Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	895 436 232
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	ATLANTIC SAPPHIRE ASA
Forretningsadresse:	Daugstadvegen 445 6392 VIKEBUKT

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Gunnar Skinderhaug
Dato for fastsettelse av årsregnskapet:	23.04.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert

År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 31.07.2025

Resultatregnskap

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Management fee revenue	8	13 937 000	6 665 000
Sum inntekter		**13 937 000**	**6 665 000**
Kostnader			
Salary and personnel costs	2	5 802 000	5 140 000
Other operating expenses	2,8	13 937 000	8 757 000
Sum kostnader		**19 739 000**	**13 897 000**
Driftsresultat		**-5 802 000**	**-7 232 000**
Finansinntekter og finanskostnader			
Finance income	3,8	64 152 000	50 093 000
Sum finansinntekter		**64 152 000**	**50 093 000**
Impairment of non-current assets	3,4,8	1 728 165 000	1 370 727 000
Finance expense	3	4 924 000	6 000
Sum finanskostnader		**1 733 089 000**	**1 370 733 000**
Netto finans		**-1 668 937 000**	**-1 320 640 000**
Resultat før skattekostnad		**-1 674 739 000**	**-1 327 872 000**
Årsresultat		**-1 674 739 000**	**-1 327 872 000**

Balanse

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4,11	1 131 257 000	1 792 467 000
Lån til foretak i samme konsern	8	860 239 000	804 920 000
Sum finansielle anleggsmidler		**1 991 496 000**	**2 597 387 000**
Sum anleggsmidler		**1 991 496 000**	**2 597 387 000**
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables		412 000	162 000
Konsernfordringer	8	83 323 000	69 386 000
Sum fordringer		**83 735 000**	**69 548 000**
Bankinnskudd, kontanter og lignende			
Cash	7	234 829 000	124 600 000
Sum bankinnskudd, kontanter og lignende		**234 829 000**	**124 600 000**
Sum omløpsmidler		**318 564 000**	**194 148 000**
SUM EIENDELER		**2 310 060 000**	**2 791 535 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	6,9	358 540 000	79 860 000
Overkurs	6,9	7 070 633 000	6 388 009 000
Sum innskutt egenkapital		**7 429 173 000**	**6 467 869 000**

Balanse

Beløp i: NOK	Note	2024	2023
Opptjent egenkapital			
Employee stock options	6,9	0	0
Udekket tap	6	5 356 686 000	3 681 947 000
Sum opptjent egenkapital		**-5 356 686 000**	**-3 681 947 000**
Sum egenkapital		**2 072 487 000**	**2 785 922 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Konvertible lån	8	232 636 000	
Sum annen langsiktig gjeld		**232 636 000**	
Sum langsiktig gjeld		**232 636 000**	**0**
Kortsiktig gjeld			
Other current pa yables and liabilities		1 603 000	1 520 000
Trade pa yables		1 554 000	2 920 000
Due to related parties (current)		1 780 000	1 173 000
Sum kortsiktig gjeld		**4 937 000**	**5 613 000**
Sum gjeld		**237 573 000**	**5 613 000**
SUM EGENKAPITAL OG GJELD		**2 310 060 000**	**2 791 535 000**

Konsernets resultatregnskap

Beløp i: USD	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Revenue	3	22 819 000	13 995 000
Sum inntekter		**22 819 000**	**13 995 000**
Kostnader			
Cost of Goods Sold	5,15	83 095 000	67 141 000
Fair Value adjustment on biological assets	5	-4 057 000	14 095 000
Salary and personal costs	6,18,20	7 234 000	4 051 000
Depreciation	9	14 418 000	13 839 000
Impairment of non-current assets	9	73 000 000	35 000 000
Selling, general and admin costs	4,7,8	12 369 000	7 984 000
Other income. net	4	-59 000	-1 927 000
Sum kostnader		**186 000 000**	**140 183 000**
Driftsresultat		**-163 181 000**	**-126 188 000**
Finansinntekter og finanskostnader			
Annen renteinntekt	10	4 175 000	1 516 000
Sum finansinntekter		**4 175 000**	**1 516 000**
Annen rentekostnad	10,19	8 315 000	9 086 000
Sum finanskostnader		**8 315 000**	**9 086 000**
Netto finans		**-4 140 000**	**-7 570 000**
Resultat før skattekostnad		**-167 321 000**	**-133 758 000**
Income tax	11	0	0
Årsresultat		**-167 321 000**	**-133 758 000**

Konsernets balanse

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Propert y, plant and equipment	9	197 658 000	275 599 000
Sum varige driftsmidler		**197 658 000**	**275 599 000**
Finansielle anleggsmidler			
Trade and other receivables, (non-current)	13, 14	1 049 000	481 000
Restricted deposits	13,16	15 180 000	15 172 000
Security deposits		1 604 000	1 353 000
Other in vestments	13	0	6 000
Right of use assets	8	1 501 000	1 971 000
Sum finansielle anleggsmidler		**19 334 000**	**18 983 000**
Sum anleggsmidler		**216 992 000**	**294 582 000**
Omløpsmidler			
Varer			
Prepaid and other current assets		433 000	2 213 000
Inventories, net	15	5 729 000	5 139 000
Biological assets	5	16 991 000	16 218 000
Sum varer		**23 153 000**	**23 570 000**
Fordringer			
Trade and other receivables	13,14	3 666 000	1 155 000
Sum fordringer		**3 666 000**	**1 155 000**
Bankinnskudd, kontanter og lignende			
Cash	13,16	29 447 000	22 536 000
Restricted cash	13,16	415 000	415 000
Sum bankinnskudd, kontanter og lignende		**29 862 000**	**22 951 000**
Sum omløpsmidler		**56 681 000**	**47 676 000**

Konsernets balanse

Beløp i: USD	Note	2024	2023
SUM EIENDELER		**273 673 000**	**342 258 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	17,18	38 110 000	8 644 000
Overkurs	17,18	751 560 000	691 430 000
Sum innskutt egenkapital		**789 670 000**	**700 074 000**
Opptjent egenkapital			
Accumulated translation differences		-9 454 000	-6 726 000
Employee stock options	17,18	4 104 000	3 959 000
Udekket tap		581 488 000	414 167 000
Sum opptjent egenkapital		**-586 838 000**	**-416 934 000**
Sum egenkapital		**202 832 000**	**283 140 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Konvertible lån	19,21	20 458 000	
Gjeld til kredittinstitusjoner	13,19	41 674 000	37 603 000
Lease liability	8	1 247 000	1 729 000
Sum annen langsiktig gjeld		**63 379 000**	**39 332 000**
Sum langsiktig gjeld		**63 379 000**	**39 332 000**
Kortsiktig gjeld			
Borrowing (Current)	13,19	0	5 000 000
Lease liability	8	494 000	450 000
Other current pa yables and liabilities	13	6 968 000	14 336 000
Sum kortsiktig gjeld		**7 462 000**	**19 786 000**
Sum gjeld		**70 841 000**	**59 118 000**
SUM EGENKAPITAL OG GJELD		**273 673 000**	**342 258 000**

Konsernets balanse

Beløp i: USD	Note	2024	2023

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Journalnummer:	2025 594920

Enheten

Organisasjonsnummer:	895 436 232
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	ATLANTIC SAPPHIRE ASA
Forretningsadresse:	Daugstadvegen 445 6392 VIKEBUKT

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Gunnar Skinderhaug
Dato for fastsettelse av årsregnskapet:	23.04.2025

Grunnlag for avgivelse

År 2024: Årsregnskap er elektronisk innlevert.
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024.

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 30.07.2025

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 895 436 232
ATLANTIC SAPPHIRE ASA

RESULTATREGNSKAP

Beløp i: NOK	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Management fee revenue	8	13 937 000	6 665 000
Sum inntekter		**13 937 000**	**6 665 000**
Kostnader			
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Sum kostnader		**19 739 000**	**13 897 000**
Driftsresultat		**-5 802 000**	**-7 232 000**
Finansinntekter og finanskostnader			
Finance income	3,8	64 152 000	50 093 000
Sum finansinntekter		**64 152 000**	**50 093 000**
Impairment of non-current assets	3,4,8	1 728 165 000	1 370 727 000
Finance expense	3	4 924 000	6 000
Sum finanskostnader		**1 733 089 000**	**1 370 733 000**
Netto finans		**-1 668 937 000**	**-1 320 640 000**
Resultat før skattekostnad		**-1 674 739 000**	**-1 327 872 000**
Årsresultat		**-1 674 739 000**	**-1 327 872 000**

Organisasjonsnr: 895 436 232
ATLANTIC SAPPHIRE ASA

BALANSE

Beløp i: NOK	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4,11	1 131 257 000	1 792 467 000
Lån til foretak i samme konsern	8	860 239 000	804 920 000
Sum finansielle anleggsmidler		**1 991 496 000**	**2 597 387 000**
Sum anleggsmidler		**1 991 496 000**	**2 597 387 000**
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables		412 000	162 000
Konsernfordringer	8	83 323 000	69 386 000
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BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	6,9	358 540 000	79 860 000
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Sum innskutt egenkapital		**7 429 173 000**	**6 467 869 000**
Opptjent egenkapital			
Employee stock options	6,9	0	0
Udekket tap	6	5 356 686 000	3 681 947 000
Sum opptjent egenkapital		**-5 356 686 000**	**-3 681 947 000**
Sum egenkapital		**2 072 487 000**	**2 785 922 000**
Gjeld			

Langsiktig gjeld			
Annen langsiktig gjeld			
Konvertible lån	8	232 636 000	
Sum annen langsiktig gjeld		**232 636 000**	
Sum langsiktig gjeld		**232 636 000**	**0**
Kortsiktig gjeld			
Other current pa yables and liabilities		1 603 000	1 520 000
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SUM EGENKAPITAL OG GJELD		**2 310 060 000**	**2 791 535 000**

Organisasjonsnr: 895 436 232
ATLANTIC SAPPHIRE ASA

KONSERNRESULTATREGNSKAP

Beløp i: USD	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Revenue	3	22 819 000	13 995 000
Sum inntekter		**22 819 000**	**13 995 000**
Kostnader			
Cost of Goods Sold	5,15	83 095 000	67 141 000
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Depreciation	9	14 418 000	13 839 000
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Selling, general and admin costs	4,7,8	12 369 000	7 984 000
Other income. net	4	-59 000	-1 927 000
Sum kostnader		**186 000 000**	**140 183 000**
Driftsresultat		**-163 181 000**	**-126 188 000**
Finansinntekter og finanskostnader			
Annen renteinntekt	10	4 175 000	1 516 000
Sum finansinntekter		**4 175 000**	**1 516 000**
Annen rentekostnad	10,19	8 315 000	9 086 000
Sum finanskostnader		**8 315 000**	**9 086 000**
Netto finans		**-4 140 000**	**-7 570 000**
Resultat før skattekostnad		**-167 321 000**	**-133 758 000**
Income tax	11	0	0
Årsresultat		**-167 321 000**	**-133 758 000**

Organisasjonsnr: 895 436 232
ATLANTIC SAPPHIRE ASA

KONSERNBALANSE

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Propert y, plant and equipment	9	197 658 000	275 599 000
Sum varige driftsmidler		**197 658 000**	**275 599 000**
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Omløpsmidler			
Varer			
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Sum fordringer		**3 666 000**	**1 155 000**
Bankinnskudd, kontanter og lignende			
Cash	13,16	29 447 000	22 536 000
Restricted cash	13,16	415 000	415 000
Sum bankinnskudd, kontanter og lignende		**29 862 000**	**22 951 000**
Sum omløpsmidler		**56 681 000**	**47 676 000**
SUM EIENDELER		**273 673 000**	**342 258 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			

Innskutt egenkapital			
Share capital	17,18	38 110 000	8 644 000
Overkurs	17,18	751 560 000	691 430 000
Sum innskutt egenkapital		**789 670 000**	**700 074 000**
Opptjent egenkapital			
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Sum egenkapital		**202 832 000**	**283 140 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Konvertible lån	19,21	20 458 000	
Gjeld til kredittinstitusjoner	13,19	41 674 000	37 603 000
Lease liability	8	1 247 000	1 729 000
Sum annen langsiktig gjeld		**63 379 000**	**39 332 000**
Sum langsiktig gjeld		**63 379 000**	**39 332 000**
Kortsiktig gjeld			
Borrowing (Current)	13,19	0	5 000 000
Lease liability	8	494 000	450 000
Other current pa yables and liabilities	13	6 968 000	14 336 000
Sum kortsiktig gjeld		**7 462 000**	**19 786 000**
Sum gjeld		**70 841 000**	**59 118 000**
SUM EGENKAPITAL OG GJELD		**273 673 000**	**342 258 000**

Organisasjonsnr: 895 436 232
ATLANTIC SAPPHIRE ASA

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note

Regnskapsprinsipper
Det vises til vedlagt 2024 Integrated Annual Report der alle noter som det er henvist til er vedlagt i sin helhet.

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Samlet beløp - tilknyttet selskap	Årets	Fjorårets
Samlet beløp - foretak i samme konsern	Årets	Fjorårets
Samlet beløp - foretak i samme konsern	Årets	Fjorårets
Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Organisasjonsnr: 895 436 232
ATLANTIC SAPPHIRE ASA

NOTEOPPLYSNINGER - KONSERN

- alle poster oppgitt i hele tall

Note

Regnskapsprinsipper
Viser til vedlagt 2024 Integrated Annual Report som inneholder alle noter det er henvist til i sin helhet.

Note

Er det usikkerhet om fortsatt drift?: Nei

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Samlet beløp - tilknyttet selskap	Årets	Fjorårets
Samlet beløp - foretak i samme konsern	Årets	Fjorårets
Samlet beløp - foretak i samme konsern	Årets	Fjorårets
Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

To the General Meeting of Atlantic Sapphire ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Atlantic Sapphire ASA, which comprise:

- the financial statements of the parent company Atlantic Sapphire ASA (the Company), which comprise the statements of financial position as at 31 December 2024, the statements of operations and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Atlantic Sapphire ASA and its subsidiaries (the Group), which comprise the statements of financial position as at 31 December 2024, the statements of operations, statements of comprehensive loss, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Atlantic Sapphire ASA for 3 years from the election by the general meeting of the shareholders on 19 May 2022 for the accounting year 2022.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements and the Board of Directors' report, which indicates that the Group will require additional capital to continue to fund its operations in 2025 and beyond. As stated in Note 1 and the Board of Directors' report, these events or conditions, along with other matters as set forth in Note 1 and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers AS, Torgallmenningen 14, 5014 Bergen, P.O, Box 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matter
Measuring of the amount of biological assets	
Biological assets include inventories of eggs, fry, smolt and live fish held for harvesting purposes. We focused on the measurement of biological assets (biomass), emphasizing live fish held for harvesting purposes, because it constitutes a major part of the Group's biological assets. Furthermore, there is an inherent risk of error in the measurement of both number of fish and biomass, as the biological assets, by nature, are difficult to count, observe and measure due to lack of sufficiently accurate measuring techniques that at the same time do not affect fish health. As a result, there is some uncertainty related to the number of fish and biomass in the on-growing tanks. The Group has established control procedures for measurement of both number of fish and biomass. The amount of biomass in the on-growing tanks has a direct influence on the valuation; see more about this in the paragraph Valuation of biological assets at fair value below. See note 5 (Biological assets) for further information about measuring of biological assets.	For audit of significant inventories, the International Audit Standards (ISAs) require that we participate at inventory counts, provided that it is practicable. Due to the nature of the biological assets and the described difficulty related to counting, observing, and measuring the fish and the biomass, we have performed alternative audit procedures to obtain sufficient appropriate audit evidence regarding the inventory's existence and condition. The Group's biomass system shows the number of fish, average weight, and biomass per site. We directed our effort at the movement in biological inventory (in numbers) in the period. The movement is the total of smolt stocked, loss of fish and harvested fish for the period. We reviewed the Group's processes for controlling the number of fish stocked. To assure accuracy of the number of fish registered in the biomass system, we tested a selection of smolt stocked and fish, by tracing the number of fish stocked back to underlying documentation. We also reviewed the Group's process in regard to weight samples, and tested a selection of weight samples to supporting documentation. The growth in the period is connected to the total feed consumption and is closely associated with purchase of feed. We reviewed the Group's internal controls of reconciliation of feed inventory and obtained external confirmation from feed suppliers to verify purchased volume. We also assessed recorded accumulated feed conversion rate for live fish held for harvesting purposes and obtained explanations from management and further documentation for sites with significantly either higher or lower feed conversion rate than expected. Our procedures substantiated that the growth for the year was reasonable. To challenge the historical accuracy of management's biomass estimates, we reviewed the harvest deviation for the period and up to

signing of our audit report. By harvest deviation, we refer to the deviation between actual harvested biomass (in numbers and kilos) and the estimated biological inventory according to the Group's biomass system. We found the accumulated deviations to be reasonable.

We satisfied ourselves that the disclosures in the notes about measuring of biological assets were reasonable and in accordance with the requirements in the accounting standards.

Valuation of biological assets at fair value

The Group measures biological assets at fair value using the requirements in IAS 41. On 31 December 2024, the book value of biological assets is USD 16,991 thousand, of which USD 34,828 thousand is historical cost and USD -17,837 thousand is value adjustment. Biological assets comprise about 6.2% of total assets.

Fluctuations in fair value estimates that occur due to, for instance, changes in market price, may have significant impact on the period's operating result. The Group therefore shows the effect of fair value adjustments for biological assets as a separate line item before operating result (EBIT).

We focused on valuation of biological assets at fair value due to the complexity of the underlying calculation, the required level of management judgement in making the estimate, and because of the materiality of the amounts involved including its corresponding significance to the financial result for the year.

See note 5 (Biological assets) for further information about valuation of biological assets at fair value.

We challenged management's model for calculation of fair value of biological assets by assessing the model against the criteria in IAS 41 and IFRS 13. We found that the model included the elements that the accounting standards require.

We examined whether the biomass that formed the basis for the Group's model corresponded with the Group's biomass system and tested whether the model made mathematical calculations as intended.

Having ensured that these fundamental elements were in place, we assessed whether the assumptions that management used in the model were reasonable. We compared the price assumptions applied for the period when harvesting is expected with historically achieved prices. We evaluated the estimated remaining expenses to produce the harvest mature fish, including assumptions applied such as harvesting plans, estimated growth rate and estimates for mortality and quality. We also performed a sensitivity analysis of the critical assumptions in the model. We found management's assumptions to be reasonable and consistent with industry norms.

Further, we assessed whether information about fish health and harvest deviation after the balance sheet date is reflected in the valuation. We found that the calculation model adequately reflects available information.

We satisfied ourselves that the disclosures in note 5 to the financial statements referring to valuation of biological assets appropriately reflect the valuation method and that the disclosures are according to requirements in the accounting principles.

Impairment of property, plant, and equipment

The Group's property, plant, and equipment are material assets with a carrying value of USD 197,658 thousand on 31 December 2024.

During the year there was a significant reduction in the Group's market value on the stock exchange. Management identified the events as impairment indicators according to IAS 36 and prepared an impairment assessment. An impairment charge was recognised as a result of the impairment test for with USD 73,000 thousand.

Key assumptions used by Management such as expected future net cash flows and rate of return are judgemental by nature. We focused on valuation of production plants due to the inherent use of judgement and the material numbers involved.

For further information about the judgements exercised by Management and the valuation assessments, we refer to the Group's note 1 summary of significant accounting policies and note 9 (Property, plant and equipment).

We obtained an understanding of Management's process related to preparation of the impairment assessments.

We performed procedures over significant assumptions and input applied, and evaluated the methods and models used by management in calculating the recoverable amount. We tested the mathematical accuracy of the model. We held discussions with Management and challenged Management's assumptions related to future cash flows. We compared future cash flows to approved budgets, and we compared expected volumes with internal production forecasts. For certain key assumptions we used external data to assess the assumptions used by Management. We assessed the applied discount rate by comparing its inherent components to data from relevant internal and external sources. We reviewed Managements sensitivity analyses.

We reviewed the information in notes 1 and 9 regarding the valuation assessment and found that these provided appropriate information.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU.

Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Atlantic Sapphire ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name AtlanticSapphireASA-2024-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Bergen, 23 April 2025
PricewaterhouseCoopers AS

Hallvard Aarø
State Authorised Public Accountant

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Rune Tystad	24.02.2017	20.03.2017
Telefon	Deres referanse	Vår referanse
977 594 64	Johan Emil Andreassen	2017/237904

ATLANTIC SAPPHIRE AS
Villa
6392 VIKEBUKT

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Atlantic Sapphire AS, org.nr. 895 436 232

Vi viser til deres brev av 24. februar 2017 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Atlantic Sapphire AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Atlantic Sapphire AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Fra deres søknad gjengis:

> *Behovet for å levere årsregnskapet og årsberetning på engelsk er hovedsaklig begrunnet i følgende:*
>
> 1) *Aksjonærer fra en rekke land.*
> 2) *Datterselskaper i både Danmark og USA.*
> 3) *Selskapet opererer internasjonalt.*
> 4) *Bransjens og konsernets arbeidsspråk er engelsk.*

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60

> *"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet har aksjonærer fra en rekke land. Videre er det vektlagt at selskapet opererer i en internasjonal bransje og at konsernets arbeidsspråk er engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Kopi til:
BDO AS Fannestrandvegen 125, Serviceboks 15, 6405 MOLDE

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

ATLANTIC SAPPHIRE.

ANNUAL REPORT 2024

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MESSAGE FROM THE CEO

MESSAGE FROM THE CEO

DEAR STAKEHOLDERS,

As I begin my journey as CEO of Atlantic Sapphire, I am filled with gratitude for the opportunity to lead this incredible company. 2024 was a pivotal year for us, and I am eager to build on the innovation and progress made by our dedicated team while bringing a fresh perspective to our vision and operations.

Since joining Atlantic Sapphire in August 2024, my focus has been on identifying and implementing strategies to strengthen our foundations and unlock the full potential of our pioneering land-based salmon farming model. My early months have been spent working closely with the team to drive key initiatives that ensure operational stability, improve efficiency, producing the right fish and position us for sustainable growth.

Key Operational Changes

Strengthening infrastructure and processes has been my priority in addressing core operational challenges to ensure a stable foundation for growth. A significant step has been to stabilize water temperatures at our Bluehouse facility and adapt biomass to current feeding volumes. This has directly improved fish health and production outcomes, enabling us to maintain lower mortality rates and increasing fish growth.

We are in the process of optimizing farm management practices, adopting new strategies to streamline processes, optimize feed conversion, and reduce costs. These measures are already contributing to improved farm performance and setting the stage for future scalability.

In addition to operational upgrades, we've prioritized strengthening our leadership and team. By recruiting experienced aquaculture professionals and leveraging the expertise of our existing staff, we are building a robust, capable and passionate team ready to achieve our ambitious goals.

My Vision for Atlantic Sapphire

At Atlantic Sapphire, sustainability is not just a commitment; it's a responsibility. My vision is to solidify our position as a global leader in sustainable aquaculture by continuously improving our technologies, reducing our environmental impact, and enhancing fish welfare and performance.

Achieving full Phase 1 production remains a top priority. This milestone will enable us to reach profitability and meet the growing demand for sustainable seafood while maintaining the highest quality standards. Our proximity to key U.S. consumer markets not only reduces transportation costs and our carbon footprint but also ensures ultra-fresh, healthy, and delicious salmon for our customers.

We are leveraging advanced technologies to enhance operational efficiency and product quality. Simultaneously, we are exploring new partnerships and expansion opportunities to strengthen our market position and reach more consumers worldwide.

Regaining and maintaining market confidence is paramount. I am committed to fostering transparency and accountability at all levels of the organization. By focusing on operational excellence and delivering consistent results, we aim to reaffirm our standing as a leader in the industry.

Looking Ahead

2025 is a year of growth and opportunity for Atlantic Sapphire. While challenges remain, I am confident that we are on the right path to achieving our goals. Our focus on sustainability, innovation, and operational efficiency will drive us forward, enabling us to produce healthy, sustainable salmon that benefits both people and planet.

I extend my sincere thanks to our dedicated team, investors, and partners for their unwavering support. Together, we are shaping the future of aquaculture and setting new standards for responsible food production. As we continue this journey, I look forward to leading Atlantic Sapphire into a brighter, more sustainable future.

PEDRO COURARD

COMPANY FACTS

Atlantic Sapphire ASA ("ASA"), a public limited liability company incorporated in Vikebukt, Norway and domiciled in Vestnes, Norway, is the parent company of the Atlantic Sapphire group of companies (collectively, "Atlantic Sapphire" or the "Group"), which includes:

ATLANTIC SAPPHIRE DENMARK A/S ("ASDK", registered in Hvide Sande, Denmark)

ATLANTIC SAPPHIRE USA LLC ("ASUS", registered in Miami, Florida, US)

S.F. DEVELOPMENT, L.L.C. ("ASSF", registered in Miami, Florida, US)

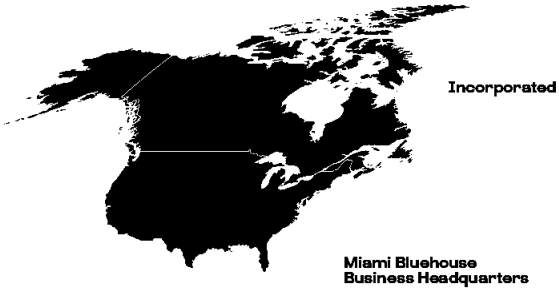
ATLANTIC SAPPHIRE IP, LLC ("ASIP", registered in Miami, Florida, US) This report is published as a single document and part of our annual integrated financial and Annual report, written by our internal Sustainability committee. Additionally, we publish quarterly financial reports.

FOUNDED:	LEGAL HEADQUARTERS:

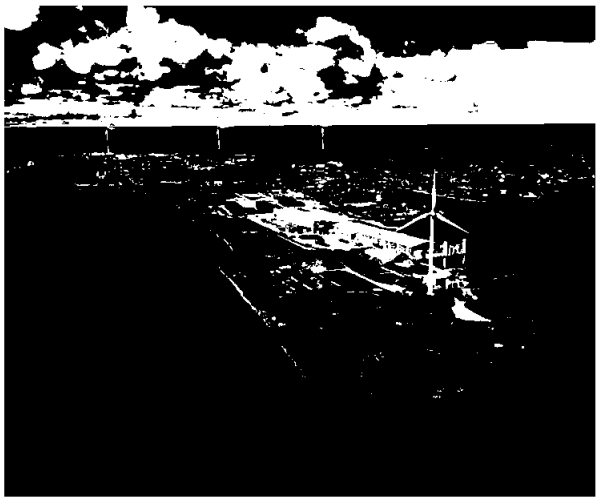
BUSINESS HEADQUARTERS:	OSLO STOCK EXCHANGE TICKER:

EMPLOYEES	TOTAL ASSETS (USD)	US OTCQX TICKER:

ATLANTIC SAPPHIRE BY LOCATION



SELECTED HISTORICAL HIGHLIGHTS

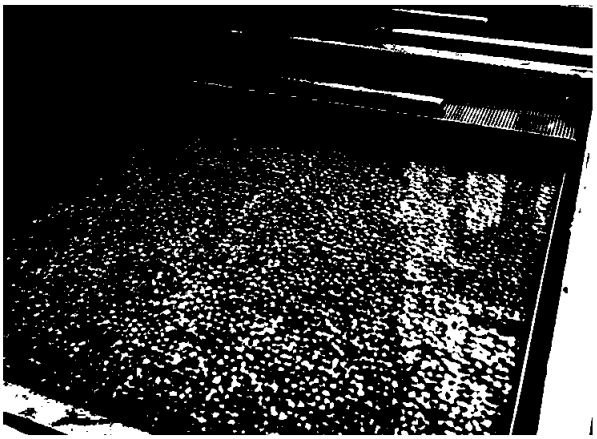


2010

ATLANTIC SAPPHIRE IS FOUNDED by Norwegian salmon entrepreneurs Johan Andreassen and Bjorn-Vegard Løvik with the vision of creating a world-class Bluehouse in the United States, the world's largest market for Atlantic salmon

FOUNDING PARTNER THUE HOLM, a Danish recirculation aquaculture expert, joins the company

CONSTRUCTION BEGINS on the commercial pilot Denmark Bluehouse, which would become the world's largest land- based salmon operation upon completion



2011

THE FIRST OVA of Atlantic salmon are stocked in the Denmark Bluehouse

2013

THE FIRST BATCH of Denmark Bluehouse salmon are harvested

ATLANTIC SAPPHIRE SALMON SELLS in the US market

2015

THE FIRST BATCH of Denmark Bluehouse salmon are harvested

ATLANTIC SAPPHIRE SALMON SELLS in the US market

2016

THE FIRST WATER USE and well drilling permits are secured for the Miami Bluehouse

2017

NOK 595M equity raise completed

US CONSTRUCTION MANAGEMENT AGREEMENT is signed

WELL DRILLING AND US PHASE 1 Miami Bluehouse construction commences

SELECTED HISTORICAL HIGHLIGHTS

2018

CONSTRUCTION OF GROW-OUT SYSTEMS expansion begins in Denmark, increasing capacity from 700 metric tons to 2,900 metric tons annually of round living weight (RLW) production

NOK 600M equity raise completed and Atlantic Sapphire listed on the Merkur Market in Oslo, Norway

THE FIRST ATLANTIC SALMON OVA are stocked in the Miami Bluehouse

A 'KEY TO MIAMI-DADE COUNTY' is received from Miami Dade County Mayor Carlos A. Gimenez in recognition of bringing responsible economic development and positive impact to the community

FIRST UNITED STATES PATENT granted for systems and methods of intensive recirculating aquaculture

2019

DNB DEBT FINANCING COMPLETED, with a guarantee from EKF, Denmark's export credit agency, in alignment with IFC performance standards and guidelines. First 'green rated' seafood debt for DNB, the world's largest seafood lender.

NOK 783M equity raise completed. The Company increases its projected capacity target from 90,000 metric tons in 2026 to 220,000 metric tons by 2031.

THE FIRST GENERATION of Atlantic salmon born in Florida successfully grows through the freshwater stage and onto the saltwater post-smolt systems

ATLANTIC SAPPHIRE is named 'Star of Innovation' at the 2019 European Small and Mid-Cap Awards

ATLANTIC SAPPHIRE JOINS the UN Global Compact, committing to respecting and promoting the ten principles on human rights, labor rights, environmental standards, and anti-corruption

2020

ATLANTIC SAPPHIRE IS LISTED in Oslo Stock Exchange ("OSE")

THE FIRST COMMERCIAL US HARVEST of Atlantic Salmon raised in RAS in Florida occurs

ATLANTIC SAPPHIRE INITIATES SALES of Bluehouse Salmon from Florida in several retail chains and food service outlets

2021

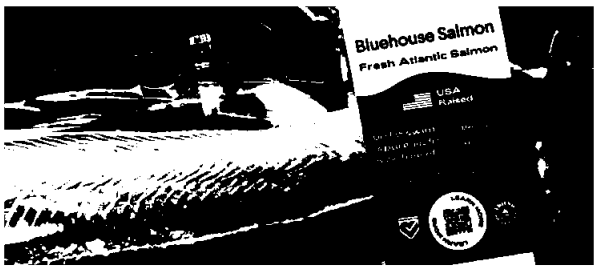
ATLANTIC SAPPHIRE and Skretting enter agreement to secure local feed supply

ATLANTIC SAPPHIRE INTRODUCES algal oil from Veramaris, replacing fish oil by 25%

THE GROUP'S BRAND, Bluehouse Salmon, gains the "Heart Check" certification from the American Heart Association

ATLANTIC SAPPHIRE IS LISTED in the US OTCQX market

ATLANTIC SAPPHIRE DENMARK A/S receives the ASC Standard certification



2022

BLUEHOUSE SALMON IS CERTIFIED Friend of the Sea

ATLANTIC SAPPHIRE INTRODUCES new smoked salmon products

HOT SMOKED BUEHOUSE SALMON wins Parent Tested Parent Approved seal of certification

FILLETING LINE is installed for in-house capabilities

2023

NEW CHILLER BANK is installed

START OF stable production conditions

2024

PEDRO COURARD AND GUNNAR AASBO-SKINDERHAUG JOIN ATLANTIC SAPPHIRE as the CEO and Deputy CEO & CFO

ATLANTIC SAPPHIRE'S INTERNAL RESTRUCTURING LEADS TO new purging technology and harvesting procedures, stabilized water quality and temperatures, adapted biomass to current feeding volumes

ATLANTIC SAPPHIRE IS SQF-CERTIFIED and now processing fully in-house

OUR STORY

FOUNDED IN 2010, Atlantic Sapphire owns and operates a land-based Atlantic salmon farm in Miami, Florida, US. A Bluehouse® facility (the "Bluehouse") is proprietary production technology developed in collaboration with a wide range of supply chain partners to optimize growing conditions for Atlantic salmon. Each Bluehouse contains the facilities needed for a salmon's full value chain, from egg to fresh fillets packed for retail and food service. Consolidated operations enable Atlantic Sapphire to control the entire production cycle without having to transport salmon to and from sea-based net pens.

The Group's strategy is to produce in the end-market, near customers, thereby reducing the environmental impacts and costs associated with airfreight transportation.

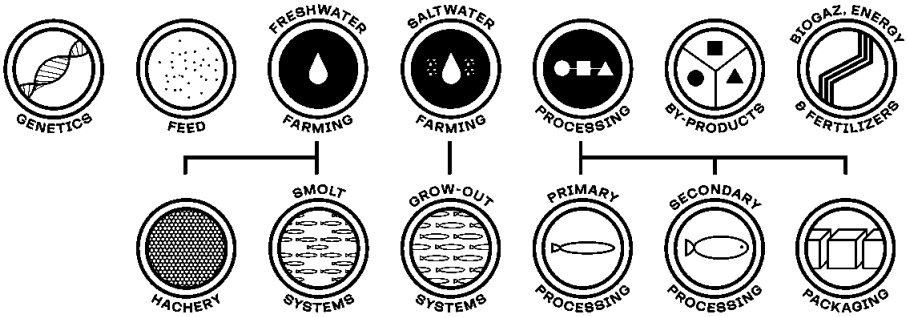
The Miami Bluehouse has a designed production capacity of approximately 9,500 metric tons head-on gutted ("HOG"). The Group has a target to expand production at the Miami Bluehouse up to 220,000 metric tons of annual capacity.

The global volume of farmed Atlantic salmon reached 2.9 million metric tons in 2024, according to Kontali. By the end of 2024, Atlantic Sapphire employed 237 full time employees, and expects to continue increasing its workforce as the Group scales up in the US.

The financial statements of this report is audited by PwC. Atlantic Sapphire aims to transform salmon farming by managing an integrated value chain of salmon production and bringing full traceability from egg to final product. Activities include farming, harvesting, processing, marketing, and sales. Through the specialized, efficient design of the Recirculating Aquaculture System ("RAS"), Atlantic Sapphire can control the key drivers of the production cycle consistently every day of the year. In the US, end-market production collapses the costs inherent in the international conventional seabased salmon farming value chain. Bluehouse farming has fewer negative impacts on the coastal environment, and for the Miami Bluehouse, there are no coastal impacts. The innovation of the Bluehouse allows Atlantic Sapphire to contribute to meeting the growing demand for sustainable, healthy, and fresh proteins.

Atlantic Sapphire continuously invests in research and development to ensure that the Group remains at the forefront of transforming market salmon production.

INTEGRATED VALUE CHAIN



EXECUTIVE MANAGEMENT

Pedro Courard

CEO OF ATLANTIC SAPPHIRE

PEDRO COURARD is an Industrial Engineer with a Master in Business Administration. He has been involved in the salmon industry in Chile for over 25 years, holding different management positions, most of them related to production and operation. During the last 15 years he has held management positions in different companies; he was the Managing Director of Ocea Chile (today Scale), Farming Director in Multi X and, since 2022, the Managing Director of Cermaq Chile, Chile's second largest salmon producer. In Cermaq, Mr. Courard has been part of the team that led the successful turnaround process of Cermaq Chile, positioning the company as a top performer in the Chilean salmon farming industry.

Gunnar Aasbo-Skinderhaug

DEPUTY CEO
AND CFO

GUNNAR AASBO-SKINDERHAUG has more than 15 years of experience from the seafood industry and salmon farming and joins Atlantic Sapphire from the position as Director of Cermaq Norway Salmon. Aasbo-Skinderhaug has had multiple operational executive roles in the Norwegian entity and worked on operational improvements in the Norwegian and Chilean operations of Cermaq. Aasbo-Skinderhaug has more than 10 years experience as CFO, including previously Oslo Stock Exchange-listed Aker Seafoods, as well as several years of experience with land-based farming, including RAS production.

Mario Palma

CHIEF TECHNOLOGY
OFFICER

MARIO PALMA was named Chief Technology Officer in October 2024. Mr. Palma has been involved with the Group's US operations since the beginning, and prior to being appointed Chief Technology Officer he held other positions including Chief Operating Officer and Director of Aquaculture Engineering within the Group. Mr. Palma also has more than 8 years of experience from other companies within aquaculture, including 5 years in various positions at Mowi. Mr. Palma holds an engineering degree from the Universidad Católica del Norte in Chile.

EXECUTIVE MANAGEMENT

Valerie Leath

HEAD OF HUMAN RESOURCES
& HSE

VALERIE LEATH joined Atlantic Sapphire in 2021 as a Director of Compensation and Benefits, and currently serves as Director of Human Resources. Leath has broad experience within the fields of HR with a strong focus on compensation, compliance and strategic management. She is a professional member of the Society for Human Resource Management and currently holds the Senior Professional in Human Resources designation through HRCI. Leath's prior work experience includes her role as HR/Benefits Manager at Weller Management and HR Consultant with Corporate Business Solutions. Leath has a strong academic background, and holds a Bachelor's degree in Public Relations from the University of Florida, a Master's degree in International Business from the University of Florida and a Master's degree in Business Administration from the EM Lyon Business School.

Damien Claire

CHIEF SALES
AND MARKETING OFFICER

DAMIEN CLAIRE is the Group's Chief Sales and Marketing Officer. Prior to joining Atlantic Sapphire, Mr. Claire was the President of Platina Seafood, Inc. Mr. Claire's experience includes positions in several industries around the world. From 2009 to 2014, he served as Sales/Analyst for South Pacific Specialties in Miami. From 2004 to 2008 he also acted as Vice President of Business Development for Global Outsourcing in Chile. Damien earned a Bachelor's Degree in Computer Science and Business Administration from Lander University in South Carolina.

CORPORATE GOVERNANCE

Atlantic Sapphire creates long-term value by ensuring good and healthy business practices, reliable reporting, regulatory compliance, and a culture that emphasizes sustainability.

Atlantic Sapphire is publicly traded and listed on the main exchange of the Oslo stock exchange. The Oslo Stock Exchange is governed by the Norwegian Securities Trading Act and its associated regulations. The regulations provide a framework for the governance of the stock exchange.

Key regulations governing the Oslo Stock Exchange

1.

LISTING RULES: The Oslo Stock Exchange has specific listing rules that companies must adhere to, to be listed on the exchange. These rules cover topics such as financial reporting, corporate governance, and disclosure requirements.

2.

TRADING RULES: The trading rules for the Oslo Stock Exchange govern the conduct of trading on the exchange. The rules include provisions for order types, price limits, and trading hours.

3.

MARKET ABUSE REGULATIONS: The market abuse regulations in Norway are designed to prevent insider trading and other forms of market abuse. These regulations are enforced by the Financial Supervisory Authority of Norway. These regulations aim to promote transparency and fairness in the Norwegian financial markets, and to protect investors and maintain confidence in the integrity of the stock exchange.

4.

CORPORATE GOVERNANCE GUIDELINES: The Oslo Stock Exchange has issued guidelines for corporate governance that listed companies are encouraged to follow. These guidelines cover topics such as board structure, remuneration, and shareholder rights.

5.

DISCLOSURE REQUIREMENTS: Listed companies on the Oslo Stock Exchange are required to disclose certain information to the market, such as financial reports, major events or changes in ownership, and material changes in business operations.

CORPORATE GOVERNANCE

Our board members ensure Atlantic Sapphire operates with integrity and accountability:

Kenneth Jarl Andersen

CHAIRMAN

KENNETH JARL ANDERSEN has served as a Director since August 2022. Andersen is the CEO of Strawberry Equities AS, which recently made a significant investment in the Company in the private placement announced on 28 June 2022. Andersen has extensive experience from the Strawberry Group, where he has been employed since 2007. In addition, Andersen has experience from Terra Fondsforvaltning and Arthur Andersen Consulting. Mr. Andersen is a Norwegian citizen, currently residing in Oslo, Norway.

Eirik Welde

DEPUTY CHAIR

EIRIK WELDE is a Norwegian national who holds a veterinarian degree from the Norwegian School of Veterinary Science (2001) and has over 20 years of experience from the Norwegian aquaculture industry. He has worked with fish health, production management and design of live fish support systems, including hatcheries and post-smolt facilities. He has experience as project manager and project executive within several aquaculture species and RAS technology. From 2012, he was the general manager of Nordlaks Smolt AS, and since 2019 he has been CEO of the Nordlaks Group.

Patrick Dempster

DIRECTOR

PATRICK DEMPSTER, a Chilean-British national, holds a Master of Science in Aquaculture degree from University of Stirling in Scotland and has over 35 years of experiencing working in the global salmon farming industry. Mr. Dempster has worked for and held board positions in several of the largest Chilean salmon farming companies and for one of the largest suppliers of technology and equipment to the salmon farming industry, Akva Group. Since 2010, he's been the general manager of AquaGen Chile, among the largest suppliers of genetics and eggs to the industry.

Ellen Marie Sætre

DIRECTOR

ELLEN MARIE SÆTRE is an educated veterinary from the Norwegian School of Veterinary Science (2006). She has been working as a consultant in private fish health companies on questions regarding fish health, welfare, hygiene and biosecurity since 2006. Now she is leader of the fish health department in Møre og Rømsdal for Åkerblå AS. Ms. Sætre is a Norwegian citizen, currently residing in Vikebukt, Norway.

Marta Rojo Alonso

DIRECTOR

MARTA ROJO ALONSO is a Spanish national with over 25 years of international experience in Europe, Asia and Latin America. She has worked with various large companies within the aquaculture industry, such as Mowi, Skretting and as CFO of Salmones Camanchaca in Chile (listed on the Oslo Stock Exchange). She is the current CEO of Sterner Group, a Norwegian water treatment technology provider working with RAS. She has a Master's degree in Economics and Management from the University of Madrid, as well as an Executive MBA from Nyenrode Business University in the Netherlands.

ADVANCING AMERICA'S BLUE ECONOMY

In an era of heightened global challenges, the need for sustainable solutions in food production has never been more critical. With the world's population projected to reach nearly 10 billion by 2050, the demand for protein sources continues to grow. At the same time, our oceans face unprecedented pressures from overfishing, pollution, and climate change. These intertwined crises underscore the necessity of advancing America's blue economy, where sustainable aquaculture emerges as a cornerstone for feeding the future while safeguarding natural ecosystems. Atlantic Sapphire is proud to lead this transformative effort, bringing sustainable seafood production to the forefront of the American landscape.

ADVANCING AMERICA'S BLUE ECONOMY

The United States imports more than 85% of its seafood, contributing to a trade deficit and diminishing our ability to ensure sustainable practices. Domestic aquaculture offers a unique opportunity to bolster food security, reduce the environmental impacts of transportation, and support economic growth in coastal and inland communities alike. By producing healthy, low-carbon protein within the U.S., Atlantic Sapphire is redefining what it means to be a steward of the environment and a champion of responsible innovation.

Our pioneering Bluehouse technology exemplifies this commitment. Designed to mitigate many of the environmental challenges associated with traditional aquaculture, our land-based salmon farming system operates with near-zero discharge into surrounding ecosystems, dramatically reducing pollution and safeguarding wild fish populations.

By controlling every aspect of the salmon's lifecycle, we minimize waste, optimize resource use, and ensure unparalleled product quality. This model aligns with the principles of the UN Sustainable Development Goals (SDGs), particularly those focused on responsible consumption and production, climate action, and life below water.

Sustainable aquaculture is more than an industry; it is a vital component of a resilient food system. As global consumption of fish continues to rise—the Food and Agriculture Organization (FAO) predicts per capita fish consumption will exceed 21.3 kg by 2027—aquaculture must meet this demand responsibly. Atlantic Sapphire's innovative practices support this growth while protecting marine ecosystems, ensuring that future generations can benefit from both abundant seafood and healthy oceans.

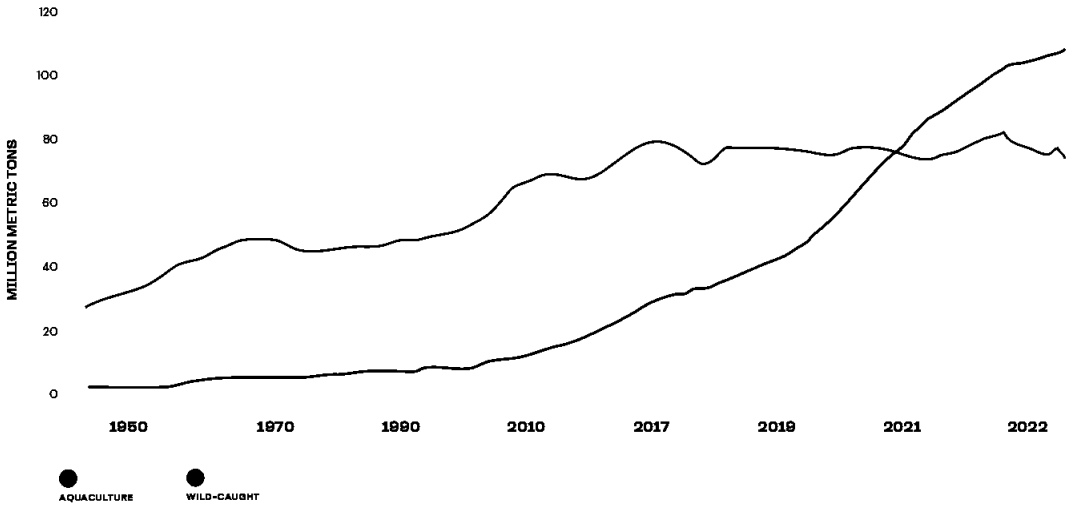
Beyond environmental stewardship, Atlantic Sapphire contributes to the economic vitality of America's blue economy. Our operations create jobs, stimulate South Florida's economy, and establish the U.S. as a leader in sustainable seafood production. We are committed to fostering partnerships with researchers, policymakers, and industry stakeholders to drive innovation and set new standards for sustainability across the sector.

The challenges facing seafood production demand bold action and collaborative solutions. Atlantic Sapphire is honored to play a pivotal role in advancing sustainable aquaculture in the United States. By aligning cutting-edge technology with a deep commitment to environmental and social responsibility, we are not only meeting the immediate demands of today but also building a resilient foundation for the future of global food systems.

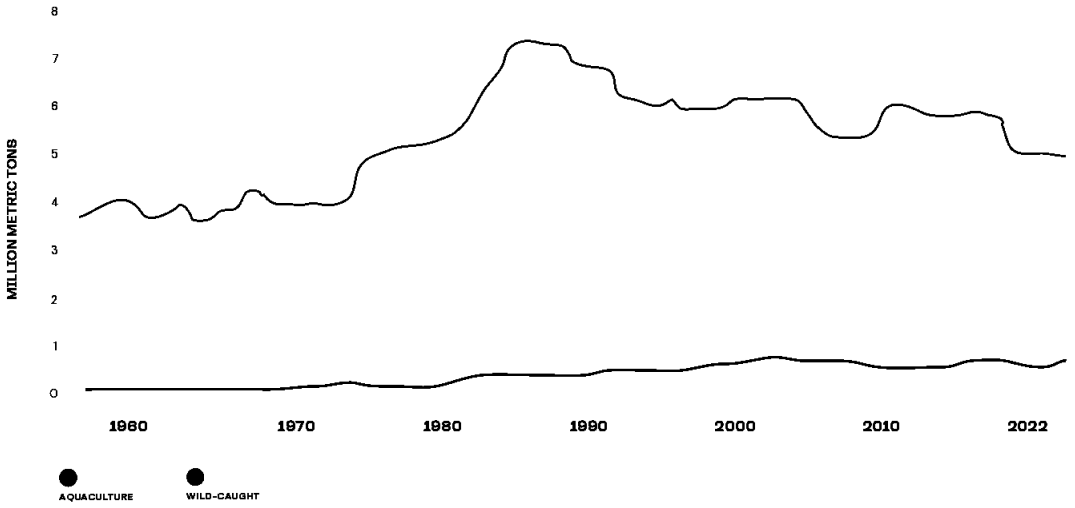
Together, we can ensure that America's blue economy thrives, delivering sustainable, nutritious seafood while preserving the planet for generations to come.

GLOBAL AND DOMESTIC PRODUCTION

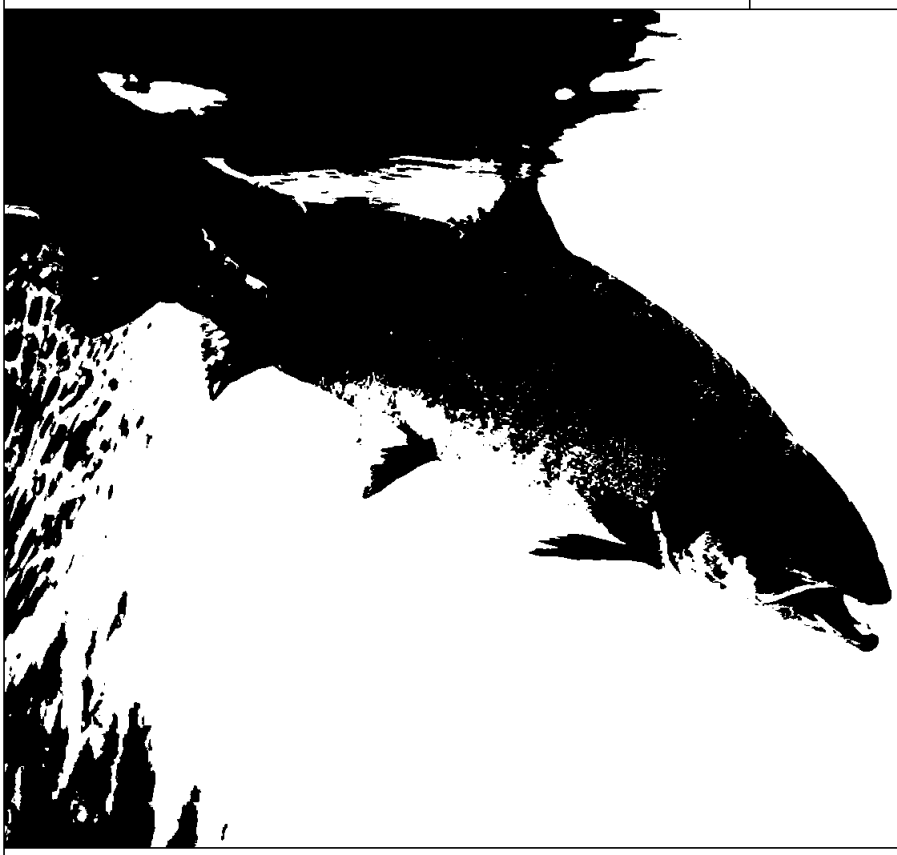
Global



North America



FOR THE HEALTH OF PEOPLE AND THE PLANET



18. Our Framework

25. Our Commitment to Responsible Governance

29. Why Sustainability Matters to Atlantic Sapphire

OUR FRAMEWORK

Atlantic Sapphire exists for one clear purpose: to lead the global transformation of aquaculture through innovative fish farming methods that deliver a delicious, nutritious, and sustainable product to the end-consumer. The Group's approach to doing business is sustained by an ongoing consideration of factors with the goal of bringing results across four key areas: product, economic, environmental, and social responsibility.

- VISION & TRANSFORMATIVE PURPOSE
- CORE VALUES
- ORGANIZATIONAL STRUCTURE
- PRIORITIES

Atlantic Sapphire is a company where talented individuals are empowered to do their best work by applying the Group's core values:

Passion

PURPOSE. DEDICATION. COURAGE.

Performance

INITIATIVE. COLLABORATION. RESULTS.

Innovation

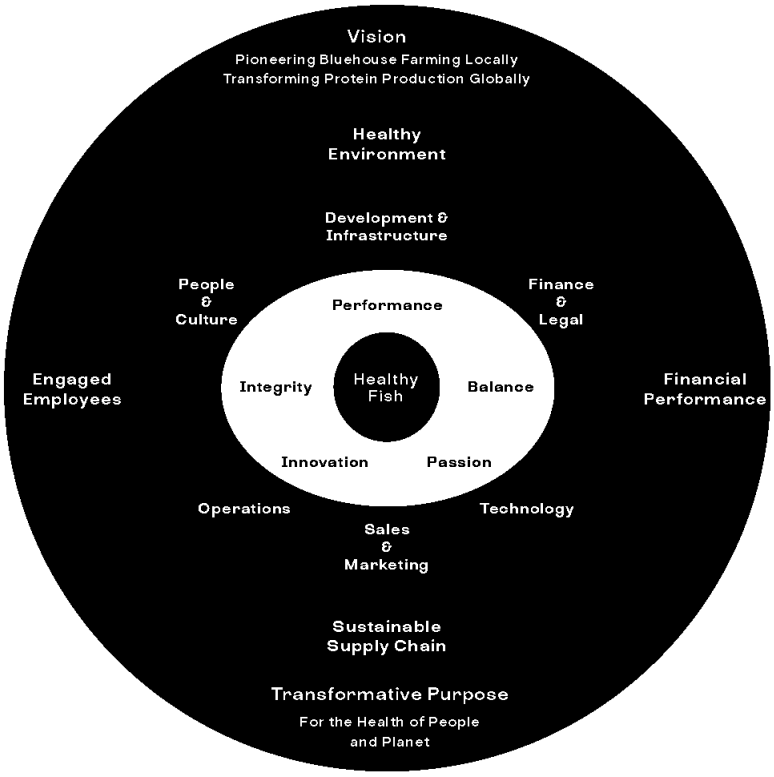
CONTINUOUS IMPROVEMENT. SOLUTIONS. LEARNING.

