ATLANTIC SAPPHIRE®

Interim Consolidated Financial Statements

Six Months Ended
30 June 2024

In Accordance with
International Financial
Reporting Standards

2024

Statement by the Board of Directors and CEO

30 June 2024 Interim Consolidated Financial Statements

The Board of Directors and CEO have today considered and approved the interim consolidated financial statements of Atlantic Sapphire ASA (collectively, “Atlantic Sapphire”, the “Company”, or the “Group”) for the period 1 January 2024 to 30 June 2024.

To the best of our knowledge, we declare that the condensed set of interim consolidated financial statements, which have not been audited or reviewed by the Group’s independent auditors, has been prepared in accordance with IAS 34, Interim Financial Reporting, and provides a true and fair view of the Group’s assets, liabilities, and financial position as of 30 June 2024, as well as the Group’s overall results for the period 1 January 2024 to 30 June 2024.

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

THE BOARD OF DIRECTORS
AND CEO

VIKEBUKT,
20 AUGUST 2024

KENNETH JARL ANDERSEN
Chairman

PEDRO COURARD
CEO

EIRIK WELDE
Deputy Chairman

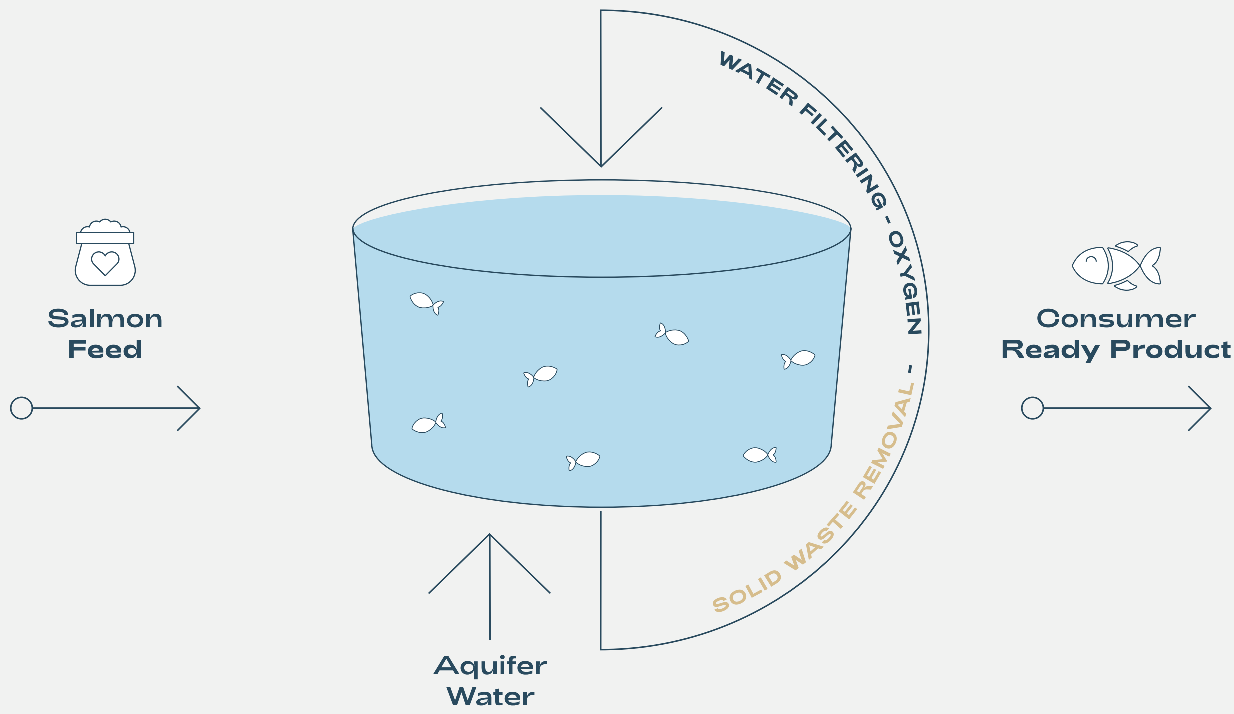
ELLEN MARIE SÆTRE
Director

PATRICK DEMPSTER
Director

MARTA ROJO ALONSO
Director

Key Highlights
Half Year 2024

- Approximately 2,875t RLW gross biomass gain and total harvest volume of 2,395t HOG for H1 2024.
- Increase in revenue driven by higher volume and partly offset with low sales price achievement.
- Consistent price achievement on premium fish.
- Overall cost per kg of biomass produced decreased compared to the same period in 2023.
- Continued streamlining of the organization, strengthening of operational resources, and focus on brand development to promote brand awareness and recognition.
- Good biological development and operating conditions with low mortalities, improved growth per batch, stable water temperature, and stable water quality.
- Optimization towards US Phase 1 proven state through further fine-tuning of the facility for a safer production environment and improved biomass gain.
- US Phase 2 construction currently kept at a minimum with a focus on the design and optimization of the overall project's quality and cost.
- Strengthened the balance sheet through a NOK 369.0m (USD 35.0m) in gross proceeds through a private placement in February 2024.
- Extension of the debt facilities with DNB to October 2026.



Key Figures

Unaudited (USD 1,000)	30 June 2024	30 June 2023	31 Dec 2023
Operating revenue	11,196	8,058	13,995
EBIT	(47,901)	(43,703)	(126,188)
EBIT %	-427.84%	-542.36%	-901.66%
EBITDA	(39,873)	(36,375)	(112,349)
Net loss	(52,011)	(48,377)	(133,758)
Earnings per share			
Retrospectively adjusted basic earnings per share	(0.53)	(2.01)	(3.28)
Retrospectively adjusted diluted earnings per share	(0.53)	(2.01)	(3.28)
Non-IFRS measures			
EBIT	(47,901)	(43,703)	(126,188)
Add back:			
Depreciation and amortization	8,028	7,328	13,839
Fair value adjustment on biological assets	(6,746)	2,917	14,095
EBITDA, pre-fair value adjustment on biological assets	**(46,619)**	**(33,458)**	**(98,254)**
Add back:			
Impairment of non-current assets	-	-	35,000
EBITDA, adjusted *	**(46,619)**	**(33,458)**	**(63,254)**
Total assets	328,447	365,654	342,258
Capital expenditures	6,003	14,551	21,399
Net interest-bearing debt	22,631	20,991	4,895
Equity share	80.60%	83.29%	82.73%

* EBITDA adjusted for fair value adjustment on biological assets and impairment of non-current assets

Unaudited	30 June 2024	30 June 2023	31 Dec 2023
Volume of fish harvested during the period (tons gutted weight)	2,395	870	1,545
EBIT / kg (gutted weight)	(20.00)	(50.23)	(81.68)
EBIT, pre-fair value adjustment on biological assets / kg (gutted weight)	(22.82)	(46.88)	(72.55)
EBIT, adjusted ** / kg (gutted weight)	(22.82)	(46.88)	(49.90)

** EBIT adjusted for fair value adjustment on biological assets and impairment of non-current assets

Group Financial Performance

Going Concern

The Board confirms that it is appropriate to prepare the interim consolidated financial statements for the period 1 January 2024 to 30 June 2024 based on a going concern assumption pursuant to section 3-3a of the Norwegian Accounting Act. This confirmation is based on the Group's results, financial position, business strategy, forecasted performance in future periods including expansion into Phase 2, and planned capital raises.

Given the operational underperformance in the first half of 2024, the Group has engaged financial advisors to increase additional funding which is required to operate and optimize US Phase 1 and improve operational performance. On 20 August 2024, the Group announced that a subscription right issue will be issued to raise USD 80.0m in net equity and convertible loan proceeds to the Company with 100% of the rights issue guaranteed by a list of investors. The Group expects the rights issue to be completed with funds available by mid-October 2024. Further, the Company entered into an agreement with DNB, its main lender, to provide bridge financing of up to USD 10.0m to fund the Group until the equity issue is completed. DNB has also agreed to a reduction of its minimum liquidity covenant, in which the Group's required minimum restricted cash balance was reduced from USD 15.0m to USD 10.0m.

