase of 228.5%. The increase in net cash from financing activities is primarily attributable to the private placement completed on 10 September 2020 and the Private Placement on 3 June 2021 offset by paydown of existing debt.

Year ended 31 December 2020 compared to the year ended 31 December 2019

Net cash from financing activities was relatively consistent, with net cash from financing activities for the years ended 31 December 2020 and 2019 were USD 111.964 million and USD 110.834 million, respectively. The increase of USD 1.130 million was primarily attributed to a private placement completed in September 2020 and utilization of the Credit Facility.

Year ended 31 December 2019 compared to the year ended 31 December 2018

Net cash of USD 110.834 million was provided by financing activities for the year ended 31 December 2019, compared to USD 72.233 million of the year ended 31 December 2018. This movement largely reflects an increase in cash as a result of the Group's debt financing, together with an increase in proceeds from the Company's equity offering for USD 90 million but was also offset by repayments of borrowings with USD 16.288 million for the year ended 31 December 2019 (compared to repayments of USD 254 thousands for the year ended 31 December 2018).

11.7 Segment information

The Group has two strategic divisions, which represent its reportable segments. The Group's Management reviews the internal management reports of each division. For the period covered by the Financial Statements, the Group's reportable segments consisted of: (i) fish farming from the Denmark Bluehouse, and (ii) fish farming from the Homestead Bluehouse.

For the years ended 31 December 2020, 2019, and 2018 and for the six month periods ended 30 June 2021 and 2020, the Group's segment information consisted of the following:

Year ended 31 December 2020	**Fish farming**		**Other and**	
(USD 1,000)	**Denmark**	**USA**	**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 market value adjustment	(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

Year ended 31 December 2019	**Fish farming**		**Other and**	
(USD 1,000)	**Denmark**	**USA**	**eliminations**	**Consolidated**
Revenue from sale of salmon	6,413	-	(873)	5,540
EBITDA	(3,147)	(7,124)	(897)	(11,168)
EBITDA, pre fair market value adjustment	(3,605)	(7,124)	(897)	(11,626)
Pre-tax loss	(6,957)	(7,730)	1,535	(13,152)
Total assets	47,319	204,387	1,170	252,876
Total liabilities	35,236	41,187	(32,226)	44,197
Depreciation and amortization	2,206	80	-	2,286
Capital expenditure	7,001	79,156	-	86,157

Year ended 31 December 2018	**Fish farming**		**Other and**	
(USD 1,000)	**Denmark**	**USA**	**eliminations**	**Consolidated**
Revenue from sale of salmon	481	-	-	481
EBITDA	(2,309)	(4,343)	(1,195)	(7,847)
EBITDA, pre fair market value adjustment	(2,513)	(4,343)	(1,195)	(8,051)
Pre-tax loss	(4,362)	(6,362)	(675)	(11,399)
Total assets	37,694	107,539	6,679	151,912
Total liabilities	27,455	11,650	(24,632)	14,473
Depreciation and amortization	993	63	-	1,056
Capital expenditure	17,618	75,451	-	93,069

Six months ended 30 June 2021	**Fish farming**		**Other and**	
(USD 1,000)	**Denmark**	**USA**	**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 market value adjustment	(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 (USD 1,000)	Fish farming Denmark	USA	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 market value adjustment	(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

The Group's revenues from sale of salmon and its main geographical markets is set out in the table below:

Revenue from external customers in: (USD 1,000)	Six months ended 30 June 2021	30 June 2020	2020	2019	2018
USA	7,207	639	1,964	1,834	75
Denmark	1,729	815	1,490	2,390	346
The Netherlands	722	926	1,193	955	-
Other countries	1,220	122	1,623	361	60
Total revenue from external customers	**10,878**	**2,502**	**6,270**	**5,540**	**481**

11.8 Investments

11.8.1 Principal historical investments

The Group has made regular investments during the years ended 31 December 2020, 2019 and 2018, and for the six months period ended 30 June 2021 2020. The Group's principal historical capital expenditures and investments with respect to property, plant, and equipment for the years ended 31 December 2020, 2019, and 2018, and for the six months period ended 30 June 2021 were USD 257.1 million, USD 209.6 million, USD 126.3 million and USD 269.9 million, respectively.

An overview of the Group's investments within property, plant, and equipment during the years ended 31 December 2020, 2019 and 2018, and for the six months period ended 30 June 2021 is set out in the table below:

Investments within property, plant, and equipment							
(USD 1,000)	Land	Buildings	Production, plant, and machinery	Equipment and other movables	Software	Assets under construction	Total
31 December 2018							
Investments	3,691	10,251	21,677	702	-	93,272	129,593
Less: accumulated depreciation	-	(715)	(2,368)	(210)	-	-	(3,293)
Net book amount	**3,691**	**9,536**	**19,309**	**492**	**-**	**93,272**	**126,300**
31 December 2019							
Investments	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**
31 December 2020							
Investments	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**
30 June 2021							
Investments	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**

For the year ended 31 December 2018, investments within property, plant, and equipment were largely related to construction expenses in connection with the Homestead Bluehouse, followed by investments in production, plant and machinery in the US and Demark and land acquisition costs.

For the year ended 31 December 2019, investments within property, plant, and equipment were largely related to construction expenses in connection with the Homestead Bluehouse, followed by investments in production, plant, and machinery in the US and Denmark. In Denmark, total investments in property, plant, and equipment as of 31 December 2019 were USD 33.6 million, a net increase of USD 4.2 million in 2019 (USD 7.0 million in capex additions less USD 2.2 million in depreciation expense and other adjustments, less USD 600 thousand in net exchange rate differences). In the US, total investments in property, plant, and equipment as of 31 December 2019 were USD 176 million, a net increase of USD 79.1 million in 2019 (USD 79.2 million in capex additions less USD thousand in depreciation).

For the year ended 31 December 2020, investments within property, plant, and equipment were largely related to continuation of construction expenses in connection with the Homestead Bluehouse, followed by investments in production, plant, and machinery in the US and Denmark. In Denmark, total investments in property, plant and equipment as of 31 December 2020 were USD 36.5 million, a net increase of USD 2.9 million in 2020 (USD 2.1 million in capex additions less USD 2.4 million in depreciation expense, plus USD 3.2 million in net exchange differences). In the US, total investments in property, plant and equipment as of 31 December 2020 were USD 220.6 million, a net increase of USD 44.6 million in 2019 (USD 52.0 million in capex additions less USD 7.4 million in depreciation).

For the six months ended 30 June 2021, investments within property, plant and equipment were largely related to Phase 1 and Phase 2 construction. In Denmark, total investments in property, plant and equipment as of 30 June 2021 were USD 34.6 million, a net decrease of USD 1.9 million (USD 500 thousand in capex additions less 1.4 UDS million in depreciation expense, less USD 1 million in net exchange rate differences). In the US, total investments in property, plant and equipment as of 30 June 2021 were USD 235.2 million, a net increase of USD 14.6 million in 2021 (UDS 20.5 million in capex additions less USD 5.9 million in depreciation).

The Company's principal historical capital expenditures and investments with respect to property, plant, and equipment for the period from the year ended 31 December 2020 to the date of this Prospectus is approximately USD 30 million.

The Group's investments in equipment during the period described above include pumps, fish graders, fish counters, generators, feeding systems, freshwater and saltwater treatment equipment, center drains, sensors, electrical equipment, and processing equipment.

Please see Section 7.3 "Research and development" for a further description of the Group's principal historical investments in relation to research and development activities.

11.8.2 Principal investments in progress and planned principal investments

The Group's priorities with respect to investment opportunities are the completion of construction of the Homestead Bluehouse and the expansion thereof. The construction of Phase 1 of the Homestead Bluehouse was initiated in 2017 and is ongoing, and as of end of July 2021, the remaining cash outflows for construction of Phase 1 was estimated to approximately USD 5 million. Such investments will be financed through proceeds from the Private Placement, the Credit Facility and cash flows from operations. The investments are of an operational nature.

Over the next two years, the Company expects to incur an estimated USD 225 million of capital expenditures related to Phase 2, of which approximately USD 210 million are expected to be directly related to construction and approximately USD 15 million are expected to be related to initial, long-lead investments and construction of centralized infrastructure such as power and chiller plant that will benefit subsequent buildouts.

In order to increase capacity of the Homestead Bluehouse, the Company began the Phase 2 construction in Q2 2021 which is expected to add an additional 15,000 tonnes HOG of production capacity. The Phase 2 would not include a hatchery or fish processing facilities.

11.9 Borrowings and other contractual obligations

11.9.1 Credit Facility

On 21 April 2020, Atlantic Sapphire USA and Atlantic Sapphire Denmark, as co-borrowers, together with S.F. Development, L.L.C., Atlantic Sapphire IP, LLC and AS Purchasing, LLC, as subsidiary guarantors, and the Company, as parent guarantor, amended and restated the Existing Credit Facility (as amended, amended and restated, modified or otherwise supplemented from time to time (the "**Credit Facility**").

On 28 January 2021, the Group's Credit Facility was amended to increase the total credit facility from USD 150m to USD 200 million, which is comprised of the existing USD 50 million term loan, a USD 20 million revolving credit facility available to Atlantic Sapphire USA and Atlantic Sapphire Denmark, a USD 32 million committed term loan for Phase 2 capital expenditures, and a USD 98 million uncommitted accordion facility on the same terms and conditions as the Group’s committed term loan. Further, pursuant to such amendment, the Group syndicated a portion of its Credit Facility to Farm Credit of Florida, ACA.

As of the date of this Prospectus, the principal amount of outstanding debt under the Credit Facility was approximately USD 50 million of term loans. As of the date of this Prospectus, certain amounts had been drawn under the revolving credit facility and paid back subsequently.

The interest rate of the Credit Facility shall correspond to the three-month LIBOR[5] plus an applicable margin to be calculated based on the Net Interest Bearing Debt to EBITDA level calculated over the last twelve months. The applicable margin is between 2% and 4.5%

The maturity date of the Credit Facility is 23 April 2023.

The obligations of the Group under the Credit Facility are secured by all of the Group's material assets, including intellectual property rights, real estate mortgages on its real property located in Homestead, Florida, USA, an indemnity deed of the Group's leasehold interest in the real property located in Hvide Sande, Denmark, and pledges of the shares in all of its subsidiaries.

The Company has not entered into any interest rate swaps to manage its exposure to changes in variable interest rates applicable to the Credit Facility.

11.9.2 Certain terms of the Credit Facility

Pursuant to the terms of the Credit Facility, the Group is required to comply with several affirmative and negative covenants, which in the event of noncompliance and following the provision of notice, the passage of time or both, provide the lenders thereunder with, among other things, the right to declare the outstanding debt as due and payable and to terminate the Credit Facility. As of the date of this Prospectus, the Group was in compliance with all such covenants. There can be no assurance that the Group will be able to comply with these covenants in the future or what actions, if any, the lenders thereunder may take in the event of noncompliance.