Integrity

ACCOUNTABILITY. OPEN COMMUNICATION. CARE.

Balance

HEALTHY FISH. STAKEHOLDER WELLNESS. SUSTAINABLE PLANET.



PRIORITIZING MATERIAL RISKS

In 2019, the Group undertook its first assessment to determine its key stakeholders and their priorities, disclosure topics, and risk factors, which has since been revisited annually. This year's Materiality Matrix has also been reviewed and approved by the Board of Directors. Careful consideration for guidance was included from theGlobal Reporting Initiative ("GRI") Standards, the Sustainability Accounting Standards Board ("SASB"), the UN Global Compact, and the UN Sustainable Development Goals ("SDGs").

ATLANTIC SAPPHIRE VIEWS all potential material ESG topics, including both risks and opportunities, according to its time horizon (short-, medium-, and long-term). The Group also evaluates boundaries, considering where each of the impacts occur and the Group's direct or indirect involvement with those impacts. Atlantic Sapphire then assesses the Group's stakeholders along its value chain, focusing on four key stakeholders and their expectations of Atlantic Sapphire: customers, employees, suppliers, and shareholders. Atlantic Sapphire has analyzed the Group's significant impacts and stakeholder expectations across over 30 relevant and key topics. Through an iterative aspect process, it prioritized the 16 topics considered most material across four topic categories: Product Responsibility, Economic Responsibility, Environmental Responsibility, and Social Responsibility. The resulting list of topics and the materiality matrix are shown below, and its mapping has been validated by the executive team and the Board of Directors prior to publishing this report. Although the Group has not undertaken a formal validation of the overall matrix with external stakeholders after its creation, it has collected direct and indirect feedback on the priorities through an ongoing dialogue with investors and other external stakeholders. In 2024, the Group continued its validation on the materiality assessment with selected external stakeholders, ensuring that it continually monitors its understanding of the dynamic and evolving landscape of risks and opportunities in sustainable aquaculture.

ATLANTIC SAPPHIRE'S MATERIALITY MATRIX

- PRODUCT RESPONSIBILITY
- ECONOMIC RESPONSIBILITY
- ENVIRONMENTAL RESPONSIBILITY
- SOCIAL RESPONSIBILITY

Impact on external stakeholders' assessment and decisions

Indirect Economic Impact Climate Adaptation Resilience and Transition Local Communities Energy Consumption and Intensity & GHG Emissions	Economic Performance Customer Health and Safety & Marketing labeling Occupational Health and Safety Animal Health and Welfare Water and Effluents
Anti-corruption & Anti-competitive Behavior Training and Education Assessment of Suppliers' Environmental and Social Standards	Biodiversity Diversity, Equal Opportunity and Non-Discrimination Waste Management Environmental Compliance

Significance of Atlantic Sapphire's impacts on the economy, environment, and society

MATERIAL RISKS

PRODUCT RESPONSIBILITY

CONSUMER SAFETY

- Food safety and certification compliance
- No antibiotics or pesticides
- Integrated production and processing quality control
- No exposure to microplastic waste

TRACEABILITY

- Secure and integrated production cycle
- Key suppliers, including genetics and feed

FISH HEALTH

- Fish husbandry best practices
- Prevent exposure to parasites
- Prevent exposure to toxic algae or diseases

LOGISTICS BENEFITS

- Elimination of airfreight intermediaries
- Longer fresh product shelf-life
- Single location transportation origin
- Full byproduct utilization opportunities

ECONOMIC RESPONSIBILITY

ECONOMIC PERFORMANCE

- Financial results and shareholder return
- Financial integrity and responsibility

INDIRECT ECONOMIC IMPACT

- Investment and job creation impact
- Contribution to GDP growth

ANTI-COMPETITIVE BEHAVIOR

- Code of Conduct adherence
- Transparent reporting

TECHNOLOGY AND INNOVATION

- Intellectual Property Rights
- Research & Development

ENVIRONMENTAL RESPONSIBILITY

GHG EMISSIONS AND CLIMATE CHANGE

- In-market production, eliminating airfreight transportation
- Minimal transportation for farming and processing
- Improved feed efficiency

ENERGY CONSUMPTION AND INTENSITY

- Increase renewable energy supply
- Efficient energy investments

SUPPLIER ENVIRONMENTAL ASSESSMENT

- New suppliers to be screened
- Actions taken against any negative impacts

WATER AND LOCAL EFFLUENTS

- Advanced water treatment
- Minimal impact on coastal waters
- Responsible sludge management

BIODIVERSITY

- Minimal impact on local flora and fauna
- Prevent escapees and predator issues
- Avoid microplastic contamination

WASTE

- Minimize generation and impact
- Management

SOCIAL RESPONSIBILITY

OCCUPATIONAL HEALTH AND SAFETY

- Safe and hazard-free working environment
- Provision and use of health & safety equipment

TRAINING AND EDUCATION

- Atlantic Sapphire Academy
- Collaboration with educational institutions
- Learning and networking events

SUPPLIER SOCIAL ASSESSMENT

- New suppliers to be screened
- Actions taken any negative impacts

COMMUNITY IMPACT

- Local supplier engagement
- Charity, civic and research organizations engagement

DIVERSITY AND INCLUSION

- Equal opportunities for employees and suppliers
- Gender diversity
- Integration initiatives

MATERIAL RISKS

The material topics listed below reflect both potential risks and opportunities that will impact the decisions Atlantic Sapphire makes from a business perspective.

THE GROUP will increasingly capture data on the material topics and risks for management attention and reporting. Data collection will increase to support additional comprehensive and accurate disclosure as Atlantic Sapphire approaches steady-state operations in the US.

Profitability

1. ECONOMIC VIABILITY:

Without profitability, Atlantic Sapphire cannot sustain its operations.

2. SCALABILITY:

Profitable operations allow for scalability, as The Group is working towards the construction of Phase 2.

3. MARKET DEMAND:

Profitability helps ensure that sustainably farmed salmon remains competitive in the market, meeting both ethical and economic demands.

4. INVESTMENT AND INNOVATION:

Profitability attracts investment and drives innovation in Bluehouse-Tech.

Customer health and safety

1. FOOD SAFETY:

Land-based farming allows for greater control over production conditions, reducing the risk of contamination from pollutants, pathogens, or other hazards that might affect fish health and, subsequently, human health.

2. PUBLIC HEALTH:

Land-based farming practices that prioritize health and safety mitigate the risk of transmitting diseases from farmed fish to humans. This is particularly important in preventing the spread of zoonotic diseases that can potentially be transmitted from animals to humans.

3. REGULATORY COMPLIANCE:

Adhering to food safety regulations and standards is essential for compliance and maintaining consumer confidence. Failure to meet these requirements can lead to regulatory penalties, recalls, and damage to the reputation of the farm.

4. CONSUMER CONFIDENCE:

Concerns about food safety, especially regarding seafood products, can influence consumer purchasing decisions. Demonstrating a commitment to health and safety in land-based salmon farming operations can reassure consumers and strengthen brand loyalty.

Occupational health

1. RISK REDUCTION:

Land-based salmon farming involves various tasks and operations that can pose risks to workers, such as handling equipment, working in wet environments, and exposure to chemicals or biohazards. Implementing proper safety protocols, training, and equipment reduces the likelihood of accidents and injuries.

2. LEGAL COMPLIANCE:

Failure to meet occupational and safety regulations and requirements can result in legal penalties, fines, lawsuits, and damage to the reputation of the farm. Prioritizing worker safety helps ensure compliance with relevant laws and regulations.

3. PRODUCTIVITY AND EFFICIENCY:

Safe working conditions enable employees to perform their tasks more effectively and efficiently. By minimizing the risk of accidents and injuries, Atlantic Sapphire can maintain productivity levels, avoid disruptions in operations, and reduce downtime associated with worker absenteeism or injury recovery.

4. RISK MANAGEMENT:

Identifying and mitigating workplace hazards not only protects employees but also minimizes the potential for financial losses, damage to equipment, and disruptions in production.

5. SUSTAINABILITY:

Ensuring the well-being of employees is aligned with broader sustainability goals, as it contributes to social responsibility and the long-term viability of farming operations.

MATERIAL RISKS

Animal welfare

1. ECONOMIC PERFORMANCE:

To achieve economic performance, animal welfare is a top priority. The welfare of the salmon is at the center of the company mission and vision. Ensuring the welfare of the fish contributes to the long-term viability and resilience of the operation.

2. PRODUCT QUALITY:

Stress-free fish have better meat quality, which translates to a superior product for consumers.

3. REDUCED MORTALITY:

Poor animal welfare can lead to increased stress and mortality.

4. SUSTAINABILITY AND EFFICIENCY:

Healthy, well-cared-for fish are more efficient in converting feed into edible protein. This efficiency contributes to the overall sustainability of the operation by reducing resource inputs and waste outputs.

5. PUBLIC PERCEPTION AND REPUTATION:

Consumer awareness and concern for animal welfare is growing. Prioritizing animal welfare is prioritizing consumer trust.

Water effluent management

1. ENVIRONMENTAL PROTECTION:

Atlantic Sapphire uses an injection well, which allows for the controlled disposal of treated wastewater deep underground, minimizing the risk of surface water contamination, algal blooms, and other ecological disturbances associated with traditional discharge methods.

2. REGULATORY COMPLIANCE:

Compliance with regulations governing the discharge of effluent is essential to avoid legal penalties, fines, and other enforcement actions.

3. WATER QUALITY MAINTENANCE:

Salmon require clean water with specific temperature, oxygen levels, and pH for optimal growth and health. Managing effluent ensures that water quality parameters remain within acceptable limits, reducing stress on the fish and minimizing the risk of mortality.

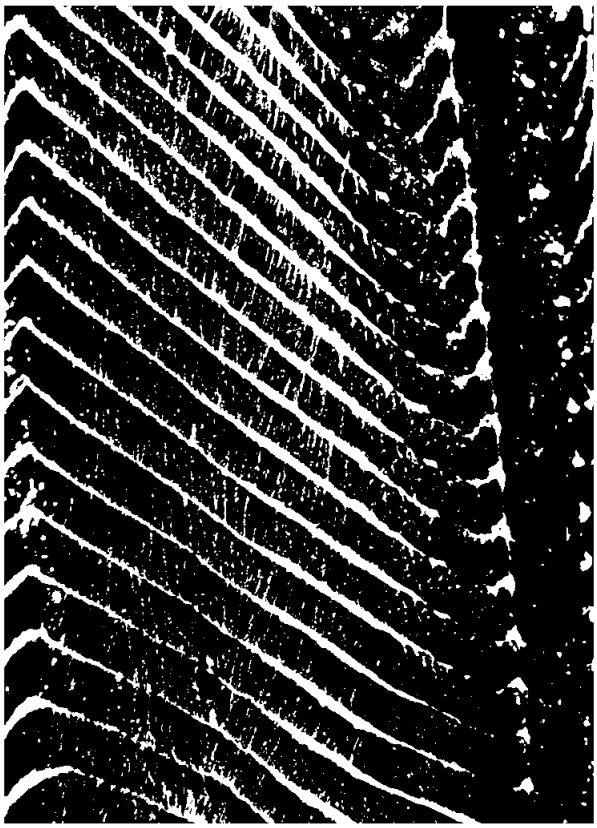
4. RESOURCE CONSERVATION:

Effective effluent management strategies such as recycling and reuse systems within the Bluehouse help conserve Florida's aquifer by reducing the amount of freshwater needed for salmon production.

5. SUSTAINABLE PRACTICES:

Atlantic Sapphire's mission includes the promotion of sustainable aquaculture practices. Proper effluent management ensures the long-term viability of land-based salmon production.

STAKEHOLDER ENGAGEMENT



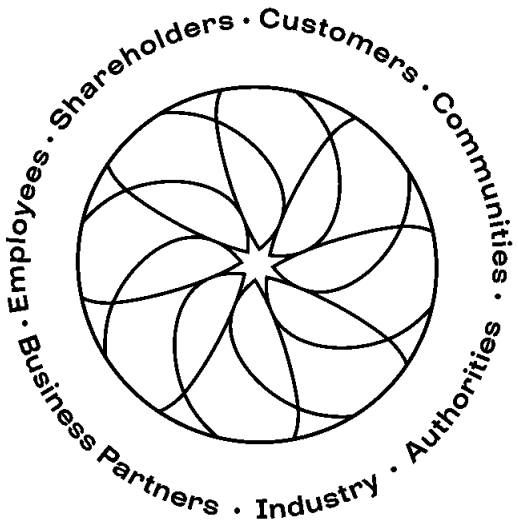
Atlantic Sapphire's business depends on its social license to operate, the trust and goodwill of its stakeholders, and on its reputation for keeping its promises.

ANY CIRCUMSTANCES that publicly damage this may lead to a broader adverse effect than solely the monetary liability arising directly from a damaging event by way of loss of business, trust and goodwill, clients and consumers, employees, partners, and neighbors.

The Group strives to build long-term relationships with all stakeholders, and the Group's management team engages in open and transparent dialogue with those interested in its business from a social, environmental, and economic perspective. The Group proactively listens to its stakeholders, provides them with information about Atlantic Sapphire's projects and operations, and addresses their needs on an ongoing basis.

Such dialogue strives to raise awareness on both the value of what Atlantic Sapphire does and the challenges they face. In the past year, the Group held valuable dialogue with stakeholders around various topics that consisted of product attributes, environmental and animal welfare aspects related to Bluehouse salmon farming, technology and R&D invested in the recirculating aquaculture systems ("RAS"), the viability of the business model, and the socio-economic impacts of its operations in the US. Further, the Group employs different platforms to engage with its stakeholders to provide a relevant setting and frequency of communications while simultaneously maintaining a healthy level of involvemen and interest with, and ultimately for, the stakeholders.

HOW ATLANTIC SAPPHIRE ENGAGES WITH STAKEHOLDERS



Employees

FULL-TIME EMPLOYEES | SUBCONTRACTORS | CANDIDATES

- Ongoing and regular communication on openings and feedback on status of applications
- Ongoing and consistent open engagement regarding professional goals and opportunities, needs, work performance, updates on procedures, Group and department performance, and major events
- Frequent company-wide online and (when possible) face to face communications such as townhalls, on relevant and exceptional information through different platforms
- Annual employee satisfaction and engagement surveys

Shareholders & Lenders

INVESTORS | BANKS

- Regular communication, updates in Group presentations, meetings to discuss both financial and ESG performance, ESG risks and opportunities (especially with institutional investors with a strong ESG mandate), investor roadshows, and site visits
- Availability for two-way face-to-face communication, email correspondence, and response to enquiries
- Multiple access platforms including Oslo Stock Exchange ("OSE") official channels, website, and investor relations email address

Customers

BUYERS | RETAILERS | FOOD SERVICE | CONSUMERS

- Frequent communication through onsite visits, email, and phone to set common goals, respond to questions around product safety and attributes, and to provide updates on commercial plans
- Direct communication with customers through social media and other marketing and PR channels to answer questions about product safety, traceability, and salmon attributes

Communities

LOCAL COMMUNITIES | EDUCATION CENTERS ASSOCIATIONS | MEDIA

- Open dialogue responding to questions, concerns and requirements via onsite visits, and participation in community activities (including those focused on the improvement of social and economic indicators), and scheduled meetings
- Engagement with organizations, such as the South Dade Chamber of Commerce and Miami Dade Beacon Council, with respect to advancing economic development in the community
- Support to educational efforts and institutions with conservation goals, such as Miami Waterkeeper
- Provision of relevant information and updates about the progress of our operation through email, social media, press, and announcements
- Product donations to support local communities such as the Homestead Soup Kitchen, Camillus House, and the Harry Chapin Food Bank of Southwest Florida.

Business Partners

SUPPLIERS | CONTRACTORS

- Face-to-face daily communication regarding progress on both sides
- Monthly meetings with a set agenda regarding project timelines, requirements, budgets and technical developments, or other needs
- Support local businesses whenever possible

Industry

INDUSTRY PEERS | NON-GOVERNMENTAL ORGANIZATIONS ("NGOS")

- Updates through Group presentations at conferences and summits gathering businesses within the seafood industry and beyond
- Notifications through OSE, market days, on-site visits strictly centered on pre-competitive dialogue
- Communications through specialized media
- Press releases, Group updates, and social media posts

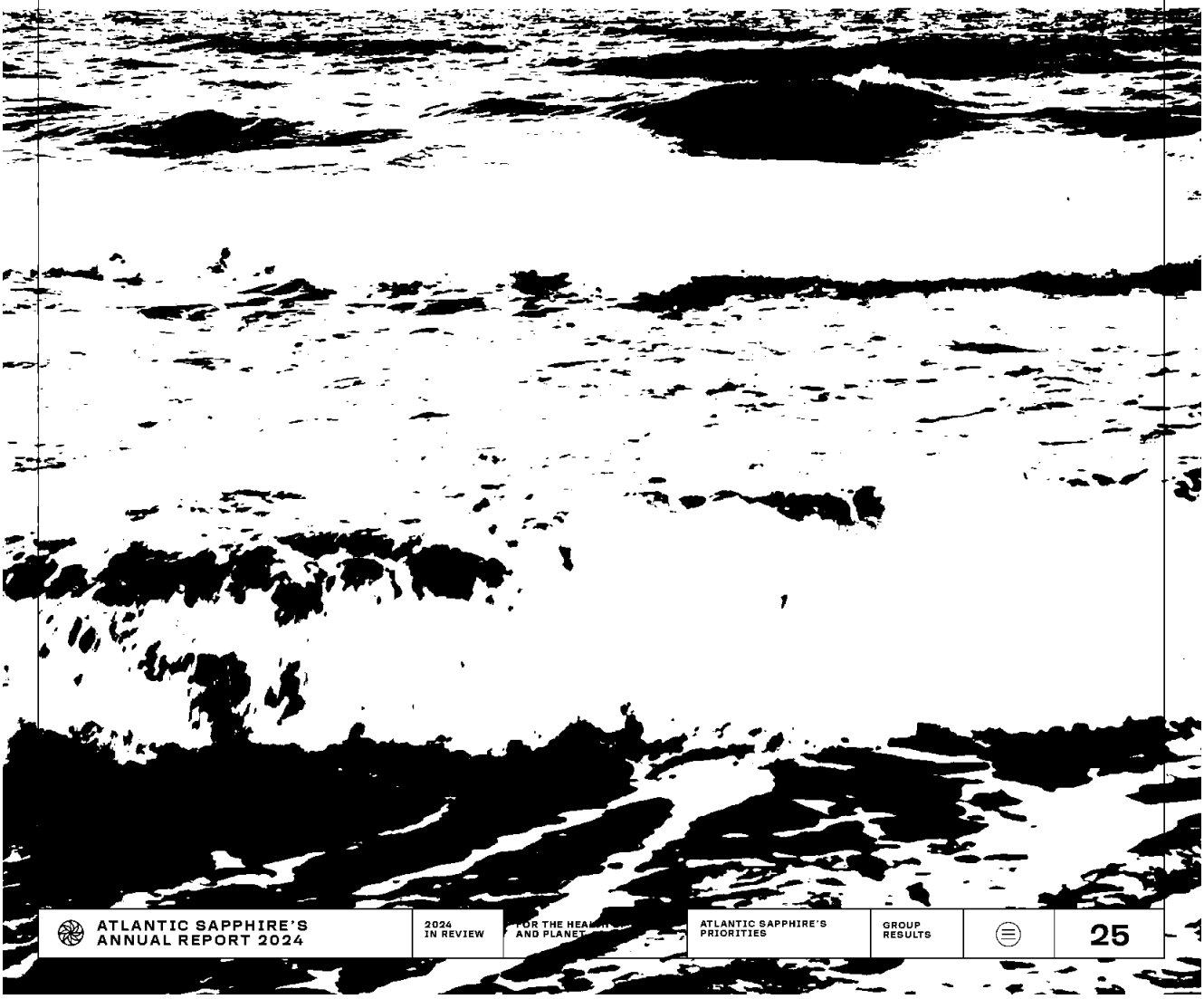
Authorities

LOCAL | REGIONAL | NATIONAL

- Continuous engagement informing of progress, practices, and permissions via formal communication
- Onsite visits
- Regular updates via face-to-face communication

COMMITMENT TO RESPONSIBLE GOVERNANCE

Atlantic Sapphire is committed to high standards in corporate governance and complies with all the corporate governance requirements that are part of the listing requirements of the Norwegian stock exchange, Oslo Børs.



GOVERNANCE FRAMEWORK

The framework for respon-sible governance includes an Environmental and Social Management System ("ESMS"), which comprises a set of policies, procedures, and requirements for internal capacity to identify and manage environmental and social impacts. Atlantic Sapphire has set out a range of governance policies, including: Code of Conduct, Investor Relations Policy, Nomination Committee Charter, and a Human Rights Policy. These are published online.

THE BOARD OF DIRECTORS is ultimately responsible for the Group's sustainability performance. There is no separate board-level committee, as the entire Board is engaged in setting the Atlantic Sapphire's strategic direction for sustainability and ESG as well as monitoring performance. Daily responsibilities are integrated throughout the Group's executive management. Atlantic Sapphire promotes a culture where everyone is responsible for driving value with a focus on engaged people, healthy fish, healthy environment, sustainable supply chain, and financial performance. Measurement, monitoring, and auditing of the environmental and social management system ("ESMS") and coordination is conducted by the managers accountable for the related elements of the Environmental and Social Action Plan ("ESAP").

Atlantic Sapphire's Board of Directors is independent from the Group' executive management.

As per Norwegian law, the Board shall always have at least 40% of both genders represented. In 2024, the Board comprised two female members out of five members in total.

The Group has independent committees in place for audit and remuneration, in addition to a Nomination Committee that is acting independently of the Board of Directors. We comply with all applicable requirements under the Norwegian Public Limited Liability Companies Act, including facilitating shareholder participation through invitation to our general meetings. The agenda, materials, and meeting minutes for the General Meetings of the Group are published online in both English and Norwegian. In the 2024 AGM, 45.9% of the outstanding shares in the Group were represented. Of all the issues presented to the AGM, 99.9 of present shareholders voted on each of the 15 voting items.

Public Policy

IN 2024, Atlantic Sapphire worked with Florida Sea Grant and FDACS (the Florida Department of Agriculture and Consumer Services) on various projects including potential research for Artificial intelligence as well as research on topics such as waste recycling, with a focus on education and creating awareness for Florida aquaculture.

Remuneration policy

ATLANTIC SAPPHIRE has a remuneration policy for the Board of Directors and the executive management team. This remuneration policy provides a framework for remuneration, as well as specific guidelines for incentive pay. The Policy is subject to approval by the general meeting of the Company, and subsequently (i) either in respect of any material changes, or (ii) at least every four years. This update Remuneration policy was approved by the annual general meeting of the Company in 2024.

The Compensation Committee prepared the Remuneration Policy, and is also responsible for preparing later amendments and updates.

CEO-to-Employee Pay Ratio

TOTAL CEO COMPENSATION – 525,000, Median Employee Compensation - 86,337.28, The ratio between the total annual compensation of the Chief Executive Officer and the median employee compensation: 6.08.

Atlantic Sapphire employees have the right to organize and form a union, but employees have not initiated any efforts to unionize.

ESMS FRAMEWORK

ATLANTIC SAPPHIRE'S ESMS was built following an external review of the Group's Environmental and Social Management Plan ("ESMP") for compliance with the IFC Performance Standards ("PS") (2012), IFC EHS Guidelines for Aquaculture (2007), and EHS General Guidelines (2007). The ESMS comprises a set of policies across a range of topics – from environment, health & safety, security and emergency preparedness to employment conditions, rights and obligations, grievance management, whistleblower policy, community engagement, and communication.

To encourage feedback from employees and community members, the Group expanded its grievance mechanism to include confidential boxes and electronic submissions for suggestions and acknowledgements. In 2024 a total of eight grievances, suggestions, or acknowledgments were received through these boxes and other communication channels. Five of them were addressed; one not solved or communicated back to employees; two issue solved but not communicated to the employees.

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

ENVIRONMENT | HEALTH & SAFETY | HUMAN RESOURCES | SECURITY | EMERGENCY PREPAREDNESS | COMMUNITY | EXTERNAL COMMUNICATION

Internal Compliance Monitoring | Data Collection & Reporting | External Due Dilligence | Certifications | Grievance Mechanism

Communication and dialogue with internal and external stakeholders

EHSS POLICY

Atlantic Sapphire's overarching Environmental, Health, Safety, and Security ("EHSS") Policy expresses their commitment to responsible governance and includes:

1.

ENSURING compliance with all applicable EHSS laws and regulations, EHSS management standards, and other EHSS standards to which Atlantic Sapphire subscribes.

2.

PROMOTING this culture through our suppliers, vendors, and contractors.

3.

DESIGNING and reliably operating our aquaculture facilities with emphasis on effective process safety programs to maintain a safe work environment, prevent accidents, and improve efficiency in the consumption of energy, water and other resources, and material inputs.

4.

CONDUCTING employee training and implementing a topdown culture of safety awareness.

5.

IDENTIFYING, evaluating, and managing risks associated with occupational health & safety, community health & safety, food safety, environmental compliance, and quality of products.

6.

CONTINUING to improve our processes and development of technologies to increase the performance and sustainability of operations.

7.

COMMUNICATING to management and all concerned parties any unlawful or unsafe conditions, security lapses, and maintaining openness, transparency, and continuing dialogue with our employees, contractors, communities, regulatory authorities, suppliers, customers, and other stakeholders.

WHY SUSTAINABILITY MATTERS TO ATLANTIC SAPPHIRE

Atlantic Sapphire was founded upon an aspiration to find solutions to existing global environmental, social, and economic challenges. Through the Group's core business, values, and behaviors, it recognizes that these factors have a material impact on the long-term financial performance and value creation for stakeholders. Through its daily actions, Atlantic Sapphire seeks to leverage the potential of its alignment with sustainability principles to minimize risk while maximizing stakeholder value.

WHY SUSTAINABILITY MATTERS TO ATLANTIC SAPPHIRE

The Atlantic Sapphire team is measured on and rewarded for its contributions to achieving their corporate values and four key priorities of responsibility: Product, Economic, Environmental, and Social Responsibility.

Atlantic Sapphire strongly supports the UN Sustainable Development Goals ("SDGs"). The Group sees these goals as a blueprint for business leadership generally as well as for the industry because food production lies, as described by the World Economic Forum, at the intersection of so many major global challenges, including natural resource management, climate change, public health, food security, and trade regimes. Atlantic Sapphire believes that it has a duty to find a balance between producing enough healthy proteins to feed the world and protecting the planet's limited resources.

Atlantic Sapphire fully supports the UN Global Compact principles and SDGs as they relate to its business strategy, day-to-day operations, organizational culture, and influence. Atlantic Sapphire identified the eight SDGs highlighted below as targets based on the Group's highest priorities and the areas in which it is best placed to drive positive change.

OUR SDG PRIORITY TARGETS

"Ensuring healthy lives and promoting the well-being for all at all ages is essential to sustainable development"

SDG 3

ATLANTIC SAPPHIRE PRODUCES Atlantic salmon, which is high in long-chain Omega-3s fatty acids that help maintain a healthy heart and is a rich source of vitamins and minerals. According to health authorities, a healthy, balanced diet should include at least two portions of fish a week, including one of oily fish such as salmon.

"Sustainable consumption and production is about promoting resource and energy efficiency, sustainable infrastructure, and providing access to basic services, green and decent jobs and a better quality of life for all"

SDG 12

ATLANTIC SAPPHIRE PRODUCES high quality Atlantic salmon free of antibiotics, parasites, and other medicines and which swim in water free of micro-plastics or mercury thanks to its closed-containment salmon farming technology. The Group's Bluehouse technology enables them to responsibly use natural resources, such as water, and produce a sustainable protein for consumers.

"Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs"

SDG 8

BY SPEARHEADING THE DEVELOPMENT of a new cross-discipline industry, Atlantic Sapphire has secured the creation of quality jobs that will set the basis for a robust talent pool in the emerging land-based aquaculture sector. In addition to the positive impact generated through employment and the economic multiplier effect, the growth of Atlantic Sapphire and the land-based salmon farming sector generates a significant need for skills. This leads to collaboration between the public and private sectors to develop programs oriented to form students for the jobs of the future, engaging people of different ages and backgrounds.

"Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation"

SDG 9

INNOVATION IS AT THE HEART of Atlantic Sapphire's transformative purpose. By pioneering Bluehouse salmon farming, the Group is contributing to the progress and development of the land-based salmon industry at large as they open the door for larger projects and collaborate with contractors, equipment manufacturers, and suppliers to develop new solutions. The Group invests in research and development ("R&D"), participates in conferences to contribute to the global understanding of the main challenges and opportunities of this emerging industry, and continues to expand the pool of talent by recruiting people from different disciplines who can help bring land- based salmon farming forward.

OUR SDG PRIORITY TARGETS

"Take urgent action to combat climate change and its impacts"

SDG 13

SALMON FARMING has the lowest carbon footprint in animal protein production. Atlantic Sapphire's objective is to further contribute to the reduction of the environmental impact of salmon farming by eliminating airfreight-related carbon emissions and exploring and implementing carbon removal technologies when possible.

"Conserve and sustainably use the oceans, seas and marine resources for sustainable development"

SDG 14

ATLANTIC SAPPHIRE has minimal impact on the oceans, marine wildlife, and marine ecosystems. By producing salmon out of the sea, wild populations of salmon and other wildlife are protected from additional escapees, parasite, and disease pressure. In addition, the use of the Boulder Zone to discharge treated water in Miami eliminates risks of eutrophication and changes on the seabed caused by wastewater. Atlantic Sapphire's recycling technology reuses more than 99% of the water used which reduces the fresh and saltwater demand on the Group's operation. Atlantic Sapphire actively engages in reducing its reliance on marine ingredients for the feed of its salmon and ensures that these ingredients are responsibly sourced.

"The food and agriculture sector offers key solutions for development and is central for hunger and poverty eradication"

SDG 2

AS THE WORLD'S POPULATION continues to grow, future generations will need higher availability of protein. Atlantic Sapphire is contributing to bridge the increasing gap between a stagnant growth in global supply of salmon and a rising demand by optimizing the use of natural resources and eliminating barriers such as geographical production limitations.

"Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world"

SDG 5

EQUALITY AND DIVERSITY are paramount to the creation of a balanced work culture and the base of a company for the future. Atlantic Sapphire strives to offer equal opportunities and pay to male and female employees and to create inclusive employment opportunities through training programs in different areas.

ATLANTIC SAPPHIRE'S SUSTAINABILITY REPORT

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The Problem

TODAY, the global food system generates up to one quarter of the world's greenhouse gases. When human eating habits over-index beef, lamb, pork, and poultry, too many forests are cleared for farmland, too much methane is released into the atmosphere, and too many fossil fuels are burned to produce fertilizers, run farm equipment, and ship food around the globe.

Meanwhile, seafood protein consumption is rising. Most wild fish populations are overfished and can't absorb new demand.

The United Nations Food and Agriculture Organization **reports that 90 percent** of assessed **wild fish populations** cannot handle the pressure **of additional fishing**.

Ocean-based fish farming offers some answers but faces many challenges and can still pressure the world's oceans. The conventional aquaculture industry today generates a global supply of healthy Atlantic salmon of an estimated 2.7 million metric tons, almost all produced in ocean-based net pens or cages, primarily off the coasts of Norway and Chile due to suitable conditions. However, these industrial oceanbased fish farming areas are remote from the largest endmarkets, and require significant airfreight transportation, and logistics costs, leading to high carbon emissions and a reduced shelf life of the final product.

When **80% of seafood** consumed in the **US**[1] — the **world's largest** salmon **market** — is imported, the **carbon footprint** remains a **heavy tread**.

In addition, the industry faces numerous other challenges such as ocean-based farmed fish in net pens, host diseases and parasites, including sea lice, requiring continuous use of pesticides and other prevention methods. Farmed salmon also escape into the surrounding waters, spreading non-native fish varieties that may intervene with the local ocean ecosystem and wild salmon. Fish waste dissipates untreated into the coastal areas causing nutrient pollution and harmful algal blooms.

Atlantic Sapphire's Bluehouse technology eliminates conventional industry environmental and health risks.

Conventional ocean net pen farming experiences a series of concerns

1. NOAA Fisheries www.fisheries.noaa.gov/national/aquaculture/us-aquaculture

The Solution

Atlantic Sapphire Raises salmon **on land** in the **U.S**. **far from wild waters**.

The Group has developed its vision **of a Bluehouse** – essentially a greenhouse where fish can be raised **in optimal conditions** for animal health and **welfare** with a goal of feeding the world with **locally raised seafood** that is **truly sustainable.**

By keeping the whole farming process on land within biosecure Bluehouses, **the Group eliminates the threats to wild fish stock** as well as protecting its own fish from sea lice, parasites, and other diseases being transferred, **avoids untreated fish waste being emitted into coastal areas**, and ensures that **no microplastics** and other contaminants are ingested by the fish raised in the Bluehouse.

The Group's water source is naturally purified through limestone rock in an ancient artesian aquifer. The water is more than 20,000 years old and has never been exposed to man-made contamination such as microplastics or mercury. **More than 99% of the water used is recycled.** Of all the water used, under only 5% is freshwater and over 95% is saline water which is not otherwise suitable for irrigation or human consumption.

Atlantic Sapphire **raises their salmon locally in the U.S.** which means there is **no airfreight** needed. Consumers can receive salmon faster, fresher, and at a fraction of the carbon footprint of imported ocean-farmed salmon. **Salmon raised in a Bluehouse is better for fish, for people, and for the planet**.

CONSUMER AND PRODUCT RESPONSIBILITY

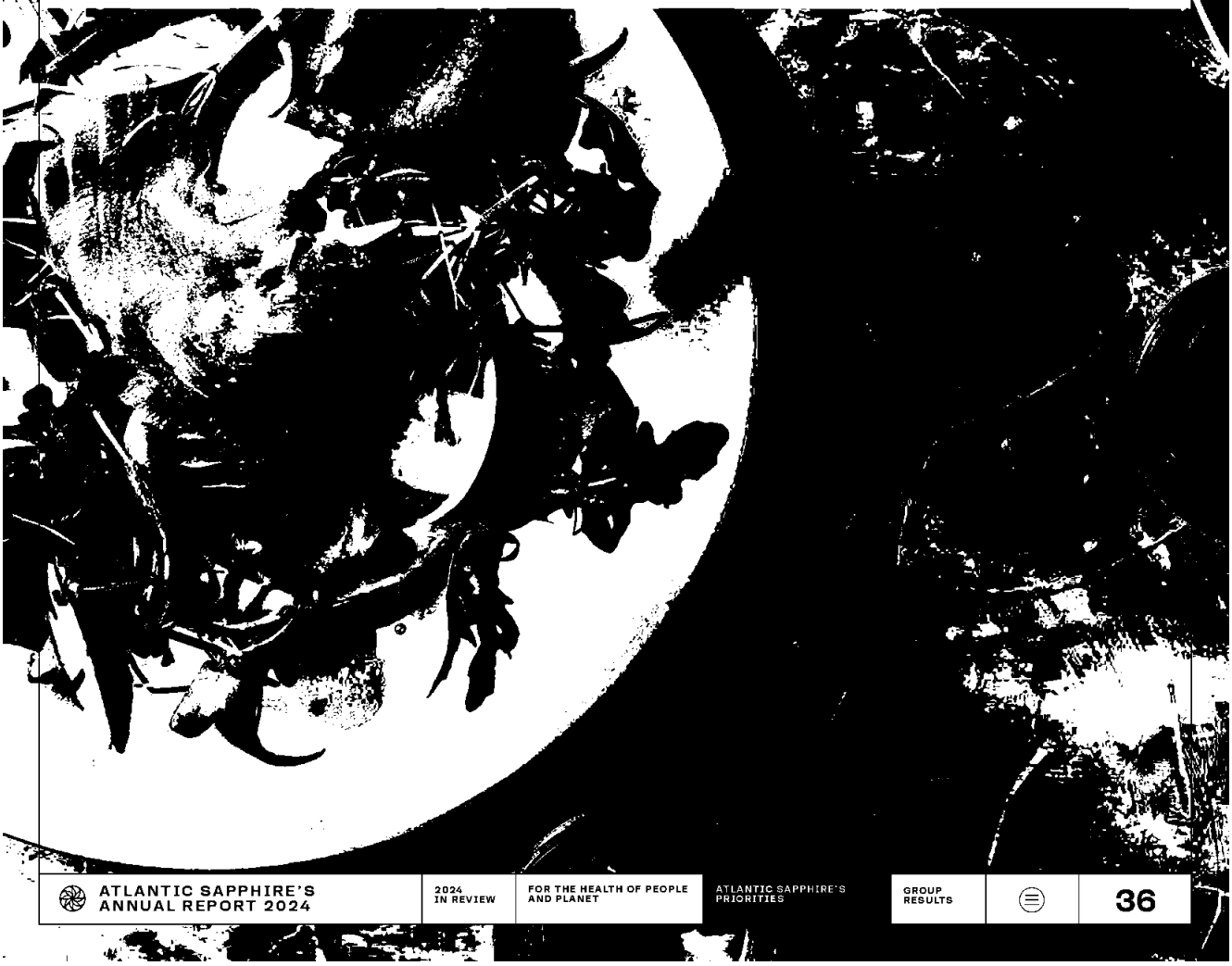
Salmon has become a sought-after product as consumers increasingly demand more healthy, delicious, and sustainable protein options.

ATLANTIC SAPPHIRE'S MAIN MARKETS are the US and Canada. Most of today's seafood in North America is imported, and the US has a high obesity rate and a low per capita consumption of seafood. Salmon is an excellent choice as a nutritious part of a healthy diet for all ages. The health benefits of Atlantic salmon are widely documented and include richness in Omega-3s, proteins, and essential vitamins (A, D, and B-12). Thanks to its high level of Omega-3s, Bluehouse Salmon has received the American Heart Association's "Heart Check" certification and the Miami Bluehouse location in Florida paves a path to a locally produced and healthier diet for American consumers.

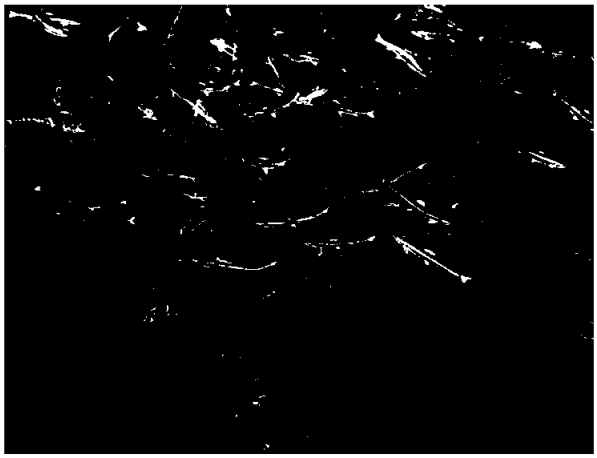
Another meaningful product attribute to consumers across all segments is the fact that Bluehouse Salmon is raised completely in closed water containment which means less contaminants such as micro plastics and no need for the use antibiotics or pesticides at any point during its life. The Group's reasoning towards an even cleaner and healthier product is simple: Bluehouse Salmon is not exposed to viruses, diseases, or parasites that exist in the wild because its water source comes straight from artesian aquifers which have not been exposed to any man-made contamination.

Although the USDA has been planning to develop an organic certification standard for seafood, such a standard has yet to be formalized in the United States. Nonetheless, the Group believes that its fish is one of the cleanest seafood options available thanks to its onshore closed containment technology and it will be working with the authorities as an organic framework for seafood is being put in place in the years to come. Atlantic Sapphire partners with organizations such as Seafood Nutrition Partnership (SNP) to support and expand educational efforts around the many benefits of Bluehouse-raised salmon.

While Atlantic Sapphire's current business model and technology provide a great solution, The Group will endeavor to continuously seek ways to increase sustainability in the production of its salmon. Bluehouse Salmon not only offers the taste and health benefits valued by consumers, but is also raised in ideal conditions from a fish welfare and environmental perspective.



CONSUMER AND PRODUCT RESPONSIBILITY



THE HEALTHIER THE FISH, the better the Group performs. Atlantic Sapphire's Bluehouse technology brings unprecedented measurements and control of critical production factors. To ensure optimal fish welfare, Atlantic Sapphire constantly monitors all relevant water quality parameters. Over time, the Group has continued to increase data collection to support ongoing improvements in water quality, the general health of the fish and their growth performance. The most powerful "sensor" is the fish itself. A healthy fish that has good environmental conditions will have high appetite and grow fast. In that way, you can say that fish welfare and profitability of the company are aligned and "a happy fish is a happy farmer".

An onsite control room allows for close monitoring, quick detection of variations, and immediate adjustments to maintain optimal Bluehouse conditions. Furthermore, Atlantic Sapphire works with leading information and biotechnology companies to analyze fish welfare and corroborate internal measurements.

In 2024, Atlantic Sapphire's mortality rate was 6.4%. For comparison, the conventional net-pen ocean aquiculture industry in Norway reported a mortality rate of 15.4% in 2024 (Source: The Norwegian Veterinary Institute).

ATLANTIC SAPPHIRE'S PRODUCTION CYCLE starts with the introduction of salmon ova into the hatchery. As eggs hatch and develop, the fish are moved between increasingly sized freshwater tank systems until they reach the smolt stage in the production cycle.

Smolt typically grow until approximately 50 to 100 grams in freshwater before they are moved to saltwater tanks where the salmon are fed and raised to the target average harvest size of approximately 4 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.

Atlantic Sapphire thrives to mimic what it believes is ideal conditions for salmon to thrive from hatch to harvest, and its Bluehouses are tailored to replicate this natural life cycle to the largest extent possible. Salmon is an anadromous fish that begins its natural life cycle in the wild in freshwater rivers and migrates out to sea after it smoltifies. The smoltified salmon then spends its life at sea to grow large and will then reproduce in the river it originated from.

Complete salmon production under one roof shortens the value chain of salmon production significantly, eliminates risk of parasites, reduces risk of diseases, simplifies logistics, and increases traceability of the end-product.

2024
MORTALITY RATE

6.4%

CONVENTIONAL INDUSTRY
MORTALITY RATE

15.4%

CONSUMER AND PRODUCT RESPONSIBILITY

Bluehouse farming is designed to produce high-quality biomass in a high intensity environment. With high intensity comes added complexity, and successful operations require more from the equipment used and the operators of this equipment. Over the last few years, Atlantic Sapphire has made significant changes to minimize operational risks, in particular as it relates to extraordinary mortality events:

Risk of hydrogen sulfide (H2S) intoxication

- H2S is a gas that can be created in all water systems with organic material. It can affect fish growth and performance in low concentrations, whereas it can kill fish in minutes in high concentrations. In addition to being highly toxic in small volumes, the gas is very volatile which makes it unpredictable and hard to measure. The toxicity of H2S can be m itigated by adjusting certain water quality parameters and procedures that have successfully been implemented in the Bluehouses. Although Atlantic Sapphire continues to focus on H2S to ensure a low-risk environment, the Group is confident that the risk of large mortality events has been severely reduced, though not eliminated. As a result, the farms are designed with multiple independent systems.

Organizational restructuring

- Operational changes support better flow of communication and allow for tighter monitoring of all RAS system parameters. The ongrowing systems are treated as independent farms.
- Each system has 24/7 staff coverage and Atlantic Sapphire operates with a minimum of nine staff in the Bluehouse at night and during weekends, significantly reducing the risk of incidents with impact on fish or property happening outside of normal business hours.

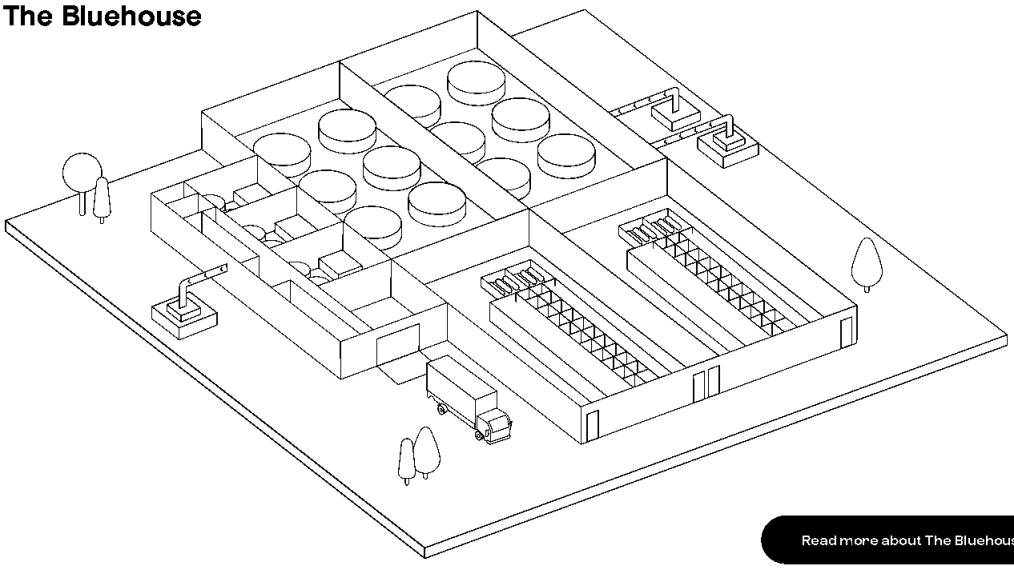
ATLANTIC SAPPHIRE IMPORTS ova from leading industry suppliers in Iceland and Norway to its Miami facilities. All ova supplied to Atlantic Sapphire meet the criteria of "no genetic engineering involved" under the terms of the EU regulations. Furthermore, Atlantic Sapphire is committed to never using genetically modified ova in its production.

Genetic development in salmon aquaculture consists of the improvement and strengthening of salmon breeds using selection and mating techniques to ensure a higher survival rate and resistance to the conditions to which salmon are exposed throughout the production cycle.

Atlantic Sapphire's salmon are raised in an environment which allows the genetic work to be focused on growth and trait more specific to Bluehouse conditions rather than attributes such as resistance to parasites, bacteria, pathogens, or other sea-specific conditions.

Atlantic Sapphire is working with leading aquaculture genetics companies to advance performance in its Bluehouses and will work in the future to establish integrated onsite genetics operations.

The Bluehouse



Read more about The Bluehouse

CONSUMER AND PRODUCT RESPONSIBILITY

ATLANTIC SAPPHIRE BLUEHOUSES deliver maximum biological control due to innovative technology that is revolutionizing the industry. The Group's proprietary capabilities build on collaboration and integration with a diverse range of technology partner solutions. All relevant parameters are constantly monitored with an increasing number of sensors, automation, tools, and equipment that measure water quality indicators such as alkalinity, carbon dioxide, oxygen, and temperature. The systems also measure potential risks for the fish, such as elevated levels of toxic gases. Early detection and mitigation of toxic hydrogen sulfide formation is critical to minimize the risk of a mortality event and continues to be a key area of technical innovation towards risk reduction and exposure for the Group. Continuous improvements in technology also allow Atlantic Sapphire to grow fish faster with less feed and with reduced consumption of oxygen and energy to ensure optimum fish welfare.

Atlantic Sapphire has patented technology pulling water from one layer of an aquifer, using the water to farm fish and discharging treated wastewater sustainably into a different layer of the aquifer:

The brackish and salty groundwater is sourced from the Floridan Aquifer, a density stratified artesian aquifer, and is located at approximately 1,200 feet below the Miami Bluehouse. The salinity of groundwater in the aquifer increases with the increase in depth as saline water is denser than freshwater. Wells constructed in the Floridian Aquifer are completed in two different zones: the upper Floridan Aquifer and the middle Floridan Aquifer. These hydrogeologic units produce groundwater with salinities of 2.7 parts per thousand ("ppt") and 35 ppt, respectively. Over 95% of the groundwater consumption for farm operations will consist of saltwater from the Floridan aquifer. The exchange of groundwater entering and exiting the Miami Bluehouse is about 10% per day. Inside the Bluehouse, the recirculation degree of filtered water in the tanks is above 99%. Less than 1% of the total water that is sent through the filtration system is discharged as non-toxic wastewater through the injection well and into the Boulder Zone of the lower Floridan Aquifer, located at a depth of nearly 3,000 feet underground. The Boulder Zone then acts as a storage zone and natural filter with a natural current that slowly filters the water over thousands of years, thus eliminating any wastewater impact on the ecosystem.

The unique groundwater resources of South Florida are well suited for Bluehouse farming at scale. A stable supply of fresh, brackish, and saline groundwater, along with a proven and environmentally desirable method for wastewater disposal, are critical elements. In 2018, Atlantic Sapphire was granted a United States patent for its systems and methods of intensive recirculating aquaculture, incorporating the use of wells constructed for groundwater supply and wastewater disposal.

Atlantic Sapphire is continuously working on advancing the aquaculture industry by being leaders in using new and advanced technologies in Bluehouse farming.

Furthermore, the Group is taking advantage of the enormous amount of data of all water quality parameters, thanks to an AI system that recognizes how changes in different water quality parameters impacts water quality and fish appetite. With each day, the AI system becomes better at optimizing water conditions for the fish, which increases biomass gain and economic performance, and results in an even more healthy and delicious product for the end-consumers. Lastly, the Group's focus is on improved and gentle fish movement, energy consumption, and the design and concept for a more modular, highly scalable tank module as part of the Group's Grand Master Plan to reach 220,000t HOG of annual harvest volumes a decade from now.

GROWING A BRAND on a promise of a healthier product and sustainability does not happen by accident. In bringing Atlantic Sapphire product to market, the Group has engaged with a range of carefully selected clients and business partners, built, fostered, and maintained trust through transparent communication, and only associated with organizations who share the Group's commitment to sustainable aquaculture and product safety. Domestically raised salmon will contribute to food safety in the value chain, and further consumer trust. Ensuring product safety from 'egg to plate' is paramount.

Atlantic Sapphire follow strict protocols for testing and lab analysis, which support the Group's goals to ensure that Bluehouse Salmon remains the safest protein for consumers to enjoy.

Product Certifications

Since inception, Atlantic Sapphire has reviewed a range of potentially relevant certifications and quality standards and continues to do so on a yearly basis, as part of a broad strategy of awareness and consumer education. Atlantic Sapphire engages with several organizations ranging from consumer focus on environmental issues to health-related topics. A few of the Group's partners include Friend of the Sea, American Heart Association, Parent Tested Parent Approved, Monterey Bay Aquarium Seafood Watch, Oceanwise and FDACS's Fresh from Florida.

BLUEHOUSE SALMON IS Friend of the Sea certified. Friend of the Sea is a project of the World Sustainability Organization (WSO), an international NGO whose mission is to promote environmental conservation. WSO activities fully align with Agenda 2030 and its 17 sustainable development goals (SDGs). Friend of the Sea strict certification criteria and yearly audit ensure companies are focused on minimizing any negative effect of aquaculture operations, hence gaining the trust of the consumer and industry alike. Friend of the Sea has become a leading certification standard for products and services which respect and protect the marine environment.

THE AMERICAN HEART ASSOCIATION'S HEART CHECK certification is a program designed to help consumers make informed choices about the foods they purchase. It makes it easy to spot heart-healthy foods in the grocery store regardless of labeling. This program is the nation's oldest, and it is science based, with a transparent and strict criterion for nutritional requirements. Atlantic Sapphire brand Bluehouse Salmon's recognition with Heart Check speaks to the direct impact in reduced risk of coronary heart disease by increased amounts of beneficial Omega-3 fatty acids. According to a Healthy Living Rewards Concept Test Report (2016), 75% of consumers reported that they were familiar with the Heart-Check symbol, a program that guides shoppers to healthier choices, and that they are more likely to purchase foods that feature the Heart-Check mark, regardless of age or number of kids in their household.

PARENT TESTED PARENT APPROVED (PTPA) is a free, parent based, community that offers families the opportunity to try and test products in exchange for their honest thoughts and opinions. This invaluable feedback is analyzed by PTPA, and in favorable cases, results in the granting of its Seal of Approval. Bluehouse Salmon has received the PTPA's Seal of Approval after being declared a 2022 Winner. The trust generated by this type of certification has been quantified in increased loyalty (approximately at 73%) and increased product trial (approximately at 63%).

CONSUMER AND PRODUCT RESPONSIBILITY

ATLANTIC SALMON GROWN in indoor recirculating tanks worldwide, such as Bluehouses, are rated Green – Best Choice by Monterey Bay Aquarium Seafood Watch. The Monterey Bay Aquarium's Seafood Watch program rates seafood based on scientific criteria of environmental sustainability and has been active for more than twenty five years. A green rating or Best Choice, indicates that a species is abundant and caught or raised in an environmentally friendly way. The public in general can use their recommendations and consumers guides to find seafood that is sustainably produced.

ADDITIONALLY, Bluehouse Salmon is Ocean Wise recommended. Ocean Wise is a non-profit conservation organization that helps consumers identify sustainable seafood. It's part of the Vancouver Aquarium's ocean conservation program and was established in 1951. Ocean Wise offers a certification program for businesses that meet its criteria. This program is based on scientific research and third-part, peer reviewed studies, including those from the Marine Stewardship Council (MSC).

Such third-party certifications affirm the quality and high standards of the Group's Atlantic salmon.

THE FLORIDA DEPARTMENT of Agriculture and Consumer Services (FDACS) conducts several programs encompassing local production, food safety and state forests among others. One of their emblematic initiatives is the Fresh from Florida program, which promotes Florida agricultural products through consumer marketing campaigns, partnerships with 100+ domestic and international retailers, and an established presence at prominent industry tradeshows. Bluehouse Salmon is proud to be one of the products featured by Fresh from Florida, and leverages its network of members as well as its newsletter, social media efforts and publications to reach millions of potential consumers who favor and trust locally grown or raised products.

ATLANTIC SAPPHIRE IS THE FIRST and only land-based salmon farm in the US. to achieve ASC certification. ASC is a nonprofit impact organization running the world's leading certification and labeling program for responsibly farmed seafood, which includes hundreds of requirements certified farms must meet in order to demonstrate environmentally sustainable and socially responsible practices. ASC developed a new RAS (Recirculating Aquaculture Systems) Module that focuses on key areas of impact around water use, water quality and water and waste disposal as well as energy consumption and emissions. By achieving ASC certification, the Group strengthens its belief that innovative and sustainable aquaculture practices play a critical role in safeguarding the environment while supporting the growing global population.