The expected capital to be raised in the equity issue will be used to improve the performance of the current operations by removing bottlenecks and reducing operational risk, ramping up production, and funding the commissioning of the CAPEX items identified to achieve them.

Overall Group Operations

Group net loss for the six months ended 30 June 2024 (the "Current Period") was USD 52.0m, which represents an increase in net loss of USD 3.6m compared to the Group's net loss of USD 48.4m for the six months ended 30 June 2023 (the "Prior Period"). The increase is attributed to the fact that the Current Period had higher cost of goods sold associated with higher harvest volumes, offset by overall price achievement. Further, the Group also had higher operating expenses attributed to an increase in insurance, bad debt, and certain personnel costs. The Group also recognized an upward fair value adjustment to biological assets in the Current Period versus a downward fair value adjustment to biological assets in the Prior Period, which offset the overall increase in cost of goods sold.

Revenue and Harvest Volume

The Group's revenue for the six months ended 30 June 2024 was USD 11.2m, which represents an increase of USD 3.1m compared to the Group's revenue of USD 8.1m for the six months ended 30 June 2023. Total volume of fish harvested for the Current Period was 2,395t HOG, which represents a 1,525t HOG increase in comparison to the Group's harvest volume of 870t HOG for the Prior Period. The Group resolved to lower overall standing count in the farm to optimize water quality parameters towards the remaining standing biomass. This resulted in an overall increase in revenue from volume with an overall lower average price achievement driven by lower harvest weights.

Cost of Goods Sold

The Group's cost of goods sold for the six months ended 30 June 2024 was USD 46.9m, which represents an increase of USD 10.5m over the Group's cost of goods sold of USD 36.4m for the six months ended 30 June 2023. The overall increase in cost of goods sold was attributed to the increase in overall harvest volumes, while offset by a decrease in mortality write-downs and improved utilization of the US Phase 1 facility's total capacity.

Of the Current Period amount of USD 46.9m (vs USD 36.4m in the Prior Period), USD 35.2m was attributed to cost of fish sold (vs USD 12.4m in the Prior Period), USD 0.9m was attributed to mortality (vs USD 7.4m in the Prior Period), USD 7.8m was attributed to excess production costs from underutilized plant capacity (vs USD 13.4m in the Prior Period), and USD 3.0m was attributed to processing and shipping costs (vs USD 3.2m in the Prior Period).

Fair Value Adjustment on Biological Assets

The Group recorded a net gain on accumulated fair value adjustments on biological assets of USD 6.7m for the six months ended 30 June 2024 to bring the accumulated fair market value adjustment of biological assets to negative USD 15.1m. In comparison, the Group recorded a net loss on accumulated fair value adjustments on biological assets of USD 2.9m for the six months ended 30 June 2023 to bring the accumulated fair market value adjustment of biological assets to negative USD 10.7m. The gain was primarily attributed to the fact that a large share of the previous lead batches affected by operational challenges from Q4 2022 through Q2 2023, which previously bore an accumulated fair market value adjustment of negative USD 21.9m as of 31 December 2023, were harvested by 30 June 2024.

Salary and Personnel Costs

The Group's administrative salary and personnel costs for the six months ended 30 June 2024 was USD 5.1m, which represents an increase of USD 2.5m compared to the Group's salary and personnel costs of USD 2.6m for the six months ended 30 June 2023. The increase was primarily attributed to transition costs related to the restructure of upper management. Further, the amount of share-based compensation recognized for the six months ended 30 June 2024 (USD 0.9m) was higher compared to that of the six months ended 30 June 2023 (USD 0.2m).

Selling, General, and Administrative Costs

The Group's selling, general, and administrative costs ("SG&A") for the six months ended 30 June 2024 were USD 5.8m, which represents an increase of USD 1.5m compared to the Group's SG&A of USD 4.3m for the six months ended 30 June 2023. The increase was primarily driven by an increase in insurance as well as an allowance for doubtful accounts recognized of USD 0.6m in the Current Period.

Other Income, Net

The Group's other income, net for the six months ended 30 June 2024 was USD 47k, which represents a decrease of USD 1.8m compared to the Group's other income, net of USD 1.8m for the six months ended 30 June 2023. The decrease was primarily attributed to the fact that 2023 amounts primarily consisted of biomass insurance proceeds due to higher mortality levels in prior periods.

Depreciation and Amortization

The Group's depreciation and amortization for the six months ended 30 June 2024 was USD 8.0m, which represents an increase of USD 0.7m compared to the Group's depreciation and amortization of USD 7.3m for the six months ended 30 June 2023. The increase was primarily attributed to depreciation from net changes in biomass, in which a net amount was expensed rather than capitalized towards the cost of production of biological assets when comparing the six months ended 30 June 2024 vs 2023.

Finance Expense, Net

The Group's net finance expense for the six months ended 30 June 2024 was USD 4.1m, which represents a USD 0.6m decrease of the Group's net finance expense of USD 4.7m for the six months ended 30 June 2023. The increase was primarily attributed to an overall lower level of finance and commitment fees incurred in the Current Period in comparison to the Prior Period.

Group Financial Position

The Group's total assets as of 30 June 2024 were USD 328.4m, which represents a decrease of USD 13.9m compared to the Group's total assets of USD 342.3m as of 31 December 2023. The decrease is primarily attributed to an overall decrease in current assets.

The Group's total equity as of 30 June 2024 was USD 264.7m, which represents a decrease of USD 18.4m compared to the Group's total equity of USD 283.1m as of 31 December 2023. The decrease is primarily attributed to capital raise proceeds offset by accumulated losses.

The Group completed capital raises on 16 March 2023 for NOK 595m (~USD 56.4m), 28 April 2023 for NOK 32.5m (~USD 3.0m), 19 September 2023 for NOK 702m (~USD 64.8m), 19 November 2023 for NOK 24.7m (~USD 2.3m), and 29 February 2024 for NOK 369.0m (~USD 35.0m). As of 30 June 2024, 112,108,442 shares were issued and outstanding (27,897,302 as of 30 June 2023, retrospectively stated for the 30 May 2024 reverse stock split).

The Group's total liabilities as of 30 June 2024 were USD 63.7m, which represents an increase of USD 4.6m compared to the Group's total liabilities of USD 59.1m as of 31 December 2023. The increase was primarily attributed to USD 6.0m drawn on the RCF offset by principal payments against the US Term Debt. As of 30 June 2024, USD 46.9m was outstanding on the Group's amended 2020 Credit Facility (USD 42.1m as of 31 December 2023) and the Group's net interest-bearing debt was USD 22.6m (USD 4.9m as of 31 December 2023).

The Group's debt to equity ratio as of 30 June 2024 was 24.1%, which represents an increase of 3.2% from 20.9% as of 31 December 2023. The increase was primarily attributed to an increase in outstanding RCF draws and the overall lower equity level between the comparable periods.

On 25 March 2024, the eleventh amendment to the 2020 Credit Facility was formally signed and committed. The debt was structured under many of the same key terms while others were modified. Of note, the maturity date was extended to 21 October 2026 and the borrowing base on the RCF was extended to include additional biomass and higher trade receivable levels. The total amounts were restructured into a fully committed credit facility of USD 162.1m, of which USD 42.1m was attributed to the drawn US Term Loan, USD 20.0m was attributed to the RCF, and USD 100.0m is attributed to a delayed undrawn Term Loan for Phase 2 capital expenditures. The EBITDA covenants and delay draw term loan incurrence test levels were also reset, and the Company incurred amendment and waiver fees of approximately USD 1.1m.

On 28 June 2024, the twelfth amendment to the 2020 Credit Facility was formally signed and committed. The twelfth amendment reset the required Q2 2024 EBITDA covenant levels while significantly all other key terms, including the debt structure, remained the same as the previous amendment.

The Group was compliant with its covenants as of 30 June 2024 under the provisions of the twelfth amendment. Given that only Q2 2024 EBITDA covenant levels were reset, the Group is actively monitoring its financial projections and compliance with financial covenants and is in active dialogue with its Lender to either reset its covenant levels or to obtain the necessary waiver should it be necessary in future periods.

