



**Gigante  
Salmon**

---

R E P O R T F O R

**THE FIRST QUARTER OF**

**2023**

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The report has been prepared in both Norwegian and English.  
In case of any discrepancy between the two versions, the Norwegian version shall prevail.  
Photo: K. B. Andersen/Wilhelmsen Port Services AS and Gigante Salmon

Highlights

THE FIRST QUARTER OF 2023

- Insurance agreement with Gjensidige Forsikring. Covers project implementation, facilities and biomass during the operational phase
- Initial disbursement from long-term construction loan granted by Sparebank1 Nord-Norge and guaranteed by Eksfin
- Pouring of concrete for walls and floor of production basin 3 underway
- Delivery of fiberglass water intake pipes

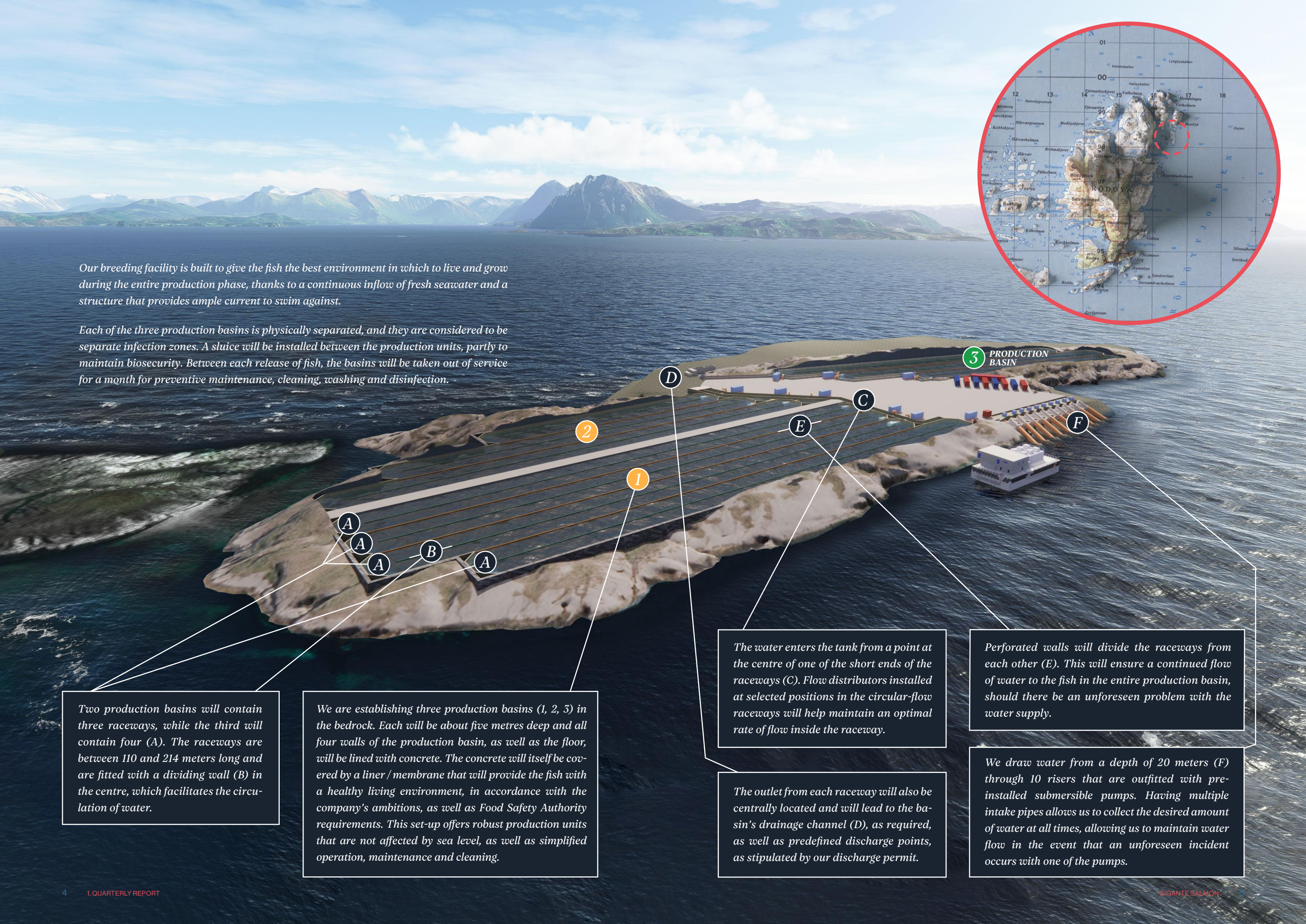
EVENTS AFTER BALANCE SHEET DATE:

- Folla Maritime delivered a boat for staff transport



*Helge E. W. Albertsen*  
Helge E. W. Albertsen  
CEO





Our breeding facility is built to give the fish the best environment in which to live and grow during the entire production phase, thanks to a continuous inflow of fresh seawater and a structure that provides ample current to swim against.

Each of the three production basins is physically separated, and they are considered to be separate infection zones. A sluice will be installed between the production units, partly to maintain biosecurity. Between each release of fish, the basins will be taken out of service for a month for preventive maintenance, cleaning, washing and disinfection.

Two production basins will contain three raceways, while the third will contain four (A). The raceways are between 110 and 214 meters long and are fitted with a dividing wall (B) in the centre, which facilitates the circulation of water.

We are establishing three production basins (1, 2, 3) in the bedrock. Each will be about five metres deep and all four walls of the production basin, as well as the floor, will be lined with concrete. The concrete will itself be covered by a liner / membrane that will provide the fish with a healthy living environment, in accordance with the company's ambitions, as well as Food Safety Authority requirements. This set-up offers robust production units that are not affected by sea level, as well as simplified operation, maintenance and cleaning.

The water enters the tank from a point at the centre of one of the short ends of the raceways (C). Flow distributors installed at selected positions in the circular-flow raceways will help maintain an optimal rate of flow inside the raceway.

The outlet from each raceway will also be centrally located and will lead to the basin's drainage channel (D), as required, as well as predefined discharge points, as stipulated by our discharge permit.

Perforated walls will divide the raceways from each other (E). This will ensure a continued flow of water to the fish in the entire production basin, should there be an unforeseen problem with the water supply.

We draw water from a depth of 20 meters (F) through 10 risers that are outfitted with pre-installed submersible pumps. Having multiple intake pipes allows us to collect the desired amount of water at all times, allowing us to maintain water flow in the event that an unforeseen incident occurs with one of the pumps.



# Project implementation

In fewer than five months, production basin 3 will be taken into use. The date is approaching fast, and this places demands on our planning and managing of the remaining work if it is to be completed satisfactorily. It is easy to see that there is a lot going on at the facility, and it is obvious that we are making good progress.



Still, we cannot be oblivious to — or fail to take into account — circumstances that are beyond our control yet could affect progress. Russia's war against Ukraine has had economic consequences that we cannot ignore.

There is currently nothing to indicate any change to previously reported cost increases and challenging delivery times for power-related elements of the project. Cost-reducing measures that do not affect the health and well-being of the fish raised in the facility are still being

sought in collaboration with relevant suppliers.

Some detailed engineering work is uncompleted. This is mainly related to operations that do not affect the planned start date.

A few minor contracts remain unagreed, but these will be signed shortly. The most important of these are for the installation of risers, the delivery and installation of dividers between circular flow raceways and partitions, as well as the establishment of a temporary land / sea power cable.

As previously reported, a conscious design was chosen to cover the walls and floor of basin 3 with concrete and that all submerged surfaces will be covered by a membrane or liner. This decision was an important aspect of the preparatory work we did with our insurer, Gjensidige Forsikring. This is taken as a sign that Gjensidige Forsikring believes in our design and technical aspects of the project. Gjensidige Forsikring is insuring the project during the establishment phase; once operational, it will insure the fish and the facilities.

In March, Gigante Salmon Rødøy AS began drawing on the NOK 204 million long-term construction loan granted by Sparebank1 Nord-Norge. The loan was granted on 22 February 2021 and is guaranteed by Eksfin.

The remaining part of the recruitment process is now being worked on, and the plan is to get the last agreements in place by the end of April, so that operational activities are fully staffed and ready by 1 August.