Note that the Group's fresh product does not have labels as it is sold behind the glass counter without packaging, however, the company produces sign toppers that showcase the product certifications (such as Heart-) and are displayed at point of sale when allowed, enhancing the communication of the product benefits and potentially building trust with the consumer base.

CONSUMER AND PRODUCT RESPONSIBILITY

TO DATE, Atlantic Sapphire products are carried by a broad range of retailers and food service operators in North America, from small to large scale. The growing demand for healthy and sustainably produced proteins means that retailers of every category are looking to promote safe, healthy, sustainable, and healthy food products. To address the importance of food safety Atlantic Sapphire was audited and renewed its SQF certification on June 30, 2024.

There have been no incidents of non-compliance concerning the health and safety impacts of products or services for the company.

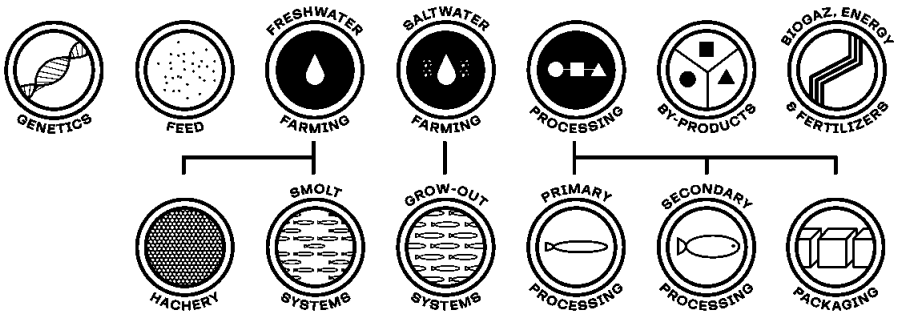
ATLANTIC SAPPHIRE'S full production cycle is carried out in its Bluehouse, ensuring traceability from egg to final product.

The Group's internal farming, processing, labelling and inventory systems allow full traceability of every box. This through process ensures that information is kept available at all times in the Groups's Bluehouse operations, whereas typical traceability challenges in the conventional industry happen during harvest, at the dock, processing, and for imports. The very short value chain is also a beneficial factor as Atlantic Sapphire sells directly to our customers or with very few intermediaries, "from egg to plate".

The Group's traceability practices facilitate:

- Safety: Fraud, mislabeling and environmental damage are mitigated, and information is available if there is need for a recall
- Legal compliance: General food law and fish marketing
- Supply chain: Elimination of illegal and unregulated activities within the supply chain, such as corruption and overfishing
- Customer confidence: Shoppers and food service operators have confidence that what they are buying is legal, safe, and fairly traded.

Our integrated value chain



CONSUMER AND PRODUCT RESPONSIBILITY

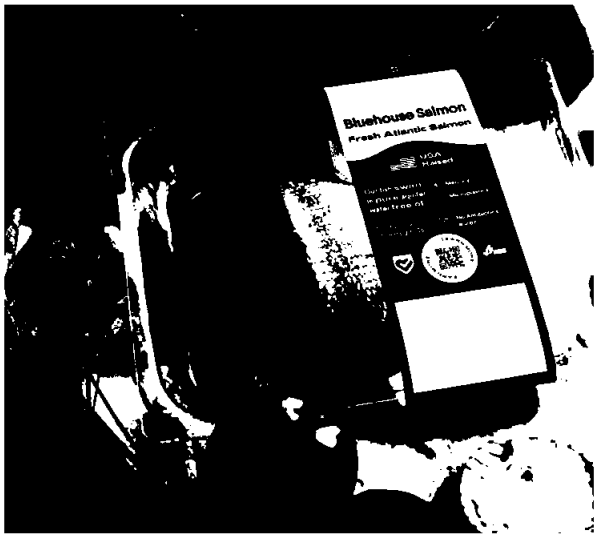
ATLANTIC SAPPHIRE IS FULLY COMMITTED to responsible marketing, and consumer trust in Atlantic Sapphire's product is vital to the Group's business and position as a leader in the marketplace. For that reason, the company is always mindful to ensure the accuracy of every product and sustainability-related claim it makes on labelling and in marketing materials and communications, to avoid any potential misleading instances.

The Group's current product portfolio includes fresh salmon, whole or fillets, smoke roasted salmon, smoked salmon flakes, and frozen and fresh steaks.

As already mentioned, our fresh products do not have packaging and are sold at the seafood counter without product labelling in accordance with the industry practices. Atlantic Sapphire provides product sign toppers to its customer base that indicate the product certifications whenever allowed and desired by the retailer. These certifications include American Heart Association's Heart Check and Fresh from Florida logos, but also product attributes such as Antibiotic Free, USA Raised, Omega-3's powered by micro-algae, and others.

For the smoked salmon varieties and salmon steaks, our products are sold in individual and wholesale packages, for retail and for food service, respectively. Packaging complies with the USDA (U.S. Department of Agriculture) guidelines to Federal Food Labeling requirements for seafood and include Country of Origin declaration and Method of Production designation. Additionally, all FDA Food Product Labeling and Packaging requirements are satisfied including product name, trademark, complete list of ingredients, allergen information, net contents, name and address of manufacturer, distributor, lot identification, expiration date, and detailed nutritional label highlighting calories, fat breakdown, cholesterol, sodium, carbohydrates breakdown and proteins.

There have been no incidents of non-compliance concerning product and service information and labeling, nor any incidents of non-compliance concerning marketing communications.



ATLANTIC SAPPHIRE UNDERSTANDS that maintaining customers' trust in its products requires that it protect privacy, and the Group is very sensitive to the needs of customers who use Atlantic Sapphire websites, social media and networking services and emails (collectively, the Group's Sites). Customers are understood as individual consumers or users as well as organizations, such as a retailer.

We may collect information about customers in a variety of ways:

- Directly provided information to us
- Customer chose to allow a social networking service to share information
- Gathered information when a customer visits the Group's Sites or clicks on online ads

The Group employs reasonable security measures designed to protect the security of information submitted through the Sites. Some of these include matters such as the protection of data; the use of information or data for its original intended purpose only, unless specifically agreed otherwise; the obligation to observe confidentiality; and the protection of information or data from misuse or theft. At the same time, customers always have the right to review and update any information previously provided to the Sites. The Group's Sites have clearly marked sections or contact information destined to provide a resource for customers to request further transparency about data processing practices, or access to, or deletion of, the personal information the company has collected.

There have been no complaints concerning breaches of customer privacy, and losses of customer data, derived from non-compliance with existing laws, regulations and/or voluntary standards regarding the protection of customer privacy, as covered in key instruments of the Organization for Economic Cooperation and Development.

SELECTED TARGETS: PRODUCT & CONSUMER

Consumer Health & Safety

CONTINUED 100% compliance with all food safety standards ACHIEVED

OBTAIN SQF certification ACHIEVED

MAINTAIN American Heart Association Certification (US) ACHIEVED

Packaging

MAINTAIN packaging for 80% of our fish in biodegradable or recycled/recyclable packaging for the transportation of harvested salmon to lower use of Styrofoam

ACHIEVED: actual rate of 80% for use of recycled/recyclable packaging

Production Responsibility

ZERO WASTE of off-cuts and byproducts from filleting facility (US ACHIEVED

LOWER non-edible byproducts by increasing filleting yield of edible meat to minimum 65% for Trim D fillets (changed)

MISSED: Results in 2024 were 62%

Fish Welfare

BETTER survival rate than the average rate for the Norwegian net pen industry

ACHIEVED: 6.4% mortality rate

SELECTED TARGETS: PRODUCT & CONSUMER

TARGETS FOR 2025

Consumer Health & Safety

CONTINUED 100% compliance with all food safety standard

MAINTAIN SQF certification

MAINTAIN American Heart Association Certification (US)

Packaging

MAINTAIN packaging for 80% of our fish in biodegradable or recycled/recyclable packaging for the transportation of harvested salmon to lower use of Styrofoam

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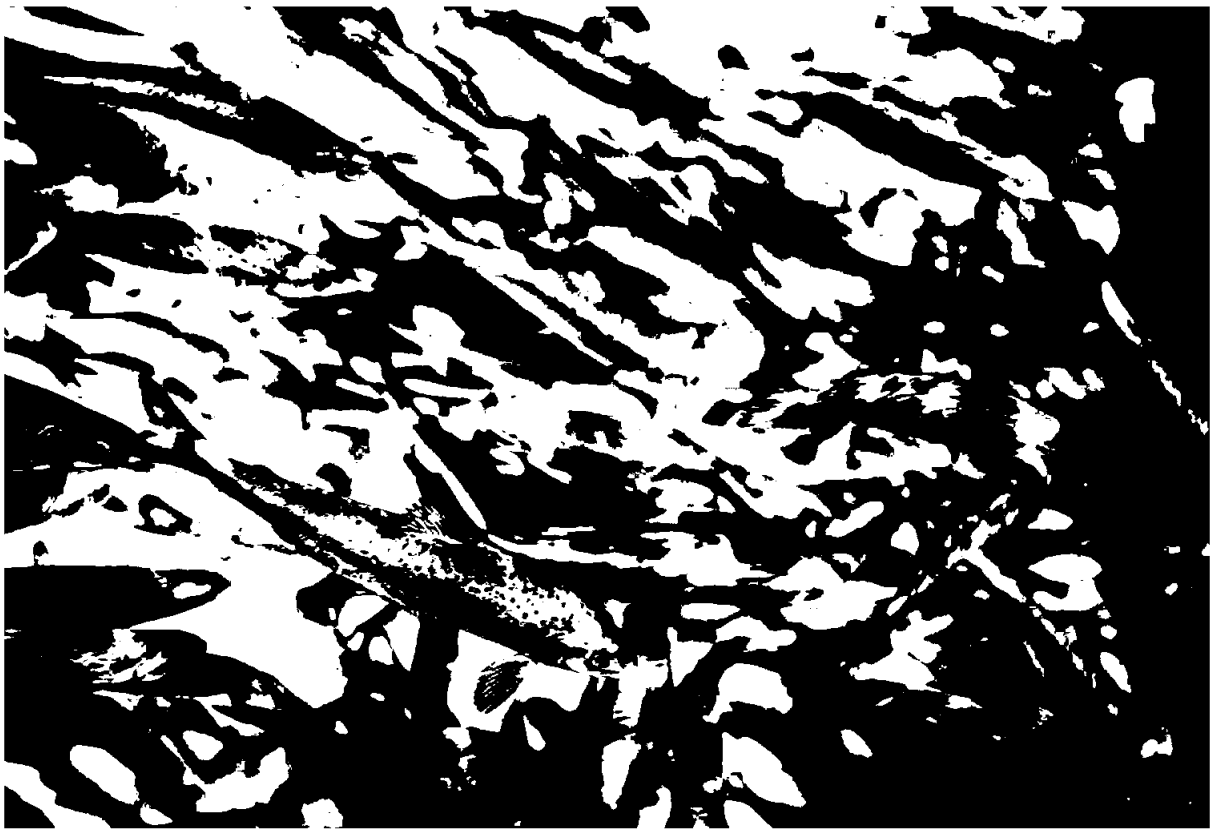


ECONOMIC RESPONSABILITY

Atlantic Sapphire is fully committed to fostering economic value for all its stakeholders through facilitating job creation, fairly compensating employees, sourcing from local suppliers and distributors, and working closely in collaboration with local officials as well as financial institutions.

ATLANTIC SAPPHIRE PRIORITIZES sourcing talent locally effectively contributing to the State of Florida. The Group also support hundreds of small local businesses across Florida. Additionally, it sponsored approximately 4.6% of its workforce through work permits in 2024. Its economic engagement involves responsibility, prompt and full payments to employees, suppliers, financial institutions, and other qualified expenses. Integrity is a foundational virtue of Atlantic Sapphire's ethos.

Its employees play a crucial role in increasing value for by working in the best interests of the Group. The protection of shareholder value is prioritized through ethical conduct and confidentiality regarding resources and proprietary information.

ECONOMIC RESPONSIBILITY

THE GROUP'S primary investment strategy is focused on the Phase 1 operation of the Miami Bluehouse facility in Homestead, Florida, along with the Phase 2 expansion which began in Q2 2021, but was paused in 2022. Atlantic Sapphire has invested a total capital expenditure (CAPEX) of approximately USD 360m related to these projects through the end of year 2024. The expansion project in Phase 2 is set to increase the annual harvest volume capacity to 25,000t HOG with indirect economic benefits including contributing to hundreds of local businesses, infrastructure improvements including roads and power lines, as well as other indirect impacts.

Furthermore, the construction has benefited local suppliers and business partners who the Group has engaged and supported throughout the construction period. The Group is committed to using local suppliers and business partners to support the local economy where possible.

According to an independent assessment conducted by The Washington Economics Group, Inc., Atlantic Sapphire will have a significant and growing impact throughout the entire State of Florida in the years ahead. By the end of 2025, Atlantic Sapphire will support an average of 3,620 jobs and create $423 million in Total Economic Impact each year throughout Florida. From 2026 to 2028, Atlantic Sapphire's economic impacts will grow significantly with 9,937 jobs supported and close to $1.1 billion in Total Economic Impact each year throughout Florida. From 2029 to 2033, just over 34,200 jobs are supported and close to $3.4 billion in Total Economic Impact is generated each year throughout Florida.

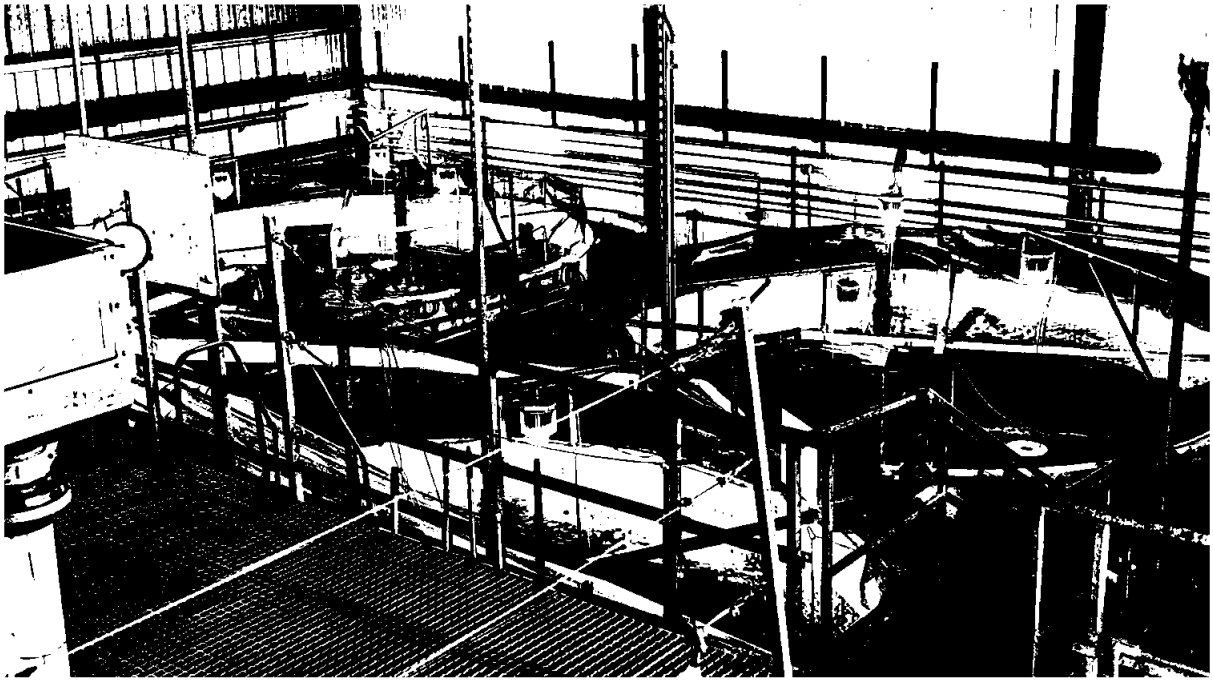
ATLANTIC SAPPHIRE was listed on the fully regulated main list of the Oslo Stock Exchange in May 2020 and was also quoted in the US on the OTCQX market under the ticker AASZF as of January of 2021.

Indirect Economic Impacts

INFRASTRUCTURE AND SERVICES

Atlantic Sapphire has invested in significant infrastructure towards its Phase 1 and Phase 2 Bluehouse facilities located in Miami, Florida through commercial engagements. Atlantic Sapphire engages in active dialogue and collaboration with local vendors to employ goods, services, and labor in its daily operations. Such efforts allow both Atlantic Sapphire and its partners to mutually benefit from such partnerships and ultimately support the local community. In 2024, approximately 91% of capital expenditures were from US vendors whereas approximately 9% were from foreign vendors.. In 2023, approximately 94% of capital expenditures were from US vendors whereas approximately 6% were from foreign vendors.

2024 SELECTED FINANCIAL MEASURES	USD
Revenues	22.8m
Total operating expenses (excluding USD 73.0m impairment)	113.0m
Total salary and personnel costs	22.6m
Total assets	273.7m



ECONOMIC RESPONSIBILITY

Market Presence

MINIMUM WAGE

Atlantic Sapphire's primary operations are in South Florida. The Group strives to enhance its human capital through fair wages and benefits. While the hourly minimum wage in the State of Florida for 2024 was $13.00 and does not require benefits offered, the Group offered local employees an entry level minimum wage per hour for 2024 of $16.83 plus benefits. Wages offered to the Group's employees is based on the scope and complexity of respective job descriptions and commensurate on employee performance.

SENIOR MANAGEMENT

The Group's senior management comprises five individuals of which two are US citizens. Therefore, 40% of senior management is considered hired from the local community. All members of senior management reside locally and are actively present in the Group's primary Bluehouse operations in Miami, Florida. Atlantic Sapphire believes this demonstrates the organization's positive market presence. Senior management's active involvement and proximity to day-to-day operations provides them the ability to enhance human capital and to understand the local community and its needs.

Green Finance

ATLANTIC SAPPHIRES Green Finance Framework, which was implemented in October 2020, continues to steer the financing of the business and promote low-carbon, climate resilient, and resource-efficient development in the seafood sector, reducing negative impact on biodiversity. CICERO provided a Second Party Opinion on its Framework, giving Atlantic Sapphire an overall strong CICERO Medium Green shading and a governance score of Excellent. Even before this was in place, the Group obtained a Green Loan from DNB, the first of its kind by DNB to a seafood company, in 2019. All Atlantic Sapphire's debt in the future will be 'green'.

ATLANTIC SAPPHIRE welcomes and closely follows the expanding efforts to redirect capital flows towards sustainable economic activities and investments, for example through the EU Taxonomy. Although aquaculture has yet to have technical screening criteria for the environmental objectives finalized, the Group is monitoring the criteria for comparable activities to understand its potential alignment. The Group is also following market consultations around future disclosure requirements such as capital and operating expenditures related to taxonomy-aligned activities. This includes the pending Social Taxonomy with its focus on enhancing the positive social impacts of goods and services. As business and infrastructure investments center around sustainable food production, the Group welcomes these requirements along with the comparability such information will provide investors and other stakeholders.

In part to its commitment towards a sustainable future, Atlantic Sapphire transitioned to paperless invoicing for both customers and suppliers, streamlining invoicing. Atlantic Sapphire is also partnering with financial institutions that are incorporating sustainable banking and finance initiatives within their respective organizations.

Atlantic Sapphire remains strongly committed to providing transparent and decision-useful information to the investment community about the contribution of its activities to climate change mitigation and adaptation.

Shades of green

Based on our review, we rate the Atlantic Sapphire's green finance framework CICERO Medium Green.

Included in the overall shading is an assessment of the governance structure of the green finance framework. CICERO Shades of Green finds the governance procedures in Atlantic Sapphire's framework to be Excellent.

ECONOMIC RESPONSIBILITY

ATLANTIC SAPPHIRE'S success depends on maintaining the highest standards of trust and integrity at all levels of the organization, as well as the reputation for honesty and transparency in its business. Atlantic Sapphire released its Code of Conduct in the first half of 2020 to set expectations and provide guidance to its Board of Directors and officers, employees (including part-time, temporary, and seasonal), independent contractors, and consultants. The Group's suppliers and other business partners are expected to share its commitment to integrity by following the principles of the Code.

In 2024, direct vendors and suppliers received the Atlantic Sapphire Code of Conduct as part of its supplier onboarding process and were expected to sign it.

The Code is consistent with the Group's core values, which also serve to guide employee actions. Ethical business is the goal, and employee conduct in performing their respective duties on behalf of the Group must always be honest, transparent, lawful, and in accordance with ethical and professional standards.

The requirement of honest, lawful, and ethical conduct is broad and therefore must be stated in general terms. As such, this Code does not cover every issue that may arise, but instead sets out basic principles to guide all employees. Employees are expected to lead by example and to seek guidance when necessary to clarify any aspect of the Code.

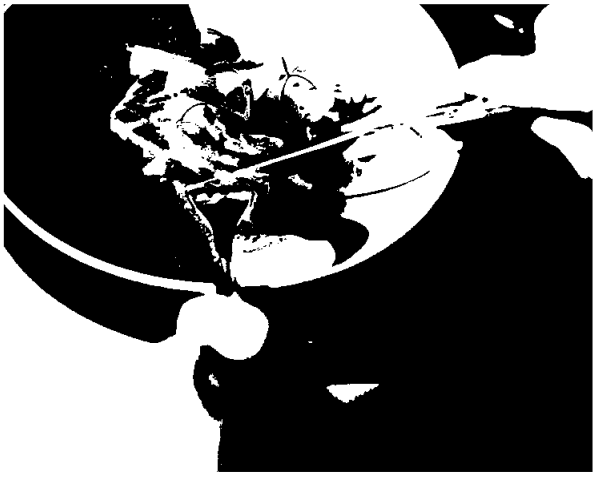
Each employee creates and increases Atlantic Sapphire's value by acting in the Group's best interests by properly using confidential information and protecting intellectual property. All employees are also expected to protect and properly utilize Group assets to ensure their efficient use for legitimate business purposes. Ultimately, the Group is owned by shareholders and all at Atlantic Sapphire have a responsibility to act with integrity and to protect shareholder value.

THE COMPANY REALIZES the importance of supplier assessment and monitoring starting with scope 3 GHG emissions and throughout the value chain for social and other environmental issues. This is why this topic is part of our materiality matrix. In 2024, the Group enforced that all suppliers sign the code of conduct (active as well as inactive vendors). It also worked more actively with 2 major suppliers (FPL for electricity and Skretting for feed) on GHG emissions and freshwater use.

ATLANTIC SAPPHIRE CONDUCTS its business in compliance with all laws that prohibit money laundering or financing for illegal or illegitimate purposes and holds a zero-tolerance policy against corruption. Corrupt activities not only represent a Code violation, but also represent a serious violation of criminal and civil anti-bribery and anti-corruption laws in the countries in which Atlantic

Sapphire conducts business. Atlantic Sapphire adheres to applicable anti-corruption laws, including the US Foreign Corrupt Practices Act, which generally prohibit companies and their intermediaries from making improper payments and require companies to keep accurate books and records, as well as appropriate internal controls. Employees review and sign the Company's

Employee Handbook which specifies anti-corruption rules and regulations. In 2024, there has not been any reported cases of corruption.



ATLANTIC SAPPHIRE COMPETES fairly in full compliance with all applicable antitrust and competition laws. Commercial policy and pricing will be set independently and will never be agreed upon or coordinated with competitors. Concerns related to possible violations of the Code of Conduct and any violations of applicable laws or company policies are included as part of Atlantic Sapphire's open communication policy. The Group provides different channels for reporting and encourages any affected party to report any violations or other concerns as early as possible. The Group is not aware of any breach related to anti-competitive or corrupt conduct in our operations.

SELECTED TARGETS: ECONOMIC

Economic Performance

EBITDA results
MISSED – see consolidated financial statements

Code of Conduct

100% of employees trained and tested
ACHIEVED

REQUIRE 100% of new vendors and suppliers to sign and adhere to Atlantic Sapphire's Code of Conduct
ACHIEVED

SELECTED TARGETS: ECONOMIC	TARGETS FOR 2025

Economic Performance

GET US Phase 1 production (US) to steady state

Code of Conduct

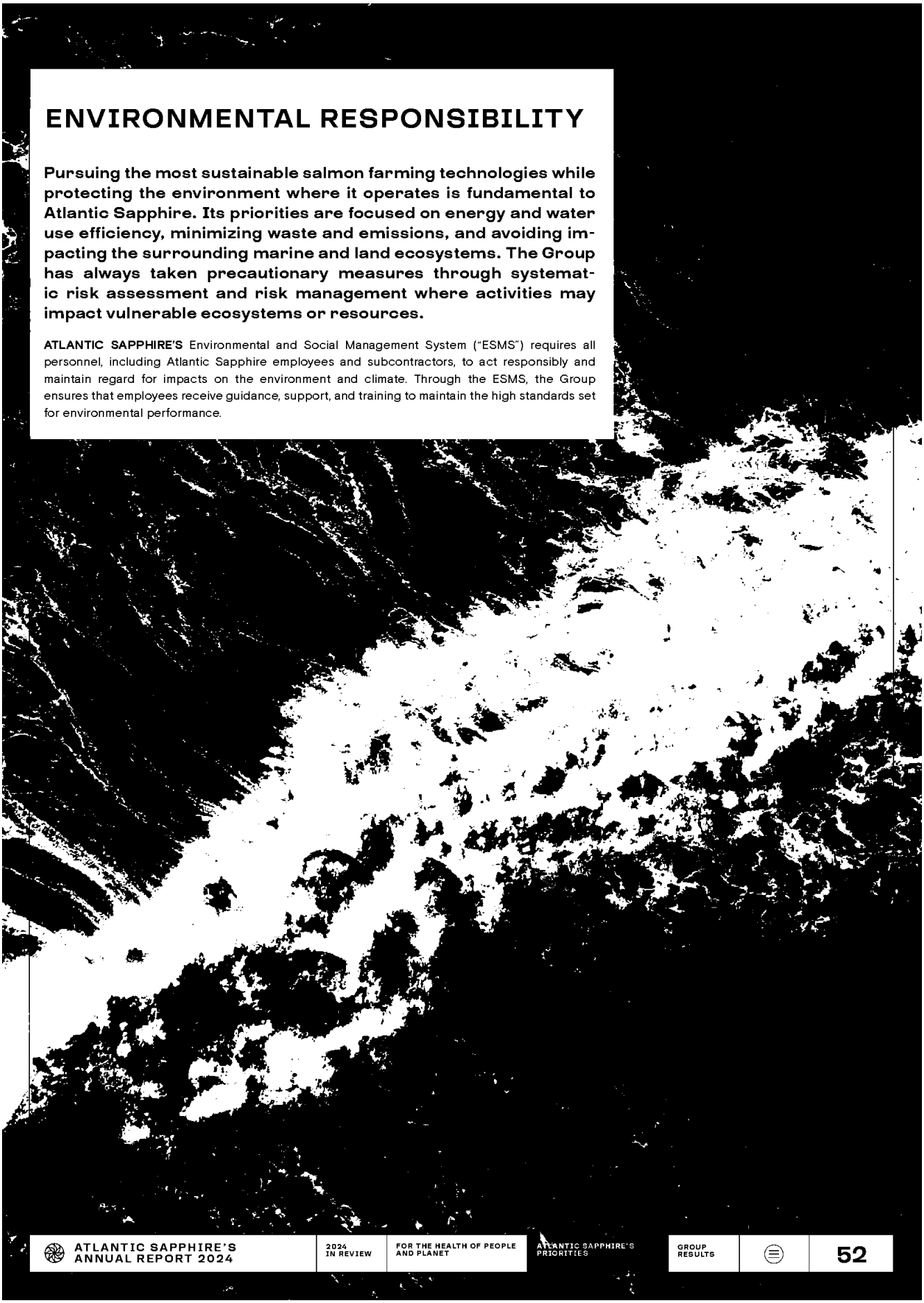
MAINTAIN 100% of employees trained and tested

REQUIRE 100% of new vendors and suppliers to sign and adhere to Atlantic Sapphire's Code of Conduct

ENVIRONMENTAL RESPONSIBILITY

Pursuing the most sustainable salmon farming technologies while protecting the environment where it operates is fundamental to Atlantic Sapphire. Its priorities are focused on energy and water use efficiency, minimizing waste and emissions, and avoiding impacting the surrounding marine and land ecosystems. The Group has always taken precautionary measures through systematic risk assessment and risk management where activities may impact vulnerable ecosystems or resources.

ATLANTIC SAPPHIRE'S Environmental and Social Management System ("ESMS") requires all personnel, including Atlantic Sapphire employees and subcontractors, to act responsibly and maintain regard for impacts on the environment and climate. Through the ESMS, the Group ensures that employees receive guidance, support, and training to maintain the high standards set for environmental performance.



ENVIRONMENTAL RESPONSIBILITY

CLIMATE CHANGE IS one of the world's most pressing challenges. Food production plays a major part of the climate challenges and contributes to a significant amount of global greenhouse gas emissions. Emissions from food production and impacts of climate change on agriculture and the food system will deeply affect the way the world produces food in the future.

Failure to manage environmental and climate-related risks could harm the environment, the local community, and the Group's business and reputation.

Atlantic Sapphire is committed to setting science-based targets to reduce its carbon footprint as part of its effort to combat climate change. Science-based targets provide a roadmap for reducing greenhouse gas emissions and aligning with the Paris Agreement's goal of limiting global temperature rise to well below 2 degrees Celsius.

ATLANTIC SAPPHIRE has taken significant steps in enhancing its sustainability reporting by adopting the Greenhouse Gas (GHG) Protocol framework, which marks a pivotal step in committing to environmental transparency and responsibility. This initiative aligns with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, emphasizing the importance of climate-related risk management and opportunity identification within the aquaculture industry. Setting 2023 as the baseline year for Scope 1 and Scope 2 emissions, Atlantic Sapphire has embarked on a journey to meticulously track and report direct and indirect greenhouse gas emissions. This approach underscores Atlantic Sapphire's dedication to sustainable practices, including the management of emissions from its operations and purchased electricity. Furthermore, the strategic involvement of Atlantic Sapphire's board and management in sustainability governance and its efforts to adapt to climate-related risks exemplify its leadership in addressing global environmental challenges. This adoption of the GHG Protocol not only enhances the accuracy and comparability of Atlantic Sapphire's emissions reporting but also reinforces its role as a steward of environmental sustainability in the face of climate change.

ADHERENCE TO TCFD RECOMMENDATIONS

Atlantic Sapphire is committed to aligning with the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations, recognizing the imperative of sustainability governance in addressing climate-related risks and opportunities.

Core Elements of Recommended Climate-Related Financial Disclosures

GOVERNANCE

The organization's governance around climate-related risks and opportunities.

STRATEGY

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

RISK MANAGEMENT

The processes used by the organizaion to identify, assess and manage climate- related risks.

METRICS AND TARGETS

The metric and targets used to assess and manage relevant climate-related risks and opportunities.

Board Involvement

The board guides the strategic direction for sustainability and oversight of all climate-related risks and opportunities. Because ESG is ingrained in The Group's work and mission, board discussions on climate-related issues take place at select board meetings.

All climate-related factors, risk management, and goal-setting, demonstrated throughout this Integrated Annual Report, are reviewed by the board prior to publication.

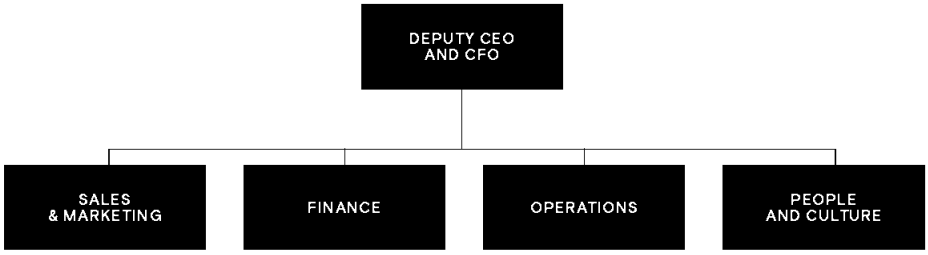
Role of Management

Atlantic Sapphire's Sustainability committee is made up of ten members representing diverse departments within the organization (as seen in the chart below). All mechanisms for monitoring progress towards climate-related goals throughout this report are established by The Group's Sustainability Committee and require the board's comprehensive oversight.

Strategy & Risk Management

Compliance with regulatory requirements is ensured through The Group's ongoing evaluation of climate-related risks and adaptation of risk management strategies. Atlantic Sapphire identifies climate-related risks and opportunities across both short and long-term targets found at the end of each 'ESG Priorities' section of this report: Consumer & Product Responsibility, Economic Responsibility, Environmental Responsibility, and Social Responsibility.

The management group work on climate emissions

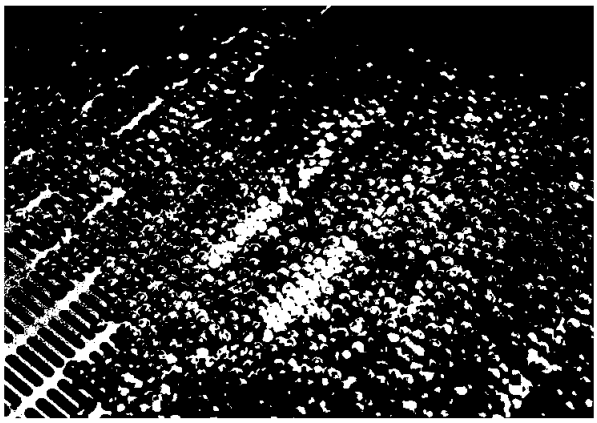


ADHERENCE TO TCFD RECOMMENDATIONS

ATLANTIC SAPPHIRE'S production facilities are located close to coastal areas. 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. In 2023, no major 'named' storms affected the area where the Bluehouse is situated.

Atlantic Sapphire'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 cost of production item. Although feed represents a large, global commodity, supplier prices are ultimately based on raw marine and non-marine materials. A future increase in such costs to the supplier would most likely result in a direct impact on the Group's cost of production. Such factors could potentially include climate change, increase in global demand, and low supply increase. The Group considers this risk to be high and is therefore exploring alternative raw materials to reduce dependence on marine ingredients.

Another important input to Atlantic Sapphire's business is electricity. Any increase in pricing in the local electricity market will result in higher costs for the Group. However, Atlantic Sapphire considers the risk of significantly higher energy prices in Florida as lower than many other geographical areas since Florida's electricity market is controlled by the Florida Public Service Commission. This commission regulates publicly owned municipal or cooperative electric utilities and has jurisdiction regarding rate structure, territorial boundaries, bulk power supply operations, and planning. Atlantic Sapphire is currently invested in renewable power production through Florida Power & Light's ("FPL") community solar program. Atlantic Sapphire plans to transition over to renewable sources of power as they are not based on scarce resources and could reduce the risk of significant price increases for electricity.



At the same time, Atlantic Sapphire is well-positioned to expand its supply to the market if climate change places limitations on sea-based salmon production. Farming in the ocean is being increasingly impacted by many factors including:

- Ocean temperature warming
- Mortality
- Sea lice management • Disease management
- Oxygen and CO2 fluctuations
- Ocean acidification
- More frequent algae blooms
- More frequent extreme climate events (freezes, storms)

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, Atlantic Sapphire expects to be less affected than others in the US market if climate risk were to impact the cost of air transportation (through a carbon tax for instance) because it supplies that market from local production and uses ground transportation.

In conclusion, management believes the risk associated with climate change is relatively small for the Group compared to the conventional aquaculture industry.

Scope 1: Direct Emissions

In 2023, Atlantic Sapphire Committed to accurately tracking and reporting Scope 1 emissions by aligning with the GHG Protocol for the first time and setting this year as a baseline. The Group continued this work in 2024.

Scope 1 encompasses direct greenhouse gas emissions associated with activities from sources owned or controlled by Atlantic Sapphire. Atlantic Sapphire's Scope 1 reporting includes direct emissions from stationary sources which include emergency generators, mobile sources such as its fleet of vehicles, and fugitive emissions from refrigerants, which were all precisely measured to provide a comprehensive overview of Atlantic Sapphire's operational footprint.

In measuring mobile emissions from Atlantic Sapphire's fleet of cars and trucks, fuel consumption data from supplier, Sun Biodiesel LLC., has been corroborated with Atlantic Sapphire financial records. The approach used to manage fugitive emissions from air-conditioning and refrigeration units adheres to standards issued by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE).

These efforts encompass blend compositions, installation figures, and refrigerant charges to meticulously determine assembly losses and leak rates.

Moreover, process heaters have been carefully monitored to ensure emissions are classified correctly under Scope 1, based on the varied fuel sources. For fuel usage from rental equipment used at the Homestead facility, diesel and ethanol consumption totaled 265,084.5 gallons, delineated as 255,964.30 gallons of diesel and 9,120.20 gallons of ethanol.

Based on the figures above, emissions factors provided by the United States Environmental Protection Agency (EPA) were used to convert data from gallons of diesel and ethanol into metric tons of CO2, CH4, and NO2. The Group also consulted the IPCC's GHG to global warming potential chart (see Figure 1 below) to CO2e.

Disclosures adhere to the principles of transparency and responsibility in presenting their operational impact. This report not only encapsulates this year's data but also signals Atlantic Sapphire's ongoing commitment to sustainable practices. Atlantic Sapphire leads by example, demonstrating an unwavering commitment to environmental responsibility and addressing carbon emissions within the aquaculture industry.

GHG	GWP
CO2	1
wCH4	21
N2O	310
HFCs	140-11,700
PFCs	6,500-9,200
SF6	23,900

Scope 2: Purchased Electricity

In an ongoing commitment to transparency and environmental responsibility, Atlantic Sapphire is pleased to update Scope 2 emissions for 2024.

The Group relies on CO2 data provided by electric utility Florida Power & Light (FPL) for market-based estimates, which reflects the specific fuel mix utilized at the Homestead site, ensuring the most accurate estimates possible. Additionally, the Group has incorporated the Purchased Electricity Tool from the GHG Protocol to estimate location-based emissions, further enhancing the accuracy and completeness of this emissions report. These estimates are based on the most recent report of all fuels in the state of Florida grid by the Environmental Protection Agency. In this context, Global Warming Potential (GWP) is a critical metric, quantifying the heat trapped by greenhouse gases in the atmosphere, expressed as a multiple of the heat trapped by the same amount of carbon dioxide. GWP enables the Group to compare the impacts of emitting different gases. Please reference Figure 1 below for the GWP values used in the calculations, which are essential for evaluating the broader climatic effects of the operations.

EPA GHG Emissions Calculator
Scope 1 Emissions

EMISSION SOURCE	TYPE	SOURCE DESCRIPTION	CONSUMPTION	CO2 (TONNES)	CH4 (KG)	N2O (KG)	TONNES CO2E
Mobile Sources	Diesel	"Agricultural equipment, offroad trucks, construction equipment and industrial/ commercial equipment 9 vehicles - 12 total (7 rentals & 5 HQ Fleet)"	255,964.30	2,605.72	-	153.58	2,653.33
Mobile Sources	Gasoline	"Agricultural equipment and construction equipment 3 vehicles - 12 total (7 rentals & 5 HQ Fleet)"	9,120.20	81.05	4.56	91.20	109.42
Stationary Source Fuel Combustion	Diesel	East and West Power Center, only run 2% of the year for exercise	1000 gal of fuel	74.00	-	93.98	103.13
Fire Suppression Equipment	Fire extinguishers	200 basic ABDC fire extinguishers	0 used	N/A	N/A	N/A	
HFC-134a (C2H2F4)	Refrigerant	Fugitive emissions emitted by refrigerants used to operate refrigeration equipment	15.16 kg	21.68	-	-	21.68
R-507 (5% HFC-125 , 5% HFC143a)	Refrigerant	Fugitive emissions emitted by refrigerants used to operate refrigeration equipment	143.45 kg	571.65	-	-	571.65
R-404A (44% HFC-125 , 4% HFC-134a, 52% HFC 143a)	Refrigerant	Fugitive emissions emitted by refrigerants used to operate refrigeration equipment	100.15 kg	392.79	-	-	392.79
Total				**3,747**	**4.56**	**338.76**	**3,851.99**

EPA GHG Emissions Calculator
Scope 2 Emissions

EMISSION SOURCE	TYPE	SOURCE DESCRIPTION	CONSUMPTION	TONNES CO2	TONNES CH4	TONNES N2O	TONNES CO2E
Market-Based Electricty	Purchased Electricity	Florida Power and Light - 13 accounts	93.3 GWH	TBD	TBD	TBD	TBD
Location-Based Electricty	Purchased Electricity	Florida Power and Light - 13 accounts	93.3 GWH	TBD	TBD	TBD	TBD

Note: As of the date of this report, the annotated data above was not yet readily available. Accordingly, it will be provided by FPL and updated within our Sustainability page on our website at a later date.

ENVIRONMENTAL RESPONSIBILITY

AS THE GROUP REFLECTS on current sustainability efforts, it recognizes the imperative to delve deeper into Scope 3 emissions involving the company's supply chain. Atlantic Sapphire is committed to enhancing its understanding of the environmental impact associated with these emissions, specifically feed supplier Skretting's fish food production as well as all inbound and outbound transportation. In the future, the Group plans to conduct a thorough assessment of the supplier's value chain emissions, collaborating closely with them to gather data and identify opportunities for improvement.

Later integrated reports will provide a detailed account of the progress in Scope 3 emissions, underscoring Atlantic Sapphire's dedication to transparency and performance. A cornerstone of its commitment lies in the pledge to avoid air transportation of all fish products, a significant step in reducing carbon footprint and upholding corporate sustainability.

By reporting on Scope 3 emissions, the Group aims to offer a comprehensive view of its carbon footprint, including indirect emissions across the value chain, thereby setting new benchmarks for accountability and environmental stewardship in the aquaculture industry This full analysis of Atlantic Sapphire's value chain and its suppliers, starting with FPL (electricity), will also include the Group's feed supply chain (Skretting) as well as many other aspects of the business such as: Oxygen, aquaculture supplies, agents, compounds, external labor and contractors, industrial supplies, construction materials, electrical parts and outbound logistics and distribution of Bluehouse Salmon.

ENVIRONMENTAL RESPONSIBILITY

EVEN THOUGH salmon farming emits less carbon as compared to other livestock, Atlantic Sapphire recognizes that the full value chain does leave a carbon footprint and seeks to minimize it. As part of a plan to strengthen its position as a producer of land-based farmed salmon globally, the Group is committed to improving efficiency in the consumption of energy, as well as exploring increasing the use of renewable energy through direct investment in renewable energy.

Excluding transportation, Atlantic Sapphire's Bluehouse production environment requires a higher use of energy than the production of salmon at sea, as exhibited in 2024 Scope 1 and Scope 2 reporting. Therefore, one of the Group's main priorities to explore, develop, and implement solutions to reduce the energy consumption of its operations.

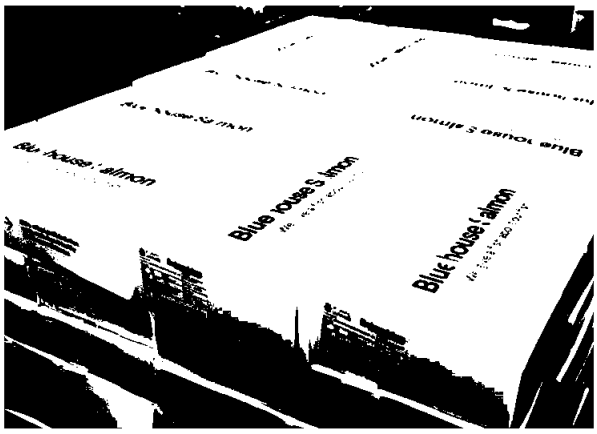
In 2024, Atlantic Sapphire consumed approximately 108.5 GWh of electricity (2023: approximately 93.6 GWh of electricity). The electricity is supplied from the Florida state grid, which is a mix of nuclear, solar, and natural gas generated energy.

As a part of FPL's (Florida Power and Light's)SolarTogether Program, the Group can attribute 28% of its energy consumption from renewable solar energy. In 2024 Atlantic Sapphire retired 30,211 RECs (renewable energy certificates). A REC represents one megawatt hour (1MWh) of electricity from a renewable power plant such as the FPL SolarTogether solar centers. Atlantic Sapphire plans on increasing the amount of energy subscribed to SolarTogether once eligible.

Atlantic Sapphire aims to utilize the sludge it also produces as either an energy source, biogas, or fertilizer andis determined to support growth in seafood consumption as part of lowering the global carbon footprint of the food sector. By producing and selling fresh product 'in-market' and close to the end-consumer, Atlantic Sapphire avoids the cost and carbon footprint incurred of using airfreight transportation to reach theend-consumer.

In a study on the greenhouse gas emissions of Norwegian salmon products, published by SINTEF, it was found that salmon shipped to the US are commonly transported by truck to a major airport, for example in London, and thereafter airfreighted by passenger aircrafts to the US. Based on data from the Norwegian seafood council and industry representatives, and on calculations made from environmental calculation tool, NTM (Network for Transport Measures), this report estimates the GHG emissions of Norwegian salmon products to be 6651kg of CO_2 per flight.

Airfreighted products to Asia or USA have a carbon footprint in the range from 16-28 kg CO_2e per kg of edible product delivered to wholesaler, and airfreight accounts for 68-82% of the carbon footprint.



2024 TOTAL ELECTRICITY CONSUMPTION

108.5 GWH

2024 SOLAR ENERGY CONSUMPTION

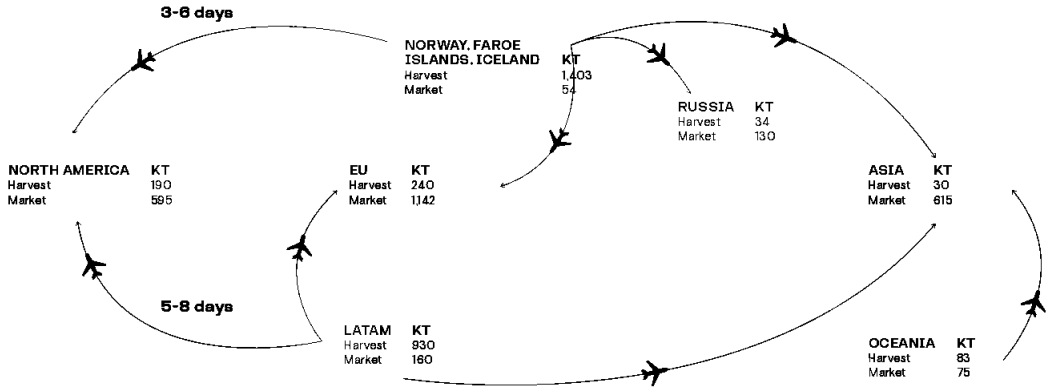
30.2 GWH

28% OF TOTAL ELECTRICITY CONSUMPTION

Global Salmon Trade Patterns[1]

TRADE PATTERNS FOR SALMON ARE CHARACTERIZED BY HIGH FREIGHT COSTS AND A LARGE CARBON FOOTPRINT

HIGH FREIGHT COST, LARGE CARBON FOOTPRINT, REDUCED PRODUCT SHELF LIFE

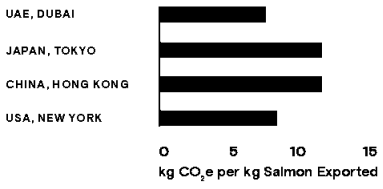


1. Source: Kontali (Salmon world 2019, wfe, all salmonids).

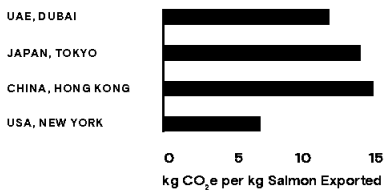
Atlantic Sapphire is proud to say that no commercial shipment of Bluehouse Salmon has ever been made via airfreight.

This is in line with our commitment to reduce our carbon footprint from transportation by supplying the US market from Miami, Florida.

Emission from Norwegian Air Freight



Emission from Chilean Air Freight



Source : SINTEF and Nordea estimates, 2019

IN 2022 Florida Power & Light ("FPL") committed to building a future substation on Atlantic Sapphire's property serving as a primary source of distribution for the Bluehouses. This will directly reduce energy costs and create a direct pipeline to distribution. This substation will have capacity large enough to power all phases of Atlantic Sapphire's expansion and the nearby communities. It will also serve as another contingency should current power lines temporarily shut down, for example in the case of a storm of hurricane.

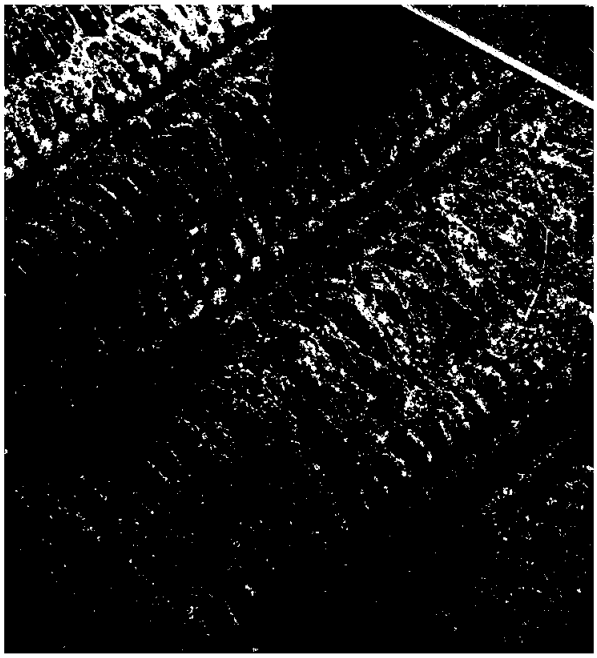
Additionally, Atlantic Sapphire remains a participant in FPL's SolarTogether community solar program, allowing the Group to directly participate in the environmental and financial benefits of Florida-based large-scale solar energy, while directly supporting the expansion of solar in Florida.

Businesses that sign up for the program pay a fixed monthly subscription charge and in exchange receive monthly bill credits that increase every year for their share of the solar energy generated. Solar panels are not directly installed on the rooftop or property, but rather at SolarTogether solar energy centers. The power generated by these sites are delivered directly to the energy grid, where it is combined with power generated from conventional energy sources in FPL's system.

Next Era Energy, the parent company of FPL announced plans to cut carbon emissions by 70% in 2025 and to "Real Zero" in 2045 without the use of carbon offsets through continued investments and innovation in wind, solar, battery storage, green hydrogen and other renewable energy development. Atlantic Sapphire is committed to directly working with Next Era Energy and FPL to reduce and then fully eliminate carbon emissions from its operations.

Chillers

Being at the forefront of sustainable aquaculture, Atlantic Sapphire must continue to develop technologies and implement process enhancements to increase the performance and sustainability of its operations. Atlantic Sapphire adopted an innovative technological approach to optimize the cooling and ventilation systems in its facilities and to minimize energy loss in piping of water. Recirculating units and heat exchangers (chillers) enable the Group to maintain steady temperatures in the aquaculture systems for biological performance. The Group has continued to operate its chiller bank fully with electrical power without the use or reliance on diesel or generators.



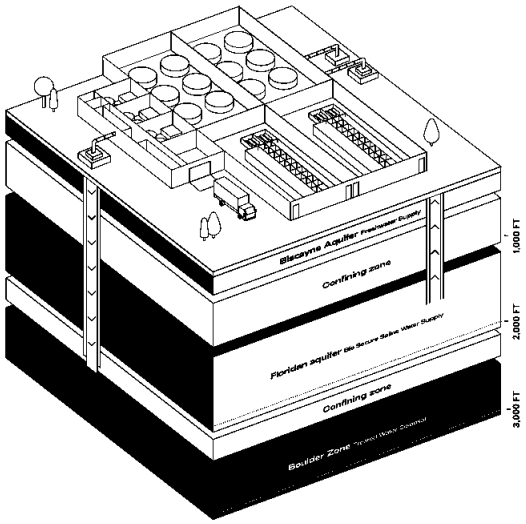
USING RECIRCULATING AQUACULTURE systems ("RAS") technology, Atlantic Sapphire's water is filtered before it re-enters into a tank system. Over 99% of the water entering tanks is recirculated and filtered, which significantly limits water consumption. There is no risk of water scarcity in Homestead, Florida where Atlantic Sapphire operates. Of all the water used, approximately 5% is freshwater and 95% is saline water which is not suitable for irrigation or human consumption. For farming operations, freshwater consumption in 2024 was 115.45 million gallons, and saltwater consumption was 1,606.01 million gallons. This is equivalent to 235 Liters of fresh water per KG of harvested fish for 2024 (calculating 5,259 metric tons of harvest) in farming operations.

ENVIRONMENTAL RESPONSIBILITY

ALL THE WATER USED for farming operations comes from highly productive aquifers with stable brackish and fresh groundwater. The groundwater resources for the farm have been allocated for use by the South Florida Water Management District ("SFWMD") under a 20-year water use permit. The permit provides an allocation of groundwater from two subsurface sources:

- The Biscayne Aquifer, which contains fresh groundwater of very low salinity of 0.36 ppt
- The Floridan Aquifer, which contains brackish to saline groundwater that varies in salinity from approximately 2.7 to 35.0 ppt.

The Bluehouse sources freshwater from the Biscayne Aquifer only a few feet below ground surface and accounts for about 5% of total groundwater consumption based on the current permitted allocations.



The brackish and salty groundwater is sourced from the Floridan Aquifer, a density stratified artesian aquifer, and is located at approximately 1,200 feet below the Miami Bluehouse. The salinity of groundwater in the aquifer generally increases with the increase in depth as saline water is denser than freshwater. Wells constructed in the Floridan Aquifer are completed in two different zones: the upper Floridan Aquifer and the middle Floridan Aquifer. These hydrogeologic units produce groundwater with salinities of 2.7 parts per thousand ("ppt") and 35 ppt, respectively. Over 95% of the groundwater consumption for farm operations will consist of saltwater from the Floridan aquifer. The exchange of groundwater entering and exiting the Miami Bluehouse is about 10% per day. Inside the Bluehouse, the recirculation degree of filtered water in the tanks is above 99%. Less than 1% of the total water that is sent through the filtration system is discharged as non-toxic wastewater through the injection well and into the Boulder Zone of the lower Floridan Aquifer, located at a depth of nearly 3,000 feet underground.