Covenants under the Credit Facility include, but are not limited to, the following:

- Johan E. Andreassen shall remain involved with the day-to-day operations of Atlantic Sapphire USA;
- Restrictions on distributions from the Company, however subject to certain customary exemptions;

[5] LIBOR means the London Inter-Bank Offered Rate.

- Restrictions on creation of additional indebtedness;
- The Company shall maintain an authorization to its Board to increase the share capital through issuance of at least 10,000,000 new Shares. The Company will decide, in its sole discretion, whether the authorization shall be used;
- The Company shall obtain annual resolutions from the general meeting to issue convertible bonds in the principal aggregate amount of up to USD 150,000,000. The Company will decide, in is sole discretion, whether the authorization shall be used; and
- Restrictions on mergers, consolidations, liquidations, sale of assets and acquisitions of property.

Further, the main financial covenants under the Credit Facility include:

- The book equity ratio shall not be less than 45%, measured quarterly from the first quarter after the Signing Date;
- The ratio of Net-Interest Bearing Debt to EBITDA shall be less than a certain ratio;
- That the EBITDA of the Company and its consolidated subsidiaries for the three months period ended 30 June 2021 and ending on 30 September 2021 shall exceed certain levels for; and
- The Company and its consolidated subsidiaries shall maintain available liquidity exceeding a certain level.

Pursuant to the Credit Facility, an occurrence of change of control will result in an event of default thereunder. A "change of control" is defined as; (1) the Company ceasing to control 100% of any one of its subsidiaries; (2) at any time prior to the listing of the Company's Shares on the Oslo Børs (such listing was completed in May 2020), (a) any person (other than Alsco AS, its shareholders or Johan E. Andreassen) acquires beneficial ownership or control of more than one third of the outstanding Shares of the Company, (b) Alsco AS ceases to beneficially own and control at least 10% of the outstanding shares of the Company or (c) there is any change in Johan E. Andreassen's ownership in Alsco AS, and (3) at any time following the listing of the Company's shares on the Oslo Børs, any person or group (other than Alsco AS or Johan E. Andreassen or an affiliate thereof) becomes the beneficial owners of more than one third of the outstanding Shares of the Company.

11.10 Financial risk management

The Group's operations expose it to various types of financial risk such as credit risk, liquidity risk and market risk. For a more detailed description of such risks and the Company's management thereof, see Note 2 of the Company's Annual Financial Statements.

11.11 Significant changes

Apart from the completion of the Private Placement, there have not been any significant changes in the financial position of the Group since 31 December 2020.

12 SELECTED HISTORICAL FINANCIAL INFORMATION AND OTHER INFORMATION

12.1 Introduction and basis for preparation

The following selected financial information has been extracted from the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2020, 31 December 2019 and 31 December 2018 (the Annual Financial Statements), and from the Group's unaudited interim consolidated financial statements as, and for the six months periods ended 30 June 2021 and 2020 (the Interim Financial Statements).

The Financial Statements have been prepared in accordance with IFRS. The Financial Statements are incorporated by reference in this Prospectus. Please refer to Section 18.1 "Cross reference table" for further information on documents incorporated by reference.

The following summary of financial data should be read in conjunction with, and is qualified in its entirety by reference to, the other information contained in the Prospectus and the documents incorporated by reference.

12.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgements, please refer to Note 1 of the Financial Statements as of, and for the year ended, 31 December 2020.

12.3 Selected consolidated statements of comprehensive income

The table below sets out selected data from the Group's consolidated statement of comprehensive income for the years ended 2020, 2019, and 2018, and for the six months periods ended 30 June 2021 and 2020. Please note that certain amounts in prior period 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.

	Six months ended 30 June			**Year ended 31 December**	
(USD 1,000)	**2021**	**2020**	**2020**	**2019**	**2018**
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Revenue	**10,878**	**2,502**	**6,270**	**5,540**	**481**
Expenses					
Cost of materials	38,365	5,328	18,169	6,582	665
Fair value adjustment on biological assets	(4,973)	11,216	9,478	(458)	(204)
Salary and personnel costs	4,285	2,831	7,448	3,795	2,790
Other operating expenses	15,620	5,132	11,609	6,803	4,782
Other losses, net	-	-	-	-	319
Depreciation and amortization	7,490	1,289	6,745	2,286	1,056
Total expenses	**60,787**	**25,796**	**53,449**	**19,008**	**9,408**
Operating loss	(49,909)	(23,294)	(47,179)	(13,468)	(8,927)
Financial income	358	104	178	3,640	547
Financial expense	(2,164)	(8,467)	(8,776)	(3,338)	(3,043)
Other income, net	177	83	584	14	24
Loss before income tax benefit	**(51,538)**	**(31,574)**	**(55,193)**	**(13,152)**	**(11,399)**

Income tax benefit	-	-	-	-	-
Net loss	**(51,538)**	**(31,574)**	**(55,193)**	**(13,152)**	**(11,399)**
Loss attributable to					
Owners of Atlantic Sapphire	(51,538)	(31,574)	(55,193)	(13,152)	(11,399)
Non-controlling interest	-	-	-	-	-
Net loss for the period	(51,538)	**(31,574)**	**(55,193)**	**(13,152)**	**(11,399)**
Earnings per share (actual USD)					
Basic earnings	(0.57)	(0.46)	(0.74)	(0.19)	(0.20)
Diluted earnings per share	(0.57)	(0.46)	(0.74)	(0.19)	(0.20)
Comprehensive loss					
Net loss	(51,538)	(31,574)	(55,193)	(13,152)	(11,399)
Exchange difference on translation of foreign operations	(3,538)	(2,275)	2,401	(917)	(5,277)
Total comprehensive loss	**(55,076)**	**(33,849)**	**(52,792)**	**(14,069)**	**(16,676)**
Comprehensive loss attributable to:					
Owners of Atlantic Sapphire	(55,076)	(33,849)	(52,792)	(14,069)	(16,676)
Non-controlling interest	-	-	-	-	-
Total comprehensive income for the year	**(55,076)**	**(33,849)**	**(52,792)**	**(14,069)**	**(16,676)**

12.4 Selected consolidated statements of financial position

The table below sets out selected data from the Group's consolidated statement of financial position for the years ended 2020, 2019, and 2018, and for the six months periods ended 30 June 2021 and 2020. Please note that certain amounts in prior period 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.

	Six months ended 30 June			**Year ended 31 December**	
(USD 1,000)	**2021**	**2020**	**2020**	**2019**	**2018**
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
ASSETS					
Non-current assets					
Property, plant and equipment	269,861	241,147	257,080	209,616	126,300
Right of use asset	3,080	446	3,337	355	-
Restricted cash (long-term)	-	-	-	15,000	-
Security deposits	750	821	831	726	-
Patents	-	-	-	-	103
Other investments	6	11	7	11	11
Trade and other receivables (long-term)	32	81	30	118	9
Total non-current assets	**273,729**	**242,506**	**261,285**	**225,826**	**126,423**
Current assets					

Prepaid expenses	1,590	649	1,573	1,933	1,975
Inventories, net	2,892	3,337	2,713	3,302	105
Biological assets	22,512	8,070	24,610	11,275	3,283
Trade and other receivables, net	2,478	612	1,869	1,069	1,108
Restricted cash (short-term)	470	332	386	324	319
Cash	88,390	10,815	28,523	9,147	18,699
Total current assets	**118,332**	**23,815**	**59,674**	**27,050**	**25,489**
TOTAL ASSETS	**392,061**	**266,321**	**320,959**	**252,876**	**151,912**
EQUITY AND LIABILITIES					
Equity					
Share capital	1,050	818	917	818	720
Share premium	454,144	236,851	335,337	236,819	151,764
Employee stock options	3,264	1,503	2,015	1,060	904
Accumulated deficit	(134,163)	(59,006)	(82,625)	(27,432)	(14,280)
Foreign exchange reserve	(3,723)	(2,460)	(185)	(2,586)	(1,669)
Total equity	**320,572**	**177,706**	**255,459**	**208,679**	**137,439**
Non-current liabilities					
Borrowings (long-term)	50,000	71,116	51,156	27,319	904
Lease liability (long-term)	3,062	487	3,091	102	-
Total non-current liabilities	**53,062**	**71,603**	**54,247**	**27,421**	**904**
Current liabilities					
Borrowings (short-term)	1,156	-	-	79	190
Lease liability (short-term)	307	-	482	277	-
Trade and other payables	16,964	17,012	10,771	16,420	13,379
Total current liabilities	**18,427**	**17,012**	**11,253**	**16,776**	**13,569**
Total liabilities	**71,489**	**88,615**	**65,500**	**44,197**	**14,473**
TOTAL EQUITY AND LIABILITIES	**392,061**	**266,321**	**320,959**	**252,876**	**151,912**

12.5 Selected consolidated statements of cash flows

The table below sets out selected data from the Group's consolidated statement of cash flows for the years ended 2020, 2019, and 2018, and for the six months periods ended 30 June 2021 and 2020. Please note that certain amounts in prior period 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.

	Six months ended 30 June		**Year ended 31 December**		
(USD 1,000)	**2021** (unaudited)	**2020** (unaudited)	**2020** (audited)	**2019** (audited)	**2018** (audited)
Cash flow from operating activities					
Net loss	(51,538)	(31,574)	(55,193)	(13,152)	(11,399)
Adjustments to reconcile net loss to net cash used in operating activities					

Depreciation and amortization	7,490	1,289	6,745	2,286	1,056
Bad debt	1	-	11	-	-
Inventory write-down	-	-	1,639	-	-
Fair value adjustment on biological assets	(4,973)	11,216	9,478	(458)	(204)
Loss from disposition of other assets	(187)	31	576	25	319
Net interest received and paid	1,804	8,349	8,598	526	(325)
Non-cash employee stock options	1,249	443	955	156	127
Net foreign currency exchange rate differences	(2,186)	359	(1,570)	(153)	(1,510)
Changes in operating assets and liabilities					
Trade and other receivables	(636)	497	(627)	(90)	(754)
Biological assets, at cost	7,046	-	(18,943)	(10,793)	(2,934)
Inventories, at cost	(185)	(8,026)	(1,015)	-	-
Prepaid and other current assets	(18)	1,288	459	41	(669)
Security deposits	77	(95)	(95)	(726)	-
Trade and other payables	6,050	(2,439)	135	3,776	(235)
Interest received	358	14	1,888	100	519
Net cash used in operating activities	**(35,648)**	**(18,648)**	**(46,959)**	**(18,462)**	**(16,009)**
Cash flow from investing activities					
Proceeds from sale of property, plant, and equipment	165	-	25	-	3
Payment towards property and equipment	(21,095)	(29,676)	(60,881)	(86,790)	(87,682)
Right of use asset	38	(90)	-	-	-
Other investments	1	-	5	-	-
Net cash used in investing activities	**(20,891)**	**(29,766)**	**(60,851)**	**(86,790)**	**(87,679)**
Cash flow from financing activities					
Proceeds from borrowings	10,514	95,156	89,404	42,595	-
Payments towards borrowings	(10,514)	(51,438)	(74,001)	(16,288)	(254)
Payment towards lease liability	(275)	107	2	-	-
Restricted cash on borrowings	-	-	-	-	-
Contributions	118,940	32	98,617	85,153	72,681
Interest paid	(2,065)	(8,363)	(2,058)	(626)	(194)
Net cash flow provided by financing activities	**116,600**	**35,494**	**111,964**	**110,834**	**72,233**
Net increase (decrease) in cash	**60,061**	**(12,920)**	**4,154**	**5,582**	**(31,455)**
Cash and restricted cash at beginning of period	28,909	24,456	24,471	19,018	53,069
Effects of exchange rate changes on cash and restricted cash	(110)	(389)	284	(129)	(2,596)
Cash and restricted cash at end of period	**88,860**	**11,147**	**28,909**	**24,471**	**19,018**

12.6 Selected consolidated statements of changes in equity

The table below sets out selected data from the Group's consolidated statement of changes in equity for the years ended 2020, 2019 and 2018, and for the six months periods ended 30 June 2021. Please note that certain amounts in prior period 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.