Group Cash Flows

Group net cash outflows from operations for the six months ended 30 June 2024 were USD 40.0m, which represents an increase of USD 3.5m cash outflows compared to the Group's cash outflows from operations of USD 36.5m for the six months ended 30 June 2023. The change in Group cash flow from operations was due to a higher level of losses in the Current Period compared to the Prior Period, primarily driven by the higher level of cost of goods sold from higher harvest volumes and an overall decrease in price achievement.

Group net cash outflows from investing activities for the six months ended 30 June 2024 were USD 7.6m, which represents a decrease of USD 7.6m cash outflows compared to the Group's cash outflows from investing activities of USD 15.2m for the six months ended 30 June 2023. The decrease in Group cash outflows from investment activities was primarily attributed to the decision to further decrease US Phase 2 construction spend while the Group continues its focus on its Phase 1 operations and the redesign of Phase 2 expansion.

Group net cash inflows from financing activities for the six months ended 30 June 2024 were USD 35.4m, which represents a decrease of USD 16.9m cash inflows compared to the Group's cash inflows from financing activities of USD 52.3m for the six months ended 30 June 2023. The net decrease was primarily attributed to the fact that the Group comparatively received lower equity proceeds from the Current Period (USD 33.4m) compared to the Prior Period (USD 57.5m), offset by net cash obtained from borrowings in the Current Period (USD 4.7m) compared to net cash paid towards borrowings in the Prior Period (USD 2.5m).

Group Operational Performance

Price Achievement and Geographic Market Presence

For the six months ended 30 June 2024, premium Bluehouse Salmon consistently achieved an average US price achievement of approximately 11 USD / kg HOG equivalent on a return to farm basis (excluding freight costs). In comparison, the commodity Fishpool index price during the same period, converted to USD using Norges Bank rates, averaged approximately 10 USD / kg.

Brand Development

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

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

US Operations

From an operational standpoint, the first half of 2024 was characterized by continued industrialization of the facility with systematic and knowledge-based approach to fine tuning the facility. Biological performance has improved during the last three quarters with low mortalities, stable water temperatures, and stable water quality. Growth on the newer batches, which were not subject to previous issues with high water temperatures and subsequent maturation, have been significantly improved from prior batches.

The facility has had unplanned maintenance causing downtime on components within the RAS system and the Company has also identified bottlenecks in the RAS facility that has limited feeding rates. In response, the Company identified measures to remove such bottlenecks throughout its RAS facility through various infrastructure investments and upgrades and has resolved to implement such measures over the next year.

Overall feeding volumes have been lower than expected due to the bottlenecks in the RAS facility, which combined with low mortality has caused the need to reduce number of fish per batch to allow the remaining fish to reach a harvest size which allows for premium products. The reduction in the number of fish has been carefully assessed and performed by taking out the smallest fish in each batch, which has caused low average harvest weight in the later part of the period. In the beginning of the period, harvesting of mature fish also caused lower average harvest weight. Low harvest weight gives a low share of premium products and low average sales price in the period.

Denmark Operations

After the fire on 15 September 2021 the Danish site has gone through a clean-up process while the Company continues its strategic review of the future of its Danish entity.

Principal Risks And Uncertainties

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

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

The Group faced operational risk through a fragmented subcontractor network, rapid organizational growth, initial operational procedures that were yet to be fine-tuned and the complexity of managing both technical and biological risk. As Atlantic Sapphire continues to mature as a company, critical in-house systems have been established related to design, construction, water quality monitoring, operational procedures, and automation.

The Group also faced systemic risk through subpar equipment that resulted in frequent alarms, unfinished design at construction commencement, and production while constructing in the same systems.

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

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

Capital Management and Financial Risk

Capital management represents the Group's policy to assess, acquire, and utilize its capital base efficiently towards satisfactory operations and future development of the business to foster and maintain investor, lender, and market confidence. The Group's capital management contemplates available alternatives, the cyclical nature of the fish farming industry, and current socioeconomic factors. Access to borrowings is monitored periodically and the Group engages in dialogue continuously with its lenders. The Group has obtained capital primarily from equity raises and interest-bearing borrowings. The Group's interest-bearing borrowings require certain quarterly financial covenants to be maintained.

On 28 June 2024, the twelfth amendment to the 2020 Credit Facility was formally signed and committed. The twelfth amendment reset the required Q2 2024 EBITDA covenant levels while significantly all other key terms, including the debt structure, remained the same as the previous amendment. The Group was compliant with its covenants as of 30 June 2024 under the provisions of the twelfth amendment.

The Group's debt to equity ratio as of 30 June 2024 was 24.1%, which represents an increase of 3.2% from 20.9% as of 31 December 2023. Net interest-bearing debt, which comprise of total interest-bearing borrowings less cash and restricted deposits, was USD 22.6m.

From the Group's 22 March 2024 EGM and 23 May 2024 AGM, and following the issuance of shares related to the 29 February 2024 capital raise, ASA's Board of Directors were given proxy to increase the share capital with up to NOK 26,980,000 through the issuance of up to 26,980,000 new shares, with a face value of NOK 1.00. The authorization may be used several times within this limit.

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

The Group's risk management is carried out by the Group's Finance Department. The Group is exposed to market risk, credit risk, liquidity risk, and climate risk.

Market Risk

The Group is exposed to interest rate risk and exchange rate risk. The Group's interest rate risk relates primarily to borrowings from financial institutions with variable interest rates. The Group monitors the possibilities of entering into fixed-interest loans as a tool to manage interest rate risk.

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

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

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

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

Credit Risk

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

The Group subjects all potential customers to credit verification procedures as part of its policy and monitors its outstanding trade receivable balances on an ongoing basis. Further, the Group's trade receivables are credit insured unless an exception is approved by the CEO. The Group monitors exposure towards individual customers closely and was not substantially exposed in relation to any individual customer or contractual partner as of 30 June 2024.

Liquidity Risk

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

Climate Risk

The Group fully recognizes that there are potential financial implications for its business from both climate-related physical and transition risks. Atlantic Sapphire's production facilities are located in a tropical climate. As such, the Group has assessed and prepared for the risks of wind and water-related natural disasters such as floods, tropical storms, or hurricanes.

The Group is well-positioned to expand its supply to the market if climate change places limitations on sea-based salmon production. The Group's facilities in South Florida are not dependent on seawater, and its risk exposure is limited by using the unique groundwater resources in Florida. Similarly, the Group expects to be less affected than others in the US market if climate risk were to impact the cost of air transportation because we supply that market from local production and use truck transportation. However, electricity represents an important input to Atlantic Sapphire's business and any increase in pricing in the local electricity market will result in higher costs for the Group. The Group is evaluating future sourcing of and investments in renewable energy to minimize the carbon footprint of production and potentially achieve energy cost savings.

The Group's business can also be impacted by climate change through the sourcing of fish feed. The Group depends on fish feed from third parties, and this is the single largest production cost. Although feed represents a large, global commodity, supplier prices are ultimately based on marine and non-marine raw materials. A future increase in such costs to the supplier would most likely result in increases to the Group's cost of production. Such factors could potentially include climate change, increase in global demand, and lower supply. The Group considers this risk to be high and is therefore exploring alternative raw materials to reduce dependence on marine ingredients.

Outlook

US Biological Outlook

Monthly biomass gain is expected to increase gradually as the Group removes bottlenecks in the facility over the next year and reaches a fully stocked farm. Having a fully stocked farm is the prerequisite to reach the targeted steady state biomass gain and harvest volume of US Phase 1 ("steady state" production). The Group expects that harvest volume will increase gradually over the next year until it reached an annualized level of approx. 8,000t HOG at steady state production, with an ambition to improve further by optimizing production and targeting operational excellence.

In the short term during Q3 2024, the harvest weight will be affected by the need to reduce the number of fish by removing the smallest fish per batch for the remaining fish to reach a harvest weight that allows a higher share of premium products. The average weight will increase gradually throughout the quarter. For Q4 2024, the average harvest weight is expected to be a size that allows for a high share of premium products, with a premium sales price achieved.

In production, the Group has seen cost inflation across multiple production inputs. For example, feed, chemical, and oxygen unitary costs have increased over the last years, however the rate of inflation has decreased during the last period, and we expect this decrease to be reflected in the costs over the next year.