# Operational review

All blasting was finished on schedule in February. The concrete for basin 3 — which will be taken into use in September in connection with the start of production — began being poured in February.

Preparatory work, including mass transfer, creating a level floor in basin 3 and preparation of technical areas, has started and is expected to be completed on schedule.

Rock stabilisation in the area around basin 3 is close to completion; only a few minor aspects are unfinished.

Concrete is now being poured for the entire production facility, and the work is expected to proceed according to schedule. A third of the

supports for the partitions that will separate the longitudinal raceways, as well as for the internal dividers are in place. During the first quarter, concrete was delivered to the construction site, but an on-site mixing plant will soon be operational.

Electrical work and installation of electrical equipment has begun. Materials and equipment are prefabricated by the supplier and tested before being sent to Rosøy for installation.

The rockfill that will serve as the foundation for the risers and pumps is expected to be completed by the end of April. Installation of the risers is planned for early June. The water intake pipes were delivered in March, and the work is planned to start towards the end of April.

Housing capacity at the construction site has been expanded considerably. A new 12-person accommodation unit has been acquired and is in place, bringing the number of living spaces to 30. In addition, the canteen has been enlarged in anticipation of the increased activity level and number of employees at the facility.

A conduit for the submarine cable has been laid. The cable will serve as a temporary power supply between Rødøy and Lille Indre Rosøy until a permanent power source has been installed.





# Financial review

## RESULT FOR THE FIRST QUARTER OF 2023

As the group is still in a development phase, Q1 sales revenue was again this year kNOK 0.

Other operating income of kNOK 140 relates to the hiring out of employees to Salten N950 AS. Operating costs in the first quarter were kNOK 1.343, up from kNOK 1.339 during the year-ago period. The operating profit for the period was kNOK -1.203.

Total cash flow for the group in the first quarter was kNOK -52.342. The discrepancy with the operating result is mainly due to changes in other accrued income and expenditure. Total investments in the group in the first quarter amounted to kNOK 69.030, of which kNOK 67.964 is connected to the group's development project in Rødøy and the remainder to payments due for previous investment costs.

*The initial disbursement from the construction loan — in the amount of kNOK 542 — was made at the end of March.*

The group's liquid assets were kNOK 129.755 as of 31 March. The group's ability to self-finance investments is assessed as good.

As of 31 March, long-term debt amounted to 1.25% of total group debt. This is expected to increase throughout the establishment phase. Long-term bank financing for Gigante Salmon Rødøy's development was approved in 2021, and the first disbursement was made during Q1 of 2023. The construction loan is long-term financing granted by Sparebank1 Nord-Norge. Eksfin has issued a guarantee covering 50% of the loan amount.

The group's financial position is good, and, as of 31 March, the group is able to repay short-term debt using its most liquid funds.

Total capital at the end of Q1 was kNOK 322.966, compared with kNOK 283.899 at the end of Q1 2022. Equity as of 31 March was 279.759t (86.62%), compared with kNOK 279.704 (88%) as of 31 March 2022.

The complete income statement, balance sheet, cash flow statement and notes follow below.





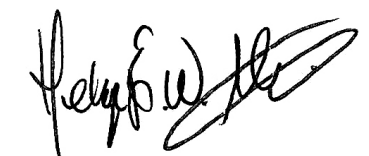


# Statement by the board and CEO

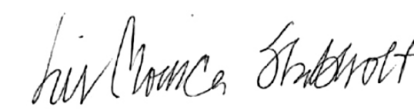
The board of directors and the CEO hereby declare that the consolidated accounts for the period 1 January 2023-31 March 2023 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway, and provide a correct picture of the company's assets, liabilities, financial status and income and expenses as a whole. We further declare that the Q1 update includes an accurate summary of the company's most important activities up to the presentation of the results.