(USD 1,000)	Share capital	Share premium	Employee stock options	Accumulated deficit	Foreign exchange reserve	Total controlling interest	Non-controlling interest	Total equity
Balance at 31 December 2017	**564**	**91,312**	**777**	**(14,954)**	**3,608**	**81,307**	**-**	**81,307**
Net loss	-	-	-	(11,399)	-	(11,399)	-	(11,399)
Contributions	207	72,474	127	-	-	72,808	-	72,808
Foreign currency translation adjustments	(51)	(12,022)	-	12,073	(5,277)	(5,277)	-	(5,277)
Balance at 31 December 2018	**720**	**151,764**	**904**	**(14,280)**	**(1,669)**	**137,439**	**-**	**137,439**
Net loss	-	-	-	(13,152)	-	(13,152)	-	(13,152)
Contributions	98	85,055	156	-	-	85,309	-	85,309
Foreign currency translation adjustments	-	-	-	-	(917)	(917)	-	(917)
Balance at 31 December 2019	**818**	**236,819**	**1,060**	**(27,432)**	**(2,586)**	**208,679**	**-**	**208,679**
Net loss	-	-	-	(55,193)	-	(55,193)	-	(55,193)
Contributions	99	98,518	955	-	-	99,572	-	99,572
Foreign currency translation adjustments	-	-	-	-	2,401	2,401	-	2,401
Balance at 31 December 2020	**917**	**335,337**	**2,015**	**(82,625)**	**(185)**	**255,459**	**-**	**255,459**
Net loss	-	-	-	(51,538)	-	(51,538)	-	(51,538)
Contributions	133	118,807	1,249	-	-	120,189	-	120,189
Foreign currency translation adjustments	-	-	-	-	(3,538)	(3,538)	-	(3,538)
Balance at 30 June 2021	**1,050**	**454,144**	**3,264**	**(134,163)**	**(3,723)**	**320,572**	**-**	**320,572**

13 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

13.1 Board of Directors

The Articles of Association of the Company provide that the Board of Directors shall consist of a minimum of two and a maximum of seven members of the Board of Directors (the "**Directors**") elected by the Company's shareholders. The Company's registered business address, Daugstadvegen 445, 6392 Vikebukt, Norway, serves as the business address for the Directors with respect to their directorships.

With the exception of Johan E. Andreassen and Ellen Marie Sætre, all Directors are independent of the Company's business relations and main shareholders (shareholders holding more than 10% of the Shares and votes of the Company). Johan E. Andreassen currently serves as the Chief Executive Officer of Atlantic Sapphire USA and, together with Interim Chief Operating Officer Bjørn-Vegard Løvik, owns Alsco AS which is the largest shareholder of the Company. Ellen Marie Sætre is married to Bjørn-Vegard Løvik and will therefore not be independent of the Company's main shareholders.

The following table provides information regarding the Directors as of the date of this Prospectus:

Name	Position	Served since	Expiry	Shares held	Options held
Johan E. Andreassen	Chairman	2010	AGM 2022	11,013,310[1]	311,188
André Skarbø	Director	2015	AGM 2022	962,915 [2]	0
Alexander Reus	Director	2018	AGM 2022	-	0
Patrice Flanagan	Director	2019	AGM 2022	4,900	5,000
Runar Vatne	Director	2019	AGM 2022	4,552,778[3]	0
Tone Bjørnov	Director	2020	AGM 2022	9,650	0
Ellen Marie Sætre	Director	2020	AGM 2022	0	0

1) Held through JEA Invest AS, which is wholly-owned by Johan E Andreassen, and through Alsco AS, which is jointly owned by Johan E. Andreassen and Bjørn-Vegard Løvik. The number of Shares held by Alsco AS has not been weighted according to ownership by Johan E. Andreassen and Bjørn-Vegard Løvik, but includes all shares held by Alsco AS.
2) Held through ASinvest AS. Andre Skarbø is the sole shareholder of ASinvest AS.
3) Held through Vatne Equity AS, a company wholly-owned by Runar Vatne (through Vatne Capital AS).

Below are brief biographies of each Director, along with disclosures about significant principal activities performed by them outside of the Company and the companies and partnerships of which each Director has been member of the administrative, management or supervisory bodies in the previous five years.

Johan E. Andreassen, Chairman

Johan E. Andreassen is one of the Company's co-founders and has served as the Company's Chief Executive Officer since from 2017 to 2020, and also in the period from 2010 to 2012. He has served as Chairman of the Board of Directors since 2010 and serves as the Chief Executive Officer of Atlantic Sapphire USA. Before the founding of the Company, Mr. Andreassen founded and led Villa Organic, a 30,000 tonnes capacity salmon farming company, which was subsequently sold to Lerøy and SalMar in 2010.

Mr. Andreassen is a Norwegian citizen, currently residing in Miami, Florida, USA.

<u>*Current directorships and senior management positions:*</u>	*JEA Invest AS (Chairman), Alsco AS (director), Platina Risk Management AS (Chairman), Villa Invest ANS (Partner), Angry Birds Miami, Inc. (Director).*

Previous directorships and senior management positions last five years:	*Platina Seafood, Inc. (CEO).*

André Skarbø, Director

André Skarbø has served as a Director since 2015. Mr. Skarbø is owner and managing director of Platina Seafood AS, a Norwegian fish distribution company headquartered in Stranda, Norway and also with offices in Miami, Florida, USA. Mr. Skarbø has been involved in the salmon processing and sales industry for 30 years.

Mr. Skarbø is a Norwegian citizen, currently residing in Stranda, Norway.

Current directorships and senior management positions:	*Platina Seafood AS (managing director and chairman), Platina Seafood Marked AS (managing director and chairman), Asinvest AS (managing director and chairman), Viking Group AS (chairman), Fiskerinæringens Innkjøpsselskap AS (chairman), Viking Øksnes AS (director), Vest Mat AS (director).*
Previous directorships and senior management positions last five years:	*None.*

Alexander Reus, Director

Alexander Reus has served as a Director since 2018. Mr. Reus is the founder and managing partner of DRRT, an international law firm specializing in securities litigation with offices in Miami, London, Frankfurt and Paris. Mr. Reus previously served on the board of director of TotalBank prior to its acquisition by City National Bank of Florida. He holds a J.D. from University of Heidelberg School of Law, a L.L.M. from University of Miami School of Law and a J.D. from University of Miami School of Law. Mr. Reus is also licensed as a solicitor in England and Wales as well as a European attorney registered in Germany. Mr. Reus is also a real estate investor and an active corporate director with the status of Fellow with the National Association of Corporate Directors.

Mr. Reus is a German citizen, currently residing in Miami Beach, Florida, USA.

Current directorships and senior management positions:	*DRRT (managing partner).*
Previous directorships and senior management positions last five years:	*TotalBank (now merged into City National Bank) (audit committee chair and director).*

Patrice Flanagan, Director

Patrice Flanagan has served as a Director since 2019. Ms. Flanagan has more than 35 years of experience in the US seafood industry. Ms. Flanagan worked for Slade Gorton & Co., a US seafood distributor, importer and manufacturer, for over 35 years. She most recently served as the Vice President of Fresh Seafood & Business Development until stepping down in 2019. She holds a degree in business management from Cambridge College.

Ms. Flanagan is a US citizen, currently residing in Boston, Massachusetts, USA.

Current directorships and senior management positions:	*N/A*

Previous directorships and senior management positions last five years:	*Slade Gorton & Co. (vice president of fresh seafood & business development), Lobster Trap (vice president of business development).*

Runar Vatne, Director

Runar Vatne has served as a Director since 2019. Mr. Vatne is the principal and owner of Vatne Capital, a family office investing in financial assets and real estate. He has extensive experience from the real estate sector, primarily from Søylen Eiendom, an Oslo based real estate company which he co-founded in 2004. Prior to Søylen Eiendom, Mr. Vatne was a Partner and stockbroker in Pareto Securities. Mr. Vatne also serves as board member of the listed company Gentian Diagnostics ASA, and has served on the board of other listed companies.

Mr. Vatne is a Norwegian citizen, currently residing in Oslo, Norway.

Current directorships and senior management positions:	*Restaurant Heftye AS (director), Villa Heftye (AS) Sky AS (CEO/director), Novelda AS (director), Leonessa AS (chairman), Vatne Art AS (chairman), Søylen President Harbitzgate AS (deputy direct), Lioness AS (chairman), Søylen Seksjonsdrift 2 AS (chairman), Vatne Finance 2 AS (chairman), Adventure Partners AS (director), AP Bergensgata AS (director),, , Bogstadveien 30 Eiendom AS (director), , , , Colosseum Park Syd AS (director), Elsero AS (director), Hegdehaugsveien 23 AS (director), Kalbold AS (director), Karl Johans Gate 13 AS (director), OK Self Storage Group AS (director), Ole Deviks Vei 2 Eiendom ANS (director), Schous Trening II AS (director), Sinsen og Grorud Eiendom Holding AS (director), Smestadgård Invest AS (director), Søylen Bakkekroa AS (director), Søylen Drammensveien AS (director), Søylen Dronningensgate 26 AS (director), Søylen Eckersbergsgaten 41 AS (director), Søylen Eiendom AS (director), Søylen Niels Juels Gate 40 AS (director), Søylen Næringseiendom AS (director), Søylen Prinsensgate AS (director), Søylen Seksjonsdrift AS (director), Søylen Ullevålsveien AS (director), Thereses Gate 28 Næring AS (director), Tveten Park AS (director), Vatne Capital AS (director), Vatne Equity AS (director), Vatne High Yield AS (director), Vatne Invest AS (director), Vatne Property AS (director), Vatne Trading AS (director), Nye Lioness AS (director), Nye Søylen Seksjonsdrift 2 AS (director), Bogstadveien 64 AS (director), Solli Eiendom AS (director), Aasheim Eiendom AS (director), Søylen 12 AS (director), Kongeveien 47 AS, Solon Realkapital AS (director), Furuset Lager AS (director), Aasheim Eiendom II AS (director), Grønnegate 10 AS (director), Kirkegata 19 AS (director), Teglverksveien Invest AS (director), GTP Invest AS (director), AKV Utvikling AS (director), Vatne Development AS (director), Solli Eiendom Holding AS (director), Solare AS (director), Sofiemyr Næring AS (director), Generaldirektørboligen AS (director), Nye Fløisbonnveien 2-4 AS (director), GBPK AS (director), Solon Eiendom ASA (director), Bogstadveien 1 Holding AS (director), Chokoladefabrikken Næring 5 AS (director), Chokoladefabrikken Næring 1 AS (director), Bogstadveien Portefølje Holding AS (director), Marmori AS (chairman), Vatne Partners AS (chairman), Self Storage Group ASA (chairman), Gentian Diagnostics ASA (director).*
Previous directorships and senior management positions last five years:	*Bryggetorget Invest AS (director), Bryggetorget 3 AS (director), Bonum Prosjekt 17 AS (director), Bogstadveien Invest AS (director), Bogstadveien 58 AS (director), Bjørungs AS (director), AS Bogstadveien 34 (director), Promenaden Egertorget AS (CEO), Rosenkrantzgate 11 AS (CEO), KS AS (CEO), Sagveien Næringsbygg*