Atlantic Sapphire is constantly looking to engage with industry leaders and ensure that it's always taking advantage of technological and operational developments that are happening throughout the global RAS and salmon farming industries. For example, Nordlaks, the largest shareholder of the Company with significant experience of designing, building and operating RAS facilities, has contributed with knowledge and experience to the current and future set-up of Atlantic Sapphire's facility.

Sales and Marketing Outlook

Although the Group is currently monitoring the consumer response to high inflation in food prices and consumer's ability to pay a premium price for proteins closely, the Group still expects to maintain premium pricing for its Bluehouse Salmon. We will continue to invest in the development of the Bluehouse Salmon brand and in the education of buyers and consumers. Since our first US harvest in September 2020, Atlantic Sapphire has consistently achieved an average US price achievement of approximately 11-12 USD / kg HOG equivalent for premium fish. Notably, the premium price achievement has been stable despite significant fluctuations in the salmon commodity price, proving that Bluehouse Salmon is not seen as a direct substitute for other farmed Atlantic salmon. The product has been met by high demand, both among existing customers and potential new customers, giving the Group confidence that premium price achievement will be sustained.

Under stable conditions, approximately 80 to 90% of total harvest is expected to be sold at the Bluehouse premium price, which is expected to raise the average price achievement considerably. Further, the Group expects to see an increase in its average price achievement as average harvest weights increase in steady state production.

Key Developments on Risk Mitigation

Atlantic Sapphire is constantly working on minimizing operational risks, most notably against mortality events. Bluehouse farming is designed to produce high-quality biomass at scale. With high intensity farming comes added complexity. Atlantic Sapphire is experienced in identifying and mitigating risks that come with upscaling RAS technologies. The Group is operating a total of 12 independent growout systems in the US, which accelerates the speed of operational learnings in the organization.

With the significant improvements that have been completed, Atlantic Sapphire believes its Bluehouse is more robust than at any other point in its past. Combined with a more experienced team operating the systems and planned measures to remove bottlenecks in the facility, the Group believes it has set the stage for stable operating conditions, good water quality and strong biological performance going forward.

US Phase 2 Construction

Construction on the US Phase 2 project, which is estimated to bring total annual harvest volumes to 25,000t HOG, is currently paused with approximately USD 106.2m invested into the project as of 30 June 2024 and only engineering and essential functions currently conducted. In addition, approximately USD 7.1m of operational expenses have been allocated and capitalized to the ongoing US Phase 2 construction project.

In contrast to the US Phase 1 project, we now have the appropriate staffing level for a large-scale project, we have strategically selected a design consultant with proven experience on large water facilities, and we have partnered with a construction contractor with vast experience in constructing water treatment facilities locally in Florida.

Given the current focus of reaching steady state production in the existing Phase 1 facility, the Group is focused on value engineering and is working with its contractors to optimize cost and quality for outstanding Phase 2 construction items. Therefore, with the exception of certain critical systems such as a new wastewater treatment plant, full buildout of the Phase 2 facility is on temporary pause to allow for the prioritization of construction quality and cost optimization over building speed. Further, this allows for the Group to further refine Phase 1 learnings to be implemented towards Phase 2.

The US Phase 2 budget is estimated at a range of USD 350.0m to USD 400.0m, however there remains risk in this construction budget range and timing, as work is still ongoing to finalize the design and secure the remaining quotes and, eventually, contracts needed to finalize the Phase 2 construction. The Group believes it can obtain and get access to sufficient financing to complete its US Phase 2 expansion upon finalizing its design and budget.

Related Party Transactions

During the ordinary course of business, the Group engages in transactions with related parties similar to what management believes would have been agreed upon between unrelated parties.

During the ordinary course of business, the Group may sell salmon products to NovoMar, Inc. (“NovoMar”), an entity under majority ownership by a related party of Johan E. Andreassen, the CEO of ASA as of the reporting date. NovoMar was formerly Platina Seafood, Inc. prior to a rebrand on 8 September 2022. For the six months ended 30 June 2024, the Group sold USD 1.7m of salmon products to NovoMar.

During the ordinary course of business, NovoMar provides harvesting services for the Group (the provision of such services commenced in June 2023). For the six months ended 30 June 2024, ASUS incurred harvesting costs of USD 0.1m. Such amounts are included as part of cost of goods sold in the accompanying consolidated statements of operations.

As of 30 June 2024, the Group had a net amount due from NovoMar of USD 1.1m. Such amounts are included as part of the Group’s trade receivables.

Significant and Subsequent Events

Reference is made to Note 10 regarding significant and subsequent events.

Consolidated Statements of Operations

Six Months Ended 30 June 2024, 30 June 2023, and Year Ended 31 December 2023

Unaudited (USD 1,000)	Note	30 June 2024	30 June 2023	31 Dec 2023
Revenue		11,196	8,058	13,995
Cost of goods sold	4	(46,902)	(36,432)	(67,141)
Fair value adjustment on biological assets	4	6,746	(2,917)	(14,095)
Salary and personnel costs		(5,134)	(2,551)	(4,051)
Selling, general, and administrative costs	3	(5,826)	(4,303)	(7,984)
Other income, net	3	47	1,770	1,927
Impairment of non-current assets	5	-	-	(35,000)
Depreciation and amortization	5	(8,028)	(7,328)	(13,839)
Operating loss		**(47,901)**	**(43,703)**	**(126,188)**
Finance income		701	747	1,516
Finance expense		(4,811)	(5,421)	(9,086)
Loss before income tax		**(52,011)**	**(48,377)**	**(133,758)**
Income tax		-	-	-
Net loss		**(52,011)**	**(48,377)**	**(133,758)**
Earnings per share:				
Retrospectively adjusted basic earnings per share		(0.53)	(2.01)	(3.28)
Retrospectively adjusted diluted earnings per share		(0.53)	(2.01)	(3.28)

Consolidated Statements of Comprehensive Loss

Six Months Ended 30 June 2024, 30 June 2023, and Year Ended 31 December 2023

Unaudited (USD 1,000)	Note	30 June 2024	30 June 2023	31 Dec 2023
Net loss		(52,011)	(48,377)	(133,758)
Exchange difference on translation of foreign operations		(610)	(1,136)	323
Total comprehensive loss		**(52,621)**	**(49,513)**	**(133,435)**

Consolidated Statements of Financial Position

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As of 30 June 2024, 30 June 2023, and 31 December 2023

Unaudited (USD 1,000)	Note	30 June 2024	30 June 2023	31 Dec 2023
ASSETS				
Non-current assets				
Property, plant, and equipment, net	5	274,718	310,740	275,599
Right of use asset		1,717	2,187	1,971
Restricted deposits	6	15,203	-	15,172
Security deposits		1,437	1,448	1,353
Other investments	6	6	6	6
Trade and other receivables (non-current)	6	1,103	1,146	481
Total non-current assets		**294,184**	**315,527**	**294,582**
Current assets				
Prepaid and other current assets		438	708	2,213
Inventories, net		6,103	4,955	5,139
Biological assets	4	13,961	18,623	16,218
Trade and other receivables, net	6	3,376	1,617	1,155
Restricted cash	6	415	615	415
Cash	6	9,970	23,609	22,536
Total current assets		**34,263**	**50,127**	**47,676**
TOTAL ASSETS		**328,447**	**365,654**	**342,258**

Consolidated Statements of Financial Position

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As of 30 June 2024, 30 June 2023, and 31 December 2023

Unaudited (USD 1,000)	Note	30 June 2024	30 June 2023	31 Dec 2023
EQUITY AND LIABILITIES				
Equity				
Share capital	8	11,726	3,123	8,644
Share premium	8	721,737	633,909	691,430
Employee stock options	8	4,781	4,500	3,959
Accumulated deficit		(466,178)	(328,786)	(414,167)
Accumulated translation differences		(7,336)	(8,185)	(6,726)
Total equity		**264,730**	**304,561**	**283,140**
Non-current liabilities				
Borrowings (non-current)	6, 7	37,894	44,600	37,603
Lease liability (non-current)	3	1,474	1,955	1,729
Total non-current liabilities		**39,368**	**46,555**	**39,332**
Current liabilities				
Borrowings (current)	6, 7	9,910	-	5,000
Lease liability (current)	3	471	433	450
Trade and other payables	6	13,968	14,105	14,336
Total current liabilities		**24,349**	**14,538**	**19,786**
Total liabilities		**63,717**	**61,093**	**59,118**
TOTAL EQUITY AND LIABILITIES		**328,447**	**365,654**	**342,258**