Bodø  
26th April 2023

  
Eirik Sjørgård  
Chairman of the board

  
Helge E. W. Albertsen  
CEO

  
Kristin Ingebrigtsen  
Member of the board

  
Liv Monica Stubholt  
Member of the board

  
Kjell Lorentsen  
Member of the board



# Report for the first quarter of 2023

## GIGANTE SALMON AS - GROUP

### Income statement

(Amount in kNOK)

Income statement	Note	Q1 2023	Q1 2022	2022
Other income		140	-	151
<b>Total income</b>		<b>140</b>	<b>-</b>	<b>151</b>
Employee benefits expense		427	454	359
Depreciation and amortisation expenses	1	25	24	96
Other operating expenses		891	861	3 408
<b>Total operating expenses</b>		<b>1 343</b>	<b>1 339</b>	<b>3 864</b>
<b>Net income</b>		<b>-1 203</b>	<b>-1 339</b>	<b>-3 712</b>
Interest income		1 288	585	4 662
Interest expenses		-	29	29
Other financial expense		-	-	4
<b>Net finances</b>		<b>1 288</b>	<b>556</b>	<b>4 629</b>
<b>Profit before income tax</b>		<b>85</b>	<b>-783</b>	<b>917</b>
Income tax expense		30	-164	-4 667
<b>Net profit or loss for the period</b>	<b>2</b>	<b>55</b>	<b>-619</b>	<b>5 584</b>
To minority interests		-	-	-
<b>To majority interests</b>		<b>55</b>	<b>-619</b>	<b>5 584</b>
Disposal				
<b>Transferred from/to equity</b>		<b>55</b>	<b>-619</b>	<b>5 584</b>

### Cash flow statement

(Amount in kNOK)

Cash flow from operation	Q1 2023	Q1 2022	2022
Profit before income taxes	85	-783	917
Taxes paid	-	-	2 429
Depreciation	25	24	96
Change in trade creditors	-331	-	-350
Change in trade creditors	143	-6 511	-1 636
Change in other provisions	16 224	4 362	-12 349
<b>Net cash flow from operations</b>	<b>16 146</b>	<b>-2 909</b>	<b>-10 893</b>
<b>Cash flow from investments</b>			
Purchase of fixed assets	-67 964	-23 088	-65 714
Proceeds from short term loans	-1 066	-	-
<b>Netto kontantstrøm fra investeringsaktiviteter</b>	<b>-69 030</b>	<b>-23 088</b>	<b>-65 714</b>
<b>Cash flow from financing</b>			
Proceeds from issuance of equity	542	-	-
Proceeds from long term loans	542	-	-
<b>Net cash flow from financing</b>	<b>542</b>	<b>-</b>	<b>-</b>
Net change in cash and cash equivalents	-52 342	-25 997	-76 607
Cash and cash equivalents at the beginning of the period	182 097	258 704	258 704
<b>Cash and cash equivalents at the end of the period</b>	<b>129 755</b>	<b>232 707</b>	<b>182 097</b>
Which exists of:			
Cash and bank deposits	129 755	232 707	182 097



# Balance sheet

(Amount in kNOK)

Assets	Note	Q1 2023	Q1 2022	2022
Deferred tax asset		6 048	4 005	6 078
Total intangible assets		6 048	4 005	6 078
Land, buildings and other property		165 567	33 114	108 981
Ships		753	843	776
Fixtures/fittings, tools, office machinery and equipment		21	15	24
Total tangible assets	1	166 341	33 972	109 781
Total fixed assets		172 389	37 977	115 859
Trade receivables		175	-	350
Other receivables		20 647	13 216	19 285
Total receivables		20 822	13 216	19 635
Cash and bank deposits		129 755	232 707	182 097
Total current assets		150 577	245 922	201 733
Total assets		322 966	283 899	317 592

# Balance sheet

(Amount in kNOK)

Equity and liabilities	Note	Q1 2023	Q1 2022	2022
Share capital	3	105 556	105 556	105 556
Share premium		165 734	165 734	165 734
Other paid-in equity		-	114	114
Total paid-in equity	2	271 290	271 404	271 404
Other equity		8 469	2 096	8 299
Total retained earnings	2	8 469	2 096	8 299
Minority interests		-	-	-
Total equity	2	279 759	273 501	279 704
Other non-current liabilities		542	-	-
Total other non-current liabilities		542	-	-
Trade creditors		25 069	6 438	37 069
Public duties payable		260	143	189
Other short-term liabilities		17 334	3 817	630
Total current liabilities		42 663	10 398	37 888
Total liabilities		43 205	10 398	37 888
Total equity and liabilities		322 966	283 899	317 592



# Notes

### ACCOUNTING PRINCIPLES

The quarterly accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway, including principles for interim accounting (NRS 11). All significant accounting principles are described in the Groups annual report for 2022.