The Boulder Zone then acts as a storage zone and natural filter with a natural current that slowly filters the water over thousands of years until it eventually returns to the ocean as clean water, thus eliminating any wastewater impact on the ecosystem.

99%

RECIRCULATION DEGREE OF FILTERED WATER IN THE TANKS

The unique groundwater resources of South Florida are well suited for Bluehouse farming at scale. A stable supply of fresh, brackish, and saline groundwater, along with a proven and environmentally desirable method for wastewater disposal, are critical elements. In 2018, Atlantic Sapphire was granted a United States patent for its systems and methods of intensive recirculating aquaculture, incorporating the use of wells constructed for groundwater supply and wastewater disposal. Further, water consumption is comparatively much lower than other proteins, with the Group stating a goal of 200 liters per kilogram of edible meat.

Is Farmed Salmon More Sustainable Than Meat?

IT IS CLEAR THAT SALMON PRODUCTION, while a well-managed industry relative to livestock production, faces a number of environmental risks that constrain production. However, does salmon have a lower environmental footprint than meat?

Salmon is commonly thought to be significantly more environmentally friendly than chicken and pork, but academic literature suggests this depends on the particular environmental factor considered. In terms of water use, salmon offers some advantages over land-based proteins.

When looking at feed consumption, the picture is less clear. Salmon has a lower kilo-for-kilo feed conversion ratio.

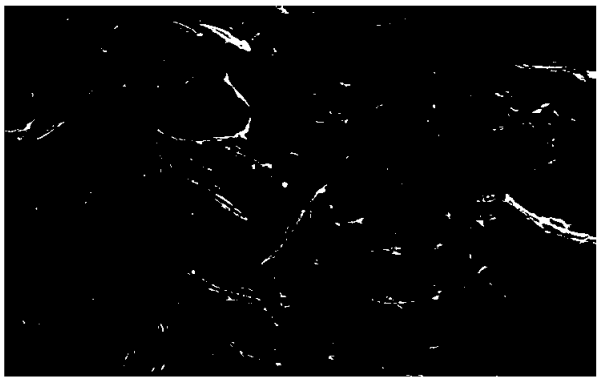
But once the higher calorific content of the feed for salmon is considered (approximately 30% fishmeal and fish oil), the calorie and protein retention looks less impressive (28% and 25% respectively for salmon, versus 37% and 27% for chicken). As salmon only retains 25% of the proteins it requires in its feed, it does not produce protein more efficiently than chicken.

The GHG emissions accounting of individual seafood species varies considerably, yet the science is less developed than for livestock proteins. However, the latest research suggests that GHG emissions for farmed salmon are somewhere in between chicken and pork. A SINTEF report pointed to emissions from farmed salmon at 7.9kg CO2eq as edible meat versus 6.1 kg for chicken, 12.2 kg for pork and 39 kg for beef. A Swedish study also found that farmed salmon's climate impacts were greater than chicken yet less than pork.

The incremental demand for farmed salmon has also come from further afield, including the Far East and America.

Given that farm production could not be moved from Norway or Chile and given the customer's strong preference for a fresh product, servicing these markets involves air transport. Salmon travels either in the bellies of passenger planes or in specialist cargo planes. A flight from Oslo is 7,500 km to Miami and 7,000 km to Beijing. On a calculated GHG per km air travel, this would add an extra 10 kg CO2-eq per kg (including approximately an extra 2.5% for conversion into edible meat). This means that a salmon product in Beijing would have emissions of 18 kg CO2-eq per kg versus just 8 kg CO2-eq for the same product served in Oslo. This matters because China is the fastest-growing market for Atlantic salmon, with demand increasing by 9.7% between 2018-2019.

PROTEIN	SALMON	POULTRY (CHICKEN)	PORK	BEEF
GHG emission, kg CO2 per kg edible meat	**7.9**	6.2	12.2	39
Freshwater consumption, litre per kg edible meat	**2,000**	4,300	6,000	15,400
Feed conversion ratio, edible meat per 100kg feed	**56**	39	19	7
Calorie retention	**28%**	37%	21%	13%
Protein retention	**25%**	27%	16%	7%



WATER RECIRCULATION IS CONTINUOUSLY performed throughout the different farming areas and in independent systems to ensure optimal levels of water containment in line with Atlantic Sapphire's de-risking strategy. Filtration is performed through both mechanical and biological filters.

First, water is treated in mechanical filters ("drum filters") that capture the solids generated in the tanks, mainly feces and uneaten feed pellets. Water continues to circulate to biological filters ("biofilters") for the nitrification of the water, a process by which the ammonia generated by fish is converted into nitrite and nitrate in a two-step process.

As a second step, an FDA-approved organic polymer is added in mixers to flocculate the solids. The sludge collected is pumped to a sludge treatment system. Treated sludge is collected and transported to a local waste management facility.

NON-HAZARDOUS AQUACULTURE derived wastewater is stored underground through an injection well; domestic wastewater will be disposed of on-site to two permitted septic systems under construction. The treatment of the water consists of the separation of sludge and solids generated during aquaculture operations, and effluent water.

Wastewater is stored deep underground by way of an injection well. Regulatory monitoring and reporting associated with injection well system includes both groundwater and wastewater analytical analyses for samples collected at a permit specified frequency. Physical data including groundwater elevation from a Floridan Aquifer monitor well and the operating flows and pressures at the injection well are continuously recorded. All physical and analytical laboratory data are submitted to the Florida Department of Environmental Protection monthly.

IN FLORIDA, belt presses and a centrifuge will dewater the sludge to 30% dry matter, which is accepted as a solid waste for offsite compositing or disposal by commercial of municipal solid waste facilities. The Group is actively looking into alternative options for handling sludge in the future. For example, further treatment to 90% dry matter will make it available for disposal at a local commercially run wastewater to energy facility. Other options for use as energy or soil amendments are also being evaluated.

By using a closed system, the Group maintains a high degree of control over fish waste. Atlantic Sapphire's US operations do not discharge any waste into the ocean which provides positive aspects. For example, there is no risk of: water pollution coming from antibiotics or pesticides from operations, wild species becoming dependent on eating salmon feed spilled from operations, or solid waste, mainly feces and uneaten feed, settling and solidifying on the seabed, altering natural ecosystems.

Likewise, Atlantic Sapphire's operations have not had any impact on other fauna such as seabirds or predators, and there is no risk of detachment of farming equipment (nets, plastics, or other artifacts) that can be transported by the current contaminating the water, becoming ghost gear, and potentially harming marine fauna.

Atlantic Sapphire is committed to ensuring the proper handling, management, and disposal of hazardous and non-hazardous waste. This means that the Group complies with local, state, and federal regulations for the storage, identification, record keeping, prevention, reduction, reuse, recovery, recycling, removal, and disposal requirements, as well as the requirements of international standards, such as the IFC Performance Standards and EHS Guidelines.

The Group operates sludge handling systems and mixers which allow it to keep sludge-containing water mixed in buffer tanks. By doing so, the water that passes through the filtration and water purifying plant does not clog up or need frequent adjustments and cleaning of filtration equipment.

In the future, it is the Group's intention to invest in technology to convert all sludge generated in Bluehouses into a resource such as agriculture fertilizer, soil amendment, or biogas energy.

Because the Bluehouse creates a controlled environment for the fish, Atlantic Sapphire is able to tackle food waste in three ways:

1. Increasing Production Efficiency

Recirculating aquaculture systems, such as a Bluehouse, increase production efficiency by allowing fish to be grown in a controlled environment, which reduces the risk of disease and other factors that can reduce yields. Furthermore, Bluehouse Salmon are never exposed to parasites or diseases such as sea lice.

2. Minimizing Shrinkage

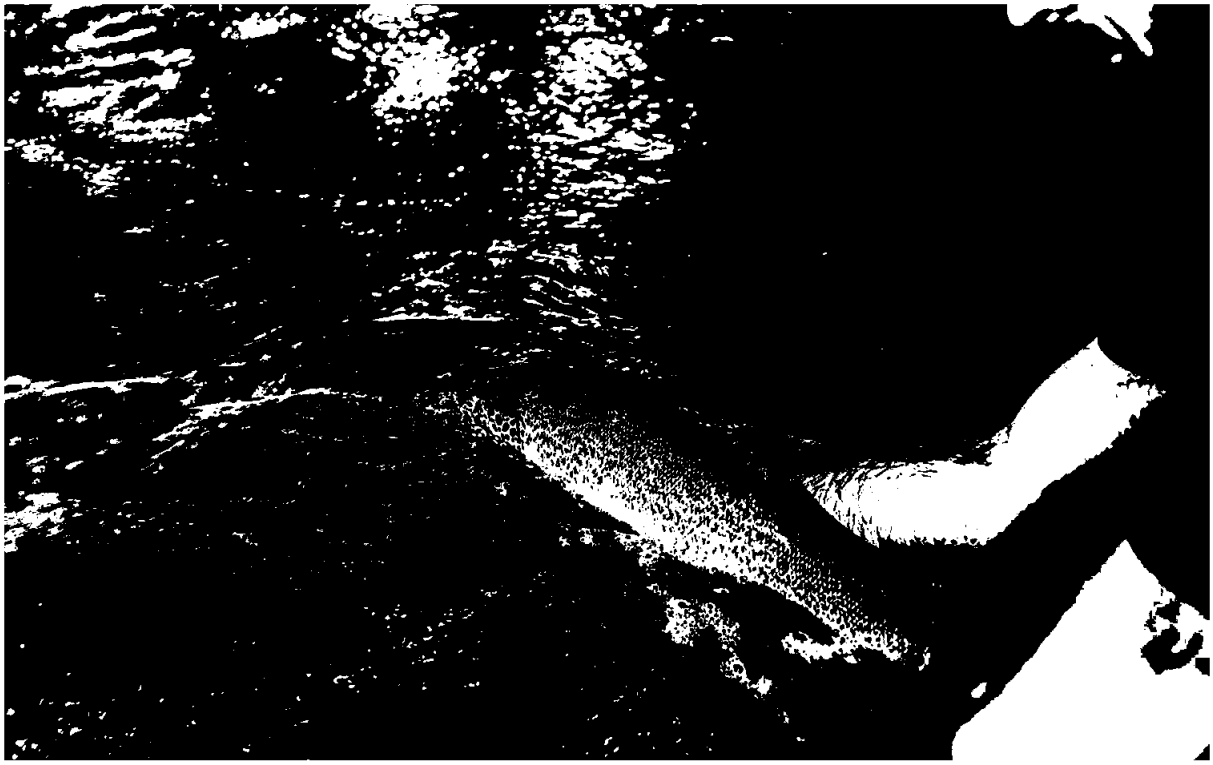
Local production with a shorter value chain added to a longer shelf life allows retailers and food service operators to minimize the amount of fish that needs to be disposed of. In the seafood industry, shrink is defined by fish that needs to be thrown away as it couldn't be sold before the best before date. The industry average is around 20% and the longer shelf life of Bluehouse Salmon minimizes that amount.

3. Reducing Seafood Waste

Bluehouses help prevent seafood waste by reducing the amount of fish that is lost or discarded during the production process. This is because the controlled environment allows for better monitoring and management of fish health and growth, which can help reduce the risk of disease and other factors that can lead to fish mortality.

Atlantic Sapphire does not generate food loss in its filleting operations. Currently the Group is selling all byproducts from filleting, including culling in early stages, to pet food processors and aquariums. Our fish trimmings and byproducts can be also processed into further value-added ingredients such as Omega 3 and fish oil pills, protein or calcium powders or even other advanced pharmaceutical uses.

Atlantic Sapphire is working towards a zero-waste future, where all natural fish waste continuously filtered from Bluehouse waters can be processed for reuse as an energy source, biogas, or fertilizer. The Group is excited to form relationships with traditional agriculture partners who can benefit from its upcycled fish waste through more vertical integrations.



ENVIRONMENTAL RESPONSIBILITY

ATLANTIC SAPPHIRE'S GOAL is to continue net marine protein production of healthy, happy, and sustainably land-raised American salmon, while significantly reducing the level of contaminants coming from marine-sourced feed ingredients. Reducing marine ingredients from wild capture takes us one step further in our mission to achieve zero impact on the oceans.

The vision is to be out of the ocean by reducing marine ingredients from fish feed. Atlantic Sapphire will soon be able to produce seafood with a minimal impact and negligible amount of the contaminants coming from the ocean such as metals, PCBs, or dioxins.

To achieve this, the partnership between Atlantic Sapphire and feed supplier Skretting is focused on developing innovative fish diets for the health of people and planet. Skretting's balanced fish feed consists of a range of sustainably sourced, food safe ingredients, nutritionally formulated to provide a diet in the form of protein, fat, carbohydrates, vitamins, minerals, and antioxidant carotenoids.

Atlantic Sapphire has lowered the use of marine ingredients consistently over time, resulting in a 0.3 feed fish inclusion factor ("FFIF"), and a 0.46 Fish In Fish Out ratio ("FIFO") for 2024, making Atlantic Sapphire a net positive marine protein producer.

Atlantic Sapphire's commitment to sustainability starts with feed. Raw material availability, origin, harvesting methods, and regulations throughout the supply chain in feed selection represent key factors in the social, environmental, and economic impact of the production of the final product. There are science and data-based comprehensive standards regulating the supply chain of feed ingredients in aquaculture. In fisheries for example, scientific bodies assess wild stocks in different fishing grounds and establish catch restrictions based on biomass volumes, average size, and the natural seasonality of the species. Atlantic Sapphire carefully selects its feed and ingredient suppliers to ensure that the strictest regulations and full traceability are in place throughout the value chain from primary raw material production through feed ingredient manufacturing and feed production.

Skretting

Skretting's feed ingredients are highly screened for sustainability, food safety and nutrient content to ensure the highest level of food safety and quality. Skretting meets or exceeds all regulatory requirements for the USA and Canada. 100% of Skretting North America's marine ingredients are certified. Skretting maintains records on the species and origin of each batch of fishmeal and fish oil and assures traceability of all ingredients that make up more than 1% of the feed. Vegetable-based ingredients are purchased as non-GMO and supplier certifications are documented. Skretting and Atlantic Sapphire are committed to sustainability, investment in innovative research and continuous improvement.

In pursuit of supporting Atlantic Sapphire's goal of achieving reduced marine impact, Skretting utilizes alternative sustainable proteins and oils, such as:

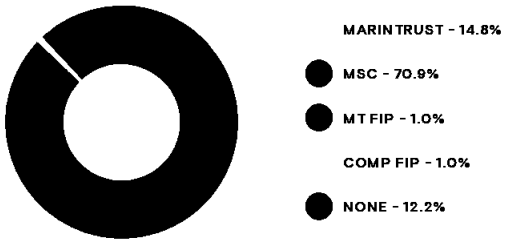
- Vegetable proteins and oils, primarily from North American sources
- Sustainable protein from human food processing by-product, allowing transition to circular economy ingredients
- Novel Algal oil, highly concentrated in Omega 3's (EPA/DHA), produced in the USA through fermentation using renewable resources.

Marine Ingredients

Skretting has a Marine Ingredients Sourcing Policy for Atlantic Sapphire's global operations aiming at ensuring that by 2025 it sources marine ingredients that are 100% certified by MSC, MarinTrust, or coming from a fishery improvement project, as well as ensuring that all the fishmeal and fish oil used to produce feed originate from fisheries that are managed according to the FAO Code of Conduct for Responsible Fisheries.

Atlantic Sapphire chose to work with feed suppliers that source their marine ingredients from producers which fulfill the requirements of the MarinTrust, the international program for marine ingredient certification, formerly known as the Global Standard for Responsible Supply ("IFFO RS"), in line with the FAO Code of Conduct for Responsible Fisheries. By engaging only with suppliers that operate under third-party recognized standards, the Group ensures that all the fish used in our feed comes from responsibly managed fisheries with well-regulated biomass stocks and with zero-tolerance policies against Illegal, Unreported, and Unregulated ("IUU") fishing and full traceability systems in place.

Sourcing of marine ingredients in Skretting Canada during 2024 details as follows:



Soy

Another major area of focus in aquaculture feed production is the use of sustainably sourced soy. Atlantic Sapphire believes it is a joint responsibility for both feed suppliers and salmon farmers to uphold strict requirements in the selection of soy with a strong focus on minimizing the risk of deforestation and zero tolerance against forced labor. All soy and/or soy-derived ingredient suppliers for Skretting North America have signed and meet the Nutreco Code of Conduct for Business Partners. As North American soybean meal is not Round Table on Responsible Soy "RTRS" or Proterra certified, Skretting is buying RTRS credits to uphold sustainability standards. This ensures that suppliers meet their criteria for non-deforestation areas. By the end of 2025, Skretting's ambition is to source soy ingredients that are free from both legal and illegal deforestation.

Alternative Ingredients

Skretting North America continues to stay connected with both internal global specialists as well as industry networks to receive news on the latest technology/innovation and, whenever applicable, capitalizing on such novel ingredients to address needs of customers. Challenges in a large-scale implementation/embracing of most novel ingredients are still largely due to cost-prohibitive price points to incorporate into formulations, among other reasons.

For example, Skretting continues to consult insect meal producers across North America and in recent months has been narrowing the selection criteria and subsequently the candidates of insect meal suppliers that qualify such criteria to hopefully begin a partnership to start receiving steady amounts per month.

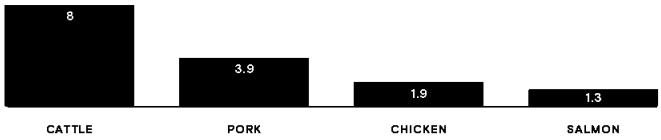
ENVIRONMENTAL RESPONSIBILITY

FARMED SALMON has a low carbon and water footprint compared to many other sources of protein such as beef and pork. The feed conversion ratio of Bluehouse Salmon (FCR) is a measure of the efficiency of a fish in converting feed into fish biomass. In 2023, the Group's biological feed conversion ratio was 1.37, and economic feed conversion ratio was approximately 1.54. This means it took 1.54 kilograms of feed to produce one kilogram of fish biomass.

As seen in the table below, producing a kilogram of salmon requires far less feed than producing a kilogram of beef or pork, which reduces both environmental impact and the cost of production. Beef cattle hold the highest feed conversion rate, with an average ratio of eight, while in contrast an industry average salmon needs only about 1.3 kilograms of feed to increase its bodyweight by one kilogram, making it a highly favorable conversion ratio.

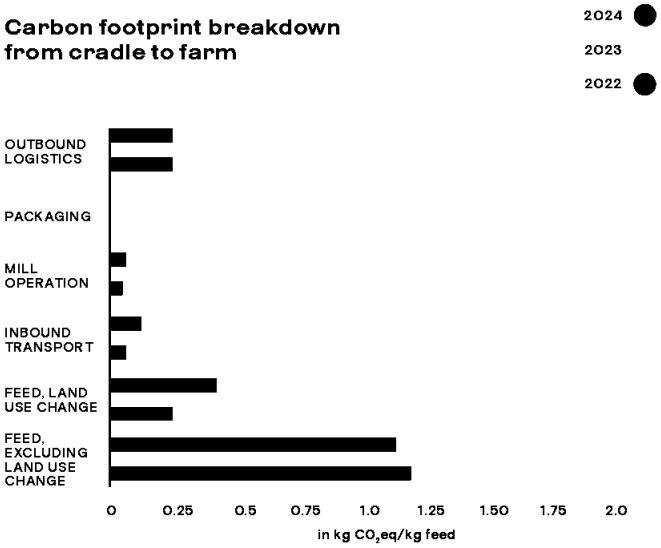
Atlantic Sapphire simultaneously works with feed supplier Skretting on reducing the carbon and water footprint of its feed. The main contributor of the carbon footprint this past year was raw materials production (62%), followed by the associated land use change (16%). The remaining 20% was mainly due to outbound transport (12%), mill operations (3-4%) and inbound transport of raw materials (3%). The main contributing raw materials to the overall carbon footprint were vegetable proteins (28%) and vegetable oils (27%) due to the land use change impact associated with these raw materials.

Feed conversion ratio of selected meat and fish worldwide (kg)

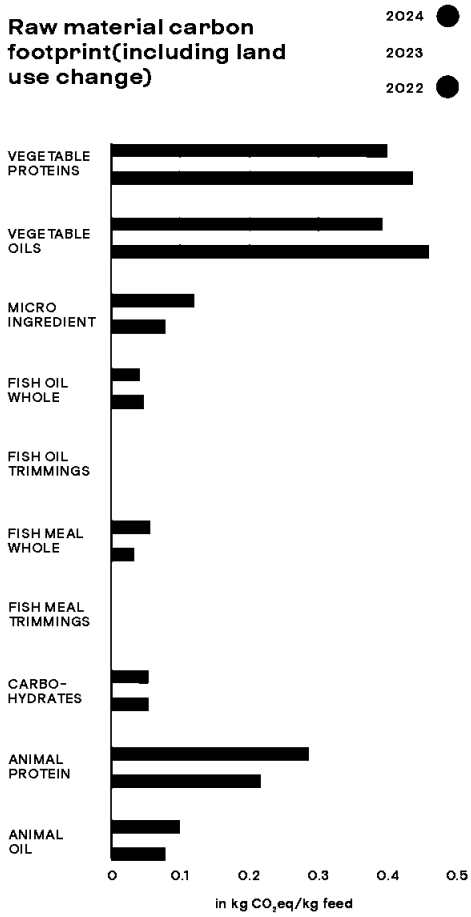


Source : Statista 2025

Carbon footprint breakdown from cradle to farm



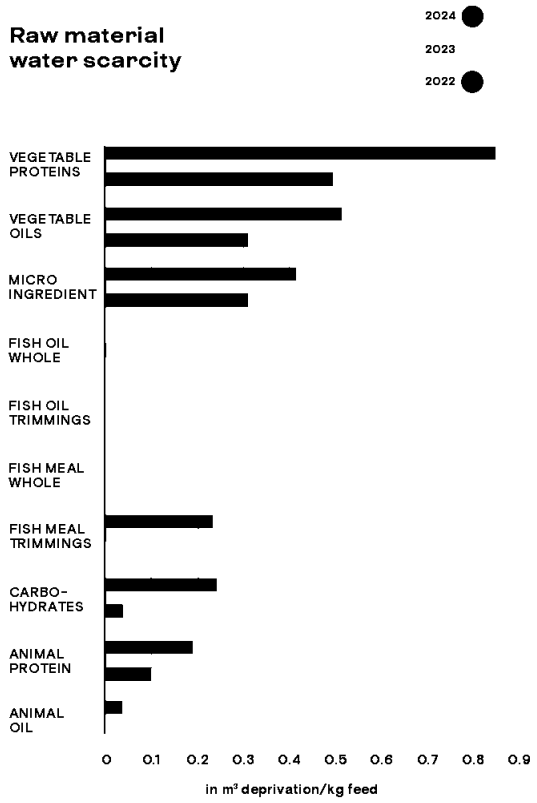
Raw material carbon footprint(including land use change)

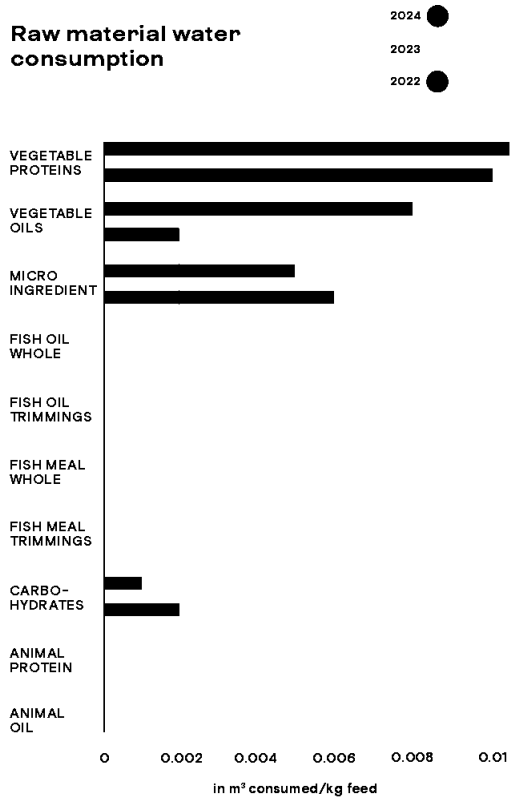


ENVIRONMENTAL RESPONSIBILITY

Water (scarcity or consumption) footprint was mainly determined by water consumption for synthetic amino acids, but also by crop irrigation (in water scarce areas). Skretting used the water scarcity indicator AWARE as recommended by the European Commission in their Environmental Footprint 3.0 selected methods to determine the water footprint of the feed. Skretting did not aggregate the water consumption of each raw material, because water consumed in a water rich area does not have the same environmental impact as in a water scarce area.

Atlantic Sapphire and Skretting are committed to working together to reduce the footprint of our feed while at the same time considering the impact of ingredients on fish performance and welfare. In 2021, Skretting signed an agreement with us with the intent of building a feed plant locally in South Florida.





Having local feed production means that we will lower the transportation of sourcing feed while simultaneously working in an even closer collaboration to develop new feed ingredients that are better for our systems, for our fish, and for the planet.

ENVIRONMENTAL RESPONSIBILITY

ATLANTIC SAPPHIRE DOES primary processing onsite in Homestead. This includes slaughter, eviscerating and packing whole salmon in a state of the art facility. The Group also commissioned in 2024 a filleting line where it does pin bone out fillets on site to guarantee optimal yields, freshness and workmanship.

Atlantic Sapphire's main packaging material for HOG salmon and salmon fillets is made of fully recyclable or biodegradable material for domestic transportation. Together with a sustainability-minded suppliers., the Group is sourcing fully recyclable packaging for whole fish and fillets and using cardboard biodegradable totes or reusable plastic bins for all byproducts from filleting operations (including heads, frames and bits and pieces).

Thanks to this onsite processing in-market, fish arrives faster and fresher to stores and consumers. This means longer shelf life, less shrink and lower food waste on the market side as well.

ATLANTIC SAPPHIRE has a limited impact on the local biodiversity in the locations where it operates due to its closed production method and efficient land occupation. For example, it can farm up to 1,000 metric tons annually of salmon on one acre of land, which is the highest yield per acre of animal protein in the world.

The Group plans to raise 220,000 annual metric tons of salmon on land that once grew only 10,000 annual metric tons of tomatoes.

Homestead, Florida, the home to the Florida Bluehouse, is a city within Miami-Dade County located between Biscayne National Park to the east and Everglades National Park to the west. Biscayne National Park encompasses coral reefs, islands and shoreline mangrove forest in the northern Florida Keys. America's Everglades is the largest subtropical wilderness in the United States. Everglades National Park protects an unparalleled landscape that provides important habitat for numerous rare and endangered species like the manatee, American crocodile, and the elusive Florida panther.

In 2015, prior to Phase 1 construction of the first Bluehouse, Miami-Dade County conducted an environmental assessment of the Group's property through reviewing photographic aerials, U.S.D.A. soil maps, Miami-Dade County Comprehensive Development Master Plan (CDMP) Departmental records, and a site inspection. The purpose of the assessment was to determine if a Miami-Dade County Class IV Permit for work in wetlands would be required. This environmental assessment revealed that the properties do not contain wetlands as defined by Chapter 24-5 of the Code of Miami-Dade County; therefore, a Miami-Dade County Class IV Permit was not required.

In 2022, this environmental assessment was completed again prior to Phase 2 construction and yielded the same results. Atlantic Sapphire has a goal of no impact on the oceans, and this promise extends to all areas of high biodiversity including outside protected areas. These assessments show that Atlantic Sapphire's activities, products, and services, do not have any significant impact on surrounding biodiversity and wetlands.

Fresh water is the lifeblood of the Everglades and the South Florida economy. The Bluehouse uses less fresh water per kg of food produced than the vegetable farm it replaced.

Over the past decades, aquaculture has greatly contributed to the protection of depleting wild stocks and is expected to continue to be a significant contributor in feeding the world's increasing population. However, there is much more to be done in protecting these ecosystems and, in particular, the ocean.

Atlantic Sapphire's farming operation has zero harmful impact on coastal areas and its biodiversity by producing salmon on land, away from wild waters, using its unique groundwate resources in Florida. For more on the goal to minimize impact on the ocean, please refer to feed sourcing.

SELECTED TARGETS: ENVIRONMENT

GHG Emissions & Climate Change

ZERO kilos of salmon flown on airplanes
ACHIEVED

ENGAGE with local electricity company and develop a concrete plan to transition to 100% renewable sources of electricity
ACHIEVED

REPORT scope 1 2, and 3 emissions
DELAYED Currently reporting only Scope 1 & 2 emissions

INTRODUCE at least 25% sourcing from solar energy during the second half of the year.
ACHIEVED (28%)

Feed

REMAIN a net marine protein producer ("FIFO" < 1)
ACHIEVED (0.46)

INCREASE the inclusion of alternative ingredients (i.e. algae oil) in our salmon feed
MISSED

Water

REDUCE freshwater usage from production and processing to below 200 liters per kilo of edible meat.
MISSED (235 liters per kg of harvested fish (not including feed))

SELECTED TARGETS: ENVIRONMENT

TARGETS FOR 2025

GHG Emissions & Climate Change

ZERO kilos of salmon flown on airplanes

ENGAGE with local electricity company and develop a concrete plan to transition to 100% renewable sources of electricity

REPORT Scope 1 and 2 emissions

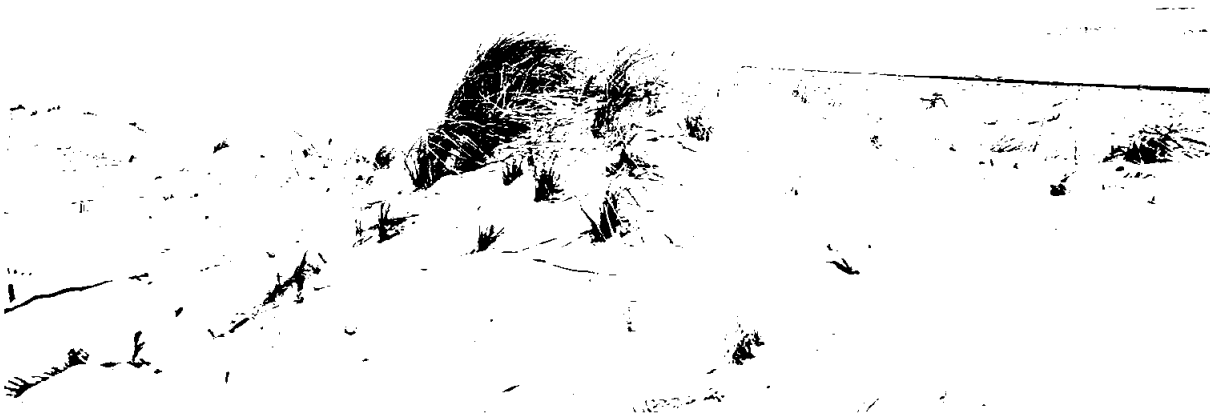
INCREASE sourcing from solar energy **BY 10%.**

Water

REDUCE freshwater usage from production, processing, and feed to below 200 liters per kilo of edible meat

Feed

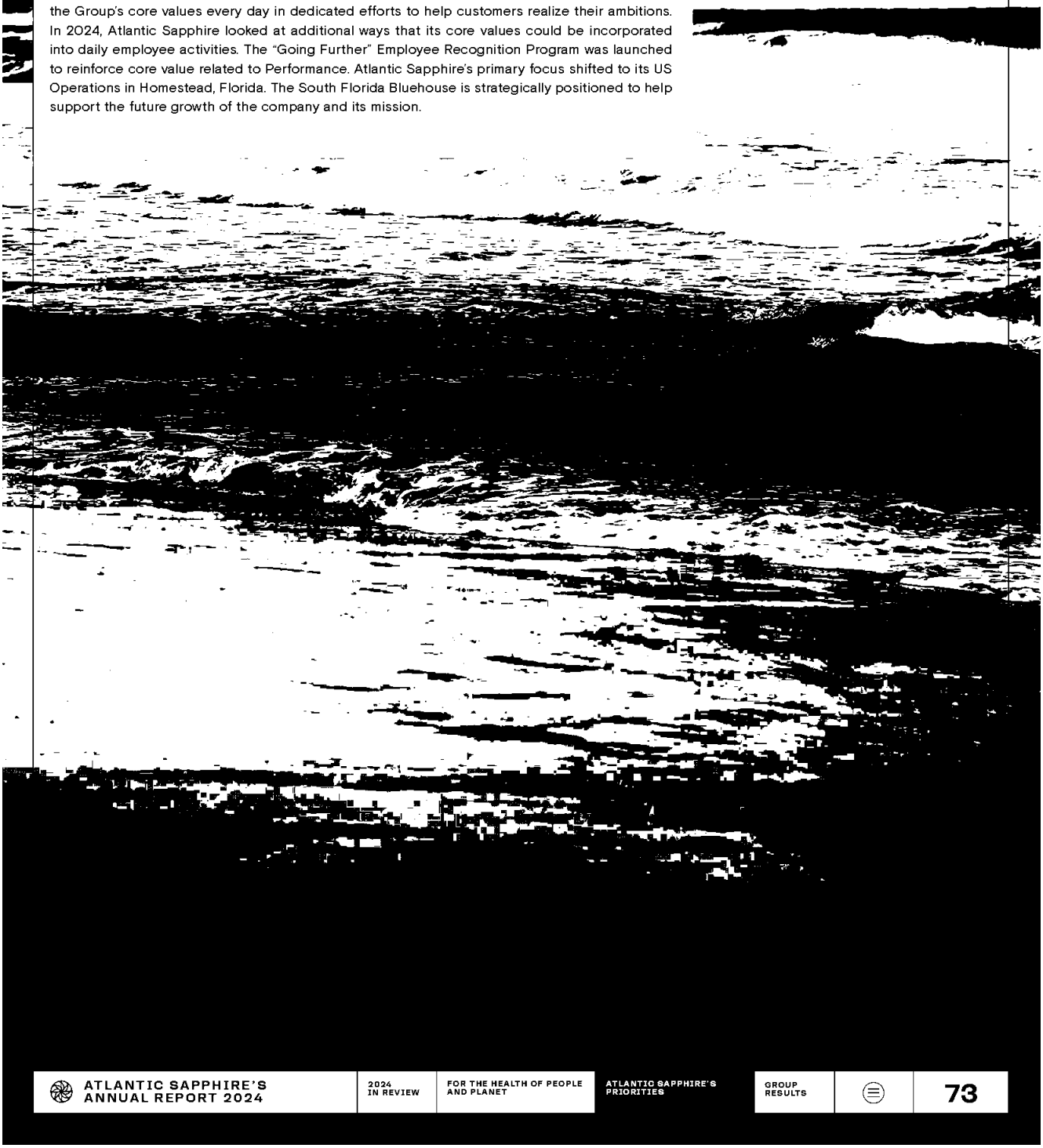
REMAIN a net marine protein producer ("FIFO" < 1)



SOCIAL RESPONSIBILITY

Atlantic Sapphire is dedicated to fostering a corporate culture that goes beyond regulatory compliance and engages and empowers all employees around realizing its purpose and living its values.

THE GROUP IS DETERMINED to be among the industry leaders in tackling environmental as well as social responsibility issues, consistent with the Group's core values. In recent years, its core values have been extended with new subvalues to encourage and ensure employees embrace the Group's core values every day in dedicated efforts to help customers realize their ambitions. In 2024, Atlantic Sapphire looked at additional ways that its core values could be incorporated into daily employee activities. The "Going Further" Employee Recognition Program was launched to reinforce core value related to Performance. Atlantic Sapphire's primary focus shifted to its US Operations in Homestead, Florida. The South Florida Bluehouse is strategically positioned to help support the future growth of the company and its mission.



Atlantic Sapphire Values

ATLANTIC SAPPHIRE PROMOTES a safe, healthy, and fair working environment. The Group depends deeply on all our employees' capabilities and contributions, and it is therefore committed to providing an inclusive, motivating, and safe working environment, as described in its Human Resource Policy and its Environmental, Health, Safety, and Security ("EHSS)" Policy. Achieving its goals while living its values can only be done if employees collaborate and treat each other with respect. Atlantic Sapphire aims to be an open, positive, and supportive working environment.

1 Passion

Purpose, dedication, and courage

WE ARE ALL
Fish Farmers.

WE ARE POSITIVE THINKERS
and look for solutions.

WE SHARE OUR KNOWLEDGE
and energy with each other.

WE ARE ALWAYS
eager to learn

2 Performance

Initiative, collaboration, and results

ALONE WE GO FAST
– together we go further.

WE MAKE
each other better.

OUR JOB IS NOT DONE
until the customer is happy.

GOOD BIOLOGICAL CONDITIONS
drive financial performance.

3 Innovation

Continuous improvement, solutions, and learning

WHAT WE DO TODAY,
we do better than yesterday.

WE FOCUS ON THE SOLUTION,
not the problem.

WE LISTEN DEEPLY
to understand each other.

WE SHARE IDEAS
with our coworkers

4 Innovation

Accountability, open communication, and care

WE TALK
to each other, not about each other.

WE DELIVER
what we promise.

WE STAY HUMBLE
and ask for help when need it.

WE SPEAK UP
to solve problems because we care.

5 Balance

Healthy fish, wellness, and sustainable planete

HEALTHY FISH
are at the heart of everything we do.

WE LOVE LIFE,
bringing our best self to life and work.

WE CARE
for People, Fish, and the Planet.

WE DO THE RIGHT THINGS
in the right way.

Employee Growth

2020
104

2021
166

2022
177

2023
158

2024
237

SOCIAL RESPONSIBILITY

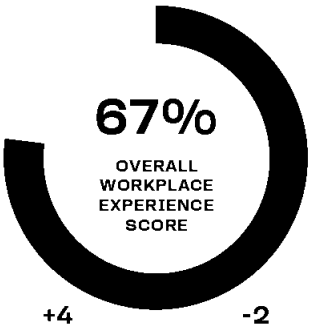
In 2024, the Group restructured a number of departments to streamline operations, create greater efficiencies and strengthen competencies across all areas of the organization. The company's headcount increased because had a goal to eliminate temporary labor. As of 31 December 2024, Atlantic Sapphire had 237 full time employees. In the Phase 1 post construction period, the Group prioritized skills and experience in staffing teams to ensure that its operations are safe and secure. The group enlisted a contingent workforce as needed to help support Operations in 2023. Over time, the Group endeavors to increasingly hire full-time employees from the communities in which it operates with a goal of eliminating contingent workers entirely. Atlantic Sapphire has been working through extensive community engagement within universities, colleges, YMCA, and other promotional activities to drive a strong employer branding.

In 2024, Atlantic Sapphire made a concerted effort to cultivate relationships with local universities such as The University of Miami, Florida International University and Florida Agricultural & Mechanical University In addition to hosting onsite tours and visits, the Group networked with professors and career resource centers to help facilitate learning opportunities for students and establish relationships so students can explore future career opportunities. The hope is that the internship program established in 2022 will continue to grow as the Group partners to provide firsthand exposure to tomorrow's future workforce while also building brand ambassadors who are engaged and excited about the mission.

As part of the continuous feedback process In 2025, the Employee Satisfaction Survey, Atlantic Sapphire's Overall Workplace Experience score increased to 4 point to reach 67% employee and employee engagement remained steady at 60% as the group closed out 2024. The largest majority of employees (73%) reported feeling closely aligned with the company's values and respected and supported. The company saw the highest increase in feeling empowered to execute which moved up 7 points to reach 65%.

In 2024 there was an increased effort to engage employees and their families. Some of these initiatives included a company BBQs, a Corporate Run and also participating in "Take your Child to Work 2024".

Workplace Experience Score



+4
UP 4 POINTS FROM DEC. 2023

-2
2 POINTS BELOW BENCHMARK

WORKPLACE EXPERIENCE THEMES

We have categorizes the core survey items into the themes below

SCORE	THEME	TREND DEC 2024	# OF ITEMS VS. BENCHMARK BELOW	CLOSE	ABOVE
60%	ENGAGED 3 Statements	0	2	1	1
73%	CLOSELY ALIGNED 3 Statements	-2	1	3	1
65%	EMPOWERED TO EXECUTE 5 Statements	+7	1	4	1
73%	RESPECTED & SUPPORTED 5 Statements	+6	2	2	1
69%	ENABLED TO GROW 3 Statements	+6	1	3	1
60%	FAIRLY VALUED 4 Statements	+5	2	2	1

Atlantic Sapphire is focused on driving innovation by bringing experience from various industries such as conventional sea based aquaculture, wastewater, engineering, construction, maintenance, and fluid dynamics.

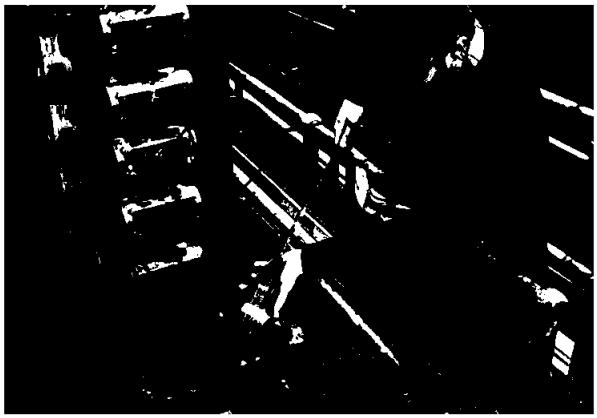
Atlantic Sapphire believes that a diverse and inclusive workforce is essential to success. The Group recruits globally for the talent and experience that may be difficult to find locally, all while emphasizing gender equality and equal employment opportunities. Atlantic Sapphire is proud to count over 20 different nationalities in our workforce.

SOCIAL RESPONSIBILITY

Atlantic Sapphire onboards people who bring professional experience and fit the corporate culture, and in whom potential for growth is seen. The goal is to build a diverse workforce as Atlantic Sapphire grows – with both ethnic diversity and gender diversity. Atlantic Sapphire has set representation goals to increase diversity across the Group and will focus on three key targeted areas: targeted recruitment, development, and retention and promotion paths.

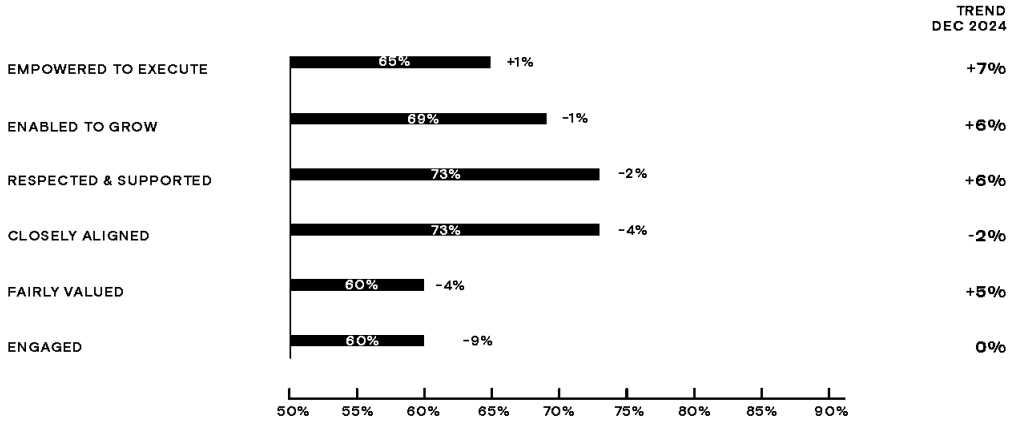
Although Atlantic Sapphire complies with applicable international and national laws, regulations and standards, there could be risks within the Group's activities that may potentially have a negative impact on its people and communities and therefore, by extension, on its business. These relate primarily to occupational health and safety, training and education, and diversity and inclusion.

Pioneering in an industry also involves building up inexistent competences in the field. Driving performance while retaining talent throughout the organization in such an operationally geared industry is essential.



WORKPLACE EXPERIENCE THEMES

Percent favorable by theme at the organizational level



UNDERPINNING THE Governance and ESMS framework is the central principle that the success of Atlantic Sapphire depends on maintaining the highest standards of trust and integrity at all levels of the organization, as well as the Group's reputation for honesty and transparency in its business.

Therefore, the Code of Conduct (the "Code") sets expectations and provides guidance for the Group's Board of Directors, officers, employees, independent contractors, and consultants. It is their responsibility to understand the Code as well as exercise good judgement and follow the Code.

All employees must sign the Code. Additionally, suppliers and vendor partners are also required to acknowledge and adhere to our AS Standard Vendor Terms and Conditions before engaging. These documents outline the commitment to integrity by following the principles of the Code. The Code also encourages reporting of any violations to management.

The Code is consistent with the Group's core values and is aligned with Atlantic Sapphire's commitment to the UN Global Compact principals and SDGs.

ATLANTIC SAPPHIRE believes that it is fundamental to its business to respect and protect human rights. The Human Rights policy therefore elaborates on the Code of Conduct to provide greater detail on how Atlantic Sapphire believes that it can positively impact human rights as a business. In accordance with principles 1 and 2 of the UN Global Compact, Atlantic Sapphire supports and respects the protection of internationally proclaimed human rights as established in the Universal Declaration on Human Rights and the International Labor Organization's Core Conventions. Human Rights is an area of importance to our employees, contractors, shareholders and investors, customers, end-consumers, civil society groups, and the local communities in which Atlantic Sapphire operates.

The Human Rights Policy informs employees, business partners, and customers of Atlantic Sapphire's commitment to respecting and promoting human rights and in making a meaningful contribution to uphold human rights across our operations and our supply chain.

Atlantic Sapphire's Human Rights Policy applies to all Atlantic Sapphire employees, anyone doing business for or with Atlantic Sapphire (including suppliers), and others acting on Atlantic Sapphire's behalf to ensure that the Group is not complicit in human rights abuses directly or indirectly. We focus on the following:

Diversity

Atlantic Sapphire is committed to equal employment opportunities and does not tolerate discrimination and harassment in the workplace. This means:

1.

Selecting employees and contractors based on qualification, experience, and past performance.

2.

Providing equal opportunity to all employees and applicants for employment without regard to race, creed, color, national origin, religion, ancestry, gender, sexual orientation, gender identity, marital status, familial status, or any other basis protected by federal, state, local law, and international conventions.

3.

Respecting the personal rights and dignity of all employees and accordingly, will not tolerate sexual harassment or any other forms of harassment.

Wages and Benefits

Atlantic Sapphire compensates employees competitively and equitably relative to the industry and the local labor markets. It operates in full compliance with applicable wage, overtime, and benefits laws. Currently Atlantic Sapphires' starting base wage is 29.4% higher than the state required minimum wage of $13 plus the Group offers comprehensive benefits.

Child Labor

Atlantic Sapphire is committed to the abolition of child labor, in line with the ILO conventions on Minimum Age and Worst Forms of Child Labor. The Group prohibits the hiring of individuals under the legal age of employment in the relevant jurisdiction and under the age of 18 for positions in which hazardous work is expected.

Forced Labor and Human Trafficking

Atlantic Sapphire prohibits the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, slave labor, and any form of human trafficking in line with applicable UN and ILO conventions as well as any applicable Federal or State Anti-Trafficking regulation.

Safe and Secure Working Conditions

Atlantic Sapphire is committed to providing a safe and healthy workplace in accordance with applicable safety and health laws, regulations, and internal requirements. In addition, Atlantic Sapphire complies with the International Finance Corporation's ("IFC") Performance Standard 2 regarding labor and working conditions.

Freedom of Association

Atlantic Sapphire respects our employees' right to join or form unions without fear of reprisal, intimidation, or harassment.

Open Communication & Grievance Mechanism

Atlantic Sapphire provides processes for employees and community to use to openly discuss any issues of concern, and will respond to any such grievances in a fair and transparent manner while simultaneously respecting the need for confidentiality, if possible.

Development and Growth

Atlantic Sapphire encourages continuous learning, conducts new hire and annual performance reviews, and provides appropriate education, training, and guidance to support a drive towards continuous improvement.

Compliance

Employees and suppliers are expected to never infringe on human rights and are alerted to report any situation in which human rights infringement is suspected. Violation of this policy or the refusal to cooperate will result in disciplinary action, up to and including termination and referral to the appropriate authorities.

Privacy

The European Union ("EU") introduced data privacy regulation called General Data Protection Regulation ("GDPR") regarding human rights related to privacy. The GDPR is in scope as Atlantic Sapphire has offices in the EU and collects and transfers data from the EU to the US. Accordingly, Atlantic Sapphire engaged a third-party consultant to perform a GDPR Gap Assessment as the recommendations will directly impact Atlantic Sapphire's GDPR compliance posture and assist in improving the Group's overall data privacy and information security maturity. Our GDPR compliance will positively impact our stakeholders by ensuring that their confidential information is safe and secure.

Responsible Sourcing

Atlantic Sapphire has a large and diverse extended supply chain. Suppliers must be transparent about their human rights and labor practices and work to remedy any shortfalls, and their commitment to complying with the Code of Conduct is contractually secured through their signature of the Terms and Conditions. The Group is exploring ways of monitoring performance and expects to have a more formalized responsible sourcing program in place in the future.

SOCIAL RESPONSIBILITY

- 24.3 % turnover in 2024
- 8.81% Decrease from 2023

PERIOD	OVERALL TURNOVER	VOLUNTARY TURNOVER
2022	28.24%	12.42%
2023	33.08%	12.97%
2024	24.27%	12.39%

ATLANTIC SAPPHIRE appreciates its team's commitment to its success. The Group is equally committed to providing competitive, affordable health and wellness benefits to help take care of its associates and their families. Full-time employees working a minimum of 30 hours per week are eligible for the below benefits:

- Medical with HRA
- Dental
- Vision
- Company Paid STD & LTD
- Company Paid Life and AD&D
- Voluntary Employee and Dependent Life and AD&D
- Dependent Care FSA
- Pet Insurance
- Aflac Supplemental Benefits
- Wellness Program
- 401k with Company Match

2 WEEKS OF parental leave was added as an official Atlantic Sapphire benefit in the 8th revision of our Employee Handbook.

Diversity of governance bodies and employees

HEADCOUNT (%of total organisation)	FEMALE	MALE	NOT SPECIFIED
CEO and Direct Reports	8.33%	91.67%	0%
Leader of Leaders	0%	100%	0%
Front Line Managers	29.63%	70.37%	0%
Individual Contributor	14.14%	83.77%	2.09%

Ratio of basic salary and remuneration of women to men

In 2024, women earned $0.96 to every dollar earned by men in non-executive positions. In the executive tier, women earned $0.65 for every dollar earned by men in executive roles (Directors & C-Suite positions).

In 2024, the percentage of female employees in the workforce decreased to 17%. The percentage of women serving as frontline managers increased to 29.63 %.

As part of the overall commitment to human rights, Atlantic Sapphire is committed to providing equal opportunity to all employees and applicants for employment without regard to gender, sexual orientation, race, creed, color, national origin, religion, ancestry, gender identity, marital status, familial status, or any other basis protected by law of US, Denmark, or Norway, as applicable. Through a multifaceted approach which includes strong support from leadership and culture and by establishing policies, talent attraction programs, awareness, and training programs, and rewarding employees through Performance Over Time incentive, Atlantic Sapphire is committed to fostering a work environment that is free from harassment of any kind as well as offensive or disrespectful conduct. Other examples include providing, when possible, an equal number of female and male candidates for job interviews to reduce possible bias, and the Group has started tracking recruitment diversity metrics on gender, race, disability, and veteran status.

	MALE	FEMALE
June 2019	87%	13%
December 2019	78%	22%
December 2020	76%	24%
December 2021	76%	24%
December 2022	80%	20%
December 2023	80%	20%
December 2024	83%	17%

SOCIAL RESPONSIBILITY

ATLANTIC SAPPHIRE has starting pay bands that are consistent regardless of gender. It clearly posts required state and federal notices related to compliance including Title VII, The Genetic Information Nondiscrimination Act and ADA. Atlantic Sapphire complies with the Americans with Disabilities Act and provided reasonable accommodations to 2 employees and always strives to create an inclusive workspace in 2024.

AS A COMPANY, Atlantic Sapphire has not restricted employees from communicating or working to form a collective bargaining arrangement.

ATLANTIC SAPPHIRE abides by the guidelines established by the Fair Labor Standards Act (FLSA). Additionally, child labor guidelines and requirement by the Florida Department of Business & Professional Regulation are posted in both English and Spanish in all common employee break areas within the facilities.

ATLANTIC SAPPHIRE works to provide a safe working environment for employees, contractors, and its contingent work force. All employees and vendors are paid fairly based on the nature of the work and services provided.

ATLANTIC SAPPHIRE uses a centralized Human Resource Information System ("HRIS") and lifecycle experience process. Through this process, every new hire that is onboarded into Atlantic Sapphire has the same employee experience that is designed to set them up for success through alignment with its values, vision, and Code of Conduct as well as its environmental and social management systems. Atlantic Sapphire enhanced security through single sign using Active Directory for many of the company's systems including its HRIS.

In 2024, the Group chose not to roll out the performance review self assessment because of the leadership changes and restructuring that took place. Emphasis was placed on training team members, cross training and goal setting.

Employees are updated on a weekly basis with respect to the Group's status and the biological performance of the salmon. Other regular communications informing employees on vacancies, healthcare, safety, production, and maintenance are shared centrally through the internal communication tool. The Group launched an internal intranet portal appropriately named "The Current".

In addition to The Current, the Group also holds quarterly Town Halls to update employees on the state of the business and provide a forum for direct communication between Team Members and the Senior Leadership Team. As part of driving further recommendations from improvement and growth, grievance mechanisms and suggestion boxes have been actively promoted and solutions have been communicated and updated to all employees through a centralized channel. In 2024, Atlantic Sapphire continued its "Going Further" Employee Recognition program which is tied to the company's core value of Performance. Through this program, employees are encouraged to nominate a team member for an action or behavior that was above and beyond that positively impacted another employee or helped achieve a shared goal. Atlantic Sapphire understands that the core of its success is the ability from team members and partners to perform.

In 2024, Atlantic Sapphire enhanced its training offerings to further support development and growth of employees from a technical, managerial and leadership, and a common perspective to all employee competence programs. Additionally, the Farm Operations team worked diligently to establish a Career Path for employees' growth.