Consolidated Statements of Changes in Equity

Six Months Ended 30 June 2024, 30 June 2023, and Year Ended 31 December 2023

Unaudited (USD 1,000)	Share capital	Share premium	Employee stock options	Accumulated deficit	Accumulated translation differences	Total equity
Balance at 1 January 2023	1,716	577,805	4,319	(280,409)	(7,049)	296,382
Contributions from issuance of capital	6,928	113,625	-	-	-	120,553
Net forfeitures from employee stock options	-	-	(360)	-	-	(360)
Net loss	-	-	-	(133,758)	-	(133,758)
Foreign currency translation adjustments	-	-	-	-	323	323
Balance at 31 December 2023	**8,644**	**691,430**	**3,959**	**(414,167)**	**(6,726)**	**283,140**
Contributions from issuance of capital	3,082	30,307	-	-	-	33,389
Contributions from employee stock options	-	-	822	-	-	822
Net loss	-	-	-	(52,011)	-	(52,011)
Foreign currency translation adjustments	-	-	-	-	(610)	(610)
Balance at 30 June 2024	**11,726**	**721,737**	**4,781**	**(466,178)**	**(7,336)**	**264,730**

Unaudited (USD 1,000)	Share capital	Share premium	Employee stock options	Accumulated deficit	Accumulated translation differences	Total equity
Balance at 1 January 2023	1,716	577,805	4,319	(280,409)	(7,049)	296,382
Contributions from issuance of capital	1,407	56,104	-	-	-	57,511
Contributions from employee stock options	-	-	181	-	-	181
Net loss	-	-	-	(48,377)	-	(48,377)
Foreign currency translation adjustments	-	-	-	-	(1,136)	(1,136)
Balance at 30 June 2023	**3,123**	**633,909**	**4,500**	**(328,786)**	**(8,185)**	**304,561**

Consolidated Statements of Cash Flows

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Six Months Ended 30 June 2024, 30 June 2023, and Year Ended 31 December 2023

Unaudited (USD 1,000)	Note	30 June 2024	30 June 2023	31 Dec 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss		(52,011)	(48,377)	(133,758)
Adjustments to reconcile net loss to net cash from operating activities				
Depreciation and amortization	5	8,028	7,328	13,838
Bad debt		562	-	-
Inventory write-down		-	243	243
Fair value adjustment on biological assets	4	(6,746)	2,917	14,095
Loss (gain) on loan modification		452	264	601
Impairment of non-current assets	5	-	-	35,000
Disposition of other assets		-	56	56
Net interest expense		1,836	1,927	3,635
Non-cash employee stock options	8	885	181	(365)
Net foreign currency exchange rate differences		(178)	(712)	558
Changes in operating assets and liabilities				
Trade and other receivables		(3,436)	427	1,554
Biological assets, at cost	4	9,795	(2,735)	(12,209)
Inventories, at cost		(964)	(830)	(1,014)
Prepaid and other current assets		1,774	(316)	(1,821)
Security deposits		(84)	(281)	(186)
Trade and other payables		89	3,374	2,011
Net cash from operating activities		**(39,998)**	**(36,534)**	**(77,762)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments towards property, plant, and equipment	5	(8,196)	(15,735)	(19,599)
Restricted deposits		-	-	(15,172)
Interest received		644	521	1,290
Net cash from investing activities		**(7,552)**	**(15,214)**	**(33,481)**

Consolidated Statements of Cash Flows

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Six Months Ended 30 June 2024, 30 June 2023, and Year Ended 31 December 2023

Unaudited (USD 1,000)	Note	30 June 2024	30 June 2023	31 Dec 2023
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	7	6,000	12,500	12,500
Payments towards borrowings	7	(1,251)	(15,001)	(17,335)
Payments towards lease liability		(222)	(254)	(468)
Proceeds from issuance of capital		33,389	57,511	120,553
Interest paid		(2,480)	(2,448)	(4,925)
Net cash from financing activities		**35,436**	**52,308**	**110,325**
Net change in cash and restricted cash		**(12,114)**	**560**	**(918)**
Cash and restricted cash at beginning of period		22,951	24,103	24,103
Effects of exchange rate on cash and restricted cash		(452)	(439)	(234)
Cash and restricted cash at end of period		**10,385**	**24,224**	**22,951**

Note 1
Summary of Material Accounting Policies

General Information

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

- Atlantic Sapphire Denmark A/S ("ASDK", registered in Hvide Sande, Denmark)
- Atlantic Sapphire USA LLC ("ASUS", registered in Miami, Florida, US)
- AS Purchasing, LLC ("ASP", registered in Miami, Florida, US, dissolved on 4 March 2024)
- S.F. Development, L.L.C. ("ASSF", registered in Miami, Florida, US)
- Atlantic Sapphire IP, LLC ("ASIP", registered in Miami, Florida, US)

The Group's interim consolidated statements for the half-year reporting period ended 30 June 2024 were prepared in accordance with IAS 34, Interim Financial Reporting under IFRS® Accounting Standards ("IFRS") as adopted by the European Union ("EU").

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim financial report is to be read in conjunction with the Group's Annual Report for the year ended 31 December 2023 and any public announcements made by Atlantic Sapphire ASA during the interim reporting period. This interim financial report is unaudited and is presented in United States dollars ("USD").

On 4 March 2024, AS Purchasing, LLC, a wholly owned subsidiary of ASA, filed for voluntary dissolution under the Florida Division of Corporations as it was utilized for US Phase 1 construction and no longer held formal operations since its completion.

Basis for Preparation of the Annual Accounts

The Group's accounting policies adopted are consistent with those applied in the Group's 2023 Annual Report published on the Oslo Stock Exchange on 18 April 2024. No new standards under IFRS have been adopted by the Group in 2024. Though there were certain amendments to IAS 1, IAS 7, and IFRS 7 with an effective date in 2024, the Group does not believe them to bear a material effect on its reporting.

Use of Estimates and Judgements

The preparation of the consolidated financial statements in accordance with IFRS requires management to make accounting estimates and assumptions that affect the recognized amounts of consolidated assets, liabilities, income, and expenses. The estimates and underlying assumptions are based on the Group's prior experience and information perceived to be relevant and probable when the judgments are made.

Estimates are reviewed on an ongoing basis and actual values and results may deviate from these estimates. Adjustments to accounting estimates are recognized in the period in which the estimates are revised.

The evaluations and estimates towards the fair value adjustment of biomass is deemed to be of greatest significance for the Group. Biological assets are measured at fair value less costs to sell, with any change therein recognized in profit or loss. The estimated fair value of the biological assets is based on historical prices achieved and the most relevant forward prices for salmon at the reporting period date in the respective markets in which the Group operates. The fair value calculation considers estimates of biomass volumes, quality, size distribution, production cost, mortality, and normal costs of harvest and sale.

Biological Assets

Under the provisions of IAS 41, Agriculture, and IFRS 13, Fair Value Measurement, biological assets ("biomass") are measured at fair value less cost to sell, unless fair value is not readily measured. For further information regarding the Group's biological assets, see Note 4 – Biological Assets.