The annual report is available at [www.gigantesalmon.no](http://www.gigantesalmon.no). For a complete statement of the accounting principles, please see the annual report.

The quarterly report is non-audited.

### NOTE 1 - FIXED ASSETS

	Buildings and land	Ships	Movables	Total fixed assets
Purchase cost pr. 31.12.22	108 981	895	33	109 909
Accumulated depreciation 31.12.22	-	119	9	128
<b>Net book value 31.12.22</b>	<b>108 981</b>	<b>776</b>	<b>24</b>	<b>109 781</b>
Additions*	56 586	-	-	56 586
Purchase cost 31.03.23	165 567	895	33	166 495
Accumulated depreciation 31.03.23	-	141	12	153
<b>Net book value 31.03.23</b>	<b>165 567</b>	<b>753</b>	<b>21</b>	<b>166 341</b>
Depreciation in Q1 2023	-	22	3	25

The Group owns two islands that are not depreciated.

Gigante Salmon is currently constructing its land-based fish farm at Lille Indre Rosøy in Rødøy kommune. This explains the recent additions of fixed assets.

\*The Group has capitalized own work with kNOK 964.

### CHANGE IN PLAN OF DEPRECIATION

There has not been a change in plan of depreciation.

### NOTE 2 - SHAREHOLDERS' EQUITY

Equity changes in the period	Share capital	Share premium	Other paid-in equity	Other equity	Total
Equity 31.12.22	105 556	165 734	114	8 299	279 704
Profit for Q1	0	0	0	55	55
<b>Equity 31.03.23</b>	<b>105 556</b>	<b>165 734</b>	<b>114</b>	<b>8 354</b>	<b>279 759</b>

### NOTE 3 - SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital of NOK 105 556 037 consists of 105 556 037 shares with nominal value of NOK 1 each.

The board in Gigante Salmon AS has power of attorney to increase the share capital on NOK 10 000 000, equals 10 millions new shares, through one or more capital expenditures with issuance of new shares. The power of attorney was given on ordinary General Assembly in 2022 and last until ordinary General Assembly in 2024, though no longer then 1. of May 2024.

### LIST OF 20 MAJOR SHAREHOLDERS AT 31.03.23:

Shareholder	Number of shares	Ownership
Gigante Havbruk AS	64 238 000	60,86 %
T Kolstad Eiendom AS	7 272 728	6,89 %
Helgeland Invest AS	2 727 272	2,58 %
Torghatten Aqua AS	2 727 272	2,58 %
Ravi Investering AS	1 970 125	1,87 %
J.P. Morgan SE	1 832 818	1,74 %
Olav Olsen Holding AS	1 500 000	1,42 %
Iha Invest AS	1 455 000	1,38 %
Verdipapirfondet Nordea Avkastning	1 221 883	1,16 %
Kulta Invest AS	1 200 000	1,14 %
Commuter 2 AS	1 090 909	1,03 %
Yannick AS	1 040 000	0,99 %
Limt AS	910 000	0,86 %
Nyhamn AS	909 091	0,86 %
Dnor AS	908 132	0,86 %
Joe Invest AS	794 553	0,75 %
Oxvold Invest AS	784 516	0,74 %
Ubs Switzerland AG	680 737	0,64 %
Maria Olaisen AS	545 455	0,52 %
Hausta Vekst AS	545 454	0,52 %
Occasione By Olaisen AS	545 454	0,52 %
Other owners	10 656 638	10,10 %
<b>Total</b>	<b>105 556 037</b>	<b>100,0 %</b>

### SHARES OWNED BY THE MANAGEMENT AND RELATED PARTIES OF THE MANAGEMENT

Name	Position	Number of shares	Ownership
Helge E. W. Albertsen	CEO	200 000	0,19 %
Rune Johansen	CFO	310 000	0,29 %
Linda Storholm	CCO	15 500	0,01 %
Eirik Sjørgård	Chairman of the Board	200 000	0,19 %
Kristin Ingebrigtsen	Member of the Board	15 000	0,01 %

Eirik Sjørgård owns 200 000 shares through his wholly owned company Pronord AS.