Invest AS (CEO), Karl Johan Eiendom 23B ANS (CEO), Bryggetorget 3 AS (CEO), Kvadraturen Eiendom AS (CEO), Promenaden Management AS (CEO), Søylen Næringseiendom AS (CEO), Vatne International S.A.R.L (CEO), Vatne Trading AS (chairman), Søylen Eiendom AS (chairman), Vatne Racing AS (chairman), Søylen Drammensveien 39 AS (director), Promenaden Akersgata 16 AS (deputy director), Frysjaveien Forretningsbygg AS (director), Eurobo AS (chairman/ director), Frysjaveien 31 Holding AS (director), Concept Retail AS (director), Frogner Kino Eiendom AS (director), AP Professor Kohts Vei AS (director), Schous Trening II AS (director), Trippel V Eiendom ANS (director), Schous Trening II AS (director), Søylen Nordregate AS (director), Søylen Sagveien AS (director), Søylen Smedstad AS (director), Søylen 14 AS (director), Søylen 30 AS (director), Søylen Josefinesgate AS (director), Søylen Storgata 11 AS (director), Søylen Karl Johans Gate 13 AS (director), Smestadgård KS (director), Søylen Karl Johan AS (director), West Jernvarehandel AS (director), Søylen Karl Johan Eiendomsdrift AS (director), Drammensveien 39 AS (director), Felix Kurs- og Konferansesenter AS (director), Storgata 11 AS (director), Felix Kurs- og Konferansesenter DA (director), Parkeringsanlegg II AS (director), AP Bergensgata AS (director), Søylen Eiendom AS (director), Nedre Slottsgate 15 ANS (director), Ole Deviks vei KS (director), Rozenkrantzgate 11 Eiendom ANS (director), ØS 10 Eiendom AS (director), Promenaden NSG 13 AS (director), High Street Shopping AS (director), Promenaden Oslo AS (director), Prisen Invest AS (director), Tollbugaten 17 Eiendom AS (director), PrinseGaarden AS (director), Kirkegaten 20 Eiendom AS (director), Promenaden Nedre Slottsgate 23 AS (director), Promenaden Øvre Slottsgate 18-20 AS (director), Egertorget Invest AS (director), Eger Magasin Råd AS (director), Dronningensgate 15 Eiendom AS (director), Promenaden Grensen 17 AS (director), Promenaden Management AS (director), Akersgata 16 Invest AS (director), Akersgata 16 Invest KS (director), Akersgata 16 Eiendom ANS (director), Dronningensgate 15 Oslo AS (director), HSS Steen & Strøm AS (director), Akersgt 16 AS (director), KD Forvaltning AS (director), Promenaden Trend AS (director), Steen & Strøm Drift AS (director), Promenaden Classic AS (director), Promenaden Property AS (director), Øvre Slottsgate 18-20 AS (director), Nedre Slottsgate 23 Næring AS (director), HSS Karl Johans Gate 16 AS (director), Torvterrassen Eiendom AS (director), SPG Ole Deviksvei 6 AS (director), Grensen 17 AS (director), Drammensveien 39 Hjemmel AS (director), Kirkegaten 20 Oslo AS (director),Tollbugaten 17 Oslo AS (director), Grensen 17 Hjemmel AS (director), Mølleparken Invest AS (director), KS AS Sagveien Næringsbygg (director), Colletts Gate 33 AS (director), Yerevan Invest AS (director), Nedre Slottsgate 15 AS (director), APT VG58 AS (director), Canard AS (director), Drammensveien Utleie AS (director), Felleskost AS (director), Frysjaveien 31 Eiendomsinvest AS (director), Hjørungkroken 36-54 Borettslag (director), Karl Johans gate 13 Eiendom ANS (director),

	Kirkegårdsgata 1 Eiendom AS (director), Kjøpesenter Furuset AS (director), Krusesgate 3 Boligsameie (director), Ole Deviks Vei 2 Eiendom ANS (director), Ole Deviks Vei 4 Eiendom ANS (director), Ole Deviks Vei 6 Eiendom ANS (director), Ole Deviks Vei Invest AS (director), Sagveien Tower AS (director), SD Posthallen AS (director), Smestad Helsesenter ANS (director), Sørenga 1 Næring AS (director), Sørenga 5 Næring AS (director), Sørenga 51 Næring AS (director), Sørenga 7 Næring AS (director), Søylen 12 AS (director), Søylen Ole Deviks Vei AS (director), Søylen Tønsberg Brygge AS (director), Tveten Park AS (director), Vatne Finance AS (chairman).

Tone Bjørnov, Director

Tone Bjørnov is a full-time board member serving on the boards of several public and private companies. Her background is in bank and finance, including having served as an executive with DNB Bank. Ms. Bjørnov holds a business degree from the Norwegian School of Management (BI). Tone Bjørnov is a Norwegian citizen, currently residing in Oslo, Norway.

Current directorships and senior management positions:	*Dugnad AS (chair), Filmparken AS (chair), Storyline Studios AS (chair), Hausmann AS (chair),Aqua Bio Technology ASA (director), Varme & Bad AS (director), Alternis Energy Group PLC (director).*
Previous directorships and senior management positions last five years:	*Bien Sparebank ASA (director), Guard Automation AS (director), Guard Electro AS (director), Sparebankstiftelsen BIEN (director), Bank 1 Oslo Akershus AS (director), ABG Sundal Collier ASA (director), Intex Resources ASA (director), Serendex Pharmaceuticals AS (director), Storyline Studios AS (director), Spectrum ASA (director), Kongsberg Automotive ASA (director), Omsorgsbygg Oslo KS (deputy chair), TF Bank AB (director).*

Ellen Marie Sætre, Director

Ellen Marie Sætre is an educated veterinary from the Norwegian School of Veterinary Science (2006) and has since then worked as a consultant towards the fish farming industry in the company Åkerblå AS, with a particular focus on fish health. Ms. Sætre is a Norwegian citizen, currently residing in Vikebukt, Norway.

Current directorships and senior management positions:	*None.*
Previous directorships and senior management positions last five years:	*Kystlab AS (director).*

13.2 Management

The Group's executive management (the "**Management**") consists of nine individuals. The following table provides information regarding the members of the Management as at the date of this Prospectus:

Name	Position	Employed with the Group since	Shares held	Options held
Johan E. Andreassen	Chief Executive Officer of Atlantic Sapphire USA	2010	11,013,310[1])	311,188
Alejandro Castro	Chief Accounting Officer	2018	-	23,278
Bjørn-Vegard Løvik	Interim Chief Operating Officer	2010	9,939,540[2)]	-
Svein Taklo	Chief Development and Infrastructure Officer	2019	35,058	72,835
Karl Øystein Øyehaug	Chief Financing Officer and Managing Director	2018	17,665	28,861
Danielle Villoch	Chief Legal Officer	2020	487	20,000

1) Held through JEA Invest AS, which is wholly-owned by Johan E Andreassen, and through Alsco AS, which is jointly owned by Johan E. Andreassen and Bjørn-Vegard Løvik. The number of Shares held by Alsco AS has not been weighted according to ownership by Johan E. Andreassen and Bjørn-Vegard Løvik, but includes all shares held by Alsco AS.
2) Held through Alsco AS, which is jointly owned by Johan E. Andreassen and Bjørn-Vegard Løvik. The number of Shares held by Alsco AS has not been weighted according to ownership by Johan E. Andreassen and Bjørn-Vegard Løvik, but includes all shares held by Alsco AS.
3) Held through Innovative Aquaculture Investments AS.

The Company's registered business address, Daugstadvegen 445, 6392 Vikebukt, Norway, serves as business address for the Management with respect to their employment.

Below are brief biographies of each member of the Management, along with disclosures about significant principal activities performed by them outside of the Company and the companies and partnerships of which each member of the Management has been member of the administrative, management or supervisory bodies in the previous five years.

Johan E. Andreassen, Chief Executive Officer of Atlantic Sapphire USA

Please see Section 13.1 "Board of Directors" under "Johan E. Andreassen, Chairman".

Alejandro Castro, Chief Accounting Officer

Alejandro Castro has served as the Chief Accounting Officer since January 2021. Prior to that, Mr. Castra served as the Group Controller since 2018. Before joining Atlantic Sapphire, Mr. Castro held CFO and VP of finance positions in high growth international companies and worked in Audit and Transaction Advisory roles at Deloitte LLP. Mr. Castro holds a Master in Business Administration from Northwestern University – Kellogg School of Management. Additionally, he holds a Master of Science and a Bachelor of Science in Accounting from Florida International University.

Current directorships and senior management positions:	*None*
Previous directorships and senior management positions last five years:	*None*

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Bjørn-Vegard Løvik, Interim Chief Operating Officer

Bjørn-Vegard is one of the Company's co-founders and has served as a Director from 2010 to 2020. Mr. Løvik co-founded Villa Organic with Mr. Andreassen, which was subsequently sold to Lerøy and SalMar in 2010. Mr. Løvik has significant experience in the salmon farming industry, and the broader seafood industry. Mr. Løvik has worked in the seafood sector since 1993. He has served as the Interim Chief Operating Officer since March 2021.

Current directorships and senior management positions:	*Alsco AS (CEO, director), Prophylaxia AS (director), Innovative Aquaculture Investments AS (CEO, director), B&J Holding AS (director), Villa Group Invest AS (director), Hjelvik Gruppen AS (CEO, director), Prebio Invest AS (CEO, director), Pravda Accounting AS (director), Slamrensing AS (director), Kraftpartner AS (CEO, director), Hammeråsparken AS (CEO, director), Smk Lab Holding AS (director), Sintef Norlab AS (director), Vest Mat AS (director), Hauge Aqua Farming AS (director), Sesskraft AS (director), Føniks Næringshage AS (director), Irsea ARC AS (director), Sjøttpartner AS (CEO, director), VillaByen AS (CEO, director), Fiskeripartner AS (director), Prebio AS (director), Mosetertoppen Panorama AS (director).*
Previous directorships and senior management positions last five years:	*Pefa Gruppen AS (director), Pefa Miljø AS (director), Skog-Kompaniet AS (director).*

Svein Taklo, Chief Development and Infrastructure Officer

Svein Taklo has served as the Chief Development and Infrastructure Officer since October 2019. Prior to joining Atlantic Sapphire, Mr. Taklo served as the Vice President Marine & Technical for The World and as Chief Operational Officer and Senior Vice President of Maritime Operations for Hurtigruten. Mr. Taklo holds a bachelor's degree in Maintenance and Safety Technology from Høgskolesenteret i Vestfold in Norway and completed the Executive Education Program conducted by Wharton School of Business, University of Pennsylvania.