Note 2
Segments

The Group's executive management reviews the internal management reports of each division, which represents its reportable segments. As of 30 June 2024, the Group's reportable segments consisted of Denmark Operations and US Operations. The Group's segment information consisted of the following:

Six months ended 30 June 2024 Unaudited (USD 1,000)	Denmark operations	US operations	Other and eliminations	Consolidated
Revenue from sale of salmon	-	11,196	-	11,196
EBITDA	(34)	(38,609)	(1,230)	(39,873)
EBITDA, pre-fair value adjustment	(34)	(45,355)	(1,230)	(46,619)
EBITDA, adjusted*	(34)	(45,355)	(1,230)	(46,619)
Pre-tax income (loss)	(59)	(52,806)	854	(52,011)
Total assets	1,369	321,264	5,814	328,447
Total liabilities	1,455	162,030	(99,768)	63,717
Depreciation and amortization	10	8,018	-	8,028
Capital expenditures	-	6,003	-	6,003

* EBITDA adjusted for fair value adjustment on biological assets and impairment of non-current assets

Six months ended 30 June 2023 Unaudited (USD 1,000)	Denmark operations	US operations	Other and eliminations	Consolidated
Revenue from sale of salmon	-	8,058	-	8,058
EBITDA	152	(35,476)	(1,051)	(36,375)
EBITDA, pre-fair value adjustment	152	(32,559)	(1,051)	(33,458)
EBITDA, adjusted*	152	(32,559)	(1,051)	(33,458)
Pre-tax income (loss)	94	(49,178)	707	(48,377)
Total assets	930	346,029	18,695	365,654
Total liabilities	799	153,975	(93,681)	61,093
Depreciation and amortization	41	7,287	-	7,328
Capital expenditures	-	14,551	-	14,551

Year ended 31 December 2023 Unaudited (USD 1,000)	Denmark operations	US operations	Other and eliminations	Consolidated
Revenue from sale of salmon	-	13,995	-	13,995
EBITDA	(12)	(111,651)	(686)	(112,349)
EBITDA, pre-fair value adjustment	(12)	(97,556)	(686)	(98,254)
EBITDA, adjusted*	(12)	(62,556)	(686)	(63,254)
Pre-tax income (loss)	(65)	(137,748)	4,055	(133,758)
Total assets	1,246	329,292	11,720	342,258
Total liabilities	1,282	154,773	(96,937)	59,118
Depreciation and amortization	23	13,815	1	13,839
Capital expenditures	-	21,399	-	21,399

* EBITDA adjusted for fair value adjustment on biological assets and impairment of non-current assets

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

Unaudited (USD 1,000)	30 June 2024	30 June 2023	31 Dec 2023
Revenue from external customers in:			
United States	10,126	7,931	13,645
Canada	1,070	127	350
Other countries	-	-	-
Total revenue	**11,196**	**8,058**	**13,995**

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

Unaudited (USD 1,000)	30 June 2024	30 June 2023	31 Dec 2023
Sales per customer:			
Customer A	3,256	3,468	5,975
Customer B	1,604	371	650
Customer C	1,244	1,226	2,316
Customer D	1,191	-	61
Customer E	1,094	-	-
Other customers	2,807	2,993	4,993
Total revenue	**11,196**	**8,058**	**13,995**

Note 3
Other Operating Expenses and Income

Selling, General, and Administrative Costs

The Group's other selling, general, and administrative costs consisted of the following:

Unaudited (USD 1,000)	30 June 2024	30 June 2023	31 Dec 2023
General and administrative costs	3,626	2,416	4,444
Professional fees	1,371	1,192	2,233
Sales and marketing	611	538	1,113
Leases	25	54	68
Maintenance and supplies	193	103	126
Total selling, general, and administrative costs	**5,826**	**4,303**	**7,984**

Other Income, Net

The Group's other income, net consisted of the following:

Unaudited (USD 1,000)	30 June 2024	30 June 2023	31 Dec 2023
Other income and gain	29	1,825	2,060
Income from land lease	24	-	-
Other expense and loss	(6)	(59)	(137)
Disposal of non-current assets	-	4	4
Total other income, net	**47**	**1,770**	**1,927**

Note 4
Biological Assets

Fair Value Measurement of Biological Assets

Under the provisions of IAS 41, Agriculture, and IFRS 13, Fair Value Measurement, biological assets ("biomass") are measured at fair value less cost to sell, unless fair value is not readily measured. Biomass comprises of salmon roe and live fish in tanks from fry to adult grow-out. The historical cost of biological assets ("production costs") includes all costs required to raise salmon from roe to harvest. Direct production costs, which include salmon roe and other raw materials such as feed, are allocated fully to production costs. Indirect production costs, which consist of salary and personnel costs, and other overhead costs, are allocated based on a ratio of actual vs hypothetical feed capacity per fish system that approximates normal capacity under IAS 2. Portions of indirect production costs attributed to underutilized Bluehouse tank capacity are recognized as period cost under cost of goods sold in the accompanying consolidated statements of operations. Depreciation is allocated similar to indirect production costs, with depreciation associated with changes in biomass recognized as part of depreciation and amortization in the accompanying consolidated statements of operations.

Non-Harvestable Fish (Measured at Cost)

Fish with a live weight below 1 kg, including salmon roe, are considered non-harvestable due to their little biological conversion and are therefore measured at historical cost (IAS 41.24). Fish measured at cost are routinely assessed for impairment losses whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Harvestable Fish (Measured at Fair Value Less Cost to Sell)

Fish held in tanks with a live weight over 1 kg are considered harvestable and are therefore calculated based on an implied estimated fair value of the fish in a hypothetical market using a future cash flow model that calculates the net present value of the estimated revenue cash flows from harvested biomass based on the available biomass as of the reporting period date as a starting point, less estimated remaining costs to sell until the fish is harvested from a specific batch.

The Group utilizes several key assumptions to estimate the fair value of biological assets:

- Estimated revenues: The key element in approximating fair value is the assumed market price expected to be achieved on the future date on which the fish is to be harvested. Our estimated market price is based on a variety of sources including, but not limited to, the Group's historical sales prices achieved and quoted forward market prices as per the NASDAQ salmon index to improve reliability and comparability of the price estimation.
- Remaining costs to sell: Estimated revenues are reduced by remaining costs to sell (production costs, processing costs, and freight costs) to determine the Group's gross margin returned to farm.
- Biological performance: Our estimated market price and remaining cost to sell are based on an overall understanding of the quality of the batch being harvested. Changes in biology, anticipated quality and size, or overall biomass volume may affect the market price and remaining costs to sell.
- Time to market: The time to market for live fish is based on a growth table for each generation of fish. The Group considers a live fish weight of 4 kg to be the optimal harvest weight with an expected growth period of approximately 20 to 22 months.
- Mortality: Expected mortality rates are used to estimate the expected volume of biomass that will reach optimal harvest weight. On average, an estimated 64% of the number of fish is expected to reach the optimal harvest weight. This considers both expected mortality and culling.
- Discount rate: The discount rate used towards the Group's net present value calculation is based on the Group's weighted average cost of capital.

The difference between the fair value and the remaining cost to sell is recognized under fair value adjustments in the accompanying consolidated statements of operations to adjust the biomass value on the balance sheet accordingly. As the key assumptions above towards biomass input are not derived from observable markets, biomass valuation is categorized at Level 3 in the fair value hierarchy under IFRS 13. As of 30 June 2024, all biological assets weighing above 1 kg were classified as Level 3 and there were no transfers to or from Level 1 or Level 2 during the year.

Incident-Based Mortality

Incident-based mortality is recognized when a Bluehouse system experiences elevated or substantial mortality due to an incident out of expected normal capacity. In such cases, mortality expense is included as part of cost of goods sold in the accompanying consolidated statements of operations, and the fair value associated with the affected biomass is then adjusted under fair value adjustments in the accompanying consolidated statements of operations.

The Group's biological assets consisted of the following:

Unaudited (USD 1,000)	30 June 2024	30 June 2023	31 Dec 2023
Cost of biological assets (harvestable fish)	24,715	18,823	30,474
Fair value adjustments	(15,148)	(10,716)	(21,894)
Total biological assets of harvestable fish	**9,567**	**8,107**	**8,580**
Cost of biological assets (non-harvestable fish)	4,394	10,516	7,638
Total biological assets	**13,961**	**18,623**	**16,218**

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

Unaudited (USD 1,000)	30 June 2024	30 June 2023	31 Dec 2023
Biological assets at beginning of period	16,218	18,690	18,690
Net changes in fair value less costs to sell	6,746	(2,917)	(14,095)
Increases due to production and purchases	36,958	36,058	72,568
Net changes in production depreciation	(904)	(115)	586
Decreases due to harvest	(36,350)	(12,457)	(23,755)
Decreases due to mortality	(890)	(7,236)	(12,150)
Decreases due to underutilized plant capacity	(7,817)	(13,400)	(25,626)
Biological assets at end of period	**13,961**	**18,623**	**16,218**

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

Physical quantities	30 June 2024	30 June 2023	31 Dec 2023
Live weight of biomass (in tons RLW)			
Non-harvestable fish	385	918	647
Harvestable fish	2,546	1,753	2,402
Total live weight of biomass (in tons RLW)	**2,931**	**2,671**	**3,049**
Number of fish (in thousands)			
Non-harvestable fish	3,445	4,432	4,013
Harvestable fish	1,516	1,171	1,558
Total number of fish (in thousands)	**4,961**	**5,603**	**5,571**
Gross biomass gain (tons round weight)	2,875	2,100	3,700
Volume of fish harvested during the period (tons gutted weight)	2,395	870	1,545

Incident-Based Mortality

No incident-based mortality occurred during the six months ended 30 June 2024.