SOCIAL RESPONSIBILITY

ATLANTIC SAPPHIRE works to ensure a safe and healthy environment for all employees, contractors, and visitors. The Group proactively reinforces the mindset "Think Safe, Act Safe, Be Safe" at every opportunity throughout the organization. For the year ended 31 December 2024, approximately 297,537 total work hours were recorded throughout the organization and 32,696 hours were attributed to sick or personal time off.

The Environmental and Social Management System ("ESMS") helps ensure that the Group takes extensive precautionary measures to reduce the risks. These include training of employees and a relentless focus on personal protective equipment and safe handling of hazardous materials together with systematic controls of its working processes.

Employees are encouraged to always speak up and raise a concern and refuse to perform work if:

- asked to do a task you consider unsafe,
- asked to do a job you think you are not properly trained to perform and that may harm you or others,
- they see someone performing a task that you think is unsafe or that the person is not properly trained to do,
- they suspect that a piece of equipment is not operating properly and may be unsafe, or
- they observe or are made aware of an unsafe condition or a potential danger to yourself or others.

Atlantic Sapphire actively manages and mitigates health and safety risks in its production facilities including accidents, injuries and occupational diseases, and exposure to chemical hazards.

The Group designs and operates its production facilities with an emphasis on effective process safety programs to maintain a safe work environment and prevent accidents.

The Group maintains general oversight of the health and safety of its employees predominantly through ongoing auditing, monitoring, and evaluation of activities to ensure compliance, and it actively promotes a strong safety culture with its suppliers, vendors, and contractors.

The Group established the KPI Lost Time Incident ("LTI"), which is also part of the Performance Over Time Incentive program. The formula is as follows: (number of lost time injuries in the reporting period) multiplied by 200,000/total hours worked. In 2024, the total recordable incident rate was 2.54.

Atlantic Sapphire offers comprehensive medical insurance plans along with a host of additional health and welfare benefits for its employees and their families. Employees in the US are covered under the Group Medical Plan including in-patient and out-patient services covering medical, dental, vision, and company-paid benefits such as life insurance and short and long-term disability insurance. All employees are entitled to include members of their families in their insurance coverage.

Health, Safety, and Environment Policy

AT ATLANTIC SAPPHIRE is committed to:

- Zero Harm
- Caring for the Community & the Environment

Atlantic Sapphire believes that all work-related injuries, illnesses, and environmental incidents are preventable, and wants to be a valued member of the community in which it operates.

In particular, Atlantic Sapphire will:

HEALTH & SAFETY

- Provide a healthy and safe work environment for employees, contractors, and visitors, and promote safe behaviors.
- Think Safe, Act Safe, Be Safe. Establish and maintain health and safety management standards and systems in compliance with relevant industry standards and regulatory requirements.
- Identify and assess hazards to safety and health and control them as part of a total risk management process.
- Require every employee and contractor to comply with relevant legislation and the health and safety management standards and systems. The Group will provide them with the necessary training to enable them to have the knowledge and skills to undertake that work in a safe and healthy manner.

ENVIRONMENT & COMMUNITY

- Conduct operations in compliance with all relevant environmental licenses and regulations.
- Promote the efficient use of resources and energy.
- Strive to minimize impact on the environment.
- Strive to be a valued corporate citizen in the community
- Respect neighbors, their values and cultural heritage and be considerate to them in carrying out operations.

ON EACH OF THESE AREAS Atlantic Sapphire will:

- Strive to continually improve.
- Report the progress made on health, safety, and environmental performance.
- Encourage everyone to carry out its commitment to health, safety, and the environment to their homes and to the community.

Atlantic Sapphire makes this commitment to its employees, contractors, customers, shareholders, and the community as it works towards Zero Harm for Everyone Everywhere and Caring for the Community & Environment.

SOCIAL RESPONSIBILITY

ATLANTIC SAPPHIRE believes in the value of lifelong learning. The Atlantic Sapphire People & Culture team works to ensure that it can develop talent in a systematic and continuous way to support scaling up.

The Group knows that the best learning comes from direct experience, and its programs are developed with a 70% hands-on, 20% shadowing, and 10% online or classroom approach.

Atlantic Sapphire uses both the best internal and external sources to train and develop its employees, with collaboration at the core of its approach. Through the training platform, employees are continuously tracking their personal development which positions them to grow meaningful careers.

In 2024, all employees documented a total of 684 safety training hours 2,640 hours of training which included safety, technical and managerial competencies, and skills for personal development. Safety trainings were prioritized because there was a significant effort to drive safety culture and ensure that all team members were adequately trained to work safely. The Group also expanded their HRIS offering to incorporate a Learning Management system that is integrated and tracked by employee to support the multifaceted development needs of employees.

Harassment and Discrimination Prevention training was provided for all employees. This training focused on cultural sensitivity and reinforced the Group's zero tolerance policy on harassment and discrimination. In 2024, four claims of discrimination or harassment were reported and investigated.

Employees receive Occupational Health and Safety ("OHS") induction training upon hire, which teaches about the minimum safety, environmental, and security precautions required before gaining access to the facilities. Additionally, all employees are informed throughout the year of onsite hazards and controls, the location of firefighting and first aid equipment, and emergency response and evacuation procedures.

As Atlantic Sapphire prepares for projected growth and expansion, it realizes that the Group needs to train and develop high-potential employees who will lead future teams. In 2024, the Group focused on equipping employees with the tools to help them develop professionally and to support the anticipated needs of the growing organization. The Group created a Management Development Program with targeted training for current mid-level managers and prospective future leaders in which 24% of full-time employees, representing 85% of our mid-level managers, participated in this initiative.

SOCIAL RESPONSIBILITY

BY PIONEERING FULL-CYCLE salmon farming on land, Atlantic Sapphire is spearheading the development of an entire new industry. Building and maintaining its social license to operate is a critical success factor. Stakeholder engagement is based on open communication with neighbors and other stakeholders to promote the sustainable production of salmon, to create quality jobs, and to educate communities on the importance and possibilities of aquaculture.

The Group organizes visits to the farm by schools, university students, researchers, local neighbors, government, and authorities wanting to learn about Atlantic Sapphire's operations.

Group employees have also collaborated with universities and presented in classes in different academic fields related to the business. In Miami, an area of the Bluehouse is specially designed to receive visitors and provide tours through the facilities without interrupting operations or compromising safety. This facility design provides unparalleled transparency into the operations for the community and includes a reception room for presentations, and walkways with windows overlooking various stages of the salmon growth cycle.

In 2024 Atlantic Sapphire has not made any donations to political campaigns, political organizations, lobbyists or lobbying organizations.

Atlantic Sapphire paid dues and memberships to the following trade associations and other tax-exempt groups:

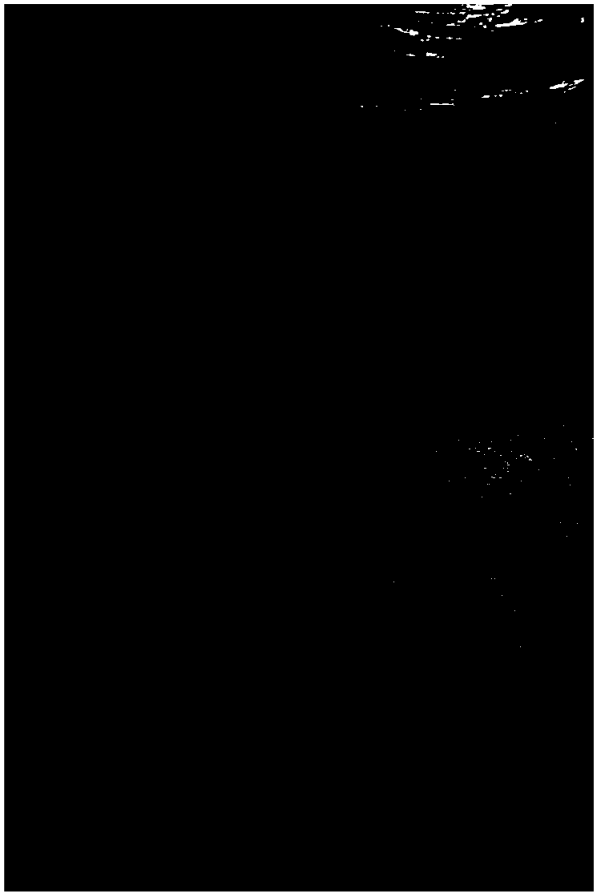
- Organic Trade Association
- Oceanwise
- Friend of the Sea
- Seafood Nutrition Partnership
- American Heart Association
- Miami Waterkeeper

In 2024, the Group engaged with the South Dade Chamber of Commerce, Miami Waterkeeper, and the University of Miami-where we collaborated with an MBA class on a carbon accounting project as a part of their curriculum.

The Group has always participated in local events in support of the community and local economic development. Atlantic Sapphire employees have found it immensely rewarding to help others in need and to remind ourselves of the positive outcomes achieved when coming together to support each other in a crisis.

During 2024, Atlantic Sapphire supported several causes that are close to its mission and also spoke of its commitment to improve the lives of consumers and its surrounding communities. For instance, the Group donated healthy salmon to the Homestead Soup Kitchen and to Camillus House, making an impact upon those in need. Atlantic Sapphire also supported learning initiatives in local Miami Dade schools and participated in a Habitat for Humanity Home build in 2024. Atlantic Sapphire has also contributed to the conservation efforts of Miami Waterkeeper.

Atlantic Sapphire continues to extend its stakeholder engagement plan that includes educational activities for students from schools and universities, researchers, NGOs, and the public. It also includes participation in local events whose principles and objectives align with the Group's values, such as initiatives focused on the oceans.



SELECTED TARGETS: SOCIAL	2024 RESULTS

Diversity

INCREASE the representation of underrepresented groups in the organization's workforce by 10%
ACHIEVED: The number of women hired in 2024 increased by 29%

Occupational Health & Safety

DEVELOP and implement a safety training program for all employees to ensure they have the necessary knowledge, skills and materials to work safely.
ACHIEVED

REDUCE the number of Lost Time Incidents by 10%.
MISSED: This number remained the same

CONDUCT regular safety audits to identify potential hazards and implement corrective actions to reduce the risk of accidents.
ACHIEVED

Training and Education

MINIMUM 30 hours of training and development for new employees
ACHIEVED

MINIMUM 20 hours of training and development per employee per year
PARTIALLY ACHIEVED: 81% of departments met this requirement

25% of employees to participate in management development training
MISSED

DEVELOP and implement a career development program for employees that provides opportunities for growth and advancement within the organization.
ACHIEVED: Defined set career paths within the Operations department and had a number of employees internally promoted based on the identified parameters

Employee Engagement

INCREASE employee satisfaction scores by 10% within the next year through regular surveys and feedback.
MISSED

INCREASED participation in wellness program and initiatives by 15% in the upcoming year.
ACHIEVED

Production Responsibility

SUPPORT local community development, increasing the number of involvements with community organizations
ACHIEVED: The Group supported several community initiatives and had employee involvement and representation. It is looking to expand outreach efforts in future years.

INTRODUCE a company-wide Atlantic Sapphire Impact Day where employees engage in non-profit, volunteer work
DELAYED: The Group is working on implementing this in 2025

SELECTED TARGETS: SOCIAL

TARGETS FOR 2025

Diversity

INCREASE the representation of underrepresented groups in the organization's workforce by 10%

Production Responsibility

SUPPORT local community development, increasing the number of involvements with community organizations

INTRODUCE a company-wide Atlantic Sapphire Impact Day where employees engage in non-profit, volunteer work

Occupational Health & Safety

DEVELOP and implement a safety training program for all employees to ensure they have the necessary knowledge, skills and materials to work safely.

REDUCE the number of Lost Time Incidents by 10%.

CONDUCT regular safety audits to identify potential hazards and implement corrective actions to reduce the risk of accidents.

Training and Education

MINIMUM 30 hours of training and development for new employees

MINIMUM 20 hours of training and development per employee per year

25% of employees to participate in management development training

DEVELOP and implement a career development program for employees that provides opportunities for growth and advancement within the organization.

Employee Engagement

INCREASE employee satisfaction scores by 10% within the next year through regular surveys and feedback.

INCREASED participation in wellness program and initiatives by 15% in the upcoming year.

AFFILIATIONS & RECOGNITION

Atlantic Sapphire is committed to continuous improvement in its operations and the pursuit of its sustainability goals. The Group aims for transparency and ongoing engagement with its stakeholders, including customers, seafood industry colleagues, as well as the local and global communities it serves. Selected stakeholder affiliations, endorsements, and voluntary initiatives are listed above.

TOP 25
Seafood Sustainability and Conversion

PARTNER
NASDAQ ESG Transparency

RECOMMENDED
Ocean Wise Recommended

STAR OF INNOVATION
European Small and Mid-Cap Awards

USA RAISED
Grown and Harvested Fresh from Florida

HEART HEALTHY
American Heart Association Hearth-Check Certified

PARTICIPANT
UN Global Compact

PARTNER
Seafood Nutrition Partnership

BEST CHOICE
Monterey Bay Aquarium Seafood Watch Green/ Best Choice

CERTIFIED
Friend of the Sea

RECOMMENDED
Parent tested parent approved

PARTNER
Miami Waterkeepers

AWARD
International Taste Institute

PARTNER
South Dade Chamber of Commerce

PARTNER
Miami Dade Beacon Council

CERTIFIED
Aquaculture Stewardship Council Certification

ABOUT THIS REPORT

THIS SUSTAINABILITY REPORT covers the relevant and significant ethical, social, and environmental issues for the financial year 1 January to 31 December 2024 of Atlantic Sapphire ASA. This represents Atlantic Sapphire's fourth report, which we intend to publish annually.

The Sustainability Report provides stakeholders with an overview of this years' performance, complementing the Group Results, which primarily covers financial and economic performance.

It complies with the statutory reporting requirements of the Norwegian Supervisory Authority ("Finanstilsynet") and those for companies listed on the Oslo Stock Exchange regarding corporate social responsibility, as well as in accordance with the Norwegian Accounting Act ("Regnskapsloven") and the Norwegian Corporate Governance Code. The Sustainability Report also shows Atlantic Sapphire's Communication on Progress to the UN Global Compact and represents the Group's commitment to the principles of the UN Global Compact and its endeavor to impact the Sustainable Development Goals. The analysis in 2024 of material ESG topics and stakeholder expectations has informed the content of this report. It has been prepared on the basis of the GRI reporting principles and guidance on topic boundaries, considering for each topic where the impact occurs and Atlantic Sapphire's involvement with the impacts (for example, if the Group caused or contributed to an impact, or is it directly linked through its business relationships). The GRI Content Index at the end of this report provides references to sections in this report where GRI disclosures are presented. Atlantic Sapphire continues to work on improving data quality and related processes to enhance reporting and comprehensive disclosure going forward. Unless otherwise stated, data and statements in this report cover Atlantic Sapphire's activities in Norway, Denmark, and the US. The Group welcomes feedback and recommendations on its sustainability efforts as it ensure that the Group fully understands, maintains, and communicates key issues accordingly. Feedback or questions on this Report should be sent to **investorrelations@atlanticsapphire.com**.

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GRI STANDARD	DISCLOSURE	Page Number / Comment
GRI 102 GENERAL DISCLOSURE		
102-1	Name of organization	6
102-2	Activities, brands, products, and services	8, 35, 38, 39
102-3	Location of headquarters	6
102-4	Location of operations	6
102-5	Ownership and legal form	6
102-6	Markets served	6
102-7	Scale of the organization	6, 47
102-8	Information on employees and other workers	6, 74, 80
102-9	Supply chain	9, 42
102-10	Significant changes to the organization and its supply chain	None
102-11	Precautionary Principle or approach	21, 22, 23, 24, 27, 28, 52-72
102-12	External initiatives	24, 87
102-13	Membership of associations	87
STRATEGY		
102-14	Statement from senior decision-maker	5
102-15	Key impacts, risks, and opportunities	14, 15, 19-23
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	24-33, 73, 74, 77, 78, 81, 83, 84
102-17	Mechanisms for advice and concerns about ethics	49, 73
GOVERNANCE		
102-18	Governance structure	10-13
102-19	Delegating authority	10-13
102-20	Executive-level responsibility for economic, environmental, and social topics	25-27, 30
102-21	Consulting stakeholders on economic, environmental, and social topics	19, 23, 24
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	24
102-41	Collective bargaining agreements	26, 81
102-42	Identifying and selecting stakeholders	24
102-43	Approach to stakeholder engagement	23, 24
102-44	Key topics and concerns raised	23, 24
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	6
102-46	Defining report content and topic Boundaries	22
102-47	List of material topics	24-27
102-48	Restatements of information	There is no restatement of ESG information.
102-49	Changes in reporting	There are no significant changes from the prior report in the list of material topics and topic boundaries.
102-50	Reporting period	January to December 2024
102-51	Date of most recent report	April 2024
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	esg@atlanticsapphire.com
102-54	Claims of reporting in accordance with the GRI Standards	88
102-55	GRI Content Index	89, 90
102-56	External assurance	We have not obtained assurance for this ESG report
GRI 103 MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	19-23
103-2	The management approach and its components	26-28
103-3	Evaluation of the management approach	19-23, 26-28, 30, 46, 52, 73

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GRI STANDARD	DISCLOSURE	Page Number / Comment
GRI 201 ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	47
201-2	Financial implications and other risks and opportunities due to climate change	48
201-4	Financial assistance received from government	None
GRI 203 INDIRECT ECONOMIC IMPACTS		
203-1	Infrastructure investments and services supported	47
203-2	Significant indirect economic impacts	47
GRI 205 ANTI-CORRUPTION		
205-2	Communication and training about anti-corruption policies and procedures	49
205-3	Confirmed incidents of corruption and actions taken	We are not aware of any incidents of corruption during the financial year.
GRI 206 ANTI-COMPETITIVE BEHAVIOR		
206-01	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	We are not aware of any legal action for such breaches during the financial year.
GRI 302 ENERGY		
302-1	Energy consumption within the organization	59, 61
302-4	Reduction of energy consumption	61
GRI 303 WATER		
303-1	Interactions with water as a shared resource	69
303-2	Management of water discharge-related impacts	61, 64
303-3	Water withdrawal	62
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GRI 304 BIODIVERSITY		
304-2	Significant impacts of activities, products, and services on biodiversity	48, 70
GRI 306 EFFLUENTS & WASTE		
306-1	Water discharge by quality and destination	64
GRI 307 ENVIRONMENTAL COMPLIANCE		
307-1	Non-compliance with environmental laws and regulations	We are not aware of any non-compliance with environmental laws and regulations.
GRI 403 OCCUPATIONAL HEALTH & SAFETY		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	82
GRI 404 TRAINING & EDUCATION		
404-3	Percentage of employees receiving regular performance and career development reviews	100 %
GRI 405 DIVERSITY & EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	76-78, 79
GRI 406 NON-DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	In 2023, two claims of discrimination or harassment were reported and investigated
GRI 413 LOCAL COMMUNITIES		
413-1	Operations with local community engagement, impact assessments, and development programs	84
GRI 416 CUSTOMER HEALTH & SAFETY		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	We are not aware of any non-compliance with health & safety standards for our products.

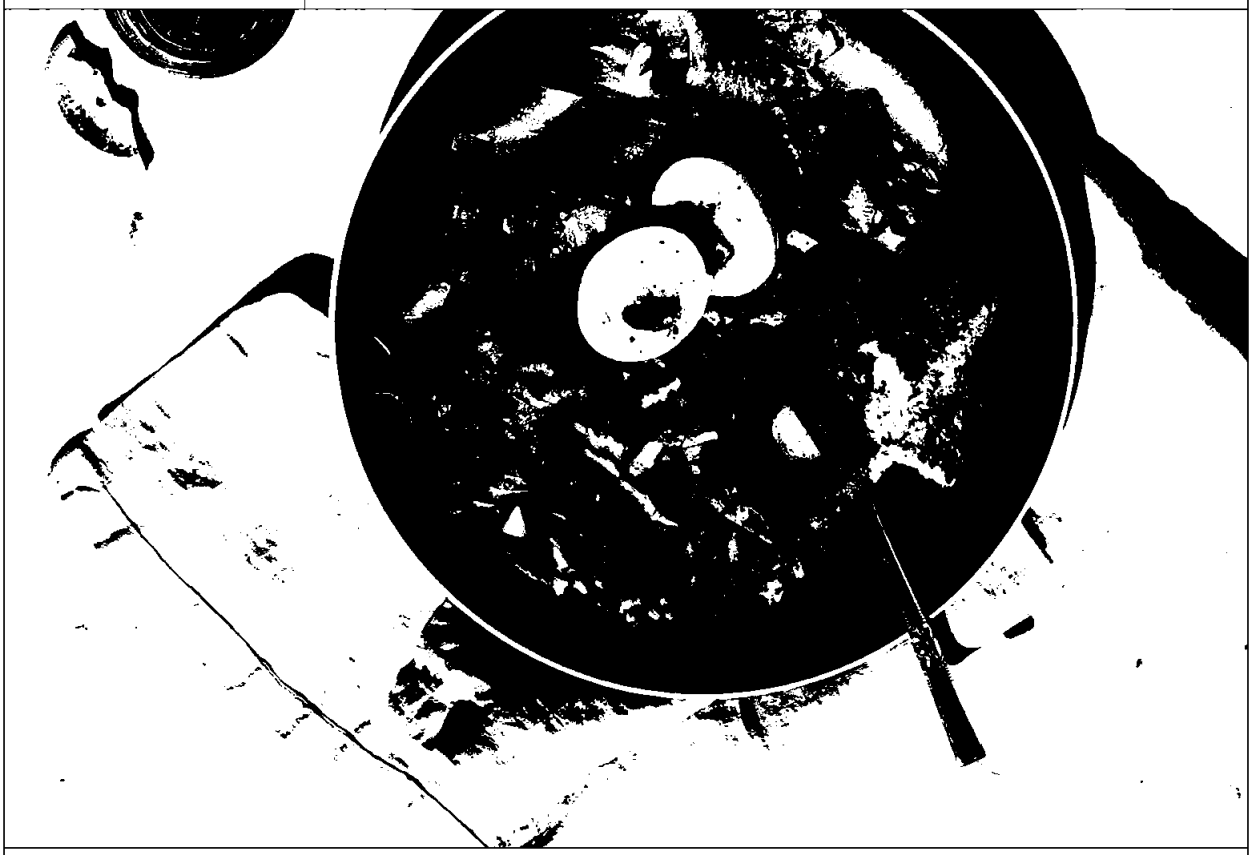
UNITED NATIONS GLOBAL COMPACT TABLE

The following table provides an overview of the UNGC principles and the page(s) each principle is covered in the report.

WE SUPPORT UN GLOBAL COMPACT

HUMAN RIGHTS		Read more on page
1	Business should support and respect the protection of internationally proclaimed human rights; and	77
2	Make sure that they are not complicit in human rights abuse	77, 78, 81
LABOR STANDARDS		**Read more on page**
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,	81
4	The elimination of all forms of forced and compulsory labor;	81
5	The effective abolition of child labor; and	81
6	The elimination of discrimination in respect of employment and occupation.	77, 80-81
ENVIRONMENT		**Read more on page**
7	Businesses should support a precautionary approach to environmental challenges;	35, 52-55
8	Undertake initiatives to promote greater environmental responsibility	30, 52-70
9	Encourage the development and diffusion of environmentally friendly technologies	38, 39
ANTI-CORRUPTION		**Read more on page**
10	Businesses should work against corruption in all its forms, including extortion and bribery.	49

GROUP RESULTS



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BOARD OF DIRECTORS' REPORT

To our stakeholders,

Atlantic Sapphire ASA ("ASA") is a Norwegian company headquartered in Vikebukt, Norway, domiciled in Vestnes, 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)
- S.F. Development, L.L.C. ("ASSF", registered in Miami, Florida, US)
- Atlantic Sapphire IP, LLC ("ASIP", registered in Miami, Florida, US)

The Group owns and operates a land-based Atlantic salmon farm in Homestead, Florida, US (the "Miami Bluehouse" facility) and previously operated a land-based Atlantic salmon farm in Hvide Sande, Denmark (the "Denmark Bluehouse" facility). A Bluehouse® facility ("Bluehouse") is proprietary production technology developed by the Group in collaboration with a wide range of supply chain partners to optimize growing conditions for Atlantic salmon. Each Bluehouse contains the facilities needed to grow and produce Atlantic salmon from egg hatchery to grow-out tanks to primary processing. The Miami Bluehouse also incorporates value-added processing. Consolidated operations enable the Group to control the entire production cycle without having to transport salmon to and from ocean-based net pens. Phase 1 of the Miami Bluehouse has an annual design production capacity of approximately 9,500 tons HOG[1].

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.

Strategies and Objectives

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

- Endeavour stable production with optimal parameters towards fish quality and welfare.
- Continuous identification, investment, and implementation of risk mitigation strategies in all areas of its business.
- Promote environmental sustainability, efficiency, and cost reduction opportunities by developing integrated facilities in the market.
- Capitalize on consumer trends and branding towards premium, healthy, and sustainable products.
- Partner in vertical integration opportunities including value-added products, genetics, feed, renewable energy, sustainable packaging, and oxygen production.
- Continue the development and protection of patents and other intellectual property rights related to our Bluehouse facilities.

Farm Operations

The first half of 2024 was marked by the harvest of mature fish that was impacted by prior period's warm water. Warm water, which was caused by inadequate water-cooling capacity during the third quarter of 2023, had triggered maturation in most batches and thus harvesting in the first half had low average harvest weight and poor quality and low sales price. The temperature issue was caused by inadequate water-cooling capacity, and the prior water-cooling solution was replaced by the fourth quarter of 2023 and Atlantic Sapphire has not experienced severe temperature challenges from the fourth quarter 2023 and onwards.

During the second half of 2024 the Group reduced the size of each batch to adapt the standing biomass to actual feeding capacity. The Group continued to plan and implement de-bottlenecking projects as well as improved operational performance. Average harvest weight increased throughout the second half and with that also the sales price.

Total biomass gain for 2024 was approximately 5,500 tons RLW (vs 3,700 tons RLW in 2023).

Although 2024 was marked by challenges, especially in the first half, the improvement measures implemented and planned from the second half contributed to improve operational KPIs during the year. Water temperatures and quality was stable during 2024. Mortality was low throughout 2024. Towards the end of the year, the Company experienced increased average harvest weight and increased feeding capacity, as well as record high standing biomass of 3,180 tons. The operational performance developed positively towards the end of the year.

The Group's efforts towards biomass levels aligned to actual feeding capacity as well as improved feeding capacity through de-bottlenecking projects, set the stage for further increased harvest weights and increased production volume in 2025.

The Group continued to adjust procurement strategy and focuses on cost-cutting initiatives across the Company.

Skretting continues to partner as our global feed supplier, and we entered into an agreement in 2021 that aims to secure local feed supply in the future.

[1] HOG – "Head-On-Gutted" fish, a term used industry-wide, is approximately 83% of live weight fish.

Operational Review and Equity Increase

From the third quarter of 2024 new management, consisting of a new CEO and a new Deputy CEO & CFO, was hired and on site in Florida. A new strategy was developed and short-term measures to adapt current feeding capacity to current biomass was implemented – number of fish per batch was reduced to allow the remaining fish to be fed per appetite and allow growth to their potential. Further, medium term measures were initiated, to improve feeding capacity through de-bottlenecking current limitations in the water treatment capacity.

During the fourth quarter of 2024, the Company continued to see increased average harvest weights from the measures implemented in the third quarter. The Company raised USD 80.0m in new funding to implement short-term and medium-term measures to improve operational performance. Further, the Company continued to plan and implement de-bottlenecking projects as well as improved operational performance. Long-term measures through preparing for resumption of Phase 2 construction was initiated.

Processing

The Group's harvest volumes for the years ended 31 December 2024 and 2023 were 4,365 and 1,545 tons HOG, respectively, which represents a 2,820-ton HOG increase from prior year. Fiscal year 2024 was marked by a ramp-up in production through stable water temperatures, water quality and feeding volumes as well as low mortalities throughout the year.

During 2024 the Group insourced filet processing operations into the Bluehouse facility. The equipment used for producing pin bone out filets was already owned by the Group, but the operation was outsourced to an external company at their facility in Miami. During 2024, the Group relocated the equipment to the Bluehouse and commissioned the pin bone out line to operate at the Bluehouse by the end of the year.

Sales and Marketing

The Group has positioned itself over the last decade with strong relationships with retailers, food service players, distributors, and other selected partners. The Miami Bluehouse has been harvesting weekly since September 2020. The Group continues to draw new customers, which demonstrates the strong demand for Bluehouse Salmon.

For the year ended 31 December 2024, the premium graded Bluehouse Salmon consistently achieved above 11 USD / kg HOG. In comparison, the commodity Urner Barry price comparison during the same period, converted to USD, averaged approximately 9 USD / kg.

Brand Development

The Group 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. We continue to promote our mission of Sustainable Profitable Growth 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 above benchmark levels.

Human Resources

The Group employed 237 people at the end of 2024 compared to 158 at the end of 2023. The main cause for the increase in headcount is that the Group insourced large part of maintenance and processing operations that was previously outsourced.

The Group implemented comprehensive work policies to ensure equality, promote employee well-being, and foster a culture of safety, and respect. These policies support fair treatment, accountability, professional development, and facilitating a positive working environment for all team members.

From the third quarter of 2024 new management, consisting of a new CEO and a new Deputy CEO & CFO, was hired and on site in Florida.

Sustainability

Atlantic Sapphire is founded on sustainability as a key principle. Our operation reduces carbon footprint by eliminating the need for air freight to the US market. Due to our domestic production in the US market, Atlantic Sapphire sells fresher products with longer shelf life than imported salmon, enabling reduced food waste. The fish are not exposed to pathogens, and there is no need to use antibiotics, and not even vaccines. Our operations secure good animal welfare where no fish are exposed to pathogens, disease treatment or predators. And there are no escapees. Atlantic Sapphire sources 45% of the electricity needed from solar power sources.

See the separate ESG section in the Annual Report for further details.

Construction

The Group strategically partnered with Hazen & Sawyer, an engineering company with extensive and proven experience in designing large scale US wastewater projects, as our US Phase 2 construction design consultants, in cooperation with proven suppliers of fish farming related components and solutions.

Given the de-bottlenecking projects and the effects for current operations, partly realized in 2024 and partly expected in 2025, the performance of the current operations is expected to improve both in terms of feeding volume and thus production volume, but also average harvest size, price achievement, and risk reduction. These achievements, in conjunction with all previous learnings from US Phase 1 construction, will lead to additional efficiencies from both production and risk mitigation standpoints once Phase 2 is operational.

We have taken various measures to optimize our project approach prior to resuming full US Phase 2 Construction accordingly. The next step is to finalize the design for remaining construction items and update the US Phase 2 Construction budget during 2025.

Intellectual Property Rights

The Group, through its direct, wholly owned subsidiary Atlantic Sapphire IP, LLC, owns and controls 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 and allowed patents:

Patent title	Geographical area	Application number	Patent number	Issue date	Expiration date
Systems and Methods of Intensive Recirculating Aquaculture	US	15/867,100	10,034,461	31 July 2018	17 May 2036
Systems and Methods of Intensive Recirculating Aquaculture	US	15/157,296	10,694,722	30 June 2020	25 March 2037
Bottom Grading Apparatuses for Aquaculture Systems	US	15/862,573	10,959,411	30 March 2021	1 April 2039
Method for Optimization of Filtration in An Aquaculture System	US	17/079,007	11,425,895	30 August 2022	23 October 2040
Systems and Methods of Intensive Recirculating Aquaculture	US	16/916,986	11,484,015	1 November 2022	31 October 2036
Transfer Assembly and System for Aquaculture	US	16/990,271	11,596,132	7 March 2023	12 February 2040
Transfer Assembly and System for Aquaculture	US	16/990,697	11,627,729	18 April 2023	28 March 2037
System and Method for Feed Validation Measurement	US	17/351,997	11,662,291	30 May 2023	27 September 2041
Bottom Grading Apparatuses for Aquaculture Systems	US	16/952,828	11,785,921	17 October 2023	14 August 2038
Feed Consumption Monitoring System	US	17/680,125	12,114,644	15 October 2024	6 February 2043
Method for Optimization of Filtration in an Aquaculture System	US	17/899,349	12,156,516	3 December 2024	13 December 2040
Transfer Assembly and System for Aquaculture	US	18/136,188	12,161,095	10 December 2024	17 May 2036
Systems and Methods of Intensive Recirculating Aquaculture	US	17/977,874	12,178,195	31 December 2024	25 July 2036

Subsequent Events

The Group has evaluated subsequent events from 31 December 2024 through the date in which the consolidated financial statements were issued (see Note 23 – Subsequent Events for further details).

Going Concern

The consolidated financial statement and the parent company's financial statement are prepared on the assumption of going concern. This assumption is based on the current market outlook and financial forecasts for the year 2025 and the Group's long-term financial forecast including funding.

The Group has demonstrated improved biological performance resulting in higher average harvest weights and the subsequent increment in realized sales prices. These operational improvements provide a strong foundation for the Group's current activities and its planned expansion into Phase 2.

To support this expansion, the Group intends to secure financing for the construction of Phase 2, finalize further improvements to Phase 1, and ramp up production. Management is actively pursuing additional funding and aims to raise capital in the second half of 2025 through a combination of equity and debt financing. For Phase 2 construction, the Group has full discretion over the speed of the construction which allows the Group to better manage liquidity.

The Group will require additional capital to continue to fund its operations in 2025 and beyond. The Board has determined that there is a reasonable expectation that the Group can raise the required funding to continue operating for the foreseeable future including at least 12 months from the date of the balance sheet. However, there can be no assurance that the Group will be successful in these efforts.

The events described above indicate that a material uncertainty exists that may cast substantial doubt on the Group's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. See Note 23 – Subsequent Events for further detail.

Group Operations

Below are the Group's consolidated statements of operations for the years ended 31 December 2024 and 2023:

(USD 1,000)	31 December 2024	31 December 2023	Change in USD	As a % of 2024 revenue	As a % of 2023 revenue
Revenue	22,819	13,995	8,824	100%	100%
Cost of goods sold	(83,095)	(67,141)	(15,954)	-364%	-480%
Fair value adjustment on biological assets	4,057	(14,095)	18,152	18%	-101%
Salary and personnel costs	(7,234)	(4,051)	(3,183)	-32%	-29%
Selling, general, and administrative costs	(12,369)	(7,984)	(4,385)	-54%	-57%
Other income (expense), net	59	1,927	(1,868)	0%	14%
Impairment of non-current assets	(73,000)	(35,000)	(38,000)	-320%	-250%
Depreciation and amortization	(14,418)	(13,839)	(579)	-63%	-99%
Operating loss (EBIT)	**(163,181)**	**(126,188)**	**(36,993)**	**-715%**	**-902%**
Finance income	4,175	1,516	2,659	18%	11%
Finance expense	(8,315)	(9,086)	771	-36%	-65%
Loss before income tax	**(167,321)**	**(133,758)**	**(33,563)**	**-733%**	**-956%**
Income tax	-	-	-	0%	0%
Net loss	**(167,321)**	**(133,758)**	**(33,563)**	**-733%**	**-956%**
Non-IFRS measures					
Operating loss (EBIT)	(163,181)	(126,188)	(36,993)	-715%	-902%
Add back: depreciation and amortization	14,418	13,839	579	63%	99%
EBITDA	**(148,763)**	**(112,349)**	**(36,414)**	**-652%**	**-803%**
Add back: fair value adjustment on biological assets	(4,057)	14,095	(18,152)	-18%	101%
Add back: impairment of non-current assets	73,000	35,000	38,000	320%	250%
EBITDA, adjusted	**(79,820)**	**(63,254)**	**(16,566)**	**-350%**	**-452%**

Group net loss for the years ended 31 December 2024 and 2023 was USD 167.3m and USD 133.8m, respectively, which represents a USD 33.5m increase in net losses over the prior year. Overall, the Group increased harvest volume in 2024 and recognized a positive fair value adjustment on its biological assets as the biomass consist of bigger fish at the end of 2024 compared to prior period. Further, 2023 operating loss was inclusive of a USD 35.0m impairment on non-current assets in the US whereas that of 2024 was USD 73.0m.

The non-IFRS measures above are meant to provide an alternative understanding of the Group's underlying performance and derived from, but do not replace, IFRS measures or financial statements. Such amounts have been reviewed and approved by management and the Board of Directors as they pertain to the Group and may be used differently by other companies.

Revenue and Harvest Volume

The Group's revenue for the years ended 31 December 2024 and 2023 was USD 22.8m and USD 14.0m, respectively, which represents a USD 8.8m increase over the prior year. The Group's harvest volumes for the years ended 31 December 2024 and 2023 were 4,365 and 1,545 tons HOG, respectively, which represents a 2,820-ton HOG increase from prior year. The increase in year-over-year harvest volume was primarily driven by overall ramp-up in production, though revenue during Q1 to Q3 2024 included the sale of fish affected by the operational challenges in 2023 bearing lower price achievement per kilo.

Price achievement in 2024 was driven by the sale of small fish that had been affected by prior period temperature challenges. The price per kg developed favorably throughout the year as fish affected by such challenges were harvested out and as a result, the average weight of the fish sold increased over time with significant improvement by the fourth quarter. The average sales price was USD 4.90 per kg HOG in the first quarter, USD 4.75 in the second quarter, and USD 4.71 in the third quarter. The fourth quarter realized a much better average sales price of USD 6.53 per kg due to increased harvest weight, of which the sale of fresh salmon achieved an average sales price of USD 7.90 per kg.

Cost of Goods Sold

The Group's cost of goods sold for the years ended 31 December 2024 and 2023 was USD 83.1m and USD 67.1m, respectively, which represents a USD 16.0m increase over the prior year. The increase in the Group's cost of goods sold was primarily attributed to the increase in year-over-year harvest volumes, increased utilization of the Phase 1 facility, and stable conditions that led to low mortality rates. As such: cost of fish sold increased from USD 23.6m to USD 59.7m, cost of mortality decreased from USD 12.3m to USD 0.9m, underutilized plant capacity decreased from USD 25.6m to USD 16.0m, and harvesting costs increased from USD 5.6m to USD 6.5m.

Fair Value Adjustment on Biological Assets

The Group's fair value adjustment on biological assets for the year ended 31 December 2024 was positive USD 4.1m vs negative USD 14.1m for the year ended 31 December 2023. The positive fair value adjustment in 2024 was primarily attributed to improved biological performance with the batches affected by the temperature challenges in 2023, fully harvested by end of 2024.

Salary and Personnel Costs

The Group's administrative salary and personnel cost for the years ended 31 December 2024 and 2023 were USD 7.2m and USD 4.1m, respectively, which represents a USD 3.1m increase over the prior year. The increase was primarily driven by management transition costs along with changes in share-based compensation.

Selling, General, and Administrative Costs

The Group's selling, general, and administrative costs ("SG&A") for the years ended 31 December 2024 and 2023 were USD 12.4m and USD 8.0m, respectively, which represents a USD 4.4m increase over the prior year. The increase was primarily driven by the current year recognition of bad debt expense and insurance premium increases.

Impairment of Non-Current Assets

For the years ended 31 December 2024 and 2023, given certain impairment indicators, notably the current market cap lower than the balance value of the Group's net assets, led to a weighted scenario-based discounted cash flow analysis. The assessment was based on forecasts and management determined that the estimated recoverable amount of the cash generating unit (the "CGU") to be lower than the carrying amount of the CGU as of 31 December 2024 and 2023. As such, management elected to recognize a USD 35.0m impairment allowance of non-current assets in the US allocated based on each respective fixed asset category's cost basis as of 31 December 2023. The Group recognized an additional impairment adjustment of USD 73.0m for the year ended 31 December 2024. See Note 9 – Property, Plant, and Equipment for further details.

Depreciation and Amortization

The Group's net depreciation and amortization for the years ended 31 December 2024 and 2023 was USD 14.4m and USD 13.8m, respectively, which represents a USD 0.6m increase over the prior year. The increase in depreciation was primarily attributed to the net amount of depreciation allocated from biomass upon harvest in 2024 rather than net amount of depreciation allocated to biomass from production in 2023.

Financial Items

The Group's net financial losses for the years ended 31 December 2024 and 2023 were USD 4.1m and USD 7.6m, respectively, which represents a USD 3.5m decrease of net financial losses over the prior year. The decrease in financial net losses was primarily attributed to an increase in year-over-year net foreign currency exchange gain and an overall decrease in finance fees, commitment fees, and loan modifications tied to the Group's credit facilities. See Note 10 – Finance Income and Expense for further details.

Group Financial Position

The Group's total assets as of 31 December 2024 and 2023 were USD 273.7m and USD 342.3m, respectively, which represents a USD 68.6m decrease compared to the prior year. The decrease was primarily driven by additional impairment recognized against fixed assets, offset by an increase overall cash position, biomass, and current assets.

The Group's total equity as of 31 December 2024 and 2023 was USD 202.8m and USD 283.1m, which represents a USD 80.3m decrease compared to the prior year. The decrease was primarily attributed to proceeds of the 2024 and 2023 capital contributions offset by net losses. The Group completed capital raises on 29 February 2024 for NOK 369.0m (approximately USD 35.0m) and 6 October 2024 for NOK 641.7m (approximately USD 60.0m). As of 31 December 2024, 7,170,808,449 shares were issued and outstanding at NOK 0.05 par value.

The Group's total liabilities as of 31 December 2024 and 2023 were USD 70.8m and USD 59.1m, respectively, which represents a USD 11.7m increase compared to the prior year. The increase was primarily attributed to a new and fully drawn interest-bearing USD 20.0m convertible debt (the "Convertible Debt") entered on 30 September 2024 with Condire Management L.P. ("Condire"), one of the Group's investors. The Convertible Debt includes mechanisms that allows for Condire to optionally convert the loan principal into equity upon certain triggering events (see Note 21 – Related Party Transactions for further details).

The Group's debt to equity ratio as of 31 December 2024 and 2023 was 34.9% and 20.9%, respectively, which represents a 14.0% increase compared to the prior year. The increase was primarily driven by the recognition of a Convertible Debt and the year-over-year equity movement attributed to capital contributions, offset by net losses.As of 31 December 2024, the amended 2020 Credit Facility totaled USD 60.9m and was fully committed, of which USD 40.9m was attributed to the drawn US Term Loan and USD 20.0m was attributed to the revolving credit facility ("RCF"). Of the amounts extended to the Group, USD 40.9m was outstanding on the US Term Loan and USD 2.6m of the RCF was allocated to letters of credit towards Meridian Leasing for the leasing of processing equipment as of 31 December 2024. As of 31 December 2024, the Convertible Debt was fully drawn with USD 20.0m with accrued interest of USD 0.5m.

Group Cash Flows

Group net cash outflows from operations for the years ended 31 December 2024 and 2023 were USD 87.4m and USD 77.8m, respectively, which represents a USD 9.6m increase in net operational cash outflows over the prior year. The increase in Group cash outflows from operations was primarily driven by a higher level of biological assets and a significant reduction of year-end trade payables.

Group cash outflows from investing activities for the years ended 31 December 2024 and 2023 were USD 7.4m and USD 33.5m, respectively, which represents a USD 26.1m decrease in cash outflows over the prior year. The decrease in Group cash outflows from investment activities was primarily attributed to the continued slowdown of US Phase 2 construction in 2023 driven by the strategic prioritization of proving Phase 1 operations before resuming full speed construction of the Phase 2 expansion. Further, the Group transferred USD 15.0m from its capital raise cash proceeds into an interest-bearing restricted deposit account in 2023 as required under the amended terms of the 2020 Credit Facility.

Group cash inflows from financing activities for the years ended 31 December 2024 and 2023 were USD 102.9m and USD 110.3m, respectively, which represents a USD 7.4m decrease in cash inflows over the prior year. The decrease in Group cash inflows from financing activities was primarily attributed to the difference in proceeds from the 2024 capital raises in comparison to those from 2023. This, in combination with the above cash flows from operating and investing activities, increased the Group's overall 2024 cash position in comparison to 2023, and the Group believes it has access to additional financing until full Phase 1 production is achieved to provide cash inflows from operations.

Parent Company Operations

For the years ended 31 December 2024 and 2023, the Norwegian parent company ("ASA") generated standalone revenue of NOK 13.9m (USD 1.3m) and NOK 6.7m (USD 0.6m), respectively, mainly related to management fee income from the Group entities. For the years ended 31 December 2024 and 2023, ASA had a net loss of NOK 1.7b (USD 155.8m) and net loss of NOK 1.3b (USD 125.7m), respectively, which was primarily attributed to financial income and expense generated from intercompany loans to the Group entities offset by write-downs of ASA's investments and intercompany balances in its respective entities, notably ASA's investment in ASUS as a result of ASUS's accumulated losses. As of 31 December 2024 and 2023, ASA's total assets were NOK 2.3b (USD 223.8m) and NOK 2.8b (USD 281.6m), of which NOK 2.0b (USD 194.9m) and NOK 2.6b (USD 262.4m) were related to shares and loans to Group entities. ASA's debt to equity ratio as of 31 December 2024 and 2023 was 11.5% and 0.2%, respectively. The increase was primarily due to the recognition of the Convertible Debt and further impairment in subsidiaries in 2024.

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 has sold salmon products to NovoMar, Inc. ("NovoMar"), an entity under majority ownership by a related party of Johan E. Andreassen, the previous CEO of ASA. For the years ended 31 December 2024 and 2023, the Group sold USD 1.6m and USD 0.7m of salmon products to NovoMar, respectively.

During the ordinary course of business, NovoMar provides processing services for the Group (the provision of such services commenced in June 2023). For the years ended 31 December 2024 and 2023, the Group incurred processing costs of USD 0.5m and USD 0.2m, respectively. Such amounts are included as part of cost of goods sold in the accompanying consolidated statements of operations.

As of 31 December 2024 and 2023, the Group had USD 0.9m and USD 0.1m, respectively, due from NovoMar and the amounts are included as part of the Group's current trade and other receivables balance in the accompanying consolidated statements of financial position. As of 31 December 2024, the Group fully provisioned the outstanding USD 0.9m receivable balance due from NovoMar and is reflected as part of the Group's provision for bad debt in the accompanying consolidated statements of financial position.

On 30 September 2024, the Group entered into an interest-bearing convertible debt agreement (the "Convertible Debt") with Condire Management L.P. ("Condire"), one of its investors, for USD 20.0m (NOK 213.9m).

See Note 21 – Related Party Transactions for further details.

US Operations

The Group's US production facility in Homestead, Florida is located approximately 35 miles southwest of the City of Miami, Florida. The US operations are managed through ASUS. The land in which the Miami Bluehouse is constructed on is owned by ASSF. Both ASUS and ASSF are wholly owned subsidiaries of the Group. All fish systems from US Phase 1 construction were substantially complete as of 31 December 2021.

ASUS selected Homestead, Florida as the location for its operations in the US because it is uniquely situated above abundant sources of both stable fresh and saline groundwater from different layers of the Florida aquifers. ASUS accesses freshwater from the Biscayne Aquifer and saline water from the Floridan Aquifer. Discharge wastewater from the Miami Bluehouse is sustainably disposed to the Boulder Zone, a lower Floridan Aquifer. ASUS expects that the use of groundwater will reduce the risk of contamination and increase the stability in operations. ASUS has secured groundwater infrastructure rights and received a discharge permit for 19.93 million gallons of water per day. ASUS extracts fresh and saline water from right below the surface and 2,000 ft, respectively. After use, ASUS treats and disposes the water through a disposal well 3,000 ft down below the surface.

The processes and technologies used by ASUS to extract and dispose of the water used in its operations are currently patented through the year 2036.

Phase 1 of the Miami Bluehouse is expected to have an annual production capacity of approximately 9,500 tons HOG and a tank volume of approximately 66,000 m^3, distributed across seven freshwater systems (six sets of tank systems plus a hatchery) and twelve grow-out systems (three grow-out tanks in each system), totaling 19 independent water systems.

ASUS commenced a capacity expansion project at the Miami Bluehouse ("US Phase 2") in Q2 2021 that will add an additional estimated 15,000 tons HOG of annual production capacity, for a total capacity of approximately 25,000 tons HOG. The Group's long-term goal is to achieve an annual production capacity of approximately 220,000 tons HOG.

Fish processed from the Miami Bluehouse is transported via ground freight to most states within the US.

Denmark Operations

The Group's initial production facility in Hvide Sande, Denmark is a wholly owned subsidiary located on the west coast of Denmark and was in operation from 2011 to 2022. Since commencement of operations, approximately 45 batches of Atlantic salmon were introduced into the Denmark Bluehouse. The Denmark Bluehouse had an annual production capacity of approximately 2,400 tons HOG and a tank volume of approximately 17,000 m^3, distributed across twenty tanks.

Following the 15 September 2021 Denmark Bluehouse fire, production operations consisted of smolt production up until 2022 and clean-up efforts thereafter. On 10 May 2022, the Group agreed on a cash settlement of DKK 180.0m (USD 25.3m equivalent upon receipt in June 2022) which is included as part of the Group's other income. The Group allocated the settlement proceeds towards US operations and construction, and the Group is currently reviewing its strategy for its Danish site with all demolition efforts completed.

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

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

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

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

The Group further faced diversification risk towards potential biomass incidents and has diligently worked in splitting its fish systems to reduce systemic risk. 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. More recently in 2022, we identified areas of sedimentation and anoxic areas in our biofilter systems. Therefore, we executed an action plan to reset and upgrade all biofilter systems, among other organization-wide protocol improvements and changes.

The successful construction of the Group's Bluehouse facilities and continuous improvements to 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 financial covenants to be maintained. The Group was in compliance with its financial covenants as of 31 December 2024 (see Note 19 – Borrowings).

As of 31 December 2024, and 2023, the Group's consolidated equity consisted of USD 202.8m and USD 283.1m, respectively, equity share, which comprise of total equity divided by total assets, was 74% and 83%, respectively, and net interest-bearing debt, which comprise of total interest-bearing borrowings excluding the effects of IFRS 16, was USD 32.7m and USD 20.1m, respectively. The Group's Board of Directors (the "Board") considers the Group's capital base adequate given the scale of its operations.

On 23 May 2024, the Group held its Annual General Meeting (the "2024 AGM"). Through the 2024 AGM, the Board was given the authority to increase total authorized share capital by up to NOK 1,680,000 through the issuance of up to 1,680,000 total shares, with a face value of NOK 1.00 at the time (NOK 0.10 prior to the 10:1 reverse stock split recorded on). The authorization was then used as part of the October 2024 Private Placement. Further, the EGM on 17 September 2024 granted an authorization to the Board to increase the share capital by up to NOK 32,130,000 through the issuance of up to 642,600,000 new shares, with a face value of NOK 0.05 at the time (NOK 1.00 prior to the subsequent 200:1 reverse stock split recorded on 23 January 2025).

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

The Group's risk management is carried out by the Group's Finance Department, under supervision of the Audit Committee and the Board of Directors. The Group is exposed to market risk, credit risk, and liquidity risk.

Market Risk

The Group is exposed to interest rate risk and exchange rate risk. The Group's interest rate risk relates primarily to borrowings from financial institutions with variable interest rates. When possible, the Group manages its interest rate risk by entering fixed-interest loans. The Group currently holds debt with a floating interest rate and does not maintain a program to hedge this exposure. Changes in the interest rate may affect future investment opportunities.

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

The Group manages its foreign currency risk by maintaining cash balances in foreign denominated bank accounts, analyzing future obligations by currency, and transferring available funds as needed. The Group has not entered into derivative or other agreements to reduce the exchange rate risk and the related market risk.

The Group is exposed to risk from changes in regulatory conditions for international trade. The Group imports salmon feed from Canada and is exposed to risk of changes in international trade regulatory conditions such as tariffs. The Group imports equipment, components, and services from various countries and is exposed to changes to international trade conditions. The Group sells salmon in the American market and the price achievement may be affected by changes in international trading conditions accordingly.

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 31 December 2024 and 2023.

Liquidity Risk

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

Delays in continued construction towards the expansion of future phases of construction of the Miami Bluehouse may affect the Group's ability to achieve its operational plan and full schedule of production, thereby impacting the Group's future business and results of operations.

The provisions of the amended 2020 Credit Facility contain financial covenants to be maintained by the Group (see Note 19 – Borrowings).

Atlantic Sapphire believes good corporate governance is paramount to create and maximize sustainable, long-term shareholder value and maintain investor, lender, and market confidence. The Group's Board of Directors (the "Board") is responsible for the development and implementation of internal procedures and regulations to ensure that the Group follows applicable principles and maintains good corporate governance. We believe that our current procedures and regulations effected towards corporate governance are consistent with the latest version of the Norwegian Code of Practice for Corporate Governance.

Atlantic Sapphire has purchased and maintains a directors' and officers' liability insurance. It covers pure financial loss resulting from a claim made against an insured person resulting from a wrongful act committed or allegedly committed in a position as a director or officer, member of the supervisory board or management board or an employee acting in a managerial or supervisory capacity. The liability is personal. The Board reviews the coverage of the insurance yearly to ensure its adequacy.

The Group's assessment of the various 15 issues covered by the Norwegian Code is detailed in the Corporate Governance section following the Board of Directors' Report.

On 22 March 2024, Ryan Schedler and Keith Reid were elected as Observers to the Board of Directors. On 23 May 2024, Andre Skarbø stepped down as a director and Patrick Dempster was elected as a new director.

Information regarding the background and competence of the Group's Board members is detailed later in the Annual Report and available on Atlantic Sapphire's website: atlanticsapphire.com.

The Group's Board of Directors determines the principles applicable to the Group's policy for compensation of executive management and presented its statement on such principles for the 2024 financial year during the Group's Annual General Meeting ("AGM") in accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act. The Board of Directors' Statement on Remuneration of Executive Management is included in Note 6 – Salary and Personnel Costs of the Group's notes to the consolidated financial statements.

Sustainability Actions and Joining the UN Global Compact

The Group supports the UN Sustainable Development Goals (the "UN SDG Goals") and sees them as a blueprint for business leadership. Food production lies at the intersection of almost all major global challenges encapsulated in the UN SDG Goals. The Group believes it has a duty to find a balance between producing enough healthy proteins to feed the world and protecting the limited resources of the planet. The Group joined the UN Global Compact in support of their Ten Principles for human rights, labor, the environment, and anti-corruption.