Rune Johansen owns 35 000 shares privately and 275 000 shares through his wholly owned company Nord-Norsk Eiendom AS.

Kjell Lorentsen has controlling influence through Gigante Havbruk AS who owns 64 238 000 shares (ownership 60,86 %).



NOTE 4 - OVERVIEW OF AND TRANSACTIONS WITH RELATED PARTIES

	Related party	Ownership
a)	Gigante Havbruk AS	Eier Gigante Salmon 61%
b)	KapNord AS	Gigante Havbruk eier 51%
c)	Polarplast AS	Gigante Havbruk eier 40%
d)	Gildeskål Forskningsstasjon AS	Gigante Havbruk eier 100%
e)	Salten Aqua AS	Gigante Havbruk eier 35%
f)	Salmon Center AS	Gigante Havbruk eier 100%

TRANSACTIONS WITH RELATED PARTIES

	Amount	Detail of transaction
a)	208	Purchase of hours in connection with the design and production of The Groups land-based fish farm.
b)	164	Purchase of hours in connection with the design and production of The Groups land-based fish farm.
c)	358	Purchase of hours in connection with the design and production of The Groups Rødøy AS sitt landbaserte oppdrettsanlegg
d)	320	Purchase of hours in connection with the design and production of The Groups land-based fish farm and rental of boat.
e)	112	Purchase of admin fees
f)	18	Office rental

The design and production is capitalized at the line "Land, buildings and other property".





# Report for the first quarter of 2023

GIGANTE SALMON AS

## Income statement

(Amount in kNOK)

Income statement	Note	Q1 2023	Q1 2022	2022
Other income		758	694	3 535
<b>Total income</b>		<b>758</b>	<b>694</b>	<b>3 535</b>
Employee benefits expense		1 139	1 148	3 592
Depreciation and amortisation expenses		3	2	7
Other operating expenses		735	825	2 767
<b>Total operating expenses</b>		<b>1 878</b>	<b>1 976</b>	<b>6 366</b>
<b>Net income</b>		<b>-1 119</b>	<b>-1 281</b>	<b>-2 831</b>
Interest income		660	62	1 835
Interest expenses		-	29	29
Other financial expense		-	-	2
<b>Net finances</b>		<b>660</b>	<b>33</b>	<b>1 804</b>
<b>Profit before income tax</b>		<b>-459</b>	<b>-1 247</b>	<b>-1 027</b>
Income tax expense		-101	-266	-5 131
<b>Net profit or loss for the period</b>		<b>-358</b>	<b>-981</b>	<b>4 104</b>
To minority interests		-	-	-
<b>To majority interests</b>		<b>-358</b>	<b>-981</b>	<b>4 104</b>
Disposal				
<b>Transferred from/to equity</b>		<b>-358</b>	<b>-981</b>	<b>4 104</b>

## Balance sheet

(Amount in kNOK)

Assets	Note	Q1 2023	Q1 2022	2022
Deferred tax asset		6 778	4 242	6 677
<b>Total intangible assets</b>		<b>6 778</b>	<b>4 242</b>	<b>6 677</b>
Land, buildings and other property		1 437	1 284	1 343
Movables		21	15	24
<b>Total tangible assets</b>		<b>1 458</b>	<b>1 299</b>	<b>1 367</b>
Investments in subsidiaries		192 100	192 100	192 100
<b>Total fixed assets</b>		<b>200 336</b>	<b>197 641</b>	<b>200 144</b>
Trade receivables		555	-	-
Other receivables		345	207	112
<b>Total receivables</b>		<b>900</b>	<b>207</b>	<b>112</b>
<b>Cash and bank deposits</b>		<b>77 263</b>	<b>76 245</b>	<b>78 494</b>
<b>Total current assets</b>		<b>78 163</b>	<b>76 452</b>	<b>78 606</b>
<b>Total assets</b>		<b>278 499</b>	<b>274 092</b>	<b>278 750</b>