Note 5
Property, Plant, and Equipment

Property, plant, and equipment consisted of the following:

Unaudited (USD 1,000)	Land	Buildings	Production, plant, and machinery	Equipment and other movables	Software	Assets under construction	Total
As of 1 January 2024							
Cost	8,714	157,524	111,057	3,643	765	120,456	402,159
Less: accumulated depreciation, amortization, and impairment	-	(49,207)	(63,517)	(2,162)	(729)	(10,945)	(126,560)
Opening net book amount	**8,714**	**108,317**	**47,540**	**1,481**	**36**	**109,511**	**275,599**
Six months ended 30 June 2024							
Opening net book amount	8,714	108,317	47,540	1,481	36	109,511	275,599
Additions	-	-	-	-	-	6,001	6,001
Depreciation charge	-	(2,329)	(4,249)	(264)	(36)	-	(6,878)
Net exchange rate differences	-	(4)	-	-	-	-	(4)
Closing net book amount	**8,714**	**105,984**	**43,291**	**1,217**	**-**	**115,512**	**274,718**
At 30 June 2024							
Cost	8,714	157,520	111,057	3,643	765	126,457	408,156
Less: accumulated depreciation, amortization, and impairment	-	(51,536)	(67,766)	(2,426)	(765)	(10,945)	(133,438)
Closing net book amount	**8,714**	**105,984**	**43,291**	**1,217**	**-**	**115,512**	**274,718**

Unaudited (USD 1,000)	Land	Buildings	Production, plant, and machinery	Equipment and other movables	Software	Assets under construction	Total
At 1 January 2023							
Cost	8,714	157,519	111,057	3,643	765	99,055	380,753
Less: accumulated depreciation, amortization, and impairment	-	(29,564)	(45,912)	(1,278)	(504)	(373)	(77,631)
Opening net book amount	**8,714**	**127,955**	**65,145**	**2,365**	**261**	**98,682**	**303,122**
Six months ended 30 June 2023							
Opening net book amount	8,714	127,955	65,145	2,365	261	98,682	303,122
Additions	-	-	-	-	-	14,551	14,551
Depreciation charge	-	(2,329)	(4,249)	(280)	(79)	-	(6,937)
Net exchange rate differences	-	4	-	-	-	-	4
Closing net book amount	**8,714**	**125,630**	**60,896**	**2,085**	**182**	**113,233**	**310,740**
At 30 June 2023							
Cost	8,714	157,523	111,057	3,643	765	113,606	395,308
Less: accumulated depreciation, amortization, and impairment	-	(31,893)	(50,161)	(1,558)	(583)	(373)	(84,568)
Closing net book amount	**8,714**	**125,630**	**60,896**	**2,085**	**182**	**113,233**	**310,740**

Unaudited (USD 1,000)	Land	Buildings	Production, plant, and machinery	Equipment and other movables	Software	Assets under construction	Total
At 1 January 2023							
Cost	8,714	157,519	111,057	3,643	765	99,055	380,753
Less: accumulated depreciation, amortization, and impairment	-	(29,564)	(45,912)	(1,278)	(504)	(373)	(77,631)
Opening net book amount	**8,714**	**127,955**	**65,145**	**2,365**	**261**	**98,682**	**303,122**
Year ended 31 December 2023							
Opening net book amount	8,714	127,955	65,145	2,365	261	98,682	303,122
Additions	-	-	-	-	-	21,401	21,401
Depreciation charge	-	(4,658)	(8,498)	(548)	(225)	-	(13,929)
Impairment loss	-	(14,985)	(9,107)	(336)	-	(10,572)	(35,000)
Net exchange rate differences	-	5	-	-	-	-	5
Closing net book amount	**8,714**	**108,317**	**47,540**	**1,481**	**36**	**109,511**	**275,599**
At 31 December 2023							
Cost	8,714	157,524	111,057	3,643	765	120,456	402,159
Less: accumulated depreciation, amortization, and impairment	-	(49,207)	(63,517)	(2,162)	(729)	(10,945)	(126,560)
Closing net book amount	**8,714**	**108,317**	**47,540**	**1,481**	**36**	**109,511**	**275,599**

Depreciation Expense

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

Unaudited (USD 1,000)	30 June 2024	30 June 2023	31 Dec 2023
Fixed asset depreciation and amortization	6,878	6,936	13,929
Right of use depreciation	246	277	496
Changes in biomass	904	115	(586)
Total depreciation and amortization	**8,028**	**7,328**	**13,839**

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

Note 6
Financial Instruments

As of 30 June 2024, all material financial assets and liabilities were measured at amortized cost. The carrying amount is a reasonable approximation of fair value.

Note 7
Borrowings

The Group holds a Green credit facility (the "2020 Credit Facility") with DNB Bank ASA ("DNB") which can be utilized towards the Group's Bluehouses and operations therein considered green. ASUS and ASDK are listed as borrowers (the "Borrowers"), and ASA, ASSF, and ASP are listed as guarantors (the "Guarantors"). As of 1 January 2023, the Group's amended 2020 Credit Facility consisted of a fully committed credit facility of USD 200.0m, of which USD 50.0m was attributed to the drawn US Term Loan, USD 20.0m was attributed to the RCF, and USD 130.0m was attributed to a delayed undrawn Term Loan for Phase 2 capital expenditures. Of the drawn USD 50.0m US Term Loan, USD 30.0m bore a maturity date of 21 April 2024 and USD 20.0m bore a maturity date of 21 April 2023. The USD 20.0m RCF bore a maturity date of 21 April 2024.

On 25 March 2024, the eleventh amendment to the 2020 Credit Facility was formally signed and committed. The debt was structured under many of the same key terms while others were modified. Of note, the maturity date was extended to 21 October 2026 and the borrowing base on the RCF was extended to include additional biomass and higher trade receivable levels. The total amounts were restructured into a fully committed credit facility of USD 162.1m, of which USD 42.1m was attributed to the drawn US Term Loan, USD 20.0m was attributed to the RCF, and USD 100.0m is attributed to a delayed undrawn Term Loan for Phase 2 capital expenditures. The EBITDA covenants and delay draw term loan incurrence test levels were also reset, and the Company incurred amendment and waiver fees of approximately USD 1.1m.

On 28 June 2024, the twelfth amendment to the 2020 Credit Facility was formally signed and committed. The twelfth amendment reset the required Q2 2024 EBITDA covenant levels while significantly all other key terms, including the debt structure, remained the same as the previous amendment.

As of 30 June 2024, the amended 2020 Credit Facility carried an annualized borrowing rate of SOFR plus an applicable margin determined by a grid (5.0% as of 30 June 2024).

The Group's borrowings consisted of the following:

Unaudited (USD 1,000)	30 June 2024	30 June 2023	31 Dec 2023
ASUS has an amended USD 42.1m term loan with DNB (the "US Term Loan"). The US Term Loan bears an amended interest rate of SOFR plus an applicable margin (5.0% as of 30 June 2024) and matures on 21 October 2026. USD 40.9m was outstanding on the US Term Loan as of 30 June 2024 and is presented at amortized cost.	41,804	44,600	42,603
ASUS has an amended USD 20.0m revolving credit facility commitment with DNB (the "RCF"). The RCF will finance ASUS' working capital requirements or serve as standby Letters of Credit towards equipment financing. Of the total RCF amount, USD 4.0m is also available towards ASDK's working capital requirements. As of 30 June 2024, USD 11.4m was available on the RCF (USD 14.0m undrawn, less USD 2.6m allocated to a letter of credit towards Meridian Leasing for the leasing of processing equipment).	6,000	-	-
Total borrowings	**47,804**	**44,600**	**42,603**
Less: current portion of borrowings	(9,910)	-	(5,000)
Non-current portion of borrowings	**37,894**	**44,600**	**37,603**

The above amounts are presented at amortized cost using the effective interest rate method.