Environmental Responsibility

Activities from the Group's production facilities are believed to meet all regulatory requirements in the countries in which they operate. For further information, please refer to the "Environmental Responsibility" section within Atlantic Sapphire's Environmental, Social, and Governance ("ESG") Report included as part of the Annual Report in the sections prior to the Board of Directors' Report.

Social Responsibility

Atlantic Sapphire holds the utmost respect for human rights, labor rights and social conditions, the external environment, and anti-corruption efforts in our business strategies insofar as it pertains to our daily operations and our stakeholders. Accordingly, the Group's Environmental and Social Management System ("ESMS") was built following an external review of our Environmental and Social Management Plan ("ESMP") for compliance with the International Finance Corporation's ("IFC") Performance Standards ("PS") (2012), IFC Environmental, Health, and Safety ("EHS") Guidelines for Aquaculture (2007), and EHS General Guidelines (2007). The ESMS comprises a set of policies across a range of ESG topics – from environment, health and safety, security and emergency preparedness to employment conditions, rights and obligations, grievance management, whistleblower policy, community engagement and communication.

Atlantic Sapphire is dedicated to fostering a corporate culture that goes beyond regulatory compliance and engages and empowers all employees around realizing our purpose and living our values. In accordance with the Norwegian Transparency Act, the Group will update its transparency statement based on the human rights assessment performed in 2024. This statement is available on our website and will be updated by 30 June 2025.

Our Code of Conduct (the "Code") is aligned with the Group's core values and sets expectations and guidance for the Group's Board of Directors, officers, employees, independent contractors, and consultants. It is their responsibility to understand the Code as well as exercise good judgement and follow the Code. All employees must sign the Code and our suppliers and vendor partners are also required to acknowledge and adhere to our Code through our standard vendor terms and conditions before engaging. These documents outline our commitment to integrity by following the principles of the Code.

Our Human Rights Policy informs employees, business partners, and customers of Atlantic Sapphire's commitment to respecting and promoting human rights and in making a meaningful contribution to uphold human rights across our operations and our supply chain. Such areas of focus include diversity, competitive wages and benefits, prohibition of child labor, forced labor, and human trafficking, safe and secure work conditions, freedom of association, and open communication, among others as detailed in our ESG Report included as part of the Annual Report in the sections prior to the Board of Directors' Report.

Atlantic Sapphire is an equal opportunity employer that celebrates diversity and is committed to creating an inclusive environment for all employees. The Group does not discriminate based upon race, religion, color, national origin, gender, sexual orientation, gender identity, gender expression, age, status as a protected veteran, status as an individual with a disability, or other applicable legally protected characteristics.

For the years ended 31 December 2024 and 2023, the Group employed 237 and 158 permanent employees, respectively. No employee work-related accidents resulting in significant material damage or prolonged personal injury occurred during 2024 and 2023.

The Group's ESMS helps ensure that extensive precautionary measures are taken to reduce risks in the working environment. These measures include the training of its employees and a focus on personal protective equipment and safe handling of hazardous materials, together with systematic controls of our working processes. The Group maintains general oversight of the health and safety of its employees predominantly through ongoing auditing, monitoring, and evaluation of activities to ensure compliance. The Group actively promotes a strong safety culture with employees, suppliers, vendors, and contractors.

For further information, please refer to the "Social Responsibility" section as detailed within our ESG Report included as part of the Annual Report in the sections prior to the Board of Directors' Report.

Sustainability Contribution

The United States imports more than 85% of its seafood, contributing to a trade deficit and diminishing our ability to ensure sustainable practices. Domestic aquaculture offers a unique opportunity to bolster food security, reduce the environmental impacts of transportation, supplying fresher products into the market and support economic growth. By producing healthy, low carbon protein within the U.S., Atlantic Sapphire is redefining salmon production in the U.S.

By controlling every aspect of the salmon's life cycle, we minimize waste, improve fish welfare, optimize resource use, and ensure unparalleled product quality and freshness. This model aligns with the principles of the UN Sustainable Development Goals (SDGs), particularly those focused on responsible consumption and production, climate action, and life below water.

For further details, please see our detailed in our ESG Report included as part of the Annual Report in the sections prior to the Board of Directors' Report.

US Biological Outlook

After procedures were changed and important infrastructure was improved in the second half of 2023 the US Bluehouse has seen improvements in overall operational conditions, including water quality and water temperatures. In 2024 the Company has taken measures to increase harvest weight and thus product sales price, improve stability and increase feeding capacity. The Company has adapted the standing biomass to the feeding capacity by reducing number of fish per batch. The Company is executing de-bottlenecking investments and is changing procedures to increase stability in the farm. Improved biological performance in 2024 is a positive indicator that demonstrates the ability to produce high quality products and realize future financial performance with stable infrastructure and the right water quality conditions for the fish to thrive in.

The Group targets average harvest weight in 2025 to be above 3 kg HOG and the total biomass gain to continue to increase.

Sales and Marketing Outlook

The Group continues to invest in the development of the Bluehouse Salmon brand and in the education of buyers and consumers. Since the first US harvest in September 2020, Atlantic Sapphire has consistently achieved a revenue per kg of above USD 11 for superior fish branded as Bluehouse Salmon, however due to small harvest size, a limited share of the fish qualified for the premium segment in 2024. 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.

Both average harvest weight and monthly harvest volumes are expected to increase throughout 2025, when the Group expects to steadily implement debottlenecking projects and improving operational performance. Increased harvest weight is expected to increase sales price for the Bluehouse Salmon as a higher share of the production will be of a size that qualifies for premium quality and pricing. The Company targets average harvest weight in 2025 to be of a size that qualifies for premium price.

Key Developments on Risk Mitigation

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

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

- A full review and "reset" of the RAS systems, specifically the biofilters, to minimize the risk of sedimentation and anoxic areas. This also included the installation of 100+ new camera inspection points in the RAS to identify and tackle potential risks of sludge sedimentation early on.
- The commissioning of a new chiller system in September 2023, which decreases operational risk, and allows us to maintain lower and more stable temperatures across the farm.
- A new ozone system that has improved water clarity and reduced nutrient load.
- Changes to the nutrition of the salmon that has had a positive effect on fillet color.
- Operational changes in water chemistry to reduce the risk of hydrogen sulfide intoxication (H2S).
- Changes to organizational structure and protocols.
- Additional tank lights installed across all systems to enhance appetite and mitigate early maturation.
- Increased water availability to the farm at the optimal temperature for salmon farming.

In 2024 the Group has initiated de-bottlenecking projects to reduce bottlenecks in the farm that limits the water treatment capacity and ultimately the feeding capacity. The projects will improve CO2 removal, improve water filtration and reduce other bottlenecks in the farm and is expected to increase the daily feeding capacity in 2025 and 2026 as a result of improved water treatment capacity.

US Phase 2 Construction

The Group has changed the approach on the US Phase 2 construction project to optimize quality and efficiency. In contrast to the US Phase 1 construction project, the Group now has the appropriate staffing level for a large-scale project, and has strategically selected a design and engineering partner with proven experience on water facilities. The Group is planning to strengthen the organization with construction execution and management resources to further improve the execution of phase 2 construction.

The US Phase 2 costing quotes are under review. More than USD 100m is already invested, however the total estimate has uncertainties to inflation effect on the project and the Group will finalize detailed engineering of the project and re-estimate the project budget together with our design/engineering partner. Phase 2 is expected to increase production capacity of approximately 15,000t HOG. In 2023, the Group decided to pause Phase 2 construction while focusing on delivering the Phase 1 business improvements first. The Group expects to be ready to resume construction with a final budget and design by the end of 2025, but the decision to move ahead remains solely at the Company's discretion and subject to having the necessary financing in place.

Grand Master Plan

The Group is working on a detailed plan for the full buildout of the 160 acres of land it owns in Homestead, FL (the "Grand Master Plan") and further land available for sale in the region. The Grand Master Plan will include an overview of centralized functions and a more modular approach to building out additional grow-out capacity. These initiatives are expected to reduce the construction time and capex/kg of new capacity in the future.

Outlook for Atlantic Sapphire and Its Associates

The Group expects to decide later in 2024 on the future of its Danish facility following the fire in September 2021. The site in Hvide Sande with all infrastructure, permits and water allocations is seen as a valuable aquaculture asset. Further, Atlantic Sapphire Denmark A/S has a significant tax loss carryforward for tax purposes.

Salmon Market Outlook

US consumption of fresh, farmed Atlantic salmon continues to increase higher than the single-digit global supply growth of farmed Atlantic salmon, highlighting the relative attractiveness of the US salmon market. With the Group's offtake focused on the North American market, it is ideally positioned to take advantage of the strong growth in demand that is expected to continue, while also offering a product with a lower carbon footprint and lower logistical cost thanks to the avoidance of airfreight.

The global commodity market for farmed Atlantic salmon is expected to continue to be strong for the rest of 2025, supporting the sales efforts of the Group. Airfreight prices for commodity salmon are high for fresh, imported salmon from South America or Europe, which further improves the competitiveness of the Group's product in the North American market. Further, there is a drive for demanding American produced products which supports The Group's strategic position in the market. The introduction of tariffs on some salmon imports as well as salmon feed imports to the American market creates some uncertainty to future volume and price development of salmon in the American market.

BOARD OF DIRECTORS' REPORT

2024 was a challenging year for the Group, where continuous positive operational improvements on the operational side were overshadowed by biological challenges from prior year's temperature issues and low harvest weights. However, fish exposed to high temperatures in 2023 was harvested out during 2024 and improved biological and financial performance in combination with operational measures taken in the second half of 2024 showed better operational stability and water quality going than the Group's past performance.

The measures taken in the second half of 2024 is expected to increase the average harvest weight, which again is expected to increase the average sales price as a higher share of the production qualifies for the premium segment.

Following finalization of de-bottlenecking projects and operational improvements, the Group expected feeding capacity and thus biomass growth and ultimately harvest volume to increase during 2025 and 2026.

Significant operational improvements, both to improve biology and farm stability has been executed in 2024 and will continue to be executed in 2025. This is expected to improve the company's revenue and margin in 2025.

Since the forth quarter of 2023, the Group has seen stable water quality and water temperatures, while mortality rates have been consistently low. The biological performance has improved significantly during 2024. The Group expects to continue to see good performance with stable conditions across the facility.

The Phase 2 expansion, which will bring total annual harvest volume capacity up to approximately 25,000t HOG, is a critical part of the Company's strategy to achieve the economies of scale that are necessary to return an attractive long-term return on investment for our shareholders. Although currently focusing on cash conservation, the Group is spending the pause on the construction side to work on design optimization and preparatory work that can minimize the time from construction continuation until the new systems are ready for fish.

During the last 10-year period, the Group has created up a strong and skilled organization of 237 employees, preparing the Company for growth and upcoming scale.

Atlantic Sapphire is leading the technological development of large-scale land-based salmon farming globally, and despite facing some challenges as a pioneer in a new production form in a new market, the Group is well positioned to handle these challenges both on the operational and construction side. With a scalability that is unmatched thanks to the unique water infrastructure that the Group has secured in South Florida, growth is set to continue in all the foreseeable future, with cost of capital being the main consideration in determining the speed of construction.

THE BOARD OF DIRECTORS AND CEO

VIKEBUKT, 23 APRIL 2025

KENNETH JARL ANDERSEN
Chairman

PEDRO COURARD
CEO

EIRIK WELDE
Deputy Chairman

ELLEN MARIE SÆTRE
Director

PATRICK DEMPSTER
Director

MARTA ROJO ALONSO
Director

KENNETH JARL ANDERSEN

Chairman

Kenneth Jarl Andersen has served as a Director since August 2022 and was appointed as Chairman of the Board on 23 May 2023. Mr. Andersen is the CEO of Strawberry Equities AS, which recently made a significant investment in the Group in the private placement announced on 28 June 2022. Mr. Andersen has extensive experience from the Strawberry Group, where he has been employed since 2007. In addition, Andersen has experience from Terra Fondsforvaltning and Arthur Andersen Consulting. Mr. Andersen is a Norwegian citizen, currently residing in Oslo, Norway.

EIRIK WELDE

Deputy Chairman

Eirik Welde is a Norwegian national who holds a veterinarian degree from the Norwegian School of Veterinary Science (2001) and has over 20 years of experience from the Norwegian aquaculture industry. He has worked with fish health, production management, and the design of live fish support systems, including hatcheries and post-smolt facilities. He has experience as a project manager and as a project executive within several aquaculture species and RAS technology. Welde was the general manager of Nordlaks Smolt AS from 2012 to 2019 and was appointed as CEO of the Nordlaks Group in 2019.

PATRICK DEMPSTER

Director

Patrick Dempster is the current CEO of Aquagen Chile, a leading genetics provider to the salmon industry. Dempster holds a degree in agronomical engineering from Pontificia Universidad Católica de Chile and a Master's degree in Aquaculture from the University of Stirling. Mr. Dempster is a Chilean citizen.

ELLEN MARIE SÆTRE

Director

Ellen Marie Sætre is an educated veterinary from the Norwegian School of Veterinary Science (2006). She has been working as a consultant in private fish health companies on questions regarding fish health, welfare, hygiene, and biosecurity since 2006. Now she is leader of the fish health department in Møre og Romsdal for Åkerblå AS. Ms. Sætre is a Norwegian citizen, currently residing in Vikebukt, Norway.

MARTA ROJO ALONSO

Director

Marta Rojo Alonso is a Spanish national with over 25 years of international experience in Europe, Asia, and Latin America. She has worked with various large companies within the aquaculture industry, such as Mowi, Skretting, as CFO of Salmones Camanchaca in Chile (listed on the Oslo Stock Exchange), and as CEO of Sterner Group, a Norwegian water treatment technology provider working with RAS. She has a master's degree in economics and management from the University of Madrid, as well as an Executive MBA from Nyenrode Business University in the Netherlands.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Group follows the Norwegian Code of Practice for Corporate Governance (the "Norwegian Code"), and a full description of the Norwegian Code is available on the Oslo Stock Exchange's website.

The Group has addressed the various 15 issues covered by the Norwegian Code as follows:

NORWEGIAN CODE	COMPLIANCE TO THE CODE
1. Implementation and Reporting on Corporate Governance Principles	Compliant
2. Business	Compliant
3. Equity and Dividends	Compliant
4. Equal Treatment of Shareholders	Compliant
5. Shares and Negotiability	Compliant
6. General Meetings	Compliant
7. Nomination Committee	Compliant
8. Board of Directors: Composition and Independence	Compliant
9. The Work of the Board of Directors	Compliant
10. Risk Management and Internal Control	Compliant
11. Remuneration of the Board of Directors	Compliant
12. Remuneration of Executive Personnel	Compliant
13. Information and Communications	Compliant
14. Take-overs	Partly Compliant
15. Auditor	Compliant

The Group has reviewed its reporting on Corporate Governance based on the latest Code of Practice and is fully compliant with the Norwegian Code, except Section 14 regarding lack of explicit guidelines for dealing with take-over bids.

The following sections detail how the Group has addressed the various 15 issues covered by the Norwegian Code:

1. Implementation and Reporting of Corporate Governance Principles

The Group's Board of Directors (the "Board") is responsible for the development and implementation of internal procedures and regulations to ensure that the Group follows applicable principles and maintains good corporate governance. The Group's overall position with such principles is assessed annually by the Board and reported accordingly in the Group's Annual Report in accordance with the requirements for listed companies and the Norwegian Code. The Board has defined the Group's overall vision as "For the Health of People and Planet" which is further exemplified through the Group's core values of passion, performance, innovation, integrity, and balance:

- **Passion** – Purpose. Dedication. Courage.
- **Performance** – Initiative. Collaboration. Results.
- **Innovation** – Continuous improvement. Solutions. Learning.
- **Integrity** – Accountability. Open communication. Care.
- **Balance** – Healthy Fish. Stakeholder wellness. Sustainable planet.

CORPORATE GOVERNANCE

Our central principle is that Atlantic Sapphire's success depends on maintaining the highest standards of trust and integrity at all levels of the organization, as well as its reputation for honesty and transparency in its business. Further, the Group is made up of diverse individuals with different backgrounds such as national origins, cultures, religions, and other customs. The Group's Code of Conduct (the "Code"), which was updated in January 2022, sets expectations and provides guidance for the Group's Board of Directors, officers, employees, independent contractors, and consultants. It is their responsibility to understand the Code as well as exercise good judgement and follow the Code. The Code must be signed by all employees, and suppliers are also expected to understand the Code and share our commitment to integrity by following the principles of the Code. The Code encourages reporting of any violations to management. The Code is consistent with the Group's core values and is aligned with Atlantic Sapphire's commitment to the UN Global Compact principals and the UN SDGs.

2. Business

The Group's objective is defined in Article 3 of ASA's Articles of Association as follows: "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."

The Group aims to transform salmon farming by managing an integrated value chain of salmon production and bring full traceability from egg to final product. Our activities include farming, harvesting, processing, marketing, and sales of its products. Through the specialized, efficient design of the Recirculating Aquaculture System ("RAS"), The Group can consistently control the key drivers of the production cycle with the ultimate goal of creating value for shareholders in a sustainable manner. Such key drivers consist of routinely assessing the Group's objectives, strategies, and risk profiles which are detailed in the Board of Directors' Report.

3. Equity and Dividends

As of 31 December 2024, the Group's total equity totaled USD 202.8m, which represented 74% of the Group's total assets. The Group's objective is to maintain an equity level that is appropriate for the Group's objectives, strategy, and risk profile.

The Group 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. As a result, the Group does not expect to pay any dividend in the near future.

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

ASA's Board of Directors are responsible for any share capital increases, dividends, and employee stock options granted. Share capital increases are conducted through private placements and subsequent offerings. Such proxy is proposed and ratified through the Group's AGM and other EGMs that may be performed during the year.

4. Equal Treatment of Shareholders

The Group has one class of shares. Any purchase or sale by the Group of its own shares will be carried out either through the Oslo Stock Exchange or at prices quoted on the Oslo Stock Exchange.

5. Shares and Negotiability

The Group has one class of Shares in issue, and in accordance with the Norwegian Private Limited Liability Companies Act and the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Group. Each share has a nominal value of NOK 0.05 and carries one vote. The Group's shares are freely transferable.

6. 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, the venue, 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 private limited liability company shall be held, unless ASA's Articles of Association stipulate a longer deadline, which is not currently the case for the Group.

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 Group will include a proxy form with notices of general meetings. All the Group's shareholders who are registered in the register of shareholders maintained with the Norwegian Central Securities Depository ("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 them necessary. An extraordinary general meeting of shareholders must also be convened if, 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 Group has procedures in place allowing shareholders to vote electronically.

7. Nomination Committee

Article 6 of ASA's Articles of Association provides for a Nomination Committee composed of two or three members. The members of the Nomination Committee, including its chair, are elected by the AGM for a term of two years. The Nomination Committee is responsible for proposing candidates for the Board and the Nomination Committee and holds individual discussions with each Board member.

As of 31 December 2024, the Nomination Committee comprised of Ryan Schedler (Chair) and Kjell Bjordal, none of which are active Board members.

8. Board of Directors: Composition and Independence

ASA's Articles of Association provide that the Board shall consist of between three and seven members of the Board elected by the Group's shareholders. The Group's registered business address, Daugstadvegen 445, 6392 Vikebukt, Norway, serves as the business address for the Board with respect to their directorships. The Chairman of the Board together with one Director jointly have the right to sign for and on behalf of the Group. The Board may grant procuration. Board members are normally elected for a period of two years at a time.

The Board is independent of Group management. As per Norwegian law, the Board shall always have at least 40% of both genders represented. In 2024, the Group's Board comprised of two female members out of five in total.

9. The Work of the Board of Directors

According to the Norwegian Public Limited Liability Companies Act, the Board has overall responsibility for the management of the Group, and the supervision of the Group's business activities and daily management. The Board is also responsible for approving the Group's plans and budgets and ensuring that the Group's activities are well organized.

Members of the Board owe a fiduciary duty to the Group and its shareholders, and their principal task is to safeguard the interests of the Group. Such fiduciary duty requires that the Board act in the best interests of the Group when exercising their functions and exercise a general duty of loyalty and care towards the Group. This includes a continuous assessment of the Group's related parties and any agreements and transactions conducted with them. Any transaction between the Group and a related party will be similar to what management believes would have been agreed upon between unrelated parties. The Group will make sure that major transactions with related parties are approved by the AGM in accordance with the Norwegian Public Limited Liability Companies Act. Related party transactions are discussed in Note 21 in the Group's consolidated financial statements.

The Board has formally assessed its performance, expertise, and capacity to carry out its duties both individually and as a group in 2024 as recommended by the Norwegian Code.

The Board conducted one formal shareholder Annual General Meeting on 23 May 2024. The overall shareholder attendance rate was 46%.

10. Risk Management and Internal Control

The Board shall annually review the Group's most important areas of risk exposure and the internal control arrangement in place for such areas. The review shall pay attention to any material shortcomings or weaknesses in the Group's internal control systems and how risks are being managed. Internal controls consist of guidelines, processes, duties, conduct, and other matters related to the Group's commercial objectives, internal and external reporting, and compliance with relevant legislation, regulations, and internal guidelines in Group operations.

The Finance Department performs closing procedures monthly towards internal and external reporting and actively monitors the Group's internal control systems throughout to identify risks and proactive solutions to mitigate them. Such findings are then communicated to the Board and Audit Committee for further feedback and action plan accordingly. The Group's Finance Department consists of approximately 8 full-time employees of which two are Certified Public Accountants ("CPA") licensed in the State of Florida. Accounting advisory service firms are engaged as needed to support the Finance Department in a wide range of complex accounting transactions including adherence to new and revised IFRS standards.

11. Remuneration of the Board of Directors

The remuneration payable to the Board is approved by the AGM. Board remuneration shall reflect the Board's responsibilities, competence, time spent, and the complexity of the business. Board remuneration is not performance-related and contains no share option element. Additional information relating to Board remuneration can be found in Note 6 in the Group's consolidated financial statements.

12. Remuneration of Executive Personnel

The Board determines the principles applicable to the Group's policy for compensation of executive management and presented its statement on such principles for the 2024 financial year during the Group's AGM in accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act.

The principles supporting the Group's remuneration policy are as follows:

- Offer executive compensation that is competitive, both on industry and national (US) levels, to attract and retain top managerial talent.
- Emphasize a collaborative culture and a lean organizational structure.
- Provide incentives that foster the creation of sustainable, long-term shareholder value.
- Ensure that the Group's executive management is aligned with key organizational goals.

In compliance with the Norwegian Public Limited Liability Companies Act, the Board prepares a statement regarding the remuneration of the executive management team for consideration by the AGM. The remuneration package for corporate executive staff consists of the following main elements:

- Fixed Compensation
- Variable Compensation
- Long-Term Incentive Program
- Retirement Benefits
- Severance Pay
- Benefits in Kind

13. Information and Communications

The Group strives to build long-term relationships with its stakeholders; the management team therefore meets on an ongoing basis in open and transparent dialogue with all stakeholders interested in its business from a social, environmental, or economic perspective. The Group proactively engages them through different platforms to address their needs, listening, and providing information about the Group's projects.

The dialogue always strives to raise awareness of both the value and the challenges of what the Group does. In turn, the Group has had valuable dialogue with stakeholders around various topics, including: product attributes, environmental, and animal welfare aspects related to Bluehouse salmon farming, technology, the R&D investment in Recirculating Aquaculture Systems ("RAS"), the viability of the business model, financial aspects of the business, and the socio-economic impacts of its operations in Miami and Denmark. The Group uses different platforms to communicate with stakeholders on a regular basis, the frequency of communications depending on the interest and the level of involvement of these stakeholders.

The Group also complies with the Oslo Stock Exchange's investor relations recommendations by publishing its financial calendar, on an annual basis, which provides the dates on which it will present its Half-Year Report, Annual Report, and when the AGM will be held. The Group publicly discloses all information concerning major events on its website (atlanticsapphire.com) and through the distribution channels of the Oslo Stock Exchange, in line with the requirements of the Oslo Stock Exchange. All financial reports and other information are prepared and disclosed in such a way as to ensure that the Group's stakeholders are treated equally and receive accurate, clear, relevant, and up-to-date information in a timely manner. The Group holds public presentations of its results semi-annually.

14. Take-overs

In a bid situation, the Group's Board of Directors and management have an independent responsibility to ensure that the interests of shareholders are safeguarded, all shareholders are treated equally, and that operations are not disrupted unnecessarily. The Board should not hinder or obstruct any take-over bid, unless it believes such an action is justified to protect the interests of the Group and its shareholders.

The Board has not yet determined specific guidelines or principles with respect to dealing with take-over bids as recommended by the Norwegian Code.

15. Auditor

The Group has engaged PricewaterhouseCoopers AS ("PwC") as its external auditor. PwC is independent from the Group and was appointed by the Board during the AGM.

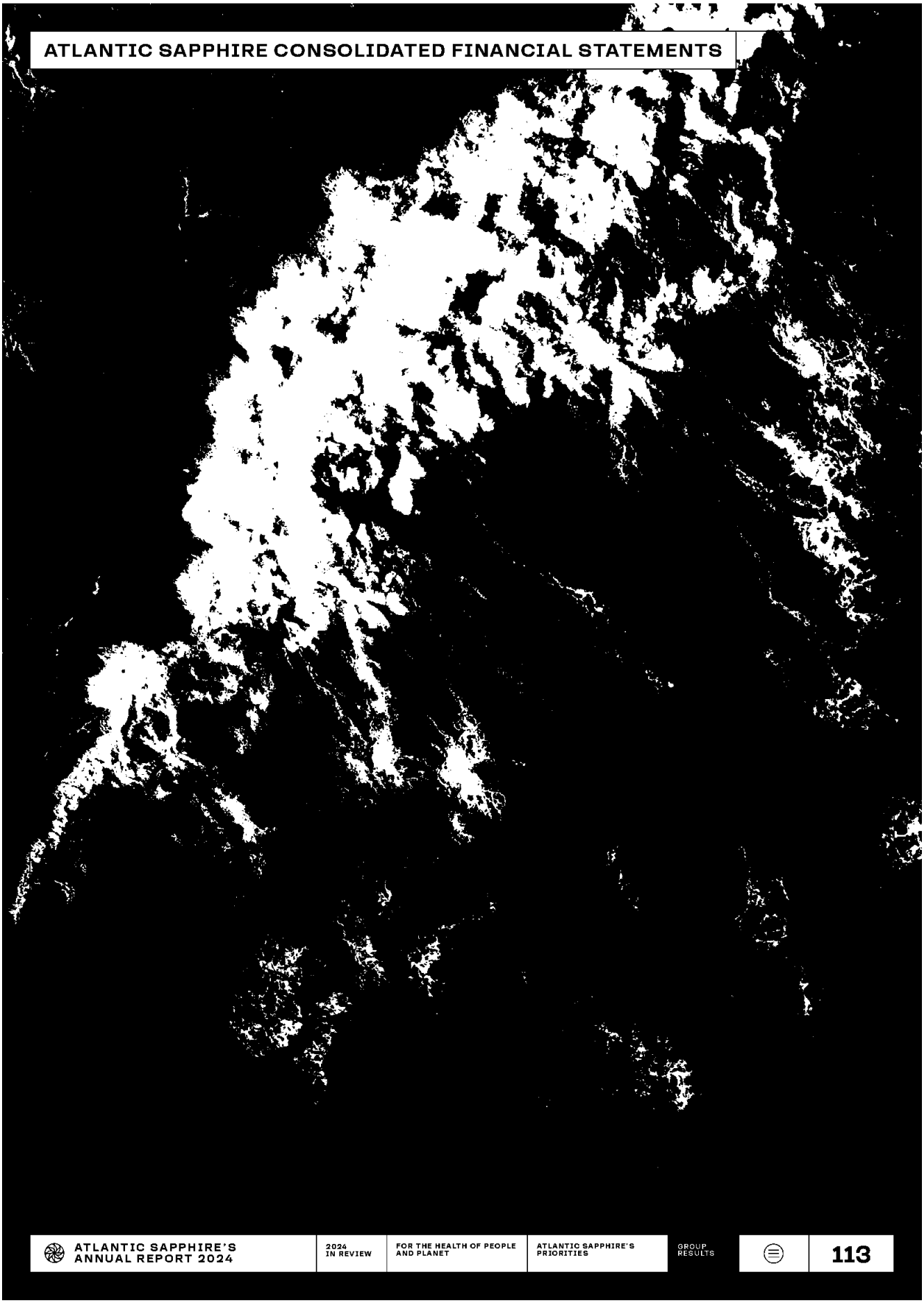
The AGM's selection of the auditor contemplated several factors including the firm's competence, size, global availability, and expected audit fee. Accordingly, the AGM also approved the auditor's fee (see Note 7 in the Group's consolidated financial statements).

The Group's Audit Committee Charter was formally approved by the Board on 27 October 2021 and was established to continuously improve corporate governance and the quality and compliance of the Group's financial reporting. In turn, the auditor presents its plan regarding the preparation of the annual accounts and audited financial statements to the Group's Audit Committee and Finance Department. The Finance Department holds regular meetings with the auditor without the presence of management prior to summary communication to the Board and Audit Committee to ultimately sign off on the Group's financials and corporate governance report.

In addition to the audit fee, the Group's remuneration to the auditor may be split with other non-audit services such as advisory and authorization services. Such non-audit services are assessed on an ad-hoc basis to ensure that there are no conflicts of interest in independence.

PwC was selected as our auditor in 2022 with Hallvard Aarø as lead audit partner for the Group and 2024 represents his first year as lead partner PwC.

ATLANTIC SAPPHIRE CONSOLIDATED FINANCIAL STATEMENTS



YEARS ENDED 31 DECEMBER 2024 AND 2023

(USD 1,000)	NOTE	2024	2023
Revenue	3	22,819	13,995
Cost of goods sold	5,15	(83,095)	(67,141)
Fair value adjustment on biological assets	5	4,057	(14,095)
Salary and personnel costs	6,18,20	(7,234)	(4,051)
Selling, general, and administrative costs	4,7,8	(12,369)	(7,984)
Other income, net	4	59	1,927
Impairment of non-current assets	9	(73,000)	(35,000)
Depreciation and amortization	9	(14,418)	(13,839)
Operating loss		**(163,181)**	**(126,188)**
Finance income	10	4,175	1,516
Finance expense	10,19	(8,315)	(9,086)
Loss before income tax		**(167,321)**	**(133,758)**
Income tax	11	-	-
Net loss		**(167,321)**	**(133,758)**
Earnings per share:			
Retrospectively adjusted basic earnings per share	12	(17.19)	(340.39)
Retrospectively adjusted diluted earnings per share	12	(17.19)	(340.39)

Accompanying notes are an integral part of the consolidated financial statements.

YEARS ENDED 31 DECEMBER 2024 AND 2023

(USD 1.000)	2024	2023
Net loss	(167,321)	(133,758)
Exchange difference on translation of foreign operations	(2,728)	323
Total comprehensive loss	**(170,049)**	**(133,435)**

Accompanying notes are an integral part of the consolidated financial statements.

31 DECEMBER 2024 AND 2023

(USD 1.000)	NOTE	2024	2023
Assets			
Non-current assets			
Property, plant, and equipment, net	9	197,658	275,599
Right of use asset	8	1,501	1,971
Restricted deposits	13,16	15,180	15,172
Security deposits		1,604	1,353
Other investments	13	-	6
Trade and other receivables (non-current)	13,14	1,049	481
Total non-current assets		**216,992**	**294,582**
Current assets			
Prepaid and other current assets		433	2,213
Inventories, net	15	5,729	5,139
Biological assets	5	16,991	16,218
Trade and other receivables, net	13,14	3,666	1,155
Restricted cash	13,16	415	415
Cash	13,16	29,447	22,536
Total current assets		**56,681**	**47,676**
Total assets		**273,673**	**342,258**

Accompanying notes are an integral part of the consolidated financial statements.

31 DECEMBER 2024 AND 2023

(USD 1.000)	NOTE	2024	2023
Equity and liabilities			
Equity			
Share capital	17,18	38,110	8,644
Share premium	17,18	751,560	691,430
Employee stock options	17,18	4,104	3,959
Accumulated deficit		(581,488)	(414,167)
Accumulated translation differences		(9,454)	(6,726)
Total equity		**202,832**	**283,140**
Non-current liabilities			
Borrowings (non-current)	13,19	41,674	37,603
Lease liability (non-current)	8	1,247	1,729
Convertible debt (non-current)	19,21	20,458	-
Total non-current liabilities		**63,379**	**39,332**
Current liabilities			
Borrowings (current)	13,19	-	5,000
Lease liability (current)	8	494	450
Trade and other payables	13	6,968	14,336
Total current liabilities		**7,462**	**19,786**
Total liabilities		**70,841**	**59,118**
Total equity and liabilities		**273,673**	**342,258**

Accompanying notes are an integral part of the consolidated financial statements.

YEARS ENDED 31 DECEMBER 2024 AND 2023

(USD 1.000)	Note	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
Comprehensive income (loss)							
Net loss		-	-	-	(133,758)	-	(133,758)
Foreign currency translation adjustments		-	-	-	-	323	323
Transactions with owners							
Contributions from issuance of capital	17,18	6,928	113,625	-	-	-	120,553
Net forfeitures from employee stock options	17,18	-	-	(360)	-	-	(360)
Balance at 31 December 2023		**8,644**	**691,430**	**3,959**	**(414,167)**	**(6,726)**	**283,140**
Comprehensive income (loss)							
Net loss		-	-	-	(167,321)	-	(167,321)
Foreign currency translation adjustments		-	-	-	-	(2,728)	(2,728)
Transactions with owners							
Contributions from issuance of capital	17,18	29,466	60,130	-	-	-	89,596
Net forfeitures from employee stock options	17,18	-	-	145	-	-	145
Balance at 31 December 2024		**38,110**	**751,560**	**4,104**	**(581,488)**	**(9,454)**	**202,832**

Accompanying notes are an integral part of the consolidated financial statements.

YEARS ENDED 31 DECEMBER 2024 AND 2023

(USD 1,000)	NOTE	2024	2023
Cash flows from operating activities			
Net loss		(167,321)	(133,758)
Adjustments to reconcile net loss to net cash from operating activities			
Depreciation and amortization	9	14,419	13,838
Bad debt		1,424	-
Inventory write-down	4,15	1,159	243
Fair value adjustment on biological assets	5	(4,057)	14,095
Loss (gain) on loan modification	19	321	601
Impairment of non-current assets	9	73,000	35,000
Disposition of other assets	9	-	56
Net interest expense	10	3,746	3,635
Non-cash employee stock options	18	145	(365)
Net foreign currency exchange rate differences		(1,569)	558
Changes in operating assets and liabilities			
Trade and other receivables	13,14	(4,503)	1,554
Biological assets, at cost	5,15	3,384	(12,209)
Inventories, at cost	15	(1,749)	(1,014)
Prepaid and other current assets		1,777	(1,821)
Security deposits		(251)	(186)
Trade and other payables	13	(7,290)	2,011
Net cash from operating activities		**(87,365)**	**(77,762)**

Accompanying notes are an integral part of the consolidated financial statements.

YEARS ENDED 31 DECEMBER 2024 AND 2023

(USD 1,000)	NOTE	2024	2023
Cash flows from investing activities			
Payments towards property, plant, and equipment	9	(9,114)	(19,599)
Restricted deposits	16	(8)	(15,172)
Other investments		6	-
Interest received	10	1,744	1,290
Net cash from investing activities		**(7,372)**	**(33,481)**
Cash flows from financing activities			
Proceeds from borrowings	19	17,270	12,500
Payments towards borrowings	19	(18,520)	(17,335)
Convertible debt	21	20,000	-
Payments towards lease liability	8	(455)	(468)
Proceeds from issuance of capital	17	89,596	120,553
Interest paid	10	(5,032)	(4,925)
Net cash from financing activities		**102,859**	**110,325**
Net change in cash and restricted cash		**8,122**	**(918)**
Cash and restricted cash at beginning of period		22,951	24,103
Effects of exchange rate on cash and restricted cash		(1,211)	(234)
Cash and restricted cash at end of period		**29,862**	**22,951**

Accompanying notes are an integral part of the consolidated financial statements.

THE BOARD OF DIRECTORS
AND CEO

VIKEBUKT,
23 APRIL 2025

KENNETH JARL ANDERSEN
Chairman

PEDRO COURARD
CEO

EIRIK WELDE
Deputy Chairman

ELLEN MARIE SÆTRE
Director

PATRICK DEMPSTER
Director

MARTA ROJO ALONSO
Director

General Information

Atlantic Sapphire ASA ("ASA") is a Norwegian company headquartered in Vikebukt, Norway, domiciled in Vestnes, 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)
- S.F. Development, L.L.C. ("ASSF", registered in Miami, Florida, US)
- Atlantic Sapphire IP, LLC ("ASIP", registered in Miami, Florida, US)

The Group owns and operates a land-based Atlantic salmon farm in Homestead, Florida, US (the "Miami Bluehouse" facility) and previously operated a land-based Atlantic salmon farm in Hvide Sande, Denmark (the "Denmark Bluehouse" facility). A Bluehouse® facility ("Bluehouse") is proprietary production technology developed by the Group in collaboration with a wide range of supply chain partners to optimize growing conditions for Atlantic salmon. A Bluehouse contains the facilities needed to grow and produce Atlantic salmon from egg hatchery to grow-out tanks to primary processing. The Miami Bluehouse also incorporates value-added processing. Consolidated operations enable the Group to control the entire production cycle without having to transport salmon to and from ocean-based net pens. Phase 1 of the Miami Bluehouse has an annual design production capacity of approximately 9,500 tons HOG[1].

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 consolidated financial statements were prepared in accordance with IFRS® Accounting Standards ("IFRS") as adopted by the European Union ("EU") and mandatory for financial years beginning on or after 1 January 2024, and additional Norwegian disclosure requirements under the Norwegian Accounting Act as of 31 December 2024. References to "IFRS" in these consolidated financial statements refer to IFRS as adopted by the EU.

The consolidated financial statements have been prepared based on uniform accounting principles for similar transactions and events under otherwise similar circumstances and are expressed in United States ("US") dollars ("USD"). The consolidated financial statements are based on historical cost, except for biological assets at fair value less cost to sell.

Going Concern

The consolidated financial statement and the parent company's financial statement are prepared on the assumption of going concern. This assumption is based on the current market outlook and financial forecasts for the year 2025 and the Group's long-term financial forecast including funding.

The Group has demonstrated improved biological performance resulting in higher average harvest weights and the subsequent increment in realized sales prices. These operational improvements provide a strong foundation for the Group's current activities and its planned expansion into Phase 2.

To support this expansion, the Group intends to secure financing for the construction of Phase 2, finalize further improvements to Phase 1, and ramp up production. Management is actively pursuing additional funding and aims to raise capital in the second half of 2025 through a combination of equity and debt financing. For Phase 2 construction, the Group has full discretion over the speed of the construction which allows the Group to better manage liquidity.

The Group will require additional capital to continue to fund its operations in 2025 and beyond. The Board has determined that there is a reasonable expectation that the Group can raise the required funding to continue operating for the foreseeable future including at least 12 months from the date of the balance sheet. However, there can be no assurance that the Group will be successful in these efforts.

The events described above indicate that a material uncertainty exists that may cast substantial doubt on the Group's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

[1] HOG – "Head-On-Gutted" fish, a term used industry-wide, is approximately 83% of live weight fish.

New and Amended IFRS Standards Adopted by the Group

There are numerous standards, amendments to standards, and interpretations in 2024 that have been issued by the IASB that are effective in future accounting periods. The Group has decided not to early adopt any as they are not expected to have a significant effect on the Group's consolidated financial statements.

The Group did not adopt any new standards, amendments to standards, and interpretations in 2024 that would impact the Group's consolidated financial statements for the year ended 31 December 2024.

Other amendments, interpretations, and changes based on the annual improvement cycle were assessed by the Group but had no material impact nor were they expected to significantly affect the current or future reporting periods.

Consolidation

Subsidiaries are all entities over which the Group has control. The Group considers control over an entity to exist when the Group is exposed to, or has the right to, variable returns from its involvement with the entity and can affect those returns through its ability to direct the operations of the entity. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The accompanying consolidated financial statements include the accounts of ASA, ASDK, ASUS, ASSF, and ASIP. When necessary, adjustments are made to the local financial statements of the Group subsidiaries to conform with the consolidated Group's accounting policies presented under IFRS.

All intercompany balances, transactions, and unrealized gains from intercompany transactions are eliminated upon consolidation. Unrealized losses from intercompany transactions are also eliminated upon consolidation unless the transaction provides evidence of an impairment of the transferred asset.

The assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date in which the Group gains control until the date in which the Group ceases to control the subsidiary.

Foreign Currency

Items included in the respective financial statements of each entity within the Group are measured using the functional currency of the primary economic environment in which the entity operates. The accompanying consolidated financial statements are presented in USD.

Foreign currency transactions are translated using the applicable exchange rate at the time of the transaction. Receivables, debt, and other monetary items in foreign currency are measured at the exchange rate at the end of the reporting period, and the translation differences are recognized as part of the Group's consolidated net profit or loss. Other assets in foreign currencies are translated at the exchange rate in effect on the transaction date.

Upon consolidation, exchange differences arising from the translation of non-USD denominated Group entities and non-USD denominated investments are recognized as part of consolidated other comprehensive income or loss ("OCI"). When a foreign operation is sold, the associated exchange differences related to the gain or loss on sale are reclassified to profit or loss.

The profit and loss transactions of non-USD denominated Group entities are translated into the presentation currency using the average exchange rate for the reporting period. The assets and liabilities of respective entities are translated at the exchange rate at the end of the reporting period.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

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 deemed to be of greatest significance for the Group are as follows:

Fair Value Adjustment of Biomass

Biological assets are measured at fair value less cost 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 (see Note 5 – Biological Assets).

Provisions

A provision is recognized when the Group has a legal or constructive obligation as a result of a past event, it is likely that there will be a financial settlement as a result of this obligation, and the amount can be reliable. If the effect is significant, the provision is calculated by discounting future cash flows using a discounted pre-tax rate that reflects market assessments of time, value of money, and if relevant, risks specifically related to the obligation. Provisions are reviewed at each reporting period date and their level reflects the best estimate of the liability. Changes in best estimates are recognized in the accompanying consolidated statements of operations.

Classification of Current vs. Non-Current Items

Assets are classified as current when they are expected to be realized or sold, to be used in the Group's normal operating cycle, falls due, or is expected to be realized within 12 months after the end of the reporting period date. Other assets are classified as non-current. Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the Group, are expected to be settled within 12 months of the end of the reporting period, or if the Group does not have an unconditional right to postpone settlement for at least 12 months after the reporting period date.

Revenue Recognition

The Group operates proprietary Bluehouse facilities for land-based salmon farming and derives revenue from the sale of salmon. Revenue from salmon sales is recognized when the customer obtains control of the goods transferred and there is no unfulfilled obligation that could affect the customer's acceptance of the goods upon delivery (i.e. at a point in time). The Group grants certain customers sales incentives such as rebates or discounts and treats these as a reduction of revenue at the time the sale is recognized.

Receivables are recognized when the goods are delivered as this is the point in time in which consideration is unconditional and only the passage of time is required before payment is due. Depending on credit assessment, customers are generally provided 30-day payment terms.

Leases

Leases are recognized under IFRS 16, Leases, in which all leasing agreements with a duration exceeding 12 months are to be capitalized as financial leases. The Group assesses whether a legally enforceable contract is or contains a lease at the inception date of the contract. The assessment includes several criteria to be determined based on judgment that includes whether there is an identifiable asset in connection to the lease, whether the Group has the right to control the use of the identifiable asset, and whether the Group can obtain substantially all economic benefits from the identifiable asset.

The Group recognizes a right of use ("ROU") asset and a lease liability at the lease commencement date. The lease liability is calculated based on the present value of the contractual minimum lease payments using the implicit interest rate of the lease. The Group uses the incremental borrowing rate in the case the implicit rate cannot be readily determined from the lease contract. The contractual minimum lease payments consist of fixed or variable payments, including those resulting from options in which management is reasonably certain it will exercise during the lease term. The lease liability is subsequently measured at amortized cost under the effective interest rate during the lease term and may also be adjusted to management's reassessment of future lease payments based on options exercised, renegotiations, or changes of an index rate.

The ROU asset is calculated based on the lease liability, plus initial direct costs towards the lease, and less any incentives granted by the lessor. The ROU asset is subsequently amortized under the straight-line method under the shorter of the lease term or the useful life of the underlying asset and is included as part of depreciation and amortization in the accompanying consolidated statements of operations.

Leases that fall under the IFRS 16 short-term exception are recognized on a straight-line method over the lease term.

Taxes

Tax expense consists of the tax payable and changes to deferred tax. Tax is recognized in the accompanying consolidated statements of operations, except to the extent that it relates to items recognized in consolidated OCI or directly in consolidated equity.

Deferred tax assets and liabilities are calculated based on the temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and their tax bases, together with tax losses carried forward at the consolidated statement of financial position date. Deferred tax assets and liabilities are calculated based on the applicable tax rates and legislations that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and legislations that have been enacted or substantially enacted on the consolidated statement of financial position date. Deferred tax assets are recognized only when convincing evidence can support the availability of future taxable profits will be available, against which the assets can be utilized. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. The entities included in the Group's consolidated financial statements are subject to income tax in the respective countries in which they are domiciled.

Investments and Other Financial Assets

The Group classifies its financial assets based on the following measurement categories:

- Those to be measured at amortized cost,
- Those to be measured subsequently at fair value (through other comprehensive income or loss), and
- Those to be measured subsequently at fair value (through profit or loss).

Upon initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the accompanying consolidated statements of operations.

Financial Assets at Amortized Cost

Trade receivables consist of amounts due from customers for goods sold in the ordinary course of business and are generally due for settlement within 30 days and classified as current. Trade receivables are initially recognized at the amount of consideration that is unconditional and when no element of financing is present. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

Other financial assets are classified at amortized cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Property, Plant, and Equipment

Property, plant, and equipment is capitalized at acquisition cost, which includes capitalized borrowing costs under IAS 23, Borrowing Costs, less accumulated depreciation and impairment losses, if any. Acquisition costs include expenditures that are directly attributable to the acquisition and placement of fixed assets in service. Costs of major replacements and renewals that substantially extend the economic life and functionality of a fixed asset are capitalized. Costs associated with normal maintenance and repairs are expensed as incurred.

Assets are normally considered property, plant, and equipment if the useful economic life exceeds one year. Straight-line depreciation is applied over the useful life of property, plant, and equipment based on the asset's historical cost and estimated residual value at disposal. If a substantial part of an asset has an individual and different useful life, that portion is depreciated separately. The asset's residual value and useful life are evaluated annually. Gains or losses arising from the disposal or retirement of an asset are determined as the difference between the sales proceeds and the carrying amount of the asset and recognized as part of other income in the accompanying consolidated statements of operations.

Depreciation is charged to expense when the property, plant or equipment is ready for use or placed in service. As such, assets under construction are not depreciated.

Impairment

Management reviews long-lived assets for impairment annually, or more frequently, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying value to determine if an adjustment for impairment to such asset is necessary. The effect of any impairment would be to expense the difference between the fair value of such asset and its carrying value. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. As of 31 December 2024 and 2023, management considered an allowance for impairment necessary for non-current assets in the US and for those lost in the September 2021 Denmark fire (see Note 9 – Property, Plant, and Equipment).

Inventories

Inventories consist of feed, raw materials, packaging, spare parts, and processed fish. Inventories are measured at the lower of cost or net realizable value under the first-in-first-out principle. Cost price includes both the production or acquisition costs for goods and the costs of bringing goods into saleable condition. Net realizable value consists of estimated sales price minus remaining costs to sell. Generally, feed, raw materials, packaging, and spare parts are maintained at cost whereas processed fish is recognized at net realizable value. Live fish are accounted for separately as biological assets under IAS 41, Agriculture, and IFRS 13, Fair Value Measurement.

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 5 – Biological Assets.

Cash and Restricted Cash

Cash includes cash on hand and bank deposits. Current restricted cash is not available for immediate or general business use and is presented separately from cash in the accompanying consolidated statements of financial position. Non-current restricted cash is presented separately as restricted deposits in the accompanying consolidated statements of financial position and is not included as part of the cash and restricted cash balances presented in the accompanying consolidated statements of cash flows. Cash equivalents consist of short-term investments that can be converted into a known amount in cash within three months and contain an insignificant risk element. The Group did not hold any cash equivalents as of 31 December 2024 and 2023.

Borrowings

Borrowings are recognized at fair value when proceeds have been received, less transaction costs. In subsequent periods, borrowings are recognized at amortized cost calculated using the effective interest method. The difference between the proceeds from borrowings received (less transaction costs) and its redemption value is reflected over the term of the borrowing as part of financial expense in the accompanying consolidated statements of operations.

Share Option Program

Share-based compensation benefits are provided to employees through an employee share scheme (see Note 18 – Share Option Program). The total expense is recognized over the vesting period, which is the period over which all specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions and recognizes the impact of the revision to original estimates, if any, in the accompanying consolidated statements of operations, with a corresponding adjustment to equity. Social Security contributions payable in connection with an option grant are considered an integral part of the grant itself and the charges are treated as cash-settled transactions.

Statements of Cash Flows

The accompanying consolidated statements of cash flows are prepared in accordance with the indirect method.

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, interest-bearing borrowings, and interest-bearing convertible debt. The Group's interest-bearing borrowings require certain financial covenants to be maintained. The Group was in compliance with its financial covenants as of 31 December 2024 (see Note 19 – Borrowings).

As of 31 December 2024, and 2023, the Group's consolidated equity consisted of USD 202.8m and USD 283.1m, respectively, equity share, which comprise of total equity divided by total assets, was 74% and 83%, respectively, and net interest-bearing debt, which comprise of total interest-bearing borrowings excluding the effects of IFRS 16, was USD 32.7m and USD 20.1m, respectively. The Group's Board of Directors (the "Board") considers the Group's capital base adequate given the scale of its operations.

On 23 May 2024, the Group held its Annual General Meeting (the "2024 AGM"). Through the 2024 AGM, the Board was given the authority to increase total authorized share capital by up to NOK 1,680,000 through the issuance of up to 1,680,000 total shares, with a face value of NOK 1.00 at the time (NOK 0.10 prior to the 10:1 reverse stock split recorded on). The authorization was then used as part of the October 2024 Private Placement. Further, the EGM on 17 September 2024 granted an authorization to the Board to increase the share capital by up to NOK 32,130,000 through the issuance of up to 642,600,000 new shares, with a face value of NOK 0.05 at the time (NOK 1.00 prior to the subsequent 200:1 reverse stock split recorded on 23 January 2025).

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

The Group's material accounting policies regarding financial instruments are disclosed in Note 1 – Summary of Material Accounting Policies, and the Group's financial instruments are detailed in Note 13 – Financial Instruments.

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

Market Risk

Interest Rate

The Group's interest rate risk relates primarily from borrowings from financial institutions with variable rate interest. When possible, the Group manages its interest rate risk by entering fixed-interest loans. The Group through ASUS holds the US Term Loan which carried an annualized borrowing rate of SOFR plus 5.0% as of 31 December 2024 (see Note 19 – Borrowings). The margin grid calls for a maximum of 5.0% and allows for a lower margin based on the net debt to EBITDA ratio. Currently, the Group does not maintain a program to hedge its variable rate exposure. Changes in the interest rate can affect future investment opportunities.

The Group also holds a Convertible Debt that carries an annualized interest rate of 10.0% (paid-in-kind), in which the interest is capitalized and added to the outstanding principal and thus the interest cost is not paid.

Interest Rate Sensitivity

For the years ended 31 December 2024 and 2023, the following represents the Group's potential interest expense effect based on a 1% increase on the floating interest rate:

(USD 1.000)	2024	2023
Effect on profit before income tax	491	454

Foreign Currency

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 currency denominated bank accounts, analyzing future obligations by currency, and transferring funds as needed. The Group has not entered into derivative or other agreements to reduce the exchange rate risk and the related market risk.

As of 31 December 2024 and 2023, the Group's cash balances were held in the following currencies:

(USD 1.000)	2024	2023
USD	28,951	15,347
NOK	259	6,733
DKK	200	403
EUR	37	53
Total cash	**29,447**	**22,536**

As of 31 December 2024 and 2023, all of the Group's long-term interest-bearing borrowing balances were held in USD.

Foreign Currency Sensitivity

For the years ended 31 December 2024 and 2023, the Group's sensitivity to exchange rate movement was limited to its exposure to monetary items in a currency different than their functional currency.

Global Sensitivity

The Group is exposed to risk from changes in regulatory conditions for international trade. The Group imports salmon feed from Canada and is exposed to risk of changes in international trade regulatory conditions such as tariffs. The Group imports equipment, components, and services from various countries and is exposed to changes to international trade conditions. The Group sells salmon in the American market and the price achievement may be affected by changes in international trading conditions accordingly.

Credit Risk

Financial instruments, which potentially subject the Group to credit risk, consist principally of cash and trade receivables. Cash is maintained with major financial institutions. The Group extends credit to some of its customers and management recognizes that extending credit and setting appropriate reserves for accounts receivable is largely a subjective decision based on knowledge of the customer. Accordingly, the Group trades only with recognized and creditworthy third parties and does not require collateral on trade receivables from its customers. Management periodically evaluates credit exposure in the aggregate and by individual credit and periodically reviews the creditworthiness of its customers to ensure the overall quality of the Group's credit portfolio. This takes into consideration expected 12-month and lifetime credit losses as well as other risks that may have arisen since original recognition. Further, the Group's trade receivables are credit insured unless an exception is approved by the CEO. As of 31 December 2024, the Group held an allowance for uncollectible trade receivables of USD 1.4m. Credit risk associated with revenue is limited to the amount of trade receivables outstanding for each customer.

Liquidity Risk

The Group continuously monitors liquidity and financial projections through budgets and monthly updated forecasts. The Group believes that it is appropriate to prepare the Annual Report based on a going concern assumption based on its forecasted performance in which it has sufficient financing to achieve proven state biomass and generate positive cash flow from operations.