Current directorships and senior management positions:	*Infinite Invest AS (managing director and chairman), Operations360 LLC (manager).*
Previous directorships and senior management positions last five years:	*Hurtigruten (SVP Maritime Op. / COO), ROW Management Ltd (The World) (VP Marine & Tech).*

Karl Øystein Øyehaug, Managing Director and Chief Financing Officer

Karl Øystein Øyehaug has been employed as the Group's Finance Director since 2018 and was elected as Managing Director of the Company in May 2020. Prior to joining the Group, Mr. Øyehaug served as Equity Analyst at Carnegie Investment Bank in Oslo, Norway. Mr. Øyehaug holds a degree in economics & business administration from the Norwegian School of Economics (NHH) and was a Visiting Undergraduate Student in Business/Managerial Economics at Columbia University in the City of New York.

Current directorships and senior management positions:	*None.*

Previous directorships and senior management positions last five years:	*None.*

Danielle Villoch, Chief Legal Officer

Danielle Villoch is the Chief Legal Officer, and before joining the Company as Head of Legal in 2020, Ms. Villoch was a senior associate in the Projects and Infrastructure, Latin America, Capital Markets and Global Finance Practice Groups at Gibson, Dunn & Crutcher LLP in New York. While at Gibson Dunn, Ms. Villoch focused on infrastructure projects and various types of debt financing, with substantial experience in the U.S. and in Latin America. Danielle has a J.D. from the University of Pennsylvania Law School and a B.A. in Politics from Princeton University.

Current directorships and senior management positions:	*None.*
Previous directorships and senior management positions last five years:	*None.*

13.3 Remuneration and benefits

13.3.1 Remuneration of the Board of Directors

The total remuneration paid to the Board of Directors for the year ended 31 December 2020 was approximately USD 562,000 (including Board members who have only served for parts of 2020 and Directors who have stepped down from their positions). The following table sets forth the remuneration paid to the Directors in 2020:

Name and position	Total remuneration (in USD 1,000)
Johan E. Andreassen	-
André Skarbø	98
Alexander Reus	107
Runar Vatne	77
Patrice Flanagan	79
Tone Bjørnov	54
Ellen Marie Sætre	54

None of the Directors have service contracts and none will be entitled to any benefits upon termination of office, except for Johan E. Andreassen in his capacity as the Chief Executive Officer of Atlantic Sapphire USA, who is entitled as an employee to one year base salary and benefits as severance pay after termination of employment without cause.

13.3.2 Remuneration of the Management

The Board of Directors has established guidelines for the remuneration of the members of the Management. It is Company policy to offer the Management compensation that is competitive, both on industry and national (USA) levels. The remuneration consists of a base salary, together with a bonus and other benefits as set forth below. The Company has established a compensation committee, which will recommend compensation for senior executives and other employees to the Board of Directors for final approval in accordance with established guidelines.

The total aggregate remuneration paid to the members of Management for the year ended 31 December 2020 was USD 2.025 million (including members of Management who stepped down from their positions during 2020). The following table provides information regarding the remuneration paid during 2020 to the current members of Management:

(USD 1,000) Name	Salary	Bonus	Other remuneration	Pension costs	Total remuneration
Johan E. Andreassen	500	-	-	11	518
Alejandro Castro	175	30		7	212
Bjørn-Vegard Løvik[1)]	N/A	N/A	N/A	N/A	N/A
Karl Øystein Øyehaug	155	45	-	7	207
Svein Taklo	276	28	-	-	303
Danielle Villoch	180	28	10	8	227

1) Bjørn-Vegard Løvik was not employed by the Group during 2020. However, he received approximately USD 49,000 in remuneration as a Director (until 4 May 2020).

All the members of the executive management team have entered into employment agreements providing for severance pay of up to one-year base salary and benefits for termination without cause. Other than this, no employee has entered into any employment agreement providing for any special benefits upon termination.

13.4 Share based incentive programs

13.4.1 Long-Term Incentive Program

The Company believes that its ability to grant equity-based awards is a valuable compensation tool that enables the Company to attract, retain, and motivate its employees, consultants and directors by aligning their respective financial interests with those of the Company's shareholders. The principal features of the Company's equity incentive plan are summarized below.

The Board of Directors has adopted a share option plan as part of a long-term incentive ("**LTI**") program, which was approved by the annual general meeting of the Company on 23 June 2017. In June 2021, the annual general meeting of the Company approved and provided the Board of Directors with the authority to increase the share capital of the Company with up to NOK 200,000 through the issuance of up to 20,000,000 new shares each with a par value of NOK 0.10. The Board of Directors administers the plan and the awards granted thereunder.

Individual LTI grants will be determined based on the Group's performance, comparable market practices and performance. As of the date of this Prospectus, the individual LTI grants include the following, (i) Share options granted at the five-day trading average as of the date of grant, and (ii) performance-based Share options granted at a strike price of 30% above the five-day trading average as of the date of the grant. All share options referenced above and granted under the LTI program are subject to a four-year vesting period and certain other requirements.

Each share option grants the holder a right to require delivery of one (1) Share in the Company.

As of 31 December 2020, options to acquire 683,438 new Shares in the Company had been granted and remained outstanding under the LTI program. The share options outstanding as of 31 December 2020 had a weighted-average exercise price of NOK 111.98 per Share.

Please refer to Section 13.2 "Management" for an overview of the number of options held by each of the Management.

13.4.2 Grant of share options to Johan Andreassen

As part of a compensation package for Johan Andreassen, the general meeting of the Company on 12 May 2021 granted Andreassen 1 million share option allocated as follows:

1) 200,000 share options with a strike price of NOK 160, granted with effect from the annual general meeting in 2021;
2) 200,000 share options with a strike price of NOK 200, granted with effect from 1 May 2022;
3) 200,000 share options with a strike price of NOK 250, granted with effect from 1 May 2023;
4) 200,000 share options with a strike price of NOK 312, granted with effect from 1 May 2024; and
5) 200,000 share options with a strike price of NOK 400, granted with effect from 1 May 2025.

Each share option shall hold the right to receive one (1) share in the Company against payment of the abovementioned strike price, for a total amount equivalent to each share option tranche.

Each tranche of option shall vest over a period of four (4) years, with 25% of the options in each tranche vesting annually. Each tranche of options shall have a duration of 10 years following the grant date (term), which implies that the options shall expiry automatically if they have not been exercised within such term. Further terms and conditions for this stock options plan is set out in a separate stock option grant agreement, with all terms and conditions in accordance with standard market practices. Such further terms and conditions shall include customary terms for adjustment of strike price and number of options upon share capital changes in the Company, as well as customary claw-back provisions and other conditions relating to dedication of time and effort to the Company.

13.5 Employees

As of 31 December 2020, the Group had approximately 158 employees. As of 31 December 2020, approximately 85 worked in farming, 37 worked in development and infrastructure, 1 worked in CEO office, 10 worked in finance & legal, 9 worked in HR & ESAP (people & culture), 7 worked in marketing and sales, and 9 worked in technology.

The following table sets forth the Group's full-time employees, and their respective geographic locations, for the years ended 31 December 2020, 2019 and 2018.

	As of 31 December		
Location	**2020**	**2019**	**2018**
Norway	0	0	1
Denmark	26	28	13
US	132	59	23
Total	158	87	37

13.6 Pensions and retirement benefits

For the year ended 31 December 2020, the Group recognized an expense of approximately USD 411 thousands in pension costs, compared to approximately USD 202 thousand for the year ended 31 December 2019.

13.7 Audit committee

The audit committee is composed of the following three members: Alexander Reus, Ellen Marie Sætre and Tone Bjørnov. Pursuant to Section 6-42 of the Norwegian Public Limited Liability Companies Act, the audit committee is elected by the Board of Directors and must consist of members of the Board. At least one member of the audit committee shall be independent from the operations of the Company and shall also have qualifications within accounting or auditing. Board members who are senior employees in the Company may not be elected as members of the audit committee. The audit committee shall collectively have the competence which is necessary from the perspective of the organization and operation of the Company in order to fulfill its tasks.

Pursuant to Section 6-43 of the Norwegian Public Limited Liability Companies Act, the primary purposes of the audit committee are to:

- prepare the Board's supervision of the Company's financial reporting process;
- monitor the systems for internal control and risk management;
- have continuous contact with the Company's auditor regarding the audit of the annual accounts; and
- review and monitor the independence of the Company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

The audit committee reports and make recommendations to the Board of Directors. However, the members of the Board retain responsibility for implementing such recommendations.

13.8 Compensation committee

The Company has established a compensation committee composed of three Directors. The current members of the compensation committee are Alexander Reus, Runar Vatne and Peter Allan Skou. Mr. Reus is the chairperson of the compensation committee. The composition of the compensation committee meets the requirements for independence under the Corporate Governance Code (as defined below in Section 13.10 ("Corporate governance"). Each member of this committee is a non-employee Director.

The compensation committee is responsible for, among other things:

- reviewing and recommending compensation and the terms of any compensatory agreements of the Company's executive officers;
- reviewing and making recommendations with respect to the Company's share incentive plans and other equity compensation; and
- assisting in establishing the Company's overall compensation philosophy.

13.9 Nomination committee

Article 6 of the new Articles of Association (as described below in Section 14.11 "The Articles of Association") provide for a nomination committee composed of 2 or 3 members, and such nomination committee was approved in an extraordinary general meeting of the Company held on 16 April 2020. The nomination committee consists of Bjørn-Vegard Løvik (chair) and Kjell Bjordal. The members of the nomination committee are elected for terms of two years.

The nomination committee is responsible for proposing candidates for the Board of Directors and the nomination committee.

13.10 Corporate governance

The Company has adopted and implemented a corporate governance regime that complies with the Norwegian Code of Corporate Governance, dated 17 October 2018 (the "**Corporate Governance Code**"), with the following exceptions:

- The Company has previously granted share options to certain members of the Board of Directors (some of which are currently outstanding) and may also grant share options to members of the Board of Directors in the future; and
- Johan E. Andreassen holds the roles as both Chairman of the Board of Directors of the Company and Chief Executive Officer of Atlantic Sapphire USA. As such, members of the Group's Management are represented on the Board of Directors of the Company.
- The Board of Directors has not yet determined specific guidelines or principles with respect to dealing with take-over bids.