# Balance sheet

(Amount in kNOK)

Equity and liabilities	Note	Q1 2023	Q1 2022	2022
Share capital		105 556	105 556	105 556
Share premium		165 734	165 734	165 734
Other paid-in equity		-	114	114
<b>Total paid-in equity</b>		<b>271 290</b>	<b>271 404</b>	<b>271 404</b>
Other equity		6 388	1 303	6 388
Uncovered loss		-245	-	-
<b>Total retained earnings</b>		<b>6 143</b>	<b>1 303</b>	<b>6 388</b>
Minority interests		-	-	-
<b>Total equity</b>		<b>277 434</b>	<b>272 708</b>	<b>277 793</b>
Trade creditors		545	625	355
Public duties payable		156	143	131
Other short-term liabilities		363	617	472
<b>Total current liabilities</b>		<b>1 064</b>	<b>1 385</b>	<b>958</b>
<b>Total liabilities</b>		<b>1 064</b>	<b>1 385</b>	<b>958</b>
<b>Total equity and liabilities</b>		<b>278 499</b>	<b>274 092</b>	<b>278 750</b>





# Report for the first quarter of 2023

GIGANTE SALMON RØDØY AS

## Income statement

(Amount in kNOK)

Income statement	Note	Q1 2023	Q1 2022	2022
Other income		140	-	11
Total income		140	-	11
Depreciation and amortisation expenses	1	22	22	90
Other operating expenses		156	36	641
Total operating expenses		178	58	730
Net income		-38	-58	-720
Interest income		628	523	2 827
Interest expenses		-	-	0
Other financial expense		-	-	2
Net finances		628	523	2 825
Profit before income tax		589	464	2 105
Income tax expense		131	102	464
Net profit or loss for the period		458	362	1 641
To minority interests		-	-	-
To majority interests		458	362	1 641
Disposal				
Transferred from/to equity		458	362	1 641

### NOTE 1 - FIXED ASSETS

	Buildings and land	Ships	Total fixed assets
Purchase cost pr. 31.12.22	107 800	895	108 695
Accumulated depreciation 31.12.22	-	119	119
Net book value 31.12.22	107 800	776	108 576
Additions*	56 535	-	56 535
Purchase cost 31.03.23	164 335	895	165 230
Accumulated depreciation 31.03.23	-	141	141
Net book value 31.03.23	164 335	753	165 088
Depreciation in Q1 2023	-	22	22

The Group owns two islands that are not depreciated.

Gigante Salmon is currently constructing its land-based fish farm at Lille Indre Rosøy in Rødøy kommune. This explains the recent additions of fixed assets.

\*The Group has capitalized own work with kNOK 964.

### CHANGE IN PLAN OF DEPRECIATION

There has not been a change in plan of depreciation.

## Balance sheet

(Amount in kNOK)

Assets	Note	Q1 2023	Q1 2022	2022
Land, buildings and other property		164 335	31 831	107 800
Ships		753	843	776
Total tangible assets	1	165 088	32 673	108 576
Total fixed assets		165 088	32 673	108 576
Trade receivables		175	-	350
Other receivables		20 302	13 009	19 236
Total receivables		20 477	13 009	19 586
Cash and bank deposits		52 492	156 462	103 603
Total current assets		72 968	169 471	123 189
Total assets		238 057	202 144	231 765
Equity and liabilities	Note	Q1 2023	Q1 2022	2022
Share capital		19 230	19 230	19 230
Share premium		172 870	172 870	172 870
Total paid-in equity		192 100	192 100	192 100
Other equity		2 531	793	2 072
Total retained earnings		2 531	793	2 072
Total equity		194 631	192 893	194 172
Deferred tax		730	237	599
Other non-current liabilities		542	-	-
Total other non-current liabilities		542	-	-
Trade creditors		25 079	5 814	36 507
Public duties payable		104	-	153
Other short-term liabilities		16 971	3 200	332
Total current liabilities		42 154	9 014	36 993
Total liabilities		43 426	9 251	37 592
Total equity and liabilities		238 057	202 144	231 765





**Gigante  
Salmon**