The borrowing base on the USD 20.0m RCF is tied to the amount of outstanding trade receivables, product inventory, and standing biomass. This calculation is reviewed periodically, and the balance is adjusted accordingly.

The amended delay draw USD 100.0m Term Loan will be available for the Group's use subject to a one-time fulfillment of an incurrence tests related to an operational milestone with respect to harvest volume and reaching certain EBITDA metrics. The main operational milestones and financial metrics are a minimum required annualized production level to be maintained for at least two months, aggregate positive EBITDA over the last three months prior to drawdown, a minimum EBITDA level prior to drawdown, and compliance with financial covenants agreed under the amended 2020 Credit Facility.

The amended 2020 Credit Facility is secured by substantially all Group's assets, which includes existing and after-acquired personal and real property held, the equity interest held by the Borrowers and the Guarantors in their respective subsidiaries, certain receivables, and certain bank accounts perfected under First Priority security.

The provisions of the amended 2020 Credit Facility require, among other things, certain financial performance covenants to be maintained as defined in the agreements. This includes certain covenants that limit the Group's ability to, among other things, grant liens, incur additional indebtedness, make acquisitions or investments, dispose of certain assets, make dividends and distributions, change the nature of their businesses, enter certain transactions with affiliates, or amend the terms of material indebtedness. Material financial covenants include maintaining a minimum book equity ratio of 45%, various trailing EBITDA requirements, and maintaining a minimum restricted USD 15.0m cash balance.

The Group was compliant with its covenants as of 30 June 2024 under the provisions of the twelfth amendment.

Subsequently, the Group's 2020 Credit Facility was amended further (see Note 10 – Significant and Subsequent Events).

Note 8
Share Capital and Shareholders

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

	30 June 2024	
Shareholder	Number of shares	% of shares
NORDLAKS HOLDING AS	14,516,804	12.95%
MORGAN STANLEY & CO. LLC	14,360,569	12.81%
UBS SWITZERLAND AG	11,395,259	10.16%
STRAWBERRY CAPITAL AS	9,607,699	8.57%
JOH JOHANNSON EIENDOM AS	9,036,799	8.06%
MORGAN STANLEY & CO. INT. PLC.	4,719,255	4.21%
BLUE FUTURE HOLDING AS	4,424,307	3.95%
UBS AG	3,666,250	3.27%
THE BANK OF NEW YORK MELLON	3,618,574	3.23%
THE NORTHERN TRUST COMP, LONDON BR	1,788,381	1.60%
SKAGEN KON-TIKI VERDIPAPIRFOND	1,447,500	1.29%
ASINVEST AS	1,252,419	1.12%
J.P. MORGAN SE	1,214,798	1.08%
WENAASGRUPPEN AS	1,133,552	1.01%
FOUGNER INVEST AS	1,051,970	0.94%
ALSCO AS	1,040,703	0.93%
ARCTIC SECURITIES AS	826,617	0.74%
KRISTIAN FALNES AS	660,000	0.59%
NERLAND INVESTMENT AS	641,805	0.57%
VATNE EQUITY AS	577,878	0.52%
Total number of shares attributed to the 20 largest shareholders	**86,981,139**	**77.59%**
Total number of shares attributed to other shareholders	25,127,303	22.41%
Total number of shares issued and outstanding	**112,108,442**	**100.00%**

Equity Financing

On 29 February 2024, the Group raised NOK 369.0m (approximately USD 35.0m) in gross proceeds through a private placement of 307,125,000 new shares at a price per share of NOK 1.20. In connection with the Private Placement, the underwriters' underwriting commission of 5% was settled through the issuance of 15,356,243 in new shares at a price per share of NOK 1.20. Following the issuance of the new shares, the total number of shares issued and outstanding was 1,121,084,415.

On 30 May 2024, the Group effected a reverse stock split in which ten old shares at NOK 0.10 par value were consolidated to give one new share at NOK 1.00 par value.

As of 30 June 2024, the Group had a total number of 112,108,442 shares issued and outstanding at NOK 1.00 par value following the effects of the 30 May 2024 reverse stock split.

Earnings per Share

Basic earnings per share calculations are based on the weighted average number of common shares outstanding during the period, while diluted earnings per share calculations are performed using the average number of common shares and dilutive common shares equivalents outstanding during each period.

Options are dilutive when they result in the issue of ordinary shares for less than the average market price of ordinary shares during the period. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price in the period is treated as an issue of ordinary shares for no consideration.

Under IAS 33, the calculation of earnings per share for the year ended 31 December 2023 and six months ended 30 June 2023 were presented retrospectively and adjusted as the private placements in 2023 and 2024 represented shares issued below the market rate prior to the respective transactions. Following the 19 September 2023 private placement and subsequent offering, the number of shares for 2023 prior to the new shares were adjusted with a factor of 1.03, while an additional factor of 1.05 was used for 2023 following the subsequent 29 February 2024 private placement.

Note 9
Related Party Transactions

During the ordinary course of business, the Group engages in transactions with related parties similar to what management believes would have been agreed upon between unrelated parties.

During the ordinary course of business, the Group may sell salmon products to NovoMar, Inc. ("NovoMar"), an entity under majority ownership by a related party of Johan E. Andreassen, the CEO of ASA as of the reporting date. NovoMar was formerly Platina Seafood, Inc. prior to a rebrand on 8 September 2022. For the six months ended 30 June 2024, the Group sold USD 1.7m of salmon products to NovoMar.

During the ordinary course of business, NovoMar provides harvesting services for the Group (the provision of such services commenced in June 2023). For the six months ended 30 June 2024, ASUS incurred harvesting costs of USD 0.1m. Such amounts are included as part of cost of goods sold in the accompanying consolidated statements of operations.

As of 30 June 2024, the Group had a net amount due from NovoMar of USD 1.1m. Such amounts are included as part of the Group's trade receivables.

Note 10
Significant and Subsequent Events

The Group has evaluated subsequent events from 30 June 2024 through the date in which the consolidated financial statements were issued. There were no subsequent events requiring adjustment to or disclosure in the consolidated financial statements except as disclosed elsewhere in the consolidated financial statements and as follows:

Thirteenth Amendment to 2020 Credit Facility

On 20 August 2024, the thirteenth amendment to the 2020 Credit Facility was formally committed. The debt was structured under many of the same key terms while others were modified. Of note, bridge financing of USD 10.0m was provided, EBITDA covenants were reset, the Group's minimum restricted cash balance was reduced from USD 15.0m to USD 10.0m, quarterly principal installments were placed on pause until 2026, and the delayed undrawn Term Loan for Phase 2 capital expenditures was uncommitted. The Company incurred amendment and waiver fees of approximately USD 0.2m as of the date of this report.

Subscription Rights Equity Issue

Given the operational underperformance in the first half of 2024, the Group has engaged financial advisors to increase additional funding which is required to operate and optimize US Phase 1 and improve operational performance. On 20 August 2024, the Group announced that a subscription right issue will be issued to raise USD 80.0m in net equity and convertible loan proceeds to the Company with 100% of the rights issue guaranteed by a list of investors. The Group expects the rights issue to be completed with funds available by mid-October 2024. Further, the Company entered into an agreement with DNB, its main lender, to provide bridge financing of up to USD 10.0m to fund the Group until the equity issue is completed. Further, DNB has agreed to a reduction of its minimum liquidity covenant, in which the Group's required minimum restricted cash balance was reduced from USD 15.0m to USD 10.0m.

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Allmennaksjeselskap (ASA)

COUNTRY OF INCORPORATION
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PRINCIPAL PLACE OF BUSINESS
Homestead, Florida

DESCRIPTION OF PRINCIPAL OPERATIONS
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