The Group's estimation on its future financial position and liquidity requirements is based on several key assumptions, which are subject to various risks and uncertainties:

- Our internal outlook on price achievement (vs salmon spot prices, which have historically been volatile).
- Impacts from fluctuations in production, harvest volumes, and biological issues.
- Changes in feed process, which generally correlate to the marine and agricultural commodity prices of the main ingredients.
- Full discretion over the speed of US Phase 2 construction, which may allow the Group to better manage liquidity, but at the potential cost of delays and timing of expanded production.

The provisions of the amended 2020 Credit Facility contain financial covenants to be maintained by the Group (see Note 19 – Borrowings). The Group believes it has made reasonable judgments and estimates with respect to the key assumptions above. Should there be any potential adverse impacts or factors to the above that may materially affect the Group's overall operational and construction plan, it could lead to a breach in the Group's required minimum EBITDA covenant. In turn, this would require the Group to obtain a formal waiver from its Lenders to prevent outstanding borrowings from becoming currently due.

The following are the remaining contractual maturities of the Group's financial liabilities as of 31 December 2024 and 2023, which include gross undiscounted principal and interest payments and exclude the impact of netting agreements:

31 December 2024 (USD 1.000)	Trade and other payables	Lease liabilities	Interest on lease liabilities	Borrowings	Interest on borrowings	Total
Up to 3 months	6,968	120	34	-	996	8,118
Between 3 and 12 months	-	374	86	-	3,044	3,504
Between 1 and 2 years	-	545	80	41,674	3,232	45,531
Between 2 and 5 years	-	393	128	-	-	521
Over 5 years	-	309	119	20,458	-	20,886
Total financial liabilities	**6,968**	**1,741**	**447**	**62,132**	**7,272**	**78,560**

31 December 2023 (USD 1.000)	Trade and other payables	Lease liabilities	Interest on lease liabilities	Borrowings	Interest on borrowings	Total
Up to 3 months	14,336	109	43	1,250	1,106	16,844
Between 3 and 12 months	-	341	114	3,750	3,143	7,348
Between 1 and 2 years	-	489	120	37,603	1,274	39,486
Between 2 and 5 years	-	873	189	-	-	1,062
Over 5 years	-	367	187	-	-	554
Total financial liabilities	**14,336**	**2,179**	**653**	**42,603**	**5,523**	**65,294**

The thirteenth amendment to the 2020 Credit Facility was formally signed and committed on 20 August 2024. The debt was structured under many of the same key terms while others were modified. Of note, EBITDA covenants were reset, quarterly principal installments were placed on pause until 2026, and the delayed undrawn Term Loan for Phase 2 capital expenditures was uncommitted. Accordingly, the total amounts were restructured into a fully committed credit facility of USD 60.8m and represents the amounts extended as of 31 December 2024 (see Note 19 – Borrowings for further details).

Subsequently, the fourteenth amendment to the 2020 Credit Facility was formally signed and committed on 28 March 2025. The fourteenth amendment reset the required Q1 2025 EBITDA covenant levels while significantly all other key terms, including the debt structure, remained the same as the previous amendment (see Note 23 – Subsequent Events for further details).

Following the expected delayed improved EBITDA as communicated by the Company through a stock exchange notice on 27 February 2025, The Company is expecting to enter into agreement with the bank to also reset the required EBITDA covenant for the remaining quarters of 2025.

The Group has two strategic divisions, which represent its reportable segments. The Group's executive management reviews the internal management reports of each division. As of 31 December 2024 and 2023, the Group's reportable segments consisted of the following:

Denmark Operations

The Group's initial production facility in Hvide Sande, Denmark is a wholly owned subsidiary located on the west coast of Denmark and was in operation from 2011 to 2022. Since commencement of operations, approximately 45 batches of Atlantic salmon were introduced into the Denmark Bluehouse. The Denmark Bluehouse had an annual production capacity of approximately 2,400 tons HOG and a tank volume of approximately 17,000 m³, distributed across twenty tanks. The Group is currently reviewing its strategy for its Danish site following the 15 September 2021 Denmark Bluehouse fire, cash settlement of DKK 180.0m (USD 25.3m equivalent upon receipt in June 2022), and significant demolition efforts completed by end of 2023.

US Operations

The Group owns the land in Homestead, FL, US through ASSF and operates the proprietary Bluehouse land-based salmon farm through ASUS. US Phase 1 construction of the Miami Bluehouse was complete as of 31 December 2021. The US Phase 2 expansion construction is currently on hold, and is expected to resume in 2026 and is expected to add an additional estimated 15,000 tons HOG of annual production capacity, for a total capacity of approximately 25,000 tons HOG.

For the years ended 31 December 2024 and 2023, the Group's segment information consisted of the following:

Year ended 31 December 2024 (USD 1,000)	Denmark operations	US operations	Other and eliminations	Consolidated
Revenue from sale of salmon	-	22,819	-	22,819
Cost of goods sold	39	83,056	-	83,095
EBITDA	(100)	(148,121)	(542)	(148,763)
EBITDA, pre-fair value adjustment	(100)	(152,178)	(542)	(152,820)
EBITDA, adjusted*	(100)	(79,178)	(542)	(79,820)
Pre-tax income (loss)	(144)	(173,378)	6,201	(167,321)
Total assets	1,811	252,469	19,393	273,673
Total liabilities	1,925	152,684	(83,768)	70,841
Depreciation and amortization	20	14,399	(1)	14,418
Interest income	7	1,088	3,080	4,175
Interest expense	31	11,946	(3,662)	8,315
Impairment of non-current assets	-	73,000	-	73,000
Capital expenditures	-	8,782	-	8,782
Cash flows from operating activities	(1,106)	(87,184)	925	(87,365)
Cash flows from investing activities	6	(8,103)	725	(7,372)
Cash flows from financing activities	923	93,892	8,044	102,859

** EBITDA adjusted for fair value adjustment on biological assets, impairment of non-current assets, and insurance settlement proceeds from Denmark*

Year ended 31 December 2023 (USD 1,000)	Denmark operations	US operations	Other and eliminations	Consolidated
Revenue from sale of salmon	-	13,995	-	13,995
Cost of goods sold	35	67,106	-	67,141
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 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
Interest income	4	743	769	1,516
Interest expense	34	13,025	(3,973)	9,086
Impairment of non-current assets	-	35,000	-	35,000
Capital expenditures	-	21,399	-	21,399
Cash flows from operating activities	(153)	(77,988)	379	(77,762)
Cash flows from investing activities	4	(34,252)	767	(33,481)
Cash flows from financing activities	378	103,758	6,189	110,325

** EBITDA adjusted for fair value adjustment on biological assets, impairment of non-current assets, and insurance settlement proceeds from Denmark*

For the years ended 31 December 2024 and 2023, significantly all the Group's revenue consisted of the sale of salmon, and the Group's disaggregation of revenue with customers consisted of the following:

(USD 1,000)	2024	2023
Revenue from external customers in:		
United States	20,466	13,645
Canada	2,353	350
Other countries	-	-
Total revenue from external customers	**22,819**	**13,995**

For the years ended 31 December 2024 and 2023, the Group's concentration of revenue consisted of the following:

(USD 1,000)	2024	2023
Sales per customer:		
Customer A	6,514	5,975
Customer B	2,608	1,226
Customer C	2,362	431
Customer D	1,639	650
Customer E	1,513	61
Other customers	8,183	5,652
Total revenue from external customers	**22,819**	**13,995**

Selling, General, and Administrative Costs

For the years ended 31 December 2024 and 2023, the Group's selling, general, and administrative ("SG&A") costs consisted of the following:

(USD 1,000)	Note	2024	2023
General and administrative costs		6,844	4,444
Professional fees	7	2,567	2,233
Sales and marketing		1,167	1,113
Leases	8	112	68
Maintenance and supplies		1,679	126
Total selling, general, and administrative costs		**12,369**	**7,984**

For the year ended 31 December 2024, the Group wrote down spare parts inventory of USD 1.2m and is reflected as part of maintenance and supplies within SG&A, of which USD 0.4m was a management estimate towards its inventory allowance.

The Group incurred property taxes of USD 1.2m (USD 0.8m through ASUS and USD 0.4m through ASSF) for the year ended 31 December 2024 and USD 1.4m (USD 1.1m through ASUS and USD 0.3m through ASSF) for the year ended 31 December 2023. The amounts are included as part of general and administrative costs within the Group's SG&A costs.

Other Income, Net

For the years ended 31 December 2024 and 2023, the Group's other income, net consisted of the following:

(USD 1,000)	2024	2023
Other income and gain	251	2,060
Income from land lease	36	-
Other expense and loss	(228)	(137)
Disposal of non-current assets	-	4
Total other income, net	**59**	**1,927**

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, depreciation, 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. Fish in the saltwater ongrowing systems (from approximately 1kg average weight) are considered to be harvestable.

NON-HARVESTABLE FISH (MEASURED AT COST)

Fish held in tanks prior to being stocked in the ongrowing tanks, 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 ongrowing tanks are considered harvestable and is 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 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 31 December 2024, all biological assets in ongrowing tanks 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.

As of 31 December 2024 and 2023, the Group's biological assets consisted of the following:

(USD 1,000)	2024	2023
Cost of biological assets	34,828	38,112
Fair value adjustments	(17,837)	(21,894)
Total biological assets	**16,991**	**16,218**
Cost of biological assets (harvestable fish)	32,759	30,474
Fair value adjustments	(17,837)	(21,894)
Total biological assets of harvestable fish	**14,922**	**8,580**
Cost of biological assets (non-harvestable fish)	2,069	7,638
Total biological assets	**16,991**	**16,218**

The following represents a reconciliation of changes in the carrying amount of the Group's consolidated biological assets for the years ended 31 December 2024 and 2023:

(USD 1,000)	2024	2023
Biological assets at beginning of year	16,218	18,690
(Loss) gain arising from changes in fair value less costs to sell	4,057	(14,095)
Increases from purchases towards production	74,168	72,568
Net changes in production depreciation	(212)	586
Decreases due to harvest	(60,346)	(23,755)
Decreases due to mortality	(923)	(12,150)
Decreases due to underutilized plant capacity	(15,971)	(25,626)
Biological assets at end of year	**16,991**	**16,218**

As of 31 December 2024 and 2023, the Group's physical volumes of biological assets consisted of the following:

(USD 1,000)	2024	2023
Live weight of biomass (in tons RLW)		
Non-harvestable fish	102	647
Harvestable fish	3,081	2,402
Total live weight of biomass (in tons RLW)	**3,183**	**3,049**
Number of fish (in thousands)		
Non-harvestable fish	2,452	4,013
Harvestable fish	1,701	1,558
Total number of fish (in thousands)	**4,153**	**5,571**

Sensitivity Analysis

Although the Group has acquired expertise in assessing various factors regarding biomass, the estimate of unrealized fair value adjustment under IFRS 13 is based on several uncertain assumptions, and the realized profit ultimately achieved upon the sale of inventory may differ from the calculations of fair value accordingly.

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

- **Price:** The key element in approximating fair value is the assumed market price expected to be achieved on the future date in 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 Euronext - European Salmon Futures to improve reliability and comparability of the price estimation. Monthly average price achievement for fish used towards the fair value calculation ranged from USD 8 to 12 per kg HOG.
- **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. Variable costs are primarily driven by feed, oxygen, chemicals, and electricity. The monthly average variable costs used towards the fair value calculation is approximately USD 3 to 4 per kg HOG.

- HARVEST VOLUME
  - **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. Harvest volume of 5,200t HOG taken into consideration for FMV based on fish that were in ongrowing tanks, with a live fish weight of approximately 4 kg to be the optimal harvest weight.
  - **Mortality:** Normal culling and mortality rates are used to estimate the expected volume of biomass that will reach optimal harvest weight. Culling is discretionary while normal monthly mortality in our ongrowing systems is expected to be approximately 1% to 2%.
- **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.

As of 31 December 2024 and 2023, the estimated effect on the book value of biological assets was as follows:

(USD 1,000)	Increase	2024	2023
Change in estimated price	2%	1,074	490
Change in estimated remaining costs to sell	2%	776	319
Change in estimated harvest volume	2%	972	403
Change in estimated discount rate	2%	(277)	(86)

Incident-Based Mortality

During the year ended 31 December 2024, ASUS experienced significantly lower mortality levels compared to prior years.

During the year ended 31 December 2023, ASUS experienced elevated mortality levels in the periods where water quality conditions were suboptimal as described in the Board of Directors' report, but no single incident-based mortality occurred.

During the ordinary course of business, the Group capitalizes portions of total salary and personnel costs towards biological assets and assets under construction.

For the years ended 31 December 2024 and 2023, the Group's salary and personnel costs consisted of the following:

(USD 1.000)	2024	2023
Salaries, including holiday pay and bonuses	19,692	14,509
Payroll taxes	1,346	1,167
Pension costs	433	392
Share-based compensation benefits	145	(365)
Temporary labor	748	725
Other payroll costs and benefits	218	164
Total salary and personnel costs	**22,582**	**16,592**
Less: production labor capitalized towards biological assets	(13,093)	(9,977)
Less: construction labor capitalized towards assets under construction	(272)	(450)
Less: processing labor recognized towards cost of goods sold	(1,983)	(2,114)
Total administrative salary and personnel costs	**7,234**	**4,051**

For the years ended 31 December 2024 and 2023, the Group employed 237 and 158 full-time employees, respectively.

For the years ended 31 December 2024 and 2023, total compensation to the Group's Board of Directors consisted of the following:

(USD 1.000)	2024	2023
Kenneth Jarl Andersen, Chairman (1)	118	99
Eirik Welde, Deputy Chairman	83	50
Ellen Marie Sætre, Director	84	72
Marta Rojo Alonso, Director (2)	94	57
Patrick Dempster (4)	54	57
André Skarbø, Director (5)	-	68
Tone Bjørnov, Director (3)	-	23
Patrice Flanagan, Director (3)	-	21
Johan E. Andreassen, Chairman (3)	-	-
Total Board of Directors	**433**	**447**

(1) Stepped in on 23 May 2023 as Chairman

(2) Stepped in on 23 May 2023

(3) Stepped down on 23 May 2023

(4) Stepped in on 23 May 2024

(5) Stepped down on 23 May 2024

The Group has an audit committee with Marta Rojo Alonso as committee leader and Ellen Marie Sætre as committee member.

The Group's remuneration to executive management consists of the Group's ordinary pension schemes (see Note 20 – Pensions) and no additional pension scheme for executive management is in place. There are severance clauses in each respective executive officer's employment agreements with varying terms based on termination for cause or not-for-cause.

For the years ended 31 December 2024 and 2023, the Group's remuneration to executive management consisted of the following:

Executive management (USD 1.000)	Salary	Bonus	Pension contribution	Other benefits	Total	Share-based compensation
Year ended 31 December 2024						
Pedro Courard, CEO	202	62	6	-	270	262
Johan E. Andreassen, CEO and Managing Director of ASA	356	250	14	505	1,125	-
Rest of management team *	1,593	225	49	384	2,251	285
Total remuneration to executive management	**2,151**	**537**	**69**	**889**	**3,646**	**547**
Year ended 31 December 2023						
Johan E. Andreassen, CEO and Managing Director of ASA	500	-	13	2	515	848
Rest of management team **	1,331	12	44	31	1,418	253
Total remuneration to executive management	**1,831**	**12**	**57**	**33**	**1,933**	**1,101**

** Management team in 2024 consisted of CEO Pedro Courard (from August 2024), Deputy CEO and CFO Gunnar Aasbo-Skinderhaug (from June 2024), CTO Mario Palma, CDIO Svein Taklo (until November 2024), Head of HR & HSSE Valerie Leath, CSMO Damien Claire, CEO Johan E. Andreassen (until August 2024), and CFO Karl Øystein Øyehaug (until June 2024).*

*** Management team in 2023 consisted of CEO Johan E. Andreassen, CFO Karl Øystein Øyehaug, COO Jon-Birger Løvik (until November 2023), COO Mario Palma (from October 2023), CDIO Svein Taklo, CBO Alejandro Castro (until March 2023), and Head of HR & HSSE Valerie Leath (from March 2023).*

For the year ended 31 December 2024, the Group's severance to former executive management not included within the 2024 table above consisted of USD 277k to Jon-Birger Løvik, who stepped down as the Group's COO on November 2023.

Total remuneration and severance to executive management are included as part of total salary and personnel costs in the accompanying consolidated statements of operations.

Board of Directors' Statement on Remuneration of Executive Management

The Group's Board of Directors determines the principles applicable to the Group's policy for compensation of executive management and, as a separate document from this Annual Report, presented its statement on such principles for the 2024 financial year during the Group's Annual General Meeting ("AGM") in accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act.

Pursuant to Section 5-6 (3) of the Norwegian Public Limited Companies Act, the Group's AGM held a consultative vote over this statement. However, the guidelines related to share-based incentive schemes (see "Long-Term Incentive Program" below) was voted on and binding for the Group's Board of Directors (cf. Section 5-6 (3) of the Norwegian Public Limited Companies Act).

The following principles guide the determination of compensation and other incentive awards regarding the remuneration of the Group's executive management. The Group's remuneration policy seeks to promote growth, reward performance, and motivate executive management to maximize the creation of sustainable, long-term shareholder value.

Guidelines for Executive Management Compensation

Atlantic Sapphire's long-term goal is to transform the salmon farming industry and become a global leader in sustainable, high-quality protein production through innovation and the responsible implementation of land-based aquaculture technology. Executive management plays a critical role in achieving this goal.

The principles supporting the Group's remuneration policy are as follows:

- Offer executive compensation that is competitive, both on industry and national (US) levels, to attract and retain top managerial talent.
- Emphasize a collaborative culture and a lean organizational structure.
- Provide incentives that foster the creation of sustainable, long term shareholder value.
- Ensure that the Group's executive management is aligned with key organizational goals.

Fixed Compensation

Fixed compensation comes in the form of base salaries paid to executive management and are intended to attract and retain talented individuals. It is set to reflect market standards, each executive's respective roles and responsibilities within the Group, as well as such person's experience as it relates to his or her position. Over time, Atlantic Sapphire expects the base salaries of executive management to be at or around the market median for comparable positions in the industry and in the US.

The Group may pay above or below the market median for certain individuals for a variety of reasons, including, but not limited to, knowledge and skill, scarcity of qualified candidates, individual capabilities and contributions, time in the industry and organization, importance of the role to the Group overall and potential for future growth.

Long-Term Incentive Program

The key objectives of Atlantic Sapphire's long-term incentive ("LTI") program are to align the interests of executive management, employees and shareholders and provide the Group's employees an opportunity to share in the value creation and long-term development of the Group. See Note 18 – Share Option Program for further details.

Individual LTI grants will be determined based on the Group's performance, comparable market practices and performance. At this time, the LTI grants provided by the Group include the following: 1) Share options granted at a strike price of 0-50% above the five-day trading average as of the date of grant. All share options referenced above and granted under the LTI program are subject to a three-year vesting period and certain other requirements.

Retirement Benefits

The Group has a 401(k) plan, which is open to all employees after the first three months of employment. The Group will make a matching contribution on each employee's behalf equal to (1) 100% of such employee's contribution up to 3% of such employee's base salary, plus (2) 50% of the amount of such employee's contribution that exceeds 3% of base salary, up to 5% of the employee's base salary, for the calendar year. The 401(k) plan has no vesting requirements.

Severance Pay

The Group has individual employment agreements with executive management, which also provide for certain terms and conditions with respect to notice periods and severance pay should the Group terminate or request the resignation of the executive.

Benefits in Kind

In addition to fixed and variable compensation, members of executive management are provided with other benefits, such as a mobile phone, laptop, and transportation reimbursement. Executive management also receive health, vision, and dental insurance, as well as short-term and long-term disability and life insurance. Other than health insurance, the total value of these benefits are de minimis and account only for a limited portion of each executive's total remuneration package.

For the years ended 31 December 2024 and 2023, remuneration to the Group's auditors, excluding VAT, consisted of the following:

(USD 1.000)	2024	2023
Statutory auditing services	762	586
Tax advisory services	-	-
Other services	74	-
Total auditor's fees	**836**	**586**

Total amounts towards auditor's fees are included as part of professional fees in SG&A costs (see Note 4 – Other Operating Expenses and Income).

The Group leases certain land, offices, vehicles, and equipment under various lease agreements with lessors under IFRS 16, Leases, in which the Group establishes a right of use asset and lease liability for material leases. The Group's leases do not contain variable lease payment terms.

For the years ended 31 December 2024 and 2023, total rent expense recognized under the short-term exemption under IFRS 16 consisted of USD 0.1m and USD 0.1m, respectively, and is included as part of leases in SG&A costs (see Note 4 – Other Operating Expenses and Income).

For the years ended 31 December 2024 and 2023, the reconciliation of the Group's right of use asset and liability consisted of the following:

Year ended 31 December 2024 (USD 1.000)	Right of use asset	Lease liability
Carrying amount, opening balance	1,971	2,179
New contracts	43	-
Amortization	(496)	-
Lease payments	-	(413)
Currency effects	(17)	(25)
Carrying amount, closing balance	**1,501**	**1,741**

Year ended 31 December 2023 (USD 1.000)	Right of use asset	Lease liability
Carrying amount, opening balance	2,512	2,634
Amortization	(495)	-
Lease payments	-	(418)
Termination of agreements	(54)	(50)
Currency effects	8	13
Carrying amount, closing balance	**1,971**	**2,179**

For the years ended 31 December 2024 and 2023, amortization of the Group's right of use assets was USD 0.5m and USD 0.5m, respectively, and is included as part of depreciation and amortization in the accompanying consolidated statements of operations. For the years ended 31 December 2024 and 2023, lease liability interest expense was USD 0.2m and USD 0.2m, respectively, and is included as part of finance expense in the accompanying consolidated statements of operations.

Land Lease

The Denmark Bluehouse was built upon land that is currently leased under an agreement with a third party. The current lease commenced on 1 April 2018 and expires on 31 October 2037.

Equipment Leases

During the ordinary course of business, the Group leases certain equipment under lease agreements with third parties to facilitate operations.

In 2022, ASUS entered into lease agreements of processing equipment in Miami, Florida under Meridian Leasing. Subject to the provisions of the lease agreements, two separate components were identified: a fileting line and a packing line with total minimum lease contract payments of approximately USD 2.5m and USD 0.3m, respectively. In accordance with IFRS 16, ASUS recognized the present value of the allocated minimum lease payments towards the filleting line and packing line components as a right of use asset and the related lease liability in June and December 2022, respectively. The fileting line and packing line lease terms commenced on 1 July 2022 and 1 January 2023, respectively, and both respective components are payable in 60 monthly installments based on an annual interest rate of Prime Lending Rate plus 4.5%.

In January 2021, ASUS experienced a breakdown in its internal chiller plant causing temporary temperature instability. As a result, ASUS incurred costs including USD 6.4m and USD 4.4m on temporary chiller leases for the years ended 31 December 2024 and 2023, respectively. The Group subsequently incurred approximately USD 1.9m in temporary chiller leases as of the date of this report. The Group plans to replace the temporary leased chillers with a permanently owned chiller facility from Phase 2 construction, in which the total chiller capacity will be sufficient to serve both Phase 1 and Phase 2 operations.

Future Lease Payments

As of 31 December 2024 and 2023, the Group's future lease payments under non-cancellable leases consisted of the following:

(USD 1,000)	Land	Vehicles	Equipment	Total
As of 31 December 2024				
Less than one year	32	10	572	614
Between one and five years	222	36	889	1,147
More than five years	428	-	-	428
Total future lease payments	**682**	**46**	**1,461**	**2,189**
As of 31 December 2023				
Less than one year	35	-	572	607
Between one and five years	211	-	1,460	1,671
More than five years	555	-	-	555
Total future lease payments	**801**	**-**	**2,032**	**2,833**

As of 31 December 2024 and 2023, the Group's property, plant, and equipment, net consisted of the following:

(USD 1,000)	Land	Buildings	Production, plant, and machinery	Equipment and other movables	Software	Assets under construction	Total
At 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**
Year ended 31 December 2024							
Opening net book amount	8,714	108,317	47,540	1,481	36	109,511	275,599
Additions	-	-	-	(13)	-	8,794	8,781
Depreciation and amortization charge	-	(4,658)	(8,498)	(519)	(36)	-	(13,711)
Impairment loss	-	(29,333)	(17,826)	(657)	-	(25,184)	(73,000)
Net exchange rate differences	-	(10)	(1)	-	-	-	(11)
Closing net book amount	**8,714**	**74,316**	**21,215**	**292**	**-**	**93,121**	**197,658**
At 31 December 2024							
Cost	8,714	157,514	111,056	3,630	765	129,250	410,929
Less: accumulated depreciation, amortization, and impairment	-	(83,198)	(89,841)	(3,338)	(765)	(36,129)	(213,271)
Closing net book amount	**8,714**	**74,316**	**21,215**	**292**	**-**	**93,121**	**197,658**
Economic life	(Perpetuity)	15-50 years	10-15 years	3-7 years	3 years	(Not in service)	
Depreciation plan	(Perpetuity)	20 years	15 years	5 years	3 years	(Not in service)	

(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 and amortization 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**
Economic life	(Perpetuity)	15-50 years	10-15 years	3-7 years	3 years	(Not in service)	
Depreciation plan	(Perpetuity)	20 years	15 years	5 years	3 years	(Not in service)	

Depreciation and Amortization Expense

For the years ended 31 December 2024 and 2023, the Group's depreciation and amortization consisted of the following:

(USD 1,000)	2024	2023
Fixed asset depreciation and amortization	13,711	13,929
Right of use depreciation	495	496
Changes in biomass	212	(586)
Total depreciation and amortization	**14,418**	**13,839**

Gross depreciation attributed to the US Phase 1 Bluehouse is capitalized to biological assets during production and subsequently expensed as period cost upon the harvest of live fish out of the Bluehouse. As such, the total depreciation and amortization expense presented on the Group's accompanying consolidated statements of operations includes the net effect of biomass depreciation from production and harvest.

Debt Secured by Borrowings

Substantially all the Group's property, plant, and equipment are secured by its borrowings (see Note 19 – Borrowings).

Contractual Commitments

The Group has built, or is in the process of building, Bluehouse facilities in Homestead, Florida, US. As of 31 December 2024 and 2023, significant capital expenditures contracted for at the end of the reporting periods, but not recognized as liabilities, were related to US Phase 2 construction based on signed bid packages and certain Phase 1 enhancement projects. Such amounts are based on projected billings on work completed based on the speed of construction determined solely at the Group's discretion. As of 31 December 2024, the Group has not committed to any new significant future contractual scope.

Impairment of Non-Current Assets

Atlantic Sapphire USA LLC

For the years ended 31 December 2024 and 2023, certain indicators existed that led us to test for impairment under IAS 36. Such factors included market value declines in ASA's share price, accumulated losses from prior years, higher-than-normal mortality levels and production challenges, and external market factors that caused inflationary pressure and increased market interest rates.

For purposes of the impairment assessment, we viewed both Phase 1 and Phase 2 of the Miami Bluehouse as one single cash generating unit ("CGU") for ASUS. Phase 2 expansion comprises ongrowing saltwater farm capacity to Phase 1 and is reliant on the existing freshwater systems to bring biomass from egg to smolt. Therefore, Phase 2's ability to increase overall farm capacity with ongrowing saltwater systems cannot exist without the existence of Phase 1. The recoverable amount of the CGU is based on value in use.

The Group has already performed work related to Phase 2 construction and is included as part of assets under construction within the carrying value of property, plant, and equipment. As the Group has already incurred cash outflows related to Phase 2 construction, both the remaining capital expenditure and future cash inflows from increased production capacity is included in the cash flow forecast used for value in use. Further information is given below.

The impairment assessment consisted of a discounted cash flow analysis based on forecasts for the next 5 years, followed by a period of 45 years with extrapolated cash flows (the "Extrapolation Period"), which aligns with the estimated remaining useful life of the Group's infrastructure assets.

The Group believes it has made reasonable judgments and estimates with respect to the underlying key assumptions below:

- Discount rate and long-term growth.
- Production and harvest assumptions.
- EBITDA / margins.
- Capital expenditure assumptions.
- Weighted scenario analyses that contemplated sensitivity on the key inputs indicated above.

The underlying key assumptions are subject to various risks and uncertainties. Should there be a change in such assumptions or performance, which directly influence our discounted cash flow projections and scenarios, such change may result in a need to adjust or reverse the impairment allowance in future periods.

Discount Rate and Long-Term Growth

To discount cash flows towards our discounted cash flow analysis, we used an internal weighted average cost of capital ("WACC") calculation of 9.6%. The WACC is estimated based on a market approach and management applied an extra risk factor of 1% point on top of our baseline WACC given our limited operational history and as a new part of the salmon farming industry, and use of a weighted scenario approach. The annual growth rate in the Extrapolation Period is assumed to be 2% based on expected inflation.

Production and Harvest Assumptions

Baseline Phase 1 production and harvest assumptions were based on those used towards the 2025 budget and subsequent modifications to the revised forecast. Our biological growth assumptions are based on empirical data obtained from the conventional industry and supported by growth seen under similar conditions in other land-based facilities. Although we believe that it is possible to achieve higher growth rates upon proven state, we also acknowledge that we've historically faced operational challenges that have affected our ability to maintain stable water quality at times. Therefore, at times, we may adjust the expected growth and resulting harvest at the individual batch level in the facility to provide a more accurate view specific to the respective batch.

Under Phase 1 proven state production, the Phase 2 production ramp-up is modeled to start approximately nine months prior to the commissioning of Phase 2 saltwater systems. The commissioning of Phase 2 increases production flexibility, allowing for an increase in harvest weights which temporarily results in lower harvest volumes to reach a fully stocked farm. This will result in accumulation of balance sheet cost of production and operational losses until total combined Phase 1 and 2 proven state standing biomass is achieved and full Phase 2 harvest can commence.

Phase 1 Bluehouse design capacity is 9.5k kg HOG annual production, and Phase 2 Bluehouse design capacity provides for an additional 15.5k kg HOG annual production. Therefore, combined design annual production capacity upon proven state Phase 1 and 2 is approximately 25.0k kg HOG. For purposes of our impairment test, we considered annual production volumes of 7.2k kg HOG for Phase 1, 14.4k kg HOG for Phase 2, and therefore 21.6k kg HOG combined for Phases 1 and 2 with an approximate combined 86% utilization against design capacity.

EBITDA / Margins

- The budgeted EBITDA margin is expected to ramp up to 37% by the end of the Extrapolation Period.
- Revenue / kg (HOG) is expected to increase once average harvest sizes and product quality have reached targeted levels, corresponding to an EBITDA / kg (HOG) of USD 4.96.
- Cost of production: Variable costs are expected to directly correlate with the level of production and standing biomass levels. Of note, average feed costs are expected to be steady at approximately USD 2/kg. Overhead costs are expected to increase in correlation to the available volume of commissioned systems used in production.
- Selling, general, and administrative costs: General administrative costs are expected to slightly increase over time while selling costs are expected to increase in line with the increase in harvest and revenue volumes.

Capital Expenditure Assumptions

In 2023, the Group decided to pause Phase 2 construction while focusing on delivering the Phase 1 business first. As of 31 December 2024, approximately 1/4 of Phase 2 construction had been completed. The Group assumes to be ready to resume construction with a final budget and design towards the end of H2 2025, but the decision to move ahead remains solely at the Company's discretion and subject to having the necessary financing in place. Our baseline scenario below assumes the completion and commissioning of Phase 2 construction within the next few years for modeling purposes.

Weighted Scenario Assessment

Given the impairment indicators above, notably the current market cap lower than the balance value of the Group's net assets, management utilized weighted scenarios towards its value in use test on the CGU based on the discounted cash flow analysis to quantitatively demonstrate risk directly as follows:

- Scenario A – Baseline (45% weight): The baseline scenario represents the Company's best assessment of the business today, and it is understood that the achievement of economies of scale is driven by the completion of Phase 2 construction and beyond. Although this is regarded as the most likely scenario and would have not resulted in an estimated impairment as a standalone, higher weights were assigned to the unfavorable scenarios below given our historical operational challenges and in the interest of taking a conservative approach.
- Scenario B – Phase 1 only (20% weight): Based on the baseline scenario above, Company's clear expectation is that the goal is to finalize Phase 2 design and construction as soon as possible. Although not expected, a weight was assigned to this scenario to be conservative.
- Scenario C – EBITDA +15% (5% weight): The Company assigned a lower weight to a scenario in which EBITDA was 15% above our baseline scenario given past performance.
- Scenario D – EBITDA -15% (30% weight): Given previous past performance and taking a more conservative approach to the baseline Scenario A, the Company has shifted more weight from Scenario D to Scenario A.

Sensitivity Analysis

An EBITDA sensitivity of +/- 15% was incorporated in reference to scenarios C and D above towards the calculated NPV for the scenarios presented.

An additional WACC sensitivity of +/- 0.5% would affect the above weighted scenarios as follows:

Input description (USD 1,000)	Sensitivity	Overall increase (decrease) effect on weighted NPV
WACC sensitivity	+0.5%	(30)
WACC sensitivity	-0.5%	34

Based on our procedures and given the impairment indicators above, notably the current market capitalization of the Group being lower than the balance value of the Group's net assets, the Group estimated the recoverable amount of the CGU to be lower than the carrying amount of the CGU as of 31 December 2024 as follows:

(USD 1,000)	NPV	Weight %	Weighted NPV
Scenario A: Baseline	365	45%	164
Scenario B: Phase 1 only	(122)	20%	(24)
Scenario C: EBITDA (+15%)	516	5%	26
Scenario D: EBITDA (-15%)	214	30%	64
Weighted NPV of cash flows		**100%**	**230**
Carrying amount of the CGU			303
Current period impairment charge			**(73)**

As of 31 December 2024 and 2023, the Group held a USD 108.0m and USD 35.0m impairment allowance of non-current assets in the US, respectively, allocated by the amount based on each respective fixed asset category's cost basis.

For example, should 10% to 20% weight have been favorably allocated from Scenario B to Scenario A, the accumulated impairment would have been reduced by a range of USD 48.7m to USD 97.4m. Conversely, should 10% to 20% weight have been unfavorably allocated from Scenario A to Scenario B, the accumulated impairment would have been increased by a range of USD 48.7m to USD 97.4m.

Atlantic Sapphire Denmark A/S

On 15 September 2021, a fire broke out in the Denmark Bluehouse. Substantially all property, plant, and equipment related to its saltwater ongrowing systems were lost in the fire and an impairment of non-current assets of USD 34.8m was recognized. No adjustment or reversal of the impairment allowance has been recognized upon further assessment since the initial recognition in 2021.

For the years ended 31 December 2024 and 2023, finance income and expense, net consisted of the following:

(USD 1.000)	2024	2023
Interest income	1,744	1,290
Interest expense	(5,490)	(4,925)
Loss on loan modification	(321)	(601)
Finance and commitment fees	(2,504)	(3,554)
Other finance income	57	226
Currency exchange effects	2,374	(6)
Total finance expense, net	**(4,140)**	**(7,570)**

In accordance with IFRS 9, Financial Instruments, debt modification costs are considered towards presenting borrowings at amortized cost using the effective interest rate method and amortized over the life of borrowings as part of finance and commitment fees as part of total finance expense, net in the accompanying consolidated statements of operations.

For the years ended 31 December 2024 and 2023, ASUS incurred USD 1.1m and 1.6m of debt modification costs in connection with the amended 2020 Credit Facility, respectively. As of 31 December 2023, USD 0.5m of unamortized effective interest over the stated interest was recognized against borrowings. Upon further amendment in 2023, the existing net carrying value of the Group's borrowings was compared against the net present value of revised cash flows under the updated terms of borrowing. As a result, a modification loss on borrowings was recognized based on the difference between the stated interest over the effective interest and for the year ended 31 December 2024, the Group recognized USD 0.3m of loss on loan modification. As of 31 December 2024, the unamortized effective interest premium in connection to 2024 debt modifications was USD 0.8m and presented as part of borrowings in the Group's consolidated statements of position.

No proceeds from borrowings were obtained in 2024 or 2023 towards construction that would require interest to be capitalized under IAS 23, Borrowing Costs. As such, all borrowing costs were expensed as period cost as interest expense during the years ended 31 December 2024 and 2023.

For the years ended 31 December 2024 and 2023, other finance income consisted of USD 0.1m and USD 0.2m, respectively, in a patronage refund in connection with the amended 2020 Credit Facility (see Note 19 – Borrowings).

For the years ended 31 December 2024 and 2023, the Group's income tax expense consisted of the following:

(USD 1,000)	2024	2023
Income tax expense		
Current tax	-	-
Deferred tax	-	-
Income tax expense (benefit)	-	-
Current tax on profits for the year	-	-
Current tax	-	-
Deferred tax due to changes in temporary differences	(42,623)	(35,478)
Effect of change in tax rate	14	12
Tax losses for which no deferred tax asset is recognized	42,609	35,466
Deferred tax	-	-
Effective tax rate	**0.00%**	**0.00%**

For the years ended 31 December 2024 and 2023, the reconciliation of the Group's tax expense with the Norwegian tax rate consisted of the following:

(USD 1.000)	2024	2023
Reconciliation of tax benefit with the nominal tax rate		
(Loss) profit before tax	(167,321)	(133,758)
Nominal tax rate	22.00%	22.00%
Expected tax benefit using nominal tax rate	**(36,811)**	**(29,427)**
Non-deductible expenses (income)	(35,368)	(1,296)
Effect from different tax rate in other countries	(4,238)	(3,409)
Tax losses for which no deferred tax asset is recognized	76,417	34,132
Income tax	–	–

Changes in Tax Rate

The nominal tax rate in Norway remained at 22% in 2024 and 2023.

As of 31 December 2024 and 2023, the Group's deferred tax balances consisted of the following:

(USD 1,000)	2024	2023
Deferred tax balances		
The balance comprises temporary differences attributable to:		
Deferred tax assets:		
Tax losses	127,438	104,795
Property, plant, and equipment	15,813	1,525
Lease liability	333	433
Other	4,917	5,437
Employee stock options	1,003	969
Set-off tax	(305)	(6,025)
Net deferred tax assets after set-off	**149,199**	**107,134**
Unrecognized deferred tax assets	(149,199)	(107,134)
Net deferred tax assets	-	-
Deferred tax liabilities:		
Property, plant, and equipment	-	5,614
Right of use asset	305	411
Set-off tax	(305)	(6,025)
Net deferred tax liabilities	-	-

The Group's set-off tax represents a netting of deferred tax liabilities against deferred tax assets given that the Group's deferred tax assets exceeded deferred tax liabilities as of 31 December 2024 and 2023.

As of 31 December 2024, and 2023, the Group's carry forward of tax losses consisted of the following:

(USD 1,000)	2024	2023
Tax losses carried forward		
Expires (2033 and forward)	4,320	4,320
Never expires	525,833	434,814
Total tax losses carried forward	**530,153**	**439,134**
Tax losses for which deferred tax asset is recognized	-	-
Tax losses for which no deferred tax asset is recognized	**530,153**	**439,134**
Potential tax benefit	**127,438**	**104,795**

As of 31 December 2024, the Group had an estimated USD 530.2m of carry forward of tax losses attributed to Norway (USD 10.4m), Denmark (USD 41.1m), and US (USD 478.7m).

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 years ended 31 December 2024 and 2023 were presented retrospectively and adjusted as the capital raises in 2024 and 2023 represented shares issued below the market rate prior to the respective transactions. Following the 29 February 2024 capital raise, the number of shares for 2023 and 2024 prior to the new shares were adjusted with a factor of 1.05, while an additional factor of 1.97 was used for both 2023 and 2024 following October 2024 capital raise. Further, the weighted average number of shares outstanding have been adjusted to reflect the 30 May 2024 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), and the retrospectively adjusted weighted average number of shares outstanding have been adjusted to further reflect the subsequent 22 January 2025 reverse stock split (in which two hundred old shares at NOK 0.05 par value were consolidated to give one new share at NOK 10.00 par value).

For the years ended 31 December 2024 and 2023, the Group's earnings per share consisted of the following:

	2024	2023
Loss attributable to the ordinary equity holders of the Group	(167,321,000)	(133,758,000)
Loss for calculation of diluted earnings per share	(167,321,000)	(133,758,000)
Weighted average number of shares outstanding	1,870,022,079	37,996,155
Stock options*	-	-
Weighted average number of ordinary and potential shares	**1,870,022,079**	**37,996,155**
Basic earnings per share (USD per share)	(0.09)	(3.52)
Diluted earnings per share (USD per share)	(0.09)	(3.52)
Retrospectively adjusted weighted average number of shares outstanding	9,731,407	392,952
Stock options*	-	-
Retrospectively adjusted weighted average number of ordinary and potential shares	**9,731,407**	**392,952**
Retrospectively adjusted basic earnings per share (USD per share)	(17.19)	(340.39)
Retrospectively adjusted diluted earnings per share (USD per share)	(17.19)	(340.39)

* Stock options are not included in the calculation of diluted earnings per share because they are anti-dilutive and would decrease loss per share.

As of 31 December 2024 and 2023, the Group's financial instruments consisted of the following:

Financial assets (USD 1.000)	Amortized cost	Fair value through P&L	Total
As of 31 December 2024			
Trade and other receivables	4,715	-	4,715
Cash	29,447	-	29,447
Restricted cash	415	-	415
Restricted deposits	15,180		15,180
Security deposits	1,604	-	1,604
Total financial assets	**51,361**	**-**	**51,361**
As of 31 December 2023	1,636		1,636
Trade and other receivables	22,536	-	22,536
Cash	415	-	415
Restricted deposits	15,172	-	15,172
Security deposits	1,353		1,353
Other investments	-	6	6
Total financial assets	**41,112**	**6**	**41,118**

Financial liabilities (USD 1,000)	Amortized cost	Fair value through P&L	Total
As of 31 December 2024			
Trade and other payables	6,968	-	6,968
Borrowings	41,674	-	41,674
Convertible debt	-	20,458	20,458
Total financial liabilities	**48,642**	**20,458**	**69,100**
As of 31 December 2023			
Trade and other payables	14,336	-	14,336
Borrowings	42,603	-	42,603
Convertible debt	-	-	-
Total financial liabilities	**56,939**	-	**56,939**

As of 31 December 2024 and 2023, the Group's trade and other receivables consisted of the following:

(USD 1,000)	2024	2023
Trade receivables	5,060	1,146
Provisions for bad debt	(1,409)	-
Other current receivables	15	9
Other non-current receivables	1,049	481
Total trade and other receivables, net	**4,715**	**1,636**

As of 31 December 2024 and 2023, the Group's trade and other receivables, specified by currencies, consisted of the following:

(USD 1,000)	2024	2023
USD	4,715	1,636
Other currencies	-	-
Total trade and other receivables, net	**4,715**	**1,636**

As of 31 December 2024 and 2023, the Group's trade and other receivables were due within one year. Due to the short-term nature of current receivables, the fair value of the Group's trade and other receivables was equal to nominal value, net of a provision for uncollectible accounts. As of and for the year ended 31 December 2024, management considered an allowance for doubtful accounts of USD 1.4m necessary. There was no material bad debt recognized for the year ended 31 December 2023.

As of 31 December 2024 and 2023, the Group's inventories consisted of the following:

(USD 1,000)	2024	2023
Raw materials	1,494	991
Spare parts inventory	4,024	3,792
Finished goods inventory	631	356
Total inventories	**6,149**	**5,139**
Less: allowance for inventory	(420)	-
Inventories, net	**5,729**	**5,139**

The Group's inventory consists primarily of raw materials, spare parts, and finished products. Raw materials comprise mainly of feed for smolt and marine-phase fish production, and packaging materials used for processing. Spare parts comprise of consumables to be used at a future date through operations. Finished goods comprise of all salmon products ready for sale which include fresh head-on-gutted salmon, processed salmon products, and frozen salmon products.

For the year ended 31 December 2024, the Group recognized a USD 0.4m allowance of its spare parts inventory to allow for variations of on-hand vs in-transit spare parts inventory during the ordinary course of business. For the year ended 31 December 2023, there was no allowance for inventory recognized.

As of 31 December 2024 and 2023, the Group's cash and restricted cash consisted of the following:

(USD 1,000)	2024	2023
Cash	29,447	22,536
Restricted cash	415	415
Total cash and restricted cash	**29,862**	**22,951**

The Group's current restricted cash was obtained in connection with agency bonding requirements for water well permits in Florida and required to be maintained accordingly. Potential withdrawal of current restricted cash is perfunctory by the Group and therefore included as part of the accompanying statements of cash flows. However, the Group views the amounts as partly restrictive in nature given its connection with operational permitting requirements and elected to maintain the amounts in a separate line item from cash in the accompanying statements of financial position.

The Group's non-current restricted cash consists of an interest-bearing restricted deposit in connection with amounts required to be held under the provisions of the amended 2020 Credit Facility (see Note 19 – Borrowings for further details). Potential withdrawal on the restricted deposit would require bank approval and is not perfunctory by the Group. Therefore, such amounts are treated as a separate investment account and presented separately from total cash and restricted cash in the accompanying consolidated statements of financial position, and the amounts are excluded from the Group's consolidated cash and restricted cash balances in the accompanying consolidated statements of cash flows.

Atlantic Sapphire ASA has one class of shares that confer the same rights in the Group. As of 31 December 2024 and 2023, the Group's share capital consisted of the following:

	2024	2023
Total number of shares as of 1 January	79,860,317	15,326,641
Shares issued during the year	7,090,948,132	64,533,676
Total number of shares as of 31 December	**7,170,808,449**	**79,860,317**
Nominal value as of 31 December (NOK)	0.05	1.00
Share capital (total number of shares at nominal value) (NOK 1,000)	**358,540**	**79,860**
Share capital (total number of shares at nominal value) (USD 1,000)	38,110	8,644

The 2023 figures above are retrospectively stated for the 30 May 2024 10:1 reverse stock split detailed below.

On 16 March 2023, the Group raised NOK 595m (approximately USD 55m) in gross proceeds through a private placement of 119,000,000 new shares, at a price per share of NOK 5.00. The private placement was divided in two tranches in which the first tranche ("Tranche 1") consisted of 30,653,281 new shares and the second tranche ("Tranche 2") consisted of 88,346,719 new shares. Gross proceeds from Tranche 1 were NOK 153.3m (approximately USD 14.2m), and gross proceeds from Tranche 2 were NOK 441.7m (approximately USD 40.8m), and each with a par value of NOK 0.10.

On 14 April 2023, the Group approved and published a prospectus (the "April 2023 Prospectus") and commenced the subscription period in the subsequent offering (the "April 2023 Subsequent Offering") of up to 20,000,000 new shares each at a subscription price per share of NOK 5.00. By the end of the subscription period on 17 April 2023, the April 2023 Subsequent Offering raised gross proceeds of approximately NOK 32.5m (approximately USD 3.0m) through the issuance of 6,706,606 new shares, each with a par value of NOK 0.10.

On 19 September 2023, the Group raised NOK 702m (approximately USD 64.7m) in gross proceeds through a private placement of 501,428,571 new shares, at a price per share of NOK 1.40. The private placement was divided in two tranches in which the first tranche ("Tranche 1") consisted of 55,000,000 new shares and the second tranche ("Tranche 2") consisted of 446,428,571 new shares. Gross proceeds from Tranche 1 were NOK 77.0m (approximately USD 7.1m), and gross proceeds from Tranche 2 were NOK 625.0m (approximately USD 57.6m), and each with a par value of NOK 0.10.

On 18 October 2023, the Group approved and published a prospectus (the "October 2023 Prospectus") and commenced the subscription period in the subsequent offering (the "November 2023 Subsequent Offering") of up to 100,000,000 new shares each at a subscription price per share of NOK 1.40. By the end of the subscription period on 7 November 2023, the November 2023 Subsequent Offering raised gross proceeds of approximately NOK 1.8m (approximately USD 0.2m) through the issuance of 18,201,586 new shares, each with a par value of NOK 0.10.

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. The issuance of the new shares was approved by the Extraordinary General Meeting on 22 March 2024, each with a par value of NOK 0.10.

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.

On 17 September 2024, the Group held an Extraordinary General Meeting (the "September 2024 EGM"). Through the September 2024 EGM, the Board of Directors was given the authority to increase the Company's share capital with up to NOK 95,000,000 through the issuance of 1,900,000,000 shares, each with a face value of NOK 0.05 (previously NOK 1.00 following the 30 May 2024 reverse stock split), at a subscription price to be determined by the Board of Directors. Further, as consideration shares to underwriters, the Board of Directors was given the authority to increase the Company's share capital with up to NOK 32,130,000 through the issuance of 642,600,000 shares, each with a face value of NOK 0.05 (previously NOK 1.00 following the 30 May 2024 reverse stock split), at a subscription price of NOK 0.10 per share.

On 6 October 2024, the Group raised NOK 641.7m (approximately USD 60.0m) in gross proceeds through a subscription rights issue of 6,417,000,001 new shares, at a price per share of NOK 0.10. In connection with the subscription rights issue, the underwriters' underwriting commission of 10% was settled through the issuance of 641,700,006 in new shares at a price per share of NOK 0.10. The issuance of the new shares was approved by the September 2024 EGM, each with a par value of NOK 0.05.

On 20 December 2024, the Group held an Extraordinary General Meeting (the "December 2024 EGM"). Through the December 2024 EGM, the Company's share capital was nominally increased by NOK 27.55 through the issuance of 551 new shares, at a price per share of NOK 0.10, with a par value of NOK 0.05.

As of 31 December 2024, the Group had a total number of 7,170,808,449 shares issued and outstanding at NOK 0.05 par value. No shares were exercised and issued related to the Group's employee share option program for the years ended 31 December 2024 and 2023.

As of 31 December 2024 and 2023, the Group's total number of shares issued and outstanding consisted of the following:

Shareholder	2024 Number of shares	2024 % of shares	2023 Number of shares	2023 % of shares
CITIBANK, N.A.	1,167,611,655	16.28%	2,036,920	2.55%
NORDLAKS HOLDING AS	1,157,591,552	16.14%	9,835,724	12.32%
MORGAN STANLEY & CO. LLC	892,487,702	12.45%	9,742,857	12.20%
STRAWBERRY CAPITAL AS	649,682,682	9.06%	6,509,606	8.15%
JOH JOHANNSON EIENDOM AS	612,447,841	8.54%	6,393,564	8.01%
THE BANK OF NEW YORK MELLON SA/NV	265,129,000	3.70%	-	0.00%
MORGAN STANLEY & CO. INT. PLC.	262,119,160	3.66%	4,859,276	6.08%
KONTRARI AS	120,041,519	1.67%	-	0.00%
DNB BANK ASA	124,103,166	1.73%	1,207	0.00%
UBS AG	73,752,555	1.03%	-	0.00%
NORSK LANDBRUKSKJEMI AS	67,570,000	0.94%	439,611	0.55%
J.P. MORGAN SE	66,472,189	0.93%	893,347	1.12%
NERLAND INVESTMENT AS	53,624,321	0.75%	417,418	0.52%
MIDDELBOE AS	46,400,452	0.65%	-	0.00%
O. HOVDE AS	45,594,031	0.64%	275,576	0.35%
KRISTIAN FALNES AS	41,453,097	0.58%	50,000	0.06%
FUTURE INVEST AS	35,847,241	0.50%	260,000	0.33%
TACONIC AS	31,660,112	0.44%	418,549	0.52%
PRIMA ESTATE AS	31,027,600	0.43%	-	0.00%
HEGGELUND	30,549,199	0.43%	-	0.00%
Total number of shares attributed to the 20 largest shareholders	**5,775,165,074**	**80.55%**	**42,133,655**	**52.76%**
Total number of shares attributed to other shareholders	1,395,643,375	19.45%	37,726,662	47.24%
Total number of shares issued and outstanding	**7,170,808,449**	**100.00%**	**79,860,317**	**100.00%**

Equity Transaction Costs

For the years ended 31 December 2024 and 2023, total equity transaction costs arising on share issues amounted to USD 4.8m and USD 5.9m, respectively. Such amounts are net against the Group's share premium balance in the accompanying consolidated statements of financial position.

As of 31 December 2024 and 2023, shares directly or indirectly held by members of the Board of Directors, Chief Executive Officer, and Executive Management consisted of the following:

Name and title	2024 Number of shares	2024 % of shares	2023 Number of shares	2023 % of shares
Svein Taklo, former CDIO (as of step-down date)	1,272,438	0.02%	29,910	0.04%
Damien Claire, CSMO	23,143	0.00%	34,890	0.04%
Johan E. Andreassen, former CEO (as of step-down date)	-	0.00%	628,744	0.79%
Andre Skarbø, former Director of the Board (as of step-down date)	-	0.00%	964,360	1.21%
Bjørn-Vegard Løvik, former Chair of the Nomination Committee (as of step-down date)	-	0.00%	521,367	0.65%
Jon-Birger Løvik, former COO (as of step-down date)	-	0.00%	127,291	0.16%
Karl Øystein Øyehaug, former CFO (as of step-down date)	-	0.00%	18,415	0.02%
Tone Bjørnov, former Director of the Board (as of step-down date)	-	0.00%	3,941	0.00%
Patrice Flanagan, former Director of the Board (as of step-down date)	-	0.00%	490	0.00%
Alejandro Castro, former CBO (as of step-down date)	-	0.00%	92	0.00%

Certain shares were held indirectly by Johan E. Andreassen and Bjørn-Vegard Løvik through Alsco AS, a jointly owned company by Mr. Andreassen and Mr. Løvik, and are allocated based on their respective ownership interests in Alsco AS. Further, certain shares were held indirectly by Mr. Andreassen through JEA Invest AS, a wholly owned company by Mr. Andreassen.

In accordance with the authorization granted by the Group's AGM, the Group's Board of Directors introduced a share option program for senior executives and key personnel employed by the Group and its subsidiaries (the "Program").

As of 31 December 2024 and 2023, the Program included up to 329,037,272 and 19,008,586 outstanding share options granted, respectively, with contractual vesting terms between one and four years as follows:

	2024 Weighted average exercise price (NOK)	2024 Number of shares	2023 Weighted average exercise price (NOK)	2023 Number of shares
Outstanding share options as of 1 January	15.60	19,008,586	212.92	1,584,491
Granted during the year (Original Plan)	4.48	5,126,771	12.03	18,510,000
Forfeited during the year (Original Plan)	1.82	(7,653,668)	246.87	(1,060,905)
Released during the year (Original Plan)	18.53	(16,481,689)	-	-
Granted during the year (Replacement Plan)	0.09	329,037,272	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	71.19	(25,000)
Outstanding share options as of 31 December	**0.09**	**329,037,272**	**15.60**	**19,008,586**
Outstanding share options as of 31 December				
Number of share options with a weighted average share price over NOK 15	-	-	127.99	498,586
Number of share options with a weighted average share price under NOK 15	0.09	329,037,272	12.03	18,510,000
Total outstanding share options as of 31 December	**0.09**	**329,037,272**	**15.60**	**19,008,586**

For the years ended 31 December 2024 and 2023, the expense of USD 0.1m and negative expense of USD 0.4m, respectively, was primarily driven by a high number of forfeitures over the value of options vested.