13.11 Conflicts of interests etc.

Johan E. Andreassen (Chairman and Chief Executive Officer of Atlantic Sapphire USA) and Bjørn-Vegard Løvik (Director) are third cousins. Ellen Marie Sætre (Director) is married to Bjørn-Vegard Løvik, who is the Interim Chief Operations Officer and a member of the nomination committee and, together with Johan E. Andreassen, owner of Alsco AS (the largest shareholder of the Company).

For the five years preceding the date of this Prospectus, none of the Directors or member of Management have, or had, as applicable

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company, or
- been declared bankrupt or been associated with any bankruptcy, receivership, liquidation or a company being put into administration in his or her capacity as a founder, director or senior manager of a company.

Other than as described above, there are currently no actual or potential conflicts of interest between the Company and the private interest or other duties of any Director and the members of the Management, including any family relationships between such persons.

14 CORPORATE INFORMATION; SHARES AND SHARE CAPITAL; SHAREHOLDERS

14.1 Incorporation; registration number; registered office and other Company information

The Company's legal and commercial name is Atlantic Sapphire ASA. The Company is a Norwegian public limited liability company (Nw: *allmennaksjeselskap*), incorporated under the laws of Norway and in accordance with the Norwegian Public limited Liability Companies Act. The Company's business registration number in the Norwegian Register of Business Enterprises is 895 436 232. The Company was incorporated on 15 March 2010.

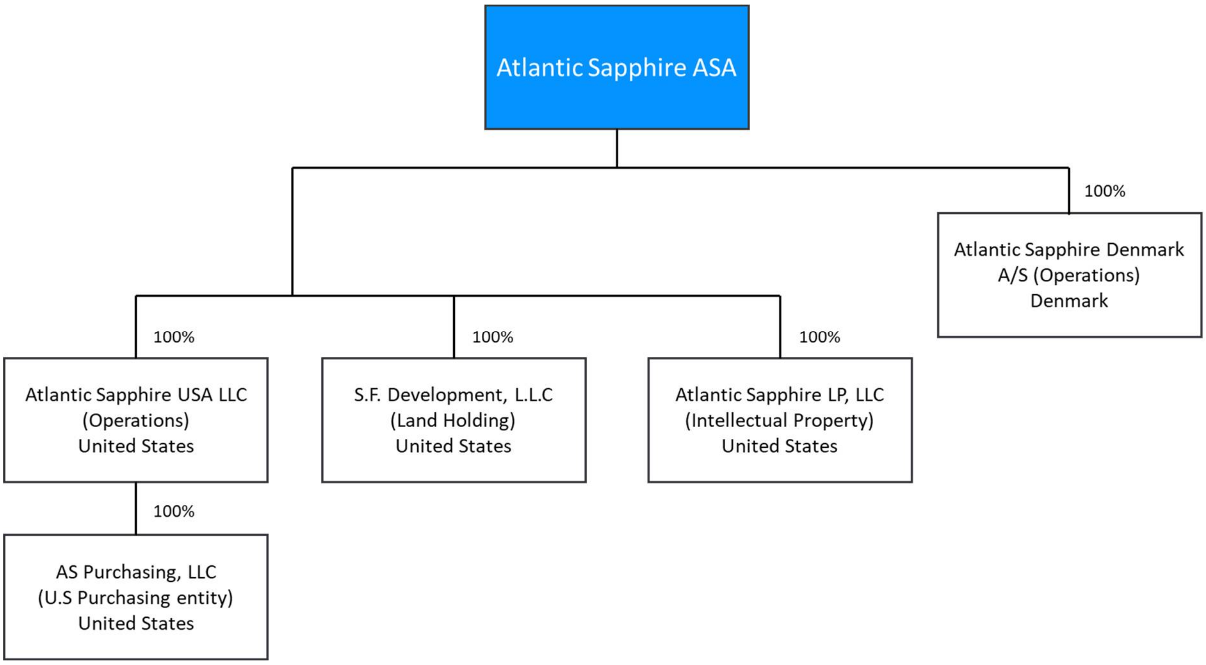
The head office and registered address of the Company is Daugstadvegen 445, 6392, Vikebukt, Norway, its telephone number +1 7864311404 and its website is https://atlanticsapphire.com/. The information included on https://atlanticsapphire.com/ does not form part of the Prospectus.

The LEI number of the Company is 213800WAVVOPS85N2205.

14.2 Legal structure

Atlantic Sapphire ASA is a holding company and is the parent company of the Group.

The Group consists of Atlantic Sapphire ASA and five subsidiaries. The following chart sets out the Group's legal structure as of the date of this Prospectus:



The table below contains a list of the Company's subsidiaries:

Company name	Country of incorporation	Field of activity	% holding	% of votes
Atlantic Sapphire Denmark A/S	Denmark	Operations	100	100
Atlantic Sapphire USA LLC	United States	Operations	100	100
AS Purchasing, LLC	United States	U.S. Purchasing entity	100*	100*
S.F. Development, L.L.C.	United States	Land holding	100	100

Atlantic Sapphire IP, LLC	United States	Intellectual property	100	100

* indirectly through Atlantic Sapphire USA LLC

14.3 The Shares

The share capital of the Company is NOK 9,104,855.10, divided into 91,048,551 ordinary Shares each with a nominal value of NOK 0.10. All the Shares have been created under the Norwegian Public Limited Liability Companies Act and are validly issued and fully paid. The Company's Shares are freely transferable.

The Shares of the Company are admitted to trading on the Oslo Stock Exchange and trade under the ticker symbol "ASA". The Shares are not admitted to trading on any other regulated market, third country market, SME Growth Market or MTF, and the Company has not applied for admission to trading of the Shares on any such market. However, the Company's shares are quoted on the OTCQX Best Market, a US market operated by OTC Markets Group, under the ticker "OTCQX:AASZF".

The Shares are registered in book-entry form with the VPS under ISIN NO 0010768500. The Company's register of shareholders with the VPS is administrated by DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway.

As of the date of this Prospectus, the Company does not hold any treasury shares, nor do any of its subsidiaries hold shares in the Company.

No entity has given any commitment to act as intermediary in secondary trading to provide liquidity through bid and offer rates.

14.4 Share capital development

The table below shows the Company's share capital development since 1 January 2018, until the date of this Prospectus:

Date of registration	Type of change	Change in share capital (NOK)	Share price (NOK)	Par value (NOK)	New number of Shares	New share capital (NOK)
09 May 2018	Share capital increase following a private placement	1,621,621.60	37	0.10	62,502,716	6,250,271.60
16 April 2019	Share capital increase following the exercise of options	30,852	2.70	0.10	62,811,236	6,281,123.60
28 May 2019	Share capital increase following a private placement	846,486,40	92.50	0.10	71,276,100	7,127,610
21 June 2020	Share capital increase following the exercise of options	1,000	28	0.10	71,286,100	7,128,610
16 September 2020	Share capital increase following a private placement	887,745.10	102	01.0	80,163,551	8,016,355.10

5 December 2020	Share capital increase following the exercise of options	50,000	28	0.10	80,663,551	8,066,355.10
4 January 2021	Share capital increase following the exercise of options	50,000	28	0.10	80,713,551	8,071,355.10
10 June 2021	Share capital increase following a private placement	1,030,000	98.60	0.10	91,013,551	9,101,355.10
25 September 2021	Share capital increase following the exercise of options	3,500	28	0.10	91,048,551	9,104,855.10

14.5 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public limited Liability Companies Act and the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The rights attaching to the Shares are described in section 14.12 "Certain aspects of Norwegian law".

14.6 Major shareholders

The table below shows the Company's 20 largest shareholders as recorded in the shareholders' register of the Company with the VPS as of 13 October 2021, the latest practical date prior to the date of this Prospectus.

#	Shareholder name	No. of Shares	Approx. % of total Shares
1	Alsco AS	9,819,540	10.78
2	Skagen Kon-Tiki Verdipapirfond	4,931,417	5.41
3	Vatne Equity AS	4,552,778	5.00
4	Morgan Stanley & Co. Int. Plc.*	4,451,597	4.89
5	The Bank of New York Mellon*	4,199,153	4.61
6	RBC INVESTOR SERVICES BANK S.A.*	3,053,315	3.35
7	UBS AG*	2,398,169	2.63
8	Citibank, N.A.*	2,242,951	2.46
9	J.P. Morgan Bank Luxembourg S.A.*	2,207,370	2.42
10	State Street Bank and Trust Comp*	1,904,223	2.09
11	U.S. Bank National Association*	1,847,598	2.03
12	The Northern Trust Comp, London Br*	1,759,000	1.93
13	Joh Johannson Eiendom AS	1,698,967	1.86
14	J.P. Morgan Bank Luxembourg S.A.*	1,273,311	1.40
15	Clearstream Banking S.A.*	1,082,526	1.19
16	JEA Invest AS	1,073,770	1.18
17	Pershing LLC*	1,028,841	1.13
18	AsInvest AS	982,915	1.08
19	Norsk Landbrukskjemi AS	900,000	0.99
20	UBS Switzerland AG*	882,724	0.79

* Indicates nominee accounts

Shareholders with ownership of 5% or more must comply with disclosure obligations according to the Norwegian Securities Trading Act section 4-2. The following shareholders hold an amount of Shares that exceeds the thresholds set out in the Norwegian Securities Trading Act section 4-2 per 13 October 2021(the latest practical date prior to the date of this Prospectus):

- Alsco AS;
- Skagen Kon-Tiki Verdipapirfond; and
- Vatne Equity AS.

All Shares have equal voting rights, with each Share holding one vote. Hence all major shareholders have the same voting rights relative to the number of Shares held.

The Company is not aware of any shareholders who through ownership or other arrangements control the Company. The Company is not aware of any arrangements, including in the Articles of Association, which at a later date may result in a change of control of the Company.

The Shares have not been subject to any public takeover bids.

14.7 Financial instruments – warrants and convertible securities

In the annual general meeting of the Company held on 12 May 2021, the Board of Directors was granted an authorization to raise convertible loans of up to NOK 150 million pursuant to the Public limited Liability Companies Act section 11-8. If such convertible loans are raised and later converted into shares in the Company, the share capital of the Company may be increased with up to NOK 4,035,677. The authorization is valid until the annual general meeting in 2022, however not later than 30 June 2022.

Save for the abovementioned and the options described in Section 13.4 "Share based incentive programs", neither the Company nor any of its subsidiaries has, as of the date of this Prospectus, issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries. Further, none of the companies in the Group has issued any convertible loans or subordinated debt or transferrable securities.

14.8 Authorisation to increase the share capital and to issue Shares

As of the date of this Prospectus, the Board of Directors holds the following authorization to increase the Company's share capital:

Date granted	Purpose	Possible increase of share capital	Amount utilized	Valid until
12 May 2021	The authorisation may be used to increase the share capital in connection with the share-based incentive programs as described in Section 13.4.	NOK 200,000	NOK 3,500	30 June 2022
12 May 2021	The purpose of the authorisation is to give the Board of Directors flexibility to carry out share capital increases, including private placements, in a swift and efficient manner when required.	NOK 1,600,000	1,030,000	30 June 2022

12 May 2021	The board is authorized to raise convertible loans of up to NOK 150 million.	4.035.677,00	-	30 June 2022

14.9 Authorisation to acquire treasury Shares

There are no existing authorisations for the Board of Directors to acquire treasury Shares.

14.10 Dividend policy

14.10.1 The dividend policy of the Company

Atlantic Sapphire does not expect to pay any dividend in the near future. The Company is focused on developing and commercializing its products, production methods and technology, as well as increasing facility capacity, and intends to retain future earnings to finance development activities, operations and growth of the business.

Any future decision to pay a dividend will also depend on the Company's financial position, operating profit, capital requirement and the terms and conditions of the Company's debt facilities. The Company has not previously distributed any dividends to its shareholders.

14.10.2 Manner of dividend payments

The Company's equity capital is denominated in NOK and all dividends on the Shares will therefore be declared in NOK. As such, investors whose reference currency is a currency other than NOK may be affected by currency fluctuations in connection with a dividend distribution by the Company. Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied will be the VPS Registrar's rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

14.11 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Prospectus. Please find below an in-house translation of certain of the provisions of the Articles of Association which are in force at the date of this Prospectus.

§ 1 Business name

The Company's business name is Atlantic Sapphire ASA. The Company is a public limited liability company.

§ 3 Objective

The objective of the Company is to engage and participate in land-based salmon production, both nationally and internationally, including through investments in other companies, and other activities in relation to this.

§ 5 The Board of Directors

The Company's Board of Directors consists of between 3 and 7 members pursuant to the general meeting's further decision. The chairman of the Board of Directors together with one Director jointly have the right to sign for and behalf of the Company. The Board of Directors may grant procuration.

§ 6 Nomination committee

The Company shall have a nomination committee of 2-3 members, elected by the general meeting.

The nomination committee shall propose candidates for the Board of Directors and the nomination committee. The proposals of the nomination committee shall be reasoned.

The members of the nomination committee shall be elected for terms of two years.

§ 7 General meetings

Documents relating to matters to be dealt with by the Company's general meeting, including documents that by law shall be included in or attached to the notice of the general meeting, do not need to be sent to shareholders if the documents are available at the Company's website.

The annual general meeting shall consider and decide the following matters:

1. *Approval of the annual accounts and the annual report, including distribution of dividend.*
2. *Other matters, which pursuant to law or the Articles of Association fall within the responsibility of the general meeting.*

The general meetings of the Company, including extraordinary general meetings, may be held in the municipality of Vestnes, in the municipality of Oslo or in Miami, Florida, USA, pursuant to the Board of Directors' decision.

§ 8 Relation to the Public Limited Companies Act

For other matters, reference is made to the Public Limited Liability Companies Act, as applicable from time to time.

14.12 Certain aspects of Norwegian law

14.12.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited liability company shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. In accordance with the requirements of the Norwegian Securities Trading Act, the Company will include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings, without any requirement of pre-registration.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a fourteen days' notice period until the next annual general meeting provided the company has procedures in place allowing shareholders to vote electronically.

14.12.2 Voting rights – amendments to the Articles of Association

Each of the Company's Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account (NOM-account). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

14.12.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under

Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the Company would seek to sell such rights on the shareholder's behalf.

14.12.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5 % or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Board of Directors is notified within seven days before the deadline for convening the general meeting and the demand is accompanied with a proposed resolution or a reason for why the item shall be on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

14.12.5 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital (and, for public limited liability companies, not exceed 10% of the Company's share capital), and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the general meeting of the Company's shareholders cannot be granted for a period exceeding 24 months.

14.12.6 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the company's website, at least one month prior to the general meeting to pass upon the matter.

14.12.7 Liability of directors

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Directors act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Company's Directors from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's Directors from liability or not to pursue claims against the Company's Directors is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

14.12.8 Indemnification of Directors

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Directors against certain liabilities that they may incur in their capacity as such.

14.12.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

14.12.10 Legal constraints on the distribution of dividend

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Public limited Liability Companies Act, the Company's capital requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. Norwegian law provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public limited Liability Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distributions still has net assets to cover (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains.

  The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividends shall be applied. Following the approval of the annual accounts for the last financial year, the general meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Public limited Liability Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Liability Companies Act and the Norwegian Public limited Liability Act do not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions for non-Norwegian resident shareholders to claim dividends. For further information on procedures for payment of dividends to non-Norwegian resident shareholders, please refer to Section 14.10.2 "Manner of dividend payments".

15 TAXATION

15.1 Norwegian taxation

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as of the date of the Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder. Please be warned that the tax legislation of an investor's tax jurisdiction and of the Company's country of incorporation may have an impact on the income received from the securities.

15.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends from the Company received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are currently taxable as ordinary income in Norway for such shareholders at an effective tax rate of 31.68% to the extent the dividend exceeds a tax-free allowance (i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which is then taxable at a flat rate of 22%, increasing the effective tax rate on dividends to 31.68%).

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (Norwegian: "*statskasseveksler*") with 3 months maturity. The allowance is calculated for each calendar year and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share.

Norwegian Corporate Shareholders

Dividends distributed from the Company to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are effectively taxed at a rate of 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is currently subject to tax at a flat rate of 22%).

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**") are as a general rule subject to Norwegian withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividend and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share. However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

15.1.2 Taxation of capital gains on realization of Shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal, with an effective tax rate of 31.68% (i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which is then taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses to 31.68%).

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 15.1.1 "Taxation of dividends", "Norwegian Personal Shareholders", above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain and cannot increase or produce a deductible loss. Any unused allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for the participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

15.1.3 Net Wealth Tax

Norwegian Personal Shareholders

The value of Shares is taken into account for net wealth tax purposes in Norway. The marginal net wealth tax rate is currently 0.85% of the value assessed. For assessment purposes, the Shares are valued to 55% of the total tax value of the Company as of 1 January of the year before the tax assessment year. However, if the share capital in the Company has been increased or reduced by payment from or to shareholders in the year before the tax assessment year, the Shares are valued to 55% of the total tax value of the Company as of 1 January of the tax assessment year. The value of debt allocated to the Shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 55%).

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are not subject to net wealth tax.

Non-Norwegian Personal Shareholders and Non-Norwegian Corporate Shareholders

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

15.1.4 VAT and Transfer Taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

16 SECURITIES TRADING IN NORWAY

16.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. The Oslo Stock Exchange is 100 % owned by Euronext Nordics Holding AS, a holding company established by Euronext N.V following its acquisition of Oslo Børs VPS Holding ASA in June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

16.2 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic Euronext inhouse developed trading system, Optiq®.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET) and 16.20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 18:00 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

The Oslo Stock Exchange offers an interoperability model for clearing and counterparty services for equity trading through LCH Limited, EuroCCP and Six X-Clear.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the NFSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

16.3 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The NFSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e., precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

16.4 The VPS and transfer of shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Euronext Nordics Holding AS.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the NFSA on an ongoing basis, as well as any information that the NFSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

16.5 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the NFSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote in general meetings on behalf of the beneficial owners.

16.6 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

16.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

16.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and as implemented in Norway in accordance with Section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

16.9 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above-mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

16.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

16.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the NFSA have electronic access to the data in this register.

17 SELLING AND TRANSFER RESTRICTIONS

17.1 General

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Prospectus shall not constitute an offer for Shares and this Prospectus is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Prospectus, the existing shareholder should not distribute or send the same or transfer the Shares to any person or in or into any jurisdiction where to do so would or might contravene with local securities laws or regulations. If an existing shareholder forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 17 "Selling and Transfer Restrictions".

The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to offer the Shares and this Prospectus shall not be accessed by any person in any jurisdiction in which it would not be permissible to offer the Shares.

Neither the Company nor its representatives, is making any representation to any purchaser of Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

The information set out in this Section 17 "Selling and Transfer Restrictions" is intended as a general guide only. If you are in any doubt about any of the contents of these restrictions, or whether any of these restrictions apply to you, you should obtain independent professional advice without delay.

17.2 Selling and transfer restrictions in the United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to qualified institutional buyers (QIBs) in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section 17.2.

Each purchaser of Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that:

- The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and, subject to certain exemptions, may not be offered or sold within the United States.

- The purchaser (and the person, if any, for whose account or benefit the purchaser is acquiring the Shares) was located outside the United States at the time the buy order for the Shares was originated, and continues to be located outside the United States, and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.

- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- The Company shall not recognise any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.

- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Each purchaser of the Shares within the United States purchasing Shares pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that:

- The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.

- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S,

(iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser will not deposit or cause to be deposited such Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act.

- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.

- The purchaser acknowledges that the Company shall not recognise any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.

- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

17.3 Selling and transfer restrictions in the EEA

Each person in a Relevant Member State (other than persons in Norway) must represent, warrant and agree that:

- it is a qualified investor within the meaning of Article 2I of the EU Prospectus Regulation; and

- in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in the offer have not been acquired on behalf of, nor with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

18 INCORPORATION BY REFERENCE AND DOCUMENTS

The Norwegian Securities Trading Act and the Norwegian Securities Trading Regulations, implementing Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, allow the Company to incorporate by reference information into this Prospectus that has been previously filed with the Oslo Stock Exchange or the NFSA in other documents.

The information which has been incorporated into this Prospectus by reference is set out in Section 18.1 "Cross reference table", and this Prospectus should be read in conjunction with the documents set out therein.

18.1 Cross reference table

The information incorporated by reference in this Prospectus should be read in connection with the following cross reference table. References in the table to "Annex" and "Items" are references to the disclosure requirements as set forth in the Norwegian Securities Trading Act cf. the Norwegian Securities Trading Regulations by reference to such Annex (and Item therein) of the Commission delegated Regulation (EU) 2017/1129.

Section in the Prospectus	Disclosure requirement	Reference document and link	Page (P) in reference document
12, 19.1	Audited historical financial information covering the latest three financial years and the audit report in respect of each year (Annex 1, Item 18.1.1 and 18.3.1)	**Annual Report 2020** https://atlanticsapphire.com/wp-content/uploads/2021/04/20210414-Atlantic-Sapphire-ASA-Integrated-Annual-ESG-Report-for-2020.pdf **Annual Report 2019** https://atlanticsapphire.com/wp-content/uploads/2021/02/Atlantic-Sapphire-AS-Annual-Report-2019.pdf **Annual Report 2018** https://atlanticsapphire.com/wp-content/uploads/2021/02/20190919-Atlantic-Sapphire-H1-2019-Group-Financial-Statement-signed-1.pdf	p. 84 (financial statements) p. 161 (audit report) p. 11 (financial statements) p. 82 (audit report) p. 11 (financial statements) p. 5 (audit report)
12	Interim financial information (Annex 1, item 18.2.1)	**1H Report 2021** https://atlanticsapphire.com/wp-content/uploads/2021/08/20210826-Atlantic-Sapphire-ASA-Interim-Group-Financials-for-the-Six-Months-Ended-June-30-2021.pdf **1H Report 2020** https://atlanticsapphire.com/wp-content/uploads/2021/02/Atlantic-Sapphire-ASA-H1-2020-Group-Financial-Statements-28-August-2020.pdf	p. 3 (financial statements) p. 3 (financial statements)

18.2 Documents on display

For twelve months from the date of this Prospectus, copies of the following documents will be available for inspection at the Company's registered office during normal business hours from Monday through Friday each week (except public holidays) and on www.atlanticsapphire.com:

- The Articles of Association of the Company.
- The Company's audited annual financial statements for the years ended 31 December 2020, 31 December 2019 and 31 December 2018.
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Prospectus.
- This Prospectus

19 ADDITIONAL INFORMATION

19.1 Independent auditor

The Company's independent auditor is BDO AS, which has registration no. 993 606 650 and registered address at Munkedamsveien 45A, 0250 Oslo. BDO AS has been the Company's independent auditor since January 2016. The partners of BDO AS are members of The Norwegian Institute of Public Accountants (Nw: *Den Norske Revisorforening*).