The following information is relevant in the determination of the fair value of options granted for the years ended 31 December 2024 and 2023:

	2024	2023
Option pricing model used to determine fair value	Black Scholes	Black Scholes
Weighted average share price for the year (NOK)	0.77	2.91
Weighted average share price at grant date (NOK)	0.10	5.01
Weighted average contractual life (days)	1,800	1,572
Expected volatility	134.00%	52.90%
Expected dividend growth rate	0.00%	0.00%
Risk-free interest rate	3.44%	2.08%

On 23 May 2023, Johan E. Andreassen (the previous CEO) was granted a total of 14,000,000 share options and Karl Øystein Øyehaug (the previous CFO) was granted a total of 2,800,000 share options. Such amounts, along with their previously vested share options granted, were ultimately not exercised and forfeited upon their respective step-down dates in 2024. An additional 1,710,000 share options were granted to other key personnel during the year ended 31 December 2023 resulting in a total amount of 18,510,000 share options granted for the year ended 31 December 2023.

On 24 June 2024, Pedro Courard (the current CEO) was granted a total of 1,400,000 share options and Gunnar Aasbø-Skinderhaug (the current CFO) was granted a total of 1,000,000 share options. An additional 2,726,771 share options were granted to other key personnel during the year ended 31 December 2024 resulting in a total amount of 5,126,771 share options granted from 1 January 2024 to 9 December 2024.

On 10 December 2024, the Group cancelled its previous share option program (the "Original Plan") and simultaneously granted a new share option program (the "Replacement Plan") to the same group of employees. The Replacement Plan was granted as a replacement for the awards cancelled under the Original Plan. In accordance with IFRS 2, the cancellation of the Original Plan and the grant of the Replacement Plan have been accounted for as a modification of the original award, with the new awards considered a replacement equity-settled share-based payment arrangement.

The 2024 option program was established prior to the January 2025 share merge of 200:1, and number of options was divided by 200 and the strike price multiplied by 200 after the January 200:1 share merge. Further, no share options were exercised and issued related to the Group's employee share option program for the years ended 31 December 2024 and 2023.

DNB Credit Agreement

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 and ASSF are listed as guarantors (the "Guarantors"). As of 1 January 2023, the Group's amended 2020 Credit Facility consisted of USD 200.0m through a drawn USD 50.0m term loan (the "US Term Loan"), a USD 20.0m revolving credit facility ("RCF"), and a USD 130.0m delayed draw term loan. The amended 2020 Credit Facility bore an amended interest rate of LIBOR plus an applicable margin and maturity date of 21 April 2024, with a portion of the RCF available for use towards ASDK's working capital requirements or as standby Letters of Credit towards equipment financing.

On 31 March 2023, the ninth 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 maximum applicable interest margin was increased from 4.0% to 5.0% and allows for a lower margin based upon an interest rate grid, with NIBD to EBITDA as the criteria. Further, the total amounts were restructured into a fully committed credit facility of USD 170.0m directly with DNB with an extended maturity date of 21 April 21 2025, of which USD 50.0m was attributed to the drawn US Term Loan, USD 20.0m was attributed to the RCF, and USD 100.0m was attributed to a delayed undrawn Term Loan for Phase 2 capital expenditures. The EBITDA covenant levels were also reset.

On 17 October 2023, the tenth 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 minimum required cash balance of USD 15.0m covenant was replaced with a required interest-bearing restricted deposit account of USD 15.0m. The total amounts were restructured into a fully committed credit facility of USD 165.9m extended to the Group, of which USD 45.9m was attributed to the drawn US Term Loan, USD 20.0m was attributed to the RCF, and USD 100.0m was attributed to a delayed undrawn Term Loan for Phase 2 capital expenditures. The EBITDA covenant levels were also reset.

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 was 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.

On 20 August 2024, the thirteenth amendment to the 2020 Credit Facility was formally signed and committed. The debt was restructured to a total of USD 60.9m and was fully committed, of which USD 40.9m was attributed to the drawn US Term Loan and USD 20.0m was attributed to the RCF (of which USD 17.4m was available). Further, bridge financing of USD 10.0m was provided, EBITDA covenants were reset, quarterly principal installments were placed on pause until 2026, and the delayed undrawn Term Loan for Phase 2 capital expenditures was uncommitted.

Subsequently, the fourteenth amendment to the 2020 Credit Facility was formally signed and committed on 28 March 2025. The fourteenth amendment reset the required Q1 2025 EBITDA covenant levels while significantly all other key terms, including the debt structure, remained the same as the previous amendment. Following the expected delayed improved EBITDA as communicated through a stock exchange notice on 27 February 2025, the Group is in active dialogue with DNB and expects to amend the 2020 Credit Facility further with the expectation of, among other terms, resetting the required EBITDA covenant for the remaining quarters of 2025.

Convertible Debt

On 30 September 2024, the Group entered into a convertible debt agreement (the "Convertible Debt") with Condire Management L.P. ("Condire"), one of its ultimate investors (see Note 21 – Related Party Transactions for further details).

As of 31 December 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 31 December 2024), and the Group's borrowings consisted of the following:

(USD 1,000)	2024	2023
ASUS has an amended USD 40.9m 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 31 December 2024) and matures on 21 October 2026. USD 40.9m was outstanding on the US Term Loan as of 31 December 2024 and is presented at amortized cost.	41,674	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 31 December 2024, USD 17.4m was available on the RCF (USD 20.0m undrawn, less USD 2.6m allocated to a letter of credit towards Meridian Leasing for the leasing of processing equipment).	-	-
ASA has a USD 20.0m convertible debt with Condire (the "Convertible Debt"). The Convertible Debt bears an amended interest rate of 10.0% and matures on 10 October 2030. USD 20.5m was outstanding on the Convertible Debt as of 31 December 2024 and is presented at amortized cost, inclusive of USD 0.5m of accrued interest towards USD 20.0m of principal.	20,458	
Total borrowings	**62,132**	**42,603**
Less: current portion of borrowings	-	5,000
Non-current portion of borrowings	**62,132**	**37,603**

The following are the remaining contractual maturities on the Group's borrowings as of 31 December 2024 and 2023:

(USD 1,000)	2024	2023
Up to 3 months	-	1,250
Between 3 and 12 months	-	3,750
Between 1 and 2 years	41,674	37,603
Between 2 and 5 years	-	-
Over 5 years	20,458	-
Total	**62,132**	**42,603**

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 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 in compliance with its financial covenants as of 31 December 2024.

After the fourteenth amendment to the 2020 Credit Facility (March 2025), the next test date for the EBITDA covenant is Q2 2025, in which a trailing three-month EBITDA greater than USD -20.0m is then required. Though the Group was complaint with its Q1 2025 covenant, it may have difficulties complying with the EBITDA covenant for the remaining quarters in 2025 and is therefore already in dialogue with DNB about this covenant, as disclosed above.

The following represents a reconciliation of changes in the carrying amount of the Group's borrowings and lease liabilities for the years ended 31 December 2024 and 2023:

(USD 1,000)	Borrowings	Lease liabilities
Balance at 1 January 2024	42,603	2,179
Changes from financing cash flows		
Proceeds from borrowings	37,270	-
Payments towards borrowings	(18,520)	(413)
Total changes from financing cash flows	**61,353**	**1,766**
Amortization	321	-
Accrued interest towards principal	458	-
Currency effects	-	(25)
Balance at 31 December 2024	**62,132**	**1,741**

(USD 1,000)	Borrowings	Lease liabilities
Balance at 1 January 2023	46,837	2,634
Changes from financing cash flows		
Proceeds from borrowings	12,500	-
Payments towards borrowings	(17,335)	(468)
Total changes from financing cash flows	**42,002**	**2,166**
Amortization	601	-
Currency effects	-	13
Balance at 31 December 2023	**42,603**	**2,179**

The Group's employees are covered by different pension plans that vary from country to country depending on the respective subsidiary's location. All pension plans are assessed to be defined contribution plans. In Norway, ASA is subject to the requirements of the Mandatory Company Pensions Act, and ASA's pension plan follows its requirements. In the US, the Group offers a Safe Harbor 401(k) salary deferral participation retirement plan to all employees. As of 31 December 2024 and 2023, 141 and 131 employees participated in the Group's pension plans, respectively.

The Group's pension plan provisions require the Group to pay premiums to public or private administrative pension plans on a mandatory, contractual, or voluntary basis. There are no further obligations once the annual premiums are paid. The premiums are accounted for as personnel expenses as soon as they are incurred. Prepaid premiums are accounted for as an asset to the extent that future benefits can be determined as plausible.

For the years ended 31 December 2024 and 2023, the Group's total pension cost consisted of USD 0.4m and USD 0.4m, respectively, and are included as part of salary and personnel costs in the accompanying consolidated statements of operations.

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 has sold salmon products to NovoMar, Inc. ("NovoMar"), an entity under majority ownership by a related party of Johan E. Andreassen, the former CEO of ASA. NovoMar was formerly Platina Seafood, Inc. prior to a rebrand on 8 September 2022. For the years ended 31 December 2024 and 2023, the Group sold USD 1.6m and USD 0.7m of salmon products to NovoMar, respectively.

During the ordinary course of business, NovoMar provides processing services for the Group (the provision of such services commenced in June 2023). For the years ended 31 December 2024 and 2023, the Group incurred processing costs of USD 0.5m and USD 0.2m, respectively. Such amounts are included as part of cost of goods sold in the accompanying consolidated statements of operations.

As of 31 December 2024 and 2023, the Group had USD 0.9m and USD 0.1m, respectively, due from NovoMar and the amounts are included as part of the Group's current trade and other receivables balance in the accompanying consolidated statements of financial position. As of 31 December 2024, the Group fully provisioned the outstanding USD 0.9m receivable balance due from NovoMar and is reflected as part of the Group's provision for bad debt in the accompanying consolidated statements of financial position.

Convertible Debt

On 30 September 2024, the Group entered into a convertible debt agreement (the "Convertible Debt") with Condire Management L.P. ("Condire"), one of its ultimate investors, for USD 20.0m (NOK 213.9m). The Convertible Debt bears an interest rate of 10.0% (payable every six months) and matures on 10 October 2030 (six years after the date in which the Convertible Debt funds were disbursed). A conversion may be exercised by Condire if the Group completes future capital raises(s) of USD 100.0m or more with a conversion price of NOK 0.13 per share (prior to the 200:1 reverse stock split, which equals NOK 26.0 after the reverse stock split) with an adjustment by multiplying said conversion price immediately prior to the triggering event date by 0.88.

The Group has recognized the Convertible Debt as related party borrowings given that the conversion options are not "fixed for fixed" and thus there are currently no equity components in the Convertible Debt. Therefore, rather than separate the embedded derivatives, the Group designated the entire hybrid contract at fair value through profit and loss in accordance with IFRS 9. 4.3.5.

The Group has evaluated contingencies and legal claims from 31 December 2024 through the date in which the consolidated financial statements were issued.

The Group is currently involved in an arbitration against OHLA Building, Inc. ("OHL"), who performed work in connection with the construction of Phase 1 of the Miami Bluehouse, which is ongoing and not settled as of the date of this report. OHL has made a claim for the Group's alleged failure to pay for approved work and change order, in the aggregate amount of approximately USD 5.6m, and reimbursement of attorneys' fees and interest. The Group is denying that there has been a failure of payment, and has filed a counterclaim in the arbitration, in the aggregate amount of USD 20.0m (such number may be adjusted up significantly later in the process), on the grounds of alleged faulty workmanship by OHL and its subcontractors. In connection with the dispute with OHL, the sub-contractors Billund Aquaculture A/S ("Billund Design"), a company that was engaged by the Group for design work related to Phase 1 and acted as sub-contractor to OHL in the construction of Phase 1, and Billund Aquaculture US Corp. ("Billund Construction"), a company that was engaged by OHL as a sub-contractor to OHL in the construction of Phase 1, have also each become party to the arbitration process. The Group, OHL, Billund Design and Billund Construction participated in a mediation with a view to reach an amicable solution in October 2022. Such mediation was unsuccessful, and the matter moved forward to a formal arbitration hearing and is currently underway and expected to be concluded, at the earliest, in H2 2025.

During 2024 Billund Aquaculture A/S became insolvent and filed for bankruptcy which might affect Atlantic Sapphire's probability for receiving any payments if Atlantic Sapphire claim would be resolved in Atlantic Sapphire's favor.

As of 31 December 2024 and 2023, no claim receivable or payable was recognized within the consolidated financial statements given the ongoing nature of the legal claim and the uncertainty of settlement towards either party as of the reporting dates and as of the date of this report.

The Group has evaluated subsequent events from 31 December 2024 through the date in which the consolidated financial statements were issued.

Reverse Stock Split

On 22 January 2025, the Group effected a reverse stock split in which two hundred old shares at NOK 0.05 par value were consolidated to give one new share at NOK 10.00 par value. As a result, the Group had a total number of 35,854,045 shares issued and outstanding at NOK 10.00 par value.

Fourteenth Amendment to 2020 Credit Facility

The fourteenth amendment to the 2020 Credit Facility was formally signed and committed on 28 March 2025. The fourteenth amendment reset the required Q1 2025 EBITDA covenant levels while significantly all other key terms, including the debt structure, remained the same as the previous amendment.

Potential Tariffs on Feed Imports from Canada

Reference is made to the announcement from US government to impose 25% tariffs on US imports from Canada.

Atlantic Sapphire predominantly sources its feed from Skretting's feed factory in Canada. The announced US import tariffs on Canadian products will significantly affect the cost of this imported feed. In response, Atlantic Sapphire has confirmed that there are equally good alternatives to source feed from Chile or other countries which currently does not have tariffs.

ATLANTIC SAPPHIRE ASA FINANCIAL STATEMENTS

YEARS ENDED 31 DECEMBER 2024 AND 2023

(NOK 1.000)	NOTE	2024	2023
Management fee revenue	8	13,937	6,665
Expenses			
Other operating expenses	2,8	13,937	8,757
Salary and personnel costs	2	5,802	5,140
Total expenses		**19,739**	**13,897**
Operating loss		**(5,802)**	**(7,232)**
Finance income	3,8	64,152	50,088
Finance expense	3	(4,924)	(1)
Impairment of non-current assets	3,4,8	(1,728,165)	(1,370,727)
Loss before income tax		**(1,674,739)**	**(1,327,872)**
Income tax	5	-	-
Net loss		**(1,674,739)**	**(1,327,872)**
Allocation to controlling interest		(1,674,739)	(1,327,872)
Application and allocation			
To accumulated deficit	6	(1,674,739)	(1,327,872)
Total application and allocation		**(1,674,739)**	**(1,327,872)**

Accompanying notes are an integral part of the financial statements.

31 DECEMBER 2024 AND 2023

(NOK 1.000)	NOTE	2024	2023
Assets			
Non-current assets			
Investment in subsidiaries	4,11	1,131,257	1,792,467
Due from related parties (non-current)	8	860,239	804,920
Total non-current assets		**1,991,496**	**2,597,387**
Current assets			
Due from related parties (current)	8	83,323	69,386
Trade and other receivables (current)		412	162
Cash	7	234,829	124,600
Total current assets		**318,564**	**194,148**
Total assets		**2,310,060**	**2,791,535**

31 DECEMBER 2024 AND 2023

(NOK 1.000)	NOTE	2024	2023
Equity and liabilities			
Equity			
Share capital	6,9	358,540	79,860
Share premium	6,9	7,070,633	6,388,009
Accumulated deficit	6	(5,356,686)	(3,681,947)
Total equity		**2,072,487**	**2,785,922**
Non-current liabilities			
Convertible debt (non-current)	8	232,636	-
Total non-current liabilities		**232,636**	**-**
Current liabilities			
Trade payables		1,554	2,920
Other current payables and liabilities		1,603	1,520
Due to related parties (current)		1,780	1,173
Total current liabilities		**4,937**	**5,613**
Total liabilities		**237,573**	**5,613**
Total equity and liabilities		**2,310,060**	**2,791,535**

Accompanying notes are an integral part of the financial statements.

YEARS ENDED 31 DECEMBER 2024 AND 2023

(NOK 1 000)	NOTE	2024	2023
Cash flows from operating activities			
Net loss		(1,674,739)	(1,327,872)
Adjustments to reconcile net loss to net cash provided by operating activities			
Impairment of current and non-current assets	4,8	1,728,165	1,370,727
Changes in operating assets and liabilities			
Trade and other receivables		(250)	(51)
Trade and other payables		(1,366)	2,184
Other liabilities		83	91
Net cash provided by operating activities		**51,893**	**45,079**
Cash flows from investing activities			
Contributions towards investment in subsidiaries	4	(1,066,955)	(1,208,169)
Loans to subsidiaries	8	(68,649)	(55,430)
Net cash used in investing activities		**(1,135,604)**	**(1,263,599)**
Cash flows from financing activities			
Proceeds from issuance of capital	6	961,304	1,293,013
Proceeds from convertible debt	8	232,636	-
Net cash provided by financing activities		**1,193,940**	**1,293,013**
Net increase (decrease) in cash and restricted cash		**110,229**	**74,493**
Cash and restricted cash at beginning of year		124,600	50,107
Cash and restricted cash at end of year		**234,829**	**124,600**

Accompanying notes are an integral part of the financial statements.

THE BOARD OF DIRECTORS
AND CEO

VIKEBUKT,
23 APRIL 2025

KENNETH JARL ANDERSEN
Chairman

PEDRO COURARD
CEO

EIRIK WELDE
Deputy Chairman

ELLEN MARIE SÆTRE
Director

PATRICK DEMPSTER
Director

MARTA ROJO ALONSO
Director

General Information

Atlantic Sapphire ASA ("ASA") is a Norwegian company headquartered in Vikebukt, Norway, domiciled in Vestnes, 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)
- S.F. Development, L.L.C. ("ASSF", registered in Miami, Florida, US)
- Atlantic Sapphire IP, LLC ("ASIP", registered in Miami, Florida, US)

The Group owns and operates a land-based Atlantic salmon farm in Homestead, Florida, US (the "Miami Bluehouse" facility) and previously operated a land-based Atlantic salmon farm in Hvide Sande, Denmark (the "Denmark Bluehouse" facility). A Bluehouse® facility ("Bluehouse") is proprietary production technology developed by the Group in collaboration with a wide range of supply chain partners to optimize growing conditions for Atlantic salmon. A Bluehouse contains the facilities needed to grow and produce Atlantic salmon from egg hatchery to grow-out tanks to primary processing. The Miami Bluehouse also incorporates value-added processing. Consolidated operations enable the Group to control the entire production cycle without having to transport salmon to and from ocean-based net pens. Phase 1 of the Miami Bluehouse has an annual production capacity of approximately 9,500 tons HOG[1].

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 financial statements were prepared in accordance with the Norwegian Accounting Act and accounting principles generally accepted in Norway ("Norwegian GAAP"). The financial statements have been prepared based on uniform accounting principles for similar transactions and events under otherwise similar circumstances and are expressed in Norwegian kroner ("NOK"). The annual financial statements below are applied only to ASA as the parent company of the Group. The Group's consolidated financial statements were prepared in accordance with IFRS® Accounting Standards ("IFRS") as adopted by the European Union ("EU").

Going Concern

The consolidated financial statement and the parent company's financial statement are prepared on the assumption of going concern. This assumption is based on the current market outlook and financial forecasts for the year 2025 and the Group's long-term financial forecast including funding.

The Group has demonstrated improved biological performance resulting in higher average harvest weights and the subsequent increment in realized sales prices. These operational improvements provide a strong foundation for the Group's current activities and its planned expansion into Phase 2.

To support this expansion, the Group intends to secure financing for the construction of Phase 2, finalize further improvements to Phase 1, and ramp up production. Management is actively pursuing additional funding and aims to raise capital in the second half of 2025 through a combination of equity and debt financing. For Phase 2 construction, the Group has full discretion over the speed of the construction which allows the Group to better manage liquidity.

The Group will require additional capital to continue to fund its operations in 2025 and beyond. The Board has determined that there is a reasonable expectation that the Group can raise the required funding to continue operating for the foreseeable future including at least 12 months from the date of the balance sheet. However, there can be no assurance that the Group will be successful in these efforts.

The events described above indicate that a material uncertainty exists that may cast substantial doubt on the Group's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

[1] HOG – "Head-On-Gutted" fish, a term used industry-wide, is approximately 83% of live weight fish.

Foreign Currency

The financial statements were prepared in accordance with the Norwegian Accounting Act and accounting principles generally accepted in Norway ("Norwegian GAAP"). The financial statements have been prepared based on uniform accounting principles for similar transactions and events under otherwise similar circumstances and are expressed in Norwegian kroner ("NOK"). The annual financial statements below are applied only to ASA as the parent company of the Group. The Group's consolidated financial statements were prepared in accordance with IFRS® Accounting Standards ("IFRS") as adopted by the European Union ("EU").

Revenue Recognition

ASA's revenue consists of intercompany management fees charged to its affiliates and is recognized when services are rendered. A receivable is recognized accordingly as this is the point in time in which consideration is unconditional and only the passage of time is required before the payment is due.

Use of Estimates and Judgements

The preparation of the financial statements in accordance with Norwegian GAAP requires management to make accounting estimates and assumptions that affect the recognized amounts of assets, liabilities, income, and expenses. The estimates and underlying assumptions are based on ASA'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.

Taxes

Tax expense consists of the tax payable and changes to deferred tax. Tax is recognized in the accompanying statements of operations, except to the extent that it relates to items recognized in equity.

Deferred tax assets and liabilities are calculated based on the temporary differences between the carrying amount of assets and liabilities in the financial statements and their tax bases, together with tax losses carried forward at the statement of financial position date. Deferred tax assets and liabilities are calculated based on the applicable tax rates and legislations that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and legislations that have been enacted or substantially enacted on the statement of financial position date. Deferred tax assets are recognized only when convincing evidence can support the availability of future taxable profits will be available, against which the assets can be utilized. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Subsidiaries

ASA's investment in subsidiaries is valued at the cost of the shares in each respective subsidiary, less any impairment losses. In accordance with Norwegian GAAP, an impairment loss is recognized if the impairment is not considered temporary. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Classification of Current vs. Non-Current Items

Assets are classified as current when they are expected to be realized or sold, to be used in ASA's normal operating cycle, falls due, or is expected to be realized within 12 months after the end of the reporting period date. Other assets are classified as non-current. Liabilities are classified as current when they are expected to be settled in ASA's normal operating cycle, are expected to be settled within 12 months of the end of the reporting period, or if ASA does not have an unconditional right to postpone settlement for at least 12 months after the reporting period date.

Cash and Restricted Cash

Cash includes cash on hand and bank deposits. Restricted cash is not available for immediate or general business use and is presented as part of cash balances as the amounts are not material to ASA's financial statements as a whole. Cash equivalents consist of short-term investments that can be converted into a known amount in cash within three months and contain an insignificant risk element. ASA did not hold any cash equivalents as of 31 December 2024 and 2023.

Statements of Cash Flows

The accompanying statements of cash flows are prepared in accordance with the indirect method.

Other Operating Expenses

For the years ended 31 December 2024 and 2023, ASA's other operating expenses consisted of the following:

(NOK 1.000)	2024	2023
Selling, general, and administrative	5,952	4,100
Professional fees	7,877	4,556
Maintenance and supplies	108	101
Total other operating expenses	**13,937**	**8,757**

Auditor Fees

For the years ended 31 December 2024 and 2023, remuneration to ASA's auditors, excluding VAT, consisted of the following:

(NOK 1.000)	2024	2023
Statutory auditing services	4,892	3,087
Other services	795	-
Total auditor's fees	**5,687**	**3,087**

Total amounts towards auditor's fees are included as part of professional fees in other operating expenses.

Salary and Personnel Costs

For the years ended 31 December 2024 and 2023, ASA's salary and personnel costs consisted of the following:

(NOK 1.000)	2024	2023
Salary	5,081	4,753
Employer's national insurance contribution	375	581
Pension costs	-	7
Other personnel (reimbursements) expenses, net	346	(201)
Total salary and personnel costs	**5,802**	**5,140**

ASA employed one full-time employee during the year ended 31 December 2023. ASA did not employ or hold any full-time employees as of and for the year ended 31 December 2024.

For the years ended 31 December 2024 and 2023, remuneration to members of the Board consisted of NOK 5.1m and NOK 4.4m, respectively.

Pensions

ASA satisfies the requirements of the Mandatory Company Pensions Act related to mandatory occupational pensions (Norwegian: OTP). The schemes are mainly established as defined contribution schemes. ASA's pension plan provisions require ASA to pay premiums to public or private administrative pension plans on a mandatory, contractual, or voluntary basis. There are no further obligations once the annual premiums are paid. The premiums are accounted for as personnel expenses as soon as they are incurred. Prepaid premiums are accounted for as an asset to the extent that future benefits can be determined as plausible.

For the years ended 31 December 2024 and 2023, the ASA's total pension cost consisted of zero and NOK 7.0k, respectively, and are included as part of salary and personnel costs in the accompanying statements of operations.

Board of Directors' Statement on Remuneration of Executive Management

The Group's Board of Directors determines the principles applicable to the Group's policy for compensation of executive management and, as a separate document from this Annual Report, presented its statement on such principles for the 2024 financial year during the Group's Annual General Meeting ("AGM") in accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act. The Board of Directors' Statement on Remuneration of Executive Management is included in Note 6 – Salary and Personnel Costs of the Group's notes to the consolidated financial statements.

For the years ended 31 December 2024 and 2023, ASA's finance income and expense, net consisted of the following:

(NOK 1000)	2024	2023
Interest income	7,779	8,122
Interest income - intercompany	44,465	41,524
Interest expense	(4,924)	(1)
Impairment of non-current assets	(1,728,165)	(1,370,727)
Currency exchange effects	11,908	442
Total finance expense, net	**(1,668,937)**	**(1,320,640)**

Impairment of Non-Current Assets

For the years ended 31 December 2024 and 2023, ASA recognized an impairment of non-current assets of NOK 1.7b and NOK 1.4b towards ASA's investment in ASUS, respectively. See Note 8 - Related Party Transactions.

As of 31 December 2024 and 2023, ASA's investment in subsidiaries consisted of the following:

Company (NOK 1.000)	Registered office	Voting share	Ownership share	Equity at 31 December 2024	Net loss for year ended 31 December 2024	Balance sheet in parent company
Atlantic Sapphire Denmark A/S	Hvide Sande, DK	100%	100%	(1,285)	(1,537)	-
Atlantic Sapphire USA LLC	Miami, FL, US	100%	100%	1,048,646	(1,859,643)	1,048,641
S.F. Development, L.L.C.	Miami, FL, US	100%	100%	85,944	(3,557)	82,616
Atlantic Sapphire IP LLC	Miami, FL, US	100%	100%	-	-	-
Employee stock options						-

Company (NOK 1.000)	Registered office	Voting share	Ownership share	Equity at 31 December 2023	Net loss for year ended 31 December 2023	Balance sheet in parent company
Atlantic Sapphire Denmark A/S	Hvide Sande, DK	100%	100%	(369)	(686)	-
Atlantic Sapphire USA LLC	Miami, FL, US	100%	100%	1,709,847	(1,451,205)	1,709,851
S.F. Development, L.L.C.	Miami, FL, US	100%	100%	80,942	(3,464)	82,616
Atlantic Sapphire IP LLC	Miami, FL, US	100%	100%	-	-	-
Employee stock options						-

For the years ended 31 December 2024 and 2023, ASA's income tax calculation consisted of the following:

(NOK 1.000)	2024	2023
Tax payable calculation:		
Current year loss before tax	(1,674,739)	(1,327,871)
Permanent differences	1,679,539	1,307,597
Change in temporary differences	-	-
Utilization of tax losses carried forward from prior years	(4,800)	20,274
Taxable base	-	-
Tax payable	-	-
Tax expense distribution:		
Tax payable	-	-
Change in deferred tax due to change in basis for calculation	-	-
Change in deferred tax due to new tax rate	-	-
Too much or too little allocated earlier years	-	-
Total tax expense	-	-
Tax payable in the statements of financial position:		
Tax payable on current year profit	-	-
Tax effect from contributions	-	-
Total tax payable	-	-

For the years ended 31 December 2024 and 2023, the specification of the basis for ASA's deferred tax consisted of the following:

(NOK 1.000)	2024	2023
Temporary differences:		
Fixed assets	-	-
Deficit that can be carried forward	(118,540)	(119,253)
Total temporary differences	**(118,540)**	**(119,253)**
Tax payable	22%	22%
Potential deferred tax not recorded in the statements of financial position	**(26,079)**	**(26,236)**

ATLANTIC SAPPHIRE ASA FINANCIAL STATEMENTS

For the years ended 31 December 2024 and 2023, changes in ASA's equity consisted of the following:

(NOK 1,000)	Share capital	Share premium	Employee stock options	Accumulated deficit	Total equity
Balance at 1 January 2023	15,327	5,161,428	38,157	(2,354,075)	2,860,837
Comprehensive income (loss)					
Net loss	-	-	-	(1,327,872)	(1,327,872)
Transactions with owners					
Contributions from issuance of capital	64,533	1,226,581	-	-	1,291,114
Contributions from employee stock options	-	-	(38,157)	-	(38,157)
Balance at 31 December 2023	**79,860**	**6,388,009**	**-**	**(3,681,947)**	**2,785,922**
Comprehensive income (loss)					
Net loss	-	-	-	(1,674,739)	(1,674,739)
Transactions with owners					
Contributions from issuance of capital	278,680	682,624	-	-	961,304
Balance at 31 December 2024	**358,540**	**7,070,633**	**-**	**(5,356,686)**	**2,072,487**

Atlantic Sapphire ASA has one class of shares that confer the same rights in ASA. As of 31 December 2024 and 2023, the Group's share capital consisted of the following:

	2024	2023
Total number of shares as of 1 January	79,860,317	15,326,641
Shares issued during the year	7,090,948,132	64,533,676
Total number of shares as of 31 December	**7,170,808,449**	**79,860,317**
Nominal value as of 31 December (NOK)	0.05	1.00
Share capital (total number of shares at nominal value) (NOK 1,000)	**358,540**	**79,860**
Share capital (total number of shares at nominal value) (USD 1,000)	38,110	8,644

The 2023 figures above are retrospectively stated for the 30 May 2024 10:1 reverse stock split detailed below.

On 16 March 2023, the Group raised NOK 595m (approximately USD 55m) in gross proceeds through a private placement of 119,000,000 new shares, at a price per share of NOK 5.00. The private placement was divided in two tranches in which the first tranche ("Tranche 1") consisted of 30,653,281 new shares and the second tranche ("Tranche 2") consisted of 88,346,719 new shares. Gross proceeds from Tranche 1 were NOK 153.3m (approximately USD 14.2m), and gross proceeds from Tranche 2 were NOK 441.7m (approximately USD 40.8m), and each with a par value of NOK 0.10.

On 14 April 2023, the Group approved and published a prospectus (the "April 2023 Prospectus") and commenced the subscription period in the subsequent offering (the "April 2023 Subsequent Offering") of up to 20,000,000 new shares each at a subscription price per share of NOK 5.00. By the end of the subscription period on 17 April 2023, the April 2023 Subsequent Offering raised gross proceeds of approximately NOK 32.5m (approximately USD 3.0m) through the issuance of 6,706,606 new shares, each with a par value of NOK 0.10.

On 19 September 2023, the Group raised NOK 702m (approximately USD 64.7m) in gross proceeds through a private placement of 501,428,571 new shares, at a price per share of NOK 1.40. The private placement was divided in two tranches in which the first tranche ("Tranche 1") consisted of 55,000,000 new shares and the second tranche ("Tranche 2") consisted of 446,428,571 new shares. Gross proceeds from Tranche 1 were NOK 77.0m (approximately USD 7.1m), and gross proceeds from Tranche 2 were NOK 625.0m (approximately USD 57.6m), and each with a par value of NOK 0.10.

On 18 October 2023, the Group approved and published a prospectus (the "October 2023 Prospectus") and commenced the subscription period in the subsequent offering (the "November 2023 Subsequent Offering") of up to 100,000,000 new shares each at a subscription price per share of NOK 1.40. By the end of the subscription period on 7 November 2023, the November 2023 Subsequent Offering raised gross proceeds of approximately NOK 1.8m (approximately USD 0.2m) through the issuance of 18,201,586 new shares, each with a par value of NOK 0.10.

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. The issuance of the new shares was approved by the Extraordinary General Meeting on 22 March 2024, each with a par value of NOK 0.10.

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.

On 17 September 2024, the Group held an Extraordinary General Meeting (the "September 2024 EGM"). Through the September 2024 EGM, the Board of Directors was given the authority to increase the Company's share capital with up to NOK 95,000,000 through the issuance of 1,900,000,000 shares, each with a face value of NOK 0.05 (previously NOK 1.00 following the 30 May 2024 reverse stock split), at a subscription price to be determined by the Board of Directors. Further, as consideration shares to underwriters, the Board of Directors was given the authority to increase the Company's share capital with up to NOK 32,130,000 through the issuance of 642,600,000 shares, each with a face value of NOK 0.05 (previously NOK 1.00 following the 30 May 2024 reverse stock split), at a subscription price of NOK 0.10 per share.

On 6 October 2024, the Group raised NOK 641.7m (approximately USD 60.0m) in gross proceeds through a subscription rights issue of 6,417,000,001 new shares, at a price per share of NOK 0.10. In connection with the subscription rights issue, the underwriters' underwriting commission of 10% was settled through the issuance of 641,700,006 in new shares at a price per share of NOK 0.10. The issuance of the new shares was approved by the September 2024 EGM, each with a par value of NOK 0.05.

On 20 December 2024, the Group held an Extraordinary General Meeting (the "December 2024 EGM"). Through the December 2024 EGM, the Company's share capital was nominally increased by NOK 27.55 through the issuance of 551 new shares, at a price per share of NOK 0.10, with a par value of NOK 0.05.

As of 31 December 2024, the Group had a total number of 7,170,808,449 shares issued and outstanding at NOK 0.05 par value. No shares were exercised and issued related to the Group's employee share option program for the years ended 31 December 2024 and 2023.

As of 31 December 2024 and 2023, the Group's total number of shares issued and outstanding consisted of the following:

Shareholder	2024 Number of shares	2024 % of shares	2023 Number of shares	2023 % of shares
CITIBANK, N.A.	1,167,611,655	16.28%	2,036,920	2.55%
NORDLAKS HOLDING AS	1,157,591,552	16.14%	9,835,724	12.32%
MORGAN STANLEY & CO. LLC	892,487,702	12.45%	9,742,857	12.20%
STRAWBERRY CAPITAL AS	649,682,682	9.06%	6,509,606	8.15%
JOH JOHANNSON EIENDOM AS	612,447,841	8.54%	6,393,564	8.01%
THE BANK OF NEW YORK MELLON SA/NV	265,129,000	3.70%	-	0.00%
MORGAN STANLEY & CO. INT. PLC.	262,119,160	3.66%	4,859,276	6.08%
KONTRARI AS	120,041,519	1.67%	-	0.00%
DNB BANK ASA	124,103,166	1.73%	1,207	0.00%
UBS AG	73,752,555	1.03%	-	0.00%
NORSK LANDBRUKSKJEMI AS	67,570,000	0.94%	439,611	0.55%
J.P. MORGAN SE	66,472,189	0.93%	893,347	1.12%
NERLAND INVESTMENT AS	53,624,321	0.75%	417,418	0.52%
MIDDELBOE AS	46,400,452	0.65%	-	0.00%
O. HOVDE AS	45,594,031	0.64%	275,576	0.35%
KRISTIAN FALNES AS	41,453,097	0.58%	50,000	0.06%
FUTURE INVEST AS	35,847,241	0.50%	260,000	0.33%
TACONIC AS	31,660,112	0.44%	418,549	0.52%
PRIMA ESTATE AS	31,027,600	0.43%	-	0.00%
HEGGELUND	30,549,199	0.43%	-	0.00%
Total number of shares attributed to the 20 largest shareholders	**5,775,165,074**	**80.55%**	**42,133,655**	**52.76%**
Total number of shares attributed to other shareholders	1,395,643,375	19.45%	37,726,662	47.24%
Total number of shares issued and outstanding	**7,170,808,449**	**100.00%**	**79,860,317**	**100.00%**

Equity Transaction Costs

For the years ended 31 December 2024 and 2023, total equity transaction costs arising on share issues amounted to NOK 51.5m and NOK 63.1m, respectively. Such amounts are net against ASA's share premium balance in the accompanying statements of financial position.

As of 31 December 2024 and 2023, shares directly or indirectly held by members of the Board of Directors, Chief Executive Officer, and Executive Management consisted of the following:

Name and title	2024 Number of shares	2024 % of shares	2023 Number of shares	2023 % of shares
Svein Taklo, former CDIO (as of step-down date)	1,272,438	0.02%	29,910	0.04%
Damien Claire, CSMO	23,143	0.00%	34,890	0.04%
Johan E. Andreassen, former CEO (as of step-down date)	-	0.00%	628,744	0.79%
Andre Skarbø, former Director of the Board (as of step-down date)	-	0.00%	964,360	1.21%
Bjørn-Vegard Løvik, former Chair of the Nomination Committee (as of step-down date)	-	0.00%	521,367	0.65%
Jon-Birger Løvik, former COO (as of step-down date)	-	0.00%	127,291	0.16%
Karl Øystein Øyehaug, former CFO (as of step-down date)	-	0.00%	18,415	0.02%
Tone Bjørnov, former Director of the Board (as of step-down date)	-	0.00%	3,941	0.00%
Patrice Flanagan, former Director of the Board (as of step-down date)	-	0.00%	490	0.00%
Alejandro Castro, former CBO (as of step-down date)	-	0.00%	92	0.00%

Certain shares were held indirectly by Johan E. Andreassen and Bjørn-Vegard Løvik through Alsco AS, a jointly owned company by Mr. Andreassen and Mr. Løvik, and are allocated based on their respective ownership interests in Alsco AS. Further, certain shares were held indirectly by Mr. Andreassen through JEA Invest AS, a wholly owned company by Mr. Andreassen.

As of 31 December 2024 and 2023, ASA's cash and restricted cash consisted of NOK 234.8m and NOK 124.6m, respectively.

From time to time, ASA may hold restricted cash in its tax withholding accounts. ASA did not hold any material restricted cash amounts as of 31 December 2024 and 2023.

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

During the ordinary course of business, ASA performs management and administrative tasks on behalf of subsidiaries within the Group. For the years ended 31 December 2024 and 2023, ASA charged management fees of NOK 13.9m and NOK 6.7m, respectively. As of 31 December 2024 and 2023, total outstanding amounts due from related parties in connection to such transactions consisted of NOK 46.2m and NOK 32.3m, respectively.

During the ordinary course of business, ASA may loan amounts or pay expenses on behalf of subsidiaries within the Group. Such transactions create amounts due from and to related parties. As of 31 December 2024 and 2023, total outstanding amounts due from related parties in connection with amounts loaned consisted of NOK 860.2m and NOK 804.9m, respectively. Such transactions may result in intercompany finance income and expense (see Note 3 – Finance Income and Expense).

For the years ended 31 December 2024 and 2023, ASA recognized an impairment of assets of NOK 1.7b and NOK 1.4b, respectively, towards ASA's investment in ASUS as a result of ASUS's accumulated losses.

In accordance with the authorization granted by ASA's AGM, the Group's Board of Directors introduced a share option program for senior executives and key personnel employed by the Group and its subsidiaries (the "Program").

As of 31 December 2024 and 2023, the Program included up to 329,037,272 and 19,008,586 outstanding share options granted, respectively, with contractual vesting terms between one and four years as follows:

	2024 Weighted average exercise price (NOK)	2024 Number of shares	2023 Weighted average exercise price (NOK)	2023 Number of shares
Outstanding share options as of 1 January	15.60	19,008,586	212.92	1,584,491
Granted during the year (Original Plan)	4.48	5,126,771	12.03	18,510,000
Forfeited during the year (Original Plan)	1.82	(7,653,668)	246.87	(1,060,905)
Released during the year (Original Plan)	18.53	(16,481,689)	-	-
Granted during the year (Replacement Plan)	0.09	329,037,272	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	71.19	(25,000)
Outstanding share options as of 31 December	**0.09**	**329,037,272**	**15.60**	**19,008,586**
Outstanding share options as of 31 December				
Number of share options with a weighted average share price over NOK 15	-	-	127.99	498,586
Number of share options with a weighted average share price under NOK 15	0.09	329,037,272	12.03	18,510,000
Total outstanding share options as of 31 December	**0.09**	**329,037,272**	**15.60**	**19,008,586**

For the years ended 31 December 2024 and 2023, the expense of USD 0.1m and negative expense of USD 0.4m, respectively, was primarily driven by a high number of forfeitures over the value of options vested.

The following information is relevant in the determination of the fair value of options granted for the years ended 31 December 2024 and 2023:

	2024	2023
Option pricing model used to determine fair value	Black Scholes	Black Scholes
Weighted average share price for the year (NOK)	0.77	2.91
Weighted average share price at grant date (NOK)	0.10	5.01
Weighted average contractual life (days)	1,800	1,572
Expected volatility	134.00%	52.90%
Expected dividend growth rate	0.00%	0.00%
Risk-free interest rate	3.44%	2.08%

On 23 May 2023, Johan E. Andreassen (the previous CEO) was granted a total of 14,000,000 share options and Karl Øystein Øyehaug (the previous CFO) was granted a total of 2,800,000 share options. Such amounts, along with their previously vested share options granted, were ultimately not exercised and forfeited upon their respective step-down dates in 2024. An additional 1,710,000 share options were granted to other key personnel during the year ended 31 December 2023 resulting in a total amount of 18,510,000 share options granted for the year ended 31 December 2023.

On 24 June 2024, Pedro Courard (the current CEO) was granted a total of 1,400,000 share options and Gunnar Aasbø-Skinderhaug (the current CFO) was granted a total of 1,000,000 share options. An additional 2,726,771 share options were granted to other key personnel during the year ended 31 December 2024 resulting in a total amount of 5,126,771 share options granted from 1 January 2024 to 9 December 2024.

On 10 December 2024, the Group cancelled its previous share option program (the "Original Plan") and simultaneously granted a new share option program (the "Replacement Plan") to the same group of employees. The Replacement Plan was granted as a replacement for the awards cancelled under the Original Plan. In accordance with IFRS 2, the cancellation of the Original Plan and the grant of the Replacement Plan have been accounted for as a modification of the original award, with the new awards considered a replacement equity-settled share-based payment arrangement.

The 2024 option program was established prior to the January 2025 share merge of 200:1, and number of options was divided by 200 and the strike price multiplied by 200 after the January 200:1 share merge. Further, no share options were exercised and issued related to the Group's employee share option program for the years ended 31 December 2024 and 2023.

ASA has evaluated contingencies and legal claims from 31 December 2024 through the date in which the consolidated financial statements were issued.

The Group is currently involved in an arbitration against OHLA Building, Inc. ("OHL"), who performed work in connection with the construction of Phase 1 of the Miami Bluehouse, which is ongoing and not settled as of the date of this report. OHL has made a claim for the Group's alleged failure to pay for approved work and change order, in the aggregate amount of approximately USD 5.6m, and reimbursement of attorneys' fees and interest. The Group is denying that there has been a failure of payment, and has filed a counterclaim in the arbitration, in the aggregate amount of USD 20.0m (such number may be adjusted up significantly later in the process), on the grounds of alleged faulty workmanship by OHL and its subcontractors. In connection with the dispute with OHL, the sub-contractors Billund Aquaculture A/S ("Billund Design"), a company that was engaged by the Group for design work related to Phase 1 and acted as sub-contractor to OHL in the construction of Phase 1, and Billund Aquaculture US Corp. ("Billund Construction"), a company that was engaged by OHL as a sub-contractor to OHL in the construction of Phase 1, have also each become party to the arbitration process. The Group, OHL, Billund Design and Billund Construction participated in a mediation with a view to reach an amicable solution in October 2022. Such mediation was unsuccessful, and the matter moved forward to a formal arbitration hearing and is currently underway and expected to be concluded, at the earliest, in H2 2025.

During 2024 Billund Aquaculture A/S became insolvent and filed for bankruptcy which might affect Atlantic Sapphire's probability for receiving any payments if Atlantic Sapphire claim would be resolved in Atlantic Sapphire's favor.

As of 31 December 2024 and 2023, no claim receivable or payable was recognized within the consolidated financial statements given the ongoing nature of the legal claim and the uncertainty of settlement towards either party as of the reporting dates and as of the date of this report.

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.

ASA has evaluated subsequent events from 31 December 2024 through the date in which the financial statements were issued.

Reverse Stock Split

On 22 January 2025, the Group effected a reverse stock split in which two hundred old shares at NOK 0.05 par value were consolidated to give one new share at NOK 10.00 par value. As a result, the Group had a total number of 35,854,045 shares issued and outstanding at NOK 10.00 par value.

Fourteenth Amendment to 2020 Credit Facility

The fourteenth amendment to the 2020 Credit Facility was formally signed and committed on 28 March 2025. The fourteenth amendment reset the required Q1 2025 EBITDA covenant levels while significantly all other key terms, including the debt structure, remained the same as the previous amendment.

Potential Tariffs on Feed Imports from Canada

Reference is made to the announcement from US government to impose 25% tariffs on US imports from Canada.

Atlantic Sapphire predominantly sources its feed from Skretting's feed factory in Canada. The announced US import tariffs on Canadian products will significantly affect the cost of this imported feed. In response, Atlantic Sapphire has confirmed that there are equally good alternatives to source feed from Chile or other countries which currently does not have tariffs.

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY

We confirm that, to the best of our knowledge, the consolidated financial statements for the period from 1 January to 31 December 2024 have been prepared in accordance with IFRS as adopted by the EU, with such additional information as required by the Norwegian Accounting Act and give a true and fair view of the Group's consolidated and ASA's assets, liabilities, financial position, and results of operations. We confirm that the Board of Directors' report provides a true and fair view of the development and performance of the business and the position of the Group and ASA, together with a description of the key risks and uncertainty factors that the Group and ASA are facing.

THE BOARD OF DIRECTORS AND CEO

VIKEBUKT, 23 APRIL 2025

KENNETH JARL ANDERSEN
Chairman

PEDRO COURARD
CEO

EIRIK WELDE
Deputy Chairman

ELLEN MARIE SÆTRE
Director

PATRICK DEMPSTER
Director

MARTA ROJO ALONSO
Director

AUDITOR'S REPORT

To the General Meeting of Atlantic Sapphire ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Atlantic Sapphire ASA, which comprise:

- the financial statements of the parent company Atlantic Sapphire ASA (the Company), which comprise the statements of financial position as at 31 December 2024, the statements of operations and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Atlantic Sapphire ASA and its subsidiaries (the Group), which comprise the statements of financial position as at 31 December 2024, the statements of operations, statements of comprehensive loss, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Atlantic Sapphire ASA for 3 years from the election by the general meeting of the shareholders on 19 May 2022 for the accounting year 2022.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements and the Board of Directors' report, which indicates that the Group will require additional capital to continue to fund its operations in 2025 and beyond. As stated in Note 1 and the Board of Directors' report, these events or conditions, along with other matters as set forth in Note 1 and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers AS, Torgallmenningen 14, 5014 Bergen, P.O. Box 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matter
Measuring of the amount of biological assets	
Biological assets include inventories of eggs, fry, smolt and live fish held for harvesting purposes. We focused on the measurement of biological assets (biomass), emphasizing live fish held for harvesting purposes, because it constitutes a major part of the Group's biological assets. Furthermore, there is an inherent risk of error in the measurement of both number of fish and biomass, as the biological assets, by nature, are difficult to count, observe and measure due to lack of sufficiently accurate measuring techniques that at the same time do not affect fish health. As a result, there is some uncertainty related to the number of fish and biomass in the on-growing tanks. The Group has established control procedures for measurement of both number of fish and biomass. The amount of biomass in the on-growing tanks has a direct influence on the valuation; see more about this in the paragraph Valuation of biological assets at fair value below. See note 5 (Biological assets) for further information about measuring of biological assets.	For audit of significant inventories, the International Audit Standards (ISAs) require that we participate at inventory counts, provided that it is practicable. Due to the nature of the biological assets and the described difficulty related to counting, observing, and measuring the fish and the biomass, we have performed alternative audit procedures to obtain sufficient appropriate audit evidence regarding the inventory's existence and condition. The Group's biomass system shows the number of fish, average weight, and biomass per site. We directed our effort at the movement in biological inventory (in numbers) in the period. The movement is the total of smolt stocked, loss of fish and harvested fish for the period. We reviewed the Group's processes for controlling the number of fish stocked. To assure accuracy of the number of fish registered in the biomass system, we tested a selection of smolt stocked and fish, by tracing the number of fish stocked back to underlying documentation. We also reviewed the Group's process in regard to weight samples, and tested a selection of weight samples to supporting documentation. The growth in the period is connected to the total feed consumption and is closely associated with purchase of feed. We reviewed the Group's internal controls of reconciliation of feed inventory and obtained external confirmation from feed suppliers to verify purchased volume. We also assessed recorded accumulated feed conversion rate for live fish held for harvesting purposes and obtained explanations from management and further documentation for sites with significantly either higher or lower feed conversion rate than expected. Our procedures substantiated that the growth for the year was reasonable. To challenge the historical accuracy of management's biomass estimates, we reviewed the harvest deviation for the period and up to

Valuation of biological assets at fair value

The Group measures biological assets at fair value using the requirements in IAS 41. On 31 December 2024, the book value of biological assets is USD 16,991 thousand, of which USD 34,828 thousand is historical cost and USD -17,837 thousand is value adjustment. Biological assets comprise about 6.2% of total assets.

Fluctuations in fair value estimates that occur due to, for instance, changes in market price, may have significant impact on the period's operating result. The Group therefore shows the effect of fair value adjustments for biological assets as a separate line item before operating result (EBIT).

We focused on valuation of biological assets at fair value due to the complexity of the underlying calculation, the required level of management judgement in making the estimate, and because of the materiality of the amounts involved including its corresponding significance to the financial result for the year.

See note 5 (Biological assets) for further information about valuation of biological assets at fair value.

We challenged management's model for calculation of fair value of biological assets by assessing the model against the criteria in IAS 41 and IFRS 13. We found that the model included the elements that the accounting standards require.

We examined whether the biomass that formed the basis for the Group's model corresponded with the Group's biomass system and tested whether the model made mathematical calculations as intended.

Having ensured that these fundamental elements were in place, we assessed whether the assumptions that management used in the model were reasonable. We compared the price assumptions applied for the period when harvesting is expected with historically achieved prices. We evaluated the estimated remaining expenses to produce the harvest mature fish, including assumptions applied such as harvesting plans, estimated growth rate and estimates for mortality and quality. We also performed a sensitivity analysis of the critical assumptions in the model. We found management's assumptions to be reasonable and consistent with industry norms.

Further, we assessed whether information about fish health and harvest deviation after the balance sheet date is reflected in the valuation. We found that the calculation model adequately reflects available information.

We satisfied ourselves that the disclosures in note 5 to the financial statements referring to valuation of biological assets appropriately reflect the valuation method and that the disclosures are according to requirements in the accounting principles.

signing of our audit report. By harvest deviation, we refer to the deviation between actual harvested biomass (in numbers and kilos) and the estimated biological inventory according to the Group's biomass system. We found the accumulated deviations to be reasonable.

We satisfied ourselves that the disclosures in the notes about measuring of biological assets were reasonable and in accordance with the requirements in the accounting standards.

Impairment of property, plant, and equipment

The Group's property, plant, and equipment are material assets with a carrying value of USD 197,658 thousand on 31 December 2024.

During the year there was a significant reduction in the Group's market value on the stock exchange. Management identified the events as impairment indicators according to IAS 36 and prepared an impairment assessment. An impairment charge was recognised as a result of the impairment test for with USD 73,000 thousand.

Key assumptions used by Management such as expected future net cash flows and rate of return are judgemental by nature. We focused on valuation of production plants due to the inherent use of judgement and the material numbers involved.

For further information about the judgements exercised by Management and the valuation assessments, we refer to the Group's note 1 summary of significant accounting policies and note 9 (Property, plant and equipment).

We obtained an understanding of Management's process related to preparation of the impairment assessments.

We performed procedures over significant assumptions and input applied, and evaluated the methods and models used by management in calculating the recoverable amount. We tested the mathematical accuracy of the model. We held discussions with Management and challenged Management's assumptions related to future cash flows. We compared future cash flows to approved budgets, and we compared expected volumes with internal production forecasts. For certain key assumptions we used external data to assess the assumptions used by Management. We assessed the applied discount rate by comparing its inherent components to data from relevant internal and external sources. We reviewed Managements sensitivity analyses.

We reviewed the information in notes 1 and 9 regarding the valuation assessment and found that these provided appropriate information.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU.

Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Atlantic Sapphire ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name AtlanticSapphireASA-2024-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Bergen, 23 April 2025
PricewaterhouseCoopers AS

Hallvard Aarø
State Authorised Public Accountant

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ATLANTIC SAPPHIRE ASA
Daugstadvegen 445,
6392 Vikebukt, Norway
CVR: 895436232

INVESTOR RELATIONS
Gunnar V. Aasbø-Skinderhaug,
Chief Financial Officer
1-786-765-9618
investorrelations@atlanticsapphire.com

DOMICILE OF ENTITY
Vestnes, Norway

LEGAL FORM OF ENTITY
Public limited liability company:
Allmennaksjeselskap (ASA)

COUNTRY OF INCORPORATION
Norway

PRINCIPAL PLACE OF BUSINESS
Homestead, Florida

DESCRIPTION OF PRINCIPAL OPERATIONS
45102010, Farming, Fishing, Ranching, and Plantations