BDO AS has audited the Company's Annual Financial Statements, incorporated by reference in this Prospectus. BDO AS not audited, reviewed or produced any report on any other information in this Prospectus.

19.2 Joint Global Coordinators

The Managers acted as joint global coordinators to the Company in connection with the Private Placement.

19.3 Advisors

Advokatfirmaet CLP is acting as legal adviser (as to Norwegian law) to the Company in connection with the Private Placement and the listing of the Non-Tradable Shares. Advokatfirmaet BAHR AS acted as legal adviser (as to Norwegian law) to the Managers in connection with the Private Placement.

19.4 Confirmation regarding sources

The Company confirms that when information in this Prospectus has been sourced from a third party it has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

20 DEFINITIONS

Defined term	Meaning
Annual Financial Statements	The Group's audited consolidated financial statements as of, and for the years ended, 31 December 2020, 31 December 2019 and 31 December 2018.
APM	Alternative Performance Measure.
Articles of Association	The Company's articles of association.
Atlantic Sapphire	The Company.
Atlantic Sapphire Denmark	Atlantic Sapphire Denmark A/S.
Atlantic Sapphire USA	Atlantic Sapphire USA LLC.
Billund	Billund Aquakulturservice A/S.
Bluehouse	Bluehouse®, the Group's production technology.
Board of Directors	The Company's board of directors.
CAGR	Compound annual growth rate.
Clean Water Act	The US Federal Water Pollution Control Act.
Company	Atlantic Sapphire ASA.
Contractors	Wharton-Smith Inc. and Hazen and Sawyer, D.P.C.
Corporate Governance Code	The Norwegian Corporate Governance Code, last updated 17 October 2018.
GWT	Gutted Weight equivalent Tonnes.
Credit Facility	The credit agreement dated as of 21 April 2020 (as amended, amended and restated, supplemented or otherwise modified from time to time), by and among Atlantic Sapphire USA LLC and Atlantic Sapphire Denmark A/S, as borrowers, Atlantic Sapphire AS, as parent guarantor, S.F. Development, L.L.C., AS Purchasing, LLC and Atlantic Sapphire IP, LLC, as subsidiary guarantors, DNB Bank ASA, New York Branch, as administrative and collateral agent and the lenders party thereto from time to time.
Denmark Bluehouse	The Group's production operations in Hvide Sande, Denmark.
Denmark Bluehouse Fire	The fire that erupted in Denmark Bluehouse on 15 September 2021.
DHHS	The US Department of Health and Human Service.
Director(s)	Member(s) of the Board of Directors.
DKK	The lawful currency of Denmark.
DNB Markets	DNB Markets, a part of DNB Bank ASA.
EBITDA	Earnings before interest, taxes, depreciation and amortization.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC.
EUR	The lawful common currency of the EU member states who have adopted the Euro as their sole national currency.
EPA	The US Environmental Protection Agency.
Existing Credit Facility	The credit agreement dated as of 19 February 2019, among Atlantic Sapphire USA LLC and Atlantic Sapphire Denmark A/S, as co-borrowers, the Company, as parent guarantor, S.F. Development, L.L.C, Atlantic Sapphire IP, LLC and AS Purchasing, LLC, as subsidiary guarantors, the lenders party thereto, EKF Denmark's Export Credit Agency, DNB Bank ASA, New York Branch, as administrative agent, collateral agent and EKF agent and DNB Capital LLC, as mandated lead arranger and sole bookrunner.
FAO	The Food and Agriculture Organization of the United Nations.

FDA	The Food and Drug Administration of the US Department of Health and Human Service.
Financial Statements	The Annual Financial Statements and the Interim Financial Statements together.
Group	The Company and its subsidiaries.
HOG	The head-on-gutted measurement.
Homestead Bluehouse.....................	The Group's production operations in Homestead, USA.
Interim Financial Statements...........	The Company's unaudited financial statements as of and for first six months periods ended 30 June 2021 and 2020
IFRS	International Financial Reporting Standards as adopted by the EU.
Joint Global Coordinators	The syndicate of banks engaged by the Company to assist and advise the Company on the Private Placement.
LTI	Long-term incentive.
Management...................................	The members of the executive management of the Group.
Managers	The Joint Global Coordinators.
New Shares.......................................	The Non-Tradable Shares and the Tradable Shares issued in the Private Placement.
NFSA	The Financial Supervisory Authority of Norway.
NOK	The lawful currency of Norway.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders.....................	Shareholders who are individuals not resident in Norway for tax purposes.
Non-Tradable Shares........................	The 3,594,741 new Shares in the Company issued in the Private Placement which are subject to approval of this listing prospectus prior to listing and trading on Oslo Stock Exchange.
Norwegian Corporate Shareholders...................	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes.
Norwegian Personal Shareholders...	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended).
OHL Contract	Standard Form Agreement *(Document A102 – 2007)*, dated as of 13 December 2017.
Oslo Stock Exchange	Oslo Børs, a Norwegian stock exchange being part of Euronext® operated by Oslo Børs ASA.
Platina	Platina Seafood Inc., a company wholly-owned by the Chairman of the Board of Directors of the Company and Chief Executive Officer, Johan E. Andreassen.
PLCA	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (as amended).
Prospectus......................................	This prospectus dated 22 October 2021.
QIBs...	Qualified institutional buyers, as defined in Rule 144A under the U.S. Securities Act.
RAS..	Recirculating aquaculture systems.
Regulation S	Regulation S under the U.S. Securities Act.
Rule 144A	Rule 144A under the U.S. Securities Act.
Share(s)	The existing outstanding shares in the Company.
Tradable Shares...............................	The 6,705,259 new Shares in the Company issued in the Private Placement which were issued pursuant to the exemption from the prospectus requirements and thus immediately tradable.
U.S. Securities Act............................	The United States Securities Act of 1933, as amended.

USD	The lawful currency of the United States of America.
USDA	The US Department of Agriculture.
VPS	The Norwegian Central Securities Depository (Nw: *Verdipapirsentralen*).
VPS Registrar	The Company's registrar in the VPS, being DNB Verdipapirservice.

APPENDIX A – ARTICLES OF ASSOCIATION

VEDTEKTER FOR ATLANTIC SAPPHIRE ASA

(org.nr. 895 436 232)
(sist endret 2. september 2021)

§ 1 Foretaksnavn
Selskapets foretaksnavn er Atlantic Sapphire ASA. Selskapet er et allmennaksjeselskap.

§ 2 Forretningskontor
Selskapets forretningskontor er i Vestnes kommune.

§ 3 Virksomhet
Selskapets virksomhet er å engasjere seg og delta i landbasert lakseproduksjon, både nasjonalt og internasjonalt, herunder gjennom investeringer i andre selskaper, og annen virksomhet tilknyttet dette.

§ 4 Aksjekapital
Selskapets aksjekapital er NOK 9 104 855,10 fordelt på 91 048 551 aksjer, hver aksje pålydende NOK 0,1. Selskapets aksjer skal være registrert i Verdipapirsentralen (VPS).

§ 5 Ledelse
Selskapets styre består av 3 til 7 styremedlemmer etter generalforsamlingens nærmere beslutning. Styremedlemmer kan velges med kortere valgperiode enn 2 år.

Selskapets firma tegnes av styreleder og ett styremedlem i fellesskap. Styret kan meddele prokura.

§ 6 Valgkomité
Selskapet skal ha en valgkomité på 2-3 medlemmer valgt av generalforsamlingen.

ARTICLES OF ASSOCIATION FOR ATLANTIC SAPPHIRE ASA

(reg.no. 895 436 232)
(last amended on 2 September 2021)

§ 1 Business name
The Company's business name is Atlantic Sapphire ASA. The Company is a public limited liability company.

§ 2 Registered office
The Company's registered office is in the municipality of Vestnes, Norway.

§ 3 Objective
The objective of the Company is to engage and participate in land-based salmon production, both nationally and internationally, including through investments in other companies, and other activities in relation to this.

§ 4 Share capital
The Company's share capital is NOK 9,104,855.10 divided into 91,048,551 shares, each with a par value of NOK 0.1. The Company's shares shall be registered with the Norwegian Central Securities Depository (Nw: Verdipapirsentralen).

§ 5 The Board of Directors
The Company's Board of Directors consists of between 3 and 7 members pursuant to the general meeting's further decision. Members of the Board of Directors may be elected with shorter election periods than 2 years.

The chairman of the Board of Directors together with one Director jointly have the right to sign for and on behalf of the Company. The Board of Directors may grant procuration.

§ 6 Nomination committee
The Company shall have a nomination committee of 2-3 members, elected by general meeting.

Valgkomiteen skal foreslå kandidater til styret og valgkomité. Valgkomiteens innstillinger skal begrunnes.

The nomination committee shall propose candidates for the board of directors and the nomination committee. The proposals of the nomination committee shall be reasoned.

Valgkomiteens medlemmer velges for to år av gangen.

The members of the nomination committee shall be elected for terms of two years.

§ 7 Generalforsamling

Dokumenter som gjelder saker som skal behandles i selskapets generalforsamling, herunder som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjeeierne dersom dokumentene er tilgjengelige på selskapets hjemmeside.

§ 7 General meetings

Documents relating to matters to be dealt with by the Company's general meeting, including documents that by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if the documents are available at the Company's website.

Den ordinære generalforsamling skal behandle:

1. Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
2. Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

The annual general meeting shall consider and decide the following matters:

1. Approval of the annual accounts and the annual report, including distribution of dividend.
2. Other matters, which pursuant to law or the Articles of Association fall within the responsibility of the general meeting.

Generalforsamlinger i selskapet, herunder ekstraordinære generalforsamlinger, kan avholdes i Vestnes kommune, i Oslo kommune eller i Miami, Florida, USA, etter styrets beslutning.

The general meetings of the Company, including extraordinary general meetings, may be held in the municipality of Vestnes, in the municipality of Oslo or in Miami, Florida, USA, pursuant to the Board of Directors' decision.

§ 8 Forholdet til allmennaksjeloven

For øvrig henvises til den til enhver tid gjeldende aksjelovgivning.

§ 8 Relation to the Public Limited Companies Act

For other matters, reference is made to the Public Limited Liability Companies Act, as applicable from time to time.

REGISTERED OFFICE

Atlantic Sapphire AS
Daugstadvegen 445
6392 VIKEBUKT
Norway